DEVELOPER'S PUBLIC REPORT
FOR A CONDOMINIUM

CONDOMINIUM PROJECT NAME	NASCIMENTO CONDOMINIUM
Project Address	24 and 26 KULU LANE PUKALANI MAUI HAWAII 96788
Registration Number	6774 (conversion)
Effective Date of Report	June 5, 2009
Developer(s)	DONNA L. NASCIMENTO JANIE E. LOPEZ

Preparation of this Report

The Developer prepared this report to disclose relevant information, including "material facts", that are reasonably known to the Developer about the condominium project covered by this report. This report has been prepared pursuant to the Condominium Property Act, Chapter 514B, Hawaii Revised Statutes, as amended from time to time. The law defines "material facts" to mean "any fact, defect, or condition, past or present that to a reasonable person, would be expected to measurably affect the value of the project, unit, or property being offered or proposed to be offered for sale."

This report has not been prepared or issued by the Real Estate Commission or any other governmental agency. The issuance by the Commission of an effective date for this Developer's Public Report (1) does not mean that the Commission approves or disapproves of the project; (2) does not mean that the Commission thinks that either all material facts or all pertinent changes, or both, about the project have been fully or adequately disclosed; and (3) is not the Commission's judgment of the value or merits of the project.

This report may be used by the Developer for promotional purposes only if it is used in its entirety. No person shall advertise or represent that the Commission has approved or recommended the project, this report or any of the documents submitted with Developer's application for registration of this project.

This report will be amended if, after the effective date of this report, any changes, either material or pertinent changes, or both, occur regarding the information contained in or omitted from this report. In that case, the Developer is required to submit immediately to the Commission an amendment to this report or an amended Developer's Public Report, clearly reflecting the changes, including any omitted material facts, together with such supporting information as may be required by the Commission. In addition, the Developer may choose at any time to change or update the information in this report. Annually, at least thirty days prior to the anniversary date of the Effective Date of this report, the Developer shall file an annual report to update the material contained in this report. If there are no changes, the Developer is required to state that there are no changes. The Developer's obligation to amend this report or to file annual reports ends when the initial sales of all units in the project have been completed.

Purchasers are encouraged to read this report carefully and to seek professional advice before signing a sales contract for the purchase of a unit in the project.

Signing a sales contract may legally bind a purchaser to purchase a unit in the project, though a purchaser may have rights to cancel or rescind a sales contract under particular circumstances that may arise.

This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2643 to submit your request.

SPECIAL ATTENTION

[Use this page for special or significant matters which should be brought to the purchaser's attention and that are not covered elsewhere in this report.]

This is a CONDOMINIUM PROJECT, not a subdivision. The land area beneath and immediately appurtenant to each unit is designated a LIMITED COMMON ELEMENT and does not represent a legally subdivided lot. The lines on the Condominium Map dividing the land into limited common element land areas are for illustration purposes only and should not be construed to be formal subdivision lines. This Public Report does not constitute an approval of the Project by the Real Estate Commission or any other government, nor does it ensure that all County codes, ordinances and subdivision have necessarily been complied with.

There are County restrictions on the number and size of residential dwelling units, or other structures, which may be built on the property. Therefore, unless the Purchaser is buying an existing residential dwelling, THERE IS NO ASSURANCE THAT THE PURCHASER WILL BE ABLE TO BUILD A RESIDENTIAL DWELLING UNIT ON THE PROPERTY. THERE IS ALSO NO ASSURANCE THAT THE PURCHASER WILL BE ABLE TO CONVERT AN EXISTING NON-RESIDENTIAL DWELLING STRUCTURE TO A RESIDENTIAL DWELLING USE. The Purchaser should consult with the appropriate County agencies to determine whether the Purchaser may build a residential dwelling unit, or any other type of structure, on the property.

Facilities and improvements normally associated with County-approved subdivisions, such as fire protection devices, County street lighting, electricity, upgraded water facilities, improved access for owners and emergency traffic, drainage facilities, etc., may not be provided, and services such as County street maintenance and trash collection may not be available for interior roads and driveways.

In a condominium, all of the land included in the condominium remains a single, undivided parcel of land for purposes of zoning and land use regulation. If one unit owner violates a regulation, the violation is attributable to both that owner and the innocent owner of each other unit. For example, if one owner builds or adds to a structure in a manner which violates height limits, size limit, setbacks, building permit requirements, or flood zone rules, or uses the unit for an unauthorized additional dwelling or short term rental, the violation applies to the entire condominium and the innocent unit owner may be subject to fines or may be denied a building permit as long as the violation remains uncured. BUYER SHOULD CONSULT WITH AN ATTORNEY CONCERNING THESE IMPORTANT RISKS.

Cesspools. Each unit has its own cesspool, the approximate locations of which are shown on the Condominium Site Map. County sewer service is not available. The owner of each unit shall be responsible for the cost of maintaining, operating and/or replacing said unit's system. This may include upgrading a cesspool to a septic tank and leach field, or other system, as required by the proper governmental agency. No representation or warranties are made as to the quality, useful life, replacement cost, operating cost, or maintenance cost of said system.

Water. At present, only one water meter serves both units and the cost to provide water service is split equally between the Units. At any time in the future, an owner may request that a submeter be installed to determine the actual water use for each unit. The cost for such submeter shall be equally shared by the owners. Upon installation of the submeter, the cost of water service to the project shall be allocated between the units in accordance with the respective water consumption of each Unit, as determined by the installed submeter.

SPECIAL ATTENTION (continued)

The County of Maui Department of Water Supply rules currently require that each unit in a condominium have its separate water meter. This condominium has only one meter, which is shared. This sharing may be in violation of these rules. Due to the current shortage of water in the Department's water system, it may not be possible to obtain additional meters for this property. WATER SERVICE IS NOW BEING PROVIDED TO ALL UNITS AND DEVELOPER KNOWS OF NO INSTANCE WHERE THE WATER DEPARTMENT HAS TERMINATED WATER SERVICE TO A CONDOMINIUM UPON CONVERSION. HOWEVER BUYER IS CAUTIONED THAT BUYER MAY BE REQUIRED TO OBTAIN A METER AS A CONDITION TO THE BUYER'S USE, EXPANSION OR CONSTRUCTION OF BUYER'S UNIT, OR THE ISSUANCE OF A BUILDING PERMIT FOR ANY PURPOSE. BUYER SHOULD CONSULT WITH HIS OR HER LEGAL COUNSEL OR CONTACT THE DEPARTMENT OF WATER SUPPLY FOR ADDITIONAL INFORMATION.

Reports on the physical condition of the two residential Units included in this Project are attached to this Developer's Public Report as Exhibits J and K. Prospective purchasers of either Unit should carefully review the applicable report for important information they contain. Prospective purchasers are also strongly encouraged to get their own independent professional assessment of the condition of the Units and the potential costs of any necessary maintenance or repair work.

Exhibit J, which is a copy of the inspection report for Unit A discloses termite damage, some of which is advanced. It is recommended that prospective purchasers consult with a qualified termite treatment company regarding the treatment and issues pertaining to said termite damage.

The road serving this Project, Kulu Lane, is a private road that is not maintained by the County of Maui. The owners of properties on this road are responsible for the its maintenance pursuant to a February 10, 1994, Letter of Agreement referenced in the title report. (See Exhibit L). As of the date of this Public Report, no road maintenance or repairs are currently planned and no reserve fund, or other similar account, or savings has been established to repair or maintain Kulu Lane.

The Project is zoned R-3, under applicable Maui County Code Section 19.08A, two (2) single-family dwellings, plus accessory dwellings, as may be allowed under the Maui County Code. No accessory dwellings may be constructed on Unit A or Unit B, or within the Project, without the unanimous consent of the owners.

Mailboxes. Placement of the mailbox is not noted on the condominium map. Unit A has a mailbox. Unit B does not.

Insurance. The owner(s) of each unit shall obtain his, her or their own insurance to cover fire and casualty loss. Also, each unit should be separately insured against liability risks, and each policy should name the owner(s) of the other unit as a named or additional insured.

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EXHIBIT L: Letter Agreement dated 2/10/1994 re: private road Kula Lane

General Information On Condominiums

A condominium is a special form of ownership of real property. To create a condominium in Hawaii after July 1, 2006, the Condominium Property Act, Chapter 514B, Hawaii Revised Statutes, must be followed. In addition, certain requirements and approvals of the county in which the project is located must be satisfied and obtained.

Some condominium projects are leasehold. This means that the land and/or the building(s) and other improvements are leased to the purchaser. The lease for the land usually requires that at the end of the lease term, the lessees (unit owners) deliver their interest in the land to the lessor (fee property owner).

If you are a typical condominium unit owner, you will have two kinds of ownership: (1) ownership in your individual unit; and (2) a percentage interest in the common elements.

You will be entitled to exclusive ownership and possession of your unit. Subject to the documents governing them, condominium units may be individually bought, sold, rented, mortgaged or encumbered, and may be disposed of by will, gift or operation of law.

Your unit will, however, be part of the group of units that comprise the condominium project. Study the project's Declaration of Condominium Property Regime, Bylaws of the Association of Unit Owners, Condominium Map and House Rules, if any, which are being concurrently delivered to you with this report. These documents contain important information on the use and occupancy of the units and the common elements of the project, as well as the rules and regulations of conduct for unit owners, tenants and guests.

Operation of the Condominium Project

The Association of Unit Owners is the entity through which unit owners may take action with regard to the administration, management and operation of the condominium project. Each unit owner is automatically a member of the Association.

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as a unit owner. The Board and officers can take certain actions without the vote of the unit owners. For example, the Board may hire and fire employees, increase or decrease maintenance fees, adopt budgets for revenues, expenses and reserves and regulate the use, maintenance, repair and replacement of common elements. Some of these actions may significantly impact the unit owners.

Until there is a sufficient number of purchasers of units to elect a majority of the Board, it is likely at first that the Developer will effectively control the affairs of the Association. It is frequently necessary for the Developer to do so during the early stages of development and the Developer may reserve certain special rights to do so in the Declaration and Bylaws. Prospective purchasers should understand that it is important to all unit owners that the transition of control from the Developer to the unit owners be accomplished in an orderly manner and in a spirit of cooperation.

1. THE CONDOMINIUM PROJECT

1.1 The Underlying Land

Fee Simple or Leasehold Project	☒ Fee Simple ☐ Leasehold (attach Leasehold Exhibit)
Developer is the Fee Owner	☒ Yes ☐ No
Fee Owner's Name if Developer is not the Fee Owner	
Address of Project	24 and 26 Kulu Lane, Pukalani, Maui, Hawaii 96788
Address of Project is expected to change because	
Tax Map Key (TMK)	(2) 2-3-043-002
Tax Map Key is expected to change because	
Land Area	0.475 acre
Developer's right to acquire the Property if Developer is not the Fee Owner (describe)	

1.2 Buildings and Other Improvements

Number of Buildings	3
Floors Per Building	1
Number of New Building(s)	0
Number of Converted Building(s)	3
Principle Construction Materials (concrete, wood, hollow tile, steel, glass, etc.)	Wood

1.3 Unit Types and Sizes of Units

Unit Type	Quantity	BR/Bath	Net Living Area	Net Other Areas	Other Areas (lanai, garage, etc)	Total Area
A	1 House	3/1	720 sq ft	621, 330 sq ft	carport, patio	1671 sq ft
B	1 Cottage	2/1	760 sq ft	364 sq ft	carport	1124 sq ft
B	1 Storage			450 sq ft		450 sq ft
See Exhibit A .						

2	**Total Number of Units**

Note: Net Living Area is the floor area of the unit measured from the interior surface of the perimeter walls of the unit. Other documents and maps may give floor area figures that differ from those above because a different method of determining floor area may have been used.

1.4 Parking Stalls

Total Parking Stall in the Project:	Three
Number of Guest Stalls in the Project:	**
Number of Parking Stalls Assigned to Each Unit:	Unit A - 2; Unit B - 1

Attach Exhibit _____ specifying the Parking Stall number(s) assigned to each unit and the type of parking stall(s) (regular, compact or tandem and indicate whether covered or open).

If the Developer has reserved any rights to assign or re-assign parking stalls, describe such rights.
** Unit A has a two-car carport. Unit B has a one-car carport. Also, each unit will have the right to park in the limited common element area appurtenant to said unit, including guests.

1.5 Boundaries of the Units

Boundaries of the unit:
Each unit includes, but is not limited to, the exterior finished surfaces of all exterior walls, roofs, doors, windows, structures, and other appurtenances.

1.6 Permitted Alterations to the Units

Permitted alterations to the unit (if the unit is defined as a non-physical or spatial portion of the project, also describe what can be built within such portion of the project):
See Exhibit B.

1.7 Common Interest

Common Interest: Each unit will have a percentage interest in the common elements appurtenant to each unit. This interest is called the "common interest". It is used to determine each unit's share of the maintenance fees and other common profits and expenses of the condominium project. It may also be used for other purposes, including voting on matters requiring action by unit owners. The common interest for each unit in this project, as described in Declaration, is:

Described in Exhibit NA _____.

As follows:
Unit A 50%
Unit B 50%

1.8 Recreational and Other Common Facilities (Check if applicable):

☐	Swimming pool
☐	Laundry Area
☐	Storage Area
☐	Tennis Court
☐	Recreation Area
☐	Trash Chute/Enclosure(s)
☐	Exercise Room
☐	Security Gate
☐	Playground
☐	Other (describe):

1.9 Common Elements

Common Elements: Common elements are those parts of the condominium project other than the individual units and any other real estate for the benefit of unit owners. Although the common elements are owned jointly by all unit owners, those portions of the common elements that are designated as limited common elements (see Section 1.10 below) may be used only by those units to which they are assigned. In addition to the common facilities described in Section 1.8 above, the common elements for this project, as described in the Declaration, are set forth below.

Described in Exhibit C .

