

LAND COURT

REGULAR SYSTEM

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HAWAII CITY PLAZA LP
9911 Valley Boulevard
El Monte, California 91731

Order No. 6840003821-JA

Title of Document: WARRANTY DEED

Grantor: **HAKUYOSHA CO., LTD.** (also known as Hakuyosha Company, Limited), a Japan corporation

Grantee: **HAWAII CITY PLAZA LP**, a Hawaii limited partnership, whose address is 9911 Valley Boulevard, El Monte, California 91731

Property Address: 730 Sheridan Street
Honolulu, Hawaii 96814

Tax Map Key No.: (1) 2-3-014-011

WARRANTY DEED

This **WARRANTY DEED** is made as of the _____ day of _____, 2016, by **HAKUYOSHA CO., LTD.** (also known as Hakuyosha Company, Limited), a Japan corporation, hereinafter called "Grantor", in favor of **HAWAII CITY PLAZA LP**, a Hawaii limited partnership, whose address is 9911 Valley Boulevard, El Monte, California 91731, hereinafter called "Grantee."

W I T N E S S E T H:

For the sum of TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable consideration paid by Grantee, receipt of which is hereby acknowledged, Grantor does hereby grant, bargain, sell and convey unto Grantee all of Grantor's right, title and interest in and to that certain property, more particularly described in Exhibit "A", attached hereto and made a part hereof.

AND the reversions, remainders, rents, issues and profits thereof and all of the estate, right, title and interest of Grantor, both at law and in equity, therein and thereto;

TO HAVE AND TO HOLD the same, together with all buildings, improvements, tenements, hereditaments, rights, easements, privileges and appurtenances thereunto belonging or appertaining, or held and enjoyed therewith unto Grantee, absolutely and in fee simple, forever.

AND, in consideration of the premises, Grantor does hereby covenant with Grantee that Grantor is seized of the property herein described in fee simple; that said property is free and clear of and from all liens and encumbrances, except for the lien of real property taxes not yet by law required to be paid, and except as may be specifically set forth herein; that Grantor has good right to sell and convey said property, as aforesaid; and, that Grantor will WARRANT AND DEFEND the same unto Grantee against the lawful claims and demands of all persons claiming by or through Grantor, except as aforesaid.

The property being conveyed hereby is being sold in its present condition. Grantee hereby agrees to accept said property in "AS IS, WHERE IS" condition as to the physical aspects of said property, including but not limited to the land and the improvements thereon and acknowledges that Grantor makes no warranties or representations as to the condition of said property.

The terms "Grantor" and "Grantee", as and when used herein, or any pronouns used in place thereof, shall mean and include the masculine, feminine or neuter, the singular or plural number, individuals, trustees, partnerships or corporations and their and each of their respective successors, heirs, personal representatives, successors in trust and permitted assigns, according to the context thereof. If these presents shall be signed by two more grantors or by two or more grantees, all covenants of such parties shall for all purposes be joint and several.

This instrument may be executed in counterparts, each of which shall be deemed an original, and said counterparts shall together constitute one and the same agreement, binding on all of the parties hereto, notwithstanding that all of the parties are not signatory to the same counterparts.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the undersigned have executed these presents as of the day and year first above written.

HAKUYOSHA CO., LTD. (also known as
Hakuyosha Company, Limited),
a Japan corporation

Yoshiaki Komura
Its: Director

"Grantor"

HAWAII CITY PLAZA LP,
a Hawaii limited partnership

By: CALIFORNIA INVESTMENT REGIONAL
CENTER, LLC, a California
limited liability company
Its: General Partner

By:
Its: Manager

"Grantee"

STATE OF HAWAII)
) SS.
CITY AND COUNTY OF HONOLULU)

On this _____ day of _____, 2016, before me appeared YOSHIAKI KOMURA, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Name:
Notary Public, State of Hawaii
My commission expires: _____

<u>NOTARY CERTIFICATION STATEMENT</u>	
Document Identification or Description: Warranty Deed	
<input type="checkbox"/> Doc. Date _____ N/A _____ or	
<input checked="" type="checkbox"/> Undated at time of notarization	
No. of Pages: _____	Jurisdiction: First Circuit (in which notarial act is performed)
_____ Signature of Notary	(SEAL)
_____ Print Name of Notary	

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) SS.
COUNTY OF _____)

On _____, before me, _____,
Notary Public, personally appeared _____, who
proved to me on the basis of satisfactory evidence to be the
person whose name is subscribed to the within instrument and
acknowledged to me that he/she executed the same in his/her
authorized capacity, and that by his/her signature on the
instrument the person, or the entity upon behalf of which the
person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the
State of California that the foregoing paragraph is true and
correct.

WITNESS my hand and official seal.

Signature _____ (Seal)
My Commission Expires: _____

EXHIBIT "A"

The land referred to herein is situated in the State of Hawaii, and described as follows:

All of that certain parcel of land situate at Kewalo, Honolulu, City and County of Honolulu, State of Hawaii, being a portion of lot ONE HUNDRED AND SIXTY TWO (162) of the tract of land known as the "KING STREET TRACT" delineated on the Map or Plan of said tract recorded in the Bureau of Conveyances of the State of Hawaii at Honolulu, in Book 242, Page 493, being LOT 162-A situated on the Northwesterly side of Sheridan Street at Kewalo, Honolulu, Oahu, Hawaii, described as follows:

Beginning at an " ^ " cut on concrete sidewalk at the South corner of this parcel of land and on the Northwesterly side of Sheridan Street, the coordinates of said point of beginning referred to Government Survey Triangulation Station "PUNCHBOWL" being 5,874.48 feet South and 2,177.35 feet East, thence running by azimuths measured clockwise from true South:

1. 110° 42' 50.26 feet along Lot 879-A of Land Court Application 880 to a nail in pavement;
2. 204° 40' 60.00 feet along Lot 161-A of Land Court Application 880 to a 2" pipe;
3. 290° 42' 75.08 feet along Lot 160-A of Land Court Application 880 to a " ^ " cut on concrete sidewalk;
4. Thence along the Northwesterly side of Sheridan Street, on a curve to the right with a radius of 422.00 feet, the azimuth and distance of the chord being 46° 31' 25" 66.51 feet to the point of beginning and containing an area of 3,809 square feet, more or less.

Being all the property described in the following:

DEED

Recorded : May 1, 1978 in the Bureau of Conveyances,
State of Hawaii, in Book 12862, Page 649
Grantor : LINDA KEOHOHOU LEWIS, wife of Gary Lewis and
WILLIAM GEORGE MEINEL, JR., unmarried and
DENNIS PALMER MEINEL, unmarried and RICHARD
ALFRED MEINEL, husband of Mary Meinel and
DONALD GENE MEINEL, husband of Arden M.
Meinel
Grantee : HAKUYOSHA COMPANY, LIMITED, a Japan
corporation

SUBJECT, HOWEVER, TO THE FOLLOWING:

1. Title to all minerals, and metallic mines reserved to the State of Hawaii.



**COMMERCIAL REAL PROPERTY PURCHASE AND SALE
AGREEMENT (PSA)
Hawaii Association of REALTORS® Standard Form
Revised 7/10 For Release 7/10**



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

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

Reviewed By: _____
Principal Broker/Broker-in-Charge

Reference Date: April 15, 2015 Purchase Price: \$6,200,000.00 (See Paragraph C-1)

Closing Date: The Scheduled Closing Date shall be as set forth in Paragraph C-4.

Property Reference or Address: 710 Sheridan Street Honolulu, Hawaii (See Paragraph C-2)

Tax Map Key: Div. 1 /Zone 2 /Sec. 3 /Plat 014 /Parcel(s) 2 /CPR _____ (if applicable).

IDENTIFICATION OF PARTIES:

IDENTIFICATION OF BROKERAGE FIRMS:

Buyer: Hawaii City Plaza LP

Street 9911 Valley Boulevard
Address: El Monte, California 91731
Phone: 626.807-2198
Fax: _____
E-mail: thlusa@gmail.com

Brokerage Firm: self
Agent Name: _____
Street _____
Address: _____
Phone: _____
Fax: _____
E-mail: _____

Seller: Hakuyosha International, Inc.

Street 730 Sheridan Street
Address: Honolulu, Hawaii 96814
Phone: 955-6116
Fax: _____
E-mail: _____

Brokerage Firm: Newmark Grubb|CBI, Inc
Agent Name: Rodney Sugai (S)
Street 1000 Bishop Street, Suite 909
Address: Honolulu, Hawaii 96813
Phone: 808.441-0516
Fax: 808.942-0009
E-mail: rsugai@cbi-hawaii.com

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

BUYER'S INITIALS & DATE

SELLER'S INITIALS & DATE



A: AGENCY DISCLOSURE

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

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

A-2 **DISCLOSURE.**

- (a) **Seller Representation:** Seller is represented by the Brokerage Firm Newmark Grubb|CBI, Inc and all its licensees. Brokerage Firm is [**N/A**] is not [**X**] a member of the National Association of REALTORS.[®]
- (b) **Buyer Representation:** Buyer is represented by the Brokerage Firm self and all its licensees. Brokerage Firm is [] is not [] a member of the National Association of REALTORS.[®]
- (c) **Dual Agency Representation:** Seller and Buyer are represented by the Brokerage Firm _____ Brokerage Firm is [] is not [] a member of the National Association of REALTORS.[®] **A separate Dual Agency Consent Addendum is required.**
- (d) **No Agency Representation:**
[] **Seller** is a Customer and is not represented by a Brokerage Firm.
[**X**] **Buyer** is a Customer and is not represented by a Brokerage Firm.

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

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

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

_____ (Buyer's initials)

_____ (Seller's initials)

SECTION B: EARNEST MONEY DEPOSIT

B-1 **Earnest Money.** Buyer shall deposit with Escrow (identified in Paragraph C-6), the sums set forth below (the "Earnest Money") in good funds on or before the deadlines required by this Section B-1. Buyer shall pay (from sources other than the Earnest Money or any interest accruing thereon) any and all escrow or other fees charged by Escrow pursuant to Paragraph C-8. All interest accruing on such sum shall become a part of the Earnest Money and shall be distributed as Earnest Money in accordance with the terms of this PSA.

- [**X**] (a) An initial Earnest Money deposit in the amount of \$ 35,000.00 shall be paid within three (3) business days of the Acceptance Date (defined in Paragraph C-44).
- [**X**] (b) An additional Earnest Money deposit in the amount of \$ 750,000.00 shall be paid within three (3) business days after the end of the Inspection Period (see Paragraph C-15).

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

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

BUYER'S INITIALS & DATE

SELLER'S INITIALS & DATE

SECTION C: ADDENDA AND OFFER

ADDENDA. The following addenda, if checked, are attached to and made a part of this PSA.

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

OFFER TO BUY. Buyer offers to buy the Property described below on the terms and conditions contained herein, acknowledges receipt of a copy of the PSA, and agrees that this PSA shall be binding on Buyer if accepted by Seller on or before: Date April 22, 2015 Time 4:00 AM [N/A] PM [X].

C-1 Purchase price for the Property is \$ 6,200,000.00 U.S. Dollars, which shall be paid as follows:

- \$ 35,000.00 Initial cash deposit of Earnest Money ("B-1(a)").
\$ 750,000.00 Additional cash deposit of Earnest Money ("B-1(b)").
\$ 5,415,000.00 Balance of down payment (or balance of purchase price if all cash) paid into Escrow before closing.
\$ 6,200,000.00 TOTAL CASH FUNDS FROM BUYER (exclusive of closing costs).
\$ By way of
\$
\$
\$ 6,200,000.00 TOTAL PURCHASE PRICE

Failure to make any of the scheduled deposits herein shall constitute a default, and the termination provisions of Paragraphs C-18 and C-20 shall apply.

PROPERTY

C-2 Description:

All of that fee simple Property zoned BMX-3 situated at the leasehold/fee simple address set forth above described as follows: 710 Sheridan Street, Honolulu Hawaii - consisting of approximately 12,758 square feet of improvements and 29,291 square feet of land area.

The full legal description will be provided in the title report. "Property" includes all improvements and fixtures except those owned by tenants and except as listed below:

CLOSING

C-3 For purposes of this PSA, "Closing" shall be the date when all appropriate conveyance documents are recorded. Buyer and Seller agree to promptly execute appropriate or customary documents when requested by Escrow.

BUYER'S INITIALS & DATE SELLER'S INITIALS & DATE

C-4 Scheduled Closing Date: _____ or ~~sixty (60)~~ (90) days after end of Inspection Period.

C-5 **Time is of the essence** and the Scheduled Closing Date may not be extended unless both Buyer and Seller so agree in writing.

