



May 27, 2016

Mr. Deepak Neupane, P.E., AIA
Director of Planning & Development
Hawaii Community Development Authority
547 Queen Street, Honolulu, HI 96813

**Re: Estimates of Fee Simple Land Value
and Market Ground Rent
Innovation Hale Development Site
Kakaako, Island of Oahu, State of Hawaii
Division 1, Zone 2, Section 1, Plat 15, Parcel 52 (Por)**

Dear Mr. Neupane:

At your request, we have prepared and present herewith our opinions, a narrative appraisal report concerning the valuation of the identified subject property interest.

The Innovation Hale is proposed to be located on a portion of the parcel commonly referred to as Lot C in Kakaako Makai. Lot C reflects an asphalt paved, surface parking lot utilized by the UH Cancer Center and the John A. Burns School of Medicine located across Keawe Street.

The Hawaii Community Development Authority's (HCDA) solicited a request for proposals (RFP) involving the "planning, design, construction, financing of a civic/mixed-use commercial project to be located on State-owned land parcel TMK: (1) 2-1-15: 52", which is known as Lot C. The HCDA would lease the development parcel to a developer selected through this RFP process. The project involves development of the Entrepreneur's Sandbox/Collaboration Center and the Innovation Hale portions of a larger development, which has become known as Kakaako Makai Innovation Block at Lot C. Conceptual plans and programmatic uses were provided to RFP respondents.

Excerpts of the RFP pertaining specifically to the Innovation Hale included development of "a low rise and a tower structure accommodating commercial retail and offices". In addition, use within the Innovation Hale was expected to include "ground floor commercial retail frontage with pedestrian access to the Sandbox". The programmatic floor area of the Innovation Hale was stated to be 149,600 square feet.

In response to the RFP, Stanford Carr Development (SCD) submitted a proposal (dated February 8, 2016) to develop the Sandbox and Innovation Hale. SCD's proposal involved developing the Sandbox on behalf of HCDA under a fee based arrangement. SCD proposed to develop the Innovation Hale to involve a "privately owned condominium office building, which is designed as a 7 story building consisting of approximately 153,000 square feet of space". Consistent with the RFP, the tower is adjacent to a lowrise component (along Ilalo Street) referred to as the Collaboration Area. SCD further proposed to form a limited partnership with two future unit owners who will occupy the first two levels (Fisher Hawaii and 'ike). SCD requested that a 65-year ground lease be granted by the State of Hawaii for use of the land underlying the Innovation Hale.

The portion of Lot C which will underlie the Innovation Hale as proposed by SCD is estimated to be 40,700 square feet in area. Based on maximum allowed FAR (1.5), 100' height limit and open space requirements within the Makai Area Rules, the 153,000 square feet of proposed floor area could not be supported by only 40,700 square feet of site area. By dividing the 153,000 square feet of building area by the FAR of 1.5, the resulting quotient is 102,000 square feet. After further factoring the 20% open space requirement, the total minimum underlying site is 127,500 square feet ($102,000 \div 80\%$). Essentially, in order to develop a 153,000 square foot improvement on Lot C a minimum underlying site of 127,500 square feet is required. *Our valuation analysis thus was based on the hypothetical assumption that the site underlying the Innovation Hale is the equivalent of 127,500 square feet in area.*

The **purpose** of this report is to provide market data, real property information, and professional opinions of market value for the subject real estate as follows:

1. Fee simple market value.
2. Estimate of annual market ground.

The **intended use** of this report is understood to be providing an estimate of fair market rent for the subject property for purposes of assisting the client for establishing ground rent. The intended users are the addressee and the HCDA. We are not responsible for unauthorized distribution of this report.

Based on our analyses and conclusions, our findings are reported as follows.

PROPERTY INTEREST	DATE OF VALUE	CONCLUSION
Estimate of Fee Simple Market Value [1]	April 15, 2016	\$20,530,000
Estimate of Annual Market Ground Rent	April 15, 2016	\$1,624,400

[1] *The portion of Lot C which will underlie the Innovation Hale as proposed by SCD is estimated to be 40,700 square feet in area. Our valuation analysis was based on the hypothetical assumption that the site underlying the Innovation Hale is the equivalent of 127,500 square feet in area (see preceding discussion). A detailed description of the actual area (such as a survey) to be developed with the Innovation Hale was not available. Our findings and conclusions may be subject to change pending receipt of additional information.*

The reported value conclusion is limited by the noted extraordinary and hypothetical assumptions as well as all of the *Assumptions and Limiting Conditions and Definitions and Terms* contained in the *ADDENDA* of this report.

DEFINITION OF MARKET VALUE

Market Value 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;

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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.

Market Value "As Is" 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.

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

DEFINITION OF MARKET RENT

Market Rent means the most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the lease agreement, including permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs).

Source: The Dictionary of Real Estate Appraisal (Appraisal Institute, 5th Edition, 2010, Page 121)

Thank you for the privilege of assisting you in this valuation assignment.