Described as follows:

Common Element	Number
Elevators	0
Stairways	0
Trash Chutes	0

1.10 Limited Common Elements

Limited Common Elements: A limited common element is a portion of the common elements that is reserved for the exclusive use of one or more but fewer than all units in the project.

Described in Exhibit D .

Described as follows:

1.11 Special Use Restrictions

The Declaration and Bylaws may contain restrictions on the use and occupancy of the units. Restrictions for this project include, but are not limited to, those described below.

☒	Pets: By Board resolution
☐	Number of Occupants:
☐	Other:
☐	There are no special use restrictions.

1.12 Encumbrances Against Title

An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of a unit in the project. Encumbrances shown may include blanket liens which will be released prior to conveyance of a unit (see Section 5.3 on Blanket Liens).

Exhibit E describes the encumbrances against title contained in the title report decribed below.

Date of the title report: February 5, 2009

Company that issued the title report: Title Guaranty of Hawaii, Inc.

1.13 Uses Permitted by Zoning and Zoning Compliance Matters

Uses Permitted by Zoning				
	Type of Use	No. of Units	Use Permitted by Zoning	Zoning
☒	Residential	2	☒ Yes ☐ No	R-3
☐	Commercial		☐ Yes ☐ No	
☐	Mix Residential/Commercial		☐ Yes ☐ No	
☐	Hotel		☐ Yes ☐ No	
☐	Timeshare		☐ Yes ☐ No	
☐	Ohana		☐ Yes ☐ No	
☐	Industrial		☐ Yes ☐ No	
☐	Agricultural		☐ Yes ☐ No	
☐	Recreational		☐ Yes ☐ No	
☐	Other (Specify):		☐ Yes ☐ No	
Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?			☒ Yes ☐ No	
Variances to zoning code have been granted.			☐ Yes ☒ No	
Describe any variances that have been granted to zoning code				

1.14 Other Zoning Compliance Matters

Conforming/Non-Conforming Uses, Structures and Lots

In general, a non-conforming use, structure or lot is a use, structure or lot that was lawful at one time but that does not now conform to present zoning requirements. Under present zoning requirements, limitations may apply to extending, enlarging or continuing the non-conformity and to altering and repairing non-conforming structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.

If a variance has been granted or if uses, structures or lots are either non-conforming or illegal, the purchaser should consult with county zoning authorities as to possible limitations that may apply in situations such as those described above.

A purchaser may not be able to obtain financing or insurance if the condominium project has a non-conforming or illegal use, structure or lot.

	Conforming	Non-Conforming	Illegal
Uses	☒	☐	☐
Structures	☒	☐	☐
Lot	☒	☐	☐

If a non-conforming use, structure or lot exists in this project, this is what will happen under existing laws or codes if the structure is damaged or destroyed:

1.15 Conversions

Developer's statements regarding units that may be occupied for residential use and that have been in existence for five years or more.	☒ **Applicable** ☐ **Not Applicable**
Developer's statement, based upon a report prepared by a Hawaii-licensed architect or engineer, describing the present condition of all structural components and mechanical and electrical installations material to the use and enjoyment of the units: Based upon a report by Bradford Lee Lung, Licensed engineer, the present condition of all structural components material to the use and enjoyment of the dwellings compromising Unit A and Unit B of the project is that they appear to be in normal working order, save for normal and reasonable wear and tear. PURCHASERS SHOULD REVIEW THE REPORTS (EXHIBITS J & K)	
Developer's statement of the expected useful life of each item reported above: No representation is made and no warranties, express or implied, are given as to the expected useful life of the existing structural components and mechanical and electrical installations material to the use and enjoyment of the dwelling.	
List of any outstanding notices of uncured violations of any building code or other county regulations:	
Estimated cost of curing any violations described above:	

Verified Statement from a County Official
Regarding any converted structures in the project, attached as Exhibit F___ is a verified statement signed by an appropriate county official which states that either: (A) The structures are in compliance with all zoning and building ordinances and codes applicable to the project at the time it was built, and specifying, if applicable: (i) Any variances or other permits that have been granted to achieve compliance; (ii) Whether the project contains any legal non-conforming uses or structures as a result of the adoption or amendment of any ordinances or codes; and (iii) Any violations of current zoning or building ordinances or codes and the conditions required to bring the structure into compliance; or (B) Based on the available information, the county official cannot make a determination with respect to the foregoing matters in (A) above.
Other disclosures and information:

1.16 Project In Agricultural District

Is the project in an agricultural district as designated by the land use laws of the State of Hawaii? **If answer is "Yes", provide information below.**	☐ **Yes** ☒ **No**
Are the structures and uses anticipated by the Developer's promotional plan for the project in compliance with all applicable state and county land use laws? ☐ Yes ☐ No If the answer is "No", provide explanation.	
Are the structures and uses anticipated by the Developer's promotional plan for the project in compliance with all applicable county real property tax laws? ☐ Yes ☐ No If the answer is "No", provide explanation and state whether there are any penalties for noncompliance.	
Other disclosures and information:	

1.17 Project with Assisted Living Facility

Does the project contain any assisted living facility units subject to Section 321-11(10), HRS? **If answer is "Yes", complete information below.**	☐ **Yes** ☒ **No**
Licensing requirements and the impact of the requirements on the costs, operations, management and governance of the project.	
The nature and the scope of services to be provided.	
Additional costs, directly attributable to the services, to be included in the association's common expenses.	
The duration of the provision of the services.	
Other possible impacts on the project resulting from the provision of the services.	
Other disclosures and information.	

2. PERSONS CONNECTED WITH THE PROJECT

2.1 Developer(s)	Name: Donna L. Nascimento Janie E. Lopez Business Address: Post Office Box 823 Pukalani, Maui, HI 96768 Business Phone Number : (808) 573-1964 E-mail Address:
Names of officers and directors of developers that are corporations; general partners of a partnership; partners of a limited liability partnership (LLP); or a manager and members of a limited liability company (LLC) (attach separate sheet if necessary).	
2.2 Real Estate Broker	Name: None selected. See Page 18 Business Address: Business Phone Number: E-mail Address:
2.3 Escrow Depository	Name: Title Guaranty Escrow Services, Inc. Business Address: 80 Puunene Avenue Kahului, Maui, HI 96732 Business Phone Number: 808-871-2200
2.4 General Contractor	Name: NA Business Address: Business Phone Number:
2.5 Condominium Managing Agent	Name: NONE - self managed by the association Business Address: Business Phone Number:
2.6 Attorney for Developer	Name: R. Clay Sutherland, A Law Corporation Business Address: 140 Hoohana Street, Suite 320 Kahului, Maui, HI 96732 Business Phone Number: 808-871-8720

3. CREATION OF THE CONDOMINIUM AND CONDOMINIUM DOCUMENTS

A condominium is created by recording in the Bureau of Conveyances (Regular System) or filing in the Office of the Assistant Registrar of the Land Court, or both, a Declaration of Condominium Property Regime, a Condominium Map and the Bylaws of the Association of Unit Owners. The Condominium Property Act (Chapter 514B, HRS), the Declaration, Bylaws and House Rules control the rights and obligations of the unit owners with respect to the project and the common elements, to each other, and to their respective units.

3.1 Declaration of Condominium Property Regime

The Declaration of Condominium Property Regime contains a description of the land, buildings, units, common interests, common elements, limited common elements, and other information relating to the condominium project.		
Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau of Conveyances	December 22, 2008	2009-012089

Amendments to Declaration of Condominium Property Regime		
Land Court or Bureau of Conveyances	Date of Document	Document Number

3.2 Bylaws of the Association of Unit Owners

The Bylaws of the Association of Unit Owners govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Unit Owners is elected, the powers and duties of the Board, the manner in which meetings will be conducted, whether pets are prohibited or allowed and other matters that affect how the condominium project will be governed.		
Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau of Conveyances	December 22, 2008	2009-012090

Amendments to Bylaws of the Association of Unit Owners		
Land Court or Bureau of Conveyances	Date of Document	Document Number

3.3 Condominium Map

The Condominium Map contains a site plan and floor plans, elevations and layout of the condominium project. It also shows the floor plan, unit number and dimensions of each unit.	
Land Court Map Number	
Bureau of Conveyances Map Number	4767
Dates of Recordation of Amendments to the Condominium Map:	

3.4 House Rules

The Board of Directors may adopt rules and regulations (commonly called "House Rules") to govern the use and operation of the common elements and limited common elements. House Rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais and requirements for keeping pets. These rules must be followed by owners, tenants, and guests. They do not need to be recorded or filed to be effective. The initial House Rules are usually adopted by the Developer. Changes to House Rules do not need to be recorded to be effective.		
The House Rules for this project:		
Are Proposed	☐	
Have Been Adopted and Date of Adoption	☐	
Developer does not plan to adopt House Rules	☒	

3.5 Changes to the Condominium Documents

Changes to Condominium Documents: Changes to the Declaration, Bylaws and Condominium Map are effective only if they are duly adopted and recorded. Where permitted, the minimum percentages of the common interest that must vote for or give written consent to changes to the Declaration, Bylaws and Condominium Map are set forth below. The percentages for any individual condominium project may be more than the minimum set by law if the Declaration or Bylaws for the project so provide.		
Document	Minimum Set by Law	This Condominium
Declaration	67%	67%
Bylaws	67%	67%

3.6 Rights Reserved by the Developer to Make Changes to the Condominium Project or Condominium Documents

☐	No rights have been reserved to the Developer to change the Declaration, Bylaws, Condominium Map or House Rules (if any).
☒	Developer has reserved the right to change the Declaration, Bylaws, Condominium Map and House Rules (if any) and to add to or merge the project or to develop the project in one or more phases, and such rights are summarized as follows: At any time prior to the first recording in the Bureau of Conveyances of a conveyance or transfer (other than for security) of a Unit and its appurtenances to a party not signatory hereto, developer may amend the Declaration and/or other project documents in any manner without approval or consent of any Unit purchaser.

4. CONDOMINIUM MANAGEMENT

4.1 Management of the Common Elements

Management of the Common Elements: The Association of Unit Owners is responsible for the management of the common elements and the overall operation of the condominium project. The Association may be permitted, and in some cases may be required, to employ or retain a condominium managing agent to assist the Association in managing the condominium project.	
The initial Condominium Managing Agent for this project is (check one):	
☐	Not affiliated with the Developer
☒	None (self-managed by the Association)
☐	The Developer or an affiliate of the Developer
☐	Other (explain)

4.2 Estimate of the Initial Maintenance Fees

Estimate of the Initial Maintenance Fees: The Association will make assessments against your unit to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, a lien may be placed on your unit and the unit may be sold through a foreclosure proceeding. Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided.
Exhibit G contains a breakdown of the estimated annual maintenance fees and the monthly estimated maintenance fee for each unit, certified to have been based on generally accepted accounting principles, with the Developer's statement as to when a unit owner shall become obligated to start paying the unit owner's share of the common expenses.

4.3 Utility Charges to be Included in the Maintenance Fee

If checked, the following utilities are included in the maintenance fee:	
☐	Electricity for the common elements
☐	Gas for the common elements
☐	Water
☐	Sewer
☐	TV Cable
☐	Other (specify)

4.4 Utilities to be Separately Billed to Unit Owner

If checked, the following utilities will be billed to each unit owner and are not included in the maintenance fee:	
☒	Electricity for the Unit only
☐	Gas for the Unit only
☐	Water
☐	Sewer
☒	TV Cable
☒	Other (specify) WATER: Presently split 50/50

5. SALES DOCUMENTS

5.1 Sales Documents Filed with the Real Estate Commission

☒	Specimen Sales Contract Exhibit H contains a summary of the pertinent provisions of the sales contract. Including but not limited to any rights reserved by the Developer.
☒	Escrow Agreement dated: February 11, 2009 Name of Escrow Company: Title Guaranty Escrow Services, Inc. Exhibit I contains a summary of the pertinent provisions of the escrow agreement.
☐	Other:

5.2 Sales to Owner-Occupants

If this project contains three or more residential units, the Developer shall designate at least fifty percent (50%) of the units for sale to Owner-Occupants.

☐	The sales of units in this project are subject to the Owner-Occupant requirements of Chapter 514B.
☐	Developer has designated the units for sale to Owner-Occupants in this report. See Exhibit ____ .
☐	Developer has or will designate the units for sale to Owner-Occupants by publication.

5.3 Blanket Liens

Blanket Liens: A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project or more than one unit that secures some type of monetary debt (such as a loan) or other obligation. Blanket liens (except for improvement district or utility assessments) must be released as to a unit before the developer conveys the unit to a purchaser. The purchaser's interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the unit to the purchaser.	
☐	There are no blanket liens affecting title to the individual units.
☒	There are blanket liens that may affect title to the individual units.

Type of Lien	Effect on Purchaser's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance
Real Property Mortgage	Shall be released against condominium unit upon sale
Mortgage	Shall be released against condominium unit upon sale

5.4 Construction Warranties

Construction Warranties: Warranties for individual units and the common elements, including the beginning and ending dates for each warranty (or the method of calculating them), are as set forth below:
Building and Other Improvements: NONE.
Appliances: NONE.

5.5 Status of Construction, Date of Completion or Estimated Date of Completion

Status of Construction: Existing House Unit A - 1963 Existing Cottage Unit B - 1991; Existing Storage Unit B - 1994
Completion Deadline: If a sales contract for a unit is signed before the construction of the unit has been completed, or, in the case of a conversion, completion of any repairs, does not occur by the completion deadline set forth below, one of the remedies available to a purchaser is a cancellation of the purchaser's sales contract. The sales contract may include a right of the Developer to extend the completion deadline for force majeure as defined in the sales contract. The sales contract may also provide additional remedies for the purchaser.
Completion Deadline for any unit not yet constructed, as set forth in the sales contract:
Completion Deadline for any repairs required for a unit being converted, as set forth in the sales contract:

5.6 Developer's Use of Purchaser Deposits to Pay for Project Construction Costs Before Closing or Conveyance

The Developer is required to deposit all moneys paid by purchasers in trust under a written escrow agreement with a Hawaii licensed escrow depository. Escrow shall not disburse purchaser deposits to the Developer or on behalf of the Developer prior to closing, except if a sales contract is canceled or if Developer has met certain requirements, which are described below.

