

ILIMA AT KEHALANI
SUBDIVISION RESERVATION AND DEPOSIT AGREEMENT FOR
OWNER-OCCUPANT PRE-SALE

This document is a Reservation and Deposit Agreement (“Agreement”) to purchase property in the fee simple, single-family residential development known as Ilima at Kehalani Subdivision between the seller and the buyer named below:

A. Seller:
HBT of Ilima LLC
220 S. King Street, Suite 960
Honolulu, Hawaii 96813
Email address: Lesli.Lawton@townehawaii.com

B. Escrow:
Title Guaranty Escrow Services, Inc.
Projects Department
235 Queen Street, Honolulu, Hawaii 96813
Tel. No. (808) 521-0211
Email address: TeamJayar@tghawaii.com

C. Exclusive Listing Broker:
Towne Island Homes, Ltd.
220 South King Street, Suite 960
Honolulu, Hawaii 96813
Tel. No. (808) 537.5976
Toll free number: 1.877.244.9988
Email addresses: NHuang@Townemaui.com or KWong@Townemaui.com

D. Buyer:
Buyer _____
Mailing Address _____
Residence Phone _____ Business Phone _____ Email _____
Co-Buyer _____
Mailing Address _____
Residence Phone _____ Business Phone _____ Email _____

1. BACKGROUND INFORMATION:

A. Seller is the owner and developer of Ilima at Kehalani (the “Project”), a fee simple, single-family residential development to consist of homes located on the island of Maui, State of Hawaii, identified as Tax Map Key (2) 3-5-001: 89 portion (the “Project Land”).

- B. Seller has subdivided the Project Land and will offer for sale subdivided lots with 49 single-family homes to be constructed thereon.
- C. Buyer desires to be placed on a priority owner-occupant reservation list for the opportunity to purchase a lot and home in the Project and to make a refundable deposit to be made to and held in Escrow, under the terms and conditions hereinafter set forth.
- D. An Owner-occupant as referred to in this Agreement means any individual or legal entity or trust in which such individual owns an interest and in whose name sole or joint legal title is held to a single-family residential home ("Residence") that, simultaneous to such ownership, serves as the individual's principal Residence for a period of at least 365 consecutive days from the Residence Closing Date ("Owner-Occupant Period") provided that the individual shall retain complete possessory control of the Residence during this Owner-Occupant Period. An individual shall not be deemed to have complete possessory control of the Residence if the individual or any legal entity or trust in which such individual owns an interest rents, leases, conveys or otherwise transfers or assigns the Residence for any period of time during the Owner-Occupant Period to any other person or legal entity or trust in whose name legal title is not held, except that an individual shall be deemed to have complete possessory control even when the individual conveys or transfers the Residence into a trust for estate planning purposes and such individual continues to use the Residence as the individual's principal Residence during the Owner-Occupant Period.
- E. Buyer has determined that it (check only one) will _____ will not _____, be necessary for Buyer to sell presently owned real estate in order to close on Buyer's purchase of property at Ilima at Kehalani Subdivision. Buyer understands that no contingency for sale of other properties will be accepted at time of contract.

2. RESERVATION DEPOSIT:

- A. Deposit: To reserve the opportunity to purchase a Property, Buyer is making a deposit in the sum of \$5,000.00 ("Deposit") by check made payable to Title Guaranty Escrow Services, Inc. ("Escrow").

Seller acknowledges receipt of the check and agrees to deposit the check with Escrow under the terms of the Escrow Agreement for Ilima at Kehalani Subdivision between Seller and Escrow (the "Escrow Agreement").

- B. Execution of a Binding Sales Contract in the Future: Buyer shall have no obligation to purchase any of the Properties, and Seller shall have no obligation to sell any of the Properties unless and until Buyer signs and delivers to Seller and Seller accepts a Ilima at Kehalani Subdivision Deposit Receipt and Sales Contract ("Sales Contract") to purchase the Property. The deposit will be returned to Buyer, without interest and less any Escrow cancellation fee, upon Buyer's written request at any time prior to the execution of a Sales Contract by Buyer and Seller.

If this Agreement is still in effect and if any of the above Properties become available for sale, Seller will present a Sales Contract for the Property to Buyer for Buyer's signature.

If Buyer chooses to buy the Property, Buyer is notified that time is of the essence. Accordingly, Buyer must sign the Sales Contract within three (3) calendar days after the date Seller requests that Buyer sign the Sales Contract. The deposit and any additional deposit(s) required by the Sales Contract will be credited against the total sales price and delivered to Seller in accordance with the Sales Contract and Escrow Agreement.