C-6 **Escrow** . This transaction shall be escrowed by: Old Republic Title & Escrow , Branch downtown ("Escrow").
Escrow officer: Jo Ayson Phone No.: 566-0100 ext 5713 Fax No.: 566-0227
Escrow officer email address: jayson@ortc.com

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

C-7 **Prorations and Closing Adjustments** . At closing, Escrow shall prorate the following, if applicable, as of the date of closing: real property tax, lease rents, interest on assumed obligations, tenant rents, common area expenses and other items customarily prorated in commercial real estate transactions in Hawaii. When applicable, Escrow shall charge to Seller and credit to Buyer the amount of any tenant security deposits. Seller and Buyer agree to cooperate and use their best efforts to complete such prorations or adjustments that are not available at Closing no later than thirty (30) days after Closing. Such items of income and expense for the period prior to the date of Closing will be for the account of Seller and such items of income and expense for the period on and after Closing will be for the account of Buyer, all as determined by the accrual method of accounting. Bills received after Closing to the extent they relate to expenses incurred for services performed prior to Closing shall be paid by Seller, and those which relate to services performed after Closing (except as otherwise agreed to by the parties in writing) shall be paid by Buyer; provided, however, that Buyer's obligations under this PSA to assume and pay for services rendered after Closing pursuant to any service contracts shall not apply to any service contract that Buyer elected not to assume during the Inspection Period.

C-8 **Closing Costs**. The following allocates customary closing costs and **are not intended to be an all-inclusive list** . Escrow may charge the appropriate party other closing costs as agreed and directed in writing by the parties.

Charge to Buyer, if applicable:

50% of the premium for standard coverage title insurance and any additional costs relating to the issuance of extended coverage policy and endorsements (including a lender's policy)
Cost of drafting of agreement of sale or mortgage and note
Cost of obtaining Buyer's consents
Buyer's notary fees
50% of Escrow's fees
Any fees pertaining to any Buyer financing

Charge to Seller, if applicable:

50% of the premium for standard coverage title insurance
Cost of drafting of conveyance documents and bills of sale
Cost of obtaining Seller's consents
Seller's notary fees
Conveyance tax
50% of Escrow's fees
Recording fees
FIRPTA (Federal withholding)
HARPTA (State withholding)

ASSESSMENTS

For purposes of Paragraphs C-9, C-10, and C-11, an assessment is defined as any obligation (not including prorations in Paragraph C-7) levied against the Property by a governmental body or any other entity with a legal right to assess. Assessments, if any, shall be charged as follows:

C-9 Any lump sum assessments levied against the Property prior to the Acceptance Date shall be paid by Seller [] or assumed by Buyer [N/A].

Exceptions, if any: _____

C-10 Any assessments levied against the Property prior to the Acceptance Date which are being paid in installments shall be paid in full by Seller [] or pro-rated by Escrow as of the date of closing [].

BUYER'S INITIALS & DATE

SELLER'S INITIALS & DATE

Exceptions, if any: _____

C-11 If a new assessment is authorized against the Property between the Acceptance Date and the Scheduled Closing Date, such assessment shall be paid as Buyer and Seller shall agree, and if Buyer and Seller cannot reach an agreement within five (5) days of both parties being aware of the new assessment, either party may terminate this PSA and the termination provisions of Paragraph C-21 shall apply.

OTHER CLOSING MATTERS

C-12 **Risk of Loss.**

- (a) **Minor Damage.** In the event of loss or damage to the Property or any portion thereof that is not "major" (as hereinafter defined), Seller shall notify Buyer within five (5) days of Seller becoming aware of such loss or damage, and this PSA shall remain in full force and effect provided Seller performs any necessary repairs or, at Seller's option, assigns to Buyer all of Seller's right, title and interest to any claims and proceeds Seller may have with respect to any casualty insurance policies or condemnation awards relating to the Property. In the event that Seller elects to perform repairs upon the Property, Seller shall use reasonable efforts to complete such repairs promptly and the Scheduled Closing Date shall be extended a reasonable time in order to allow for the completion of such repairs. If Seller elects to assign to Buyer Seller's title and interest to any claims and proceeds Seller may have with respect to any casualty insurance policies, the Purchase Price shall be reduced by an amount equal to the deductible amount under Seller's insurance policy and Seller shall be fully released from any additional claims. Upon Closing, full risk of loss with respect to the Property shall pass to Buyer, subject to the terms and conditions of this PSA.
- (b) **Major Damage.** In the event of a "major" loss or damage, Seller shall notify Buyer in writing of such damage within five (5) days of Seller becoming aware of such loss or damage. In such event, either Seller or Buyer may terminate this PSA by written notice to the other party within thirty (30) days of the loss or damage, in which event the Earnest Money shall be returned to Buyer. If neither Seller nor Buyer elects to terminate this Agreement within ten (10) days after Seller sends Buyer written notice of the occurrence of major loss or damage, then Seller and Buyer shall be deemed to have elected to proceed with Closing, in which event Seller shall, at Seller's option, either (1) perform any necessary repairs, or (2) assign to Buyer all of Seller's right, title and interest to any claims and proceeds Seller may have with respect to any casualty insurance policies or condemnation awards relating to the Property. In the event that Seller elects to perform repairs upon the Property, Seller shall use reasonable efforts to complete such repairs promptly and the Scheduled Closing Date shall be extended a reasonable time in order to allow for the completion of such repairs. If Seller elects to assign to Buyer Seller's title and interest to any claims and proceeds Seller may have with respect to any casualty insurance policies, the Purchase Price shall be reduced by an amount equal to the deductible amount under Seller's insurance policy. Upon Closing, full risk of loss with respect to the Property shall pass to Buyer.
- (c) **Definition of "Major" Loss or Damage.** For purposes of this PSA, "major" loss or damage refers to the following: (1) loss or damage to the Property or any portion thereof such that the cost of repairing or restoring the Property to a condition substantially identical to that of the Property prior to the event of damage would be, in the opinion of an architect selected by Seller and Buyer, equal to or greater than an amount equal to five percent (5%) of the Purchase Price; or (2) any loss due to a condemnation which materially impairs the current use of the Property.

[N/A] C-13 **Consents.** The obligations of Buyer or Seller hereunder are conditioned upon obtaining consents of the following lessor or other identified person or entity prior to Closing or such earlier time as may be required by this PSA:

_____. Neither Buyer nor Seller may waive this condition without the consent of the other. Buyer and Seller agree to cooperate and take all reasonable action to obtain such consents.

C-14 **Possession.** Seller agrees to give Buyer possession at closing or _____, subject to tenant leases, if any.

C-15 **Inspection of Property.** At Buyer's sole cost and expense Buyer may (personally or by any expert, professional, or other representative of Buyer's choice): (a) inspect the Property or any portion thereof; (b) inspect all fixtures and improvements included in the sale; (c) inspect, investigate the Property, including, but not limited to all public records relating to the Property; (d) inspect all applicable laws and regulations which may affect the Property; and (e) inspect all financial and administrative records of Seller pertaining to the ownership and operation of the Property, except appraisals, material relating to negotiations with other buyers and material that is privileged.

On or before 15 days after the Acceptance Date, Seller shall deliver to Buyer copies of the following documents (applicable only if checked), to the extent such documents are in the possession or control of Seller.

BUYER'S INITIALS & DATE

SELLER'S INITIALS & DATE

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

BUYER'S RIGHT TO INSPECT THE PROPERTY AND TO TERMINATE THIS PSA BECAUSE BUYER IS NOT SATISFIED WITH THE PROPERTY ENDS ON (120) sixty (60) days from receipt of all documents ("INSPECTION PERIOD").

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

If Buyer disapproves of the results within such time period, Buyer may elect to terminate this PSA pursuant to Paragraph C-21. **If Buyer fails to elect to terminate prior to the end of the Inspection Period, Buyer shall have waived this contingency.**

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

Buyer agrees to indemnify, defend and hold Seller, Seller's Brokerage Firm, and Buyer's Brokerage Firm harmless from any actions, suits, liens, claims, damages, expenses, losses and liability for damage to personal property or personal injury to the extent arising from or attributable to any acts performed by Buyer or Buyer authorized agents in exercising Buyer's inspection rights, if any, under this PSA. This agreement to indemnify Seller, Seller's Brokerage Firm, and Buyer's Brokerage Firm shall survive any termination of this PSA.

FINANCING CONTINGENCIES

[N/A]C-16

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

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

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

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

BUYER'S INITIALS & DATE

SELLER'S INITIALS & DATE

C-17 **Seller's Right to Terminate PSA for Financing Contingency.** If Paragraph C-16 is applicable, Seller's obligation to sell the Property is contingent upon Buyer using Buyer's commercially reasonable efforts to obtain the Loan within the time periods specified in Paragraph C-16 above. If any such obligation is not met by the end of the applicable time period, Seller may elect to terminate this PSA and the Termination Provision shall apply. However, this right of Seller to terminate shall no longer apply if Buyer has elected to proceed on an all cash basis pursuant to Paragraph C-16 and Buyer has indicated in writing an intention to proceed and has provided Seller with reasonable assurance of Buyer's ability to do so. Seller shall have the right to inquire with Buyer's lender regarding the status of Buyer's financing.

TERMINATION PROVISIONS

C-18 **Termination Due to Default.** In the event that Buyer is in default for failure to perform Buyer's obligations under this PSA (Seller not being in default), Seller may retain the initial deposit and all additional deposits provided for herein as liquidated damages. Buyer shall be responsible for any costs incurred in accordance with this PSA.

C-19 In the event that Seller is in default for failure to perform Seller's obligations under PSA (Buyer not being in default), Buyer may (a) seek specific performance of this PSA or (b) if the remedy of specific performance is not available, bring an action for damages for breach of contract. Seller shall be responsible for any costs incurred in accordance with this PSA.

C-20 In addition to the foregoing remedies, Buyer and Seller agree to the following additional remedies, if any:

- a) **For Seller's or Buyer's default, as set forth in C-18 and C-19 as applicable, that are material, the non-defaulting party may elect to terminate this PSA and the Termination Provision shall apply;**
- b) **Seller's shall have any and all remedies available under law.**

C-21 **Termination Due to Contingencies .** If the party for whose benefit a contingency exists, elects to terminate this PSA because the contingency has not been satisfied, that benefited party shall deliver to the other party a written notice of termination prior to the expiration of the contingency period. If the benefited party fails to deliver the written notice to the other party within such time period, the contingency shall be deemed to be waived and can no longer be used by that party as a reason to terminate this PSA. If the benefited party so terminates this PSA, Buyer and Seller shall promptly execute all cancellation documents requested by Escrow, Buyer shall return to Seller all documents delivered by Seller to Buyer in connection with Buyer's inspection of the Property, and Escrow shall, unless otherwise agreed to in this PSA, return to Buyer all deposits previously made, less the amount of any escrow expenses or fees chargeable to Buyer. Thereafter, neither buyer nor Seller shall have any further rights or obligations under this PSA.

C-22 **Termination Due to Other Circumstances .** Should this PSA specifically designate this paragraph to govern the termination process for any term of the PSA, any party electing to terminate must deliver to the other party and to Escrow a written notice terminating this PSA within five (5) days of electing termination. If the terminating party so terminates this PSA, Buyer and Seller shall promptly execute all cancellation documents requested by Escrow, Buyer shall return to Seller all documents delivered by Seller to Buyer in connection with Buyer's inspection of the Property, and Escrow shall, unless otherwise agreed to in this PSA, return to Buyer all deposits previously made, less the amount of any escrow expenses or fees chargeable to Buyer. Thereafter, neither Buyer nor Seller shall have any further rights or obligations under this PSA.

C-23 In the event of default by a party and/or a legal action or arbitration (including a claim by a Brokerage Firm for commission), the prevailing party shall be entitled to recover all costs incurred including reasonable attorney's fees.

TITLE AND SURVEY

C-24 **Preliminary Title Report.** Within fifteen (**15**) days after the Acceptance Date, Seller shall cause Old Republic Title & Escrow (the "Title Company") to deliver a preliminary title report (the "Title Report") on the Property to Buyer.

[**N/A**] C-25 **Survey.** Within () days after the Acceptance Date, Seller shall, at Seller's sole cost and expense, provide Buyer with a map (with surveyor's stamp) and accompanying report to show the perimeters of the Property and the location of any improvements in the vicinity of the perimeter Property lines. This survey and map may not address whether improvements on the Property are in compliance with State and/or County requirements, and/or subdivision covenants, conditions, and restrictions. If Buyer objects to any matters shown in such survey, Buyer shall notify Seller pursuant to Paragraph C-27 below.

[**X**] C-26 **Title.** Seller agrees to convey the Property with warranties vesting marketable title in Buyer, free and clear of all liens and encumbrances EXCEPT: (a) easements, covenants, conditions, reservations or restrictions now of record and (b) _____

BUYER'S INITIALS & DATE

SELLER'S INITIALS & DATE

[X] C-27 **Title and Survey Objections; Permitted Exceptions; Cure of Title and Survey Objections.**

- (a) **Title and Survey Objections.** Buyer shall have ten (10) days prior to the expiration of the Inspection Period to send written notice of any objections that Buyer may have in regard to the Title Report or Survey.
- (b) **Permitted Exception.** Any item contained in the Title Report or any matter shown on the Survey to which Buyer does not so object shall be deemed a "Permitted Exception".
- (c) **Cure of Title and Survey Objections.** In the event Buyer shall timely notify Seller of objections to any item contained in the Title Report or to any matter shown on the Survey, Seller shall have the right, but not the obligation, to cure the Title Objections. Seller shall inform Buyer in writing (the "Seller's Cure Notice") not later than five (5) business days after receipt of Title Objections whether Seller shall cure such objections. Unless otherwise expressly stated, Seller's failure to deliver Seller's cure notice shall be deemed Seller's election not to cure the Title Objections, and Buyer's election not to terminate this PSA prior to the expiration of the Inspection Period in accordance with Section C-15 and C-21 shall be deemed Buyer's waiver of any objections that Seller has not elected to cure.

