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UNITED STATES BANKRUPTCY COURT  
 DISTRICT OF HAWAII  
 1132 Bishop Street, Suite 250  
 Honolulu, Hawaii 96813

FILED  
 U.S. BANKRUPTCY COURT  
 DISTRICT OF HAWAII  
 2017 NOV 17 A 10:48

MICHAEL B. DOWLING  
 CLERK OF COURT



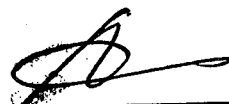
Chapter: 11 Case No.: 17-0-1071  
 Hearing Date:  
 Time:

Debtor(s):  
**SALVADOR CACHO CORDERO**

**COVER SHEET – MOTION TO SELL PROPERTY**

Moving Party:	Salvador Cacho Cordero
Property Description:	Property located at 1764 B S. Kihei rd. Kihei, HI 96753 TMK 2-3-9-012-034-0000 Property located at 1794 S. Kihei Rd. Kihei, Hawaii 96753 TMK 2-3-9-012-021-0000
This motion affects property rights of:	Salvador Cacho Cordero
Selling Price:	\$1,700,000.00 for the property located at 1764 B South Kihei Rd. Kihei, HI 96753 <i>1,500,000.00 for the property located at 1794 S. Kihei Rd. Kihei, HI 96753</i>
Proposed Buyer:	Shalom Amar Revocable Trust
Overbid Provisions:	None
<input checked="" type="checkbox"/> Sale is property of the estate and is being sold free and clear of liens under 11 U.S.C. § 363(f).*  <b>\$176 filing fee due</b>	Check each statement that applies: <input checked="" type="checkbox"/> (1) Applicable bankruptcy law permits sale of such property free and clear of such interest. <input checked="" type="checkbox"/> (2) Such entity consents. <input type="checkbox"/> (3) Such interest is a lien and the price at which such property is to be sold is greater than the aggregate value of all liens on such property. <input type="checkbox"/> (4) Such interest is in bona fide dispute. <input type="checkbox"/> (5) Such entity could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such interest.

Dated: 11/07/2017 \_\_\_\_\_

/s/   
 For Moving Party

\*In CM/ECF, select Motions & Responses > Motions/Applications > Sell Property Free and Clear of Liens Under Section 363(f) (Motion) (FEE 176). If not a sale under § 363(f) because property is not property of the estate, is unencumbered, or is being sold subject to liens, select Approve Sale (Motion).

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FILED  
U.S. BANKRUPTCY COURT  
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2017 NOV 17 A 10:48  
MICHAEL B. DOWLING  
CLERK OF COURT

Attorney for Debtor  
Salvador Cacho Cordero

UNITED STATES BANKRUPTCY COURT

DISTRICT OF HAWAII

In re:

SALVADOR CACHO CORDERO

Debtor.

) Case Number 17-01071  
) (Chapter 11)  
)  
) DEBTOR'S MOTION FOR AN  
) ORDER APPROVING SALE  
) OF PROPERTIES  
)  
) Hearing:  
) Date:  
) Time: .  
) Judge: Hon. Robert . Francis  
)

DEBTOR'S MOTION FOR AN ORDER APPROVING SALE OF PROPERTIES

Debtor and Debtor-In-Possession Salvador Cacho Cordero ("Debtor"), through counsel Ramon J. Ferrer, hereby Files this Motion for an Order approving Sale of Property. This Motion is made pursuant to 11 U.S.C. section 363 (b) and (f) and local bankruptcy Rules Rule 6004 and the attached Memorandum in Support of the

Motion.

THIS MOTION AFFECTS THE PROPERTY RIGHTS OF:

Debtor Salvador Cacho Cordero

Debtor, the Debtor-In-Possession requests that the Court enter its order, pursuant to 11 U.S.C. section 363(b) and (c) and 303 Fed. Bankr. P. 6004 and LBR 6004-1 authorizing the Debtor in Possession to sell the interest of the property located at 1764B South Kihei Rd. Kihei, Hawaii 96753 and 1794 South Kihei Rd. Kihei, Hawaii 96753 ("Seller") free and clear of all claims, liens and interests to Shalom Amar Revocable Trust 2000 \$1,700,000.00 and \$1,500,000.00, respectively or its nominee ("Buyer") pursuant to the terms contained in Commercial Real Property Purchase and Sale Agreement ("PSA") for each property respectively attached hereto as Exhibits A and B.

Debtor in Possession further requires that the Court:

Order that the sale be free and clear of all claims, liens and interests, with the same, to the extent valid, to attach proceeds , and that the Court reserve jurisdiction to determine any disputes respecting any amounts claimed to be due.

Approve the DROA dated October 16, 2017 between Debtor Salvador Cacho Cordero attached hereto as Exhibit A. Debtor proposes to pay from the sales

proceeds: (1) Debtor's pro rata share of the delinquent and current real property taxes, if any; and (2) costs of sale.

Approve the Commercial and Real Property Purchase and Sale Agreement (PSA) dated October 16, 2017 attached hereto as Exhibit B. Debtor proposes to pay from the sale proceeds (1) Debtor's pro rata share of the delinquent and current taxes, if any; and (2) costs of sale.

Dated: Wailuku, Hawaii November 3, 2017.

  
\_\_\_\_\_  
RAMON J. FERRER

UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF HAWAII

In re ) Case No. 17-00506  
SALVADOR CACHO CORDERO ) (Chapter 11)  
Debtor. ) MEMORANDUM IN  
SUPPORT OF THE MOTION  
\_\_\_\_\_)

**I. STATEMENT OF FACT**

On October 10/15/2017, Debtor Salvador Cacho Cordero filed a chapter 11 Bankruptcy.

Included in the estate created by that Bankruptcy filing were two properties, one located at 1764 South Kihei Rd. Kihei, Hawaii, the Deposit, Receipt Offer Acceptance (DROA) which is attached hereto as Exhibit A and a property located at 1794 South Kihei Rd. Kihei, Hawaii, the DROA to which is attached hereto as Exhibit B.

Debtor is the owner of the properties referred to in the above paragraph.

Creditor First Hawaiian Bank has an interest in the property located at 1794 South Kihei Rd. Kihei, Hawaii 96753 of \$700,000.00. The loan has matured, the \$700,000.00 owed is a balloon payment. This property contains 22 rental units engaged in retail sales.

Creditor the Susan Kuwada Trust has a \$400,000.00 mortgage against the property located at 1764B South Kinei Rd. Kihei, Hawaii 96753. This property is used as rental property. There are 4 tenants living there.

There are no other liens against the properties named herein other than the above mentioned mortgages.

Said properties are the subject of a cash sale. The purchaser is the Shalom Amar Revocable Trust 2000. A firm specializing in acquiring business properties in Hawaii and other states.

There has not been a bidding process for selling the properties.

The purchase price for the property located at 1794 S. Kihei Rd. Kihei Hawaii is \$1,500,000.00. There will be an initial \$10,000.00 cash deposit with an additional \$90,000.0 deposit of Earnest Money. The balance of \$1,400,000.00 will be paid into escrow at the time of closing. In addition, Buyer's Due Diligence and Inspection (Contingency) period will commence upon receipt of court approval with Scheduled closing Date to be 30 days after the end of Due Diligence and Inspection (Contingency)

The purchase price of the property located at 1764 South Kihei Rd. Kihei, Hawaii 96753 is \$1,700,000.00. There shall be a \$10,000.00 earnest money

deposit with an additional \$90,000.00 deposit to be paid into escrow 3 days after the inspection period. The additional \$1,600,000.00 shall be paid into escrow before closing period. In addition, Buyer's due Diligence and Inspection (Contingency) Period shall begin upon receipt of court approval. The scheduled closing date will be 30 days after the due Diligence and Inspection (Contingency).

Sale of these properties will generate enough cash to pay all debts that caused this bankruptcy in full.

## **II. ARGUMENT**

### **A. THE REQUIREMENTS OF 11 U.S.C. section 363(f) ARE MET.**

The requirements of 11 U.S.C. sec. 363(f) for a sale free and clear of claims, liens and interests are met. Section 363(f) permits the Court to authorize a sale free and clear of liens because the price for which is to be sold is greater than the aggregate value of all liens on the property.

The property located at 1764B South Kihei Road Kihei, Hawaii 96753 has a mortgage lien of \$400,000.00 held by the Susan Kuwada Trust. The property is being sold for \$1,700,000.00. Accordingly, the sale price of this property exceeds liens against it.

The property located at 1794 South Kihei Rd. Kihei, Hawaii 96753 has a lien of

\$700,000.00 against it as a result of the balloon payment due creditor First Hawaiian Bank. This property is being sold for \$1,700,000.00 an amount that will cover held by the lien against the property.

Debtor also requests that the Order granting the Motion include a provision pursuant to Rule 6004(h) of the federal Rules of Bankruptcy Procedure that there shall not be a 14 day stay from entry of the Order granting the Motion because there is no financing contingency and the sale should be permitted to close without delay.

Dated: Wailuku, Hawaii November 3, 2017.



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RAMON J. FERRER



EXHIBIT A



**PURCHASE CONTRACT**  
**Hawaii Association of REALTORS® Standard Form**  
**Revised 7/15 (NC) For Release 5/17**



**COPYRIGHT AND TRADEMARK NOTICE:** This copyrighted Hawaii Association of REALTORS® Standard Form is licensed for use by the entire real estate industry on condition that there shall be no alteration of the printed portions, pagination, or paragraph numbers or breaks. The use of this form is not intended to identify the real estate licensee as a REALTOR®. REALTOR® is a registered collective membership mark which may be used only by real estate licensees who are members of the National Association of REALTORS® and who subscribe to its Code of Ethics.

**NAR CODE OF ETHICS:** Buyer and Seller are aware that the National Association of REALTORS® holds its members accountable for their actions through a strict Professional Code of Ethics, which includes a grievance system to address complaints. Non-members are not held to the same standards as members, nor are they required to participate in the grievance system.

Reviewed by: N/A  
 Name of Principal Broker/Broker-in-Charge \_\_\_\_\_ Signature \_\_\_\_\_  
 Reference Date: October 16, 2017 \_\_\_\_\_  
 Brokerage Firm N/A

Property Reference or Address: 1764 B So. Kihei Road, Kihei, HI 96753

Tax Map Key: Div. 2 /Zone 3 /Sec. 9 /Plat 012 /Parcel 034 /CPR 0000 (if applicable).

**THIS PURCHASE CONTRACT BECOMES A LEGALLY BINDING CONTRACT FOR THE PURCHASE OF REAL ESTATE UPON EXECUTION BY THE PARTIES. READ IT CAREFULLY. HANDWRITTEN OR TYPED PROVISIONS IN THIS PURCHASE CONTRACT SHALL SUPERSEDE ANY PRINTED PROVISIONS IF THERE IS A CONFLICT. FILL IN ALL BLANKS. PARAGRAPHS PRECEDED BY CHECK-OFF BOXES ARE OPTIONAL AND MUST BE CHECKED TO BE MADE A PART OF THIS PURCHASE CONTRACT. WRITE "NA" IF NOT APPLICABLE.**

**SECTION A: AGENCY DISCLOSURE**

- A-1 Agency.** Buyer and/or Seller in a real estate transaction in Hawaii may retain a real estate Brokerage Firm as their agent. In such case, Buyer and/or Seller is represented by the Brokerage Firm and all of its licensees. Hawaii law requires real estate licensees to disclose orally or in writing to Seller and/or Buyer whom the licensee represents. The form of representation may be one of the following:
- (a) **Seller's Agent.** Brokerage Firm represents Seller only unless a disclosed dual agency exists. Seller's Agent owes the highest duties to Seller, including confidentiality, loyalty, and due care and diligence.
  - (b) **Buyer's Agent.** Brokerage Firm represents Buyer only unless a disclosed dual agency exists. Buyer's Agent owes the highest duties to Buyer, including confidentiality, loyalty, and due care and diligence.
  - (c) **Dual Agent.** Brokerage Firm represents both Buyer and Seller. This commonly occurs when licensees in the Brokerage Firm representing Seller have Buyer clients looking for types of property similar to Seller's property. In such event, the Brokerage Firm and all of its licensees represent both Buyer and Seller and are dual agents. Dual agents must remain neutral in negotiations and must not advance the interest of one party over the other. **A separate Dual Agency Consent Addendum is required under Hawaii law.**
  - (d) **No Agency Representation** (see Paragraph A-2 (d) below)

- A-2 Disclosure.**
- (a) **Seller Representation:** Seller is represented by the Brokerage Firm \_\_\_\_\_ and all its licensees. Brokerage Firm is  is not  a member of the National Association of REALTORS®. N/A
  - (b) **Buyer Representation:** Buyer is represented by the Brokerage Firm \_\_\_\_\_ and all its licensees. Brokerage Firm is  is not  a member of the National Association of REALTORS®. N/A
  - (c) **Dual Agency Representation:** Seller and Buyer are represented by the Brokerage Firm \_\_\_\_\_ and all its licensees. Brokerage Firm is  is not  a member of the National Association of REALTORS®. **A separate Dual Agency Consent Addendum is required.**

(d) **No Agency Representation:**  
 Seller is a Customer and is not represented by a Brokerage Firm.  
 Buyer is a Customer and is not represented by a Brokerage Firm.  
**It is recommended that Customers seek legal counsel prior to signing a Purchase Contract.**  
 If requested, a licensee may present a Customer's Purchase Contract to Seller and report Seller's response. A licensee cannot, however, negotiate for or otherwise advise a Customer in the transaction.

**Buyer and Seller acknowledge that oral or written disclosure relative to agency representation was provided to them before the signing of this Purchase Contract.**

SA 10/20/17 BUYER'S INITIALS & DATE  
ABC 10-16-17 SELLER'S INITIALS & DATE

SA 10/20/17 BUYER'S INITIALS & DATE  
SA 10-16-17 SELLER'S INITIALS & DATE

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 Purchase Contract  
 RR201 Rev. 7/15

Kokua Realty LLC, 296-A Alimaha St. Kahului, HI 96732  
 Anita Conlere



**SECTION B: INITIAL EARNEST MONEY DEPOSIT RECEIPT**

B-1 **Initial Earnest Money Deposit.** Received from Shalom Amar Revocable Trust 2000 and/or Assignee, the "Buyer," the sum of \$10,000.00 in the form of cashier check as an initial earnest money deposit. The initial earnest money deposit shall be deposited with Escrow by the next business day after the Acceptance Date or as otherwise agreed in writing by the parties.

Received by \_\_\_\_\_ (Signature of Broker or Salesperson) Agent's name N/A  
 Bus N/A Fax N/A Cell N/A E-mail N/A  
 Brokerage Firm N/A  
 Brokerage Firm Address N/A

B-2 **Interest on Deposit(s).** Upon opening of Escrow, unless Buyer instructs Escrow otherwise, any interest on Buyer's deposits shall automatically accrue to the benefit of Escrow.

**SECTION C: ADDENDA**

C-1 **Addenda.** The following addenda (forms), if checked, are attached to and made a part of this Purchase Contract. Fill in all blanks. Write "NA" if not applicable. Each attached addendum must be properly signed and initialed (as applicable).

- |  |   |
|--|---|
| <input type="checkbox"/> 1031 Exchange                           | <input type="checkbox"/> Rental Agreement               |
| <input type="checkbox"/> Agreement of Sale                       | <input type="checkbox"/> Residential Leasehold Property |
| <input checked="" type="checkbox"/> "As Is" Condition            | <input type="checkbox"/> Short Sale                     |
| <input type="checkbox"/> Distressed Property                     | <input type="checkbox"/> Standard Oceanfront Property   |
| <input type="checkbox"/> Dual Agency Consent                     | <input type="checkbox"/> VA Financing                   |
| <input type="checkbox"/> Early Occupancy Agreement               | <input type="checkbox"/> Other <u>NA</u>                |
| <input type="checkbox"/> FHA Financing/Real Estate Certification | <input type="checkbox"/> Other <u>NA</u>                |
| <input checked="" type="checkbox"/> Lead Based Paint             | <input type="checkbox"/> Other <u>NA</u>                |
| <input type="checkbox"/> Plain Language                          | <input type="checkbox"/> Other <u>NA</u>                |
| <input type="checkbox"/> Purchase Money Mortgage                 | <input type="checkbox"/> Other <u>NA</u>                |

**SECTION D: OFFER TO BUY AND PURCHASE PRICE**

D-1 **Offer to Buy.** Buyer offers to buy the Property described below on the terms and conditions contained in this Purchase Contract, and agrees that **this Purchase Contract shall be binding if accepted by Seller on or before:**

Date October 20, 2017 Time 5:00 AM  PM .

