

## Robin Glass

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**Subject:** FW: Island Colony Lease to Fee

From: Mike Doyle  
Sent: Friday, August 7, 2020 7:02 PM  
To: Sterling Paulos <spaulos@islandcolony.org>; Lois Ekimoto <lois@hmcmtg.com>; glassr@hawaiihome.cc  
Subject: RE: Island Colony Lease to Fee

Aloha Robin,

If you cannot make contact with the phone number for Monarch Properties Inc. tel:(808)%20735-0000, e-mail Suzette Mckimmy at (mailto:suzette@mpi-hi.com).

Mahalo and have a nice weekend,

Mike Doyle  
Assistant General Manager / Security Director AOA Island Colony  
445 Seaside Avenue Suite #101  
Honolulu, Hawaii 96815  
E-mail (mailto:mdoyle@islandcolony.org)  
Telephone: (808) 922-2442 (AOAO Office), (808) 922-2447 (Security Desk), (808) 927-4053 (Security Cell Phone) or (808) 922-2445 (Fax)

From: Robin Glass <mailto:glassr@hawaiihome.cc>  
Date: August 7, 2020 at 8:40:35 AM HST  
To: Sterling Paulos <mailto:spaulos@islandcolony.org>  
Subject: Island Colony Lease to Fee

Sterling,

If an Island Colony leasehold owner wants to purchase the fee, do they go to Monarch Properties for that?  
I tried their phone yesterday and today and it says they are closed.  
The attached 2014 fee purchase calculation is the latest info I have and it references Monarch Properties as well as a person that is no longer with Title Guaranty Hawaii.

Robin

Studio
0.111%
0.1219512%
38,365.85
1,615.86
9,720.66
3.47
1,067
3,702.49
53,404.86

Lodging		Type
0.109%		Percentage of Common
0.1197539%		Adjusted PCI
37,674.58	3-Aug-06	Price
1,586.75		AOAO Passdown (Original Acquisition Fees and Costs)
8,978.38	29-Mar-11	Daily interest to
3.41	29-Mar-11	Daily Interest Expense Effective
1,067	28-Feb-14	Subsequent days to Feb month end
3,638.47		Accumulated interest to date
51,878.18	28-Feb-14	Price

394.51		AOAO Agent's Fee
300.00		Escrow Reserve
300.00		Cash Purchase Title Fee
100.00		FHB Partial Release Fee
366.49		Document prep to EKIMOTO & MORRIS LLC
340.31		Escrow fee to TITLE GUARANTY ESCROW
104.71		Mailing/Handling fee to TITLE GUARANTY ESCROW
272.26		Transfer fee to HAWAII FIRST INC
341.00		Record'g/filing fee
56.50		Conveyance Tax
2,575.78		Escrow fees and tax

54,453.96	1,067.00	Per RG
54,399.40	1,051.00	Per TG

(54.56)	(16.00)	Variance is # of days
3.41		

AOAO ISLAND COLONY LEASED FEE INTEREST SALES AGREEMENT

DEPOSIT RECEIPT

Received from BUYER a One Thousand Dollar (\$1,000.00) deposit in the form of a check made payable to the escrow company listed in paragraph 7, below ("ESCROW").

OFFER:

- 1. BUYER: (Print full legal names and marital status)
2. APARTMENT: The BUYER is buying the SELLER's interest in the following Island Colony Apartment No.:
3. DEFINITIONS: Certain capitalized terms are defined herein and in Section 1 of Exhibit 1.
4. PROPERTY DESCRIPTION: The SELLER's leased fee interest in the APARTMENT. That interest includes an undivided share of the SELLER's interest in the Island Colony common elements, the APARTMENT, the SELLER's interest in the BUYER's APARTMENT LEASE and the SELLER's reversionary interest in the APARTMENT (together called the "PROPERTY").
5. PURCHASE PRICE: The price for the PROPERTY is as provided in Exhibit 2 ("PURCHASE PRICE").
6. CLOSING: The sale will close on a date determined by Escrow, but in no case later than 90 days after submission of this SALES AGREEMENT to Escrow (the "CLOSING DATE").
7. ESCROW: The escrow company handling this sale will be Title Guaranty Escrow Services, Inc. Attn: Chelsea Yuhudah, Project Officer, 235 Queen Street, Honolulu, Hawaii 96813, 521-0237 (voice), 533-5854 (fax), cyuhudah@tghawaii.com (e-mail).
8. PRORATIONS: All lease rent and condominium fees and charges must be current as of the CLOSING DATE. Lease rent will be prorated as of closing. BUYER shall pay all back lease rent to SELLER.
9. FINANCING: The BUYER agrees to pay the purchase price as follows (please check one):
( ) in cash
( ) by way of financing satisfactory to the BUYER. Upon notification by ESCROW, BUYER will submit a complete loan package to BUYER's lender. The BUYER's lender is (provide name, contact & phone no.):
10. TITLE: Title will vest as indicated in the BUYER's APARTMENT LEASE. If title is to vest in a different manner, please print the full legal names (no initials) and marital status of each of the persons who will hold title on the lines below and indicate their tenancy by checking the appropriate box (there will be additional costs for preparation of documents to change or correct title):
TENANCY: [ ] Severalty [ ] Joint Tenants [ ] Tenants by the Entirety [ ] Tenants in Common
[ ] Other
11. ADDITIONAL TERMS: See Exhibit "1" attached hereto and made a part hereof.
12. AGREEMENT TO BUY: The Buyer agrees to buy the Property on the terms and conditions contained herein, including the Additional Terms attached hereto.

BUYER's address BUYER (Signature)
Date
Phones: (Home) BUYER (Signature)
(Bus.) Date
(Fax)
(E-mail)

ACCEPTANCE

Upon submittal of this SALES AGREEMENT to ESCROW by SELLER, the SELLER agrees to sell the Property at the price and terms offered, including the Additional Terms attached hereto provided that no changes are made to the SALES AGREEMENT other than filling in the blanks on this page only.

SELLER'S ADDRESS: ASSOCIATION OF APARTMENT OWNERS OF ISLAND COLONY, Monarch Properties, Inc., 3465 Waialae Avenue, Suite 270, Honolulu, HI 96816-2650, Telephone (808) 735-0000.

**EXHIBIT "1" - ADDITIONAL TERMS**

1. This AOAO Island Colony Leased Fee Interest Sales Agreement is sometimes referred to herein as "SALES AGREEMENT". The buyer identified in Paragraph 1 of this SALES AGREEMENT is sometimes referred to herein as "BUYER". The Association of Apartment Owners of Island Colony, a Hawaii Non-Profit Corporation is sometimes referred to herein as "SELLER" or "ASSOCIATION". The apartment identified in Paragraph 2 of this SALES AGREEMENT is sometimes referred to herein as "APARTMENT". The apartment lease for the APARTMENT is sometimes referred to herein as "APARTMENT LEASE". The Harry and Jeanette Weinberg Foundation, Incorporated, a Maryland corporation, its employees, agents, representatives, successors and assigns is sometimes collectively referred to herein as "FORMER LESSOR". The contract between FORMER LESSOR and SELLER for the purchase of the FORMER LESSOR's interest in the Island Colony property (excluding the interest in the 5 commercial apartments) dated January 20, 2006 is sometimes referred to herein as "UNDERLYING CONTRACT" which BUYER acknowledges he has had an opportunity to review. The Declaration of Horizontal Property Regime of Island Colony, dated November 28, 1978, filed as in the Office of the Assistant Registrar of the Land Court of the State of Hawaii in Liber 13332 at Page 585, as the same may have been amended and restated by the Restatement dated March 29, 1996, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Land Court Document No. 2304255 and recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 96-057032, is sometimes referred to herein as "DECLARATION". The By-Laws of the Association of Apartment Owners of Island Colony, as the same may have been amended is sometimes referred to herein as "BY-LAWS". The loan SELLER entered into to fund the purchase of the FORMER LESSOR'S interest in the Island Colony (excluding the interest in the 5 commercial apartments) is sometimes referred to herein as "SELLER'S LOAN". The result of the percentage of common interest for the APARTMENT divided by 90.02% is sometimes referred to herein as "BUYER'S PRORATA SHARE".
2. This SALES AGREEMENT will be VOID and all payments hereunder, except any payments made to ESCROW and as otherwise provided below, will be returned to the BUYER, unless:
  - (a) All of the conditions of the UNDERLYING CONTRACT have been met, all necessary documents has been recorded in the Office of the Assistant Registrar of Land Court of the State of Hawaii for the purchase of the PROPERTY by the SELLER, and the SELLER has acquired the PROPERTY pursuant to the terms of the UNDERLYING CONTRACT.
  - (b) The BUYER secures the financing, if any, stated in Paragraph 9 of this SALES AGREEMENT, within a period of time which permits the close of escrow by the CLOSING DATE
  - (c) The BUYER is the owner of the leasehold interest in the APARTMENT at closing. In the event that the owner of the leasehold interest in the APARTMENT is more than one person/entity, the BUYER must be all of the co-lessees of the APARTMENT. It is the intention of the parties that at closing, the grantee and the owner of the leasehold interest in the APARTMENT are identical.
3. Each and every one of the terms and conditions of the escrow agreement signed by the ASSOCIATION for the escrow of this sale are incorporated by reference herein and shall be fully binding upon the BUYER.
4. If the BUYER is not able to close by the CLOSING DATE for any reason not caused by the SELLER, then the SELLER, in the SELLER's sole and absolute discretion, will have the right to cancel this SALES AGREEMENT by providing written notice of such cancellation to the BUYER and ESCROW or to increase the PURCHASE PRICE for the BUYER's failure to close by providing written notice of such price increase to the BUYER and ESCROW. If the SELLER is not able to close by the CLOSING DATE for any reason not caused by the BUYER, then the BUYER will have the right to