TRANSACTIONS INVOLVING FOREIGN OR NON-RESIDENT BUYER AND SELLER

- C-28 **HARPTA Withholding Required if Seller is a Non-Resident of the State of Hawaii.** Under Hawaii law, if Seller is a non-resident person or entity (corporation, partnership, trust, or estate) of the State of Hawaii, Buyer must withhold a specified percentage of the "amount realized" by Seller on the sale of the Property and forward the amount with the appropriate form to the State Department of Taxation. Such withholding may not be required if Seller obtains and provides Buyer with an authorized exemption or waiver from withholding. If Seller does not provide Buyer with a certificate of exemption or waiver from HARPTA not later than two (2) business days prior to Closing, Escrow is hereby authorized and instructed to withhold/collect from Seller the required amount at closing and forward it to the State Department of Taxation.
- C-29 **FIRPTA Withholding Required if Seller is a Foreign Person.** Under the Internal Revenue Code, if Seller is a foreign person or entity (non-resident alien, corporation, partnership, trust, or estate), Buyer must generally withhold a specified percentage of the "amount realized" by Seller on the sale of the Property and forward this amount to the Internal Revenue Service ("IRS"). Such withholding may not be required if Seller obtains and provides Buyer with an authorized exemption or waiver from withholding. If Seller does not provide Buyer with a certificate of exemption or waiver from FIRPTA not later than two (2) business days prior to Closing, Escrow is hereby authorized and instructed to withhold/collect from Seller the required amount at closing and forward it to the IRS.
- C-30 **Additional Disclosures Required by Foreign Buyers and Sellers.** Buyer and Seller understand that under statutes and ordinances such as the Agricultural Foreign Investment Disclosure Act of 1978, the International Investment and Trade in Services Survey Act, and the revised Ordinance of the City and County of Honolulu, among others, disclosures are required by foreign Buyers and/or Sellers under certain conditions.
- C-31 **Government Restrictions Disclosure.** Buyer is aware that the Property is subject to all applicable federal, state and county laws, statutes, regulations, codes, ordinances, rules, procedures, restrictions, and requirements, including but not limited to, those concerning land use, zoning, building permits and requirements, setbacks, height limitations, and allowable uses.

ASBESTOS AND HAZARDOUS MATERIALS

- C-32 **Asbestos Disclosure.** Buyer is aware that asbestos materials are hazardous to one's health, particularly if asbestos fibers are released into the air and inhaled. In the past (before 1979, but possibly since) asbestos was a commonly used insulation material in heating facilities and in certain types of floor and ceiling materials, shingles, plaster products, cement and other building materials. Buyer is aware that Buyer should make appropriate inquiry into the possible existence of asbestos on the Property. Structures having "popcorn" or "cottage cheese" type ceilings may contain asbestos fibers or asbestos-containing material. Such ceilings should not be disturbed since it could release asbestos fibers in the air. Any disturbance should be done only by licensed abatement contractors.
- C-33 **Hazardous Waste and Toxic Substances Disclosure.** Buyer is aware that federal and state laws place strict liability on property owners for dangers caused by hazardous waste management and may require that such owner pay for the cost of the cleanup of hazardous substances and other toxic substances. Buyer is aware that Buyer should make appropriate inquiries into the past use of the Property and should seek an environmental assessment to ascertain the possible existence of such hazardous substances or materials on or under the Property. Buyer is aware Buyer may have liability for hazardous substances located on or under the Property even if Buyer did not cause such substances to be on or under the Property.

BUYER'S INITIALS & DATE

SELLER'S INITIALS & DATE

MAINTENANCE AND WARRANTIES

[X]C-34 **Property Condition Maintenance.** Seller shall maintain the Property in the same condition and repair as when Buyer inspected the Property pursuant to Paragraph C-15.

[X]C-35 **Existing Warranties, Plans, etc.** Seller shall provide to Buyer at closing all existing warranty documents in Seller's possession covering the improvements and personal property being sold to Buyer; and, to the extent legally permissible, all originals and copies in Seller's possession of blueprints, specifications, and copies of architectural or engineering drawings relating to the Property.

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

INTERNAL REVENUE CODE SECTION 1031 EXCHANGE

C-36 **Right to Exchange/Cooperation.** Either Seller or Buyer may assign all rights, title and interest in this PSA with respect to all or any portion of the Property to an affiliated entity and/or a qualified intermediary in order to facilitate a like-kind exchange transaction, which includes the Property, pursuant to Section 1031 of the Internal Revenue Code. Seller and Buyer will remain liable under this PSA, subject to the limits set forth herein, following any such assignment and shall indemnify, defend and hold the other party harmless from any additional cost, liability or expense suffered or incurred by reason of such assignment or cooperation with the exchange. Seller and Buyer further agree to cooperate with the other in effectuating such transaction, including, without limitation, consenting in writing to the assignment of this PSA to any such qualified intermediary and/or any affiliated entity; provided that any such exchange transaction, and the related documentation, shall: (a) not require the other party to execute any contract (other than as set forth above), make any commitment, or incur any obligations, contingent or otherwise, to third parties which would expand the obligations beyond this PSA or incur any additional costs, (b) not delay the Closing or the transaction contemplated by this PSA, or (c) not include acquiring title to any other property. The obligations of Seller and Buyer under this Paragraph shall survive the Closing and shall not be merged therein.

[X]C-37 **OTHER SPECIAL TERMS** (Please number)

1. **Sale-Lease Back: Sale is contingent upon a lease back agreement between Buyer and Seller at rates and terms mutually agreed upon by both parties on or before the expiration of C-15; Inspection of Property.** The lease shall be for the rear portion of the Property with access to Cedar Street consisting of approximately 5,500 square feet of warehouse space, approximately 8,000+ square feet of parking/yard area currently demised by a chain link fence as outlined in Exhibit "A"[attached], and shall be for a term commencing as of Closing and terminating on December 31, 2015; provided that Hakuyosha International, Inc. shall have the right to terminate the lease earlier.

2. **Governmental Approvals & Permitting: Buyer at Buyer's sole cost and expense shall conduct it's due diligence investigation-inspections for obtaining all necessary governmental approvals and or permits within the Inspection Period [C-15]. If Buyer fails to elect to terminate prior to the end of the Inspection Period, Buyer shall have waived this contingency.**

3. **Choice Auto [Tenant]: Buyer shall take possession of the property subject Choice Auto's lease and provide tenant with six months prior written notification to terminate the lease.**

4. **Sale of 710 Sheridan Street shall be contingent upon Buyer being able to purchase 730 Sheridan and 733 Cedar Streets simultaneously and with Closings occurring on the same date.**

BUYER'S INITIALS & DATE

SELLER'S INITIALS & DATE

BROKERAGE FIRMS SERVICES AND DISCLAIMERS

C-38 **Scope of Service.** Seller’s Brokerage Firm and Buyer’s Brokerage Firm, including their owners, agents and employees (collectively the “Brokerage Firms”), recommend that Buyer and Seller each consult their own accountant, appraiser, architect, attorney, contractor, estate planner, insurance advisor, land use professional, surveyor, environmental consultant, title insurer, zoning expert, and other professionals should they have any questions within those fields about this sale. Buyer and Seller understand and acknowledge that neither party is relying upon the Brokerage Firms for any of the foregoing services or advice.

C-39 **Disclaimers by Brokerage Firms.** Buyer and Seller understand that the Brokerage Firms have not made any representations or warranties, and have not rendered any opinions about: (a) the legal or tax consequences of this transaction; (b) the legality, validity, correctness, status or lack of any building permits which may have been required for the Property; (c) the size of any improvements on the Property, or the land area of the Property or the location of the boundaries; (d) the existence or non-existence of mold, asbestos or hazardous materials on the Property; (e) compliance of the Property with law, including but not limited to the Americans with Disabilities Act and land use laws.

C-40 **Obligations.** Brokerage Firms shall not be held liable to either Buyer or Seller for the failure of either Buyer or Seller to perform their obligations pursuant to this PSA.

[N/A] C-41 **Disclosure of Real Estate Licensing Status.** Hawaii law requires that licensees disclose that they hold a real estate license in any transaction in which they are purchasing or selling real property as a principal, or in which they are buying for themselves, immediate relatives, or an entity in which they have an interest. If applicable, the licensee(s) in this transaction disclose the following: _____

ELECTRONIC (Digital or Fax) SIGNATURES AND COUNTERPARTS

C-42 Electronically executed copies of this PSA and any related documents shall be fully binding and effective for all purposes whether or not originally executed documents are transmitted to Escrow. Electronic signatures on documents will be treated the same as original signatures; however, each party agrees to promptly forward original executed documents (if any) to Escrow. The parties understand that conveyance, mortgage and other recordable documents must be delivered in original form and will not be acceptable if signed only electronically.

C-43 This PSA and any addenda and related documents may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so signed shall be deemed to be an original, and all of which taken together shall constitute one and the same document, which shall be binding upon all of the parties, notwithstanding that all of the parties do not sign the original or the same counterpart.

“ACCEPTANCE DATE” AND OTHER DEFINITIONS

C-44 As used in this PSA, the term “ **Acceptance Date** ” means the date on which this PSA becomes binding upon the parties (i.e. when both parties have signed this PSA.)

C-45 As used in this PSA, the term “ **day** ” means a calendar day unless the term “business day” is used. The term business day shall mean Monday through Friday except Federal or Hawaii holidays. All dates and times are based on Hawaii Standard Time (UTC-10). Unless otherwise specified in writing in this PSA, contingencies herein shall expire at 5:00 PM HST on the last day of the Inspection Period identified in Paragraph C-15, and all other dates herein shall expire at 5:00 PM HST on the day stated.

MISCELLANEOUS

C-46 **Time is of the Essence.** Except as otherwise provided in this PSA, time is of the essence in the performance by all parties in their respective obligations to this PSA.

C-47 **Complete Agreement.** This PSA constitutes the entire agreement between Buyer and Seller and supersedes and cancels any and all prior negotiations, representations, warranties, understandings or agreements (both written and oral) of Buyer and Seller. No variation or amendment of this PSA shall be valid or enforceable without written approval by Buyer and Seller. All agreements and representations about the Property must be set forth in writing and the parties agree that to be effective any representation made by a Brokerage Firm or any party hereto must be set forth in writing in this PSA or an amendment hereto. Buyer and Seller shall each hold harmless and release the Brokerage Firm(s) from any claims based upon any alleged representation which is not set forth in writing as stated in this paragraph.

BUYER’S INITIALS & DATE

SELLER’S INITIALS & DATE

C-48 **Representations and Warranties** . Each party hereby represents and warrants to the other as follows:

- (a) If it is an entity, it is duly organized, validly existing and in good standing under the laws of the state of its incorporation or organization, and is qualified to conduct business, and is in good standing in the state(s) in which it conducts business.
- (b) It is in compliance with all laws, rules and regulations that govern the operation of a business in which it is involved.
- (c) It has all the requisite power and authority to carry on its business as it is now being conducted.
- (d) It has been duly authorized by all necessary action on its part and possesses all the requisite power and authority to execute, deliver and perform this PSA and to hereby consummate the transactions contemplated herein.
- (e) It knows of no reason why it cannot consummate the transactions contemplated herein.
- (f) There are no actions, suits or proceedings existing, pending or, to its knowledge, threatened against or affecting it before any court, arbitrator or governmental or administrative body or agency that would affect the validity or enforceability of this PSA or that would affect the performance of its obligations hereunder.

Offer Date April 15, 2015 [N/A]AM/[X]PM Buyer's Name & Title Hawaii City Plaza LP
 Signature _____
 Buyer's Name & Title _____
 Signature _____
 Buyer's Name & Title _____
 Signature _____

SECTION D: ACCEPTANCE OR COUNTER OFFER

- [] **ACCEPTANCE OF PSA.** Seller agrees to sell the Property at the price and terms offered above and acknowledges receipt of a copy of this PSA.
- [] **COUNTER OFFER.** Seller agrees to sell the Property at the price and terms offered above as amended by the attached counter-offer and acknowledges receipt of a copy of the PSA.

