

PE`AHI FARMS DEPOSIT RECEIPT AND SALES CONTRACT

Date of this Contract: _____ TMK (2) _____ (the "Property")

THIS DEPOSIT RECEIPT AND SALES CONTRACT is made on the above date between PE`AHI Farms I, LLC ("Seller"), of P.O. Box 790729, Paia, Hawaii 96779 and the Buyer set forth below.

The Buyer agrees to buy and the Seller agrees to sell the Property described above in accordance with the terms of this Contract and **EXHIBIT "A", TERMS AND CONDITIONS OF PE`AHI FARMS DEPOSIT RECEIPT AND SALES CONTRACT** attached hereto and incorporated by reference herein. A map of the subdivision is attached hereto as Attachment 5.

Purchase Price for the Property is \$ _____ U.S. Dollars, which shall be paid as follows:

\$ _____	Initial deposit in cash, upon execution of this Contract.
\$ _____	Additional cash deposit, paid into Escrow on or before _____
\$ _____	Balance of down payment (or balance of Purchase Price if all cash) paid into Escrow before closing.
\$ _____	Total Cash Funds from Buyer (exclusive of closing costs)
\$ _____	By way of _____

\$ _____	TOTAL PURCHASE PRICE

ASSOCIATION START-UP FEE AND ADVANCE ASSESSMENTS: At closing Buyer shall pay a start-up fee for Pe`ahi Farms Homeowners' Association, Inc. in the amount of \$2,000.00 and a start-up fee for Pe`ahi Farms Water Association, Inc. in the amount of \$2,000.00, for a total of \$4,000.00. These fees are not advances on monthly assessments and will be used to capitalize the start-up of each Association.

In addition, the Buyer may be required at closing to pay two months' assessments for each Association. Monthly assessments are estimated to be \$700.00 per month for the Homeowners' Association and \$500.00 per month for the Water Association.

Monthly assessments for each Association shall begin on July 1, 2008.

MORTGAGE FINANCING: Buyer (___ will) (___ will not) require mortgage financing. If Buyer will require financing, Section 13 of the Terms and Conditions shall apply, and the "Financing Cancellation Date" referred to therein shall be midnight on the thirtieth (30th) day from the date of this Contract unless a different date is agreed to by Seller in writing. If final subdivision approval for the subdivision will be delayed, Seller may in its discretion extend the Financing Cancellation Date.

CASH BUYER: If Buyer will not require mortgage financing, Buyer shall provide to Seller,

on Seller's request, reasonable proof that Buyer has the funds available to close Buyer's purchase. If Buyer shall fail to provide such proof, or if said proof is insufficient in Seller's reasonable discretion, Seller may cancel this Agreement by written notice to Buyer, in addition to all other remedies available to Seller for Buyer's breach of contract.

CLOSING DATE: On _____.

INDIVIDUAL BUYER(S):

A. Full Name (no initials): _____ Ph: _____
Address: _____ Bus: _____
_____ Fax: _____
Social Security No. _____ Cell: _____

Full name of spouse, if any: _____
Social Security No. _____ Title to include spouse () Yes () No

B. Full Name (no initials): _____ Ph: _____
Address: _____ Bus: _____
_____ Fax: _____
Social Security No. _____ Cell: _____

Full name of spouse, if any: _____
Social Security No. _____ Title to include spouse () Yes () No

Tenancy (check one): () Severalty (sole Ownership)
() Tenants by the Entirety
() Tenants in Common

If Tenants in Common, specify percentage interests of co-tenants: _____

SUBDIVISION CHANGES: During the process of Seller's developing the subdivision, certain changes may occur; including: (i) changes in the location, dimensions or area of the Property or any other lot; (ii) the creation of certain easements on the Property or on any other lot to accommodate drainage requirements, landscaping, common area requirements, public and private access requirements, topography and installations for utility services for the subdivision; and (iii) other changes which may not be foreseen at this time. Such change shall not affect the price of the Property. If a material change occurs prior to final subdivision approval which shall reduce the useable or buildable area within the Property by more than five percent (5%), the Seller shall give Buyer a seven (7) day right to cancel this Agreement and receive a full refund of Buyer's deposit.

AGRICULTURAL USE REQUIREMENTS: The Property and all other lots in the subdivision are classified as "agricultural" under the state land use laws and county zoning ordinances. Under those rules, residential use is permitted but only in connection with farming activities. Furthermore, proposed changes to these rules and enforcement policies recently have been under discussion on both state and county levels. Therefore, Buyer is urged to seek independent advice from Buyer's legal counsel as to the requirements of the State of Hawaii and the County of Maui concerning Buyer's building or development plans. See Disclosure 4: Agricultural Uses and Leases.

