

SPECIAL CLAUSES

Standard of Practice: It is our standard of practice to write each contract as a unique vehicle to represent our client's best interests.

We are not lawyers. We are only allowed to fill in the blanks in our standardized contracts. Section Q offers us the opportunity to further refine our client's best interests. Section Q also offers us the opportunity to write an unenforceable contract. So be very careful.

Here are some clauses. Treat these only as building blocks to be used to assemble an appropriate clause to be included in our contracts to protect our client's best interest.

Always remember, keep any clause simple, short and easy to understand and make sure it addresses who agrees to do what specific action by what date.

AGENCY DISCLOSURE - (FOR PRESENTING OFFER TO A) "FOR SALE BY OWNER"

Seller understands, agrees and acknowledges that Buyer's Agent represents and is the agent of the Buyer, owes fiduciary duties and responsibilities to the Buyer only, and is not an agent of the Seller. However, Seller understands, acknowledges and agrees that Buyer's Agent will be compensated by the Seller, not the Buyer. Seller affirms that Buyer's Agent is being paid solely for introducing Seller to Buyer, and that Seller is not relying on Buyer's Agent for any advice or counsel regarding the sale. Buyer's Agent has advised Seller to obtain Seller's own legal counsel or other professional. The Buyer and Seller acknowledge that written disclosure of the agency relationships in this transaction was provided before signing of the PURCHASE CONTRACT.

AGENCY DISCLOSURE – AGENT BUYING FOR OWN ACCOUNT WHERE BROKER IS NOT AGENT FOR SELLER

The Seller understands, acknowledges and agrees that Brokerage Firm and its agent _____ are acting for agent's own account and may later re?sell the property at a profit. Agent is NOT an agent of Seller. Seller is not relying on Agent for any advice or counsel regarding the sale or the market value. Agent has advised Seller to obtain Seller's own legal counsel or other professional. Any price reduction or credit based on Agent having a real estate license is merely an economic adjustment in the transaction and is not deemed to create an agency relationship.

AGENCY DISCLOSURE - DUAL AGENCY

Local Hawaii Real Estate and all licensees employed by or associated with Local Hawaii Real Estate, represent the interests of both the Buyer and Seller in this transaction. This representation is called Dual Agency. As a Dual Agent, Local Hawaii Real Estate shall:

- 1) Provide confidentiality to both parties.
- 2) Obey the lawful instructions of both parties.
- 3) Be loyal to both parties and keep the best interests of both parties ahead of those of any other outside party.
- 4) Provide full disclosure to both parties.
- 5) Provide accurate reporting of the whereabouts of all monies pertaining to the transaction and their ultimate disposition to each party.
- 6) Act with reasonable care within our training and knowledge and, advise both parties to seek the services of licensed professionals on those matters out side of our training and knowledge.

By initialing below the Buyer and Seller confirm that oral or written disclosure of such representation was provided to them before signing of this contract.

AGENCY DISCLOSURE - SELLER PAYING COOPERATING BROKER COMMISSION

Buyer and Seller understand, acknowledge and agree that Buyer's Agent represents and is the agent of Buyer, owes fiduciary duties and responsibilities to Buyer only, and is not an agent of Seller. Seller is not relying on Buyer's Agent for any advice or counsel regarding the sale. Buyer's Agent has advised Seller to obtain Seller's own legal counsel or other professional. Buyer and Seller acknowledge that written disclosure of the agency relationships in this transaction was provided before signing of the PURCHASE CONTRACT. Seller acknowledges that Buyer's purchase price includes \$ _____ which represents Buyer's Agent's commission. Said commission is to be paid to Buyer's Brokerage Firm upon closing through escrow.

AGREEMENT OF SALE – BLANKET MORTGAGES

Buyer's offer is conditioned upon lender's consent to release of the Property from the blanket mortgage when full payment is made under the terms and conditions of the Agreement of the Sale.

AGREEMENT OF SALE – ADD BACK

If Buyer's monthly payments under the Agreement of Sale are insufficient to pay Buyer's accrued interest, taxes, lease rent, insurance, maintenance fees and any other fees, such deficiency of all expenses (except interest) shall be added back to the principal balance due and interest will be computed monthly on an increasing balance.

AGREEMENT OF SALE – ALTERATIONS AND IMPROVEMENTS

During the term of the Agreement of Sale, Buyer shall not make any repairs, alterations or additions to the Property without (a) obtaining Seller's prior written approval of plans and specifications; (b) providing Seller with satisfactory evidence that the repairs, alterations, and additions, if any, will be made in compliance with law and with any requirements of lenders, lessors, and homeowners' associations; and (c) providing Seller with satisfactory evidence that the improvements will be completed free and clear of mechanic's liens.

AGREEMENT OF SALE – APPOINT AGENT WHEN BUYER IS NOT LIVING IN HAWAII

Buyer will appoint a person residing in Hawaii as Buyer's agent to accept any lawful service of process.

AGREEMENT OF SALE – ASSUMPTION OF EXISTING AGREEMENT OF SALE

This sale is conditioned upon Buyer's assumption of the existing Agreement of Sale. Seller shall provide Buyer with existing Agreement of Sale document within _____ (____) days from the date of acceptance. If Buyer does not approve of the Agreement of Sale document, Buyer may terminate this PURCHASE

CONTRACT by giving written notice to Seller and Escrow within ____ (____) calendar days after receipt of the document, and all deposits shall be returned to Buyer, less any escrow expenses chargeable to Buyer. If Buyer does not provide notice of termination within the stated time, Buyer shall be deemed to have accepted the terms and conditions of the existing Agreement of Sale.

AGREEMENT OF SALE – CLEAR TITLE

Upon full performance and satisfaction of this Agreement of Sale, Seller shall convey the property to Buyer free and clear of all existing mortgages and/or liens (except for mortgage(s) which is/are being assumed by Buyer, if any).

AGREEMENT OF SALE - CONDOMINIUM VOTING RIGHTS

Subject to Seller's rights to reserve Seller's vote on matters affecting Seller's security interest in the property, Buyer shall, during the term of the Agreement of Sale, be entitled to exercise all rights of an apartment owner.

AGREEMENT OF SALE - CREDIT REPORT

Buyer shall submit to Seller within ____ (____) calendar days after acceptance of this offer, a credit report issued by a reputable credit company doing business in Hawaii, and/or Buyer's financial statement dated within six (6) months from the date of acceptance.

AGREEMENT OF SALE - DIRECT PAYMENTS WHERE THERE IS NO COLLECTION ACCOUNT / AGENCY

Buyer shall have the right to ascertain from Seller's mortgagee or other creditor having an interest in the Property whether Seller is making the required payments promptly. If payments are not being made when due, Buyer may make all subsequent payments under the Agreement of Sale to the mortgagee or other creditor, and all payments so made shall be deemed payments made under the Agreement of Sale.

AGREEMENT OF SALE - EXTENSION OF THE AGREEMENT OF SALE

Buyer shall have the right to extend this Agreement of Sale for ____ (____) months at time of satisfaction if financing is not available from major lending institutions in Hawaii at reasonable rates. Buyer's interest rate on the balance of the Agreement of Sale will remain the same (or increase to ____%).

AGREEMENT OF SALE - FEE CONVERSION [RIGHT OF FIRST REFUSAL]

Buyer shall have a right of first refusal to purchase the fee should lessor offer to sell the leased fee title in the Property. Buyer to furnish Seller with all information, papers, and documents required for such fee purchase. Upon written notification from Buyer, Seller agrees to cooperate with Buyer with respect to the fee purchase. Time is of the essence for Seller to process and return all documents required. Buyer shall reimburse Seller for all costs incurred by Seller in the fee conversion process. The above agreement between Buyer and Seller concerning

fee purchase will also apply for the benefit of Buyer's successors and/or permitted assigns.

AGREEMENT OF SALE – INSURANCE AT BUYER'S COST

Buyer shall at Buyer's cost insure the subject property against the following hazards in amounts not less than those herein specified, naming Seller and others having an interest in said property as additional insured persons or entities:

AGREEMENT OF SALE - FEE CONVERSION [NOTICE OF OFFER TO BUYER]

If the lessor offers to sell the leased fee interest in the Property herein described, Seller shall upon receipt of such notice, transmit the notice and/or information to Buyer, assign Seller's right to purchase to Buyer and do such things and sign such documents as the lessor may require to enable Buyer to purchase the leased fee interest. Seller shall not profit from nor charge a fee for cooperation and any assignment or transfer, but shall be entitled to be reimbursed by Buyer for all costs incurred by Seller in connection therewith.

AGREEMENT OF SALE - PAYMENT AT CLOSING

The total down payment shall be paid by way of a cashier's check in legal tender of the U.S., and all further payments to be made in the same legal tender.

AGREEMENT OF SALE - RENTAL

During the term of the Agreement of Sale, Buyer may rent premises without permission of Seller. OR Buyer may not rent premises without first obtaining the prior written consent of Seller, which consent shall not be unreasonably withheld.

AGREEMENT OF SALE - RIGHT TO PREPAY

During the term of the Agreement of Sale, If additional payments made by Buyer are applied to reduce the amount owed on any Seller's mortgage and, as a result, a prepayment penalty is imposed upon Seller, Buyer shall reimburse Seller the amount of such prepayment penalty.

AGREEMENT OF SALE - SATISFACTION OF THE AGREEMENT OF SALE

Buyer shall pay all costs except for attorney's fees for drafting final conveyance documents. Buyer's costs shall include, but not be limited to escrow fee and title search, if any, and any mortgage costs for Buyer's new financing (including VA or FHA points), if necessary.

