

# PURCHASE AGREEMENT

Reference Date: \_\_\_\_\_ Price: \_\_\_\_\_ Closing Date: \_\_\_\_\_

<b>PROPERTY/VACATION PLAN:</b>	<b>Sands of Kahana Vacation Club</b>		
<b>UNIT TYPE:</b>	<input type="checkbox"/> IRIS One Bedroom	<input type="checkbox"/> ORCHID Two Bedroom	<input type="checkbox"/> PLUMERIA Three Bedroom
<b>SEASON:</b>	<input type="checkbox"/> Regular	<input type="checkbox"/> Holiday	
<b>TAX MAP KEY: 2-4-3-010-002</b>	<b>CPR:</b> _____	<b>UNIT#</b> _____	<b>INTERVAL:</b> _____
<b>TIME INTERVAL:</b>	<input type="checkbox"/> Every Year <input type="checkbox"/> Every Other Year Even <input type="checkbox"/> Every Other Year Odd		

## AGREEMENT

This is more than a receipt for money. It is a legally binding contract. Read it carefully. Handwritten or typed provisions herein shall supersede any printed provisions if there is a conflict.

## AGENCY

Prior to preparing any contract, Hawaii law requires real estate licensees to disclose orally or in writing to Seller and/or Buyer whom the licensee represents. The licensee could be a:

- (a) Seller's Agent. Represents Seller only, unless a disclosed dual agency exists. Seller's agent owes the highest duties to Seller, including confidentiality, loyalty, and utmost care.
- (b) Buyer's Agent. Represents Buyer only, unless a disclosed dual agency exists. Buyer's agent owes the highest duties to Buyer, including confidentiality, loyalty, and utmost care.
- (c) Seller's Subagent. All licensees represent Seller only. There will be no subagency unless agreed to in writing as a special term in the PURCHASE AGREEMENT.
- (d) Dual Agent. Represents both Seller and Buyer as clients. To lessen the conflict, the dual agent plays a neutral role in negotiations and must not advance the interest of one party ahead of the other. It commonly arises when other licensees in the listing company have Buyer clients looking for types of property similar to Seller's. Both Seller and Buyer need to sign a written agreement describing the role of the dual agent. The dual agent acts as a facilitator to bring Seller and Buyer to a common ground of understanding in the negotiations.

## CUSTOMER

Seller's Agent can also assist Buyer, as a customer. As a customer, Buyer is not represented by the Seller's Agent. Seller's Agent can assist Buyer in writing the PURCHASE AGREEMENT, can present the PURCHASE AGREEMENT to Seller, and can report back any acceptance or request for changes to the PURCHASE AGREEMENT.

## DISCLOSURE

Seller is represented by Sullivan Properties, Inc. ("Company") The company representing the Seller is a member of the National Association of REALTORS® which subscribes to a strict Code of Ethics. The buyer is a customer of Sullivan Properties, Inc.

Oral or written disclosure relating to agency was provided before signing of this offer.

\_\_\_\_\_ (Buyer's initials) \_\_\_\_\_ (Seller's initials)

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 necessarily held to the same standards as members, nor are they required to participate in the grievance system.

DEPOSIT RECEIPT

Received from \_\_\_\_\_, the "Buyer", the sum of \$ \_\_\_\_\_  
In the form of \_\_\_\_\_ as an initial deposit on account of this Offer. Receipt is  
acknowledged by \_\_\_\_\_ (signature of Broker or Salesperson) whose  
telephone numbers are: BUS \_\_\_\_\_ RES \_\_\_\_\_ FAX \_\_\_\_\_

Sullivan Properties, Inc., 10 Hoohui Road #110, Lahaina, HI 96761-9257

The initial deposit check remains uncashed and it will be retained by the Broker assisting Buyer and will be deposited with Escrow or in a trust fund account by the next business day after the Acceptance Date. 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.

ADDENDA

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

- Notice of Mutual Right of Cancellation of Timeshare Purchase
- Purchase Money Mortgage
- Sands of Kahana Vacation Club Disclosure Statement
- Agreement of Sale
- Other \_\_\_\_\_

OFFER TO BUY

Buyer offers to buy the Property/Vacation Plan (PLAN) above on the terms and conditions contained herein, acknowledges receipt of a copy of the Purchase Agreement, and agrees that this Purchase Agreement shall be binding on Buyer if accepted by Seller before Date \_\_\_\_\_ Time \_\_\_\_\_

Purchase price for the property is \$ \_\_\_\_\_ U. S. Dollars, which shall be paid as follows:

- \$ \_\_\_\_\_ Initial deposit
- \$ \_\_\_\_\_ Balance of down payment (or balance of purchase price if all cash) paid into escrow before closing
- \$ \_\_\_\_\_ TOTAL CASH FUNDS FROM BUYER (exclusive of closing costs)
- \$ \_\_\_\_\_ By way of \_\_\_\_\_
- \$ \_\_\_\_\_ TOTAL PURCHASE PRICE

ESCROW. This transaction shall be escrowed by: Old Republic Title and Escrow of Hawaii, 10 Hoohui Road #210, Lahaina, HI 96761 Phone 808-665-1999 Fax 808-665-1991

TENANCY AND VESTING

Title shall vest in Buyer(s) as follows:

OWNERSHIP METHODS

Severalty  Joint Tenants  Tenants In Common  Tenants by the Entirety or  To be determined in Escrow

Buyer (1) - If Tenants in Common, Specify Percentage of Interest of Co-Tenants \_\_\_\_\_%