AGRICULTURAL LEASES: Lots 1 and 11 through 15 inclusive, shall be conveyed subject to a 50-year agricultural use lease in favor of the owner of Lot 16, over the Agricultural Use Easement Areas shown on the plan of the subdivision attached hereto as Attachment 4. See Disclosure 4: Agricultural Uses and Leases.

AGRICULTURAL NUISANCES: Agricultural activities on the leased agricultural areas and other nearby land (including other lots in the subdivision) may cause dust, soot, particulates, odors, noise and other nuisances. A covenant in Buyer's deed will require Buyer to waive all claims for these matters and to indemnify Seller and its affiliates, including but not limited to its principals, manager and members of Pe`ahi Farms I, LLC and the Lot 16 owner for any claims for injury or damage occurring on the Property. See Disclosure 4: Agricultural Uses and Leases.

PUBLIC ACCESS: Lots 3 through 9, inclusive, and all roads in the subdivision shall be subject to easements for public shoreline access rights and for pedestrian and vehicular access over Pe`ahi Farms' roads by other properties located to the west of Pe`ahi Farms. See Disclosure 1: Public Access Rights.

ARCHAEOLOGICAL SITES: Lot 9 has an archaeological site on it as indicated in the Archaeological Disclosure document. Said site shall be preserved as set forth in the Archaeological Preservation Plan approved by the State of Hawaii. There may be other archaeological sites or burials, which have not been identified on this or other lots, which may be subject to restrictions under Hawaii law. See Disclosure 2: Archaeology.

WATER: The subdivision shall be served by a private water system owned and operated by a Hawaii non-profit corporation of which all lot owners shall be members. See Disclosure 5: Water System.

UNEXPLODED ORDNANCE (UXO): During the World War II era, portions of the Hawaiian Islands were used as ordnance training areas. In some cases, live ammunition was used and in other cases dummy ordnance was employed in the training of airmen. A portion of the Pe`ahi Farms property was used as a training facility. The amount and timing of these activities are unknown by the Seller since it purchased the property in 2001. While performing due diligence prior to the purchase of the property, Seller learned that the U.S. Army Corps of Engineers was conducting a site assessment and limited clean-up of unexploded ordnance ("UXO") in 2001 and 2002. The Corps completed its initial assessment of the property and removed materials found during its assessment, and has now performed additional work on the Property. See Disclosure 3: Unexploded Ordnance.

SEWER: Each lot shall be responsible for constructing and maintaining its own on-site sewage disposal system at its own expense. Any system to be constructed within 1,000 feet of a well must be designed and constructed as an aerobic system.

INVASIVE SPECIES: Action 84, Session Laws of Hawaii provides authority for state or county departments to enter private property for the purpose or eradication of invasive species, provided that reasonable notice is provided to the Property owner.

ESCROW: Seller has entered into an Escrow Agreement with Title Guaranty Escrow Services, Inc., Kahului Branch, 80 Puunene Avenue, Kahului, Hawaii 96732. Telephone: (808) 871-2200.

ACKNOWLEDGMENT: This Contract should not be signed by Buyer unless and until Buyer has received, read and understood this Contract, Exhibit "A", Attachments 1-5 and Disclosures 1-5. By initialing below, Buyer hereby acknowledges having received, read and understood all of said materials.

Buyer's Initials

Buyer's Initials

AGENCY DISCLOSURE: Coldwell Banker Island Properties is acting as broker for the Seller in the marketing and sale of Pe`ahi Farms. Their agents are not employees of Seller and are licensed real estate brokers or sales persons. They represent Seller only and do not represent Buyer. Any other agent, broker or sales person used by Buyer in connection with this sale is Buyer's agent only, and is not in any manner the agent, subagent or representative of Seller.

NOTICE: This Contract does not bind Seller until the Seller executes this Contract in the space provided below. No receipt by a salesman, employee or agent of the Seller of the deposit described above or any other sum from the Buyer shall constitute approval by or bind the Seller. The Seller shall be obligated to return the deposit unless it has accepted this Contract within thirty (30) days after Buyer has signed this Contract and made the deposit.

YOU HAVE THE OPTION TO CANCEL THE CONTRACT BY NOTICE TO THE SELLER UNTIL MIDNIGHT ON THE SEVENTH (7th) DAY FOLLOWING THE SELLER'S SIGNING OF THIS CONTRACT.

SUPERCEDES THE DROA/RESERVATION: If Buyer and Seller signed a Deposit Receipt Offer and Acceptance (DROA) with Addendum A, as a reservation, this contract supercedes and replaces said DROA and Addendum A in their entirety, and they have no further legal force or effect.