IN EITHER EVENT:

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

Acceptance Date _____ [] AM/[] PM Seller's Name & Title Hakuyosha International, Inc.
 Signature _____
 Seller's Name & Title _____
 Signature _____
 Seller's Name & Title _____
 Signature _____

Seller is a: Foreign Person [] Non-Hawaii Resident [] Other []

BUYER'S INITIALS & DATE

SELLER'S INITIALS & DATE



**COMMERCIAL REAL PROPERTY PURCHASE AND SALE
AGREEMENT (PSA)
Hawaii Association of REALTORS® Standard Form
Revised 7/10 For Release 7/10**



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

Reviewed By: _____
Principal Broker/Broker-in-Charge

Reference Date: April 15, 2015 Purchase Price: \$1,300,000.00 (See Paragraph C-1)

Closing Date: The Scheduled Closing Date shall be as set forth in Paragraph C-4.

Property Reference or Address: 733 Cedar Street Honolulu, Hawaii (See Paragraph C-2)

Tax Map Key: Div. 1 /Zone 2 /Sec. 3 /Plat 014 /Parcel(s) 4 /CPR _____ (if applicable).

IDENTIFICATION OF PARTIES:

IDENTIFICATION OF BROKERAGE FIRMS:

Buyer: Hawaii City Plaza LP

Street 9911 Valley Boulevard
Address: El Monte, California 91731
Phone: 626.807-2198
Fax: _____
E-mail: thlusa@gmail.com

Brokerage Firm: Newmark Grubb|CBI, Inc.
Agent Name: Rodney Sugai (S)
Street 1000 Bishop Street, Suite 909
Address: Honolulu, Hawaii 96813
Phone: 808.441-0516
Fax: 808.942-0009
E-mail: rsugai@cbi-hawaii.com

Seller: Hideo Shiroma Trust

Street 733 Cedar Street
Address: Honolulu, Hawaii 96814
Phone: _____
Fax: _____
E-mail: _____

Brokerage Firm: Hawaii Homes Connection Corporation
Agent Name: Elizabeth Garcia (PB)
Street 1888 Kalakaua Avenue C-312
Address: Honolulu, Hawaii 96815
Phone: 808.330-6218
Fax: 808.833-9922
E-mail: liz@hawaiihomesconnection.com

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

BUYER'S INITIALS & DATE

SELLER'S INITIALS & DATE



A: AGENCY DISCLOSURE

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

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

A-2 **DISCLOSURE.**

- (a) **Seller Representation:** Seller is represented by the Brokerage Firm Hawaii Homes Connection Corporation and all its licensees. Brokerage Firm is [] is not [N/A] a member of the National Association of REALTORS.[®]
- (b) **Buyer Representation:** Buyer is represented by the Brokerage Firm Newmark Grubb|CBI, Inc. and all its licensees. Brokerage Firm is [N/A] is not [] a member of the National Association of REALTORS.[®]
- (c) **Dual Agency Representation:** Seller and Buyer are represented by the Brokerage Firm _____ Brokerage Firm is [] is not [] a member of the National Association of REALTORS.[®] **A separate Dual Agency Consent Addendum is required.**
- (d) **No Agency Representation:**
 Seller is a Customer and is not represented by a Brokerage Firm.
 Buyer is a Customer and is not represented by a Brokerage Firm.

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

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

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

_____ (Buyer's initials)

_____ (Seller's initials)

SECTION B: EARNEST MONEY DEPOSIT

B-1 **Earnest Money.** Buyer shall deposit with Escrow (identified in Paragraph C-6), the sums set forth below (the "Earnest Money") in good funds on or before the deadlines required by this Section B-1. Buyer shall pay (from sources other than the Earnest Money or any interest accruing thereon) any and all escrow or other fees charged by Escrow pursuant to Paragraph C-8. All interest accruing on such sum shall become a part of the Earnest Money and shall be distributed as Earnest Money in accordance with the terms of this PSA.

[] (a) An initial Earnest Money deposit in the amount of \$ 10,000.00 shall be paid within three business days of the Acceptance Date (defined in Paragraph C-44).

[] (b) An additional Earnest Money deposit in the amount of \$ 150,000.00 shall be paid within three business days after the end of the Inspection Period (see Paragraph C-15).

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

[] (a) Buyer to Earn Interest. The parties instruct Escrow to place Buyer's deposit(s) into an interest-bearing account with all interest to be credited to Buyer at closing. Buyer shall pay any processing fee required by Escrow and all costs of initiating, maintaining and closing the account. Fees/costs may exceed the interest earned.

[N/A] (b) Buyer not to Earn Interest. Buyer hereby waives the right to place Buyer's deposits in an interest-bearing account. Buyer understands any interest earned on such deposits shall belong to Escrow.

BUYER'S INITIALS & DATE

SELLER'S INITIALS & DATE

SECTION C: ADDENDA AND OFFER

ADDENDA. The following addenda, if checked, are attached to and made a part of this PSA.

- [X] Existing "As Is" Condition [] Other
[X] Other cooperating brokers agreement [] Other
[] Other [] Other

OFFER TO BUY. Buyer offers to buy the Property described below on the terms and conditions contained herein, acknowledges receipt of a copy of the PSA, and agrees that this PSA shall be binding on Buyer if accepted by Seller on or before: Date April 22, 2015 Time 4:00 AM [N/A] PM [X].

C-1 Purchase price for the Property is \$ 1,300,000.00 U.S. Dollars, which shall be paid as follows:

- \$ 10,000.00 Initial cash deposit of Earnest Money ("B-1(a)").
\$ 150,000.00 Additional cash deposit of Earnest Money ("B-1(b)").
\$ 1,140,000.00 Balance of down payment (or balance of purchase price if all cash) paid into Escrow before closing.
\$ 1,300,000.00 TOTAL CASH FUNDS FROM BUYER (exclusive of closing costs).
\$ By way of
\$
\$
\$ 1,300,000.00 TOTAL PURCHASE PRICE

Failure to make any of the scheduled deposits herein shall constitute a default, and the termination provisions of Paragraphs C-18 and C-20 shall apply.

PROPERTY

C-2 Description:

All of that fee simple Property zoned BMX-3 situated at the leasehold/fee simple address set forth above described as follows:

733 Cedar Street, Honolulu Hawaii - consisting of approximately 5,227 square feet of improvements and 6,420 square feet of land area.

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

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

CLOSING

C-3 For purposes of this PSA, "Closing" shall be the date when all appropriate conveyance documents are recorded. Buyer and Seller agree to promptly execute appropriate or customary documents when requested by Escrow.

BUYER'S INITIALS & DATE

SELLER'S INITIALS & DATE

C-4 Scheduled Closing Date: _____ or (90) sixty (60) days after end of Inspection Period.

C-5 **Time is of the essence** and the Scheduled Closing Date may not be extended unless both Buyer and Seller so agree in writing.

C-6 **Escrow** . This transaction shall be escrowed by: Old Republic Title & Escrow , Branch downtown ("Escrow").
Escrow officer: Jo Ayson Phone No.: 566-0100 ext 5713 Fax No.: 566-0227
Escrow officer email address: jayson@ortc.com

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

C-7 **Prorations and Closing Adjustments** . At closing, Escrow shall prorate the following, if applicable, as of the date of closing: real property tax, lease rents, interest on assumed obligations, tenant rents, common area expenses and other items customarily prorated in commercial real estate transactions in Hawaii. When applicable, Escrow shall charge to Seller and credit to Buyer the amount of any tenant security deposits. Seller and Buyer agree to cooperate and use their best efforts to complete such prorations or adjustments that are not available at Closing no later than thirty (30) days after Closing. Such items of income and expense for the period prior to the date of Closing will be for the account of Seller and such items of income and expense for the period on and after Closing will be for the account of Buyer, all as determined by the accrual method of accounting. Bills received after Closing to the extent they relate to expenses incurred for services performed prior to Closing shall be paid by Seller, and those which relate to services performed after Closing (except as otherwise agreed to by the parties in writing) shall be paid by Buyer; provided, however, that Buyer's obligations under this PSA to assume and pay for services rendered after Closing pursuant to any service contracts shall not apply to any service contract that Buyer elected not to assume during the Inspection Period.

C-8 **Closing Costs**. The following allocates customary closing costs and **are not intended to be an all-inclusive list** . Escrow may charge the appropriate party other closing costs as agreed and directed in writing by the parties.

Charge to Buyer, if applicable:

50% of the premium for standard coverage title insurance and any additional costs relating to the issuance of extended coverage policy and endorsements (including a lender's policy)
Cost of drafting of agreement of sale or mortgage and note
Cost of obtaining Buyer's consents
Buyer's notary fees
50% of Escrow's fees
Any fees pertaining to any Buyer financing

Charge to Seller, if applicable:

50% of the premium for standard coverage title insurance
Cost of drafting of conveyance documents and bills of sale
Cost of obtaining Seller's consents
Seller's notary fees
Conveyance tax
50% of Escrow's fees
Recording fees
FIRPTA (Federal withholding)
HARPTA (State withholding)

ASSESSMENTS

For purposes of Paragraphs C-9, C-10, and C-11, an assessment is defined as any obligation (not including prorations in Paragraph C-7) levied against the Property by a governmental body or any other entity with a legal right to assess. Assessments, if any, shall be charged as follows:

C-9 Any lump sum assessments levied against the Property prior to the Acceptance Date shall be paid by Seller [] or assumed by Buyer [N/A].

Exceptions, if any: _____

C-10 Any assessments levied against the Property prior to the Acceptance Date which are being paid in installments shall be paid in full by Seller [] or pro-rated by Escrow as of the date of closing [].

BUYER'S INITIALS & DATE

SELLER'S INITIALS & DATE

Exceptions, if any: _____

C-11 If a new assessment is authorized against the Property between the Acceptance Date and the Scheduled Closing Date, such assessment shall be paid as Buyer and Seller shall agree, and if Buyer and Seller cannot reach an agreement within five (5) days of both parties being aware of the new assessment, either party may terminate this PSA and the termination provisions of Paragraph C-21 shall apply.

OTHER CLOSING MATTERS

C-12 **Risk of Loss.**

- (a) **Minor Damage.** In the event of loss or damage to the Property or any portion thereof that is not "major" (as hereinafter defined), Seller shall notify Buyer within five (5) days of Seller becoming aware of such loss or damage, and this PSA shall remain in full force and effect provided Seller performs any necessary repairs or, at Seller's option, assigns to Buyer all of Seller's right, title and interest to any claims and proceeds Seller may have with respect to any casualty insurance policies or condemnation awards relating to the Property. In the event that Seller elects to perform repairs upon the Property, Seller shall use reasonable efforts to complete such repairs promptly and the Scheduled Closing Date shall be extended a reasonable time in order to allow for the completion of such repairs. If Seller elects to assign to Buyer Seller's title and interest to any claims and proceeds Seller may have with respect to any casualty insurance policies, the Purchase Price shall be reduced by an amount equal to the deductible amount under Seller's insurance policy and Seller shall be fully released from any additional claims. Upon Closing, full risk of loss with respect to the Property shall pass to Buyer, subject to the terms and conditions of this PSA.
- (b) **Major Damage.** In the event of a "major" loss or damage, Seller shall notify Buyer in writing of such damage within five (5) days of Seller becoming aware of such loss or damage. In such event, either Seller or Buyer may terminate this PSA by written notice to the other party within thirty (30) days of the loss or damage, in which event the Earnest Money shall be returned to Buyer. If neither Seller nor Buyer elects to terminate this Agreement within ten (10) days after Seller sends Buyer written notice of the occurrence of major loss or damage, then Seller and Buyer shall be deemed to have elected to proceed with Closing, in which event Seller shall, at Seller's option, either (1) perform any necessary repairs, or (2) assign to Buyer all of Seller's right, title and interest to any claims and proceeds Seller may have with respect to any casualty insurance policies or condemnation awards relating to the Property. In the event that Seller elects to perform repairs upon the Property, Seller shall use reasonable efforts to complete such repairs promptly and the Scheduled Closing Date shall be extended a reasonable time in order to allow for the completion of such repairs. If Seller elects to assign to Buyer Seller's title and interest to any claims and proceeds Seller may have with respect to any casualty insurance policies, the Purchase Price shall be reduced by an amount equal to the deductible amount under Seller's insurance policy. Upon Closing, full risk of loss with respect to the Property shall pass to Buyer.
- (c) **Definition of "Major" Loss or Damage.** For purposes of this PSA, "major" loss or damage refers to the following: (1) loss or damage to the Property or any portion thereof such that the cost of repairing or restoring the Property to a condition substantially identical to that of the Property prior to the event of damage would be, in the opinion of an architect selected by Seller and Buyer, equal to or greater than an amount equal to five percent (5%) of the Purchase Price; or (2) any loss due to a condemnation which materially impairs the current use of the Property.

[N/A] C-13 **Consents.** The obligations of Buyer or Seller hereunder are conditioned upon obtaining consents of the following lessor or other identified person or entity prior to Closing or such earlier time as may be required by this PSA:

_____. Neither Buyer nor Seller may waive this condition without the consent of the other. Buyer and Seller agree to cooperate and take all reasonable action to obtain such consents.

C-14 **Possession.** Seller agrees to give Buyer possession at closing or _____, subject to tenant leases, if any.