AGREEMENT OF SALE - TITLE HOLDER - SELLER'S APPROVING TITLEHOLDER

This offer is conditioned on Seller approving Title Holder within _____ days after receipt of Buyer's written notification of the name of the Title Holder.

AIR INSTALLATION COMPATIBILITY USE ZONE AREAS (AICUZ)

The Property is located in or near the flight path of aircraft or is close to commercial or military airport(s), landing field(s) and/or flight training area(s).

APPRAISAL - APPRAISAL CONDITION (BUYER'S RIGHT TO CANCEL)

Buyer may order and pay for an appraisal on the property. If the appraised value is less than the total purchase price stated in the PURCHASE CONTRACT, Buyer may, within three (3) calendar days of Buyer's receipt of the appraisal, at Buyer's sole option, terminate this PURCHASE CONTRACT by giving written notice to Seller and Escrow. Buyer is entitled to a return of all deposits, if any, less the appraisal fee and any other escrow expenses or fees chargeable to the Buyer. Thereafter, neither the Buyer, the Seller nor any brokers shall have any further rights, obligations, or liabilities under this PURCHASE CONTRACT.

APPRAISAL - APPRAISAL LOWER THAN SALES PRICE

All parties understand, acknowledge and agree that the Property may not appraise for the full amount of the sales price. If the Property does not appraise for the sales price, then Buyer and Seller agree that Buyer shall increase the amount of down payment in order to close this transaction, provided that the additional amount of the down payment required under this paragraph shall not exceed \$ _____.

APPRAISAL – NO APPRAISAL OBTAINED

Buyer hereby acknowledges that BROKER has advised Buyer to obtain an appraisal on the subject property in order to determine the current market value. Buyer understands and acknowledges that Seller and the brokers involved in this transaction have made no representations as to the value of the property. Buyer has declined to order an appraisal and agrees to indemnify and hold harmless the Seller and BROKER from any claims based on the value of the property.

ASBESTOS – BUYER

(See Property Disclosure)

ASBESTOS - SELLER

(See Property Disclosure)

ASSESSMENTS

(See Property Disclosure)

ASSIGNABILITY (of the PURCHASE CONTRACT) – SELLER MAY WITHHOLD CONSENT

The prior written consent of Seller is required to assign this contract, and such consent may be withheld for any reason.

ASSIGNABILITY (of the PURCHASE CONTRACT) – CONSENT NOT UNREASONABLY WITHHELD

The prior written consent of Seller is required to assign this contract, and such consent may not be unreasonably withheld.

ASSUMPTION OF MORTGAGE – RELEASE OF SELLER

Seller will not remain contingently liable upon Buyer's assumption of the existing mortgage. This offer is conditioned upon the lender's release of Seller under the existing mortgage.

BANKRUPTCY SALE

Sale is subject to Court confirmation. Buyer will receive a limited warranty deed.

BROKER'S RELATIONSHIP TO BUYER/SELLER

Buyer/Seller understands that Agent is related to the Buyer/Seller. She/he is the sister/brother, etc. of the Buyer/Seller.

BROKER DISCLAIMER REGARDING BUILDING ORDINANCES, ETC.

(See Property Disclosure)

BUILDING PERMIT - COMPLIANCE WITH CODE

If improvements on the Property are non-conforming, Seller shall provide Buyer information and all documentation related to said improvements.

BUILDING PERMIT - SELLER TO PROVIDE PERMIT

Prior to close of escrow, Seller shall provide Buyer with a building permit for _____ from the County permitting agency.

BUILDING PERMITS - OFFER CONDITIONED ON BUYER OBTAINING PERMIT

Buyer's obligations hereunder are conditioned upon Buyer obtaining a building permit to (write in what permit is for) within ____ (____) calendar days from acceptance of this offer. If Buyer is unable to obtain said permit within the time specified, Buyer shall have the right to terminate this PURCHASE CONTRACT by giving written notice to Seller and Escrow; in such event, all deposits shall be returned to Buyer, less any escrow expenses chargeable to Buyer.

BUILDING PERMITS – SELLER'S RESPONSIBILITIES

Seller certifies that all the necessary building permits for the Property improvements are in place, and that any required City and County inspections have been satisfactorily completed. If the necessary permits and approvals are not in place, Seller agrees at its expense to obtain said items. Seller's cost to correct any and all nonconformities shall not exceed \$_____. If the value of repairs exceed this amount, Buyer and Seller shall mutually agree on how the additional cost shall be allocated. If no agreement is reached, either party may terminate the PURCHASE CONTRACT by giving written notice to the other party within five (5) calendar days from the determination of such costs, and all deposits shall then be returned to Buyer, less any escrow expenses chargeable to Buyer.

BUILDING PERMITS – NO PERMIT

Buyer is aware and understands that the _____ was built without a building permit, does not conform to the tax office records, and may not meet current building codes. Therefore, if the structure is destroyed in the future, Buyer may not be able to rebuild it under the present zoning code. In addition, Buyer is aware and understands that to obtain a permit, the County permitting agency may require additional work to be done and/or demolition of the existing improvements. Seller shall not be required to make any repairs or pay for any expenses with respect to any nonconformance. Buyer hereby accepts the property in this "as is" condition and releases and agrees to hold harmless, Seller and Seller's and Buyer's Agents from any and all claims arising from or connected with said nonconformance and lack of building permits.

BUILDING PERMITS - NEW CONSTRUCTION

Seller warrants that Seller used a licensed contractor and that this dwelling has been constructed in keeping with standards generally accepted in the community, that it is habitable, and that all elements, both interior and exterior, will be in a finished condition upon delivery. Seller shall convey to Buyer all existing contractor's guarantees: (a) against defective materials and workmanship and (b) that dwelling has been built in accordance with the plans and specifications. Should contractor's guarantees not exist or be insufficient to assure correction of defects within one year of closing, Seller agrees to provide such warranty in accordance with this paragraph. Seller also warrants that (a) the design of the building is sufficient to avoid water penetration; (b) there are no mechanics liens on this property; and (c) that if time for filing liens has not expired and any mechanics liens due to Seller's responsibility are subsequently filed, Seller shall be financially responsible for clearing liens.

BUILDING PERMITS – SELLER PROVIDING PERMITS

Seller agrees to provide permits for additions and/or renovations to the Property which were not properly obtained or shown in the public records. Seller's cost to obtain permit(s), including costs to correct deficiencies required to obtain permits, shall not exceed \$_____. If costs exceed this amount, Buyer and Seller shall, within five (5) calendar days from the determination of said costs, mutually agree in writing on the amount of the excess that each of the parties shall pay. If the parties fail to reach an agreement, either party may terminate this PURCHASE CONTRACT by giving written notice to the other party and Escrow, and all deposits shall be returned to Buyer less any escrow expenses chargeable to Buyer.

CANCELLATION – CONDITIONED ON CANCELLATION OF BUYER'S EXISTING PURCHASE CONTRACT

This offer is conditioned upon Buyer's successful termination of Buyer's existing PURCHASE CONTRACT dated _____ within ____ (____)calendar days from acceptance of this offer. If written notice of said cancellation is not received by Buyer within this time period the parties may agree to extend the deadline. If no

agreement is reached, either party may terminate this PURCHASE CONTRACT by giving written notice to the other party. , This offer shall be null and void.

CATCHMENT WATER
(See Property Disclosure)

CESSPOOLS

Buyer is aware that the Property is serviced by a cesspool and that any new construction, whether remodeling the existing structure, or building a new home may require Buyer to install a septic system or to connect to a public sewer system.

CESSPOOLS
(See Property Disclosure)

CLOSING DATE - OFFER IS CONDITIONED ON SALE OF BUYER'S PROPERTY

The closing date of this transaction shall be (1) ____ calendar days after Seller gives written notice to Buyer that Seller has received another acceptable offer and Buyer removes Buyer's condition; or (2) simultaneous with the closing of the sale of the Buyer's property, whichever comes first.

COMMON WALL & ENCROACHMENTS –CORRECTIVE ACTION BY SELLER

Seller, at Seller's sole expense, agrees to correct the encroachment prior to closing. The correction must be by way of removal of the encroachment or obtaining and recording an agreement which permits the encroachment to remain and grants the right to enter the property being encroached upon to maintain the encroachment. If Buyer is not satisfied with the corrective action, Buyer may terminate the PURCHASE CONTRACT by giving written notice to Seller within ____ (____) calendar days of notice of completion of the corrective action.

COMMON WALL & ENCROACHMENTS – EXISTING AGREEMENT

The Property is subject to a Common Wall Agreement or Encroachment Agreement with the adjacent property owner, and a copy of that Agreement is attached. Buyer is advised to consult with legal counsel and/or other experts with respect to consequences of this Agreement, and shall have seven (7) calendar days from the effective date of this PURCHASE CONTRACT to terminate this PURCHASE CONTRACT by giving written notice to Seller or Escrow if Buyer is not willing to accept the property with this Agreement. If the Agreement is acceptable to Buyer but not recorded, Buyer and Seller agree to cooperate between themselves and the other parties to the Common Wall Agreement or Encroachment Agreement and to have it recorded at closing.