cancel this SALES AGREEMENT by providing written notice of such cancellation to ESCROW. Any legal claims and remedies arising in favor of either party on account of any failure of the other party to perform as required by this SALES AGREEMENT shall survive such cancellation.

5. Prior to the CLOSING DATE, the SELLER shall furnish the BUYER with evidence of title showing the SELLER's marketable title to the interest which is to be conveyed to the BUYER by Limited Warranty Deed. If the SELLER fails to deliver evidence of title as herein provided, the BUYER, at its option, may terminate this SALES AGREEMENT without prejudice to any legal claims and remedies arising in favor of either party on account of any failure of the other party to perform as required by this SALES AGREEMENT.
6. The SELLER agrees to convey the PROPERTY by Limited Warranty Deed. The Limited Warranty Deed shall include provisions that:
  - (a) The BUYER acknowledges, represents and warrants, as follows: (a) Upon Closing, the BUYER will have had an opportunity to fully investigate the PROPERTY and will be acquiring the PROPERTY based solely on its investigation and not in reliance on any representation or warranty of the SELLER, except as expressly set forth under this Agreement; (b) The PROPERTY will be purchased by BUYER "**AS IS**", "**WHERE IS**", **WITH ALL FAULTS AND DEFECTS, WITHOUT WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, OF ANY KIND OR NATURE WHATSOEVER**, except as expressly set forth under this Agreement; (c) Upon Closing, the FORMER LESSOR and the SELLER will not correct or repair any defects that are known or subsequently discovered with respect to the PROPERTY or that occur on or in the PROPERTY or on or in anything installed or contained thereon or therein, and all defects and costs of correction or repair or replacement shall be the sole responsibility of the Buyer, except that the ASSOCIATION shall maintain and repair the common elements of the Project in accordance with the DECLARATION, BY-LAWS and Condominium Property Act; and (d) The BUYER has provided the indemnifications under Additional Terms 6(b), 6(c), 6(d), 6(f) and 10 to FORMER LESSOR and/or SELLER as a material inducement to SELLER to execute this Agreement.
  - (b) The BUYER shall indemnify and hold harmless the SELLER and FORMER LESSOR against and in respect of any of the following:
    - (i) Any and all liabilities, obligations and claims against FORMER LESSOR, its officers, directors, employees, attorneys, agents, successors-in-trust and assigns, and/or FORMER LESSOR's Agent, its officers, directors, employees, attorneys, agents, successors-in-trust and assigns, which pertain to the PROPERTY, resulting from acts of the ASSOCIATION, its officers, directors, employees, attorneys, agents, members, successors and assigns, both prior to and after the Closing Date.
    - (ii) Any failure by the SELLER to observe and perform all of its agreements, obligations, liabilities, representations and warranties in the UNDERLYING CONTRACT and any related documents including the Limited Warranty Deed between FORMER LESSOR and SELLER.
    - (iii) Any and all actions, suits, proceedings, demands and judgments, including all costs and attorneys fees incurred with respect to the foregoing.
  - (c) The BUYER, and its successors, agree to indemnify, defend and hold the FORMER LESSOR and the SELLER harmless from any liability, costs, damages or other losses relating to or arising out of the PROPERTY's contamination by toxic or hazardous materials and for any liability for the removal of contaminants or remedial action which is necessary due to the contamination of soil, surface water or ground water at or underlying the PROPERTY.
    - (i) The term "contamination" means toxic or hazardous materials which have been deposited, stored or placed at the PROPERTY, or have otherwise come to be located on, in or under the soil, air, surface water or ground water at the PROPERTY.
    - (ii) The terms "removal of contaminants" or "remedial action" means the removal, treatment or disposal and/or other appropriate disposition of contaminated soils, surface water or ground water at the BUYER's sole cost and expense.

