

**PARK LANE
GENERAL TERMS AND CONDITIONS OF
PURCHASE AGREEMENT & DEPOSIT RECEIPT**

The general terms and conditions set forth herein are an integral part of the Agreement and, together with Sections I – VII and the Exhibits attached hereto, constitute the entire agreement between the parties.

Terms used herein not otherwise defined herein shall have the meaning set forth in the Declaration.

1. PAYMENT OF PURCHASE PRICE; FINANCING.

(a) Application for Qualification Letter Confirming Buyer's Ability to Pay Purchase Price. Within ten (10) calendar days after the Buyer executes this Agreement, Buyer shall submit to a financial institution designated by Seller (the "**Qualification Agent**") an application for a qualification letter, together with such additional information and documents as Qualification Agent shall require or deem necessary or appropriate to confirm (i) Buyer's ability to pay the Purchase Price from Buyer's own funds, or (ii) Buyer's ability to obtain a mortgage loan in an amount at least equal to the portion of the Purchase Price to be paid by mortgage loan proceeds ("**Qualification Letter**"). Such information and documents may include Buyer's financial statement(s), tax returns, deposit and income verifications, and such other information and documents as Qualification Agent may reasonably require. Buyer shall pay any and all processing or other fees or charges associated with the issuance of the Qualification Letter.

(b) Qualification Letter. Within thirty (30) calendar days after the Buyer executes this Agreement, Buyer must submit to Seller a Qualification Letter, in form and content acceptable to Seller (in Seller's sole discretion), issued by Qualification Agent. Buyer understands and accepts that only a Qualification Letter issued by a Qualified Agent approved and designated by Seller shall comply with the requirements set forth in this Agreement.

(c) Buyer's Failure to Obtain Qualification letter, Buyer's/Seller's Option to Terminate; No Financing Contingency. If Buyer shall have applied for a Qualification letter and diligently pursued such application as herein provided, and Buyer does not obtain a Qualification Letter in form and content acceptable to Seller (in Seller's sole discretion) within the Rescission Period, then and in such event, Seller or Buyer shall have the right and option to terminate this Agreement and cause Escrow to refund to Buyer all monies previously paid by Buyer, less Escrow's cancellation fee and any other actual expenses incurred by reason of Buyer having signed this Agreement to the extent provided in Section 2(b) below.

If Buyer obtains a Qualification Letter and the Rescission Period has expired, Buyer shall be obligated to pay the Purchase Price of the Unit to Seller in accordance with this Agreement. **BUYER'S OBLIGATIONS UNDER THIS AGREEMENT ARE NOT CONTINGENT OR CONDITIONED ON BUYER'S ABILITY TO OBTAIN FINANCING FROM A MORTGAGE LENDER OR ON BUYER'S ABILITY TO SELL BUYER'S CURRENT RESIDENCE OR ANY OTHER PROPERTY OR ASSETS OR ON BUYER'S OBTAINING A DESIRED INTEREST RATE ON A LOAN TO FINANCE BUYERS PURCHASE OF THE UNIT. The**

sale and purchase of the Unit is not contingent upon Buyer's ability to retain the interest rate quoted at the time of approval of the Qualification Letter or the required mortgage loan to pay for the designated portion of the Purchase Price to be paid by mortgage loan proceeds ("Buyer's Permanent Loan"), and Buyer will be required to pay the interest charged by the lender selected by Buyer for mortgage financing ("Buyer's Permanent Lender") at the Close of Escrow (as defined in Section 9(a) below). No financing by Seller of any portion of the Purchase Price is available.

(d) Mortgage Financing. If, as evidenced by the Qualification Letter, Buyer will be utilizing mortgage financing to pay for a portion of the Purchase Price, then the following provisions shall be applicable:

(i) Buyer represents and understands that Buyer is solely responsible for taking all necessary and appropriate steps as requested from time to time by (A) Qualification Agent or (B) a lender arranged for, by or through Qualification Agent or (C) Buyer's Permanent Lender to complete the process of applying for and obtaining Buyer's Permanent Loan, as set forth in this Agreement. No guarantee has been given by Seller or its agents or sales representatives that Buyer will either qualify for financing offered by or through Qualification Agent or Buyer's Permanent Lender or be able to obtain any other loan or financing. All financing and the terms and conditions thereof, including impound payments and interest rate, are a matter of concern solely between Buyer and Qualification Agent or Buyer's Permanent Lender and shall not affect the rights or obligations of Seller or Buyer. **Escrow may have additional funding requirements for non-local lenders and Buyer assumes the risk of using a non-local lender not approved by Escrow prior to Closing.** Buyer is solely responsible for any loan fees or other charges payable to Buyer's Permanent Lender in processing, issuing or cancelling Buyer's Permanent Loan. **It is further understood that Escrow may charge an additional escrow fee for the administration, handling, and processing of Buyer's Permanent Loan if Buyer obtains such loan from a lender who does not have an office in Hawaii through which Buyer's Permanent Loan will be processed and funded, and that Buyer shall be fully responsible for any such additional escrow fee.** Buyer acknowledges and confirms that it is the sole responsibility of Buyer to remain qualified for Buyer's Permanent Loan and Buyer shall not take or fail to take any action for the purpose or intent of being subsequently denied.

(ii) Buyer agrees to promptly submit to Buyer's Permanent Lender, as and when required, all verifications, authorizations, certifications, tax returns and other documents necessary or appropriate for Buyer's Permanent Lender to issue and/or reconfirm the written commitment for Buyer's Permanent Loan. If the Qualification Letter is issued more than one hundred twenty (120) calendar days prior to the Scheduled Closing Date, then Buyer's Permanent Lender will likely require that Buyer reconfirm and re-verify certain information approximately ninety (90) calendar days prior to the Scheduled Closing Date.

(iii) Buyer covenants and agrees that following issuance of the Qualification Letter, Buyer will not knowingly make or allow to be made any changes to Buyer's financial credit worthiness following issuance of the Qualification Letter that may adversely affect Buyer's ability to maintain its qualification for Buyer's Permanent Loan. Buyer acknowledges and confirms that it is the sole responsibility of Buyer to remain qualified for Buyer's Permanent Loan and Buyer shall not

take or fail to take any action for the purpose or intent of subsequently obtaining a loan denial from Buyer's Permanent Lender. If Buyer does not act in good faith hereunder or otherwise comply with any of the requirements of Section 1(d) strictly within the time frames set forth herein, Buyer shall be in default under this Agreement, and Seller may then cancel Escrow, terminate this Agreement and proceed in accordance with Section 15(b) below.

(e) Reconfirmation of Cash Purchase; Seller's Option to Terminate. If Buyer is paying the entire Purchase Price in cash and Seller so requires, then no later than sixty (60) calendar days and no earlier than ninety (90) calendar days prior to the Scheduled Closing Date, Buyer shall submit to Seller such written evidence as Seller may reasonably require from Buyer's bankers or accountants or other persons to reconfirm that Buyer has the cash funds necessary to pay the Purchase Price in cash on the Date of Closing. It is understood by Buyer that it is Buyer's obligation to assure that the cash funds which were available at the time of the issuance of the Qualification Letter remain available for purposes of consummating the purchase of the Unit on the Date of Closing. If Seller, in its sole discretion, after viewing the written evidence submitted by Buyer, is not satisfied as to Buyer's continued ability to make such cash payments and/or Seller determines that Buyer has not acted in good faith hereunder or otherwise complied with the requirements of this Section 1, then, and in such event, Buyer shall be in default under this Agreement, and Seller may cancel Escrow, terminate this Agreement and proceed in accordance with Section 15(b) below.

2. ESCROW ARRANGEMENTS.

(a) Deposit All Funds with Escrow. Buyer agrees that all funds to be paid under this Agreement shall be deposited with Escrow under the terms of the Escrow Agreement dated August 25, 2014, between Seller and Escrow, as amended ("**Escrow Agreement**"). Buyer hereby authorizes and instructs Escrow to comply with and to disburse all funds deposited with Escrow in accordance with the terms of the Escrow Agreement.

(b) Interest on Funds Received and Held by Escrow. Buyer further agrees that all funds received by Escrow may be held together with other monies received by Escrow. If Buyer so elects, all such funds received by Escrow may be deposited into an interest bearing account or accounts in a federally insured bank or savings and loan institution selected by Seller, in its sole discretion, with its principal place of business in Honolulu, Hawaii. Buyer shall pay all costs and expenses incurred or charged by Escrow for the purpose of setting up, maintaining and closing such interest bearing account(s). In connection with and as a condition to the set up of any interest bearing account(s), Buyer shall provide Escrow with an executed W-9 Form to verify Buyer's social security number, federal tax identification number and/or passport number for purposes of reporting any interest earned on Buyer's deposit account(s). Except as provided in Section 15 below, all interest earned on funds while they are held in Buyer's deposit account(s) from the date of Seller's acceptance of this Agreement shall be credited to Buyer's account; provided that no interest shall be credited to Buyer's account (i) for the period prior to Seller's acceptance of this Agreement; or (ii) on funds held by Escrow for less than sixty (60) calendar days after Seller's acceptance of this Agreement; or (iii) on funds held by Escrow during the sixty (60) calendar days immediately preceding the Scheduled Closing Date. Any interest earned on funds in Escrow which is not required by the terms of this Agreement to be credited to the account of Buyer shall be paid to Seller. Buyer and Seller hereby

jointly instruct Escrow pursuant to the provisions of HRS §449-16.5, as amended, to credit the interest earned on all funds received by Escrow in accordance with this section.

