

GROUND LEASE
The Shops at Kapalua

This Ground Lease is dated August 31, 2004 ("Execution Date"), and is made with respect to the following:

PARTIES

Lessor: **MAUI LAND & PINEAPPLE COMPANY, INC.**
a Hawaii corporation
Lessor Address: 120 Kane Street
Kahului, Hawaii 96732

Lessee: **KAPALUA BAY, LLC**
a Delaware limited liability company
Address: 120 Kane Street
Kahului, Hawaii 96732

Lessor and the Lessee agree as follows:

1. DEMISE AND TERM

1.1 Demise. The Lessor, in consideration of the Rent reserved and of the covenants and conditions contained in this Lease on the part of the Lessee to be observed and performed, demises and leases unto the Lessee and the Lessee's successors, and the Lessee accepts and rents from the Lessor, the Land described in the attached **Exhibit A**, together with all Improvements, as hereinafter defined.

1.2 Term. The Term of this Lease shall commence on the August 31, 2004 ("Commencement Date") and shall expire on August 31, 2103, unless sooner terminated or extended as hereinafter provided.

1.3. Special Provisions

1.3.1 Early Termination Provision. Concurrently herewith, a subsidiary of Lessor, MLP KB Partner LLC, is becoming a member of Lessee's parent, Kapalua Bay Holdings, LLC, the Operating Agreement for which provides said parent shall cause Lessee to construct a spa on the Land and sell it to Lessor or an affiliate of Lessor, all as more particularly set forth therein. Notwithstanding the foregoing paragraph 1.2, this Lease shall terminate upon the close of the purchase of such spa by Lessor or its affiliate.

1.3.2 Assignment of Existing Shops Tenant Leases. Lessor hereby assigns to Lessee all of Lessor's right, title and interest in and to all of the existing leases at the Premises which are listed on **Exhibit B** ("Tenant Leases"), together with all of

Lessor's right, title and interest in any security deposits being held pursuant to the Tenant Leases. Rents and other revenues payable under the Tenant Leases shall be prorated between Lessor and Lessee as of the Commencement Date.

1.3.3. Lessor's Representations Regarding Tenant Leases. Exhibit B is true and complete in all material respects and sets forth each Tenant Lease in effect with respect to the Premises, and, except as disclosed on Exhibit B, no other Leases are in effect with respect to the Premises. There are no collateral or side agreements (whether oral or written) respecting the subject matter of the Tenant Leases described in Exhibit B or otherwise, the Property has been leased to only those Tenants identified on Exhibit B pursuant to the Tenant Leases identified therein and no part of or interest in the Premises has been leased to any Person not identified on Exhibit B. Lessor has delivered to Lessee true, correct and complete copies of each Tenant Lease (including in each case all exhibits and schedules thereto) related to the Premises. Lessor is the owner and holder of the landlord's interest under each Tenant Lease set forth on Exhibit B, and has the right, power and authority to sell, assign, Transfer, set over and deliver to Lessee all of its right, title and interest in and to such Tenant Lease. There are no presently outstanding prior assignments of any Tenant Lease affecting the Premises, or any portion of the rents or other income due and payable or to become due and payable thereunder. Lessor has not in any manner whatsoever transferred any interest in any Tenant Lease affecting the Premises. Each Tenant Lease is in full force and effect and such Tenant Lease is unmodified. Each Tenant Lease constitutes the legal, valid and binding obligation of the Borrower and each of the other parties thereto, enforceable against each party thereto in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and other similar laws relating to or affecting creditor's rights generally from time to time in effect and to general principles of equity (including concepts of materiality, reasonableness, good faith and fair dealing), regardless of whether considered in a proceeding in equity or at law. Except as expressly disclosed in Exhibit B or in a Tenant Estoppel Certificate delivered to Lessee there is no default or event which with notice or lapse of time or both would constitute a default under any of the provisions of any Tenant Lease that has had, or could reasonably be expected to result in, a Material Adverse Effect. No litigation is currently pending or has been threatened by any tenant in connection with any Tenant Lease that has had, or could reasonably be expected to result in, a Material Adverse Effect. Except as expressly disclosed in Exhibit B or in such Tenant Estoppel Certificates, all the terms, covenants, conditions and warranties of each Tenant Lease to be kept and performed by the landlord thereunder have been duly and punctually performed. No notice of any lease default by any tenant has been received by Lessor, except as specifically set forth in Exhibit B or in such Tenant Estoppel Certificates. Except as expressly disclosed in Exhibit B or in such Tenant Estoppel Certificates, no rent under any Tenant Lease has been collected more than one month in advance of the due date thereof except for rent paid at the commencement of Tenant Leases that is in the nature of a security deposit. All security deposits and other escrows with respect to the Premises have been held by Lessor in one or more segregated deposit accounts to the extent required pursuant to applicable law, and Lessor is in compliance with all applicable laws relating to such security deposits as to which failure to comply would have a Material Adverse Effect. For purposes of this

Section, "Material Adverse Effect" means a material adverse effect upon or material impairment of (a) the business, operations, properties, assets, condition or prospects (financial or otherwise) of Lessee, or (b) the Property, or (c) the ability of Lessor or Lessee to perform its obligations under this Lease.

1.3.4 Subordination of Fee To Mortgages Made by Tenant.

Lessor agrees to submit its leased-fee interest in the Land to certain mortgages made by Lessee as more particularly set forth in Section 15.1 below.

1.3.5 Relation to Kapalua Bay, LLC. Lessor agrees that so long as MLP KB Partner LLC is the managing member of Kapalua Bay Holdings, LLC, Lessor shall automatically and without further consideration issue any approval which may be required under this Lease for any construction, improvements, business or other matter of any kind proposed or operated by Lessee.

2. DEFINITIONS

2.1 Definitions. The words contained in this Section 2.1 shall have the meanings provided below and no other meaning. Such words may be used in the singular or plural or in varying tenses, but the variations shall not affect their meanings.

Action: When the context allows, any legal, governmental, judicial, and private action, suit or proceeding.

Assignment: Defined in Section 14.1. and 14.3.

Authorized Mortgage: A Mortgage permitted without the Lessor's consent under the requirements of Section 15.1 or a Mortgage to which the Lessor has given its written consent.

Authorized representative: Any officer, agent, employee, or independent contractor retained or employed by a party acting within authority given him by that party.

Award: All compensation, damages, sums, or anything of value awarded, paid, or received as a result of Condemnation.

Base Rent: The Base Rent payable by the Lessee under this Lease in the manner and amounts provided in Section 4.

Capital Expenditures: Expenditures which are classified as "capital expenditures" under generally-accepted accounting principles.

Commencement Date: Defined in Section 1.2.

Condemnation: (1) The exercise of any governmental power, whether by legal proceedings or otherwise, by a public or private person having the power of eminent domain or (2) a voluntary sale or transfer by the Lessor to any such party either under threat of condemnation or while legal proceedings for condemnation are pending.

Date of Taking: The date the Condemnor has the right to possession of the property being condemned.

Environmental Claim: (1) Any Action instituted or threatened in respect of the Premises alleging a violation or a threatened violation of an Environmental Law, and (2) any and all claims for loss, damages, contribution, cost recovery, compensation, injunctive relief, penalties, fines or other relief resulting from the existence or release or threatened release of a Hazardous Material on, within or under the Premises.

Environmental Event: Any accidental or intentional spilling, leaking, pumping, pouring, emitting, discharging, injecting, escaping, leaching, migrating, dumping or disposing into the air, land, surface water, ground water or the Premises of a Hazardous Material in quantities in excess of reportable quantities established pursuant to Environmental Laws, including the abandonment or discarding of receptacles containing any Hazardous Material or the presence of any Hazardous Material in violation of this Lease or Environmental Laws.

Environmental Laws: All present and future Laws and enforceable standards, all administrative or judicial orders or decrees and all permits, licenses, and approvals issued to Lessee pertaining to the protection of the environment.

Estoppel Certificate: Defined in Section 20.4.

Execution Date: The date of execution of this Lease as defined in the first paragraph of this Lease.

Financial Institution: A bank, insurance company, credit union, savings bank, pension, welfare or retirement fund or system, real estate investment trust (or an umbrella partnership or other entity of which a public real estate investment trust is the majority owner), investment bank, subsidiary of a Fortune 500 company (such as AT&T Capital Corporation or General Electric Capital Corporation) regularly engaged in commercial real estate lending, real estate mortgage investment conduit, or securitization trust, or any other lender of any kind.

Governmental Agency: Any federal, state or local government, governing body, agency, court, tribunal, authority, subdivision, bureau, board, commission, or other recognized body having jurisdiction to enact, promulgate, interpret, enforce, review or repeal any Law.

Hazardous Material: Any substance (1) the presence of which requires investigation or remediation under any Environmental Law applicable to the Premises or the Lessee or (2) which is or becomes defined as a "hazardous substance," pollutant or contaminant under any Environmental Law or (3) which contains gasoline, diesel fuel or other petroleum hydrocarbons, polychlorinated biphenyls (PCBs), asbestos or urea formaldehyde foam insulation or (4) the presence of which on the Premises causes or threatens to cause an environmental nuisance upon the Premises or to adjacent properties or poses or threatens to pose an environmental hazard to the health or safety of persons on or about the Premises, including those substances listed in the United States Department of Transportation Hazardous Substances Table (49 Code of Federal Regulations, Section 172.101) or listed by the Environmental Protection Agency as hazardous substances (40 Code of Federal Regulations, Section 302).

Improvements: The buildings, structures and fixtures, excluding Personal Property as hereinafter defined, now existing or hereafter constructed or placed on the Land, including repairs, replacements and additions to the buildings or other improvements, regardless of whether constructed or placed on the Premises by or at the expense of the Lessor or the Lessee or another person.

ISO: Insurance Services Office, Inc., a national, nonprofit membership corporation comprised of major insurers which, among other things is charged with the drafting of standard coverage insurance forms and endorsements.

Land: The land and the interests in land described in the attached Exhibit A.

Law: Any federal, state or county constitution, statute, ordinance, code, resolution, regulation, rule, enforceable standard, judicial or administrative order, or other requirement of any Governmental Agency having jurisdiction over the parties or the Premises, or both, including any administrative or judicial interpretations or rulings or legislative clarifications which relate to the parties or the Premises in effect at any time during the Term and governmental measures regulating or enforcing public access, occupational health or safety, and standards for employers, employees, landlords or tenants.

Lease Year: The twelve-consecutive-month period commencing on the Commencement Date and each twelve-consecutive-month period after the first such period.

