

**BRYDESWOOD RANCH PHASES II & III
SALES CONTRACT AND RECEIPT**

This Sales Contract is made by and between **McBRYDE SUGAR COMPANY, LLC**, a Hawaii limited liability company (the "Seller") whose principal place of business and post office address is 822 Bishop Street, Honolulu, Hawaii 96813, and the "Purchaser" named below. This Sales Contract concerns the following Lot:

Brydeswood Ranch Subdivision Phase _____, Lot No. _____ (the "Lot")

A. Purchase Price, Method of Payment, Additional Sums to be Paid, Purchase Agreement

1. Total Purchase Price for the Lot: \$ _____

2. Method of Payment:

INITIAL DEPOSIT (10% of Purchase Price): Deposit paid upon Purchaser's execution of this Sales Contract. \$ _____

SECOND DEPOSIT (5% of Purchase Price): Due within 30 calendar days after Purchaser is notified that Seller has executed this Sales Contract. \$ _____

THIRD DEPOSIT (5% of Purchase Price): Due within 30 calendar days after Purchaser is notified that Seller has commenced construction of the Subdivision Improvements. \$ _____

FINAL PAYMENT (Balance of Total Purchase Price less Initial, Second, and Third Deposits): Due 2 banking days prior to the Closing Date. \$ _____

All payments except Purchaser's Initial Deposit shall be made by cash, cashier's check, certified check or wire transfer to Escrow. If Purchaser made a deposit under a Reservation Agreement prior to execution of this Sale Contract, Escrow is hereby instructed to apply that deposit to the Initial Deposit above. Where used in this Sales Contract, the term "banking days" mean weekdays (not including Saturday and Sunday) on which branches of First Hawaiian Bank are open for business. Any other reference to "days" shall mean calendar days unless otherwise specified.

THIS SALES CONTRACT IS **NOT** SUBJECT TO OR CONTINGENT ON FINANCING BY THE PURCHASER. FURTHER, FROM AND AFTER THE EXPIRATION OR WAIVER OF PURCHASER'S SEVEN-DAY RESCISSION PERIOD THAT IS DESCRIBED IN SECTION 6 BELOW, ALL DEPOSITS SHALL BE NON-REFUNDABLE EXCEPT AS SPECIFICALLY PROVIDED HEREIN.

3. Additional Sums to be Paid by Purchaser: (Due 2 banking days prior to Closing Date.) See Section D.5, Closing: Costs, Taxes and Assessments, for details.

- Closing Costs.
- Prorated Taxes.
- \$10,000 Brydeswood Water Company ("Water Association") Start-up Fee.
- Two (2) months of estimated Water Association base charges applicable to the Lot.

B. Purchaser Information

1. Purchaser(s): Full name (no initials): _____
 Social Security or Federal I.D. Number: _____
 Address: _____

 Telephone: Res. () _____ Bus. () _____
 Email: _____

Full name (no initials): _____
 Social Security or Federal I.D. Number: _____
 Address: _____

 Telephone: Res. () _____ Bus. () _____
 Email: _____

2. Tenancy of Ownership (check one).

- () To Be Determined In Escrow
- () Severalty (One Purchaser)
- () Tenants in Common (Two or more Purchasers; no survivorship rights)
- () Tenants by the Entirety (Married Couple, Partners in a Civil Union or Reciprocal Beneficiaries, with rights of survivorship)
- () Joint Tenants (Two or more Purchasers with rights of survivorship)

C. Purchase and Sale

1. Purchase and Sale; Effective Date. Seller agrees to sell and the Purchaser agrees to buy the Lot described above and in Section D.1, Project Information, below which is located in the Brydeswood Subdivision – Phase II and Phase III, also known as the Brydeswood Ranch Subdivision (the "Project) on and subject to the terms and conditions contained in this Sales Contract. This Sales Contract shall be effective when (a) signed by Purchaser, (b) signed by Seller, and (c) Escrow has received Purchaser's Initial Deposit required under Section A.2, above ("Effective Date").

2. Terms and Conditions; Entire Agreement. The sale and purchase of the Lot is subject to and in consideration of the "Terms and Conditions" contained in Section D of this Sales Contract. **PURCHASER ACKNOWLEDGES HAVING READ THIS ENTIRE SALES CONTRACT IN FULL AND IS AWARE OF AND ACCEPTS ALL OF ITS TERMS. PURCHASER ACKNOWLEDGES THAT THIS SALES CONTRACT IS THE ENTIRE AGREEMENT BETWEEN THE PARTIES REGARDING PURCHASER'S PURCHASE OF THE LOT, AND THAT NEITHER SELLER NOR SELLER'S BROKER OR SALES AGENTS HAVE MADE ANY AGREEMENTS OR REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS SALES CONTRACT AND THE PROJECT DOCUMENTS DESCRIBED BELOW. IF PURCHASER SIGNED A RESERVATION**

AGREEMENT FOR THE LOT, THIS SALES CONTRACT SHALL REPLACE AND SUPERSEDE SUCH RESERVATION AGREEMENT.

3. Agricultural Zoning. Purchaser acknowledges that the Lot and all other lots in the subdivision are classified as "agricultural" under the State land use laws and zoned Agriculture District (A) and Open District (O) by the County zoning ordinance, and that Purchaser's use of the Lot is subject to those laws and ordinances. Purchaser should review the Project's Public Offering Statement and the other Project Documents described below for important information regarding these laws and ordinances.

4. Agency Disclosure (check one).

No Outside Agent. Sleeping Giant Realty, Inc. ("Broker") and all salespersons and licensees employed by or associated with Broker represent only the Seller. Purchaser represents that no broker or agent represented Purchaser in connection with this Purchase. Purchaser agrees to indemnify, defend and hold Seller and Broker harmless from and against any claims or liabilities for commissions, finder's fees, or other compensation by any broker or agent claiming to have represented Purchaser in connection with this purchase.