Name:	_____	_____	_____	_____
	First	Full Middle Name	Last	S.S./S.I. #
Name:	_____	_____	_____	_____
	First	Full Middle Name	Last	S.S./S.I. #
Current Address:	_____	_____	_____	_____
	Street	City	State/Province	Zip/Postal Code
Home Phone:	_____	Bus. Phone:	_____	
Fax:	_____	Email:	_____	

Buyer (2) - If Tenants in Common, Specify Percentage of Interest of Co-Tenants _____%			
Name:	First	Full Middle Name	Last
			S.S./S.I. #
Name:	First	Full Middle Name	Last
			S.S./S.I. #
Current Address:	Street	City	State/Province
			Zip/Postal Code
Home Phone:			Bus. Phone: <span style="border-bottom: 1px solid black;"></span>
Fax:			Email: <span style="border-bottom: 1px solid black;"></span>

**DEFAULT PROVISIONS**

In the event Buyer fails to perform Buyer's obligations under this PURCHASE AGREEMENT (Seller not being in default), Seller may retain the initial deposit and all additional deposits provided for herein as liquidated damages. In the event Seller fails to perform Seller's obligations under this PURCHASE AGREEMENT (Buyer not being in default), Buyer may (a) bring action for damages for breach of contract, (b) seek specific performance of this PURCHASE AGREEMENT, and (c) Seller shall be responsible for any costs incurred in accordance with this PURCHASE AGREEMENT.

**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 the Seller on the sale of the Property and forward the amount with the appropriate form to the State Department of Taxation. Such withholding may not be required if Seller obtains and provides Buyer with an authorized exemption or waiver from withholding. If Seller does not provide Buyer with a certificate of exemption or waiver from HARPTA within fourteen (14) days of the Acceptance Date, Escrow is hereby authorized and instructed to withhold/collect from Seller the required amount at closing and forward it to the State Department of Taxation.

**FIRPTA**

Under the Internal Revenue Code, if Seller is a foreign person or entity (corporation, partnership, trust, or estate) Buyer must withhold a specified percentage of the "amount realized" by the 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 within fourteen (14) days of the Acceptance Date, Escrow is hereby authorized and instructed to withhold/collect from Seller the required amount at closing and forward it to the IRS.

**CLOSING COSTS**

The following are customary closing costs and are not intended to be an all-inclusive list. Escrow may charge the appropriate party other closing costs as directed by the parties. All fees listed are deemed reliable but not guaranteed. Fees can change without notice.

Charged to Buyer, if applicable

40% Title Insurance - \$100  
 50% Escrow fee - \$200  
 Sands of Kahana Vacation Club (SOKVC) Transfer fee - \$250  
 SOKVC General Fund fee - \$350  
 SOKVC Maintenance fee, if not used in current year  
 (1 Bdrm \$556; 2 Bdrm \$764; 3 Bdrm \$948)  
 Mailing fees - \$50  
 Recording fee (\$25 per document)  
 Hawaii General Excise Tax

Charge to Seller, if applicable

60% Title Insurance - \$150  
 50% Escrow fee - \$200  
 Document Preparation fee (Deed/Assignment) - \$160  
 Leasehold Disclosure fee - \$175  
 SOKVC Maintenance fee, if used in current year  
 (1 Bdrm \$556; 2 Bdrm \$764; 3 Bdrm \$948)  
 Conveyance tax (based on .10% of sales price)  
 Mailing fees - \$50  
 HARPTA (State Withholding tax)  
 FIRPTA (Federal Withholding Tax)  
 Hawaii General Excise Tax

ACCEPTANCE DATE AND OTHER DEFINITIONS

As used in this PURCHASE AGREEMENT, the term "Acceptance Date" means the date on which this PURCHASE AGREEMENT becomes binding upon the parties (ie. When Buyer's Offer is accepted by Seller)

All dates and times are based on Hawaiian Standard Time.

This PURCHASE AGREEMENT constitutes the entire agreement between Buyer and Seller and supersedes and cancels any and all prior negotiations, representations, warranties, understandings or agreements (both written and oral) of Buyer and Seller. No variation or amendment of this PURCHASE AGREEMENT shall be valid or enforceable without written approval of Buyer and Seller. All agreements and representations about the property/vacation plan must be set forth in writing and the parties agree that to be effective any representation made by Broker or any party hereto must be set forth in writing in this PURCHASE AGREEMENT or an amendment hereto or in any required Disclosure Statement. Buyer and Seller shall each hold harmless and release the Broker(s) from any claims based upon any alleged representation which is not set forth in writing as stated in this paragraph.

\_\_\_\_\_  
Signature          Buyer (1)                          Date

\_\_\_\_\_  
Signature          Buyer (2)                          Date

\_\_\_\_\_  
Signature          Buyer (1)                          Date

\_\_\_\_\_  
Signature          Buyer (2)                          Date

ACCEPTANCE OF OFFER

Seller agrees to sell the Property/Vacation Plan at the price and terms offered above and acknowledges receipt of a copy of this Purchase Agreement and acceptance.

\_\_\_\_\_  
Signature          Seller (1)                          Date

\_\_\_\_\_  
Signature          Seller (2)                          Date

\_\_\_\_\_  
Signature          Seller (1)                          Date

\_\_\_\_\_  
Signature          Seller (2)                          Date

SELLER'S AGREEMENT TO PAY COMMISSION

Seller(s) agrees to pay Sullivan Properties, Inc. (SPI) a commission for the above sale per the listing agreement or \$\_\_\_\_\_. Seller(s) hereby instructs escrow to pay the commission directly to SPI at closing. Seller(s) agree that he/she cannot change this instruction without SPI's written consent. In the event of Buyer's default (after the seven day right of recession) Seller(s) will pay SPI, if any deposit is forfeited, one-half of the deposit. But SPI shall not get more than what would have been SPI's full commission.