5.6.1 Purchaser Deposits Will Not Be Disbursed Before Closing or Conveyance

☐	The Developer hereby declares by checking the box to the left that it shall use its own funds to complete the construction of the condominium project by the date indicated in Section 5.5 of this report, and the Developer, pursuant to its own analysis and calculations, certifies that it has sufficient funds to complete the construction of the condominium project. *If this box is checked, Section 5.6.2, which follows below, will not be applicable to the project.*

5.6.2 Purchaser Deposits Will Be Disbursed Before Closing

Hawaii law provides that, if certain statutory requirements are met, purchaser deposits in escrow under a binding sales contract may be used before closing to pay for certain project costs. For this project, the Developer indicates that purchaser deposits may be used for the following purposes (check applicable box):	
☐	For new construction: to pay for project construction costs described in the Developer's budget and approved by the Developer's lender or an otherwise qualified, financially disinterested person; or
☐	For conversions: to pay for repairs necessary to cure violations of county zoning and building ordinances and codes, for architectural, engineering, finance and legal fees, and for other incidental expenses.

In connection with the use of purchaser deposits (check Box A or Box B):

Box A ☐	The Developer has submitted all information and documents required by law and the Commission prior to the disbursement of purchaser deposits before closing. This means that the Developer may use such deposits before closing. If the Developer decides not to use purchaser deposits before closing, the Developer does not need to amend this report. If Box A is checked, you should read and carefully consider the following notice, which is required by law: **Important Notice Regarding Your Deposits: Deposits that you make under your sales contract for the purchase of the unit may be disbursed before closing of your purchase to pay for project costs, construction costs, project architectural, engineering, finance, and legal fees, and other incidental expenses of the project. While the developer has submitted satisfactory evidence that the project should be completed, it is possible that the project may not be completed. If your deposits are disbursed to pay project costs and the project is not completed, there is a risk that your deposits will not be refunded to you. You should carefully consider this risk in deciding whether to proceed with your purchase.**
Box B ☐	The Developer has **not** submitted all information and documents required by law and the Commission, and, until all such information and documents are submitted, thus, the Developer cannot use purchaser deposits. If the Developer later submits all information and documents required by law and the Commission for the use of purchaser deposits, then the Developer must provide an amendment to this report or an amended developer's public report to each purchaser who has signed a sales contract. At such time, the **Important Notice Regarding Your Deposits** set forth immediately above will apply to all purchasers and will be restated in the amendment to this report or an amended developer's public report. When an effective date for such an amendment or an amended developer's public report is issued, **you will not have the right to rescind or cancel the sales contract by reason of such submission and amendment.** (This, however, does not affect your right to rescind for material changes or any other right you may have to rescind or cancel the sales contract, as described in Section 5.8 below.) If the Developer decides not to use purchaser deposits before closing, the Developer does not need to amend this report. You should understand that, although the **Important Notice Regarding Your Deposits** set forth above does not currently apply to you, it might apply to you in the future, and, therefore, you should read and carefully consider it now to ensure that you understand the risk involved in deciding whether to proceed with your purchase.

Material House Bond. If the Developer has submitted to the Commission a completion or performance bond issued by a material house instead of a surety as part of the information provided prior to the use of purchaser deposits prior to closing or conveyance of a unit, the Developer shall disclose the same below and disclose the impact of any restrictions on the Developer's use of purchaser deposits.

5.7 Rights Under the Sales Contract

Before signing the sales contract, prospective purchasers should carefully review all documents relating to the project. These include but are not limited to the documents listed below. Items 2, 3 and 4 are made a part of this public report, as well as Item 5, if any, and are being delivered to you with this report.	
1.	**Developer's Public Report**
2.	**Declaration of Condominium Property Regime (and any amendments)**
3.	**Bylaws of the Association of Unit Owners (and any amendments)**
4.	**Condominium Map (and any amendments)**
5.	House Rules, if any
6.	Escrow Agreement
7.	Hawaii's Condominium Property Act (Chapter 514B, HRS, as amended) and Hawaii Administrative Rules (Chapter 16-107, adopted by the Real Estate Commission, as amended), provided that rules and regulations under Chapter 514B have not yet been adopted.
8.	Other:

Copies of the condominium and sales documents and amendments made by the Developer are available for review through the Developer or through the Developer's sales agent, if any. The Condominium Property Regime law (Chapter 514B, HRS) and the Administrative Rules (Chapter 107, HAR), are available online. Please refer to the following sites:
Website to access official copy of laws: www.capitol.hawaii.gov
Website to access rules: www.hawaii.gov/dcca/har

5.8 Purchaser's Right to Cancel or Rescind a Sales Contract

A purchaser's right to cancel a sales contract or to rescind a sales contract may arise under varying circumstances. In the sections below, some circumstances that will give rise to a purchaser's right to cancel or rescind are described, together with what a purchaser must do if the purchaser wishes to exercise any of the rights.

5.8.1 When a Sales Contract becomes Binding and Purchaser's 30-Day Right to Cancel a Sales Contract

A sales contract signed by a purchaser and the developer will not become binding on a purchaser or the Developer until the following events have taken place:

(1) The purchaser has signed the sales contract.

(2) The Developer has delivered to the purchaser a true copy of the developer's public report with an effective date issued by the Commission, together with all amendments to the report as of the date of delivery, and the project's recorded Declaration and Bylaws, House Rules (if any), the Condominium Map and any amendments to them to date (all of which are a part of the developer's public report). If it is impracticable to include a letter-sized Condominium Map, the Developer must provide written notice of an opportunity to examine the Condominium Map.

(3) The Developer has delivered to the purchaser a notice of the purchaser's 30-day cancellation right on a form prescribed by the Commission.

(4) The purchaser does at least one of the following:

(a) Waives the purchaser's right to cancel the sales contract within 30 days from receipt of the notice of the purchaser's 30-day cancellation right; or

(b) Allows the 30-day cancellation period to expire without exercising the right to cancel; or

(c) Closes the purchase of the unit before the 30-day cancellation period expires.

The purchaser or the Developer may cancel the sales contract at any time during the 30-day cancellation period, and the sales contract will be canceled and the purchaser's deposits returned to the purchaser, less any escrow cancellation fee and other costs associated with the purchase, up to a maximum of $250.

5.8.2 Right to Cancel a Sales Contract if Completion Deadline Is Missed

In addition to the purchaser's 30-day cancellation right described in Section 5.8.1 above, when a sales contract is signed before completion of construction of a project, the purchaser will have the right to cancel if the unit is not completed by certain deadlines. In conversion projects, there must be a deadline for completion of any required repairs. Every sales contract shall contain an agreement of the Developer that the completion of construction shall occur on or before the completion deadline, and that completion deadline is set forth in this report in Section 5.5. The sales contract shall provide that the purchaser may cancel the sales contract at any time after the specified completion deadline, if completion of construction does not occur on or before the completion deadline, as the same may have been extended. Upon a cancellation, the purchaser's deposits shall be refunded, less any escrow cancellation fee and other costs associated with the purchase, up to a maximum of $250.00.

5.8.3 Purchaser's Right to Rescind a Binding Sales Contract After a Material Change

If a "material change" in a project occurs after a purchaser has signed a sales contract that has become binding, the purchaser will have a 30-day right to rescind after notification and description of the material change. A material change is defined in the Condominium Property Act to be any change that "directly, substantially and adversely affects the use or value of (1) a purchaser's unit or appurtenant limited common elements; or (2) those amenities of the project available for the purchaser's use."

The purchaser will be informed of the material change by the developer on a form prescribed by the Commission containing a description of the material change.

After notice of the material change, the purchaser may waive the right to rescind by:

(1) Checking the waiver box on the rescission form; or

(2) Letting the 30-day rescission period expire, without taking any action to rescind; or

(3) Closing the purchase of the unit before the 30-day rescission period expires.

The rescission form must be signed by all purchasers of the affected unit and delivered to the developer no later than midnight of the 30th calendar day after the purchasers received the rescission form from the developer. Purchasers who validly exercise the right of rescission shall be entitled to a prompt and full refund of any moneys paid.

A rescission right shall not apply in the event of any additions, deletions, modifications and reservations including, without limitation, the merger or addition or phasing of a project, made pursuant to the terms of the project's Declaration.

These provisions shall not preclude a purchaser from exercising any rescission rights pursuant to a contract for the sale of a unit or any applicable common law remedies.

6. MISCELLANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT

DISCLOSURE RE: NON SELECTION OF REAL ESTATE BROKER

As of the effective date of this Developer's Public Report, the Developer has not executed a listing agreement for the sale of this condominium project with any duly licensed Hawaii real estate broker.

Thus, the developer cannot offer to sell or sell any units in this registered condominium project until (1) the developer executes a listing agreement for the sale of this condominium, (2) amends this developer's public report to reflect the new information and (3) delivers this public report and amendment to the prospective purchaser.

The conditions for binding sales contract are listed on page 16-17, paragraph 5.8.1.

Management Conflicts & Deadlocks; Dispute Resolution. The Project's Association of Unit Owners and Board of Directors are responsible for management of the Project. Under the Declaration and Bylaws for this Project, any decision of the Project's Association or board requires the concurrence of both owners or their designated representatives on the Board, respectively. The Declaration and Bylaws contain no provisions for breaking deadlocks. In the event of conflicts, disputes or deadlocks between the Owners or their representatives on the Board that cannot be resolved by mutual agreement, the Owners' recourse will be to mediation pursuant to Section 9.1 of the Bylaws and Section 514B-161 of the Act, arbitration pursuant to Section 514B-162 of the Act, or litigation in court.

Lead Warning Statement: Pursuant to federal law, 42 U.S.C. 4852(d), the Residential Lead Based Paint Reduction Act, every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of development lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including leaning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based point hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

Hawaii has enacted a law requiring sex offenders to register with the Attorney General's office and allowing public access to relevant information regarding sex offenders. A sex offender must provide certain relevant information including the street name and zip code of the sex offender's current and future residence and place of employment. This information is available at the Hawaii Criminal Justice Data Center and at one or more designated police stations in each county. Neither Developer nor any real estate agent is required to obtain information regarding sex offenders.

The Developer declares subject to the penalties set forth in Section 514B-69, HRS, that this project conforms to the existing underlying county zoning for the project, zoning and building ordinances and codes and all applicable permitting requirements adopted by the county in which the project is located, all in accordance with Sections 514B-5 and 32(a)(13), HRS.

For any conversion, if any variances have been granted, they are specified in Section 1.14 of this report, and, if purchaser deposits are to be used by the Developer to cure any violations of zoning, permitting requirements or rules of the county in which the project is located, the violation is specified in Section 1.15 of this report, along with the requirements to cure any violation, and Section 5.5 specifies the date by which the cure will be completed.

The Developer hereby certifies that all the information contained in this report and the exhibits attached to this report and all documents to be furnished by the Developer to purchasers concerning the project have been reviewed by the Developer and are, to the best of the Developer's knowledge, information and belief, true, correct and complete. The Developer hereby agrees promptly to amend this report to report and include either or all material facts, material or pertinent changes to any information contained in or omitted from this report and to file annually a report to update the material contained in this report at least 30 days prior to the anniversary date of the effective date of this report.

Donna L. Nascimento / Janie E. Lopez

Printed Name of Developer

By: Donna L. Nascimento Janie E. Lopez 2/11/09

Duly Authorized Signatory* Date

Donna L. Nascimento / Janie E. Lopez, Developer

Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, County of Maui

Planning Department, County of Maui

***Must be signed for a corporation by an officer; for a partnership or limited liability partnership (LLP) by the general partner; for a limited liability company (LLC) by the manager or an authorized member; and for an individual by the individual.**

EXHIBIT A

DESCRIPTION OF UNITS

The project consists of two (2) Units, Unit A and Unit B, each of which contain multiple buildings, located as shown on the Condominium Map and as described below:*

UNIT A

Unit A, located as shown on the Condominium Map and as described above, consists of one building, identified as the "Existing House" and "Carport" on the Condominium Map.

The "Existing House" is a one story residential building containing three (3) bedrooms, one (1) bathroom, a living room and a kitchen with a total size of approximately 720 square feet.

There is an attached two-stall carport to the "Existing House" with a size of approximately 621 square feet and an attached patio with a size of approximately 330 sq. ft.

The buildings are constructed primarily of concrete, wood, steel, glass and related building materials.

None of the buildings have a basement.

UNIT B

Unit B, located as shown on the Condominium Map and as described above, consists of two buildings, identified as the "Existing Cottage", "Carport" and Storage Shed on the Condominium Map.

The "Existing Cottage" is a one story residential building containing two (2) bedrooms, one (1) bathroom, a living room and a kitchen with a total size of approximately 760 square feet.

There is an attached one-stall carport to the "Existing Cottage" with a size of approximately 364 square feet.

The Storage Shed is a single story building constructed for storage purposes with a total size of approximately 450 square feet.

The buildings are constructed primarily of concrete, wood, steel, glass and related building materials.

None of the buildings have a basement.

*NOTE: The approximate net floor area of each unit as set forth above is measured from the interior surface of the unit perimeter walls and includes all of the walls and partitions within its perimeter walls, whether load-bearing or non-load-bearing. THE FLOOR AREAS SHOWN ARE APPROXIMATE ONLY. DECLARANT MAKES NO REPRESENTATIONS OR WARRANTIES WHATSOEVER AS TO THE FLOOR AREA OF ANY PARTICULAR UNIT.

