

**DEVELOPER'S PUBLIC REPORT
FOR A CONDOMINIUM**

CONDOMINIUM PROJECT NAME	PAIA HALE CONDOMINIUM
Project Address	207 (Unit A), 209 (Ohana) & 211 (Unit B) Baldwin Avenue, Paia, Hawaii 96779
Registration Number	6831 (conversion)
Effective Date of Report	June 22, 2009
Developer(s)	DANIEL E. DELAUNAY and JACQUE A. DELAUNAY, husband and wife

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 agency.

There are County restrictions on the number 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 STRUCTURE TO A RESIDENTIAL 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. Unit A is an existing single-family dwelling, and Unit B is an existing single-family dwelling.

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, unsubdivided 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.

THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY REVIEW THE CONDOMINIUM DOCUMENTS REFERENCED IN THIS PUBLIC REPORT FOR FURTHER INFORMATION WITH REGARD TO THE FOREGOING. EACH BUYER IS ALSO ADVISED TO CONTACT THE APPROPRIATE GOVERNMENT AGENCIES TO DETERMINE SPECIFIC REQUIREMENTS FOR THIS PROPERTY, AND TO CONSULT WITH AN ATTORNEY AND OTHER APPROPRIATE PROFESSIONALS.

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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	<input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold (attach Leasehold Exhibit)
Developer is the Fee Owner	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Fee Owner's Name if Developer is not the Fee Owner	N/A
Address of Project	207, 209 & 211 Baldwin Avenue, Paia, Hawaii 96779
Address of Project is expected to change because	N/A
Tax Map Key (TMK)	(2nd) 2-6-007:011
Tax Map Key is expected to change because	Each unit will be given a CPR # by Real Property Tax
Land Area	12,456 square feet
Developer's right to acquire the Property if Developer is not the Fee Owner (describe)	N/A

1.2 Buildings and Other Improvements

Number of Buildings	3
Floors Per Building	Unit A: 2, Unit B: 1, Ohana (See page 3a).
Number of New Building(s)	0
Number of Converted Building(s)	3
Principle Construction Materials (concrete, wood, hollow tile, steel, glass, etc.)	Concrete, wood, glass and related material

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	2/1.5	1113.209 sf	456.68/	covered lanai	2388.244
				463.174/	garage/	
				97.790/	laundry area/	
				178.767/	loft-storage/	
				78.624	stairs	
B	1	2/1	683.348 sf	108.289/	covered lanai	806.762
				15.125	storage	
See Exhibit <u> A </u>						

2	Total Number of Units
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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.

Continuation of Page 3, Section 1.2 Building and Other Improvements:

The "ohana", as shown on the Condominium Site Map, is a freestanding single-family accessory dwelling containing 568.512 square feet of net living area that includes a bedroom, one bathroom, a kitchen, living room, dining area, walk-in closet and an attached carport (including 113.167 square feet). This ohana is not a unit as defined in the condominium documents, rather it is a limited common element appurtenant to Unit "B", as more fully described in the condominium Declaration.

1.4 Parking Stalls

Total Parking Stall in the Project:	4*
Number of Guest Stalls in the Project:	0*
Number of Parking Stalls Assigned to Each Unit:	Unit A: 2*, Unit B: 1*, Unit B Ohana: 1*
Attach Exhibit <u>N/A</u> 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 2 outdoor stalls, Unit B has one outdoor stall & the ohana for Unit B has a 1-car carport. Each unit will have the right to park in the Limited Common Element appurtenant to said unit, including guests.	

1.5 Boundaries of the Units

Boundaries of the unit: Exterior surfaces of walls, roofs, and foundations.
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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): Each unit may be expanded, relocated and altered in owner's discretion (except as limited by law or the Declaration). The owner may unilaterally amend the Declaration to redefine the unit to conform the unit boundaries as altered, expanded or relocated

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 <u>A</u> .
As follows:

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

<input type="checkbox"/>	Swimming pool
<input type="checkbox"/>	Laundry Area
<input type="checkbox"/>	Storage Area
<input type="checkbox"/>	Tennis Court
<input type="checkbox"/>	Recreation Area
<input type="checkbox"/>	Trash Chute/Enclosure(s)
<input type="checkbox"/>	Exercise Room
<input type="checkbox"/>	Security Gate
<input type="checkbox"/>	Playground
<input checked="" type="checkbox"/>	Other (describe): Described on the following page 4a.

CONTINUATION OF PAGE 4, SECTION 1.8

Recreational and Other Common Facilities:

- (a) The shared water meter provided to the Property by the Department of Water Supply;
- (b) Any shared water line(s) and appurtenances;
- (c) Any shared sewer line(s) and appurtenances;
- (d) Any shared electrical, phone and cable television lines and appurtenances;
- (e) The Common Element Driveway as shown on the Condominium Map (Area = 662 s.f.);
- (f) An undivided one-half (1/2) interest in the abutting roadway Lot 3 of the Leonard Nunes Subdivision, identified for tax purposes as TMK (2) 2-6-007:038, subject to the rights of others to use said roadway Lot;
- (g) An easement for sewer line purposes over portions of the neighboring lots identified for tax purposes as TMK (2) 2-6-007:019 and (2) 2-6-007:037, which easement is noted as "Existing Sewer Easement A (15 ft. wide)" on the Condominium Site Map; and
- (h) An easement for sewer line purposes over a portion of the neighboring lot identified for tax purposes as TMK (2) 2-6-007:019, which easement is noted as "Existing Sewer Easement B (15 ft. wide)" on the Condominium Site Map.

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 A _____.

Described as follows:

Common Element	Number
Elevators	None
Stairways	None
Trash Chutes	None

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 A _____.

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.

<input type="checkbox"/>	Pets:
<input type="checkbox"/>	Number of Occupants:
<input checked="" type="checkbox"/>	Other: Described on the following page 5a.
<input type="checkbox"/>	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 B _____ describes the encumbrances against title contained in the title report described below.

Date of the title report: May 12, 2009

Company that issued the title report: First American Title Insurance Company

CONTINUATION OF P.5, SECTION 1.11, "Other":

- (a) No commercial uses except residential rentals and home office use which do not cause unreasonable nuisance to the other unit owner;
- (b) Five foot setbacks from the boundary between Limited Common Elements A and B for any new structures. Existing structures within the five feet setback may remain and be repaired or replaced as needed;
- (c) Only one "main" single-family dwelling is permitted within Limited Common Element A, and no other dwellings, and only one "main" single-family dwelling and one accessory dwelling are permitted within Limited Common Element B, and no other dwellings; and
- (d) Reference is made to Exhibit "B" of this Public Report and to Section G of the Declaration for additional restrictions.