- (iii) The terms (a) "contaminant", and (b) "toxic or hazardous material" mean any substance that is at any time defined or listed in, or otherwise classified pursuant to any applicable laws or regulations (including without limitation, environmental laws), as a hazardous substance, hazardous waste, infectious waste, toxic substance, toxic pollutant, or regulated substance.
- (iv) This indemnity shall apply to all removal or remedial actions whether or not required by an enforceable order of a government agency with jurisdiction over the matter, an enforcement court order, or a decree.
- (d) The BUYER, and its successors, agree to indemnify, defend and hold the SELLER harmless against and from any and all claims, actions, suits, proceedings, demands and judgments, (including all costs, expenses and reasonable attorneys' fees incurred therewith) relating to the PROPERTY arising from a lawsuit by the BUYER or its successors against the FORMER LESSOR. This obligation excludes any obligations FORMER LESSOR may have as an owner, lessee or occupant of an apartment (e.g. the obligation to pay common assessments and comply with the governing documents of the Association).
- (e) Should any claims be made with respect to any matter to which an indemnification relates, the indemnitee shall after receiving notice of such claim promptly give the indemnitor written notice of any such claim stating the nature and basis of such claim and the amount thereof in reasonable detail, and the indemnitor shall thereafter defend or settle any such claim at its sole expense, on its own behalf and with counsel of its own choosing, reasonably acceptable to the indemnitee. In such defense or settlement, the indemnitee shall cooperate with and assist the indemnitor to the maximum extent possible (at indemnitor's expense). Failure to give such notice within a reasonable period of time shall not constitute a defense in whole or in part to any claim for indemnification by the indemnitee except and only to the extent that such failure by the indemnitee shall result in material prejudice to the indemnitor. During the course of any third party claim or litigation, the indemnitor shall keep the indemnitee fully informed and shall use reasonable efforts to defend such claim or litigation and present any defense reasonably suggested by the indemnitee or the indemnitee's counsel. The indemnitee shall have the right to be represented in such third party claim or litigation by counsel and accountants, at its own expense and upon notice to the indemnitor. The indemnitor shall not make, or offer to make, any settlement of any third party claim or litigation without giving the indemnitee advance notice thereof and the opportunity to assume the defense of the matter at its own expense and risk. If the indemnitee then assumes the defense of such matter, the indemnitor shall remain liable for, and shall pay the indemnitee, the amount which the indemnitor proposed to pay the claimant to settle the claim.
- (f) The BUYER and BUYER's heirs, personal representatives, successors, successors in trust and assigns shall be bound by and shall assume all of the SELLER's agreements, releases, indemnities, obligations, liabilities, representations and warranties contained in the UNDERLYING CONTRACT and any related documents including the Limited Warranty Deed between FORMER LESSOR and SELLER as if BUYER and BUYER's heirs, personal representatives, successors, successors in trust and assigns had directly contracted with the FORMER LESSOR. All of SELLER's agreements, releases, indemnities, obligations, liabilities, representations and warranties shall run with the Project and the land and apartments comprising the Project.
- (g) In the event that FORMER LESSOR or FORMER LESSOR's Agent shall become an owner or lessee of an apartment in the Project, or a member of the Association, nothing herein shall be deemed to relieve FORMER LESSOR or FORMER LESSOR's Agent from their liability and obligation as an apartment owner, apartment lessee, or member, and the Association expressly reserves all rights, claims, actions, causes of action, claims and expenses, if any, against FORMER LESSOR and FORMER LESSOR's Agent arising from FORMER LESSOR's or FORMER LESSOR's Agent's ownership or occupancy of an apartment at the Project, such as claims for maintenance fees, fines, penalties, lease rent, and interest thereof.

