

MAUI LAND & PINEAPPLE CO INC
Form DEF 14A
March 27, 2006

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
 Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
 Definitive Proxy Statement
 Definitive Additional Materials
 Soliciting Material Pursuant to §240.14a-12

MAUI LAND & PINEAPPLE COMPANY, INC.
(Name of Registrant as Specified In Its Charter)

N/A

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
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MAUI LAND & PINEAPPLE COMPANY, INC.

March 31, 2006

To Our Shareholders:

I am pleased to invite you to our 2006 Annual Meeting of Shareholders, which will be held on Monday, May 8, 2006 at 8:30 a.m. in Salon 1 at The Ritz Carlton, Kapalua, in Lahaina, Hawaii.

At the meeting, we will (i) elect three Class One directors for a three-year term; (ii) ratify the appointment of Deloitte & Touche LLP as the independent registered public accounting firm of the Company to serve for the 2006 fiscal year; (iii) consider and vote upon an amendment to the Articles of Association to authorize an additional 1,000,000 shares of the Company's common stock; (iv) consider and vote upon approval of the Maui Land & Pineapple Company, Inc. 2006 Equity and Incentive Award Plan and (v) transact such other business as may properly come before the meeting or any continuation, postponement or adjournment of the meeting. We know of no other matters to be brought up at the meeting.

It is important that your shares be represented and voted whether or not you expect to attend the meeting in person. You may vote your shares by proxy using the internet, by telephone, or by returning the enclosed proxy card or voting instruction form forwarded by your bank, broker or other holder of record. Please review the instructions on the enclosed proxy card or voting instruction form regarding each of these voting options. If you attend the meeting, you may withdraw your proxy and vote in person, if you wish.

We look forward to seeing you there should you be able to attend.

Sincerely,

David C. Cole
Chairman, President & Chief Executive Officer

MAUI LAND & PINEAPPLE COMPANY, INC.

120 Kane Street, P. O. Box 187
Kahului, Maui, Hawaii 96733-6687

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TO THE SHAREHOLDERS OF
MAUI LAND & PINEAPPLE COMPANY, INC.:

Notice is hereby given that the Annual Meeting of Shareholders of Maui Land & Pineapple Company, Inc. (the Company) will be held on Monday, May 8, 2006 at 8:30 a.m. in Salon 1 at The Ritz Carlton, Kapalua, One Ritz-Carlton Drive, Lahaina, Hawaii, for the following purposes:

1. To elect David C. Cole, Walter A. Dods, Jr. and Fred E. Trotter III as Class One directors to serve for a three-year term or until their successors are elected and qualified;
2. To ratify the appointment of Deloitte & Touche LLP as the independent registered public accounting firm of the Company for fiscal year 2006;
3. To consider and vote upon an amendment to the Articles of Association to authorize an additional 1,000,000 shares of the Company's Common Stock;
4. To consider and vote upon approval of the Maui Land & Pineapple Company, Inc. 2006 Equity and Incentive Award Plan; and
5. To transact such other business as may be properly brought before the meeting or any postponement or adjournment thereof.

Shareholders of record of Maui Land & Pineapple Company, Inc. (AMEX: MLP) Common Stock at the close of business on March 13, 2006 are entitled to notice of and to vote at the Annual Meeting or any postponements or adjournments thereof.

Your attention is directed to the Proxy Statement enclosed.

BY ORDER OF THE BOARD OF DIRECTORS,

ADELE H. SUMIDA
Secretary

Dated: March 31, 2006

IT IS IMPORTANT THAT YOUR SHARES BE REPRESENTED AT THE MEETING. PLEASE VOTE AS PROMPTLY AS POSSIBLE BY USING THE INTERNET, BY TELEPHONE OR BY SIGNING, DATING AND RETURNING THE ENCLOSED PROXY CARD IN THE ENVELOPE PROVIDED. FOR SPECIFIC INSTRUCTIONS ON VOTING, PLEASE REFER TO THE INSTRUCTIONS ON THE PROXY CARD OR THE INFORMATION FORWARDED BY YOUR BANK, BROKER OR OTHER HOLDER OF RECORD. EVEN IF YOU HAVE VOTED YOUR PROXY, YOU MAY STILL VOTE IN PERSON IF YOU ATTEND THE MEETING. PLEASE NOTE, HOWEVER, THAT IF YOUR SHARES ARE HELD OF RECORD BY A BANK, BROKER OR OTHER NOMINEE AND YOU WISH TO VOTE IN PERSON AT THE MEETING, YOU MUST OBTAIN A PROXY ISSUED IN YOUR NAME FROM SUCH BANK, BROKER OR OTHER NOMINEE.

MAUI LAND & PINEAPPLE COMPANY, INC.

**120 Kane Street, P. O. Box 187
Kahului, Maui, Hawaii 96733-6687**

PROXY STATEMENT

General

This proxy is solicited on behalf of the Board of Directors (the Board of Directors or the Board) of Maui Land & Pineapple Company, Inc., a Hawaii corporation (the Company), for the 2006 Annual Meeting of Shareholders (the Annual Meeting) to be held on May 8, 2006, at 8:30 a.m. in Salon 1 at The Ritz Carlton, Kapalua, in Lahaina, Hawaii, or any continuation, postponement or adjournment thereof, for the purposes discussed in this Proxy Statement. Proxies are solicited to give all shareholders of record an opportunity to vote on matters properly presented at the Annual Meeting. This Proxy Statement and accompanying proxy card are first being mailed on or about March 31, 2006 to all shareholders entitled to vote at the Annual Meeting.

Who Can Vote

Holders of record of shares of the Company's common stock, no par value (Common Stock), at the close of business on March 13, 2006 will be entitled to vote at the Annual Meeting. The securities entitled to vote at the Annual Meeting consist of shares of Common Stock of the Company, with each share entitling its owner to one vote per share. Shareholders do not have cumulative voting.

Your shares may be voted at the Annual Meeting only if you are present in person or represented by a valid proxy. You may vote by proxy on the internet, by telephone or by completing and mailing the enclosed proxy card. For your convenience, a self-addressed envelope is enclosed; it requires no postage if mailed in the United States. Voting by proxy on the internet or by telephone may not be available to all shareholders. For specific instructions on voting, please refer to the instructions on the proxy card or the information forwarded by your bank, broker or other holder of record. The internet and telephone voting facilities will close at 11:59 p.m. Eastern Time on May 7, 2006. Shareholders who vote through the internet should be aware that they may incur costs to access the internet, such as usage charges from telephone companies or internet service providers and that these costs must be borne by the shareholder. Shareholders who vote by internet or telephone need not return a proxy card by mail. If you are the beneficial owner of shares held in street name by a broker, bank or other nominee then your broker, bank or other nominee, as the record owner of the shares, must vote those shares in accordance with your instructions. Please refer to the instruction card they provide for voting your shares.

A list of shareholders entitled to vote at the Annual Meeting will be available for examination by any shareholder for any purpose germane to the Annual Meeting during ordinary business hours at the executive offices of the Company at 120 Kane Street, P.O. Box 187, Kahului, Maui, Hawaii 96733-6687 for the ten days prior to the Annual Meeting, and also at the Annual Meeting.

Shares Outstanding and Quorum

The number of outstanding shares of Common Stock at the close of business on March 13, 2006 was 7,378,550. If a majority of the Company's outstanding shares of Common Stock are represented at the meeting, either in person or by proxy, a quorum will exist for conducting business.

Proxy Card

Shares of the Company's Common Stock represented by properly executed proxies received by the Company at or prior to the Annual Meeting and not subsequently revoked will be voted as directed in those proxies. If a proxy is signed and no directions are given, shares represented thereby will be voted (i) in favor of electing the Board's three nominees for director, (ii) in favor of the ratification of Deloitte & Touche LLP as the Company's independent registered public accounting firm, (iii) in favor of the amendment to the Articles of Association of the Company to authorize an additional 1,000,000 shares of the Company's Common Stock and (iv) in favor of the approval of the Maui Land & Pineapple Company, Inc. 2006 Equity and Incentive Award Plan (the "2006 Plan"). The proxy confers discretionary authority on the persons it names as to all other matters that may come before the Annual Meeting and at any continuation, postponement or adjournment thereof. The Board of Directors knows of no other items of business that will be presented for consideration at the Annual Meeting other than those described in this Proxy Statement. In addition, no shareholder proposals or nomination was received on a timely basis, so no such matters may be brought to a vote at the Annual Meeting.