(c) Disbursement of Escrow Funds to Pay for Construction Costs. Buyer further agrees that Payments A, B and C provided for in Section III.2 of this Agreement (collectively, the “**Contract Deposit**”) may be disbursed by Escrow subject to the terms of the Escrow Agreement and as permitted by HRS §514B-92, as amended, to pay for the costs of the Project.

3. THE PROJECT.

(a) Plan Approval. Seller is constructing a condominium project on the land described in the Declaration, in accordance with plans and specifications prepared by Benjamin Woo Architects LLC (the “**Architect**”), subject to such changes or modifications as the Architect and/or Seller deem appropriate and necessary. Such plans and specifications are on file at Seller’s office, and Buyer acknowledges that Buyer has had an adequate opportunity to examine them, and accepts them with such changes or modifications as the Architect and/or Seller shall deem necessary or appropriate, and that those plans and specifications, as they may be so changed or modified, are incorporated in and are a part of this Agreement.

(b) Right to Modify the Project. Seller shall have the right to modify the Project, Project Documents, the Developer’s Public Report and other documents as may be required by law, any title insurance company, any institutional mortgagee or any governmental agency, in the exercise of any reserved right set forth in the Declaration which requires changes to the Project Documents or as otherwise may be deemed necessary or appropriate by Seller, and Buyer authorizes Seller to make and specifically approves all changes to said documents and the Project, provided that no such modification shall:

- (i) Materially increase Buyer’s share of Common Expenses without Buyer’s consent; or
- (ii) Reduce the obligations of Seller for Common Expenses on unsold Units; or
- (iii) Require a substantial physical change of the Unit.

Seller shall have the right, in its sole and absolute discretion, to make “**nonmaterial changes**” to the Project, including, without limitation, changes to the vehicle accessways and parking areas, and landscaping or other changes, for reasons related to financial feasibility or aesthetics; furthermore, the Architect may increase or decrease the thickness of any foundation, wall, column or floor slab, or make other changes to the Project, which could result in the dimensions of Buyer’s Unit or appurtenant Limited Common Element becoming smaller or larger, or resulting in a building height or elevation different from that shown on the Condominium Map or stated in the Declaration or Developer’s Public Report; provided that the decrease in the net living area of the Unit shall not exceed three percent (3%) of the net living area presented in the Project Documents. The Architect, in its sole discretion, may also make other nonmaterial changes necessary to correct any design errors or shortcomings.

(c) Seller's Reserved Rights. In addition to the right to modify the Project as set forth above, Seller has various additional reserved rights set forth in the Declaration, including, without limitation, the right to grant and receive easements through and to the Project; to design, develop, build and complete new improvements on the Project land, to not develop and/or construct all of the Recreational Amenities; to alter, subdivide and consolidate Units; to convert Limited Common Elements to Units; to recharacterize and redesignate Limited Common Elements (such as parking stalls and storage lockers); and to conduct sales activities at the Project among other rights. Through the exercise of these reserved rights, Seller may alter the configuration of and decrease or increase the number of rooms in and the size of a Unit, make other minor changes in the Unit or any of the other Units or the Common Elements of the Project. Seller may also increase or decrease the number and/or location of parking stalls and/or storage lockers which may be assigned to the Unit, provided that in no event shall the Unit be assigned fewer than one (1) parking stall. **Buyer should carefully review Seller's reserved rights summarized in the Developer's Public Report and set forth in the Declaration.**

In addition GGP Ala Moana L.L.C, the initial Owner of the Commercial Unit in the Project ("**Initial Commercial Owner**"), has certain reserved rights set forth in the Declaration, including, without limitation, rights to approve any structural changes and changes to the exterior of the Project, to alter the Commercial Units, including the right to create additional Commercial Units and to convert Commercial Limited Common Elements into additional Commercial Units. **Buyer should carefully review Initial Commercial Owner's reserved rights summarized in the Developer's Public Report and set forth in the Declaration.**

(d) Project Documents. Buyer acknowledges receiving copies of the Developer's Public Report and the Project Documents. Buyer acknowledges that Buyer shall make Buyer's own due diligence inspection of all Project Documents and other documents of record and reflected in the Unit Deed and/or updated title report. Buyer should carefully review the encumbrances noted on the title report since some of the documents may affect Buyer's rights and interest in the Project. It is understood and agreed that this sale is in all respects subject to said documents and the encumbrances noted therein.

(e) Developer's Public Report; Right to Cancel. A copy of (i) the Developer's Public Report, and any amendment thereto, with an Effective Date issued by the Real Estate Commission prior to Buyer's execution of this Agreement, and (ii) the Project Documents have been delivered to Buyer along with a (i) Receipt for the Developer's Public Report ("Receipt") and (ii) a Notice of Right to Cancel Sales Contract ("Notice"). If Buyer fails to execute and return the Receipt within the thirty (30) day period following Buyer's execution of this Agreement and the delivery to Buyer of a copy of the Developer's Public Report and the Project Documents (the "**Rescission Period**"), then Seller may at its sole option terminate this Agreement. Upon such termination, Seller shall cause Escrow to refund to Buyer all payments previously made by Buyer, less Escrow's cancellation fee, and Seller shall have no further liability under this Agreement. If Buyer has signed and returned the Receipt and does not sign and return the Notice within the Rescission Period, or if the Unit is conveyed to Buyer prior to expiration of the Rescission Period, then Buyer shall be deemed to have waived Buyer's right to cancel, and this Agreement shall continue as an obligation binding on both parties.

(f) Condominium Map; Artists Renderings and Building Plans and Specifications Are Not Warranties. The Condominium Map for the Project is intended only to show the layout, location, Unit numbers and dimensions of the Units, approximate elevations of the buildings and parking plans of the Project. Buyer acknowledges that the Condominium Map and any other artist renderings and building plans and specifications are not intended to be and do not constitute any representation or warranty by Seller and shall not be interpreted to create any obligation on Seller to construct or install any improvements, amenities or facilities depicted therein.

(g) Improvements. Seller shall be responsible for extending sewer, electrical lines and water lines to the Unit at Seller's expense. Buyer shall be responsible for any connection fees, utility deposits, and use fees which may be charged by governmental entities and/or utility companies for the Unit, but shall not be responsible for any initial impact fees, benefits assessments, or similar development expenses related to the installation of infrastructure by Seller for the Project.

(h) Seller's Disclaimer Regarding Sales and Marketing Materials. The photos, building model, vignettes, and computer renderings shown and included in any sales or marketing materials for the Project are for illustrative purposes only and are not intended as a warranty or representation by Seller. Seller reserves the right to substitute the materials, appliances and other items in the Units or Project as may be depicted in such sales or marketing materials for the Project with materials, appliances and other items of substantially equal quality and utility. These substitutions may include kitchen appliances, household fixtures, electrical outlets and switches, hardware, wall surfaces, painting and other similar items. Seller is not constructing any Unit to the precise specifications or design of any rendering or other preliminary plans which may be shown or depicted in any sale or marketing materials for the Project or otherwise. Rather, Seller is constructing each Unit as part of the overall Project. Any floor plan for a Unit in the Project depicted in any sales or marketing materials for the Project is shown for illustration and is not intended to be an exact replica of the Unit as built. The landscaping and certain portions of the surrounding areas or yard areas which are shown in the computer or artist's rendering in any sales or marketing materials for the Project include in some instances a depiction which shows mature landscaping and intentionally omits the neighboring areas for illustrative purposes only and does not reflect how the actual project landscaping will look when it has gained maturity or the lack of neighboring areas. None of the appurtenances and furnishings shown or depicted in any Unit in any sales or marketing materials for the Project are included with the Unit unless expressly provided under this Agreement with Buyer.

(i) Conditions Acknowledged by Buyer. Buyer specifically acknowledges that:

(i) Seller's Easement for Sales Activities. Under the Declaration, Seller, its brokers, sales agents, representatives and other related persons have the right to conduct extensive sales activities at the Project, including the right to use any Unit owned by Seller and any appurtenant Limited Common Elements, for model Units, sales, leasing, management and construction offices, parking and extensive sales displays and activities, to lease any Residential Limited Common Element space for use as a sales and administrative office by Seller and Seller's Broker, to post and maintain signs and other advertisements relating to such sales activities, and to install, maintain, locate, relocate, and reconfigure such structures, displays, advertising signs, billboards, flags, sales desks, kiosks, sales, leasing, management and/or construction offices, model Units, interior design and decorator centers, and to use all parking areas (except for the Commercial Limited Common

Elements) and access for employees, agents, and prospective buyers, as may be necessary or convenient for the proper development and disposition of Units by sale, resale, lease, or otherwise, and the right, but not the obligation, to provide ongoing maintenance, operation, service, construction and repairs to individual Units. In the event that Seller's mortgage lender, if any, or any successor to or assignee of Seller's or Initial Commercial Owner's mortgage lender shall acquire any portion of the Project in the course of any foreclosure or other legal proceeding or in the exercise of the mortgage remedies or by a deed or an assignment in lieu of foreclosure, such mortgage lender, its successors and assigns, shall have the same rights as Seller to conduct such sales activities at the Project.