D-2 **Purchase Price.** The Purchase Price for the Property in U.S. dollars shall be paid as follows:

\$ 10,000.00 Initial earnest money deposit from Paragraph B-1 above *SC*

\$ 90,000.00 Additional deposit, if any, paid into Escrow on or before 3 days AFTER INSPECTION PERIOD.

\$ 1,600,000.00 Balance of down payment (or balance of purchase price if all cash) paid into Escrow before closing

\$ 1,700,000.00 TOTAL CASH FUNDS FROM BUYER (exclusive of closing costs)

\$ \_\_\_\_\_ By way of ALL CASH

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\$ 1,700,000.00 TOTAL PURCHASE PRICE

Failure by Buyer to make any of the scheduled deposits as required by this Purchase Contract shall constitute a default, and Seller may elect to terminate this Purchase Contract pursuant to Paragraph O-1.

JA 10/20/17  
BUYER'S INITIALS & DATE

SC 10-16-17  
SELLER'S INITIALS & DATE

SECTION E: PROPERTY

E-1 Description: Tax Map Key: Div. 2 /Zone 3 /Sec. 9 /Plat 012 /Parcel 034 /CPR 0000 (if applicable). All of that [ X ] fee simple [ ] leasehold Property situated at: 1764 B So. Kihei Road, Kihei, Hi 96753

described as follows: All of that certain fee simple property consisting of 1.5784 Acres more or less: together with a 3 bedroom, 1 bath dwelling plus a 2 bedroom, 1 bath detached cottage and all improvements thereon.

The full legal description will be provided in the title report.

[ X ] E-2 Inclusions. Sale includes all built-in furniture, attached existing fixtures, built-in appliances, water heater, electrical and/or gas and plumbing fixtures, attached carpeting, and the following indicated items. Fill in all blanks. Write "NA" if not applicable:

- [ NA ] Air Conditioner [ NA ] Dryer [ NA ] Photovoltaic System [ NA ] Security Alarm System
[ NA ] Automatic Garage Door [ NA ] Existing Window [ NA ] Pool Equipment (Alt) [ NA ] Smoke Detectors
[ X ] Ceiling Fan Coverings [ X ] Range [ NA ] Solar Water System
[ NA ] Dishwasher [ NA ] Microwave [ NA ] Range Hood [ X ] TV Cable Outlet
[ NA ] Disposal [ NA ] Microwave Hood [ X ] Refrigerator [ NA ] Washer
[ NA ] Other NA

[ NA ] E-3 Inventory List. Inventory of furnishings and/or additional inclusions (the "inventory list" in this paragraph) is: [ ] attached [ ] to be provided to Buyer by (date) . If Seller does not provide the inventory list to Buyer within the specified time period, Buyer may elect to terminate this Purchase Contract pursuant to Paragraph O-3. If Buyer is not satisfied with the inventory list, Buyer may elect, within ( ) days of receipt of the inventory list, to terminate this Purchase Contract pursuant to Paragraph O-2.

[ X ] E-4 Exclusions. The following items are specifically excluded: Tenants personal items

SECTION F: CLOSING

F-1 Closing. For purposes of this Purchase Contract, "closing" shall be the date when all appropriate conveyance documents are recorded. Buyer and Seller agree to promptly execute appropriate or customary documents when requested by Escrow.

F-2 Scheduled Closing Date. The "Scheduled Closing Date" shall be on or before 30 days after the end of inspection Period. If the Scheduled Closing Date falls on a day the Bureau of Conveyances of the State of Hawaii is closed, closing will be on the next day when documents can be recorded.

F-3 Change to the Scheduled Closing Date. (Choose Paragraph F-3(a) OR F-3(b)) [ X ] (a) Extensions. There is no automatic right to extend. If, for reasons beyond Buyer's or Seller's control, a party cannot perform its obligation to close by the Scheduled Closing Date, then such party may extend the Scheduled Closing Date up to Seven ( 7 ) days by delivery of written notice to the other party prior to the Scheduled Closing Date. Thereafter, time shall be of the essence, and if a party fails to perform by the extended Scheduled Closing Date, such party shall be considered in default and the other party may elect to terminate this Purchase Contract pursuant to Paragraph O-1. The extended Scheduled Closing Date may not be further extended unless Buyer and Seller agree in writing. This provision relates only to the extension of the Scheduled Closing Date. [ ] (b) Time is of the Essence. Time is of the essence and the Scheduled Closing Date may not be extended unless Buyer and Seller agree in writing.

F-4 Escrow. This transaction shall be escrowed by: Old Republic Title ("Escrow"). Kahului Branch Lydiamae Presbitero 1Presbitero@ortc.com (808) 871-2800. The parties shall provide to Escrow in a timely manner fully executed copies of this Purchase Contract and any addenda, amendments, and documents which are required by Escrow.

F-5 Prorations and Closing Adjustments. Based on a thirty (30) day proration, Escrow shall prorate the following, if applicable, as of the date of closing: real property tax, lease rents, interest on assumed obligations, mortgage and other insurance premiums, tenant rents, maintenance, private sewer, marina, and/or association fees, and none. When applicable, Escrow shall charge to Seller and credit to Buyer the amount of any tenant's security deposit.

F-6 Closing Costs. The following is a list of customary closing costs (including Hawaii General Excise Tax where applicable), and is not intended to be all-inclusive. If HUD requirements apply, Buyer and Seller are aware that customary closing costs may be reflected differently on the HUD statement, but the net result will be the same. Escrow may charge the appropriate party other closing costs as directed by the parties.

NA 10/20/17 BUYER'S INITIALS & DATE

SO 10-16-17 SELLER'S INITIALS & DATE

**Charge to Buyer, if applicable:**  
 40% of the premium for standard coverage title insurance and any additional costs relating to the issuance of extended coverage policy (including a lender's policy)  
 Cost of drafting mortgage and note or agreement of sale  
 Cost of obtaining Buyer's consents  
 Buyer's notary fees  
 All recording fees except documents to clear Seller's title  
 50% of Escrow fee  
 Condominium and Association ownership transfer fees  
 FHA or VA discount points and any mortgage fees

**Charge to Seller, if applicable:**  
 60% of the premium for standard coverage title insurance  
 Cost of drafting of conveyance documents and bills of sale  
 Cost of obtaining Seller's consents  
 50% of Escrow fee  
 Seller's notary fees  
 Cost of required staking or survey  
 Recording fees to clear Seller's title  
 FHA or VA mandatory closing fees  
 Conveyance tax (subject to Paragraph F-7)  
 FIRPTA (Federal withholding tax)/HARPTA (State withholding tax)

- F-7 **Notice on Conveyance Tax.** Pursuant to Conveyance Tax Law, Chapter 247, Hawaii Revised Statutes, a higher conveyance tax must be paid if Buyer is ineligible to file a county real property tax homeowner's exemption on the Property. [CHECK ONE] Buyer declares that Buyer is purchasing the Property [ ] as Buyer's principal residence [ X ] as other than Buyer's principal residence. If the selection changes from Buyer's "principal residence" to "other than Buyer's principal residence", Buyer shall provide written notification to Seller and Escrow no later than fifteen (15) days prior to the Scheduled Closing Date. Should Buyer make such change, Buyer shall be charged at closing an amount equal to the difference in the conveyance tax.
- F-8 **Assessments.** An assessment is defined as any obligation (not including prorations and closing adjustments in Paragraph F-5) levied against the Property by a homeowner's association, governmental body, or any other entity with a legal right to assess. Assessments, if any, shall be charged as follows:
  - (a) Any lump sum assessments levied against the Property prior to the Acceptance Date shall be paid by [ X ] Seller or assumed by [ ] Buyer. Exceptions, if any: None
  - (b) Any assessments levied against the Property prior to the Acceptance Date which are being paid in installments shall be paid in full by [ ] Seller or [ X ] pro-rated by Escrow as of the date of closing. Exceptions, if any: None
  - (c) If a new assessment is authorized against the Property between the Acceptance Date and the Scheduled Closing Date, Seller shall make appropriate disclosure under Paragraph I-2 and such assessment shall be paid as Buyer and Seller shall agree. If Buyer and Seller cannot reach an agreement within five (5) days of both parties being aware of the new assessment (unless Buyer has agreed to pay or assume the assessment), either party may elect to terminate this Purchase Contract pursuant to Paragraph O-3.
- F-9 **Consents.** Buyer and Seller may be required to obtain consents of lessors, homeowner or condominium associations, co-op boards, existing lenders, vendors, or other entities. Buyer or Seller shall cooperate and take all reasonable action to obtain such consents.
- F-10 **Risk of Loss.** Risk of loss passes to Buyer upon closing or Buyer's possession of the Property, whichever occurs sooner.
- F-11 **Possession.** Seller shall give Buyer possession of the Property, at closing or Recordation
- F-12 **Keys to the Property.** Seller, at Seller's sole cost and expense, shall provide Buyer at closing with all existing, but at least one (1) set of, functioning keys/controls (entry, interior, mail box, pool, security, parking area, and all garage door openers). Buyer shall pay all deposits which may be required for any of these items. Unless Buyer and Seller agree otherwise, all keys/controls and garage door openers shall be released to Buyer only after Escrow has verbally notified the parties and/or their agents that the closing has occurred. It is strongly recommended that Buyer re-key entry door lock(s) and re-program garage door openers upon change of ownership.

**SECTION G: TITLE**

- G-1 **Preliminary Title Report.** Escrow is instructed to promptly order a Preliminary Title Report on the Property for delivery to Seller, Buyer, and their respective agents.
- G-2 **Title.** Seller agrees to convey the Property with warranties vesting marketable title in Buyer, free and clear of all liens and encumbrances EXCEPT: easements, covenants, conditions, reservations, and restrictions now of record, including but not limited to, those documents relating to a condominium, cooperative, PUD, subdivision, homeowner's/community association, or cluster development; and any other acceptable to Buyer

(a) **Buyer's Review of Preliminary Title Report.** If Buyer is not satisfied with the Preliminary Title Report, Buyer may elect, within Fifteen (15) days of Buyer's receipt of the Preliminary Title Report, to terminate this Purchase Contract pursuant to Paragraph O-2.

[ X ] (b) **Title Defect(s).** If Buyer elects not to terminate under Paragraph G-2 (a) and if the Preliminary Title Report or any other report or any updates to such reports reveal that title cannot be delivered by Seller in accordance with Paragraph G-2, then the Seller shall make appropriate disclosures under Paragraph I-2, and Seller shall use reasonable efforts to cure any title defect(s). If, within Five (5) days following receipt of any reported title defect(s) Seller does not cure such title defect(s), Buyer may elect to purchase the Property with such title defect(s) and Seller shall not be liable for such title defect(s). If Buyer elects not to accept the Property with such title defect(s), either Buyer or Seller may elect to terminate this Purchase Contract pursuant to Paragraph O-3.

SA 10/20/17  
 BUYER'S INITIALS & DATE

W/SO 10-16-17  
 SELLER'S INITIALS & DATE



G-3 **Vesting and Tenancy.** Title shall vest in Buyer(s) as follows (provide full legal names and marital status for individuals, trust information, name and form of business entity, etc). to be determined

Tenancy shall be \_\_\_\_\_  
If Buyer has not yet determined the vesting and/or tenancy, Buyer shall provide Escrow in writing with the selected names and tenancy within \_\_\_\_\_ days (fifteen (15) days if left blank) after the Acceptance Date.

**SECTION H: CASH FUNDS AND FINANCING CONTINGENCY**

(Choose Paragraph H-1 OR Paragraph H-2)

- [ X ] H-1 **No Contingency on Obtaining Cash Funds.** Buyer represents that there are no contingencies on Buyer's obtaining the necessary cash, including all deposits, down payment, and closing (including loan) costs to buy the Property (collectively "Cash Funds"). Buyer shall neither delay nor extend the Scheduled Closing Date to obtain the Cash Funds.
- [ X ] (a) **Verification of Cash Funds.** Buyer shall provide evidence that is satisfactory to Seller of the availability of Cash Funds within Three ( 3 ) days after the Acceptance Date. If Buyer is unable or fails to provide such evidence within the specified time period, Seller may elect to terminate this Purchase Contract pursuant to Paragraph O-3.
- [ NA ] H-2 **Contingency on Obtaining Cash Funds.** In reference to the balance of down payment or balance of purchase price, if all cash, Buyer's obligation to purchase the Property is contingent upon the following: NA

- (a) Buyer shall provide evidence that is satisfactory to Seller of Buyer's ability to obtain balance of down payment (or balance of purchase price if all cash) within \_\_\_\_\_ ( \_\_\_\_\_ ) days after the Acceptance Date.
- (b) If Buyer fails to provide Seller with such satisfactory evidence within the specified time period in Paragraph H-2(a), Seller may elect to terminate this Purchase Contract pursuant to Paragraph O-3.
- (c) If Seller is satisfied with evidence timely provided by Buyer in Paragraph H-2(a), but Buyer is unable to ultimately deposit the balance of down payment (or balance of purchase price if all cash) into Escrow in accordance with Paragraph D-2, then:
- (i) Buyer may elect to terminate this Purchase Contract pursuant to Paragraph O-2; or
- (ii) if Buyer elects not to terminate this Purchase Contract under Paragraph H-2(c)(i), then Seller may elect to terminate this Purchase Contract pursuant to Paragraph O-3.

- [ NA ] H-3 **Financing Contingency.** Buyer's obligation to purchase the Property is contingent upon Buyer obtaining the loan described in Paragraph D-2 ("Mortgage Loan").
- (a) If Buyer does not obtain a conditional loan commitment letter, or is unable to satisfy all conditions of the loan commitment letter, within the time periods specified in Paragraph H-4, then Buyer may elect to terminate this Purchase Contract pursuant to Paragraph O-2.
- (b) If Buyer has met all conditions of the loan commitment letter but lender fails to fund prior to closing, then Buyer may elect to terminate this Purchase Contract pursuant to Paragraph O-3.
- (c) Buyer may:
- (i) waive this Financing Contingency and purchase the Property on an all cash basis, or
- (ii) increase the amount of CASH FUNDS in order to satisfy all of Lender's requirements for funding the loan.

- If Buyer elects either of these two options, Buyer shall promptly provide written notice of such election to Seller, together with evidence of Buyer's ability to perform PRIOR to expiration of the time periods stated in Paragraph H-4.
- [ NA ] H-4 **Buyer's Obligations.** Buyer shall act in good faith to obtain the Mortgage Loan as described in Paragraph D-2. Buyer is obligated to submit a completed and signed application for the Mortgage Loan with required fees by
- (a) NA, and to deliver to Seller a Pre-Qualification Letter based upon a review of Buyer's credit report and items in the loan application by
- (b) NA. The Pre-Qualification Letter shall state that Buyer is creditworthy and qualified for the Mortgage Loan subject to Lender's requirements. However, Buyer may substitute a Pre-Approval Letter based upon automated underwriting or underwriter findings. Buyer is obligated to deliver to Seller by
- (c) NA, a Conditional Loan Commitment Letter based upon underwriter approval and review of property appraisal which shall state that the loan has been approved and Lender will make the loan under specified conditions. Buyer shall deliver to Seller written evidence that Buyer has satisfied all conditions specified by Lender except conditions which cannot be satisfied by Buyer until closing, such as payoff of Buyer's debt or receipt by Buyer of proceeds from the sale of Buyer's property, no later than (d) \_\_\_\_\_ ( NA ) days after issuance of such commitment letter. Buyer authorizes Seller and Seller's Brokerage Firm to contact Buyer's Lender and Escrow regarding the status of Buyer's Mortgage Loan, including commitment letter and satisfaction of conditions.

H-5 **Seller's Right to Cancel.** Should Buyer fail to satisfy any obligation under Paragraphs H-2, H-3, and/or H-4 within the time periods specified, Seller may elect to terminate this Purchase Contract pursuant to Paragraph O-3.

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H-6 **Confidentiality.** Seller and Brokerage Firms shall hold in strict confidence any information provided by Buyer as evidence for verification of cash funds and any other financial information provided under Section H.