Mortgage: A mortgage or other written security device or agreement imposing a charge and security interest upon all or any part of the Premises for the payment of a debt or the performance of an obligation.

New Lease: Defined in Section 15.5.

Person: A human being or legal entity or other artificial person, including a corporation, limited liability company, partnership, trust, estate, unincorporated association or Governmental Agency. "Persons" means any combination of human beings and legal entities.

Personal Property: All furniture, furnishings, trade fixtures, equipment, inventory or other removable tangible or intangible property installed or used on the Premises by Lessee from time to time during the Term, whether or not affixed to the Land and/or Improvements, including but not limited to computer software.

Premises: The Land and the Improvements.

Rent: Base Rent and real property taxes, assessments and other charges payable by the Lessee to the Lessor under this Lease.

Restoration: The reconstruction, rebuilding, rehabilitation, and repairs that are necessary to return damaged or destroyed portions of the Improvements and other property to substantially the same physical condition as existed immediately before the event causing damage or destruction, provided that nothing contain in this definition shall be construed as an independent restoration obligation.

Sublease: Defined in Section 14.1.

Successor: An assignee, transferee, personal representative, heir, or other person succeeding lawfully and pursuant to the provisions of this Lease to the rights or obligations of a party.

Term: The period of time during which the Lessee has a right to occupy the Premises, unless extended or sooner terminated as provided under the terms of this Lease.

2.2 Interpretation. This Lease shall be interpreted using the following rules of construction and usage: All captions and headings and the table of contents are for convenience only and are not to be construed as limiting in any manner the content of any particular provision. The word "including" when following any general statement will not be construed to limit the statement to specific matters immediately following the statement or to similar matters, whether or not a nonlimiting phrase such as "without limitation" or "but not limited to," is used with reference to the general statement but rather will be deemed to refer to all other matters that could reasonably fall within the broadest possible scope of the general statement. All personal pronouns, whether used in the masculine, feminine or neuter gender, will include all other genders. When required by the context, the singular shall include the plural and vice versa.

3. QUIET ENJOYMENT. The Lessor covenants with the Lessee that upon payment of the Rent as provided in this Lease, and upon the observance and performance of the conditions and covenants of this Lease to be observed and performed by the

Lessee, the Lessee shall peaceably hold and enjoy the Premises for the Term without hindrance or interruption by the Lessor or any other persons lawfully claiming by, through or under the Lessor, except as otherwise expressly provided in this Lease.

4. BASE RENT.

4.1 Base Rent. For each Lease Year during the Term, or portion thereof, the Lessee shall pay as Base Rent One Dollar (\$1.00). The Base Rent shall be payable on the first day of each Lease Year.

4.2 Place of Payment. The Lessee shall pay the Base Rent and other charges payable to the Lessor under this Lease in legal tender of the United States of America to the Lessor at the address provided on page 1 of this Lease or at such other address as the Lessor may from time to time designate in writing to the Lessee at the times and in the manner previously set forth.

5. TAXES, ASSESSMENTS AND CHARGES.

5.1 Property Taxes and Assessments. The Lessee shall pay to the County of Maui at least ten (10) days before they become delinquent all real and personal property taxes and assessments of every description to which the Premises or the Lessor or the Lessee in respect of the Premises are now or during the Term may be assessed or become liable, whether assessed to or payable by the Lessor or the Lessee. All such taxes shall be prorated between the Lessor and the Lessee as of the commencement and expiration, respectively, of the Term, and with respect to any assessment made under any betterment or improvement Law which may be payable in installments, the Lessee shall be required to pay only installments of principal and interest on the unpaid balance of the assessment as shall become due and payable during the Term.

5.2 Rates and Other Charges. The Lessee will pay directly all charges, duties, rates, and other outgoings of every description for electricity, gas, telephone, refuse collection, sewage disposal, water, or any other utilities or services to the Premises, whether assessed to or payable by the Lessor or the Lessee. All such charges, duties, rates and other outgoings shall be prorated between the Lessor and the Lessee as of the commencement and expiration, respectively, of the Term.

6. USE OF THE PREMISES.

6.1 Specific Use Allowed. The Lessee may use the Premises for any use permitted under the applicable zoning ordinances of the County of Maui and any recorded covenants, conditions and restrictions to which the Land is subject.

6.2 Improvements Required By Law. The Lessee at the Lessee's sole cost and expense shall continuously and without exception use, occupy, repair and maintain the Premises and all additions, alterations, fixtures and furnishings, fences, sewers, drains, roads, walls, curbs, sidewalks and parking areas on the Premises in compliance

with all Laws and shall promptly make all repairs, replacements, alterations or improvements needed to comply with any Laws now existing or hereafter enacted and shall build, rebuild, and maintain all things which may be required by Law to be built, rebuilt, and maintained upon or in connection with or for the use of the Premises in whole or in part.

6.3 Observance of Laws. The Lessee, at the Lessee's cost and expense, shall continuously and without exception during the Term observe and conform to all Laws now or hereafter applicable to the Premises and all valid requirements of any Governmental Agency which may have or acquire jurisdiction and which apply or relate to the Premises or the Lessee's activities at the Premises.

6.4 Use of Hazardous Materials.

(a) Restriction on Use of Hazardous Materials. The Lessee shall not cause or permit any Hazardous Material to be processed, used, generated, stored in or about, disposed of about or upon, or transported to or from, the Premises except (1) commonly used consumer products containing components that may be classified as hazardous (e.g., cleaning supplies) as long as such materials are used for their intended purposes in the ordinary course of business operations on the Premises and are not stockpiled in large quantities, or (2) the Lessor has approved the use of specific Hazardous Material in advance, and (3) in each case the processing, use, generation, storage, disposal or transporting is strictly in accordance with Environmental Laws. The Lessee and Persons claiming through the Lessee shall comply with all Environmental Laws applicable to the use and occupancy of the Premises, shall procure and maintain all necessary environmental permits or licenses required for operations on the Premises and file with all Governmental Agencies any reports, business plans, notices and other disclosures required to be made under applicable Environmental Laws. The Lessee shall provide the Lessor with copies of all such permits, reports, business plans, notice and disclosures, when obtained or filed. The Lessee shall cause all waste that is or may be a Hazardous Material to be stored offsite in accordance with Environmental Laws and provide the Lessor, upon request, with a copy of all hazardous waste manifests. Notwithstanding the foregoing, (i) the obligation of Lessee shall in no case apply to any Hazardous Materials Released or discharged by any tenant occupying the Premises prior to Lessee, Lessor or their agents, employees or contractors (collectively, "Lessor's Environmental Condition") and (ii) Lessor shall be responsible, at its cost, for such compliance with respect to any Lessor's Environmental Condition.

(b) Notification. The Lessee shall give prompt notice to the Lessor if the Lessee becomes aware of (1) the occurrence of an Environmental Event on the Premises or on adjoining property that threatens to affect the Premises, or (2) an Environmental Claim made or threatened against the Lessee, or (3) any investigation or regulatory Action is taken or threatened, or order issued in connection with or resulting from, the occupancy or use of the Premises. The Lessee shall not enter into any settlement agreement, consent decree or other compromise with respect to any Environmental Claim in any way relating to the Premises without first notifying the

Lessor and affording the Lessor the opportunity to participate in any such investigation or Action. The notice shall describe the event giving rise to the notice and be accompanied by copies of any requests for information, claims, complaints, citations, summons, reports, notices, warning or other communications in the possession of or reasonably available to, the Lessee relating to the matter disclosed in the notice. The Lessor's receipt of notice shall not be deemed to create any obligation on the part of the Lessor to respond in any manner. The Lessor shall have the right, but not the obligation, (1) to participate in all oral or written communications with Governmental Agencies concerning environmental conditions on or about the Premises, (2) to join and participate in, and control, if the Lessor so elects, any Action initiated in respect of any Environmental Claim against the Lessee and persons claiming through the Lessee, and (3) to negotiate, defend, approve and appeal any such Action.

(c) Remediation. The Lessee shall promptly undertake and diligently complete, at its sole cost and expense, without abatement of Rent all corrective and remedial measures necessary to restore the Premises and any other land or ground water affected by an Environmental Event to the condition existing immediately prior to the Environmental Event; provided, however, that the Lessee shall have no obligation to remediate the Premises to the extent an Environmental Event results from a Lessor's Environmental Condition. Unless an emergency situation exists that requires immediate action, the Lessee shall obtain the Lessor's prior approval of all contemplated investigative, corrective or remedial measures, including, without limitation, the selection of an environmental consultant or contractor, the determination of the scope of work and sampling activities to be performed and the form and substance of all draft reports prepared by any consultant (before such reports are finalized). The Lessee shall promptly provide the Lessor with the results of any test, investigation or inquiry made by the Lessee relating to Hazardous Materials on or about the Premises. The presence of Hazardous Materials on the Premises shall not be deemed an occurrence of destruction subject to the provisions of this Lease respecting destruction.

(d) Indemnity. The Lessee shall indemnify, defend and hold harmless the Lessor against all Environmental Claims arising, in whole or in part, during or relating to the use or occupancy of the Premises by the Lessee or any person claiming through the Lessee and against all costs and expenses incurred in defending any such Environmental Claim and in connection with any cleanup, remedial, removal or restorative work on or about the Premises required to restore the Premises as provided in this Lease. This indemnity shall expressly not extend to any Environmental Claims with respect to Lessor's Environmental Claims or arising out of acts or omissions from and after the expiration of the Term unless the basis for such Environmental Claims occurred during the Term.

Lessor shall indemnify, defend and hold harmless the Lessee against all Environmental Claims arising, in whole or in part, with respect to Lessor's Environmental Conditions and against all costs and expenses incurred in defending any such Environmental Claim and in connection with any cleanup, remedial, removal or

restorative work on or about the Premises required to remedy Lessor's Environmental Conditions.

(e) Survival. Lessor's and Lessee's obligations under this Section 6.4 shall survive the termination or expiration of this Lease.

6.5 Easements. Lessor will grant or join in granting and, if necessary, modifying or abandoning such rights-of-way, easements and other interests as may be required to provide the Premises with electric, telephone, gas, water, sewer and other public or private utilities useful or necessary to the proper economic development and operation of the Premises, provided that the right-of-way, easement or other interest be confined only to the Land or other land of Lessee. Lessor shall grant or join in granting, modifying or abandoning such rights-of-way, easements and other interests without charge except for reasonable attorneys fees and costs incurred to so grant or join in granting, modifying or abandoning such rights-of-way, easements and other interests.

7. REPAIRS, MAINTENANCE AND LESSOR'S ENTRY.

7.1 Repairs and Maintenance. The Lessee shall at its own expense at all times during the Term cause the Premises to be repaired, maintained and kept in good order and condition, except for ordinary wear and tear.

