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VALUATION SECTION IIID: MARKET VALUATION BY DISCOUNTED SALES ANALYSIS

Provided following is an analysis concerning the discounted sales value of the subject property interests. Market value of the subject property interest is estimated via a Discounted Sales Analysis, whereby the net present value of the aggregate of the estimated fee simple retail values, less projected carrying costs, marketing costs and a developer's profit, incurred during a sales absorption period, are estimated. The discounted/bulk sales value was considered to be the equivalent of a bulk sale of the subject property interests to a single hypothetical purchaser (referred to herein as the Investor).

METHODOLOGY

A bulk sales analysis concerning the projected marketing and sale of the subject units is provided in **Table III-8**. Essentially, we projected revenues (*subject lot and Villas sales*), less carrying costs, marketing costs and developer's profit that an investor/developer of the subject units may reasonably experience over a projected sell-out or absorption period. The projected cash flow statement recognizes the timing of estimated revenue and expense projections. The results of the projection were then discounted to present value, a concept of time preference which holds that future income or benefits are worth less than the same income or benefits now, and they decrease in value systematically as the time for their receipt is further deferred into the future. Discounting is the arithmetic procedure of applying a specific rate derived from the market to the anticipated future income stream in order to develop a present worth estimate.

SALES ABSORPTION

As discussed in the *MARKET OVERVIEW* Section, it is difficult to fathom that an investor of the unsold subject inventory would maintain the current course of selling a small number of lots each year. Based solely on 2007 and 2008 sales levels, it would conceivably take 10+ years to completely absorb the subject lots and Villas. Alternatively, there also does not appear to be any event on the horizon suggesting an imminent market rebound. We thus cannot accurately forecast any future turning point where sales absorption will accelerate.

As discussed preceding, it is more likely that the subject lots would be managed under one of these scenarios: 1) removed from the market until conditions improve; 2) be offered at a steep discount to over-penetrate the market and spur sales absorption; or 3) repositioned or improved with semi-custom homes and villas then sold. We currently cannot identify any potential scenarios where the subject can be repositioned under current entitlements and land use restrictions. In addition, we do not believe improving

ASSUMPTIONS							
Date of Value	22-Jan-09						
Discount Rate	7.50%						
Total Number of Units	34						
Aggregate Retail Value	\$50,417,000						
Average Villa Value	\$3,420,000						
Average Lot Value	\$1,361,781						
Real Estate Taxes Reserve per Lot per Month	\$919						
Average Maintenance Fees per Unit per Month	\$1,013						
Real Estate Brokerage Commissions	5.00%						
Sales Incentives	15.00%						
Inflation (Per Quarter)	0.50%						
Contingency and Miscellaneous (% of Expenses)	10.00%						
Developer's Profit Unsold Units (% of Sales)	12.50%						
		TABLE III-8 DISCOUNTED SALES ANALYSIS KE KAILANI					
REVENUE SUMMARY	TOTAL	Jan-09 1	Apr-09 2	Jul-09 3	Oct-09 4	Jan-10 5	Apr-10 6
Periodic Lot Sales		2	1	3	2	3	3
Periodic Villa Sales		0	1	0	1	0	0
Cumulative Unit Sales	34	2	4	7	10	13	16
Units Unsold		32	30	27	24	21	18
Average Lot Price		\$1,361,781	\$1,361,781	\$1,361,781	\$1,361,781	\$1,361,781	\$1,361,781
TOTAL GROSS SALES REVENUE	\$50,417,000	\$2,723,563	\$4,781,781	\$4,085,344	\$6,143,563	\$4,085,344	\$4,085,344
EXPENSE SUMMARY							
OUTSTANDING CONSTRUCTION							
Cost to Complete Hana Pono Park	3,000,000	3,000,000	0	0	0	0	0
SALES AND MARKETING							
Marketing and Administrative	1,293,100	105,000	105,500	106,000	106,500	107,000	107,500
Conveyance Tax and Closing Costs	302,400	16,300	28,700	24,500	36,900	24,500	24,500
Sales Commissions	2,521,200	136,200	239,100	204,300	307,200	204,300	204,300
HOLDING COSTS							
Developer Paid Real Estate Tax Reserve	632,600	101,800	91,800	88,600	85,700	62,000	53,800
Developer Paid Maintenance Fees	716,300	116,200	104,600	94,600	80,000	72,400	63,300
Sales Incentives	7,562,500	408,500	717,300	612,800	921,500	612,800	612,800
Contingency and Miscellaneous	846,700	347,600	57,000	51,800	61,600	47,000	45,300
SUBTOTAL	\$16,874,800	\$4,231,600	\$1,344,000	\$1,182,600	\$1,599,400	\$1,130,000	\$1,111,500
DEVELOPER'S PROFIT	6,302,300	340,400	597,700	510,700	767,900	510,700	510,700
TOTAL EXPENSES	\$23,177,100	\$4,572,000	\$1,941,700	\$1,693,300	\$2,367,300	\$1,640,700	\$1,622,200
NET SALES REVENUE	\$27,240,000	(\$1,848,438)	\$2,840,081	\$2,392,044	\$3,776,263	\$2,444,644	\$2,463,144
FEE SIMPLE BULK SALE/MARKET VALUE (ROUNDED)	\$23,840,000						

ASSUMPTIONS							
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Developer's Profit Unsold Units (% of Sales)	12.50%						
		TABLE III-8 DISCOUNTED SALES ANALYSIS KE KAILANI					
REVENUE SUMMARY	TOTAL	Jul-10 7	Oct-10 8	Jan-11 9	Apr-11 10	Jul-11 11	Oct-11 12
Periodic Lot Sales		3	3	3	3	3	3
Periodic Villa Sales		0	0	0	0	0	0
Cumulative Unit Sales	34	19	22	25	28	31	34
Units Unsold		15	12	9	6	3	0
Average Lot Price		\$1,361,781	\$1,361,781	\$1,361,781	\$1,361,781	\$1,361,781	\$1,361,781
TOTAL GROSS SALES REVENUE	\$50,417,000	\$4,085,344	\$4,085,344	\$4,085,344	\$4,085,344	\$4,085,344	\$4,085,344
EXPENSE SUMMARY							
OUTSTANDING CONSTRUCTION							
Cost to Complete Hana Pono Park	3,000,000	0	0	0	0	0	0
SALES AND MARKETING							
Marketing and Administrative	1,293,100	108,000	108,500	109,000	109,500	110,000	110,600
Conveyance Tax and Closing Costs	302,400	24,500	24,500	24,500	24,500	24,500	24,500
Sales Commissions	2,521,200	204,300	204,300	204,300	204,300	204,300	204,300
HOLDING COSTS							
Developer Paid Real Estate Tax Reserve	632,600	45,500	37,200	29,000	20,700	12,400	4,100
Developer Paid Maintenance Fees	716,300	54,200	45,000	35,700	26,300	16,800	7,200
Sales Incentives	7,562,500	612,800	612,800	612,800	612,800	612,800	612,800
Contingency and Miscellaneous	846,700	43,700	42,000	40,300	38,500	36,800	35,100
SUBTOTAL	\$16,874,800	\$1,093,000	\$1,074,300	\$1,055,600	\$1,036,600	\$1,017,600	\$998,600
DEVELOPER'S PROFIT	6,302,300	510,700	510,700	510,700	510,700	510,700	510,700
TOTAL EXPENSES	\$23,177,100	\$1,603,700	\$1,585,000	\$1,566,300	\$1,547,300	\$1,528,300	\$1,509,300
NET SALES REVENUE	\$27,240,000	\$2,481,644	\$2,500,344	\$2,519,044	\$2,538,044	\$2,557,044	\$2,576,044
FEE SIMPLE BULK SALE/MARKET VALUE (ROUNDED)	\$23,840,000						

the lots with spec. homes will significantly spur absorption. The definition of market value presumes a hypothetical sale. Accordingly, a hypothetical buyer would most likely only consider acquiring the subject property interest under the scenario involving steeply discounting prices to spur absorption. Our broker interviews regularly revealed that buyers are still highly interested and continue to have the financial strength to make these purchases, but are waiting for the market to bottom or at least stabilize. Accordingly, this is a key assumption to our analysis.

However, until overall economic conditions at least stabilize, buyers still may not return in mass even with a discounted pricing strategy. Like real estate market conditions, we are unable to accurately forecast any future turning point when economic conditions will improve. We believe potential investors will make this similar observation. Accordingly, while our absorption projection presumes a discounted pricing strategy, the length of the absorption period attempts to recognize the uncertainty related to economic conditions. We have projected that the remaining 32 lots and two Villas could be absorbed over an approximate three-year period. Because there are only two Villas, we believe it is reasonable to assume these particular units will sell during the first year of the projection. The indicated rate of absorption may appear aggressive considering there were only 5 lot sales in Mauna Lani and Mauna Kea during 2008. However, our analysis is premised on stimulating demand and encouraging buyers, who have been waiting for the market to bottom, to make a purchase decision. Specifically, we have assumed that the subject inventory would have benefit of:

- An existing market presence that is relatively well thought of within the competitive market.
- Discounted pricing based on a minimum of 15% below current appraised values. This could be in the form of price discounts, rebates, and upgrades;
- A comprehensive and well funded marketing campaign;
- Existing on-site sales office with dedicated project sales personnel;
- High commission splits to cooperating brokers;
- The Investor's motivation to sell inventory as fast as possible and be open to negotiating sale prices with buyers. This would be an apparent departure from the rationale of the existing Developer;
- Full completion of Hana Pono Park and continued maintenance of common areas;
- We do not believe it would be unreasonable to assume that demand will at least marginally improve sometime within the next three years as buyers who have been "sitting on the fence" will return to the market once stabilization occurs.

Table III-8 was organized on a quarterly basis in conjunction with the length of our projected sales absorption period.

SALES REVENUES

Total retail value was estimated to be \$50,417,000. The average value was \$3,420,000 per Villa and \$1,361,781 per lot. We did not project any price appreciation (or depreciation) through the forecast. It is reasonable to assume the market will continue to soften after the date of value. However, the hypothetical investor will be unlikely to simply reduce sales prices accordingly. This could also potentially result in litigation from buyers who had acquired lots at more expensive prices. Alternatively, our model assumes the hypothetical investor will offer incentives (at a minimum of 15% below retail value) through the sell-off.

As exhibited in Table III-8, the 32 lots were projected to be absorbed evenly over the term of the model. As noted, the 2 Villas were absorbed over the first year. However, only two total units per quarter are projected for the first two quarters. Furthermore, we have not forecasted individual absorption levels for the different tiers of lots. We do not believe there is adequate market data to accomplish this with a high degree of reliability.

EXPENSES

The expense items shown in Table III-8 are those deductions for carrying and marketing expenses, which were anticipated during the sell-out or absorption period. Sales expenses included: 1) construction costs related to Hana Pono Park; 2) sales and marketing costs; and 3) holding costs. Holding and marketing expenses were estimated based on market research and our experience in analyzing other proposed residential subdivisions and condominiums throughout the State of Hawaii. The expense items are discussed following.