COMMON WALL & ENCROACHMENTS – NO AGREEMENT, BUYER PROVISION

The Property being conveyed has a "common wall," portions of which are located on the Property and an adjacent property. This offer is conditioned upon the Seller, at Seller's cost and expense, within ____ (____) calendar days from the date of acceptance of this offer, 1) having the Property staked and surveyed by a licensed surveyor, 2) providing Buyer with a location map by the surveyor showing the location of the wall and the properties involved, and 3) obtaining a Common Wall Agreement with the property owner who shares the common wall. Buyer is advised to consult with legal counsel and/or other experts with respect to consequences of this condition, and shall have seven (7) calendar days from the date of acceptance of this offer to terminate this PURCHASE CONTRACT by giving written disapproval to Seller or Escrow if Buyer is not willing to accept this condition or the Seller cannot obtain a Common Wall Agreement. Buyer and Seller agree that the Agreement will be recorded at closing.

COMMON WALL & ENCROACHMENTS – NO AGREEMENT, SELLER PROVISION

Buyer is aware that there is a "common wall" between the Property and the adjoining property and that portions of this wall may be located on both properties. There is no written agreement between the affected properties regarding this condition. The wall was constructed at this location approximately ____ (____) years ago. Seller agrees to have the property staked by a licensed surveyor and to provide a location map showing the location of the wall and the properties involved by (date) . Buyer is advised to consult with legal counsel and/or other professionals with respect to consequences of a common wall agreement, and shall have seven (7) calendar days from completion of the survey and receipt of the location map to terminate this PURCHASE CONTRACT because of this condition, by giving written disapproval to Seller or Escrow. If no written disapproval is received within the time specified, Buyer accepts the "common wall" in its "as is" condition and at its present location, and agrees to assume the responsibility for it.

COMMUNITY ASSOCIATION DUES

(See Property Disclosure)

CONDITION - SALE OF BUYER'S CURRENT PROPERTY

This offer is conditioned on the ability of Buyer to sell Buyer's present property, located at _____

_____ ("Buyer's Home"), which Buyer shall diligently seek to sell expeditiously and in good faith, time being of the essence. The closing date on this PURCHASE CONTRACT shall take place at or prior to the Closing Date on the sale of Buyer's Home. It is agreed that if Seller receives an acceptable backup offer to this PURCHASE CONTRACT, Seller shall so notify the Buyer. Buyer shall have ____ (____) hours following receipt of written notification from Seller or Seller's agent of the backup PURCHASE

CONTRACT in which to remove this condition as well as any other condition or contingency still unfulfilled which are contained in the offer made by Buyer or any contingencies or addenda attached and/or made a part thereto. If Buyer fails to remove the conditions and contingencies within the stated time period, then this PURCHASE CONTRACT shall be terminated and the deposit of Buyer shall be refunded in full; provided, however, that should the sale and closing of the Buyer's Home not be accomplished by _____ M. (Time) on _____(Date), Seller may terminate this PURCHASE CONTRACT by written notification in which event the deposit of Buyer shall be refunded in full.

CONDITION - SALE OF BUYER'S CURRENT PROPERTY

Buyer's offer is conditioned on the successful close of escrow on Buyer's property located at _____ presently in escrow with _____ (escrow company). Seller and/or Seller's agent has permission from Buyer to contact said escrow company to confirm and monitor progress of Buyer's escrow.

CONDITION - REPLACEMENT PROPERTY FOR SELLER

Seller's obligations to sell the Property are conditioned upon Seller purchasing and closing upon a replacement property, , and this PURCHASE CONTRACT may be terminated by Seller unless Seller or Seller's agent gives written notification to Buyer or Buyer's agent that Seller has purchased under contract a new house. If Seller has not removed this condition by _____ M.(Time) on _____ (Date), then this contract shall be automatically terminated, and the deposit of Buyer shall be returned in full.

CONDITION - BACKUP POSITION

Buyer is aware that Seller has an accepted "primary contract" on the Property and that this offer is a backup offer that will be placed in first position if the current "primary contract" is cancelled for any reason. Seller agrees to inform Buyer in writing within ____ (____) days from when the current "primary contract" is consummated or cancelled, whichever is the case. If the primary contract is cancelled, Seller shall provide evidence of formal cancellation.

CONDITION - VACANT LAND

This offer is conditioned upon Buyer's approval of the restrictive covenants, locations and evidence of utilities available and actual hook?up of these utilities, and _____. Seller shall deliver these items to Buyer within five (5) calendar days of acceptance of this offer. Buyer may terminate this PURCHASE CONTRACT and recover all deposits if Buyer does not approve of the items; provided, however, that approval shall be deemed to be given if written disapproval is not delivered to Seller within five (5) calendar days of receipt of items.

CONDITION - APPROVAL BY BUYER'S ACCOUNTANT

This offer is conditioned upon approval by Buyer's accountant of the terms of this offer within five (5) calendar days of acceptance; provided, however, that such approval shall be deemed to be given unless written notice of disapproval is given within such time. If, for any reason, the Buyer's accountant disapproves of any of the terms of this offer, the Buyer may, at Buyer's option, terminate this PURCHASE CONTRACT and all deposits, if any, shall immediately be returned to the Buyer, less the amount of any escrow expenses chargeable to the Buyer. Thereafter, neither Buyer, Seller nor any Agents shall have any further rights, obligations, or liabilities under this PURCHASE CONTRACT.

CONTRACT PROVISIONS - ASSIGNMENT OF PURCHASE CONTRACT

Buyer may not assign or transfer this PURCHASE CONTRACT and/or Buyer's rights under this PURCHASE CONTRACT without the prior express written consent of Seller. Seller agrees not to arbitrarily or unreasonably withhold consent. In the event of an assignment, Buyer shall remain responsible for the performance of Buyer's obligations under the PURCHASE CONTRACT including payment of purchase price and timely closing.

CONTRACT PROVISIONS - COUNTERPART DOCUMENTS

This document may be executed in counterparts, each of which when executed shall, irrespective of when it is signed and delivered, be deemed an original, and said counterparts together shall constitute one and the same instrument. Any deadlines specified in the PURCHASE CONTRACT remain applicable.

CONTRACT PROVISIONS - MEDIATION AND ARBITRATION

Buyer and Seller intend for the mediation and arbitration provisions in the PURCHASE CONTRACT, if checked, to survive closing and recordation.

CONTRACT PROVISIONS - NOTICES IN WRITING – LONG VERSION

All notices required or permitted hereunder to be given to the parties to the PURCHASE CONTRACT or to Escrow shall be given in writing by personal delivery, by facsimile, or by depositing the same in the United States mail, registered or certified, return receipt requested, and postage prepaid. In each event, they shall be addressed to the parties or their respective Agent at the addresses and/or facsimile numbers, as the case may be, set forth in the PURCHASE CONTRACT and/or the Cooperating Broker's Separate Agreement or to such other address or facsimile number as either party shall provide to the other party hereto in the manner set forth in this paragraph for the giving of notice. Any written notice sent by registered or certified mail shall be deemed to have been received by the addressee as of the date it is mailed in accordance with the foregoing provisions.

CONTRACT PROVISIONS - NOTICES IN WRITING – SHORT VERSION

Notices, requests, or demands by either party shall be in writing or shall be given personally, sent by facsimile transmission, or by Registered or Certified Mail,

return receipt requested, postage prepaid, addressed to Seller and Buyer at the mail or fax addresses set forth herein. Notice shall be deemed given, when properly transmitted or deposited in the mails.

CONTRACT PROVISIONS - RETURN OF SELLER'S DOCUMENTS

In the event the transaction does not close, Buyer agrees to return to Seller all documents and disclosures that Buyer has received within seven (7) days of Buyer's signing an escrow cancellation notice. Failure to do so before Seller signs the escrow cancellation notice will result in Escrow being instructed to withhold \$50.00 from the Buyer's deposit and deliver it to the Seller to cover Seller's costs to replace lost documents and disclosures.

CONTRACT PROVISIONS - RETURN OF CONDO DOCUMENTS

If any of the condominium documents required by this PURCHASE CONTRACT have not been returned within five (5) calendar days after Buyer signs the escrow cancellation notice, Buyer agrees to credit the Seller \$ _____ from Buyer's earnest money deposit and Escrow is hereby directed to make such payment.

CONTRACT PROVISIONS - RISK OF LOSS

If the improvements are damaged by fire or other casualty prior to closing or possession, and the cost of restoration does not exceed five percent (5%) of the assessed valuation of the improvements damaged, Seller shall restore the improvements at Seller's expense, and the time for closing shall be extended sixty (60) days. If the cost of restoration exceeds five percent (5%) of the assessed valuation of the improvements damaged, Buyer shall have the option of taking the property "as is," together with any insurance proceeds payable by virtue of such damage, or terminating this PURCHASE CONTRACT and receiving a refund of all deposits made hereunder. Seller shall maintain standard hazard and extended perils coverage of casualty insurance with a reputable company until time of closing, but shall not be required to restore if cost of restoration will exceed five percent (5%) of the assessed valuation of the improvements damaged.

CONTRACT PROVISIONS - TITLE INSURANCE; RESPA RULE RE BUYER'S TITLE INSURANCE CHOICE

Buyer understands that Seller will be obtaining the title report from (Name of Title Co.) and, since it is less expensive to obtain the mortgagee's title policy from the same title company, Buyer authorizes and directs (Name of Escrow Co.) to obtain the mortgagee's title policy from the same company.

COURT CONFIRMATION SALES

This PURCHASE CONTRACT is subject to, and conditioned upon, court approval.

DEED RESTRICTIONS

Buyer has been advised there are deed restrictions.

