

MEMORANDUM OF AGREEMENT

This Memorandum of Agreement ("Agreement") is made on this 10th day of October, 1990, by and between LANAIANS FOR SENSIBLE GROWTH, a Hawaii nonprofit corporation ("LSG"), the OFFICE OF HAWAIIAN AFFAIRS, a Hawaii Body Corporate ("OHA"), and LANAI COMPANY, INC., a Hawaii corporation, and CASTLE & COOKE, INC., a Hawaii corporation, (collectively the "COMPANY").

R E C I T A L S

1. Over the years there has evolved a unique and special relationship between Castle & Cooke, Inc., as the principal landowner and employer on Lanai, and the community of residents of Lanai. In ancient times, Hawaiians first inhabited the island as their home. In the 19th Century, cattle ranching was introduced, and in 1922, James Dole, through his labors and the labors of people who came to Lanai from many parts of the world, proceeded to cultivate what became the world's largest pineapple plantation. Through the history of this relationship and mutual contributions and endeavors, there has developed a special island community on Lanai.

2. Lanai is a place of natural beauty, with clean air, unspoiled beaches and mountain trails, and a shoreline providing food, recreation, and a place for people to realize and enjoy their relationship with nature. Lanai's beauty is also found in its social environment and the special lifestyle of its people: where life moves at a quiet pace; where people from many places have come together to share the best of each of their cultures; and where people are truly neighbors and live their lives in a spirit of mutual care and "Aloha".

3. The world is changing and Lanai is not immune from change. Company has proposed and embarked upon the development of a visitor-based industry for the island. Company has made substantial investments, both in terms of financial and human resources, in connection with this development. These investments are reflected in, among other things, the Lodge at Koele, additional housing, significant infrastructure improvements and recreational amenities. This development, as well as other changes for Lanai in its economic base, are inevitable and essential. With that change in economy will come social changes: the island's population will grow; its composition will change; and the work that people will do will change. But with change, will come new opportunities: job opportunities for young people; cultural and educational

opportunities for residents; housing opportunities for families; and better facilities to provide for senior citizens needs.

4. It is the mutual desire of the parties that the positive aspects of Lanai's natural, social, and cultural environments, which have made it a special place to live, be protected, managed, and promoted for the benefit of present and future generations of residents and to enhance the experience Lanai will offer as a visitor destination -- unique to anywhere else in the world. It is also their mutual desire that the development of a visitor-based industry on the island proceed so that the island's residents may come to realize and enjoy the economic, cultural, educational and housing benefits of a vital and diverse economy.

5. The Company has development plans for Lanai which include, among other things, a hotel, golf course and residential development at Manele, a hotel, golf course and residential development at Koele, affordable housing, airport improvements, and various amenities for visitors and residents (collectively the "Development").

6. In the past, the parties hereto have had disputes and disagreements regarding the course and direction of the Development. Nevertheless, the parties agree that to attempt to maintain those things which are the best about Lanai, and to achieve the benefits of economic development in a manner consistent with preserving such things, it is essential that Company and the residents of Lanai work together in mutual cooperation. It is in this spirit of the mutual care, concern, and cooperation for the benefit of people of Lanai, the things that make Lanai a special place, and the continuing viability of the economy of the island that the parties hereto have arrived at this Agreement.

W I T N E S S E T H :

NOW THEREFORE, in consideration of the mutual promises and agreements herein, the parties hereto recite and agree as follows:

I. MANELE GOLF COURSE AND RESIDENTIAL DEVELOPMENT PROJECT

A. Recitals

1. Company has filed a petition (Docket No. A89-649) before the Land Use Commission of the State of Hawaii ("LUC") to reclassify certain acreage from the Rural and Agriculture Land

Use District, TMK: 4-9-02:01 (Por), situated at Manele, Lanai, Hawaii, to the Urban Land Use District (the "LUC Petition").

