

2765 KAPIOLANI
A FEE SIMPLE RESIDENTIAL CONDOMINIUM PROJECT
CONDOMINIUM PURCHASE AGREEMENT

A. **Description of Property Covered by this Agreement:**

Project: "2765 KAPIOLANI" Unit No. _____

Location: 2765 Kapiolani Boulevard, Honolulu, Hawaii 96826 Reference Date: _____

Tax Map Key: (1) 2-7-025-001

Condominium Registration Number: 6445

Developer's Public Report Issued on: October 3, 2007

Amendments Dated: _____

Seller:

2765 KAPIOLANI LLC
1535 Kapiolani Blvd., #1533
Honolulu, Hawaii 96814
PH: (808) 942-4472, Ext.

Escrow:

INTEGRITY ESCROW & TITLE
COMPANY, INC.
333 Queen Street, #A
Honolulu, Hawaii 96813
PH: (808) 447-6000

Project Broker:

ABE LEE REALTY LLC
1535 Kapiolani Blvd., #1533
Honolulu, Hawaii 96814
PH: (808) 942-4472

#207

The term "Unit" includes the Unit identified above, an undivided _____ percentage interest in the common elements of the 2765 KAPIOLANI condominium project, and the limited common elements appurtenant to said Unit as defined in the Declaration.

The Unit contains the following items of personal property: _____

B. **Information Concerning Buyer:** Buyer will be: [] Owner-Occupant [] Investor

Full Name of Buyer (no initials): _____

If married, full Name of Spouse (no initials): _____

Address: _____

Res. Telephone: (_____) _____ Bus. Telephone: (_____) _____

Fax: (_____) _____ Email: _____

Full Name of Buyer (no initials): _____

If married, full name of Spouse (no initials): _____

Address: _____

Res. Telephone: (_____) _____ Bus. Telephone: (_____) _____

Fax: (_____) _____ Email: _____

Type of Ownership: (Check one)

() Severalty (One Buyer)

() Tenants in Common (Two or more persons; no rights of survivorship) State the percentage of interest of each party: _____

() Joint Tenants (Two or more persons with rights of survivorship)

() Tenants by the Entirety (Husband and wife with rights of survivorship)

Buyer's initials

The deed will show that ownership of the Unit is held exactly as follows*: _____

*For document preparation, it is necessary that you spell out your full legal names and marital status. In case of multiple ownership, provide tenancies for each individual party. If married, full name of spouse is required. If you wish to take title as Trustee of a Trust, please provide escrow with a copy of your Trust Agreement.

C. **Price and Method of Payment:**

1. Purchase Price for the Unit: \$_____. **NOTE:** The Purchase Price does not include closing costs, prorations, and the additional costs provided in Paragraph C.3 below.
2. The Purchase Price will be paid as follows:
 - Initial Deposit: \$1,000.00 in the form of a check made payable to Integrity Escrow & Title Company, Inc. ("Escrow")
 - Additional Deposit: \$_____ cash deposit within _____ days from the Reference Date noted in Paragraph A, above.
 - Additional Deposit: \$_____ cash deposit within _____ days from the Reference Date noted in Paragraph A, above.
 - Total Deposit: \$_____
 - Balance of Purchase Price \$_____ due no later than three (3) business days prior to the Date of Closing.
Buyer's Lender: _____

NOTE: IF BUYER DOES NOT MAKE ANY OF THE PAYMENT(S) DEFINED ABOVE WITHIN THE TIME SPECIFIED, SELLER AT ITS SOLE OPTION MAY EITHER CANCEL THIS AGREEMENT OR CHARGE BUYER A LATE FEE OF ONE PERCENT (1%) PER MONTH, PRORATED DAILY, BASED ON THE AMOUNT OF THE PAYMENT DUE.

3. In addition to the Purchase Price, Buyer shall pay an additional sum at closing as Buyer's pro rata share of the 2765 Kapiolani's common expense reserve fund. This non-refundable, non-transferable "start-up" fee will become the property of the Association of Unit Owners of 2765 Kapiolani (the "Association"), and shall be in an amount which will be determined by Seller prior to closing. That amount will in no event be less than TWO (2) months estimated common expense assessments for the Unit, and not less than TWO (2) months estimated reserves. **NOTE:** "Start-up" fees are collected in addition to the common expense assessments or monthly maintenance fees that Buyer will become obligated to pay after closing.

