



REAL ESTATE COMMISSION

STATE OF HAWAII
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
PROFESSIONAL AND VOCATIONAL LICENSING DIVISION
P. O. Box 3469
Honolulu, Hawaii 96801

CONDOMINIUM PUBLIC REPORT

NOELANI GARDENS

Kou Lane & Puueo Street
Hilo, Island and County of Hawaii

Registration No. 2540

Issued: December 9, 1991
Expires: January 9, 1993

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of November 15, 19 91, and is issued by the Commission for informational purposes only. It represents neither approval nor disapproval of the project. Buyers are encouraged to read this report carefully.

Type of Report:

- PRELIMINARY:** (yellow) The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued when complete information is filed.
- FINAL:** (white) The developer has legally created a condominium and has filed complete information with the Commission.
 - No prior reports have been issued
 - Supersedes all prior public reports
 - Must be read together with _____
- SUPPLEMENTARY:** (pink) Updates information contained in the
 - Prelim. Public Report dated _____
 - Final Public Report dated _____
 - Supp. Public Report dated _____

And Supersedes all prior public reports

Must be read together with _____

This report reactivates the _____ public report(s) which expired on _____

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required Not Required - disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

This summary contains a general description of the changes, if any, made by the developer since the last public report was issued. It is not necessarily all inclusive. Prospective buyers should compare this public report with the earlier reports if they wish to know the specific changes that have been made.

No prior reports have been issued by the Commission.

Changes made are as follows:

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GENERAL INFORMATION ON CONDOMINIUMS

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of Hawaii's "Condominium Property Act" (Chapter 514A, Hawaii Revised Statutes) must be followed.

Some condominium projects are leasehold. This means that the land or the building(s) and other improvements are leased to the buyer. The lease for the land usually requires that at the end of the lease term, the lessees (apartment owner/tenant) deliver their interest in the land to the lessor (fee property owner). The lease also usually requires that the lessees either (1) convey to the lessor the building(s) and other improvements, including any improvements paid for by the lessees; or (2) remove or dispose of the improvements. The leases for individual apartments often require that at the end of the lease term, the lessee deliver to the lessor the apartment, including any improvements placed in the apartment by the lessee.

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

Common elements are the areas of the condominium project other than the individual apartments. They are owned jointly by all apartment owners and include the land, either in fee simple or leasehold, and those parts of the building or buildings intended for common use such as foundations, columns, roofs, halls, elevators, and the like. Your undivided interest in the common elements cannot be separated from ownership of your apartment.

In some condominium projects, some common elements are reserved for the exclusive use of the owners of certain apartments. These common elements are called limited common elements and may include parking stalls, patios, lanais, trash chutes, and the like.

You will be entitled to exclusive ownership and possession of your apartment. Condominium apartments may be individually bought, sold, rented, mortgaged, or encumbered, and they may be disposed of by will, gift, or operation of law.

Your apartment will, however, be part of the group of apartments that comprise the condominium project. Study the Declaration, Bylaws, and House Rules. These documents contain important information on the use and occupancy of apartments and the common elements as well as the rules of conduct for owners, tenants, and guests.

Operation of the Condominium Project

The Association of Apartment Owners is the entity through which apartment owners may take action with regard to the administration, management, and operation of the condominium project. Each apartment 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 an apartment owner. The Board of Directors and officers can take certain actions without a vote of the owners. Some of these actions may significantly impact the quality of life for all apartment owners.

Until there is a sufficient number of purchasers of apartments to elect a majority of the Board of Directors, it is likely 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 buyers should understand that it is vitally important to all apartment owners that the transition from developer to owner control be accomplished in an orderly manner and in a spirit of cooperation.

SUMMARY OF THE CONDOMINIUM PROJECT

Interest to be Conveyed to Buyer:

- Fee simple interest in an apartment and an undivided feehold interest in the common elements.
- Leasehold interest in an apartment and an undivided leasehold interest in the common elements.
- Fee simple interest in an apartment and an undivided leasehold interest in the common elements.

Types of Project:

- 1. New Building(s) Conversion
 Both New Building(s) and Conversion

- 2. Residential Commercial Ohana
 Mixed Residential and Commercial Agricultural
 Other _____

- 3. High Rise (5 stories or more) Low Rise

- 4. Single or Multiple Buildings

- 5. Apartment Description

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
See p. 5a	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: 42

**Net Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls.*

Other documents and maps may give floor area figures which differ from those above because a different method of determining the floor area may have been used.

6. Parking:

	<u>Number of Stalls</u>
Assigned Stalls (Individual Units)	49
Guest Stalls	16
Unassigned Stalls	0
Extra Stalls Available for Purchase	0
Other: _____	0
Total Parking Stalls	65

7. Recreational amenities: None.

5.

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (Sq. Ft.)</u>	<u>Lanai/Patio (Sq. Ft.)</u>
I	6	2/2	929	N/A
II	3	2/2	931	
III	4	2/2	931	
IV	4	2/2	931	
V	2	2/2	931	
VI	2	2/2	931	
VII	3	2/2	932	
VIII	3	2/2	1,006	
IX	3	2/2	1,011	
X	3	3/2	1,150	
XI	3	3/2	1,148	
XII	3	2/2	947	
XIII	3	2/2	928	

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: CRL Development, Inc.
Name
1585 Kapiolani Blvd., Suite 1300
Business Address
Honolulu, Hawaii 96814

Phone: (808) 955-8588
(Business)

Names of officers or general partners of developers who are corporations or partnerships:

See p. 6a.