Each and every party acquiring an interest in the Project hereby acknowledges that the sales activities may result in noise and nuisances, and consents to such activity by Seller, and further waives, releases and discharges any rights, claims or actions such party may acquire against Seller, its brokers, sales agents, representatives, employees, consultants, attorneys and lenders, and their respective successors and assigns as a result of any such activity or activities.

(ii) Seller's Easement for Noise, Dust, Etc. Under the Declaration, Seller and its representatives, licensees, and invitees have an easement over, under and upon the Project and all of its parts, to create or cause noise, dust, vibration and other nuisances resulting from any work connected with or incidental to the development, construction and sale of any Unit or other improvements in the Project. Buyer (a) understands, acknowledges and accepts that these activities may result in noise, dust, soot, smoke, odors, surface water runoff, vibrations and other nuisances and hazards, (b) consents to this activity, and (c) gives up (in legal terms, "waives, releases and discharges") any rights, claims or actions that Buyer may have, now or in the future, against Seller and/or its representatives, licensees, invitees, successors and assigns with respect to such easement. Buyer shall assume the risk of any property damage, personal injury or loss in property value which may arise out of or from these activities.

(iii) Seller's Easements for Access. Under the Declaration, Seller has such easements, over, under, across or through the Common Elements as are necessary or convenient to the exercise of any of Seller's reserved rights, or for any reasonable purpose, which may include, but will not be limited to: (a) any purpose necessary to the operation, care, upkeep, maintenance or repair of any Residential Unit or any Residential Limited Common Elements; or (b) sewer purposes, utilities purposes or any public purpose including, without limitation, pedestrian walkways, bus stops, stairs, ramps, paths, trails, bikeways, or other passageways within the Common Elements or the Project; or (c) to complete any improvements and correct any construction defects and other punch list items in the Common Elements, Limited Common Elements or in any Residential Unit.

(iv) Seller's Reserved Right to Utilize Common Elements. Under the Declaration, Seller reserves the right to utilize the Common Elements for ingress and egress, for the exercise of any of Seller's reserved rights under the Declaration, for access to parking spaces (other than the Commercial Limited Common Elements) and model units within the Project, and in order to show the Residential Limited Common Elements to prospective purchasers.

(v) Seller's Reserved Right to Grant Easements. Under the Declaration, Seller reserves the right to designate, grant, convey, transfer, cancel, relocate and otherwise deal with rights-

of-way and other easements over, across, under and through the Common Elements which are for the sole benefit of the Project, or which do not materially and adversely interfere with the use, or materially and adversely impair the value, of the Project or any Unit in it, including, without limitation, rights of way and easements for lines and other transmission facilities and appurtenances for electricity, gas, telephone, water, sewer, drainage and other public services and utilities, and rights to enter the Common Elements for the purpose of installing, repairing, altering and removing such lines and facilities and of trimming any trees in the way thereof.

(vi) School Information. Seller has made no representations, warranties or assurances to Buyer that the Project will be included within any particular school district. Buyer is responsible for determining the availability of schools and the same are subject to change by the applicable school district.

(vii) Changes in Price, Size and Design. Seller has made no promises, representations or assurances to Buyer regarding the pricing, size, design or configuration of any Units in the Project other than the Unit, and Buyer acknowledges that as market conditions or other facts change, such matters may be subject to change, including reduction in prices of such other Units in the Project or sales incentives offered in connection therewith, and changes in size, design or product type of such other Units in the Project.

(viii) View Impairment. Buyer acknowledges that there are no protected views in the Project, and the Units are not assured the existence or unobstructed continuation of any particular view. Any view from the Unit is not intended as part of the value of the Unit, and is not guaranteed, and Seller makes no representation or warranty regarding the effect of the view or changes to the view on the value of the Unit. The views from the Unit or Project may change, be affected, or obstructed by (a) construction or installation of buildings, improvements, structures, walls and/or landscaping by Seller or owners of the property outside the Project; and/or (b) the growth of trees, landscaping and/or vegetation within or outside the Project and/or (c) the planned elevated rail transit project, which potentially may be located in the vicinity of the Project.

(ix) Tax and Insurance Estimates. Any sum estimated for taxes or insurance affecting the Unit or Project may increase or decrease depending upon fluctuation of real property taxes or insurance rates.

(x) Initial Commercial Owner; Operations of Commercial Unit. The Commercial Unit and Commercial Limited Common Elements in the Project will have commercial activities and will be open to the public, who will access them through Levels 1, 1M and 2 of the Project. The Commercial Unit, its undivided interest in the General Common Elements, and the Commercial Limited Common Elements as set forth in Exhibits B and C to the Declaration shall comprise the “**Commercial Development**” portion of the Project. The Residential Units, their undivided interest in the General Common Elements, the Residential Limited Common Elements and the Individual Limited Common Elements as set forth in Exhibits B and C to the Declaration shall comprise the “**Residential Development**” portion of the Project. Initial Commercial Owner shall have no responsibility for the construction of the Residential Development and/or the sale of the Residential Units. Each Buyer hereby waives any claims against Initial Commercial Owner which have or may

accrue to Seller in connection with Seller's status under the Project Documents or in connection with Seller's development of all or any real property and improvements within the Project.

Initial Commercial Owner makes no representation or warranty whatsoever, whether express or implied, with respect to any Residential Units, Residential Limited Common Elements, buildings or other improvements made by Seller, nor has Initial Commercial Owner authorized any other party to make any such representation or warranty, and such other parties are without legal authority to make any such representation or warranty.

Initial Commercial Owner shall not assume or be responsible for and Seller shall defend, indemnify and hold harmless Initial Commercial Owner from any and all liability, cost and expense arising out of or associated with, and each Buyer of a Residential Unit or subsequent owner thereof, by taking title thereto acknowledges and agrees that Initial Commercial Owner has no responsibility for, and shall be deemed to have waived, any and all claims against Initial Commercial Owner arising out of or associated with (a) Seller's status as the Developer under the Declaration and the Condominium Property Act, (b) in any other capacity of Seller acting on behalf of the Association including, but not limited to, Seller's designees on the Association's Board of Directors, or (c) Seller's development, sale, leasing, marketing or operation of the Project, including, but not limited to, any acts, omissions, liabilities, obligations or other matters concerning any Residential Units, Residential Limited Common Elements or other improvements sold, operated or leased by or on behalf of Seller. Each Buyer of a Residential Unit or subsequent owner thereof, by taking title thereto, acknowledges and agrees that Initial Commercial Owner has no responsibility for and shall be deemed to have waived any and all claims against Initial Commercial Owner arising out of or associated with Seller's improvements, including without limitation, its construction and sales.

(xi) Noise; Traffic. Noise, dust, vibrations, and/or traffic in the vicinity of the Project may increase if and when any structures are constructed on lands adjacent to or in the vicinity of the Project, including, without limitation, noise and vibration caused from the proposed rail project. Buyer and every other person who has any interest in the Project or who has the right to use the Project or any part of it gives up (in legal terms, "waives, releases and discharges") any rights, claims or actions that such person may have, now or in the future, against Seller and the Initial Commercial Owner, and their representatives, licensees, successors and assigns, and arising directly or indirectly out of or from such obstruction of views, additional noise, dust, vibrations, and/or additional traffic by reason of such further development.

(xii) Security. Seller has the right, but not the duty to take steps designed to make the Project safer than it otherwise might be. Seller and each of its representatives are not in any way to be considered insurers or guarantors of safety or security within the Project, nor shall any of them be held liable for any loss or damage by reason of failure to provide adequate or effective safety or security measures. Seller makes no representation or warranty that any fire protection, burglar alarm, or other safety or security measures, including anything intended to limit access to the Project, (a) will be effective in all cases and cannot be compromised or circumvented; (b) will prevent all losses; (c) will limit access to the Project; or (d) will provide the detection or protection which it is designed or intended to provide. Each person using the Project assumes all risks of personal injury, death, or loss or damage to property resulting from the acts of third parties.