Dual Agency. Broker has represented Purchaser and Seller in connection with this transaction. Purchaser must sign a Dual Agency addendum.

Cooperating Broker. In connection with the sale and purchase of the Lot, Broker and all salespersons and licensees employed by or associated with Broker represent only the Seller. Purchaser has been represented by _____ ("Cooperating Broker"). Cooperating Broker must sign and submit a cooperating brokerage agreement to Broker at the time Purchaser signs and submits this Sales Contract.

Purchaser confirms that oral or written disclosure of such representation was provided before the signing of this Sales Contract.

Purchaser's Initials _____

5. Special Terms. _____

6. Notice of Cancellation Right. **YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT WITHOUT PENALTY UNTIL 11:59 P.M. OF THE SEVENTH CALENDAR DAY FOLLOWING THE SIGNING OF THIS CONTRACT, BY WRITTEN NOTICE TO THE SELLER.**

Purchaser:

Purchaser:

Print Name: _____

Print Name: _____

Date Signed: _____

Date Signed: _____

Receipt of Purchaser's Initial Deposit under Section A.2
is hereby acknowledged.

SLEEPING GIANT REALTY, INC.

By _____
Its Principal Broker

Seller:

McBRYDE SUGAR COMPANY, LLC
By Alexander & Baldwin, LLC
Its Manager

By _____
Its:

By _____
Its:

Date Signed and Accepted by Seller: _____

D. Terms and Conditions

In consideration of the foregoing and the respective covenants and agreements contained in this Sales Contract, Seller and Purchaser agree as follows:

1. Project Information. The Brydeswood Ranch Subdivision – Phase II and Phase III (the “Project”) is located at Koloa, Kauai, Hawaii. The Project consists of a total of approximately 366.668 acres of land, consisting of 24 agricultural lots (each a “Lot”) that may be offered for sale and an associated roadway lot. The 24 Lots that may be offered for sale include Lots 1 to 12 and 14 in the Brydeswood Subdivision Phase II (“Phase II”) and Lots 1 to 11 in the Brydeswood Subdivision Phase III (“Phase III”). Phase II also includes a 48.064 acre parcel designated as Lot 13, which contains two reservoirs and is not being offered for sale as part of the Project. The size and location of the Lots are shown on the subdivision maps for Phases II and III which have been given final approval by the County of Kauai (collectively, the “Subdivision Map”), copies of which are available for review at the office of the Broker.

2. Description of Property. The Lot in the Project that is the subject of this Sales Contract is designated on page one and is shown on the Subdivision Map. The Lot shall be sold in accordance with, and subject to, all of the applicable warranties, terms, covenants, provisions, easements, encumbrances, rights, agreements, and other provisions contained in this Sales Contract and the documents described herein or in the Project’s State of Hawaii Public Offering Statement, including the Brydeswood Water Company Declaration of Covenants (the “Association Covenants”), the Escrow Agreement, and the form Limited Warranty Deed with Reservations and Restrictive Covenants for the Project (“Deed”).

Purchaser acknowledges that the Lot is a vacant subdivision lot and that the Purchase Price under this Sales Contract is only for the Lot and the Project’s Subdivision Improvements that are described in this Sales Contract. Purchaser shall be solely responsible for constructing any improvements that Purchaser desires on the Lot, including without limitation a farm dwelling, garage, driveway, agricultural structures or improvements, septic tank, boundary walls or fences, and other ancillary structures and improvements, and connections to utilities that are stubbed to the boundary of the Lot.

Purchaser shall be entitled to the use and/or enjoyment of (but not ownership of) the Project’s internal roadways. Those roadways shall initially be owned and maintained by Seller, until such time as Seller elects in its discretion to dedicate them to the County of Kauai.

Purchaser shall also automatically be a member of Brydeswood Water Company (“Water Association”), a Hawaii nonprofit corporation, organized to provide water service to the Project and manage certain aspects of the Project.

3. Method of Payment; Representation of Purchaser; Seller’s Cancellation Rights.

(a) By Cash: THE TOTAL PURCHASE PRICE SHALL BE PAID IN CASH. NO SELLER FINANCING IS AVAILABLE. The Purchaser shall within 10 banking days after the Effective Date give Seller such written evidence (hereinafter “cash evidence”) from Purchaser’s bankers, accountants, or others, as Seller may require, of Purchaser’s ability to make said payments. Cash evidence may include a loan commitment from Purchaser’s bank or lender.

(b) Representation by Purchaser: Purchaser represents that Purchaser is financially capable of making all required payments at the required times set forth herein. Purchaser agrees to notify Seller immediately of any material change which occurs in the Purchaser’s financial condition prior to the Closing Date. Purchaser agrees that by executing this Sales Contract, Seller is authorized to make inquiries about the Purchaser’s creditworthiness from any available source, including ordering credit reports. Purchaser warrants that any personal financial data submitted in connection with this Sales Contract shall be true and accurate.

(c) Seller’s Cancellation Rights: If (1) Purchaser does not provide Seller within 10 banking days of Seller’s execution of this Sales Contract with requested financial information regarding Purchaser sufficient to satisfy Seller in its sole discretion that Purchaser has the financial ability to perform Purchaser’s obligations under this Sales Contract, or (2) if any material discrepancies are discovered between the financial information furnished and the Purchaser’s actual financial status, then Seller may elect to cancel this Sales Contract upon written notice to Purchaser pursuant to Section D.23, Notices, below. Upon such cancellation, Seller shall direct Escrow to refund to Purchaser, with interest, all sums paid hereunder by Purchaser, less any cancellation fees and costs incurred by Escrow in processing this Sales Contract.