2. Company has filed (Docket No. 90/CPA004) before the Maui Planning Commission ("Commission") an Application for an Amendment to the Lanai Community Plan and Manele Project District to Expand the Manele Project District Boundaries ("Maui Application"); the Commission issued a Notice of Determination on the Maui Application which required the preparation of an Environmental Impact Statement ("EIS"); and Company filed a Petition for Reconsideration of such Notice of Determination which revised the Maui Application to limit it to plans for a golf course, golf clubhouse and related golf facilities (hereinafter referred to as the "Manele Golf Development") (the "Maui Petition").

3. LSG and OHA have opposed the LUC Petition and the Maui Petition by, among other things, filing intervention with the LUC ("LUC Opposition") and filing an Opposition to Petition for Reconsideration with respect to the Maui Petition ("Maui Opposition"), seeking the requirement of an environmental impact statement before Company may proceed with its development plans for Manele.

4. All parties acknowledge the need to proceed as soon as possible with the Manele Golf Development to support the economic viability of the Manele Bay Hotel. All parties also acknowledge the need to wisely protect the natural resources and the social environment upon which the success of the development relies.

B. Agreement

1. Manele Golf Development. Subject to obtaining the necessary approvals and the terms of Articles I, II and III of this Agreement, LSG and OHA agree that Company may proceed with the development, construction, operation and maintenance of the Manele Golf Development without first obtaining an EIS, and LSG and OHA agree that, in accordance with Subsection B.3 below, they will not oppose the Company so proceeding.

2. Pending Petitions and Motions. Company agrees to take the necessary and appropriate steps so that the LUC Petition and the Maui Petition seek the issuance of orders of reclassifications or approvals of only the Manele Golf Development prior to the completion and acceptance of the EIS as more fully described in Section I.B.5. below. Company will not seek the issuance of orders of reclassifications or approvals for

the development of the residential subdivision adjacent to the golf course until the completion and acceptance of such EIS.

3. Conditional Withdrawal of Objections. LSG and OHA agree to withdraw with prejudice all objections to the pending applications related to the Manele Golf Development, including without limitation, the LUC Opposition and Maui Opposition as they pertain to the Manele Golf Development, and will not object, in the future, to the Manele Golf Development substantially in form and substance as currently proposed, subject to the provisions of this Agreement.

4. Future Residential Development Plans. LSG and OHA acknowledge and agree that Company shall seek approval for a residential subdivision development immediately adjacent to the golf course development (the "Residential Development"). LSG and OHA agree they will not oppose the concept of the Residential Development and will not seek to delay its approval. LSG and OHA further acknowledge and agree that they will not oppose the concept of residential housing in the Manele Project Area, and that such housing will be of a luxury character. LSG represents that its total membership on the date of this Agreement is in excess of 250, and understands that Company is relying upon LSG as an organization to support and carry out the objectives of this Agreement. Consequently, should another group which includes Lanai residents be formed to oppose the objectives of this Agreement ("Opposition Group"), LSG acknowledges that the benefits of this Agreement could be lost to Company. Accordingly, LSG and its current and future officers and directors agree not to support or be a member of any Opposition Group. However, LSG reserves its rights to raise issues and concerns regarding such development before any approving entity with respect to the specifics of such development, including its scope and design, and concerns over the environmental and social impact of such a development which are not addressed to the satisfaction of LSG through the EIS and permit approval process.

5. Preparation of Environmental Impact Statement. Company agrees to proceed to cause to be prepared, in accordance with Chapter 343 of the Hawaii Revised Statutes, a cumulative EIS on the Manele Golf Development and Residential Development as required by law. In this regard, Company agrees that:

(a) It has caused the preparation and filing of a notice of preparation of the EIS pursuant to applicable state law and shall promptly process the EIS without delay, at every phase of preparation.

(b) The EIS shall incorporate a social impact component which shall incorporate social impact analysis as well as data compilation.

(c) The Draft EIS shall be completed within 90 days following September 18, 1990.