The BUYER's covenants in this Additional Term 6 shall survive the CLOSING DATE.

7. The BUYER shall pay all costs connected with the purchase of the PROPERTY including, but not limited to:

- (1) title search and insurance;
  - (2) escrow fees;
  - (3) document preparation fees and costs;
  - (4) recording fees;
  - (5) notary fees;
  - (6) conveyance tax;
  - (7) property manager's transfer fee;
  - (8) SELLER's legal fees;
  - (9) Interest incurred on BUYER'S PRORATA SHARE of SELLER'S LOAN from the date of funding of SELLER'S LOAN to the CLOSING DATE
  - (10) Association's Lender's Mortgage Release Fees;
  - (11) Association's Lender's Attorneys Fees for Partial Release of the Mortgage;
  - (12) SELLER's agent's fee of 1% plus general excise tax;
  - (13) BUYER'S PRORATA SHARE of the following costs incurred by the SELLER in acquiring the FORMER LESSOR's interest in the Island Colony Project (excluding the interest in the 5 commercial apartments):
    - (a) costs pursuant to the UNDERLYING CONTRACT;
    - (b) appraisal fees and costs;
    - (c) legal fees associated with the purchase of the interest from the FORMER LESSOR;
    - (d) SELLER's loan costs and fees (other than costs as provided by Additional Term 7(10) through (12) above);
    - (e) closing costs for the sale between the ASSOCIATION and the FORMER LESSOR; and
    - (f) SELLER's agent's fee of 3% of the total purchase price for the acquisition of the FORMER LESSOR'S interest in the Island Colony Project (excluding the interest in the 5 commercial apartments);
  - (14) BUYER's fees and costs for change or correct title; and
  - (15) any and all other fees and charges whatsoever.
8. Upon the execution of this SALES AGREEMENT by the Buyer, this Sales Agreement will be binding upon and fully enforceable against the Buyer in accordance with its terms. The execution and delivery of this SALES AGREEMENT by the BUYER and the closing of the transaction contemplated hereunder do not constitute a violation of any court order or any law, nor result in the breach of any contract to which the BUYER is a party or by which the BUYER is bound.
9. As of the CLOSING DATE, the BUYER will know, will have examined and will have investigated, to the full and complete satisfaction of the BUYER the physical nature and condition of the PROPERTY, or the BUYER will have waived such knowledge, examination and investigation. The BUYER further acknowledges that SELLER, FORMER LESSOR, nor any officer, director, agent, attorney, employee or representative of SELLER or FORMER LESSOR, nor FORMER LESSOR's Agent nor any officer, director, agent, attorney, employee or representative of FORMER LESSOR's Agent, have made or will make any representation whatsoever regarding the PROPERTY or any part thereof, including, without limitation, representations as to the condition of the PROPERTY, the value or profitability of the PROPERTY, or the suitability of the PROPERTY for the BUYER's intended use or for any use whatsoever, any applicable building, fire or zoning laws or regulations or compliance therewith or the existence of or compliance with any required permits or licenses, if any, of any governmental agencies, any warranty as to the structural, mechanical, plumbing, electrical or air conditioning systems, or the existence or absence of any hazardous materials. The BUYER agrees that the BUYER has relied and will be relying solely on the BUYER's own inspection and review of all aspects of the PROPERTY with respect to all of the foregoing matters. The BUYER assumes the risk that adverse physical conditions may not have been revealed by BUYER's own investigations and examinations. Further, the BUYER assumes the risk of all changes in zoning, land use, other laws, ordinances, rules or regulations, adverse governmental action and other adverse matters of any kind that might affect the PROPERTY or the BUYER's intended use of the PROPERTY. The BUYER agrees to purchase the PROPERTY on the CLOSING DATE, in "AS IS, WHERE IS" condition, and "WITH ALL FAULTS". Without limiting the foregoing, the BUYER

acknowledges and agrees that the SELLER is simply the owner of the PROPERTY; that the SELLER and FORMER LESSOR did not participate in the development, construction and documentation of the Project and the SELLER and FORMER LESSOR will be released by the BUYER from any obligation, liability or claim therefor.