If you are the beneficial owner of shares held in "street name" by a broker, bank or other nominee then your broker, bank or other nominee, as the record owner of the shares, must vote those shares in accordance with your instructions. If you do not give instructions to your broker, bank or other nominee, then your broker, bank or other nominee can vote your shares with respect to "discretionary" items, but not with respect to "non-discretionary" items. On non-discretionary items, for which you do not give instructions, the shares will be treated as "broker non-votes." A discretionary item is a proposal that is considered routine under the rules of the American Stock Exchange. Shares held in "street name" may be voted by your broker, bank or other nominee on discretionary items in the absence of voting instructions given by you. Except for the proposal to approve the 2006 Plan, the proposals to be presented at the Annual Meeting are considered to be discretionary and therefore may be voted upon by your bank or other nominee if you do not give instructions for the shares held by your broker, bank or other nominee. Under the rules of the American Stock Exchange, the proposal to approve the 2006 Plan is a non-discretionary matter and thus broker non-votes may result on this proposal.

Revocation of Proxy

If you are a shareholder of record and vote by proxy, you may revoke your proxy at any time before it is voted by:

- Signing and returning another proxy card bearing a later date;
- submitting another proxy on the internet or by telephone (your latest telephone or internet voting instructions are followed); or
- giving written notice of revocation to the Company's Secretary prior to or at the Annual Meeting or voting at the annual meeting.

Your attendance at the Annual Meeting will not have the effect of revoking your proxy unless you give written notice of revocation to the Corporate Secretary of the company before the polls are closed. Any written notice revoking a proxy should be sent to the Company's Secretary at the Company's principal executive office at 120 Kane Street, P.O. Box 187, Kahului, Maui, Hawaii 96733-6687, and must be received before the polls are closed.

If your shares are held in the name of a broker, bank or other nominee, you may change your vote by submitting new voting instructions to your bank, broker or other record holder. Please note that if your shares are held of record by a broker, bank or other nominee, and you decide to attend and vote at the Annual Meeting, your vote in person at the Annual Meeting will not be effective unless you present a legal proxy, issued in your name from your broker, bank or other record holder.

Counting of Votes

Shares represented by proxies that reflect abstentions as to a particular proposal and broker non-votes will be counted as present and entitled to vote for purposes of determining a quorum.

Directors are elected by a plurality of votes cast, so the three nominees who receive the most votes will be elected. Abstentions will not be taken into account in determining the election of directors and broker non-votes will not result because the election of directors is a discretionary matter.

Ratification of the independent registered public accounting firm and the proposal to approve the 2006 Plan, will require an affirmative vote of a majority of shares present or represented by proxy at the Annual Meeting and entitled to vote on the matter. Abstentions will have the same effect as votes against the ratification and the proposal. Because the ratification of the independent registered public accounting firm is a discretionary matter, broker non-votes will not result for this item. As a non-discretionary matter, broker non-votes will result for the proposal to approve the 2006 Plan, but they will have no effect on the outcome of the voting for this proposal. The implementation of this proposal is also conditioned upon shareholder approval of the amendment to the Company's Articles of Association to increase the amount of authorized shares of Common Stock by 1,000,000 shares.

Pursuant to the Hawaii Business Corporation Act, approval of the amendment to the Company's Articles of Association to increase the amount of authorized shares of Common Stock requires the affirmative vote of the holders of two-thirds of the shares entitled to vote thereon. Therefore, at least 4,919,034 shares, or two-thirds of the outstanding shares of the Company's Common Stock as of March 13, 2006, must be voted in favor of this proposal for the amendment contemplated thereby to be approved. Abstentions will have the same effect as votes against this proposal. Because this proposal is a discretionary matter, broker non-votes will not result for this proposal.

Solicitation of Proxies

The Company will bear the entire cost of solicitation of proxies, including preparation, assembly and mailing of this Proxy Statement, the proxy and any additional information furnished to shareholders. Copies of solicitation materials will be furnished to banks, brokerage houses, fiduciaries and custodians holding shares of Common Stock in their names that are beneficially owned by others to forward to those beneficial owners. The Company may reimburse persons representing beneficial owners for their costs of forwarding the solicitation materials to the beneficial owners. Original solicitation of proxies by mail may be supplemented by telephone, facsimile, electronic mail or personal solicitation by directors, officers or employees of the Company. No additional compensation will be paid to directors, officers or employees for such services. In addition, the Company has retained Mellon Investor Services LLC to assist in the solicitation of proxies for a fee of approximately \$5,500.00, plus reasonable out-of-pocket expenses.

**ITEM 1
ELECTION OF DIRECTORS**

General Information Election of Directors

Our Articles of Association provides for a Board of Directors of not less than nine nor more than twelve directors and authorizes the Board to periodically to set the number of directors within that range by a majority vote. The number of authorized directors is currently set by the Board at nine. Our Articles of Association and the Bylaws of the Company also divides our Board of Directors into three classes of directors consisting currently of three members in each class, with each class holding office for three years in staggered terms. Three Class One directors are to be elected at the 2006 Annual Meeting for a three-year term ending in 2009. The second class consists of the three Class Two directors whose term of office expires in 2007. The third class consists of the three Class Three directors whose term of office expires in 2008.

Vacancies on the Board may be filled only by persons elected by a majority of the directors remaining in office, even though less than a quorum. A director elected by the Board to fill a vacancy will serve for the remainder of the full term of the class of directors in which the vacancy occurred and until such director's successor is elected and qualified, or until such director's earlier death, resignation or removal. On March 13, 2006 and based upon the recommendation of the Nominating and Governance Committee, the Board of Directors unanimously appointed Mr. Warren H. Haruki to the Board as a Class Three director with his term in office expiring in 2008 to fill the position that was left vacant by the resignation of Richard H. Cameron in May 2005.

Based upon the recommendation of the Nominating and Governance Committee, our Board has nominated the following individuals for election to Class One positions with their term in office expiring in 2009: Messrs. David C. Cole, Walter A. Dods, Jr., and Fred E. Trotter III, each of whom currently serve as Class One directors.

Set forth below is biographical information for each nominee and for each person whose term of office as a director will continue after the Annual Meeting. There are no family relationships among any directors of the Company.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR EACH OF THE THREE PERSONS NOMINATED BY THE BOARD FOR CLASS ONE DIRECTOR.

Class One Director Nominees for election at the Annual Meeting of Shareholders in 2006:

David C. Cole (53)

Mr. Cole has served as President and Chief Executive Officer of Maui Land & Pineapple Company, Inc. since October 2003 and Chairman of the Board since March 2004. He has served as Manager of Sunnyside Farms, LLC, an organic foods, retailing and property development company in Washington, Virginia since 1997. Since 1997 Mr. Cole has been President of Aquaterra, Inc., an investment management firm that serves as managing general partner for Pan Pacific Ventures LP, Catalyst II LLC, and Aquaterra Partners, LLC, partnerships with interests in software, real estate, agriculture, retailing, and consumer products. Mr. Cole has served in a variety of executive positions, including Chairman, President and CEO of Ashton-Tate Corporation, a software company, Chairman of Twin Farms Collection, LLC, a luxury resort, and Chairman, President and CEO of NaviSoft, Inc., an online publishing software company that was acquired by America Online, Inc. (AOL) in 1994. From 1994 to 1997, he served as an

officer of AOL, initially as President of AOL's Internet Services Company and later as President of AOL's New Enterprises Group. Mr. Cole is the Chairman of the Board of Trustees for the Nature Conservancy of Hawaii, and on the boards of the privately held companies Hawaii Superferry, Inc. and Grove Farm Company, Inc. He also serves on the boards of various community and non-profit organizations. Pursuant to the terms of his employment agreement with the Company, Mr. Cole was appointed to the Board to fill the vacancy that was created by the increase in Board size at a special meeting of shareholders held in December 2003 and appointed Chairman of the Board in March 2004.

Walter A. Dods, Jr. (64)

Mr. Dods has served as Chairman of BancWest Corporation, a bank holding company in Honolulu, Hawaii since January 2005. He is also the Chairman of First Hawaiian Bank since 1989. Mr. Dods was Chairman and Chief Executive Officer of BancWest Corporation from 1998 through December 2004; Chairman and CEO of First Hawaiian Bank from 1989 to 1998; and President from 1984 to 1989. Mr. Dods serves on the boards of Alexander & Baldwin, Inc., a diversified company with most of its operations centered in Hawaii, and subsidiary Matson Navigation Company, Inc., an ocean transportation and related shore side services company. He also serves on the boards of Pacific Guardian Life Insurance Company and First Insurance Company of Hawaii, Ltd. and the privately held companies, Servco Pacific, Inc. and Grace Pacific Corporation. Mr. Dods is the Hawaii Chairman of the Japan-Hawaii Economic Council and also serves on the boards of various community and non-profit organizations. Mr. Dods has been a director of the Company since October 2004.