CONSTRUCTION COSTS

As of the date of value, Hana Pono Park was only partially completed. According to the Developer, total costs to complete are estimated to be \$3,000,000. Because much of the design work has been completed, it is further believed that most of this amount involves hard costs. We have deducted the costs to complete these improvements in Year 1 of the projection.

SALES AND MARKETING COSTS

Advertising and Administrative:

We believe an extraordinary marketing effort will be required of this project to ensure a reasonable absorption. We assumed an advertising budget of 2.5% of retail value.

It was further assumed that marketing and administrative costs would inflate at 2.0% annually.

**Closing Costs, Conveyance
Taxes and Commissions:**

It was assumed that title and escrow fees, in addition to conveyance taxes, would be equally split by the parties. Such costs were estimated by information provided by Title Guaranty of Hawaii. Based on our experience appraising similar residential projects in the State of Hawaii, we have estimated sales brokerage commissions (which assume use of cooperating outside brokers) based on 5.0% of retail value. We have recognized a slightly higher commission structure under the assumption that cooperating brokers would be paid a full 3% commission split.

Incentives:

In a further effort to stimulate absorption it was assumed that some form of sales incentive would be required. We projected a 15% price discount. Our market interviews failed to generate a consensus among participants of how much more the market would have to soften before buyers returned. While 15% is not particularly extraordinary, we note that this was applied to our current appraised values which already reflect notable depreciation. In aggregate, our effective sale prices are well in excess of -30% off of peak 2007 values.

HOLDING COSTS

Real Property Taxes:

Taxes were based on applying the current annual tax rate [\$8.10 per thousand of assessment] to the average estimated retail value of the subject lots and Villas. It was assumed that the Developer would pay 50% of the tax liability for the units sold in a given period. The pro-rata tax liability for the unsold units during a given period would be funded solely by the Developer. Taxes were not escalated over the cash flow term.

Maintenance Fees:

Like real property taxes, it was assumed that the Developer would pay 50% of the maintenance fee for lots and Villas sold in a given period and 100% of the maintenance fee for the unsold inventory. The expense was projected to begin during the first quarter of sales. According to the Developer, the monthly maintenance fee for all owners is currently \$1,013.36 per month. This

amount covers the maintenance of all common areas. With the anticipated completion of Hana Pono Park we have increased this to \$1,500 per month starting in Year 2. The Villa owners also pay an additional maintenance fee of \$2,656 specific to the existing four Villas which comprised the improved portion of the CPR.

CONTINGENCY

A provision for contingency was estimated at 10% of the sum of all costs.

ENTREPRENEURIAL RETURN

Residential real estate developers in Hawaii typically analyze residential projects utilizing Internal Rate of Return (IRR) and/or a developer profit (direct return on sales) assumptions. IRR is the yield rate required to discount all future cash flows to a combined present value equivalent to the acquisition price (net present value is essentially zero). The difference between the aggregate of the non-discounted cash flows and the acquisition price reflects return to the developer (less debt). It has been our experience that projects involving extensive development and sales absorption periods are more likely to be analyzed based on IRR. Unfortunately, property interests similar to the subject do not regularly trade. Furthermore, many developers do not utilize the discount rate as an investment measure in analyzing their projects. However, it is our understanding that large Hawaii residential real estate developers, who utilize IRR as an investment measure, typically require an IRR of 15% to 25% when analyzing relatively large residential developments.

In addition to IRR, developers also sometime measure return by a direct percentage of sales revenue. In this instance, developer profit is typically utilized in place of an IRR; however, both measures of return are sometimes utilized simultaneously. When used in combination, the discount rate is considered to primarily address the cost of capital. The discount rate in this method of investment analysis is correspondingly lower when used in conjunction with a developer profit assumption. Projects with a short development and or sales absorption period are more likely to involve analysis utilizing developer profit/return on sales. We considered analysis of the subject cash flows solely utilizing a developer's profit to be appropriate.

DEVELOPERS PROFIT

Between 2003 and 2006, sales prices/values increased at a breathtaking pace. Increases in construction costs more than maintained the same pace during this period. In such a dynamic, development land values would likely have been static (at one extreme) or appreciated at the same rate as finished values (at the other extreme). However, in general, it appears that development land not only appreciated at the same

rate as finished product but may have exceeded it in growth. We can only conclude that in the sometimes fierce competition for development land developers have been forced to accept lower returns as a result. This is particularly true for condominium developers who lock in sales prices at the onset of the development via pre-sale contracts. Based on our familiarity with various residential developments across the State of Hawaii, developer's profit (as measured against retail value) ranged between 10% and 15% at the height of the market. There is insufficient on-going activity involving new projects to accurately measure current anticipated profitability. While it is intuitive to expect profit margins to have increased in the current uncertain environment, developers have reported that actual margins in on-going projects are shrinking due to softening in retail prices and slower absorption.

As of the date of value, the project will essentially have no construction risk (aside from completing Hana Pono Park). The hypothetical investor who would be acquiring this interest in bulk is thus primarily undertaking *marketing* risk. Current market conditions would suggest the Investor in this instance will require a relatively high participation in project profit to undertake this investment. Ultimately, the Developer would have to accept a significant discount in order to transfer this risk to another party and effectively participate in sales revenues immediately.

A developer's profit of 12.50% was charged against sales revenue throughout the projection. The selected rate thus reflects the necessary discount accepted by the Developer to entice an investor to acquire the project in bulk and does not reflect the overall return necessary to develop the project from the ground up. Again, the 12.50% does not measure the overall return on the development but is limited to only the return necessary to entice an investor to acquire the project in bulk. Given current market conditions, the subject's lack luster sales history and the need to jump start sales absorption, we believe the indicated profit margin is reasonable. We also consider the developer profit assumption to contain some additional contingency such that pricing can be further reduced if needed to spur absorption.

As discussed following, a discount factor is also utilized in conjunction with a line item developer's profit. The hypothetical investor is not only accepting contract risk but will also have to defer periodic receipt of revenues over the absorption period. Taking the preceding into consideration, the indicated rate of developer's profit was considered reasonable.

DISCOUNT RATE

As noted by Robert L. Foreman, MAI in SUBDIVISION ANALYSIS (published by the Appraisal Institute, 1993) concerning discount rate selection within the subdivision development approach,

"If entrepreneurial profit has been deducted as a line item of expense in the cash flow forecast, the discount rate should reflect the return

needed to compensate the capital investor for project risk. Typically, if the analysis is undertaken on an unleveraged basis, the rate of return would be expected to surpass the typical mortgage rates in the market. The amount of difference between the mortgage rate and the property discount rate is a function of the risk perceived in the project."

Our discounted sales analysis is not intended to estimate underlying land value (like in the subdivision development approach). Raw land development entails different debt and equity return requirements than the subject investment. However, the dynamics behind selection of a discount rate can be directly applied to this analysis.

Effectively, the weighted average of the yield to the respective mortgage and equity positions would theoretically equate to the property discount rate. However, equity return is considered to have already been recognized in Developer's Profit which was addressed "above the line".

After taking the various factors into consideration, we ultimately, concluded an appropriate discount rate to be 7.5%, which was applied against total net cash flow derived from all sources. Utilizing our concluded discount rate, end of period present value factors were applied to the net cash flows for each period during the sales absorption period.

In aggregate total net revenue (non-discounted) to the hypothetical investor was estimated to be ~ \$9,612,000 (\$6,302,000 [developer profit] + \$3,310,000 [deduction attributable to discounting]). This amount would approach 19% of sales revenues (before incentives). Given the relative risk involved in this investment, we considered the absolute level of profit (and thereby our selected rates) to be reasonable.

Our selected rate considers the poor economic conditions prevailing as of the date of value. Presently, the local, national and global economies were experiencing the most severe economic downturn since the Great Depression. The tourism based Hawaii economy also suffers and will likely continue to suffer. This has greatly exacerbated the already softening performance of the resort real estate market. Our valuation assumptions have attempted to model the impact of such conditions as well as to model potential appropriate actions in response to such conditions. A key factor in the economic downturn has been the widely reported lack of available credit. A key component to our analysis (including selection of developer profit and discount rate) is the presumption of continued availability of credit (at reasonable terms) to both bulk and individual retail purchasers of the subject property interests.

VALUE CONCLUSION

The sum of the discounted cash flows from each period in the projection reflects our estimate of market value. The concluded bulk market value by discounted sales analysis was concluded to be **\$23,840,000**, as of January 22, 2009.

The concluded market value reflects an approximate ~53% bulk discount from aggregate retail value.

EXPOSURE TIME

Exposure time is considered to be the estimated period length necessary for the subject property to be available to the open market immediately preceding a hypothetical sale on the effective date of value. Assuming a realistic asking price and involvement of a realistic seller, we forecast a reasonable exposure time to be 9 to 12 months, as of the date of value.

VALUATION SECTION IIIE: MARKET VALUATION BY BULK SALES ANALYSIS TEST OF REASONABLENESS

OVERVIEW

We will test our findings of the preceding discounted sales analysis by utilizing market derived bulk discounts that can be directly applied to the subject's estimated aggregate retail value. Unfortunately, bulk interests similar to the subject property rarely trade in an open market situation. In a rising market, such a property interest would be expected to rarely trade as there is little to no incentive for a developer to sell property in bulk.

Despite this, our research did reveal some bulk sales activity in West Hawaii, which are summarized following. In addition, we will cite historical sales activity that occurred during the last market trough in the 1990s.

ISLAND OF HAWAII BULK SALE INDICATORS

We reviewed sales activity on the Big Island, where there were many projects selling vacant lots and significant market activity involving spec. builders. Interviews with market participants indicated that the magnitude of the discount often depends on market trends, motivations of the seller and overall desirability of the subdivision. Our research revealed the following.

- In March 2008, 43 lots within the Lokahi Makai subdivision on the Island of Hawaii (Kalaoa, North Kona) were sold at a bulk price of \$7,880,000. The lots were sold to a third party builder who planned to develop and sell tract homes to individual buyers. The 43 lots entailed a retail value estimated at \$9,283,000. The resulting bulk discount in this instance was approximately 15%. While the price was negotiated in bulk, the buyer had the option of closing the sales in multiple increments. We believe this minimized the related bulk discount.
- In December 2006, 5 lots within the Hokulia development on the Island of Hawaii (North Kona) were sold at a bulk price of \$3,908,800. The lots were sold to a third party builder who planned to develop and sell semi-custom luxury spec homes to individual buyers. The 5 lots entailed a retail value estimated at \$5,478,000. The resulting bulk discount in this instance was approximately 29%.
- In August 2006, 4 lots within the Kukio development on the Island of Hawaii (North Kona) were sold at a bulk price of \$14,500,000. The 4 lots entailed a retail value estimated at \$15,500,000. The resulting bulk discount in this

instance was approximately 6%. In an August 2008 interview with a Kukio sales agent, it was reported that a bulk discount in their project would then likely be in the range of 20%.