Real Estate Broker: See p. 6a.
Name

Business Address

Phone: _____
(Business)

Escrow: Title Guaranty Escrow Services, Inc.
Name
235 Queen Street, First Floor
Business Address
Honolulu, Hawaii 96814

Phone: (808) 521-0211
(Business)

General Contractor: Pending.
Name

Business Address

Phone: _____
(Business)

Condominium Managing Agent: Pending.
Name

Business Address

Phone: _____
(Business)

Attorney for Developer: Foley Maehara Judge Nip & Chang
(Attn: Edward R. Brooks and Paula W. Chong)
Name
2700 Grosvenor Center
737 Bishop Street
Business Address
Honolulu, Hawaii 96813

Phone: (808) 526-3011
(Business)

Names of officers or general partners of developers who are corporations or partnerships:

Aki Mizushima	President
Karen Y. Kido	Vice-President
Daniel E. Reis	Secretary
Daniel Livingston	Treasurer

Real Estate Brokers:

- a. Central Realty, Ltd.
1585 Kapiolani Boulevard., Suite 1300
Honolulu, Hawaii 96814
Phone: (808) 955-8588

- b. Ala Kai Realty, Inc.
688 Kinooole Street, Suite 102
Hilo, Hawaii 96720
Phone: (808) 935-3378

- c. Jane F. Herbst dba Herbst Realty
101 Aupuni Street, Suite 239
Hilo, Hawaii 96720
Phone: (808) 935-4411

**II. CREATION OF THE CONDOMINIUM;
CONDOMINIUM DOCUMENTS**

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners.

- A. **Declaration of Condominium Property Regime** contains a description of the land, buildings, apartments, common elements, limited common elements, common interests, and other information relating to the condominium project.

The Declaration for this condominium is:

- Proposed
 Recorded - Bureau of Conveyances - Document No. _____
Book _____ Page _____
 Filed - Land Court - Document No. _____

Amendment date(s) and recording/filing information:

- B. **Condominium Map (File Plan)** shows the floor plan, elevation and layout of the condominium project. It also shows the floor plan, location, apartment number, and dimensions of each apartment.

The Condominium Map for this condominium project is:

- Proposed
 Recorded - Bureau of Conveyance Condo Map No. _____
 Filed - Land Court Condo Map No. _____

Amendment date(s) and recording/filing information:

- C. **Bylaws of the Association of Apartment Owners** govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Apartment Owners is elected, the powers and duties of the Board, the way in which meetings will be conducted, and other matters which affect how the condominium project will be governed.

The Bylaws for this condominium are:

- Proposed
 Recorded - Bureau of Conveyances - Document No. _____
Book _____ Page _____
 Filed - Land Court - Document No. _____

Amendment date(s) and recording/filing information:

The Condominium Statute (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the common elements, to each other, and to their respective apartments. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law.

D. **House Rules.** The Board of Directors may adopt house rules to govern the use and operation of the common elements and individual apartments. House rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais, keeping of pets, and occupancy limits. 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.

The House Rules for this condominium are:

Proposed Adopted Developer does not plan to adopt house rules.

E. **Changes to Condominium Documents**

Changes to the Declaration, Condominium Map, and Bylaws are effective only if they are duly adopted and recorded and/or filed. Changes to House Rules do not need to be recorded or filed to be effective.

1. **Apartment Owners:** Minimum percentage of common interest which must vote for or give written consent to changes:

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%	<u>75%</u>
Bylaws	65%	<u>65%</u>
House Rules	---	<u>Pending</u>

The percentages for individual condominium projects may be more than the minimum set by law.

2. **Developer:**

No rights have been reserved by the developer to change the Declaration, Condominium Map, Bylaws or House Rules.

Developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws or House Rules

See Exhibit "A".

For Subleaseholds:

- Buyer's sublease may be cancelled if the master lease between the sublessor and fee owner is
 Cancelled Foreclosed
- As long as the buyer is not in default, the buyer may continue to occupy the apartment and/or land on the same terms contained in the sublease even if the master lease is cancelled or foreclosed.

B. Underlying Land:

Address: Kou Lane and Pueo Street Tax Map Key: (3) 2-6-02-02 and
Hilo, Island and County of Hawaii (TMK) (3) 2-6-02-01

Address TMK is expected to change because the project has not yet been
assigned a street address.

Parcel 1 1.5 acres
Land Area: _____ square feet acre(s) Zoning: VH.75
Parcel 2 9,893 sq.ft.

Fee Owner: CRL Hale I Moana, Inc.
Name
1585 Kapiolani Boulevard, Suite 1300
Address
Honolulu, Hawaii 96814

Sublessor: Not Applicable.
Name

Address

C Buildings and Other Improvements:

1. New Building(s) Conversion of Existing Building(s)
 Both New Building(s) and Conversion

2. Buildings: 4 Floors Per Building 3 each
 Exhibit "B" contains further explanations.

3. Principal Construction Material:

- Concrete Hollow Tile Wood
 Other _____

Boundaries of Each Apartment:

The interior surface of the perimeter walls, floors and ceilings of each of the forty-two (42) apartments of the Project.

Permitted Alterations to Apartments: See Exhibit "D".

7. Parking Stalls:

Total Parking Stalls: 65

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		<u>TOTAL</u>
	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	
Assigned (for individual units)		29		16		4	49
Guest Unassigned		3		13			16
Extra Available for Purchase							
Other:							
Total Covered & Open		<u>32</u>		<u>29</u>		<u>4</u>	

Each apartment will have the exclusive use of at least one (1) parking stall(s).
Buyers are encouraged to find out which stall(s) will be available for their use.

Commercial parking garage permitted in condominium project.

Exhibit "E" contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

There are no recreational or common facilities.

Swimming pool

Storage Area

Recreation Area

Laundry Area

Tennis Court

Trash Chute

Other: _____

9. Present Condition of Improvements

(For conversions of residential apartments in existence for at least five years):

a. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations

Not Applicable.

b. Compliance With Building Code and Municipal Regulations; Cost to Cure Violations

Not Applicable.