(d) It shall provide LSG with four copies of the Draft EIS immediately upon its issuance.

(e) Upon issuance of the Draft EIS, Company and LSG shall promptly meet as frequently as reasonably required to discuss, address, and, where appropriate, attempt to reach agreement with regard to any concerns identified by the EIS or raised by LSG as a result of, and within the scope of, the EIS; provided, however, that such discussions shall not hinder or delay the EIS approval process.

(f) It will complete and obtain Acceptance (as defined by Section 343-2 of the Hawaii Revised Statutes) of the Final EIS by the appropriate government entities prior to Company's submission of any petition or application to the LUC, the County Planning Commission, or any other governmental body, for approvals to permit the development of the residential subdivision.

(g) Notwithstanding the provisions of this Section, the Company may proceed with residential development already approved or permitted within the Manele Project District.

(h) Subject to Section I.B.4. above, this Agreement shall not be construed as a waiver of LSG's right to raise any concerns identified in the EIS or raised as a result of the EIS at any subsequent proceeding before any governmental body or agency if such concerns are not addressed to the satisfaction of LSG through the EIS process.

6. Environmental Protection. In developing, constructing, operating, and maintaining the golf course and any subsequent residential development in the Manele Project District, Company agrees that it will continue to cause such activities to take place with sensitivity to the environmental impact which may result. To that end, Company promises and agrees that it will:

(a) Conduct such activities and take appropriate preventive measures so that such development, construction, operation and maintenance activities do not cause any deterioration in the Class AA water quality standards currently in existence for Hulopoe Bay and the coastal waters adjacent to

the Manele Bay Hotel and the golf course, or any comparable standards as may be established by law in the future, taking into account temporary perturbations from natural occurrences ("Water Quality").

(b) Promptly do such things as may be reasonably necessary to fully mitigate any condition caused by its development activities which results in deterioration of the Water Quality of Hulopoe Bay and the coastal waters adjacent to the Manele Bay Hotel and the golf course.

(c) In order to comply with Subsection (a) above, promptly retain Environmental Assessment Company or such other third-party entity (the "Monitor") as may be mutually agreed between Company and LSG for the purpose of monitoring the Water Quality for Hulopoe Bay and the coastal waters adjacent to the Manele Bay Hotel and the golf course. The monitoring program shall promptly make its results available to the State Department of Health. The program shall include baseline studies of such coastal waters and ongoing water quality monitoring on not less than a quarterly basis. The monitoring program will be conducted with a frequency and in a manner so as to be at least as effective, in the opinion of the Monitor, as any other coastal water quality monitoring program for similar waters implemented in the State of Hawaii.

(d) Ensure that no high level ground water aquifer will be used for golf course maintenance or operation (other than as water for human consumption) and that all irrigation of the golf course shall be through alternative non-potable water sources.

(e) Keep LSG informed through periodic meetings between Company and LSG of the Manele Golf Development plans and progress of the construction of the golf course. These meetings shall be held on a quarterly or other periodic basis as may be mutually agreed to.

7. Shoreline Access. In developing and operating the golf course and any future residential development in the Manele Project District, Company shall protect public access along the accessible cliff coastline. In this regard, Company agrees it will:

(a) Dedicate a public easement along the accessible cliff coastline from Hulopoe Bay to the intersection of the coastline with the Westernmost boundary of the project area which will allow public pedestrian access in perpetuity without obstruction or interference of such use, subject to reasonable rules and regulations for public safety; provided,

however, that access shall be maintained. Company may, at its option, accomplish such dedication by, among other things, dedicating such easement or granting fee title to the County of Maui or State of Hawaii; granting fee title or a perpetual and irrevocable "conservation easement", as that term is defined in Section 198-1 of the Hawaii Revised Statutes, to a "qualified organization" as that term is defined in Section 170(h)(3) of the Internal Revenue Code of 1986, as amended; or providing such access as a condition of approval by the LUC in connection with the Manele Golf Development.