D. **Agreements:**

1. **Agreement to Purchase.** Seller hereby agrees to sell the Unit to Buyer and Buyer hereby agrees to purchase the Unit from Seller for the Purchase Price plus closing costs, prorations, and additional costs described in Paragraph C, above (to be paid by the method described in that paragraph), subject to the terms and conditions set forth in this Agreement and in the General Terms and Conditions set forth in Exhibit "A", which is incorporated herein by reference and made a part hereof.
2. **Binding Sales Contract.** An effective date for a Developer's Public Report for the project has been issued by the Real Estate Commission of the State of Hawaii, and this Agreement shall be a fully binding contract upon Buyer and Seller upon acceptance of this Agreement by Seller.
3. **Acceptance By Seller.** The signature of the sales agent on this Agreement only acknowledges receipt of the deposit paid with this Agreement, if any, and does not constitute acceptance by Seller. This Agreement shall not be deemed accepted and shall not be of any force and effect until it has been fully executed by Seller.
4. **Receipt By Buyer.** Buyer hereby acknowledges receipt of the Developer's Public Report, and any amendments thereof, if any, the Project's Declaration of Condominium Property Regime, By-Laws, Condominium Map, any amendments thereto, and House Rules.
5. **Addendum to the Agreement.** The following Addendum are attached to this Agreement and made a part hereof: (check all that apply)

Buyer's initials

Co-Operating Broker's Addendum Lead Based Paint Dual Agency Addendum
 Other: _____
 Other: _____

6. SELLER AND BUYER ACKNOWLEDGE AND CONFIRM THAT **ABE LEE REALTY LLC**, AND ALL OF ITS SALESPERSONS AND BROKERS, REPRESENT ONLY THE SELLER IN CONNECTION WITH THIS AGREEMENT, AND NOT THE BUYER, UNLESS THE PROJECT BROKER IS ACTING AS A DUAL AGENT OF BOTH SELLER AND BUYER, AND HAS SO ADVISED SELLER AND BUYER. FURTHER, BUYER ACKNOWLEDGES AND CONFIRMS THAT BUYER WAS INFORMED OF SUCH REPRESENTATION PRIOR TO SIGNING BELOW.

Buyer is not represented by an outside real estate broker.
 Buyer was accompanied on Buyer's first visit to the Project by an outside real estate broker/agent, and is represented by that broker. Co-Operating Broker's Addendum is attached.

By signing below, Seller and Buyer agree to all of the terms and conditions above and all of the terms and conditions in Exhibit "A" attached hereto, incorporated into and made an integral part of this Agreement by reference.

BUYER:

Print Name: _____

Print Name: _____

Print Name: _____

Print Name: _____

Date of Buyer's Signing: _____

SELLER:

2765 KAPIOLANI LLC

ABRAHAM W. H. LEE, Its: Member
Date of Seller's Acceptance: _____

Receipt of Buyer's Initial Deposit in the amount of \$1,000.00 is acknowledged this _____ day of _____, 200__.

Agreement Reviewed by: _____

By: _____

ABE LEE REALTY, LLC
Principal Broker/Broker-in-Charge
Date: _____

ABE LEE REALTY, LLC, Sales Agent

Buyer's initials

EXHIBIT "A"

GENERAL TERMS AND CONDITIONS

1. ESCROW ARRANGEMENTS

a. Deposit of Funds With Escrow. Buyer agrees that all funds to be paid under this Agreement shall be deposited with INTEGRITY ESCROW & TITLE COMPANY, INC. ("Escrow") under the terms of the Escrow Agreement between Seller and Escrow. Buyer hereby authorizes and instructs Escrow to comply with and to disburse all funds deposited with Escrow in accordance with the terms of the Escrow Agreement.

b. Interest on Funds. Buyer further agrees that all funds received by Escrow may be held together with other monies received by Escrow. All such funds may be deposited in an interest bearing account or accounts in a federally insured bank or savings and loan institution with its principal place of business in Honolulu, Hawaii. All interest earned from such account or accounts shall be credited to Seller's account, if so directed by Seller.

c. Preclosing. Buyer agrees that Seller may preclose this sale by having all document necessary to close executed and deposited with Escrow prior to the Date of Closing as defined in Paragraph 6, hereinbelow. Upon receiving written notice to preclose from Seller and/or Escrow, Buyer agrees to deposit with Escrow all payments required in Paragraph C.2 of the Agreement, take any other action which may be necessary to enable closing, and execute all documents required for closing, including any loan documents necessary for Buyer's financing.