CESSPOOL LOCATIONS

UNIT A

The cesspool serving Unit A is located adjacent to the existing house at a point which is approximately 15 feet east of the house and as shown on the condominium map.

UNIT B

The cesspool for Unit B is located approximately midway between the carport and the storage shed as shown on the condominium map.

END OF EXHIBIT "A"

EXHIBIT "B"

PERMITTED ALTERATIONS

1. Repair, reconstruction, restoration, replacement of the common elements of the Project, different in any material respect from the Condominium Map, shall be undertaken by the Association or any Owners only pursuant to an amendment of this Declaration. Except as expressly provided otherwise in this Declaration, any such amendment shall be duly executed by or pursuant to the affirmative vote of sixty-seven percent (67%) of the Owners and accompanied by the written consent of the eligible holders of first mortgages on Units to which at least fifty-one percent (51%) of the votes of Units subject to mortgages held by such eligible holders are allocated and in accordance with complete plans and specifications therefor first approved in writing by the Board. Promptly upon completion of such repair, reconstruction, restoration, replacement, construction, alteration or addition, the Association shall duly Record and file of record such amendment together with a complete set of floor plans of the Project as so altered, certified as-built by a licensed, registered architect or professional engineer.

2. Any other provision in this Declaration to the contrary notwithstanding, any alterations or additions solely within a Unit or within a limited common element appurtenant to and for the exclusive use of a Unit (except if the size of the Unit is restricted by the provisions of this Declaration) ,or more than one Unit shall require only the written approval thereof, including the plans thereof, by the Owners of such Unit(s), by the holders of first mortgage liens affecting such Unit (if the lienholders require such approval), by the appropriate agencies of the State of Hawaii and the County of Maui if such agencies so require, by the Board, and by all other Owners thereby directly affected (as determined by the Board). Upon completion of such alterations or additions, the Owner(s) directly affected shall duly Record and file of record an amendment to this Declaration together with the approved plans showing only such alterations or additions within a Unit space or within a limited common element as aforesaid. Such amendment to this Declaration need only be executed by the Owner(s) directly affected and their first mortgagees, as may be required.

3. Any other provision in this Declaration to the contrary notwithstanding and without limiting any other provision in this Declaration, prior to (i) the time that all Units in the Project have been sold, or otherwise transferred, and the conveyance thereof Recorded, Declarant shall have the right, without being required to obtain the consent or joinder of any person or group of persons, including the Association, any Owner or any mortgagee, lienholder, Unit purchaser or any other person who may have an interest in the Project, to do the following:

(a) To make alterations in the Project (and, if appropriate, to amend this Declaration and the Condominium Map accordingly) which change the floor plan of, change the configuration of, alter the number of rooms of, decrease or increase the size of, or change the location of any Unit and/or the limited common elements appurtenant thereto, in the Project which is not sold, or otherwise transferred, and the conveyance thereof Recorded; and

(b) To make other alterations in the Project (and, if appropriate, to amend this Declaration and the Condominium Map accordingly) which make minor changes in any Unit in the Project or in the common elements which do not affect the physical

location, design or size of any Unit which has been sold and the conveyance thereof Recorded;

provided, however, that any such alterations comply with the Project Documents and all applicable laws and regulations.

END OF EXHIBIT B

EXHIBIT C

COMMON ELEMENTS

The common elements of the Project shall specifically include, but are not limited to, the following:

(a) The land described in Exhibit "A" of the declaration, in fee simple.

(b) An undivided ¼ interest of Kulu Lane, as described in paragraph SECOND of Exhibit A of the Declaration of Condominium Property Regime for The Nascimento Condominium.

(c) All sewer and water lines, drainage facilities, electrical equipment, wiring, pipes, meters and other central and appurtenant facilities and installations over, under and across the Project which serve more than one Unit for services such as power, light, water, gas, telephone, sewer and radio and television signal distribution, if any.

(d) All the benefits, if any, inuring to the land or to the Project from all easements, if any, shown on the Condominium Map or listed in Exhibit "A".

(e) Any and all apparatus and installations of common use and all other parts of the Project necessary or convenient to its existence, maintenance and safety, or normally in common use.

End of Exhibit C

EXHIBIT "D"

LIMITED COMMON ELEMENTS

Each Unit has appurtenant to it and for its exclusive use the land described in the Condominium Map as appurtenant thereto. The limited common element for Unit A is shown on the Condominium Map as "Limited Common Element Area A" and the limited common element for Unit B is shown on the Condominium Map as "Limited Common Element Area B" (each, a "Limited Common Element Area"). Each Limited Common Element Area is appurtenant to and for the exclusive use of the Unit located therein and which is physically located as shown on the Condominium Map. **NOTE: The boundaries of the Limited Common Element Area appurtenant to each Unit, as shown on the Condominium Map, do not represent County-approved subdivided lots. Such boundaries serve only to delineate the Limited Common Element Area appurtenant to each Unit.** Each Unit shall have appurtenant thereto additional limited common elements as follows:

1. Portions of Water System

With respect to the water system serving the Project, any portion of the system, including the water meter that serves just one Unit is a limited common element appurtenant to the Unit so served.

2. Easement 1

Unit B shall have an appurtenant non-exclusive easement for water line purposes over Unit A (designated on the Condominium Map as "Easement 1"). This easement shall be for the installation, construction, repair, replacement, maintenance, and removal of waterlines serving Unit B, and the Owner(s) of Unit B shall have a right of entry, to be reasonably exercised, over the Limited Common Element Area appurtenant to Unit B for the purpose of exercising these rights.

END OF EXHIBIT "D"

EXHIBIT "E"

ENCUMBRANCES

1. Real Property taxes which may be due and owing. Reference is made to the Real Property Tax Office County of Maui

2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.

3. The terms and provisions contained in the following:

INSTRUMENT:	Section 14.04.010(E) Agreement Relating to Fire Protection
DATED:	December 10, 1990
RECORDED:	Document No. 90-192015
PARTIES:	Donna L. Nascimento, single, Michael Lopez and Janie E. Lopez, husband and wife, and Department of Water Supply of the County of Maui

4. The terms and provisions contained in the following:

INSTRUMENT:	Letter of Agreement
DATED:	February 25, 1994
RECORDED;	Document No. 94-040689
PARTIES:	Albert C. Phillips, Kathleen V. Phillips, Donna L. Nascimento, Sophie Estrella, Harrison Harry Perreira, Jr., Janie E. Lopez, Nelson A. Boteilho, Ann C. Boteilho, Ernest A. Delima and Betty L. Delima

5. REAL PROPERTY MORTGAGE AND FINANCING STATEMENT

LOAN/ACCOUNT:	No. 1394774
MORTGAGOR:	Donna L. Nascimento, unmarried, and Janie E. Lopez, unmarried
MORTGAGEE:	First Hawaiian Bank, a Hawaii corporation
DATED:	April 24, 2003
RECORDED:	Document No. 2003-079130
AMOUNT:	$190,000.00 – covers the premises described herein, besides other premises.

6. MORTGAGE

MORTGAGOR:	Donna L. Nascimento, unmarried, and Janie E. Lopez
MORTGAGEE:	First Hawaiian Bank, a Hawaii corporation
DATED:	December 23, 2004
RECORDED:	Document No. 2004-262119
AMOUNT:	Revolving Line of Credit Agreement, up to a maximum amount of $20,000.00 – covers the premises described herein, besides other premises

7. As to Roadway Parcel

Rights of others who may own undivided interest(s), or have easement or access rights, in said parcel.

8. The terms and provisions contained in the following:

INSTRUMENT:	Declaration of Condominium Property Regime for "The Nascimento Condominium" Condominium Project
DATED:	December 22, 2008
RECORDED:	Document No. 2009-012089
MAP:	4767 and any amendments thereto

9. The terms and provisions contained in the following:

INSTRUMENT:	By-Laws of the Association of Unit Owners
DATED:	December 22, 2008
RECORDED:	Document No. 2009-012090

END OF EXHIBIT "E"

CHARMAINE TAVARES
Mayor

MILTON M. ARAKAWA, A.I.C.P.
Director

MICHAEL M. MIYAMOTO
Deputy Director

RALPH M. NAGAMINE, L.S., P.E.
Development Services Administration

DAVID TAYLOR, P.E.
Wastewater Reclamation Division

CARY YAMASHITA, P.E.
Engineering Division

BRIAN HASHIRO, P.E.
Highways Division

TRACY TAKAMINE, P.E.
Solid Waste Division

COUNTY OF MAUI
DEPARTMENT OF PUBLIC WORKS
AND ENVIRONMENTAL MANAGEMENT
DEVELOPMENT SERVICES ADMINISTRATION
250 SOUTH HIGH STREET
WAILUKU, MAUI, HAWAII 96793

June 20, 2007

Ms. Donna Nacimento
PO Box 823
Makawao, Hawaii 96768

SUBJECT: MISCELLANEOUS INSPECTIONS #MISC 2007/0008, 0009, 0010
MAIN DWELLING/GARAGE, 2ND DWELLING/GARAGE,
AND STORAGE SHED
FOR H.R.S. SECTION 514B-84 (a) (2) COMPLIANCE
LOCATED AT 24 AND 24A KULU LANE, PUKALANI, HAWAII
TMK: (2) 2-3-043:002

Dear Ms. Nacimento:

This is regarding your January 17, 2007, request for miscellaneous inspections on two dwellings with garages and a storage shed for a preliminary condominium public report on the subject property.

MISC. # 2007/0008: MAIN DWELLING/GARAGE

- We made an electrical inspection on January 22, 2007, a plumbing inspection on February 1, 2007, and a building re-inspection on May 3, 2007, and found the premises to be in general compliance with applicable codes.

  Please note that we were unable to inspect any of the concealed building, electrical, or plumbing work.

- The main dwelling/garage was constructed under Building Permit #B62/8291 and was issued on October 9, 1962.

EXHIBIT "F-1"

MISC. # 2007/0009: 2ND DWELLING /GARAGE

- We made an electrical inspection on January 22, 2007, a building inspection on January 25, 2007, and a plumbing inspection on February 1, 2007, and found the premises to be in general compliance with applicable codes.
- Please note that we were unable to inspect any of the concealed building, electrical, or plumbing work.
- The second dwelling/garage was constructed under Building Permit #B90/3455 and was issued on December 12, 1990.

MISC. # 2007/0010: STORAGE SHED

- We made an electrical inspection on January 22, 2007, a plumbing inspection on February 1, 2007, and a building re-inspection on May 3, 2007, and found the premises to be in general compliance with applicable codes.
- Please note that we were unable to inspect any of the concealed building, electrical, or plumbing work.
- This storage shed was constructed under Building Permit #B94/1720 and was issued on August 26, 1994.

OTHER COMMENTS:

- There are no pending subdivisions, building and code appeals, or administrative waivers currently in process for the premises.
- Kulu Lane is a private roadway and, therefore, privately maintained.

EXHIBIT "F-2"

- We also recommend that you call the Planning Department at 270-7735 to verify if there are any variances, or if the existing or proposed uses, if any, are legally permitted.

If you have any questions regarding this letter, please call Robin Hong at (808) 270-7250.

Sincerely,

RALPH M. NAGAMINE
Development Services Administrator

rms rh C:\Documents and Settings\County Employee\Desktop\2007-0009-0010_nacimento_rh.wpd

c: Hawaii Real Estate Commission
Planning Department

EXHIBIT "F-3"

EXHIBIT "G"

ESTIMATE OF INITIAL MAINTENANCE FEES AND
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

UNIT		Monthly Fee $11.00 x 12 months = Yearly Total $132.00
A	(50%)	$ 5.50 X 12 = $ 66.00
B	(50%)	$ 5.50 X 12 = $ 66.00

Estimate of Maintenance Fee Disbursements:

	Monthly Fee x 12 months = Yearly Total
Utilities and Services	
Air Conditioning	
Electricity	
[ ] common elements only	
[ ] common elements and apartments	
Elevator	
Gas	
[ ] common elements only	
[ ] common elements and apartments	
Refuse Collection	
Telephone	
Water and Sewer	
Maintenance, Repairs and Supplies	
Building	
Grounds	
Water Lines	$1.00 per month x 12 = $12.00 per year
Common Element	
Management	
Management Fee	
Payroll and Payroll Taxes	
Office Expenses	
Insurance (liability for common elements)	
Reserves(*) (for replacement of common water lines and partial interest in Kulu Lane)	$ 10.00 per month x 12 = $120.00 per year
Taxes and Government Assessments	
Audit Fees	
Other	
TOTAL:	$ 11.00 per month x 12 = $132.00 per year

We, the undersigned condominium developers for the Nascimento Condominium project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

Donna L. Nascimento
DONNA L. NASCIMENTO

Janie E. Lopez
JANIE E. LOPEZ

5-28-2009
Date

(*) Mandatory reserves assessment and collection in effect beginning 2008 budget year. The Developer is to attach to this exhibit an explanation whether, in arriving at the figure for "Reserves", the Developer has conducted a reserve study in accordance with §514B-148, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

Pursuant to §514B-148, HRS, a new association created after January 1, 1993, need not collect estimated replacement reserves until the fiscal year which begins after the association's first annual meeting.

Attachment 1 to Exhibit C
Estimate of Maintenance Fee Disbursements

The Developer, in arriving at the figure for "Reserves" in the attached estimate, has not conducted a reserve study in accordance with HRS §514B-148 and the replacement reserve rules. Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

EXHIBIT "H"

SUMMARY OF SALES CONTRACT

The Condominium Deposit Receipt and Sales Contract (the "Sales Contract") contains the price and other terms and conditions under which a purchaser will agree to buy a unit in the Project. Among other things, the Sales Contract states:

(a) The total purchase price, method of payment and additional sums which must be paid in connection with the purchase of a unit.

(b) That the purchaser acknowledges having received and read a public report for the Project prior to signing the Sales Contract.