(b) Subject to the Signature Hole Exception discussed below, cause to be established a setback zone of 50 feet from the edge of the cliff along the accessible cliff coastline from Hulopoe Bay to the intersection of the coastline with the Westernmost boundary of the project area within which there shall be no improvements of any kind, other than improvements which may be reasonably necessary for purposes of public safety ("Safety Improvements"), and where the property will be left in its natural state. This 50-foot setback zone shall be the zone to allow for public access as provided in Subsection (a) above. The location of the setback along a "signature hole" presently planned and designated as the 16th hole may have a setback of less than 50 feet from the edge of the cliff, with the exact setback being determined by mutual agreement between LSG and Company in order that such hole not unreasonably interfere with the public's access but still achieve "signature" status as presently planned by Company (the "Signature Hole Exception").

(c) Cause the area within 75 feet of the edge of the cliff along the accessible cliff coastline from Hulopoe Bay to the intersection of the coastline with the Westernmost boundary of the project area to remain in its natural state without improvement, except with respect to the three proposed "signature holes" of the golf course. Company shall, at its option, either (i) incorporate covenants, conditions and restrictions in any conveyance of real property which shall require that the real property within this 75-foot setback zone be maintained in its natural state and which prohibit any landscaping, erection of fences, walls or other barriers, or any other improvements, other than Safety Improvements, within this zone; or (ii) by any of the means referred to in Subparagraph (a) above in order to satisfy the requirements of this Subsection.

(d) Prohibit any vertical improvements, other than landscaping and Permitted Improvements (as defined below), to be constructed or erected within 150 feet of the edge of the cliff along the accessible cliff coastline from Hulopoe Bay to the intersection of the coastline with the Westernmost boundary

of the project area. Company shall incorporate covenants, conditions and restrictions in any conveyance of real property which shall prohibit the erection or construction of any vertical improvements, other than landscaping and Permitted Improvements within this 150-foot setback zone. Subject to applicable County standards and variances therefrom, improvements such as unenclosed patios, pools, and approved fences (the "Permitted Improvements") shall be allowed within the 150-foot setback zone as determined by the County; provided, however, that such improvements shall not be closer than 90 feet from the edge of the cliff along the accessible cliff coastline from Hulopoe Bay to the intersection of the coastline with the Westernmost boundary of the project area.

(e) Work with LSG to incorporate mauka pathways which may be tied to golf course and residential area pathways which will provide alternate access routes to the accessible cliff coastline area.

(f) Adopt golf course rules and provide mutually agreeable and appropriate signage which will protect the access along the public access areas and pathways.

(g) Provide LSG with plans for the golf course layout, location of holes, access pathways, and signage in advance of any final approval of such plans by the appropriate governmental agencies.

(h) Company shall record with the appropriate governmental agency all necessary and appropriate instruments to accomplish the purposes of this Section I.B.7.

II. COMMUNITY DEVELOPMENT CORPORATION/COMMUNITY FOUNDATION

A. Recitals

1. Company and LSG recognize that the development plans of Company will have an impact upon the social and economic fabric of Lanai. In this regard, the parties support the creation of a Hawaii nonprofit corporation in the form of a Community Development Corporation ("CDC") and/or a Community Foundation for the purpose of developing programs to deal with and address the social and economic impacts of the development plans through social impact programs, educational and cultural programs, and economic diversification and development programs. Company has acknowledged the need for such programs and is committed to supporting a CDC and/or Community Foundation and its programs through funding and other support.