2. THE PROJECT

a. Buyer's Acknowledgment of Opportunity To Review Documents. Buyer acknowledges that the Declaration, the By-Laws of the Association of Unit Owners (the "Association"), a specimen Condominium Unit Deed, and the Escrow Agreement (covering the receipt, collection and disbursement of funds paid under this Agreement), have been made available for review by Buyer, and that Buyer has had a reasonable opportunity to read those documents. Buyer agrees that all of said documents are incorporated in and are a part of this Agreement. Buyer further approves, accepts, and agrees to the terms of all of said documents and this Agreement.

b. Developer's Public Report; Buyer's Rescission Rights. The Developer's Public Report for the Project has been issued by the Real Estate Commission. Buyer shall receive a copy of that document along with a receipt for the report and a notice of right to cancel. If Buyer waives Buyer's right to cancel by checking the waiver box on the receipt and notice, and executes and returns the receipt and notice of right to cancel within thirty (30) days after delivery to Buyer, this Agreement shall become a binding obligation on both parties immediately upon the return thereof. If Buyer does not return the receipt and notice within said thirty (30) day period, or if the Unit is conveyed to Buyer prior to expiration of that thirty (30) day period, then Buyer shall be deemed to have receipted for the Developer's Public Report and to have waived Buyer's right to cancel, thereby causing this Agreement to become a binding obligation on both parties.

c. Condominium Map. The condominium map for the Project (the "Condominium Map") is filed with the Bureau of Conveyances of the State of Hawaii (the "Bureau of Conveyances") and/or the Office of the Assistant Registrar of the Land Court of the State of Hawaii (the "Land Court"), as the case may be, and submitted to the Real Estate Commission. The Condominium Map is intended only to show the layout, location, unit numbers and dimensions of the units, and Buyer acknowledges that the Condominium Map, consisting of floor plans and elevations, is not intended to be and does not constitute any representation or warranty by Seller.

d. Conditions Acknowledged by Buyer. Buyer specifically acknowledges that:

(1) Sales activities, including the use of model units, signs and extensive sales displays and activities, may continue in the Project, and some of the parking spaces in the Project may be used for parking for prospective purchasers until the sale of the last unsold unit in the Project.

(2) Seller reserves the right for itself, its sales representatives and prospective purchasers to utilize the common elements for ingress and egress to such parking spaces and model units, and in order to show the common elements to prospective purchasers.

(3) Seller reserves the right at any time prior to the closing of the last sale of a Unit in the Project owned by the Seller, without notice to, or the approval, consent, or joinder of the Association or the other Unit owners or any other person with an interest in the Project, including any lienholders thereof: (a) to grant easements over, across, and under the common elements, including, without limitation, easements for utilities, sanitary and storm sewers, cable television, walkways, roadways and rights-of-way, including the granting of easements for encroachments onto the Project, and (b) to relocate or realign any existing easements and rights-of-way over, across, and under the common elements, including, without limitation, any existing utilities, sanitary and sewer lines, and cable television lines, and connect same, over, across, and under the common elements.

(4) Seller has reserved the right to amend the Declaration, any of the Exhibits thereto, the Bylaws and/or the Condominium Map, in any manner, and without Buyer's consent, at anytime prior to the first

recording in the Bureau of Conveyances and/or Land Court, as the case may be, of a conveyance or transfer of a Unit in the Project to any person other than Seller. Seller has also retained the right, while Seller owns any unit in the Project, to amend the Declaration, Bylaws and/or the Condominium Map, without the consent or joinder of any owners, to effect any changes required by law, any title insurance company, or any institutional mortgagee, or as may be required by any governmental or quasi-governmental agency.