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
<input checked="" type="checkbox"/>	Residential	2	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	R-1 (Residential 1)
<input type="checkbox"/>	Commercial		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Mix Residential/Commercial		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Hotel		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Timeshare		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Ohana		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Industrial		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Agricultural		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Recreational		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Other (Specify):		<input type="checkbox"/> Yes <input type="checkbox"/> No	
Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Variances to zoning code have been granted.			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Describe any variances that have been granted to zoning code			N/A	

1.14 Other Zoning Compliance Matters

Conforming/Non-Conforming Uses, Structures and Lots			
<p>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.</p> <p>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.</p> <p>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.</p>			
	Conforming	Non-Conforming	Illegal
Uses	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Structures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lot	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>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:</p> <p>N/A</p>			

1.15 Conversions

<p>Developer's statements regarding units that may be occupied for residential use and that have been in existence for five years or more.</p>	<p><input checked="" type="checkbox"/> Applicable</p> <p><input type="checkbox"/> Not Applicable</p>
<p>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: Each unit is older than five years old. Based on a report of the units by Craig Smith Building Inspections, dated February 11, 2009, and certified by Nicholas T. Wagner, a Hawaii licensed Architect (AR-6539), Declarant states that all of the structural components and mechanical and electrical installations material to the use and enjoyment of the Project appear to be in good condition.</p>	
<p>Developer's statement of the expected useful life of each item reported above: The Declarant hereby states that no representations are made with respect to the useful life of any structural component or mechanical or electrical installations material to the use and enjoyment of Units "A" and "B".</p>	
<p>List of any outstanding notices of uncured violations of any building code or other county regulations: N/A</p>	
<p>Estimated cost of curing any violations described above: N/A</p>	

<p>Verified Statement from a County Official</p>	
<p>Regarding any converted structures in the project, attached as Exhibit <u>G</u> is a verified statement signed by an appropriate county official which states that either:</p>	
<p>(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:</p> <ul style="list-style-type: none"> (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; 	<p style="text-align: center;">or</p> <p>(B) Based on the available information, the county official cannot make a determination with respect to the foregoing matters in (A) above.</p>
<p>Other disclosures and information:</p>	

1.16 Project In Agricultural District

<p>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.</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>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? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If the answer is "No", provide explanation.</p>	
<p>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? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If the answer is "No", provide explanation and state whether there are any penalties for noncompliance.</p>	
<p>Other disclosures and information:</p>	

1.17 Project with Assisted Living Facility

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

2. PERSONS CONNECTED WITH THE PROJECT

2.1 Developer(s)	Name: Daniel E. Delaunay & Jacque A. Delaunay, husband and wife Business Address: 370 Waiama Way, Haiku, Hawaii 96708 Business Phone Number : (808) 357-0350 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).	N/A
2.2 Real Estate Broker	Name: Equity One Real Estate, Inc. Business Address: 39 Baldwin Avenue, Paia, Hawaii 96779 Business Phone Number: (808) 579-1111 E-mail Address:
2.3 Escrow Depository	Name: Island Title Corporation Business Address: 33 Lono Avenue, Suite 310 Kahului, Hawaii 96732 Business Phone Number: (808) 877-4170
2.4 General Contractor	Name: N/A Business Address: Business Phone Number:
2.5 Condominium Managing Agent	Name: Self-Managed by the Association Business Address: Business Phone Number:
2.6 Attorney for Developer	Name: Mancini, Welch & Geiger LLP (Thomas D. Welch, Jr.) Business Address: 33 Lono Avenue, Suite 470 Kahului, Hawaii 96732 Business Phone Number: (808) 871-8351

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	April 3rd, 2009	2009-070225

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	April 3rd, 2009	2009-070226

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	4802
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	<input type="checkbox"/>	
Have Been Adopted and Date of Adoption	<input type="checkbox"/>	
Developer does not plan to adopt House Rules	<input checked="" type="checkbox"/>	

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

<input type="checkbox"/>	No rights have been reserved to the Developer to change the Declaration, Bylaws, Condominium Map or House Rules (if any).
<input checked="" type="checkbox"/>	<p>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:</p> <p>The Developer reserves the right to modify the Declaration, By-Laws, Condominium Property Regime Map, and other documents, and a Buyer will authorize the Developer to make and a Buyer will specifically approve, all changes to said documents and the Project:</p> <p>(a) as may be required by law, any title insurance company, any institutional lender, or any governmental agency; or</p> <p>(b) prior to conveyance of the first unit, as the Developer deems necessary; provided that no such modification shall, without the Buyer's consent:</p> <ul style="list-style-type: none"> (i) materially impair the prospective use and enjoyment of the Unit; (ii) materially reduce the size of the limited common area appurtenant to the Unit; (iii) render unenforceable a Buyer's mortgage lien commitment; (iv) increase the Buyer's share of common expenses; or (v) reduce the obligations of the Developer for common expenses on unsold units.

4. CONDOMINIUM MANAGEMENT

4.1 Management of the Common Elements

<p>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.</p>	
<p>The initial Condominium Managing Agent for this project is (check one):</p>	
<input type="checkbox"/>	Not affiliated with the Developer
<input checked="" type="checkbox"/>	None (self-managed by the Association)
<input type="checkbox"/>	The Developer or an affiliate of the Developer
<input type="checkbox"/>	Other (explain)

4.2 Estimate of the Initial Maintenance Fees

<p>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.</p>
<p>Exhibit <u>C</u> 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.</p>

4.3 Utility Charges to be Included in the Maintenance Fee

<p>If checked, the following utilities are included in the maintenance fee:</p>	
<input type="checkbox"/>	Electricity for the common elements
<input type="checkbox"/>	Gas for the common elements
<input checked="" type="checkbox"/>	Water
<input checked="" type="checkbox"/>	Sewer
<input type="checkbox"/>	TV Cable
<input type="checkbox"/>	Other (specify)

4.4 Utilities to be Separately Billed to Unit Owner

<p>If checked, the following utilities will be billed to each unit owner and are not included in the maintenance fee:</p>	
<input checked="" type="checkbox"/>	Electricity for the Unit only
<input checked="" type="checkbox"/>	Gas for the Unit only
<input type="checkbox"/>	Water
<input type="checkbox"/>	Sewer
<input checked="" type="checkbox"/>	TV Cable
<input checked="" type="checkbox"/>	Other (specify) Phone

5. SALES DOCUMENTS

5.1 Sales Documents Filed with the Real Estate Commission

<input checked="" type="checkbox"/>	Specimen Sales Contract Exhibit <u>D</u> contains a summary of the pertinent provisions of the sales contract. Including but not limited to any rights reserved by the Developer.
<input type="checkbox"/>	Escrow Agreement dated: April 24, 2009 Name of Escrow Company: Island Title Corporation Exhibit <u>E</u> contains a summary of the pertinent provisions of the escrow agreement.
<input type="checkbox"/>	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.

<input type="checkbox"/>	The sales of units in this project are subject to the Owner-Occupant requirements of Chapter 514B.
<input type="checkbox"/>	Developer has designated the units for sale to Owner-Occupants in this report. See Exhibit <u>NA</u> .
<input type="checkbox"/>	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.

<input type="checkbox"/>	There are <u>no blanket liens</u> affecting title to the individual units.
<input checked="" type="checkbox"/>	There are <u>blanket liens</u> 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
Reference is made to Exhibit B of this Public Report for a description of all liens affecting the property.	Buyer may lose his or her unit but buyer's deposit to be refunded, less any escrow cancellation fees. All mortgage liens will be paid in full out of the proceeds of the sale of the first unit and the units will be released from the liens at that time.

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:	
There are no warranties	
Appliances:	
There are no warranties	

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

Status of Construction: Unit A was built in 2004, Unit B was built in 2001 & Unit B Ohana was built in 2001.
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: N/A
Completion Deadline for any repairs required for a unit being converted, as set forth in the sales contract: N/A

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

<input checked="" type="checkbox"/>	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. <i>If this box is checked, Section 5.6.2, which follows below, will not be applicable to the project.</i>
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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):	
<input type="checkbox"/>	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
<input type="checkbox"/>	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 <input type="checkbox"/>	<p>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.</p> <p>If Box A is checked, you should read and carefully consider the following notice, which is required by law:</p> <p><u>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.</u></p>
Box B <input type="checkbox"/>	<p>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.</p> <p>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 <u>Important Notice Regarding Your Deposits</u> 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, <u>you will not have the right to rescind or cancel the sales contract by reason of such submission and amendment.</u> (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.</p> <p>You should understand that, although the <u>Important Notice Regarding Your Deposits</u> 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.</p>

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: Reference is made to Exhibit "B" for a specific list of encumbrances affecting this property.

