

**Attachment F**  
**Matching Or Leverage**  
**Maui Oluwahi Homes, Inc.**

## **Attachment F**

### **Matching Or Leverage**

The current property owner Loha Properties, Inc. will provide \$5 million seller financing for 30 years. The interest rate will be very favorable: 5% fixed rate for the first four years and then 7% fixed for 26 years. Also, 2.5% of the interest payment will be a donation from Loha Properties, Inc. to Oluwahi Homes, Inc. as a charitable contributions for the first four years and 2% of the interest payment will be a donation for the rest of the 26 years. So the effective lending interest rate to Maui Oluwahi Homes, Inc. will be at 2.5% for the first four years and 5% for the rest of the 26 years. Please see the following pages for the signed and notarized financing agreement ( total 3 pages).

# Seller Financing Contract

Created By: Loha Properties, Inc.  
Prepared For: Maui Oluwahi Homes, Inc.  
Date: 6/27/2024

This agreement is entered into on June 27<sup>th</sup>, 2024 between Loha Properties, Inc. (hereinafter "Seller") and Oluwahi Homes, Inc. (hereinafter "Buyer") for the sale of the property located at 91 Loha Street, Makawao, Hawaii 96768 ( TMK: 2-3-011-005-0000) (hereinafter "Property"). At all times the laws of Hawaii in which the property is located will govern this contract. This contract does not constitute a sale contract for the property. A separate sale contract for the Property must be entered into and executed according to the laws of Hawaii in which the property is located.

## Loan Terms

This contract establishes that, in connection with the Seller selling and the Buyer purchasing the property, the Seller shall finance the balance of the purchase price for the Property for the buyer after the buyer delivers the agreed upon down payment of \$5,000,000.00 (hereinafter "down payment"). The down payment amount is to be delivered no later than March 31, 2025. Failure on the Buyer's part to provide the down payment to the seller nullifies this contract in its entirety. The total purchase price of the property is \$10,000,000.00, as agreed to by the Parties to this contract.

The Buyer is obtaining financing for a portion of the purchase price of the Property from third parties, such as government entities or banks. The Buyer must notify the Seller of any amount of financing obtained from any third party and provide the full name and contact information of the third party within 30 days of obtaining any such financing.

The amount that the Seller will finance for the Buyer for the sale of the property is \$5,000,000.00 (hereinafter "Seller Finance"). The seller shall carry the promissory note for the entire mortgage term of 30 years, expiring on March 31, 2055.

The Buyer is in the process of submitting a grant application to HUD to obtain funding and the Seller has approved the Buyer's finances. It will offer \$5 million seller financing for 30 years. The interest rate will be very favorable: 5% fixed rate for the first four years and then 7% fixed for 26 years. Also, 2.5% of the interest payment will be a donation from Loha Properties, Inc. to Oluwahi Homes, Inc. as a charitable contribution for the first four years and 2% of the interest payment will be a donation for the rest of the 26 years. So the effective lending interest rate to Maui Oluwahi Homes, Inc. will be at 2.5% for the first four years and 5% for the rest of the 26 years.

Payment for the mortgage is due monthly in the amount of \$19,756, with an annual payment at \$237,072 for the first four years. This amount does not include insurance, taxes and state, legal and other fees associated with owning the property. Should this mortgage amount include these fees and should these fees change at any point due to changes in rates being set by the governing party, such as the state tax authority or insurer, the parties will notify each other of any changes that are brought to their attention within 30 days.

This agreement is secured by the property. The Buyer's failure to pay the mortgage payment when due as described in the terms of this agreement entitles the Seller to initiate foreclosure proceedings as allowed by Hawaii against the Buyer. The Seller has the right to repossess the property after the conclusion of foreclosure proceedings, as outlined and permitted by the laws of Hawaii.

#### **Loan Servicing**

The Seller will not hire a loan servicing company to create the mortgage documents and handle the payment processing. The selection of the servicing company falls under the sole discretion of the Seller. Any fees issued by the chosen company for the loan servicing will be handled directly by the Seller. The Seller reserves the right to hire a loan servicing company at any time.

Notification of the choice of loan servicing company will be provided to the Buyer at least 30 days before payment should be sent to the loan servicing company.

The Seller may change servicing companies at any time without giving prior notice to the Buyer. However, the Seller must notify the Buyer or have the new loan servicing company notify the Buyer of any changes to the choice of loan servicing company at least 30 days prior to the change in mailing address for the mortgage payment. Any fees incurred due to the Seller's

failure to provide the Buyer with notice, either directly or from the service company, and the Buyer's sending payment to the incorrect address should be paid by the Seller.

This is the full contract in its entirety. Any additions must be made in writing and amended to the contract with agreement by all parties.



Lawrence Schmitt/President  
Loha Properties, Inc.



Crystal Schmitt/President  
Maui Oluwahi Homes, Inc.

State of Hawaii County of Maui

BEFORE ME, the undersigned authority, on this 27 day of June, 2024, personally appeared Lawrence Schmitt and Crystal Schmitt to me well known to be the persons described in and who signed the Foregoing, and acknowledged to me that he and she executed the same freely and voluntarily for the uses and purposes therein expressed.

WITNESS my hand and official seal the date aforesaid.

  
NOTARY PUBLIC



NOTARY PUBLIC CERTIFICATION  
Kristine Mae G. Caliva Second Judicial Circuit  
Doc. Description: Seller Financing Contract  
No. of Pages: 3 Date of Doc. 6/27/24  
Notary Signature  Date 6/27/24

My Commission Expires: 12/06/2027