(xiii) Environmental Issues – Mold. Mold and mold spores are present throughout the environment and residential condominium construction cannot practicably be designed to exclude the introduction of mold spores. All molds are not necessarily harmful, but certain strains of mold have been found to have adverse health effects on susceptible persons. Moisture is the primary mold growth factor that must be addressed. Affirmative steps taken by Owners of Units in the Project to minimize or control moisture in their respective Units can minimize or eliminate mold growth in a residential condominium. Owners will be advised via the Bylaws regarding positive steps that should be taken to reduce or eliminate the occurrence of mold growth in their Units and thereby minimize any possible adverse health effects that may be caused by mold. Seller cannot ensure that mold and mold spores will not be present in the Project. The failure of an Owner to follow the steps set forth in the Bylaws may increase the risk of mold growth and mold spores being present in the Project. Seller shall not be liable for any actual, special, incidental or consequential damages based on any legal theory whatsoever, including, but not limited to, strict liability, breach of express or implied warranty, negligence or any other legal theory, with respect to the presence and/or existence of molds, mildew and/or microscopic spores at the Project unless caused by the sole negligence or willful misconduct of Seller.

(xiv) Neighboring Developments. The land outside, abutting and/or near the Project (the “**Neighboring Developments**”) may be subject to redevelopment or changes in use, and in the future may or will be developed or altered. The Association and Seller make no representation as to the nature, use or architecture of any future development or improvements on Neighboring Developments. Any such use, development and/or construction on Neighboring Developments may result in increases in traffic or population, noise, dust, or other “nuisance” to the Project and owners. Also, the uses of Neighboring Developments (i.e., Ala Moana Shopping Center, Ala Moana Beach Park) are subject to change and Seller does not guarantee that the current use of the Neighboring Developments will stay the same or that the nature of the Neighboring Developments will remain the same.

(xv) Condominium Living; Mixed Use Project; Shopping Center. Living in a multi-story, mixed-use condominium building entails living in very close proximity to other persons, businesses, restaurants, shopping areas and other apartments, with attendant limitations on solitude and privacy. Walls, floors and ceilings have been designed to meet applicable building codes. Owners will hear noise from adjacent Units and from the Common Elements within the Project, including, but not limited to, noise from showers, bathtubs, sinks, toilets or other sources of running water and/or plumbing fixtures. Also, Owners may hear noise from such items as the pool, vacuum cleaners, stereos or televisions, or from people running, walking, exercising or socializing throughout the Project but especially within the Recreational Amenities such as the great lawn and park lane. The great lawn will be in use daily for day use and evening events with resultant noise and light. Owners may also be impacted by smells and smoke from barbeques located on outdoor lanais from other Residential Units in the Project. Certain Residential Units include dryer vents located within the Residential Unit. These dryer vents will require periodic maintenance conducted by the Association or its agents. Each such affected Residential Unit shall permit all necessary access in order to conduct reasonably necessary maintenance upon no less than 24 hours prior written notice to the Unit Owner and in such manner as to cause as little disruption to the Unit Owner as reasonably possible. Subject to Section VI.C.2 of the Declaration, Owners acknowledge that the Commercial Development will be operated as part of the Ala Moana Shopping Center, and that Owners can expect

to hear substantial levels of sound, music, noise, odors, vibrations, and other nuisances from the Commercial Development, Ala Moana Shopping Center, and from other retail, commercial and hotel developments in the vicinity of the Project. Owners may also experience light entering the Units from commercial lighting in the vicinity and from street lights located in close proximity to the windows and doors of the Units.

(j) Construction of Unit and Project. Buyer is purchasing a completed Unit to be constructed by Seller. Seller is not acting as a contractor for Buyer in the construction of such Unit. Issuance of a certificate of occupancy or other alternative final approval of occupancy of the Unit by the relevant local governmental authority is conclusive evidence of the completion of construction of the Unit. Seller is not constructing the Unit specifically for Buyer, or to the precise specifications or design of a model or appurtenances, if any, displayed to or visited by Buyer. Seller is constructing the Unit as part of the Project. Any model shown to Buyer is displayed only for illustration and Seller shall not thereby be required to deliver the Unit in exact accordance therewith. None of the appurtenances and furnishings shown in any model are included in this Agreement, unless Seller agrees in writing to deliver the same for part of the Purchase Price. The usable or living area, location and configuration of the Unit and all improvements of the Project may vary from that shown or displayed to Buyer in any drawings, plans or models when Seller finally places final improvements, in Seller's sole and absolute discretion. The location, size, height and composition of all improvements to be constructed as a part of the Project or adjacent thereto shall be determined by Seller in its sole and absolute discretion. Despite models or drawings displayed to Buyer, Seller has made no representations, warranties or assurances to Buyer regarding the size, height, location or composition of any improvement to be constructed on or adjacent to the Project. Seller may substitute the materials, appliances and other items in the Unit and the project with materials, appliances and other items of substantially equal quality and utility (and acceptable to Buyer's Permanent Lender). Such substitutions may include kitchen appliances, household fixtures, electrical outlets and switches, hardware, wall surfaces, painting and other similar items. Seller may make such substitutions without adjustment to the Purchase Price. Buyer's consultation by Seller or Seller's agents shall not waive Seller's rights to make any change contemplated or provided herein. If Seller is unable to complete or install in the Unit any option item, decorator item, fixture, furnishing or other improvement, and such failure is caused by circumstances beyond Seller's reasonable control, the Close of Escrow shall not be delayed so long as occupancy of the Unit is approved by the applicable governmental authority. The incomplete items shall be completed by Seller as soon as reasonably possible after the Close of Escrow.

(k) Appointment of Initial Managing Agent. The Developer, acting for and on behalf of the Association, has retained Hawaiiiana Management Company, Ltd. as the manager of the Residential Development ("**Managing Agent**"). The Managing Agent shall have the authority, subject to the provisions of the Declaration and Bylaws, to perform physical, administrative and fiscal management of the Residential Development.

(l) Seller's Right to Exercise Power of Association. Buyer understands and agrees that until the Unit Deed conveying title to the Unit is delivered to Buyer, Seller reserves the right to exercise all of the powers of Buyer as a member of the Association, including voting. Seller also reserves the right to exercise all of the powers as a member of the Association as to all unsold Units

in the Project, and prior to the election of the initial Board of Directors and officers of the Association, Seller has the right to exercise all of the powers of the Board of Directors and officers.

(m) Estimated Monthly Maintenance Charges. Buyer has examined and approved the estimate of monthly maintenance charges and assessments for the Unit as shown in the Developer's Public Report provided to Buyer. Buyer is aware that such amounts are only estimates, and are subject to change for various reasons, and Buyer hereby specifically accepts and approves any such changes. BUYER AGREES THAT SUCH ESTIMATES ARE NOT INTENDED TO BE AND DO NOT CONSTITUTE ANY REPRESENTATION OR WARRANTY BY SELLER, INCLUDING BUT NOT LIMITED TO ANY REPRESENTATION OR WARRANTY AS TO THE ACCURACY OF SUCH ESTIMATES. Additional fees may be charged to the Project and assessed to the Owners by the Association.

(n) Furnishings. The Unit will include only the appliances, fixtures and furnishing specified in Section I hereinabove. Buyer acknowledges that NO WALL COVERINGS, FLOOR COVERINGS, WINDOW COVERINGS, CHANDELIERS OR OTHER FURNITURE, FURNISHINGS OR APPLIANCES (other than those specified in Section I hereinabove), WHETHER OR NOT INCLUDED IN ANY MODEL UNIT, ADVERTISING MATERIALS OR ARTISTIC RENDERINGS, ARE INCLUDED IN THE UNIT OR WITHIN THE PURCHASE PRICE FOR THE PROPERTY.

(o) No Rental Pool. Buyer agrees for the sole benefit of Seller that until Seller has closed the sale of all the Residential Units in the Project or Seller has notified Buyer in writing of Seller's rescission of the prohibition against participating in a rental pool under this Section 3(o), Buyer will not enter into any "**rental pool**" or similar agreement with any buyer, lessee or owner of another Unit in the Project and/or any third party under which Buyer agrees to share expenses and/or rentals of Units in the Project unless specifically agreed to in writing by Seller. This agreement of Buyer shall survive the Close of Escrow, and shall be binding on Buyer's heirs, personal representatives, successors and assigns. In the event of Buyer's breach of the agreement contained in this paragraph, the parties understand and agree that the injury to Seller will be uncertain as to nature and amount and difficult and expensive to ascertain. Therefore, in the event of a breach of said agreement by Buyer, the parties agree that Seller may obtain an injunction from any court of competent jurisdiction enjoining Buyer from breaching said agreement. Seller may, in addition to obtaining injunctive relief, pursue any other remedies, including seeking damages caused by such breach, as are permitted in law or equity. All costs and expenses, including reasonable attorneys' fees, incurred by Seller in connection with a breach of said agreement by Buyer, shall be borne by Buyer.

(p) Insulation Disclosures. Insulation will be installed in the building and Unit as follows:

(i) All exterior walls of the building(s) shall have a minimum R-value of R-10.

(ii) The roof assemblies of the building(s) shall have a minimum R-value of R-15.