DEPOSITS AND DOWN PAYMENT - BUYER DEPOSITS NOT TIMELY

If Buyer's initial deposit and/or any additional deposits required under the PURCHASE CONTRACT are not received by Escrow within the time period specified in the PURCHASE CONTRACT, Buyer shall be considered in default, and Seller may exercise all remedies available to Seller under the law. Time is of the essence in the payment of these deposits.

DEPOSITS & DOWN PAYMENTS - AVAILABILITY OF CASH FUNDS

Buyer shall provide evidence of the availability of sufficient cash funds satisfactory to Seller within five (5) calendar days of acceptance of this PURCHASE CONTRACT. If the Buyer is unable to provide evidence satisfactory to Seller within that time frame, Seller may terminate this PURCHASE CONTRACT by providing written notice to Buyer and Escrow, , in which event with all deposits to be returned to Buyer. Buyer's lender is authorized to verify with Seller's Agent that Buyer has sufficient cash funds available to close this transaction.

DEPOSITS & DOWN PAYMENTS - DOWN PAYMENT

Seller understands and Buyer represents that availability of Buyer's cash funds to cover the down payment is not conditioned, and said funds are not obtained from any source which could cause a delay in the closing date specified in the PURCHASE CONTRACT.

DEPOSITS & DOWN PAYMENTS - PURCHASE FUNDS

Seller has the option to terminate this PURCHASE CONTRACT , if any earnest money deposits are not made on time as required by the PURCHASE CONTRACT or if Buyer's earnest money check does not clear.

DEPOSITS & DOWN PAYMENTS - RELEASE OF BUYER'S DEPOSITS TO SELLER PRIOR TO CLOSE OF ESCROW

Buyer and Seller hereby instruct Escrow irrevocably and without condition, to disburse prior to closing the sum of \$_____ to the order of (Name of recipient) on (date).

DISCLOSURE STATEMENT

(See Property Disclosure)

EARLY OCCUPANCY – BY AGREEMENT

Buyer wishes early occupancy on _____ , agrees to sign an early occupancy agreement and agrees to obtain from an insurance company authorized to do business in the State of Hawaii a property liability insurance policy for the Property as of the date of occupancy of no less than \$_____ naming Seller as an additional insured.

EARLY OCCUPANCY – BY AGREEMENT

Buyer and Seller understand and agree that Buyer is permitted to occupy the property prior to the close of escrow, provided Buyer executes an "early occupancy agreement," a form of which is attached hereto and made a part of this PURCHASE CONTRACT.

EARLY OCCUPANCY – RISK OF LOSS

Seller agrees to deliver possession of the property at closing unless otherwise specified below. If possession is delivered prior to closing, at Buyer's request, Buyer assumes all risk of loss to the property from date of possession, and shall be responsible for maintenance, at Buyer's expense. , Buyer shall be deemed to have accepted the Property, and any personal property therein, in an "AS IS " condition as of the time of taking possession, the right of inspection to be exercised prior to the time of taking possession. Buyer should verify that there is adequate hazard insurance coverage during the Buyer's possession

FEE CONVERSION – ASSOCIATION (COMMUNITY OR CONDO) NEGOTIATING THE FEE PURCHASE

Seller agrees to assign Seller's membership rights and deposit in _____ Homeowners Association to Buyer. Buyer acknowledges and agrees to pay Association dues which are presently \$ _____ per month. These dues may increase in the future. Buyer understands that Buyer must present evidence of financial qualification to purchase the fee at an estimated qualifying price of \$ _____.

FEE CONVERSION – BUYER'S OFFER IS CONDITIONED UPON THE BUYER PURCHASING THE FEE

Buyer understands that Seller's interest in the Property is currently leasehold. The terms of the lease are described elsewhere in this PURCHASE CONTRACT. The total purchase price offered is for the Property in leasehold. However, this offer is conditioned upon Buyer's purchase of the fee simple title to the Property for no more than \$ _____, with the closing of the leasehold and fee simple purchases to be simultaneous. If the fee simple title can only be purchased at a higher price or if it is not available for purchase, Buyer may, at Buyer's sole option, terminate this PURCHASE CONTRACT by giving written notice to Seller and Escrow, , and all deposits shall be immediately returned to Buyer, less the amount of any escrow expenses chargeable to Buyer. Thereafter, neither Buyer, Seller nor any Agents shall have any further rights, obligations or liabilities under this PURCHASE CONTRACT. Seller agrees to cooperate fully with the fee purchase and to execute any documents necessary to facilitate such purchase.

FEE CONVERSION – IN PROCESS OF BEING PURCHASED BY SELLER

Buyer understands that Seller presently only has a leasehold interest in the Property, but that the fee interest in the Property has been offered for sale by the Lessor. Both parties agree that this PURCHASE CONTRACT is a contract for the purchase of the unencumbered fee simple interest in the Property. If for any

reason Seller is unable to convey or Buyer is unable to obtain the unencumbered fee simple interest in the Property at or before closing, Buyer or Seller may terminate this PURCHASE CONTRACT by giving written notice to Seller and Escrow, and Buyer will be entitled to receive a refund of all deposits previously made, less escrow expenses chargeable to Buyer.

FEE CONVERSION - SIMULTANEOUS CLOSINGS

Buyer understands that the Property is being marketed in fee simple but that the fee purchase is pending. Buyer does hereby agree to purchase the leasehold interest simultaneously with the recordation of the fee purchase. With the fee owner's consent, Buyer shall become the primary party to the fee purchase by substituting Buyer's position for Seller's position. Buyer understands that the fee purchase price is approximately \$_____. Buyer understands that Seller is obligated to purchase the fee and has placed a non-refundable deposit of \$_____ ("Deposit") into an escrow account for that privilege. Buyer shall reimburse Seller this non-refundable deposit through this escrow and proceed with the purchase by complying with the signing of all the necessary documents to establish that Buyer is substituting Buyer's position in the fee purchase for Seller's position. Because the intent of Seller is to sell this property in fee simple, Buyer understands and agrees that the leasehold disclosure documents will NOT be provided to Buyer. Unless stated otherwise, commission will be based on the leasehold price of the property.

FEE CONVERSION - WHEN REPRESENTING BUYER

If the owner of the leased fee interest in the Property (the "Fee Owner") offers to sell the leased fee interest (the "Leased Fee") at anytime prior to closing, Seller shall immediately notify Buyer in writing (the "Notice") within three (3) calendar days of the offer being made to Seller. If the Leased Fee is offered for sale, the obligation of Buyer to purchase the property is conditioned upon Buyer's approval of the price and/or terms for purchase of the Leased Fee interest within five (5) calendar days of Buyer's receipt of the Notice from Seller. If Buyer disapproves of the price and/or terms for purchase of the Leased Fee interest, Buyer may terminate this PURCHASE CONTRACT by providing written notice to Seller and Escrow. This right to terminate does not require Buyer to terminate this PURCHASE CONTRACT or limit Buyer's rights or remedies, if any, in the event Buyer decides to proceed with this PURCHASE CONTRACT for purchase of the leasehold estate.

FINANCING - ASSUMPTION BY BUYER

Buyer may terminate this PURCHASE CONTRACT by providing written notice to Seller and Escrow and recover all deposits previously made, less any escrow expenses chargeable to Buyer, if (a) the principal balance of the mortgage to be assumed is less than \$_____, or (b) upon assuming the mortgage, the interest rate will be higher than ____% per annum or the monthly payments therein required exceed \$_____, or (c) the assumption fee required to be

paid is more than \$ _____, or (d) Seller's consent to the assumption is required and Seller refuses to consent.

FINANCING - BUYER TO PAY DISCOUNT POINTS (WITH LIMIT)

FHA discount points shall be paid by Buyer, provided, however, if the points required to be paid exceed \$ _____ (or _____%), Buyer shall have the right to terminate this PURCHASE CONTRACT, by giving written notice to Seller and Escrow, unless Seller agrees in writing to pay the excess amount (points). In the event of termination, the deposits previously made by Buyer are to be refunded, less escrow expenses chargeable to Buyer.

FINANCING - CONTINGENCY TO REVIEW AND APPROVE MORTGAGE TO BE ASSUMED

Within _____ (____) calendar days from acceptance of this PURCHASE CONTRACT, Seller agrees to deliver to Buyer a copy of the First Mortgage, including any amendments. Any and all costs in obtaining the said document shall be paid by Seller. This offer is conditioned upon Buyer's review and approval of the Mortgage and amendment, if any, within _____ (____) calendar days of receipt from Seller; provided, however, that such approval shall be deemed to be given unless written notice of disapproval is given within such time. If written disapproval is given within such time, this PURCHASE CONTRACT shall be terminated and all deposits shall be returned to Buyer, less any escrow expenses chargeable to Buyer. In the event that Seller fails to provide the Mortgage and amendment(s), if any, within the time specified, Buyer may, at Buyer's sole option, terminate this PURCHASE CONTRACT by delivering written notice to Seller and Escrow, and all deposits shall be returned to Buyer, less any escrow expenses chargeable to Buyer.

FINANCING - FHA/VA LOAN

The origination fee (1%) is to be paid by the _____. FHA/VA discount points shall NOT exceed _____ percent (____%) of loan. The discount point(s) to be paid as follows with no more than: _____ (____) point(s) by Buyer, _____ (____) point(s) by Seller. _____ (Buyer/Seller) share of points shall be paid first and balance, if any, paid by _____ (Buyer/Seller). VA funding fee of _____ percent (____%) to be paid by _____. If the discount points required to be paid exceed the limit set above, and if the obligated party is not willing to pay their share, the obligated party(ies) may terminate this PURCHASE CONTRACT by giving written notice to the other party and Escrow. Buyer shall request the appraisal immediately upon making the loan application. In the event the FHA/VA appraised value is less than the purchase price, Buyer shall notify Seller, in writing, of Buyer's decision to either terminate this PURCHASE CONTRACT or proceed with the consummation of the transaction, within _____ (____) hours of notification of the FHA/VA appraised value, by lender.