LIABILITY DISCLAIMER: Seller believes that full and fair disclosure of all material facts and information have been and will be provided to Buyer. However, Buyer agrees, by signing below, that Seller's managers, officers, directors, and equity owners shall not be personally or individually liable for any failure to disclose, any negligent misrepresentation

SELLER:

PE`AHI FARMS I, LLC,
a Hawaii limited liability company

By: _____

Its: Manager

Date of Signature: _____

BUYER:

Date of Signature: _____

COOPERATING BROKER SEPARATE AGREEMENT AND AGENCY DISCLOSURE

Seller's Agent agrees to pay Cooperating Broker through escrow at closing the following amount: _____ percent (_____ %) of the Total Purchase Price in consideration of assistance given by Cooperating Broker, who together with all of its licensees represent the Buyer herein.

SELLER'S AGENT:

COOPERATING BROKER:

By: _____

By: _____

Its: _____

Its: _____

Date: _____

Date: _____

Address: _____

Address: _____

Phone: (Bus.) _____

Phone: (Bus.) _____

Facsimile: _____

Facsimile: _____

Office ID Number: _____

Office ID Number: _____

EXHIBIT "A"

TERMS AND CONDITIONS OF PE`AHI FARMS DEPOSIT RECEIPT AND SALES CONTRACT

1. Description of Project and Lots: Overview: The Property being purchased by Buyer consists of the lot identified on page 1 of this Contract, located in Haiku, Maui, Hawaii, as described on the Subdivision Plan entitled "Pe`ahi Farms at Opana Point Subdivision", as it may be amended. A schematic copy of the plan is enclosed as Attachment 4 hereto. The subdivision has received final subdivision approval.

The land within the subdivision is zoned "agricultural". Under the agricultural zoning ordinance and under the terms of the subdivision, the Property being purchased by Buyer cannot be further subdivided into smaller lots (only Lot 16 may be further subdivided). A copy of the agricultural zoning ordinance is available for Buyer's review, on request. Buyer is urged to consult with Buyer's own legal counsel concerning the permitted uses and requirements under this ordinance.

At the time of closing of Buyer's purchase, Seller may not have completed the construction of roads, utility services and other subdivision infrastructure obligations. Reference is made to Section 4 below which discusses Seller's obligations.

Also, reference is made to Section 3 below concerning Buyer's inspection and acceptance of the Property, and related matters.

2. Conveyance and Title: At the closing date, and upon Buyer's performance of Buyer's obligations, Seller will convey the Property to Buyer by warranty deed together with necessary easements for access and utilities. Buyer will notify Seller or Escrow of Buyer's tenancy at least twenty (20) days before the closing. The deed will convey the Property free and clear of all liens and mortgages but the Property will be conveyed subject to certain other encumbrances listed below. Escrow will obtain for Buyer an owner's policy of title insurance through Title Guaranty of Hawaii, Inc. insuring Buyer's title in the Property in the amount of Buyer's purchase price. Buyer shall pay the cost of title insurance. The warranty deed shall indicate that the Property is subject to the following:

(a) All terms, conditions and easements of the Pe`ahi Farms Declaration of Covenants, Conditions and Restrictions, dated _____ (the "CC&Rs") to be recorded (date and recording information to be determined on or before the closing date).

(b) All terms, conditions and easements of the Pe`ahi Farms Water Association Declaration of Covenants, dated _____ (the "Water Covenants"), to be recorded (date and recording information to be determined on or before the closing date).

(c) The restriction as to the location of any structure as described in item (a) above and the plot plan of the Property attached hereto as Attachment 5.

(d) Such real estate taxes as may be allocable to the Property for the

then current tax year which are not yet due and payable on the date of delivery of the deed.

(e) A waiver of all rights with respect to damage to persons or property on the Property resulting from the adverse effects and nuisances of any agricultural activities and ongoing construction of homes and infrastructure within the subdivision, together with Buyer's assumption of certain indemnity obligations if a claim is made by anyone injured or damaged on the Property as a result of such activities or nuisances.

(f) All easements for drainage, utilities, roadways, public access rights and agricultural leases which exist of record or which may be established on the Property as part of the development. Attachment 2 lists existing and proposed easements and the lots which they affect. Buyer should review Attachment 2 with respect to the Property. The Seller reserves the right to grant additional easements and to relocate easement boundaries within each lot after closing, if needed, to conform the easement area to the location or condition of any pole, pipe or other facility in its "as built" condition to accommodate other subdivision changes, provided that any such easement or change shall not unreasonably interfere with Buyer's planning and construction of a farm dwelling as permitted by applicable zoning or with Buyer's use of the Property as an agricultural lot.