10. Conformance to Present Zoning Code

a. No variances to zoning code have been granted.

Variance(s) to zoning code was/were granted as follows:

b. Conforming/Non-Conforming Uses, Structures, Lot

In general, a non-conforming use, structure, or lot is a use, structure, or lot which was lawful at one time but which does not now conform to present zoning requirements.

	<u>Conforming</u>	<u>Non-Conforming</u>	<u>Illegal</u>
Uses	X		
Structures	X		
Lot	X		

If a variance has been granted or if uses, improvements or lot are either non-conforming or illegal, buyer should consult with county zoning authorities as to possible limitations which may apply.

Limitations may include restrictions on extending, enlarging, or continuing the non-conformity, and restrictions on altering and repairing structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.

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

D. **Common Elements, Limited Common Elements, Common Interest:**

1. **Common Elements:** Common Elements are those parts of the condominium project intended to be used by all apartment owners. They are owned jointly by all apartment owners.

Exhibit "F" describes the common elements.

As follows:

2. **Limited Common Elements:** Limited Common Elements are those common elements which are reserved for the exclusive use of the owners of certain apartments.

There are no limited common elements in this project.

The limited common elements and the apartments which may use them are:

described in Exhibit "F"

as follows:

3. **Common Interest:** Each apartment will have an undivided fractional interest in all of the common elements. This interest is called the "common interest." It is often used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium. It may also be used for other purposes, including voting on matters requiring action by apartment owners.

Exhibit "G" describes the common interests for each apartment.

As follows:

J. **Status of Construction and Estimated Completion Date:**

The estimated date for construction to commence is February 1, 1992.
The estimated date for completion of construction is November 1, 1992.

K. **Project Phases:**

The developer has has not reserved the right to add to, merge, or phase this condominium.

Summary of Developer's Present Plans for Future Development:

L. **Sales Documents Filed With the Real Estate Commission:**

Sales documents on file with the Real Estate Commission include but are not limited to:

Notice to Owner Occupants

Specimen Sales Contract

Exhibit "I" contains a summary of the pertinent provisions of the sales contract.

Escrow Agreement dated September 10, 1991

Exhibit "J" contains a summary of the pertinent provisions of the escrow contract.

Other _____

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

Except for the construction warranties set forth in paragraph I on page 16 hereof, the apartments, the Project and anything installed therein are being sold by Developer and Fee Owner in "AS IS" condition with "ALL FAULTS." Buyers should review paragraph 21 of the Deposit Receipt and Sales Contract, which is reproduced in Exhibit I of this report.

Buyer's Right to Cancel Sales Contract:

A. Rights Under the Condominium Statute:

Preliminary Report: Sales made by the Developer are not binding on the prospective buyer. Sales made by the Developer may be binding on the Developer unless the Developer clearly states in the sales contract that sales are not binding. A prospective buyer who cancels the sales contract is entitled to a refund of all moneys paid, less any escrow cancellation fee up to \$250.00.

Supplementary Report to a Preliminary Report: Same as for Preliminary Report.

Final Report, Supplementary Report to a Final Report: Sales made by the Developer are binding if:

1. The Developer delivers to the buyer a copy of:
 - a. Either the Final Public Report **OR** the Supplementary Public Report which has superseded the Final Public Report;
AND
 - b. Any other public report issued by the Commission prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;
2. The buyer is given an opportunity to read the report(s); and
3. One of the following has occurred:
 - a. The buyer has signed a receipt for the report(s) and waived the right to cancel; or
 - b. Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or
 - c. The apartment is conveyed to the buyer within 30 days from the date the report(s) were delivered to the buyer.

Material Change: Binding contracts with the Developer may be rescinded by the buyer if:

1. There is a material change in the condominium which directly, substantially, and adversely affects (a) the use or value of the buyer's apartment or its limited common elements; or (b) the amenities available for buyer's use; and
2. The buyer has not waived the right to rescind.

If the buyer rescinds a binding sales contract because there has been a material change, the buyer is entitled to a full and prompt refund of any moneys the buyer paid.

B. Rights Under the Sales Contract:

Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the condominium. These include but are not limited to the:

1. Condominium Public Reports issued by the Hawaii Real Estate Commission.
2. Declaration of Condominium Property Regime and Condominium Map.
3. Bylaws of the Association of Apartment Owners.
4. House Rules.
5. Escrow Agreement.
6. Hawaii's Condominium Law (Chapter 514A, HRS, as amended; Hawaii Administrative Rules, Chapter 16-107, adopted by the Real Estate Commission).
7. Other _____

If these documents are not in final form, the buyer should ask to see the most recent draft.

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Law (Chapter 514A, HRS, and Hawaii Administrative Rules, Chapter 16-107) are available at the Department of Commerce and Consumer Affairs, 1010 Richards Street, P. O. Box 541, Honolulu, HI 96809.

This Public Report is a part of Registration No. 2540 filed with the Real Estate Commission on October 25, 1991.

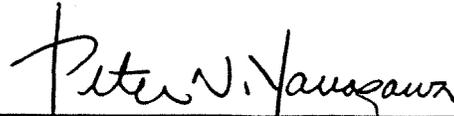
Reproduction of Report. When reproduced, this report must be on:

yellow paper stock

white paper stock

pink paper stock

Expiration Date of Reports. Preliminary Public Reports and Final Public Reports automatically expire thirteen (13) months from the date of issuance unless a Supplementary Public Report is issued or unless the Commission issues an order extending the effective period for the report.



