

BUYER'S PROPERTY DISCLOSURE FOR ISLAND OF HAWAII

Please Read Carefully

The following information is intended to assist the buyer with identifying some of the general conditions that may affect the purchase, value and/or use of some real properties on the island of Hawaii.

This form is not a warranty of any kind by the under signed, nor is it a substitute for expert inspection or professional advice or any warranties that buyer may wish to obtain.

Buyer is advised to obtain public records, professional advice and to have experts inspect the property. This form is not intended to be an exhaustive list of all the conditions relating to ownership of real property on the island of Hawaii. Nothing herein is meant to address specific seller disclosures as required in 508-15 of Hawaii Revised Statutes. **IT IS NOT MANDATORY TO ATTACH THIS DISCLOSURE TO ANY CONTRACT.**

- 1. Aircraft Noise and Fly-Overs:** Buyer is advised that some areas in Hawaii are subject to fly -overs by various aircraft, including , among others, commercial, military and D.E.A. (Drug Enforcement Agency) aircraft. Buyer is advised to contact appropriate federal, state, or county government agencies for further information on this issue.
- 2. Availability of Utilities:** Buyer is advised to check with local providers of electric, water, gas, telephone and cable services and other utility services to determine the cost (including installation charges, when applicable) and availability of desired services to the property. Utility service, and the necessary easements, may be limited or unavailable in some areas.
- 3. Insurance:** The availability, limits, and cost of property and/or liability insurance may be affected as set forth in paragraph 7 below, or by property near the ocean or designated flood hazard areas (Federal Flood Insurance), and/or the possibility of hurricane or wind damage (wind insurance), all of which may be required by a lender in order to finance the property. An insurance professional should be consulted to determine the cost and availability of insurance on the property you wish to purchase.
- 4. Limitations of Land Use:** Many restrictions exist to limit the use of real property in the State of Hawaii including but not limited to: federal laws, state and county laws and regulations (for example county zoning ordinances), private restrictions (for example, restrictions in a deed, a condominium declaration or subdivision declaration). Buyer should contact the appropriate federal, state or county authorities and review any applicable private restrictions to determine if the use buyer intends for the property is permitted.
- 5. Permits and Non-Conformity:** The County of Hawaii governs the issuance and administration of permits for all property improvements. Buyer is advised to check with the appropriate county department(s) to ascertain that all improvements on a property are "legal" (permitted and approved). If not, the subject improvements may be subject to fine and/or removal. Buyer is advised that some existing buildings may be non -conforming to current governmental codes or requirements, or that the use of such buildings is non-conforming. This means that the structure or its use, although legal when constructed, or when its use began, is not permitted by current zoning or governmental requirements. This may cause problems with respect to rebuilding, enlargement, repair or use of the structures, and may

also affect financing and resale of the property. Buyer should check with the County of Hawaii and professionals regarding these issues.

6. **Real Property Taxes:** Methods of assessing real property in the County of Hawaii are complex. Tax rates and assessments differ according to the zoning and use of property, exemptions that pertain to specific homeowners (age, for example), dedications (agriculture use, for example), and other criteria. The fact that taxes are currently set at a certain rate or amount for a specific piece of property does not guarantee that the taxes will remain the same when the new owner purchases the property. The County of Hawaii also has a mechanism known as “roll-back” taxes that may make a purchaser liable for additional taxes if the use/dedications/zoning are changed after purchase. Buyer is advised to contact the County of Hawaii, Real Property Tax Office, for information in this regard as well as tax professionals (for example, accountants, lawyers). Buyer should be certain to ascertain if there are any exemptions or deductions that affect the property. If this property is to be your primary home, file your home exemptions form with the property tax office as soon as you close escrow in order to reduce your property tax.
7. **Volcanoes:** The Island of Hawaii has several active and presently inactive volcanoes. Accordingly, there are times when air quality is affected by volcanic emissions known as “vog.” Vog may affect persons with respiratory problems and may also affect water catchment systems if precautions are not taken. Buyer should contact the State of Hawaii, Department of Health, for information about recommended precautions as well as other professionals. In addition, the U.S. Department of the Interior, Geological Survey, has classified various “hazard zones” for lava flows. The locations of such hazard zones may affect the availability, limits and cost of property and/or liability insurance. Other effects of volcanic activity that may occur include lava tubes and periodic earthquakes.
8. **Wastewater Disposal:** Many properties in Hawaii have individual cesspools and/or septic systems as the method of wastewater disposal. The State of Hawaii, Department of Health and the County of Hawaii may require upgrades from cesspools to septic tanks or connection of new systems in certain situations. New regulations require septic or sewage treatment systems in most new homes. Buyer should contact the State of Hawaii, Department of Health, for information about requirements related to waste disposal for any property. All persons should refer to qualified experts in various professional fields, including but not limited to attorneys, certified public accountants, architects, engineers, contractors and other appropriate professionals for detailed evaluation where various or additional clarifications or information is desired.
9. **Ambient Noise:** There are noises, both natural and man-made that may affect properties. Natural noises include but are not limited to coqui frogs, domestic and feral animals. Man made noises include yard and farm maintenance equipment, motor vehicles, music, etc. It is recommended that Buyers visit properties at various time, day and night during their due diligence period and listen for any offensive noises.

This form is not intended to apply to any specific property and is only an overview of general issues. The undersigned acknowledge having read and received a copy of the foregoing.

Buyer's Signature: _____ Date: _____

Buyer's Signature: _____ Date: _____

Company/Agent: _____ Date: _____