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LAND COURT SYSTEM

REGULAR SYSTEM

Return by Mail Pickup To:

Castle & Cooke Land Company
for Castle & Cooke Waikoloa, LLC
P. O. Box 898900
Mililani, Hawaii 96789-8900
C. Kurasaki (548-2909)

Total Pages: 17

Tax Map Key No.: (3) 6-8-02-27(por.)

DECLARATION OF MERGER OF CONDOMINIUM PHASES

WHEREAS, CASTLE & COOKE WAIKOLOA, LLC, a Hawaii limited liability company, whose principal place of business is 100 Kahelu Avenue, 2nd Floor, Mililani, Hawaii 96789, and whose post office address is P. O. Box 898900, Mililani, Hawaii 96789, hereinafter referred to as the "Developer", is the owner in fee simple of certain real property situated at Waikoloa, District of South Kohala, Island and County of Hawaii, State of Hawaii, as more particularly described in Exhibits "A" and "B" attached hereto and made a part hereof, hereinafter sometimes collectively referred to as the "Land"; and

WHEREAS, Developer intends to improve the land described in Exhibit "A" by constructing thereon certain improvements consisting of approximately ninety-two (92) units and common elements appurtenant thereto and to submit said land and the improvements constructed or to be constructed thereon to a Condominium Property Regime established pursuant to the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, as amended, and any successor statute, as amended, hereinafter referred to as the "Act", to be known as "Makana Kai at Wehilani - Phase I "; and

WHEREAS, Developer intends to improve the land described in Exhibit "B" by constructing thereon certain improvements consisting of approximately eighty-one (81) units and common elements appurtenant thereto and to submit said land and the improvements constructed or to be constructed thereon to one or more Condominium Property Regimes established pursuant to the Act (hereinafter referred to as the "Additional Phases"); and

WHEREAS, Developer wishes to reserve the right, in its sole and absolute discretion, to effect an administrative merger or mergers of any two or more of Makana Kai at Wehilani - Phase I and the Additional Phases (hereinafter collectively referred to as the "Phases") such that the use of the respective common elements, the respective common expenses and the management of the respective affairs of the merged phases are shared, and the administration of the merged phases is unified under one association of unit owners, but the ownership interests of the unit owners in the Phases are not altered or affected; and

WHEREAS, Developer also wishes to reserve the right, in its sole and absolute discretion, to effect an ownership merger or mergers of any two or more of the Phases as an alternative to an administrative merger or mergers of any two or more of the Phases, to provide for the common ownership of the merged phases by all of the unit owners of the merged phases;

NOW, THEREFORE, Developer hereby declares that the Land and the improvements constructed or to be constructed thereon shall be held, conveyed, mortgaged, encumbered, leased, rented, used, occupied and improved subject to the declarations, restrictions, limitations, easements, covenants, and conditions set forth herein, as the same may be amended from time to time, all of which are declared to be in furtherance of a plan for the development, improvement and sale of the units in the Phases and are established for the purpose of enhancing and protecting the value, desirability and attractiveness of the Land and for the mutual benefit of the owners of any interest therein. All of the declarations, restrictions, limitations, easements, covenants, and conditions shall constitute covenants running with the land and shall be binding on and for the benefit of the Developer and its successors and assigns, and all subsequent owners, lessees and sublessees of all or any part of the Land and the improvements constructed or to be constructed thereon, and their respective heirs, devisees, personal representatives, successors and assigns.

1. Definitions.

(a) "Administrative Merger" means and refers to the unification of the administration, management and use of any two or more of the Phases such that the respective common expenses, the use of the respective common elements, and the management of the respective affairs of the merged phases are shared, and the administration of the merged phases is unified under one association of unit owners, but the ownership interests of the respective unit owners in the Phases are not altered or affected.

(b) "Administrative Merger Date" means the date of recordation of the applicable Certificate of Administrative Merger in accordance with the provisions of Paragraph 3 hereof.

(c) "Association" means the Association of Unit Owners of the Merged Project.

(d) "Merged Project" means, in the case of an administrative merger, any two or more of the Phases as reconstituted by the recordation of one or more Certificates of Administrative Merger in accordance with the provisions of Paragraph 3 hereof, or in the case of an ownership merger, any two or more of the Phases as reconstituted by the recordation of one or more Certificates of Ownership Merger in accordance with the provisions of Paragraph 5 hereof.

(e) "Ownership Merger" means and refers to the merger of ownership interests of any two or more of the Phases such that each unit owner in the merged phases shall have appurtenant thereto an undivided percentage ownership interest in the common elements of the Merged Project.