(g) The reservation by Seller to grant additional easements for utilities, drainage, setbacks and other purposes as needed for the development. Such easements may be granted before or after the closing, provided, that each such easement shall not unreasonably interfere with Buyer's planning and construction of a farm dwelling as permitted by applicable zoning or with Buyer's use of the Property as an agricultural lot.

(h) Reservation in favor of the State of Hawaii of all mineral and metallic mines.

(i) The additional easements, agreements and encumbrances listed on Attachment 1 attached hereto.

(j) Claims arising out of customary and traditional rights and practices of Native Hawaiians, including without limitation those exercised for subsistence, cultural, religious, access or gathering purposes, as provided for in the Hawaii Constitution or the Hawaii Revised Statutes.

(k) Any additional encumbrances which may arise or be established during the subdivision and development process, none of which shall unreasonably interfere with the Buyer's planning and construction of a farm dwelling as permitted by applicable zoning or with Buyer's use of the Property as an agricultural lot.

BUYER SHOULD CONSULT WITH BUYER'S OWN ATTORNEY IF BUYER HAS ANY QUESTIONS CONCERNING THE EFFECT OF ANY OF THESE ITEMS ON THE PROPERTY.

3. Condition of the Property: Buyer acknowledges that Buyer has inspected the

Property, either personally or through Buyer's agent, and has been given the opportunity to have the Property inspected by any experts of Buyer's choosing, and accepts the Property in its present condition, "as is" (except for Seller's obligation to complete construction of roads, utilities and other subdivision improvements as required by this Contract). Buyer further acknowledges that during Seller's construction of roads, utilities, and other subdivision improvements, the topography and physical characteristics of the Property may change.

Buyer understands that as a precondition of Buyer's constructing any residence or other structure on the Property and the use the Property for its intended purposes, the Buyer must obtain at its own expense all governmental approvals for each structure under applicable law, including but not limited to a building permit and necessary permit for the sewage disposal system. Also, all structures must receive approval of the Architectural Design Committee as required by the CC&Rs. Said Committee will require the payment of a fee to pay the reviewing architect, now set at \$5,000.00.

Buyer also understands that all architectural, landscaping and grading plans must be prepared and signed by professionals licensed to practice in Hawaii.

Buyer also understands that Buyer must arrange for the extension of water, fire suppression, sewer, electricity and other utilities from the roadway near Buyer's Property boundary to Buyer's proposed farm dwelling, and to make arrangements with each service provider for hook-up, use and billing. Buyer must also install and maintain a backflow preventer and pressure reducer valve in connection with the water hook-up. Buyer will pay all costs of all said extensions, hook-ups and devices.

EXCEPT AS PROVIDED IN THIS AGREEMENT, SELLER MAKES NO EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS TO BUYER CONCERNING ANY PHYSICAL ASPECTS OF THE PROPERTY, INCLUDING BUT NOT LIMITED TO THE NATURE OR SUITABILITY OF SOILS FOR CONSTRUCTION OF BUILDINGS OR FOR AGRICULTURE, ANY SLOPES OR TOPOGRAPHICAL PROBLEMS, CLIMATE, DRAINAGE ASPECTS OR PROBLEMS, INSECT OR ANIMAL HABITAT OR THE FITNESS OF THE PROPERTY FOR ANY PARTICULAR PURPOSE OR USE, OR THE AVAILABILITY OF FIRE PROTECTION, POLICE PROTECTION OR OTHER SERVICES TO BE PROVIDED.

Seller makes no express or implied warranties or representations to Buyer concerning the preservation of any views from the Property.

Buyer understands that Seller may from time to time adjust or alter boundaries or configuration of one or more lots in the subdivision or the Property and that any such adjustment or alteration shall not affect the validity of this Agreement or entitle Buyer to cancel this Agreement except as provided under "Subdivision Changes" at the beginning of this Contract.

4. Construction of Improvements: Seller will construct and complete, at Seller's expense, the certain improvements as provided below:

(a) Roadways. Seller will construct paved roadways for access to the Property at no expense to Buyer. The roadways may not be completed at closing of the sale of the Property to Buyer, but at closing the rights of way will be at least passable by vehicle over a dirt or gravel surface so as to provide physical access to the Property. Said access may be restricted or interrupted from time to time during construction of the subdivision and Buyer should anticipate some inconvenience. Seller will complete the paving of roadways by _____ subject to any delays for causes beyond Seller's control.