7.2 Lessor's Entry on the Premises.

(a) Entry Upon Notice. The Lessor and its authorized representatives shall have the right to enter the Premises at all reasonable times upon at least forty-eight hours prior notice to the Lessee for any reasonable purpose, including, without limiting the generality of the foregoing, the following: (1) to determine whether the Premises are in good condition and whether the Lessee is complying with its obligations under this Lease; (2) to do any maintenance and to make any restoration that the Lessor has the right or obligation to perform; (3) to serve, post, or keep posted any notices required or allowed under the provisions of this Lease; and (4) to post "for rent" or "for lease" signs during the last six months of the Term or to show the Premises to brokers, agents, prospective buyers and lessees at any time during the Term.

(b) Entry Upon Emergency. The Lessor or its authorized representatives may enter the Premises at any time and without notice to the Lessee in circumstances when persons or property may be in imminent danger, provided, however, that notice of entry shall be given as soon as reasonably possible thereafter.

8. INDEMNITY.

8.1 Lessee's Indemnity. The Lessee will indemnify, defend and hold harmless the Lessor and its authorized representatives from and against any and all claims, demands, losses, liabilities, damage, costs, expenses, liens, charges, assessments, fines and penalties of any kind arising out of or relating to the use of the Premises by

Lessee. Notwithstanding the foregoing, the obligations of Lessee set forth in this Section 8.1 shall in no case apply to any claims, demands, losses, liabilities, damage, costs, expenses, liens, charges, assessments, fines and penalties of any kind arising out of or relating (directly or indirectly) from the negligence or wilful misconduct of the Lessor or its authorized agents, breaches of obligations of Lessor under this Lease, or occurrences for which Lessee is excluded from liability under this Lease including those set forth in Section 6.4. The obligations of the Lessee under this Section 8 shall survive the termination or expiration of this Lease.

8.2 Lessor's Indemnity. The Lessor will indemnify, defend and hold harmless the Lessee and its authorized representatives from and against any and all claims, demands, losses, liabilities, damage, costs, expenses, liens, charges, assessments, fines and penalties of any kind arising out of or relating to the use of the Premises by Lessor prior to the Term. Notwithstanding the foregoing, the obligations of Lessor set forth in this Section 8 shall in no case apply to any claims, demands, losses, liabilities, damage, costs, expenses, liens, charges, assessments, fines and penalties of any kind arising out of or relating (directly or indirectly) from the negligence or wilful misconduct of the Lessee or its authorized agents, breaches of obligations of Lessee under this Lease, or occurrences for which Lessor is excluded from liability under this Lease including those set forth in Section 6.4. The obligations of the Lessor under this Section 8 shall survive the termination or expiration of this Lease.

9. LIABILITY INSURANCE.

9.1 Commercial Liability Insurance. The Lessee shall procure and maintain during the entire Term at the Lessee's sole cost commercial general liability insurance or general liability and excess or umbrella liability insurance, written on an "occurrence" form, covering the Lessee's occupancy, maintenance, use of and operations on the Premises. The policies shall be written on a current commercial general liability ISO policy form or equivalent and shall include coverage for bodily injury and property damage with limits for such coverage of not less than the following: Bodily Injury and Property Damage Combined Single Limit – \$1,000,000.00 per occurrence, subject to \$2,000,000.00 general aggregate per policy year.

9.2 Additional Requirements. The policy or policies of liability insurance above shall also provide:

(a) The general aggregate limit (as listed above) applies exclusively to the Premises and the operations conducted thereon.

(b) The policies shall be considered to be primary liability insurance which shall apply to any loss or claim before any contribution by any insurance which Lessor and its employees may have in force with respect to the Premises.

(c) The policy and certificate of insurance shall contain a provision naming the Lessor as an additional insured; provided, however, that such policy shall not require the insurer to pay any amounts in excess of the maximum limits stated herein.

(d) The policy shall cover the entirety of the Premises, including elevators, and sidewalks and setbacks abutting the Premises to the extent such areas are part of the Premises.

9.3 Worker's Compensation Insurance. If the Lessee has employees in Hawaii, the Lessee will procure and maintain during the entire Term worker's compensation insurance as required by Hawaii law.

9.4 [Intentionally Omitted].

10. INTENTIONALLY OMITTED .

11. INSURANCE -- GENERAL PROVISIONS.

11.1 Additional Coverage Matters. All insurance policies required by this Lease shall be written by insurance companies of recognized responsibility and may have reasonable deductibles as approved by the Lessor and as required by law.

11.2 Delivery of Certificate, Policies and Endorsements. On the Commencement Date and thereafter at least ten (10) days prior to the expiration of each insurance policy required by this Lease (or such shorter period if failure to deliver is not the fault of Lessee), the Lessee shall deliver to the Lessor an original certificate of insurance executed by an agent of the insurer or insurers, evidencing compliance with the insurance requirements of this Lease and upon the Lessor's request, evidence of payment of premiums and/or a certified copies of the Lessee's policies, including all endorsements. All policies shall provide for not less than thirty (30) days' advance written notice to the Lessor from the insurer or insurers of any cancellation, nonrenewal or material change in coverage or available limits of liability.

11.3 Review of Coverage. The Lessee acknowledges that inflation may reduce the effective value of insurance coverage, that terms of insurance contracts or endorsements may be revised, that the types of insurance contemplated by this Lease may become unavailable and that other circumstances may arise which affect or threaten to affect the protection to be afforded by the insurance required by Section 9.1 of this Lease. Accordingly, upon the expiration, cancellation or modification of each policy required by Section 9.1, the adequacy of the insurance coverage shall be subject to review and if a prudent businessman in Hawaii utilizing the Premises in a manner similar to the use of the Premises by the Lessee would increase the limits of liability or would insure the Premises against additional perils when such insurance is available in Hawaii at commercially reasonable cost, the Lessee shall forthwith procure and maintain such other or additional forms and amounts of liability insurance as the Lessor finds sufficient.

11.4 Failure to Provide Insurance. If the Lessee defaults in insuring the Premises or in delivering the policies (or certificates evidencing insurance required by this Lease), the Lessor may, at its option but without being so obligated, effect such insurance from year to year and pay the premiums, and the Lessee will reimburse the Lessor on demand for any premiums so paid. The procurement by the Lessor of any insurance required to be carried by the Lessee shall not release the Lessee from its obligation to obtain insurance nor prejudice the Lessor's exercise of its remedies for the Lessee's failure to obtain insurance.

11.5 No Liability for Insurance Coverage. The Lessor and its authorized representatives make no representations that the limits of liability or that the coverage or quality of any insurance required to be carried by the Lessee are adequate to protect the Lessee. The Lessor shall not have any liability to the Lessee for inadequate insurance coverage, the collection of any insurance proceeds or for the insolvency of any insurer or insurance underwriter.

11.6 Certificates of Insurance. Upon request, Lessee will from time to time deposit with Lessor current certificates of all insurance required to be maintained by Lessee under this Lease.

11.7 Master Insurance Coverage. Notwithstanding anything to the contrary contained herein, the obligations of Lessor and Lessee to carry the insurance provided for herein may be brought within the coverage of a master insurance program including other of Lessee's properties, provided however that the coverage afforded will not be reduced or diminished by reason of the use of such master insurance program and the requirements set forth herein are satisfied or satisfactory alternatives are provided by such master insurance program.

12. CONSTRUCTION AND ALTERATIONS.

12.1 Lessor Construction Approval Not Required by This Lease. The Lessee may construct or place on the Premises any new buildings, structures or other improvements of any kind, including fences and walls, and undertake any additions or alterations to any existing Improvements of any kind, without approval or consent of Lessor under this Lease; provided that any construction shall be subject to any restrictions or approval requirements under recorded covenants, conditions and restrictions applicable to the Land.

13. [Intentionally Omitted] .

14. TRANSFERS.

14.1 Assignment and Subletting. Subject to compliance with Section 14.2, the Lessee may (1) assign, transfer or otherwise dispose of this Lease or any interest in

this Lease, voluntarily or by operation of Law (any such act being referred to in this Lease as an "Assignment") or (2) sublet or otherwise part with possession of the whole or any part of the Premises (any such act being herein referred to as a "Sublease"), without the prior written consent of the Lessor.

14.2 Assumption of Obligations. Each assignee of the Lessee's interest (other than mortgagees for Mortgages), shall expressly assume and be deemed to have assumed this Lease and shall be and remain liable during the Term for the payment of the Rent and for the due observance and performance of all the terms, covenants, conditions and agreements contained in this Lease on the Lessee's part to be observed and performed. No Assignment shall be binding on the Lessor unless the assignee or the Lessee shall deliver to the Lessor a counterpart of the Assignment and an instrument in recordable form that contains a covenant by which the assignee assumes and agrees with the Lessor to so observe and perform all of the obligations of the Lessee under this Lease and a covenant that in the event of any conflict between the provisions of this Lease and the Assignment, the provisions of this Lease shall be controlling. The failure or refusal of the assignee to execute such instrument of assumption shall not release or discharge the assignee from its liability under this Section.

15. MORTGAGES.

15.1 Restriction on Mortgages; Lessor's Obligation to Mortgage Lessor's Interest. The Lessee may mortgage this Lease to a Financial Institution without the consent of Lessor, provided that the Lessee shall promptly deliver to the Lessor a true copy of the mortgage. If Lessee mortgages this Lease to a Financial Institution, Lessor agrees to, upon request and without charge, submit Lessor's leased-fee interest in the Land to such mortgage as additional security, and to execute any documents or instruments necessary or convenient to perfect the Financial Institution's lien and security interest in Lessor's leased-fee interest, provided that Lessor shall do so as an accommodation mortgagor only, without recourse to Lessor.

15.2 Enforcement of Mortgage. The mortgagee under an Authorized Mortgage may enforce its Mortgage and the Authorized Mortgage senior in priority to all other Authorized Mortgages may acquire title to the leasehold estate, and Lessor's leased-fee interest if subjected to the Authorized Mortgage pursuant to Section 15.1, in any lawful way and pending foreclosure of the Mortgage may take possession of and rent the Premises. Upon foreclosure or Assignment in lieu of foreclosure, the mortgagee or a foreclosure receiver or commissioner (or the Lessee in the event of an Assignment in lieu of foreclosure) may, without Lessor's consent, sell and assign the Lease by an instrument in which the assignee shall expressly assume and agree to observe and perform all the covenants and conditions of the lessee under the Lease, and the assignee may execute and deliver a Mortgage to a mortgagee and cause the Mortgage to be recorded, without Lessor's consent, provided that a true copy of the executed Assignment and such Mortgage shall be delivered promptly to the Lessor upon recording. A mortgagee under an Authorized Mortgage may be a purchaser and an assignee of the Lease and/or a

mortgagee and may credit bid any amounts owed to such mortgagee in any foreclosure sale of the Lease. A mortgagee shall be liable to perform the Lessee's obligations under the Lease only while it has possession and ownership of the leasehold estate.