PETER YANAGAWA, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

Bureau of Conveyances

Department of Finance, County of Hawaii

Planning Department, County of Hawaii

Federal Housing Administration

EXHIBIT A

DEVELOPER'S RESERVED RIGHTS
TO CHANGE CONDOMINIUM DOCUMENTS

Following is a brief summary of certain provisions in the Declaration, By-Laws and the apartment sales contracts, as indicated, wherein the Developer has reserved the right to change the condominium documents, including the Declaration, By-Laws, Rules and Regulations ("House Rules") and the Condominium File Plan:

I. DECLARATION

In paragraph S of the Declaration, the Developer reserves the right, at any time prior to the conveyance of an apartment to a buyer, to amend the Declaration and the By-Laws in any manner as the Developer may deem fit, including, specifically, to change the parking stall designations. Pursuant to Section 514A-12 of the Act, the Developer also sets forth its right to record in the Bureau the "as built" verified statement (with plans, if so applicable) provided that (1) the statement is merely a verified statement of a registered architect or professional engineer certifying that the final plans already filed fully and accurately depict the layout, location, numbers and dimensions of the apartments as built, or (2) the plans filed therewith involve only immaterial changes to the layout, location, numbers and dimensions of the apartments as built.

In paragraph U of the Declaration, the Developer reserves the right for itself and its agents, until such time as all the apartments in the Project are sold, to:

1. Grant utility and access easements; quitclaim any easements in favor of the Project which are not required for the Project. Apartment owners agree, upon request, to join in and execute any and all documents designating, granting and quitclaiming any such easements;

2. Amend the Declaration, the Condominium File Plan and By-Laws consistent with any easement rights granted by the Developer; and

3. Maintain development facilities and conduct sales of apartments at the Project, including, maintaining model apartments, operating a sales and construction office, conducting advertising, placing signs, utilizing parking stalls, including guest stalls, and erecting lighting in connection with such

sales; provided, however, the Developer does not use any apartment (or its limited common elements) for such purposes other than an apartment owned by the Developer; provided, further, that in exercising such right, the Developer does not interfere with the right of any apartment owner to the use of, or access to, his apartment or any of the common elements or limited common elements appurtenant thereto.

II. BY-LAWS

In Article II, Section 2 of the By-Laws, the Developer reserves the right to exercise the powers, vote and act for the Association and the Board on all matters until the first apartment in the Project is conveyed to a buyer (except as to those rights reserved to the Developer in paragraph U of the Declaration, which rights are reserved until all of the apartments in the Project have been sold).

III. APARTMENT SALES CONTRACTS

In paragraph 16 of the Deposit Receipt and Sales Contract (the "Sales Contract") the Developer, as Seller, reserves the right to modify all documents related to the Project, including the Declaration, By-Laws, Condominium File Plan, Apartment Deed, Rules and Regulations, the Seller's Disclosure Abstract, and any exhibits to such documents. Buyers confirm their understanding of the Seller's rights in paragraph 27 of the Sales Contract.

The Seller also reserves the right to make minor changes in the apartment sold under the Sales Contract, other apartments in the Project and in the common elements or limited common elements; provided, however, that except as provided in the Declaration, no changes shall be made which substantially affect the physical location or design of the apartment sold under the Sales Contract.

THIS EXHIBIT CONTAINS ONLY A BRIEF SUMMARY OF THE PROVISIONS CONTAINED IN THE DECLARATION, THE BY-LAWS AND THE SALES CONTRACT RESPECTING THE DEVELOPER'S RESERVED RIGHTS. PROSPECTIVE OWNERS SHOULD READ AND UNDERSTAND ALL OF THE PROVISIONS RELATING TO THE DEVELOPER'S RESERVED RIGHTS CONTAINED IN THE AFORESAID DOCUMENTS.

E. **Encumbrances Against Title:** An encumbrance is a claim against or a liability on the property.

Exhibit "H" describes the encumbrances against the title contained in the title report dated September 11, 1991 and issued by Security Title Corporation.

Blanket Liens:

A blanket lien is a mortgage on a condominium project that secures a construction loan. It is usually released on an apartment-by-apartment basis upon payment of specified sums so that individual apartments can be conveyed to buyers free and clear of the lien.

There are no blanket liens affecting title to the individual apartments.

There are blanket liens which may affect title to the individual apartments.

Blanket liens (except for improvement district or utility assessments) must be released before the developer conveys the apartment to a buyer. Buyer's interest will be affected only if the developer defaults prior to conveying the apartment to buyer.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest If Developer Defaults</u>
Not Applicable.	

F. **Management of the Common Elements:** The Association of Apartment 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 managing agent to assist the Association in managing the condominium project.

Initial Managing Agent: When the developer or the developer's affiliate is the initial managing agent, the management contract must have a term of one year or less and the parties must be able to terminate the contract on notice of 60 days or less.

The initial managing agent for this condominium is:

not affiliated with the Developer.

the Developer or the Developer's affiliate.

self-managed by the Association of Apartment Owners.

other Pending.

EXHIBIT B

DESCRIPTION OF BUILDINGS

The Project will consist of four (4) buildings designated as Buildings A through D, respectively, and contain a total of forty-two (42) apartments (the "apartments").

Building A will be a three-story structure and will consist of a total of fifteen (15) apartments, including five (5) apartments on each of the first, second and third floors.

Building B will be a three-story structure and will consist of a total of fifteen (15) apartments, including five (5) apartments on each of the first floor, second and third floors.

Building C will be a three-story structure and will consist of a total of six (6) apartments, including two (2) apartments on each of the first, second and third floors.

Building D will be a three-story structure and will consist of a total of six (6) apartments, including two (2) apartments on each of the first, second and third floors.

The buildings will be constructed principally of wood, metal and related building materials on a concrete slab foundation. None of the buildings will have a basement. There will be sixty-five (65) parking stalls in the Project, including sixteen (16) guest stalls and one (1) manager's stall.