10. The BUYER agrees to indemnify, defend and hold the FORMER LESSOR and the SELLER, their employees, attorneys, agents, successors and assigns harmless against and from:
  - (a) Any and all liabilities, obligations and claims against the SELLER arising out of or in relation to any obligation of the SELLER to indemnify or defend FORMER LESSOR.
  - (b) Any and all actions, suits, proceedings, demands and judgments, including all costs, expenses and reasonable attorneys' fees incurred with respect to any of the foregoing.

The BUYER's covenants in this Additional Term 10 shall survive the CLOSING DATE.

11. Handwritten or typed provisions herein shall supersede any printed provisions of this SALES AGREEMENT in the event of any conflict.
12. Time is of the essence in the BUYER's performance of all of the material terms of this SALES AGREEMENT.
13. The BUYER shall not assign this SALES AGREEMENT unless the SELLER provides its prior written consent which may be withheld by the SELLER in its sole discretion.
14. The BUYER and the SELLER acknowledge that no commissions for brokers or agents are involved in this transaction other than Monarch Properties, Inc. and Realty Advisors, Inc.,'s commission described in Additional Term 7 for which is the BUYER will be charged pursuant to Additional Term 7. BUYER shall defend, indemnify and hold SELLER and SELLER's successors and assigns harmless against any and all other damages, losses, costs and expenses (including reasonable attorneys' fees) suffered or incurred by any of them and based upon a claim for a finder's fee or real estate commissions in connection with this transaction, made by a person claiming by or through the BUYER.
15. Facsimile ("fax") copies of this SALES AGREEMENT, any addenda thereto, and any related documents shall be fully binding and effective for all purposes whether or not originally executed documents are transmitted to ESCROW. Fax signatures on documents will be treated the same as original signatures for purposes of binding the party or parties so signing such documents. However, the SELLER and the BUYER each agree to promptly forward all originally executed documents to ESCROW. The SELLER and the BUYER further understand that original conveyance, mortgage and other recordable documents **must** be delivered to ESCROW in time to meet all applicable deadlines. BUYER understands that the deadlines are subject to change and is responsible for getting updated deadlines from SELLER's agent. It is further agreed that this SALES AGREEMENT, any addenda thereto and any 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, binding on all of the parties, notwithstanding that all of the parties do not sign the same original or the same counterparts.
16. The BUYER hereby releases and forever discharges and waives any and all claims and causes of action that the BUYER may presently or in the future have against the SELLER which are connected with or are in any way related to the purchase or sale of the Property except that the ASSOCIATION shall maintain and repair the common elements of the Project in accordance with the DECLARATION, BY-LAWS and Condominium Property Act.



17. In the event of any action or proceeding arising out of this SALES AGREEMENT, the prevailing party shall be entitled to recover all costs incurred, including reasonable attorneys' fees.
18. The BUYER and the SELLER agree to execute all additional documents necessary for closing when requested to do so by ESCROW.
19. By execution of this SALES AGREEMENT, BUYER approves of the ASSOCIATION's purchase of the FORMER LESSOR's interest in the Island Colony Condominium Project and the borrowing of up to \$27,500,000.00 to purchase the leased fee interest.
20. By execution of this Agreement, BUYER approves of the Amendment to the DECLARATION to add a new Paragraph 15 authorizing the ASSOCIATION to acquire the leased fee interest recorded in the Office of the Assistant Registrar of Land Court of the State of Hawaii as Document No. 3314024 and recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2005-163647.
21. The individuals signing this SALES AGREEMENT on behalf of BUYER warrant that they have the requisite authority to execute this SALES AGREEMENT on behalf of the BUYER. The individuals signing this SALES AGREEMENT on behalf of the BUYER also warrant that all of the apartment lessees for the APARTMENT have executed this SALES AGREEMENT and have consented to the ASSOCIATION approval described in Additional Terms 19 and 20.
22. This SALES AGREEMENT constitutes the entire agreement between the BUYER and the SELLER, and supersedes and cancels any and all prior negotiations, representations, warranties, understandings and/or agreements (both written and oral) of the BUYER and the SELLER regarding the sale of the PROPERTY. No variation or amendment of this SALES AGREEMENT shall be valid or enforceable without written approval by the BUYER and the SELLER.