(5) Each unit has been assigned an undivided interest in the common elements equal to the ratio of the useable area of each unit to the total such area of all the units in the Project and taking into consideration whether the unit has an assigned parking stall.

(6) Seller may sell any unit in the Project, including units similar or comparable to the Unit covered by this Agreement, to other buyers on terms and conditions different from and/or more favorable than, the terms and conditions of this Agreement. Buyer understands this and waives any claims against Seller regarding such differences and waives any right to require Seller to change any of the terms and/or conditions herein because of any differences in terms and conditions offered to or negotiated by Seller and other buyer(s).

Buyer accepts the foregoing conditions set forth in this Paragraph (d), as well as any inconvenience or annoyance which Buyer may experience as a result of such conditions, and expressly waives any rights, claims or action which Buyer might otherwise have against Seller or third parties as a result of such circumstances.

e. Appointment of Initial Managing Agent. Buyer agrees to the appointment by Seller of CENPAC PROPERTIES, INC., as the initial managing agent of the Project. If the Seller's appointee is for any reason unwilling or unable to serve as the initial managing agent, Buyer agrees that Seller may appoint a different managing agent to serve as the initial managing agent for the Project.

f. Seller's Right to Exercise Powers. Seller reserves the right to exercise all of the powers as a member of the Association as to all unsold units in the Project. Until the first election of the directors and officers of the Association, Seller reserves the right to exercise all of the powers of the directors and officers of the Association.

g. Estimated Monthly Maintenance Charges. Buyer has examined and approved the estimate of monthly maintenance charges and assessments for the Unit as shown in the Developer's Public Report. Buyer is aware that such amounts are only estimates, and BUYER AGREES THAT SUCH ESTIMATES ARE NOT INTENDED TO BE AND DO NOT CONSTITUTE ANY REPRESENTATION OR WARRANTY BY SELLER, INCLUDING BUT NOT LIMITED TO ANY REPRESENTATION OR WARRANTY AS TO THE ACCURACY OF SUCH ESTIMATES.

h. Mandatory Seller's Disclosure. Seller is exempt from the requirements of the mandatory seller's disclosure requirements of Chapter 508D, Hawaii Revised Statutes, for residential real property. Information and disclosures regarding the Project are contained in the Developer's Public Report.

i. Lead-Based Paint. Pursuant to federal law, 42, U.S.C 4852(d), the Residential Lead-Based Paint Reduction Act, "Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase." Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the Project. Seller does not have reports or records pertaining to lead-based paint and/or lead-based paint hazards in the Project.

j. Hazardous Materials. Seller has neither prepared nor commissioned a Phase 1 Environmental Site Assessment and makes no representations or warranties whatsoever. Seller has made no independent investigation as to asbestos or other hazardous substances in the units or in, under or around the Project, including but not limited to, radioactive materials, organic compounds known as polychlorinated biphenyls, chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances, and any and all other substances or materials defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials" or "toxic substances" under, or for the purposes of, hazardous materials laws. Buyer acknowledges that in light of the age of the Project, there may be asbestos and other hazardous substances in the units, or in, under or around the Project. Because of the possible presence of such substances, Buyer should have the unit inspected to determine the extent (if any) of such contamination and any necessary remedial action. Seller will not correct any defects in the units or in the Project or anything installed or contained therein and Buyer expressly releases the developer from any liability to Buyer if any hazardous materials are discovered.

k. Termite Inspection Report. Seller will not order or pay for a Termite Inspection Report ("TIR"), nor be responsible for treating or repairing any damage to the unit or the Project. If Buyer or Buyer's lender requires a TIR, such report will be ordered and paid for by Buyer. Furthermore, if the TIR indicates there is visible evidence

of termite infestation, any treatment and repair shall be paid solely by Buyer. Buyer is aware that ordering a TIR shall in no way affect the Closing Date.