**SECTION I: SELLER'S OBLIGATION TO DISCLOSE AND DISCLOSURE STATEMENT**

- I-1 **Seller's Obligation to Disclose.** Pursuant to Hawaii Revised Statutes Chapter 508D (for the sale of residential real property), Seller is obligated to fully and accurately disclose in writing to Buyer any fact, defect, or condition, past or present, that would be expected to measurably affect the value of the Property to a reasonable person (a "material fact"). No later than Seven (7) days [ten (10) days if left blank] from the Acceptance Date, Seller shall provide Buyer with a written Disclosure Statement signed and dated by Seller within six (6) months before or ten (10) days after the Acceptance Date. Such Disclosure Statement shall be prepared in good faith and with due care and shall disclose all material facts relating to the Property that: (i) are within the knowledge or control of Seller; (ii) can be observed from visible, accessible areas; or, (iii) are required to be disclosed under Section 508D-4.5 and Section 508D-15 of the Hawaii Revised Statutes. Seller acknowledges and agrees that the disclosure requirements under Chapter 508D are in addition to all other disclosure obligations of Seller required by law relating to the sale of residential real property. Furthermore, Seller's obligations under Hawaii Revised Statutes Chapter 508D, as amended, regarding mandatory disclosure of all documents pertaining to the Property are set forth in Section M-1 below.
- I-2 **Seller's Obligation Upon Later Discovered Information.** Under Chapter 508D, if after Seller delivers a Disclosure Statement to Buyer and prior to closing, Seller becomes aware of information that was not previously disclosed or that makes any statement in the Disclosure Statement inaccurate, and said information directly, substantially, and adversely affects the value of the Property (called "Later Discovered Information" in this paragraph), then Seller shall provide an Amended Disclosure Statement (a written statement prepared by Seller or at Seller's direction) to Buyer within Seven (7) days [or ten (10) days if left blank] after the Seller's discovery of the inaccuracy, and in any event, no later than twelve noon of the last business day prior to the recorded sale of the Property. Buyer's rights upon discovery of Later Discovered Information and/or receipt of the Amended Disclosure Statement are found in Paragraph I-4. The information described in this paragraph Later Discovered Information may arise from many sources, including but not limited to, title report(s), inspection report(s), survey report, termite inspection report, condominium, cooperative, subdivision, PUD, homeowner's/planned community documents, and rental property matters.
- I-3 **Seller's Disclosure is Not a Warranty.** The Disclosure Statement is NOT a warranty of any kind. Under Chapter 508D, the Disclosure Statement shall not be construed as a substitute for any expert inspection, professional advice, or warranty that Buyer may wish to obtain.
- I-4 **Buyer's Rights and Obligations Upon Receipt of Disclosure Statement or Amended Disclosure Statement.**  
(a) Upon receipt of the Disclosure Statement or Amended Disclosure Statement, Buyer shall provide Seller with a written acknowledgment within Five (5) days of receipt.  
(b) Upon receipt of the Disclosure Statement or Amended Disclosure Statement, Buyer shall have Five (5) days [or fifteen (15) days if left blank] to examine the Disclosure Statement or Amended Disclosure Statement and to rescind this Purchase Contract. Should Buyer elect to rescind this Purchase Contract, Buyer must give Seller or Seller's Agent written notice of such rescission within the specified time period and the termination provisions of Paragraph O-2 shall apply.
- I-5 **Buyer's Rights and Obligations Upon Later Discovered Inaccurate Information.** Upon discovery by Buyer that the Disclosure Statement or Amended Disclosure Statement fails to disclose a material fact or contains an inaccurate assertion that directly, substantially, and adversely affects the value of the Property, and if Buyer was not aware of the foregoing failure or inaccuracy, Buyer may elect to rescind this Purchase Contract within the earlier to occur of fifteen (15) days of the discovery by Buyer of the failure or inaccuracy, or Five (5) days [or fifteen (15) days if left blank] of the receipt of an Amended Disclosure Statement correcting the failure or inaccuracy. If Buyer elects to rescind this Purchase Contract, Buyer must give Seller or Seller's Agent written notice of such rescission within the specified time period and the termination provisions of Paragraph O-2 shall apply. This Paragraph does not change Seller's obligations under Paragraph I-2.
- I-6 **Buyer's Remedies Regarding Mandatory Seller's Disclosure Statement.** If Seller fails to comply with Paragraphs I-1 or I-2, Buyer may elect to complete the purchase of the Property. When Buyer is provided a Disclosure Statement or Amended Disclosure Statement and Buyer decides to rescind this Purchase Contract, Buyer shall not be entitled to any damages but shall be entitled to the return of all deposits, and in such case, Buyer's deposits shall be immediately returned. If Seller negligently fails to provide the required Disclosure Statement or Amended Disclosure Statement, Seller shall be liable to Buyer for the amount of actual damages suffered as a result of Seller's negligence. A court may also award the prevailing party attorneys' fees, court costs, and administrative fees. Buyer's right to rescind this Purchase Contract under Paragraphs I-4 and I-5 shall not apply after the Scheduled Closing Date. Any action to rescind this Purchase Contract under Paragraphs I-4 and I-5 shall commence prior to the Scheduled Closing Date.
- I-7 **Seller's Obligation to Disclose on Non-Residential Real Property.** Seller agrees to comply with disclosure requirements under Hawaii law for the sale of non-residential real property.
- I-8 **General Disclosures.** Paragraphs I-8(a) through I-8(f) describe general issues which could affect the Property. Buyer should make appropriate inquiry regarding these issues as part of Buyer's inspection right under Paragraph J-1.  
(a) **Governmental Restrictions Disclosure.** The Property is subject to all applicable federal, state and county laws, statutes, regulations, codes, ordinances, rules, procedures, restrictions, and requirements, including, but not limited to, those concerning land use, zoning, building permits and requirements, setbacks, height limitations, and allowable uses.  
(b) **Asbestos Disclosure.** Asbestos materials are hazardous to one's health, particularly if asbestos fibers are released into the air and inhaled. In the past (before 1979, but possibly since) asbestos was a commonly used insulation material in heating facilities and in certain types of floor and ceiling materials, shingles, plaster products, cement and other building

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materials. Buyer is aware that Buyer should make appropriate inquiry into the possible existence of asbestos in, on, or at the Property. Structures having "popcorn" or "cottage cheese" type ceilings may contain asbestos fibers or asbestos-containing material. Such ceilings should not be disturbed since it could release asbestos fibers in the air. Any disturbance should be done only by licensed abatement contractors.

(c) **Hazardous Waste and Toxic Substances Disclosure.** Federal and state laws place strict liability on property owners for dangers caused by hazardous waste management and may require that such owners pay for the cost of the cleanup of hazardous substances and other toxic substances. Buyer is aware that Buyer should make appropriate inquiries into the current and past use of the Property and should seek an environmental assessment to ascertain the possible existence of such hazardous substances or materials on or under the Property. Buyer is aware Buyer may have liability for hazardous substances located on or under the Property even if Buyer did not cause such substances to be on or under the Property.

(d) **Wastewater Disposal Disclosure.** The State of Hawaii Department of Health and the individual counties may require upgrades from cesspools to septic tanks or connection of new systems in certain situations. Additionally, the Federal Environmental Protection Agency ("EPA") has issued regulations requiring that all "large capacity cesspools" be closed and converted to EPA approved systems by April 5, 2005 or face substantial penalties. Buyer should contact the State of Hawaii Department of Health, the EPA, and the individual counties for additional information.

(e) **Mold Disclosure.** Mold and/or other microscopic organisms may exist in, on, or at the Property. Molds are simple, microscopic organisms, present everywhere. Mold spores may cause health problems. Mold will grow and multiply whenever sufficient moisture, temperature and organic material are present. Brokerage Firms, brokers, and agents are not qualified to inspect the Property for mold or to make recommendations or determinations concerning possible health or safety issues. More information is available at the EPA's website.

(f) **Sex Offender Registration ("Megan's Law").** Hawaii has enacted a law requiring sex offenders to register with the Attorney General's office. Seller makes no representation as to whether or not the public will have access to this information. Neither Seller nor Brokerage Firms are required to obtain information regarding sex offenders.

(g) **Flood Zone.** The Property may be located in an area which is a Flood Hazard Zone. Lenders may require Buyer to purchase flood insurance in order to obtain any loan secured by the Property. Buyer is advised that flood insurance premiums may increase significantly based upon FEMA flood zone designations. Buyer is further advised to consult with Buyer's insurance agent. In addition, various governmental agencies have special requirements for obtaining building permits for properties located in Flood Hazard Districts. Buyer should contact the National Flood Insurance Office for more information regarding flood zones and the appropriate agencies concerning building permits.

(h) **Lead-Based Paint.** Federal Law requires that the seller of any interest in residential real property must 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. Residential dwellings built prior to 1978 may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning also poses a particular risk to pregnant women. More information is available at the EPA website.

(i) **Lead-Based Paint Renovation, Repair, and Painting.** In residential real property, the EPA under the Toxic Substance Control Act issued a rule to address lead-based paint hazards created by renovation, repair, and painting activities that disturb lead based paint. These rules establish requirements for training renovators, other renovation workers, dust sampling technicians, and renovation firms; for accrediting providers of renovation and dust sampling technician training to meet the new Federal requirements effective as of April 22, 2010, or substantial penalties may apply. The rule applies to paid contractors working in pre-1978 housing (residential, public or commercial buildings and all rental housing), child care facilities and schools with lead-based paint. Contractors include home improvement contractors, maintenance workers in multi-family housing, painters, and other specialty trades. More information is available at the EPA website.

#### SECTION J: INSPECTION, MAINTENANCE AND WARRANTIES

J-1 **General Inspection of Property Contingency.** At Buyer's sole cost and expense Buyer shall have the right to (personally or by any expert, professional, or other representatives of Buyer's choice): (a) inspect the Property or any portion thereof; (b) inspect all major appliances and fixtures (plumbing, electric, and gas) included in the sale; (c) inspect all public records relating to the Property and its use; and (d) review all matters described in Paragraph I-8. Seller shall provide Buyer and Buyer's representative(s) access to the Property for inspection(s), during reasonable hours with reasonable prior notice to Seller. The obligation of Buyer to purchase the Property is contingent upon Buyer's approval of inspections and review of all matters described in Paragraph I-8 within THIRTY (30) (30) days after the Acceptance Date. All inspections and reviews must be completed within this time period. Seller agrees that the property inspection requires that the utilities be turned on, including propane, if applicable, at Seller's expense. If Buyer disapproves of the inspection or review results within the specified time period, Buyer may elect to terminate this Purchase Contract pursuant to Paragraph O-2.

If Buyer fails to make an election in writing to terminate this Purchase Contract within the specified time period, then Buyer will have waived this contingency.

J-2 **Recommendation Regarding Home Inspection.** It is strongly recommended that Buyer obtain a home inspection as well as inspections in specialized areas beyond the scope of the standard home inspection service.

[ X ] J-3 **Property Condition Maintenance and Final Walk Through.** Seller shall maintain the interior and exterior of the Property in the same condition and repair as when Buyer inspected the Property pursuant to Paragraphs J-1 and J-2, or as otherwise repaired and/or corrected as agreed to in writing between Buyer and Seller. If the Property has not been maintained, or repaired and/or corrected as agreed to in writing between Buyer and Seller, then the provisions of

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Paragraph J-4 shall apply. Buyer and/or Buyer's representative shall have the right to conduct a final walk through of the Property no later than Five ( 5 ) days prior to closing; (a) to confirm that the Property is in the same condition and repair that it was on the date that Buyer inspected the Property pursuant to Paragraphs J-1 and J-2; and/or (b) to inspect any repairs and/or corrections made by Seller, as agreed to in writing between Buyer and Seller. Seller understands that the final walk through requires that the utilities be on, including propane, if applicable, at Seller's expense. If Buyer and/or Buyer's representative fails to conduct the final walk through within the specified time period, Buyer will have waived this right.

J-4 **Withheld/Collected Funds for Repairs/Maintenance.** If Seller has failed to maintain the Property pursuant to Paragraph J-3, or has not completed any agreed upon repairs and/or corrections no later than \_\_\_\_\_ ( NA ) days prior to closing, then the parties agree that 150% of the estimated cost shall be withheld/collected from Seller and retained in Escrow until completion. Applicable Escrow fees may apply. All bills for maintenance and repairs/corrections will be paid through Escrow. Any balance remaining after completion of all maintenance and repairs/corrections shall be returned to Seller; provided, however, that if maintenance and repairs/corrections are not completed within \_\_\_\_\_ ( NA ) days after closing, said funds will be disbursed to Buyer. Should Escrow require the parties to sign a formal withholding and disbursement agreement confirming the agreement of Buyer and Seller, then all parties agree to immediately execute Escrow's withholding and disbursement agreement upon request.

J-5 **No Continuing Warranty.** Buyer understands that no continuing warranty after closing regarding the interior or exterior of the Property is expressed or implied.

J-6 **Home Warranty Programs.** Buyer understands that Buyer may obtain from a third party for a fee, home warranties covering appliances, electrical and/or gas and plumbing fixtures and equipment and other items included with the Property. If such a home warranty is available, it may be obtained at Buyer's expense from any provider of Buyer's choice.

It is strongly recommended that Buyer obtain a home warranty.

[ X ] J-7 **Existing Warranties, Plans, etc.** Seller shall provide to Buyer at closing, if such items are in Seller's possession: (a) any warranty documents covering the improvements and all other property being sold; (b) instruction booklets covering the appliances being sold; and (c) all originals and copies of blueprints, specifications, and copies of architectural or engineering drawings relating to the Property. Buyer understands that: (a) any warranties delivered by Seller to Buyer represent obligations of other persons or entities, not Seller; (b) the warranties and other documents are provided for informational purposes only; (c) such items may not reflect improvements as built; (d) Seller does not promise that any such warranties are transferable to Buyer; and (e) Buyer must contact the providers of such warranties to determine whether the warranties are transferable to Buyer.

[ X ] J-8 **Removal of Items from Property.** No later than Five ( 5 ) days prior to closing, Seller shall dispose of all unwanted personal belongings, trash, and junk, both inside and outside any improvements. Should Seller not comply within the stated timeframe, the provisions of Paragraph J-4 shall apply.

[ NA ] J-9 **Cleaning.** No later than \_\_\_\_\_ ( ) days prior to closing, Seller shall, at Seller's expense, have the interior of the improvements on the Property cleaned. Cleaning shall include all appliances, cupboards, drawers, floors, jalousies, screens and windows. Seller shall also have the interior carpets professionally shampooed. Should Seller not comply within the stated timeframe, the provisions of Paragraph J-4 shall apply.

[ NA ] J-10 **Pet Related Treatment.** Seller shall, at Seller's expense, remove any pets from the Property, and after carpets have been professionally shampooed pursuant to Paragraph J-9, have the interior of the Property treated for fleas/ticks by a licensed pest control operator. If Seller does not have the Property treated for fleas/ticks by a licensed pest control operator as required, then Seller agrees that an amount equal to 150% of the estimated cost of treating the Property for fleas/ticks by a licensed pest control operator shall be held in Escrow until completed; provided however, that any remaining funds held shall be automatically disbursed to Buyer by Escrow if the Property is not treated for fleas/ticks by a licensed pest control operator within \_\_\_\_\_ ( NA ) days after closing. All licensed pest control operator treatment shall be paid through Escrow and any balance remaining after completion of professional treatment shall be returned to Seller.

#### SECTION K: STAKING AND SURVEY

(This may/may not apply to condominiums or cooperatives.)

(Choose Paragraph K-1 OR Paragraph K-2)

[ NA ] K-1 **Staking (Boundary Points).** No later than \_\_\_\_\_ ( ) days prior to the Scheduled Closing Date, Seller shall, at Seller's sole cost and expense, have a land surveyor licensed in the State of Hawaii stake the Property. Buyer may have a land surveyor licensed in the State of Hawaii verify the accuracy of the location of the boundary points prior to closing. Seller shall reimburse Buyer for the cost of this verification at closing ONLY if the location of the original stakes proves to be inaccurate. Buyer understands that staking is not the same type of survey as described in Paragraph K-2, and does not confirm the accuracy of the description or the land area of the Property, or the existence or absence of encroachments onto the Property or onto a neighboring property. No map is required.

[ X ] K-2 **Survey.** No later than Thirty ( 30 ) days prior to the Scheduled Closing Date, Seller shall, at Seller's sole cost and expense, have a land surveyor licensed in the State of Hawaii: (a) survey the Property even if the boundary points are visible and; (b) if improvements exist along the Property line, provide Buyer with a map (with surveyor's stamp) and accompanying report to show the perimeters of the Property and the location of any improvements in the vicinity of the perimeter Property lines. The survey and map may not address whether improvements on the Property are in compliance with State and/or County requirements, and/or subdivision covenants, conditions, and restrictions.