Tendering a reservation deposit and placing a name on any reservation list prepared by Developer and/or its broker, will not assure that a Lot will be offered to the Buyer. A property will be offered only the extent of availability of properties and only to Buyers in the numerical order in which names appear on the reservation list. Developer will make reasonable attempts to contact Buyer at the address and/or telephone number listed above before proceeding to the next name on the reservation list.

3. TERMINATION OF THIS AGREEMENT:

Unless Buyer signs and delivers the Sales Contract to Seller within three-day period provided for in paragraph 2.B., this Agreement, if not sooner terminated, will terminate and expire and be of no further force and effect and the Deposit will be returned to Buyer without interest and less any Escrow cancellation fees upon the happening of any of the following:

- A. Upon the date Buyer gives Seller and Escrow written notice of cancellation of this Agreement.
- B. Upon the date Seller gives Buyer and Escrow written notice of cancellation of this Agreement; or
- C. Upon Buyer's execution and delivery of the Sales Contract to Seller in accordance with the terms of this Agreement.

4. INTEREST ON BUYER'S DEPOSIT:

BUYER AGREES THAT NEITHER SELLER NOR ESCROW IS UNDER ANY OBLIGATION TO DEPOSIT PAYMENTS MADE BY BUYER HEREUNDER SO AS TO BEAR INTEREST THAT WILL ACCRUE OR BELONG TO BUYER, AND THAT IF BUYER'S DEPOSIT PAYMENTS ARE DEPOSITED IN INTEREST BEARING ACCOUNTS, ALL INTEREST EARNED THEREON SHALL ACCRUE AND BELONG TO SELLER.

5. WHERE TO SEND NOTICE OF TERMINATION:

If Buyer shall decide to give notice of termination or cancellation of the Agreement, such notice shall be concurrently delivered, mailed or emailed to Seller, Escrow and Exclusive Listing Broker at their respective street or email addresses as set forth above.

6. BUYER'S AGREEMENTS: Buyer agrees as follows:

- A. Any information about the property or the Project which has been provided to Buyer in connection with this Agreement is preliminary and may change at any time.
- B. Buyer agrees that Buyer will not rely on any representations relating to all or any part of the Project or the Property other than those which may in the future be contained in the Sales Contract or in the Project documents.
- C. Buyer has received an executed copy of this Agreement.

7. SELLER'S AGREEMENT: Seller agrees as follows:

- A. Seller or Seller's Agents will attempt to contact Buyer at the address or phone number listed above. If they are unable to reach Buyer at that address or phone number neither Seller nor Seller's agents will be expected or required to contact Buyer at any other address or telephone number unless Buyer notifies Seller or Seller's agents in writing of a different address or telephone number where Buyer may be contacted.

8. THIS RESERVATION AND DEPOSIT AGREEMENT SHALL NOT BE DEEMED TO CREATE AN INTEREST OR ESTATE, EITHER LEGAL OR EQUITABLE, IN ANY HOUSE OR LOT IN THE PROJECT, OR IN ANY PORTION OF THE PROPERTY BEING DEVELOPED BY SELLER. BUYER'S RIGHTS HEREUNDER ARE PERSONAL IN NATURE AND MAY NOT BE ASSIGNED OR TRANSFERRED IN ANY WAY WITHOUT THE PRIOR WRITTEN CONSENT OF SELLER IN SELLER'S SOLE DISCRETION AND SELLER SHALL HAVE THE RIGHT TO CHARGE A NOMINAL FEE.

9. ESCROW AGREEMENT:

A. The Seller has executed an escrow agreement with Title Guaranty Escrow Services, Inc. A copy can be obtained from the Seller.

10. **AGENCY DISCLOSURE.** Notice is hereby given to Buyer that Towne Island Homes, Ltd. ("Towne Homes") is an affiliate of Seller, is a licensed real estate broker, that Christopher L. Lau, an officer of Towne Development of Hawaii, Inc., the manager of Seller, is the principal broker of Towne Homes and holds an active real estate broker license in the State of Hawaii, and that the real estate licensees employed by or associated with Towne Homes, as well as Towne Homes, represent only Seller in this Agreement. Buyer understands that Buyer may be represented by a Broker of Buyer's choice. Seller will pay up to a 3% commission to Buyer's Broker. Buyer has initialed below acknowledging that oral or written disclosure of Seller's representation was provided prior to signing this Agreement. Buyer hereby discloses his/her representative as:

- Buyer is not represented by a real estate licensee.
- Buyer is represented by _____ (Cooperating Broker) and by its agent _____.
- Buyer is a real estate licensee.

SELLER:

BUYER:

HBT of Ilima LLC

By Towne Development of Hawaii, Inc.,
Its Member

By: _____

Its

Date of Signature: _____, 20__

Date of Signature: _____, 20__