Very truly yours,

LESHER CHEE STADLBAUER, INC



Steven D. Chee, MAI, MRICS
Principal

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LETTER OF TRANSMITTAL

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Section I

PROPERTY OVERVIEW

EXECUTIVE SUMMARY



Source: Final Environmental Assessment January 2016 with annotations by Leshar Chee Stadlbauer

PROJECT NAME:	INNOVATION HALE
LOCATION:	Ilalo Street, Kakaako, City and County of Honolulu, Island of Oahu, State of Hawaii
TAX MAP KEY:	Division 1, Zone 2, Section 1, Plat 15, Parcel 52 (por.)
PRESENT USE:	The Innovation Hale is proposed to be located on a portion of the parcel commonly referred to as Lot C. Lot C reflects an asphalt paved, surface parking lot utilized by the UH Cancer Center and the John A. Burns School of Medicine located across Keawe Street.
PROPOSED USE:	Lot C is proposed to be developed into a "civic/mixed-use commercial project" to include various components such as the subject Innovation Hale, Entrepreneur's Sandbox, Kewalo Incubation Center, Learning Center and Regional Parking Garage. The contemplated project has become

known as the Kakaako Makai Innovation Block at Lot C. The Innovation Hale will be developed atop an approximate 40,700 square foot portion of Lot C along Ilalo Street. A site plan identifying the location of the Innovation Hale is provided on Page I-49. SCD proposed to develop the Innovation Hale to involve a "privately owned condominium office building, which is designed as a 7 story building consisting of approximately 153,000 square feet of space". Consistent with the RFP, the tower is adjacent to a lowrise component (along Ilalo Street) referred to as the Collaboration Area. SCD further proposed to form a limited partnership with two future unit owners who will occupy the first two levels (Fisher Hawaii and 'ike). SCD requested that a 65-year ground lease be granted by the State of Hawaii for use of the land underlying the Innovation Hale.

SITE DESCRIPTION:

Lot C consists of a regular-shaped lot fronting Keawe and Ilalo Streets, which is level at curb grade. Lot C contains 5.511 acres of site area. Dimensions of the site are: 600 feet of linear frontage along parcel 51 at its easterly boundary; nearly 445 feet along Ilalo Street at its northeasterly boundary; 585 feet along the northwesterly boundary adjoining the access easement for Parcel 51, and approximately 309 feet its border with Parcel 51 along its southwesterly boundary. The Kakaako Waterfront Park is located southeast of the subject, and JABSOM and UH Cancer Research Center are located to the east of the subject parcel across Keawe Street.

UTILITIES:

The subject property has access to municipal water, power, and sewer services.

EASEMENTS/RESTRICTIONS:

Refer to the *EASEMENTS AND RESTRICTIONS* section of this report for further discussion.

RIGHTS APPRAISED:

Fee Simple

PURPOSE OF THE REPORT:

The purpose of this report is to estimate fee simple land value and market ground rent for the defined subject property interests, as of a current date of value.

INTENDED USER

AND USE OF REPORT:

The intended use of this report is understood to be providing an estimate of fair market rent for the subject property for purposes of assisting the client for establishing ground rent. The intended users are the addressee and the HCDA. We are not responsible for unauthorized distribution of this report.

REPORT FORMAT:

Appraisal Report format consistent with the Uniform Standards of Professional Appraisal Practice (USPAP) Standards Rule 2-2(a).

PERTINENT DATES:

May 27, 2016 (date of report preparation).

April 15, 2016 (date of value)

STATE LAND USE

COMMISSION CLASSIFICATION: Urban

KAKAAKO MAKAI

DISTRICT ZONING:

The subject site is in HCDAs Kakaako Makai District, classified MUZ, Mixed Use Zone.

FLOOD HAZARD ZONING:

According to Flood Insurance Map, Panel No. 15003C0362G, effective January 19, 2011. The subject parcel is located in Flood Zone X.

SMA:

Yes

CENSUS TRACT:

38.00

UTILITIES:

Power, telephone, water and sewer utilities are available to the subject property.

REPORT OVERVIEW

PURPOSE AND INTENDED USE OF THIS REPORT

The **purpose** of this report is to provide market data, real property information, and professional opinions of market value for the subject real estate as follows:

1. Fee simple market value.
2. Estimate of annual market ground.

The **intended use** of this report is understood to be providing an estimate of fair market rent for the subject property for purposes of assisting the client for establishing ground rent. The intended users are the addressee and the HCDA. We are not responsible for unauthorized distribution of this report.

DEFINITIONS AND TERMINOLOGY

Throughout this report, the reader will encounter various technical words or phrases necessary to the appraiser for the proper presentation of material and conclusions. Presented within the *ADDENDA* are those terms most commonly used in the report, together with a brief explanation.

APPRAISAL REPORT PROCESS AND FORMAT

Our findings are being delivered within an **Appraisal Report**, which is intended to comply with the reporting criteria set forth by Standard Rule 2-2(a) under the Uniform Standards of Professional Appraisal Practice (USPAP – 2016/2017 edition).

SCOPE OF THIS REPORT

The Scope of Work is the type and extent of research and analysis in an assignment. The Scope of Work includes the extent to which the property is identified; the extent to which the tangible property is inspected; the type and extent of data researched; and the type and extent of analysis applied to arrive at opinions or conclusions. *The specific Scope of Work for this assignment is identified below and throughout this report and reflects the expectations of the Client and Appraiser as outlined in the engagement agreement.*

Specifically, the following are primary considerations of the Scope of Work:

1. The appraiser conducted a site visit to the subject property on April 8, 2016. Visual observations were made of selected market transactions used for comparison purposes.
2. Descriptions of the subject property are predicated upon (1) the property as observed upon our site visit, (2) certain City and County Real Property Tax Office information; (3) various on-line data bases for other County regulatory agencies; and (4) information provided by the client and/or ownership. Information provided by the Client included:
 - a. Request for Proposals Civic/Mixed-Use Commercial Project
 - b. Proposal to Develop the Innovation Hale and Sandbox Buildings prepared by Stanford Carr Development (February 2016)
 - c. Innovation Block at Lot C Master Plan - Final Environmental Assessment prepared by Wilson Okamoto Corporation (January 2016)
 - d. Draft Environmental Assessment prepared by Wilson Okamoto Corporation dated September 10, 2015
 - e. Kakaako Makai Innovation Block at Lot "C" Master Plan – July 29, 2015
3. Various interviews were conducted with representatives at the HCDA including Deepak Neupane and Amy Mutart.
4. Research was conducted with various regulatory agencies relative to existing infrastructure in the immediate vicinity of the subject site, flood zone information, land use controls per the current edition of Land Use Ordinance and former Comprehensive Zoning Code. Documents provided by HCDA were also utilized including:
5. Necessary subject and market research was conducted to provide support for our selected valuation methodology. General market data was extracted from various publications, various internet sites, as well as independent interviews by the appraisers.
6. Land transactions, listings and recent rent renegotiations within the Metropolitan Honolulu district (Tax Map Zones 1 and 2) were the primary market data selected for critical analysis with the subject property. As needed, transactions from outlying districts on Oahu were considered as collateral data relative to market trends. Transactions and listings were confirmed with the buyer, seller, brokers involved or other knowledgeable parties to the transaction.
7. Interviews were conducted with brokers, owners, and other market participants regarding transactional data, listings, market trends, and potential uses for the subject property.
8. General market data was extracted from various publications including the *Star Advertiser* and *Pacific Business News*. Specific market data was also extracted from various Internet sites including but not limited to dbedt.hawaii.gov/hcda,

hawaiiinformation.com, loopnet.com, honolulupropertytax.com, ehawaii.gov, costar.com, and honolulu.gov.

9. Our findings and conclusions are reported in an *Appraisal Report* format. Said report is intended to comply with the reporting requirements of the current edition of USPAP as set forth under Standards Rule 2-2(a) and as such, includes summary detailed discussion of the data, reasoning and analyses that were used to develop our opinion of market value (necessary supporting documentation is retained in our files). *The information contained in this report is specific to the needs of the client and no other user and only for the intended use stated in this report and no other use. We are not responsible for unauthorized use of this report.*
10. Our valuation methodology is discussed extensively in the following Valuation Section.
11. *General Assumptions and Limiting Conditions* of this assignment are contained in the *Addenda*. *Specific Primary Assumptions and Limiting Conditions* are set forth within the *Cover Letter*.

SUBJECT DESCRIPTION

KAKAAKO DISTRICT DESCRIPTION

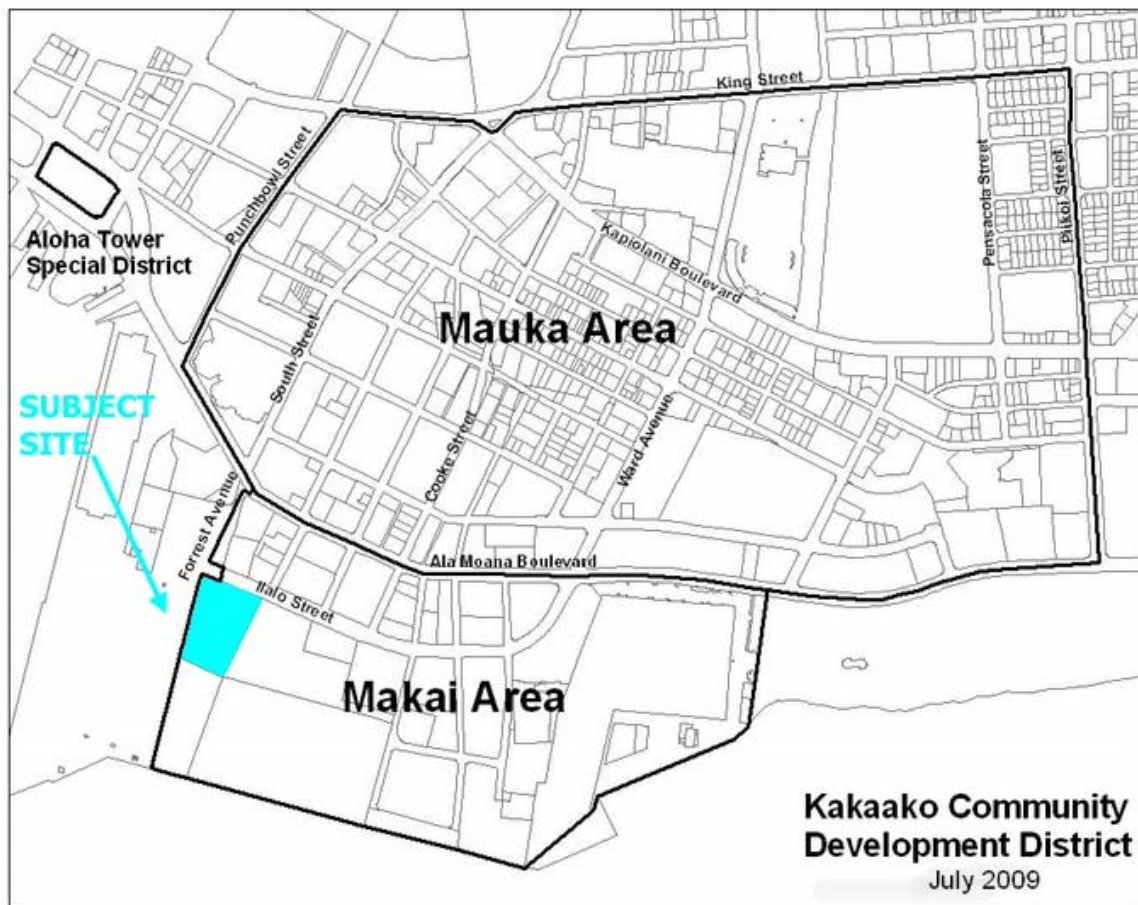
The subject property is located within the Kakaako (Mauka and Makai) district which is generally recognized as being bound by South King Street along its mauka (*northeast*) boundary, Piikoi Street and Kewalo Basin along its Diamond Head (*southeast*) boundary, Ala Moana Boulevard and the Pacific Ocean along its makai (*southwest*) boundary, and Aloha Tower and Punchbowl Street along its Ewa (*northwest*) boundary. Kakaako is effectively located between Downtown Honolulu, Waikiki and the sea.

