

HAWAII LAND INSTALLMENT CONTRACT

(Rent-to-Own Agreement — Raw Land)

PARTIES

Seller (Full Legal Name): _____

Seller Mailing Address: _____

Buyer (Full Legal Name): _____

Buyer Mailing Address: _____

PROPERTY

Tax Map Key (TMK): _____

Subdivision / Legal Description: _____

Island: _____

PURCHASE TERMS

Total Sale Price: _____

Down Payment (due at signing): _____

Remaining Balance After Down Payment: _____

Annual Interest Rate: _____%

Monthly Payment Amount: _____

Payment Due Date (day of month): _____

First Payment Due Date: _____

Final Payoff Date: _____

Payment Method / Address: _____

1. AGREEMENT

Seller agrees to sell and Buyer agrees to purchase the above-described property under the terms of this Land Installment Contract, subject to all conditions stated herein. Seller retains legal title to the property until the full purchase price, including all interest, is paid in full. Upon full payment, Seller shall convey Seller's interest in the property to Buyer by deed.

2. TITLE

Seller conveys only the interest Seller holds in the property. This agreement does not constitute a warranty of title. Buyer acknowledges receipt and review of the Tax Deed Disclosure Appendix attached hereto, which describes the nature of Seller's title interest. SEE APPENDIX A.

3. IMMEDIATE LAND USE

Buyer is granted the right to access and use the property upon execution of this agreement and receipt of the down payment by Seller. Buyer's right to use the property continues so long as Buyer remains current on all payments and obligations under this agreement.

4. PERMITTED AND PROHIBITED USE

Buyer shall use the property in a lawful manner and in compliance with all applicable federal, state, and county laws, ordinances, and regulations. The following are strictly prohibited: (a) any illegal activity of any kind on or related to the property; (b) dumping, storage, or disposal of trash, waste, hazardous materials, or debris of any kind on the property. Violation of this section constitutes grounds for immediate default.

5. LATE PAYMENTS

Time is of the essence with respect to all payments under this agreement. Payments received after the due date are subject to a grace period of ten (10) calendar days. Any payment not received within the grace period shall incur a late fee of \$50.00, due immediately with the overdue payment.

6. DEFAULT

Buyer shall be in default if any monthly payment remains unpaid for thirty (30) calendar days after its due date, upon failure to pay property taxes as required under Section 7, or upon any other material breach of this Agreement. Time is of the essence with respect to all payments and obligations. Upon default, Seller shall provide written notice to Buyer at the address stated herein. Buyer shall have thirty (30) calendar days from the date of such notice to cure the default by paying all amounts past due, including applicable late fees and, at Seller's election, the entire remaining balance, which shall accelerate and become immediately due upon default.

If Buyer fails to cure within the cure period, this Agreement shall automatically terminate without further notice. Buyer's right to possession shall cease immediately, and all payments previously made (including the down payment), together with all improvements, structures, materials, or alterations made by Buyer, shall be retained by Seller as liquidated damages. No refund shall be issued.

The parties agree that retention of payments and improvements as liquidated damages represents a reasonable estimate of Seller's anticipated harm from Buyer's default, given that: (a) actual damages are difficult or impossible to ascertain with certainty due to market volatility, Seller's lost opportunities, carrying costs, and potential liability during Buyer's use of the property; and (b) Buyer has received immediate use and possession of the property in exchange for assuming these risks.

Seller may, in its sole discretion, elect any remedy available at law or in equity, including but not limited to retention of payments and improvements as liquidated damages, acceleration and suit for the full balance, or judicial foreclosure treating this Agreement as a mortgage.

7. PROPERTY TAXES AND EXPENSES

Buyer shall be solely responsible for all real property taxes assessed against the property during the term of this agreement, due and payable directly to the applicable taxing authority. Buyer is also responsible for any and all costs associated with Buyer's use, improvements, or activities on the property. Failure to pay property taxes when due shall constitute a default under Section 6 of this agreement.

8. IMPROVEMENTS

Any improvements, structures, materials, or alterations made to the property by Buyer shall become part of the property and shall not be removable or compensable in any circumstance, including in the event of default or termination as provided in Section 6, or redemption as described in Appendix A.

9. HOLD HARMLESS / INDEMNIFICATION

Buyer agrees to indemnify, defend, and hold harmless Seller from and against any and all claims, damages, losses, costs, and expenses (including reasonable attorney's fees) arising out of or related to Buyer's use, occupation, or activities on the property during the term of this agreement.

10. ATTORNEY'S FEES

In any action to enforce this Agreement, including upon default, the prevailing party shall be entitled to recover reasonable attorney's fees and costs from the non-prevailing party.

11. ASSIGNMENT

Buyer may not assign this agreement or transfer any interest in the property without prior written consent of Seller.

12. GOVERNING LAW

This agreement shall be governed by and construed in accordance with the laws of the State of Hawaii.