**THIS IS A LEGALLY BINDING CONTRACT--  
READ IT CAREFULLY.**

**Exhibit 2**  
**"PURCHASE PRICE"**

<b>Apartment Type</b>	<b>Percentage of Common Interest (PCI)</b>	<b>Adjusted PCI 91.020%</b>	<b>Purchase Price Effective 8/3/2006</b>	<b>AOAO Passthrough (Original Acquisition Fees and Costs)</b>	<b>Daily Interest Expense For the Period 5/4/06 to 3/28/11</b>		<b>Daily Interest Expense Effective 3/29/2011</b>
Lodging	0.109%	0.1197539%	\$37,674.58	\$1,586.75	\$8,978.38	+	\$3.41
Studio	0.111%	0.1219512%	\$38,365.85	\$1,615.86	\$9,720.66	+	\$3.47
One Bedroom	0.176%	0.1933641%	\$60,832.34	\$2,562.09	\$14,497.19	+	\$5.50

Note: Buyer also pays all seller's costs of buyer's acquisition as referenced in #7 of Exhibit "1".

TENTATIVE BUYER STATEMENT

ESCROW NO: A6-171-0019-8030-0  
 RPT DATE : 2/19/2014  
 CLOSE DT : 2/28/2014  
 PROPERTY : ISLAND COLONY  
 TMK (1)2/6/021/026 CPR:0000  
 ADDRESS 445 SEASIDE AVE  
 APT NO 1518  
 HONOLULU HI 96815

ESCROW AGENT:

TITLE GUARANTY ESCROW SERVICES, INC.  
 DEVELOPER & PROJECT SERVICES  
 235 QUEEN ST  
 HONOLULU HI 96813

CONTRACT DATE : 0/00/0000

ATTN CHELSEA YUHUDAH

DESCRIPTION	DEBITS/CHARGES	CREDITS
Sales/purchase price	37,674.58	
AOAO Acquisition Passdown Cost	1,586.75	
AOAO Agent's Fee	394.51	
Daily Int Exp 5/4/06-3/28/11	8,978.38	
Int 3/29/11 \$3.41 @1051 days	3,583.91	
Escrow Reserve	300.00	
Cash Purchase Title Fee	300.00	
FHB Partial Release Fee	100.00	
Document prep to EKIMOTO & MORRIS LLLC	366.49	
Escrow fee to TITLE GUARANTY ESCROW	340.31	
Mailing/Handling fee to TITLE GUARANTY ESCROW	104.71	
Transfer fee to HAWAII FIRST INC	272.26	
Record'g/filing fee	341.00	
Conveyance tax	56.50	
Balance due from Buyer		54,399.40
<b>TOTAL</b>	<b>54,399.40</b>	<b>54,399.40</b>

The undersigned read and understands the Controlled Business Arrangement Disclosure Statement from Title Guaranty Escrow Services, Inc.

If you have purchased title insurance in this transaction, you may be eligible for a title insurance premium credit if you close a future transaction involving this property with Title Guaranty within the next five years.

AOAO ACQUISITION PASSDOWN COST:

ESCROW FEE, TITLE FEE, RECORDING FEE, NOTARY FEE,  
 FINANCING FEE, LENDER'S ATTORNEY FEE, AGENT'S FEE AND  
 INTERIM CARRYING COSTS.

MAINTENANCE (if applicable) is your responsibility and must be paid by you direct to the agency that collects it.

REAL PROPERTY TAXES (if applicable) are your responsibility and must be paid by you direct to the agency that collects it.

HOME EXEMPTIONS ONLY - If you intend to reside on the property you have just purchased, you are allowed a Homeowners Exemption against your Real Property Taxes. Application should be made to the City and County Director

of Finance in the respective counties. Contact the applicable County tax office for their application deadlines.

TAX NOTE - The County Tax Office may not send you a tax bill in time for the next payment. Payment dates are: first installment, Aug 20; 2nd installment, Feb 20. Be sure to contact the tax office if you do not receive a billing 30 days prior, and obtain the amount due.

FIRPTA/HARPTA - Escrow holds master FIRPTA & HARPTA Exemption forms.