l. Mold and Mildew Disclosure. Tropical climates with warm temperatures, high humidity and frequent precipitation are conducive to the propagation of mold, mildew, fungus and other types of bacterial growth. Buyer should be aware that all properties have hidden, enclosed and unreachable areas where growths can occur and not be detected. If Buyer, any member of Buyer's family or persons who inhabit the Unit have respiratory, skin or other health ailments or conditions that can be affected by mold, mildew, fungus or other types of bacterial growths, they should seek counsel before purchasing the Unit. Individuals who may be capable of providing counseling are professional home inspectors, medical health professionals, scientific research professionals, Certified Industrial Hygienists (CIH) or other environmental specialists and/or others who have requisite knowledge in matters of detection and lab analysis services. Neither Seller or Seller's Broker or Agents have the knowledge to provide counsel to Buyers regarding mold, mildew, fungus or other types of bacterial growth. Buyer is solely responsible for selecting, hiring and paying for individuals to counsel Buyer regarding mold, mildew, fungus or other types of bacterial growth. BY PURCHASING THE UNIT, BUYER ASSUMES ALL RISKS OF DAMAGE, PERSONAL INJURY, OR DESTRUCTION OF OR INJURY TO PROPERTY, THAT MAY ARISE AS A RESULT OF OR BE IN ANY WAY CONNECTED WITH INDOOR AIR QUALITY OR THE PRESENCE OF MOLD OR MILDEW IN OR ABOUT THE UNIT OR THE PROJECT.

3. BUYER'S REPRESENTATIONS AND WARRANTIES

a. Financial Data. As an inducement for Seller to enter into this Agreement, Buyer represents that Buyer is financially capable of making, when due, all of the required payments set forth in Paragraph C of the Condominium Purchase Agreement. Buyer further represents that the personal financial data submitted in connection with this Agreement is true and substantially accurate. Buyer shall tell Seller of any material changes in the financial data that occur prior to the date of closing. Seller has the right to cancel this Agreement if Seller discovers any material discrepancies between the financial information furnished and the actual facts of the matter.

b. Title Information. Buyer affirms that the information about the Buyer in Paragraph B of the Condominium Purchase Agreement is correct and complete, and agrees to inform Seller immediately if any of such information is changed. If, as a result of incorrect information having been given, the deed to the Unit is prepared incorrectly and must be redrawn, Buyer agrees to pay all costs involved in this redrafting.

c. Buyer's Ability To Pay Purchase Price. If Buyer is paying the Purchase Price with Buyer's own funds, then within ten (10) days after the date Seller executes this Agreement, Buyer shall submit to Seller evidence satisfactory to Seller, in its sole discretion, of Buyer's ability to pay the Purchase Price in cash. Such evidence shall include financial statements, deposit and income verification, and all such other documentary evidence as Seller may require. If Buyer is paying the Purchase Price partially from Buyer's own funds and the balance from the proceeds of a loan to Buyer ("Buyer's Permanent Loan") by a responsible established lending institution ("Permanent Lender"), then Buyer must submit to Seller: i) a pre-qualification letter from an established lending institution within ten (10) days of the Reference Date in Paragraph A, above, and ii) a firm written commitment for Buyer's Permanent Loan from a Permanent Lender within thirty-five (35) days from the date of acceptance of this Agreement by Seller.

d. Owner-Occupant Designated Unit. If the Unit covered by this Agreement has been designated by Seller as an owner-occupant unit, Buyer will be required to execute an affidavit stating Buyer's intent to become an "owner-occupant" and to occupy the Unit as Buyer's principal residence as defined in the Condominium Property Act. Buyer will be required to reaffirm Buyer's intent to become an owner-occupant prior to closing. Failure by Buyer to sign the reaffirmation upon reasonable request by Seller to do so shall constitute a default by Buyer.

4. CONDITIONS TO SELLER'S OBLIGATIONS

Seller may, at its election, cancel this Agreement as provided in this Paragraph 4 if any of the following occurs: (i) Buyer's check for any payments due hereunder is returned for insufficient funds, or (ii) Buyer fails to furnish Seller satisfactory evidence of Buyer's ability to pay in cash the total Purchase Price from Buyer's own funds, as required in Paragraph 3, above, or (iii) Buyer fails to furnish to Seller a firm written commitment for Buyer's Permanent Loan within the period specified in Paragraph 3 above, (whether or not the failure is Buyer's fault and whether or not Buyer has proceeded diligently to obtain such a loan), or (iv) if Buyer is not a natural person, Buyer fails to have its obligations under this Agreement guaranteed by a person acceptable to Seller, as required by Paragraph 3 above, or (v) Buyer (or one of them) should die prior to the performance of all of Buyer's obligations under this Agreement. If any of such events shall occur, then in any such event and at Seller's election, this Agreement shall be void and all moneys paid under this Agreement may be refunded or the check returned to Buyer, without interest, and less any cancellation fee imposed by Escrow and any other actual

expenses incurred by reason of Buyer's having signed this Agreement. Until and unless Seller so elects to cancel this Agreement, it shall remain in full force and effect.