- LCS interviewed Mr. Lee Pappernow, Principal Broker of Big Island Property Group, who sold 26 parcels of vacant land in the Waikoloa Ranch Lots subdivision via multiple transactions between 2005 and 2007. The parcels range in size between approximately one-acre and 1,170 acres. Mr. Pappernow indicated that appraisals were completed for the parcels on both a bulk sale and an individual lot sales basis. In comparing the two values, the bulk sale scenario was discounted by 40% from the aggregate retail value of the individual parcels.
- In an August 2008 interview, Kathryn Freitas, sales agent at the Kauna'oa project in the Mauna Kea resort, indicated that she believed a 5% to 20% bulk discount would be reasonable if a buyer were to purchase lots in bulk. Ms. Freitas indicated that the range of discounts depends on seller motivations and prevailing market trends.

While notable, we cite that the majority of the market activity involved acquisitions by spec. builders seeking to build luxury semi-custom homes. These buyers have largely fled the market due to poor market conditions. The only exception would be the Waikoloa Ranch Lots transaction, which coincidentally involved the highest bulk discount.

HISTORIC BULK SALE INDICATORS

In **Table III-9**, we have provided various bulk sales transactions of residential lots that occurred during the last market trough of the mid to late 1990s. The projects involved a wide range of market segments across the State. The bulk discounts ranged from 30% to 56%. The higher discounts typically involved some level of distress or required the buyer to make additional improvements. Hence, there would appear to be limited market support for a bulk discount dramatically in excess of 50% when applied to a market value estimate (which by definition presumes the absence of duress).

In the case of Makakilo Ridge (currently known as Kumulani), the transaction allowed this project to be effectively recapitalized and allowed the buyer to re-price inventory and actively market the project, which spurred sales absorption. We believe a similar course could occur at the subject.

While this data is undoubtedly dated, we note that it would be unreasonable to assume similar data would exist after 2002.

TABLE III-9

**SUMMARY OF FINISHED BULK RESIDENTIAL LOT TRANSACTIONS
ISLANDS OF OAHU, MAUI AND HAWAII, STATE OF HAWAII**

Trans. No.	PROJECT NAME Location Tax Map Key	No. Lots	Date of Transaction Instrument	Transaction Price	Transaction Price Per Lot	Estimated Aggregate Retail Value		Estimated Retail Value Per Lot	Indicated Bulk Discount
1	SUMMERHILL Ewa, Island of Oahu Division 1: 9-1-87: Various Parcels	84	<u>Dec-95</u> Warranty Deed	\$ 7,140,000	\$ 85,000	\$10,500,000	[1]	\$ 125,000	32%
2	FIESTA Ewa, Island of Oahu Division 1: 9-1-61: Portion of Parcel 53	162	<u>Dec-95</u> Warranty Deed	\$14,140,000	\$ 87,284	\$20,250,000	[1]	\$ 125,000	30%
3	KA ONO ULU ESTATES PH. III-A Kihei, Island of Maui Division 2: 3-9-48: Various Parcels	30	<u>Jul-95</u> Deed	\$ 1,500,000	\$ 50,000	\$ 3,300,000	[1,3]	\$ 110,000	55%
4	MALIU RIDGE North Kohala, Island of Hawaii Division 3: 5-6-03: Various Parcels	6	<u>Jul-95</u> Deed	\$ 884,600	\$ 147,433	\$ 1,470,000	[2,4]	\$ 245,000	40%
5	MALIU RIDGE North Kohala, Island of Hawaii Division 3: 5-6-03: Various Parcels	32	<u>Jul - Dec 1995</u> Deed	\$ 3,184,240	\$ 99,508	\$ 5,792,000	[2,4]	\$ 181,000	45%
6	KAHALA KUA Waialae Iki, Island of Oahu Division 1: 3-5-73: Various Parcels	116	<u>Dec-98</u> Deed	\$17,350,000	\$ 149,569	\$39,626,000	[1,5]	\$ 341,603	56%
7	MAKAKILO RIDGE Makakilo, Island of Oahu Division 1: 9-2-26: Various Parcels	91	<u>Dec-98</u> Deed	\$ 6,950,000	\$ 76,374	\$13,003,000	[1]	\$ 142,890	47%

NOTES:

[1] Estimated market value based on appraisers' projections and interviews with project developer.

[2] Estimated market value based on seller's projection.

[3] Confirmation of transaction revealed that seller was motivated to sell in order to satisfy certain loan requirements.

The purchase price also included option rights to purchase additional lots at discounts between 10% and 30% of individual lot retail value

[4] The seller, Chalons International of Hawaii, initialized a bulk discount program of 45% to buyers of 5 lots or more, and 40% for 3 to 4 lots.

Over a 6-month period, seven groups of individual buyers submitted collective contracts for 3 to 5 or more lots having simultaneous closing dates.

In order to qualify for the discount program. A total of 38 lots were sold in 6 months under the seller's discount program.

[5] Confirmation of transaction revealed buyer's intent to sell lots below market for an accelerated absorption.

Buyer was required to incur an undisclosed amount of site costs to make selected lots more accessible.

Source: Leshar Chee Stadlbauer

CONCLUSION

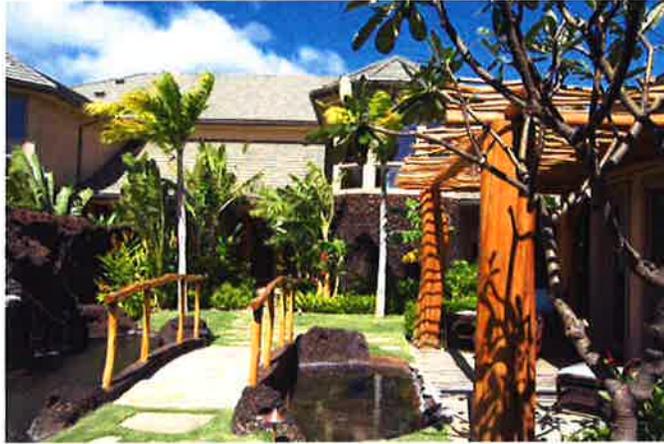
Based on the available market data, we believe a reasonable range of bulk discount for the subject property interest would be between 40% and 50%. The discount was largely driven by: 1) the poor overall market conditions prevailing as of the date of value; 2) absence of spec. builders in the current market; and 3) product type involving resort real estate as opposed to primary housing. We believe such a discount would presently be required to entice an investor into considering this acquisition.

After applying the discounts to the aggregate retail value (\$50,417,000), the resulting range is \$25,209,000 to \$30,250,000. After further deducting the cost to complete Hana Pono Park (\$3,000,000), the resulting range of bulk market values is **\$22,209,000 to \$27,250,000**. The value conclusion derived via discounted sales analysis is well bracketed by the indicated range.

Section IV

TRANSACTION RESUMES

TRANSACTION NO. 1



Source: Actual Photo of Unit #2C

PROPERTY INFORMATION

TAX MAP KEY:	Division 3, Zone 6, Section 8, Plat 36, Parcel 16, CPR 3
LOCATION:	68-1033 Ke Kailani Drive, Unit #2A, Kamuela, Island and County of Hawaii, State of Hawaii
CONTRACT DATE:	December 6, 2006
CLOSED DATE:	November 1, 2007
GRANTOR:	Ke Kailani Development LLC
GRANTEE:	Benjamin R. Jacobson
PURCHASE PRICE:	\$4,530,631
PROPERTY RIGHTS CONVEYED:	Fee Simple
CONDITIONS OF SALE:	Arm's Length
FINANCING:	Conventional
UNIT LIVING AREA:	3,371 Square Feet
DAYS ON MARKET:	0 Days

TRANSACTION NO. 1

(Continued)



Source: Actual Photo of Unit #2C

DESCRIPTION OF UNIT:

This two-story condo unit, built in 2007, features 3 bedrooms, 3.5 bathrooms, 814 square foot of exterior lanai, a two-car garage, and both golf course and distant ocean views. Inclusions: A/C, dryer/washer, disposal, dishwasher, gas grill, and refrigerator.

Ke Kailani features an oceanfront Grotto with lounge areas, infinity and kiddie swimming pools, spa, BBQ, kitchen and locker amenities as well as the Hana Pono Park with tennis, volleyball and basketball courts, and swimming pool.

VERIFICATION:

Mr. Stephen T. L. Hurwitz, Windermere/ C & H Properties - Waimea, (Seller's Representative)

TRANSACTION NO. 2



Source: MLS/Hawaii Information

PROPERTY INFORMATION

TAX MAP KEY:	Division 3, Zone 6, Section 2, Plat 19, Parcel 29 CPR 5
LOCATION:	62-3955 Kaunaoa Iki Road, Unit #6A, Kamuela, Island and County of Hawaii, State of Hawaii
TRANSACTION DATE:	November 21, 2008
GRANTOR:	John Sullivan and Catherine Sullivan
GRANTEE:	Deepal Wannakuwatte and Betsy Wannakuwatte
PURCHASE PRICE:	\$3,750,000
PROPERTY RIGHTS CONVEYED:	Fee Simple
CONDITIONS OF SALE:	Arm's Length
FINANCING:	Conventional
UNIT LIVING AREA:	3,373 Square Feet
DAYS ON MARKET:	468 Days

TRANSACTION NO. 2

(Continued)



Source: MLS/Hawaii Information

DESCRIPTION OF UNIT:

This two-story town home, built in 2006, was in excellent condition at the time of sale and features 4 bedrooms, 3.5 bathrooms, a 985 square foot exterior lanai, a two-car garage, and both mountain and ocean views. Inclusions: A/C, ceiling fan, window coverings, furniture, microwave, dryer/washer, disposal, dishwasher, gas grill, and refrigerator. This unit also featured private pool, spa, and waterfall, cherry wood floors, mahogany cabinets, and came with Polynesian-style furnishings.

Ownership privileges at Kaunaoa include a private par-3 practice golf course, club facility including a free-form swimming pool and spa, exercise pavilion, full kitchen, individual member wine storage, and onsite residential concierge.