The R-value of insulation is a measurement of the insulation's resistance to heat flow that is determined using tests designed by the American Society of Testing and Materials. The R-values provided to Buyers will indicate minimums. Buyer acknowledges that the R-value information to be

provided to Buyer is based solely upon information supplied by the manufacturer or installer and Seller does not represent or warrant the accuracy of this information. Buyer further acknowledges that the R-value may vary based on normal construction variance and constitutes only one element of the total energy package.

Notwithstanding the foregoing, Seller reserves the right to furnish Buyer with this information at a later date if Buyer signs this Agreement before Seller selects the type of insulation to be installed or there is a change in the type of insulation.

(q) RESPA Disclosure. As required by the Real Estate Settlement Procedures Act of 1974, Buyer acknowledges that Seller has not directly or indirectly required Buyer, as a condition of sale, to purchase title insurance from any particular title company, and has advised Buyer that Buyer may purchase title insurance from a company of Buyer's choice.

4. BUYER'S REPRESENTATIONS AND WARRANTIES.

(a) Financial Data. As an inducement for Seller to enter into this Agreement, Buyer represents that Buyer is financially capable of making, when due, all of the required payments set forth in Section III hereinabove. Buyer further represents that the personal financial data submitted in connection with this Agreement is true and substantially accurate. Buyer shall tell Seller of any material changes in the financial data that occur prior to the Date of Closing. Seller has the right to cancel this Agreement if Seller discovers any material discrepancies between the financial information furnished and the actual facts of the matter. Buyer agrees that Seller or a proposed mortgagee is authorized to make credit inquiries about Buyer.

(b) Title Information. Buyer affirms that the information about Buyer in Section II hereinabove is correct and complete, and agrees to inform Seller immediately if any of such information is changed. If, as a result of incorrect information having been given, the Unit Deed is prepared incorrectly and must be redrawn, Buyer agrees to pay all costs involved in this redrafting.

5. BUYER'S RESCISSION RIGHTS

(a) Buyer's Rescission Rights. Buyer shall have the right to rescind this Agreement if there is a material change in the Project which directly, substantially and adversely affects the use or value of (i) the Unit, or (ii) amenities of the Project available for Buyer's use; provided that such material changes shall not include any changes, additions, deletions, modifications or reservations made pursuant to the terms of the Declaration; and provided that the Seller shall also have the right to make those nonmaterial changes set forth in Section 3(b).

(b) Waiver of Buyer's Rescission Rights. Pursuant to HRS §514B-87 if any material change is made to the Project that is not provided for in the Declaration, Seller shall give to Buyer, either personally or by registered or certified mail, return receipt requested, written notice on the form prescribed by the Real Estate Commission (i) describing the material change and containing a provision for Buyer's written approval of acceptance of the change, (ii) advising Buyer that Buyer has the right to rescind the Agreement within thirty (30) calendar days after delivery of the notice, and (iii) further advising Buyer that if Buyer does not act within the 30-day period, Buyer will be

deemed to have approved and accepted the material change. After receipt of the notice of material change, Buyer may rescind this Agreement by giving notice of rescission to Seller by thirty (30) calendar days after the date of delivery of the notice to Buyer and Buyer shall receive a prompt and full refund of all monies paid, plus interest thereon as provided in Section 2(b) above. If Buyer does not give Seller notice of such rescission or approval of the material change within this time period, Buyer will be deemed to have approved the changed and waived Buyer's right of rescission.

6. CONDITIONS TO SELLERS OBLIGATIONS.

Seller may, at its election, terminate this Agreement at any time prior to the expiration of the Rescission Period, or if any of the following occurs: (i) Buyer is in default under this Agreement in accordance with Section 15(b) below; or (ii) Buyer (or one of them) should die prior to the performance of all of Buyer's obligations under this Agreement. If any of such events shall occur, then in any such event and at Seller's election, this Agreement shall be void. The provisions set forth in Section IV.2 of this Agreement shall govern Buyer's and Seller's respective rights and obligations upon the termination of this Agreement prior to expiration of the Rescission Period, and the provisions set forth in Section 15(c) below shall govern Buyer's and Seller's respective rights and obligations upon the termination of this Agreement due to Buyer's default as provided in Section 15(b) below. If Seller elects to terminate the Purchase Agreement in the event of the death of a Buyer, then Seller shall cause Escrow to refund all payments previously made by Buyer minus the escrow cancellation fee and Termination Costs.

7. SELLERS REPRESENTATIONS.

(a) No Rental Representations. Seller, its officers, employees, agents and/or any other real estate brokers or real estate salespersons representing Seller ("**Agents**") have made no representations: (i) regarding the possibility or probability of economic benefit from the purchase and ownership of a Unit; (ii) to the effect that Seller or the Managing Agent of the Project will provide services relating to the rental or sale of a Unit; or (iii) as to the possible advantages of the ownership or the rental of a Unit under federal law and state tax laws. Neither Seller nor its Agents make any representation regarding either economic benefit to be derived from the ownership, rental or tax treatment of a Unit. The tax treatment may vary with individual circumstances, and Seller and its Agents recommend that Buyer consult its own attorney, accountant or other tax counsel for advice regarding tax treatment. Buyer further agrees and acknowledges that Buyer has not been induced or solicited by Seller or its Agents to purchase the Unit in the project as a "**security**" as defined under federal or state securities laws and regulations.

(b) Assignment of Warranties on Construction of the Unit. The construction contract for the Project (the "**Construction Contract**") contains a clause which provides in pertinent part that:

“. . . [I]f, within one (1) year after the date of Substantial Completion of the Work or designated portion thereof (or, with respect to the Owner's Punch List Work within one (1) year after the date of Final Completion) or within such other warranty period

as may be prescribed by law, or by the terms of any applicable special warranty required by the Contract Documents, any of the Work is found to be not in accordance with the requirements of the Contract Documents, the Contractor shall correct it promptly after receipt of written notice from the Owner, Construction Manager, or Architect to do so.”

Seller makes no warranties itself, but Seller agrees that the Close of Escrow shall constitute an assignment by Seller to Buyer of any and all warranties given to Seller by the contractor(s) for the Project in connection with the Unit, without recourse, including any contractor’s agreement to promptly correct any of its work found to be defective or not in conformance with the Construction Contract following the “**Date of Substantial Completion of the Work**”, as defined in the Construction Contract. The benefit of such an agreement shall accrue to Buyer on the Date of Closing without further instruments or documents. Seller shall cooperate with Buyer during the effective period of such agreement in asserting any claims based on any such warranty. Seller is not adopting the contractor’s warranty or acting as co-warrantor, but is merely attempting to pass through to Buyer the benefit of such contractor’s warranty, if any.

(c) Chapter 672E Requirements for Filing a Lawsuit or Other Action for Defective Construction Against the Contractor. **CHAPTER 672E OF THE HAWAII REVISED STATUTES CONTAINS IMPORTANT REQUIREMENTS BUYER MUST FOLLOW BEFORE BUYER MAY FILE A LAWSUIT OR OTHER ACTION FOR DEFECTIVE CONSTRUCTION AGAINST THE CONTRACTOR WHO DESIGNED, REPAIRED, OR CONSTRUCTED BUYER’S HOME OR FACILITY. NINETY (90) DAYS BEFORE BUYER FILES A LAWSUIT OR OTHER ACTION, BUYER MUST SERVE ON THE CONTRACTOR A WRITTEN NOTICE OF ANY CONSTRUCTION CONDITIONS BUYER ALLEGES ARE DEFECTIVE. UNDER THE LAW, A CONTRACTOR HAS THE OPPORTUNITY TO MAKE AN OFFER TO REPAIR AND/OR PAY FOR THE DEFECTS. BUYER IS NOT OBLIGATED TO ACCEPT ANY OFFER MADE BY A CONTRACTOR. THERE ARE STRICT DEADLINES AND PROCEDURES UNDER THE LAW, AND FAILURE TO FOLLOW THEM MAY NEGATIVELY AFFECT BUYER’S ABILITY TO FILE A LAWSUIT OR OTHER ACTION.** This section shall survive the Close of Escrow and shall not be merged with the Unit Deed.

(d) Assignment of Warranties on Appliances. The Close of Escrow shall also constitute the assignment by Seller to Buyer, without recourse, for the unexpired term, if any, of any manufacturer’s or dealer’s warranties covering any furnishings, fixtures and appliances that are part of the Unit. Seller is merely attempting to pass through to Buyer any such manufacturer’s or dealer’s warranties; Seller is not adopting any such warranties or acting as co-warrantor with respect to any furnishings, fixtures or appliances.

(e) No Other Warranties, Express or Implied, are Given. Except for the agreements expressly set forth in Sections 7(b) and (d) hereinabove, **SELLER MAKES NO WARRANTIES EXPRESS OR IMPLIED, WITH RESPECT TO THE UNIT, THE PROJECT, ANY CONSUMER PRODUCTS OR ANYTHING ELSE INSTALLED IN THE UNIT OR IN THE PROJECT, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTY OF MERCHANTABILITY,**

HABITABILITY, WORKMANLIKE CONSTRUCTION OR FITNESS OF THE UNIT FOR A PARTICULAR PURPOSE.