In the spirit of mutual care and concern as embodied by this Agreement LSG and Company agree as follows:

B. Agreement

1. Organizational Funding. Company shall provide an annual grant in an amount set forth in a separate letter agreement between the parties dated as of the effective date of this Agreement (the "CDC Letter") for two consecutive years for the purpose of funding the organization and creation of a CDC/Community Foundation; the preparation of grant proposals for submission by CDC/Community Foundation to Company and/or other entities; and costs connected with lobbying Federal, State, and County agencies for programs and support of activities connected with the CDC/Community Foundation. The first annual grant shall be made to LSG within 15 days from the date of this Agreement or upon the receipt by Company of adequate proof that LSG is a nonprofit corporation formed in accordance with the applicable provisions of the Hawaii Revised Statutes, whichever is later. The second annual grant shall be made to CDC/Community Foundation 12 months following the date of payment of the first annual grant or upon the receipt by Company of adequate proof that CDC/Community Foundation is a nonprofit corporation formed in accordance with the applicable provisions of the Hawaii Revised Statutes, whichever is later.

2. Project Funding. Company agrees to provide grants to fund projects, proposals, and programs as submitted through the CDC/Community Foundation in an aggregate amount of not less than the amount set forth in the CDC Letter during the first twelve-month period following the CDC/Community Foundation's submission of the initial grant proposal to Company. All grant proposals submitted to the Company shall be in such form and of sufficient detail as to be consistent with the requirements for grant proposals as would be required by other philanthropic foundations for similar grants. Among the projects to be proposed and funded during the first twelve-month period shall be a "backyard aquaculture" demonstration project similar to those being established by the Waianae Alternative Economic Development Corporation on the Island of Oahu.

3. Future Project Funding. After the initial twelve month funding period provided in Subsection B.2 of this Section II, Company agrees to provide funding for other projects, proposals and programs as may be submitted by the CDC/Community Foundation and reviewed and approved by Company on a case-by-case basis. Although funding for future grant requests to be submitted to Company shall be subject to review and approval by Company, Company acknowledges its commitment to supporting the concept of the CDC/Community Foundation. Company further

acknowledges its social responsibility to financially support the benevolent objectives of the CDC/Community Foundation and projects for the welfare of the Lanai community.

4. Office and Administrative Support. Company will provide its cooperation and assistance to LSG in the formation and operation of the CDC/Community Foundation and, for a period of 2 years following the date of this Agreement, will provide appropriate office space and office support services to the CDC/Community Foundation at no charge.

5. CDC/Community Foundation Governance. In organizing the CDC/Community Foundation, LSG shall establish a governing body for the CDC/Community Foundation which shall include representatives of a cross-section of the Lanai community and provide for participation of Company in either a representative or advisory capacity. The CDC/Community Foundation will conduct its activities so as to be consistent with the intent and purpose of this Agreement.

III. ARCHAEOLOGICAL AND CULTURAL RESOURCES

A. Recital

Company, LSG and OHA recognize the importance of preserving for posterity the archaeological resources of Lanai, which for Hawaiians, also represent cultural resources. These resources provide a significant tie to Lanai's history and the origins of human habitation of the island. In the spirit of mutual cooperation as set forth in this Agreement, Company, LSG and OHA agree as follows:

B. Agreement

1. Archaeological Agreement. Company agrees to meet with the Lanai Archaeological Committee established pursuant to the 1987 Memorandum of Agreement between LSG and Company concerning the archaeological resources in the Manele project district to discuss and negotiate an agreement resolving concerns related to preservation and regulations of archaeological resources within the area of the golf course and future proposed residential subdivision in the Manele Project District. In the event that Company and the Lanai Archaeological Committee are unable to reach agreement resolving all current archaeological concerns within such area within 90 days from the date of this Agreement, then it is agreed that any matters not resolved by agreement shall be submitted to a mediator or other third party as may be mutually agreed upon between Company and LSG.

IV. PARK COUNCIL OPERATIONS

LSG and Company previously entered into a Memorandum of Agreement dated November 19, 1987, providing for the establishment of a Joint Community Park Council ("Park Council") with respect to the Hulopoe Beach Park Complex. To ensure that the Park Council fulfills its role and responsibilities as agreed in the Memorandum of Agreement, LSG and Company agree to take steps to implement that Memorandum of Agreement and activate and promote the work of the Park Council. Company further agrees to provide the Park Council with reasonable operational and administrative support services, to facilitate the conduct of the business of the Park Council.