While roads will be designed to County of Maui standards, it is Seller's intent that they shall not be dedicated to the County of Maui. However, Seller or the Pe`ahi Farms Homeowners' Association, Inc. may elect to dedicate the roads at a later date. Unless and until said dedication shall occur, the roads shall be maintained as a common expense of the Association.

(b) Telephone and Electrical Service. Seller and Maui Electric Company, Limited (with Verizon Hawaii Inc.) will install electrical, and phone service to the roadway fronting the Property at no expense to Buyer. Installation will conform to plans which shall be approved by Maui Electric Company, Limited. This service may not be designed or constructed at closing but will be completed by _____, subject to any delays by Maui Electric Company, Limited or for other causes beyond Seller's control. Buyer will be responsible for connecting its service to the in-ground conduit located in the roadway near the Property boundary.

(c) Water. The well and the water distribution system will be held and operated by Pe`ahi Farms Water Association, Inc. (the "Water Association"), of which the owners of all lots in the subdivision shall be members, formed for the purpose of holding, operating, maintaining, repairing and replacing the system for the benefit of all properties which are served by it and which shall apportion all costs among all members in accordance with the Water Covenants. No lot owner may voluntarily withdraw from the Water Association or avoid its financial and other obligations to the Water Association.

Seller shall install water service from the existing Pe`ahi Farms well to the subdivision and shall install a waterline to the roadway fronting the boundary of the Property and a water meter at the Property boundary, at no expense to Buyer (other than the start-up fees and monthly and special assessments of the Water Association). Fire hydrants shall be installed per County of Maui requirements along the roadway. Buyer may be required to provide an additional hydrant on its lot if its proposed house location lies beyond the maximum distance from existing hydrants in the private roadway.

Water service may not be complete at closing but shall be completed by _____, subject to delays for causes beyond Seller's control.

Water use shall be subject to the Water Covenants (defined in Section 8 below) and to reasonable rules and regulations of the Water Association governing water use consistent with the sound water management and conservation standards and all rules and regulations of the State of Hawaii Department of Health.

(d) Restriction on Private Wells. The owner of each property (except Lot 16 (Lot 87) and the Pe`ahi Farms Water Association, Inc.) is prohibited by the CC&Rs and Water Covenants from drilling a private well on the Property.

(e) Septic System. Buyer will be responsible to construct his or her own sewage disposal system on the Property, at Buyer's own expense, in accordance with State of Hawaii, Department of Health Regulations. All lots within one thousand feet (1,000') of a potable well are subject to additional restrictions.

(f) Cable TV. Cable TV service may not be available, but Seller will provide underground conduits for this service in the roadways, for use when it may become available.

Buyer agrees to close this sale pursuant to the terms of this Contract and to accept the Property at closing notwithstanding the fact that roadways, water service, electrical service, or phone service may not have been completed. Seller's obligations to complete these improvements under this paragraph 4 shall survive the closing and shall inure to Buyer and its successors in interest in the Property.

5. Entry, Construction and Staking: Buyer agrees that Seller shall have the right to enter upon the Property after closing for all purposes in connection with the construction of roadways and utility services, as well as slopes, grades, improvements, utility services and drainage. Seller will at Seller's expense stake the corners of the Property at the completion of the construction of subdivision roads and utilities.

6. Escrow Agreement: Seller has entered into an Escrow Agreement with Escrow, a copy of which is available to Buyer on request, requiring the deposit with Escrow of all funds paid by Buyer under this Contract and the disbursement of such funds by Escrow. In the event of cancellation, Escrow may charge a cancellation fee on account of escrow services performed whether the cancellation occurs before or after the proposed closing date. In the absence of cancellation, all funds of Buyer will continue to be held in escrow and no funds will be released by Escrow to Developer unless and until (a) final subdivision approval has been granted by the County of Maui and the State of Hawaii Land Court, and (b) title to the Property shall have been transferred to Buyer in accordance with this Contract.

7. Deposit, Default and Cancellation: Upon consummation of this Contract and Buyer's acceptance of a deed to the Property, Escrow will pay over the deposit(s) to Seller with the balance of the Purchase Price. If Buyer defaults in the performance of this Contract, Seller will give Buyer written notice of such default (and shall send a copy of the notice to Escrow), and Buyer will have ten (10) days from the receipt of said notice to correct the default. If Buyer shall fail to correct said default within the 10-day period, then Seller at its option may declare this Contract null and void; and upon Escrow's receipt of written notice from Seller that such is the case, Escrow will promptly turn over the deposit(s) to Seller, and Seller may at its option retain said deposit(s) as reasonable liquidated damages for Buyer's breach (provided, however, that Seller shall not have the right to retain more than the greater of fifteen percent (15%) of the agreed Purchase

Price). If Escrow in good faith feels that there is an actual or potential dispute as to who has the right to receive the deposit, Escrow may withhold distribution until it receives the written consent of both parties; or at its option Escrow may interplead the deposit(s) in any court of competent jurisdiction.