K-3 **Boundary Encroachment.** If encroachment(s) onto an adjoining property or onto the Property by an adjoining property is revealed or discovered, Buyer may elect to accept (in writing) such existing encroachment(s) at its current location, within \_\_\_\_\_

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( NA ) days of discovery, or Buyer shall instruct Seller to, and Seller shall use Seller's reasonable efforts to: (a) remove such encroachment(s) if acceptable to Buyer at Seller's and/or the adjoining owner(s)' sole cost and expense; or (b) obtain encroachment agreement(s) at Seller's and/or the adjoining owner(s)' sole cost and expense, with the affected adjoining owner(s) which is acceptable to Buyer, and if neither (a) nor (b) occurs within ( NA ) days prior to closing, Buyer may accept the encroachment(s) or elect to terminate this Purchase Contract pursuant to Paragraph O-3. If in remedying the revealed encroachment, the encroachment is partially or totally removed, then Seller shall be responsible for the correction of the survey (if Paragraph K-2 was checked) to reflect any changes in the revealed encroachment no later than ( NA ) days prior to closing. Under Chapter 669 Hawaii Revised Statutes (de minimis), certain tolerances or discrepancies involving improvements built along the boundary line of the Property for specific zonings are established, and such improvements shall not be considered encroachments.

K-4 **Staking/Survey Discrepancies.** In the event the staking or survey report indicates there are visible discrepancies concerning the boundary points and/or improvements along the Property line that directly, substantially and adversely affect the value of the Property, then Seller shall make appropriate disclosures under Paragraph I-2.

**SECTION L: TERMITE PROVISIONS**

L-1 **Scope of Termite Inspection Report.** Buyer is aware that a termite inspection report may only address visible evidence of active ("live") termite infestation and visible damage in accessible areas. It may not address termite infestation and/or damage occurring in inaccessible areas of the improvements described in this Purchase Contract. Seller agrees to disclose in writing, any prior and/or current termite infestation and/or damage of which Seller is aware.

[ NA ] L-2 **Termite Inspection Contingency.** Within ( NA ) days of the Acceptance Date, [ NA ] Buyer [ NA ] Seller shall select a licensed pest control operator ("Operator") to conduct an inspection and issue a termite inspection report ("inspection report") on the Property's improvements. Should such party fail to select an Operator and notify the other party in writing of the name of an Operator within the time stated, the other party shall select an Operator within five (5) days thereafter. Seller shall promptly order the inspection and inspection report from the selected Operator. The inspection report shall be delivered to Buyer by NA (time period/date).  
 [ NA ] Buyer [ NA ] Seller shall pay for the inspection and the issuance of the inspection report at a cost not to exceed \$ NA. If Buyer's Lender requires an updated inspection report prior to funding Buyer's loan, Buyer shall pay the cost of the updated inspection report.

If the inspection report indicates visible evidence of active ("live") termite infestation, Seller shall order and pay for recommended treatment for that condition (not to include preventive maintenance). Buyer and Seller understand such treatment may cause damage to plants. The obligation of Buyer to purchase the Property is contingent upon the delivery to Buyer within the time specified above of an inspection report stating there is no visible evidence of active ("live") termite infestation, or the treatment of such improvements by no later than five (5) days prior to the Scheduled Closing Date. If the contingency is not fulfilled within the time period(s) specified, Buyer may elect to terminate this Purchase Contract pursuant to Paragraph O-3.

L-3 **Termite Damage.** In the event the inspection report indicates there is visible damage to the improvements caused by termite infestation, and said damage directly, substantially and adversely affects the value of the Property, then Seller shall make appropriate disclosures under Paragraph I-2.

L-4 **Latent or Hidden Termite Infestation and/or Damage.** Buyer acknowledges that there may be latent or hidden termite infestation and/or damage of which Seller and Seller's Brokerage Firm are not aware and for which Seller and Seller's Brokerage Firm will not be held liable. Seller, Seller's Brokerage Firm, Buyer's Brokerage Firm, and their respective licensees make no representations or warranties that the Property is free from latent or hidden termite infestation and/or damage. Buyer and Seller release Brokerage Firms and their respective licensees from any and all liability with regard to any latent or hidden termite infestation and/or damage.

**SECTION M: CONDOMINIUM/COOPERATIVE/SUBDIVISION/PUD/ HOMEOWNER/COMMUNITY ASSOCIATION**

M-1 **Contingency on Documentation Approval.** Seller shall provide applicable documentation to Buyer as set forth below. Buyer's obligation to purchase the Property is contingent upon Buyer's review and approval of documents provided below.

- Approved Minutes of the last three (3) Board of Directors Meeting
- Articles of Incorporation/Association and Amendments
- By-laws and Amendments
- Copy of any and all pending litigation complaints filed by or against the Owner's Association and/or its directors that are currently unresolved
- Covenants, Conditions and Restrictions (CC&Rs)
- Current Financial Statement
- Other, be specific
- NA

- Current and/or Proposed Budget
- Current House Rules
- Declaration and Amendments
- Design Standards and/or Guidelines
- Insurance Summary
- Lenders Disclosures
- Minutes of the last Annual Meeting
- Planned Community Documents
- Project Information Form RR105c
- Reserve Study or Summary
- Subdivision and/or title documents
- Other, be specific
- NA

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**Chapter 508D Mandatory Documentation Disclosures.** Pursuant to Hawaii Revised Statutes Chapter 508D, as amended, if the Property is subject to a recorded Declaration, and if applicable documents have not already been provided to Buyer as set forth immediately above, Seller shall provide Buyer copies of the following documents and any amendments or supplements thereto:

- Articles of incorporation or other document, if any, creating the corporation or association whereby the corporation or association has the power to enforce the Declaration;
- Declaration or similar organizational documents, and any exhibits thereto;
- Bylaws of the corporation or association;
- Any rules relating to the use of common areas, architectural control, maintenance of units, or payment of money as a regular assessment or otherwise in connection with the provisions, maintenance, or service for the benefit of the Property or other real property or common areas; and
- Further, if the Property is otherwise subject to restrictions or conditions on use, either because of covenants contained in the deed for the Property or because of another recorded document, Seller shall also provide Buyer all documentation relating to any restrictions or conditions, including but not limited to any unrecorded rules or guidelines that may have been issued by any entity responsible for enforcing those restrictions or guidelines.

Seller, at Seller's expense, shall provide the above documents to Buyer no later than NA days from the Acceptance Date. Upon receipt of the above documents Buyer shall provide Seller with a written acknowledgment within NA days of receipt.

If within the review period of NA calendar days or [fifteen (15) calendar days if left blank] of Buyer's receipt of the documents Buyer does not accept the Property based on information contained in the documents, Buyer may elect to terminate this Purchase Contract pursuant to Paragraph O-2. In the event that this Purchase Contract is terminated, Buyer agrees to promptly return all documents provided pursuant to this paragraph to Seller or Seller's agent, including any other documents provided to Buyer during the escrow period. Seller not being in default, Buyer shall reimburse Seller for the cost of such documentation if the documents are not returned within NA days of electing termination of this Purchase Contract.

- M-2 **Review of Documents.** Buyer is advised that Brokerage Firm(s)' scope of service does not include the interpretation of documentation referred to in Paragraph M-1. Brokerage Firm(s) recommends that Buyer consult with a licensed attorney and/or CPA with expertise in condominium, cooperative, subdivision, PUD, and or homeowner's/planned community documents to review and explain such documents to Buyer involved in this transaction. Buyer acknowledges that the maintenance fee, homeowner's or community association fees, or any other fees or charges reflected in the documentation transmitted to Buyer for review and approval may be increased in the future.
- M-3 **Documents Issued During the Escrow Period.** Seller shall provide any additions, supplements, modifications, and amendments to the documents issued during the escrow period. If there is any information that directly, substantially and adversely affects the value of the Property, then Seller shall make appropriate disclosures under Paragraph I-2.
- M-4 **Common Element Discrepancies.** Seller is not responsible for repair of condominium common and limited common elements or cooperative common areas. Seller is only responsible for reporting such defects or damage to the Association of Apartment Owners or other governing body only to the extent that Seller's unit is affected.
- [ X ] M-5 **Electronic Delivery of Documents.** If any of the above documents are available electronically on the Internet, then in lieu of providing hard copies of the documents as required by Hawaii Revised Statutes Chapter 508D, as amended, Buyer hereby consents that Seller may provide a written statement to Buyer that directs Buyer to the internet address or addresses where the documents are located.

**SECTION N: RENTAL PROPERTY MATTERS**

- (Choose Paragraph N-1 OR Paragraph N-2)
- [ X ] N-1 **Rental Documents.** The Property shall be subject to the existing: (Choose all that apply)
 

[ X ] Rental Agreement	[ X ] Property Condition Form
[ NA ] Rental Management Contract(s)	[ NA ] Short Term Vacation Rental Reservation(s)
[ NA ] Other <u>NA</u>	[ NA ] Other <u>NA</u>

Seller shall provide copies of such documents to Buyer within FOURTEEN (14) (~~10~~) days after the Acceptance Date. If within Seven (7) days of receipt of such documents, Buyer does not accept the Property based upon information contained in the selected documents, Buyer may elect to terminate this Purchase Contract pursuant to Paragraph O-2. Any security deposits or vacation rental deposits will be transferred to Buyer at closing.

- [ X ] N-2 **Delivery of Possession of the Property at Closing.** Seller shall deliver possession of the Property at closing vacant and free of tenants, tenants' possessions, leases, rental management contracts, short term rental reservations, or any other rental or service commitments.
- N-3 **Rental Agreement Changes During the Escrow Period.** During the escrow period, Seller shall not, without the prior written consent of Buyer, make any changes to the documents described in Paragraph N-1, or enter into any new Rental Agreement(s), which extend beyond the Scheduled Closing Date.

SA 10/20/17  
BUYER'S INITIALS & DATE

R/S 10-16-17  
SELLER'S INITIALS & DATE

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**SECTION O: TERMINATION, MEDIATION, ARBITRATION, AND OTHER MATTERS**

- O-1 **Termination Due to Default.** In the event that Buyer is in default for failure to perform Buyer's obligations under this Purchase Contract (Seller not being in default), Seller may terminate this Purchase Contract, and (a) bring an action for damages for breach of contract, or (b) retain the initial earnest money deposit and all additional deposits provided for in this Purchase Contract.
- In the event Seller is in default for failure to perform Seller's obligations under this Purchase Contract (Buyer not being in default), Buyer may (a) terminate this Purchase Contract and bring an action for damages for breach of contract, or (b) seek specific performance of this Purchase Contract.
- The foregoing shall not exclude any other remedies available under the law to either Seller or Buyer due to the other party's default.
- O-2 **Termination Within Contingency Time Period.** Should this Purchase Contract specifically designate this paragraph to govern the termination process for any term of this Purchase Contract, any party given the right to terminate this Purchase Contract pursuant to such term, and who elects to do so, must deliver to the other party a written notice of termination prior to the expiration of the time period or the date specified in such term. If the party given the right to terminate fails to deliver the written notice to the other party within such time period or by such date, the termination right shall be deemed to be waived (as to that party) and can no longer be used by that party as a reason to terminate this Purchase Contract. If the terminating party so terminates this Purchase Contract, Buyer and Seller shall promptly execute all cancellation documents requested by Escrow, and Escrow shall, unless otherwise agreed to in this Purchase Contract, return to Buyer all deposits previously made, less the amount of any escrow expenses or fees chargeable to Buyer. Thereafter, neither Buyer nor Seller shall have any further rights or obligations under this Purchase Contract.
- O-3 **Termination After a Specified Contingency/Condition Time Period.** Should this Purchase Contract specifically designate this paragraph to govern the termination process for any term of this Purchase Contract, any party given the right to terminate this Purchase Contract pursuant to such term, and who elects to do so, must deliver to the other party a written notice of termination within \_\_\_\_\_ ( ) days [seven (7) days if left blank] of the expiration of the time period or the date specified in such term. If the party given the right to terminate fails to deliver the written notice to the other party within the time period specified in this paragraph, the termination right shall be deemed to be waived (as to that party) and can no longer be used by that party as a reason to terminate this Purchase Contract. If the terminating party so terminates this Purchase Contract, Buyer and Seller shall promptly execute all cancellation documents requested by Escrow, and Escrow shall, unless otherwise agreed to in this Purchase Contract, return to Buyer all deposits previously made, less the amount of any escrow expenses or fees chargeable to Buyer. Thereafter, neither Buyer nor Seller shall have any further rights or obligations under this Purchase Contract.
- O-4 **Mediation.** If any dispute or claim arises out of this Purchase Contract prior to or after closing between Buyer and Seller, or between Buyer and/or Seller and a Brokerage Firm and all its licensees assisting in this transaction, and the parties to such dispute or claim are unable to resolve the dispute, Buyer and Seller agree in good faith to attempt to settle such dispute or claim by non-binding mediation. This paragraph shall not apply to any complaint of unethical conduct against a Brokerage Firm and all its licensees who are obligated to comply with the Code of Ethics of the National Association of REALTORS®. Such complaints against a Brokerage Firm(s) or its licensees assisting in this transaction must be brought before the Local Board of REALTORS® of which the Brokerage Firm and all its licensees are members.
- O-5 **Arbitration.** If any dispute or claim arises out of this Purchase Contract during this transaction or at any time after closing, between Buyer and Seller, or between Buyer and/or Seller and a Brokerage Firm and all its licensees assisting in this transaction, and if such dispute cannot be resolved through mediation, then the parties are encouraged to consider arbitration as an alternative to litigation. It is recommended that the parties seek legal counsel to make this determination.
- O-6 **Third Party Claims.** It is understood that if a dispute or claim is made by or against a third party who is not obligated or willing to mediate or arbitrate such dispute or claim, then Buyer and Seller shall not be required to mediate or arbitrate such dispute or claim.
- O-7 **Choice of Law and Forum.** The Property is located in the State of Hawaii. This Purchase Contract shall be governed by and construed according to the laws of the State of Hawaii. All legal actions or proceedings concerning this Purchase Contract and/or the Property shall be filed and conducted in the appropriate state or federal court located in the State of Hawaii. Any mediation, arbitration, and/or litigation in the state court, shall be filed and conducted in the county where the Property is located.
- O-8 **Attorney's Fees.** In the event of default by a party and/or a legal action or arbitration (including a claim by a Brokerage Firm for commission), the prevailing party shall be entitled to recover all costs incurred including reasonable attorneys' fees.

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**SECTION P: FOREIGN OR NON-RESIDENT BUYER AND/OR SELLER**

- P-1 **Hawaii Real Property Tax Act ("HARPTA") Withholding Required if Seller is a Non-Resident of the State of Hawaii.** Under Hawaii law, if Seller is a non-resident person or entity (corporation, partnership, LLC, trust, or estate) of the State of Hawaii, Buyer must withhold a specified percentage of the "amount realized" by Seller on the sale of the Property and forward the amount with the appropriate form to the State Department of Taxation. Such withholding may not be required if Seller obtains and provides Buyer with an authorized exemption or waiver from withholding. If Seller does not provide Buyer with a certificate of exemption or waiver from HARPTA within fourteen (14) days of the Acceptance Date, Escrow is hereby authorized and instructed to withhold/collect from Seller the required amount at closing and forward it to the State Department of Taxation.
- P-2 **Foreign Investment in Real Property Tax Act ("FIRPTA") Withholding Required if Seller is a Foreign Person.** Under the Internal Revenue Code, if Seller is a foreign person or entity (non-resident alien, corporation, partnership, LLC, trust, or estate), Buyer must generally withhold a specified percentage of the "amount realized" by Seller on the sale of the Property and forward this amount with the appropriate Internal Revenue Service ("IRS") form. Such withholding may not be required if Seller obtains and provides Buyer with an authorized exemption or waiver from withholding. If Seller does not provide Buyer with a certificate of exemption or waiver from FIRPTA within fourteen (14) days of the Acceptance Date, Escrow is hereby authorized and instructed to withhold/collect from Seller the required amount at closing and forward it to the IRS.
- P-3 **Additional Disclosures Required by Foreign Buyers and Sellers.** Buyer and Seller understand that under statutes and ordinances such as the Agricultural Foreign Investment Disclosure Act of 1978, the International Investment and Trade in Services Survey Act, and the revised Ordinances of the City and County of Honolulu, among others, disclosures are required by foreign Buyers and/or Sellers under certain conditions.

**SECTION Q: SPECIAL TERMS**

**SPECIAL TERMS** (Please number Q-1, Q-2, Q-3, and so forth)

1. Property is sold in an "As Is" condition. No warranties expressed or implied.

N-1 14 Days after the Acceptance date, Seller shall deliver to Buyer copies of all documents relating to TMK to the extent such documents are in the possession or control of seller

J-1 Buyer's right to inspect the property and to terminate this PSA because Buyer is not satisfied with the property ends 30 DAYS AFTER RECEIPT OF N-1 DOCUMENTS. ("INSPECTION PERIOD")

E-2 The "Scheduled Closing Date" shall be 30 days after the end of inspection Period.