4. Escrow Agreement. Seller has entered into an Escrow Agreement with Title Guaranty Escrow Services, Inc. (“Escrow”), which by this reference is

incorporated herein and made a part hereof, covering the deposit with Escrow of all funds paid by Purchaser under this Sales Contract and the disbursement of such funds by Escrow. All payments to be made hereunder shall be paid by Purchaser to Escrow pursuant to the Escrow Agreement. Purchaser hereby acknowledges that Purchaser has examined and approves the terms of the Escrow Agreement and hereby assumes the benefits and obligations set forth therein. Except as specifically provided herein, interest on deposits shall accrue to Purchaser at the rate of interest in effect from time to time for First Hawaiian Bank passbook savings accounts.

5. Closing: Costs, Taxes and Assessments. At Closing, Purchaser shall pay the following costs:

a. Closing Costs. Purchaser shall pay all closing costs, including but not limited to the escrow fees (including fees for establishing interest-bearing deposit accounts), conveyance taxes, acknowledgment (notary) fees, costs of title reports and Title Insurance, costs of any Mortgagee's Title Insurance for Purchaser's mortgage lender (if any), appraisal fees, costs for drafting of the Deed and any notes and mortgages, all recording costs or fees, loan fees, credit report costs, and all other applicable financing costs.

b. Prorated Taxes. Real property taxes shall be prorated as of Closing.

c. Water Association Start-up Fee. At Closing, Purchaser shall pay a start-up fee in the amount designated in Section A.3, above, into an initial operating and reserve fund for the Water Association, plus two (2) months of estimated base Water Association charges. This start-up fee shall be a non-refundable, one-time assessment at sale, not a common expense, and shall be in addition to the periodic assessments due under the Water Association's documents. Purchaser will not be entitled to the return of all or any portion of the start-up fee from the Water Association if Purchaser sells or otherwise transfers the Lot after the Closing Date.

6. Closing Date; Seller Contingencies.

a. Closing Date. As set forth in Section 6.b, Seller Contingencies, below, this Sales Contract is contingent on certain Seller Contingencies. In addition, Seller has agreed to make certain Subdivision Improvements (defined in Section 9, Subdivision Improvements; Completion Date, below). The "Closing Date" shall be a date designated by Seller that shall be no earlier than forty-five (45) calendar days after the date Seller has notified Buyer that: (i) the Seller Contingencies are satisfied or waived; and (ii) the Seller

has completed the Subdivision Improvements. Seller shall promptly notify Purchaser of the satisfaction or waiver of the Seller Contingencies and completion of the Subdivision Improvements.

b. Seller Contingencies. Seller's obligation to convey the Lot to Purchaser and perform Seller's other obligations under this Sales Contract is conditioned upon and made expressly subject to the following two contingencies (the "Seller Contingencies"):

i. Seller must enter into binding sales contracts for at least fifteen (15) Lots in the Project under each of which (1) all Initial and Second Deposits required by the purchaser thereunder have been made, (2) the purchaser has provided cash evidence satisfactory to Seller of the purchaser's ability to perform the purchaser's obligations, and (3) the purchaser has waived or been deemed to waive all cancellation rights.

ii. Seller's Board of Directors must approve the development of the Project and the transaction covered by this Sales Contract. If Seller's Board of Directors disapproves this transaction, Seller shall promptly cancel this Sales Contract and cause Escrow to refund Purchaser's deposits with accrued interest, whereupon Seller and Purchaser shall each have no further liabilities or obligations under this Sales Contract.

If the Seller Contingencies are not satisfied or waived by Seller by December 31, 2014, then either Seller or Purchaser may unilaterally cancel this Sales Contract without liability or penalty at any time thereafter by giving written notice to the other party, and upon cancellation by either party Seller shall direct Escrow to refund Purchaser's deposits, with accrued interest.

7. Closing Obligations; Risk of Loss. Purchaser will execute all documentation required for Closing and deposit said documentation with Escrow no later than five (5) banking days prior to the Closing Date. At the Closing Date, Purchaser shall perform all obligations that Purchaser is required to perform under this Sales Contract that Purchaser has not previously performed, including payment of any portion of the Purchase Price that remains unpaid. Upon Purchaser's complete performance of those obligations, Seller shall convey title to the Lot as described in Sections A and D.2, free and clear of all liens and encumbrances except those set forth in this Sales Contract, the Deed, the Project's Public Offering Statement and Subdivision Map, any of the other Project documents referenced

herein, or that are permitted by law, by Purchaser, or by this Sales Contract. Escrow shall not record Purchaser's Deed until Escrow has received an assurance from Title Guaranty of Hawaii, Inc. ("Title Company"), that, upon recordation of the Deed, the Title Company shall issue to Purchaser a standard form Owner's policy of title insurance insuring that fee simple title to the Lot is vested in Purchaser in accordance with this Section. Risk of loss shall transfer from Seller to Purchaser on the Closing Date. There may be ongoing construction activity as provided in Sections D.9 and D.16. However, such circumstances shall not in any way affect Purchaser's obligations to make the required payments and close this purchase. This Sales Contract shall constitute Seller's and Purchaser's written authority to Escrow to date all documents, to add recording information to all documents where required or appropriate, and to adjust the estimated prorations in accordance with the provisions of this Sales Contract and the Escrow Agreement.