8. OWNER-OCCUPANTS.

If Buyer is purchasing the Unit pursuant to Part VI, Subpart B of the Condominium Property Regime Act, HRS § 514B-95 et seq. (the “**Owner-Occupant Law**”), governing sales to prospective owner-occupants, the following additional terms and conditions shall apply.

(a) Notification of Change in Owner-Occupant Status. At any time after obtaining Buyer’s Permanent Loan, or a firm written commitment for Buyer’s Permanent Loan, up until the expiration of the Owner-Occupant Affidavit executed by Buyer pursuant to § 514B-97, HRS, Buyer shall notify the Real Estate Commission immediately upon any decision to cease being an owner-occupant of the Unit.

(b) Restriction on Transfer; Burden. Buyer may not sell or offer to sell, lease or offer to lease, rent or offer to rent, assign or offer to assign, convey or otherwise transfer any interest in the Unit until at least three hundred sixty-five (365) consecutive calendar days have elapsed since the recordation of the Unit Deed. In the event of any dispute, Buyer shall have the burden of proving compliance with this condition.

(c) Seller Must Report Violations. Buyer understands that it is the affirmative duty of Seller, any employee or agent of Seller, and any real estate licensee, to report immediately to the Real Estate Commission any person who violates or attempts to violate the Owner-Occupant Law. Seller, any agent or employee of Seller, or any real estate licensee shall not violate or aid any person in violating the Owner-Occupant Law.

(d) Verification of Owner-Occupant Status; Fine. Buyer understands that the Real Estate Commission may require verification of Buyer’s owner-occupant status. If Buyer fails to submit such verification, Buyer may be fined in an amount equal to the profit made from any sale, assignment or transfer of the Unit.

9. CLOSING.

(a) Closing of Escrow; Date of Closing; Scheduled Closing Date. The “**Close of Escrow**” shall occur upon the recordation of the Unit Deed conveying title to the Unit to Buyer. The date the Unit Deed conveying title to the Unit to Buyer is recorded is the “**Date of Closing**”. Unless (i) this Agreement is earlier terminated as provided herein, or (ii) otherwise agreed to by Seller in writing, the Close of Escrow shall occur on the date determined as follows (the “**Scheduled Closing Date**”). The Scheduled Closing Date will be established by Seller as set forth below:

(i) If this Agreement is accepted by Seller more than forty-five (45) calendar days prior to the Date of Occupancy for the Unit (which shall be the date upon which the Architect certifies that the Unit is ready for occupancy), then (A) the Scheduled Closing Date shall be a date after the Date of Occupancy which is selected by Seller and is specified by Seller in a written notice to Buyer, (B) Section 9(b) below shall apply to the sale of the Unit to Buyer, and (C) on or before the

date specified in Seller's Pre-Closing Notice, Buyer must pay into Escrow all sums due from Buyer at closing (other than the portion of the Purchase Price to be financed by Buyer's Permanent Loan) and execute and deliver to Escrow all documents necessary for closing, including without limitation, Buyer's note(s) and mortgage(s), if any.

(ii) If this Agreement is accepted by Seller less than forty-five (45) calendar days prior to the Date of Occupancy, then the Scheduled Closing Date shall be a date mutually acceptable to Buyer and Seller, but in no event more than ninety (90) calendar days after Seller has accepted this Agreement. Buyer must pay into Escrow all sums due from Buyer at Closing (other than the portion being financed by Buyer's Permanent Loan) and execute and deliver to Escrow all documents, including without limitation, Buyer's note(s) and mortgage(s), if any, four (4) business days prior to the Scheduled Closing Date.

Buyer acknowledges and agrees that prior to the Scheduled Closing Date, Seller shall schedule a date certain on which Buyer and Seller shall conduct a walkthrough/inspection of the Unit in accordance with Section 11 below. The occurrence of the walkthrough/inspection scheduled by Seller shall not be a condition to the Close of Escrow. Accordingly, if Buyer is unable to attend the walkthrough/inspection as scheduled by Seller, such failure to attend shall not extend or delay the Close of Escrow. If, as a result of Buyer's default hereunder, Escrow is not in a position to close on the Scheduled Closing Date, Seller may terminate this Agreement, cancel Escrow and proceed in accordance with Section 15 below. In the event that the Close of Escrow does not occur on the Scheduled Closing Date, and Seller elects not to terminate this Agreement as provided hereinabove, upon the Close of Escrow, Buyer shall be required to pay Seller through Escrow an amount equal to Two Hundred Fifty Dollars (\$250) per day for each day the default of Buyer delays the Close of Escrow, commencing on the Scheduled Closing Date and ending on the date on which the Close of Escrow actually occurs.

(b) Date of Pre-Closing. Regardless of the status of construction of the Project and in order to accommodate a bulk closing or a series of bulk closings of the Units by Seller, Seller intends to pre-close a bulk number of Units from time to time, upon not less than ten (10) calendar days' prior written notice to Buyer (the "**Seller's Pre-Closing Notice**") which will establish a date on or about sixty (60) calendar days prior to the then Scheduled Closing Date (the "**Date of Pre-Closing**") by which all documents necessary for closing shall be executed and deposited with Escrow. Seller's Pre-Closing Notice may establish a schedule with differing dates for certain requirements for the pre-closing to be met by Buyer. Buyer hereby agrees to execute all necessary documents for such pre-closing, including irrevocable escrow instructions, and deposit the same with Escrow no later than the date specified in Seller's Pre-Closing Notice, and Buyer further agrees to pay into Escrow all sums due from Buyer at closing, excluding only Buyer's Permanent Loan proceeds, if applicable, upon the date specified in Seller's Pre-Closing Notice.

(c) Prorations; Closing Costs. All taxes, assessments and charges of any kind assessable against the land or buildings or Units shall be payable according to the terms of the Declaration and as by law provided and will be prorated as of the Date of Closing, whether or not Buyer takes actual occupancy thereof. Except as herein provided, all closing costs in connection with this sale are to be paid by Buyer, including, without limitation, any mortgages and other financing documents and all costs related to obtaining and preparing the same, the cost of drafting the conveyance document, all

acknowledgment fees, all recording fees, the title insurance premium, one-half (1/2) of the escrow fee, and the applicable conveyance taxes and all other applicable taxes. Seller will pay for one-half (1/2) of the escrow fee. Four (4) business days prior to the Scheduled Closing Date, Buyer will pay, in addition to the estimated closing costs and prorations, the Project start-up fee set forth in Section III.3 of this Agreement (being a non-refundable, non-transferable “**start-up**” fee for the Association), and one (1) months’ estimated maintenance fees for the Unit. Escrow will disburse said start-up fee and one month’s advance maintenance fee payment to the Association or Seller in accordance with Section III.3 of this Agreement.

10. POSSESSION.

Buyer expressly understands and agrees that Buyer shall in no event take possession of the Unit prior to the Date of Closing and full satisfaction by Buyer of all of the terms and conditions of this Agreement. Violation of this Section 10 shall be deemed a material breach of this Agreement, and in addition to any other remedy of Seller for Buyer’s breach, Buyer agrees that Seller shall have the right to remove Buyer from the Unit by any lawful means.

11. INSPECTION.

Buyer or Buyer’s agent shall inspect the Unit on a date and at a time specified by Seller in a written notice to Buyer. Upon completion of such inspection, Buyer agrees to sign or to cause its agent to sign an inspection sheet to be furnished by Seller or the contractor which shall list all defects or damages to the Unit, if any. If Buyer or its agent does not inspect the Unit, Buyer hereby appoints the Architect, or Seller or any agent of Seller, to so inspect the Unit and to execute said inspection sheet on behalf of Buyer. Buyer agrees to accept possession of the Unit despite the existence of defects or damages to the Unit, including appliances, which do not render the Unit uninhabitable, so long as Seller agrees to arrange to correct or repair legitimate defects or damages based on Seller’s evaluation within a reasonable time thereafter. Buyer acknowledges and confirms that the correction of defects or damages to the Unit noted during the inspection shall be a post-closing obligation of Seller, and is not a precondition to Buyer’s obligation to close on the Scheduled Closing Date. Buyer agrees to indemnify Seller for any damages or losses, including interest and reasonable attorneys’ fees, resulting from any wrongful refusal to accept the Unit upon presentation by Seller. Seller’s obligation to arrange to correct and remedy such defects or damages under this Agreement will survive the closing and the delivery of the Unit Deed to Buyer. Buyer further recognizes and accepts that certain corrective work may be delayed for a substantial period of time following Date of Closing due to the need of Seller or its contractors to obtain from outside the State of Hawaii materials or other items required for completion of such corrective work .