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

1. Water. The condominium is served by a single water meter and water use for both units will be billed to the Association of Unit Owners by the County of Maui Department of Water Supply in a single bill. The Association is responsible for paying said charges and will allocate them among the unit owners as common expense assessments. The method of allocation shall be by individual use meters ("submeters") apportioning the County's billings between both units by proportionate metered water usage.

The County of Maui Department of Water Supply has adopted a policy to require that each unit in a condominium have its separate water meter, and that the County's fire protection system serving the property be upgraded, if it is substandard. This condominium has only one meter, which is shared. This sharing may be in violation of these rules. It may not be possible to obtain a second meter for this property. Also no representations are made as to the adequacy of fire protection serving the condominium land from the County's system. WATER SERVICE IS NOW BEING PROVIDED TO BOTH 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 AN ADDITIONAL METER AND INSTALL OR UPGRADE FIRE PROTECTION SERVICE TO THE CONDOMINIUM LAND 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.

2. Sewer. Each unit is served by the County of Maui wastewater removal system and will be billed for sewer in the same manner as water. Portions of the sewer are shared in common by both unit owners; any expenses associated with installing, removing, maintaining and/or repairing said common line will be handled according to the Declaration of Paia Hale Condominium. BUYER SHOULD CONSULT WITH HIS OR HER LEGAL COUNSEL FOR ADDITIONAL INFORMATION.

3. Zoning Limitations. Currently the Property is zoned R-1 (Residential 1) by the County of Maui, and includes an area of 12,456 square feet. Under the current zoning ordinance for a lot of this size, which is zoned R-1, one "full-size" single-family dwelling may be built per 6,000 square feet of land area, and one accessory dwelling (which is limited in size by the rules of the County of Maui) may be built on the condominium property. For purposes of this condominium only one "full-size" single-family dwelling may be built within Limited Common Element A, and only one "full-size" single-family dwelling and one accessory dwelling may be built within Limited Common Element B, and no other dwellings may be built. Currently Unit A is an existing "full-size" single-family dwelling, Unit B is an existing "full-size" single-family dwelling, and appurtenant to Unit B (within Limited Common Element B) is an accessory dwelling with attached carport as shown on the Condominium Site Map. The owner of Unit B may maintain and replace the accessory dwelling. The owner of Unit A is limited to a single dwelling and may not construct an accessory dwelling.

Also, no unit owner shall expand his or her dwelling(s) beyond any other size limit or setback under applicable zoning and land use laws or if the expansion would adversely affect the ability of any other unit owner to expand his or her dwelling(s) under applicable zoning and land use laws. No unit owner shall create any additional dwelling(s) beyond the dwelling(s) permitted under Section 6 of the Declaration and applicable law.

4. Setbacks. No new structures will be placed in any Limited Common Element within a setback area of five feet from the boundary dividing Limited Common Element A from Limited Common Element B, unless agreed to by the owners of both units A and B. Existing structures within the said setback area may remain, and be repaired and replaced as needed.

5. Mailboxes. Each unit has its own separate mailbox as shown on the Condominium Site Map.
6. Licensed Real Estate Broker. Pursuant to Sections 16-99-3(g) and 16-99-11(d), Hawaii Administrative Rules ("HAR"), prospective purchasers are hereby advised that Co-Developer, JACQUE A. DELAUNAY, is a current and active Hawaii-licensed Real Estate Broker, RB-9338. Further that JACQUE A. DELAUNAY is licensed with Equity One Real Estate, Inc., the project broker. Pursuant to Section 16-99-11(c), HAR "no license shall be allowed to advertise 'For Sale by Owner', 'For Rent by Owner', 'For Lease by Owner', 'For Exchange by Owner'."
7. Licensed Building Contractor. Prospective purchasers are hereby advised that the construction of the dwellings was performed by co-Developer DANIEL E. DELAUNAY, as a Hawaii State licensed building contractor CT-12647 & CT-10601.
8. Zoning Designation. Developer certifies that the property is zoned R-1 (Residential 1) by the County of Maui.
9. 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. The Common Element Driveway and Roadway Lot 3 should also be included in the liability coverage of one of the units or separately insured by a joint policy as a shared common expense.
10. Special Management Area. The subject property is not within the Special Management Area.
11. Encroachments. As described in Exhibit B and as shown on the Condominium Site Map portions of Unit A's rock wall and concrete steps encroach onto Baldwin Avenue (Maui County) right of way by approximately 10 inches at the greatest depth. The County of Maui may, in the future, require these encroachments to be removed, at the expense of Unit A. Also a hollow tile wall owned by the owner of Lot 1, abutting the condominium land on the northeast, encroaches up to 8 inches into the condominium land in Limited Common Element B and a gravel driveway owned by said owner of Lot 1 encroaches up to 6 feet into the condominium land in the Common Element Driveway. Lastly concrete steps encroach onto the condominium land, within Limited Common Element A, by up to 12 feet.
12. Paint Scheme. The paint, trim and roof colors of each unit shall remain substantially the same as they exist on the date of this Declaration, and may not be changed by any unit owner without the consent of the owner(s) of the other unit.
13. Pets. No animals shall be maintained or kept in any unit or in any limited common element except for up to three (3) household pets for each unit. Notwithstanding the foregoing the following are prohibited within the condominium: Chickens, roosters, pigs, goats, ducks, and peacocks.

THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY REVIEW THE CONDOMINIUM DOCUMENTS REFERENCED IN THIS PUBLIC REPORT FOR FURTHER INFORMATION WITH REGARD TO THE FOREGOING. EACH BUYER IS ALSO ADVISED TO CONTACT THE APPROPRIATE GOVERNMENT AGENCIES TO DETERMINE SPECIFIC REQUIREMENTS FOR THIS PROPERTY, AND TO CONSULT WITH AN ATTORNEY AND OTHER APPROPRIATE PROFESSIONALS.

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.

Daniel E. Delaunay and Jacque E. Delaunay, husband
and wife

Printed Name of Developer

By: Daniel E. Delaunay, Jacque A. Delaunay 5/29/2009
Duly Authorized Signatory Date

Daniel E. Delaunay and Jacque A. Delaunay: Owner&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"

PAIA HALE CONDOMINIUM

DESCRIPTION OF BUILDINGS:

The condominium consists of two (2) separate units, each of which is a single-family dwelling. Each unit is located on that portion of the land defined on the Condominium Map as a limited common element appurtenant to and for the exclusive use of said unit. Each building is constructed primarily of wood, concrete, glass and related materials. Upon expansion, relocation, construction or reconstruction of any unit by any owner(s) thereof as provided in the Declaration, the modified or new building containing any unit may be constructed of any other building material meeting applicable building codes, including but not limited to concrete, masonry, plaster, wood, glass or related materials.

DESCRIPTION OF UNITS:

The condominium shall consist of two (2) units designated Unit "A" and Unit "B", with Unit "A" the western most and Unit "B" the eastern most. Each unit is shown on the Condominium Map.

Unit "A" is a two-story single-family dwelling containing 1113.209 square feet of net living area, and includes two bedrooms, one and one-half bathrooms, a kitchen/dining area, living room, den with wet bar, entry, shower room, storage, closet spaces, covered lanais (including 456.68 square feet), garage (containing 463.174 square feet), laundry area (containing 97.790 square feet), loft/storage (containing 178.767 square feet), and an internal stairway (including 78.624 square feet).

Unit "B" is a one-story single-family dwelling containing 683.348 square feet of net living area, and includes two bedrooms, one bathroom, a kitchen/dining room, living room, covered lanai (including 108.289 square feet), and external storage room (containing 15.125 square feet).