15.3 Protection of Mortgagee Against Termination. So long as this Lease shall be encumbered by an Authorized Mortgage, the Lease shall not be amended or rescinded by the Lessor or the Lessee without the prior written consent of the mortgagee. In addition, the Lessor will not terminate the Lease for the Lessee's default if the mortgagee under an Authorized Mortgage shall, within one hundred eighty (180) days after receipt of notice from the Lessor of its intention to terminate the Lease for such cause, cure such default, if the default consists of a failure to make any payments of Rent or other amounts required by this Lease; or in any other the case, if the mortgagee (1) shall undertake in writing to perform all covenants of the lessee capable of performance by the mortgagee until the default shall be cured or shall initiate an Action to foreclosure the Mortgage within sixty (60) days after the later of the notice of such default or the lifting of the automatic stay imposed under the provisions of the Federal Bankruptcy Code, if any, and shall commence and diligently prosecute the foreclosure, including, without limitation, seeking relief from any automatic stay imposed under provisions of the Federal Bankruptcy Code or any other Law having similar effect, and (2) shall pay all Rent and other amounts accruing under this Lease as they become due. A default consisting of the Lessee's failure to keep the leasehold estate or any Improvements free from a lien, charge, or encumbrance against the Premises junior in priority to an Authorized Mortgage shall be deemed to be duly cured if the mortgagee shall initiate an Action to foreclose the Mortgage within one hundred eighty (180) days after the later of notice of such default or the lifting of the automatic stay imposed under the provisions of the Federal Bankruptcy Code, if any, and thereafter prosecutes the Action to completion in a diligent and timely manner. The time for performance of any Lessee's obligation which cannot be cured by the payment of money or is not susceptible of cure by the mortgagee without possession of the Premises shall be extended by the time reasonably necessary to complete such performance with due diligence following the completion of the foreclosure sale or an assignment in lieu of foreclosure, provided that if such performance cannot be accomplished, such performance shall be deemed to be completed upon completion of the Action to foreclose.

15.4 Lessee's Bankruptcy. If a bankruptcy proceeding is commenced by or against the Lessee, the mortgagee of an Authorized Mortgage shall have the option, and the Lessor shall recognize the mortgagee's right, to obtain or cause the Lessee or the trustee in bankruptcy to obtain within the statutory period (1) an abandonment of the leasehold estate pursuant to the provisions of the Federal Bankruptcy Code or any successor Law having similar effect or (2) an assumption of the Lease pursuant to the provisions of the Federal Bankruptcy Code or any successor Law having similar effect. The Lessor agrees to extend the limitation period for the trustee to assume or reject the Lease beyond sixty (60) days for such additional periods as are reasonably necessary. All such extensions are on the continuing conditions that all Rent and other amounts payable under the Lease are paid when due, all obligations on the part of the Lessee which are reasonably capable of being performed by the mortgagee are satisfied or waived by the

Lessor, and the mortgagee is diligently and in good faith pursuing its remedies under the Mortgage and the Federal Bankruptcy Code.

15.5 New Lease.

(a) Right to New Lease. If this Lease or any succeeding Lease made pursuant to the provisions of this Section 15.5 shall be terminated prior to its stated expiration date for any reason other than condemnation, any mortgagee under an Authorized Mortgage (in order of lien priority if there is more than one Authorized Mortgage) shall have an option to obtain from the Lessor a New Lease of the Premises in favor of the mortgagee (or its designee) (a "New Lease") upon the following terms and conditions:

(1) Within one hundred eighty (180) days after the Lessor notifies the mortgagee of the termination of the Lease, the mortgagee shall notify the Lessor of its intent to obtain a New Lease accompanied by payment to the Lessor of all Rent due to the Lessor, and the mortgagee shall enter into the New Lease within sixty (60) days after receipt of the New Lease document from the Lessor. If the Lessor does not receive a written request for a New Lease within the one hundred eighty-day period or if the New Lease is not executed and delivered by the mortgagee within sixty (60) days after the Lessor tenders the New Lease to the mortgagee, the mortgagee's rights under this Section 15.5 shall expire, time being of the essence.

(2) Upon the execution and delivery of the New Lease by the Lessor, the mortgagee shall: (A) pay to the Lessor any and all Rent then due under the Lease (whether or not terminated) to the date of the execution of the New Lease, less any net rentals or other income which Lessor may have received on account of the Premises since the date of default under this Lease; and (B) remedy any other default under the Lease to the extent the default is reasonably susceptible of cure by the mortgagee (any default which cannot be cured without having the right to possession of the Premises shall be cured, if possible to do so, within a reasonable time after the mortgagee obtains possession).

(3) The New Lease shall be effective as of the date of termination of this Lease and continue for the remainder of the Term and be at the same Rent and upon the same terms, covenants and conditions as contained in the Lease, as it may have been amended prior to the date of termination.

(4) The provisions of this Section 15.5(a) shall survive the termination of the Lease and be enforceable by mortgagees under Authorized Mortgages in order of lien priority.

(b) Tenant Leases.

(1) During the period between the termination of the Lease and the execution of the New Lease or the expiration of the option to obtain a New Lease,

which ever first occurs, the Lessor shall not, unless required by an attornment agreement, accept the attornment of any tenants or extend, modify or terminate any tenant leases, concession agreements or licenses without the consent of mortgagees for all Authorized Mortgages. During such period, the Lessor shall receive all rent and other payments due or made under any existing Subleases as agent and shall deposit such rents and payments in a separate and segregated account. The Lessor may withdraw such sums from time to time to pay necessary operating expenses and carrying charges of the Premises. The collection of rent by the Lessor pursuant to this Section shall not be deemed an acceptance by the Lessor for its own account of the attornment of any sublessee unless the Lessor shall have agreed at the Lessee's request prior to termination to accept attornment.

(2) Concurrently with the execution and delivery of the New Lease, the Lessor shall quitclaim to the mortgagee or its designee, as appropriate, any interest it may have in and to any existing tenant leases of the Premises and shall account to the mortgagee for the balance, if any, after application as above provided of any rents and other amounts paid to the Lessor. The Lessor may, but shall have no obligation to collect tenant rents and other payments or enforce any tenant leases and shall not have any liability to the mortgagee or the new lessee except as to payments received or actions taken.

(c) Assignment. The mortgagee or its designee or, if it is the initial new lessee, may assign the New Lease without the Lessor's consent by an Assignment in which the assignee shall expressly assume and agree to observe and perform all the covenants of the lessee under the New Lease, and the assignee may execute and record a Mortgage encumbering such New Lease, provided that a true copy of the executed Assignment and any Mortgage shall be delivered promptly to the Lessor. No other or further Assignment or Mortgage for which the consent of the Lessor is required shall be made without such consent. The mortgagee or its designee shall be liable to perform the obligations imposed on the lessee by the New Lease only during the period they have ownership of the leasehold estate.

(d) Lessor's Joinder. If the mortgagee shall demand a New Lease, the Lessor agrees, at the request of, on behalf of, and at the sole expense of the mortgagee to join in any proceedings (and if required by Law, to permit any such Action to be brought in its name) to oust or remove the original Lessee from the Premises, but not any subtenants actually occupying the Premises who have attorned to and been recognized by the Lessor.

(e) Persons Benefitted. This Section 15.5 is intended for the exclusive benefit of the mortgagee under an Authorized Mortgage or any person acquiring the Lease upon or in lieu of foreclosure of the Mortgage and is not intended to and shall not be deemed to, confer any rights or benefits upon the Lessee or the Lessee's trustee in bankruptcy.

15.6 No Financing by Lessor.

(a) The Lessor represents that as of the Execution Date of this Lease there are no mortgages on the fee title to the Land.

(b) The Lessor may not during the Term enter into a Mortgage of the Lessor's interest in the Premises except as provided in Section 15.1.

16. SURRENDER. On the expiration or sooner termination of this Lease, the Lessee will peaceably surrender possession of the Premises to the Lessor with all Improvements in good order and repair, unless otherwise provided in Sections 13 or 17. However, if the Lessee is not then in default, it may, or shall, if the Lessor shall so require by notice to the Lessee, remove all Personal Property, including signs, placed upon the Premises by the Lessee, repair all damage to the Premises caused by or resulting from removal and leave the Premises in a clean and orderly condition. The obligations of this Section shall survive this Lease. Any Personal Property left upon the Premises by the Lessee after the expiration or other termination of this Lease, may, at the option of the Lessor and without notice to the Lessee, be removed and stored at the expense of the Lessee or treated as abandoned by the Lessee, and the Lessor may deal with such Personal Property as though the Lessor were the owner, without liability or accountability to the Lessee.

17. CONDEMNATION.

17.1 General.

(a) Effect of Taking. If the Premises or any portion thereof shall at any time or times during the Term be taken by Condemnation in whole, then and in every such case, the estate and interest of the Lessee in the Premises or portion thereof taken shall terminate on the Date of Taking, and the Lessee shall not by reason of the Condemnation be entitled to any claim against the Lessor for compensation or indemnity for the leasehold interest. The Award for or on account of the Land shall be payable to and be the sole property of the Lessee. The Award payable for or on account of the Improvements currently existing or constructed by the Lessee on the Land during the Term shall be payable to and be the sole property of the Lessee.

17.2 Temporary Taking. The Condemnation of any leasehold interest in the Premises without Condemnation of fee simple title shall not terminate this Lease. The Lessee shall continue to pay in the manner and at the times specified the full amounts of the Rent and other amounts payable under this Lease, and except to the extent that the Lessee may be prevented from so doing by the order of Condemnation, the Lessee shall perform and observe all of the other obligations of the Lease upon the part of the Lessee to be performed and observed as though a Condemnation had not occurred. Within ninety (90) days after the expiration of any such period of temporary use or occupancy, the Lessee may restore the Improvements as nearly as practicable, to the condition which existed immediately prior to the Condemnation. The Lessee shall be entitled to receive the entire amount of the Award made for such Condemnation, whether paid by way of

damages, rent or otherwise, unless the period of temporary use or occupancy shall extend beyond the Term, in which case the Award shall be apportioned between the Lessor and the Lessee upon its receipt as of the date of expiration of the Term, as their interests may appear. Any portion of the Award received by the Lessee as compensation for the cost of restoration of the Improvements shall, if the period of temporary use or occupancy shall extend beyond the expiration of the Term, be paid to the Lessor on the date of expiration to the extent not previously used by the Lessee for the restoration of the Improvements.