VERIFICATION:

Mrs. Kathryn E. Freitas, Windermere/ C & H Properties - Waimea (Seller's Representative)

TRANSACTION NO. 3



Source: MLS/Hawaii Information

PROPERTY INFORMATION

TAX MAP KEY: Division 3, Zone 6, Section 9, Plat 11, Parcel 19, CPR 48

LOCATION: 69-1000 Kolea Kai Circle, Unit #8F, South Kohala, Island and County of Hawaii, State of Hawaii

TRANSACTION DATE: December 12, 2007

GRANTOR: The Con Nguyen and Linda N. Nguyen Living Trust

GRANTEE: Saxton Hawaii Trust

PURCHASE PRICE: \$3,400,000

PROPERTY RIGHTS CONVEYED: Fee Simple

CONDITIONS OF SALE: Arm's Length

FINANCING: Conventional

UNIT LIVING AREA: 2,147 Square Feet

DAYS ON MARKET: 21 Days

TRANSACTION NO. 3

(Continued)



Source: MLS/Hawaii Information

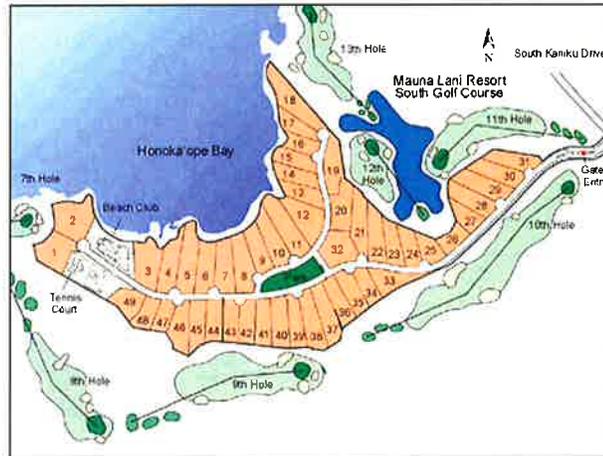
DESCRIPTION OF UNIT:

This one-story penthouse condo is part of a three-story six-plex and features a keyed elevator, 3 bedrooms, 3.5 bathrooms, and a 429 square foot exterior lanai. Other amenities include beach club with ocean access, panoramic views of Anaehoomalu Bay, mountain views, A/C unit, washer/dryer, furniture, gas grill, pool, garage, rock walls, and a location within walking distance of the King's Shops and Queen's Marketplace

VERIFICATION:

Ms. Cathy L. Klarin, Kohala Coast Properties (Seller's Representative)

TRANSACTION NO. 4



Source: maunalanirealty.com

PARCEL INFORMATION

TAX MAP KEY:	Division 3, Zone 6, Section 8, Plat 33, Parcel 30
LOCATION:	68-1018 Honoka'ope Place, Kamuela, Island and County of Hawaii, State of Hawaii
CONTRACT DATE:	March 20, 2008
CLOSING DATE:	June 28, 2008
GRANTOR:	Edward Horowitz and Deborah Chapin Horowitz
GRANTEE:	Saratoga Partners LP
PURCHASE PRICE:	\$1,740,000
PROPERTY RIGHTS CONVEYED:	Fee Simple
CONDITIONS OF SALE:	Arm's Length
FINANCING:	Conventional
LAND AREA:	1.01-acres
DAYS ON MARKET:	114 Days

TRANSACTION NO. 4

(Continued)

DESCRIPTION OF PARCEL:

Parcel has golf frontage and ocean views. A two-story house is allowed on this lot. Utilities included county water service and underground electric lines.

49 Black Sand Beach is a private enclave of 49 home sites. Amenities include the private beach club, residential concierge pavilion, clubhouse with full kitchen facilities, exercise facility, 25-meter negative edge lap pool, day bed pavilions, hot tub on the beach, and tennis court.

VERIFICATION:

Mr. Richard B. Rucker, Richard B. Rucker REALTOR,
(Seller's Representative)

TRANSACTION NO. 5



Similar golf front lot at Ke Kailani

PARCEL INFORMATION

TAX MAP KEY:	Division 3, Zone 6, Section 8, Plat 36, Parcel 10
LOCATION:	68-1017 Ke Kailani, Kamuela, Island and County of Hawaii, State of Hawaii
CONTRACT DATE:	May 9, 2007
CLOSED DATE:	May 15, 2007
GRANTOR:	Ke Kailani Development LLC
GRANTEE:	Barry Shames and Carolyn Shames
PURCHASE PRICE:	\$2,600,000
PROPERTY RIGHTS CONVEYED:	Fee Simple
CONDITIONS OF SALE:	Arm's Length
FINANCING:	Conventional
LAND AREA:	1.13-acres
DAYS ON MARKET:	362 Days

TRANSACTION NO. 5

(Continued)

**DESCRIPTION OF
PARCEL:**

This lot fronts the golf course and features partial ocean views. Private amenities include an oceanfront park, a 5.5-acre park with private recreational facilities including tennis, volleyball, basketball, swimming, and fitness facilities.

VERIFICATION:

Mr. Stephen T. L. Hurwitz, Windermere/ C & H Properties - Waimea (Seller's Representative)

TRANSACTION NO. 6



Source: pauoabeach.com

PARCEL INFORMATION

TAX MAP KEY:	Division 3, Zone 6, Section 8, Plat 34, Parcel 20
LOCATION:	68-1048 Pauoa Way, Kamuela, Island and County of Hawaii, State of Hawaii
CONTRACT DATE:	February 2, 2008
CLOSED DATE:	February 28, 2008
GRANTOR:	DKM Properties LLC
GRANTEE:	S L Feldman Enterprises LTD
PURCHASE PRICE:	\$2,450,000
PROPERTY RIGHTS CONVEYED:	Fee Simple
CONDITIONS OF SALE:	Arm's Length
FINANCING:	Conventional
LAND AREA:	33,702 Square Feet
DAYS ON MARKET:	266 Days

TRANSACTION NO. 6

(Continued)

DESCRIPTION OF PARCEL:

Pauoa Beach Lot #13 features a location overlooking oceanfront parcels. Amenities include a private beachfront open air massage pavilion, swimming pool overlooking the ocean, residential concierge service, outdoor Jacuzzi spa, and sauna/steam rooms.

VERIFICATION:

MLS/Public Records
Ms. Alice Hughes, Kohala Coast Properties (Seller's Representative)

TRANSACTION NO. 7



Similar Triangle Lot – Ke Kailani

PARCEL INFORMATION

TAX MAP KEY:	Division 3, Zone 6, Section 8, Plat 36, Parcel 28
LOCATION:	68-2001 Hana Pono Loop, Kamuela, Island and County of Hawaii, State of Hawaii
CONTRACT DATE:	January 20, 2007
CLOSED DATE:	April 5, 2007
GRANTOR:	Ke Kailani Development LLC
GRANTEE:	David Ruch and He Gin Ruch
PURCHASE PRICE:	\$875,000
PROPERTY RIGHTS CONVEYED:	Fee Simple
CONDITIONS OF SALE:	Arm's Length
FINANCING:	Conventional
LAND AREA:	18,340 Square Feet
DAYS ON MARKET:	434 Days

TRANSACTION NO. 7

(Continued)

DESCRIPTION OF PARCEL:

This lot abuts a private park and was marketed with a variety of amenities including an oceanfront park, a 5.5-acre park with recreational facilities such as tennis, volleyball, basketball, swimming, and fitness facilities.

VERIFICATION:

Mr. Stephen T. L. Hurwitz, Windermere/ C & H Properties - Waimea (Seller's Representative)

TRANSACTION NO. 8



Source: maunalanirealty.com

PARCEL INFORMATION

TAX MAP KEY:	Division 3, Zone 6, Section 8, Plat 27, Parcel 32
LOCATION:	Lot 32 at Champion Ridge at Mauna Lani, Kamuela, Island and County of Hawaii, State of Hawaii
CONTRACT DATE:	March 2, 2007
CLOSED DATE:	March 23, 2007
GRANTOR:	John Todd and Shawn Fransen
GRANTEE:	Paul Vincent
PURCHASE PRICE:	\$950,000
PROPERTY RIGHTS CONVEYED:	Fee Simple
CONDITIONS OF SALE:	Arm's Length
FINANCING:	Conventional
LAND AREA:	23,289 Sqaure Feet
DAYS ON MARKET:	39 Days

TRANSACTION NO. 8

(Continued)

**DESCRIPTION OF
PARCEL:**

This lot allows a two-story house to be built. Marketing of this lot anticipated ocean views from second story as well as mountain views.

VERIFICATION:

MLS/ Public Record

TRANSACTION NO. 9



Photo of Mauna Lani Entry

PARCEL INFORMATION

TAX MAP KEY:	Division 3, Zone 6, Section 8, Plat 24, Parcel 1
LOCATION:	68-1023 Mauna Lani Point Drive, Kamuela, Island and County of Hawaii, State of Hawaii
CONTRACT DATE:	July 28, 2008
CLOSED DATE:	August 11, 2008
GRANTOR:	Christopher Hahs and Angela Hahs
GRANTEE:	SWS Enterprises LLC
PURCHASE PRICE:	\$850,000
PROPERTY RIGHTS CONVEYED:	Fee Simple
CONDITIONS OF SALE:	Arm's Length
FINANCING:	Conventional
LAND AREA:	25,633 Square Feet
DAYS ON MARKET:	0 Days

TRANSACTION NO. 9

(Continued)

DESCRIPTION OF PARCEL: Lot #1 was marketed with Telephone Service, TV cable, and underground electricity lines.

VERIFICATION: Mr. Stephen T. L. Hurwitz, Windermere/ C & H Properties - Waimea (Buyer's Representative)

CERTIFICATION

CERTIFICATION

It is hereby certified that, to the best of the knowledge and belief of the undersigned:

- 1) The statements of fact contained in this report are true and correct.
- 2) The reported analyses, opinions, and conclusions in this appraisal report are limited only by the reported assumptions and limiting conditions, and are the personal, impartial, and unbiased professional analyses, opinions, and conclusions of the appraiser.
- 3) The appraiser has no present or prospective interest in the property that is the subject of this report, and has no personal interest with respect to the parties involved.
- 4) The appraiser has no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- 5) The appraiser's engagement in this assignment was not contingent upon developing or reporting predetermined results.
- 6) The appraiser's compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- 7) The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice (USPAP).
- 8) Steven D. Chee, MAI has made a personal inspection of the property that is the subject of this report.
- 9) Lianne K. S. Poppinga, CRA assisted in the gathering and reporting, as well as analysis, of certain market data utilized within this report. No one, who was not already recognized elsewhere in this report, provided significant real property appraisal assistance to the person signing this certification.
- 10) The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- 11) As of the date of this report, Steven D. Chee, MAI has completed the continuing education program of the Appraisal Institute.
- 12) Steven D. Chee, MAI is currently certified under the required continuing education program of the Department of Commerce and Consumer Affairs (*DCCA*) as it pertains to licensing and certification of real estate appraisers in the State of Hawaii.