Each unit has direct access to its appurtenant limited common element on which the unit is located, which in turn provides access to a common element driveway, which in turn provides access to a private roadway lot (Lot 3 of the Leonard Nunes Subdivision), which provides access to a public road (Baldwin Avenue).

The boundaries of each unit shall consist of the exterior finished surface of all exterior walls, roofs, doors, windows, and also include all foundations and underpinnings, and other appurtenant structures and facilities within said boundaries. The responsibility for maintenance, repair, replacement and reconstruction and insurance of each unit is delegated to the owner(s) of said unit, and all of the cost thereof shall be borne by the owner(s) of said unit, at no cost to the owner(s) of any other unit or the association.

LOCATION, RELOCATION, AND NUMBERING OF UNITS:

Each unit is located as shown on the Condominium Map. The units are lettered "A" and "B" consecutively from west to east. As provided in Section K.2. of the Declaration, at the option of the owner(s) of each unit, said unit may be relocated to any other location within the limited common element appurtenant to said unit, and the boundaries of said unit may be changed, by amendment to the Declaration as provided in Section K.2. of the Declaration; provided however, that (a) all construction in connection therewith shall comply with all applicable zoning and building codes; and (b) no portion of the structure comprising a unit or other structure shall be constructed outside of the boundaries of the area designated for said unit as its limited common element as shown on the Condominium Map, or within any required setbacks.

APPROXIMATE FLOOR AREA OF UNITS:

<u>Unit</u>	<u>Floor Area</u>
A	1113.209 square feet of net living area 456.68 square feet of covered lanai 463.174 square feet of garage 97.790 square feet of laundry 178.767 square feet of loft/storage 78.624 square feet of stairs
B	683.348 square feet of net living area 108.289 square feet of covered lanai 15.125 square feet of storage

NOTE: THE FLOOR AREAS ARE APPROXIMATE ONLY. THE DECLARANT MAKES NO REPRESENTATIONS OR WARRANTIES WHATSOEVER AS TO THE FLOOR AREA OF ANY PARTICULAR UNIT.

COMMON ELEMENTS:

The common elements include all other elements of the Project not included within any unit, including but not limited to:

- (a) The Property in fee simple;
- (b) The shared water meter provided to the Property by the Department of Water Supply;
- (c) Any shared water line(s) and appurtenances;
- (d) Any shared sewer line(s) and appurtenances;

- (e) Any shared electrical, phone and cable television lines and appurtenances;
- (f) The Common Element Driveway as shown on the Condominium Map (Area = 662 s.f.);
- (g) An undivided one-half (1/2) interest in the abutting roadway Lot 3 of the Leonard Nunes Subdivision, identified for tax purposes as TMK (2) 2-6-007:038, subject to the rights of others to use said roadway Lot;
- (h) An easement for sewer line purposes over portions of the neighboring lots identified for tax purposes as TMK (2) 2-6-007:019 and (2) 2-6-007:037, which easement is noted as "Existing Sewer Easement A (15 ft. wide)" on the Condominium Site Map;
- (i) An easement for sewer line purposes over a portion of the neighboring lot identified for tax purposes as TMK (2) 2-6-007:019, which easement is noted as "Existing Sewer Easement B (15 ft. wide)" on the Condominium Site Map;
- (j) The limited common elements described below; and
- (k) The common elements shall also include any other utility installations serving more than one unit.

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 map describes these areas as "Limited Common Element A" (Area = 4,555 square feet) appurtenant to Unit A and "Limited Common Element B" (Area = 7,239 square feet) appurtenant to Unit B. Each area and other improvements within each Limited Common Element are appurtenant to and for the exclusive use of its unit and which is physically located on said limited common element as shown on the Condominium Map. Each limited common element includes the land located underneath the unit located thereon. Also appurtenant to Unit "B" as a limited common element is a freestanding single-family accessory dwelling (shown on the Condominium Site Map) containing 568.512 square feet of net living area that includes a bedroom, one bathroom, a kitchen, living room, dining area, walk-in closet and an attached carport (including 113.167 square feet).

EXHIBIT B

Encumbrances against Title

1. Real Property Taxes which may be due and owing. Reference is made to the Tax Assessor's Office, County of Maui.

2. Title to all mineral and metallic mines reserved to the State of Hawaii.

3. The following encroachments as shown on survey prepared by Ken T. Nomura, License Professional Land Surveyor No. LS-7633, dated November 8, 2000, said encroachments set forth in that certain Warranty Deed dated February 20, 2001, recorded as Regular System Document No. 2001-027137:
 - (a) Portion of rockwall and concrete steps encroaches onto Baldwin Avenue right-of-way(+10").
 - (b) Portions of gravel driveway (+6') and concrete steps (+12') encroaches onto Lot 2.
 - (c) Portions of hollow tile wall (+8") encroaches onto Lot 2.

(See comments in item 11 on page 18 of this Public Report.)*

4. Covenants, conditions, restrictions, reservations, agreements, obligations, easements and other provisions set forth in:

DECLARATION OF CONDOMINIUM PROPERTY REGIME OF PAIA HALE
CONDOMINIUM

Dated: April 3, 2009
Recorded: Document No. 2009-070225
to which reference is hereby made, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c) or Section 515-6, HRS, as amended Page No. 9 - Order No.: 336571 Condominium Map No. 4802 filed in the Bureau of Conveyances, State of Hawaii.

5. Terms and provisions contained in the following:

BYLAWS OF THE PAIA HALE CONDOMINIUM ASSOCIATION OF UNIT OWNERS

Dated: April 3, 2009

Recorded: Document No. 2009-070226

6. MORTGAGE (Loan No. 66020402)

Mortgagor: DANIEL E. DELAUNAY and JACQUE A. DELAUNAY, husband and wife

Mortgagee: "MERS" is Mortgage Electronic Registration Systems, Inc.

"MERS" is a separate corporation that is acting solely as a nominee for Lender and Lender's successors and assigns. MERS is the mortgagee under this Security Agreement. MERS is organized and existing under the laws of Delaware, "Lender" is AMERICAN MORTGAGE EXPRESS FINANCIAL, a California corporation dba ELITE MORTGAGE

Dated:

August 1, 2002

Recorded:

Document No. 2002-142385

Principal Amount: \$200,000.00

(This loan will be removed from the title of any unit being sold, prior to the conveyance of said unit.)*

*Comments in parenthesis are explanations provided by Developer's attorney to assist Buyers in understanding the disclosures in this Exhibit "B". They are not approved by the title company and will not be set forth or referred to in Buyer's title insurance policy to be issued in this purchase.

EXHIBIT C

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

Estimate of Initial Maintenance Fees:

<u>Unit</u>	<u>Monthly Fee x 12 months = Yearly Total</u>
A	\$82.50 per month x 12 = \$990 per year
B	\$82.50 per month x 12 = \$990 per year

Developer's Statement: Buyer will be obligated to commence payments of common expenses immediately after closing of Buyer's purchase.