FINANCING - IF BUYER IS LOOKING FOR A SPECIFIC TYPE OF ARM

If Buyer is unable to obtain an ARM with a rate adjustment cap per period of _____% and a maximum rate cap of _____% over the initial rate, Buyer shall have the right to terminate this PURCHASE CONTRACT and recover all deposits previously made by giving written notice thereof to Seller on or before _____.

FINANCING - SELLER TO PAY DISCOUNT POINTS (WITH LIMIT)

FHA discount points shall be paid by the Seller, provided, however, if the points required to be paid exceed \$ _____ (or _____%), Seller shall have the right to terminate this PURCHASE CONTRACT, by giving written notice to Buyer and Escrow, unless Buyer agrees in writing to pay the excess. In the event of termination, deposits previously made by Buyer are to be refunded, less escrow expenses chargeable to Buyer.

FLOOD ZONE

(See Property Disclosure)

HOMEOWNER'S INSURANCE

(See Property Disclosure)

HURRICANE FUND

(See Property Disclosure)

HURRICANES

(See Property Disclosure)

ILLEGAL UNITS

Buyer understands that the existing structure (addition)(kitchen) does not conform with zoning or code requirements and the City and County may require removal of this structure (addition) (kitchen).

INVENTORY

Buyer understands furnishings in the Property when Buyer inspected the property on _____(date) are included in the sales price; inventory signed and dated by Seller to be reviewed and approved by Buyer.

NATIVE HAWAIIAN RIGHTS

The subject property may be subject to the exercise of customary and traditional rights and practices, including without limitation those exercised for subsistence, cultural or religious purposes, and access, water and gathering rights, as reserved, existing or established under the Constitution, law and usage of the State of Hawai'i.

NEW CONTRACT REPLACING PREVIOUS ONE

This PURCHASE CONTRACT is intended by the parties to replace and discharge a previous PURCHASE CONTRACT between Buyer and Seller dated _____ which is mutually rescinded.

NON-CONFORMING STRUCTURE

(See Property Disclosure)

NON-CONFORMING USE

(See Property Disclosure)

OCCUPANCY - BUYER TO BE RESPONSIBLE FOR SELLER'S LOSS OF RENT DUE TO DELAY OF CLOSING

If Seller gives the standard 45-day notice to vacate to a month-to-month tenant and Seller is able to deliver possession of the property to Buyer by the original scheduled closing date in the PURCHASE CONTRACT, but Buyer is unable to close by that date for any reason through no fault of Seller, then Buyer shall compensate Seller through escrow \$ _____ per day from the 46th day until the transaction is closed.

OCCUPANCY - EARLY OCCUPANCY

(See Early Occupancy)

OCCUPANCY - LATE OCCUPANCY

Seller shall have the right to remain in possession of the Property for a period not to exceed ____ (____) days. Seller shall inform Buyer of Seller's election to exercise this right no later than ten (10) days prior to closing. Should Seller elect to exercise this right, Buyer and Seller herein agree to execute a rental agreement to cover a period of ____ (____) days commencing from date of recordation at a rate equal to the per diem amount of Buyer's new mortgage payment.

OFFERS AND COUNTEROFFERS - BACKUP OFFER

This is a backup offer and is in first position behind a primary contract now in escrow. All time frames of this PURCHASE CONTRACT shall commence after written notification from Seller to Buyer that the primary contract now in escrow has been terminated. Buyer may, at Buyer's sole discretion, withdraw this backup offer at any time prior to being notified by Seller, in writing, that the primary contract has been cancelled. For the purpose of this PURCHASE CONTRACT, acceptance will be defined as that date Buyer has been notified that the primary contract has been cancelled.

OFFERS AND COUNTEROFFERS - BUYER HAS OFFER ON ANOTHER PROPERTY

Seller is aware that Buyer has made an offer on another property and the acceptance of this PURCHASE CONTRACT by Seller is conditioned upon the

termination by all parties of the prior PURCHASE CONTRACT within seventy two (72) hours of Seller's acceptance. If the prior PURCHASE CONTRACT is not cancelled within the stated time period, this PURCHASE CONTRACT shall be terminated, , and all deposits shall be returned to Buyer less all escrow costs chargeable to Buyer. If the prior PURCHASE CONTRACT is cancelled, this PURCHASE CONTRACT shall remain in full force and effect.

OFFERS AND COUNTEROFFERS - BUYER IN BACKUP POSITION

Buyer acknowledges that this offer is a backup offer and that Seller accepts this offer conditioned upon the written cancellation of the existing contract between the Seller and (Buyer's name), dated _____, no later than _____.

OFFERS AND COUNTEROFFERS - BUYER IN BACKUP POSITION ?2

Buyer understands that this PURCHASE CONTRACT is a backup PURCHASE CONTRACT and there is an accepted primary PURCHASE CONTRACT on this property with the following contingencies:

_. Buyer may terminate this PURCHASE CONTRACT at any time prior to receiving Seller's written notice that the primary PURCHASE CONTRACT has been terminated and that this PURCHASE CONTRACT is in force.

OFFERS AND COUNTEROFFERS – MULTIPLE COUNTEROFFERS

Buyer understands that Seller is providing counteroffers, unsigned by Seller, to two potential buyers simultaneously. Thus, Seller may receive offers signed by separate buyers for Seller's acceptance. Buyer understands and agrees that Seller is free to accept either, or none, of the offers, and that Seller shall not be bound to Buyer unless Seller returns to Buyer the Counteroffer made by the Buyer and accepted by Seller. If Buyer wishes to submit a Counteroffer to Seller, Buyer must do so by _____.

OFFERS AND COUNTEROFFERS - MULTIPLE COUNTEROFFERS

Buyer is aware that Seller has made two counteroffers to two prospective buyers including this counteroffer to the Buyer. If both counteroffers are accepted, then Seller reserves the right, at Seller's sole discretion, to choose which PURCHASE CONTRACT to accept , without any liability from either proposed Buyer. In such event, Seller shall notify Buyer of Seller's decision within twenty-four (24) hours after the expiration of the time deadlines set forth in such counteroffers.

OFFERS AND COUNTEROFFERS - SELLER TO TAKE BACKUP OFFERS AND REMOVAL CLAUSE

Seller may continue efforts to sell the subject property. If a third party submits an offer to purchase the property at a price and upon terms acceptable to Seller, Seller shall give written notice thereto to Buyer, and Buyer shall have ____ hours after receipt of the notice to amend this PURCHASE CONTRACT by deleting Special Term No(s). ____ (or paragraph(s) ____ above). If Buyer fails to execute

and deliver such amendment in the time specified, Seller may accept the third party's offer, in which event, this PURCHASE CONTRACT shall be terminated , and Seller and Buyer shall be released from their obligations hereunder. All parties understand that time frames related to the "Date of Acceptance/Acknowledgement of this Offer" are amended to the date Seller notifies Buyer in writing that Seller has accepted an offer on the Property.

OFFERS AND COUNTEROFFERS - SELLER TO TAKE BACKUP OFFERS

Seller reserves the right to continue marketing the property and to take backup offers which would become a primary PURCHASE CONTRACT only in the event of the termination of this PURCHASE CONTRACT . Buyer understands that standard term of this PURCHASE CONTRACT covering Buyer defaults and remedies remains applicable even if the "backup" offer becomes the primary PURCHASE CONTRACT .

OFFERS AND COUNTEROFFERS - SIMULTANEOUS COUNTEROFFERS BY SELLER

A. Buyer understands that Seller has made a counteroffer to another buyer to sell the subject property. Until such time that Seller notifies Buyer that the pending counteroffer has expired, or has been revoked by Seller, this counteroffer, if accepted by Buyer, constitutes a back up PURCHASE CONTRACT only.

OFFERS AND COUNTEROFFERS - SIMULTANEOUS OFFERS BY BUYER

Seller understands that Buyer has made an outstanding offer on another property which is pending. If Seller decides to accept this PURCHASE CONTRACT, Seller agrees that within twenty-four (24) hours from the time Buyer receives a copy of the accepted offer, Buyer may either revoke any other pending offers which Buyer currently has made or may terminate this PURCHASE CONTRACT. If Buyer decides to terminate this PURCHASE CONTRACT, Buyer shall give Seller written notice by hand delivery or fax of Buyer's decision to terminate, and Buyer shall be entitled to a refund of all deposits made in conjunction with this PURCHASE CONTRACT, less any escrow expenses chargeable to Buyer. Upon termination of this PURCHASE CONTRACT, neither Seller nor Buyer shall have any further responsibilities or obligations to each other under this PURCHASE CONTRACT.

OLDER HOME

(See Property Disclosure)

OPTIONS - LEASE OPTION

During the term of the Option period, Optionor and Optionee shall have a Landlord/Tenant relationship. Optionor agrees to rent subject property to Optionee beginning _____(date) and continuing through Option period at \$_____month according to standard rental agreement. There will be no

security deposit. The rental agreement shall be prepared and signed by the parties prior to occupancy

PAYMENT FOR REPAIR

Seller agrees to repair or pay for repair of the following items before close of the transaction, and the costs of repair are to be paid out of escrow:

PENDING CHANGES

(See Property Disclosure)

PENDING LEGAL ACTION

(See Property Disclosure)

PERSONAL PROPERTY - BILL OF SALE

Buyer and Seller understand and agree that the personal property described in the attached inventory is not included in the sales price and will be transferred to Buyer by way of a Bill of Sale to be paid through escrow at closing for a total purchase price of \$ _____.