(c) That the Developer makes no representation concerning rental of a unit, income or profit from a unit, or any other economic benefit to be derived from the purchase of a unit.

(d) That the Sales Contract may be subordinate to the lien of a construction lender.

(e) That the purchaser's money will be held in escrow, under the terms of the Escrow Agreement.

(f) Requirements relating to the purchaser's financing of the purchase of a unit.

(g) That the unit and the Project will be subject to various other legal documents which the purchaser should examine, and that the Developer may change these documents under certain circumstances.

(h) That the Developer makes no warranties regarding the unit, the Project or anything installed or contained in the unit or the Project.

(i) That the purchaser must close the purchase at a certain date and pay closing costs, in addition to the purchase price.

(j) That the Developer has reserved the rights and powers relating to the Project and the purchaser acknowledges and consents to the exercise of such rights and powers.

(k) That the purchaser will not receive interest on deposits made under the Sales Contract.

(l) In the event of a default by the purchase under the Sales Contract, the Developer may, in addition to other remedies, be entitled to all deposits paid by the purchaser as liquidated damages.

(m) If any dispute or claim arises out of this contract and/or the apartment or buyer's interest in the common elements prior to, or at any time after closing, between buyer and seller and the parties to such dispute or claim are unable to resolve the dispute, buyer and seller agree in good faith to attempt to settle such dispute or claim by non-binding mediation conducted under the commercial mediation rules of the American Arbitration Association.

(n) If the dispute between the parties is not resolved by mediation as provided in section 6(a) of the Sales Contract, the dispute or claim any and all claims or disputes of any kind arising from or relating to this agreement and/or the apartment or buyer's interest in all of the common elements after the closing shall be submitted to final and binding arbitration pursuant to and in accordance with the guidelines of the commercial rules of the American Arbitration Association, and the ruling of the arbitrator shall be binding on the buyer and its successors and assigns (including successor owners of the apartment).

The Sales Contract contains various other important provisions relating to the purchase of a unit in the Project. It is incumbent upon purchasers and prospective purchasers to read with care the specimen Sales Contract on file with the Real Estate Commission.

END OF EXHIBIT "H"

EXHIBIT "I"

SUMMARY OF PERTINENT PROVISIONS OF ESCROW AGREEMENT

The executed Escrow Agreement dated FEBRUARY 11, 2009, identifies Title Guaranty Escrow Services, Inc., as the "Escrow" and sets up an arrangement under which the deposits a purchaser makes pursuant to a Sales Contract will be held by a neutral party. Under the Escrow Agreement, these things will or may happen:

a. Escrow will let the purchaser know when payments are due.
b. Escrow will arrange for the purchaser to sign all necessary documents.
c. The purchaser will be entitled to a refund of his or her funds only under certain circumstances as set forth in the Sales contract.

The Escrow Agreement also establishes the procedures for the retention and disbursement of a purchaser's funds and says what will happen to the funds upon a default under the Sales Contract. The Escrow Agreement contains various other important provisions and establishes certain charges with which a purchaser should be familiar. It is incumbent upon purchasers and perspective purchasers to read with care the executed Escrow Agreement on file with the Real Estate Commission.

END OF EXHIBIT "I"

Real Estate Branch
Department of Commerce and Consumer Affairs
State of Hawaii
King Kalakaua Building
335 Merchant Street, Room 333
Honolulu, Hawaii 96813

RE: The Nascimento Condominium
24 Kulu Lane, Pukalani, Maui, Hawaii
Report of Condition of Existing Buildings

Ladies and Gentlemen:

The undersigned is a licensed Hawaii Engineer, licensed under No. 4531. This letter is being provided to you as required by HRS Section 514B-54 in connection with the registration of the above condominium under HRS Chapter 514B.

Please be advised that Units A and B of the condominium, being more than five (5) years old, were physically inspected. A copy of said reports are attached hereto as Exhibits.

The undersigned hereby certifies to you that to the best of knowledge and belief of the undersigned, the condition of said buildings is as set forth in the attached Exhibits and are true and accurate.

BRADFORD LEE LUNG

STATE OF HAWAII)
) SS
COUNTY OF MAUI)

On this 9th day of January, 2009, before me personally appeared BRADFORD LEE LUNG, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

LS

Notary Public, State of Hawaii
Typed or Printed Name: SCOTT TANAKA
My commission expires: _____
My Commission Expires: 07/29/2011

Document Date: 01/09/2009 # Pages: 1
Notary Name: SCOTT TANAKA Second Circuit
Doc. Description: Letter to Dept of Commerce and Consumer Affairs
Notary Signature 01/09/2009 Date
LS

EXHIBIT "J"

Craig Smith Building Inspections
P.O. Box 690
Makawao
Hi 96768
(808) 572-3009 **(808) 280-5208**
(808) 573-1289

MEMBER
205085

PROPERTY / CLIENT INFORMATION

Report date: **10/29/08**

Customer File # **2209**
Customer: **Donna Nascimento**
Contact: **Donna Nascimento**
Address: **PO Box 823**
City, St, Zip: **Makawao , HI 96768**
Phone:
Fax:

Inspection location:
24 Kulu Lane
Pukalani, HI 96768
Phone:

Send report to: **Donna and Brad**

GENERAL INFORMATION

Main entry faces: **west**
Estimated age: **approximately 45 years**
Unit type: **single-family**
Stories: **1**
Space below grade: **crawl**
Soil condition: **dry**
Weather: **clear** Temp:
Date: **10/29/08** Time: **3:00 pm**
Unit occupied: **yes** Client present: **no**
People present: **Heather**
Comments: **This house was built in 1963. It has approximately 720 square feet of living area, a two stall carport with storage and a small detached storage shed. It is in average condition for its age. There are no major structural, mechanical or cosmetic problems.**

Inspector: _____

REPORT LIMITATIONS

This report has been prepared for the sole and exclusive use of the client indicated above and is limited to an impartial opinion which is not a warranty that the items inspected are defect-free, or that latent or concealed defects may exist as of the date of this inspection or which may have existed in the past or may exist in the future. The report is limited to the components of the property which were visible to the inspector on the date of the inspection and his opinion of their condition at the time of the inspection.

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Roof

	COMPONENT	CONDITION	ACTION RECOMMENDED	PERSPECTIVE
1	Roof coverings:	Defective	See comments below	Minor Concern
2	Ventilation:	Acceptable	No action required	
3	Flashings:	Acceptable	No action required	
4	Skylights:	Not Present		
5	Chimneys:	Not Present		
6	Gutter system:	Not Present		
7	:			
8	:			

INFORMATION

9	Main roof age:	+/- 45 years	14	Ventilation:	soffit
10	Other roof age:	n/a years	15	Chimney:	none
11	Inspection method:	walked roof	16	Chimney flue:	none
12	Roof covering:	corrugated metal	17	Gutters:	none
13	Roof layers:	first			

ROOF COMMENTS

18 This house has a corrugated aluminum roof covering. It appears to be original and in average condition for its age.

The majority of all fasteners have been daubed with sealant at some time or another. The sealant on the fasteners of the main body of the house has weathered and needs reapplication. The fasteners over the enclosed patio bedroom appear to have been more recently daubed.

Seams on sections of the ridge cap and some vertical seams in the field of the roof have been coated with mastic, possibly indicating prior leaks.

The plumbing vent flashings appear to be properly installed and in average condition. The sealant on the perimeter of the vents will need to be periodically maintained.

A few of the overlap seams in the field of the roof are lifting and need to be better secured.

The overlap/ pitch-break between the original carport roofing and added carport roofing is substantially full of debris. The debris should be removed to prevent lateral water movement and possible leaks.

Due to the age and condition of the roof covering, it will require ongoing, periodic maintenance to remain intact with no leaks.

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Exterior

	COMPONENT	CONDITION	ACTION RECOMMENDED	PERSPECTIVE
1	Siding:	Acceptable	See comments below	Information
2	Trim/fascias/soffits:	Acceptable	No action required	
3	Veneer:	Not Present		
4	Doors:	Acceptable	No action required	
5	Windows:	Acceptable	No action required	
6	Hose faucets:	Acceptable	No action required	
7	Electrical cable:	Acceptable	No action required	
8	Exterior electrical:	Acceptable	No action required	

INFORMATION

9	Siding type:	vinyl and wood	13	Window type:	jalousie and sliding
10	Veneer type:	none			
11	Trim/fascias type:	wood	14	Window material:	metal
12	Door type:	wood	15	Electrical service:	overhead

EXTERIOR COMMENTS

16 The exterior of the house appears to be in average condition.

The original single wall tongue and groove siding has been covered with horizontal ship lap vinyl siding.

There is no sign of rot.

There is evidence of possible termite damage to the wooden components on the exterior eaves of the roof and to some of the foundation framing, in particular, on the perimeter if the crawl space. Some of the damage is advanced.

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Grounds & Drainage

	COMPONENT	CONDITION	ACTION RECOMMENDED	PERSPECTIVE
1	Drainage:	Acceptable	See comments below	Minor Concern
2	Trees & shrubs:	Acceptable	No action required	
3	Walks & Steps:	Acceptable	No action required	
4	Patio/porch:	Acceptable	No action required	
5	Driveway:	Acceptable	No action required	
6	Retaining walls:	Not Present		
7	:			
8	:			

INFORMATION

9 Walks & Steps: **concrete**

10 Patio: **none**

Location: **n/a**

11 Porch: **wood deck**

Location: **west**

12 Driveway: **asphalt**

13 Retaining walls: **none**

GROUNDS & DRAINAGE COMMENTS

14 **There do not appear to be any major problems with the drainage to the property surrounding the house.**

A small portion of the runoff water does appear to enter the crawl space beneath the house. Although there is no undermining of the footings to be a concern, this should be monitored, assessed and corrected, as necessary. Excess run-off water could be directed away from the structure by installing berms, diversion trenches, drainage and/or gutter systems.
Dirt against any wooden components should be removed to prevent rot.

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Heating & Cooling

	COMPONENT	CONDITION	ACTION RECOMMENDED	PERSPECTIVE
1	A/C operation:	Acceptable	No action required	
2	Heating operation:	Not Present		
3	System back-up:	Not Present		
4	Exhaust system:	Not Present		
5	Distribution:	Acceptable	No action required	
6	Fuel tank:	Not Present		
7	Fuel lines:	Not Present		
8	Heat exchanger:	Not Present		
9	Humidifier:	Not Present		
10	Filter:	Acceptable	No action required	

INFORMATION

11	A/C Type:	window unit	17	Heat pump style:	n/a
12	A/C age:	n/a years	18	Electric resistance backup:	n/a
13	Heating Type:	none			
14	Heating age:	n/a years			
15	Heating Fuel:	n/a	19	Distribution:	n/a
16	Oil tank located:	n/a	20	Filter:	cleanable

HEATING & COOLING COMMENTS

21 **Comments:**

There is a split air conditioning system located in the enclosed patio bedroom. The air handler is located in the bedroom and the fan/ compressor is located on the exterior east facing wall of the enclosed patio.
It was operated and functioned properly, as it measured approximately 60 degrees at the register in a relatively short period of time. The filter is reasonably clean.

There is one window unit type air conditioner located in the northeast corner bedroom. It was operated and functioned properly, as it measured approximately 64 degrees at the register in a relatively short period of time. The filter is reasonably clean.

There are four ceiling fans. These are located in the living room and each of the three original bedrooms. All were operated and functioned properly. The fans in the combined east bedrooms oscillate noticeably on high speed.

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Plumbing

	COMPONENT	CONDITION	ACTION RECOMMENDED	PERSPECTIVE
1	Supply pipes:	Acceptable	No action required	
2	Waste/vent pipes:	Acceptable	No action required	
3	Funct'l water flow:	Acceptable	No action required	
4	Funct'l waste drain:	Acceptable	No action required	
5	Well system:	Not Present		
6	Septic system:	Not Present		
7	Water heater:	Acceptable	See comments below	Minor Concern
8	TPR Valve:	Acceptable	No action required	

INFORMATION

9	Water supply represented as:	municipal	14	Septic location:	none
10	Waste system represented as:	cesspool	15	Water heater:	Kenmore
11	Supply pipes:	copper	16	Capacity in gallons:	40
12	Waste/vent pipes:	cast iron, galvanized and plastic	17	Age:	+/- 12 years
13	Well location:	none	18	Fuel type:	electric

PLUMBING COMMENTS

19 **Comments:**

The water heater is located in the laundry room at the rear of the carport.
The serial number for the water heater is L 96737628, indicating it is approximately 12 years old.
The water heater appears to be plumbed properly and in average condition with no sign of leaks.
The electrical service to the water heater is a bare wire. The wire should be encased in a flex-conduit between the top of the tank and a junction box.

The original galvanized service piping for the house appears to have been replaced with copper.

Much of the waste water piping has been replaced with plastic. Some of the original cast iron and galvanized piping remains in place.

The functional water pressure in the house is adequate.

The pressure regulator and shutoff valve are located outside of the crawl space on the north side of the house.

The water meter is located on the northwest corner of the property near the road.

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Electrical System

	COMPONENT	CONDITION	ACTION RECOMMENDED	PERSPECTIVE
1	Wiring at main box:	Acceptable	See comments below	Minor Concern
2	Ground:	Not Present		
3	GFCI:	Not Present		
4	Amperage:	Acceptable	No action required	
5	Household wiring:	Acceptable	See comments below	Minor Concern
6	:			
7	:			
8	:			

INFORMATION

9	Amps:	100	14	Grounding:	grounding rod & water pipe
10	Volts:	120/240	15	GFCI:	Ground fault protection at none
11	Main box location:	kitchen			
12	Main service conductor:	copper (old and new)	16	Main box type:	breakers
13	Branch circuit wiring:	copper (old and new)	17	Wiring type:	romex

ELECTRICAL SYSTEM COMMENTS

18 **Comments:**

The electrical system appears to have been installed in a professional manner with some exceptions. Switches and a representative number of outlets were checked with some problems evident.