(f) "Ownership Merger Date" means the date of recordation of the applicable Certificate of Ownership Merger in accordance with the provisions of Paragraph 5 hereof.

2. Administrative Merger or Mergers. Any provision of this Declaration of Merger of Condominium Phases (hereinafter referred to as the

"Declaration of Merger") to the contrary notwithstanding, the Developer shall have the right, in its sole and absolute discretion, without the further act, consent or joinder of any unit owner, lien holder or any other persons, to cause and effect an administrative merger or mergers of any two or more of the Phases, and to execute and record one or more Certificates of Administrative Merger (as described in Paragraph 3 below) and all other instruments necessary or appropriate for the purpose of effecting the merger or mergers contemplated hereby. An administrative merger may occur with respect to any two or more of the Phases, at the same or at different times, and an administrative merger with respect to any two or more of said phases shall not affect the right of the Developer to merge another phase or phases at a later date or dates, subject to all of the provisions of this Declaration of Merger.

3. Requirements of Administrative Merger. The administrative merger of any two or more of the Phases shall take effect upon the happening of all of the following conditions with respect thereto:

(a) Developer shall have recorded in the Bureau of Conveyances of the State of Hawaii a Declaration of Condominium Property Regime and By-Laws covering each of the phases to be merged, in substantially similar forms (except, for example, for (i) the description of the land, (ii) the easements affecting the land, (iii) the number and description of the units, (iv) the description of the common elements and limited common elements, (v) the description of the buildings and other improvements, and (vi) the percentage of common interest appurtenant to each unit), and a condominium map of each of the phases to be merged, all of which comply with the requirements of the Act;

(b) The units and common elements described in the Declarations of Condominium Property Regime of each of the phases to be merged shall have been substantially constructed; and

(c) Developer shall have recorded in the Bureau of Conveyances of the State of Hawaii a "Certificate of Administrative Merger", which certificate shall contain:

(1) A certification that the foregoing conditions in subparagraphs (a) and (b) above have been fulfilled;

(2) A verified statement of a Hawaii registered architect or professional engineer certifying that the final plans theretofore filed fully and accurately depict the layout, location, unit numbers and dimensions of the units of each of the phases to be merged, as built; and

(3) A statement that administrative merger with respect to the phases to be merged is, by the recordation thereof, being consummated.

4. Consequences of Administrative Merger. From and after the Administrative Merger Date, the following consequences shall be of effect:

(a) Each unit in the Merged Project shall have appurtenant thereto nonexclusive easements and rights to use and enjoy all of the common elements of each of the merged phases (excluding the limited common elements appurtenant to other units in the Merged Project), to the same extent and subject to the same limitations as are imposed upon units in each of such phases as though the merged phases had been developed as a single project.

(b) The merged phases will each bear a share of the total common expenses (as the term "common expenses" is defined in the respective Declarations of Condominium Property Regime) of the Merged Project, treating the merged phases as one project for this purpose. The share of common expenses for each phase shall be a fraction, the numerator of which shall be the total approximate net living floor area of all of the units in the respective phase, and the denominator of which shall be the total approximate net living floor area of all units in the Merged Project; provided, however, that Developer shall have the right, in its sole and absolute discretion, to adjust or modify the fraction assigned to a phase so that the sum of the fractions for the merged phases equals exactly one hundred percent (100%). For purposes hereof, the approximate net living floor areas shall be as reflected in the respective Declarations of Condominium Property Regime. Each unit's share of the common expenses of the Merged Project shall be the product of the common interest appurtenant to such unit multiplied by the share of common expenses allocated to the phase in which the unit is located.

(c) The associations of unit owners of each of the phases provided for in their respective Declarations of Condominium Property Regime shall be merged into a single association covering the entire Merged Project which shall be known as the "Association of Unit Owners of Makana Kai at Wehilani" (the

"Association"). After administrative merger, the Association shall have all of the powers and obligations vested in the associations of unit owners of the merged phases. In the event that the association of unit owners of one of the merged phases shall be incorporated prior to an administrative merger, the unit owners in the other merged phase(s) shall upon administrative merger automatically become members of the association of unit owners of the incorporated phase, and its charter and by-laws shall so provide. In the event that the association of unit owners of two or more of the merged phases shall be incorporated prior to an administrative merger, the associations of unit owners of the incorporated merged phases shall, upon such administrative merger, take the appropriate steps to (i) merge the corporations into one corporation or consolidate the corporations into a new corporation, and (ii) have the unit owners in the unincorporated merged phase(s), if any, become members of the association of unit owners of the entity that survives the aforementioned merger or consolidation, and its charter and by-laws shall so provide.