C-15 **Inspection of Property.** At Buyer's sole cost and expense Buyer may (personally or by any expert, professional, or other representative of Buyer's choice): (a) inspect the Property or any portion thereof; (b) inspect all fixtures and improvements included in the sale; (c) inspect, investigate the Property, including, but not limited to all public records relating to the Property; (d) inspect all applicable laws and regulations which may affect the Property; and (e) inspect all financial and administrative records of Seller pertaining to the ownership and operation of the Property, except appraisals, material relating to negotiations with other buyers and material that is privileged.

On or before 15 days after the Acceptance Date, Seller shall deliver to Buyer copies of the following documents (applicable only if checked), to the extent such documents are in the possession or control of Seller.

BUYER'S INITIALS & DATE

SELLER'S INITIALS & DATE

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

BUYER'S RIGHT TO INSPECT THE PROPERTY AND TO TERMINATE THIS PSA BECAUSE BUYER IS NOT SATISFIED WITH THE PROPERTY ENDS ON sixty (60) (120) days from receipt of all documents ("INSPECTION PERIOD").

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

If Buyer disapproves of the results within such time period, Buyer may elect to terminate this PSA pursuant to Paragraph C-21. **If Buyer fails to elect to terminate prior to the end of the Inspection Period, Buyer shall have waived this contingency.**

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

Buyer agrees to indemnify, defend and hold Seller, Seller's Brokerage Firm, and Buyer's Brokerage Firm harmless from any actions, suits, liens, claims, damages, expenses, losses and liability for damage to personal property or personal injury to the extent arising from or attributable to any acts performed by Buyer or Buyer authorized agents in exercising Buyer's inspection rights, if any, under this PSA. This agreement to indemnify Seller, Seller's Brokerage Firm, and Buyer's Brokerage Firm shall survive any termination of this PSA.

FINANCING CONTINGENCIES

[N/A]C-16

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

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

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

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

BUYER'S INITIALS & DATE

SELLER'S INITIALS & DATE

C-17 **Seller's Right to Terminate PSA for Financing Contingency.** If Paragraph C-16 is applicable, Seller's obligation to sell the Property is contingent upon Buyer using Buyer's commercially reasonable efforts to obtain the Loan within the time periods specified in Paragraph C-16 above. If any such obligation is not met by the end of the applicable time period, Seller may elect to terminate this PSA and the Termination Provision shall apply. However, this right of Seller to terminate shall no longer apply if Buyer has elected to proceed on an all cash basis pursuant to Paragraph C-16 and Buyer has indicated in writing an intention to proceed and has provided Seller with reasonable assurance of Buyer's ability to do so. Seller shall have the right to inquire with Buyer's lender regarding the status of Buyer's financing.

TERMINATION PROVISIONS

C-18 **Termination Due to Default.** In the event that Buyer is in default for failure to perform Buyer's obligations under this PSA (Seller not being in default), Seller may retain the initial deposit and all additional deposits provided for herein as liquidated damages. Buyer shall be responsible for any costs incurred in accordance with this PSA.

C-19 In the event that Seller is in default for failure to perform Seller's obligations under PSA (Buyer not being in default), Buyer may (a) seek specific performance of this PSA or (b) if the remedy of specific performance is not available, bring an action for damages for breach of contract. Seller shall be responsible for any costs incurred in accordance with this PSA.

C-20 In addition to the foregoing remedies, Buyer and Seller agree to the following additional remedies, if any:

- a. **For Seller's or Buyer's default, as set forth in C-18 and C-19 as applicable, that are material, the non-defaulting party may elect to terminate this PSA and the Termination Provision shall apply;**
- b. **Seller's shall have any and all remedies available under law.**

C-21 **Termination Due to Contingencies .** If the party for whose benefit a contingency exists, elects to terminate this PSA because the contingency has not been satisfied, that benefited party shall deliver to the other party a written notice of termination prior to the expiration of the contingency period. If the benefited party fails to deliver the written notice to the other party within such time period, the contingency shall be deemed to be waived and can no longer be used by that party as a reason to terminate this PSA. If the benefited party so terminates this PSA, Buyer and Seller shall promptly execute all cancellation documents requested by Escrow, Buyer shall return to Seller all documents delivered by Seller to Buyer in connection with Buyer's inspection of the Property, and Escrow shall, unless otherwise agreed to in this PSA, return to Buyer all deposits previously made, less the amount of any escrow expenses or fees chargeable to Buyer. Thereafter, neither buyer nor Seller shall have any further rights or obligations under this PSA.

C-22 **Termination Due to Other Circumstances .** Should this PSA specifically designate this paragraph to govern the termination process for any term of the PSA, any party electing to terminate must deliver to the other party and to Escrow a written notice terminating this PSA within five (5) days of electing termination. If the terminating party so terminates this PSA, Buyer and Seller shall promptly execute all cancellation documents requested by Escrow, Buyer shall return to Seller all documents delivered by Seller to Buyer in connection with Buyer's inspection of the Property, and Escrow shall, unless otherwise agreed to in this PSA, return to Buyer all deposits previously made, less the amount of any escrow expenses or fees chargeable to Buyer. Thereafter, neither Buyer nor Seller shall have any further rights or obligations under this PSA.

C-23 In the event of default by a party and/or a legal action or arbitration (including a claim by a Brokerage Firm for commission), the prevailing party shall be entitled to recover all costs incurred including reasonable attorney's fees.

TITLE AND SURVEY

C-24 **Preliminary Title Report.** Within fifteen (**15**) days after the Acceptance Date, Seller shall cause Old Republic Title & Escrow (the "Title Company") to deliver a preliminary title report (the "Title Report") on the Property to Buyer.

[]C-25 **Survey.** Within thirty (**30**) days after the Acceptance Date, Seller shall, at Seller's sole cost and expense, provide Buyer with a map (with surveyor's stamp) and accompanying report to show the perimeters of the Property and the location of any improvements in the vicinity of the perimeter Property lines. This survey and map may not address whether improvements on the Property are in compliance with State and/or County requirements, and/or subdivision covenants, conditions, and restrictions. If Buyer objects to any matters shown in such survey, Buyer shall notify Seller pursuant to Paragraph C-27 below.

[]C-26 **Title.** Seller agrees to convey the Property with warranties vesting marketable title in Buyer, free and clear of all liens and encumbrances EXCEPT: (a) easements, covenants, conditions, reservations or restrictions now of record and (b)

BUYER'S INITIALS & DATE

SELLER'S INITIALS & DATE

[X] C-27 **Title and Survey Objections; Permitted Exceptions; Cure of Title and Survey Objections.**

- (a) **Title and Survey Objections.** Buyer shall have ten (10) days prior to the expiration of the Inspection Period to send written notice of any objections that Buyer may have in regard to the Title Report or Survey.
- (b) **Permitted Exception.** Any item contained in the Title Report or any matter shown on the Survey to which Buyer does not so object shall be deemed a "Permitted Exception".
- (c) **Cure of Title and Survey Objections.** In the event Buyer shall timely notify Seller of objections to any item contained in the Title Report or to any matter shown on the Survey, Seller shall have the right, but not the obligation, to cure the Title Objections. Seller shall inform Buyer in writing (the "Seller's Cure Notice") not later than five (5) business days after receipt of Title Objections whether Seller shall cure such objections. Unless otherwise expressly stated, Seller's failure to deliver Seller's cure notice shall be deemed Seller's election not to cure the Title Objections, and Buyer's election not to terminate this PSA prior to the expiration of the Inspection Period in accordance with Section C-15 and C-21 shall be deemed Buyer's waiver of any objections that Seller has not elected to cure.

TRANSACTIONS INVOLVING FOREIGN OR NON-RESIDENT BUYER AND SELLER

- C-28 **HARPTA Withholding Required if Seller is a Non-Resident of the State of Hawaii.** Under Hawaii law, if Seller is a non-resident person or entity (corporation, partnership, trust, or estate) of the State of Hawaii, Buyer must withhold a specified percentage of the "amount realized" by Seller on the sale of the Property and forward the amount with the appropriate form to the State Department of Taxation. Such withholding may not be required if Seller obtains and provides Buyer with an authorized exemption or waiver from withholding. If Seller does not provide Buyer with a certificate of exemption or waiver from HARPTA not later than two (2) business days prior to Closing, Escrow is hereby authorized and instructed to withhold/collect from Seller the required amount at closing and forward it to the State Department of Taxation.
- C-29 **FIRPTA Withholding Required if Seller is a Foreign Person.** Under the Internal Revenue Code, if Seller is a foreign person or entity (non-resident alien, corporation, partnership, trust, or estate), Buyer must generally withhold a specified percentage of the "amount realized" by Seller on the sale of the Property and forward this amount to the Internal Revenue Service ("IRS"). Such withholding may not be required if Seller obtains and provides Buyer with an authorized exemption or waiver from withholding. If Seller does not provide Buyer with a certificate of exemption or waiver from FIRPTA not later than two (2) business days prior to Closing, Escrow is hereby authorized and instructed to withhold/collect from Seller the required amount at closing and forward it to the IRS.
- C-30 **Additional Disclosures Required by Foreign Buyers and Sellers.** Buyer and Seller understand that under statutes and ordinances such as the Agricultural Foreign Investment Disclosure Act of 1978, the International Investment and Trade in Services Survey Act, and the revised Ordinance of the City and County of Honolulu, among others, disclosures are required by foreign Buyers and/or Sellers under certain conditions.
- C-31 **Government Restrictions Disclosure.** Buyer is aware that the Property is subject to all applicable federal, state and county laws, statutes, regulations, codes, ordinances, rules, procedures, restrictions, and requirements, including but not limited to, those concerning land use, zoning, building permits and requirements, setbacks, height limitations, and allowable uses.

ASBESTOS AND HAZARDOUS MATERIALS

- C-32 **Asbestos Disclosure.** Buyer is aware that asbestos materials are hazardous to one's health, particularly if asbestos fibers are released into the air and inhaled. In the past (before 1979, but possibly since) asbestos was a commonly used insulation material in heating facilities and in certain types of floor and ceiling materials, shingles, plaster products, cement and other building materials. Buyer is aware that Buyer should make appropriate inquiry into the possible existence of asbestos on the Property. Structures having "popcorn" or "cottage cheese" type ceilings may contain asbestos fibers or asbestos-containing material. Such ceilings should not be disturbed since it could release asbestos fibers in the air. Any disturbance should be done only by licensed abatement contractors.
- C-33 **Hazardous Waste and Toxic Substances Disclosure.** Buyer is aware that federal and state laws place strict liability on property owners for dangers caused by hazardous waste management and may require that such owner pay for the cost of the cleanup of hazardous substances and other toxic substances. Buyer is aware that Buyer should make appropriate inquiries into the past use of the Property and should seek an environmental assessment to ascertain the possible existence of such hazardous substances or materials on or under the Property. Buyer is aware Buyer may have liability for hazardous substances located on or under the Property even if Buyer did not cause such substances to be on or under the Property.

BUYER'S INITIALS & DATE

SELLER'S INITIALS & DATE

MAINTENANCE AND WARRANTIES

[X]C-34 **Property Condition Maintenance.** Seller shall maintain the Property in the same condition and repair as when Buyer inspected the Property pursuant to Paragraph C-15.

[X]C-35 **Existing Warranties, Plans, etc.** Seller shall provide to Buyer at closing all existing warranty documents in Seller's possession covering the improvements and personal property being sold to Buyer; and, to the extent legally permissible, all originals and copies in Seller's possession of blueprints, specifications, and copies of architectural or engineering drawings relating to the Property.

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

INTERNAL REVENUE CODE SECTION 1031 EXCHANGE

C-36 **Right to Exchange/Cooperation.** Either Seller or Buyer may assign all rights, title and interest in this PSA with respect to all or any portion of the Property to an affiliated entity and/or a qualified intermediary in order to facilitate a like-kind exchange transaction, which includes the Property, pursuant to Section 1031 of the Internal Revenue Code. Seller and Buyer will remain liable under this PSA, subject to the limits set forth herein, following any such assignment and shall indemnify, defend and hold the other party harmless from any additional cost, liability or expense suffered or incurred by reason of such assignment or cooperation with the exchange. Seller and Buyer further agree to cooperate with the other in effectuating such transaction, including, without limitation, consenting in writing to the assignment of this PSA to any such qualified intermediary and/or any affiliated entity; provided that any such exchange transaction, and the related documentation, shall: (a) not require the other party to execute any contract (other than as set forth above), make any commitment, or incur any obligations, contingent or otherwise, to third parties which would expand the obligations beyond this PSA or incur any additional costs, (b) not delay the Closing or the transaction contemplated by this PSA, or (c) not include acquiring title to any other property. The obligations of Seller and Buyer under this Paragraph shall survive the Closing and shall not be merged therein.