Fred E. Trotter III (75)

Mr. Trotter has served as President of F. E. Trotter Inc., a business consulting firm in Honolulu, Hawaii since 1991. He was a Trustee of The Estate of James Campbell, a private trust, in Honolulu, Hawaii, from 1970 to 1991. Mr. Trotter is a director of the privately held company Waterhouse Inc. He is a member of the Executive Committee of JAIC-Shinrai Venture Capital, Investment, Ltd., a Japanese limited partnership. Mr. Trotter serves on the board of the Aloha Council Boy Scouts of America and various other community organizations. Mr. Trotter has extensive experience in agribusiness and property management in Hawaii. Mr. Trotter has been a director of the Company since 1992.

Class Two Directors Term expires in 2007:

Thomas M. Gottlieb (53)

Mr. Gottlieb has served as a founding partner in Geolo Investment Group, a privately held company that provides value-added capital to high-growth consumer focused businesses in travel and leisure, hospitality and live entertainment since January 2005. He is also a co-managing Member and co-founder of Palm Cove Capital, a financial services and investment company in Honolulu, Hawaii, since December 2001. Mr. Gottlieb served as Founder, Chairman and CEO of Mandara Spa, one of the world's leading operators of luxury resort spas from January 1996 to December 2004. Mr. Gottlieb has extensive experience in real estate development, the

David A. Heenan (66)

hospitality industry, banking and venture capital. He founded The Odyssey Club, a luxury multi-site Private Residence Club and Sierra Pacific Investments, a private equity investment company that acquired and operated hotels, spas and office buildings in Northern California. Mr. Gottlieb is a director of the privately held companies, Exclusive Resorts LLC and Grove Farm Company Inc. Mr. Gottlieb has been a director of the Company since May 2004.

Kent T. Lucien (52)

Mr. Heenan has served as Trustee of The Estate of James Campbell, a private trust in Honolulu, Hawaii since 1995. He was Chairman, President and Chief Executive Officer of Theo. H. Davies & Co., Ltd., the North American holding company for the Hong Kong-based Jardine Matheson from 1982 to 1995. Mr. Heenan is a director of Bank of Hawaii Corporation. He was Chairman of the Company's Board from May 2003 to March 2004. Mr. Heenan has been a director of the Company since 1999. Mr. Lucien has served as Chief Executive Officer of Operations of C. Brewer and Co., Ltd. & Subsidiaries, a privately held company headquartered in Honolulu, Hawaii, with operations in agriculture, real estate, and stevedoring since 2001; and Executive Vice President and Chief Financial Officer from 1991 to 2001. From 1991 to August 2001, he also was President and a Director of ML Macadamia Partners, a New York Stock Exchange listed master limited partnership, which farmed over 7,000 acres of macadamia orchards. Mr. Lucien serves on the boards of C. Brewer and Co., Ltd. and Wailuku Water Company, LLC. Mr. Lucien has been a director of the Company since May 2004.

Class Three Directors Term expires in 2008:

Duncan MacNaughton (62)

Mr. MacNaughton has served as Chairman of The MacNaughton Group/Poseiden Properties, Inc., a group of companies that includes real estate development, consulting and leasing since 1985. Mr. MacNaughton has extensive experience in real estate development as principal developer and/or owner of properties including Ainamalu residential subdivision, Kaanapali Royal resort condominiums, Costco Center at Bougainville Industrial Park, Pali Momi Medical Center, Waikele Center and Maui Marketplace, and the exclusive developer for Kmart Corporation's stores in Hawaii. Mr. MacNaughton serves on the boards of several privately held companies and various community organizations. Mr. MacNaughton has been a director of the Company since May 2004.

Warren H. Haruki (53)

Mr. Haruki has served as President and Chief Executive Officer of Grove Farm Company, Inc., a land development company located on Kauai, Hawaii since 2005, and has been a Trustee of Parker Ranch Foundation since 2004. He was President of GTE Hawaiian Tel and Verizon Hawaii, communications providers, from 1991 to 2003. Mr. Haruki is on the boards of the privately held companies, Parker Ranch, Inc., First Hawaiian Bank, Pacific Guardian Life Insurance Company, Hawaii Planing Mill, Ltd., Hawaii Superferry, Inc. and various non-profit organizations. Mr. Haruki was appointed to the Company's Board in March 2006 to fill the position left vacant by the resignation of Richard H. Cameron in May 2005.

John H. Agee (57)

Mr. Agee has served as President and Chief Executive Officer of Ka Po`e Hana LLC, a private family investment entity since May 2000. He is also Executive Vice President of The Case Foundation, a private foundation in Washington D.C., Executive Vice President of Accelerate Brain Cancer Cure, Inc. and Chief Financial Officer of the Dan and Stacey Case Family Foundation. Mr. Agee was President of Adler Management LLC from 1986 to January 2000. Mr. Agee serves on the board of Grove Farm Company, Inc. (a privately held company), and various community and non-profit organizations. Mr. Agee has been a director of the Company since 2001.

Board Independence, Meetings and Committees

The Board maintains charters for each of its Audit Committee, Compensation Committee and Nominating and Governance Committee. In addition, both the listing standards of the American Stock Exchange and the Company's bylaws require that a majority of the Board be independent within the meaning of the American Stock Exchange listing standards. The Board of Directors has affirmatively determined that all nominees for election to the Board at the Annual Meeting, except for Mr. Cole, and all continuing directors, except for Mr. Haruki, are independent pursuant to Section 121 of the American Stock Exchange Company Guide.

In 2005, the Board of Directors held six meetings, the Audit Committee held five meetings, the Compensation Committee held three meetings and the Nominating and Governance Committee held one meeting. In 2005, all directors with the exception of Mr. Gottlieb attended at least 75% of the aggregate meetings of the Board and committees on which they serve. The independent directors met four times in executive session in 2005. Board members are encouraged, but not required to attend the Company's Annual Meeting of Shareholders. The Company's 2005 Annual Meeting of Shareholders was attended by all directors.

The Audit Committee's duties and responsibilities are set forth in a written charter, which was filed as an exhibit to the Company's proxy statement dated March 28, 2005. Members of the Audit Committee are Messrs. Lucien (Chairman), Gottlieb and Heenan. All of the Audit Committee members are independent from the Company and its management, as defined by the listing standards of the American Stock Exchange and by the rules of the Securities and Exchange Commission. The Board of Directors has determined that Mr. Lucien is an audit committee financial expert as defined in the Securities and Exchange Commission regulations.

The Compensation Committee reviews and approves the compensation plans, salary recommendations and other matters relating to compensation of senior management and directors. The members of the Compensation Committee are Messrs. Trotter (Chairman), MacNaughton and Dods. Each of these directors is independent as defined by the listing standards of the American Stock Exchange.

The Nominating and Governance Committee identifies and recommends candidates to fill vacancies on the Board of Directors. The written charter of the Nominating and Governance Committee was filed as an exhibit to the Company's proxy statement dated March 28, 2005. The members of the Committee are Messrs. Heenan (Chairman), Agee and Dods. All of the Committee members are independent as defined by the American Stock Exchange listing standards.

The Nominating and Governance Committee's policy is that it will consider any director candidate recommended by shareholders on the same basis as candidates identified by the Nominating and Governance Committee. Names and resumes of prospective directors should be addressed to Nominating and Governance Committee of Maui Land & Pineapple Company, Inc., c/o Corporate Secretary, 120 Kane Street, P.O. Box 187, Kahului, Hawaii 96733-6687.

The criteria that will be applied in evaluating any candidate considered by the Nominating and Governance Committee, including those recommended by shareholders, include whether or not the candidate:

- is familiar with the Maui and Hawaii communities;
- possesses personal and professional integrity, sound judgment and forthrightness;
- has sufficient time and energy to devote to the Company's affairs;
- is willing to challenge and stimulate management and is able to work as part of a team in an environment of trust;
- has an open-minded approach to, and the resolve to independently analyze, matters presented for consideration;
- will add specific value by virtue of particular technical expertise, experience or skill relevant to the Company's business; and
- understands business and financial affairs and the complexities of a business organization. While a career in business is not essential, a nominee should have a proven record of competence and accomplishment through leadership in industry, non-profit organizations, the professions or government.

