

shall have 10 days [fifteen (15) days if left blank] from discovery thereof or from receipt of the amended disclosure statement, whichever is earlier, to indicate in writing an election to rescind the Purchase Contract. Buyer may elect, in writing, to accept the amended disclosure statement prior to the end of the rescission period. Should Buyer elect to rescind the Purchase Contract, the termination provisions of Paragraph C-29 shall apply.

C-47 **Buyer's Remedies Regarding Mandatory Seller's Disclosure Statement.** If Seller fails to comply with Paragraphs C-44 or C-44A, Buyer may elect to complete the purchase of the Property. When Buyer is provided a disclosure statement or amended disclosure statement and Buyer decides to rescind the Purchase Contract, Buyer is limited in damages to the return of all deposits; and in such case, Buyer's deposits shall be immediately returned. If Seller negligently fails to provide the required disclosure statement or amended disclosure statement, Seller shall be liable to Buyer for the amount of actual damages suffered as a result of the negligence. A court may also award the prevailing party's attorneys' fees court costs, and administrative fees. Under Hawaii law, any dispute pertaining to the Mandatory Seller's Disclosure Statute shall be handled pursuant to Paragraphs C-32 and C-33.

C-48 **RESERVED**

C-49 **Governmental 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.

C-49A **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-49B **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.

C-49C **Wastewater Disposal Disclosure.** The State of Hawaii Department of Health, and the individual counties may require upgrades from cesspools to septic tanks or connection of new systems in certain situations. Additionally, the Federal Environmental Protection Agency ("EPA") has issued regulations requiring that all "large capacity cesspools" be closed and converted to EPA approved systems by April 5, 2005 or face substantial penalties. Buyer should contact the State of Hawaii Department of Health, the EPA, and the individual counties for additional information.

C-49D **Mold Disclosure.** Buyer is aware that mold and/or other microscopic organisms may exist on the Property. Molds are simple, microscopic organisms, present everywhere. Mold spores may cause health problems. Mold will grow and multiply whenever sufficient moisture, temperature and organic material are present. Real estate Brokerage Firms, brokers, and agents are not qualified to inspect the Property for mold or to make recommendations or determinations concerning possible health or safety issues.

C-50 **Sex Offender Registration ("Megan's Law").** Hawaii has enacted a law requiring sex offenders to register with the Attorney General's office. Seller makes no representation as to whether or not the public will have access to this information. Neither Seller nor any real estate agent is required to obtain information regarding sex offenders.

INSPECTIONS, MAINTENANCE AND WARRANTIES

C-51 **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 major appliances and fixtures (plumbing, electric, and gas) included in the sale; (c) inspect all public records relating to the Property; and (d) inspect all applicable laws and regulations which may affect the Property. Seller shall provide Buyer and Buyer's representatives access to the Property 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 inspection results and acceptance of the condition of the Property within 10 days after the Acceptance Date. All inspections must be completed within this time period. Seller understands that the property inspection requires that the utilities be on, including propane, if applicable, at Seller's expense.

If Buyer disapproves of the inspection results within such time period, Buyer may elect to terminate the Purchase Contract pursuant to the termination provisions of Paragraph C-29.

If Buyer requests that Seller make certain corrections to the Property, and the parties cannot reach agreement, Buyer may, within the specified time period, accept the Property or terminate the Purchase Contract and the termination provisions of Paragraph C-29 shall apply.

IF BUYER FAILS TO MAKE AN ELECTION IN WRITING WITHIN THE SPECIFIED TIME PERIOD, BUYER WILL HAVE WAIVED THIS CONTINGENCY.

BUYER'S INITIALS & DATE

SELLER'S INITIALS & DATE