



DESTINATION MAUI INC.
Property Management

January 10, 2012

Mr. Donald Duck, Resident Manager
Association of Apartment Owners of
XYZ Villas
100 Perfect Street
Lahaina, HI 96761

Subject: Property Inspection

Dear Donald:

Thank you so much for taking the time to do a property inspection with me today, January 10th. The following items were noted during our inspection:

1. There's a bush outside of the entrance to B-4 and B-5 that looks to be completely dead. Please contact Goofy and ask him to assist whether it can be salvaged or needs to be removed.
2. The irrigation line to the street side of B Building has been trenched and put into the ground next to the sidewalk. You have no planted grass over the dirt area. The grass is a different breed than what is elsewhere on property. You may want to consult with Goofy about what would be a better plant. The sprinkler heads are now buried in the ground – they are the pop-up type and will be spraying the hillside from down and up instead of up by the bushes and down.
3. The end of the railing leading to B-16 is dry rotted and has some jagged edges on it. This is the lower railing on the long side. Please see if you can put in some material to keep these jagged edges from hurting someone.
4. The irrigation line that was lying on top of the ground between B and C Buildings is now buried or abandoned.
5. The hillside leading from B Building down to the parking lot is looking very tattered. There is a lot of grass intrusion onto the groundcover. This is a location that Goofy requested a wall be built. Please accelerate the bidding process on this wall; we need to get some improvement in this area and the wall will be the first place to start.
6. The grate next to the sidewalk at the street side corner of B Building is broken. The drain catchments underneath it need to be cleaned out. Please make sure you add this grate to those that need to be replaced.
7. There are several notices for fumigation and unwanted/abandoned phonebooks left about property. Please remove these within a reasonable time from vacant units.
8. The fence behind C Building is still broken where the car shoved some rocks behind it. You attempted to remove the rocks but they were too jammed in there to pull out easily so the fence

remains in its broken stated. Please see if there is a temporary fix that can be done to support the fence so it doesn't fall on someone if pushed.

9. There is a bed frame next to the fence between C and D Buildings. Please get this removed as soon as possible.
10. Unit D-3 has a screen door that is off track. The unit is now vacant; please get the door installed properly.
11. We had a lengthy discussion with the tenant of Unit E-1 about his curtains. The Owner has ordered curtains that were the wrong size and is now having to deal with the supplier to get the right ones.
12. The sidewalk leading to Unit F-1 is about to be pulled up. You will be replacing the sidewalk with stepping stones on a temporary basis and you anticipate re-pouring this walk on Monday.
13. At the same time you will be pouring the F-1 sidewalk, you are going to pour an apron at the top of the sidewalk next to the office.
14. We looked to the area next to the walkway leading down to H and G Buildings. This is where you need to trench to get the water into the sewer drain. Please start this project and coordinate with Pluto with who will be doing what. We do not want to go through another rainy season without this fixed.
15. We looked at the landscape area at the corner of H-1. Small rocks have been put in the area to create a landscape bed. You were able to purchase some of the rock at Ace Hardware and the rest from Hawaii Cement. This type of installation cost about \$200 for the area.
16. The stairwell leading to H and G Buildings has a corner of the stair at the middle of the run where the corner has chipped off. This has exposed a nail head that was driven into the concrete at some point in time. Now with the stair broken, this is a safety hazard – people can cut their foot on it. Please have this nail removed immediately.
17. We visited the garden area. In order to block view to the garden from I Building, you have planted some of the areca palms that were near the swimming pool just at the same level as the garden, which is a little bit below grade from the ground next to I Building. These plants are now bushy enough to block view from the lanais into the garden area. You have also posted the garden rules, and they are easily seen in three locations – at the beginning, middle, and end of the garden plot.
18. We looked at the hose bib and hose storage area for the garden. You have used a plastic pot in the ground with rocks in it and punched holes on the bottom so the water can drain. This pot is right beneath where the hose bib is and this will help to take care of the water that drips from the faucet or as people wash off their hands. It is your intent to use this type of catchment system around the

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end of the gutters. Goofy has seen this and so far has liked it. You will be looking for a pot that has a slightly smaller lip around the top so that it can be flush with the ground.

19. We got the palms from Minnie for the stairwells and railings. We discussed the proper procedures for getting bids and you were given names of contractors. You will now be actively getting two more proposals for the stairwells. If you have any questions at all regarding this, please do not hesitate to contact me.

Thank you very much for your time during the property inspection. If you have any questions on these items, please do not hesitate to give me a call.

Sincerely,

DESTINATION MAUI, INC.
Managing Agent

Account Executive

c: Board of Directors