5. CONVERSION OF EXISTING BUILDING; NO WARRANTIES

Buyer is aware, agrees and affirms that the Project consists of a conversion of three (3) existing apartment buildings, containing a total of twenty-one (21) units, with eighteen (18) all-weather-surface off-street parking spaces, on a 12,784 square foot lot, zoned A-2 Medium Density Apartment. Building 1 was constructed in 1957, and Buildings 2 and 3 were constructed in 1965. Pursuant to the letter issued July 2, 2007, by the Department of Planning and Permitting, City and County of Honolulu, the building encroaches into the required front yard setback area and is considered nonconforming. The number of parking stalls (18) is also considered nonconforming. Buyer acknowledges that Seller was not involved in the construction of the Project. To the best of Seller's knowledge, Seller discloses that at the time of its construction, the building met all applicable code requirements. Buyer further acknowledges that by acceptance of the Condominium Unit Deed, Buyer shall be deemed to have accepted the nonconforming conditions stated herein and in the Declaration, and agrees that Seller shall not be responsible for changing the nonconformities. Seller is not aware of any variances or other permits granted to allow deviations from the applicable building and zoning codes. It is expressly understood and agreed by and between Seller and Buyer that SELLER MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE UNIT, OR CONSUMER PRODUCTS OR ANYTHING ELSE INSTALLED IN THE UNIT OR IN THE PROJECT, INCLUDING BUT NOT LIMITED TO: A) ANY IMPLIED WARRANTY OF MERCHANTABILITY, HABITABILITY, OR FITNESS FOR ANY PARTICULAR PURPOSE; B) THE WORKMANLIKE CONSTRUCTION, STRUCTURAL SOUNDNESS, CONDITION OR STATE OF REPAIR, OPERATING ORDER, SAFETY, LIVABILITY OF ANY IMPROVEMENT IN OR WITHIN THE PROJECT; AND C) WHETHER THE PROJECT, THE UNITS, OR ANY OF THE IMPROVEMENTS MEET THE REQUIREMENTS OF ANY BUILDING, ZONING, LAND USE, SET BACK, HEALTH OR OTHER LAW, ORDINANCE, OR RULE OR REGULATION WHICH MAY BE APPLICABLE TO THE PROJECT.

Buyer agrees the Unit is being purchased in its "AS IS" condition, without any warranties, expressed or implied. This means that all land, improvements (including but not limited to the roof, walls, foundations, soils, plumbing, electrical and mechanical systems, etc.) and real property and personal property (if any) are being purchased in their **EXISTING "AS IS" CONDITION, WITHOUT WARRANTY OR REPRESENTATIONS, EXPRESSED OR IMPLIED**. Buyer acknowledges that Buyer will be given an opportunity to inspect the Unit and by closing on the sale of the Unit, Buyer accepts the Unit in its "AS IS" condition as provided for herein. Buyer acknowledges that there may be material facts about the Unit and/or the Project or any of the improvements located within the Project, and the real property and personal property, if any, of which Seller is not aware, which qualified experts may be able to discover, or there may be hidden defects which time may reveal. Buyer understands that Buyer shall give up, waive and relinquish any and all rights to asset any claim, demand, proceeding or lawsuit of any kind against Seller or Seller's Broker or Agents with respect to the condition of the Unit or the Project, except for claims which are based upon Seller's or Seller's Broker or Agent's concealment of material facts and defects which those parties are required by law to disclose.