EXHIBIT C

USE RESTRICTIONS FOR APARTMENTS AND PROJECT COMMON ELEMENTS

The following provisions in the Declaration, By-Laws and House Rules, as indicated, contain restrictions on the use of the apartments and the common elements of the Project:

I. DECLARATION

Pursuant to paragraph J of the Declaration, each apartment is to be used only as a private dwelling by its owners, their tenants, families, domestic servants and social guests. Owners have the right to rent or lease their apartments subject to the limitations, restrictions, covenants and conditions contained in the Declaration.

II. BY-LAWS

Article VIII, Section 5 of the By-Laws lists a variety of restrictions affecting the use of the apartments and common elements, including, without limitation, restrictions as to the posting of advertisements, posters or other signs on or about the Project; noise; disposal of garbage; uses which may cause an increase in the ordinary premium rates or cancellation or invalidation of any insurance maintained by or for the Board; noxious or offensive activities; the storage of furniture, packages or other objects which could obstruct transit through the common elements; the alteration or removal of any furniture belonging to the Association; the construction or placement in the Project of any building or structure; the alteration of any common elements of the Project; installation or maintenance of any television or other antennas in the Project visible from any point outside of the Project; and the keeping of pets.

III. HOUSE RULES

Section A of the House Rules lists restrictions affecting the apartments, including, without limitation, restrictions as to the exterior appearance of the apartments (i.e., prohibitions against attaching or hanging awnings, venetian blinds, window guards, radio or television antenna, planters, garments and other objects to the exterior of the apartments); noise; the keeping of pets; disposal of rubbish; the keeping of explosives or other flammable, noxious materials; the conduct of guests; and the installation of air conditioning units.

Section B of the House Rules lists restrictions affecting the common and limited common elements of the Project, including, without limitation, restrictions as to soliciting for sales of goods and services; the storage of surfboards and bicycles; the alteration or removal of the furniture made available in the common areas; obstructing access in the Project; litter; the conduct of children; and removal, picking or transplanting of any of the Project landscaping.

Section C of the House Rules lists general restrictions affecting the Project, including, without limitation, restrictions as to creating any hazards in the Project; waterbeds; extra hazardous materials; fireworks; and renting of the apartments.

Section D of the House Rules lists restrictions affecting vehicles in the Project, including, without limitation, restrictions as to the washing, cleaning or polishing of cars and motorcycles; storage of personal items in the parking stalls; movement of vehicles while in the Project; parking which may impede or prevent ready access to any entrance or to any exit from the Project by another vehicle; and repairing automobiles or motorcycles in the Project.

THIS EXHIBIT CONTAINS ONLY A BRIEF SUMMARY OF CERTAIN USE PROVISIONS STATED IN THE DECLARATION, BY-LAWS AND HOUSE RULES. PROSPECTIVE OWNERS SHOULD READ AND UNDERSTAND ALL OF THE USE RELATED PROVISIONS CONTAINED IN THE AFORESAID DOCUMENTS.

EXHIBIT D

PERMITTED ALTERATIONS TO APARTMENTS

The By-Laws permit alterations to the apartments as follows:

I. DECLARATION

PARAGRAPH Q.

"Notwithstanding anything contained in this Declaration to the contrary, and subject to the Act, any alterations or additions within an apartment or within a limited common element appurtenant to and for the exclusive use of an apartment which do not alter the characteristics of such apartment or limited common element, shall require the written consent and approval of the apartment owner's plans therefor only by the holders of all liens affecting such apartment (if the lien holders require such consent and approval) and the Board, and such alterations or additions may be undertaken without an amendment to this Declaration or the filing of a complete set of floor plans of the Project so altered."

II. BY-LAWS

ARTICLE VIII, SECTION 3(A).

"(A) Additions, alterations, repairs or improvements to the common or limited common elements of the Project may be made only by or at the direction of the Board, except as provided for in the Declaration. No owner of an apartment may, except with the written consent of the Board, make any alteration, addition, repair or improvement to any of the common elements including, without limitation, common or limited common elements within, encompassing or adjacent to such owner's apartment, except as provided for in the Declaration or if such alteration, addition, repair or improvement shall be required by law."

ARTICLE VIII, SECTION 4.

"Section 4. Additions or Alterations by Apartment Owners. No apartment owner shall do any work which could jeopardize the soundness or safety of the property, reduce the value thereof, or impair any easement or hereditament, nor may any apartment owner add any material structure or excavate any additional basement or cellar, without in every such case the consent of seventy-five percent (75%) of the apartment owners, together with the consent of all apartment owners whose apartments or limited common elements appurtenant thereto are directly affected, being first obtained. Except as may be otherwise provided herein or in the Declaration, no owner shall

install any solar energy devices or make any addition or alteration in or to such owner's apartment which may affect the common elements or change the exterior appearance of the Project, without the prior written consent thereto of the Board. The Board shall have the obligation to answer any written request by an apartment owner for approval of a proposed addition or alteration in such owner's apartment within thirty (30) days after such request, and failure to do so within the stipulated time shall constitute a consent by the Board to the proposed addition or alteration."

EXHIBIT E

PARKING

There are sixteen (16) guest parking stalls, designated on the Condominium File Plan as stall nos. 1 through 12 and 21 through 24, and one (1) manager's parking stall, designated on the Condominium File Plan as stall no. 49, which parking stalls are common elements of the Project. The remaining forty-eight (48) parking stalls are limited common elements designated for the exclusive use of the owners of the apartments, as follows:

<u>APARTMENT</u>	<u>DESIGNATED PARKING STALL</u>
A101	29
A102	30
A103	31
A104	32
A105	33
A201	34
A202	HC1
A203	HC2
A204	35
A205	36
A301	37
A302	38
A303	39
A304	40
A305	41
B101	20C
B102	19C
B103	18C
B104	17C
B105	16C
B201	15C
B202	HC3
B203	HC4
B204	14C
B205	13C
B301	42
B302	43
B303	44
B304	45
B305	46
C101	47
C102	48
C201	50
C202	51
C301	52
C302	53C
D101	25C, 54C
D102	26C, 55C
D201	27, 56C

D202
D301
D302

28, 57C
58, 60C
59, 61C

All stalls are regular parking stalls, except those designated "HC" for handicap parking stalls and "C" for compact parking stalls. Stall nos. 58, 60, 59 and 61 are tandem parking stalls.