Buyer and Seller specifically acknowledge and agree that Seller's retention of Buyer's deposits as liquidated damages is fair and reasonable due to Seller's financial commitments with respect to the development, the connection between the sale, cancellation or default with respect to the Property and cancellation or default with respect to other lots within the subdivision and the difficulty of ascertaining the nature and amount of the injury to Seller in each particular case.

8. CC&Rs and Water Covenants: Buyer acknowledges that Buyer has received a copy of the draft Pe`ahi Farms Declaration of Covenants, Conditions and Restrictions (the "CC&Rs") and the Pe`ahi Farms Water Association Declaration of Covenants (the "Water Covenants"), and any amendments, has read the documents prior to signing this Contract, and understands and accepts their provisions. Buyer understands that Buyer will be required to be a member of the Pe`ahi Farms Homeowners' Association, Inc. and Pe`ahi Farms Water Association, Inc. and will be obligated to pay certain general and special assessments which shall be established from time to time, non-payment of which may result in a lien on Buyer's Property.

The CC&Rs and Bylaws shall establish the Homeowners' Association as the governing body of the subdivision, to hold and manage all common areas and facilities (except the water system) and to collect and disburse funds for those purposes as needed. The CC&Rs shall also provide for certain easements in connection with this subdivision and the development of adjacent lands, and provides that Seller may establish additional easements over any lots and common areas as may be required before or after the closing to implement the subdivision or to meet the development needs of other projects in the vicinity of the project relating to retainage or utilities.

The CC&Rs prohibits the future subdivision of Lots 1 through 15 (Lots 72 through 86) into smaller parcels.

The CC&Rs requires that Seller shall have the right to review and approve (or disapprove) the plans and specifications for all buildings, improvements and landscaping to be constructed on Buyer's Property.

The CC&Rs limits the use of the Property to certain specific uses and refers to certain limitations in the applicable zoning rules.

Estimated first-year budgets for each Association have been separately provided to Buyer (or are available on request). These figures are estimates only, and Seller does not warrant their accuracy.

The Water Covenants shall establish the Water Association as the governing body of the water system.

Buyer shall pay a start-up fee of \$2,000.00 to the Homeowners' Association and \$2,000.00 to the Water Association at closing. Advance payment of two months' estimated monthly assessments for each Association may also be due at closing. Regular monthly assessments shall commence at closing.

Buyer agrees that Seller may change said CC&Rs and Water Covenants at any time before or after the closing in Seller's discretion and without requiring Buyer's consent if Seller, in good faith, deems it advisable or such change is required by any lender or governmental agency. Seller may also change the CC&Rs and Water Covenants after closing as provided therein.

9. Closing and Closing Costs: Closing will occur on the closing date stated on the first page of this Agreement. Buyer agrees to execute all closing documents and pay all funds into Escrow at least five (5) business days prior to the scheduled closing date. Any extensions must be agreed upon in writing by Buyer and Seller. Buyer has no unilateral right of extension. Time is of the essence. At closing Seller will pay the Hawaii conveyance tax, notary fee for execution of the deed, the cost of releasing the lot from Seller's blanket mortgage, the cost of preparing the deed, and all real estate commissions and one-half of the escrow fee. Buyer will pay all costs of obtaining the title report and title insurance, all costs associated with Buyer's mortgage financing, all recording fees, the initial start-up fee and advance payment of monthly assessments for each Association, mailing costs, prorated real property taxes, and one-half of the escrow fee.

10. Buyer's Broker's Commissions: If an agent of Buyer ("Cooperating Broker") is identified on the signature page of this Contract and has signed this Contract, said agent shall be paid a commission by Seller as provided on the signature page, but only if and when the Seller receives the full Purchase Price therefor and Buyer accepts delivery of the deed. Said payment will be made out of the total commissions due under Seller's listing agreement with Seller's broker. No such commission shall be paid unless and until the transaction closes and title passes. By accepting said commission, the said agent warrants to the Seller that said agent is duly licensed under the laws of the State of Hawaii.

If no Buyer's agent is identified on the signature page of this Contract, Buyer represents and warrants to the Seller that the Buyer was not introduced to the Seller or the Property or induced to enter into this Contract by any person other than the Seller's listing broker and has no contract with any broker or agent other than the Seller's listing broker.