[X]C-37 **OTHER SPECIAL TERMS** (Please number)

1. **Sale-Lease Back: Sale is contingent upon a lease back agreement between Buyer and Seller's Tenant, Hakuyosha International, Inc. at rates and terms mutually agreed upon by both parties on or before the expiration of C-15; Inspection of Property. Existing Lease with Hakuyosha International, Inc. (fka Hakuyosha Hawaii, Inc.) shall terminate as of the closing. The lease shall be for approximately 5,227 square feet of warehouse space and shall be for a term commencing as of Closing and terminating on December 31, 2015; provided that Hakuyosha International, Inc. shall have the right to terminate the lease earlier.**
2. **Governmental Approvals & Permitting: Buyer at Buyer's sole cost and expense shall conduct its due diligence investigation-inspections for obtaining all necessary governmental approvals and or permits within the Inspection Period [C-15]. If Buyer fails to elect to terminate prior to the end of the Inspection Period, Buyer shall have waived this contingency.**
3. **Sale of 733 Cedar Street shall be contingent upon Buyer being able to purchase 710 and 730 Sheridan Streets simultaneously and with Closings occurring on the same date.**

BUYER'S INITIALS & DATE

SELLER'S INITIALS & DATE

BROKERAGE FIRMS SERVICES AND DISCLAIMERS

C-38 **Scope of Service.** Seller’s Brokerage Firm and Buyer’s Brokerage Firm, including their owners, agents and employees (collectively the “Brokerage Firms”), recommend that Buyer and Seller each consult their own accountant, appraiser, architect, attorney, contractor, estate planner, insurance advisor, land use professional, surveyor, environmental consultant, title insurer, zoning expert, and other professionals should they have any questions within those fields about this sale. Buyer and Seller understand and acknowledge that neither party is relying upon the Brokerage Firms for any of the foregoing services or advice.

C-39 **Disclaimers by Brokerage Firms.** Buyer and Seller understand that the Brokerage Firms have not made any representations or warranties, and have not rendered any opinions about: (a) the legal or tax consequences of this transaction; (b) the legality, validity, correctness, status or lack of any building permits which may have been required for the Property; (c) the size of any improvements on the Property, or the land area of the Property or the location of the boundaries; (d) the existence or non-existence of mold, asbestos or hazardous materials on the Property; (e) compliance of the Property with law, including but not limited to the Americans with Disabilities Act and land use laws.

C-40 **Obligations.** Brokerage Firms shall not be held liable to either Buyer or Seller for the failure of either Buyer or Seller to perform their obligations pursuant to this PSA.

[N/A] C-41 **Disclosure of Real Estate Licensing Status.** Hawaii law requires that licensees disclose that they hold a real estate license in any transaction in which they are purchasing or selling real property as a principal, or in which they are buying for themselves, immediate relatives, or an entity in which they have an interest. If applicable, the licensee(s) in this transaction disclose the following: _____

ELECTRONIC (Digital or Fax) SIGNATURES AND COUNTERPARTS

C-42 Electronically executed copies of this PSA and any related documents shall be fully binding and effective for all purposes whether or not originally executed documents are transmitted to Escrow. Electronic signatures on documents will be treated the same as original signatures; however, each party agrees to promptly forward original executed documents (if any) to Escrow. The parties understand that conveyance, mortgage and other recordable documents must be delivered in original form and will not be acceptable if signed only electronically.

C-43 This PSA and any addenda and related documents may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so signed shall be deemed to be an original, and all of which taken together shall constitute one and the same document, which shall be binding upon all of the parties, notwithstanding that all of the parties do not sign the original or the same counterpart.

“ACCEPTANCE DATE” AND OTHER DEFINITIONS

C-44 As used in this PSA, the term “ **Acceptance Date** ” means the date on which this PSA becomes binding upon the parties (i.e. when both parties have signed this PSA.)

C-45 As used in this PSA, the term “ **day** ” means a calendar day unless the term “business day” is used. The term business day shall mean Monday through Friday except Federal or Hawaii holidays. All dates and times are based on Hawaii Standard Time (UTC-10). Unless otherwise specified in writing in this PSA, contingencies herein shall expire at 5:00 PM HST on the last day of the Inspection Period identified in Paragraph C-15, and all other dates herein shall expire at 5:00 PM HST on the day stated.

MISCELLANEOUS

C-46 **Time is of the Essence.** Except as otherwise provided in this PSA, time is of the essence in the performance by all parties in their respective obligations to this PSA.

C-47 **Complete Agreement.** This PSA constitutes the entire agreement between Buyer and Seller and supersedes and cancels any and all prior negotiations, representations, warranties, understandings or agreements (both written and oral) of Buyer and Seller. No variation or amendment of this PSA shall be valid or enforceable without written approval by Buyer and Seller. All agreements and representations about the Property must be set forth in writing and the parties agree that to be effective any representation made by a Brokerage Firm or any party hereto must be set forth in writing in this PSA or an amendment hereto. Buyer and Seller shall each hold harmless and release the Brokerage Firm(s) from any claims based upon any alleged representation which is not set forth in writing as stated in this paragraph.

BUYER’S INITIALS & DATE

SELLER’S INITIALS & DATE

C-48 **Representations and Warranties** . Each party hereby represents and warrants to the other as follows:

- (a) If it is an entity, it is duly organized, validly existing and in good standing under the laws of the state of its incorporation or organization, and is qualified to conduct business, and is in good standing in the state(s) in which it conducts business.
- (b) It is in compliance with all laws, rules and regulations that govern the operation of a business in which it is involved.
- (c) It has all the requisite power and authority to carry on its business as it is now being conducted.
- (d) It has been duly authorized by all necessary action on its part and possesses all the requisite power and authority to execute, deliver and perform this PSA and to hereby consummate the transactions contemplated herein.
- (e) It knows of no reason why it cannot consummate the transactions contemplated herein.
- (f) There are no actions, suits or proceedings existing, pending or, to its knowledge, threatened against or affecting it before any court, arbitrator or governmental or administrative body or agency that would affect the validity or enforceability of this PSA or that would affect the performance of its obligations hereunder.

Offer Date April 15, 2015 [N/A]AM/[X]PM Buyer's Name & Title Hawaii City Plaza LP

Signature _____

Buyer's Name & Title _____

Signature _____

Buyer's Name & Title _____

Signature _____

SECTION D: ACCEPTANCE OR COUNTER OFFER

- [] **ACCEPTANCE OF PSA.** Seller agrees to sell the Property at the price and terms offered above and acknowledges receipt of a copy of this PSA.
- [] **COUNTER OFFER.** Seller agrees to sell the Property at the price and terms offered above as amended by the attached counter-offer and acknowledges receipt of a copy of the PSA.

IN EITHER EVENT:

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

Acceptance Date _____ [] AM/[] PM Seller's Name & Title _____

Signature _____

Seller's Name & Title _____

Signature _____

Seller's Name & Title _____

Signature _____

Seller is a: Foreign Person [] Non-Hawaii Resident [] Other []

BUYER'S INITIALS & DATE

SELLER'S INITIALS & DATE



**COMMERCIAL REAL PROPERTY PURCHASE AND SALE
AGREEMENT (PSA)
Hawaii Association of REALTORS® Standard Form
Revised 7/10 For Release 7/10**



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

Reviewed By: _____
Principal Broker/Broker-in-Charge

Reference Date: April 15, 2015 Purchase Price: \$1,000,000.00 (See Paragraph C-1)

Closing Date: The Scheduled Closing Date shall be as set forth in Paragraph C-4.

Property Reference or Address: 730 Sheridan Street Honolulu, Hawaii (See Paragraph C-2)

Tax Map Key: Div. 1 /Zone 2 /Sec. 3 /Plat 014 /Parcel(s) 11 /CPR _____ (if applicable).

IDENTIFICATION OF PARTIES:

IDENTIFICATION OF BROKERAGE FIRMS:

Buyer: Hawaii City Plaza LP

Street 9911 Valley Boulevard
Address: El Monte, California 91731
Phone: 626.807-2198
Fax: _____
E-mail: thlusa@gmail.com

Brokerage Firm: self
Agent Name: _____
Street _____
Address: _____
Phone: _____
Fax: _____
E-mail: _____

Seller: Hakuyosha Company, Limited

Street 730 Sheridan Street
Address: Honolulu, Hawaii 96814
Phone: 955-6116
Fax: _____
E-mail: _____

Brokerage Firm: Newmark Grubb|CBI, Inc.
Agent Name: Rodney Sugai (S)
Street 1000 Bishop Street, Suite 909
Address: Honolulu, Hawaii 96813
Phone: 808.441-0516
Fax: 808.942-0009
E-mail: rsugai@cbi-hawaii.com

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

BUYER'S INITIALS & DATE

SELLER'S INITIALS & DATE



A: AGENCY DISCLOSURE

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

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

A-2 **DISCLOSURE.**

- (a) **Seller Representation:** Seller is represented by the Brokerage Firm Newmark Grubb|CBI, Inc. and all its licensees. Brokerage Firm is [**N/A**] is not [**X**] a member of the National Association of REALTORS.[®]
- (b) **Buyer Representation:** Buyer is represented by the Brokerage Firm self and all its licensees. Brokerage Firm is [] is not [] a member of the National Association of REALTORS.[®]
- (c) **Dual Agency Representation:** Seller and Buyer are represented by the Brokerage Firm _____ Brokerage Firm is [] is not [] a member of the National Association of REALTORS.[®] **A separate Dual Agency Consent Addendum is required.**
- (d) **No Agency Representation:**
 [] **Seller** is a Customer and is not represented by a Brokerage Firm.
 [**X**] **Buyer** is a Customer and is not represented by a Brokerage Firm.

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

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

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

_____ (Buyer's initials)

_____ (Seller's initials)

SECTION B: EARNEST MONEY DEPOSIT

B-1 **Earnest Money.** Buyer shall deposit with Escrow (identified in Paragraph C-6), the sums set forth below (the "Earnest Money") in good funds on or before the deadlines required by this Section B-1. Buyer shall pay (from sources other than the Earnest Money or any interest accruing thereon) any and all escrow or other fees charged by Escrow pursuant to Paragraph C-8. All interest accruing on such sum shall become a part of the Earnest Money and shall be distributed as Earnest Money in accordance with the terms of this PSA.

[**X**] (a) An initial Earnest Money deposit in the amount of \$**5,000.00** _____ shall be paid within three business days of the Acceptance Date (defined in Paragraph C-44).

[**X**] (b) An additional Earnest Money deposit in the amount of \$**100,000.00** _____ shall be paid within three business days after the end of the Inspection Period (see Paragraph C-15).

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

[**X**] (a) Buyer to Earn Interest. The parties instruct Escrow to place Buyer's deposit(s) into an interest-bearing account with all interest to be credited to Buyer at closing. Buyer shall pay any processing fee required by Escrow and all costs of initiating, maintaining and closing the account. Fees/costs may exceed the interest earned.

[**N/A**] (b) Buyer not to Earn Interest. Buyer hereby waives the right to place Buyer's deposits in an interest-bearing account. Buyer understands any interest earned on such deposits shall belong to Escrow.

BUYER'S INITIALS & DATE

SELLER'S INITIALS & DATE

SECTION C: ADDENDA AND OFFER

ADDENDA. The following addenda, if checked, are attached to and made a part of this PSA.

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

OFFER TO BUY. Buyer offers to buy the Property described below on the terms and conditions contained herein, acknowledges receipt of a copy of the PSA, and agrees that this PSA shall be binding on Buyer if accepted by Seller on or before: Date April 22, 2015 Time 4:00 AM [N/A] PM [X].

C-1 Purchase price for the Property is \$ 1,000,000.00 U.S. Dollars, which shall be paid as follows:

- \$ 5,000.00 Initial cash deposit of Earnest Money ("B-1(a)").
\$ 100,000.00 Additional cash deposit of Earnest Money ("B-1(b)").
\$ 895,000.00 Balance of down payment (or balance of purchase price if all cash) paid into Escrow before closing.
\$ 1,000,000.00 TOTAL CASH FUNDS FROM BUYER (exclusive of closing costs).
\$ By way of
\$
\$
\$ 1,000,000.00 TOTAL PURCHASE PRICE

Failure to make any of the scheduled deposits herein shall constitute a default, and the termination provisions of Paragraphs C-18 and C-20 shall apply.

PROPERTY

C-2 Description: All of that fee simple Property zoned BMX-3 situated at the leasehold/fee simple address set forth above described as follows: 730 Sheridan Street, Honolulu Hawaii - consisting of approximately 4,922 square feet of improvements and 3,809 square feet of land area.

The full legal description will be provided in the title report. "Property" includes all improvements and fixtures except those owned by tenants and except as listed below:

CLOSING

C-3 For purposes of this PSA, "Closing" shall be the date when all appropriate conveyance documents are recorded. Buyer and Seller agree to promptly execute appropriate or customary documents when requested by Escrow.

BUYER'S INITIALS & DATE SELLER'S INITIALS & DATE

C-4 Scheduled Closing Date: _____ or ~~sixty (60)~~ (90) days after end of Inspection Period.

C-5 **Time is of the essence** and the Scheduled Closing Date may not be extended unless both Buyer and Seller so agree in writing.