17.5 Election to Terminate. In the event only a portion of the Premises is taken, the Lessee may terminate and surrender this Lease if the portion of the Premises taken is such that the untaken portion cannot practically and/or economically be used or corrected for use by the Lessee for the purposes for which the Premises were used immediately prior to the taking. The Lessee shall exercise the option by notice to the Lessor given within a reasonable time after the extent of the taking is known.

17.6 Surrender. Upon termination of this Lease on account of Condemnation, the Lease shall be surrendered free and clear of all liens and Lessee's Mortgages, and if required by the Lessor, all Subleases, tenant leases, licenses and concessions. The Rent shall be apportioned and paid to the Date of Termination. The Lessor shall prepare, and the Lessee and every mortgagee of the Lessee shall promptly execute and deliver such instruments as shall be deemed necessary by the Lessor to evidence the surrender of the Lease and the Assignment to the Lessor of the Award in excess of the amounts payable to the Lessee and the Lessee's mortgagees as provided herein. Upon surrender under this Section 17.6 the Lessee shall be relieved of any further obligations under this Lease except as to those obligations that are expressly stated to survive termination or expiration.

18. LESSEE'S DEFAULT.

18.1 Events of Default. An event of default shall occur if the Lessee shall:

(a) Fail to pay in whole or any part the Rent or any other amount payable under this Lease within ten (10) days after it becomes if such default shall continue for sixty (60) days after written notice to correct has been given to Lessee; or

(b) Fail to observe or perform any other covenant or condition to be observed and performed by the Lessee and any such default shall continue for sixty (60) days after written notice to correct has been given to the Lessee, except as set forth in Section 18.2; or

(c) Cause or permit a lien to attach to the Premises and fail to have the lien, writ or order or process released, satisfied, bonded off or discharged within the later of sixty (60) days after the date of creation or issuance of such encumbrance, as adjusted by the provisions of Section 18.2 and subject to Section 19.11.

18.2 Defaults Requiring Longer Period to Cure. If the Lessee is not in default for failure to pay Rent and a breach of the Lease occurs for failure to observe or perform a covenant of the Lessee that can be cured by the Lessee and such breach is of such a nature that it cannot reasonably be cured within the cure period specified in Section 18.1 above, the Lessee shall not be in default so long as the Lessee shall have taken action to cure the breach within the applicable cure period and thereafter continuously prosecutes the cure to completion with due diligence.

18.3 No Accord and Satisfaction. A payment by the Lessee or receipt by the Lessor of an amount less than the Rent or other amounts stipulated to be paid under this Lease shall not be deemed to be received other than on account of the earliest unpaid Rent or other amount. Any contrary endorsement or statement on a check or any letter accompanying any check or payment shall not be deemed an accord and satisfaction, and the Lessor may accept such check or payment without prejudice to the Lessor's right to recover the balance of such Rent or other amount or to pursue any other remedy available to the Lessor.

18.4 Non-Waiver. Except to the extent a default is cured, acceptance of Rent by the Lessor shall not be deemed to be a waiver of any breach by the Lessee of any covenant of this Lease nor of the Lessor's right to enter or declare and enforce a forfeiture for any breach of condition. The failure of the Lessor to insist upon strict performance of any of the provisions of this Lease or to exercise an option conferred upon the Lessor or the Lessor's waiver of a breach shall not be deemed a relinquishment for the future of any of such covenants, conditions or options.

19. LESSOR'S REMEDIES.

The Lessor shall have the remedies set forth in this Section 19 upon the Lessee's default.

19.1 Appointment of Receiver. The Lessor shall have the right to institute an Action for, and obtain, immediate appointment of a receiver upon reasonable notice to the Lessee, without bond, to take immediate possession of the Premises to conserve, hold and operate the Premises for the same purposes and in a similar manner as that previously being conducted by the Lessee, pending final determination of the Action against the Lessee.

19.2 Re-Entry. The Lessor may, pursuant to a court order, at once re-enter the Premises in whole or any part in the name of the whole, with or without termination, and at the Lessor's option expel and remove from the Premises the Lessee and those persons claiming under the Lessee and their property pursuant to a court order and without prejudice to any other remedy or right of action which the Lessor may have against the Lessee for default. No act by the Lessor allowed by this Section 19 shall terminate this Lease unless the Lessor so notifies the Lessee in writing. After the Lessee's default and for as long as the Lessor does not terminate the Lessee's right to possession of the Premises, the Lessee shall have the right to assign or sublet its interest in this Lease with

the Lessor's consent, but the Lessee shall not be released from liability. The Lessor may at any time after the default elect to terminate this Lease for the Lessee's continuing default.

19.3 Removal of Persons or Property. Upon the Lessor's resumption of possession for default pursuant to a court order, the Lessor or any receiver may dispossess and remove all persons and their personal property and trade fixtures from the Premises, and such property may be stored in a public warehouse or elsewhere at the cost and for the account of the Lessee. The Lessor shall not be responsible for the care or safekeeping of any such property.

19.4 Right to Relet. Upon taking possession of the Premises and without terminating this Lease, the Lessor may make such alterations and repairs as may be reasonably necessary in order to relet the Premises and may relet all or any part of the Premises for any period of time, which may extend beyond the Term, and at such rent and upon such other terms and conditions as the Lessor reasonably deems advisable. All rent received by the Lessor from such reletting shall be applied first to the payment of Lessee's indebtedness for other than Rent due from the Lessee, second to the payment of any reasonable costs and expenses of reletting and reasonably necessary repairs; third, to the payment of Rent, and the residue, if any, shall be held by the Lessor and applied in payment of future Rent and other payments as they may become due and payable under this Lease. If the rentals received from reletting during any month are less than the Rent required to be paid during that month by the Lessee, the Lessee shall pay the deficiency monthly upon demand of the Lessor. The Lessor reserves the right to bring as many actions for the recovery of any deficiencies which remain unpaid by the Lessee as the Lessor may deem advisable without being obligated to await the end of the Term for a final determination of the Lessee's account. The commencement of one or more such Actions by the Lessor shall not bar the Lessor from bringing other or subsequent Actions for further accruals of deficiencies or damages pursuant to this Section 19.

19.5 Termination. Prior to any termination of this Lease, Lessor shall give Lessee written notice of Lessee's event of default and of Lessor's intention to terminate this Lease, and Lessee shall have thirty (30) days to cure such event of default (which cure period shall be in addition to any cure period provided under Section 18.1 with respect to any default becoming an event of default). Upon failure of the Lessee to so cure such event of default, the Lessor may terminate this Lease, with or without physical entry, by giving the Lessee notice of termination on a specified date not earlier than ten (10) days after the notice. Upon or after the date specified in the notice, the Lessor may take possession of the Premises, including all Improvements, and become wholly vested with all rights, title and interest of the Lessee in this Lease and the Premises. Notwithstanding termination of the Lease, the Lessee shall be liable to the Lessor for all losses and damages sustained by the Lessor on account of the Lessee's breach of this Lease. Upon termination of the Lease, the Lessor may recover from the Lessee all losses and damages which may have been incurred by the Lessor as a result of any default of the Lessee under this Lease, including (1) delinquent Rent, (2) damages for loss of Rent for any period prior to termination of the Lease that the Premises remain unleased or

unoccupied, (3) all reasonable costs and expenses of recovering possession of the Premises, reletting, repairs, leasing fees and marketing expenses and other appropriate and customary reasonable expenses of the Lessor in connection with such reletting (but not expenditures which are classified as Capital Expenditures), (4) court costs and reasonable attorney's fees, and (5) damages measured by the Net Present Dollar Value at the time of termination of this Lease of the rental income stream and other charges reserved to the Lessor under this Lease for the remainder of the Lease term, less the Net Present Dollar Value of the reasonable rental value of the Premises for the same period. Such Net Present Dollar Value shall be calculated according to recognized standard accounting procedures using the then applicable discount rate of the Federal Reserve Bank of San Francisco at the time of termination plus two percent (1%).

19.6 Lessor's Right to Perform. The Lessor, in addition to any other rights and remedies it has under this Lease and without waiving the Lessee's default, may (but is not obligated to) perform or cause to be performed any covenants, conditions or agreements on behalf of the Lessee that the Lessee has failed to perform, but only as and to the extent necessary to prevent imminent injury or harm. The Lessor may enter onto the Premises for such purpose and undertake such actions as the Lessor deems appropriate under the circumstances and with the facts known to the Lessor at that time. Upon the Lessor's demand, the Lessee shall promptly reimburse Lessor for any and all reasonable costs and expenses incurred by Lessor in connection with any such cure by the Lessor, including all amounts reasonably paid by the Lessor for consultants and experts, for materials and labor or services, and for Lessor's attorneys' fees and costs. This reservation of a right by the Lessor to make or perform such repairs or other work on the Premises which, in the first instance, is the Lessee's obligation pursuant to the Lease shall not be deemed to (1) impose any obligation on the Lessor to do so, (2) render the Lessor liable to the Lessee or any third person for the failure to do so, or (3) relieve the Lessee from any obligation to indemnify the Lessor except as otherwise provided in this Lease.

19.7 Interest on Unpaid Rent and Lessor's Advances. Interest at the rate of twelve percent (12%) per annum shall accrue on Rent not paid when due, monies advanced by the Lessor for the Lessee's account, and expenses incurred by the Lessor and reimbursable by the Lessee, which shall accrue from the date Rent is due, monies are advanced or reimbursable expenses incurred until the Lessor is fully paid or reimbursed.

19.8 Attorneys' Fees. If any action, suit or proceeding is brought by any party hereto with respect to this Lease, the prevailing party in any such action, suit or proceeding shall be entitled to recover from the other party, in addition to such other relief as the court may award, all reasonable attorneys' fees and costs of suit incurred by the prevailing party in connection with such action, suit or proceeding. A party shall also be entitled to its reasonable attorneys' fees and expenses incurred in connection with any litigation to which it is made a party (other than Condemnation Action) commenced without fault on its part by the other party.