The Real Estate Commission has not reviewed the estimates of maintenance fee assessments and disbursements for their accuracy or sufficiency

Estimate of Maintenance Fee Disbursements:

	<u>Monthly Fee</u> x 12 months = <u>Yearly Total</u>
Utilities and Services	
Air Conditioning	
Electricity	
[] common elements only	
[] common elements and units	
Elevator	
Gas	
[] common elements only	
[] common elements and units	
Refuse Collection	
Telephone	
Water and Sewer(†)	\$100/month x 12 months = \$1200
Maintenance, Repairs and Supplies	
Building	
Grounds	
Water, electric, sewer lines and appurtenances	\$10/month x 12 months = \$120
Common Element Driveway	\$10/month x 12 months = \$120
Management	
Management Fee	
Payroll and Payroll Taxes	
Office Expenses	
Insurance	
Liability Insurance premiums (Common Element Driveway and Roadway Lot 3)	\$20/month x 12 months = \$240
Reserves(*)	
Replacement of common water, electric & sewer lines	\$10/month x 12 months = \$120
Replacement of roadway within Common Element Driveway and Roadway Lot 3	\$10/month x 12 months = \$120
Taxes and Government Assessments	
Audit Fees	\$5/month x 12 months = \$60
Other	
TOTAL	\$165/month x 12 months = \$1980

I, the undersigned condominium developer for the Paia Hale 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.

Daniel E. Delaunay

DANIEL E. DELAUNAY

(Signature)

May 29, 2009

Date

Jacque A. Delaunay

JACQUE A. DELAUNAY

(Signature)

May 29, 2009

Date

(*) Mandatory reserves assessment and collection in effect beginning 1994 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.

This reserve amount is not based on a reserve study required by Hawaii law. The reserve study will be performed by the Association of Unit Owners.

(†) Water and sewer use will be metered and billed based on actual amounts used by each unit.

**ATTACHMENT 1 TO 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.

Upon its formation, the Association should conduct a replacement reserve study for the common element driveway and the roadway within the shared Roadway Lot 3.

EXHIBIT D

SUMMARY OF DEPOSIT RECEIPT AND SALES CONTRACT

The Deposit Receipt and 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 Deposit Receipt and Sales Contract states:

- a. The total purchase price, method of payment and additional sums that 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 Deposit Receipt and Sales Contract.
- c. That the Developer makes no representations 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 purchaser's money will be held in escrow, under the terms of the Escrow Agreement.
- e. Requirements relating to the purchaser's financing of the purchase of a unit.
- f. 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.
- g. That the Developer makes no warranties regarding the unit, the Project or anything installed or contained in the unit or the Project.
- h. That the Project may be subject to ongoing sales activities that may result in certain annoyances to the purchaser.
- i. That the purchaser must close the purchase at a certain date and pay closing costs, in addition to the purchase price.

The Deposit Receipt and 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 Deposit Receipt and Sales Contract on file with the Real Estate Commission.

EXHIBIT E

SUMMARY OF ESCROW AGREEMENT

The Escrow Agreement sets up an arrangement under which the deposits a purchaser makes pursuant to a Sales Contract will be held by a neutral party ("Escrow"). 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 prospective purchasers to read with care the executed Escrow Agreement on file with the Real Estate Commission.

EXHIBIT "F"

Description of Common Interest is as follows:

Unit A shall have a 50% undivided interest and Unit B shall have a 50% undivided interest (referred to as the "common interests") in all common elements of the Project and a said same respective share in all common profits and common expenses of the Project and for all other purposes, including voting.

Notwithstanding the allocation of common interests in the preceding paragraph, the common interests for the sole purpose of the ownership of fee simple title to the underlying land (and, therefore, for the allocation of proceeds from the sale or partition of the land upon termination of the condominium or the taking of the land by eminent domain) shall be allocated between the units in proportion to the relative value of the land area included within the limited common elements appurtenant to each unit (determined as if each limited common element were a separate unimproved parcel of land), and not according to the common interests for financial and voting purposes as stated above.

EXHIBIT "G"



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

CARY YAMASHITA, P.E.
Engineering Division

BRIAN HASHIRO, P.E.
Highways Division

CHARMAINE TAVARES
Mayor

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

MICHAEL M. MIYAMOTO
Deputy Director

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

August 5, 2008

Mr. Daniel Delaunay
370 Waiama Way
Haiku, Hawaii 96708

SUBJECT: MISCELLANEOUS INSPECTIONS #MISC 2008-0186, 0187, 0188
FOR H.R.S. SECTION 514B-84(a)(2) COMPLIANCE
LOCATED AT 207, 209, AND 211 BALDWIN AVENUE, PAIA, MAUI
TMK: (2) 2-6-007:011

Dear Mr. Delaunay:

This is regarding your May 8, 2008, requests for miscellaneous inspections on three dwellings for a preliminary condominium public report on the subject property.

MISC # 2008-0186: DWELLING UNIT A

- We made building, electrical, and plumbing inspections on May 22, 2008, 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 two-story structure identified as Dwelling Unit A in the front of the property was constructed under Building Permit #B2002-2149 and issued on November 15, 2002. Building Permits #B2007-0882, #B2007-1440, and #B2008-0814 were subsequently issued for improvements to the dwelling, and received final building inspection approvals. Plumbing, gas, and electrical permits relative to the dwelling were also issued and received final inspection approvals.
- The county assigned address for Dwelling Unit A is 207 Baldwin Avenue.

MISC # 2008-0187: ACCESSORY DWELLING UNIT B

- We made plumbing and electrical inspections, on May 22, 2008, and a building re-inspection on July 29, 2008, 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 structure identified as Accessory Dwelling Unit B was approved for a 600 square foot accessory dwelling on Building Permit #B2001-0451 and issued on March 13, 2001.

August 5, 2008
Mr. Daniel Delaunay
MISCELLANEOUS INSPECTIONS #MISC 2008-0186, 0187, 0188
Page 2 of 2

The unpermitted exterior storage closet was found to be removed when re-inspected and the violation abated.

- The carport addition was issued under Building Permit #B2007-1441 on July 5, 2007.
- The county assigned address for Accessory Dwelling Unit B is 209 Baldwin Avenue.

MISC # 2008-0188: DWELLING UNIT B

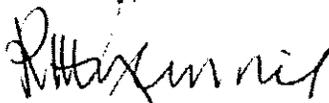
- We made building, electrical, and plumbing inspections on May 22, 2008, and found the premises to be in general compliance with applicable codes. Please note that we were unable to inspect any of the concealed building, electrical, or plumbing work.
- The single-story structure identified as Dwelling Unit B was constructed under Building Permit #B2001-0450 and issued on March 13, 2001.
- The county assigned address for Dwelling Unit B is 211 Baldwin Avenue.

OTHER COMMENTS:

- There are no pending subdivisions, building and code appeals, or administrative waivers currently in process for the premises.
- We made a driveway inspection on May 9, 2008, and found the premises to be in general compliance with applicable codes.
- We also recommend that you call the Planning Department at (808) 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

sn:rms:rh

S:\DSA\Permits\MISC-INSP\2008-0186-0187-0188_deluanay_rh.wpd

c: Hawaii Real Estate Branch
Planning Department
Real Property Tax Division

EXHIBIT "H"

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



MEMBER
205085

PROPERTY / CLIENT INFORMATION

Report date: 2/12/09

Customer File # 2224
Customer: Daniel and Jacque Delaunay
Contact: Jacque Delaunay
Address: PO Box 790629
City, St, Zip: Paia, HI 96779
Phone:
Fax:

Inspection location:
207 Baldwin Avenue - Main House
Paia, HI 96779
Phone:

Send report to: Jacque and Brook

GENERAL INFORMATION

Main entry facas: south
Estimated age: approximately 5 years
Unit type: single-family
Stories: 2
Space below grade: slab
Soil condition: dry
Weather: clear
Date: 2/11/09
Temp:
Time: 11:00 am
Unit occupied: yes
Client present: yes
People present: Daniel and tenants

Comments: This house was built in 2004. It has approximately 1200 square feet of living area, an exterior partially enclosed laundry area, a sizable covered deck and a two car garage. It is in above 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.