C-6 **Escrow** . This transaction shall be escrowed by: Old Republic Title & Escrow , Branch downtown ("Escrow").
Escrow officer: Jo Ayson Phone No.: 566-0100 ext 5713 Fax No.: 566-0227
Escrow officer email address: jayson@ortc.com

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

C-7 **Prorations and Closing Adjustments** . At closing, Escrow shall prorate the following, if applicable, as of the date of closing: real property tax, lease rents, interest on assumed obligations, tenant rents, common area expenses and other items customarily prorated in commercial real estate transactions in Hawaii. When applicable, Escrow shall charge to Seller and credit to Buyer the amount of any tenant security deposits. Seller and Buyer agree to cooperate and use their best efforts to complete such prorations or adjustments that are not available at Closing no later than thirty (30) days after Closing. Such items of income and expense for the period prior to the date of Closing will be for the account of Seller and such items of income and expense for the period on and after Closing will be for the account of Buyer, all as determined by the accrual method of accounting. Bills received after Closing to the extent they relate to expenses incurred for services performed prior to Closing shall be paid by Seller, and those which relate to services performed after Closing (except as otherwise agreed to by the parties in writing) shall be paid by Buyer; provided, however, that Buyer's obligations under this PSA to assume and pay for services rendered after Closing pursuant to any service contracts shall not apply to any service contract that Buyer elected not to assume during the Inspection Period.

C-8 **Closing Costs**. The following allocates customary closing costs and **are not intended to be an all-inclusive list** . Escrow may charge the appropriate party other closing costs as agreed and directed in writing by the parties.

Charge to Buyer, if applicable:

50% of the premium for standard coverage title insurance and any additional costs relating to the issuance of extended coverage policy and endorsements (including a lender's policy)
Cost of drafting of agreement of sale or mortgage and note
Cost of obtaining Buyer's consents
Buyer's notary fees
50% of Escrow's fees
Any fees pertaining to any Buyer financing

Charge to Seller, if applicable:

50% of the premium for standard coverage title insurance
Cost of drafting of conveyance documents and bills of sale
Cost of obtaining Seller's consents
Seller's notary fees
Conveyance tax
50% of Escrow's fees
Recording fees
FIRPTA (Federal withholding)
HARPTA (State withholding)

ASSESSMENTS

For purposes of Paragraphs C-9, C-10, and C-11, an assessment is defined as any obligation (not including prorations in Paragraph C-7) levied against the Property by a governmental body or any other entity with a legal right to assess. Assessments, if any, shall be charged as follows:

C-9 Any lump sum assessments levied against the Property prior to the Acceptance Date shall be paid by Seller [] or assumed by Buyer [N/A].

Exceptions, if any: _____

C-10 Any assessments levied against the Property prior to the Acceptance Date which are being paid in installments shall be paid in full by Seller [] or pro-rated by Escrow as of the date of closing [].

BUYER'S INITIALS & DATE

SELLER'S INITIALS & DATE

Exceptions, if any: _____

C-11 If a new assessment is authorized against the Property between the Acceptance Date and the Scheduled Closing Date, such assessment shall be paid as Buyer and Seller shall agree, and if Buyer and Seller cannot reach an agreement within five (5) days of both parties being aware of the new assessment, either party may terminate this PSA and the termination provisions of Paragraph C-21 shall apply.

OTHER CLOSING MATTERS

C-12 **Risk of Loss.**

- (a) **Minor Damage.** In the event of loss or damage to the Property or any portion thereof that is not "major" (as hereinafter defined), Seller shall notify Buyer within five (5) days of Seller becoming aware of such loss or damage, and this PSA shall remain in full force and effect provided Seller performs any necessary repairs or, at Seller's option, assigns to Buyer all of Seller's right, title and interest to any claims and proceeds Seller may have with respect to any casualty insurance policies or condemnation awards relating to the Property. In the event that Seller elects to perform repairs upon the Property, Seller shall use reasonable efforts to complete such repairs promptly and the Scheduled Closing Date shall be extended a reasonable time in order to allow for the completion of such repairs. If Seller elects to assign to Buyer Seller's title and interest to any claims and proceeds Seller may have with respect to any casualty insurance policies, the Purchase Price shall be reduced by an amount equal to the deductible amount under Seller's insurance policy and Seller shall be fully released from any additional claims. Upon Closing, full risk of loss with respect to the Property shall pass to Buyer, subject to the terms and conditions of this PSA.
- (b) **Major Damage.** In the event of a "major" loss or damage, Seller shall notify Buyer in writing of such damage within five (5) days of Seller becoming aware of such loss or damage. In such event, either Seller or Buyer may terminate this PSA by written notice to the other party within thirty (30) days of the loss or damage, in which event the Earnest Money shall be returned to Buyer. If neither Seller nor Buyer elects to terminate this Agreement within ten (10) days after Seller sends Buyer written notice of the occurrence of major loss or damage, then Seller and Buyer shall be deemed to have elected to proceed with Closing, in which event Seller shall, at Seller's option, either (1) perform any necessary repairs, or (2) assign to Buyer all of Seller's right, title and interest to any claims and proceeds Seller may have with respect to any casualty insurance policies or condemnation awards relating to the Property. In the event that Seller elects to perform repairs upon the Property, Seller shall use reasonable efforts to complete such repairs promptly and the Scheduled Closing Date shall be extended a reasonable time in order to allow for the completion of such repairs. If Seller elects to assign to Buyer Seller's title and interest to any claims and proceeds Seller may have with respect to any casualty insurance policies, the Purchase Price shall be reduced by an amount equal to the deductible amount under Seller's insurance policy. Upon Closing, full risk of loss with respect to the Property shall pass to Buyer.
- (c) **Definition of "Major" Loss or Damage.** For purposes of this PSA, "major" loss or damage refers to the following: (1) loss or damage to the Property or any portion thereof such that the cost of repairing or restoring the Property to a condition substantially identical to that of the Property prior to the event of damage would be, in the opinion of an architect selected by Seller and Buyer, equal to or greater than an amount equal to five percent (5%) of the Purchase Price; or (2) any loss due to a condemnation which materially impairs the current use of the Property.

[N/A] C-13 **Consents.** The obligations of Buyer or Seller hereunder are conditioned upon obtaining consents of the following lessor or other identified person or entity prior to Closing or such earlier time as may be required by this PSA:

_____. Neither Buyer nor Seller may waive this condition without the consent of the other. Buyer and Seller agree to cooperate and take all reasonable action to obtain such consents.

C-14 **Possession.** Seller agrees to give Buyer possession at closing or _____, subject to tenant leases, if any.

C-15 **Inspection of Property.** At Buyer's sole cost and expense Buyer may (personally or by any expert, professional, or other representative of Buyer's choice): (a) inspect the Property or any portion thereof; (b) inspect all fixtures and improvements included in the sale; (c) inspect, investigate the Property, including, but not limited to all public records relating to the Property; (d) inspect all applicable laws and regulations which may affect the Property; and (e) inspect all financial and administrative records of Seller pertaining to the ownership and operation of the Property, except appraisals, material relating to negotiations with other buyers and material that is privileged.

On or before 15 days after the Acceptance Date, Seller shall deliver to Buyer copies of the following documents (applicable only if checked), to the extent such documents are in the possession or control of Seller.

BUYER'S INITIALS & DATE

SELLER'S INITIALS & DATE

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

BUYER'S RIGHT TO INSPECT THE PROPERTY AND TO TERMINATE THIS PSA BECAUSE BUYER IS NOT SATISFIED WITH THE PROPERTY ENDS ON sixty (60) (120) days from receipt of all documents ("INSPECTION PERIOD").

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

If Buyer disapproves of the results within such time period, Buyer may elect to terminate this PSA pursuant to Paragraph C-21. **If Buyer fails to elect to terminate prior to the end of the Inspection Period, Buyer shall have waived this contingency.**

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

Buyer agrees to indemnify, defend and hold Seller, Seller's Brokerage Firm, and Buyer's Brokerage Firm harmless from any actions, suits, liens, claims, damages, expenses, losses and liability for damage to personal property or personal injury to the extent arising from or attributable to any acts performed by Buyer or Buyer authorized agents in exercising Buyer's inspection rights, if any, under this PSA. This agreement to indemnify Seller, Seller's Brokerage Firm, and Buyer's Brokerage Firm shall survive any termination of this PSA.

FINANCING CONTINGENCIES

[N/A]C-16

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

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

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

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

BUYER'S INITIALS & DATE

SELLER'S INITIALS & DATE

C-17 **Seller's Right to Terminate PSA for Financing Contingency.** If Paragraph C-16 is applicable, Seller's obligation to sell the Property is contingent upon Buyer using Buyer's commercially reasonable efforts to obtain the Loan within the time periods specified in Paragraph C-16 above. If any such obligation is not met by the end of the applicable time period, Seller may elect to terminate this PSA and the Termination Provision shall apply. However, this right of Seller to terminate shall no longer apply if Buyer has elected to proceed on an all cash basis pursuant to Paragraph C-16 and Buyer has indicated in writing an intention to proceed and has provided Seller with reasonable assurance of Buyer's ability to do so. Seller shall have the right to inquire with Buyer's lender regarding the status of Buyer's financing.

TERMINATION PROVISIONS

C-18 **Termination Due to Default.** In the event that Buyer is in default for failure to perform Buyer's obligations under this PSA (Seller not being in default), Seller may retain the initial deposit and all additional deposits provided for herein as liquidated damages. Buyer shall be responsible for any costs incurred in accordance with this PSA.

C-19 In the event that Seller is in default for failure to perform Seller's obligations under PSA (Buyer not being in default), Buyer may (a) seek specific performance of this PSA or (b) if the remedy of specific performance is not available, bring an action for damages for breach of contract. Seller shall be responsible for any costs incurred in accordance with this PSA.

C-20 In addition to the foregoing remedies, Buyer and Seller agree to the following additional remedies, if any:

- a. **For Seller's or Buyer's default, as set forth in C-18 and C-19 as applicable, that are material, the non-defaulting party may elect to terminate this PSA and the Termination Provision shall apply;**
- b. **Seller's shall have any and all remedies available under law.**

C-21 **Termination Due to Contingencies .** If the party for whose benefit a contingency exists, elects to terminate this PSA because the contingency has not been satisfied, that benefited party shall deliver to the other party a written notice of termination prior to the expiration of the contingency period. If the benefited party fails to deliver the written notice to the other party within such time period, the contingency shall be deemed to be waived and can no longer be used by that party as a reason to terminate this PSA. If the benefited party so terminates this PSA, Buyer and Seller shall promptly execute all cancellation documents requested by Escrow, Buyer shall return to Seller all documents delivered by Seller to Buyer in connection with Buyer's inspection of the Property, and Escrow shall, unless otherwise agreed to in this PSA, return to Buyer all deposits previously made, less the amount of any escrow expenses or fees chargeable to Buyer. Thereafter, neither buyer nor Seller shall have any further rights or obligations under this PSA.

C-22 **Termination Due to Other Circumstances .** Should this PSA specifically designate this paragraph to govern the termination process for any term of the PSA, any party electing to terminate must deliver to the other party and to Escrow a written notice terminating this PSA within five (5) days of electing termination. If the terminating party so terminates this PSA, Buyer and Seller shall promptly execute all cancellation documents requested by Escrow, Buyer shall return to Seller all documents delivered by Seller to Buyer in connection with Buyer's inspection of the Property, and Escrow shall, unless otherwise agreed to in this PSA, return to Buyer all deposits previously made, less the amount of any escrow expenses or fees chargeable to Buyer. Thereafter, neither Buyer nor Seller shall have any further rights or obligations under this PSA.

C-23 In the event of default by a party and/or a legal action or arbitration (including a claim by a Brokerage Firm for commission), the prevailing party shall be entitled to recover all costs incurred including reasonable attorney's fees.

TITLE AND SURVEY

C-24 **Preliminary Title Report.** Within fifteen (**15**) days after the Acceptance Date, Seller shall cause Old Republic Title & Escrow (the "Title Company") to deliver a preliminary title report (the "Title Report") on the Property to Buyer.

[]C-25 **Survey.** Within thirty (**30**) days after the Acceptance Date, Seller shall, at Seller's sole cost and expense, provide Buyer with a map (with surveyor's stamp) and accompanying report to show the perimeters of the Property and the location of any improvements in the vicinity of the perimeter Property lines. This survey and map may not address whether improvements on the Property are in compliance with State and/or County requirements, and/or subdivision covenants, conditions, and restrictions. If Buyer objects to any matters shown in such survey, Buyer shall notify Seller pursuant to Paragraph C-27 below.