8. Time is of the Essence. Time is of the essence of this Sales Contract.

9. Subdivision Improvements; Completion Date. Seller agrees to construct and complete the following improvements to the Project ("Subdivision Improvements") in accordance with the plans for the Project approved by the County of Kauai and to the extent necessary to access and serve Purchaser's Lot: 2-lane, asphaltic concrete paved roadways on roadway Lot 15 as shown on the Subdivision Map for Phase II; underground electrical, telephone and cable television lines or conduits; the Project's private water system; fencing along Kaunualii Highway, and surface water drainage and detention facilities as shown on the Subdivision Map. Utility lines, conduits, and water system connections for the Lot shall be stubbed-out at the boundary of the Lot in locations determined by Seller. Purchaser shall be responsible for connecting any improvements on the Lot to the utility connection points and for paying any utility connection or meter fees, including the water system connection fee of \$2,500.00 per meter. No sewer service connections will be provided, Purchasers shall be responsible for installing their own individual wastewater systems. To minimize erosion and dust problems, Seller shall to the extent reasonably feasible leave the existing vegetation on the Lot, provided that Seller may clear or grade portions of the Lot and remove or breach existing fences to accommodate construction of the Project's roadways and other infrastructure.

Seller shall complete construction of all Subdivision Improvements necessary for access and utility service to the Lot no later than June 30, 2015 ("Completion Date"); provided, however, Seller may by written notice to Purchaser elect to extend the

Completion Date by up to six (6) months if Seller deems necessary to complete such Subdivision Improvements. Further, the Completion Date shall be extended for any period of time during which Seller is actually and necessarily delayed because of fire, rain, storms, earthquake, acts of God, the elements, war or civil protests or disturbances, strikes or other labor disturbances, any litigation or threat of litigation, issuance or enactment of any New Laws as provided in Section D.17, economic controls making it impossible to obtain the necessary labor or material, governmental action, inaction, delays or intervention, or other circumstances or conditions beyond the control of Seller. Purchaser acknowledges that roadways or other Subdivision Improvements that do not directly serve or benefit the Lot may be completed after the Completion Date. Purchaser acknowledges and agrees that Seller has reserved certain rights to make changes to the Subdivision Improvements as set forth in Section D.13, below.

10. Occupancy. Delivery of possession of the Lot to Purchaser shall occur at or shortly after Closing. In no event shall delivery of possession of the Lot to Purchaser occur prior to Closing and recordation of Purchaser's Deed in the Bureau of Conveyances.

11. No Assignment. Purchaser shall not assign this Sales Contract. Any assignment or attempted assignment by Purchaser shall be void and shall constitute a material breach, and Seller may terminate this Sales Contract and retain all sums paid as liquidated damages as provided in Section D.18. Seller may assign this Sales Contract without the consent of Purchaser to an assignee that will undertake to perform Seller's obligations hereunder.

12. Purchaser's Death. If Purchaser, or any one or more of the Purchasers, if there is more than one Purchaser listed in Section B above, should die prior to Closing, Seller reserves the right to cancel this Sales Contract and return Purchaser's payments (including payments to all parties if there is more than one Purchaser listed) with interest and less any escrow cancellation costs. In such event, this Sales Contract shall be deemed to be canceled and all parties shall be released from all obligations and liabilities hereunder.

13. Acceptance of Project Documents; Permitted Changes to the Project. Purchaser acknowledges that Purchaser has had an opportunity to review and/or received a copy of the following documents pertaining to the Project ("Project Documents"), and that unless Purchaser exercises Purchaser's right to cancel this Sales Contract, Purchaser shall be deemed to have approved and accepted them and agrees to observe and be bound by their terms: the Water Association Declaration, the

Articles and Bylaws of the Water Association; the sample Limited Warranty Deed with Reservations and Restrictive Covenants for the Project; the Escrow Agreement; the sample Farm Dwelling Agreement required by the County of Kauai; Kauai County Code, Title IV, Chapter 8, Article 7, Agricultural Districts; and the State of Hawaii Public Offering Statement for the Project.

Copies of these documents are also available on request from Broker. It is understood and agreed that this sale is in all respects subject to the Project Documents. Purchaser authorizes Seller to make, and Purchaser hereby specifically approves, all changes to the Project Documents and the Project as may be required by law, any title insurance company, lender, or any government agency, that Seller in good faith deems advisable, or that are provided for in any of the Project Documents. Purchaser acknowledges that the Project engineer or Seller, at their sole discretion, during the course of construction, may make any changes either deems appropriate to the plans, specifications, or construction of the Subdivision Improvements or the Project (for any reason, including any reasons relating to financial feasibility, aesthetics, or actual site conditions), or may make changes necessary to correct any previous design errors or shortcomings, and Purchaser hereby authorizes Seller to make and Purchaser specifically approves of any such changes. Notwithstanding the foregoing, Seller agrees that the foregoing approvals and authorizations by Purchaser shall not include nor extend to any changes by Seller to the layout, configuration, or size of the Lot. In the event Seller does make changes to the Project Documents, Seller agrees to deliver to Purchaser copies of such amendments. Purchaser further acknowledges that Seller has reserved certain rights to make changes to the Project as described in this Sales Contract, the Deed and the Public Offering Statement, and Purchaser hereby acknowledges those reservations and authorizes Seller to make and Purchaser specifically approves of any such changes. No taking by eminent domain of an easement or other limited right or of a portion of the common elements which does not substantially interfere with or diminish the practical enjoyment and use by the Purchaser of the common elements shall be deemed grounds for cancellation of this Sales Contract. Purchaser acknowledges that the Lot is in a Project to be built and completed, and expressly agrees that the description of the Lot is sufficient. The Lot is therefore being purchased in reliance solely on the description contained herein, the Project Documents, and the approved Subdivision Map for the Project (without regard to any other plans and specifications of the Project). The Subdivision Map is available for inspection upon request to Broker. The Subdivision Map is intended to show only the layout, location, Lot numbers and approximate dimensions of the Lots. The area or square

footage of the Lot shown on the Subdivision Map or described herein or in any other document is not a representation as to the buildable or useable area of the Lot, which may vary due to topography, easements, and other factors. The Purchaser agrees that the Subdivision Map and the plans and specifications for the Project approved by the County of Kauai are not intended to be and do not constitute any representation or warranty by Seller.