The Condominium Property Regime Act (Chapter 514A, Hawaii Revised Statutes) provides that owners shall have the right to change the designated parking stalls which are appurtenant to their respective apartments by amendment of the Declaration and the respective apartment deeds involved. The amendment need only be signed and approved by the owners of the apartments whose parking stalls are being changed and their respective mortgagees, if any.

The House Rules contain specific provisions about vehicles and parking, which owners should thoroughly understand. The provisions relate to vehicle registration with the Board of Directors, Managing Agent or Resident Manager, if any, vehicle washing, storage of personal items in parking stalls, and avoidance of access problems caused by vehicles. The House Rules also address particular problems such as towing for unauthorized parking and operation of vehicles while in the Project. Nuisances created by repairs, maintenance, noise and improper or unsafe vehicle operating conditions are prohibited. Owners will be held responsible for violations of parking rules by their lessees, renters or guests.

EXHIBIT F

DESCRIPTION OF COMMON ELEMENTS
AND LIMITED COMMON ELEMENTS

I. COMMON ELEMENTS

Paragraph E of the Declaration provides:

"One freehold estate is hereby designated in all of the remaining portions of the Project (the "common elements"), which shall include the limited common elements described in paragraph F hereinbelow and all portions of the land and improvements other than the apartments, including the buildings, the land on which the buildings are located and all common elements mentioned in the Act which are actually constructed on the land described herein. Said common elements shall include, but shall not be limited to the following:

1. The land described in Exhibit "A".
2. All foundations, columns, girders, beams, floor slabs, supports, unfinished perimeter and load-bearing walls (except for the inner decorated surfaces within each apartment), roofs, stairways, walkways, entrances and exits of said buildings.
3. All yards, grounds, landscaping, refuse and like facilities.
4. All driveways, loading areas, ramps, parking area entryways and exitways, and the sixty-five (65) parking stalls designated on the Condominium File Plan, including sixteen (16) guest parking stalls and one (1) manager's parking stall as designated on the Condominium File Plan.
5. All electrical transformer boxes and rooms, storage rooms, trash rooms, all central and appurtenant installations for services such as power, lights, telephone, gas, hot and cold water lines, television lines, sewage disposal and other utilities (including all pipes, ducts, wires, cables and conduits used in connection therewith, whether located in common areas or in apartments), and all tanks, pumps, motors, fans, ducts and other apparatus and installations existing for, or in the buildings for common use.
6. All corridors and stairways situate within the Project.
7. The manager's unit located on the first and second floors of Building B, as depicted on the Condominium File Plan, consisting of eight (8) rooms, including two (2) bedrooms,

two (2) storage rooms, a bathroom, living/dining room, kitchen and office.

8. The Association storage room adjacent to the manager's unit on the first floor of Building B, as depicted on the Condominium File Plan.

9. Any and all other apparatus and installations of common use and all other parts of the property necessary or convenient to its existence, maintenance and safety, and normally in common use and which are not part of any apartment."

II. LIMITED COMMON ELEMENTS.

Paragraph F of the Declaration provides:

"Certain parts of the common elements (the 'limited common elements') are hereby set aside and reserved for the exclusive use of certain apartments, which apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements so set aside for each apartment are as follows:

1. The parking stall designated for such apartment in Exhibit 'B'; and

2. One (1) mailbox located on the Project grounds, bearing the same number as the number of the apartment.

Notwithstanding any provisions herein or in the By-Laws to the contrary, all costs of every kind pertaining to each limited common element, including but not limited to, costs of maintenance, repair, replacements, additions and improvements, shall be charged to and borne entirely by the owner(s) of the apartment(s) to which it is appurtenant. Expenses which are attributable to more than one parking stall or mailbox shall be allocated among the affected parking stalls or mailboxes on a per parking stall or mailbox basis. Any expense which cannot be separately identified or attributed to a limited common element shall be charged as a common expense."

EXHIBIT G

COMMON INTEREST FOR EACH APARTMENT

Each apartment shall have appurtenant thereto an undivided percentage interest (the "common interest") in all common elements of the Project and in all common profits and expenses of the Project and for all other purposes including voting. The percentage common interest for each apartment (as set forth in paragraph D.1 of the Declaration) is as follows:

<u>Apt. No.</u>	<u>Percentage Common Interest</u>
A104 through A304 B104 through B304	2.27%
A101 through A301	2.28%
A102 and A302 B102 and B302	2.28%
A103 and A303 B103 and B303	2.28%
A202 and B202	2.26%
A203 and B203	2.26%
A105 through A305	2.28%
C101 through C301	2.46%
C102 through C302	2.47%
D101 through D301	2.81%
D102 through D302	2.81%
B101 through B301	2.32%
B105 through B305	2.27%

The common interest and easements shall not be separated from the apartment to which they appertain and shall be deemed to be conveyed, leased or encumbered with such apartment even though such interest or easements are not expressly mentioned or described in the conveyance or other instrument. The common elements shall remain undivided, and no right shall exist to partition or divide any part thereof except as provided by the Condominium Property Regime Act.

EXHIBIT H

ENCUMBRANCES AGAINST PROJECT LAND TITLE

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

2. Grant in favor of Hawaii Electric Light Company, Inc., a Hawaii corporation, and Hawaiian Telephone Company, now known as GTE Hawaiian Telephone Company Incorporated, a Hawaii corporation, dated march 3, 1987, recorded in said Bureau in Liber 20552 at Page 780, granting an easement for utility purposes over, under, across and through the land herein described.