PERSONAL PROPERTY - BLUEPRINTS

Seller agrees to deliver to Buyer prior to closing all blueprints, architectural drawings, landscape architect designs, and all building and landscaping specifications, surveys and maps describing the Property, presently in the Seller's possession.

PERSONAL PROPERTY - IF REPAIRS ARE NOT EXPECTED TO BE COMPLETED BY CLOSING

It is mutually agreed that in the event repairs agreed upon by the parties cannot be completed by closing, escrow shall withhold from Seller's proceeds the estimated cost of repairs agreed to by Seller. Repair bills shall be paid through escrow, and any balance remaining undisbursed shall be returned to Seller upon completion of repairs. Seller's Agent shall send list of repairs to be done and estimated costs to escrow prior to closing.

PERSONAL PROPERTY - INVENTORY

Seller to provide Buyer with a complete furniture inventory within five (5) calendar days of acceptance of this offer. Buyer's obligation to buy is conditioned upon Buyer's written approval of same within three (3) calendar days of receipt.

PERSONAL PROPERTY - PERSONAL PROPERTY

The personal property and fixtures listed in this PURCHASE CONTRACT are included in the purchase price and shall be the same property shown to Buyer or located in the property immediately prior to the signing of this PURCHASE CONTRACT. Seller or Seller's Agent shall make no substitutions unless agreed to by Buyer in a written agreement signed by both Buyer and Seller.

PERSONAL PROPERTY - SOILS CONDITION - EXAMPLE OF DISCLOSURE

Buyer is aware that the soils condition of the Property is unstable. The retaining wall on the _____ side of the Property shows cracks which may be due to settlement. Buyer accepts the Property in "AS IS" condition with respect to such soils condition and settlement and the possible consequences of this condition. The Seller makes no warranty of any kind with respect thereto.

PERSONAL PROPERTY - SOILS INSPECTION CONTINGENCY

Within seven (7) calendar days of acceptance of this PURCHASE CONTRACT, Buyer may, at Buyer's expense, have a soils inspection conducted by experts/representatives of Buyer's choice. This offer is conditioned upon Buyer's approval of the soils reports within five (5) calendar days from the date of receipt of the soils report; provided, however, that such approval shall be deemed to be given unless written notice of disapproval is given within such time. Seller shall give reasonable access to the property to Buyer and/or Buyer's representatives.

PERSONAL PROPERTY - SPECIFIC REPAIRS TO BE DONE BY SELLER

1) Leaking Roof to be Repaired: Buyer is aware that the family room roof leaks. Seller, at Seller's sole cost and expense, agrees to have the roof above the family room repaired by a licensed roofing contractor prior to closing. However, Seller does not warrant that it will not leak in the future and makes no representations in this regard. 2) Ice-maker to be Repaired or Replaced: Buyer is aware that the ice-maker does not work. Seller, at Seller's sole cost and expense, agrees to have the ice-maker professionally repaired or replaced with one of similar type prior to closing.

PERSONAL PROPERTY – WHEN REPRESENTING BUYER

Seller shall provide Buyer with a complete inventory of all items to be included in the sale of Property within five (5) calendar days of acceptance of this offer. Buyer shall approve same in writing within three (3) calendar days of receipt or this PURCHASE CONTRACT shall be terminated with all deposits returned to Buyer less any escrow expenses chargeable to Buyer.

PERSONAL PROPERTY – WHEN REPRESENTING SELLER

The purchase price includes those items on the inventory list attached hereto. These items are being conveyed in "AS IS" condition. This offer is conditioned upon Buyer's examination and approval of the inventory within five (5) calendar days from acceptance of this offer. If Buyer does not approve of the inventory, Buyer may terminate this PURCHASE CONTRACT by giving written notice to Seller within the time specified. No response from the Buyer within the time specified shall be deemed approval.

PRIVATE ROAD

(See Property Disclosure)

PURCHASE MONEY MORTGAGE– APPOINT AGENT WHEN BUYER IS NOT LIVING IN HAWAII

Buyer will appoint a person residing in Hawaii as Buyer's agent for the limited purpose of accepting service of process.

PURCHASE MONEY MORTGAGE – EXTENSION OF THE PURCHASE MONEY MORTGAGE

Mortgagor shall have the right to extend this Purchase Money Mortgage on a _____ basis whenever financing is not available from the major lending institutions at reasonable terms. Mortgagor's interest rate on this PMM will remain the same (will escalate to ___%).

PURCHASE MONEY MORTGAGE – TITLE HOLDER – TO BE DETERMINED

This offer is contingent on Seller's approving Title Holder within _____ days after receipt of Buyer's written notification of the name of the Title Holder.

PROFESSIONAL'S DISCLAIMER

(See Property Disclosure)

PROPERTY CONDITION – AS IS

The Buyer is given every opportunity to inspect the property, per this PURCHASE CONTRACT, and is aware of the following conditions:

_____ as well as all of the conditions disclosed in the attached Seller's Real Property Disclosure Statement dated _____, which disclosures are incorporated herein by reference. With full knowledge of these conditions, Buyer is aware, understands and agrees that all land, improvements and real and personal property will be sold, conveyed and/or assigned, as applicable, by the Seller to the Buyer in an "AS IS" condition without warranty or representation, express or implied, Buyer hereby agreeing, acknowledging and affirming to Seller that Buyer has had full opportunity to inspect, and accepts all land, improvements and real and personal property in an "AS IS" condition, including the conditions disclosed above. Buyer understands and acknowledges that Seller hereby expressly disclaims any and all warranties, whether express or implied, with respect to the land, improvements, and real and personal property, including without limitation, any warranty of habitability, warranty of merchantability, or warranty of fitness for a particular use. It is Buyer's intention to give up, waive, and relinquish all rights to assert any claim, demand, or lawsuit of any kind with respect to the condition of the land, the improvements, the real property, or the personal property. Seller will not be required to make any repairs or pay any expenses concerning the land, the improvements, the real property, or the personal property.

PROPERTY CONDITION – “AS IS” CONDITION

Buyer shall be given every opportunity to inspect the Property. Buyer has been advised of the following conditions: _____

_____, as well as all of the conditions disclosed in the attached Seller’s Real Property Disclosure Statement dated _____, which disclosures are incorporated herein by reference. With knowledge of these conditions, Buyer understands and agrees that all land, improvements, and real and personal property will be sold, conveyed and/or assigned by Seller to Buyer "AS IS," without warranty or representation, express or implied, as to condition or fitness for any purpose whatsoever, Buyer hereby agreeing, acknowledging, and affirming to Seller that Buyer has had full opportunity to inspect, and accepts all land, improvements, and real and personal property "AS IS" including the conditions disclosed above. Paragraphs _____ are hereby deleted. The Seller will not be required to make any repairs or pay any expenses concerning the property. An appropriate "AS IS" clause will be included in the conveyance document to the Buyer.

PROPERTY DISCLOSURE - ACCESS (LEGAL)

Seller warrants that there is legal access between the Property and a public roadway. If the Property does not border a public street, road or highway, Seller shall, on or before fifteen (15) calendar days prior to closing, furnish to Buyer, at Seller’s expense, one of the following: (1) copy of a recorded access easement, running in favor of any and all title holders of the Property; or (2) an easement in recordable form, from the (servient) owners of the property or properties over which the easement is to run, and running in favor of Buyer, Buyer’s heirs, assigns, and successors in title. Seller shall pay for recording said easement and all other related expenses.

PROPERTY DISCLOSURE - ASBESTOS – SELLER INDEMNIFICATION

Seller represents that asbestos or other hazardous substance exists on or under the Property. Seller agrees to defend and indemnify Buyer and hold Buyer harmless from and against any claim, demand, liability, damages, penalties, costs or expenses (including attorney’s fees) arising from the existence of any hazardous substance or waste on the Property, or from any action on account thereof taken by governmental authorities under either state or federal environmental laws. This includes, but is not limited to, all costs incurred in removing and disposing of the hazardous material in the manner permitted by law.

PROPERTY DISCLOSURE - ASBESTOS - SELLER

Seller suspects, or knows about, the existence of asbestos on the Property. Seller makes no warranty or representation about the nature or condition of such asbestos. Seller makes no representation as to whether this material must be removed, repaired or maintained in any way, pursuant to state and/or federal

environmental laws. Buyer is encouraged to retain experts to obtain appropriate advice.

PROPERTY DISCLOSURE - ASSESSMENTS

Seller represents that as of _____ (date), there are no past due, current, or known future assessments affecting the Property except as follows: _____

_____ If, (1) as of the date of this PURCHASE CONTRACT, there are any past due, current, or known future assessments affecting the Property which have not been disclosed by Seller, or (2) any assessments are authorized or become known prior to the closing date of this contract, then Buyer reserves the right to terminate this PURCHASE CONTRACT by providing written notice to Seller and Escrow and recover all deposits less escrow expenses chargeable to Buyer; unless either (a) the assessments which are owed at or before closing are paid in full by Seller prior to closing, or (b) the assessments known to be due after closing will be paid in full by Seller from funds left in escrow for that purpose. If Seller obtains any information prior to closing concerning assessments not disclosed herein, that information shall promptly be disclosed to Buyer in writing.