*SC (10/17/17)*  
*SC (10/17/17)*  
*SC (10/17/17)*

**SECTION R: BROKERAGE FIRMS SERVICES AND DISCLAIMERS**

- R-1 **Scope of Services and Disclaimer by Brokerage Firms.** Brokerage Firms assisting in this transaction, including their owners, licensees, salespersons, agents, and employees, recommend that Buyer and Seller each consult their own attorney, accountant, appraiser, architect, pest control expert, home inspector, insurance advisor, contractor, land surveyor, electrical engineer, civil engineer, structural engineer, soils engineer, land use professional, zoning expert, environmental expert, designer, estate planner, title insurer, other professionals, and/or subject matter experts should they have any questions within those fields about this transaction.  
Buyer and Seller understand that Brokerage Firms have not made any representations or warranties, and have not rendered any opinions about: (a) the legal or tax consequences of this transaction; (b) the legality, validity, correctness, status, existence, or lack of any building permits which may have been required for the Property; (c) the land area of the Property, the location of the boundaries, or the size of any improvements on the Property; or (d) any of the matters set forth in Paragraph I-B, General Disclosures.  
Buyer and Seller understand and acknowledge the parties are not relying upon Brokerage Firms for any of the foregoing services or advice.

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SELLER'S INITIALS & DATE

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- R-2 **Rental Property.** Buyer understands that Seller and Brokerage Firms are not offering to sell or selling the Property together with any existing or future rental pool or other rental arrangement. Seller and the Brokerage Firms make no representations or guarantees about future rents. Buyer understands that should Buyer rent the Property after closing, Buyer is assuming all risks relative to all of the foregoing. This sale includes real property only, and the intent is not to convey a security or investment security as defined by the U.S. Securities and Exchange Commission or other governmental agency.
  - R-3 **Future Resale Value.** Seller and Brokerage Firms make no representations or guarantees about future resale values.
  - R-4 **Obligations.** Brokerage Firms shall not be held liable to either Buyer or Seller for the failure of either Buyer or Seller to perform their obligations under this Purchase Contract.
  - R-5 **Permission.** The parties grant Brokerage Firms permission to supply data to the Multiple Listing Service regarding the sales price, terms, and listing status of this transaction for use by other brokers and real estate professionals in making market studies, providing service to the public, and advising their clients.
  - R-6 **Disclosure of Real Estate Licensing Status.** Hawaii law provides that the licensee shall not acquire, rent, lease, sell, or exchange an interest in or buy, rent, lease, sell, or exchange for one's self, any member of the licensee's immediate family or Brokerage Firm, or any entity in which the licensee has any ownership interest, property listed with the licensee, licensee's Brokerage Firm, or listed with any other Brokerage Firm or licensee without making the true position known in writing.
- [ NA ] (a) **Disclosure.** The licensee(s) in this transaction disclose the following: NA

**SECTION 5: GENERAL PROVISIONS**

- S-1 **Acceptance Date.** As used in this Purchase Contract, the term "Acceptance Date" means the date on which this Purchase Contract becomes binding upon the parties.
- S-2 **Dates and Times.** As used in this Purchase Contract, the term "day" means a calendar day, and all dates and times are based on Hawaii Standard Time (UTC-10). Unless otherwise specified in writing in this Purchase Contract, contingencies and all other dates in this Purchase Contract shall expire at 11:59 PM HST on the day stated.  
Note: Hawaii does not observe Daylight Savings Time.
- S-3 **Time is of the Essence.** Except as otherwise provided in this Purchase Contract, time is of the essence in the performance by all parties of their respective obligations under this Purchase Contract.
- S-4 **Electronic (Digital or Fax) Signatures.** Electronically executed copies of this Purchase Contract and any related documents shall be fully binding and effective for all purposes, whether or not originally executed documents are transmitted to Escrow. Electronic signatures on documents will be treated the same as original signatures; however, each party agrees to promptly forward original executed documents (if any) to Escrow. The parties understand that conveyance, mortgage and other recordable documents must be executed, acknowledged, and delivered in original form and will not be acceptable if signed only electronically.
- S-5 **Counterparts.** This Purchase Contract and any addenda, amendments, and related documents may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so signed shall be deemed to be an original, and all of which taken together shall constitute one and the same document, which shall be binding upon all of the parties, notwithstanding that all of the parties do not sign the original or the same counterpart.
- S-6 **Complete Agreement.** This Purchase Contract constitutes the entire agreement between Buyer and Seller and supersedes and cancels any and all prior negotiations, representations, warranties, understandings or agreements (both written and oral) of Buyer and Seller. No variation or amendment of this Purchase Contract shall be valid or enforceable unless it is in writing signed by both Buyer and Seller. All agreements and representations about the Property must be set forth in writing, and the parties agree that to be effective, any representation or warranty made by a Brokerage Firm or any party to this Purchase Contract must be set forth in writing in this Purchase Contract, or an amendment to this Purchase Contract, or in any required Disclosure Statement. Buyer and Seller shall each hold harmless and release the Brokerage Firms from any claims based upon any alleged representation which is not set forth in writing as stated in this paragraph.

Buyer agrees to buy the Property at the price and terms offered in this Purchase Contract and acknowledges receipt of a copy of this Purchase Contract. 20

Date October 16, 2017, 5:00 AM [ ] PM [ X ]

Buyer's Name Shalom Amax

Signature \_\_\_\_\_

Title Trustee

Buyer's Name NA

Signature \_\_\_\_\_

Title \_\_\_\_\_

Agent's Name NA

Brokerage Firm NA

Brokerage Firm Address NA

State License No. NA

State License No. NA

Bus NA

Fax NA

Cell NA

E-mail NA

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**SECTION T: ACCEPTANCE OR COUNTER OFFER**

(Choose Paragraph T-1 OR Paragraph T-2)

- T-1 **Acceptance of Purchase Contract.** Seller accepts this Purchase Contract, agrees to sell the Property at the price and terms offered in this Purchase Contract, and acknowledges receipt of a copy of this Purchase Contract.
- T-2 **Counter Offer.** Seller agrees to sell the Property at the price and terms offered in this Purchase Contract, as amended by the attached Counter Offer, and acknowledges receipt of a copy of this Purchase Contract and the Counter Offer.

**IN EITHER EVENT:**

T-3 **Agreement to Pay Commission to Brokerage Firm.** Seller acknowledges and reaffirms Seller's agreement to pay to \_\_\_\_\_ ("Brokerage Firm") a commission for the sale of the Property in the amount of NA \_\_\_\_\_ per the terms of the Listing Contract, or if there is no Listing Contract, then per other agreement between Seller and Brokerage Firm. Seller instructs Escrow to pay the commission directly to Brokerage Firm at closing in U.S. Dollars. These instructions cannot be changed without the written agreement of Brokerage Firm and Seller. Seller consents to Brokerage Firm sharing the commission with other Brokerage Firm(s) which may have provided services for this transaction.

Date October 16, 2017, \_\_\_\_\_ AM [ ] PM [ ]

Seller's Name Sal C Cordero

Seller's Name Ann Lou Cordero

Signature [Signature]

Signature [Signature]

Title \_\_\_\_\_

Title \_\_\_\_\_

Agent's Name NA State License No. NA

Brokerage Firm NA State License No. NA

Brokerage Firm Address NA

Bus NA Fax NA Cell NA E-mail NA

Seller is a Foreign Person [ ] Non-Hawaii Resident [ ] Owner/Occupant [ ] Other [ ]

NOTE: THERE IS NO WARRANTY ON PLAIN LANGUAGE. An effort has been made to put this agreement into plain language. But there is no promise that it is in plain language. In legal terms, THERE IS NO WARRANTY, EXPRESSED OR IMPLIED, THAT THIS AGREEMENT COMPLIES WITH CHAPTER 487A OF THE HAWAII REVISED STATUTES, AS AMENDED. This means that the Hawaii Association of REALTORS® is not liable to any Buyer, Seller, or other person who uses this form for any damages or penalty because of any violation of Chapter 487A. People are cautioned to see their own attorneys about Chapter 487A (and other laws that may apply)

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BUYER'S INITIALS & DATE

awse 10-16-17  
SELLER'S INITIALS & DATE

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**"AS IS" CONDITION ADDENDUM**  
**Hawaii Association of REALTORS® Standard Form**  
**Revised 1/12 (NC) For Release 5/17**



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"AS IS" CONDITION ADDENDUM is made a part of Purchase Contract:

Reference Date: October 16, 2017

Property Reference or Address: 1764 B So. Kihei Road, Kihei, HI 96753

Tax Map Key: Div. 2 /Zone 3 /Sec. 9 /Plat 012 /Parcel 034 /CPR 0000 (if applicable).

1. **Purpose of this "AS IS" Condition Addendum ("Addendum").** Buyer understands and agrees that this Addendum is a material factor in Seller's acceptance of the Purchase Price for the Property and that Seller would not have been willing to sell the Property to Buyer unless Buyer accepted the terms of this Addendum.
2. **Sale in "AS IS" Condition.** Seller will sell and transfer the Property at closing in "AS IS" condition. The term "Property" includes all land and improvements (including but not limited to the roof, walls, foundations, soils, plumbing, electrical and mechanical systems, etc.), real property, and personal property (if any). Except as may be otherwise expressly provided in the Purchase Contract, and Seller's disclosures, Seller is not obligated to make any repairs or upgrades to the Property and will transfer the Property without any representations or warranties, either expressed or implied. By way of illustration (and not limitation), Seller makes no representations or warranties that the Property: (a) conforms to current (or past) building codes; (b) has all required building permits; or (c) complies with the laws, rules, ordinances or regulations of any government, association, or other body. Seller shall not be responsible for any latent defects, hidden defects, or defects which time may reveal.
3. **Seller's Continuing Responsibilities.** Seller remains obligated to disclose material facts in writing to Buyer, as such obligation is set forth in Paragraphs 1-1 and 1-2 of the Purchase Contract. In addition, this Addendum does not eliminate any of Seller's responsibilities or obligations as may have been agreed to in the Purchase Contract.
4. **Buyer's Rights and Responsibilities.** Buyer is strongly advised to inspect, within the time frames stated in the Purchase Contract, the Property and all public and association records relating to the Property. Such inspections should be made personally and by qualified experts (such as a professional home inspector) selected by Buyer. Buyer accepts the responsibility for making reasonable inquiry regarding Buyer's concerns about the Property, including the Property's physical condition and whether the Property is suitable for any use or purpose which Buyer may intend. Buyer acknowledges that there may be material facts of which Seller is not aware which qualified experts may be able to discover. Buyer also acknowledges that even thorough inspections by qualified experts might not reveal all defects in the Property, and that there may be latent defects, hidden defects, or defects which time may reveal.
5. **Buyer's Acceptance of Property in "AS IS" Condition.** Subject to Buyer being furnished with Seller's disclosures and having the opportunity to inspect the Property, as provided for in the Purchase Contract, and with knowledge and acceptance of all the disclosures, disclaimers, conditions, and agreements contained in the Purchase Contract and in this Addendum, Buyer understands and agrees that, except as may be expressly otherwise provided in the Purchase Contract, and Seller's disclosures, the Property will be sold and transferred at closing in "AS IS" CONDITION, WITHOUT ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED.
6. **Buyer's Release and Waiver.** Buyer agrees to give up, waive and relinquish all rights to assert any claim, demand, proceeding, or lawsuit of any kind against Seller and/or Brokerage Firms (and their licensees) involved in this transaction with respect to the condition or use of the Property, except for claims which are based upon Seller's and/or Brokerage Firms' (and their licensees') failure to disclose material facts.
7. **Survival.** The terms and conditions of this Addendum will survive the closing and will not merge with the provisions of any closing documents.
8. **Special Terms:** \_\_\_\_\_

**BUYER AND SELLER ARE ADVISED TO CONSULT WITH AN ATTORNEY REGARDING THIS ADDENDUM. BUYER AND SELLER UNDERSTAND AND AGREE TO THE TERMS CONTAINED IN THIS "AS IS" CONDITION ADDENDUM.**

Buyer  
Shalom Amar

10/20/17  
Date

Sal C Cordero  
Seller  
Sal C Cordero  
10-16-17  
Date

Buyer  
NA

Date

Ann Lou Cordero  
Seller  
Ann Lou Cordero  
Date

**NOTE: THERE IS NO WARRANTY ON PLAIN LANGUAGE.** An effort has been made to put this agreement into plain language. But there is no promise that it is in plain language. In legal terms, **THERE IS NO WARRANTY, EXPRESSED OR IMPLIED, THAT THIS AGREEMENT COMPLIES WITH CHAPTER 487A OF THE HAWAII REVISED STATUTES, AS AMENDED.** This means that the Hawaii Association of REALTORS® is not liable to any Buyer, Seller, or other person who uses this form for any damages or penalty because of any violation of Chapter 487A. People are cautioned to see their own attorneys about Chapter 487A (and other laws that may apply).

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"AS IS" Condition Addendum  
RR213 Rev. 1/12

Kukua Realty LLC, 296-A Alamaia St. Kalahehi, HI 96732  
Phone: (808)877-9000

Fax: Anita Cordero

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**EXHIBIT B**



COMMERCIAL REAL PROPERTY PURCHASE AND SALE AGREEMENT (PSA)

Hawaii Association of REALTORS® Standard Form Revised 10/16 For Release 5/17



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NAR CODE OF ETHICS: Buyer and Seller are aware that the National Association of REALTORS® holds its members accountable for their actions through a strict professional Code of Ethics, which includes a grievance system to address complaints. Non-members are not held to the same standards as members, nor are they required to participate in the grievance system.

Reviewed By: N/A Principal Broker/Broker-in-Charge

Reference Date: October 16, 2017 Purchase Price: \$1,500,000.00 (See Paragraph D-2)

Closing Date: The Scheduled Closing Date shall be as set forth in Paragraph F-2.

Property Reference or Address: 1794 S. Kihei Road, Kihei, HI 96753 (See Paragraph E-1)

Tax Map Key: Div. 2 /Zone 3 /Sec. 9 /Plat 012 /Parcel(s) 0 21 /CPR 0000 (if applicable).

IDENTIFICATION OF PARTIES:

IDENTIFICATION OF BROKERAGE FIRMS:

Buyer: Shalom Amar Revocable Trust 2000 and/or Assignee
Street: 21801 Sherman Way #508
Address: Canoga Park, CA 91303
Phone: (818) 445-3311
Fax:
E-mail: Shalamar9@yahoo.com

Brokerage Firm: N/A
Agent Name:
Street:
Address:
Phone:
Fax:
E-mail:

Seller: Sal Cordero
Ann Lou Cordero
Street: 457 One St.
Address: Kahului, HI 96732
Phone: (808) 281-6602 / (808) 463-6106
Fax:
E-mail: VicCordero808@iCloud.com

Brokerage Firm: N/A
Agent Name:
Street:
Address:
Phone:
Fax:
E-mail:

CONTRACT: This is more than a receipt for money. It is a legally binding contract for the purchase of real estate. Read it carefully. Handwritten or typed provisions herein shall supersede any printed provisions if there is a conflict. FILL IN ALL BLANKS. WRITE "NA" IF NOT APPLICABLE. ITEMS WITH CHECK-OFF BOXES ARE OPTIONAL. ALL OTHERS ARE STANDARD PROVISIONS.

X [Signature] BUYER'S INITIALS & DATE

[Signature] 10-16-17 SELLER'S INITIALS & DATE



SECTION A: AGENCY DISCLOSURE

A-1 Agency. Buyer and/or Seller in a real estate transaction in Hawaii may retain a real estate Brokerage Firm as their agent. In such case, Buyer and/or Seller is represented by the Brokerage Firm and all of its licensees. Hawaii law requires real estate licensees to disclose orally or in writing to Seller and/or Buyer whom the licensee represents. The form of representation may be one of the following:

- (a) Seller's Agent. Brokerage Firm represents Seller only unless a disclosed dual agency exists. Seller's Agent owes the highest duties to Seller, including confidentiality, loyalty, and due care and diligence.
(b) Buyer's Agent. Brokerage Firm represents Buyer only unless a disclosed dual agency exists. Buyer's Agent owes the highest duties to Buyer, including confidentiality, loyalty, and due care and diligence.
(c) Dual Agent. Brokerage Firm represents both Buyer and Seller. This commonly occurs when licensees in the Brokerage Firm representing Seller have Buyer clients looking for types of property similar to Seller's property. In such event, the Brokerage Firm and all of its licensees represent both Buyer and Seller and are dual agents. Dual agents must remain neutral in negotiations and must not advance the interest of one party over the other. A separate Dual Agency Consent Addendum is required under Hawaii law.
(d) No Agency Representation (see A-2(d) below).

A-2 Disclosure.