14. Reserved Rights, Project Amendments, Purchaser's Consent and Acknowledgment. Purchaser specifically acknowledges and agrees that the Seller and certain affiliates of Seller have reserved certain rights herein or in the Project Documents, which the Purchaser consents to, including: (i) the right to grant, reserve, alter, modify, or adjust easements for utility and other purposes; (ii) the rights reserved to Seller under the Deed; (iii) the right to amend the Subdivision Map for the Project; and (iv) without limiting the generality of the foregoing, the right to conduct sales of Lots in the Project until all Lots in the Project are sold. Purchaser acknowledges and agrees that the exercise of these rights and any resulting changes to the Project, the Lot, the Project Documents, or the Subdivision Improvements shall not be grounds for cancellation of this Sales Contract, adjustment of the Purchase Price, or any other remedy. These rights and reservations shall survive the Closing.

15. Warranties and Construction Defects.

a. Contractor's Warranties. The Seller will enter into a Construction Contract with the general contractor for the Project for the construction of the Subdivision Improvements whereby the general contractor agrees to provide the customary AIA Warranty to correct any Work found defective within one (1) year after the date of substantial completion of the Work (as such terms are defined in the Construction Contract). The execution, delivery and recordation of the Purchaser's Deed shall constitute the assignment without recourse by the Seller to the Purchaser of the general contractor's warranty, to the extent that it pertains to Subdivision Improvements located within Purchaser's Lot, and the assignment without recourse by Seller to Purchaser of any subcontractors or materialmen's warranties that the general contractor may have secured for the benefit of the Purchasers, to the extent that they pertain to Subdivision Improvements located within Purchaser's Lot.

b. No Other Warranties. Seller makes no express or implied warranties of workmanship, habitability, merchantability, or fitness for a particular purpose or use, or any other express or implied warranties with respect to the Lot, the Subdivision Improvements or the Project. By signing this Sales

Contract, Purchaser acknowledges Seller's disclaimers and expressly waives any rights, claims or actions against Seller arising out of or connected with any defects or damages with respect to the Lot, the Project, and the common elements, except as specifically provided in this Sales Contract or the Project Documents.

16. Seller's Disclaimers. Seller makes the following disclaimers regarding the Project, which are not intended to limit Purchaser's obligation to investigate the Lot, the Project and the Project Documents and to determine whether the Lot and the Project is suitable for Purchaser:

a. Construction or alteration of Subdivision Improvements and farm dwellings and other improvements on other lots in the Project may continue after Purchaser has occupied the Lot and that this activity may result in noise, dust or other annoyances to Purchaser;

b. Seller's sales activities, including without limitation a sales office or kiosk, signs and extensive sales displays and activities, will continue in the Project until the sale of the last Lot in the Project. Further, Seller reserves the right for itself, its sales representatives and prospective purchasers to utilize the common elements for ingress and egress to any Lot in order to show the Lot and common elements to prospective purchasers.

c. Nothing herein contained, nor any advertising or other documentation in connection with the Project shall be construed as obligating Seller or any other person to develop any land other than the Project (including without limitation additional phases of the Project) or to construct any improvements, including any recreational facilities, other than the Subdivision Improvements described herein that are necessary to the use of the Lot; nor as granting to Purchaser any membership, privileges, or other interest in any entity, club, clubhouse, country club, golf course, or facility (recreational or otherwise) other than the Water Association.

d. The Seller does not currently intend to add lots for future development and annexation to the Project. However, additional lands and developments may be annexed to the water association that serves the Project. Further, in the future other lands in the general vicinity of the Project may be developed. Such other developments may cause impacts to the Project, including without limitation increases in traffic and changes to views. Purchaser acknowledges that Purchaser has carefully and fully considered these potential impacts in evaluating its purchase of a Lot in the Project.

e. The Project is located in the vicinity of open, undeveloped lands and Purchaser acknowledges that neighboring uses may result in noise, dust, or other conditions that may affect the Lot or Purchaser's improvements thereon. The Project and adjoining lands are zoned agriculture district and open district and Purchaser acknowledges that the Project is an agricultural subdivision. All lots in the Project will be subject to occasional dust, noise and other agricultural nuisances associated with agricultural activities. Purchaser purchases the Lot subject to the existence of agricultural activities and any and all nuisances arising therefrom, and acknowledges that use of the Lot is restricted to agricultural use. It is understood and agreed to by Purchaser and Seller that the following restrictions shall be incorporated into the Deed, with "Grantee" referring to Purchaser and "Grantor" referring to Seller:

The Grantee, for himself, his heirs, personal representatives, successors and assigns, hereby acknowledges, covenants and agrees with and to the Grantor, its successors and assigns, as follows:

(a) The Grantee acknowledges that the Property is adjacent to, nearby or in the vicinity of lands being, or which in the future may be, actively used for the growing, harvesting and processing of sugar cane, coffee, and other agricultural products (such growing, harvesting and processing activities being herein collectively called the "**Agricultural Activities**"), which activities may from time to time bring upon the Property or result in smoke, dust, noise, heat, agricultural chemicals, particulates and similar substances and nuisances (collectively, the "**Agricultural By-Products**").