Due to the amount of personal possessions stored against the walls, throughout the house, the inspection of the electrical outlets was somewhat limited.
The majority of all outlets are ungrounded two prong receptacles.

The main distribution panel is located inside of the kitchen pantry. The cover for the panel is difficult to remove and replace, as the bottom of the cover is partially obstructed by a pantry shelf. As a result, the panel cover is held in place by only the two top fasteners. The shelf should be moved and the bottom fasteners installed.
The wiring in the panel is a combination of grounded and ungrounded wires.
A 20 amp/ 220 breaker has only one leg being used. This should be replaced with a single-pull breaker to provide appropriate over current protection.
Several of the breakers are unlabeled. All breakers need to be labeled to indicate their purpose.

In the laundry room, the electrical service to the water heater is a bare wire. The wire should be encased in a flex-conduit between the top of the tank and a junction box.
In the enclosed patio bedroom one of the outlets is wired hot/neutral reversed and needs correction.

There are no GFCI outlets in this house as they were not required when it was built. In modern construction, GFCI outlets are required within six feet of any water source and for exterior use.

The electric meter and main service disconnect are located on the northeast corner of the house.

I recommend assessment, correction and/or upgrading of the electrical system by a licensed electrical contractor.

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Kitchen & Laundry

	COMPONENT	CONDITION	ACTION RECOMMENDED	PERSPECTIVE
	KITCHEN			
1	Walls/ceiling/floor:	Acceptable	No action required	
2	Doors & windows:	Acceptable	No action required	
3	Heating & cooling:	Not Present		
4	Cabinets/shelves:	Acceptable	See comments below	Minor Concern
5	Sink plumbing:	Acceptable	No action required	
	APPLIANCES			
6	Disposal:	Not Present		
7	Dishwasher:	Not Present		
8	Trash compactor:	Not Present		
9	Exhaust fan:	Not Present		
10	Microwave:	Acceptable	See comments below	Information
11	:			
12	:			
13	Range/oven:	Acceptable	No action required	
14	Gas or electric?	electric		
	LAUNDRY			
15	Walls/ceiling/floor:	Acceptable	No action required	
16	Doors & windows:	Defective	See comments below	Minor Concern
17	Washer plumbing:	Acceptable	No action required	
18	Sink plumbing:	Acceptable	No action required	
19	Cabinets/shelves:	Not Present		
20	Heating & cooling:	Not Present		
21	Dryer vent:	Acceptable	No action required	
22	:			
23	:			
24	Dryer service:	Acceptable	No action required	
25	Gas or electric?	electric		

26 **Comments:**

In the kitchen the vinyl flooring is in average condition with numerous small nicks and dings.
All cabinet doors and drawers function. The cabinet drawers have no stops. As is common with built-in cabinets of this age, the doors bind in the openings due to paint build-up and/or minor settlement issues.
The section of kitchen counter behind the sink to which the faucet is secured is substantially rotted.
The countertop type microwave was operated and functioned properly. The emissions were measured and are within normal range.
The temperature of the oven measured approximately 30 degrees below set temperature.
The laundry area is located in a room at the rear of the carport. The services to the appliance were checked and functioned properly. The dryer hose vent connections appear to be secure.
The washer is served by rubber hosing; as rubber washing machine hoses hold pressure continuously and become brittle over time, replacement with braided stainless hosing could be considered. There is no sign of leaks.
The operating hardware for the jalousie window behind the washer is damaged and, as such, could not be operated without a glass louver falling out.
The gray water from the washing machine emits to the side yard.

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Bathrooms

	COMPONENT	CONDITION	ACTION RECOMMENDED	PERSPECTIVE
1	Walls, ceiling, floor:	Acceptable	See comments below	
2	Doors & windows:	Acceptable	No action required	
3	Heating & cooling:	Not Present		
4	Cabinets & counter:	Acceptable	No action required	
5	Vents:	Not Present		
6	Sinks:	Acceptable	See comments below	Minor Concern
7	Toilets:	Acceptable	No action required	
8	Tubs:	Not Present		
9	Showers:	Defective	See comments below	Minor Concern
10	:			

BATHROOMS INSPECTED

11 # of Half baths: 0 12 # of Full baths: 1 13 # of Master baths: 0

BATHROOM COMMENTS

14 **<u>In the full hallway bath</u> there is evidence of a mold-like substance on the walls and ceilings throughout the bathroom. A large section of the ceiling has been roughly patched, possibly indicating prior roof leaks and water damage.**

The operating handle for the jalousie window hardware is disconnected and needs repair.

The sink drains slowly indicating the waste water piping needs to be cleaned.

The mixing valve for the shower is reversed; hot is cold and cold is hot.

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Interior Rooms

	COMPONENT	CONDITION	ACTION RECOMMENDED	PERSPECTIVE
1	Walls, ceiling, floor:	Acceptable	No action required	
2	Doors & windows:	Acceptable	No action required	
3	Heating & cooling:	Not Present		
4	Cabinets & counter:	Not Present		
5	Wet bar:	Not Present		
6	Fireplc/woodstove:	Not Present		
7	Smoke detectors:	Not Present		
8	CO detectors:	Not Present		
9	Stairs/balcony/rails:	Not Present		
10	:			

INFORMATION

11 Rooms inspected:
4 bedrooms
living room
dining area
hallways/ entries
other:

12 Walls & ceilings: **wood and canac**

13 Floors: **carpet and vinyl**

14 Number of wet bars: **0**

15 Number of fireplaces/woodstoves: **0**

INTERIOR ROOM COMMENTS

16 **The interior of the house is in average condition for its age. There are no major cosmetic problems.**

A section of the single wall separating the two bedrooms on the east side of the house has been removed to form a "walk through" and to combine the bedrooms. There is no header or reinforcement installed above the cut out. A section of the removed wall boards has been used to seal one of the door openings.

An additional "bedroom" has been added on the west side of the house by enclosing the original patio. The room can be accessed from the exterior and has no built-in closet.

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Garage & Carport

	COMPONENT	CONDITION	ACTION RECOMMENDED	PERSPECTIVE
1	Roof:	Acceptable	No action required	
2	Walls:	Acceptable	No action required	
3	Eaves:	Acceptable	No action required	
4	Electrical:	Acceptable	No action required	
5	Gutters:	Not Present		
	INTERIOR			
6	Walls/ceiling/floor:	Acceptable	No action required	
7	Firewall/firedoor:	Not Present		
8	Doors & windows:	Acceptable	No action required	
9	Overhead doors:	Not Present		
10	Door openers:	Not Present		
11	Electrical:	Acceptable	No action required	
12	Heating & cooling:	Not Present		

INFORMATION

EXTERIOR

13 Location: attached garage - same as house

14 Roof covering: corrugated metal

15 Roof age: +/- 45 years

16 Gutters: none

INTERIOR

17 Walls & ceilings: wood

18 Floors: asphalt

19 Garage door: none

GARAGE & CARPORT COMMENTS

20 This house has a two stall carport with storage.

It appears to be in serviceable condition with no problems.

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Attic

	COMPONENT	CONDITION	ACTION RECOMMENDED	PERSPECTIVE
1	Access:	Acceptable	No action required	
2	Framing:	Acceptable	See comments below	Minor Concern
3	Sheathing:	Acceptable	No action required	
4	Insulation:	Not Present		
5	Ventilation:	Acceptable	No action required	
6	Exposed wiring:	Not Present		
7	Plumbing vents:	Acceptable	No action required	
8	Chimney & flues:	Not Present		
9	Vapor Retarder:	Not Present		
10	:			

INFORMATION

11	# of Attic areas:	1	14	Framing:	conventional and truss
12	Access locations:	bathroom	15	Sheathing:	purlins
13	Access by:	hatch	16	Insulation:	none

ATTIC COMMENTS

17 The attic appeared to be adequately ventilated and in average condition with no sign of leaks.
Due to low headroom, a limited inspection of the attic was performed from a ladder at the hatch.

There is evidence of minor possible termite damage in numerous locations.

Some daylight is visible.

Some bird nesting is evident.

As they were not required when this house was built, there are no hurricane straps installed on the rafters on the perimeter wall line.

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Foundation

	COMPONENT	CONDITION	ACTION RECOMMENDED	PERSPECTIVE
	Type foundation:	crawl		
1	Access:	Acceptable	No action required	
2	Foundation walls:	Not Present		
3	Floor framing:	Acceptable	See comments below	Minor Concern
4	Insulation:	Not Present		
5	Ventilation:	Acceptable	No action required	
6	Sump pump:	Not Present		
7	Dryness/drainage:	Acceptable	No action required	
8	Floor/Slab:	Not Present		
9	Vapor Retarder:	Not Present		
10	:			

INFORMATION

11	Foundation walls:	none	14	Beams:	beams
12	Floors:	asphalt - carport	15	Piers:	block
13	Joist:	2" X 6" with 16 " on center spacing	16	Sub Floor:	strip flooring
			17	Insulation:	none

FOUNDATION COMMENTS

18 **The foundation of the house appears to be in average condition.**

There are some signs of possible termite damage, in particular, to wooden components on the perimeter of the crawl space.

As mentioned in the grounds and drainage section, some runoff water appears to enter the crawl space beneath the house. This problem should be monitored, assessed and corrected to prevent undermining, damage and/or settlement to the foundation of the house. Excess run-off water should be directed away from the structure by installing berms, diversion trenches, drainage and/or gutter systems.
Dirt against any wooden components should be removed to prevent rot.

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Real Estate Branch
Department of Commerce and Consumer Affairs
State of Hawaii
King Kalakaua Building
335 Merchant Street, Room 333
Honolulu, Hawaii 96813

RE: The Nascimento Condominium
24 Kulu Lane, Pukalani, Maui, Hawaii
Report of Condition of Existing Buildings

Ladies and Gentlemen:

The undersigned is a licensed Hawaii Engineer, licensed under No. 4531. This letter is being provided to you as required by HRS Section 514B-54 in connection with the registration of the above condominium under HRS Chapter 514B.

Please be advised that Units A and B of the condominium, being more than five (5) years old, were physically inspected. A copy of said reports are attached hereto as Exhibits.

The undersigned hereby certifies to you that to the best of knowledge and belief of the undersigned, the condition of said buildings is as set forth in the attached Exhibits and are true and accurate.

BRADFORD LEE LUNG

STATE OF HAWAII)
) SS
COUNTY OF MAUI)

On this 9th day of January, 2009, before me personally appeared BRADFORD LEE LUNG, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

LS

Notary Public, State of Hawaii
Typed or Printed Name: SCOTT TANAKA
My commission expires:
My Commission Expires: 07/29/2011

Document Date: 01/09/2009 # Pages: 1
Notary Name: SCOTT TANAKA Second Circuit
Doc. Description: Letter to Dept of Commerce and Consumer Affairs
Notary Signature 01/09/2009 Date
LS

EXHIBIT "K"

Craig Smith Building Inspections
P.O. Box 690
Makawao
Hi 96768
(808) 572-3009 **(808) 280-5208**
(808) 573-1289

MEMBER
205085

PROPERTY / CLIENT INFORMATION

Report date: **10/29/08**

Customer File # **2208**
Customer: **Donna Nascimento**
Contact: **Donna Nascimento**
Address: **PO Box 823**
City, St, Zip: **Makawao , HI 96768**
Phone:
Fax:

Inspection location:
24-A Kulu Lane
Pukalani, HI 96768
Phone:

Send report to: **Donna and Brad**

GENERAL INFORMATION

Main entry faces: **west**
Estimated age: **approximately 17 years**
Unit type: **single-family**
Stories: **1**
Space below grade: **slab/crawl**
Soil condition: **dry**
Weather: **clear** Temp:
Date: **10/29/08** Time: **1:00 pm**
Unit occupied: **yes** Client present: **no**
People present: **none**
Comments: **This house was built in 1991. It has approximately 760 square feet of living area, a one stall carport with storage and a 450 square foot detached storage shed. It is in average condition. There are no major structural, mechanical or cosmetic problems.**

Inspector: _____

REPORT LIMITATIONS

This report has been prepared for the sole and exclusive use of the client indicated above and is limited to an impartial opinion which is not a warranty that the items inspected are defect-free, or that latent or concealed defects may exist as of the date of this inspection or which may have existed in the past or may exist in the future. The report is limited to the components of the property which were visible to the inspector on the date of the inspection and his opinion of their condition at the time of the inspection.

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Roof

	COMPONENT	CONDITION	ACTION RECOMMENDED	PERSPECTIVE
1	Roof coverings:	Defective	See comments below	Minor Concern
2	Ventilation:	Acceptable	No action required	
3	Flashings:	Defective	See comments below	Minor Concern
4	Skylights:	Not Present		
5	Chimneys:	Not Present		
6	Gutter system:	Not Present		
7	:			
8	:			

INFORMATION

9	Main roof age:	+/- 17 years	14	Ventilation:	soffit and gable vents
10	Other roof age:	n/a years	15	Chimney:	none
11	Inspection method:	walked roof	16	Chimney flue:	none
12	Roof covering:	single-thickness asphalt shingle	17	Gutters:	none
13	Roof layers:	first			

ROOF COMMENTS

18 The house has single-thickness asphalt shingle and asphalt roll roof coverings.

The gable roof of the house has single-thickness asphalt shingle covering installed. The covering is living beyond its useful life and needs either substantial timely repair or full replacement.

This is evidenced by: Numerous shingles missing from the overhang of the roof on the south and west eaves. The shingles and tar paper have peeled back in one area leaving shingle moulding and plywood sheathing exposed. Dozens of shingle tabs are missing from the west face of the roof. A few of the more damaged areas have been incorrectly patched by overlaying shingles to help prevent leaks, instead of appropriately weaving the shingles into the pattern. The shingles are becoming brittle and there is evidence of granular loss, in particular, near the ridge of the roof. The shingles are incomplete at the base of the gable end flashings on both ends of the roof; an extra course should have been added to each gable end. As a result, a noticeable gap is evident on the east gable end which could allow water penetration; this is very clear when seen from in the attic. The north facing gable end flashing has been inappropriately partially covered with shingles to help seal this area.