- (a) Seller Representation: Seller is represented by the Brokerage Firm and all its licensees. Brokerage Firm is [ ] is not [ ] a member of the National Association of REALTORS®.
(b) Buyer Representation: Buyer is represented by the Brokerage Firm and all its licensees. Brokerage Firm is [ ] is not [ ] a member of the National Association of REALTORS®.
(c) Dual Agency Representation: Seller and Buyer are represented by the Brokerage Firm and all its licensees. Brokerage Firm is [ ] is not [ ] a member of the National Association of REALTORS®. A separate Dual Agency Consent Addendum is required.
(d) No Agency Representation:
[ ] Seller is a Customer and is not represented by a Brokerage Firm.
[x] Buyer is a Customer and is not represented by a Brokerage Firm.

It is recommended that Customers seek legal counsel prior to signing a PSA.

If requested, a licensee may present a Customer's PSA to Seller and report Seller's response. A licensee cannot, however, negotiate for or otherwise advise a Customer in the transaction.

Buyer and Seller acknowledge that oral or written disclosure relative to agency representation was provided to them before the signing of this PSA.

x [Signature] (Buyer's initials)

x [Signature] (Seller's initials)

SECTION B: EARNEST MONEY DEPOSIT

B-1 Earnest Money. Buyer shall deposit with Escrow (identified in Paragraph F-4), the sums set forth below (the "Earnest Money") in good funds on or before the deadlines required by this Paragraph B-1 or as otherwise agreed in writing by the parties. Buyer shall pay (from sources other than the Earnest Money or any interest accruing thereon) any and all escrow or other fees charged by Escrow pursuant to Paragraph F-6. All interest accruing on such sum shall become a part of the Earnest Money and shall be distributed as Earnest Money in accordance with the terms of this PSA.

- [x] (a) An initial Earnest Money deposit in the amount of \$ 10,000.00 shall be paid within 3 business days of the Acceptance Date (or as otherwise agreed in writing by the parties) (defined in Paragraph S-1).
[x] (b) An additional Earnest Money deposit in the amount of \$ 90,000.00 shall be paid within 3 business days after the end of the Inspection Period (see Paragraph J-2).

B-2 Interest on Earnest Money. (Choose (a) OR (b))

- [ ] (a) Buyer to Earn Interest. The parties instruct Escrow to place Buyer's deposit(s) in an interest-bearing account with all interest to be credited to Buyer at closing. Buyer shall pay any processing fee required by Escrow and all costs of setting up, maintaining and closing the account. Fees/costs may exceed the interest earned.
[x] (b) Buyer not to Earn Interest. Buyer hereby waives the right to place Buyer's deposits in an interest-bearing account. Buyer understands any interest earned on such deposits shall belong to Escrow.

x [Signature] BUYER'S INITIALS & DATE

[Signature] 10-16-17 SELLER'S INITIALS & DATE

SECTION C: ADDENDA

C-1 Addenda. The following addenda, if checked, are attached to and made a part of this PSA.

- [x] Existing "As Is" Condition
[ ] Other
[ ] Other
[ ] Other

SECTION D: OFFER TO BUY AND PURCHASE PRICE

D-1 Offer to Buy. Buyer offers to buy the Property described below on the terms and conditions contained herein, acknowledges receipt of a copy of the PSA, and agrees that this PSA shall be binding on Buyer if accepted by Seller on or before: Date October 20, 2017 Time 5:00 AM [ ] PM [x].

D-2 Purchase Price. Purchase price for the Property in U.S. Dollars shall be paid as follows:

- \$ 10,000.00 Initial cash deposit of Earnest Money ("B-1(a)").
\$ 90,000.00 Additional cash deposit of Earnest Money ("B-1(b)").
\$ 1,400,000.00 Balance of down payment (or balance of purchase price if all cash) paid into Escrow before closing.

\$ 1,500,000.00 TOTAL CASH FUNDS FROM BUYER (exclusive of closing costs).

\$ By way of ALL CASH

\$ 1,500,000.00 TOTAL PURCHASE PRICE

Failure to make any of the scheduled deposits herein shall constitute a default, and the termination provisions of Paragraph O-1 shall apply.

SECTION E: PROPERTY

E-1 Description: Tax Map Key: Div: 2 /Zone 3 /Sec. 9 /Plat 012 /Parcel(s) 021 /CPR 0000 (if applicable). All of that [x] fee simple [ ] leasehold Property zoned Commercial situated at the address set forth above described as follows: Retail Shopping Center w/ 21 Units and approximately 16,940 sq. ft. of Land

The full legal description will be provided in the title report.

"Property" includes all improvements and fixtures except those owned by tenants and except as listed below:

SECTION F: CLOSING

F-1 Closing. For purposes of this PSA, "Closing" shall be the date when all appropriate conveyance documents are recorded. Buyer and Seller agree to promptly execute appropriate or customary documents when requested by Escrow.

F-2 Scheduled Closing Date. (Choose Paragraph F-2(a) OR F-2(b))

- [ ] (a) or
[x] (b) 30 days after the end of Inspection Period. If the Scheduled Closing Date falls on a day the Bureau of Conveyances of the State of Hawaii is closed, closing will be on the next day when documents can be recorded.

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F-3 **Change to the Scheduled Closing Date. (Choose Paragraph F-3(a) OR F-3(b))**

[ x ] (a) **Extensions. There is no automatic right to extend.** If, for reasons beyond Buyer's or Seller's control, a party cannot perform its obligation to close by the Scheduled Closing Date, then such party may extend the Scheduled Closing Date up to Seven ( 7 ) days by delivery of written notice to the other party prior to the Scheduled Closing Date. Thereafter, time shall be of the essence, and if a party fails to perform by the extended Scheduled Closing Date, such party shall be considered in default and the other party may elect to terminate this PSA pursuant to Paragraph O-1. The extended Scheduled Closing Date may not be further extended unless Buyer and Seller agree in writing. This provision relates only to the extension of the Scheduled Closing Date.

[ ] (b) **Time is of the Essence.** Time is of the essence and the Scheduled Closing Date may not be extended unless Buyer and Seller agree in writing.

F-4 **Escrow.** This transaction shall be escrowed by: Old Republic Title, Branch Kahului ("Escrow").

Escrow officer: Lydiamae Presbitero Phone No.: (808) 871-2800 Fax No.: \_\_\_\_\_

Escrow officer email address: LPresbitero@ortc.com

Within the time period set forth in Paragraph B-1, Seller shall open an account with Escrow and provide Escrow with a copy of this PSA and escrow instructions.

F-5 **Prorations and Closing Adjustments.** At closing, Escrow shall prorate the following, if applicable, as of the date of closing: real property tax, lease rents, interest on assumed obligations, tenant rents, common area expenses and other items customarily prorated in commercial real estate transactions in Hawaii. When applicable, Escrow shall charge to Seller and credit to Buyer the amount of any tenant security deposits. Seller and Buyer agree to cooperate and use their best efforts to complete such prorations or adjustments that are not available at Closing no later than thirty (30) days after Closing. Such items of income and expense for the period prior to the date of Closing will be for the account of Seller and such items of income and expense for the period on and after Closing will be for the account of Buyer, all as determined by the accrual method of accounting, except that rent shall be prorated only to the extent actually collected. Bills received after Closing to the extent they relate to expenses incurred for services performed prior to Closing shall be paid by Seller, and those which relate to services performed after Closing (except as otherwise agreed to by the parties in writing) shall be paid by Buyer; provided, however, that Buyer's obligations under this PSA to assume and pay for services rendered after Closing pursuant to any service contracts shall not apply to any service contract that Buyer elected not to assume during the Inspection Period.

F-6 **Closing Costs.** The following allocates customary closing costs and are not intended to be an all-inclusive list. Escrow may charge the appropriate party other closing costs as agreed and directed in writing by the parties.

Charge to Buyer, if applicable:

50% of the premium for standard coverage title insurance and any additional costs relating to the issuance of extended coverage policy and endorsements (including a lender's policy)

Cost of drafting of agreement of sale or mortgage and note

Cost of obtaining Buyer's consents

Buyer's notary fees

50% of Escrow's fees

Any fees pertaining to any Buyer financing

Charge to Seller, if applicable:

50% of the premium for standard coverage title insurance

Cost of drafting of conveyance documents and bills of sale

Cost of obtaining Seller's consents

Seller's notary fees

Conveyance tax

50% of Escrow's fees

Recording fees

FIRPTA (Federal withholding)

HARPTA (State withholding)

F-7 **Assessments.** For purposes of Paragraphs F-7(a), F-7(b), and F-7(c), an assessment is defined as any obligation (not including prorations in Paragraph F-5) levied against the Property by a governmental body or any other entity with a legal right to assess. Assessments, if any, shall be charged as follows:

(a) Any lump sum assessments levied against the Property prior to the Acceptance Date shall be paid by Seller [ x ] or assumed by Buyer [ ].

Exceptions, if any: NONE

(b) Any assessments against the Property authorized as of the Acceptance Date which are being paid in installments shall be paid in full by Seller [ x ] or pro-rated by Escrow as of the date of closing [ ].

Exceptions, if any: NONE

(c) If a new assessment is authorized against the Property between the Acceptance Date and the Scheduled Closing Date, such assessment shall be paid as Buyer and Seller shall agree, and if Buyer and Seller cannot reach an agreement within five (5) days of both parties being aware of the new assessment, either party may terminate this PSA and the termination provisions of Paragraph O-2 shall apply.

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[ NA ] F-8 **Lessor or Other Consents.** The obligations of Buyer or Seller hereunder are conditioned upon obtaining consents of the following lessor or other identified person or entity prior to Closing or such earlier time as may be required by this PSA: \_\_\_\_\_ Neither Buyer nor Seller may waive this condition without the consent of the other. Buyer and Seller agree to cooperate and take all reasonable action to obtain such consents.

F-9 **Risk of Loss.**

- (a) **Minor Damage.** In the event of loss or damage to the Property or any portion thereof that is not "major" (as hereinafter defined), Seller shall notify Buyer within five (5) days of Seller being made aware of such loss or damage, and this PSA shall remain in full force and effect provided Seller performs any necessary repairs or, at Seller's option, assigns to Buyer all of Seller's right, title and interest to any claims and proceeds Seller may have with respect to any casualty insurance policies or condemnation awards relating to the Property. In the event that Seller elects to perform repairs upon the Property, Seller shall use reasonable efforts to complete such repairs promptly and the Scheduled Closing Date shall be extended for a reasonable time in order to allow for the completion of such repairs. If Seller elects to assign to Buyer Seller's title and interest to any claims and proceeds Seller may have with respect to any casualty insurance policies, the Purchase Price shall be reduced by an amount equal to the deductible amount under Seller's insurance policy and Seller shall be fully released from any additional claims. Upon Closing, full risk of loss with respect to the Property shall pass to Buyer, subject to the terms and conditions of this PSA.
- (b) **Major Damage.** In the event of a "major" loss or damage, Seller shall notify Buyer in writing of such damage within five (5) days of Seller being made aware of such loss or damage. In such event, Buyer may terminate this PSA by written notice to Seller within thirty (30) days of the loss or damage, in which event the Earnest Money shall be returned to Buyer. If Buyer does not elect to terminate this PSA within ten (10) days after Seller sends Buyer written notice of the occurrence of major loss or damage, then Buyer shall be deemed to have elected to proceed with Closing, in which event Seller shall, at Seller's option, either (1) perform any necessary repairs, or (2) assign to Buyer all of Seller's right, title and interest to any claims and proceeds Seller may have with respect to any casualty insurance policies or condemnation awards relating to the Property. In the event that Seller elects to perform repairs upon the Property, Seller shall use reasonable efforts to complete such repairs promptly and the Scheduled Closing Date shall be extended for a reasonable time in order to allow for the completion of such repairs. If Seller elects to assign to Buyer Seller's title and interest to any claims and proceeds Seller may have with respect to any casualty insurance policies, the Purchase Price shall be reduced by an amount equal to the deductible amount under Seller's insurance policy. Upon Closing, full risk of loss with respect to the Property shall pass to Buyer.
- (c) **Definition of "Major" Loss or Damage.** For purposes of this PSA, "major" loss or damage refers to the following:  
(1) loss or damage to the Property or any portion thereof such that the cost of repairing or restoring the Property to a condition substantially identical to that of the Property prior to the event of damage would be, in the opinion of a contractor reasonably selected by Buyer, equal to or greater than an amount equal to five percent (5%) of the Purchase Price; or  
(2) any loss due to a condemnation which impairs the current use of the Property.

F-10 **Possession.** Seller agrees to give Buyer possession at Closing or \_\_\_\_\_, subject to tenant leases, if any.

**SECTION G: TITLE**

G-1 **Preliminary Title Report.** Within Fifteen ( 15 ) days after the Acceptance Date, Seller shall cause Old Republic Title (the "Title Company") to deliver a preliminary title report (the "Title Report") on the Property to Buyer.

G-2 **Title.** Seller agrees to convey the Property with warranties vesting marketable title in Buyer, free and clear of all liens and encumbrances EXCEPT: (a) easements, covenants, conditions, reservations or restrictions now of record and (b) any other acceptable to buyer

[ x ] G-3 **Title Objections; Permitted Exceptions; Cure of Title Objections.**

- (a) **Title Objections.** Buyer shall have ten (10) days prior to the expiration of the Inspection Period to send written notice of any objections that Buyer may have in regard to the Title Report.
- (b) **Permitted Exception.** Any item contained in the Title Report to which Buyer does not so object shall be deemed a "Permitted Exception".
- (c) **Cure of Title Objections.** In the event Buyer shall timely notify Seller of objections to any item contained in the Title Report, Seller shall have the right, but not the obligation, to cure the Title Objections. Seller shall inform Buyer in writing (the "Seller's Title Cure Notice") not later than five (5) business days after receipt of Title Objections whether Seller shall cure such objections. Unless otherwise expressly stated, Seller's failure to deliver Seller's Title Cure Notice shall be deemed Seller's election not to cure the Title Objections, and Buyer's election not to terminate this PSA prior to the expiration of the Inspection Period in accordance with Paragraphs J-2 and O-2 shall be deemed Buyer's waiver of any objections that Seller has not elected to cure.

[ x ] G-4 **Vesting and Tenancy.** Title shall vest in Buyer(s) as follows (provide full legal names and marital status for individuals, trust information, name and form of business entity, etc.):

- [ ] (a) \_\_\_\_\_  
[ x ] (b) to be determined by Buyer by written notice to Seller and Escrow Officer not later than five (5) business days prior to Closing.

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SECTION H: FINANCING CONTINGENCIES

[ NA ] H-1 Financing Contingency. Buyer's obligation to buy the Property is subject to Buyer obtaining the loan (the "Loan") described in this PSA. Buyer is obligated to use Buyer's commercially reasonable efforts to obtain the Loan.

Buyer is obligated to deliver to Seller a conditional loan commitment letter not later than \_\_\_\_\_ days after the Acceptance Date, and a final loan approval letter not later than \_\_\_\_\_ days after the end of the Inspection Period.

If Buyer does not obtain the conditional loan commitment letter or the final loan commitment letter within the time periods specified above, Buyer may terminate this PSA by providing written notice of such failure and Buyer's termination of this PSA to Seller and Escrow on or before expiration of such specified time periods.

Buyer may increase the amount of Buyer's Cash Funds and thereby reduce the amount of the Loan or waive this Financing Contingency and purchase the Property on an all cash basis. If Buyer elects either of these two options, Buyer shall promptly give written notice of such election to Escrow and to Seller, together with evidence of Buyer's ability to do so.

H-2 Seller's Right to Terminate PSA for Financing Contingency. If Paragraph H-1 is applicable, Seller's obligation to sell the Property is contingent upon Buyer using Buyer's commercially reasonable efforts to obtain the Loan within the time periods specified in Paragraph H-1 above. If any such obligation is not met by the end of the applicable time period, Seller may elect to terminate this PSA by delivering to Buyer written notice of termination within \_\_\_\_\_ ( ) days (seven days if left blank) of the expiration of the time period or the date stated in Paragraph H-1, and Paragraph O-2 ("Termination Provision") shall apply. However, this right of Seller to terminate shall no longer apply if Buyer has elected to proceed pursuant to Paragraph H-1 and has provided Seller with reasonable assurance of Buyer's ability to do so. Seller shall have the right to inquire with Buyer's lender regarding the status of Buyer's financing.

SECTION I: CONTINGENCY PROCEDURES

I-1 Contingencies. Buyer's obligation to buy and Seller's obligation to sell the Property may be subject in this PSA to satisfaction of one or more conditions (each called a "Contingency").

As used in this PSA, the term "Benefited Party" shall mean (a) Buyer, as to each Contingency which must be satisfied before Buyer is required to close on the purchase of the Property from Seller; and (b) Seller, as to each Contingency which must be satisfied before Seller is required to close on the sale of the Property to Buyer.