(b) The Grantee hereby assumes complete risk of and forever releases the Grantor from all claims for damages (including, but not limited to, consequential, special, exemplary and punitive damages) and nuisances occurring on the Property and arising out of any Agricultural Activities or Agricultural By-Products. Without limiting the generality of the foregoing, the Grantee hereby, with full knowledge of its rights, forever: (i) waives any right to require the Grantor, and releases the Grantor from any obligation, to take any action to correct, modify, alter, eliminate or abate any Agricultural Activities or Agricultural By-Products, and (ii) waives any right to file any suit or claim against the Grantor for injunction or abatement of nuisances.

(c) The Grantee shall indemnify, defend and hold harmless the Grantor from and against all claims, demands, actions, losses, damages, liabilities, costs and expenses, including, without limitation, attorneys' fees, asserted against or incurred by the Grantor, which arise out of any injury, death or damage to person, property or business that occurs on the Property and is the result of any Agricultural Activities or Agricultural By-Products, irrespective of the theory of liability asserted against the Grantor; provided, however, this indemnification shall not apply to claims, demands, actions, losses, damages, liabilities, costs and expenses caused by the proven (and not merely alleged) willful misconduct of the Grantor, but unless the Grantor's willful misconduct shall be established by a final, nonappealable judgment of a court of competent jurisdiction, the Grantor shall be entitled to the full benefits of this indemnification, including the right to reimbursement for all costs and expenses, including attorneys' fees, incurred in the defense of any claims or demands asserted by any party against the Grantor.

(d) Any Agricultural Activities or Agricultural By-Products, and any claim, demand, action, loss, damage, liability, cost or expense arising therefrom, shall not constitute a breach of any covenant or warranty of the Grantor under this agreement or be the basis for a suit or other claim for injunction or abatement of nuisances, and the Grantee hereby forever waives any right to file any such suit or claim.

(e) As used in this section regarding Agricultural Activities, all references to the "**Grantor**" shall mean and include the Grantor and all parent, subsidiary, sister and other affiliated companies, officers, directors, and employees of the Grantor, in their respective capacities as the current owner of the Property, the owner of the lands on which the Agricultural Activities are or may be conducted, and the person conducting or who may conduct the Agricultural Activities, and all successors and assigns of the Grantor and its parent, subsidiary, sister and affiliated companies.

Each of the foregoing covenants, agreements, acknowledgments, waivers and releases shall constitute covenants running with the land. Each such covenant, agreement, acknowledgment, waiver and release shall be binding upon, and all references to "**Grantee**" shall mean and include, the Grantee, his heirs, personal representatives, successors and

assigns, and all persons now or hereafter acquiring any right, title or interest in or to the Property (or any portion thereof) or occupying all or any portion of the Property. By accepting any right, title or interest in the Property (or any portion thereof) or by occupying all or any portion of the Property, each such person automatically shall be deemed to have made and agreed to, and shall be bound by, observe and be subject to, each of the foregoing covenants, agreements, acknowledgments, waivers and releases.

f. Dwellings are permitted on the Lots under State land and County ordinances, but only in connection with agricultural activities. The Purchaser acknowledges and understands that the County of Kauai Planning Department will require that all applicants for a building permit for a dwelling in the Project execute and record a Farm Dwelling Agreement by which they covenant that the dwelling shall be used only as a "farm dwelling" as defined under the land use and zoning laws described above. For so long as the Lot is zoned "Agricultural" and, where applicable, "Open" pursuant to the Comprehensive Zoning Ordinance of the Kauai County Code, the use of the Lot shall be limited to the uses permissible under the applicable provisions of Hawaii Revised Statutes Section 205-4.5 and/or the State Land Use Commission Rules and Regulations, and the Kauai County Code. For so long as the Lot is zoned "Agricultural" pursuant to the Comprehensive Zoning Ordinance of the Kauai County Code, any dwelling on the Lot shall be a single-family dwelling located on, and used in connection with a farm or where agricultural activity thereon provides income to the family occupying the dwelling.

g. The Project will have a private water system that will provide water to the Lot for both domestic and agricultural uses. The water system will be owned and managed by the Water Association, which is a private, non-profit water company, whose membership consists of the owners of the properties served by the water systems, including the Lot, other lots in the Subdivision, and certain other lands that may be annexed to the Water Association as provided in the Project Documents. A professional management company will be retained to operate the system on behalf of the Water Association, and the members of the Water Association will be responsible for overseeing management of the Association and the system and for the costs of operating and maintaining the system. Domestic water service from the water system will not be available to the Lot until the Subdivision Improvements serving the Lot are complete and the service is approved by the State of Hawaii Department of Health. Base Water Association charges commence when the system is made available, regardless of actual usage or meter

installation. The quality and quantity of water available for potable and non-potable use may be affected by a variety of factors, including natural events and government action. The Water Association is not a regulated utility company and water service to the Lot is not provided or guaranteed by the County of Kauai, State of Hawaii, Seller, or any affiliate of Seller.

h. The Subdivision is located below Alexander and Puana Reservoirs, and is adjacent to the Elima and Mau Reservoirs. The Subdivision is also in the vicinity of irrigation ditches, drainage basins, runoff areas, springs, and other water sources and conduits. There is a possibility that flooding of, erosion to, or damage to the Subdivision could occur in the event of overtopping, breach, or a failure of any reservoir, dam, ditch, penstock, or flooding or heavy rains. These facilities also contain dangers so access to or use of them for recreational, fishing, or other purposes is strictly prohibited.