(d) Each of the merged phases shall be entitled to votes in the Association in the same proportions as set forth above for the sharing of common expenses. Thus, each unit owner's vote will be the product of the common interest appurtenant to his unit multiplied by the fractional share of the common expenses allocated to the phase in which said unit is located.

(e) Upon administrative merger, the Board of Directors of the association of unit owners of the merged phases immediately prior to the administrative merger shall govern jointly the Merged Project; provided, however, that within sixty (60) days following the Administrative Merger Date, a special meeting of the Association of Unit Owners of the Merged Project shall be called to elect a new Board of Directors to replace the existing Board of Directors, and said new Board of Directors shall thereafter govern the entire Merged Project. The procedure for calling and holding such meeting and all other meetings of the Association shall be that set forth in substantially identical provisions in the respective Declarations of Condominium Property Regime and By-Laws of each of the merged phases. The number of directors of the Association of Unit Owners of the Merged Project shall be five (5); provided, however, that if the number of units in the Merged Project exceeds one hundred (100), the number of directors of the Association of Unit Owners of the Merged Project shall be nine (9), unless unit owners having not less than sixty-seven percent (67%) of the total vote in the Merged Project vote by mail ballot, or at a special or general meeting, to reduce the number of directors.

(f) For the purposes of administration and use of the Merged Project, after the administrative merger of the merged phases, all of the units in the Merged Project shall be treated as though they were all included in a single condominium project created by a single recordation of a Declaration of Condominium Property Regime, and the Declarations of Condominium Property Regime applicable to each phase shall be construed as one document applicable to the entire Merged Project, except to the extent expressly otherwise provided herein. The same shall be true of the respective By-Laws and House Rules of each phase. In the event of a conflict between the respective Declarations of Condominium Property Regime, By-Laws and/or House Rules, the Declaration of Condominium Property Regime, By-Laws and House Rules in effect for Makana Kai at Wehilani - Phase I shall control. From and after the Administrative Merger Date, the merged phases shall be treated for purposes of administration, use and sharing of common expenses as though they had been developed as a single project.

(g) Upon administrative merger, the specified voting percentages required to amend the Declaration of Condominium Property Regime and the By-Laws for the merged phases shall refer to and mean the stated percentage of the total vote in the Merged Project.

(h) Except as otherwise provided herein, the administrative merger shall affect the administration and use of the merged phases and the sharing of common expenses only, and it shall not affect the ownership of units and common elements in the respective phases.

5. Ownership Merger or Mergers. The provisions of this Paragraph 5 shall apply only in the event that Developer elects to effect an ownership merger or mergers of any two or more of the Phases in lieu of effecting an administrative merger of such phases. The recordation of one or more Certificates of Ownership Merger described in this Paragraph 5 shall be conclusive evidence that Developer has elected to effect an ownership merger or mergers of such phases. In the event that Developer shall elect to effect an ownership merger or mergers of such phases, the provisions of this paragraph shall control in the event of a conflict with any other provision hereof.

(a) Ownership Merger or Mergers. Any provision of this Declaration of Merger to the contrary notwithstanding, the Developer shall have the right, in its sole and absolute discretion, without the further act, consent or joinder of any unit owner, lien holder or any other persons, to cause and effect an ownership merger or

mergers of any two or more of the Phases, and to execute and record one or more Certificates of Ownership Merger (as described below in this Paragraph 5) and all other instruments necessary or appropriate for the purpose of effecting the ownership merger contemplated hereby. An ownership merger may occur with respect to any two or more of the Phases, at the same time or at different times, and an ownership merger with respect to any two or more of said phases shall not affect the right of the Developer to merge another phase or phases at a later date or dates, subject to all of the provisions of this Declaration of Merger.