Kakaako is serviced by a grid of roadways that largely intersect each other at right angles, which result in a series of regular sized and shaped blocks. The primary arteries for vehicular traffic heading in the Ewa/Diamond Head directions are Ala Moana Boulevard, Queen Street and Kapiolani Boulevard. The primary arteries for makai/mauka traffic are Ward Avenue, Pensacola Street, Piikoi Street, and Keeaumoku Street.

Despite Kakaako's excellent location, much of Kakaako, particularly certain interior portions, can still be characterized as underdeveloped industrial and commercial areas with older low-rise improvements, inadequate utility services, and limited access. In an effort to capitalize on Kakaako's location, the State of Hawaii established the Hawaii Community Development Authority (HCDA) in 1976, whose purpose is to guide the planning and redevelopment of Kakaako and other underdeveloped urban areas throughout the State of Hawaii. The original Kakaako Community Development District was the area bounded by Piikoi Street, Ala Moana Boulevard, Punchbowl Street and King Street, and is known as the Mauka Area. In 1982, the District was amended to include land makai of Ala Moana Boulevard between Ala Moana Park and Forrest Avenue, known as the Makai Area.

The Kakaako Community Development District was established as the State's first community development district and covers 600 acres. The majority of Kakaako's infrastructure has been, or is proposed to be, upgraded/redeveloped to support large-scale redevelopment. Thus, portions of Kakaako have experienced significant urban renewal with construction of Honolulu's newest commercial and multi-family residential developments. In addition, much of Kakaako's waterfront area has been redeveloped into public park area by the State of Hawaii as a first-step in the redevelopment of Kakaako's Makai Area district.

The following map outlines the respective Mauka and Makai areas with the subject site highlighted in blue.



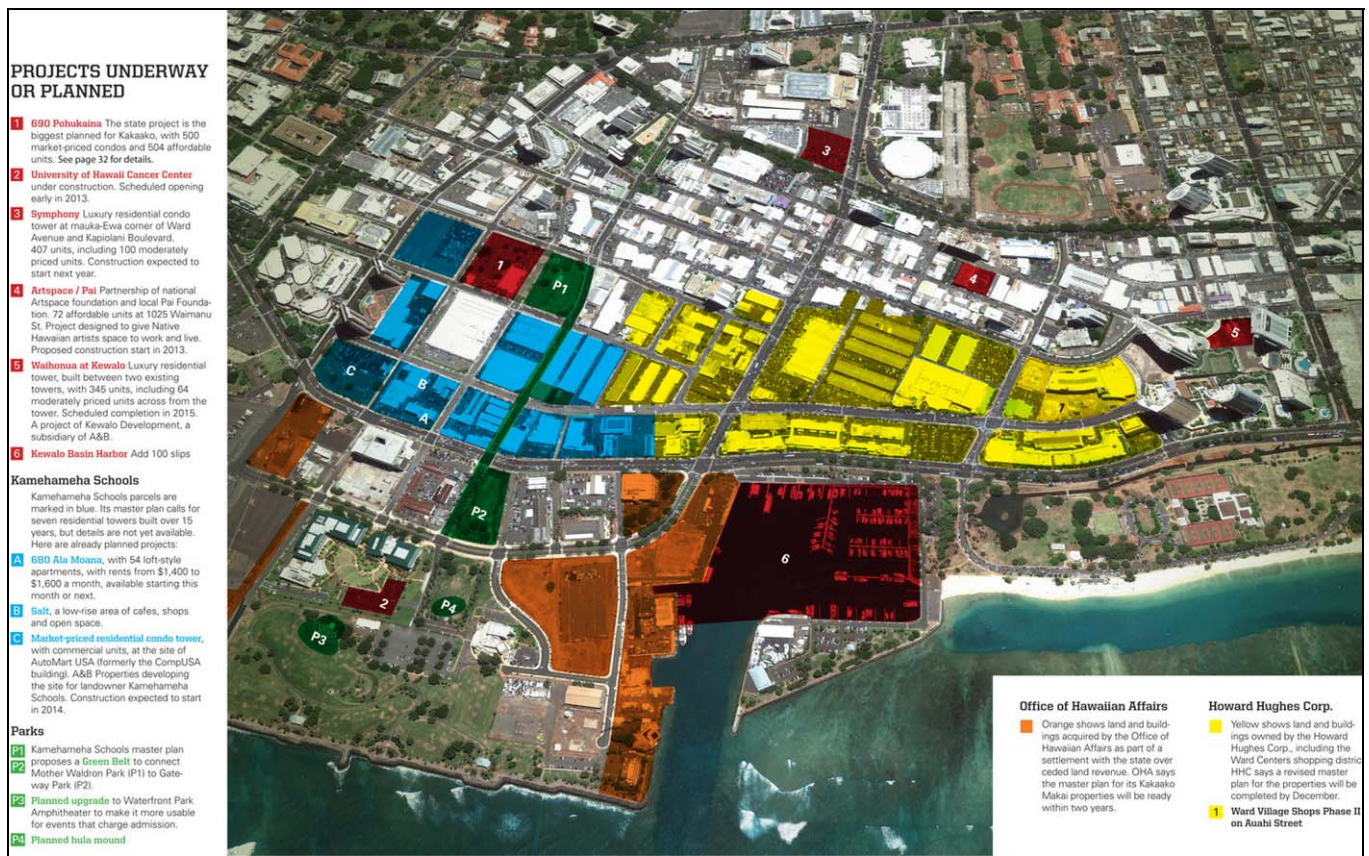
Source: Hawaii Community Development Authority (www.hcdaweg.org) with annotations by Leshar Chee Stadlbauer