6. CLOSING

a. Date of Closing. The Date of Closing shall occur within FORTY-FIVE (45) calendar days of the acceptance of this Agreement by Seller. Upon the Date of Closing, Buyer must complete payment of the entire Purchase Price and execute all documents, including without limitation the Buyer's note(s) and mortgage(s), if any. There is no automatic right to extend the Date of Closing, and the Date of Closing may only be extended by mutual agreement between Seller and Buyer.

b. Prorations; Closing Costs. All taxes, assessments, and charges of any kind assessable against the land or buildings or units shall be payable according to the terms of the Declaration and as by law provided, and will be prorated as of the Date of Closing, as herein defined, whether or not Buyer takes actual occupancy thereof. Except as herein provided, all closing costs in connection with this sale are to be paid by Buyer, including, without limitation, any mortgages and all costs related to obtaining same, all acknowledgment fees, all recording fees, all escrow fees, all costs of any proof of title and/or title insurance, the cost of drafting the Condominium Unit Deed, and the applicable conveyance taxes.

7. POSSESSION

Buyer expressly understands and agrees that Buyer shall in no event take possession of the Unit prior to the Date of Closing, unless specifically agreed to in writing by the Seller, and full compliance by Buyer with the terms and conditions of this Agreement. Violation of this provision shall be deemed a material breach of contract and in addition to any other remedy of Seller for Buyer's breach of this Agreement, Buyer agrees that Seller shall have the right to remove Buyer from the Unit by any lawful means.

Buyer's initials

8. **INSPECTION**

Buyer shall inspect the Unit within seven (7) calendar days of acceptance of this Agreement by Seller. Buyer shall have seven (7) calendar days from the inspection to cancel this Agreement by providing Seller and Escrow with written notice to that effect. If Buyer does not provide Seller and Escrow with written notice of cancellation, Buyer shall be deemed to have accepted the Unit and will proceed with closing.

9. **RISK OF LOSS**

Risk of loss to the Unit shall be borne by Seller until the Date of Closing; thereafter, such risk of loss shall be borne by Buyer.

10. **TIME OF ESSENCE; DEFAULT**

Time is of the essence of the obligations of Buyer under this Agreement. Buyer shall be in default under this Agreement if Buyer fails to make a payment when due or if Buyer fails to perform any other required obligation and such failure continues for fifteen (15) days after Seller gives written notice to Buyer of such failure. Any such notice shall be sent by certified or registered mail and shall be deemed given upon deposit in the United States mail, even if Buyer does not sign a return receipt for the mail. In the event of any such default, Seller may, at Seller's option, terminate this Agreement by written notice to Buyer. In the event of such termination, the parties understand and agree that in view of Seller's financial commitments with respect to the Project; the connection between the sale, cancellation or default with respect to one unit and the sale, cancellation or default with respect to other units in the Project; and the nature of the real estate market in Hawaii, that the injury to Seller will be uncertain as to nature and amount and difficult to ascertain. As a reasonable estimate of Seller's damages resulting from such termination, the parties agree that the sums previously paid by Buyer under this Agreement shall belong to Seller as liquidated damages. If Seller does not terminate this Agreement on account of such default, then all costs, including reasonable attorneys' fees, incurred by reason of the default by Buyer shall be borne by Buyer, and Seller may pursue any and all other remedies on account of such default (other than termination of this Agreement) permitted by law or equity, including but not limited to specific performance. If Seller shall default in selling the Unit to Buyer, the parties agree that Buyer's sole remedy, if Buyer is not in default hereunder, shall be to rescind this Agreement and receive a refund of all amounts paid by Buyer.

11. **SEVERABILITY**

If any provision combined herein is determined to be invalid, illegal, or unenforceable, that determination shall not affect the validity, legality, or enforceability of the remaining provisions stated in these General Terms and Conditions unless that is made impossible by the absence of the omitted provision.

12. **ASSIGNMENT**

Buyer may not assign its rights or obligations under this Agreement or any portion thereof without the prior written consent of Seller, which consent may be withheld and/or conditioned at Seller's sole discretion. Any assignment without Seller's prior written consent shall be null and void.

13. **DEATH OF A BUYER**

If Buyer, or one of the Buyers, dies prior to the time Buyer has fully complied with all the terms of this Agreement, Seller at its option may terminate this Agreement and upon such termination, Seller shall cause Escrow to refund all payments previously made by Buyer, with interest to be paid in accordance with Paragraph 1(b) of these General Terms and Conditions, and less Escrow's cancellation fee, and Seller shall have no other or further liability under this Agreement.