12. DATE OF PROJECT COMPLETION.

Notwithstanding any other provision in this Agreement to the contrary, Seller shall complete construction of the Unit so as to permit normal occupancy of the Unit by the Completion Deadline. Notwithstanding the foregoing, the Completion Deadline shall be extended for any period of time during which Seller is actually and necessarily delayed in completing construction of the Unit if said delay is caused by fire, earthquake, acts of God, the elements, war or civil disturbance, strikes or other disturbances, government legislation or controls, or economic controls making it impossible to

obtain the necessary labor or materials, or other matters or conditions legally supportable under Hawaii law as being beyond the control of Seller and which causes completion of construction of the Unit by said Completion Deadline to be actually and necessarily delayed. In the event Seller fails to complete construction by the Completion Deadline, to the extent permitted by applicable law, Buyer's sole remedy shall be to cancel this Agreement and to receive a refund of all monies paid, plus interest thereon as provided in Section 3(b) above.

13. BUYER'S INTEREST UNDER THIS AGREEMENT; SUBORDINATION.

This Agreement shall not be construed as a present transfer of any rights or of any interest in the Unit, but rather this Agreement is an agreement to transfer an interest in the future. Buyer agrees not to record or cause to be recorded in the Land Court any form of this Agreement. Buyer acknowledges that Seller has entered into or will enter into a loan with DEUTSCHE BANK AG, a German banking corporation, which does business in the State of New York as DEUTSCHE BANK AG NEW YORK BRANCH, and/or such other lenders ("Lender"), whereby Lender intends to loan up to the principal amount of Four Hundred Sixty Million and No/Dollars (\$460,000,000) to be used by Seller for development and construction of the Project, for a term of up to five years which loan amounts, when drawn and outstanding, will be subject to a variable interest rate based on the one-month London Interbank Offered Rate or, if certain conditions are met, a Base Rate, in each case plus a spread that is, at closing, anticipated to be less than 5.0% in total but which may increase during the term of the loan and, to secure this loan, Seller has granted to Lender a mortgage and other security interests (collectively, the "Seller's Mortgage"). Buyer acknowledges and agrees that all mortgages and security interests obtained by Lender in connection with the Seller's Mortgage, as well as any extensions, renewals and modifications thereof shall be and remain at all times, until the recording of the Unit Deed, a lien or charge on the Project, including the Unit covered by this Agreement, prior to and superior to any and all liens or charges on the Project arising from this Agreement or any prior agreement. BUYER HEREBY INTENTIONALLY WAIVES, RELINQUISHES AND SUBORDINATES THE PRIORITY OF ANY LIEN OR OTHER LEGAL OR EQUITABLE INTEREST ARISING UNDER THIS AGREEMENT IN FAVOR OF THE LIEN OR CHARGE ON THE PROJECT OF THE SECURITY INTERESTS OF LENDER, INCLUDING BUT NOT LIMITED TO ANY LIEN, MORTGAGE OR CHARGE SECURING A LOAN, INCLUDING SELLER'S MORTGAGE, MADE TO FINANCE THE ACQUISITION OF THE RESIDENTIAL DEVELOPMENT AND THE COSTS OF CONSTRUCTION AND OTHER COSTS DURING SUCH CONSTRUCTION AND ANY AND ALL ADVANCES THEREFOR, WHETHER CONTRACTUAL OR VOLUNTARY, UNTIL THE FILING OF THE UNIT DEED. Buyer further undertakes and agrees to execute any further documentation or subordination agreement required by Lender to evidence this subordination and hereby irrevocably appoints Seller as Buyer's attorney-in-fact to execute any such instrument on behalf of Buyer, should Buyer fail or refuse to do so within ten (10) days after request is made or mailed. Said power of attorney is coupled with an interest, shall be irrevocable, and shall not be affected by the disability of Buyer. Buyer also consents to Seller's assignment to Lender of a security interest in Seller's interests under this Agreement and in Buyer's contract deposits, and agrees that in the event of a transfer of Seller's interests therein pursuant to said assignment, Buyer will, at Lender's option, perform to, attorn to and recognize Lender (and its successors in interest, if any) as Seller hereunder, with all of the rights of Seller hereunder, all as if Lender were the original Seller hereunder. Buyer further understands and agrees that prior to the close of this Agreement and filing of Buyer's Unit Deed in the Land Court, Lender

has the right under certain circumstances set forth or to be set forth in the mortgage instrument, the security agreement and any other loan documents pertaining to said agreement between Seller and Lender to foreclose its mortgage and/or enforce its other remedies there under or under such other loan documents or possessed at law, and Buyer hereby agrees in such connection that: (a) the Managing Agent of the Project is hereby irrevocably appointed by Buyer as Buyer's agent for acceptance of service of process during the term of this Agreement (which power is coupled with an interest and shall not be affected by the disability of the Buyer), and any service of process upon said Managing Agent shall be deemed to be effective service of process upon Buyer as though Buyer has been personally served therewith; and (b) the rights of Buyer hereunder are purely contractual in nature, enforceable only against Seller and its legal successors and assigns and not against the real property, improvements and/or appurtenances thereto which are the subject of said mortgage instrument, security agreement or other loan documents, and Buyer expressly acknowledges and agrees that Buyer need not be named a party defendant or plaintiff in any cause of action or suit by Lender to foreclose and/or otherwise enforce its rights under said mortgage instrument or security agreement or other loan documents, nor does Buyer have any right to be served with process in connection therewith or to be notified of the pendency thereof.

14. RISK OF LOSS.

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

15. TIME OF ESSENCE; DEFAULT; REMEDIES.

(a) Time of Essence. Time is of the essence of the obligations of Buyer under this Agreement.

(b) Buyer's Default. Buyer shall be in default under this Agreement if (i) Buyer fails to make a payment when due; or (ii) Buyer fails to furnish to Qualification Agent an application for a Qualification Letter and such additional information and documents as required under Section 1(a) hereinabove; or (iii) Buyer fails to furnish to Seller the Qualification Letter required by Section 1(b) hereinabove within the time period specified therein; or (iv) Buyer fails to act in good faith in accordance with, or otherwise comply with, any of the requirements set forth in Section 1(d) hereinabove; or (v) Buyer fails to furnish Seller satisfactory evidence of Buyer's ability to pay the Purchase Price, as required in Section 1(e) hereinabove; or (vi) Buyer fails to perform tasks or meet the obligations of the Seller's Pre-Closing Notice; or (vii) Buyer fails to perform any other obligation required under this Agreement, including failure to perform tasks or meet the obligations of the Sellers's Pre-Closing Notice and/or failure to close on the purchase of the Unit when required under this Agreement.

(c) Seller's Remedies for Buyer's Default. In the event of any default by Buyer, Seller shall give written notice of the default to Buyer and Buyer shall have fifteen (15) days from Buyer's receipt of such notice to cure such default. If Buyer fails to cure the default within fifteen (15) days after receipt of such notice, then Seller, at its option, may terminate this Agreement by written notice to Buyer. The parties understand and agree that in view of Seller's financial commitments with respect to the Project, the connection between the sale, cancellation or default with respect to one

Unit and the sale, cancellation or default with respect to other Units in the Project, and the nature of the real estate market in Hawaii, if Seller terminates this Agreement due to a default by Buyer, the injury to Seller will be uncertain as to nature and amount and difficult to ascertain. As a reasonable estimate of Seller's damages resulting from any such default by Buyer occurring after this Agreement becomes a legally binding sales contract, the parties agree that if Seller terminates this Agreement due to a default by Buyer, Seller, at its option, may retain all sums previously paid by Buyer under this Agreement, together with all accrued interest thereon, as liquidated damages, or Seller may seek the amount of Seller's actual damages, whichever is greater. If Seller does not elect to retain as liquidated damages the sums previously paid by Buyer under this Agreement, Seller may pursue any other remedies permitted at law or in equity.

(d) Seller's Default. Seller shall be in default under this Agreement if Seller fails to perform any obligation required under this Agreement and such failure continues for twenty (20) days after Buyer gives written notice to Seller of such failure.

(e) Buyer's Remedies for Seller's Default. In the event of any default by Seller which occurs after this Agreement becomes a legally binding contract in accordance with Section IV.2 of this Agreement, Buyer may elect, at Buyer's option, to cancel and terminate this Agreement by giving written notice of termination to Seller, and to receive (i) a full refund of all monies paid under this Agreement by Buyer from Escrow, plus interest thereon as provided in Section 2(b) above, and (ii) payment from Seller of all costs incurred by Buyer by reason of the default by Seller, including reasonable attorneys' fees.