(b) Requirements of Ownership Merger. The ownership merger of any two or more of the Phases shall take effect upon the happening of all of the following conditions with respect thereto:

(1) Developer shall have recorded in the Bureau of Conveyances of the State of Hawaii a Declaration of Condominium Property Regime and By-Laws covering each of the phases to be merged, in substantially similar forms (except, for example, for (i) the description of the land, (ii) the easements affecting the land, (iii) the number and description of the units, (iv) the description of the common elements and limited common elements, (v) the description of the buildings and other improvements, and (vi) the percentage of common interest appurtenant to each unit), and a condominium map of each of the phases to be merged, all of which comply with the requirements of the Act;

(2) The units and common elements described in the Declarations of Condominium Property Regime of each of the phases to be merged shall have been substantially constructed; and

(3) Developer shall have recorded in the Bureau of Conveyances of the State of Hawaii a "Certificate of Ownership Merger", which certificate shall contain:

(i) A certification that the foregoing conditions in subparagraphs 5(b)(1) and (2) above have been fulfilled;

(ii) A verified statement of a Hawaii registered architect or professional engineer certifying that the final plans theretofore filed fully and

accurately depict the layout, location, unit numbers and dimensions of the units of each of the phases to be merged, as built;

(iii) A statement that merger of ownership interests with respect to the phases to be merged is, by the recordation thereof, being consummated; and

(iv) A statement that the phases to be merged, as completed and merged, shall be known as "Makana Kai at Wehilani".

(c) Consequences of Ownership Merger. From and after the Ownership Merger Date, the following consequences shall be of effect:

(1) The common elements of each of the merged phases will be the common elements of the Merged Project, and each owner of a unit in the merged phases shall have the right to full use and enjoyment of all of the common elements of the Merged Project (excluding the limited common elements appurtenant to other units in the Merged Project), to the same extent and subject to the same limitations as are imposed upon unit owners in each of such phases as though the merged phases had been developed as a single project.

(2) Each unit in the Merged Project shall have an undivided percentage interest in the common elements and in all common profits and expenses of the Merged Project, and for all other purposes, including voting, as shall be set forth in the Certificate of Ownership Merger. The undivided percentage interest assigned to a unit in the Merged Project shall be the percentage equivalent of a fraction, the numerator of which is the approximate net living floor area of the unit (as set forth in the Declaration of Condominium Property Regime covering the phase in which such unit is situated) and the denominator of which is the total approximate net living floor area of all units in the Merged Project; provided, however, that Developer shall have the right, in its sole and absolute discretion, to adjust or modify the undivided percentage interests assigned to any unit or units so as to result in undivided percentage interests for the Merged Project which total exactly one hundred percent (100%). The acceptance or acquisition by any party of any interest in any of the Phases shall constitute an agreement and consent by such party (i) to the alteration of such party's percentage of undivided interest from the percentage set forth in the Declaration of Condominium Property Regime covering the phase in which such party's unit is situated to the applicable per-

centage to be set forth in the Certificate of Ownership Merger, and (ii) to the recordation of the Certificate of Ownership Merger which shall be deemed an amendment to the Declarations of Condominium Property Regimes of the merged phases which effectuates such alteration of percentage of undivided interest, without any further consent or joinder of such party, and the Developer shall have the right to execute, acknowledge, deliver and record the Certificate of Ownership Merger on behalf of said party, as the true and lawful attorney-in-fact of any such party accepting or acquiring any interest in any of the merged phases. Said power of attorney shall be coupled with an interest and shall be irrevocable, and shall not be affected by the disability of such party.

(3) The associations of unit owners of each of the merged phases provided for in their respective Declarations of Condominium Property Regime shall be merged into a single association covering the entire Merged Project. After ownership merger, the Association shall have all of the powers and obligations vested in the associations of unit owners of the merged phases. In the event that the association of unit owners of one of the merged phases shall be incorporated prior to an ownership merger, the unit owners in the other merged phase(s) shall upon ownership merger automatically become members of the association of unit owners of the incorporated phase, and its charter and by-laws shall so provide. In the event that the association of unit owners of two or more of the merged phases shall be incorporated prior to an ownership merger, the associations of unit owners of the incorporated merged phases shall, upon such ownership merger, take the appropriate steps to (i) merge the corporations into one corporation or consolidate the corporations into a new corporation, and (ii) have the unit owners in the unincorporated merged phase(s), if any, become members of the association of unit owners of the entity that survives the aforementioned merger or consolidation, and its charter and by-laws shall so provide.

(4) Upon ownership merger, the Board of Directors of the association of unit owners of the merged phases immediately prior to the ownership merger shall govern jointly the Merged Project; provided, however, that within sixty (60) days following the Ownership Merger Date, a special meeting of the Association of Unit Owners of the Merged Project shall be called to elect a new Board of Directors to replace the existing Board of Directors, and said new Board of Directors shall thereafter govern the entire Merged Project. The procedure for calling and holding such meeting and all other meetings of the Association shall be that set forth in substantially identical provisions in the respective Declarations of Condominium Property Regime and By-Laws of each of the merged phases. The number of directors of the Association of Unit Owners of the Merged Project shall be five (5); provided, however, that if the number of units in the Merged Project exceeds one hundred (100), the number of

directors of the Association of Unit Owners of the Merged Project shall be nine (9), unless unit owners having not less than sixty-seven percent (67%) of the total vote in the Merged Project vote by mail ballot, or at a special or general meeting, to reduce the number of directors.