PROPERTY DISCLOSURE - BROKER DISCLAIMER RE BUILDING ORDINANCES, ETC.

Buyer acknowledges that Buyer has investigated the local governmental zoning and building ordinances and requirements as to the erection of a building on the Property, and that Buyer has investigated the availability of water, sewer, gas, and electrical services for the Property, and the fees and costs related thereto. Buyer further acknowledges that Buyer is relying solely upon data obtained by Buyer from outside sources on all these matters and is not relying upon any representations made by Seller's Agent or the Seller.

PROPERTY DISCLOSURE - CATCHMENT WATER

Buyer understands: that water service to the Property is by catchment system only; that lead contamination or other problems can occur with this type of water system; that the quantity of water from this system may be insufficient at times and the water may need to be obtained from other sources. Buyer accepts the Property with its existing catchment water system subject to these risks and agrees not to assert any claims against the Seller and the Seller's Agent.

PROPERTY DISCLOSURE - CESSPOOL

Buyer is aware that the property is not connected to the public sewer system and that a cesspool is currently used for sewage disposal. The septic tank system must be built to accommodate an additional structure if allowed, and appropriate permits and minimum lot size may be required before a septic tank system will be permitted. Buyer has received, reviewed, and been advised to contact the State of Hawaii Department of Health regarding current cesspool policy. Buyer is

further aware that this policy may change at any time, and Buyer is accepting the Property without any representation, statements or promises by Seller or Agent regarding cesspools.

PROPERTY DISCLOSURE - COMMUNITY ASSOCIATION DUES

Buyer is aware that the property is located in an area or neighborhood which assesses fees for _____. These fees are currently \$_____ per _____ and may increase in the future.

PROPERTY DISCLOSURE - DISCLOSURE STATEMENT

This offer is conditioned upon the approval by Buyer of the Seller's Disclosure Statement within ____ (____) days of receipt from Seller. If Buyer fails to provide written notice of approval within the prescribed time, this PURCHASE CONTRACT shall be terminated.

PROPERTY DISCLOSURE - FLOOD ZONE

Buyer understands that the Property may be located in an area which is a Flood Hazard Zone. Seller agrees to disclose, in the Disclosure Statement, if the Property is in a flood zone and if so, the Flood Zone designation. Buyer understands that, for properties in Flood Hazard Zones, lenders may require Buyer to purchase flood insurance in order to obtain a loan secured by the Property. Buyer should contact Buyer's insurance agent in advance to determine the cost and availability of said insurance. In addition, the City and County has special requirements for obtaining building permits for properties in Flood Hazard Districts. Buyer should contact the National Flood Insurance Office for more information regarding flood zones and the City and County Building Department concerning building permits. Buyer accepts the Property subject to these risks and agrees not to assert any claims against Seller or Seller's or Buyer's Agents based upon the location of the Property in a flood zone.

PROPERTY DISCLOSURE - HOMEOWNER'S INSURANCE

Buyer is hereby advised that it may be necessary to purchase additional WIND/HURRICANE insurance coverage in order to obtain a loan secured on the Property from any federally regulated financial institution or guaranteed by an agency of the U.S. Government. Buyer is advised to consult with an insurance company of Buyer's choice to determine the cost and availability of the additional WIND/HURRICANE coverage in Buyer's Homeowner's Insurance Policy. Buyer is also aware that a Homeowners' Insurance Policy may not be available at this time and that this condition is beyond the Seller's control or responsibility. Buyer understands and agrees that this offer is NOT conditioned upon Buyer's ability to obtain such an insurance policy.

PROPERTY DISCLOSURE - HURRICANE FUND

The Buyer shall be responsible for the .1% hurricane relief funding fee at the close of escrow. The amount of the fee will be based on the loan amount.

PROPERTY DISCLOSURE - HURRICANES

Buyer is aware there was a major hurricane within the past _____ (____) years in the area where the Property is located. Neither Seller nor the BROKER can guarantee that another hurricane will or will not occur. Buyer accepts the Property with knowledge of this condition and the possible consequences, including difficulty in obtaining property insurance.

PROPERTY DISCLOSURE - NON-CONFORMING STRUCTURE

The Property is zoned (type of zoning) and is a lawful non-conforming structure. The buildings do not conform with the current zoning laws of the County though they are permitted because they were constructed when a different zoning was in effect. As a non-conforming structure, there are restrictions on the owner's right to rebuild if the improvements are destroyed or demolished. This may cause problems with respect to financing, re?construction, repair, use, property values and re?sale. Buyer understands the consequences of this non-conformity and agrees to accept this condition "AS IS." Buyer has not relied upon any statement or representation by Seller or Seller's Agent concerning such structure.

PROPERTY DISCLOSURE - NON-CONFORMING USE

Buyer acknowledges that the Property is considered a legal non?conforming use in the zoning category of surrounding property. Buyer is independently satisfied as to whether or not the intended use of the Property is grandfathered and understands all the legal possibilities, ramifications and requirements relative to the use of the Property. [OCEANFRONT PROPERTIES] Buyer is aware the Seller will not provide a State Certified Shoreline Survey and understands that the location of the shoreline boundary of the Property may be subject to change and that the actual square footage of the land may be more or less than stated above due to accretion or erosion. Buyer further agrees that neither condition will alter the sales price of this PURCHASE CONTRACT. Buyer accepts the Property subject to these conditions and agrees not to assert any claims against the Seller or Seller's or Buyer's Agents based upon the location of shoreline boundary of the Property and the impact, if any, it would have on the size or design of the Property or obtaining necessary permits or financing.

PROPERTY DISCLOSURE - OLDER HOME

Buyer understands that the Property is not a new home but is approximately ____ (____) years old. Therefore, although Seller is not aware of any problem, structures may not conform to current building codes. Buyer is strongly urged to (1) have a professional contractor or architect verify compliance with the building code and permit requirements, and (2) have a professional home inspection to ascertain the exact condition of the Property.

PROPERTY DISCLOSURE - PENDING CHANGES

Seller certifies that Seller knows of no easements, imminent or pending assessments, liens or lawsuits, upon or affecting the Property and/or any association (if applicable) except as noted in the Seller's Disclosure Statement.

PROPERTY DISCLOSURE - PENDING LEGAL ACTION

Buyer is aware and understands that the Property is subject to the following current legal action: _____. Buyer is granted permission to contact the attorney and the Association regarding the legal action at Buyer's expense.

PROPERTY DISCLOSURE - PRIVATE ROAD

Buyer is aware that the road on which the Property is located is privately owned. Buyer shall have a nonexclusive right to use the road in common with other owners along the road. Since the road is private, government agencies will have no obligation to improve or provide any maintenance to the road. Any road improvements or care must be agreed to by the common owners of the road. Lenders usually require road maintenance agreements as a condition of the loan. Seller's and Buyer's Agents have no control over this process. Buyer accepts the Property with knowledge of this condition.

PROPERTY DISCLOSURE - PROFESSIONAL'S DISCLAIMER

Buyer is aware that (name of Seller) is a licensed (contractor, architect, etc.) . Buyer acknowledges that Seller has made no representations as a (contractor, architect, etc.) to Buyer. Buyer is advised to and has a right to use professionals of Buyer's choice to inspect the Property per this PURCHASE CONTRACT.

PROPERTY DISCLOSURE - RENTAL POOLS

Buyer understands that this apartment in the project known as _____ is being sold in an isolated resale transaction, that neither Seller nor Seller's Agent is the developer of said project, nor an affiliate thereof, nor the manager of the management entity nor an affiliate thereof. Buyer further affirms that the entire consideration paid in this transaction pertains to and is applicable to the condominium apartment and appurtenant interests in the common elements of said project (i.e., real property), and that no separate consideration has been paid or will be paid for the interest, if any, in the rental management entity, transferred with said apartment. Buyer also understands that the Seller and Seller's Agent are not offering directly or indirectly a rental service of any kind to the owners of condominium apartment units in the project, either individually or in any form of pooling arrangement, or by a third party designated or arranged for by Seller, nor have any representations been made by the Seller or Seller's Agent as to the feasibility of renting the apartment or otherwise generating income or deriving any other economic benefit from ownership of the apartment.

PROPERTY DISCLOSURE - RESALE ADVICE

Buyer understands and acknowledges that Buyer has not relied upon any statements or representations made by Buyer's Agent regarding the potential resale value of the property. The resale value of the property will vary depending upon a number of factors which Buyer's Agent is unable to control or predict.

PROPERTY DISCLOSURE STATEMENT - BUYER'S APPROVAL OF DISCLOSURE STATEMENT

Buyer's obligation to purchase is conditioned upon Buyer's approval of Seller's Property Disclosure Statement within _____ () calendar days of receipt. This paragraph supplements the Seller disclosure paragraphs contained in this PURCHASE CONTRACT.

PROPERTY DISCLOSURE STATEMENT - ABSENTEE SELLER

Seller does not occupy the Property and has no knowledge as to its condition, use, history, or other matters pertaining to the Property other than what is readily available to the general public through a record search or inspection of the Property. Therefore, Seller will not furnish a Real Property Disclosure Statement in connection with the sale of the Property, and the Buyer and Buyer's Agent shall use due diligence to ascertain pertinent matters pertaining to the Property. Seller will make the Property available for Buyer to obtain a professional home inspection report. Seller is selling the Property "AS IS" and an appropriate "AS IS" provision is included in this PURCHASE CONTRACT.