Land use controls in Kakaako were established to encourage development of high-density projects reflecting a mixture of commercial, residential and light industrial uses. During the late 1980s, several luxury residential condominiums were developed throughout Kakaako. Large commercial projects of note included the Waterfront Plaza/Restaurant Row development and various Victoria Ward retail developments. However, relatively little development occurred here during the 1990s (particularly in the interior) which did not involve affordable rental apartments or car dealerships. When the real estate bubble of the late 1980s burst, many proposed projects never materialized and were ultimately abandoned.

However, the past market cycle has brought considerable residential development back to this market. Five high-rise residential condominiums were completed between 2004 and 2008 (Moana Pacific, Koolani, Hokua, 909 Kapiolani, and Keola Lai). Vanguard Lofts was completed in 2010 and Pacifica Honolulu was completed in 2011. Between 2009 and 2011, the market seemed to catch its breath as the overall real estate market softened and the Great Recession played out. Following recovery from the impact of the Great Recession, a wave of new developments entered this market and range from ultra-luxury condominiums (One Ala Moana) to Workforce Housing condominium (801 South

Buildings A & B) to even high-rise rental projects. Another wave of mid market (400 Keawe, Keahou Place), luxury (Symphony, Collection, Aeō) and ultra luxury (Waena and Anaha) residential condominiums are under active development. Despite this, much of Kakaako remains underdeveloped with older industrial and commercial buildings. This has caused many in and outside of government to question the success of the redevelopment program and to re-analyze its goals and land use controls.

Today, two major master plans are evolving in Kakaako. The following map illustrates the lands owned by Kamehameha Schools (in blue) and the lands owned by Howard Hughes (in yellow). Howard Hughes' and Kamehameha Schools' master plans are described following.



KAMEHAMEHA SCHOOLS' MASTER PLAN



In November 2008, Kamehameha Schools, Hawaii's largest private land owner, submitted its "Kaiaulu 'O Kakaako" Master Plan to redevelop ~29 acres spread over nine blocks in Kakaako. The development reflects an "urban village" concept that will also include several mixed-use high-rises along Ala Moana Boulevard (see following map).

Kamehameha Schools will demolish existing commercial buildings and replace it with lofts, townhouses, and condominiums. The plan which has been ~five years in the making, includes adding up to 2,750 residential units (550 units of which will be reserved for workforce housing), and a large public plaza over the next 10 years.

Phase 1 of the development involves Six Eighty Ala Moana, 54 workforce apartment rental units and 8,000 square feet of commercial retail, 660 Ala Moana, low-rise commercial spaces for local shops and businesses, Salt, commercial spaces named for the former salt ponds, and the Collection, an A&B Properties condominium development.



In October of 2012, the first piece of the Kaiaulu 'O Kakaako (now known as Our Kakaako) development plan was released to qualified renters. The 54-unit residential "Six Eighty Ala Moana" workforce housing project (former office building) opened for Honolulu's workforce. Renters were restricted to families earning between 100% and 140% of Honolulu's AMI.



680 Ala Moana. Source: honolulumagazine.com

A planned community plaza called "Salt" is nearly completed construction and located mauka of the Six Eighty Ala Moana Boulevard residential project. Salt utilized existing buildings and warehouses and when completed will include specialty retail, a plaza, landscaping, walkways, and seating. Some of the featured merchants include Cocina, Highway Inn, Lanikai Juice, Bevy, Piako & Brue Bar, and Sprint. The \$30 million 85,000 square foot undertaking began construction in 2015 and will be completed in 2016.



Salt Rendering. Source: ourkakaako.com



Salt. Source: ksbe.edu

Other residential developments include 400 Keawe, a reserved housing rental project featuring 88 units available for rent. The project will be opened for qualified renters shortly, and is reportedly sold out. The Collection, located on the former Comp USA site is nearing completion. The 43-story tower and four-story midrise townhomes will also be opened in the near future.



400 Keawe. Source: dbedt.hawaii.gov



400 Keawe. Source: ksbe.edu

Stanford Carr's Keauhou Lane located at South and Keawe Streets broke ground in 2015 and when complete will feature 388 units in a 400-foot tower, and 35 townhouse units in a 42-foot midrise tower. An Oregon-based developer will break ground soon on a 209-unit rental housing project on an adjoining Kamehameha Schools lot. We note that the MacNaughton Group/ Kobayashi Group proposed residential project known as Vida located at 888 Ala Moana was cancelled in early 2016 due to insufficient buyer interest. Pre-sales for Vida had started in the middle of 2015. The 262 ultra-luxury residential condominium was proposed to feature two- to three-bedroom units in the \$1M - \$5M range.