V. ONGOING DISCUSSIONS

A. Recital

In the spirit of mutual cooperation upon which this Agreement is based, both Company and LSG wish to establish a framework for communication, mutual understanding, and ongoing cooperation between Company and the Lanai community. Through such a framework, it is the mutual desire of the parties that the development of Lanai may proceed in a manner which will ensure its harmonious integration into the island community and also ensure its economic success and viability. To further the establishment of such a framework, the parties agree as follows:

B. Agreement

1. The parties shall engage in a series of regular periodic meetings with other appropriate community groups for the purpose of identifying, discussing, and addressing community concerns and, where appropriate, negotiating in good faith and attempting to reach agreement regarding the following issues related to the development of Lanai:

- (a) How to make the Lanai resort experience a unique and rewarding experience for visitors so as to ensure the success of the resort.
- (b) How to integrate the resort development with the existing resident lifestyle on Lanai with a view to preserving and protecting the positive aspects of Lanai's natural, social, and cultural environments.
- (c) How to sensitively handle and mitigate the consequences of development so as to prevent

a division of the community between different economic groups.

- (d) Conditions and concerns relating to the proposed residential development adjacent to the Manele Golf Course.
- (e) Affordable housing needs for Lanai.
- (f) Issues and concerns affecting retail merchants on Lanai.
- (g) Hunting and fishing opportunities for residents of Lanai.
- (h) Restrictions on development of the Shark's Bay area.
- (i) Hulopoe Beach access and development.
- (j) Trail access and gathering activities.
- (k) Water resource management and informational concerns.
- (l) Public play opportunities at golf courses on Lanai.
- (m) Additional funding for the CDC/Community Foundation.
- (n) Timely information regarding pending and future planned development activity on Lanai.
- (o) Development of an agricultural park in conjunction with the State Department of Agriculture and/or the County of Maui. In this regard, LSG acknowledges that Company has already initiated discussions and reached certain agreements concerning such agricultural park.

2. Schedule of Meetings. The meetings contemplated by this Section V shall be scheduled at least quarterly or at such other times as may be mutually agreed upon. An initial organizational meeting shall be scheduled by the Director, Center for Alternative Dispute Resolution, within 30 days of this Agreement to help establish the structure of future meetings.

3. Policy of Encouraging Comment on the Merits. To encourage broad-based community participation in the series of meetings contemplated by this Agreement, Company shall take reasonable steps to affirmatively inform all its employees and tenants on Lanai that the Company will continue to encourage public participation in such meetings and fair comment on the merits of the issues raised in such meetings consistent with the exercise of constitutionally protected free speech, and that, consistent with its practice, the Company does not discriminate against, retaliate against, punish, threaten, penalize, or otherwise restrain the right of any individual who engages in such activities or exercises such rights regarding Company's development plans, operations and activities on Lanai as they affect Lanai residents and its natural resources; provided, however, that the exercise of such rights shall not permit employees to engage in acts of speech which is unrelated to the merits of such issues and which also would (a) disclose proprietary or confidential information; (b) be injurious to the privacy or personal reputation of any individual; or (c) is not legally protected in the employer-employee relationship.

VI. MUTUAL AGREEMENTS

A. Company and LSG each agree as follows:

1. Good Faith and Aloha Spirit. Company, LSG and OHA agree to abide by the terms and conditions of this Agreement in good faith and in accordance with the spirit and intent in which it is entered into by both parties. It is the intent of all parties that this Agreement be governed by the "Aloha Spirit" as defined in Section 5-7.5 of the Hawaii Revised Statutes.

2. Entire Agreement. This Agreement constitutes the entire Agreement between the parties pertaining to the subject matter hereof. No supplement, modification, or amendment of this Agreement shall be effective unless executed in writing by the parties hereto.