3. Any variations in and along the boundaries of the land herein described running along Wailuku Stream, as may be caused by the natural deviation of said stream.

4. Real property taxes as may be due and owing.
BUYERS ARE CAUTIONED TO CHECK WITH THE COUNTY TAX ASSESSOR FOR FURTHER INFORMATION.

EXHIBIT I

SUMMARY OF PERTINENT PROVISIONS OF SALES CONTRACT

The Developer has filed a specimen Deposit Receipt and Sales Contract ("Sales Contract") with the Hawaii Real Estate Commission. Following is a brief summary of certain pertinent provisions contained in the Sales Contract:

Paragraph 4. USE OF ESCROW FUNDS. Buyer's funds may be disbursed by the Escrow Agent prior to the date of completion of the buildings to pay the cost of constructing the buildings and other expenses of the Project under the conditions stated in the Condominium Escrow Agreement (see Exhibit J for a summary of the Condominium Escrow Agreement).

Paragraph 6. SELLER'S CANCELLATION RIGHTS. Seller reserves the right to cancel or terminate the Sales Contract if (a) Buyer's initial deposit check is returned for insufficient funds, (b) Buyer should die prior to closing, or (c) Buyer makes any misrepresentation to Seller. Seller reserves the right to return Buyer's check or payments, without interest and less the processing and cancellation fee imposed by the Escrow Agent and any other actual expenses incurred by reason of Buyer's execution of the Sale Contract.

Paragraph 17. BUYER'S RIGHT TO RESCIND. Except for any additions, deletions, modifications and reservations made pursuant to the terms of the Declaration, if there is a material change in the Project which directly, substantially and adversely affects the use or value of (1) Buyer's apartment or appurtenant limited common elements, or (2) those amenities of the Project available for Buyer's use, Buyer shall have the right to rescind the sale and receive a prompt and full refund of any monies paid.

Buyer's right of rescission is waived upon (1) delivery to Buyer of a disclosure document which describes the material change and contains a provision for Buyer's written approval or acceptance of such change, and (2) Buyer's written approval or acceptance of the material change, or ninety (90) days have lapsed since Buyer has accepted the apartment or occupancy of the apartment. If Buyer does not rescind the Sales Contract or execute and return the written approval or acceptance of the change as provided in the disclosure document within thirty (30) days from the date of delivery of such disclosure document, Buyer shall be deemed to have approved and accepted such change (if at the time the disclosure document was delivered, Buyer was notified in writing of the fact that Buyer will be deemed to have approved and accepted the change upon Buyer's failure to act within the thirty (30) day period). If, prior to delivery of such disclosure document, ninety (90) days have lapsed since Buyer has accepted the Apartment, or Buyer has occupied the Apartment, then Buyer's right of rescission shall not be waived

unless Buyer executes the written approval or acceptance of such change as provided in the disclosure document within thirty (30) days from the date of delivery of such disclosure document or Buyer is deemed to have approved and accepted such change as set forth above.

Paragraph 18. DEFAULT.

(a) Seller may terminate the Sales Contract by written notice to Buyer if Buyer fails to make any payment when required or fails to perform any other obligation required of Buyer under the Sales Contract and fails to cure such default within five (5) days after receipt of written notice thereof from Seller. The parties agree that the sums paid by Buyer under the Sales Contract prior to such default shall belong to Seller as liquidated damages. Seller may also pursue any other remedy at law or in equity for specific performance, damages or otherwise.

(b) If Seller defaults in the performance of any obligation required of Seller under the Sales Contract, Buyer shall be entitled to specific performance of the Sales Contract or shall have the right to cancel and terminate the Sales Contract. In the event of cancellation and termination, Seller shall repay all sums paid by Buyer to Seller or Escrow Agent and ONE HUNDRED AND NO/100 DOLLARS (\$100.00) as liquidated damages for Seller's default.

Paragraph 20. PRE-PAID ITEMS. Pre-paid items under the Sales Contract include: (a) maintenance fees for a period of two (2) months, which amount shall constitute a non-refundable start-up fee to be transferred to the Association for use in paying the initial operating costs of the Project, (b) maintenance fees for a period of two (2) months, which amount shall constitute a contribution to the maintenance reserve fund for the Project pursuant to the Declaration, (c) real property taxes for a period of six (6) months, and (d) insurance premiums to the extent required by any first mortgage lender.

Paragraph 21. WARRANTIES. The closing of the sale of the Apartment shall constitute Seller's assignment to Buyer of any and all warranties given to Seller by the contractor for the Project, including the contractor's guarantee of materials and workmanship against faulty or deficient materials and installation for a period of one (1) year after substantial completion of the apartment.

Seller makes no other warranties, express or implied, with respect to the Apartment, the Project, the common elements or anything installed therein, which are being sold in "AS IS" condition with "ALL FAULTS". Neither Seller (the Developer) nor the Owner (the fee owner) shall correct any defects in the Apartment, the Project, the common elements or anything installed therein and the existence of any defect shall not excuse Buyer's

obligation to perform all of Buyer's obligations under the Sales Contract.

Paragraph 23. SUBORDINATION. Buyer agrees to subordinate Buyer's interest under the Sales Contract to the security interests of Seller's construction lender.

Paragraph 24. CONDITION TO BINDING EFFECT OF AGREEMENT.

(a) Notwithstanding anything contained in the Sales Contract to the contrary, the Sales Contract shall not be binding upon Buyer until:

(1) The Hawaii Real Estate Commission has issued an effective date for a Final Public Report on the Project and Seller has delivered, or caused to be delivered, to Buyer, a true copy of the Final Public Report, together with a true copy of all prior public reports on the Project, if any, which have not been previously delivered to Buyer;

(2) Buyer has been given an opportunity to read the reports; and

(3) Two (2) copies of the form of the receipt and notice set forth in Section 514A-62 of the Hawaii Revised Statutes, as amended, have been delivered to Buyer and Buyer (i) executes the receipt and notice, and (ii) waives Buyer's right to cancel; provided, however, that if Buyer does not execute and return the receipt and notice within thirty (30) days from the date of delivery of such reports, or if the apartment is conveyed to Buyer prior to the expiration of such thirty-day period, Buyer shall be deemed to have received for the reports and to have waived Buyer's right to cancel.