(5) The Merged Project shall be known as "Makana Kai at Wehilani". All of the units in the Merged Project shall be treated as though they were all included in a single condominium project created by a single recordation of a Declaration of Condominium Property Regime, and the Declarations of Condominium Property Regime applicable to each phase shall be construed as one document applicable to the entire Merged Project, except to the extent expressly otherwise provided herein. The same shall be true of the respective By-Laws and House Rules of each phase. In the event of a conflict between the respective Declarations of Condominium Property Regime, By-Laws and/or House Rules, the Declaration of Condominium Property Regime, By-Laws and House Rules in effect for Makana Kai at Wehilani - Phase I shall control. From and after the Ownership Merger Date, the merged phases shall be treated for all purposes as though they had been developed, divided into units and used by the unit owners thereof as a single undivided project.

(d) Consolidation. Upon the ownership merger of the Phases, the Land may (but need not) be consolidated by the Developer into one parcel of land. The acceptance or acquisition by any party of any interest in any of the Phases shall constitute an agreement and consent by such party to the consolidation of the Land into one parcel of land, without any further consent or joinder of such party, and the Developer shall have the right to execute, acknowledge, deliver and record any documents, maps or other instruments necessary or appropriate, as determined by the Developer in its sole and absolute discretion, to accomplish the legal consolidation of the Land into one parcel of land and to amend the Declaration of Condominium Property Regime of the Merged Project to reflect such consolidation on behalf of said party, as the true and lawful attorney-in-fact of any such party accepting or acquiring any interest in any of the Phases. Said power of attorney shall be coupled with an interest and irrevocable, and shall not be affected by the disability of such party.

6. Contributions. Upon either the administrative merger or mergers or the ownership merger or mergers of any two or more of the Phases, Developer may, but need not, require the unit owners in all or any of the merged phases to make contributions, in addition to their normal prescribed share of the common expenses, to the replacement reserves, the general operating account, and/or any other accounts of the Merged Project. Developer may provide that such contributions shall be made in a lump

sum amount or in installments over a period of time and in setting the amount and terms of such contributions, Developer may, but need not, take into account the amount of replacement reserves, the amounts in the general operating accounts, and/or the amounts in any other accounts of the respective phases, accumulated prior to the merger, and the condition of the various buildings and units. The amount and terms of the contributions to be made by the unit owners in a phase shall be as fairly determined by Developer, in Developer's sole and absolute discretion, and shall be set forth in a notice by Developer to the unit owners or the Board of Directors of the Merged Project. Developer shall have no obligation to collect such contributions from the unit owners. Collection of such contribution amounts shall be the responsibility of the Board of Directors, who may, in its discretion, elect to instruct the Managing Agent of the Merged Project to administer the collection of said contribution amounts. Delinquent amounts of such contributions shall constitute a lien against the delinquent unit owner's interest in his unit which may be foreclosed by the Board of Directors of the Merged Project, or the Managing Agent thereof, in the same manner as provided in the Act for unpaid common expenses.

7. Pre-merger Obligations. The unit owners in one phase shall not be obligated to pay any outstanding debts, expenses, costs or other obligations of the unit owners in any other phase as of the Administrative Merger Date or the Ownership Merger Date, as the case may be.

8. Limitation on Time for Merger.

(a) Administrative Merger. If administrative merger of all of the Phases is not effected pursuant to the foregoing provisions prior to December 31, 2012 (the "Administrative Merger Expiration Date"), the right of Developer to effect any such merger shall terminate automatically on the Administrative Merger Expiration Date unless and until an administrative merger after the Administrative Merger Expiration Date is approved by the vote or written consent of unit owners in each of the phases to be merged who own at least sixty-seven percent (67%) of the common interests in that phase.

(b) Ownership Merger. If ownership merger of all of the Phases is not effected pursuant to the foregoing provisions prior to December 31, 2012 (the "Ownership Merger Expiration Date"), the right of Developer to effect any such merger shall terminate automatically on the Ownership Merger Expiration Date.