17. New Laws. If any governmental body, agency, or court having jurisdiction over the Project should enact, adopt or issue any law, ordinance, rule, regulation, judgment, order, or any other use or building regulation which would prevent or materially delay the construction of the Project or Subdivision Improvements or materially increase the cost of the Project or the Subdivision Improvements, and if the effective date of such law, ordinance, rule or regulation (hereinafter called the "New Law") shall be prior to the Closing Date, then Seller shall have the right, within sixty (60) days of the effective date of the New Law but not later than the Closing Date, to either (a) cancel this Sales Contract without liability, whereupon all deposits shall be refunded to Purchaser with interest and less any escrow cancellation fee, or (b) notify Purchaser that the Total Purchase Price will increase as a result of the effect of the New Law. Within ten (10) days of such notice of price increase, Purchaser shall elect (1) to pay such increased cost, in which event Purchaser shall waive any rights that he may have to rescind this Sales Contract; or (2) to rescind this Sales Contract, in which case Purchaser shall be entitled to a refund of all moneys paid by Purchaser hereunder with any interest earned thereon and less any escrow cancellation fee, and the parties shall be released from all obligations and liability hereunder.

18. Seller's Remedies. Purchaser's failure to perform Purchaser's obligations and requirements hereunder in a timely and diligent manner, including full payment of the Purchase Price and Purchaser's Closing Costs set forth in Section D.5, shall be deemed a default under this Sales Contract. In the event of such a default, this Sales Contract may, at Seller's option, be terminated by written notice to Purchaser. In the event of such cancellation, Seller may retain all amounts paid by

Purchaser hereunder as liquidated damages. The Seller and Purchaser hereby acknowledge that they understand and have agreed that in such event the injury or damages to Seller will be difficult and/or expensive to determine in view of: Seller's financial and construction commitments with respect to the Project; the relationship between sale, cancellation or default with respect to other Lots in the Project; the potential for changes in the costs of construction and construction materials; and the nature of the real estate market in Hawaii. Seller may, in addition to the aforesaid damages, pursue any other remedy, including specific performance, permitted by law or equity. All costs, including reasonable attorneys' fees, incurred by reason of default by the Purchaser shall be borne by the Purchaser, regardless of whether or not a lawsuit is filed.

In the event of a default or breach by Purchaser with respect to any of Purchaser's obligations under this Sales Contract, before Seller may exercise any of Seller's remedies with respect to such default or breach Seller shall give Purchaser written notification of such default or breach and 20 days from Purchaser's receipt of such notice to correct the default or breach. In the event of a default by Purchaser in making any Payment hereunder when due, in addition to any other remedies permitted under this Sales Contract, interest of one percent (1%) per month (based on the amount of the Payment(s) in default), prorated on a 30-day month basis, shall accrue from the due date of such Payment(s) until such Payment(s), together with such interest, are paid. In addition, if Purchaser fails to close when required under this Sales Contract, then without limiting any other remedies that Seller may have, Purchaser shall remain liable for all common expenses, Association assessments, real property taxes and other prorated expenses from and after the Closing Date regardless of when the closing of the sale of the Lot actually occurs. Seller's acceptance of such interest or late payments or both or failure to exercise any other right or remedy, shall not constitute a waiver of any of such defaults or of any of such rights, including without limitation, the right to cancel this Sales Contract, and will not constitute a modification of this Sales Contract. Notwithstanding anything else to the contrary herein, if Purchaser loses its rights and interest in the Lot because of Purchaser's default or breach of this Sales Contract after fifteen percent (15%) of the Purchase Price, exclusive of interest, has been paid, Seller shall refund to Purchaser any amount that remains from the payments made after subtracting fifteen percent (15%) of the purchase price, exclusive of interest, or the amount of seller's actual damages, whichever is greater.

19. Purchaser's Remedies. After the Effective Date but before the Closing Date, if the Seller shall default in selling the Lot to Purchaser as provided herein, the parties agree that Purchaser, if not in default

hereunder, shall be entitled, as Purchaser's sole and exclusive remedy, to rescind this Sales Contract and receive refund of all deposits with accrued interest, plus liquidated damages in the amount of \$5,000.00. Seller and Purchaser understand and have agreed that in the event of default by Seller the injury or damages to Purchaser will, in view of the nature of the real estate market in Hawaii and Purchaser's finances and commitments, be difficult and/or expensive to determine. Therefore, the parties have mutually agreed that such liquidated damages amount is a reasonable estimate of Purchaser's fair compensation for any damages resulting from such default.

20. Resolution of Disputes. This Section applies to disagreements, claims, disputes between Seller and Purchaser arising from or relating to this Sales Contract or breach thereof, the Lot or the Project, before or after the Closing Date, which Seller and Purchaser are unable to resolve between themselves (each a "Dispute").

a. Mediation. In the event of a Dispute, Seller and Purchaser agree to first attempt to resolve the Dispute through non-binding mediation with a neutral third party.

b. Arbitration. If Seller and Purchaser are unable to resolve the Dispute through mediation, the Dispute shall be resolved by binding arbitration administered by Dispute Prevention & Resolution, Inc., or if said Dispute Prevention & Resolution, Inc. or any successor thereof ceases to exist, by the American Arbitration Association or any substantially similar organization, pursuant to such organization's then-current arbitration rules, procedures and protocol, to the extent consistent with the provisions of this Section. Purchaser and Seller each shall have the right to initiate such arbitration by giving the other written notice of submission of such matter to arbitration (an "Arbitration Notice"), which Arbitration Notice shall contain a statement setting forth the nature of the Dispute, the amount involved, if any, and the remedy sought. Upon the delivery and receipt of the Arbitration Notice, the parties shall use their best efforts to agree upon and retain a single arbitrator to arbitrate the matter submitted to arbitration; provided that if the parties are not able to agree upon and retain such single arbitrator within the fifteen (15) days following the date the Arbitration Notice is given, then, the controversy will be determined by a panel of three (3) arbitrators, with the party who gave the Arbitration Notice (the "Noticing Party") naming the first person to act as one of the arbitrators. Within fifteen (15) days after the receipt of the Arbitration Notice, the other party shall designate a person to act as arbitrator and shall notify the Noticing Party of such designation and the name of the arbitrator so designated. In case the latter party fails to designate