Roof

COMPONENT	CONDITION	ACTION RECOMMENDED	PERSPECTIVE
1	Roof coverings: Acceptable	No action required	
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: +/- 5 years	14	Ventilation: soffit
10	Other roof age: n/a years	15	Chimney: none
11	Inspection method: from ground with binoculars	16	Chimney flue: none
12	Roof covering: corrugated metal	17	Gutters: none
13	Roof layers: first		

ROOF COMMENTS

18 This house has a corrugated metal roof covering.

Due to the height, steep pitch and material used for the roof covering, the roof was inspected from the ground with binoculars.

The covering appears to be installed properly and in average condition.
There is no evidence of damage to the panels. The fasteners appear to be well set.
All flashings appear to be properly installed and in average condition.

There are no indications from the interior of the building to indicate a problem with roof leaks.

Exterior

COMPONENT	CONDITION	ACTION RECOMMENDED	PERSPECTIVE
1	Siding: Acceptable	No action required	
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		13 Window type: sliding, fixed and jalousie
10	Veneer type: none		
11	Trim/fascias type: wood	14	Window material: vinyl
12	Door type: glass slider and wood entry	15	Electrical service: overhead

EXTERIOR COMMENTS

- 16 The exterior of the house appears to be in average condition.
- There is no sign of rot or possible termite damage.
- The structure appears to have a relatively fresh coat of paint applied to the shell.

Grounds & Drainage

COMPONENT	CONDITION	ACTION RECOMMENDED	PERSPECTIVE
1	Drainage: Acceptable	No action required	
2	Trees & shrubs: Defective	See comments below	Minor Concern
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	11	Porch: concrete
			Location: south
10	Patio: wood deck	12	Driveway: concrete and gravel
	Location: west	13	Retaining walls: none

GROUNDS & DRAINAGE COMMENTS

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

As a general rule, plant contact with the structure should be avoided. The branches of the old growth tree on the north side of the covered deck should be kept trimmed back to prevent rot or damage to the building.

This house has two sizable covered decks. Both appear to be in serviceable condition with no problems.

The "wind break" window on the east side of the covered deck has no screen installed.

The concrete "apron" for the driveway terminates on slope, above the garage entry. The remainder of the driveway is of gravel.

The transition between these two materials will need to be periodically maintained due to the gravel slipping downhill and causing a height differential.

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: Not Present		
6	Fuel tank: Not Present		
7	Fuel lines: Not Present		
8	Heat exchanger: Not Present		
9	Humidifier: Not Present		
10	Filter: Acceptable	See comments below	Maintenance Item

INFORMATION

11 A/C Type: window units	17 Heat pump style: n/a
12 A/C age: unknown 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 no central heating or air conditioning in the house.

There are two window unit type air conditioners. These are located in the living room and downstairs bedroom. Both units were set on "full cool" and functioned properly as they measured between 62 and 57 degrees at the registers in a relatively short period of time.

The filter in the downstairs bedroom unit is somewhat dirty and needs to be cleaned. The living room appliance is controlled by remote and its filter is reasonably clean.

There are four ceiling fans. These are located in the downstairs bedroom, kitchen, living room, and the north covered deck. All were operated and functioned properly.

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: Acceptable	No action required	
7	Water heater: Acceptable	No action required	
8	TPR Valve: Acceptable	No action required	

INFORMATION

9	Water supply represented as: municipal	14	Septic location: unknown
10	Waste system represented as: private septic	15	Water heater: U.S. Craftsmaster
11	Supply pipes: copper	16	Capacity in gallons: 50
12	Waste/vent pipes: plastic	17	Age: +/- 1 year
13	Well location: none	18	Fuel type: electric

PLUMBING COMMENTS

- 19 **Comments:**
- The water heater is located in the laundry area in an "alcove" on the north side of the building.
 - The serial number for the heater is 08322436545 indicating it is approximately 1 year old.
 - The water heater appears to be plumbed properly and in average condition with no sign of leaks.
 - The functional water pressure in the house is adequate.
 - The water meter and shutoff valve are located on the southwest corner of the property near the road.

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:	Acceptable	No action required
6	:		
7	:		
8	:		

INFORMATION

9	Amps: 100	14	Grounding: grounding rod & water pipe
10	Volts: 120/240	15	GFCI: Ground fault protection at kitchen, bathrooms, exterior and garage
11	Main box location: bedroom		
12	Main service conductor: aluminum	16	Main box type: breakers
13	Branch circuit wiring: copper	17	Wiring type: romex

ELECTRICAL SYSTEM COMMENTS

18 Comments:

The electrical system appears to have been installed in a professional manner. Switches and a representative number of outlets were checked with no problems evident.

The main distribution panel is located in the downstairs bedroom. The wiring at the panel appeared to be in good condition. All breakers are labeled.

All GFCI outlets were checked and functioned properly.

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

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:	Defective	See comments below Minor Concern
5	Sink plumbing:	Acceptable	No action required
APPLIANCES			
6	Disposal:	Acceptable	No action required
7	Dishwasher:	Acceptable	See comments below Minor Concern
8	Trash compactor:	Not Present	
9	Exhaust fan:	Not Present	
10	Microwave:	Not Present	
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:	Not Present	
17	Washer plumbing:	Acceptable	No action required
18	Sink plumbing:	Not Present	
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 upstairs kitchen the sink base cabinet doors are somewhat loose and would benefit from tightening and adjustment. The base cabinet doors adjacent to the refrigerator bind slightly in the middle and would benefit from adjustment. The center peninsula door to the left of the dishwasher is missing, as is some of the hardware. With these exceptions all cabinet doors, drawers and trays function properly.

The miters of the kitchen countertop have evidence of minor moisture absorption and vertical deflection. The seam to the right of the sink, in particular, would benefit from being maintained with caulking to prevent this from worsening.

The dishwasher was operated and functioned properly. The flexible waste water hose for the dishwasher hose needs to vented or lifted above the garbage disposal as an air gap for an anti-siphon measure.

The temperature of the oven measured approximately 60 degrees below set temperature. The oven has only one rack.

In the downstairs "kitchenette", the sink and garbage disposal functioned properly.

The laundry area is located in an exterior "alcove" located on the east side of the house. The services to the appliances were checked and function properly. The dryer hose vent connections appears 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.

Interior Rooms

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

INFORMATION

- | | |
|---|---|
| 11 Rooms inspected:
3 bedrooms
living room
dining area
hallways/ entries
stairwell
other: | 12 Walls & ceilings: sheet rock and wood

13 Floors: wood and tile

14 Number of wet bars: 0

15 Number of fireplaces/woodstoves: 0 |
|---|---|

INTERIOR ROOM COMMENTS

- 16 The interior of the house is in above average condition. There are no major cosmetic problems.
- In the downstairs bedroom, the frame for one of the screen windows on the west side of the room is bent and as such does not fully seal the opening.
- In the stairwell the exterior door at the bottom of the stairs binds substantially at the jamb; all hinges need additional fasteners. Additionally the upper hinge is quite loose.
- The head room at the bottom of the stairwell is inadequate; this is a potential safety hazard.
- In the upstairs southeast corner bedroom the entry door binds slightly at the top of the jamb and would benefit from trimming or adjustment.
- In the upstairs southwest corner bedroom the double by-fold closet doors have no bottom interlock guides installed.
- The storage loft is in serviceable condition. All of the jalousie window hardware on the east facing side of the loft is somewhat difficult to operate and would benefit from periodic cleaning and lubrication due to exposure to the salt air.
- There are 5 smoke detectors. These are located in the downstairs hallway, downstairs bedroom, upstairs hallway, and each of the two upstairs bedrooms. The smoke detector in the downstairs bedroom has been removed from the base and needs to be replaced. All other detectors were operated and function properly.