16. EVENTS BEYOND SELLER'S CONTROL; CHANGE IN PURCHASE PRICE.

If, after the date this Agreement becomes a legally binding contract and because of the adoption or enactment of any new law, or due to any fire, earthquake, act of God, the elements, war, acts of terrorism, civil disturbances, strike or other labor disturbance, or economic controls making it impossible to obtain the necessary labor or material, or market conditions which increase the cost of necessary labor or materials or any other event, matters or conditions beyond the control of Seller, including any litigation or threat of litigation concerning the Project, Seller determines that such conditions have resulted in or will result in increases in development and construction costs by more than ten percent (10%), then Seller may increase the Purchase Price by an amount not in excess of the Unit's proportionate share (based, approximately on Seller's price list for all Units in effect at the time of both Buyer's and Seller's execution of this Agreement) of the total amount of such increases in development costs, and Buyer hereby acknowledges that this Agreement will be deemed to be amended to incorporate the increased Purchase Price upon Seller's giving notice to Buyer of the amount of the increased Purchase Price, and Buyer shall be deemed to have approved and accepted this Agreement, as amended, without memorializing such amendment in any written instrument signed by Buyer or Seller, and Buyer hereby agrees to pay such increased Purchase Price; provided, however, upon receipt of the notice from Seller of the amount of the increased Purchase Price, Buyer shall have thirty (30) days from the date of the notice to cancel this Agreement by written notice to Seller and upon such notice to receive a refund of the payments made hereunder by Buyer. If notice of cancellation is not received from Buyer within said thirty (30) day period, Buyer shall be bound to

fulfill all of Buyer's obligations pursuant to the terms of this Agreement, as amended, with the increased Purchase Price, and shall execute any documents as may be required by Escrow, including, but not limited to, an affirmation of such increased Purchase Price to facilitate the Closing of Escrow. This Agreement will be deemed to have been also amended so as to increase the payments set forth in Section III.2 above by the respective new amount for such payments to be set forth in the notice from Seller.

The Hawaii real estate market continually fluctuates due to changes in economic, social and political conditions that directly affect the supply of and demand for housing. Such supply and demand may be further impacted by fluctuating prices and availability of materials and labor necessary to construct the Project. As a result, Unit prices as well as the terms and conditions of sale are also subject to change. Therefore, (i) although the price of the Unit may not change, except as set forth in the preceding paragraph, Buyer should be aware that Seller reserves the right at any time prior to or after the Close of Escrow for the sale of a Unit and without notice, to increase or decrease the purchase price, adjust incentives and/or otherwise adjust the terms and conditions of sale for other Units in the Project, and change the number, size, location, and design of such other Units; (ii) Seller is not obligated to offer Buyer the same price, incentives and/or other terms and conditions of sale that Seller has previously offered or may subsequently offer to another Buyer; (iii) Seller has neither offered nor agreed to any price protection or other similar commitment to Buyer regarding the value or resale value of the Unit (or any other property), and Seller shall not have any obligation or liability whatsoever to Buyer in the event any price changes directly or indirectly affect the value of the Unit; and (iv) when Buyer entered into the Agreement, Seller may have owned other properties which may have been off the market and may not have been shown to or otherwise made available for purchase by Buyer. Seller does not have any obligation to notify Buyer if any of such properties come on the market or are otherwise available for purchase, nor shall Seller have any obligation to notify Buyer of any future properties Seller may develop and make available for purchase.

17. BINDING ON SELLER ONLY WHEN SIGNED BY SELLER.

This Agreement shall not be binding upon Seller until executed by Seller. Execution of this Agreement by Buyer and/or Buyer's payment of any monies or funds in accordance with this Agreement shall not constitute execution or acceptance of this Agreement by Seller or obligate Seller to Buyer pursuant to this Agreement or otherwise.

18. PROHIBITION AGAINST ASSIGNMENT.

This Agreement may not be assigned by Buyer. Any assignment of this Agreement by Buyer is void and of no legal effect. For the purposes of this section, an assignment shall include, but not be limited to: (i) the transfer of Buyer's interest in this Agreement to one or more other persons; (ii) the inclusion of additional persons or entities as Buyers under this Agreement; and (iii) where Buyer is a corporation, partnership, limited liability company, limited liability partnership or other legal entity, the transfer of a controlling interest in Buyer. As used herein, transfer of a "**controlling interest**" shall mean (a) the transfer of more than fifty percent (50%) of the ownership or other beneficial interest in such entity, or (b) the transfer of interests in such entity sufficient to allow the recipient thereof to control the day-to-day operations of such entity or otherwise control or influence the management of, or otherwise manage, set policies or direct the actions of such entity.

Notwithstanding the foregoing, Buyer may assign his/her rights under this Agreement to affiliated entities for estate planning purposes without the consent of Seller; provided that any such assignment shall not release Buyer from his/her obligations under this Agreement. In the event that Buyer decides to make such an assignment for estate planning purposes, Buyer shall provide written notice thereof to Seller at least fifteen (15) days prior to the Scheduled Closing Date and shall provide to Seller and/or Escrow copies of such documents as Seller and/or Escrow, in their sole and absolute discretion, deem necessary for the Close of Escrow.

19. NO BROKERS.

Other than Seller's sales agent, and except for any cooperating broker identified in Section VIII, Buyer has not dealt with any broker, real estate sales person, or finder in connection with the transactions contemplated by this Agreement. Buyer shall indemnify, defend and hold Seller harmless from all claims, demands, liabilities, judgments and expenses arising out of any amounts claimed to be owing to any such persons on account of Buyer's conduct.

20. MANDATORY SELLER DISCLOSURE.

Seller is exempt from the provisions of Chapter 508D of the HRS, as amended, regarding mandatory Seller disclosures regarding sales of residential real property. Information pertaining to the Project is contained in the Developer's Public Report for the Project.

21. NOTICES.

Notices hereunder may be delivered personally, by electronic mail, or deposited in the United States mails, postage prepaid, via registered or certified mail, return receipt requested, addressed to Seller or Buyer at the addresses set forth hereinabove, and shall be deemed to have been given when delivered personally to Seller or to Buyer (to any one of them, if Buyer shall be more than one person), when transmitted by electronic mail, or forty-eight (48) hours after deposited in the United States mails, as aforesaid (whether or not the intended recipient signs the return receipt for such mail). Buyer hereby agrees to notify Seller in writing of any change in Buyer's address as set forth hereinabove within ten (10) calendar days after the change thereof. In the event Buyer consists of multiple parties, delivery to any one party shall be considered sufficient and complete, and delivery to Buyer's Agent, if any, shall be considered sufficient and complete delivery to Buyer.

22. DISPUTE RESOLUTION. The parties shall endeavor to resolve their all claims arising under this Agreement by mediation which, unless the parties mutually agree otherwise, shall be in accordance with the Mediation Rules Procedures & Protocol of Dispute Prevention & Resolution, Inc. currently in effect. Request for mediation shall be filed in writing with the other party to the Contract and with Dispute Prevention & Resolution, Inc. Mediation shall be held within six (6) months from the date the request for mediation is filed, or the requirement shall be deemed to have been waived. In the event the Seller and Buyer are unable to resolve any such claim, dispute or other matter in question between the Seller and Buyer arising out of or related to this Agreement or any breach thereof, such claim dispute or other matter shall be tried in a legal or equitable proceeding by

a court of competent jurisdiction in Honolulu, Hawaii. Each party shall bear its own costs of dispute resolution. This Section 22 shall survive Closing.

23. GOVERNING LAW; JURISDICTION AND VENUE.

The laws of the State of Hawaii shall govern all matters with respect to this Agreement, including all matters related to the formation, construction and performance of this Agreement. Buyer and Seller agree that any litigation regarding this Agreement shall be brought only in the Circuit Court of the First Circuit, State of Hawaii, or in the United States District Court for the District of Hawaii, and Buyer and Seller agree to do nothing to defeat the jurisdiction of said courts or to otherwise seek a change of venue.

24. MARKETING MATERIALS PROPRIETARY.

All sales and marketing materials provided to Buyer in connection with the sale of the Unit or otherwise are the property of Seller, and may not be used by Buyer in any fashion whatsoever. Any use of such materials in any way by Buyer will entitle Seller to enjoin such use and to pursue other remedies against Buyer, independently of the obligations set forth in this Agreement. Seller, in its sole and absolute discretion, may pursue such remedies in the state courts of Hawaii or federal courts sitting in Hawaii. Buyer hereby agrees to submit to the jurisdiction and venue of such courts for the purpose of any lawsuit brought by Seller under this section. Buyer shall pay for all costs incurred by Seller in enforcing its proprietary rights in and to such materials, including any and all attorneys' fees and costs incurred by Seller. The provisions of this section will survive the Close of Escrow.

25. INTERPRETATION.

The term "**Buyer**" herein or any pronoun used in place thereof shall mean and include the masculine and the feminine, the singular or the plural number, and jointly and severally individuals or other legal entities, and each of their respective heirs, personal representatives, successors and permitted assigns, according to the context thereof. This Agreement shall be binding on and inure to the benefit of the legal representatives and successors in interest of the parties hereto. All obligations of Buyer hereunder where there is more than one (1) Buyer shall be joint and several.

26. CONTINUATION OF OBLIGATION.

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

27. ENTIRE AGREEMENT.

This Agreement constitutes the entire agreement between Seller and Buyer and supersedes and cancels all prior negotiations, representations, understandings and agreements, both written and oral, of the parties hereto and their representatives. No amendment, modification or variation of this Agreement shall be valid or enforceable unless evidenced by a written instrument approved and executed by Seller and Buyer.