3. Binding on Successors. The terms, provisions, covenants, undertakings, agreements, obligations and conditions of this Agreement shall be binding upon and shall inure to the benefit of the successors in interest and the assigns of the parties hereto, and Company further covenants that, in the event it enters into an agreement to sell or otherwise dispose of a controlling interest (i.e., fifty percent [50%] or more) of a major component (i.e., hotel, golf course and related facilities, or property for development; provided, however, that purchasers of residential and commercial lots shall not be bound by any of the provisions of this Agreement) of its real property in a project district (i.e., Manele, Koele or Lanai City) on Lanai

("Sale Agreement"), Company shall (i) include the applicable provisions of this Agreement in such Sale Agreement and require that the purchaser also include such provisions in any other sale agreement whereby it subsequently sells such property to another purchaser, and (ii) notify LSG of such Sale Agreement as soon as possible, taking into account applicable Federal Securities Law requirements.

4. Applicable Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Hawaii.

5. No Waiver.

(a) The waiver by any party of any breach of any term, covenant or condition contained herein shall not be deemed to be a waiver of such term, covenant or condition or any subsequent breach of the same or any other term, condition or covenant herein contained.

(b) Failure of any party to insist upon compliance with any provision hereof shall not constitute a waiver of the rights of such party to subsequently insist upon compliance with that provision or any other provision of this Agreement.

(c) No delay or omission in the exercise of a right or remedy accruing to any party on any breach or default by any other shall impair any such right or remedy, and the same shall not be construed as a waiver of any such breach or default.

(d) Any waiver must be in writing and shall be effective only to the extent specifically allowed by such writing.

6. Dispute Resolution. While all parties enter into this Agreement in good faith and with the sincere desire to work together to implement its purposes and intents, each party recognizes that disagreements may arise from time to time. In the event that a disagreement, dispute or alleged material default or breach of any obligation hereunder (collectively a "Dispute") cannot be resolved among the parties themselves, the parties hereby agree to resolve such matters as follows:

(a) Mediation. Before seeking recourse in a court of law, the parties agree first to seek to mediate any Dispute which may arise between or among them. The parties agree

that, upon written request by any party for mediation, each of the affected parties shall participate in such mediation process and shall make good faith attempts to resolve such Dispute. In the event that mediation is requested, the parties agree to seek the assistance of the Director, Center for Alternative Dispute Resolution, to mediate and help resolve any Dispute between the parties. If said Director is unavailable or unwilling to serve as mediator, then the parties shall mutually agree upon a substitute mediator.

(b) Litigation. In the event that mediation does not result in the resolution of a Dispute involving an alleged material default or breach of its obligations hereunder by any party, the non-defaulting party or parties shall, upon the conclusion of the mediation process described in Section VI.6.a., be free to file a lawsuit seeking such legal remedies as may be available under the circumstances in respect to said material default or breach; provided, however, that in pursuing its legal remedies, no party shall seek to block or delay the development and construction of the Manele Golf Development.

7. Announcement of Agreement. LSG and Company agree to make a public announcement of this Agreement which shall mutually be agreed to and made jointly by Company and LSG.

8. Evidence of Agreement. The parties agree that this Agreement may be submitted to any governmental authority or introduced as evidence of the parties agreement in any administrative or judicial proceeding involving the subject matter of this Agreement.

9. Severability. If any provision of this Agreement is declared invalid or unenforceable, such provision shall be deemed modified to the extent necessary to render it valid and enforceable. In any event, the unenforceability or invalidity of any provision shall not affect any other provision of this Agreement, and this Agreement shall continue in full force and effect and be construed and enforced as if such provision had not been included, or had been modified as above provided, as the case may be.

10. Authorities. Each party represents and warrants to the other that (i) it has duly executed, authorized and delivered this Agreement, (ii) this Agreement constitutes the

legal, valid and binding obligation of it, enforceable in accordance with its terms, and (iii) no further approval of any board, court or other body is necessary in order to permit it to execute this Agreement or to consummate the transactions contemplated hereunder.