The Committee identifies nominees for positions on the Company's Board of Directors by requesting names of potential candidates from the other Board members and from the Company's executive officers. The Committee is authorized by its charter to retain a third party search firm to identify potential nominees to the Board of Directors, but it did not do so in 2006. The Committee reviews resumes of the interested candidates and selects those that pass this initial screening for personal interviews. Each Committee member completes a ranking form that ranks all candidates interviewed and the directors standing for re-election. Based on the scores received by each individual, the nominees are selected for recommendation to the Board of Directors. Mr. Haruki was recommended to the Nominating and Governance Committee for consideration as a director by David C. Cole, Chairman, President and CEO of the Company. In nominating Mr. Trotter for re-election to the Board of Directors at the Annual Meeting as a Class One director, the Nominating and Governance Committee considered the fact that Mr. Trotter has exceeded the age limit for directors specified in our bylaws. After considering Mr. Trotter's contributions to the Board of Directors and the Company, the Nominating and Governance Committee made an exception to the age limitation, as permitted by the bylaws.

Communications with the Board of Directors

Shareholders wishing to submit written communications to the Board should address their communications to Board of Directors of Maui Land & Pineapple Company, Inc. or to the specified individual director, c/o Corporate Secretary, 120 Kane Street, P.O. Box 187, Kahului, Hawaii 96733-6687. All such correspondence will be forwarded to the specified director or in the absence of such specification, to the Chairman of the Board.

Director Compensation

In 2005, all non-employee directors received an annual cash retainer fee of \$30,000. The Company has an executive deferred compensation plan in which all of the executive officers and directors are eligible to participate. Messrs. Agee, Gottlieb, Heenan and Lucien have elected to participate in this plan. Under this plan, these directors can defer up to 100% of the annual cash retainer until termination of their Board membership. Earnings on compensation deferred under this plan are tied to the performance of mutual

funds, which are substantially the same funds as those in the Company's 401(k) plan, and do not earn interest at a fixed rate. See Executive Compensation Executive Deferred Compensation Plan.

Non-employee directors are also granted restricted Common Stock (Restricted Shares) that vest at 250 shares each quarter covering the term of the director's current membership. The Restricted Shares are granted under the Maui Land & Pineapple Company, Inc. 2003 Stock and Incentive Plan, and if approved by the shareholders, will be granted in the future under the 2006 Plan, to the non-employee director at the time he or she is elected, re-elected or appointed to the Board. Any grants of Restricted Shares under the 2006 Plan made to the non-employee directors elected or re-elected to the Board at the Annual Meeting will not be effective until the Company has filed with the SEC an effective registration statement on Form S-8 to register the shares and the Company has received approval from the American Stock Exchange to list the additional shares. The number of shares granted to each non-employee director equals the number of calendar quarters or portions thereof in his term multiplied by 250 shares. The directors have voting and regular dividend rights with respect to the unvested Restricted Shares, but have no right to dispose of the shares. Each unvested Restricted Share is forfeited upon the non-employee director's termination of his position as a member of the Board of Directors of the Company for any reason.

In 2005, Directors Agee and MacNaughton were each granted 3,000 Restricted Shares under the Maui Land & Pineapple Company, Inc. 2003 Stock and Incentive Compensation Plan, upon their election as Class Three directors for the three-year term that ends in 2008. The fair value at the date of grant was the closing price of our Common Stock on May 2, 2005 of \$39.00 per share. Upon his appointment to the Board of Directors on March 13, 2006, Mr. Haruki was granted 2,250 Restricted Shares under the Maui Land & Pineapple Company, Inc. 2003 Stock and Incentive Compensation Plan. The fair value at the date of grant was the closing price of our Common Stock on March 13, 2005 of \$37.42 per share.

The fair value of Restricted Shares held by non-employee directors that vested in 2005 (based on the closing market prices of our Common Stock on the dates of grant and 1,000 shares of stock for each director) and that were unvested at December 31, 2005 (based on \$33.93 per share, the closing market price of our Common Stock on December 31, 2005) was as follows:

	Vested in 2005 (\$)	Unvested at December 31, 2005 (\$)	shares
John H. Agee	37,522	76,343	2,250
Walter A. Dods, Jr.	32,300	8,483	250
Thomas M. Gottlieb	33,090	42,413	1,250
David A. Heenan	33,090	42,413	1,250
Kent T. Lucien	33,090	42,413	1,250
Duncan MacNaughton	37,522	76,343	2,250
Fred E. Trotter III	33,090	8,483	250

ITEM 2

RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Deloitte & Touche LLP, independent registered public accounting firm, has been the independent auditor of the Company for many years, and is considered by management to be well qualified. The Audit Committee of the Board of Directors has appointed Deloitte & Touche LLP as the independent registered public accounting firm of the Company for fiscal year 2006. A representative of Deloitte & Touche LLP is expected to be present at the Annual Meeting and will be given an opportunity to make a statement. The representative also will be available to respond to appropriate questions.

Shareholder ratification of the selection of Deloitte & Touche LLP as the Company's independent registered public accounting firm is not required by the Company's bylaws or otherwise. However, the Board is submitting the selection of Deloitte & Touche LLP to the shareholders for ratification as a matter of corporate practice. If the shareholders fail to ratify the selection, the Audit Committee will reconsider whether or not to retain that firm. Even if the selection is ratified, the Audit Committee in its discretion may direct the appointment of a different independent registered public accounting firm at any time during the year if the Audit Committee determines that such a change would be in the best interests of the Company and its shareholders.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE FOR RATIFICATION OF THE APPOINTMENT OF DELOITTE & TOUCHE LLP AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR FISCAL 2006.

AUDIT MATTERS

Report of the Audit Committee

The Audit Committee of the Board of Directors is responsible for monitoring the integrity of the Company's consolidated financial statements, its system of internal accounting controls and the performance of its internal auditors. The Committee appoints, compensates and retains the independent auditors and monitors their independence and performance.

Management is responsible for establishing and maintaining adequate internal control over financial reporting and for the preparation and correctness of financial statements and the financial reporting process, and has represented to the Audit Committee that such financial statements were prepared in accordance with accounting principles generally accepted in the United States of America and that the Company has maintained effective internal controls over financial reporting. The independent registered public accounting firm is responsible for expressing an opinion on the conformity of those audited financial statements with accounting principles generally accepted in the United States of America; and for expressing an opinion on management's assessment of the Company's internal controls over financial reporting; and for expressing an opinion on the effectiveness of the Company's internal controls over financial reporting. The independent registered public accounting firm has delivered unqualified opinions on these matters.

The Committee reviewed and discussed with management and the independent auditors the Company's quarterly and annual audited financial statements, and Forms 10-Q for 2005, and Form 10-K for the year ended December 31, 2005, prior to their filing. The Committee reviewed the Company's written press releases of earnings prior to issuance. The Committee discussed with the Company's internal auditors the overall scope and plans for their audits and the results of such audits. The Committee met with the internal auditors and with the independent registered public accountants, with and without management present, to discuss the results of their examinations. In addition, the Committee has monitored management's initiatives aimed at strengthening the Company's internal and disclosure controls structure. As part of this process the Committee continues to monitor the scope and adequacy of the Company's internal audit program.

The Audit Committee discussed with the independent auditors the matters required to be discussed by Statement on Auditing Standards (SAS) No. 61, Communications with Audit Committees, as amended by SAS Nos. 89 and 90. In addition, the Committee discussed with the independent auditors the auditors' independence from the Company and its management, including matters in the written disclosures and letter that were received by the Committee from the independent auditors as required by Independence Standards Board Standard No. 1, Independence Discussions with Audit Committees, as amended.

Based on the reviews and discussions referred to above, the Audit Committee recommended to the Board that the Company's audited financial statements be included in the Form 10-K for the year ended December 31, 2005.

Audit Committee:

Kent T. Lucien (Chairman)
 Thomas M. Gottlieb
 David A. Heenan

The above Report of the Audit Committee does not constitute soliciting material and should not be deemed filed or incorporated by reference into any other Company filing, whether under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made on, before or after the date of this Proxy Statement and irrespective of any general incorporation language in such filing, except to the extent the Company specifically incorporates this Report by reference therein.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Fees for services performed for the Company by Deloitte & Touche LLP for 2005 and 2004, including expenses incurred in connection with these services, are as follows:

	2005	2004
Audit	\$ 1,096,000	\$ 295,000
Audit-Related	75,000	108,000
Tax	26,000	35,000
Total Fees	\$ 1,197,000	\$ 438,000

The audit fees are primarily attributable to professional services rendered for the audits of the Company's annual financial statements for the fiscal years ended December 31, 2005 and 2004, the reviews of the Company's financial statements included in its Quarterly Reports on Form 10-Q, and for 2005, the audit of the effectiveness of the Company's internal control over financial reporting and management's assessment of such controls.