Vida at 888 Ala Moana. Source: khon2



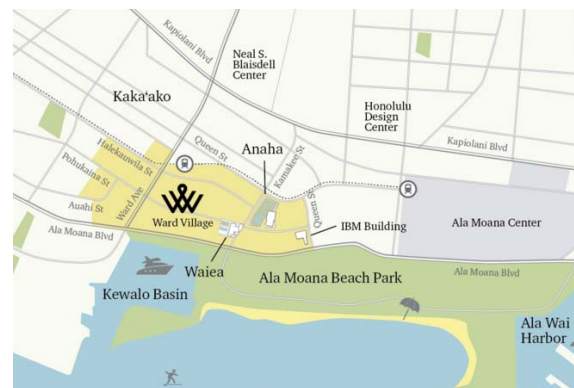
Keauhou Place. Source: Kakaako.com

HOWARD HUGHES CORP'S MASTER PLAN



Village Green. Source: businesswire.com

In April 2008, General Growth Properties Inc. (GGP) unveiled a Ward Master Plan to redevelop ~60 acres of land in Kakaako. In 2010, Howard Hughes Corporation (HHC) acquired Ward's 60 acres from GGP. A development agreement allowing up to 9.3 million square feet of mixed-use development was approved by the Hawaii Community Development Authority (HCDA) in January 2011. In October of 2012, the developer announced a proposal to transform the area into an "urban master planned community" over the next decade in Kakaako. Ward Centers will transform into **Ward Village**, a neighborhood that will offer retail, residential, open spaces and pedestrian friendly streets. The Ward Village will include adding over 4,300 residential units and 135 unique shops including 40 restaurants, sidewalk cafes and eateries. The Ward Village Green is proposed to be a multipurpose gathering place where people can convene and experience an array of cultural events. In preparation for the development, the Ward Village Shops Phase One opened in 2012, including a new parking structure. Ward Village Shops Phase Two, a 57,000 square foot two-story retail space, was recently completed and features new stores for Nordstrom Rack and Pier 1 Imports. There are also plans to implement a "Complete Streets" concept that encourages people to walk or ride bicycles. There are also plans to open up a 50,000 square foot Whole Foods Market by 2017 to north of the Ward Theaters project (formerly occupied by Nordstrom Rack) accompanied with a 466-unit residential tower known as Aeo.



Ward Village map. Source: wardvillage.com



Source: Honolulu5.com



Source: wardvillage.com/residences

In May 2013, HHC released more specifics of Phase 1 of the \$7.5 billion master plan for the 60 acre Ward area. The overall plan will include 22 high-rise towers and over 1 million square feet of retail. New details include an announcement that the \$1.25 billion Phase 1 is proposed to include 900 condominium units within three new towers. The proposed sites for these towers are noted on the map and include the Ward Parking lot,

the former Pier 1 site and another site along Ward Avenue previously occupied by a free standing restaurant (formerly Kampai and Dixie Grill). According to HHC, the project at the former Kampai restaurant is an affordable project, while the projects at the former Ward parking lot (currently under construction) and former Pier 1 Imports site will be luxury units. The two market towers received HCDA approval as of August 2013 and are proposed to be completed by 2016. There are two proposed residential towers/ four acre park to be constructed on the former Ward Warehouse location, and another residential tower near the Whole Foods future site was approved. In June 2014, it was announced that Howard Hughes Corporation will lease the Kewalo Basin small boat harbor. The developer plans to repair and upgrade the harbor that may cost as much as \$20,000,000. The residential projects in the works for Ward Village are described following.

Ke Kilohana is proposed to be a 375 unit residential condominium reserved for qualified Hawaii residents. The prices for the reserved housing units start in the low \$300,000s and go up to the high \$500,000s. The condominium will include one-, two- and three-bedroom units. The sizes of the units range from 461 to 988 square feet. A lottery for the units occurred in April 2016 and the project received over 900 applicants. Qualified applicants must earn between 100-140% of Area Median Income, also known as the "Gap Group".



Ke Kilohana at 988 Halekauwila

Aeo at Ward Village broke ground in February of 2016 and



Aeo at 1001 Queen Street

is currently under construction. This project, also known as the "Whole Foods" project features 466 units ranging from studios to three-bedroom units. Prices range from \$400,000's up to over \$2M. The sizes range from 401 square feet for a studio to 1,329 for a three-bedroom unit. This condominium project features a 54,000 square foot Whole Foods (and an additional 12,000 other retail spaces) on the street level, and will also feature a rooftop terrace, outdoor pavilions and cabanas, gym, steam & sauna rooms, movie theater and storage areas. In July 2015, a lottery was held for potential buyers and as of the end of 2015, approximately 35% of the units were under contract. Completion of construction is estimated to be 2018.