9. No Obligations Regarding Other Phases. Nothing in this Declaration of Merger shall be construed as a representation or warranty by Developer that any of the Phases will be developed or that either an administrative merger or an ownership merger of such phases will occur, or to require Developer to develop any of the Phases or to merge such phases, or to prohibit Developer from dealing freely with the Land, including, without limitation, developing the whole or any part of the Land for a purpose inconsistent with the merger of such phases.

10. Power of Attorney. The acceptance or acquisition by any party of any interest in any of the Phases shall constitute an undertaking and agreement by such party to execute any document or instrument necessary or appropriate, as determined by the Developer in its sole and absolute discretion, for the purpose of carrying out the provisions of this Declaration of Merger, and shall constitute an appointment by such party of the Developer as the true and lawful attorney-in-fact of such party to execute, acknowledge, deliver and record any and all such instruments. Said power of attorney shall be coupled with an interest and irrevocable, and shall not be affected by the disability of such party.

11. Severability. If any provision of this Declaration of Merger 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 Declaration of Merger, and this Declaration of Merger 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. In the event an administrative merger is declared invalid or unenforceable for any reason, the Developer shall have the right, in its sole and absolute discretion, to effect an ownership merger or mergers of the Phases in accordance with the provisions of Paragraph 5 hereof. In the event an ownership merger is declared invalid or unenforceable for any reason, the Developer shall have the right, in its sole and absolute discretion, to effect an administrative merger or mergers of the Phases in accordance with the provisions of Paragraph 3 hereof.


12. Amendment of Declaration of Merger. Prior to a merger of any two or more of the Phases, any amendment of this Declaration of Merger shall require the consent of the Developer and the vote or written consent of unit owners in each phase having not less than sixty-seven percent (67%) of the common interests in each phase. Upon an administrative merger, any amendment of this Declaration of Merger shall require the consent of the Developer, the vote or written consent of unit owners having not less than sixty-seven percent (67%) of the total vote in the Merged Project, and the

vote or written consent of unit owners in each non-merged phase having not less than sixty-seven percent (67%) of the common interests in each such phase. Upon an ownership merger, any amendment of this Declaration of Merger shall require the consent of the Developer, the vote or written consent of unit owners having not less than sixty-seven percent (67%) of the common interests in the Merged Project, and the vote or written consent of unit owners in each non-merged phase having not less than sixty-seven percent (67%) of the common interests in each such phase.

13. Release of Declaration of Merger. Notwithstanding anything to contrary contained herein, the Developer hereby reserves the right, from time to time, to release from this Declaration of Merger all or any part of the Land, without the approval, consent or joinder of any unit owner in the Phases or any other person. The release, or partial release, shall be effective upon recordation in the Bureau of Conveyances of the State of Hawaii of an instrument setting forth such release or partial release.

IN WITNESS WHEREOF, the Developer has executed these presents as of the 6th day of July, 2006.

CASTLE & COOKE WAIKOLOA, LLC
By Castle & Cooke Homes Hawaii, Inc.
Its Member

By 
Name: ALAN K. ARAKAWA
Title: EXECUTIVE VICE PRESIDENT

By 
Name: JON UCHIYAMA
Title: SR. VICE PRESIDENT & CONTROLLER

Developer

STATE OF HAWAII)
) ss.
CITY AND COUNTY OF HONOLULU)

On this 6th day of July, 2006, before me

personally appeared ALAN K. ARAKAWA and JON UCHIYAMA, to
me personally known, who being by me duly sworn or affirmed, did say that such
persons executed the foregoing instrument as the free act and deed of such persons, and if
applicable in the capacities shown, having been duly authorized to execute such
instrument in such capacities.

ss

Deborah Y. Hamamura
Typed or Printed Name: Deborah Y. Hamamura
Notary Public, State of Hawaii

My Commission expires 10-16-2007

EXHIBIT "A"

That certain parcel of land situate at Waikoloa, District of South Kohala, Island and County of Hawaii, State of Hawaii, being Lot 59-B of the "MAKANA KAI AT WEHILANI", as shown on File Plan No. 2427, filed in the Bureau of Conveyances of the State of Hawaii, and containing an area of 7.700 acres, more or less.

EXHIBIT "B"

That certain parcel of land situate at Waikoloa, District of South Kohala, Island and County of Hawaii, State of Hawaii, being Lot 59-C of the "MAKANA KAI AT WEHILANI", as shown on File Plan No. 2427, filed in the Bureau of Conveyances of the State of Hawaii, and containing an area of 8.003 acres, more or less.