Hawaii Law requires that final payments to Escrow must be as follows:  
(1) Hawaii clients must submit Cashier's Checks drawn on a Hawaii financial institution, (2) Out-of-state clients must wire funds to BANK OF HAWAII BOH-HEAD OFF BRANCH for credit to the account of TITLE GUARANTY ESCROW SERVICES, INC.: Account number 0001-029630 by Fedwire regarding Escrow number A6-171-0019-8030-0. All other wires and other forms of payment will delay closing. Escrow must hold valid funds. Wire instructions from you to the financial institution initiating the transfer should read as follows:

PAY VIA FED WIRE  
TO BANK OF HAWAII, BOH-HEAD OFFICE BRANCH  
130 MERCHANT ST, HONOLULU, HI 96813  
ABA NUMBER 121301028  
FOR FURTHER CREDIT OF  
TITLE GUARANTY ESCROW SERVICES, INC.  
ACCOUNT NUMBER 0001-029630  
WITH ADVICE REGARDING  
ESCROW NUMBER A6-171-0019-8030-0

**ESCROW INSTRUCTIONS and GENERAL PROVISIONS OF ESCROW TRANSACTION**

To: Title Guaranty Escrow Services

You will collect and hold all documents and funds as shall be appropriate and necessary to close this Escrow as provided in the Contract and Escrow Agreement. Subject only to the recording of the necessary documents, the proper disbursement of the funds as set forth below, and the acceptance of the Property by Buyer, if required by the Contract, all terms and conditions of the Contract and Escrow Agreement have been satisfied or are hereby waived, and upon closing of the subject transaction, you have no further responsibility with respect thereto. When you have obtained all of the appropriate and necessary documents and funds, you are authorized to deliver or record, or both, as appropriate, those documents. Thereafter, you are to apply and disburse the funds coming into your hands pursuant to said Contract, Escrow Agreement and the closing statement, when you can obtain Title Insurance or Title Reports as designated in the closing statement with coverage equal to the total consideration and showing record title to said property vested in the Buyer subject only to: real property taxes and assessments not delinquent; covenants, any Declaration of Condominium Property Regime, as amended, rights, rights of way, easements and reservations, or other covenants, conditions and restrictions now of record or in the instrument(s) to be recorded; and such other encumbrances, if any, as may be specified in said Contract or accepted by the affected Party.

Escrow and/or a Title Company, is hereby authorized to do the following to documents submitted for recordation/submission to the Bureau of Conveyances or the Office of the Assistant Registrar of the Land Court: 1) fill in the effective date or execution date of the document and 2) endorse the grantee's, or if the document(s) affect Land Court property, any party of interest's address; marital status; and, if married, the full names of their spouses; the state where a legal entity was incorporated, formed, or registered; and/or the current number of the certificate of title or document number as mentioned within the document; as required by the Department of Land and Natural Resources, Amendments to Chapter 13-16-7, Hawaii Administrative Rules.

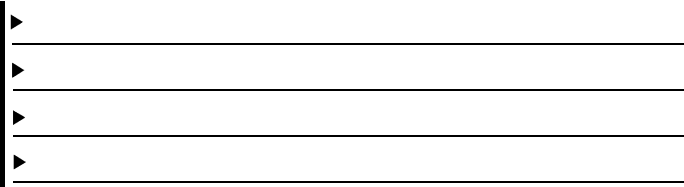
**TENTATIVE CLOSING STATEMENTS ONLY**

The Tentative Closing Statement is based upon a pro-ration of charges as of a specified date and the understanding that all necessary payments will be current to that date by the Parties. If the pro-ration date changes or the necessary payments have not been kept current, Escrow is authorized to close this transaction and to make all necessary payments and adjust all pro-rations to the date of closing, unless another date has been agreed upon by the Parties.

**PLEASE SIGN BELOW -- RETURN ONE COPY TO ESCROW**

**I have carefully reviewed this Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a copy of this Settlement Statement.**

This Settlement Statement which I have prepared is a true and accurate account of this transaction. I have caused or will cause the funds to be disbursed in accordance with this statement.

**SIGN HERE** 

\_\_\_\_\_  
Settlement Agent  
TITLE GUARANTY ESCROW SERVICES, INC.

Future Mailing Address:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Date

**WARNING:** It is a crime to knowingly make false statements to the United States on this or any other similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010.