[]C-26 **Title.** Seller agrees to convey the Property with warranties vesting marketable title in Buyer, free and clear of all liens and encumbrances EXCEPT: (a) easements, covenants, conditions, reservations or restrictions now of record and (b)

BUYER'S INITIALS & DATE

SELLER'S INITIALS & DATE

[X] C-27 **Title and Survey Objections; Permitted Exceptions; Cure of Title and Survey Objections.**

- (a) **Title and Survey Objections.** Buyer shall have ten (10) days prior to the expiration of the Inspection Period to send written notice of any objections that Buyer may have in regard to the Title Report or Survey.
- (b) **Permitted Exception.** Any item contained in the Title Report or any matter shown on the Survey to which Buyer does not so object shall be deemed a "Permitted Exception".
- (c) **Cure of Title and Survey Objections.** In the event Buyer shall timely notify Seller of objections to any item contained in the Title Report or to any matter shown on the Survey, Seller shall have the right, but not the obligation, to cure the Title Objections. Seller shall inform Buyer in writing (the "Seller's Cure Notice") not later than five (5) business days after receipt of Title Objections whether Seller shall cure such objections. Unless otherwise expressly stated, Seller's failure to deliver Seller's cure notice shall be deemed Seller's election not to cure the Title Objections, and Buyer's election not to terminate this PSA prior to the expiration of the Inspection Period in accordance with Section C-15 and C-21 shall be deemed Buyer's waiver of any objections that Seller has not elected to cure.

TRANSACTIONS INVOLVING FOREIGN OR NON-RESIDENT BUYER AND SELLER

- C-28 **HARPTA Withholding Required if Seller is a Non-Resident of the State of Hawaii.** Under Hawaii law, if Seller is a non-resident person or entity (corporation, partnership, trust, or estate) of the State of Hawaii, Buyer must withhold a specified percentage of the "amount realized" by Seller on the sale of the Property and forward the amount with the appropriate form to the State Department of Taxation. Such withholding may not be required if Seller obtains and provides Buyer with an authorized exemption or waiver from withholding. If Seller does not provide Buyer with a certificate of exemption or waiver from HARPTA not later than two (2) business days prior to Closing, Escrow is hereby authorized and instructed to withhold/collect from Seller the required amount at closing and forward it to the State Department of Taxation.
- C-29 **FIRPTA Withholding Required if Seller is a Foreign Person.** Under the Internal Revenue Code, if Seller is a foreign person or entity (non-resident alien, corporation, partnership, trust, or estate), Buyer must generally withhold a specified percentage of the "amount realized" by Seller on the sale of the Property and forward this amount to the Internal Revenue Service ("IRS"). Such withholding may not be required if Seller obtains and provides Buyer with an authorized exemption or waiver from withholding. If Seller does not provide Buyer with a certificate of exemption or waiver from FIRPTA not later than two (2) business days prior to Closing, Escrow is hereby authorized and instructed to withhold/collect from Seller the required amount at closing and forward it to the IRS.
- C-30 **Additional Disclosures Required by Foreign Buyers and Sellers.** Buyer and Seller understand that under statutes and ordinances such as the Agricultural Foreign Investment Disclosure Act of 1978, the International Investment and Trade in Services Survey Act, and the revised Ordinance of the City and County of Honolulu, among others, disclosures are required by foreign Buyers and/or Sellers under certain conditions.
- C-31 **Government Restrictions Disclosure.** Buyer is aware that the Property is subject to all applicable federal, state and county laws, statutes, regulations, codes, ordinances, rules, procedures, restrictions, and requirements, including but not limited to, those concerning land use, zoning, building permits and requirements, setbacks, height limitations, and allowable uses.

ASBESTOS AND HAZARDOUS MATERIALS

- C-32 **Asbestos Disclosure.** Buyer is aware that asbestos materials are hazardous to one's health, particularly if asbestos fibers are released into the air and inhaled. In the past (before 1979, but possibly since) asbestos was a commonly used insulation material in heating facilities and in certain types of floor and ceiling materials, shingles, plaster products, cement and other building materials. Buyer is aware that Buyer should make appropriate inquiry into the possible existence of asbestos on the Property. Structures having "popcorn" or "cottage cheese" type ceilings may contain asbestos fibers or asbestos-containing material. Such ceilings should not be disturbed since it could release asbestos fibers in the air. Any disturbance should be done only by licensed abatement contractors.
- C-33 **Hazardous Waste and Toxic Substances Disclosure.** Buyer is aware that federal and state laws place strict liability on property owners for dangers caused by hazardous waste management and may require that such owner pay for the cost of the cleanup of hazardous substances and other toxic substances. Buyer is aware that Buyer should make appropriate inquiries into the past use of the Property and should seek an environmental assessment to ascertain the possible existence of such hazardous substances or materials on or under the Property. Buyer is aware Buyer may have liability for hazardous substances located on or under the Property even if Buyer did not cause such substances to be on or under the Property.

BUYER'S INITIALS & DATE

SELLER'S INITIALS & DATE

MAINTENANCE AND WARRANTIES

[X]C-34 **Property Condition Maintenance.** Seller shall maintain the Property in the same condition and repair as when Buyer inspected the Property pursuant to Paragraph C-15.

[X]C-35 **Existing Warranties, Plans, etc.** Seller shall provide to Buyer at closing all existing warranty documents in Seller's possession covering the improvements and personal property being sold to Buyer; and, to the extent legally permissible, all originals and copies in Seller's possession of blueprints, specifications, and copies of architectural or engineering drawings relating to the Property.

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

INTERNAL REVENUE CODE SECTION 1031 EXCHANGE

C-36 **Right to Exchange/Cooperation.** Either Seller or Buyer may assign all rights, title and interest in this PSA with respect to all or any portion of the Property to an affiliated entity and/or a qualified intermediary in order to facilitate a like-kind exchange transaction, which includes the Property, pursuant to Section 1031 of the Internal Revenue Code. Seller and Buyer will remain liable under this PSA, subject to the limits set forth herein, following any such assignment and shall indemnify, defend and hold the other party harmless from any additional cost, liability or expense suffered or incurred by reason of such assignment or cooperation with the exchange. Seller and Buyer further agree to cooperate with the other in effectuating such transaction, including, without limitation, consenting in writing to the assignment of this PSA to any such qualified intermediary and/or any affiliated entity; provided that any such exchange transaction, and the related documentation, shall: (a) not require the other party to execute any contract (other than as set forth above), make any commitment, or incur any obligations, contingent or otherwise, to third parties which would expand the obligations beyond this PSA or incur any additional costs, (b) not delay the Closing or the transaction contemplated by this PSA, or (c) not include acquiring title to any other property. The obligations of Seller and Buyer under this Paragraph shall survive the Closing and shall not be merged therein.

[X]C-37 **OTHER SPECIAL TERMS** (Please number)

1. **Sale-Lease Back: Sale is contingent upon a lease back agreement between Buyer and Hakuyosha International, Inc. at rates and terms mutually agreed upon by both parties on or before the expiration of C-15; Inspection of Property. The lease shall be for approximately 4,922 square feet of retail and office space and shall be for a term commencing as of Closing and terminating on December 31, 2015; provided that Hakuyosha International, Inc. shall have the right to terminate the lease earlier.**
2. **Governmental Approvals & Permitting: Buyer at Buyer's sole cost and expense shall conduct its due diligence investigation-inspections for obtaining all necessary governmental approvals and or permits within the Inspection Period [C-15]. If Buyer fails to elect to terminate prior to the end of the Inspection Period, Buyer shall have waived this contingency.**
3. **Sale of 730 Sheridan Street shall be contingent upon Buyer being able to purchase 710 Sheridan and 733 Cedar Streets simultaneously and with Closings occurring on the same date.**

BUYER'S INITIALS & DATE

SELLER'S INITIALS & DATE

BROKERAGE FIRMS SERVICES AND DISCLAIMERS

C-38 **Scope of Service.** Seller’s Brokerage Firm and Buyer’s Brokerage Firm, including their owners, agents and employees (collectively the “Brokerage Firms”), recommend that Buyer and Seller each consult their own accountant, appraiser, architect, attorney, contractor, estate planner, insurance advisor, land use professional, surveyor, environmental consultant, title insurer, zoning expert, and other professionals should they have any questions within those fields about this sale. Buyer and Seller understand and acknowledge that neither party is relying upon the Brokerage Firms for any of the foregoing services or advice.

C-39 **Disclaimers by Brokerage Firms.** Buyer and Seller understand that the Brokerage Firms have not made any representations or warranties, and have not rendered any opinions about: (a) the legal or tax consequences of this transaction; (b) the legality, validity, correctness, status or lack of any building permits which may have been required for the Property; (c) the size of any improvements on the Property, or the land area of the Property or the location of the boundaries; (d) the existence or non-existence of mold, asbestos or hazardous materials on the Property; (e) compliance of the Property with law, including but not limited to the Americans with Disabilities Act and land use laws.

C-40 **Obligations.** Brokerage Firms shall not be held liable to either Buyer or Seller for the failure of either Buyer or Seller to perform their obligations pursuant to this PSA.

[N/A] C-41 **Disclosure of Real Estate Licensing Status.** Hawaii law requires that licensees disclose that they hold a real estate license in any transaction in which they are purchasing or selling real property as a principal, or in which they are buying for themselves, immediate relatives, or an entity in which they have an interest. If applicable, the licensee(s) in this transaction disclose the following: _____

ELECTRONIC (Digital or Fax) SIGNATURES AND COUNTERPARTS

C-42 Electronically executed copies of this PSA and any related documents shall be fully binding and effective for all purposes whether or not originally executed documents are transmitted to Escrow. Electronic signatures on documents will be treated the same as original signatures; however, each party agrees to promptly forward original executed documents (if any) to Escrow. The parties understand that conveyance, mortgage and other recordable documents must be delivered in original form and will not be acceptable if signed only electronically.

C-43 This PSA and any addenda and related documents may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so signed shall be deemed to be an original, and all of which taken together shall constitute one and the same document, which shall be binding upon all of the parties, notwithstanding that all of the parties do not sign the original or the same counterpart.

“ACCEPTANCE DATE” AND OTHER DEFINITIONS

C-44 As used in this PSA, the term “ **Acceptance Date** ” means the date on which this PSA becomes binding upon the parties (i.e. when both parties have signed this PSA.)

C-45 As used in this PSA, the term “ **day** ” means a calendar day unless the term “business day” is used. The term business day shall mean Monday through Friday except Federal or Hawaii holidays. All dates and times are based on Hawaii Standard Time (UTC-10). Unless otherwise specified in writing in this PSA, contingencies herein shall expire at 5:00 PM HST on the last day of the Inspection Period identified in Paragraph C-15, and all other dates herein shall expire at 5:00 PM HST on the day stated.

MISCELLANEOUS

C-46 **Time is of the Essence.** Except as otherwise provided in this PSA, time is of the essence in the performance by all parties in their respective obligations to this PSA.

C-47 **Complete Agreement.** This PSA constitutes the entire agreement between Buyer and Seller and supersedes and cancels any and all prior negotiations, representations, warranties, understandings or agreements (both written and oral) of Buyer and Seller. No variation or amendment of this PSA shall be valid or enforceable without written approval by Buyer and Seller. All agreements and representations about the Property must be set forth in writing and the parties agree that to be effective any representation made by a Brokerage Firm or any party hereto must be set forth in writing in this PSA or an amendment hereto. Buyer and Seller shall each hold harmless and release the Brokerage Firm(s) from any claims based upon any alleged representation which is not set forth in writing as stated in this paragraph.

BUYER’S INITIALS & DATE

SELLER’S INITIALS & DATE

C-48 **Representations and Warranties** . Each party hereby represents and warrants to the other as follows:

- (a) If it is an entity, it is duly organized, validly existing and in good standing under the laws of the state of its incorporation or organization, and is qualified to conduct business, and is in good standing in the state(s) in which it conducts business.
- (b) It is in compliance with all laws, rules and regulations that govern the operation of a business in which it is involved.
- (c) It has all the requisite power and authority to carry on its business as it is now being conducted.
- (d) It has been duly authorized by all necessary action on its part and possesses all the requisite power and authority to execute, deliver and perform this PSA and to hereby consummate the transactions contemplated herein.
- (e) It knows of no reason why it cannot consummate the transactions contemplated herein.
- (f) There are no actions, suits or proceedings existing, pending or, to its knowledge, threatened against or affecting it before any court, arbitrator or governmental or administrative body or agency that would affect the validity or enforceability of this PSA or that would affect the performance of its obligations hereunder.

Offer Date April 15, 2015 [N/A]AM/[X]PM Buyer's Name & Title Hawaii City Plaza LP
 Signature _____
 Buyer's Name & Title _____
 Signature _____
 Buyer's Name & Title _____
 Signature _____

SECTION D: ACCEPTANCE OR COUNTER OFFER

- [] **ACCEPTANCE OF PSA.** Seller agrees to sell the Property at the price and terms offered above and acknowledges receipt of a copy of this PSA.
- [] **COUNTER OFFER.** Seller agrees to sell the Property at the price and terms offered above as amended by the attached counter-offer and acknowledges receipt of a copy of the PSA.

IN EITHER EVENT:

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

Acceptance Date _____ [] AM/[] PM Seller's Name & Title Hakuyosha Company Ltd.
 Signature _____
 Seller's Name & Title _____
 Signature _____
 Seller's Name & Title _____
 Signature _____

Seller is a: Foreign Person [] Non-Hawaii Resident [] Other []

BUYER'S INITIALS & DATE

SELLER'S INITIALS & DATE