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: Acceptable	See comments below	Minor Concern
10	Door openers: Defective	See comments below	Minor Concern
11	Electrical: Acceptable	No action required	
12	Heating & cooling: Not Present		

INFORMATION

EXTERIOR	INTERIOR
13 Location: attached garage - same as house	17 Walls & ceilings: sheet rock
14 Roof covering: corrugated metal	18 Floors: concrete
15 Roof age: +/- 5 years	19 Garage door: overhead
16 Gutters: none	

GARAGE & CARPORT COMMENTS

20 This house has a two car garage.

It appears to be in serviceable condition with no problems.

The garage door was operated and functioned properly. The bottom two panels appear to have been dented by vehicular contact. Additionally, the garage door will not close unless the button is held continuously until the door contacts the cement; this would indicate that the laser rebound sensors need to be better aligned.

Attic

COMPONENT	CONDITION	ACTION RECOMMENDED	PERSPECTIVE
1	Access: Not Present		
2	Framing: Not Present		
3	Sheathing: Not Present		
4	Insulation: Not Present		
5	Ventilation: Not Present		
6	Exposed wiring: Not Present		
7	Plumbing vents: Not Present		
8	Chimney & flues: Not Present		
9	Vapor Retarder: Not Present		
10	:		

INFORMATION

11	# of Attic areas: 0	14	Framing: n/a
12	Access locations: n/a	15	Sheathing: n/a
13	Access by: n/a	16	Insulation: n/a

ATTIC COMMENTS

17 The house has open beam ceilings and, as such, there is no attic area.

Foundation

COMPONENT	CONDITION	ACTION RECOMMENDED	PERSPECTIVE
Type foundation: slab			
1	Access: Not Present		
2	Foundation walls: Not Present		
3	Floor framing: Not Present		
4	Insulation: Not Present		
5	Ventilation: Not Present		
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	14	Beams: n/a
12	Floors: concrete floor	15	Piers: n/a
13	Joist: " X " with on center spacing	16	Sub Floor: n/a
		17	Insulation: n/a

FOUNDATION COMMENTS

18 **The foundation inspection was limited due to slab type construction.**

Craig Smith Building Inspections

P.O. Box 690

Makawao

Hi 96768

(808) 572-3009

(808) 280-5208

(808) 573-1289



MEMBER

205085

Report date: 2/12/09

PROPERTY / CLIENT INFORMATION

Customer File # **2225**

Customer: **Daniel and Jacque Delaunay**

Contact: **Jacque Delaunay**

Address: **PO Box 790629**

City, St, Zip: **Paia, HI 96779**

Phone:

Fax:

Inspection location:

**207 Baldwin Avenue - North and East Cottage
Paia, HI 96779**

Send report to: **Jacque and Brook**

Phone:

GENERAL INFORMATION

Main entry faces: **west and south**

Estimated age: **approximately 8 years**

Unit type: **single-family**

Stories: **1**

Space below grade: **slab**

Soil condition: **dry**

Weather: **clear**

Temp:

Date: **2/11/09**

Time: **9:00 am**

Unit occupied: **yes**

Client present: **yes**

People present: **Daniel and tenant**

Comments: **The two cottages were built approximately in 2001. The east cottage has approximately 750 square feet of living area and a small covered patio. The north "central" cottage has approximately 600 square feet of living area and a two stall carport. Both buildings are in average condition with 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.

Order # **2225**

Roof

COMPONENT	CONDITION	ACTION RECOMMENDED	PERSPECTIVE
1	Roof coverings: Acceptable	No action required	
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: 8 years	14	Ventilation: soffit
10	Other roof age: 8 years	15	Chimney: none
11	Inspection method: from ground with binoculars	16	Chimney flue: none
12	Roof covering: corrugated metal	17	Gutters: none
13	Roof layers: first		

ROOF COMMENTS

18 Both buildings have corrugated metal roof coverings.

Due to the steep pitch and material used for the roof covering, the roof was inspected from the ground with binoculars.

The covering appears to be installed properly and in average condition.
 There is no evidence of damage to the panels. The fasteners appear to be well set.
 All flashings appear to be properly installed and in average condition.

There are no indications from the interior of the building to indicate a problem with roof leaks.

Exterior

COMPONENT	CONDITION	ACTION RECOMMENDED	PERSPECTIVE
1	Siding: Acceptable	No action required	
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 | 13 | Window type: sliding and fixed |
| 10 | Veneer type: none | | |
| 11 | Trim/fascias type: wood | 14 | Window material: vinyl |
| 12 | Door type: glass slider and wood entry | 15 | Electrical service: buried |

EXTERIOR COMMENTS

- 16 The exteriors of both of the cottages appear to be in average condition.
- There is no sign of rot or possible termite damage.
- The buildings appear to have a relatively fresh coat of paint applied to the shell.

Grounds & Drainage

COMPONENT	CONDITION	ACTION RECOMMENDED	PERSPECTIVE
1	Drainage: Acceptable	No action required	
2	Trees & shrubs: Acceptable	See comments below	Maintenance Item
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: gravel	11	Porch: concrete Location: west / south
10	Patio: concrete Location: west	12	Driveway: gravel
		13	Retaining walls: none

GROUNDS & DRAINAGE COMMENTS

14 There do not appear to be any problems with the drainage of the property surrounding the cottages.

As a general rule, plant contact with the structures should be avoided. There are a few palm branches in contact with the eastern-most building which should be kept trimmed back to prevent rot or damage to the structure.

The east cottage has a small covered patio. It appears to be in serviceable condition with no problems.

The north "central" cottage has no patio.

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:	Not Present	
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: unknown 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:

In the north "central" cottage there is no central heating or air conditioning.

There is one window unit type air conditioner located in the living room. This was operated and functioned properly. The filter is reasonably clean.

There are 2 ceiling fans. These are located in the living room and bedroom. Both were operated and functioned properly.

In the east cottage there is no central heating or air conditioning.

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.

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: Acceptable	No action required	
7	Water heater: Acceptable	No action required	
8	TPR Valve: Acceptable	See comments below	Minor Concern

INFORMATION

9	Water supply represented as: municipal	14	Septic location: unknown
10	Waste system represented as: private septic	15	Water heater: Amer. Appl. / US Craftmaster
11	Supply pipes: copper	16	Capacity in gallons: 30 / 50
12	Waste/vent pipes: plastic	17	Age: 15 years / 8 years
13	Well location: none	18	Fuel type: electric

PLUMBING COMMENTS

19 **Comments:**

The north "central" cottage water heater is located on the east side of the building. The appliance is unprotected from the elements and would benefit from being situated in an enclosure, in particular, due to exposure to salt air. The serial number for the American Appliance brand, 30 gallon capacity water heater is 9309123903, indicating it is approximately 15 years old. The water heater has substantial rust to the tank and fittings. There is no signs of leaks. The TPR valve needs a pipe extension added to it.

The east cottage water heater is located in a closet on the north side of the building. The serial number for the US Craftmaster brand, 50 gallon capacity water heater is 0123131138 indicating it is approximately 8 years old. The water heater appears to be plumbed properly and in average condition with no sign of leaks.

The functional water pressure in both buildings is adequate.

The pressure regulator and shutoff valve are located on the northwest corner of the "central" cottage.

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:	Acceptable	No action required
6	:		
7	:		
8	:		

INFORMATION

9	Amps: 2@ 100	14	Grounding: grounding rod & water pipe
10	Volts: 120/240	15	GFCI: Ground fault protection at kitchen and bathrooms
11	Main box location: bedrooms		
12	Main service conductor: aluminum	16	Main box type: breakers
13	Branch circuit wiring: copper	17	Wiring type: romex

ELECTRICAL SYSTEM COMMENTS

18 Comments:

The electrical systems of both of the cottages appear to have been installed in a professional manner. Switches and a representative number of outlets were checked with no problems evident.