19.9 Late Charge. The Lessee acknowledges that its late payment of Rent or reimbursements will cause the Lessor to incur administrative and other costs not

contemplated by this Lease, the exact amount of which costs are extremely difficult and impracticable to fix. Therefore, if any installment of Rent due from the Lessee is not received by the Lessor when due, the Lessee shall pay to the Lessor an additional sum of five percent (5%) of the overdue amount as a late charge. The parties agree that this late charge represents a fair and reasonable estimate of the costs that the Lessor will incur by reason of late payment by the Lessee. Acceptance of any late charge shall not constitute a waiver of the Lessee's default with respect to the overdue amount or prevent the Lessor from exercising any of the other rights and remedies available to the Lessor.

19.10 Remedies Cumulative. Each and all of the remedies of the Lessor and the Lessee under this Lease are cumulative and may be exercised concurrently or successively, and the exercise of one right or remedy by the Lessor or the Lessee shall not impair or waive the Lessor's or Lessee's right to any other remedy.

19.11 Right of Contest. The Lessee shall have the right at its sole expense to contest the amount, validity or application of any tax, rate, assessment, lien, attachment, judgment, encumbrance, imposition, duty, charge or other outgoing by any appropriate action commenced before the disputed item becomes delinquent in the name of the Lessor or the Lessee, provided that such Action shall be brought in good faith and diligently prosecuted. If payment to, or compliance with, the disputed item may be legally held in abeyance without incurring a lien of any kind against the Premises or the right or interest of the Lessor in the Premises and without subjecting the Lessor or the Lessee to criminal liability of any nature, the Lessee may postpone payment or compliance until the final determination of such Action. If, however, any lien or civil liability is incurred by reason of nonpayment or noncompliance or delay, the Lessee shall first furnish to the Lessor a bond, cash or other security reasonably satisfactory to the Lessor, against any loss or injury by reason of noncompliance. The Lessor agrees, at no cost or expense to it, to join in, execute, deliver and file at the request of the Lessee any document or instrument which may be necessary or proper to permit the Lessee to contest any matter covered by this Section and to forward immediately to Lessee any notices or other documents received by Lessor related to Lessee's Action. Notwithstanding the foregoing, Lessee shall pay all such taxes, rates, assessments or charges, together with all interest, penalties or fines accrued thereon or imposed in connection therewith, immediately upon the commencement of proceedings to foreclose any lien which has attached to the Premises or any part thereof. Regardless of whether or not the Lessee prosecutes any such contest to conclusion or ceases, abandons or otherwise discontinues such contest, the Lessee shall hold the Lessor harmless from and against all claims, demands and liability based on or arising from the Lessee's noncompliance with the matter which is the subject of the contest. If any lien attaches to the Premises or the Lessor is subjected to any liability on account of the Lessee's contest, the Lessor may, at its option, discharge the lien and pay the liability, together with any associated interest, penalties, fines and costs, and the Lessee will repay to the Lessor on demand the full amount so paid by the Lessor together with interest accruing from the date the Lessor incurs the expense until it is reimbursed by the Lessee.

20. MISCELLANEOUS PROVISIONS.

20.1 Approvals. A party's response to any request from the other party for approval or consent when required by this Lease will not be unreasonably or arbitrarily withheld, delayed, deferred or conditioned unless the approval is stated to be at the discretion of the party whose approval is sought. Upon the failure of a party to respond within fifteen (15) days to a request for approval or consent, the party to whom the request was made shall be deemed to have approved and consented to such request. Whenever approval may not be unreasonably withheld, neither party will impose conditions on the granting of the approval nor will require the payment of any money for the granting of such approval other than a reasonable charge for the review and processing of the application for and preparation of, the approval or consent and reimbursement of actual expenses for consultants, including architects, engineers and attorneys, reasonably engaged in connection with the review and approval. Whenever an approval is stated to be within the discretion of a party, the granting or denial of the approval may be withheld or granted for any reason or for no reason, and the party whose approval is sought will not for any reason or to any extent be required to grant the approval or exercise its discretion or impose conditions to the approval in any particular manner, regardless of the reasonableness of either the request for approval or the conditions imposed.

20.2 Choice of Forum. The parties agree that any action for the enforcement of this Lease shall be brought only in the Circuit Court of the First Circuit, State of Hawaii, or the United States District Court for the District of Hawaii and the parties submit to the jurisdiction and venue of these courts.

20.3 Entire Agreement. This Lease contains the entire agreement between the parties with respect to the Lease of the Premises and supersedes any prior oral or written understandings or agreements.

20.4 Estoppel Certificates.

(a) Requests. A party shall at any time upon not less than fifteen (15) days prior written notice from the other party execute, acknowledge and deliver to the other party a statement in writing, if true, (1) certifying in substance that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of the modification and certifying that this Lease, as so modified, is in full force and effect) and the date to which the Base Rent has been paid in advance, if any, (2) acknowledging that there are not, to the knowledge of the party making the certificate, any uncured defaults under this Lease on the part of the party requesting the certificate, or specifying such defaults if any are claimed, and (3) certifying and confirming such other matters as requested (an "Estoppel Certificate"). Any such statement may be conclusively relied upon by any prospective purchaser, assignee or mortgagee of the Premises.

(b) Remedy if No Response. If a party fails or refuses to deliver an Estoppel Certificate in the time required above, the party in default shall, at the option of and without prejudice to other remedies available to the party requesting the Estoppel

Certificate, be deemed to have certified the matters contained in the Estoppel Certificate submitted to such party in default.

20.5 Exhibits--Incorporation in Lease. All exhibits referred to as attached to this Lease are incorporated by reference.

20.6 Force Majeure. If either party is delayed or hindered in or prevented from the performance of any act required under this Lease by reason of strikes, lock-outs, labor troubles, inability to procure materials, failure of electrical power, restrictive governmental Laws or regulations, riots, insurrection, terrorism, war, fire, flood, hurricane, earthquake, Acts of God or other reason of a like nature not the fault of the party whose performance is hindered or delayed, the performance of such act shall be excused for the period of the delay and the date for the performance of any such act shall be extended for a period equivalent to the period of such delay. A party intending to rely on a Force Majeure event shall give the other party notice of such intention as soon as reasonably possible but in no event later than six (6) months after the event. Unless otherwise provided in this Lease, the provisions of this Section 20.6 shall not operate to excuse the Lessee from prompt payment of any Rent.

20.7 Governing Law. This Lease shall be construed and governed by the Laws of the State of Hawaii, excluding its choice of Law rules that may otherwise require the application of the Law of another jurisdiction.

20.8 [Intentionally Omitted]

20.9 Joint and Several Obligations. The obligations imposed on the Lessee shall be joint and several if the Lessee is comprised of more than one person.

20.10 Modifications. This Lease may be modified, discharged, or waived only by an agreement in writing signed by the party against which the enforcement of the modification, discharge or waiver is sought.

20.11 Notices.

(a) General. All notices or demands that are required or may be given under this Lease by one party to another party or that are required by Law shall be in writing and shall be deemed to have been validly given or served (1) by delivery to the intended addressee or (2) by depositing the notice with a reputable private courier service for next business day delivery to the intended recipient at its address set forth on the first page of this Lease or at such other address as a party shall have designated for such purpose by notice to the other party or parties or (3) by depositing the notice in the United States mail, postage prepaid, registered or certified mail, return receipt requested, addressed to the intended recipient at its address set forth below or at such other address as a party shall have designated for receipt of notices by a notice given to the other party or parties. A notice shall be deemed given upon personal delivery to the designated address or two business days after being deposited with the private courier service, or

four business days after being deposited in the United States mail as specified above. Rejection of or other refusal to accept a notice or the inability to give notice because a notice of a change in address was not given as required by this Section 20.11 shall be deemed to be receipt of the notice sent when tendered as provided by this Section. A party shall have the right from time to time to change its address for receipt of notice to specify any other address within the United States of America by giving notice of the change in address to the other party or parties at least fifteen (15) days in advance. A notice of change of address is effective under this Lease only when actually received. Notices shall be sent to the following addresses or to such other address as a party shall have designated for receipt of notices by a notice given to the other party or parties:

If to Lessor: Maui Land & Pineapple Company, Inc.
120 Kane Street
Kahului, Hawaii 96732

If to Lessee: Kapalua Bay, LLC
120 Kane Street
Kahului, Hawaii 96732

(b) Service on Agent. If a party has designated an agent for service of process, notice to the agent shall conclusively be deemed service on that party.

20.12 No Merger. Ownership by or for the same person of different estates or interest in the Land shall not result in merger of estates without the prior written consent of all persons having an interest in the Land.

20.13 Severability. Any provision that is unenforceable, invalid or illegal shall not render this Lease or any other of its provisions unenforceable, invalid, or illegal. To the extent any provision herein (or part of such provision) is held to be unenforceable or invalid when applied to a particular set of facts, or otherwise, the unenforceability or invalidity of such provision (or part thereof) shall not affect the enforceability or validity of the remaining provisions hereof (or of the remaining parts of such provision), which shall remain in full force and effect.

20.14 Short Form Amendment of Lease. This Lease shall not be recorded; provided, however, that concurrently with the execution of this Lease, the Lessor and the Lessee shall join in the execution of a memorandum or so-called "short-form" for the purpose of evidencing the existence of this Lease, which shall be recorded in the Bureau of Conveyances of the State of Hawaii.

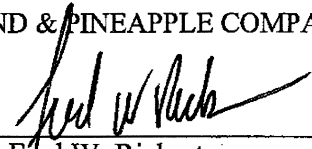
20.15 Successors. This Lease shall be binding upon, and inure to the benefit of, the Lessor and the Lessee and their respective successors, successors in trust and permitted assigns.


20.16 Time of Essence. Time is of the essence of each provision of this Lease and the observance and performance of all of the terms, covenants and conditions of this Lease.

20.17 Jury Trial and Counterclaim. Each of the Lessor and the Lessee voluntarily and knowingly waives trial by jury in any action, proceeding or counterclaim brought by either party against the other on any matter arising out of or in any way connected with this Lease, the relationship of the Lessor and the Lessee, the use or occupancy of the Premises, including any claim of injury or damage, and any emergency and other statutory remedy with respect to this Lease.


IN WITNESS WHEREOF, Lessor and Lessee have caused this instrument to be duly executed the day and year first above written.

MAUI LAND & PINEAPPLE COMPANY,
INC.