The audit-related fees for 2005 and 2004 includes services for the audit of the Company's defined benefit and defined contribution pension plans and for various audit related consultations, and for 2004, include fees for professional services in connection with the purchase of the Kapalua Bay Hotel, and correspondence and filings with the Securities and Exchange Commission. The fees for tax services relate to professional services rendered for tax compliance and various tax consultations.

The Audit Committee has considered whether the provision of these services by Deloitte & Touche LLP is compatible with maintaining the independence of Deloitte & Touche LLP, and has determined that the provision of such services by Deloitte & Touche LLP has not adversely affected the independent registered public accounting firm's independence.

Audit Committee Policy Approval of Fees

It is the policy of the Audit Committee of the Board of Directors that all audit and permissible non-audit services provided by the Company's independent registered public accounting firm and related fees paid to the Company's independent registered public accounting firm must be approved in advance by the Audit Committee.

**ITEM 3
AMENDMENT TO THE ARTICLES OF ASSOCIATION**

The Articles of Association presently state that the amount of the authorized capital stock of the corporation is 8,000,000 shares of Common Stock. The amendment to the Articles would increase the authorized capital stock by 1,000,000 shares to 9,000,000 shares of Common Stock.

As of March 1, 2006, of the 8,000,000 currently authorized shares of Common Stock, there were 7,378,550 shares of the outstanding, 613,500 shares subject to outstanding and unexercised options to acquire Common Stock, 3,750 reserved for issuance under the Maui Land & Pineapple Company, Inc. 2003 Stock and Incentive Compensation Plan, and 4,200 held by Honolua Plantation Land Company, Inc., a wholly-owned subsidiary. The Company's Board of Directors believes that it is advisable and in the best interests of the Company and its shareholders to amend the Articles of Association in order to have available additional authorized but unissued shares of Common Stock in an amount adequate to provide for the future needs of the company.

Shareholder approval to increase the authorized number of shares of Common Stock from 8,000,000 to 9,000,000 shares is necessary in order to issue equity incentive awards under the Maui Land & Pineapple Company, Inc. 2006 Equity and Incentive Award Plan, if such plan is approved by the shareholders. We plan to reserve the 1,000,000 additional shares of authorized capital stock for issuance this plan if it is approved by the shareholders. See Item 4, below. The proposed increase in authorized shares of Common Stock will ensure that a sufficient number of shares of Common Stock remains available for issuance under the Maui Land & Pineapple Company, Inc. 2006 Equity and Incentive Award Plan, if approved, and will allow us to utilize a broader array of equity incentives to attract and retain the services of key individuals and other personnel essential to our long-term growth and financial success. We rely significantly on equity incentives to attract and retain key employees and other personnel and believe that such equity incentives are necessary for us to remain competitive in the marketplace for executive talent and other key employees.

The proposed additional shares of Common Stock would be a part of the existing class of the Company's Common Stock and, if and when issued, would have the same rights and privileges as the shares of Common Stock presently issued and outstanding. No additional action or authorization by the shareholders would be necessary prior to the issuance of the additional shares unless required by applicable law or the rules of the American Stock Exchange. Holders of Common Stock do not have preemptive rights to subscribe for newly issued shares of Common Stock in preference to persons who are not shareholders. If the Company issues additional shares of Common Stock or other securities convertible into Common Stock in the future, it could dilute the voting rights of existing shareholders and could also dilute earnings per share and book value per share of existing shareholders. The increased in authorized shares of Common Stock could also have the effect of rendering more difficult or discouraging hostile takeover attempts by other parties to obtain control of the Company. The Company is not aware of any existing or planned effort on the part of any party to accumulate material amounts of voting stock, or to acquire the Company by means of a merger, tender offer, solicitation of proxies in opposition to management or otherwise, or to change the Company's management, nor is the Company aware of any person having made any offer to acquire the voting stock or assets of the company.

The Board of Directors has approved the amendment of the Company's Articles to increase the number of shares of authorized Common Stock by 1,000,000 shares. This change to the Articles is included in the Articles of Amendment that are attached to this Proxy Statement as Appendix A. The Articles of Amendment would become effective upon their filing with the Department of Commerce and Consumer Affairs of the State of Hawaii.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR PROPOSAL NO. 3, APPROVAL OF THE AMENDMENT TO THE ARTICLES TO AUTHORIZE AN ADDITIONAL 1,000,000 SHARES OF COMMON STOCK.

ITEM 4

APPROVAL OF THE MAUI LAND & PINEAPPLE COMPANY, INC. 2006 INCENTIVE AWARD PLAN

Our shareholders are being asked to approve the Maui Land & Pineapple Company, Inc. 2006 Equity and Incentive Award Plan (the 2006 Plan). On March 13, 2006, our Board approved and adopted the 2006 Plan, subject to approval by our shareholders.

The principal features of the 2006 Plan are summarized below, but the summary is qualified in its entirety by reference to the 2006 Plan itself which is attached to this Proxy Statement as Appendix B. We encourage you to read the 2006 Plan carefully.

In the event the shareholders approve the 2006 Plan, the Company's 2003 Stock and Incentive Compensation Plan will be terminated effective as of the date of shareholder approval of the 2006 Plan. As of March 1, 2006, only 3,750 shares of Common Stock remained available for future issuance under the 2003 Stock and Incentive Compensation Plan. We rely significantly on equity incentives to attract and retain key employees and other personnel and believe that equity incentives are necessary for us to remain competitive in the marketplace for executive talent and other key employees. The implementation of this proposal to approve the 2006 Plan is also conditioned upon shareholder approval of the amendment the Company's Articles of Association to authorize an additional 1,000,000 shares of Common Stock. See Item 3, above.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE APPROVAL OF THE MAUI LAND & PINEAPPLE COMPANY, INC. 2006 EQUITY AND INCENTIVE AWARD PLAN.

Purpose of the 2006 Plan

The purpose of the 2006 Plan is to provide additional incentive for directors, key employees and consultants to further the growth, development and financial success of the Company and its subsidiaries by personally benefiting through the ownership of the Company's Common Stock, or other rights which recognize such growth, development and financial success. Our Board also believes that the 2006 Plan will enable us to obtain and retain the services of directors, key employees and consultants that are considered essential to our long range success by offering them an opportunity to own stock and other rights that reflect our financial success.

The 2006 Plan is also designed to permit us to make cash-only and equity based awards intended to qualify as performance-based compensation under Section 162(m) of the Internal Revenue Code of 1986, as amended (the Code).

The 2006 Plan will become effective immediately upon shareholder approval of the 2006 Plan and the proposed amendment to the Company's Articles of Association.

Securities Subject to the 2006 Plan

The maximum aggregate number of shares of Common Stock that may be issued or transferred pursuant to awards under the 2006 Plan is 1,000,000 shares. To the extent that an award granted under the 2006 Plan terminates, expires or lapses for any reason, any shares subject to the award at such time will be available for future grants under the 2006 Plan. Additionally, shares tendered or withheld to satisfy the grant or exercise price or tax withholding obligation with respect to any award under the 2006 Plan will be available for future grants under the 2006 Plan. If any shares of restricted stock are surrendered by a participant or repurchased by the Company pursuant to the terms of the 2006 Plan, such shares also will be available for future grants under the 2006 Plan. To the extent permitted by applicable law or any exchange rule, shares issued in assumption of, or in substitution for, any outstanding awards of any entity acquired in any form of combination by the Company or any of its subsidiaries will not be counted against the shares available for issuance under the 2006 Plan. In no event, however, will any shares of Common Stock again

be available for future grants under the Plan if such action would cause an incentive stock option to fail to qualify as an incentive stock option under Section 422 of the Code.

The shares of Common Stock covered by the 2006 Plan may be treasury shares, authorized but unissued shares, or shares purchased in the open market. For purposes of the 2006 Plan, the fair market value of a share of Common Stock as of any given date will be the closing sales price for a share of Common Stock on such date or, if there is no closing sales price for the Common Stock on the date in question, the closing sales price for a share of Common Stock on the last preceding date for which such quotation exists, as reported on the American Stock Exchange. The closing sales price for a share of Common Stock on March 1, 2006 was \$38.07, as reported by the American Stock Exchange.

Eligibility

Our employees, consultants and directors are eligible to receive awards under the 2006 Plan. As of December 31, 2005, we had approximately 1,275 employees and consultants. We currently have nine directors, eight of whom are non-employee directors. The administrator determines which of our employees, consultants and directors will be granted awards, except that in the case of the granting of options and restricted stock to non-employee directors, such determinations will be made by the Board. No employee, non-employee director or consultant is entitled to participate in the 2006 Plan as a matter of right, nor does any such participation constitute assurance of continued employment or Board service. Only those employees, non-employee directors and consultants who are selected to receive grants by the applicable administrator may participate in the 2006 Plan.