11. Projections: In addition to the Association budgets, Seller may have other information concerning mortgage financing, real estate taxes, assessments for common expenses to be paid to the Pe`ahi Farms Homeowners' Association, Inc. and to the Pe`ahi Farms Water Association, Inc. and other ownership costs for individual properties. Such information is thought to be reliable, but the SELLER DOES NOT WARRANT THE ACCURACY OF SUCH INFORMATION AND PROJECTIONS.

12. No Investment Representations: The Buyer acknowledges that Seller and its representatives have not made any representations whatsoever (a) as to rental value of the Property or any income or profit or any other investment return which Buyer may realize or

anticipate from the ownership of the Property, or (b) that Seller or any third party may provide rental or management services in connection with the Property.

13. Mortgage Financing. If the section "Mortgage Financing" on page 1 of this Contract states that the Buyer will require financing, Buyer will have until the "Financing Cancellation Date" specified in said section, either (a) to qualify for and provide Seller with evidence (reasonable satisfactory to Seller) of Buyer qualifying and obtaining a permanent loan from a financial lending institution authorized to make mortgage loans in the State of Hawaii ("Lender") to pay the full purchase price, less any payments under this Contract, or (b) to provide Seller with evidence satisfactory in Seller's reasonable discretion that Buyer can pay the full Purchase Price in cash. If Buyer requires financing, Buyer shall apply for mortgage financing within five (5) business days from the date of Seller's signature on this Contract, and shall provide such information as Lender requires to qualify Buyer for a loan to finance the Purchase Price. If Buyer, after a bona fide effort to do so, is unable to obtain a binding commitment for a permanent loan to finance the purchase contemplated in this Contract, then Buyer shall have the right to cancel this Contract by written notice to the Seller, delivered or mailed first class, postage prepaid, on or before the Financing Cancellation Date. Upon such cancellation by Buyer, all of Buyer's deposits will be refunded and this Contract shall be null and void without recourse by either party.

If the Buyer does not cancel this Contract in the manner described above on or before the Financing Cancellation Date, and if upon Seller's request at any time thereafter Buyer fails (within five (5) days after Seller's request) to obtain and provide Seller with reasonable evidence of Buyer's acquisition of a permanent loan or ability to pay the Purchase Price in cash, then Seller, at its option may treat such failure as a default by Buyer under this Contract under Section 7 above.

14. Assignment: The Buyer may not assign or transfer all or any part of the Buyer's rights and interests under this Contract without the Seller's prior written consent. The Seller shall have the right to assign, transfer or mortgage all or any part of the Seller's rights and interests under this Contract to any third party in connection with any assignment, transfer or mortgage to said third party of Seller's fee simple title to the Property.

If Buyer is a corporation, limited liability company or other entity, a change in control of said entity or a change in more than 50% of its equity ownership shall constitute an "assignment" for all purposes of this Section 14.

15. Notices: Notices hereunder to Buyer or Seller may be delivered personally or deposited in the U.S. Mail, postage prepaid, by certified or registered mail, addressed to the addressee at the address set forth in the beginning of this Contract, or such other address as the addressee shall have previously notified the sender in writing.

16. Death of Buyer: If Buyer shall die before closing, all of the Buyer's rights and interests in and to this Agreement and the Property shall pass to such devisees, legatees or heirs as shall be entitled to receive them, by law or under the terms of Buyer's will, trust or other testamentary disposition, without requiring Seller's consent; provided

that Seller reserves the right to cancel this Agreement by written notice to Buyer or his or her appropriate representative and return the Buyer's initial deposit without interest, (less escrow cancellation fees and other such costs incurred by Seller), whereupon both Seller and Buyer (including the Buyer's estate and legal representative) shall be released from all further obligations and liability hereunder.

17. Changes to Agreement: No variations of this Contract shall be valid or enforceable unless approved by the parties in writing and attached hereto as an addendum or exhibit.

18. Ongoing Activities and Waiver: The Buyer specifically acknowledges that construction activity may be carried on by the Seller or others on the roads, utilities, common areas or other lots in Pe`ahi Farms after the Buyer has occupied the Property. These activities may result in noise, dust, traffic, congestion and other annoyances to the Buyer. The Buyer hereby accepts these conditions as well as any inconvenience or annoyance which the Buyer may experience as a result of such conditions. Buyer hereby expressly waives any rights, claims or actions of any nature, including, but not limited to, claims or actions for personal or bodily injury, death or property damages or other direct or indirect consequential damages, which Buyer might have at any time against the Seller, its broker, agents, employees, general contractor or their subcontractors or suppliers and against the Pe`ahi Farms Homeowners' Association, Inc., Pe`ahi Farms Water Association, Inc. and their respective officers, directors and agents, as a result of such circumstances. The Buyer agrees to execute any further documentation required by the Seller to evidence the Buyer's covenants in this paragraph. The terms of this paragraph shall survive the occupancy by the Buyer and the recordation of the deed.