If a Contingency is not satisfied within the specified time period for meeting such Contingency ("Contingency Period"), the Benefited Party may elect to terminate this PSA and Paragraph O-2 ("Termination Provision") shall apply; or to waive the Contingency. Unless otherwise expressly stated, the time period within which all Contingencies in this PSA must be satisfied shall be 5:00 PM, Hawaii Standard Time, on the last day of the Inspection Period identified in Paragraph J-2.

If the Benefited Party wishes to terminate this PSA because a Contingency for that party's benefit has not been satisfied, the Benefited Party must deliver to Escrow a written notice terminating this PSA prior to the expiration of the Contingency Period or such other termination period which may be set forth in a specific contingency in this PSA. If the Benefited Party fails to deliver the written notice to Escrow within such time period, the Contingency shall be deemed to be waived.

Each party understands the requirement to act upon each Contingency according to the strict deadlines described therein.

SECTION J: INSPECTION; MAINTENANCE AND WARRANTIES

J-1 Inspection of Property. At Buyer's sole cost and expense Buyer may (personally or by any expert, professional, or other representative of Buyer's choice): (a) inspect the Property or any portion thereof; (b) inspect all fixtures and improvements included in the sale; (c) inspect, investigate the Property, including, but not limited to all public records relating to the Property; (d) inspect all applicable laws and regulations which may affect the Property; and (e) inspect all financial and administrative records of Seller pertaining to the ownership and operation of the Property, except appraisals, material relating to negotiations with other buyers and material that is attorney-client privileged.

On or before \_\_\_\_\_ 14 \_\_\_\_\_ days after the Acceptance Date, Seller shall deliver to Buyer copies of the following documents (applicable only if checked), to the extent such documents are in the possession or control of Seller.

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Plans and Specifications                        | <input checked="" type="checkbox"/> Environmental Report(s)       |
| <input type="checkbox"/> Ground Lease   | <input checked="" type="checkbox"/> Architectural Report          |
| <input checked="" type="checkbox"/> Rent Roll                                       | <input checked="" type="checkbox"/> Structural Engineering Report |
| <input checked="" type="checkbox"/> Tenant Leases                                   | <input checked="" type="checkbox"/> Electrical Engineering Report |
| <input checked="" type="checkbox"/> Financial Statements for 2 years & Year-to-date | <input checked="" type="checkbox"/> Mechanical Engineering Report |
| <input checked="" type="checkbox"/> Inventory of Tangible Personal Property         | <input checked="" type="checkbox"/> Building Maintenance Reports  |
| <input checked="" type="checkbox"/> Management Contracts                            | <input checked="" type="checkbox"/> ADA Report                    |
| <input checked="" type="checkbox"/> Service Contracts                               | <input type="checkbox"/> Condominium Documents                    |
| <input checked="" type="checkbox"/> Existing Surveys                                | <input type="checkbox"/> Other: _____                             |
| <input checked="" type="checkbox"/> Soils Report                                    | <input type="checkbox"/> Other: _____                             |

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**BUYER'S RIGHT TO INSPECT THE PROPERTY AND TO TERMINATE THIS PSA BECAUSE BUYER IS NOT SATISFIED WITH THE PROPERTY ENDS ON 30 DAYS AFTER RECEIPT OF J-1 DOCUMENTS ("INSPECTION PERIOD").**

Seller shall provide Buyer and Buyer's representatives reasonable access to the Property during the Inspection Period, including Seller's records (except for excluded records described above) for this purpose, during reasonable hours with reasonable prior notice to Seller. The obligation of Buyer to purchase the Property is contingent upon Buyer's approval of the results of such inspection on or before the expiration of the Inspection Period. All inspections must be completed within the Inspection Period. In consideration of Seller making the Property and records available, Buyer agrees to perform a thorough investigation of the Property, including but not limited to any investigation deemed prudent by Buyer relating to the following: building improvements, environmental matters, mold, termite infestation, compliance with the Americans with Disabilities Act and any pending assessments against the Property. Buyer agrees that Buyer will rely on Buyer's own due diligence investigation and not upon information provided by Seller, Seller's Brokerage Firm, or Buyer's Brokerage Firm.

If Buyer disapproves of the results within such time period, Buyer may elect to terminate this PSA pursuant to Paragraph O-2. **If Buyer fails to elect to terminate prior to the end of the Inspection Period, Buyer shall have waived this contingency.**

Prior to the expiration of the Inspection Period, Seller may make changes to existing tenant leases and/or enter into new tenant lease agreements without the approval of the Buyer, however, Seller shall provide Buyer with at least five (5) days advance written notice that Seller intends to execute such documents along with copies of such documents. After the expiration of the Inspection Period, Seller shall not, without the written consent of Buyer, make any changes to existing tenant leases, enter into any new leases that extend beyond the Scheduled Closing Date, or enter into any other agreements that cannot be terminated upon forty-five (45) days' notice. The existing tenant leases will be assigned to Buyer at Closing and Buyer will assume the obligations of the Seller under the existing tenant leases, either as part of the instrument conveying the Property to Buyer or in a separate instrument, as elected by Seller. Seller will use commercially reasonable efforts to obtain estoppel certificates from all tenants on the Property, dated not earlier than thirty (30) days prior to Closing; provided, however, delivery of such estoppel certificates shall not be a condition of Closing unless otherwise specified in this PSA.

Buyer agrees to indemnify, defend and hold Seller, Seller's Brokerage Firm, and Buyer's Brokerage Firm harmless from any actions, suits, liens, claims, damages, expenses, losses and liability for damage to personal or real property or personal injury to the extent arising from or attributable to any acts performed by Buyer or Buyer authorized agents in exercising Buyer's inspection rights, if any, under this PSA (excluding any and all losses, claims, suits, damages and expenses, including reasonable attorneys' fees resulting from the mere discovery of, disclosure of, or injury or death resulting from, any pre-existing physical or environmental condition on, in, under or about the Property). This agreement to indemnify Seller, Seller's Brokerage Firm, and Buyer's Brokerage Firm shall survive any termination of this PSA.

J-3 **Property Condition Maintenance.** Seller shall maintain the Property in the same condition and repair as when Buyer inspected the Property pursuant to Paragraph J-1.

J-4 **Existing Warranties, Plans, etc.** Seller shall provide to Buyer at closing all existing warranty documents in Seller's possession covering the improvements and personal property being sold to Buyer; and, to the extent legally permissible, all originals and copies in Seller's possession of as-built blueprints, specifications, and copies of architectural or engineering drawings relating to the Property.

Buyer understands: (a) any warranties delivered by Seller to Buyer represent obligations of other persons, not Seller; (b) the warranties and other documents are provided for informational purposes only; (c) the warranties and other documents may not reflect improvements as built; and (d) Seller does not promise that any such warranties are transferable to Buyer, and that Buyer must contact the providers of such warranties to determine whether the warranties are transferable to Buyer.

**SECTION K: SURVEY**

K-1 **Survey.** Within Thirty ( 30 ) days after the Acceptance Date, Seller shall, at Seller's sole cost and expense, provide Buyer with a current map (with surveyor's stamp and dated after the Acceptance Date) and accompanying report to show the perimeters of the Property and the location of any improvements in the vicinity of the perimeter Property lines. This survey and map may not address whether improvements on the Property are in compliance with State and/or County requirements, and/or subdivision covenants, conditions, and restrictions. If Buyer objects to any matters shown in such survey, Buyer shall notify Seller pursuant to Paragraph K-2 below.

Buyer elects to have an ALTA survey prepared and agrees to pay the increase in cost to obtain an ALTA survey.

K-2 **Survey Objections; Permitted Exceptions; Cure of Survey Objections.**

- (a) **Survey Objections.** Buyer shall have ten (10) days prior to the expiration of the Inspection Period to send written notice of any objections that Buyer may have in regard to the Survey.
- (b) **Permitted Exception.** Any matter shown on the Survey to which Buyer does not so object shall be deemed a "Permitted Exception".
- (c) **Cure of Survey Objections.** In the event Buyer shall timely notify Seller of objections to any matter shown on the Survey, Seller shall have the right, but not the obligation, to cure the Survey Objections. Seller shall inform Buyer in writing (the "Seller's Survey Cure Notice") not later than five (5) business days after receipt of Survey Objections whether Seller shall cure such objections. Unless otherwise expressly stated, Seller's failure to deliver Seller's Survey Cure Notice shall be deemed Seller's election not to cure the Survey Objections, and Buyer's election not to terminate this PSA prior to the expiration of the Inspection Period in accordance with Paragraphs J-2, and O-2 shall be deemed Buyer's waiver of any objections that Seller has not elected to cure.

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**SECTION L: ASBESTOS AND HAZARDOUS MATERIALS**

- L-1 **Asbestos Disclosure.** Buyer is aware that asbestos materials are hazardous to one's health, particularly if asbestos fibers are released into the air and inhaled. In the past (before 1979, but possibly since) asbestos was a commonly used insulation material in heating facilities and in certain types of floor and ceiling materials, shingles, plaster products, cement and other building materials. Buyer is aware that Buyer should make appropriate inquiry into the possible existence of asbestos on the Property. Structures having "popcorn" or "cottage cheese" type ceilings may contain asbestos fibers or asbestos-containing material. Such ceilings should not be disturbed since it could release asbestos fibers in the air. Any disturbance should be done only by licensed abatement contractors.
- L-2 **Hazardous Waste and Toxic Substances Disclosure.** Buyer is aware that federal and state laws place strict liability on property owners for dangers caused by hazardous waste management and may require that such owner pay for the cost of the cleanup of hazardous substances and other toxic substances. Buyer is aware that Buyer should make appropriate inquiries into the past use of the Property and should seek an environmental assessment to ascertain the possible existence of such hazardous substances or materials on or under the Property. Buyer is aware Buyer may have liability for hazardous substances located on or under the Property even if Buyer did not cause such substances to be on or under the Property.
- L-3 Buyer  Seller  will perform a Phase I Environmental Assessment at its sole cost and expense. Seller shall complete an Environmental Questionnaire required by the person/entity performing the Phase I Environmental Assessment.

**SECTION M: INTERNAL REVENUE CODE SECTION 1031 EXCHANGE**

- M-1 **Right to Exchange/Cooperation.** Either Seller or Buyer may assign all of its right, title and interest in this PSA with respect to all or any portion of the Property to an affiliated entity and/or a qualified intermediary in order to facilitate a like-kind exchange transaction, which includes the Property, pursuant to Section 1031 of the Internal Revenue Code. Seller and Buyer will remain liable under this PSA, subject to the limits set forth herein, following any such assignment and shall indemnify, defend and hold the other party harmless from any additional cost, liability or expense suffered or incurred by reason of such assignment or cooperation with the exchange. Seller and Buyer further agree to cooperate with the other in effecting such transaction, including, without limitation, consenting in writing to the assignment of this PSA to any such qualified intermediary and/or any affiliated entity; provided that any such exchange transaction, and the related documentation, shall: (a) not require the other party to execute any contract (other than as set forth above), make any commitment, or incur any obligations, contingent or otherwise, to third parties which would expand the obligations beyond this PSA or incur any additional costs, (b) not delay the Closing or the transaction contemplated by this PSA, or (c) not include acquiring title to any other property. The obligations of Seller and Buyer under this Paragraph shall survive the Closing and shall not be merged therein.

**SECTION N: ELECTRONIC (Digital or Fax) SIGNATURES AND COUNTERPARTS**

- N-1 Electronically executed copies of this PSA and any related documents shall be fully binding and effective for all purposes whether or not originally executed documents are transmitted to Escrow. Electronic signatures on documents will be treated the same as original signatures; however, each party agrees to promptly forward original executed documents (if any) to Escrow. The parties understand that conveyance, mortgage and other recordable documents must be delivered in original form and will not be acceptable if signed only electronically.
- N-2 This PSA and any addenda and related documents may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so signed, shall be deemed to be an original, and all of which taken together shall constitute one and the same document, binding upon all of the parties, notwithstanding that all of the parties do not sign the original or the same counterpart.

**SECTION O: TERMINATION PROVISIONS**

- O-1 **Termination Due to Default.** In the event that Buyer is in default for failure to perform Buyer's obligations under this PSA (Seller not being in default), Seller may retain the initial deposit and all additional deposits provided for herein as liquidated damages. Buyer shall be responsible for any costs incurred in accordance with this PSA.  
 In the event that Seller is in default for failure to perform Seller's obligations under PSA (Buyer not being in default), Buyer may (a) seek specific performance of this PSA or (b) if the remedy of specific performance is not available, bring an action for damages for breach of contract. Seller shall be responsible for any costs incurred in accordance with this PSA.

In addition to the foregoing remedies, Buyer and Seller agree to the following additional remedies, if any:

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O-2 **Termination Due to Contingencies.** If the party for whose benefit a contingency exists, elects to terminate this PSA because the contingency has not been satisfied, that benefited party shall deliver to the other party a written notice of termination. If the benefited party so terminates this PSA, Buyer and Seller shall promptly execute all cancellation documents requested by Escrow, Buyer shall return to Seller all documents delivered by Seller to Buyer in connection with Buyer's inspection of the Property, and Escrow shall, unless otherwise agreed to in this PSA, return to Buyer all deposits previously made, less the amount of any escrow expenses or fees chargeable to Buyer. Thereafter, neither Buyer nor Seller shall have any further rights or obligations under this PSA.

O-3 **Attorneys' Fees.** In the event of default by a party and/or a legal action or arbitration (including a claim by a Brokerage Firm for commission), the prevailing party shall be entitled to recover all costs incurred including reasonable attorney's fees.

**SECTION P: TRANSACTIONS INVOLVING FOREIGN OR NON-RESIDENT BUYER AND SELLER**

P-1 **HARPTA Withholding Required if Seller is a Non-Resident of the State of Hawaii.** Under Hawaii law, if Seller is a non-resident person or entity (corporation, partnership, trust, or estate) of the State of Hawaii, Buyer must withhold a specified percentage of the "amount realized" by Seller on the sale of the Property and forward the amount with the appropriate form to the State Department of Taxation. Such withholding may not be required if Seller obtains and provides Buyer with an authorized exemption or waiver from withholding. If Seller does not provide Buyer with a certificate of exemption or waiver from HARPTA not later than two (2) business days prior to Closing, Escrow is hereby authorized and instructed to withhold/collect from Seller the required amount at closing and forward it to the State Department of Taxation.

P-2 **FIRPTA Withholding Required if Seller is a Foreign Person.** Under the Internal Revenue Code, if Seller is a foreign person or entity (non-resident alien, corporation, partnership, trust, or estate), Buyer must generally withhold a specified percentage of the "amount realized" by Seller on the sale of the Property and forward this amount to the Internal Revenue Service ("IRS"). Such withholding may not be required if Seller obtains and provides Buyer with an authorized exemption or waiver from withholding. If Seller does not provide Buyer with a certificate of exemption or waiver from FIRPTA not later than two (2) business days prior to Closing, Escrow is hereby authorized and instructed to withhold/collect from Seller the required amount at closing and forward it to the IRS.

P-3 **Additional Disclosures Required by Foreign Buyers and Sellers.** Buyer and Seller understand that under statutes and ordinances such as the Agricultural Foreign Investment Disclosure Act of 1978, and the International Investment and Trade in Services Survey Act, among others, disclosures are required by foreign Buyers and/or Sellers under certain conditions.

P-4 **Government Restrictions Disclosure.** Buyer is aware that the Property is subject to all applicable federal, state and county laws, statutes, regulations, codes, ordinances, rules, procedures, restrictions, and requirements, including but not limited to, those concerning land use, zoning, building permits and requirements, setbacks, height limitations, and allowable uses.

**SECTION Q: SPECIAL TERMS**

Q-1 (Please number)

① Property is sold in an "AS IS" Condition.