an arbitrator within fifteen (15) days after receipt of the Arbitration Notice, then, the Noticing Party may apply to any Judge sitting in the Circuit Court of the Fifth Circuit of the State of Hawaii for the appointment of the second arbitrator. The two (2) arbitrators so appointed shall proceed to appoint the third arbitrator, and in case they fail to make such appointment within fifteen (15) days after the appointment of the second arbitrator, then, the Noticing Party and/or the other party may have the third arbitrator appointed by such judge of the Circuit Court of the Fifth Circuit. Unless otherwise agreed, any mediation or arbitration pursuant to this Section shall be conducted on the Island of Kauai, State of Hawaii. The arbitrator(s) shall render a decision within forty-five (45) days following the conclusion of the arbitration hearings and the written decision of the single arbitrator, or the concurring decision in writing of any two (2) arbitrators so appointed and acting hereunder shall in all cases be binding and conclusive upon the Parties. Judgment may be entered upon any award made by the arbitrator by the Circuit Court of the Fifth Circuit of the State of Hawaii as provided by applicable statute (currently Hawaii Revised Statutes Chapter 658A) and said judgment shall not be subject to appeal except as specifically provided in said statute. The fees or other compensation and expenses of the arbitrator(s) shall be borne equally by Purchaser and Seller; provided that the arbitrator(s) shall have the discretion to require the losing party to pay all such fees, compensation and expenses. The prevailing party in any arbitration shall be entitled to be awarded costs, including, without limitation, reasonable attorneys' fees, costs, and expenses paid or incurred by such prevailing party. Submission to mediation or arbitration shall not preclude either from commencing legal action in the Fifth Circuit Court of the State of Hawaii with respect to any Dispute that requires interim or immediate relief in the form of an injunction or otherwise pending the final outcome of the dispute resolution proceedings described in this Section, or as necessary to prevent the running of any applicable statute of limitations.

21. Water Association; Assessments. At Closing, Purchaser shall become the owner of a Lot in the Project and a member of the Water Association as set forth in the Water Association Declaration, Articles and Bylaws. From and after Closing, Purchaser shall pay all dues, expenses, and assessments payable with respect to the Lot under the Water Association Declaration and Bylaws.

22. No Rental or Resale Representations. Purchaser hereby explicitly acknowledges that the Purchaser has entered into this Sales Contract without any reference or representation by Seller, Seller's Broker or any agent or salesperson as to the possibility or probability of rental or other income from the Lot, or any other economic benefit to be derived from the rental or resale of the Lot, including, but not limited to, any

reference or representation to the effect that the Seller will provide, directly or indirectly, any services relating to the rental or resale of the Lot or as to possible advantages from the rental or resale of the Lot under federal or state tax laws. It is understood and agreed that the rental, resale, or other disposition of the Lot shall be the sole responsibility of the Purchaser. Purchaser further agrees that it will not for a period of one year after the Closing Date enter into or participate in any rental pool for the renting of the Lot and other Lots in the Project, unless such rental is for pasture purposes.

23. Notices. Notices to either party may be delivered personally or by courier delivery, or mailed, postage prepaid, by Certified Mail--Return Receipt Requested, addressed to such party at its address set forth above (or such more recent address of which the mailing party may have notice) and shall be deemed to be given when so delivered or two (2) days after mailed. If more than one person is listed as a Purchaser, delivery or mailing may be made to any one of them. Delivery or mailing may also be made to any officer of a corporate party.

24. Parties; Successors and Permitted Assigns. The terms "Purchaser" and "Seller" include the persons named and their respective heirs, successors, personal representatives, or permitted assigns. The singular includes the plural and vice versa and the use of any gender includes the other as common sense shall require. If this Sales Contract is signed by more than one person as Purchaser, the Sales Contract obligations shall be joint and several.

25. Corporation, Partnership, LLC or Trustee Purchasers. If Purchaser is a corporation, partnership, limited liability company, trustee or other entity, the person(s) signing this Sales Contract represent and warrant to Seller that they have full authority to do so and the bind Purchaser. At the request of Escrow or Seller, Purchaser agrees to provide copies of (a) the Purchaser's organizational documents, (b) a resolution authorizing the purchase of the Lot and designating and authorizing an officer to sign purchase documents, and (c) such other information as may reasonably be requested.

26. Governing Law. The laws of the State of Hawaii shall govern all matters with respect to this Sales Contract, including all matters related to the formation, construction and performance. In the event of any dispute arising out of this Sales Contract or the purchase of the Lot, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs.

27. Execution by Seller. This Sales Contract shall not be binding upon Seller until executed by Seller. Execution of this Sales Contract and/or a

receipt of the Initial Deposit or other funds by a broker or salesman or agent of Seller, other than a duly appointed officer of Seller shall not constitute execution or approval by Seller or bind Seller to any obligation to Purchaser pursuant to this Sales Contract or otherwise.

28. Entire Agreement. This Sales Contract constitutes the entire agreement between the parties and supersedes and cancels all prior negotiations, representations, understandings and agreements, both written and oral, of the parties hereto. This Sales Contract may be amended only by written agreement signed by Seller and Purchaser. Provisions of this Sales Contract which clearly apply to circumstances or events which will or may occur after the execution and recordation of the Purchaser's Deed shall survive the execution and recordation of such Deed.

END OF SECTION D