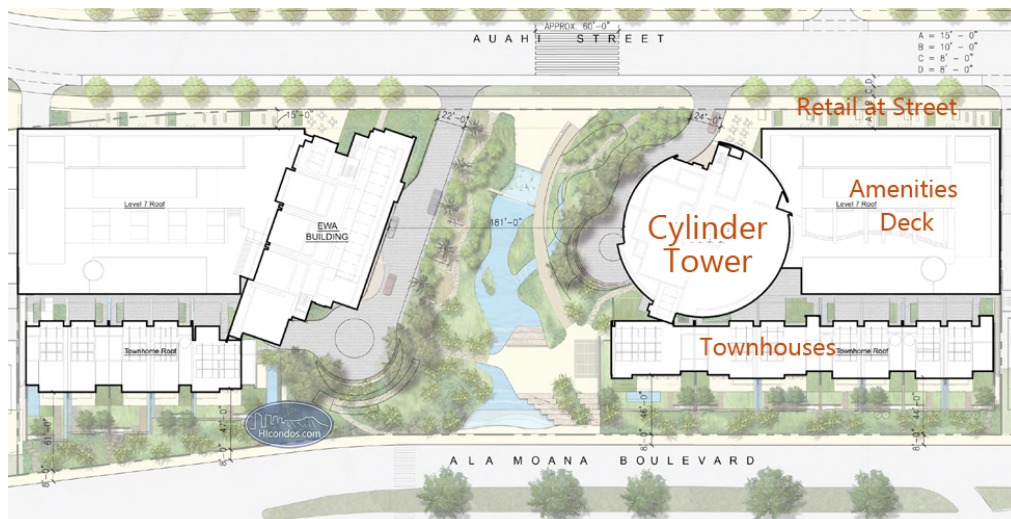
Anaha 1108 Auahi

The Anaha luxury condominium project is located on the former Pier 1 site in Kakaako. Anaha is proposed to involve a 238 tower residences and 73 townhomes and flats. Amenities include a seventh-floor amenities level featuring a fitness center, steam and sauna rooms, theater room, billiards room, conference room, swimming pool, cabanas, dog park, tennis court and sand volleyball court. A Merriman's restaurant will also be featured in this project. Residences involve one- to four-bedroom units ranging from 753 to 2,454 square feet. Prices range from \$400,000 up to \$14M for a penthouse unit. Construction has commenced, and the project is reportedly nearly sold out. Completion of the project is expected by summer of 2017.

The Gateway Towers is a new ultra-luxury residential condominium project located on Ala Moana Boulevard, on the former Ward Warehouse site. The project involves two towers, the Cylinder at Gateway Towers (300 feet tall) and the Blade at Gateway Towers (400 feet tall). The Cylinder involves Tower Residences and Villa Residences with one- to five-bedroom units with prices ranging from \$1.5M up to \$6.3M. We note that as of a current date, only 125 units in the Cylinder Tower have been released, and none of the Blade units have been released for sale. Amenities are available in both towers, and residents will be allowed to use amenities in either tower. Proposed amenities include pools, fitness center, yoga room, dining pavilion, wine tasting room, children's play area, dog park, three luxury guest suites, and a concierge.



Gateway Towers 1050 Ala moana Boulevard



Waiea at Ward Village is currently under construction on the former parking lot fronting Ward Theaters. Waiea is a 171 unit (tower and villas) ultra-luxury condominium project that is expected to be completed at the end of 2016. The project is nearly sold out, and features one-, two- and three-bedroom units ranging in size from 1,138 square feet up to 3,071 square feet. Prices range from \$1M up to \$7M. Five- and six-bedroom penthouse units range from 2,000 square feet up to 10,000 square feet with prices ranging from \$4M to over \$20M. Featured amenities include a Nobu restaurant, fitness and yoga room, a bar, library, lounges and a golf simulator, an infinity pool, BBQ pavilions, a dog park, steam sauna and treatment rooms and a children's play area.



Waiea 1118 Ala Moana

KAKAAKO MAKAI

Kakaako Makai is roughly bound by the ocean (Makai), Ala Moana Boulevard (Mauka), Kewalo Basin (Diamond Head) and Pier 1/Honolulu Harbor (Ewa). The vast majority of land ownership has historically been limited to Kamehameha Schools (who owns the majority of the various blocks fronting Ala Moana Boulevard) and various government agencies. The Makai boundary of Kakaako Makai features the expansive Kakaako Waterfront Park, which is one of several open recreational areas that defines Honolulu's waterfront. Beginning with Sand Island park, located on the Ewa side of Honolulu Harbor's entrance, Kewalo Basin Park and Ala Moana Regional Park is located Diamond Head of the peninsula.

At one time, HCDA envisioned that the Kewalo Basin area would be redeveloped as a live/work/play community with residential development located above a vibrant retail/commercial section. In 2005, Alexander & Baldwin (a private developer) was selected out of four final applicants as the master developer of the 37 acre tract adjacent to Kewalo Basin, which was then owned by the State of Hawaii. The developer proposed a mix of retail, cultural and residential uses. The redevelopment of this underutilized industrial area, including waterfront sections, was met with considerable public scrutiny with many citizens opposing private development on public lands. As a result of public opposition, the Hawaii Senate passed Act 317 into law on July 12, 2006 without Governor Linda Lingle's signature. Act 317 prohibited residential use in Kakaako's development district located makai of Ala Moana Boulevard and between Kewalo Basin and the foreign trade zone. The removal of a residential component in the area appears to have undermined HCDA attempts to revive the area. As a result, HCDA effectively postponed their effort to redevelop the 37 acres by terminating the RFP for a master developer. Aside from the 37 acres of makai lands adjacent to Kewalo Basin, the Kewalo Peninsula supports a medical/bioscience research park. The 9-acre site is the

location of the University of Hawaii's John A. Burns School of Medicine and more recently the U.H. Cancer Center. Another notable use includes the Children's Discovery Center.