Steven D. Chee, MAI
Hawaii State Certified General Appraiser, CGA-381
Expiration Date 12/31/2009

ADDENDA

EXHIBIT A

General Assumptions and Limiting Conditions

GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

General Assumptions

- 1) While the appraisal may contain information about the physical items being appraised (including their adequacy, age and/or condition), it should be clearly understood that this information is only to be used as a general guide for property valuation and not as a complete or detailed physical report; particularly if this appraisal is made without benefit of any due diligence studies prepared by an architect, civil, or mechanical engineer. *As the appraiser is not a construction, engineering, environmental, or legal expert, and any statement given on these matters in the report should be considered preliminary in nature. Should information be provided following the delivery of this report that would indicate an adverse condition that could impact the value conclusions as presented herein, the appraisers specifically reserve the right to reanalyze the findings of the appraisal.*
- 2) No responsibility is assumed for the legal description or for matters including legal or title consideration. Title to the property is assumed to be good and marketable unless otherwise stated.
- 3) The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
- 4) Responsible ownership and competent property management are assumed.
- 5) Information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
- 6) Certain analyses within this assignment were prepared from information provided by project/property ownership. Our preparation does not include an independent verification of information used.
- 7) All engineering is assumed to be correct. The plot plans and illustrative material in this appraisal report are included only to assist the reader in visualizing the property.
- 8) It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
- 9) It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws unless noncompliance is stated, defined, and considered in this appraisal report.
- 10) It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in this appraisal report.
- 11) It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been, or can be obtained or renewed for any use on which the value estimate contained within this report is based.
- 12) It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted, defined, and considered in the appraisal report.
- 13) Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. Maps and exhibits found in this report are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied unless otherwise stated in this report. No survey has been made for the purpose of this report.

In addition to the preceding **General Assumptions**, the appraisal report is subject to the following **Limiting Conditions**.

- 1) Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without written consent of the appraiser, and in any event, only with proper written qualification and only in its entirety.
- 2) The appraiser, by reason of this appraisal, is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless such arrangements have been previously made.
- 3) Neither all nor any part of the contents of this appraisal report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraiser.
- 4) The appraiser's liability regarding the services provided within this assignment is limited solely to the amount of the professional fee and does not extend to third parties.
- 5) In the appraisal assignment, the existence of potentially hazardous material used in the construction or maintenance of the building, such as the presence of urea-formaldehyde foam insulation, asbestos, and/or the existence of toxic waste, which may or may not be present on the property, was not observed by the appraiser; nor does the appraiser have any knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The existence of urea-formaldehyde insulation or other potentially hazardous waste material may have an effect on the value of the property. We urge the client to retain an expert in this field, if desired. *Should information be provided following the delivery of this report that would indicate an adverse condition that could impact the value conclusions as presented herein, the appraisers specifically reserve the right to reanalyze the findings of the appraisal.*
- 6) Unless otherwise stated in this report, the subject property is appraised without a specific compliance survey having been conducted to determine if the property is or is not in conformance with the requirements of the Americans with Disabilities Act. The presence of architectural and communications barriers that are structural in nature that would restrict access by disabled individuals may adversely affect the property's value, marketability, or utility. *Should information be provided following the delivery of this report that would indicate an adverse condition that could impact the value conclusions as presented herein, the appraisers specifically reserve the right to reanalyze the findings of the appraisal.*
- 7) All appraisal reports must state that it is the intention of the appraiser that the report complies with all statute, rules, and regulations prohibiting discrimination on the basis of race, color, religion, sex, or national origin, and marital status.

EXHIBIT B

Definitions and Terms

DEFINITIONS AND TERMS¹

Throughout this report, the reader will encounter various technical words or phrases necessary for the proper presentation of material and conclusions. In addition, certain Hawaiian words, by common usage, which are a part of the everyday local and business language, will be utilized. We present at this point those most commonly used together with a brief explanation.

MARKET VALUE

Market value is the major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined. Continual refinement is essential to the growth of the appraisal profession. The following economic definition of market value has been agreed upon by agencies that regulate federal financial institutions in the United States including the Federal Deposit Insurance Corporation (FDIC): **Market Value**² means the most probable price, which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale

For federally related transactions (FRT) subject to the auspices of Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) as amended, an opinion of market value "as is" is set forth. **Market Value "As Is"**³ means an estimate of the market value of a property in the condition observed upon inspection and as if physically and legally exists without hypothetical conditions, assumptions, or qualifications as of the date of inspection.

The following definition of Market Value has been set forth under the Uniform Standards of Professional Appraisal Practice (USPAP 2008/2009 Edition) as promulgated by the Appraisal Standards Board (ASB) of the Appraisal Foundation:

¹ Unless otherwise noted, the source for definitions set forth herein is: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 4th Ed. (2002).

² Source: *Federal Deposit Insurance Corporation under 12 CFR, Part 323-Appraisals, 323.2 Definitions (f)*.

³ Ibid.

"A type of value, stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the definition of the term identified by the appraiser as applicable in an appraisal."

Comment: Forming an opinion of market value is the purpose of many real property appraisal assignments, particularly when the client's intended use includes more than one intended user. The conditions included in market value definitions establish market perspectives for development of the opinion. These conditions may vary from definition to definition but generally fall into three categories:

1. the relationship, knowledge, and motivation of the parties (i.e., seller and buyer);
2. the terms of sale (e.g., cash, cash equivalent, or other terms); and
3. the conditions of sale (e.g., exposure in a competitive market for a reasonable time prior to sale).

PROSPECTIVE VALUE OPINION

A forecast of the value expected at a specified future date. A prospective value opinion is most frequently sought in connection with real estate projects that are proposed, under construction, or under conversion to a new use, or those that have not achieved sellout or a stabilized level of long-term occupancy at the time the appraisal report is written.

PROSPECTIVE MARKET VALUE⁴

Prospective Market Value Upon Completion of Construction means the prospective future value of a property on the date that construction is completed, based upon market conditions to exist as of the completion date.

Prospective Market Value Upon Achieving Stabilized Occupancy means the prospective future value of a property upon the date that stabilized occupancy is achieved and all costs associated with stabilizing occupancy, i.e., discounted rents or other concessions associated with stimulating initial absorption have been recognized.

HIGHEST AND BEST USE

The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability.

Highest and best use of land or a site as though vacant. Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are

⁴ Source: *Appraisal Policies and Practices of Insured Institutions and Services Corporation, Federal Home Loan Bank Board, "Final Rule" 12 CFR Parts 563 and 571, December 21, 1987.*

made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements.

Highest and best use of property as improved. The use that should be made of a property as it exists. An existing improvement should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one.

OWNERSHIP TENURE

Fee Simple Estate: Absolute ownership unencumbered by any other interest or estate subject only to the four powers of government (*i.e., eminent domain, escheat, police power, and taxation*).

Leased Fee Interest: An ownership interest held by a landlord with the right of use and occupancy conveyed by lease to others. The rights of the lessor (the leased fee owner) and the lessee are specified by contract terms contained within the lease.

Leasehold Interest: The interest held by the lessee (the tenant or renter) through a lease transferring the rights of use and occupancy for a stated term and under certain conditions.

FLOOR AREA⁵

This concept to measure allowed building density is utilized by the City and County of Honolulu's Land Use Ordinance. It is defined as the area of all floors of a structure excluding unroofed areas, measured from the exterior faces of the exterior walls from the centerline of party walls dividing a structure. The floor area of a structure, or portion thereof, which is not enclosed by exterior walls, shall be the area under the covering, roof or floor above which is supported by posts, columns, partial walls, or similar structural members which define the wall line.

BUILDING AREA TERMS⁶

Gross Building Area: This area is defined as "the total constructed area of a building" which is computed by measuring the outside finished surface of the permanent outer walls. It is generally not used for leasing purposes.

Building Common Area: Areas of a building that provide services to building tenants but which are not included in the office or store area of any specific tenant. These areas may include, but not be limited to, main and auxiliary lobbies, atrium spaces at the level of the finished floor, concierge areas or security desks, conference rooms,

⁵ City and County of Honolulu, *Land Use Ordinance*, (May 1999).

⁶ *Standard Method for Measuring Floor Area in Office Buildings*, An American National Standard, published by Building Owners and Managers Association (BOMA), 1996.

lounges or vending areas, food service facilities, locker or shower facilities, mail rooms, fire control rooms, fully enclosed courtyards outside the exterior walls, and building core and service areas such as fully enclosed mechanical or equipment rooms. Specifically *excluded* from Building Common Areas are Floor Common Areas, parking space, portions of loading docks outside the building line, and major vertical penetrations.

Floor Common Area: Areas on a floor such as washrooms, janitorial closets, electrical rooms, telephone rooms, mechanical rooms, elevator lobbies, and public corridors which are available primarily for the use of tenants on that floor.

Rentable (or Leasable) Area: Rentable area means the "usable area" of an office or store area *plus* its share of floor common areas and building common areas. Rentable area is determined by multiplying "usable area" of an office or store area by the "R/U Ratio". The total of all rentable areas equals the Building Rentable Area for the building.

R/U Ratio: The conversion factor that, when applied to "usable area," gives the "rentable area" of the "office or store area." Essentially, the R/U Ratio distributes the "building common area" among the various office and/or store areas.

Usable Area: The actual occupiable area of an office or store space and is of prime interest to a tenant in evaluating the space offered by a landlord and in allocating the space required to house personnel and furniture.

EFFECTIVE RENT

The rental rate net of financial concessions such as periods of no rent during the lease term; may be calculated on a discounted basis, reflecting the time value of money, or on a simple, straight line-basis. Consistent with the foregoing, effective rent is often used by brokers and other market analysts to describe the rental rate to ownership net of amortized improvement costs (either paid directly or via improvement allowances provided by ownership).

EASEMENT

Easements represent another division of property ownership. An easement is *an interest in real property that conveys use, but not ownership, of a portion of an owner's property*. Access or right-of-way easements may be acquired by private parties or public utilities. Governments dedicate conservation, open space, and preservation easements.

Easements usually permit a specific portion of a property to be used for identified purposes, such as access to an adjoining property or as the location of a certain underground utility. Although surface easements are the most common, subterranean and overhead easements are used for public utilities, subways, and bridges. Other easements may prohibit the owner of the underlying fee simple interest from certain uses of the property without giving the owner of the easement any possessory interest in the real estate, e.g., scenic easement and facade easements.⁷

⁷ Appraisal Institute, *The Appraisal of Real Estate*, 12th Ed. (2001).

CASH EQUIVALENCY ANALYSIS⁸

As the typical definition of *market value* recognizes cash equivalent terms, sales prices of comparable properties that appear to have been sold with non-market financing are investigated to determine whether adjustments are warranted to reflect typical market terms at the time of sale. Cash equivalency analysis is the procedure by which appropriate adjustments for non-market financing are determined. Greatest emphasis should be placed upon market-derived adjustments (inclusive of interviews with the parties involved in the transaction to determine if the negotiated price was affected by the financing terms) as opposed to those derived via calculations alone.

DIRECTIONAL TERMS⁹

The individual islands do not generally lie on a clear north/south axis. Directional terminology therefore, frequently makes reference to location, such as: mauka - (*uka*) inland, upland, towards the mountain; makai - (*ka*) toward the sea; and townside - toward the town.

6-17-08

⁸ Ibid.

⁹ *Hawaiian Dictionary*, Mary Kawena Pukui and Samuel H. Elbert, University of Hawaii Press (1986).