(b) Unless such right has previously been waived pursuant to paragraph 24(a), Buyer shall have the right to cancel the Sales Contract at any time prior to the earlier of (1) the conveyance of the apartment to Buyer or (2) midnight of the thirtieth (30th) day following the date of delivery of the Final Public Report to Buyer. Upon any such cancellation, Buyer shall be entitled to a prompt and full refund of all monies paid, less any escrow cancellation fee and other costs associated with the purchase up to a maximum of TWO HUNDRED FIFTY AND NO/100 DOLLARS (\$250.00).

Paragraph 25. BUYER'S RECOGNITION OF PERMITTED APARTMENT USES. The apartments in the Project shall be occupied and used only as private dwellings by the respective owners thereof, their tenants, families, domestic servants and social guests. Apartment owners shall have the right to rent or lease the apartments subject to the limitations, restrictions, covenants and conditions of the Declaration.

Seller and all entities, persons and agents related to or affiliated with Seller, have no program, nor is any program planned or contemplated, to offer a rental service of any kind to the apartment owners, either individually or in any form of pooling arrangements, nor have any representations been made by Seller or its agents as to the feasibility of renting the apartments. Purchasers of apartments who desire to rent their apartments must make their own rental arrangements. Neither Seller nor its agents make any representation regarding either economic benefits to be derived from rentals or tax treatment of any purchaser of an apartment.

Paragraph 26. OWNER-OCCUPANT BUYER ON RESERVATION LIST. If, in accordance with Section 514A-104 of the Hawaii Revised Statutes, as amended, Buyer has executed an affidavit of intent to become an owner-occupant of the apartment and paid the requisite deposit under the Sales Contract or other acceptable consideration with Seller to permit Buyer to be put on a reservation list compiled by Seller's broker, the following provisions are incorporated into the Sales Contract:

(a) The Sales Contract is conditioned upon Buyer obtaining adequate financing, or a commitment for adequate financing, within forty-five (45) calendar days following the end of the ten (10) calendar day period during which Seller is limited to selling to owner-occupants, and if such financing or commitment is not obtained, the Sales Contract shall be cancelled.

(b) If during the ten (10) calendar day period following the issuance of the first public report for the Project by the Real Estate Commission, Buyer indicates by written notice to Seller that Buyer desires to cancel the Sales Contract on account of hardship circumstances, such as a serious illness, job or military transfer, unforeseeable change in marital status, or the birth of a child, which causes Buyer to be unable to purchase the apartment, or if Buyer indicates an intent not to become an owner-occupant of the apartment, the Sales Contract shall be cancelled.

(c) Upon the cancellation of the Sales Contract as provided in paragraph 26, Seller shall cause Escrow Agent to refund to Buyer all monies paid without interest, less any escrow cancellation fee and other costs incurred by Seller in processing the Sales Contract; provided, however, that the cancellation shall be approved by any lender financing the Project.

THIS EXHIBIT CONTAINS ONLY A BRIEF SUMMARY OF CERTAIN PROVISIONS CONTAINED IN THE SALES CONTRACT. PROSPECTIVE OWNERS SHOULD READ AND UNDERSTAND ALL OF THE PROVISIONS CONTAINED IN THE SALES CONTRACT.

EXHIBIT J

SUMMARY OF PERTINENT
PROVISIONS OF ESCROW AGREEMENT

Among other provisions, the Condominium Escrow Agreement dated September 10, 1991 (the "Escrow Agreement"), executed by and between Title Guaranty Escrow Services, Inc., as Escrow, and CRL Development, Inc., as the Developer, provides that a purchaser shall be entitled to a return of his funds and Escrow shall pay such funds to such purchaser, without interest, if any one of the following has occurred:

(a) The Developer and the purchaser shall have requested Escrow in writing to return to purchaser the funds of purchaser held hereunder by Escrow; or

(b) The Developer shall have notified Escrow of the Developer's exercise of the option to cancel or rescind the sales contract pursuant to any right of cancellation or rescission provided therein or otherwise available to the Developer; or

(c) The Developer and purchaser shall have requested Escrow in writing and any one of the following events has occurred:

(i) no sales contract has been offered to the purchaser who has been placed on the Developer's reservation list of owner-occupant applicants; or

(ii) purchaser has been unable to obtain adequate financing, or a commitment for adequate financing, for his unit within forty-five (45) calendar days following the end of the ten (10) calendar day period during which the Developer is limited to selling to owner-occupant; or

(iii) the purchaser desires to cancel the contract on account of hardship circumstances such as those set forth in Section 514A-104(1), Hawaii Revised Statutes; or

(iv) the purchaser indicates an intent not to become an owner-occupant of such unit.

No disbursement of purchasers' funds held in escrow, other than refunds provided for in the Escrow Agreement, shall be made until certain conditions are satisfied. In general, these conditions include:

(1) The issuance of an effective date for the Final Public Report on the Project by the Hawaii Real Estate Commission;

(2) If applicable, delivery to and acknowledgment of receipt of appropriate public reports by a purchaser, and delivery to Escrow Agent of a written opinion by the Developer or the Developer's attorney stating that the purchaser's sales contract has become effective;

(3) Delivery to Escrow Agent of a written opinion by the Developer or the Developer's attorney stating that certain statutory requirements have been met; and

(4) A written waiver of any option reserved in any sales contract to cancel such sales contract.