The asphalt roll roof covering is located over the "flat" section of roof above the carport and storage shed areas. This covering is intact with no damage or open seams. As with the asphalt shingle roof, there is evidence of aging and granular loss.

The step down roof over the storage shed addition has no metal flashings. Instead, the roll roofing has been bent up the wall. The bent asphalt will be prone to crack and/or leak.

All plumbing flashings appear to be properly installed and in average condition. The rubber boots however, are substantially cracked/ damaged from sun exposure and need repair or replacement. The large vent pipe boot in particular is affected.

The large detached storage shed roof is also in relatively poor condition. There is evidence of some granular loss. There are approximately 20 missing shingle tabs from the field on the west side of the roof. Additionally, the majority of the shingles are missing from the perimeter overhang on three sides; some plywood sheathing is exposed.

I recommend assessment and correction of the roof coverings by a licensed roofing contractor.

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Exterior

	COMPONENT	CONDITION	ACTION RECOMMENDED	PERSPECTIVE
1	Siding:	Acceptable	See comments below	Maintenance Item
2	Trim/fascias/soffits:	Acceptable	No action required	
3	Veneer:	Not Present		
4	Doors:	Acceptable	No action required	
5	Windows:	Acceptable	No action required	
6	Hose faucets:	Acceptable	No action required	
7	Electrical cable:	Acceptable	No action required	
8	Exterior electrical:	Acceptable	No action required	

INFORMATION

9 Siding type: **wood**

10 Veneer type: **none**

11 Trim/fascias type: **wood**

12 Door type: **wood**

13 Window type: **sliding, fixed and jalousie**

14 Window material: **metal and vinyl**

15 Electrical service: **overhead**

EXTERIOR COMMENTS

16 **The exterior of the house appears to be in average condition. There are no signs of rot or possible termite damage.**

A storage closet appears to have been added to the rear of the carport. As there is little or no roof overhang on the two weather-facing sides of the storage shed, these wall sections will be prone to rot and should be kept well sealed. Additionally, the bottom of the siding is in the dirt; the soil needs to be excavated to prevent rot.

The exterior of the detached storage shed is in average condition. There are no signs of rot or possible termite damage.

As evidenced by gaps on the perimeters of all exterior doors and lack of thresholds, the doors may be prone to leak during a wind driven rain.

The sliding glass windows have no perimeter trim.

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Grounds & Drainage

	COMPONENT	CONDITION	ACTION RECOMMENDED	PERSPECTIVE
1	Drainage:	Acceptable	No action required	
2	Trees & shrubs:	Acceptable	See comments below	
3	Walks & Steps:	Acceptable	No action required	Minor Concern
4	Patio/porch:	Acceptable	No action required	
5	Driveway:	Acceptable	No action required	
6	Retaining walls:	Not Present		
7	:			
8	:			

INFORMATION

9 Walks & Steps: concrete

10 Patio: none

Location: n/a

11 Porch: wood deck

Location: south

12 Driveway: gravel

13 Retaining walls: none

GROUNDS & DRAINAGE COMMENTS

14 There do not appear to be any major problems with the drainage to the property surrounding the house. A small portion of the runoff water appears to enter the crawl space beneath the house. There is no erosion adjacent to the footings to be a concern.

As a general rule, plant contact with the structure should be avoided. There is one shrub located behind the carport storage shed which needs to be kept trimmed back or removed to prevent damage to the structure.

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Heating & Cooling

	COMPONENT	CONDITION	ACTION RECOMMENDED	PERSPECTIVE
1	A/C operation:	Not Present		
2	Heating operation:	Not Present		
3	System back-up:	Not Present		
4	Exhaust system:	Not Present		
5	Distribution:	Not Present		
6	Fuel tank:	Not Present		
7	Fuel lines:	Not Present		
8	Heat exchanger:	Not Present		
9	Humidifier:	Not Present		
10	Filter:	Not Present		

INFORMATION

11	A/C Type:	none	17	Heat pump style:	n/a
12	A/C age:	n/a years	18	Electric resistance backup:	n/a
13	Heating Type:	none			
14	Heating age:	n/a years			
15	Heating Fuel:	n/a	19	Distribution:	n/a
16	Oil tank located:	n/a	20	Filter:	n/a

HEATING & COOLING COMMENTS

21 **Comments:**

There is no central heating or air conditioning in this house.

There are no window unit type air conditioners.

There are four ceiling fans.
These are located in the kitchen, living room and each of the two bedrooms.
All were operated and functioned properly.
The fans in the living room and southeast corner bedroom oscillate slightly on high speed.
The fan in the southwest corner bedroom sounds as if the bearings may be worn; it may benefit from lubrication.

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Plumbing

	COMPONENT	CONDITION	ACTION RECOMMENDED	PERSPECTIVE
1	Supply pipes:	Acceptable	No action required	
2	Waste/vent pipes:	Acceptable	No action required	
3	Funct'l water flow:	Acceptable	No action required	
4	Funct'l waste drain:	Acceptable	No action required	
5	Well system:	Not Present		
6	Septic system:	Not Present		
7	Water heater:	Acceptable	No action required	
8	TPR Valve:	Acceptable	No action required	

INFORMATION

9 Water supply represented as: **municipal**

10 Waste system represented as: **municipal**

11 Supply pipes: **copper**

12 Waste/vent pipes: **plastic**

13 Well location: **none**

14 Septic location: **none**

15 Water heater: **General Electric**

16 Capacity in gallons: **40**

17 Age: **new**

18 Fuel type: **electric**

PLUMBING COMMENTS

19 **Comments:**

The water heater is located in a free standing enclosure in the carport.
The serial number for the water heater is GE 0308R15540 indicating it is new.
The water heater appears to be plumbed properly and in average condition with one exception.
As evidence by a small amount of rust, there appears to be a minor leak from the cold water fitting at the top of the tank which needs repair.

The functional water pressure in the house is adequate.

The shut-off valve is located at the crawl space entry on the north side of the building to the side of the carport entry.

The water meter is located on the northwest corner of the property near the road.

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Electrical System

	COMPONENT	CONDITION	ACTION RECOMMENDED	PERSPECTIVE
1	Wiring at main box:	Acceptable	No action required	
2	Ground:	Acceptable	No action required	
3	GFCI:	Acceptable	No action required	
4	Amperage:	Acceptable	No action required	
5	Household wiring:	Defective	See comments below	Safety Hazard
6	:			
7	:			
8	:			

INFORMATION

9 Amps: 100

10 Volts: 120/240

11 Main box location: bathroom

12 Main service conductor: aluminum

13 Branch circuit wiring: copper

14 Grounding: grounding rod & water pipe

15 GFCI: Ground fault protection at kitchen, bathrooms and exterior

16 Main box type: breakers

17 Wiring type: romex

ELECTRICAL SYSTEM COMMENTS

18 Comments:

The electrical system of the house appears to have been installed in a professional manner. Switches and a representative number of outlets were checked with some problems evident.

Wiring at the main distribution panel appeared to be in good condition. All breakers are labeled.

All GFCI outlets were checked and functioned properly.

In the carport storage room the ceiling light in the storage shed has bare, twisted wire connections with no nuts. This is a safety hazard which needs timely correction. Wire nuts need to be installed on the bare wires.

The electric meter and main service disconnect are located on the north side of the house adjacent to the carport entry.

The electrical system of the large detached shed does not appear to have been installed in a professional manner. Switches and a representative number of outlets were checked with some problems evident.
The 20 amp breakers labeled "rec window" and "lites" appear to have undersized wires installed; either the wire size needs to be increased or the breaker size decreased. Additionally, the breaker labeled "lites" is double-tapped; an additional breaker should be added to facilitate using only one wire per breaker.
The fasteners used to secure the panel cover are pointed sheet metal screws; these should be replaced with blunt tipped machine type screws to prevent the possibility of wire insulation being damaged.
The outlets to either side of the electrical panel functioned properly. The outlets on the southwest corner are defective and need correction. The outlets on the east side of the building could not be accessed due to the amount of possessions stacked against the walls and were not checked as part of the inspection. The exposed wiring in the walls on this side of the building should be covered with sheetrock.

I recommend assessment and correction of the electrical system by a licensed electrical contractor.

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Kitchen & Laundry

	COMPONENT	CONDITION	ACTION RECOMMENDED	PERSPECTIVE
	KITCHEN			
1	Walls/ceiling/floor:	Acceptable	No action required	
2	Doors & windows:	Acceptable	No action required	
3	Heating & cooling:	Not Present		
4	Cabinets/shelves:	Acceptable	See comments below	Maintenance Item
5	Sink plumbing:	Acceptable	No action required	
	APPLIANCES			
6	Disposal:	Defective	See comments below	Minor Concern
7	Dishwasher:	Not Present		
8	Trash compactor:	Not Present		
9	Exhaust fan:	Not Present		
10	Microwave:	Acceptable	See comments below	Information
11	:			
12	:			
13	Range/oven:	Acceptable	See comments below	Minor Concern
14	Gas or electric?	electric		
	LAUNDRY			
15	Walls/ceiling/floor:	Acceptable	No action required	
16	Doors & windows:	Not Present		
17	Washer plumbing:	Acceptable	No action required	
18	Sink plumbing:	Acceptable	No action required	
19	Cabinets/shelves:	Acceptable	No action required	
20	Heating & cooling:	Not Present		
21	Dryer vent:	Acceptable	No action required	
22	:			
23	:			
24	Dryer service:	Acceptable	No action required	
25	Gas or electric?	electric		

26 **Comments:**

In the kitchen the vinyl flooring is somewhat worn with numerous small nicks and dings.
All cabinet doors and drawers function. Several of the cabinet door hinges are loose and need to be tightened. The clear finish on the natural wood door and drawer faces is becoming "thin" and would benefit from reapplication.
The mitered seam of the kitchen countertop has evidence of minor swelling due to water absorption. Maintaining this seam with caulking will help to prevent this from worsening.
The garbage disposal appears to be defective. As a result, the left hand sink basin tends to retain water when used.
All range burners function. The labeling on the range burner control knobs has worn off and, as a result, accurately setting the heat of the burners is difficult.
The countertop type microwave was operated and functioned properly. The emissions were measured and are within normal range.
The temperature of the oven measured approximately 30 degrees below set temperature. The support brackets for the broiler element are missing and need replacement.

LAUNDRY COMMENTS CONTINUED IN GARAGE SECTION ON PAGE 11

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Bathrooms

	COMPONENT	CONDITION	ACTION RECOMMENDED	PERSPECTIVE
1	Walls, ceiling, floor:	Acceptable	See comments below	Minor Concern
2	Doors & windows:	Acceptable	See comments below	Maintenance Item
3	Heating & cooling:	Not Present		
4	Cabinets & counter:	Acceptable	No action required	
5	Vents:	Not Present		
6	Sinks:	Acceptable	No action required	
7	Toilets:	Acceptable	No action required	
8	Tubs:	Acceptable	No action required	
9	Showers:	Defective	See comments below	Minor Concern
10	:			

BATHROOMS INSPECTED

11 # of Half baths: 0 12 # of Full baths: 1 13 # of Master baths: 0

BATHROOM COMMENTS

14 In the full hallway bath there are separation cracks evident in the finish of the drywall, at the wall/ceiling junction above the shower enclosure.

There is a burn mark evident in the vinyl flooring in front of the vanity sink.
The flooring is substantially discolored adjacent to the toilet, possibly due to prior water penetration. There were no leaks evident from the toilet at the time of the inspection.
There is a noticeable "creak" in the floor at the bathroom entry, indicating no subfloor adhesive and loose fasteners.

The door knob is quite loose and needs to be tightened.

The cold water valve in the shower enclosure is difficult to operate as the handle tends to spin freely on the valve shaft. With this exception, all plumbing fixtures function properly with no sign of leaks.

A single tile is missing from the bottom corner of the shower enclosure, to the side of the tub faucet. The tile should be replaced and/or the area better sealed to prevent water damage.

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Interior Rooms

	COMPONENT	CONDITION	ACTION RECOMMENDED	PERSPECTIVE
1	Walls, ceiling, floor:	Acceptable	See comments below	
2	Doors & windows:	Defective	See comments below	Minor Concern
3	Heating & cooling:	Not Present		Minor Concern
4	Cabinets & counter:	Not Present		
5	Wet bar:	Not Present		
6	Fireplc/woodstove:	Not Present		
7	Smoke detectors:	Defective	See comments below	
8	CO detectors:	Not Present		Minor Concern
9	Stairs/balcony/rails:	Not Present		
10	:			

INFORMATION

11 Rooms inspected:
2 bedrooms
living room
dining area
hallways/ entries
other:

12 Walls & ceilings: sheet rock

13 Floors: carpet and vinyl

14 Number of wet bars: 0

15 Number of fireplaces/woodstoves: 0

INTERIOR ROOM COMMENTS

16 The interior of the house is in average condition. There are no major cosmetic problems.

The operating hardware for all sliding glass windows would benefit from periodic cleaning and lubrication.
There are minor blemishes to the finish of the drywall in numerous locations throughout the house.
In the living room there is minor seam separation evident in the finish of the drywall on the ceiling and above both corners of the large window.
At the front entry the door knob is quite loose and needs to be tightened. The door has no stop and as a result, a ding has formed in the wall behind the door; the damaged area has been roughly patched.
In the southwest corner bedroom the door knob for the entry door is quite loose and needs to be tightened.
The bottom interlocking guides for the bi-fold closet doors are bent and need repair or replacement.
Additionally, the bi-fold closet doors need to be adjusted upwards for carpet rub.
There is minor seam separation evident to the finish of the drywall ceiling.
In the southeast corner bedroom the door knob for the entry door is quite loose and needs to be tightened.
The bottom interlocking guides for the bi-fold doors are bent and need repair or replacement.
Additionally, the bi-fold closet doors need to be adjusted upwards for carpet rub.
The upper track guide for the left hand bi-fold door is missing and needs replacement.
In the hallway there is a small compression ding on the outside of the southeast corner bedroom door.
There is one smoke detector. It is defective and needs repair or replacement.