PROPERTY DISCLOSURE STATEMENT - PROPERTY CONDITION

Buyer acknowledges that Seller has not owned the Property (or lived in it) long enough to become familiar with the Property. Therefore, Seller will not complete Seller's Disclosure Statement. Buyer acknowledges that Seller is making no warranties, express or implied, with respect to the Property, the dwelling, or consumer products or other things which may be installed or which are contained in the dwelling including, but not limited to, warranties of merchantability, habitability, workmanlike construction or fitness for particular use. Buyer is taking the Property in an "AS IS" condition, and is obligated to conduct Buyer's investigation into the condition of the Property. Buyer agrees to indemnify and hold Seller and Seller's Agent harmless from any and all loss, cost, expense and liability, including any cost of remedy or repair, and also including attorneys' fees and costs arising as a result of the condition of the Property and any damage arising therefrom, whether such condition has already occurred or occurs in the future. The covenants and agreements contained in this paragraph shall survive closing.

PROPERTY DISCLOSURE STATEMENT - WAIVER OF DISCLOSURE

Buyer has NOT been provided a Seller's Real Property Disclosure Statement. A disclosure statement contains a wide range of useful information about the Property. Buyer's Agent has recommended that such a disclosure statement be requested, but Buyer has specifically instructed that this PURCHASE

CONTRACT be submitted without such a request. Buyer hereby waives the opportunity to request a disclosure statement and agrees to release and hold harmless Buyer's Agent from any and all claims related to or connected with the failure to request or obtain a disclosure statement, and will protect (indemnify and defend) Buyer's Agent from any such claims.

PURCHASE MONEY MORTGAGES - ADDITIONAL PAYMENTS

If additional principal payments are made, interest due thereafter will be computed upon the remaining balance outstanding and monthly payments will be reduced accordingly.

RELEASE OF BUYER'S DEPOSITS TO SELLER WHEN BUYER FAILS TO PERFORM

Seller and Buyer irrevocably agree and instruct Escrow that if _____ does not occur by _____ (date), escrow is to be cancelled and the PURCHASE CONTRACT shall be terminated. Any remaining deposits, less fees, expenses and commissions, if any, will be forwarded to Seller. Seller and Buyer indemnify and hold harmless Escrow for complying with these instructions and agree to pay all escrow costs, expenses and attorneys' fees, if any, relating to the compliance with these instructions.

RENTAL LOSS DUE TO BUYER'S DELAY OF CLOSING

Should Seller give the standard 45 day notice to tenant and Seller is able to deliver possession of the property to Buyer by the original closing date and Buyer is unable to close at the original time for any reason, through no fault of the Seller, Buyer agrees to compensate Seller through Escrow \$ per day from the 46th day until the transaction is closed.

RENTAL POOLS

(See Property Disclosure)

RESALE ADVISE

(See Property Disclosure)

SELLER'S LACK OF KNOWLEDGE ABOUT PROPERTY

Buyer understands that Seller has never lived in the property and resides on the Mainland (or wherever). Therefore, Seller has little or no knowledge about the physical condition of the property. Buyer must carefully inspect the property and conduct his/her own due diligence studies concerning its condition and other facts.

SEPTIC SYSTEMS

Buyer is aware that the Property has no connection to a public sewer line or system.

SETBACKS

Buyer understands that there is a:

SEWER

Buyer understands there is no sewer and that the Property is serviced by:

SIGHT UNSEEN PURCHASE CONTRACT

As a standard of practice at Local Hawaii Real Estate ALL CONTRACTS for buyers who are purchasing a property sight unseen and without inspection shall have the following 6 clauses made part of C-67.

- 1) Buyer agrees to purchase the property without physically viewing and or inspecting the property.
- 2) Buyer agrees the property and all or some of its attributes, characteristics and vegetation may actually be different from what the Buyer believes or envisions the property to be like.
- 3) Buyer agrees that descriptions, depictions, maps, photographs and other representations of the property are not a substitute for viewing and or inspecting the property.
- 4) Buyer agrees the buyer has been advised by Local Hawaii Real Estate and its agents to hire a professional to inspect the property on the buyer's behalf.
- 5) Buyer agrees the Buyer has declined to hire a professional to inspect the property.
- 6) Buyer agrees to hold the Seller, Local Hawaii Real Estate and its agents harmless from any and all claims or damages arising out of the Buyer's decision to purchase the property without physically viewing and or inspecting the property and the property's location.

SOIL CONDITION – BUYER

Buyer understands that Property is in a slide area. Buyer acknowledges that Buyer has been advised to obtain expert advice concerning the effect of such condition on the Property.

SOIL CONDITION – SELLER

Seller to provide a soils report within ___ calendar days from date of acceptance of this PURCHASE CONTRACT. This offer is conditioned upon Buyer's review and approval of said report within three (3) calendar days of receipt.

SUB-AGREEMENT OF SALE

This offer is conditioned upon Buyer's review and approval of the underlying Agreement of Sale.

TERMINATION - DUE TO SELLER

In the event termination of this PURCHASE CONTRACT occurs because Seller is not able to perform, Seller shall pay for all costs of termination , including costs of attorneys' fees and other costs to cancel escrow and terminate the PURCHASE CONTRACT . In addition, Seller may be subject to a claim for damages for default .

TERMINATION DUE TO BUYER

In the event termination occurs because Buyer is not able to perform, Buyer shall pay for all costs of termination , including attorneys' fees, and other costs to cancel escrow and terminate this PURCHASE CONTRACT . In addition, Buyer may be liable for damages caused by Buyer's default under this PURCHASE CONTRACT.

TAX AND EXCHANGE |HARPTA & FIRPTA|

Seller agrees to comply with federal (FIRPTA) and state (HARPTA) tax withholding laws. Escrow is hereby notified, and Seller agrees and irrevocably instructs and authorizes Escrow to withhold all necessary funds for compliance, unless Seller provides Escrow prior to closing with appropriate waivers or exemptions.

TAX AND EXCHANGE - TAX ADVICE

Buyer and Seller acknowledge that they have not relied upon any statements made by Buyer's or Seller's Agents or by any real estate agent associated with this sale regarding the effect of this transaction upon the tax liability of Buyer and/or Seller. Buyer's or Seller's Agents has advised Buyer and Seller to seek competent tax advice and counsel.

TAX AND EXCHANGE - WHEN BUYER WANTS A 1031 EXCHANGE

Seller is informed that Buyer intends to include the Property as a replacement property in an Internal Revenue Code Section 1031 exchange of properties. Seller agrees to cooperate in effecting said exchange by signing all necessary and appropriate exchange documents. Buyer agrees to indemnify and hold Seller harmless from all costs, expenses and liabilities incurred by Seller because of Buyer's participation in said exchange. Seller is not required to assume temporary ownership of any other property. Seller's and Buyer's Agents are not responsible for any value set by the principals to the exchange. Seller's and Buyer's Agents advise the principals to seek competent legal and tax counseling regarding Internal Revenue Code Section 1031 Exchange. Principals are not relying on any representations in this regard by Seller's and Buyer's Agents.

TAX AND EXCHANGE - WHEN SELLER WANTS A 1031 EXCHANGE

Buyer is informed that Seller intends to include the Property as a relinquished property in an Internal Revenue Code Section 1031 exchange. Buyer agrees to cooperate in effecting said exchange by signing all necessary and appropriate exchange documents. Seller agrees to indemnify and hold Buyer harmless from all costs, expenses and liabilities incurred by Buyer because of Seller's participation in said exchange. Buyer is not required to assume temporary ownership of other property. Seller's and Buyer's Agents are not responsible for any value set by the principals to the exchange. Seller's and Buyer's Agents advise the principals to seek competent legal and tax counseling regarding Internal Revenue Code Section 1031 Exchange. Principals are not relying on any representations by Seller's and Buyer's Agents.

TERMITE - TERMITE

If Buyer selects the licensed pest control company to conduct an inspection and issue the Termite Inspection Report, Buyer to pay all costs in excess of \$250. This paragraph supplements PURCHASE CONTRACT Paragraph:

TERMITE - TERMITE

Buyer understands that even though the referenced provisions require the Seller to disclose any prior and/or current infestation or damage that the Seller is aware of, Seller and Seller's Agent are lay persons with no expertise in detecting termite damage, and therefore may not be aware of, or fully or accurately describe, any existing problems.

TERMITE - TERMITE DAMAGE

If the termite inspection reveals any damage, Seller shall pay for the costs to repair such damage, including the cost of repairing or replacing the affected improvements, except that such cost to Seller shall not exceed \$_____. Repairs shall include correcting any structural damage which may be required by the lender to be repaired or restored prior to closing. If the cost of repair exceeds this amount, and Buyer does not agree to pay for the excess amount, then Seller shall have the option to terminate the PURCHASE CONTRACT by giving written notice to Buyer and Escrow within ____ (____) calendar days of receipt of the termite report and the estimated cost of such repairs or replacement.

TERMITE - TERMITE INSPECTION CONTINGENCY

(Buyer or Seller) shall be responsible for up to but no more than \$_____ toward the cost of said termite inspection. If Seller selects the licensed pest control company, Seller shall be responsible for the total cost of said inspection.

VIEW CHANNELS

Buyer is informed that a structure may be built in front of the Property and could affect the existing view planes.

ZONING - AGRICULTURAL

Buyer understands that the Property is zoned Agricultural and that farming is permitted. Neighbors may be farming and have chicken or animal husbandry farms.

ZONING - CONSERVATION

The Property is in a (flood)(slide area)(Special Design District) (Conservation District). If the Property is in conservation-zoned area where there are water tanks instead of city water, offer is conditioned upon Buyer's approval of condition of water tanks.