② This Sale is Subject to the Court Approval. *CA*

*GA*  
BUYER'S INITIALS & DATE

*AV SC 10-16-17*  
SELLER'S INITIALS & DATE

**SECTION R: BROKERAGE FIRMS SERVICES AND DISCLAIMERS**

- R-1 **Scope of Service.** Seller's Brokerage Firm and Buyer's Brokerage Firm, including their owners, agents and employees (collectively the "Brokerage Firms"), recommend that Buyer and Seller each consult their own accountant, appraiser, architect, attorney, contractor, estate planner, insurance advisor, land use professional, surveyor, environmental consultant, title insurer, zoning expert, and other professionals should they have any questions within those fields about this sale. Buyer and Seller understand and acknowledge that neither party is relying upon the Brokerage Firms for any of the foregoing services or advice.
- R-2 **Disclaimers by Brokerage Firms.** Buyer and Seller understand that the Brokerage Firms have not made any representations or warranties, and have not rendered any opinions about: (a) the legal or tax consequences of this transaction; (b) the legality, validity, correctness, status or lack of any building permits which may have been required for the Property; (c) the size of any improvements on the Property, or the land area of the Property or the location of the boundaries; (d) the existence or non-existence of mold, asbestos or hazardous materials on the Property; (e) compliance of the Property with law, including but not limited to the Americans with Disabilities Act and land use laws.
- R-3 **Obligations.** Brokerage Firms shall not be held liable to either Buyer or Seller for the failure of either Buyer or Seller to perform their obligations pursuant to this PSA.
- [NA] R-4 **Disclosure of Real Estate Licensing Status.** Hawaii law requires that licensees disclose that they hold a real estate license in any transaction in which they are purchasing or selling real property as a principal, or in which they are buying for themselves, immediate relatives, or an entity in which they have an interest. If applicable, the licensee(s) in this transaction disclose the following:  
\_\_\_\_\_  
\_\_\_\_\_

**SECTION S: "ACCEPTANCE DATE", OTHER DEFINITIONS, MISCELLANEOUS**

- S-1 As used in this PSA, the term "**Acceptance Date**" means the date on which this PSA becomes binding upon the parties (i.e. when both parties have signed this PSA.)
- S-2 As used in this PSA, the term "**day**" means a calendar day unless the term "business day" is used. The term business day shall mean Monday through Friday except Federal or Hawaii holidays. All dates and times are based on Hawaii Standard Time (UTC-10). Unless otherwise specified in writing in this PSA, contingencies herein shall expire at 5:00 PM HST on the day stated.
- S-3 **Time is of the Essence.** Except as otherwise provided in this PSA, time is of the essence in the performance by all parties in their respective obligations to this PSA.
- S-4 **Complete Agreement.** This PSA constitutes the entire agreement between Buyer and Seller and supersedes and cancels any and all prior negotiations, representations, warranties, understandings or agreements (both written and oral) of Buyer and Seller. No variation or amendment of this PSA shall be valid or enforceable without written approval by Buyer and Seller. All agreements and representations about the Property must be set forth in writing and the parties agree that to be effective any representation made by a Brokerage Firm or any party hereto must be set forth in writing in this PSA or an amendment hereto. Buyer and Seller shall each hold harmless and release the Brokerage Firm(s) from any claims based upon any alleged representation which is not set forth in writing as stated in this paragraph.
- S-5 **Assignment.** Buyer shall not have any right to assign any of its rights, or to delegate any duties or obligations under this PSA without the prior written consent of Seller except that consent shall not be required in the event Buyer assigns its rights under this PSA to an entity where Buyer owns at least fifty percent (50%) of the controlling interest. For the purposes of this paragraph, assignment and/or delegation shall be deemed to include any sale, transfer, assignment or other event which, directly or indirectly, results in a change of fifty percent (50%) or more in the controlling interest in Buyer. This PSA, and each and every term and provision hereof, shall inure to the benefit of, and be binding upon and enforceable against, Buyer and its respective legal representatives, successors, and permitted assigns.
- S-6 **Representations and Warranties.** Each party hereby represents and warrants to the other as follows:
  - (a) If it is an entity, it is duly organized, validly existing and in good standing under the laws of the state of its incorporation or organization, and is qualified to conduct business, and is in good standing in the state(s) in which it conducts business.
  - (b) It is in compliance with all laws, rules and regulations that govern the operation of a business in which it is involved.
  - (c) It has all the requisite power and authority to carry on its business as it is now being conducted.
  - (d) It has been duly authorized by all necessary action on its part and possesses all the requisite power and authority to execute, deliver and perform this PSA and to hereby consummate the transactions contemplated herein.
  - (e) It knows of no reason why it cannot consummate the transactions contemplated herein.
  - (f) There are no actions, suits or proceedings existing, pending or, to the knowledge of it, threatened against or affecting it before any court, arbitrator or governmental or administrative body or agency that would affect the validity or enforceability of this PSA or that would affect the performance of its obligations hereunder.

x LA  
BUYER'S INITIALS & DATE

W 50 10-16-17  
SELLER'S INITIALS & DATE

Offer Date October 16, 2017, 5:00 [ ] AM [ x ] PM

Buyer's Name Shalom Amar

Signature x 

Title Trustee

Buyer's Name \_\_\_\_\_

Signature \_\_\_\_\_

Title \_\_\_\_\_

Buyer's Name \_\_\_\_\_

Signature \_\_\_\_\_

Title \_\_\_\_\_

**SECTION T: ACCEPTANCE OR COUNTER OFFER**

[ ] T-1 **ACCEPTANCE OF OFFER.** Seller agrees to sell the Property at the price and terms offered above and acknowledges receipt of a copy of this PSA.

[ ] T-2 **COUNTER OFFER.** Seller agrees to sell the Property at the price and terms offered above as amended by the attached Counter Offer and acknowledges receipt of a copy of the PSA.

**IN EITHER EVENT:**

T-3 Seller agrees to pay to \_\_\_\_\_ at Closing a commission for the sale of the Property pursuant to the commission agreement with Seller's Brokerage Firm, or in the amount of \_\_\_\_\_ Seller instructs Escrow to pay the commission directly to Brokerage Firm at closing in U.S. Dollars. These instructions cannot be changed without the written agreement of such identified Brokerage Firm and Seller. Seller further consents to such Brokerage Firm's sharing of the commission with another real estate Brokerage Firm which may have provided services to Buyer for this transaction.

Acceptance Date x 10-16-17, x [ ] AM [ ] PM

Seller's Name Sal Cordero

Signature x 

Title x

Seller's Name Ann Lou Cordero

Signature x 

Title x

Seller's Name \_\_\_\_\_

Signature \_\_\_\_\_

Title \_\_\_\_\_

Seller is a Foreign Person [ ] Non-Hawaii Resident [ ] Owner/Occupant [ ] Other [ ]





COMMERCIAL EXISTING "AS IS" CONDITION ADDENDUM  
 Hawaii Association of REALTORS® Standard Form  
 Revised 7/13 (NC) For Release 5/17



**COPYRIGHT AND TRADEMARK NOTICE:** This copyrighted Hawaii Association of REALTORS® Standard Form is licensed for use by the entire real estate industry on condition that there shall be no alteration of the printed portions, pagination, or paragraph numbers or breaks. The use of this form is not intended to identify the real estate licensee as a REALTOR®. REALTOR® is a registered collective membership mark which may be used only by real estate licensees who are members of the National Association of REALTORS® and who subscribe to its Code of Ethics.

EXISTING "AS IS" CONDITION ADDENDUM is made a part of PSA (the "PSA"):

The PSA Reference Date: October 16, 2017

Property Reference: 1794 S. Kihei Road, Kihei, HI 96753

Tax Map Key: Div. 2 /Zone 3 /Sec. 9 /Plat 012 /Parcel 021 /CPR 0000 (if applicable).  
 Address

Except as is otherwise expressly provided in the PSA, Seller hereby specifically disclaims any and all warranties (oral or written) concerning (i) the nature and condition of the Property and its suitability for any and all activities and uses that Buyer may elect to conduct on the Property; (ii) the manner, construction, condition and state of repair or lack of repair of the improvements on the Property; (iii) the nature and extent of any right-of-way, lien, encumbrance, license, reservation, condition, or otherwise; (iv) the compliance of the Property or its operation with any laws, rules, ordinances or regulations of any government or other body, it being specifically understood that Buyer shall have full opportunity during the Inspection Period, to determine for itself the condition of the Property; and (v) any other matter whatsoever except as expressly set forth in the PSA. Except as is otherwise expressly provided in the PSA, the sale of the Property as provided for in the PSA is made on a strictly "AS IS" "WHERE IS" basis as of the Closing Date.

Except as otherwise expressly provided in the PSA, Buyer expressly acknowledges that, in consideration of the agreements of Seller in the PSA, SELLER MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW, INCLUDING, BUT IN NO WAY LIMITED TO, ANY WARRANTY OF QUANTITY, QUALITY, CONDITION, HABITABILITY, MERCHANTABILITY SUITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY, ANY IMPROVEMENTS LOCATED ON THE PROPERTY OR ANY SOIL CONDITIONS RELATED TO THE PROPERTY. BUYER SPECIFICALLY ACKNOWLEDGES THAT BUYER IS NOT RELYING ON (AND SELLER HEREBY DISCLAIMS AND RENOUNCES) ANY REPRESENTATIONS OR WARRANTIES MADE BY OR ON BEHALF OF SELLER OF ANY KIND OR NATURE WHATSOEVER, EXCEPT AS IS OTHERWISE EXPRESSLY PROVIDED IN THE PSA.

EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THE PSA, BUYER, FOR BUYER AND BUYER'S SUCCESSORS AND ASSIGNS, HEREBY RELEASES SELLER FROM AND WAIVES ANY AND ALL CLAIMS AND LIABILITIES AGAINST SELLER FOR, RELATED TO, OR IN CONNECTION WITH, ANY ENVIRONMENTAL CONDITION AT THE PROPERTY (OR THE PRESENCE OF ANY MATTER OR SUBSTANCE RELATING TO THE ENVIRONMENTAL CONDITION OF THE PROPERTY), INCLUDING, BUT NOT LIMITED TO, CLAIMS AND/OR LIABILITIES RELATING TO (IN ANY MANNER WHATSOEVER) ANY HAZARDOUS, TOXIC OR DANGEROUS MATERIALS OR SUBSTANCES LOCATED IN, AT, ABOUT OR UNDER THE PROPERTY, OR FOR ANY AND ALL CLAIMS OR CAUSES OF ACTION (ACTUAL OR THREATENED) BASED UPON, IN CONNECTION WITH OR ARISING OUT OF THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION, AND LIABILITY ACT, 42 U.S.C. §9601 ET SEQ. ("CERCLA"); THE RESOURCE CONSERVATION AND RECOVERY ACT, 42 U.S.C. §6901 ET SEQ. ("RCRA"); AND THE SUPERFUND AMENDMENTS AND REAUTHORIZATION ACT, 42 U.S.C. §9601 ET SEQ. ("SARA") OR ANY OTHER CLAIM OR CAUSE OF ACTION (INCLUDING ANY FEDERAL OR STATE BASED STATUTORY, REGULATORY OR COMMON LAW CAUSE OF ACTION) RELATED TO ENVIRONMENTAL MATTERS OR LIABILITY WITH RESPECT TO OR AFFECTING THE PROPERTY.

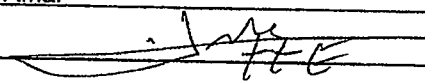
BUYER REPRESENTS TO SELLER THAT BUYER HAS CONDUCTED, OR WILL CONDUCT BEFORE CLOSING, SUCH INVESTIGATIONS OF THE PROPERTY, INCLUDING BUT NOT LIMITED TO, THE PHYSICAL AND ENVIRONMENTAL CONDITIONS THEREOF, AS BUYER DEEMS NECESSARY TO SATISFY ITSELF AS TO THE CONDITION OF THE PROPERTY AND THE EXISTENCE OR NONEXISTENCE OR CURATIVE ACTION TO BE TAKEN WITH RESPECT TO ANY HAZARDOUS OR TOXIC SUBSTANCES ON OR DISCHARGED FROM THE PROPERTY AND WILL RELY SOLELY ON SAME AND NOT ON ANY INFORMATION PROVIDED BY OR ON BEHALF OF SELLER OR ITS AGENTS OR EMPLOYEES WITH RESPECT THERETO, OTHER THAN SUCH REPRESENTATIONS, WARRANTIES, AND COVENANTS OF SELLER AS ARE EXPRESSLY SET FORTH IN THE PSA. UPON CLOSING, EXCEPT AS OTHERWISE EXPRESSLY PROVIDED HEREIN, BUYER SHALL ASSUME THE RISK THAT ADVERSE MATTERS, INCLUDING, BUT NOT LIMITED TO, CONSTRUCTION DEFECTS AND ADVERSE PHYSICAL AND ENVIRONMENTAL CONDITIONS, MAY NOT HAVE BEEN REVEALED BY BUYER'S INVESTIGATIONS, AND BUYER, ON CLOSING, SHALL BE DEEMED TO HAVE WAIVED, RELINQUISHED, AND RELEASED SELLER FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, CAUSES OF ACTION (INCLUDING CAUSES OF ACTION IN TORT), LOSSES, DAMAGES, LIABILITIES, COSTS, AND EXPENSES (INCLUDING ATTORNEYS' FEES AND COURT COSTS) OF ANY AND EVERY KIND OR CHARACTER, KNOWN OR UNKNOWN, THAT BUYER MIGHT HAVE ASSERTED OR ALLEGED AGAINST SELLER, AT ANY TIME BY REASON OF OR ARISING OUT OF ANY LATENT OR PATENT CONSTRUCTION DEFECTS OR PHYSICAL CONDITIONS, VIOLATIONS OF ANY APPLICABLE LAWS (INCLUDING, WITHOUT LIMITATION, ANY ENVIRONMENTAL LAWS) AND ANY AND ALL OTHER ACTS, OMISSIONS, EVENTS, CIRCUMSTANCES, OR MATTERS REGARDING THE PROPERTY. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THE PSA, BUYER AGREES THAT SHOULD ANY CLEANUP, REMEDIATION, OR REMOVAL OF HAZARDOUS SUBSTANCES OR OTHER ENVIRONMENTAL CONDITIONS ON THE PROPERTY BE REQUIRED AFTER THE DATE OF CLOSING, SUCH CLEANUP, REMOVAL, OR REMEDIATION SHALL BE THE RESPONSIBILITY OF AND SHALL BE PERFORMED AT THE SOLE COST AND EXPENSE OF BUYER.



Buyer acknowledges and agrees that the provisions contained in this Existing "As Is" Condition Addendum are a material factor in Seller's acceptance of the Purchase Price and that Seller is unwilling to sell the Property to Buyer unless Seller is released as expressly set forth above. BUYER, WITH BUYER'S COUNSEL, HAS FULLY REVIEWED THE DISCLAIMERS AND WAIVERS SET FORTH IN THE PSA AND UNDERSTANDS THEIR SIGNIFICANCE AND EFFECT. BUYER ACKNOWLEDGES AND AGREES THAT THE DISCLAIMERS AND OTHER AGREEMENTS SET FORTH IN THE PSA ARE AN INTEGRAL PART OF THE PSA, AND THAT SELLER WOULD NOT HAVE AGREED TO SELL THE PROPERTY TO BUYER FOR THE PURCHASE PRICE WITHOUT THE DISCLAIMERS AND OTHER AGREEMENTS SET FORTH IN THE PSA. THE TERMS AND CONDITIONS OF THIS EXISTING "AS IS" CONDITION ADDENDUM WILL EXPRESSLY SURVIVE THE CLOSING AND WILL NOT MERGE WITH THE PROVISIONS OF ANY CLOSING DOCUMENTS.

Additional Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Buyer's Name Shalom Amar

Signature  

Title Trustee

Buyer's Name \_\_\_\_\_

Signature \_\_\_\_\_

Title \_\_\_\_\_

Buyer's Name \_\_\_\_\_

Signature \_\_\_\_\_

Title \_\_\_\_\_

Date 10/16/17

Seller's Name Sal Cordero

Signature  

Title

Seller's Name Ann Lou Cordero

Signature  

Title

Seller's Name \_\_\_\_\_

Signature \_\_\_\_\_

Title \_\_\_\_\_

Date 10-16-17

**ADDENDUM TO COMMERCIAL PURCHASE AGREEMENT**

**ESCROW NO. 6820011927**

**This Addendum between Shalom Amar Revocable Trust 2000 (Buyer) and Sal Cordero, Ann Lou Cordero (Sellers) hereby acknowledges and agrees to the following dates per the Commercial Purchase Agreement signed by both Buyer and Sellers for the purchase of the Property located at 1794 S. Kihei Road. Kihei, HI 96753:**

**Paragraph J-2.**

**Buyer's Due Diligence and Inspection (Contingency) Period of 30 Days to Begin upon receipt of Court Approval.**

**Paragraph F-2.**

**Scheduled Closing Date to be 30 Days after the end of Due Diligence and Inspection (Contingency) Period.**

**Please sign, initial and date your acceptance below.**

**Buyer:**

  
Shalom Amar Revocable Trust 2000

**Buyer's Initials**

*SA*

**Date:**

*10/31/17*

**Seller:**

  
Sal Cordero

**Seller's Initials**

*SC*

**Date:**

*10/31/17*

**Seller:**

  
Ann Lou Cordero

**Seller's Initials**

*AL*

**Date:**

*10/31/17*