By 
Name: Fred W. Rickert
Its Acting Chief Financial Officer

By 
Name: Adele H. Sumida
Its Controller & Secretary
"Lessor"

KAPALUA BAY, LLC

By 
Name: Ryan L. Churchill
Its President
"Lessee"

Exhibits:

Exhibit A – Description of the Land

Exhibit B – Existing Subleases

EXHIBIT A

All of that certain parcel of land (being portion(s) of the land(s) described in and covered by Royal Patent Number 1663, Land Commission Award Number 5524, Apana 1 to L. Konia and Royal Patent Number 2236, Land Commission Award Number 8522-B, Apana 1 to Kale Davis) situate, lying and being on the northwesterly side of Lower Honoapiilani Road at Honokahua, Napili 2 & 3, District of Lahaina, Island and County of Maui, State of Hawaii, being **LOT A-3-A-1** of the "**KAPALUA DEVELOPMENT (LARGE LOT) SUBDIVISION**", and thus bounded and described, to-wit:

Beginning at a point on the southeasterly corner of this lot, the coordinates of said point of beginning referred to Government Survey Triangulation Station "HAWEA" being 1,368.84 feet south and 694.80 feet east and running by azimuths measured clockwise from true South:

- | | | | |
|----|----------|--------|---|
| 1. | 168° 40' | 81.34 | feet along the remainders of R.P. 1663, L.C. Aw. 5524, Apana 1 to L. Konia and R.P. 2236, L.C. Aw. 8522-B, Apana 1 to Kale Davis, being also along Lot A-2-A of Kapalua Development (Large Lot) Subdivision to a point; |
| 2. | 151° 20' | 209.49 | feet along the remainder of R.P. 2236, L.C. Aw. 8522-B, Apana 1 to Kale Davis, being also along Lot A-2-A of Kapalua Development (Large Lot) Subdivision to a point; |
| 3. | 94° 50' | 62.64 | feet along same to a point; |
| 4. | 243° 07' | 70.85 | feet along the remainder of R.P. 2236, L.C. Aw. 8522-B, Apana 1 to Kale Davis, being also along Lot A-4-A-1 of Kapalua Development (Large Lot) Subdivision to a point; |
| 5. | 156° 12' | 247.75 | feet along same to a point; |
| 6. | 246° 12' | 6.81 | feet along same to a point; |
| 7. | 156° 12' | 15.92 | feet along same to a point; |
| 8. | 246° 12' | 39.00 | feet along same to a point; |

- | | | | | |
|-----|---|-----|--------|--|
| 9. | 156° | 12' | 19.94 | feet along same to a point; |
| 10. | 246° | 12' | 137.72 | feet along same to a point; |
| 11. | 336° | 12' | 86.44 | feet along same to a point; |
| 12. | 281° | 19' | 107.00 | feet along same to a point; |
| 13. | 300° | 37' | 204.91 | feet along same to a point; |
| 14. | 15° | 18' | 83.21 | feet along the Northwesterly side of Lower Honoapiilani Road to a point; |
| 15. | Thence along same on a curve to the right having a radius of 408.54 feet, the chord azimuth and distance being: | | | |
| | 26° | 57' | 15" | 165.05 feet to a point; |
| 16. | 38° | 36' | 30" | 219.92 feet along same to a point; |
| 17. | 32° | 55' | 24" | 36.34 feet along same to the point of beginning and containing an area of 3.486 acres, more or less. |

Together with a nonexclusive easement for access over and across all of that certain parcel known as Lot 2-A-1-B-4 of the Kapalua Development Subdivision, provided that said easement shall automatically terminate upon the dedication of said parcel to the County of Maui or any other governmental entity for use as a public roadway, as provided further that Lessor shall have the right to relocate such easement from time to time so long as Lessee's access from a public roadway to the above-described property is not thereby unreasonably disturbed, being more particularly described as follows:

Kapalua Development Subdivision
Description of Lot 2-A-1-B-4

That certain parcel of land situated westerly of Honoapiilani Highway (F.A.P. No. RF-030-1(3)) and at the north end of Lower Honoapiilani Road at Napili 2 & 3 and Honokahua, Lahaina, Island and County of Maui, State of Hawaii, being more particularly described as follows:

LOT 2-A-1-B-4 of the Kapalua Development Subdivision, being portions of Royal Patent 1663, Apana 1, Land Commission Award 5524, Apana 1 to L. Konia and Royal Patent 2236, Land Commission Award 8522-B, Apana 1 to Kale Davis, and thus bounded and described as follows:

Beginning at a point at the southeast corner of this lot, the coordinates of said point of beginning referred to Government Survey Triangulation Station "HAWEA" being 2,200.09 feet South and 363.67 feet East and running by azimuths measured clockwise from True South:

1. 117° 35' 24" 80.90 feet along the remainder of Royal Patent 1663, Apana 1, Land Commission Award 5524, Apana 1 to L. Konia, being also along the east side of Lower Honoapiilani Road;
2. Thence along same on a curve to the right having a radius of 146.19 feet, the chord azimuth and distance being:
150° 53' 38.50" 160.54 feet;
3. 94° 11' 53" 40.00 feet along the remainder of Royal Patent 1663, Apana 1, Land Commission Award 5524, Apana 1 to L. Konia, being also along the north side of Lower Honoapiilani Road;
4. Thence along the remainder of Royal Patent 1663, Apana 1, Land Commission Award 5524, Apana 1 to L. Konia, being also along the west side of Lower Honoapiilani Road on a curve to the left having a radius of 186.19 feet, the chord azimuth and distance being:
358° 13' 8.50" 38.79 feet;
5. 101° 26' 54" 8.45 feet along the remainder of Royal Patent 1663, Apana 1, Land Commission Award 5524, Apana 1 to L. Konia, being also along TMK: 4-2-02:04;
6. Thence along the remainder of Royal Patent 1663, Apana 1, Land Commission Award 5524, Apana 1 to L. Konia, being also along Lots A-1 and A-2 of the Kapalua Development Subdivision on a curve to the right having a radius of 194.19 feet, the chord azimuth and distance being:
190° 17' 30.50" 115.05 feet;
7. 207° 31' 24" 125.19 feet along the remainder of Royal Patent 1663, Apana 1, Land Commission Award

5524, Apana 1 to L. Konia, being also along Lot A-2 of the Kapalua Development Subdivision;

8. Thence along same on a curve to the right having a radius of 236.44 feet, the chord azimuth and distance being:
- 223° 34' 54" 130.81 feet;
9. 239° 38' 24" 173.40 feet along same;
10. Thence along same on a curve to the left having a radius of 294.16 feet, the chord azimuth and distance being:
- 224° 01' 54" 158.29 feet;
11. 208° 25' 24" 91.40 feet along same;
12. 212° 55' 24" 141.26 feet along the remainders of Royal Patent 1663, Apana 1, Land Commission Award 5524, Apana 1 to L. Konia and Royal Patent 2236, Land Commission Award 8522-B, Apana 1 to Kale Davis, being also along Lot A-2 of the Kapalua Development Subdivision;
13. 218° 36' 30" 219.92 feet along the remainder of Royal Patent 2236, Land Commission Award 8522-B, Apana 1 to Kale Davis, being also along Lot A-2 of the Kapalua Development Subdivision;
14. Thence along the remainder of Royal Patent 2236, Land Commission Award 8522-B, Apana 1 to Kale Davis, being also along Lots A-2 and A-3-A of the Kapalua Development Subdivision on a curve to the left having a radius of 408.54 feet, the chord azimuth and distance being:
- 206° 57' 15" 165.05 feet;
15. 195° 18' 105.66 feet along the remainder of Royal Patent 2236, Land Commission Award 8522-B, Apana 1 to Kale Davis, being also along Lots A-3-A and A-4-A of the Kapalua Development Subdivision;

16. Thence along the remainder of Royal Patent 2236, Land Commission Award 8522-B, Apana 1 to Kale Davis, being also along Lot A-4-A of the Kapalua Development Subdivision on a curve to the right having a radius of 846.51 feet, the chord azimuth and distance being:
- 198° 02' 80.74 feet;
17. 200° 46' 66.02 feet along the remainder of Royal Patent 2236, Land Commission Award 8522-B, Apana 1 to Kale Davis, being also along Lots A-4-A and A-5-A-1 of the Kapalua Development Subdivision;
18. Thence along the remainder of Royal Patent 2236, Land Commission Award 8522-B, Apana 1 to Kale Davis, being also along Lots A-5-A-1 and A-5-A-2 of the Kapalua Development Subdivision on a curve to the right having a radius of 355.40 feet, the chord azimuth and distance being:
- 217° 05' 30" 199.80 feet;
19. 233° 25' 337.70 feet along the remainder of Royal Patent 2236, Land Commission Award 8522-B, Apana 1 to Kale Davis, being also along Lots A-5-A-2 and A-6 of the Kapalua Development Subdivision;
20. Thence along the remainder of Royal Patent 2236, Land Commission Award 8522-B, Apana 1 to Kale Davis, being also along Lot A-6 of the Kapalua Development Subdivision on a curve to the right having a radius of 282.65 feet, the chord azimuth and distance being:
- 262° 28' 30" 274.57 feet;
21. 291° 32' 163.23 feet along same;
22. Thence along the remainder of Royal Patent 2236, Land Commission Award 8522-B, Apana 1 to Kale Davis, being also along Lot A-6 of the Kapalua Development Subdivision, and the Kapalua Place

Subdivision File Plan 1956 on a curve to the left having a radius of 735.94 feet, the chord azimuth and distance being:

- 286° 47' 30" 121.67 feet;
23. 282° 03' 83.16 feet along the remainder of Royal Patent 2236, Land Commission Award 8522-B, Apana 1 to Kale Davis, being also along the Kapalua Place Subdivision, File Plan 1956;
24. Thence along same on a curve to the left having a radius of 148.29 feet, the chord azimuth and distance being:
- 264° 03' 91.65 feet;
25. 246° 03' 77.75 feet along same;
26. Thence along same on a curve to the right having a radius of 1,861.47 feet, the chord azimuth and distance being:
- 248° 11' 138.59 feet;
27. 250° 19' 155.12 feet along same;
28. Thence along same on a curve to the left having a radius of 544.96 feet, the chord azimuth and distance being:
- 242° 12' 30" 153.73 feet;
29. 234° 06' 54.39 feet along same;
30. Thence along the remainder of Royal Patent 2236, Land Commission Award 8522-B, Apana 1 to Kale Davis, being also the Kapalua Place Subdivision, File Plan 1956 and Lot A-7-A of the Kapalua Development Subdivision on a curve to the right having a radius of 391.78 feet, the chord azimuth and distance being:
- 245° 02' 45" 148.78 feet;
31. 255° 59' 30" 576.56 feet along the remainder of Royal Patent 2236, Land Commission Award 8522-B, Apana 1 to Kale Davis, being also along Lots A-7-A and A-7-C-5 of the Kapalua

Development Subdivision;