13. ENTIRE AGREEMENT

This agreement, together with Appendix A (Tax Deed Disclosure), constitutes the entire agreement between the parties and supersedes all prior discussions, representations, or agreements. Any modifications must be in writing and signed by both parties.

14. BUYER'S ACKNOWLEDGMENT OF LIQUIDATED DAMAGES PROVISION

Buyer expressly acknowledges and agrees that:

- (a) Buyer has read and fully understands the default and liquidated damages provisions in Section 6;
- (b) The retention of payments and improvements described in Section 6 is a material inducement for Seller to enter this Agreement and convey immediate use rights to Buyer;
- (c) Buyer acknowledges that the retention of payments and improvements described in Section 6 is intended as liquidated damages, not a penalty, and that Buyer will not seek restitution of any payments made;
- (d) Buyer had the opportunity to consult with an attorney prior to signing and enters this Agreement freely and without coercion; and

(e) In the event of default, Seller shall be entitled to retain all payments and improvements as liquidated damages without further accounting to Buyer.

Buyer Initials: _____ Date: _____

SIGNATURES — MAIN AGREEMENT

Buyer has read, understands, and specifically agrees to the default and liquidated damages provisions in Section 6 and Section 14 of this Agreement.

Seller Signature: _____ Date: _____

Buyer Signature: _____ Date: _____

By signing above, both parties acknowledge they have read, understood, and agreed to all terms of this Land Installment Contract, including Appendix A: Tax Deed Disclosure attached hereto.

APPENDIX A TAX DEED DISCLOSURE

IMPORTANT — PLEASE READ CAREFULLY BEFORE SIGNING

WHAT IS A TAX DEED?

A tax deed is issued when a property is sold by a government authority due to the prior owner's failure to pay real property taxes. The purchaser at a tax auction receives a tax deed conveying the government's interest in the property. Seller acquired the property described in the attached Land Installment Contract by tax deed.

WHAT IS THE REDEMPTION PERIOD?

Under Hawaii law, the original property owner (or certain parties with an interest in the property) has the legal right to reclaim — or 'redeem' — the property within a set period after the tax sale. During this redemption period, the original owner may pay all delinquent taxes, penalties, fees, and costs to reclaim full title to the property.

If the original owner exercises their right of redemption, Seller's tax deed interest — and by extension, Buyer's interest under this contract — will be extinguished. Buyer will not acquire ownership of the property if redemption occurs.

REDEMPTION PERIOD DETAILS

Redemption Period Expiration Date: _____

After the redemption period expiration date shown above, the original owner's right to redeem the property expires and Seller's tax deed interest becomes more secure. However, Buyer acknowledges that tax deed title may still be subject to other legal challenges.

REFUND POLICY IF REDEMPTION OCCURS

If the original owner exercises their right of redemption at any time during the term of the Land Installment Contract, the following shall apply:

- (a) This Land Installment Contract shall terminate automatically upon Seller receiving written notice or confirmation of redemption.
- (b) Seller shall refund to Buyer the full amount of all payments made under this contract, including the down payment and all monthly payments received, within thirty (30) calendar days of Seller receiving the redemption refund from the applicable government authority, but in no event later than ninety (90) calendar days from the date of redemption.
- (c) No interest shall be paid on refunded amounts.
- (d) The refund described herein is Buyer's sole and exclusive remedy in the event of redemption. Seller shall have no further liability to Buyer.

PROPERTY USE AND ABANDONED BELONGINGS

Buyer is permitted to access and use the property during the term of this agreement. In the event of redemption or default termination, Buyer shall have thirty (30) calendar days from the date Seller issues written notice of termination to remove all personal property and belongings from the land. Any personal property, equipment, materials, or items remaining on the property after said thirty (30) day period shall be

deemed abandoned and shall become the sole property of Seller to dispose of as Seller sees fit, without compensation or liability to Buyer. Any improvements made to the land are non-removable and non-compensable as stated in Section 8 of the main agreement.

BUYER ACKNOWLEDGMENT

By signing below, Buyer acknowledges and agrees to the following:

1. Buyer has read and fully understands this Tax Deed Disclosure.
2. Buyer understands that Seller holds only a tax deed interest and cannot guarantee that the original owner will not exercise their right of redemption.
3. Buyer understands and accepts the risk that the property may be redeemed and that Buyer's sole remedy in such event is a full refund of payments made as described herein.
4. Buyer has read and understands the default and liquidated damages provisions in Section 6 and Section 14 of the main agreement, and confirms the acknowledgments made therein apply fully.
5. Buyer has had the opportunity to consult with an attorney prior to signing and has chosen to proceed voluntarily.
6. Buyer enters into this agreement freely and without coercion.

SIGNATURES — APPENDIX A (TAX DEED DISCLOSURE)

Seller Signature: _____ Date: _____

Buyer Signature: _____ Date: _____

By signing above, Buyer confirms full understanding and acceptance of the tax deed disclosure and all terms contained in this Appendix A.