11. Effective Date. This Agreement shall become effective upon its execution by all parties.

12. Notice. Unless otherwise expressly provided herein, all notices and statements required or permitted to be given pursuant to this Agreement (with the exception of day to day operational communication), and all payments to be made hereunder, shall be delivered in person or sent by registered or certified mail, return receipt requested, and shall be given or made to the following respective addresses of the parties or to such other address as may have been designated in writing in such manner:

As to LSG:

Lanaians for Sensible Growth
Lanai City, Hawaii 96763

Attention: Martha Evans

As to OHA:

1600 Kapiolani Boulevard, Suite 1500
Honolulu, Hawaii 96814

Attention: Richard Paglinawan

As to Company:

Lanai Company, Inc.
650 Iwilei Road
Honolulu, Hawaii 96817

Attention: James E. Pierce

With a copy to:

Castle & Cooke, Inc.
650 Iwilei Road
Honolulu, Hawaii 96817

Attention: Law Department

13. Force Majeure. No party shall be liable to any other party for any delay or failure of such party to perform any obligation hereunder on the basis of events beyond its reasonable control. Upon resolution of any such events, the rights and obligations of the parties shall resume with full force and effect according to the terms of this Agreement.

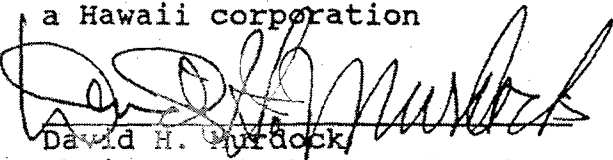
14. Attorneys' Fees. Should an action be instituted by Company or LSG in any court of law or equity (or in arbitration) pertaining to the enforcement of any of the provisions of this Agreement, the prevailing party shall be entitled to recover, in addition to any judgment or decree rendered therein, any and all court costs and reasonable attorneys' fees and expenses.

15. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute a single instrument.

16. No Third-Party Beneficiaries. This Agreement is solely for the benefit of the parties hereto and should not be deemed to confer upon third parties, except the CDC/Community Foundation, any remedy, claim, liability, reimbursement, cause of action or other right in excess of those existing without reference to this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first above written.

CASTLE & COOKE, INC.,
a Hawaii corporation



David H. Purdock
Chairman of the Board and
Chief Executive Officer

Thomas C. Leppert
Vice President, Castle & Cooke,
Inc. and President and Chief
Executive Officer, Oceanic
Properties, Inc.

OFFICE OF HAWAIIAN AFFAIRS,
a Hawaii Body Corporate

Thomas Kaulukukui
Chairperson

LANAIANS FOR SENSIBLE GROWTH,
a Hawaii non-profit corporation

Martha Evans, President

Mary Catiel, Vice President

Dolores Fabrao, Secretary

Phyllis McOmber, Treasurer

CASTLE & COOKE, INC.,
a Hawaii corporation

Raymond F. Henze III
Director

James F. Gary
Director

Milton Abrahams
Director

Mike Curb
Director

Lewis B. Harder
Director

LANAIANS FOR SENSIBLE GROWTH,
a Hawaii non-profit corporation

Paul Winters, Director

Jason Fujie, Director

Henry Aki, Director

Ron McOmber, Director

LANAI COMPANY, INC.,
a Hawaii corporation

James E. Pierce
President & Chief Operating
Officer

Robert W. Brant
Sr. Vice President & Chief
Financial Officer

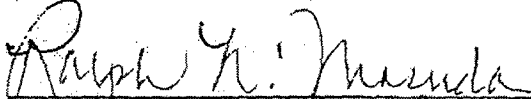
Thomas C. Leppert
Sr. Vice President

R. Randolph Lyon, Jr.
Sr. Vice President

George Yim
Sr. Vice President

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