The wiring at the main distribution panels appeared to be in good condition. All breakers are labeled.

All GFCI outlets were checked and functioned properly.

The electric meter and main service disconnect are located on the west side of the "central" cottage.

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	No action required	
5	Sink plumbing: Acceptable	No action required	
APPLIANCES			
6	Disposal: Acceptable	No action required	
7	Dishwasher: Not Present		
8	Trash compactor: Not Present		
9	Exhaust fan: Not Present		
10	Microwave: Acceptable	See comments below	
11	:		
12	:		
13	Range/oven: Acceptable	No action required	
14	Gas or electric? electric		
LAUNDRY			
15	Walls/ceiling/floor: Not Present		
16	Doors & windows: Not Present		
17	Washer plumbing: Not Present		
18	Sink plumbing: Not Present		
19	Cabinets/shelves: Not Present		
20	Heating & cooling: Not Present		
21	Dryer vent: Not Present		
22	:		
23	:		
24	Dryer service: Not Present		
25	Gas or electric? n/a		

26 **Comments:**

In the north "central" cottage kitchen all cabinet doors and drawers function. A few of the cabinet hinges are slightly loose and need to be tightened.
 The disposal and electric range oven were operated and functioned properly. The temperature of the oven is reasonably accurate.
 The microwave was operated and functioned properly; the emissions were measured and are within normal range.

In the east cottage kitchen the finished concrete floor is quite dirty but is in average condition with minor imperfections. All cabinet doors and drawers function.
 The disposal and electric range oven were operated and functioned properly. The temperature of the oven measured approximately 40 degrees below set temperature. The oven door handle is slightly loose and would benefit from being tightened.
 The microwave was operated and functioned properly; the emissions were measured and are within normal range.

Bathrooms

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

BATHROOMS INSPECTED

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

BATHROOM COMMENTS

14 In the north "central" cottage bathroom the sink stopper is disconnected from the operating hardware. With this exception all plumbing fixtures function properly with no sign leaks. The pocket door is difficult to latch.

In the east cottage bathroom the mixing valve is reversed; hot is cold and cold is hot. With this exception all plumbing fixtures function properly with no sign leaks. The pocket door does not latch as there is no strike plate installed.

Interior Rooms

COMPONENT	CONDITION	ACTION RECOMMENDED	PERSPECTIVE
1	Walls, ceiling, floor:	Acceptable	No action required
2	Doors & windows:	Acceptable	See comments below
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:	Acceptable	No action required
8	CO detectors:	Not Present	
9	Stairs/balcony/rails:	Not Present	
10	:		

INFORMATION

- | | |
|---|--|
| <p>11 Rooms inspected:</p> <p>1 bedrooms</p> <p>living room</p> <p>hallways/ entries</p> <p>other: <u>east cottage: 2 bedrooms</u></p> <p><u>living room</u></p> <p><u>hallways/ entries</u></p> | <p>12 Walls & ceilings:</p> <p>13 Floors: tile / concrete</p> <p>14 Number of wet bars: 0</p> <p>15 Number of fireplaces/woodstoves: 0</p> |
|---|--|

INTERIOR ROOM COMMENTS

- 16 The north "central" cottage interior is in average condition. There are no major cosmetic problems. The tile flooring has numerous small chips to the glazing. In the bedroom, the latch for one of the windows on the north facing wall is missing a fastener, loose and needs correction.
- There are 2 smoke detectors. These are located in the hallway and bedroom. Both were operated and functioned properly.
- The east cottage interior is in average condition. There are no major cosmetic problems. In the northeast corner bedroom, the closet doors have no bottom interlock guides installed.
- There are 3 smoke detectors. These are located in the central hallway and each of the two bedrooms. All were operated and functioned properly.

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: Not Present		
9	Overhead doors: Not Present		
10	Door openers: Not Present		
11	Electrical: Acceptable	No action required	
12	Heating & cooling: Not Present		

INFORMATION

EXTERIOR	INTERIOR
13 Location: attached carport - same as house	17 Walls & ceilings: wood
14 Roof covering: corrugated metal	18 Floors: gravel
15 Roof age: +/- 8 years	19 Garage door: none
16 Gutters: n/a	

GARAGE & CARPORT COMMENTS

- 20 The north "central" cottage has a two stall carport.
 It appeared to be in serviceable condition with no problems.
The east cottage has no garage or carport.

Attic

	COMPONENT	CONDITION	ACTION RECOMMENDED	PERSPECTIVE
1	Access:	Acceptable	See comments below	Minor Concern
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: 2	14	Framing: trusses
12	Access locations: closet and hallway	15	Sheathing: plywood
13	Access by: hatch	16	Insulation: none

ATTIC COMMENTS

- 17 The north "central" cottage has an attic access hatch located in a closet. Due to the amount of personal possessions stored in the closet, the attic could not be accessed as part of the inspection.
- The east cottage attic appeared to be adequately ventilated and in average condition with no sign of leaks.

Foundation

	COMPONENT	CONDITION	ACTION RECOMMENDED	PERSPECTIVE
	Type foundation: slab			
1	Access:	Not Present		
2	Foundation walls:	Not Present		
3	Floor framing:	Not Present		
4	Insulation:	Not Present		
5	Ventilation:	Not Present		
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	14	Beams: n/a
12	Floors: concrete floor	15	Piers: n/a
13	Joist: " X " with on center spacing	16	Sub Floor: n/a
		17	Insulation: n/a

FOUNDATION COMMENTS

- 18 The foundation inspections of both cottages were limited due to slab type construction.

i Architect, LLC, a Hawaii limited liability company
226 South Church Street
Wailuku, Hawaii 96793

4/16, 2009

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

Re: Paia Hale Condominium: Report of Condition of Existing Buildings.

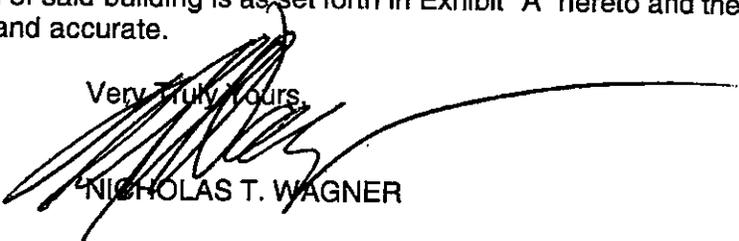
Ladies and Gentlemen:

The undersigned is a licensed Hawaii Architect, licensed under AR-6539. This letter is being provided as required by HRS Section 514B-54 in connection with the registration of the above condominium under Chapter 514B.

Please be advised that Units A and B of the condominium, each being more than five (5) years old, were physically inspected and a report of condition was provided by Home Buyers Inspection Service. A copy of said report is attached hereto as Exhibit "A".

The undersigned hereby certifies to you that to the best knowledge and belief of the undersigned, the condition of said building is as set forth in Exhibit "A" hereto and the report attached hereto is true and accurate.

Very Truly Yours,


NICHOLAS T. WAGNER

Subscribed and sworn to before me
this 16 day of April, 2009

Noel K. Kaing

Notary Public, State of Hawaii

Printed Name: Noel K. Kaing

My Commission Expires: May 31, 2011

LS

NOTARY CERTIFICATION	
Date: <u>4/16/09</u>	# Pages: <u>14</u>
Name: <u>Noel K. Kaing</u>	Second Circuit
Doc. Description: <u>Paia Hale Condominium</u>	
<u>Noel K. Kaing</u>	LS
Notary Signature	(Seal)