Awards Under the 2006 Plan

The 2006 Plan provides that the administrator may grant or issue stock options, stock appreciation rights (SARs), restricted stock, restricted stock units, deferred stock, dividend equivalents, performance awards and stock payments, or any combination thereof. Each award will be set forth in a separate agreement with the person receiving the award and will indicate the type, terms and conditions of the award.

Non-Qualified Stock Options. Non-Qualified stock options (NQSOs) will provide for the right to purchase shares of Common Stock at a specified price which may not be less than fair market value on the date of grant, and usually will become exercisable (in the discretion of the administrator) in one or more installments after the grant date, subject to the completion of the applicable vesting service period or the attainment of pre-established performance goals. NQSOs may be granted for any term specified by the administrator, but may not exceed ten years.

Incentive Stock Options. Incentive stock options (ISOs) will be designed to comply with the applicable provisions of the Code, and will be subject to certain restrictions contained in the Code. Among such restrictions, ISOs must have an exercise price not less than the fair market value of a share of Common Stock on the date of grant, may only be granted to employees, and must not be exercisable after a period of ten years measured from the date of grant. ISOs however, may be subsequently modified to disqualify them from treatment as ISOs. The total fair market value of shares (determined as of the respective date or dates of grant) for which one or more options granted to any employee by the Company (including all options granted under the 2006 Plan and all other option plans of the Company or any parent or subsidiary) may for the first time become exercisable as ISOs during any one calendar year shall not exceed the sum of \$100,000. To the extent this limit is exceeded, the options granted will be NQSOs. In the case of an ISO granted to an individual who owns (or is deemed to own) more than 10% of the total combined voting power of all of our classes of stock (a 10% Owner), the 2006 Plan provides that the exercise price must be at least 110% of the fair market value of a share of Common Stock on the date of grant and the ISO must not be exercisable after a period of five years measured from the date of grant.

Like NQSOs, ISOs usually will become exercisable (in the discretion of the administrator) in one or more installments after the grant date, subject to the completion of the applicable vesting service period or the attainment of pre-established performance goals.

Stock Appreciation Rights. Stock appreciation rights provide for the payment of an amount to the holder based upon increases in the price of our Common Stock over a set base price. The base price of any SAR granted under the 2006 Plan must be at least 100% of the fair market value of a share of Common Stock on the date of grant. SARs under the 2006 Plan will be settled in cash or shares of Common Stock, or in a combination of both. SARs may be granted in connection with stock options or other awards, or separately.

Restricted Stock. Restricted stock may be issued at such price, if any, and may be made subject to such restrictions (including time vesting or satisfaction of performance goals), as may be determined by the administrator. Restricted stock typically may be repurchased by us at the original purchase price, if any, or forfeited, if the vesting conditions and other restrictions are not met. In general, restricted stock may not be sold, or otherwise hypothecated or transferred, until the vesting restrictions and other restrictions applicable to such shares are removed or expire. Recipients of restricted stock, unlike recipients of options or restricted stock units, generally will have voting rights and will receive dividends prior to the time when the restrictions lapse.

Deferred Stock Awards. Deferred stock may not be sold or otherwise hypothecated or transferred until issued. Deferred stock will not be issued until the deferred stock award has vested, and recipients of deferred stock generally will have no voting or dividend rights prior to the time when the vesting conditions are satisfied and the shares are issued. Deferred stock awards generally will be forfeited, and the underlying shares of deferred stock will not be issued, if the applicable vesting conditions and other restrictions are not met.

Restricted Stock Units. Restricted stock units entitle the holder to receive shares of Common Stock, subject to the removal of restrictions which may include completion of the applicable vesting service period or the attainment of pre-established performance goals. The shares of Common Stock issued pursuant to restricted stock units may be delayed beyond the time at which the restricted stock units vest. Restricted stock units may not be sold, or otherwise hypothecated or transferred, and holders of restricted stock units do not have voting rights. Restricted stock units generally will be forfeited, and the underlying shares of stock will not be issued, if the applicable vesting conditions and other restrictions are not met.

Dividend Equivalents. Dividend equivalents represent the value of the dividends per share paid by us, if any, calculated with reference to a specified number of shares. Dividend equivalent rights may be granted alone or in connection with stock options, SARs or other equity awards granted to the participant under the 2006 Plan. Dividend equivalents may be paid in cash or shares of Common Stock at the election of the administrator.

Performance Awards. Performance awards may be granted by the administrator to employees, consultants or non-employee directors based upon, among other things, the contributions, responsibilities and other compensation of the particular recipient. Generally, these awards will be based on specific performance goals and may be paid in cash or in shares of Common Stock, or in a combination of both. Performance awards may include phantom stock awards that provide for payments based upon the value of our Common Stock. Performance awards may also include bonuses granted by the administrator, which may be payable in cash or in shares of Common Stock, or in a combination of both.

Stock Payments. Stock payments may be authorized by the administrator in the form of Common Stock or an option or other right to purchase Common Stock and may, without limitation, be issued as part of a deferred compensation arrangement in lieu of all or any part of compensation including, without

limitation, salary, bonuses, commissions and directors' fees that would otherwise be payable in cash to the employee, non-employee director or consultant.

Section 162(m) Performance-Based Awards. The administrator may designate employees as participants whose compensation for a given fiscal year may be subject to the limit on deductible compensation imposed by Section 162(m) of the Code. The administrator may grant to such persons stock options, SARs, restricted stock, restricted stock units, deferred stock, dividend equivalents, performance awards, cash bonuses and stock payments that are paid, vest or become exercisable upon the achievement of specified performance goals which are related to one or more of the following performance criteria, as applicable to the Company or any subsidiary, division, operating unit or individual:

- net earnings (either before or after interest, taxes, depreciation and/or amortization);
- sales or revenue;
- net income (either before or after taxes);
- operating earnings;
- cash flow (including, but not limited to, operating cash flow and free cash flow);
- return on assets;
- return on shareholders' equity;
- return on sales;
- gross or net profit margin;
- expenses;
- working capital;
- earnings per share;
- price per share of stock; and
- market share.

Performance goals established based on the performance criteria may be measured either in absolute terms or as compared to any incremental increase or decrease or as compared to the results of a peer group. Achievement of each performance goal will be determined in accordance with generally accepted accounting principles to the extent applicable.

The maximum number of shares which may be subject to awards granted under the 2006 Plan to any individual during any fiscal year may not exceed 100,000 shares of Common Stock, subject to adjustment in the event of any recapitalization, reclassification, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin off or other transaction that affects the Common Stock in a manner that would require adjustment to such limit in order to prevent the dilution or enlargement of the potential benefits intended to be made available under the 2006 Plan. In addition, certain employees—those whose compensation in the year of grant is, or in a future fiscal year may be, subject to the limitation on deductibility under Section 162(m) of the Code—may not receive cash-settled performance awards in any fiscal year having an aggregate maximum amount payable in excess of \$250,000.

Automatic Grants to Non-employee Directors

The 2006 Plan authorizes the grant of awards to non-employee directors, the terms and conditions of which are to be determined by our Board consistent with the 2006 Plan. In addition, the 2006 Plan provides

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for the automatic grant of certain awards to our non-employee directors, the terms and conditions of which are described below.

Subject to:

- shareholder approval of the 2006 Plan and the proposed amendment to the Company's Articles of Association;
- the effectiveness of a registration statement on Form S-8 filed by the Company with the SEC to register the shares of common stock to be issued pursuant to the 2006 Plan; and
- approval from the American Stock Exchange of the listing of the additional shares of common stock to be issued pursuant to the 2006 Plan;

On the date of each annual shareholder meeting during the term of the 2006 Plan (beginning on the date of our annual shareholder meeting in 2006), each non-employee director who is standing for re-election to the Board and who is elected to continue to serve in such capacity will automatically receive a restricted stock award covering 3,000 shares of our Common Stock. In addition, each non-employee director who first joins the Board at any time during the term of the 2006 Plan automatically will receive a restricted stock award covering a number of shares of our Common Stock equal to 3,000, less 250 shares for each full calendar quarter that has elapsed since the last annual meeting at which members of the class of directors to which such individual became a member were standing for re-election. Each automatic restricted stock award will be granted without cost to the non-employee director and will initially be subject to forfeiture. The forfeiture restrictions will lapse with respect to, and the non-employee director will become vested in, 250 shares of our Common Stock subject to each restricted stock award upon the last business day of each calendar quarter following the grant date, provided that the non-employee director remains in continuous service as a board member through such date. Following the non-employee director's cessation of service on the Board for any reason, the unvested shares of our Common Stock subject to each automatic restricted stock award will automatically be forfeited and will again become available for future awards under the 2006 Plan. There will be no limit on the number of such annual 3,000-share restricted stock awards any one eligible non-employee director may receive over his or her period of continued service on the Board, and non-employee directors who have previously been in the Company's employ will be eligible to receive one or more such restricted stock awards.