EXHIBIT C

Engagement Letter

From: Rodie, Scott [mailto:Scott.Rodie@boh.com]
Sent: Wednesday, January 07, 2009 10:08 AM
To: sdc@lcs-consulting.com
Cc: Green, Patrick
Subject: Ke Kailani Appraisal

Dear Mr. Chee-

This e-mail memorializes your authorization to proceed on the market value appraisal of the remaining inventory in the Ke Kailani subdivision within the Mauna Lani resort.

- The property is to be appraised "As-Is" – as the subject property legally and physically exists as of the effective date of appraisal without employing hypothetical conditions.
- The report is to comply with the requirements and supplemental standards of Title XI of the (Federal) Financial Institutions Reform, Recovery and Enforcement Act of 1989 and the current edition of the Uniform Standards of Professional Appraisal Practice as promulgated by the Appraisal Standards Board of the Appraisal Foundation.
- Statement 10 of USPAP has been retired. The "As-Is" market value opinion is to consider "all appropriate deductions and discounts" to represent the discounted value to a single purchaser as of the effective date of value. "All appropriate deductions and discounts" are to consider: holding costs (real property taxes, insurance, association fees/dues for unsold units, general & administrative costs); marketing costs (sales commissions, marketing advertising costs, closing); entrepreneurial incentive associated with marketing risk (profit necessary to induce a bulk purchaser to take on the risk of marketing the property), and; the time value of money (opportunity cost of competing investment alternatives over the sell-off period). The profit and time value of money discounts may be employed as a composite rate – this should be supported. The "as-Is" market value opinion is also referred to as "Discounted Value to a Single Purchaser" or the "Bulk Value" of the remaining inventory.
- Direct "bulk discounts" may be used to support the results of the discounted cash flow. However, a discounted cash flow model is required for this assignment.
- While individual retail values for each remaining parcel and vertical unit will be presented in the report prior to discounting, the sum of the retail values (aggregate retail summation) is not to be reported as a market value opinion. This should be clearly indicated within the body of the appraisal report, and the letter of transmittal.
- The market study is to provide current information regarding the current supply and absorption for the primary and secondary competitive projects within the market. The absorption estimate is to be supported with empirical data to the extent practical and customary for similar valuation assignments. In the absence of reliable market activity (i.e., inadequate in terms of quantity and quality), surveys of knowledgeable market participants (brokers, developers, investors, appraisers, consultants) can be used to support your absorption estimate as a supplement to what market data is available.
- The appraisal format is to be self-contained consistent with Standards Rule 2-2 (a).
- The client for the appraisal assignment is Bank of Hawaii.
- The intended users of the appraisal report are Bank of Hawaii and all federally regulated depository institutions involved in the current mortgage financing of the property.
- The purpose of the appraisal is to establish and support a current opinion of the market value "as-is" of the remaining inventory for internal decision making purposes and asset monitoring for an existing federally-related transaction (mortgage).

Our agreement regarding fee and delivery is as follows-

- The appraisal is to be delivered no later than the end of the business day, February 9, 2009.
- The fee for the appraisal assignment is \$16,000 plus GET.
- You are to provide one electronic copy of the appraisal and five (5) original signed copies of the narrative appraisal report.

I will forward your request for necessary information to complete the assignment to Mr. Patrick Green of our Special Assets Department.

Thank you for your prompt and professional response to our request for valuation services.

Best Regards,

Scott R. Rodie

Please be advised that my contact information and e-mail address has changed.

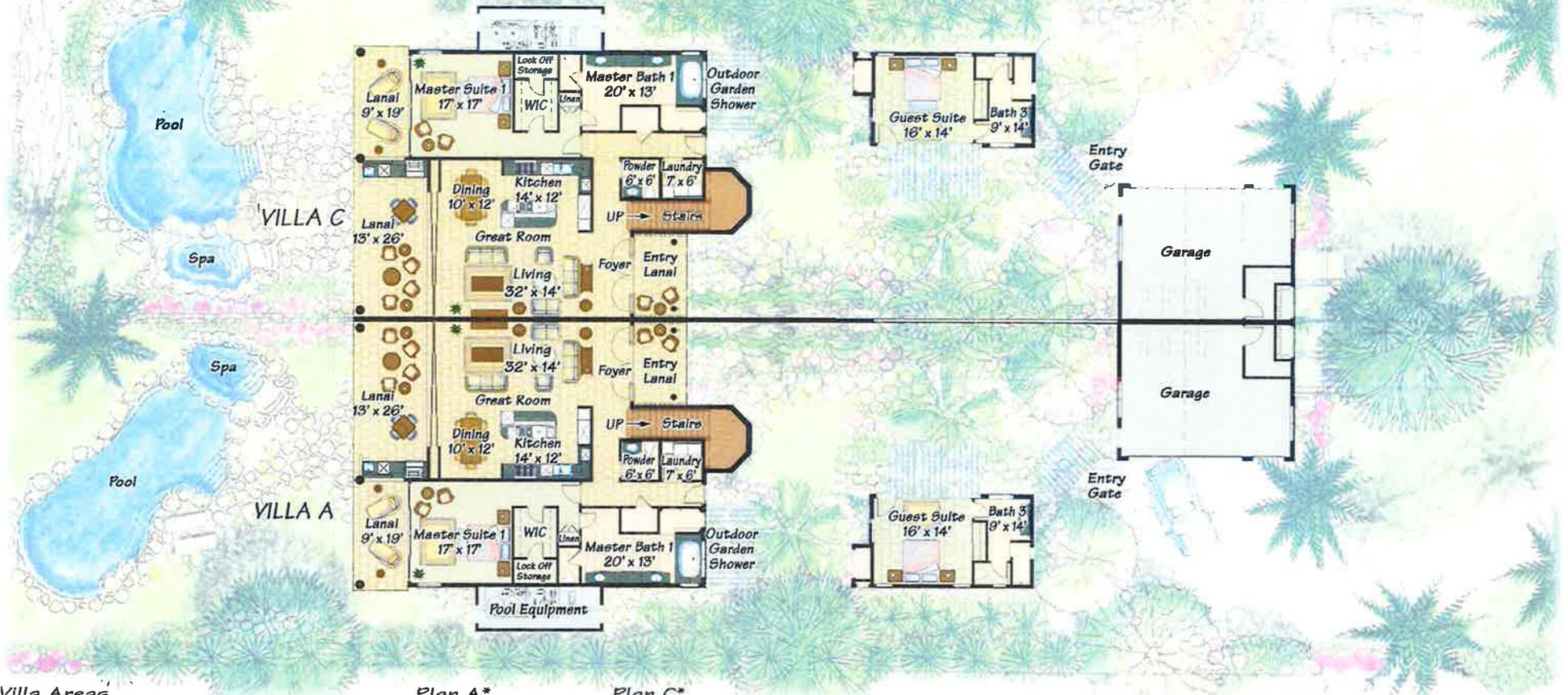
Scott R. Rodie
Vice President - Credit Administration
Bank of Hawaii
P: 808-694-4556
F: 808-694-8974
E: scott.rodie@boh.com

EXHIBIT D

**Ke Kailani Site Map
And Villa Floor Plans**



Ke Kailani



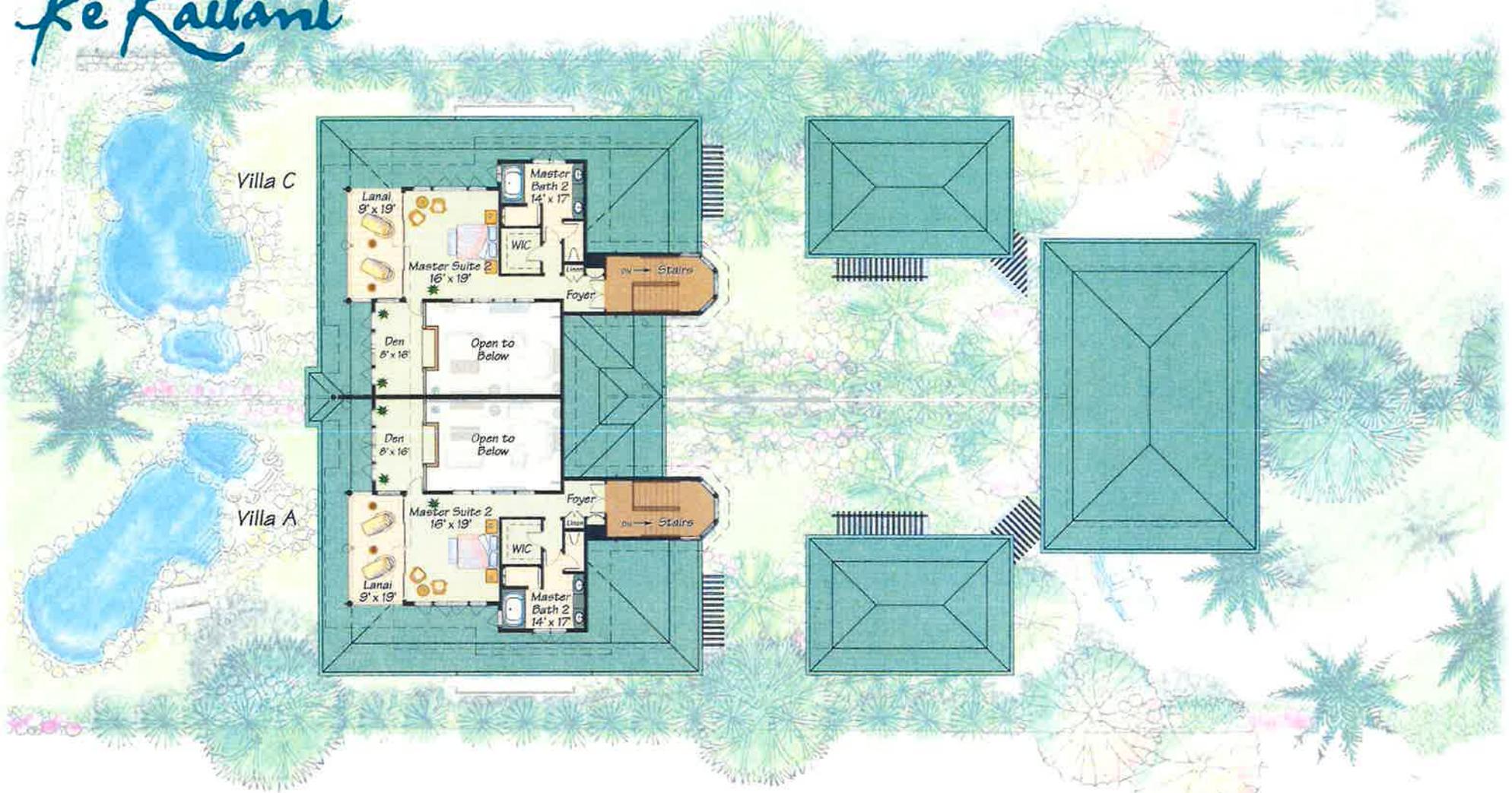
Villa Areas

	Plan A*	Plan C*
Interior Living Area	3,371 sf	3,371 sf
Covered Lanais	814 sf	814 sf
Garage & Garage Storage	642 sf	642 sf
Utility Room - exterior access only	21 sf	21 sf
TOTAL AREA	4,848 sf	4,848 sf

VILLA A & C FLOOR PLANS

* Areas shown represent "gross" living areas, calculated from the exterior face of framing of the exterior wall and the centerline of common walls. For "net" areas refer to Condominium Map.