14. **ENTIRE AGREEMENT**

This Agreement constitutes the entire contract between Seller and Buyer and supersedes and cancels all prior negotiations, representations, understandings and agreements, both written and oral, of the parties hereto, and their representatives. No variation of this Agreement shall be valid or enforceable unless approved by Seller in writing.

15. **INTERPRETATION**

The term "Buyer" herein or any pronoun used in place thereof shall mean and include the masculine and the feminine, the singular or the plural number, and jointly and severally individuals, firms or corporations, and each of their respective heirs, personal representatives, successors and permitted assigns, according to the context thereof. This Agreement shall be binding and inure to the benefit of the legal representatives and successors in

Buyer's initials

interest of the parties hereto. All obligations of Buyer hereunder shall be joint and several where there are more than one (1) Buyer.

16. **NOTICES**

Notices hereunder to Buyer shall be delivered personally or deposited in the United States mail, postage prepaid, registered or certified mail, return receipt requested, addressed to Buyer at the address set forth in Paragraph B of the Condominium Purchase Agreement, and shall be deemed to have been given when delivered personally (to any one of them, if Buyer shall be more than one person) or seventy-two (72) hours after deposited in the United States mail, as aforesaid (whether or not Buyer signs the return receipt for such mail). Notices to Seller shall be delivered or mailed in the same manner to the address for Seller set forth in Paragraph A of the Condominium Purchase Agreement, except that Buyer may deposit such notices in the mail of the country in which he or she resides or is present at the time of such mailing. Either party may notify the other party of a new address by the giving of notice in said manner.

17. **FACSIMILE SIGNATURES**

The parties hereto mutually agree that facsimile signatures on this Agreement and any addenda and/or other document related to the transaction contemplated herein shall be binding and effective for all purposes and will be treated the same as signatures on the original document. The parties agree to promptly forward signed copies of the originals to escrow. However, the signed facsimile documents will remain binding even if the originals are not sent to or received by escrow. The parties understand that they must sign the original conveyance document(s) and any mortgage or other financing document for recordation purposes.

18. **MEDIATION AND ARBITRATION**

If any dispute or claim in law or equity arises out of this Agreement, and Buyer and Seller are unable to resolve the dispute themselves, Buyer and Seller agree in good faith to attempt to settle such dispute or claim by mediation under the Commercial Mediation rules of the American Arbitration Association. If such mediation is not successful in resolving such dispute or claim, then such dispute or claim shall be decided by a neutral binding arbitration before a single arbitrator in accordance with the Commercial Arbitration rules of the American Arbitration Association. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The arbitrator may award reasonable attorney's fees and costs to the prevailing party.

19. **NO RENTAL REPRESENTATION**

Buyer acknowledges that Buyer has entered into this Agreement without reference or representation by Seller, Seller's representatives, Project Broker or any sales representatives as to the possibility of probability of rental or other income from the Unit, or any other economic benefit derived from the rental of the Unit, including, but not limited to, any reference or representation to the effect that Seller will provide, either directly or indirectly, any services relating to the rental or sale of the Unit or any possible advantages from the rental of the Unit under federal or state tax laws. It is understood and agreed that the rental or other disposition of the Unit shall be the sole responsibility of Buyer.

20. **AFFILIATED BUSINESS DISCLOSURE**

Disclosure is hereby made that the member of the Seller, Abraham Won Hwan Lee, holds an active real estate broker's license in the State of Hawaii and is the Principal Broker and owner of Abe Lee Realty, LLC, the real estate company handling the sale of the units. Mr. Lee is also one of the owners of Integrity Escrow and Title Company, Inc., the company handling the escrow of the sales of the Project.

21. **CONTINUATION OF OBLIGATION**

Except to the extent that the provisions of this Agreement are fulfilled at or prior to the closing, all provisions of this Agreement shall survive the execution and recordation of the Unit Deed.

22. **GOVERNING LAW**

This Agreement and all matters with respect thereto shall be governed in accordance with the laws of the State of Hawaii.

End of EXHIBIT "A"

Buyer's initials