Vesting and Exercise of Awards

The applicable award agreement will contain the period during which the right to exercise the award in whole or in part vests. At any time after the grant of an award, the administrator may accelerate the period during which such award vests. No portion of an award which is not vested at a participant's termination of employment, termination of board service, or termination of consulting relationship will subsequently become vested, except as may be otherwise provided by the administrator either in the agreement relating to the award or by action following the grant of the award.

Generally, an option or stock appreciation right may only be exercised while such person remains our employee, director or consultant, as applicable, or for a specified period of time (up to the remainder of the award term) following the participant's termination of employment, directorship or the consulting relationship, as applicable. An award may be exercised for any vested portion of the shares subject to such award until the award expires.

Only whole shares of Common Stock may be purchased or issued pursuant to an award. Any required payment for the shares subject to an award will be paid in the form of cash or a check payable to us in the amount of the aggregate purchase price. However, the administrator may in its discretion and subject to applicable laws allow payment through one or more of the following:

- the delivery of certain shares of Common Stock owned by the participant;

- the surrender of shares of Common Stock which would otherwise be issuable upon exercise or vesting of the award;
- the delivery of property of any kind which constitutes good and valuable consideration;
- with respect to options, a sale and remittance procedure pursuant to which the optionee will place a market sell order with a broker with respect to the shares of Common Stock then issuable upon exercise of the option and the broker timely pays a sufficient portion of the net proceeds of the sale to us in satisfaction of the option exercise price for the purchased shares plus all applicable income and employment taxes we are required to withhold by reason of such exercise; or
- any combination of the foregoing.

Transferability of Awards

Awards generally may not be sold, pledged, assigned or transferred in any manner other than by will or by the laws of descent and distribution or, subject to the consent of the administrator of the 2006 Plan, pursuant to a domestic relations order, unless and until such award has been exercised, or the shares underlying such award have been issued, and all restrictions applicable to such shares have lapsed. Notwithstanding the foregoing, NQSOs may also be transferred with the administrator's consent to certain family members and trusts. Awards may be exercised, during the lifetime of the holder, only by the holder or such permitted transferee.

New 2006 Plan Benefits

No awards will be granted under the 2006 Plan until it is approved by our shareholders, the Company has filed an effective registration statement on Form S-8 with the SEC to register the shares of common stock to be issued pursuant to the 2006 Plan and the American Stock Exchange has approved the listing of the additional shares of common stock to be issued pursuant to the 2006 Plan.

Pursuant to the automatic grant provisions described above and subject to shareholder approval of the Plan and the proposed amendment to our Articles of Association, the effectiveness of the registration statement on Form S-8 and the approval of the listing of additional shares by the American Stock Exchange, each of the non-employee directors standing for re-election to the Board, Messrs. Trotter and Dods, will receive, if re-elected, a restricted stock award under the 2006 Plan covering 3,000 shares of Common Stock. Other than the automatic grants to non-employee directors, the future benefits that will be received under the 2006 Plan by our current directors, executive officers and by all eligible employees are not currently determinable.

Adjustments for Stock Splits, Recapitalizations, and Mergers

In the event of any recapitalization, reclassification, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin off or other transaction that affects our Common Stock in a manner that would require adjustment to such limit in order to prevent the dilution or enlargement of the potential benefits intended to be made available under the 2006 Plan, the administrator of the 2006 Plan will have the authority in its sole discretion to appropriately adjust:

- the number and kind of shares of Common Stock (or other securities or property) with respect to which awards may be granted or awarded under the 2006 Plan
- the limitation on the maximum number and kind of shares that may be subject to one or more awards granted to any one individual during any fiscal year;

- the maximum number and kind of shares used to determine the maximum dollar amount that may become payable pursuant to one or more cash-settled performance awards granted to any one individual during any fiscal year;
- the number and kind of shares of Common Stock (or other securities or property) subject to outstanding awards under the 2006 Plan;
- the number and kind of shares of Common Stock (or other securities or property) for which automatic grants are subsequently to be made to new and continuing non-employee directors;
- the number and kind of shares of Common Stock (or other securities or property) for which each automatic grant made to new and continuing non-employee directors will subsequently become vested on the last business day of each calendar quarter; and
- the grant or exercise price with respect to any outstanding award.

Administration of the 2006 Plan

With respect to awards granted to our non-employee directors, the administrator of the 2006 Plan is the Board. The Compensation Committee of our Board will be the administrator of the 2006 Plan for all other persons, unless the Board assumes authority for administration. The Compensation Committee must consist of two or more directors, each of whom is intended to qualify as a non-employee director pursuant to Rule 16b-3 of the Securities Exchange Act of 1934, as amended (the Exchange Act), and an outside director for purposes of Section 162(m) of the Code. The Compensation Committee may delegate its authority to grant or amend awards to a committee consisting of two or more members of the Board; provided, however, that the Compensation Committee may not delegate its authority to grant awards to, or amend awards of, individuals (i) who are senior executives of the Company subject to Section 16 of the Exchange Act, (ii) who are, or could be, covered employees within the meaning of Section 162(m) of the Code, or (iii) who are members of the Board to whom authority to grant or amend awards has been delegated. The administrator has the power to:

- select which directors, employees and consultants are to receive awards and the terms of such awards, consistent with the 2006 Plan;
- determine whether options are to be NQSOs or ISOs, or whether awards are to qualify as performance-based compensation under Section 162(m) of the Code;
- construe and interpret the terms of the 2006 Plan and awards granted pursuant to the 2006 Plan;
- adopt rules for the administration, interpretation and application of the 2006 Plan;
- interpret, amend or revoke any of the rules adopted for the administration, interpretation and application of the 2006 Plan; and
- amend one or more outstanding awards in a manner that does not adversely affect the rights and obligations of the holder of such award (except in certain limited circumstances).

Amendment and Termination of the 2006 Plan

The administrator may amend the 2006 Plan at any time, subject to shareholder approval to the extent required by applicable law or regulation or the listing standards of the American Stock Exchange (or any other market or stock exchange on which the Common Stock is at the time primarily traded). Additionally, shareholder approval will be specifically required to (i) increase the number of shares available for issuance under the 2006 Plan, or (ii) decrease the exercise price of any outstanding option or stock appreciation right granted under the 2006 Plan.

The administrator may terminate the 2006 Plan at any time. However, in no event may an award be granted pursuant to the 2006 Plan on or after March 12, 2016.

Federal Income Tax Consequences Associated with the 2006 Plan

The following is a general summary under current law of the material federal income tax consequences to participants in the 2006 Plan. This summary deals with the general tax principles that apply and is provided only for general information. Some kinds of taxes, such as state and local income taxes, are not discussed. Tax laws are complex and subject to change and may vary depending on individual circumstances and from locality to locality. The summary does not discuss all aspects of income taxation that may be relevant in light of a holder's personal circumstances. This summarized tax information is not tax advice.

Non-Qualified Stock Options

If an optionee is granted a NQSO under the 2006 Plan, the optionee will not have taxable income on the grant of the option. Generally, the optionee will recognize ordinary income at the time of exercise in an amount equal to the difference between the option exercise price and the fair market value of a share of Common Stock at such time. The optionee's basis in the stock for purposes of determining gain or loss on subsequent disposition of such shares generally will be the fair market value of the Common Stock on the date the optionee exercises such option. Any subsequent gain or loss generally will be taxable as capital gains or losses.

Incentive Stock Options

No taxable income is recognized by the optionee at the time of the grant of an ISO, and no taxable income is recognized for regular tax purposes at the time the option is exercised; however, the excess of the fair market value of the Common Stock received over the option price is an item of adjustment for alternative minimum tax purposes. The optionee will recognize taxable income in the year in which the purchased shares are sold or otherwise made the subject of a taxable disposition. For federal tax purposes, dispositions are divided into two categories: qualifying and disqualifying. A qualifying disposition occurs if the sale or other disposition is made more than two years after the date the option for the shares involved in such sale or disposition is granted and more than one year after the date the shares are transferred upon exercise. If the sale or disposition occurs before these two periods are satisfied, then a disqualifying disposition will result.