Ke Kailani



VILLA A & C SECOND FLOOR PLANS

* Areas shown represent "gross" living areas, calculated from the exterior face of framing of the exterior wall and the centerline of common walls. For "net" areas refer to Condominium Map.

EXHIBIT E

Company Profile and Professional Qualifications

LESHER • CHEE • STADLBAUER, Inc.

Continuing a tradition of providing real estate valuation and consulting services to Hawaii and the Pacific for over 35-years.

Leshler Chee Stadlbauer, Inc. (LCS) is a full service real estate valuation and consulting practice headquartered in Honolulu, Hawaii and serving the Pacific Basin (Hawaii, Micronesia and the South Pacific) since 1970. The LCS Valuation Practice concentrates principally in commercial, industrial, hospitality, residential development (on an entire project basis), and specialty property types. We are also experienced with complex engagements involving partial real estate interests, life estates, leased fee interests and real estate tax credits. Analyses employing modeling software (Argus) are regularly performed with copies via compact disk available at the client's request. The LCS Consulting Practice includes market studies, feasibility analysis, highest and best use studies, location analysis, rent studies, appraisal review, arbitration, tax appeal, and litigation support services.

Members of our firm include highly recognized and qualified real estate professionals with extensive experience in assisting land owners, real estate managers, developers, lenders, investors, trusts, attorneys and governmental agencies in the solution of real estate problems requiring objective valuation and evaluation analyses.

Raymond A. Leshler, MAI, CRE (1928 – 2000), our founder, was recognized both in the Pacific and nationally as a practicing appraiser, educator and author during a distinguished 50-year career in the appraisal profession. Following the relocation of his practice to Hawaii from Connecticut in 1970, the focus of Mr. Leshler's practice was in the Hawaiian Islands and Pacific.

The current principals of LCS are **Steven D. Chee, MAI, MRICS** and **Stephen E. Stadlbauer, CGA**. Mr. Chee specializes in valuation and consulting assignments involving residential development, development land, complex income properties, resort and hospitality properties, and leased fee interests. Mr. Chee is the recognized industry leader in the valuation and analysis of large residential developments in the State of Hawaii and has been involved in over 50 engagements involving proposed residential development within the past five years. He is also available for arbitrations and engagements involving testimony as a qualified expert in real estate valuation. Mr. Stadlbauer's diverse income property background includes valuation and consulting involving existing and proposed self storage facilities, specialized elderly housing (inclusive of assisted living facilities and nursing homes) and multi-family housing inclusive of low-income housing tax credit (LIHTC) projects. Mr. Stadlbauer is one of a limited number of appraisers in Hawaii approved by the U. S. Department of Housing and Urban Development (*HUD*) to provide appraisals under Section 223(f); Mark-to-Market assignments for OMHAR, and the MAP program. He is also available for arbitrations and engagements involving testimony as a qualified expert in real estate valuation.

Clients are assured that all engagements performed by our practice are led by one of our principals. Under this structure we maintain a consistent level of quality and detail. The principals are assisted by a qualified staff of professionals: **Michael R. Platz** (Senior Real Property Analyst) is a graduate of the University of Wisconsin. Mr. Platz joined LCS in 2000 and specializes in the appraisals of proposed residential development and development land. **Sidney K. Komatsu, CCIM, CGA** (Senior Real Property Analyst) is a graduate of the University of Colorado and holds a Masters Degree in Business Administration from the University of Hawaii. Mr. Komatsu previously held positions at Title Guaranty of Hawaii and JP Morgan Chase and is an advanced candidate for the MAI designation. **Nga N. Nguyen** (Real Property Analyst) is a graduate of Hawaii Pacific University with a degree in finance and business management. Ms. Nguyen previously held positions at CoStar Group, Citibank and Central Pacific Bank. **Cliff H. Jhun** (Real Property Analyst) is a graduate of University of Hawaii with a degree in finance and business management. Mr. Jhun was previously associated with CB Richard Ellis. **Lianne Poppinga, CRA** (Real Property Analyst) had practiced as an independent fee appraiser for the past ten years prior to joining LCS and holds a Masters Degree from the University of Hawaii. **Grant Fasi Allison** (Real Property Analyst) is a graduate of the University of Santa Clara and had previously worked as a land planner.

We would be delighted to meet with you at your convenience to further discuss our services and how we can be of assistance to you. Following, we have included a sampling of major clients for whom this practice and its principals have completed assignments as well as certain reference sources.

ESTATE AND LAND COMPANIES

Alexander & Baldwin, Inc.
Bernice Pauahi Bishop Estate
C. Brewer & Company
Estate of James Campbell
Grove Farm Land Corporation
Iolani Schools
Knudsen Farms (Kauai)
McCandless Properties
Oceanic Properties
Parker Ranch
Theo H. Davies, Co., Inc.
Victoria Ward, Limited

Amfac, Inc.
Chrysler Realty Corporation
Estate of Samuel M. Damon
First Hawaiian Trust
Grove Farm Properties
Kaneohe Ranch
Liliuokalani Trust
The Nature Conservancy
Bank of Hawaii Trust
The Queen Emma Foundation
Trust for Public Lands
W.H. Shipman, Limited

FINANCIAL INSTITUTIONS

American Savings Bank
Bank of Hawaii
Bank of Tokyo
Citicorp
Chase Manhattan Bank
Finance Factors, Ltd.
First Federal Savings (Arkansas) United
First National Bank of Chicago
Fremont Investment and Loan
GMACCM
Homestreet Financial
Metropolitan Mortgage and Securities
Nippon Credit Bank
Pacific Capital Funding
Sanwa Bank
TRI Capital Corporation
Shinsei Bank

Bank of America
Bank of the West
Bank of the Midwest
Central Pacific Bank
Duetsche Bank
First Federal Savings
First Hawaiian Bank
Fleet Bank
Hawaii National Bank
HSBC
La Jolla Bank
Mitsui Trust & Banking Co., Ltd.
Pacific Guardian Life
Royal Bank of Canada
Transpacific Mortgage
Western Farm Credit Bank
Wells Fargo

BUILDERS AND DEVELOPERS

A & B Properties
Bill Mills
Castle & Cooke Properties, Inc.
Dole Food Company, Inc.
Finance Realty
Gentry Pacific, Ltd.
Graham Murata Russell
Hawaii States Properties
Hawaiian Electric Industries, Inc.
Herbert K. Horita Realty

Andre Tatibouet
BIGI Corp.
CMI Corp.
Coastal Rim Properties
Front Street Properties
Grosvenor International Ltd.
Halekua Development
Hawaiian Dredging
Hawaiian Investment Co., Inc.
Houma Investment

**BUILDERS AND DEVELOPERS
(Continued)**

The MacNaughton Group
The Maryl Group
Pan-Pacific Development
Pili Hale Associates
Public Storage, Inc.
Rick Rainalter
Stanford Carr Development
West Beach Estates
Waikamilo Properties

Mike Klein
Pacific Construction, Ltd.
Pankow Development Inc.
Princeville Development Corp.
Reynolds + Shidler
Stark Development Co., Ltd.
Toya Real Estate Company
Waitec Development Inc.
WCC Partners

INDUSTRIAL AND COMMERCIAL

AT & T Global Solutions
Better Brands, Ltd.
C. Itoh & Company (America)
Castle & Cooke Terminals, Ltd.
Communications Satellite Corp.
Fisher Hawaii
GTE Hawaiian Telephone
Hawaii Meat Company
Heftel Broadcasting Corp.
Kaiser Permanente
Lockheed Martin
Mitsui Mutual Life Ins. Co.
Pacific Resources, Inc.
Sony Corporation (Hawaii)
Theo H. Davies & Co., Ltd.
Wilcox Memorial Hospital

Barnwell Industries
C. Brewer & Company
California & Hawaiian Sugar Co.
Chevron U.S.A., Inc.
Daiichiya – Love's Bakery
GASPRO
Halekulani Corporation
Hawaiian Electric Co., Inc.
I & F Company (Japan)
Kodak Corporation
Lone Star Hawaii Properties
Northwestern Mutual Life
Shell Oil Company
Texaco, Inc.
Times Supermarkets

FEDERAL GOVERNMENT

Department of the Air Force
Department of the Navy
Federal Aviation Administration (FAA)
Federal Savings & Loan Ins. Corp. (FDLIC)
National Weather Service
U.S. Department of the Interior
U.S. General Services Administration (GSA)
United States Postal Service

Department of the Army
Department of Transportation
FDIC
Internal Revenue Service
U.S. Army Corps of Engineers
U.S. Department of Justice
U.S. Fish & Wildlife

CITY AND COUNTY OF HONOLULU

Department of Budget and Finance
Department of Public Works

HFDCD
Dept. of Corporation Counsel

STATE OF HAWAII

Department of the Attorney General
Department of Land and Natural
Resources (DLNR)
Housing and Community Development
Corporation of Hawaii (HCDCH)
University of Hawaii

Dept. of Hawaiian Home Lands (DHHL)
Aloha Tower Development Corp (ATDC)
Hawaii Housing Authority (HHA)

Office of State Planning
HCDA

OFF-SHORE

Republic of the Marshall Islands

Marshall Islands Nuclear Claims
Tribunal

ATTORNEYS AND ACCOUNTANTS

Alston Hunt Floyd & Ing
Capital Realty Advisors
Carlsmith Ball
Crabtree & Hoshibata
Chun Kerr Dodd Beaman & Wong
Friedman Collard Cutter & Pannetton (CA)
KPMG Peat Marwick
Kobayashi Sugita & Goda
Ning Lilly & Jones
Reinwald O'Connor & Playdon

Ashford & Wriston
Case Bigelow & Lombardi
Pricewaterhouse Coopers
Dwyer Imanaka & Schraff
Goodsill Anderson Quinn & Stifel
Kemper and Watts
McCorriston Miho Miller Mukai
PKF Hawaii
Tam O'Connor Henderson Taira &
Yamauchi

SOURCES FOR REFERENCE PURPOSES

A sampling of selected references acknowledging the professional real estate appraisal or consulting services provided by Mr. Stadlbauer, CGA and Mr. Chee, MAI as the Principals of **Leshler Chee Stadlbauer, Inc.**, are shown following:

Mr. David Shibata
Managing Partner
Rush Moore LLP
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SMau@rmhawaii.com

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Vice President
IStar Financial
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Irvine, CA 92808
Phone: (949) 567-2412
LLove@istarfinancial.com

Mr. Scott Rodie
Vice President and Chief Appraiser
Bank of Hawaii
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srodie@boh.com