The interior of the large detached storage shed is unfinished. A few sections of wall on the west side of the shed have sheetrock installed, reportedly to cover exposed wiring. Some wiring remains exposed on the west side of the building. The majority of the wall line blocking is not drilled for venting.

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Garage & Carport

	COMPONENT	CONDITION	ACTION RECOMMENDED	PERSPECTIVE
1	Roof:	Acceptable	No action required	
2	Walls:	Acceptable	See comments below	
3	Eaves:	Acceptable	No action required	Maintenance Item
4	Electrical:	Acceptable	No action required	
5	Gutters:	Not Present		
	INTERIOR			
6	Walls/ceiling/floor:	Acceptable	No action required	
7	Firewall/firedoor:	Not Present		
8	Doors & windows:	Acceptable	No action required	
9	Overhead doors:	Not Present		
10	Door openers:	Not Present		
11	Electrical:	Defective	See comments below	
12	Heating & cooling:	Not Present		Safety Hazard

INFORMATION

EXTERIOR

13 Location: attached carport - same as house

14 Roof covering: asphalt roll roof covering

15 Roof age: +/- 17 years

16 Gutters: none

INTERIOR

17 Walls & ceilings: wood

18 Floors: concrete

19 Garage door: none

GARAGE & CARPORT COMMENTS

20 This house has a one stall carport with storage. It appears to be in serviceable condition with no major problems.

The carport storage shed appears to have been added to the building. As there is virtually no roof overhang on two sides of the storage shed, these wall sections will be prone to rot. Additionally, the bottom of the associated siding is in the dirt and needs to be excavated. Maintaining a good seal on these walls would help to prevent rot.

As mentioned in the electrical section, the ceiling light in the storage shed has bare twisted wire connections with no nuts. This is a safety hazard which needs timely correction. Wire nuts need to be installed on the bare wires.

LAUNDRY COMMENTS CONTINUED FROM PAGE 10

The laundry area is located in the carport. The services to the appliances were checked and functioned properly.
The dryer hose vent connections appear to be secure.
The washer is served by rubber hosing; as rubber washing machine hoses hold pressure continuously and become brittle over time, replacement with braided stainless hosing could be considered.
The laundry sink is secured to the wall. The front legs of the laundry sink, however, are not supporting the basin.
The "gray water" from the washing machine appears to be directed through the crawl space of the house and emits in the side yard.

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Attic

	COMPONENT	CONDITION	ACTION RECOMMENDED	PERSPECTIVE
1	Access:	Acceptable	No action required	
2	Framing:	Acceptable	No action required	
3	Sheathing:	Acceptable	No action required	
4	Insulation:	Not Present		
5	Ventilation:	Acceptable	No action required	
6	Exposed wiring:	Acceptable	No action required	
7	Plumbing vents:	Acceptable	No action required	
8	Chimney & flues:	Not Present		
9	Vapor Retarder:	Not Present		
10	:			

INFORMATION

11	# of Attic areas:	1	14	Framing:	trusses
12	Access locations:	hallway	15	Sheathing:	plywood
13	Access by:	hatch	16	Insulation:	none

ATTIC COMMENTS

17 The attic appeared to be adequately ventilated and in average condition with no sign of leaks.

There is evidence of substantial daylight below the gable end wall flashing on the east side of the building. This opening could potentially allow water penetration in a wind driven rain.

The truss gussets are made of plywood.

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Foundation

	COMPONENT	CONDITION	ACTION RECOMMENDED	PERSPECTIVE
	Type foundation:	slab/crawl		
1	Access:	Acceptable	No action required	
2	Foundation walls:	Not Present		
3	Floor framing:	Acceptable	No action required	
4	Insulation:	Not Present		
5	Ventilation:	Acceptable	No action required	
6	Sump pump:	Not Present		
7	Dryness/drainage:	Acceptable	No action required	
8	Floor/Slab:	Acceptable	No action required	
9	Vapor Retarder:	Not Present		
10	:			

INFORMATION

11 Foundation walls: none

12 Floors: concrete - carport

13 Joist: 2" X 8" with 16 " on center spacing

14 Beams: wood

15 Piers: block

16 Sub Floor: plywood

17 Insulation: none

FOUNDATION COMMENTS

18 The foundation of the house appears to be in average condition.

There are no signs of rot or possible termite damage.

As mentioned in the grounds and drainage section, some runoff water appears to enter the crawl space beneath the house. This problem should be monitored, assessed and corrected to prevent undermining, damage and/or settlement to the foundation of the house. Excess run-off water should be directed away from the structure by installing berms, diversion trenches, drainage and/or gutter systems.
Dirt against any wooden components should be removed to prevent rot.

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R-644

STATE OF HAWAII
BUREAU OF CONVEYANCES
RECORDED

MAR 08, 1994 10:49 AM

Doc No(s) 94-040689

/s/ S. FURUKAWA
REGISTRAR OF CONVEYANCES

LAND COURT SYSTEM REGULAR SYSTEM

Return by Mail ( ) Pickup (X) To:

Security Title Corporation
Mauai

06-1286-31

ITC

EXHIBIT " L "

LETTER OF AGREEMENT

FEBRUARY 10, 1994

WE THE UNDERSIGNED AGREE THAT WE WILL SHARE EQUALLY IN THE RESPONSIBILITY OF MAINTAINING THE ROAD (KNOWN AS KULU LANE). AS SHOWN ON TMK (2) 2-3-43-4. (SEE DESCRIPTION PAGE)

THIS ROAD IS A PRIVATE ROAD TO BE USED BY THE OCCUPANTS AND GUESTS. THIS ROAD WILL REMAIN OPEN AND USED AS THE ENTRANCE AND EXIT TO THE VARIOUS LOTS OF THIS SUBDIVISION.

SIGNED AND DATED:

SIGNATURE / PRINT NAME	DATE
Albert C. Phillips ALBERT C. PHILLIPS ALBERT C. PHILLIPS	2/14/94
Kathleen V. Phillips KATHLEEN V. PHILLIPS Kathleen V. Phillips	2/14/94
Donna L. Nascimento DONNA L. NASCIMENTO Donna L. Nascimento	2/24/94
Sophie Estrella SOPHIE ESTRELLA Sophie Estrella	2/24/94
Harrison H. Pereira Jr. HARRISON HARRY PERREIRA JR. Harrison Harry Pereira Jr.	2/24/94
Janie E. Lopez JAMIE E. LOPEZ Janie E. Lopez	2-25-94

Nelson A. Botelho NELSON A. BOTELHO	Feb. 25, 1994
Ann C. Botelho ANN C. BOTELHO	2/25/1994
Ernest A. DeLima ERNEST A. DELIMA	2/25/94
Betty L. De Lima BETTY L. DELIMA	2/25/94

STATE OF Hawaii)
) SS.
COUNTY OF Maui)

On this 14th day of February, 1994, before me personally appeared Albert C. Phillips, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

SUSAN A. MARCH NOTARY PUBLIC STATE OF HAWAII

Susan A. March
Notary Public, in and for said State and County

My Commission expires: AUG 11 1995

STATE OF Hawaii)
) SS.
COUNTY OF Maui)

On this 14th day of February, 1994, before me personally appeared Kathleen V. Phillips, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that She executed the same as her free act and deed.

SUSAN A. MARCH NOTARY PUBLIC STATE OF HAWAII

Susan A. March
Notary Public, in and for said State and County

My Commission expires: AUG 11 1995

STATE OF Hawaii)
) SS.
COUNTY OF Maui)

On this 24th day of February, 1994, before me personally appeared Donna L. Nascimento, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that She executed the same as her free act and deed.

STATE OF HAWAII

Susan A. March
Notary Public, in and for said State and County

My Commission expires: AUG 11 1995

STATE OF Hawaii)
) SS.
COUNTY OF Maui)

On this 24 day of February, 1994, before me personally appeared Sophie Estrella, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that she executed the same as her free act and deed.

SUSAN A. MARCH NOTARY PUBLIC STATE OF HAWAII

Susan A. March
Notary Public, in and for said State and County

My Commission expires: AUG 11 1995

STATE OF Hawaii)
) SS.
COUNTY OF Maui)

On this 24 day of February, 1994, before me personally appeared Harrison Harry Pereira, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

SUSAN A. MARCH NOTARY PUBLIC STATE OF HAWAII

Susan A. March
Notary Public, in and for said State and County

My Commission expires: AUG 11 1995

STATE OF Hawaii)
) SS.
COUNTY OF Maui)

On this 25 day of February, 1994, before me personally appeared James E. Lokey, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

STATE OF HAWAII

Susan A. March
Notary Public, in and for said State and County

My Commission expires: AUG 11 1995

STATE OF Hawaii)
) SS.
COUNTY OF Maui)

On this 25 day of February, 1994, before me personally appeared Nelson A. Rotheiho, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

SUSAN A. MARCH NOTARY PUBLIC STATE OF HAWAII

Susan A. March
Notary Public, in and for said State and County

My Commission expires: AUG 11 1995

STATE OF Hawaii)
) SS.
COUNTY OF Maui)

On this 25 day of February, 1994, before me personally appeared Ann C. Rotheiho, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that she executed the same as her free act and deed.

SUSAN A. MARCH NOTARY PUBLIC STATE OF HAWAII

Susan A. March
Notary Public, in and for said State and County

My Commission expires: AUG 11 1995

STATE OF Hawaii)
) SS.
COUNTY OF Maui)

On this 25 day of February, 1994, before me personally appeared Ernest A. Delima, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

NOTARY PUBLIC STATE OF HAWAII

Susan A. March
Notary Public, in and for said State and County

AUG 11 1995

My Commission expires:

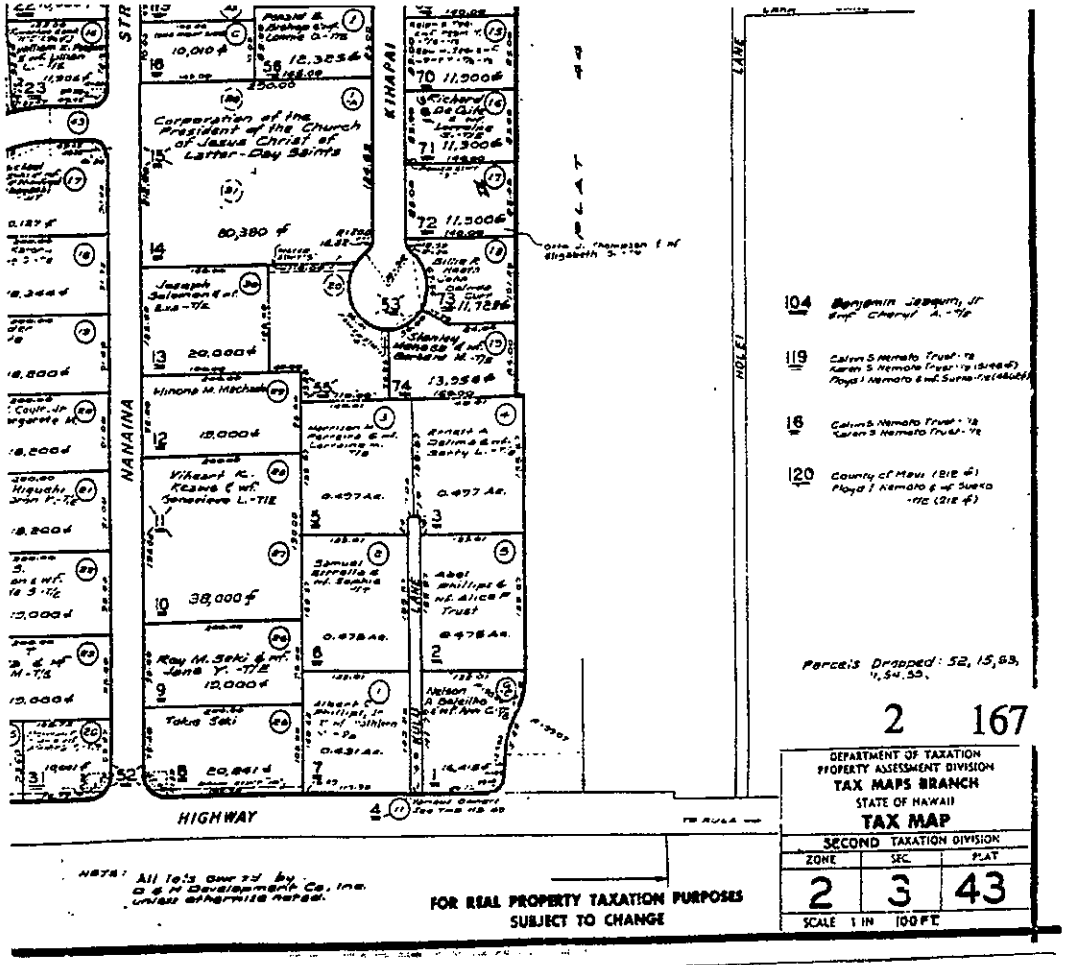
STATE OF Hawaii)
) SS.
COUNTY OF Maui)

On this 25 day of February, 1994, before me personally appeared Betty L. Delima, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that She executed the same as her free act and deed.

SUSAN A. MARCH NOTARY PUBLIC STATE OF HAWAII

Susan A. March
Notary Public, in and for said State and County

My Commission expires: AUG 11 1995



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