Upon a qualifying disposition, the optionee will recognize long-term capital gain in an amount equal to the excess of the amount realized upon the sale or other disposition of the purchased shares over the exercise price paid for the shares. If there is a disqualifying disposition of the shares, then the excess of the fair market value of those shares on the exercise date over the exercise price paid for the shares will be taxable as ordinary income to the optionee. Any additional gain or loss recognized upon the disposition will be recognized as a capital gain or loss by the optionee.

We will not be entitled to any income tax deduction if the optionee makes a qualifying disposition of the shares. If the optionee makes a disqualifying disposition of the purchased shares, then we will be entitled to an income tax deduction, for the taxable year in which such disposition occurs, equal to the excess of the fair market value of such shares on the option exercise date over the exercise price paid for the shares.

Stock Appreciation Rights

No taxable income is generally recognized upon the receipt of a SAR, but upon exercise of the SAR the fair market value of the shares received will be taxable as ordinary income to the recipient in the year of such exercise.

Restricted Stock

In general, a participant will not be taxed upon the grant or purchase of restricted stock that is subject to a substantial risk of forfeiture, within the meaning of Section 83 of the Code. However, at the time the restricted stock is no longer subject to the substantial risk of forfeiture (e.g., when the restrictions lapse on a vesting date), the participant will be taxed on the difference, if any, between the fair market value of the Common Stock on the date the restrictions lapsed and the amount the participant paid, if any, for such restricted stock. Recipients of restricted stock under the 2006 Plan may, however, make an election under Section 83(b) of the Code to be taxed at the time of the grant or purchase on an amount equal to the difference, if any, between the fair market value of the Common Stock on the date of transfer and the amount the participant paid, if any, for such restricted stock. If a timely Section 83(b) election is made, the participant will not recognize any additional income as and when the restrictions applicable to the restricted stock lapses.

Restricted Stock Units and Deferred Stock

A participant generally will not have ordinary income upon grant of restricted stock units or deferred stock. When the shares of Common Stock are delivered under the terms of the award, the participant will recognize ordinary income equal to the fair market value of the shares delivered, less any amount paid by the participant for such shares.

Dividend Equivalent Awards and Performance Awards

A recipient of a dividend equivalent award or a performance award generally will not recognize taxable income at the time of grant. However, at the time such an award is paid, whether in cash or in shares of Common Stock, the participant will recognize ordinary income equal to value received.

Stock Payments

A participant who receives a stock payment generally will recognize taxable ordinary income in an amount equal to the fair market value of the shares received.

Tax Deductions and Section 162(m) of the Code

Except as otherwise described above with respect to incentive stock options, we generally will be entitled to a deduction when and for the same amount that the recipient recognizes ordinary income, subject to the limitations of Section 162(m) with respect to compensation paid to certain covered employees. Under Section 162(m), income tax deductions of publicly-held corporations may be limited to the extent total compensation (including base salary, annual bonus, stock option exercises and non-qualified benefits paid) for certain executive officers exceeds \$1 million in any one year. The Section 162(m) deduction limit, however, does not apply to certain performance-based compensation as provided for by the Code and established by an independent compensation committee. In particular, stock options and SARs will satisfy the performance-based compensation exception if the awards are made by a qualifying compensation committee, the underlying plan sets the maximum number of shares that can be granted to any person within a specified period and the compensation is based solely on an increase in the stock price after the grant date (i.e., the exercise price or base price is greater than or equal to the fair market value of the stock subject to the award on the grant date). Other awards granted under the 2006

Plan may qualify as performance-based compensation for purposes of Section 162(m), if such awards are granted or vest based upon the achievement of one or more pre-established objective performance goals using one of the performance criteria described above.

The 2006 Plan is structured in a manner that is intended to provide the Compensation Committee with the ability to provide awards that satisfy the requirements for qualified performance-based compensation under Section 162(m) of the Code. In the event the Compensation Committee determines that it is in the Company's best interests to make use of such awards, the remuneration attributable to those awards should not be subject to the \$250,000 limitation. We have not, however, requested a ruling from the Internal Revenue Service or an opinion of counsel regarding this issue. This discussion will neither bind the Internal Revenue Service nor preclude the Internal Revenue Service from adopting a contrary position.

Section 409A of the Code

Certain awards under the 2006 Plan may be considered nonqualified deferred compensation for purposes of Section 409A of the Code, which imposes certain additional requirements regarding the payment of deferred compensation. Generally, if at any time during a taxable year a nonqualified deferred compensation plan fails to meet the requirements of Section 409A, or is not operated in accordance with those requirements, all amounts deferred under the 2006 Plan for the taxable year and all preceding taxable years, by any participant with respect to whom the failure relates, are includible in gross income for the taxable year to the extent not subject to a substantial risk of forfeiture and not previously included in gross income. If a deferred amount is required to be included in income under Section 409A, the amount also is subject to interest and an additional income tax. The interest imposed is equal to the interest at the underpayment rate plus one percentage point, imposed on the underpayments that would have occurred had the compensation been includible in income for the taxable year when first deferred, or if later, when not subject to a substantial risk of forfeiture. The additional income tax is equal to 20% of the compensation required to be included in gross income.

OTHER MATTERS

The Board knows of no other matters that may be brought before the meeting. However, if any other matters are properly brought before the meeting, the persons named in the enclosed proxy or their substitutes will vote in accordance with their best judgment on such matters, and discretionary authority to do so is included in the proxy.

**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT
AND SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

Security Ownership of Certain Beneficial Owners

The following table sets forth, to the best of our knowledge, information as of March 1, 2006 with respect to all persons known to the Company to be the beneficial owners of more than 5% of the Company's Common Stock, other than those listed under Security Ownership of Management. Unless otherwise indicated and subject to applicable community property and similar statutes, all persons listed below have sole voting and investment power over all shares of Common Stock beneficially owned. Share ownership has been computed in accordance with SEC rules and does not necessarily indicate beneficial ownership for any other purpose.

Name and Address	Number of Shares Beneficially Owned	Percent of Class
Stephen M. Case Revocable Trust Ka Po`e Hana LLC PMB 249, 1718 M Street, N. W. Washington, DC 20036	3,472,030 (1)	47.1 %
Mary C. Sanford Po`ohala Investments L.P. 3694 Woodlawn Terrace Place Honolulu, Hawaii 96822	769,531 (2)	10.4 %

1) Ka Po`e Hana LLC has power of attorney over the 3,472,030 shares of Company stock that are owned by the Stephen M. Case Revocable Trust. The power of attorney authorizes Ka Po`e Hana LLC to vote the stock and to sell or otherwise make investment decisions with respect to the stock. Therefore, Ka Po`e Hana LLC may be deemed to beneficially own the shares owned of record and beneficially by the Stephen M. Case Revocable Trust. John H. Agee, is the President and Chief Executive Officer of Ka Po`e Hana LLC, and disclaims beneficial ownership of the shares. See Note (1) to the table set forth below under Security Ownership of Management.

2) The source of this information is a Schedule 13G filed with the SEC on December 22, 2005 by Mary C. Sanford, Po`ohala Holdings, Inc. and Po`ohala Investments L.P. on December 22, 2005. Mary C. Sanford has sole power to vote and dispose these shares, including 648,331 shares held by Po`ohala Investments L.P. and Po`ohala Holdings, Inc., the sole general partner of Po`ohala Investments L.P.

Security Ownership of Management

The following table sets forth information as of March 1, 2006 with respect to the Company's Common Stock beneficially owned by (1) each director and nominee for director, (2) the Company's Chief Executive Officer, and each of the four other most highly compensated executive officers of the Company (the Named Executive Officers) and (3) by all directors and executive officers of the Company as a group. Unless otherwise indicated and subject to applicable community property and similar statutes, all persons listed below have sole voting and investment power over all shares of Common Stock beneficially owned. Share ownership has been computed in accordance with SEC rules and does not necessarily indicate beneficial ownership for any other purpose.

	Aggregate		
	Number of Shares		Percent
	Beneficially Owned		of Class
John H. Agee	3,476,030	(1)	47.1 %
David C. Cole	266,666	(2)	3.6 %
Brian C. Nishida	40,000	(3)(4)	*
Fred W. Rickert	32,200	(3)(4)	*
Robert M. McNatt	6,160	(4)	*
Thomas M. Gottlieb	5,500		*
Duncan MacNaughton	4,000		*
David A. Heenan	3,000		*
Kent T. Lucien	3,000		*
Fred E. Trotter III	2,000		