Mr. Scott L. Mitchell (B)
Executive Vice President
Colliers Monroe Friedlander, Inc.
220 South King Street
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Phone: (808) 523-9702
Scott@ColliersHawaii.com

SOURCES FOR REFERENCE PURPOSES
(Continued)

Ms. Roberta O. Ishikawa, MAI, SRA
Vice President & Appraisal Officer
Appraisal Department
Central Pacific Bank
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Director of Planning and Permitting
State of Hawaii - HCDA
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Honolulu, HI, 96813
Phone: (808) 587-8160
deepak@HCDAweb.org

Ms. Sandra S. Pfund
Chief Executive Officer
Aloha Tower Development Corp.
PO Box 2549
Honolulu, Hawaii 96804
Phone: (808) 586-2530
SPfund@alohatower.org

PROFESSIONAL QUALIFICATIONS
OF
STEVEN D. CHEE, MAI

PROFESSIONAL EXPERIENCE

- Principal, **LESHER CHEE STADLBAUER, Inc.**, Real Estate Appraisal, Arbitration & Consulting, Honolulu, Hawaii, 1998 to Present
- Principal, STEVEN CHEE & COMPANY, Real Estate & Hospitality/Valuation & Consulting, Honolulu, Hawaii, 1997 & 1998
- Senior Associate, COOPERS & LYBRAND LLP - Hospitality Consulting Practice, Honolulu, Hawaii, 1996.
- Senior Real Estate Appraiser and Consultant, SYLVA, HOWELL & ASSOCIATES, Appraisers/Consultants, Honolulu, Hawaii, 1988 to 1995.
- Real Estate Manager, CHANEY, BROOKS & COMPANY, Diversified Real Estate Services Company, Honolulu, Hawaii, 1987 & 1988.
- Real Estate Analyst, PHILLIP WON & COMPANY, Real Estate Appraisers, Honolulu, Hawaii, 1986.

PROFESSIONAL ORGANIZATIONS AND LICENSES

- Appraisal Institute
Designated Member (MAI); Director and former Chair of Admissions – Hawaii Chapter
- Royal Institution of Chartered Surveyors (MRICS Professional Member designation)
- Commercial Investment Real Estate Institute; Former Board Member – Hawaii Chapter
- State of Hawaii Certified General Appraiser, License No. CGA-381, Expiration Date: December 31, 2009.

EDUCATION

- Bachelor of Business Administration, Finance, University of Hawaii - Manoa, Honolulu, Hawaii.
- St. Louis School, Honolulu, Hawaii.
- Various General Real Estate and Real Estate Appraisal Courses and Seminars.

QUALIFIED EXPERT WITNESS

Mr. Chee has been accepted as an expert witness in real estate valuation in various court and arbitration proceedings. In addition, Mr. Chee has also functioned as an arbitrator and mediator.

As organized by property type, following is a sampling of the properties that Mr. Chee has had the privilege of performing valuation and consulting services on:

Hotel and Leisure:

Makena Resort and Golf Courses; Kahala Mandarin Oriental Hotel, Renaissance Wailea Beach Resort, W Honolulu at Diamond Head, Grand Wailea Resort; Kea Lani Hotel; Maui Prince Hotel; Waikiki Beachcomber Hotel; Waikiki Gateway Hotel; Waikiki Sand Villa Hotel; Hawaiian Waikiki Beach Hotel; Kona Surf Hotel; Holiday Inn Waikiki, Coral Reef Hotel; Waikiki Beachside Hotel; Ocean Resort Hotel; Kamaole Land Venture Development/Maui Sun Hotel; Waikiki Hobron Hotel; Ilima Hotel; Kuhio Village Resort; Continental Surf Hotel; Hotel King Kamehameha; Pagoda Hotel & Terrace; Maui Oceanfront Inn, Waikiki Hana Hotel; Waikiki Malia Hotel; Hilton Hawaiian Village Lagoon Apartments; Ko Olina Resort Marina and Harbor Facilities; Royal Kunia Golf Course; Koolau Golf Course; Kiahuna Golf Course; Pukalani Golf Club; Hawaii Country Club; Maui Golf & Waterpark; Elleair Golf Course; Pioneer Inn; New Ewa Beach Golf Course; Kapalua Plantation Course; Kapalua Bay Course, Maile Sky Court Hotel;

Subdivisions

Kapalua Mauka Masterplanned Community; Gentry Waiawa Masterplanned Community; Royal Kunia Phase II Masterplanned Community; Maile Kai Masterplanned Community; Honua'ula Masterplanned Community; Highlands at Waialae Iki Subdivision; Kahala Kua Subdivision; Makakilo Ridge/Kumulani Subdivision; Hale Lumi Subdivision; Pacific Plantation Subdivision; Kupulau Meadows Subdivision; Kawaiiani Estates Subdivision; Piihonua Estates Subdivision; Keekee Estates Subdivision; Ahuimanu Hills Subdivision; Kakela Makai Subdivision; Holoholu Ku at Parker Ranch Subdivision; Hualalai Vista Subdivision; Paiko Ridge Subdivision; Sandalwood Golf Course Subdivision; Ko Olina Resort Developer Parcels; Makakilo Developer Parcels; Henry Street Commercial Subdivision; Lokahi Makai Subdivision; Kaonoulu Industrial Subdivision; Waikalua Bay Estates;

Condominiums:

Koloa Landing at Poipu; Bacarrat Wailea Resort & Residences; Honua Kai; Kai Maluna; Beach Villas at Ko Olina; Allure Waikiki; Maluaka at Makena; Moana Vista; Vanguard Lofts; Cove at Waikiki; Royal Palms at Poipu, Pili Mai Condominium; Capitol Place Condominium; Watermark Condominium; Koolani Condominium, Moana Pacific Condominium; 909Kapiolani Condominium; Hoolei Condominium; Waipouli Beach Resort; Kaiulani at Princeville; Kulalani at Mauna Lani; Palms at Waikiki Condo-tel; Papali O Wailea Condominium; Waimea Plantation Cottages; The Windsor Condominium; Na Hale O Keauhou Condominium; Nihilani Village Condominium; Regency at Huleia Condominium, Seascape Condominium; Kailua Bay Resort; Moanakea Villas, California Hale Condominium; Parkside at Kilani Condominium; Wailua Villas Condominium; Kai Maluna Condominium; Kona Whitesands Makai Condominium; Holomua Condominium; Keola Lai Development Site; Greens at Princeville Development Site; Moanalua Village Condominium; 2040 Nuuanu Condominium; Piikoi Hale Condominium; Aonani Condominium, Makiki Cliffside Condominium; Hale Makalei Condominium; Kiahuna Golf Course Development Sites; Spectrum Industrial Condominium; Iolani Regent; Block J Development Site; 800 Nuuanu Development Site; Kakaako Makai Development Lands; Piers 5 and 6 Honolulu Harbor/Pacific Quay Development Site.

Apartments:

Courts At Lanai Affordable Housing Apartment, Courtyards at Millani Mauka Affordable Housing Apartment, Aeloa Terrace Affordable Housing Apartment, Kukui Gardens; Hale Mohalu Affordable Senior Housing Project; Tropicana Village Affordable Housing Project; Halekua Gardens and Royal Kunia Gardens Affordable Housing Projects; Palehua Terrace Ph. I and II Affordable Housing Projects; Cambridge Park Affordable Housing Project; Kihei Regency Apartments; Queen Emma Gardens; Iolani Regent Apartments; Hawaiian Horizon Hotel; Coconut Inn; Paradise Gardens Apartments, Kailua Bay Resort; Maui Park Apartments; Piilani Gardens; Weinberg Hale; Jack Hall Memorial Kona Affordable Housing Project; Kalealoha Rental Homes; Hilo Palms Dormitory; Kahului Student Dormitory; Kahului Town Terrace; US China Center Dormitory.

**Leased Fee
Land Interests:**

Various residential condominium and townhome projects throughout the State of Hawaii; Hawaiian Regent Hotel; Waikiki Parkside Hotel; Queen Kapiolani Hotel; Royal Hawaiian Hotel; Y Hata Sand Island Distribution Facility; Kahala Mall; Waialae Country Club; Kukui Grove Commercial Village; Kamehameha Schools East Honolulu Portfolio.

Retail:

Royal Hawaiian Shopping Center; Market City Shopping Center, Kapaa Shopping Center, King Kalakaua Plaza; Pearl Highlands Center; Waikoloa Kings' Shops; Kukui Mall; Hanalei Center; Dillingham Shopping Plaza; Waimalu Plaza Shopping Center; Waipahu Shopping Plaza; Kilohana Square; Temple Valley Shopping Center; Chinese Cultural Plaza; Windward City Shopping Center; Liliha Square; Coral Commercial Center; McCully Shopping Center; Kapiolani Shopping Plaza; Marketplace at Kapolei; Halekuai Center.

Office:

No. 1 Capitol District; City Center; Capitol Center; Queen Emma Building; Honolulu Club Building; International Savings and Loan Building; ANA Kalakaua Center; AAFES Building; Pali Palms Plaza; Liliha Medical Building; Waiakamilo Square; Kodak Building; Honolulu Board of Realtors Building; Pacific Daily News Building (*Guam*); Courtyards at Crossroads; Pioneer Plaza Kalihi; Hilo Medical Group Building; Kailua Professional Center; 1500 Kapiolani/Heald College Plaza.

Industrial:

Selected industrial properties located in Campbell Industrial Park, Airport Industrial Park, Gentry Business Park, Millani Tech Park, Kailua Industrial Subdivision, Waipahu Industrial Subdivision, Lihue Industrial Park, Kona Industrial Subdivision, Kalihi Kai, Kakaako, Harmon Industrial Park (Guam), Kapaa Valley Industrial Lands.

Specialty:

Pacific Tropical Products Papaya Orchards and Packaging Facility; Kahuku Sugar Mill, Aiea Sugar Mill; Hakalau Nui Forest Preserve; John Bull Macadamia Nut Orchards; Anna's Ranch; Pu'u O Mahuka Heiau; Hawaii Meat Company Cattle Feed Lot; Marks Center Parking Garage; Barbers Point Naval Airstation; Aiea Heights Rest Home; Senator Fong's Plantation and Gardens; Nawiliwili Cemetery; Knudsen Poipu Lands; Paumalu Earthstation; Hamakua Heritage Mushroom Growing and Processing Facility; Ballard Mortuary, Norman Mortuary, Borthwick Hawaii Funeral Home, Valley Isle Memorial Park; Helumoa Road (Right of Way); BMW Honolulu Auto Dealership; Big Island Toyota Auto Dealership; Tony Hyundai Auto Dealership; Windward Chrysler-Jeep Auto Dealership; Windward Nissan Auto Dealership; Kona Mazda Auto Dealership; Cutter Maui Auto Dealership; New City Nissan Auto Dealership; Pflueger Honda Dealership and Parking Garage; Cyanotech Facility; Pier 4 Honolulu Harbor;