32. 22° 00' 69.23 feet along the remainder of Royal Patent 2236, Land Commission Award 8522-B, Apana 1 to Kale Davis, being also along Lots 2-A-1-B-1 of the Kapalua Development Subdivision;
33. 75° 59' 30" 535.86 feet along the remainder of Royal Patent 2236, Land Commission Award 8522-B, Apana 1 to Kale Davis, being also along Lots 2-A-1-B-1 and 2-A-2 of the Kapalua Development Subdivision;
34. Thence along the remainder of Royal Patent 2236, Land Commission Award 8522-B, Apana 1 to Kale Davis, being also along Lots 2-A-2 and 2-A-4 of the Kapalua Development Subdivision on a curve to the left having a radius of 335.78 feet, the chord azimuth and distance being:
- 65° 02' 45" 127.52 feet;
35. 54° 06' 54.39 feet along same;
36. Thence along the remainder of Royal Patent 2236, Land Commission Award 8522-B, Apana 1 to Kale Davis, being also along Lot 2-A-2 of the Kapalua Development Subdivision on a curve to the right having a radius of 600.96 feet, the chord azimuth and distance being:
- 62° 12' 30" 169.52 feet;
37. 70° 19' 155.12 feet along same;
38. Thence along same on a curve to the left having a radius of 1,805.47 feet, the chord azimuth and distance being:
- 68° 11' 134.42 feet;
39. 66° 03' 77.75 feet along same;
40. Thence along same on a curve to the right having a radius of 204.29 feet, the chord azimuth and distance being:

- 84° 03' 126.26 feet;
41. 102° 03' 83.16 feet along the remainder of Royal Patent Number 2236, Land Commission Award 8522-B, Apana 1 to Kale Davis, being also along Lots 2-A-3 of the Kapalua Development Subdivision;
42. Thence along same on a curve to the right having a radius of 791.94 feet, the chord azimuth and distance being:
- 106° 47' 30" 130.93 feet;
43. 111° 32' 163.23 feet along same;
44. Thence along the remainder of Royal Patent 2236, Land Commission Award 8522-B, Apana 1 to Kale Davis, being also along Lots 2-A-3 and 2-A-1-B-1 of the Kapalua Development Subdivision on a curve to the left having a radius of 226.65 feet, the chord azimuth and distance being:
- 82° 28' 30" 220.17 feet;
45. 53° 25' 337.70 feet along the remainder of Royal Patent 2236, Land Commission Award 8522-B, Apana 1 to Kale Davis, being also along Lot 2-A-1-B-1 of the Kapalua Development Subdivision;
46. Thence along same on a curve to the left having a radius of 299.40 feet, the chord azimuth and distance being:
- 37° 05' 30" 168.31 feet;
47. 20° 46' 66.02 feet along same;
48. Thence along same on a curve to the left having a radius of 790.51 feet, the chord azimuth and distance being:
- 18° 02' 75.40 feet;
49. 15° 18' 105.66 feet along same;
50. Thence along same on a curve to the right having a radius of 464.54 feet, the chord azimuth and distance being:

- 26° 57' 15" 187.68 feet;
51. 38° 36' 30" 217.14 feet along same;
52. 32° 55' 24" 136.27 feet along the remainder of Royal Patent 1663, Apana 1, Land Commission Award 5524, Apana 1 to L. Konia, being also along Lot 2-A-1-B-1 of the Kapalua Development Subdivision;
53. 28° 25' 24" 89.21 feet along same;
54. Thence along same on a curve to the right having a radius of 350.16 feet, the chord azimuth and distance being:
- 44° 01' 54" 188.43 feet;
55. 59° 38' 24" 173.40 feet along same;
56. Thence along same on a curve to the left having a radius of 180.44 feet, the chord azimuth and distance being:
- 43° 34' 54" 99.82 feet;
57. 27° 31' 24" 125.19 feet along same;
58. Thence along same on a curve to the left having a radius of 138.19 feet, the chord azimuth and distance being:
- 342° 33' 24" 195.32 feet;
59. 297° 35' 24" 56.15 feet along same;
60. Thence along the remainder of Royal Patent 1663, Apana 1, Land Commission Award 5524, Apana 1 to L. Konia, being also along Lower Honoapiilani Road on a curve to the left having a radius of 198.00 feet, the chord azimuth and distance being:
- 315° 30' 52" 26.02 feet to the point of beginning and containing an area of 5.296 acres, more or less.

Tax Map Key: Maui 4-2-4-27

Exhibit B

Existing Tenant Leases in The Shops at Kapalua

<u>Tenant Name</u>	<u>Suite No.</u>	<u>Date</u>	<u>Title of Document</u>
Dwayne Bower & Alicia Bower dba La Perle and D & A Bower, Inc. dba La Perle	111	<ol style="list-style-type: none"> 1. 7/12/79 2. 9/1/82 3. 8/1/89 4. 9/14/93 5. 12/14/01 6. 12/14/01 7. 1/9/02 8. 9/11/02 9. 4/1/03 10. 4/1/03 11. 11/3/03 12. 11/3/03 	<ol style="list-style-type: none"> 1. Lease Agreement (Dwayne Bower & Alicia Bower) 2. First Amendment to Lease (Dwayne Bower & Alicia Bower) 3. Second Amendment and Assignment of Lease and Personal Guaranty (Dwayne Bower & Alicia Bower) 4. Third Amendment to Lease (Dwayne Bower & Alicia Bower) 5. Fourth Amendment to Lease (Dwayne Bower & Alicia Bower) 6. Fourth Amendment of Lease (D & A Bower, Inc.) 7. Certificate of Liability Insurance 8. Agreement for Member Discount 9. Fifth Amendment to Lease 10. Fifth Amendment to Lease (D & A Bower, Inc.) 11. Sixth Amendment to Lease 12. Sixth Amendment to Lease (D & A Bower, Inc.)
Mary Frederick Inc. dba Elizabeth Doyle Gallery	117, 118 & 119	<ol style="list-style-type: none"> 1. 5/2/01 2. 12/26/01 3. 12/26/02 4. 12/27/02 5. 9/15/03 6. 4/1/04 7. 4/1/04 	<ol style="list-style-type: none"> 1. Lease 2. First Amendment of Lease 3. Agreement for Member Charging Privileges 4. Second Amendment to Lease 5. Third Amendment of Lease 6. Fourth Amendment of Lease 7. Summary of Lease Amendments
Gallery Carmel, Inc. dba Haimoff & Haimoff Creations in Gold	130	<ol style="list-style-type: none"> 1. 11/14/01 2. 11/26/01 3. 6/18/02 4. 4/22/03 5. 5/1/03 	<ol style="list-style-type: none"> 1. Lease 2. First Amendment to Lease 3. Certificate of Liability Insurance 4. Second Amendment to Lease 5. Agreement for Member

			Discount
--	--	--	----------

Michael Gillan dba Hawaiian Quilt Collection	102	1. 2/21/02 2. 3/4/04	1. Lease 2. First Amendment of Lease
Jennifer Holt dba Maui Coffee Company	K1	1. 12/14/01 2. 01/17/02 3. 06/22/02	1. First Amendment of Lease 2. Certificate of Liability Insurance (Kapalua Land Company, Ltd.) 3. Certificate of Liability Insurance (Maui Land & Pineapple Co., Inc.)
Hossein Jourabchi	120	1. 8/23/00 2. 12/14/01 3. 7/5/02 4. 11/12/02 5. 12/27/02 6. 10/31/03	1. Lease 2. First Amendment to Lease 3. Certificate of Liability Insurance 4. Second Amendment of Lease 5. Third Amendment of Lease 6. Air Conditioner Contribution Request
Kapalua Land Company, Ltd. dba Kapalua Collections	113	2/24/03	Lease Agreement
Kapalua Land Company, Ltd. dba Kapalua Home Store	127 & 128	1/6/03	Lease Agreement
Kapalua Land Company, Ltd. dba Kapalua Kids	101	1/6/03	Lease Agreement
Kapalua Land Company, Ltd. dba Kapalua Logo	108, 109, 110	1/6/03	Lease Agreement
Kapalua Land Company, Ltd. dba Kapalua Realty	129	2/24/03	Lease Agreement
Octopus/DK, Inc.	115	1. 1/8/96 2. 1/8/96 3. 12/5/01 4. 12/5/01 5. 1/23/02 6. 3/18/02 7. 8/26/03 8. 8/26/03	1. Copy of Lease 2. Lease 3. Copy of First Amendment of Lease 4. First Amendment of Lease 5. Certificate of Liability Insurance 6. Second Amendment of Lease 7. Copy of Third Amendment of Lease 8. Third Amendment of Lease
June Okamoto dba Maui Aloha	122	1. 12/31/01 2. 10/11/02	1. Lease Agreement 2. Certificate of Liability Insurance

Reyn's Mens Wear, Inc.	121	<ol style="list-style-type: none"> 1. 7/31/00 2. 11/12/01 3. 11/12/02 4. 03/29/02 	<ol style="list-style-type: none"> 1. Lease 2. First Amendment to Lease 3. Second Amendment to Lease 4. Certificate of Liability Insurance
Lahaina Galleries, Inc. dba Kapalua Gallery	123 & 126	<ol style="list-style-type: none"> 1. 5/2/90 2. 3/13/93 3. 8/15/94 4. 1/14/00 5. 1/7/02 6. 1/7/02 7. 10/02/02 8. 12/18/02 	<ol style="list-style-type: none"> 1. Lease 2. Rent Agreement 3. First Amendment of Lease 3. 4. Second Amendment of Lease 5. Certificate of Liability Insurance (Kapalua Land Company, Ltd.) 6. Certificate of Liability Insurance (Maui Land & Pineapple Co., Inc.) 7. Third Amendment to Lease 8. Fourth Amendment to Lease
McKelvey, Inc. dba Trouvaille Finding Something Special	124	<ol style="list-style-type: none"> 1. 4/15/03 2. 4/21/04 	<ol style="list-style-type: none"> 1. Lease 2. First Amendment to Lease
Penelope Parker dba Ho'opomaikai	125	<ol style="list-style-type: none"> 1. 11/04/03 2. 12/24/03 3. ___/___/04 4. 3/24/04 	<ol style="list-style-type: none"> 1. Offer of Lease 2. Lease 3. First Amendment to Lease 4. Storage Unit #1 Lease
Taipin Group, Inc. dba Aloha Sun Gifts and Souvenirs	114	<ol style="list-style-type: none"> 1. 6/17/03 2. 8/15/03 3. 9/5/03 4. 12/30/03 5. 4/19/04 	<ol style="list-style-type: none"> 1. Lease 2. First Amendment to Lease 3. Storage Unit #2 Lease 4. Exercise of Option Letter 5. Second Amendment to Lease