19. Seller's Lender Has Priority: Seller has given or may need to give to one or more lenders a mortgage on the Pe`ahi Farms land and a collateral assignment of Seller's interest in this Contract to secure repayment of loan(s) for project development. In this Contract, each of these lenders will be called the "Seller's Lender". Buyer agrees that all of the rights and interests which Seller gives to Seller's Lender will have priority over Buyer's rights and interests under this Contract. This applies to any changes to the loan or loans or the mortgage or mortgages, security agreement or agreements, or other instruments (including, among other things, extensions, renewals and other changes). BUYER GIVES UP AND SUBORDINATES THE PRIORITY OF BUYER'S RIGHTS AND INTERESTS UNDER THIS CONTRACT IN FAVOR OF THE RIGHTS AND INTERESTS OF SELLER'S LENDER UNTIL THE FINAL CLOSING AND DELIVERY OF A SIGNED DEED TO THE BUYER, PROVIDED THAT BUYER'S DEPOSITS MADE UNDER THIS CONTRACT SHALL BE HONORED BY SELLER'S LENDER AND SHALL NOT BE FORFEITABLE UNLESS BUYER DEFAULTS IN THE PERFORMANCE OF BUYER'S OBLIGATIONS UNDER THIS CONTRACT.

If Seller's Lender asks Buyer to do so, Buyer will sign other documents to confirm the agreements in this Section 19. If Seller's Lender takes the place of the Seller and informs Buyer that Lender elects to have the Buyer follow through with Buyer's purchase under this Contract, Buyer shall faithfully perform all of Buyer's promises and agreements contained in this Contract. Buyer agrees that under this Contract Buyer has no

rights or interests in the Property or the project other than a contractual right enforceable only against the Seller and not against the Property or the project itself or against the Seller's Lender.

20. No Present Transfer: This Contract shall not be construed as a present transfer of any legal or equitable interest in the Property. It is, rather, an agreement to transfer in the future.

21. Time: Time is of the essence of this Agreement.

22. Arbitration: If any dispute or claim arises out of this Contract at any time before or after the closing and the parties to such dispute are unable to resolve the dispute through negotiation or mediation (if either party shall elect to mediate) then such dispute or claim shall be decided by neutral binding arbitration before a single arbitrator, sitting in Wailuku, Hawaii, acting under the Commercial Arbitration Rules of Dispute Prevention & Resolution, Inc., or other reputable dispute resolution provider. Judgment upon an award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The arbitrator may award reasonable attorneys' fees and costs to the prevailing party.

This provision will survive the closing and govern all disputes and claims which may arise in the future between Buyer and Seller both before and after the closing, including but not limited to any claims by Buyer relating to Seller's performance or non-performance of Seller's obligations under this Contract.

23. New Laws and Other Events Which May Result in Termination: Seller shall have the right to rescind this Contract if any of the following conditions prevent or unduly restrict the construction of the project or unduly impact the financial feasibility of the project: the enactment or amendment of any law, or due to fire, earthquake, act of God, the elements, war, civil disturbances, strike or labor disturbance, or economic controls making it impossible to obtain the necessary labor or materials, failure of Seller to achieve necessary project financing, or any other event, matters or conditions beyond the control of Seller, including any filing or threat of litigation concerning the project or any significant increase in Seller's construction cost or other projected project costs (such as the amount of interest payable under Seller's construction loan). Upon the rescission of this Contract pursuant to the foregoing provision, Buyer shall be entitled to a refund of all funds paid hereunder. The parties shall then be released from all obligations and liability hereunder.

24. What Happens if Any Term in This Contract Cannot Be Enforced For Any Reason: If any term contained in this Contract is held to be illegal or cannot be enforced for any reason, that term will be void but it will not affect the rest of the Contract. The rest of this Contract will continue to be valid and enforceable.

25. Lot Numbers: The lots are numbered Lots 72 through 87 on Land Court Map No. 38. They may also be referred to by the Seller for marketing purposes as Lots 1 through 16, respectively. The subdivision map approved by the County numbers the Lots 63-A through 63-P, respectively.

26. Miscellaneous: This Contract shall be binding upon and shall inure to the benefit of the Seller and Buyer and their respective heirs, successors and assigns. If there is more than one Buyer, the obligations of each Buyer under this Contract shall be joint and several. This Contract is governed by Hawaii law.

END OF TERMS AND CONDITIONS