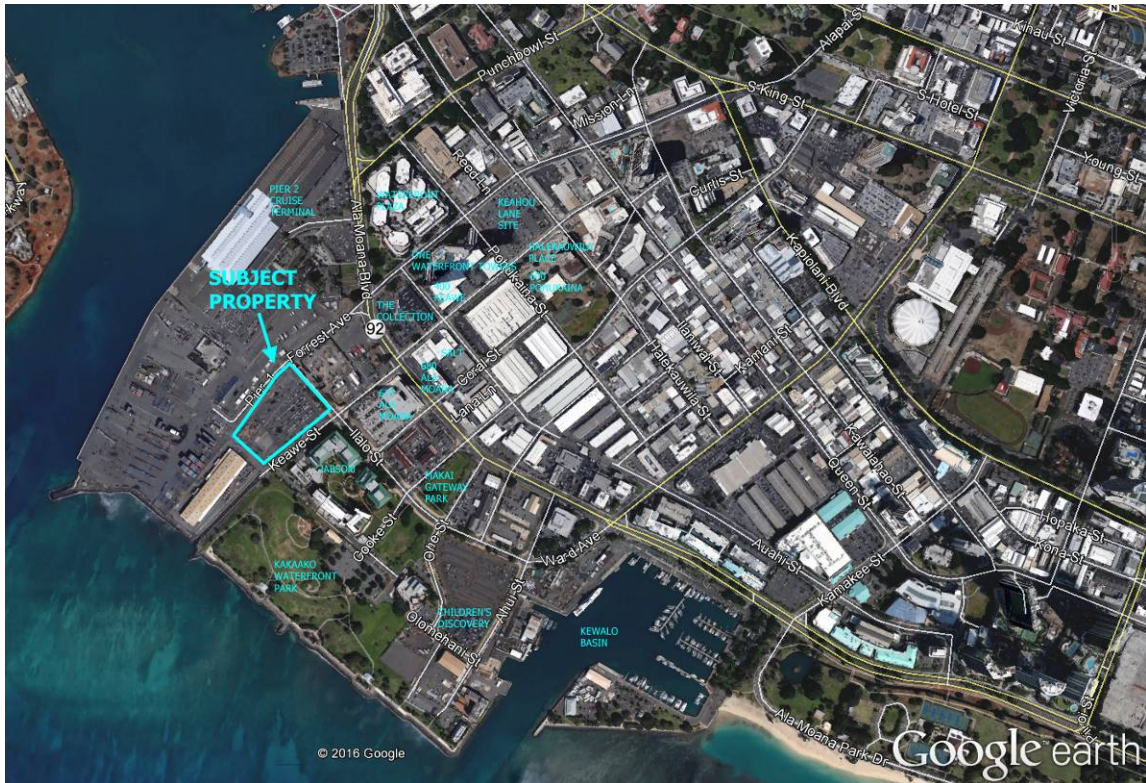
OFFICE OF HAWAIIAN AFFAIRS LAND SETTLEMENT

On April 11, 2012, Governor Abercrombie signed into law Act 15 which transferred 10 parcels comprising 30.718 acres worth approximately \$200 Million in Kakaako Makai from the State of Hawaii into the care of the Office of Hawaiian Affairs (see map to the right). In exchange for the ceded lands, all OHA disputes and claims relating to OHA's portion of income and proceeds from public trust lands from November 7, 1978 through June 30, 2012, will be considered settled. The development of the Makai Area has been a particularly polarizing issue with the public. The redevelopment of the Makai area is largely slowed down by the lack of a comprehensive master plan. There has been five changes to the Development Conceptual plans since 1982. OHA has drafted legislation to change the zoning on two of the parcels to allow for residential development. A bill to allow for high-rise residential development for three parcels within Kakaako Makai generated a lot of interest in the 2014 Hawaii State Legislature, but ultimately did not pass. The measure will likely be reintroduced at some point in the future. OHA is currently developing a master plan for Kakaako Makai which is expected to be released in the near future.



IMMEDIATE NEIGHBORHOOD DESCRIPTION

The subject is located within the Kakaako Makai Area. The Kakaako peninsula is defined as the area located between Ahui Street to the east, the Pacific Ocean to the south, Pier 1 and 2 to the west, and Ala Moana Boulevard to the north. The subject parcel is outlined in blue in the aerial photo shown following.



Source: Google Earth with annotations by Leshner Chee Stadlbauer

Commercial office buildings, government offices, and automobile dealerships are located along the makai side of Ala Moana Boulevard. The Honolulu Harbor Pier 1 and Pier 2 cruise terminal defines the easterly boundary. Redevelopment of the peninsula area, thus far, has primarily been undertaken by the state. Urban renewal of the waterfront industrial area began in 1992 when the state transformed a former municipal landfill into the Kakaako Waterfront Park. The park's rolling topography provides scenic water view picnic sites and inadvertently became a popular place for cardboard sledding by isle residents. The Children's Discovery Center followed in December 1998. The interactive museum is located Ewa of the waterfront park atop a remediated incinerator site.

Immediate surrounding uses include University of Hawaii's John A. Burns School of Medicine (JABSOM) and the U.H. Cancer Center (both described following), which are located on the opposite side of Keawe Street. Additional uses include the ReUse Hawaii warehouse located immediately Makai of Lot C. A County wastewater pumping station is located directly across Ilalo Street. Pier 1 is located immediately Ewa of Lot C.



Source: FEA January 2016 Lot C Figure I-3

In 2002 then Governor Benjamin Cayetano selected a 9-acre site located inland from the park where the University of Hawaii's John A. Burns School of Medicine (JABSOM) would be relocated. Having outgrown its current Manoa campus location, the \$150 million state-of-the-art facility houses education, administration, and research programs. The medical school and research wings of the campus opened in 2005. Phase II incorporates a 190,000 square foot bioscience research facility known as the U.H. Cancer Center which is located at the Mauka/Diamond Head corner of the school site. The Cancer Center is one of 61 National Cancer Institute designated cancer centers in the country. The newer Phase II campus involves additional research space, a cadaver lab,

medical education and administrative office space. The site is also known as the Kakaako Health and Wellness Campus.



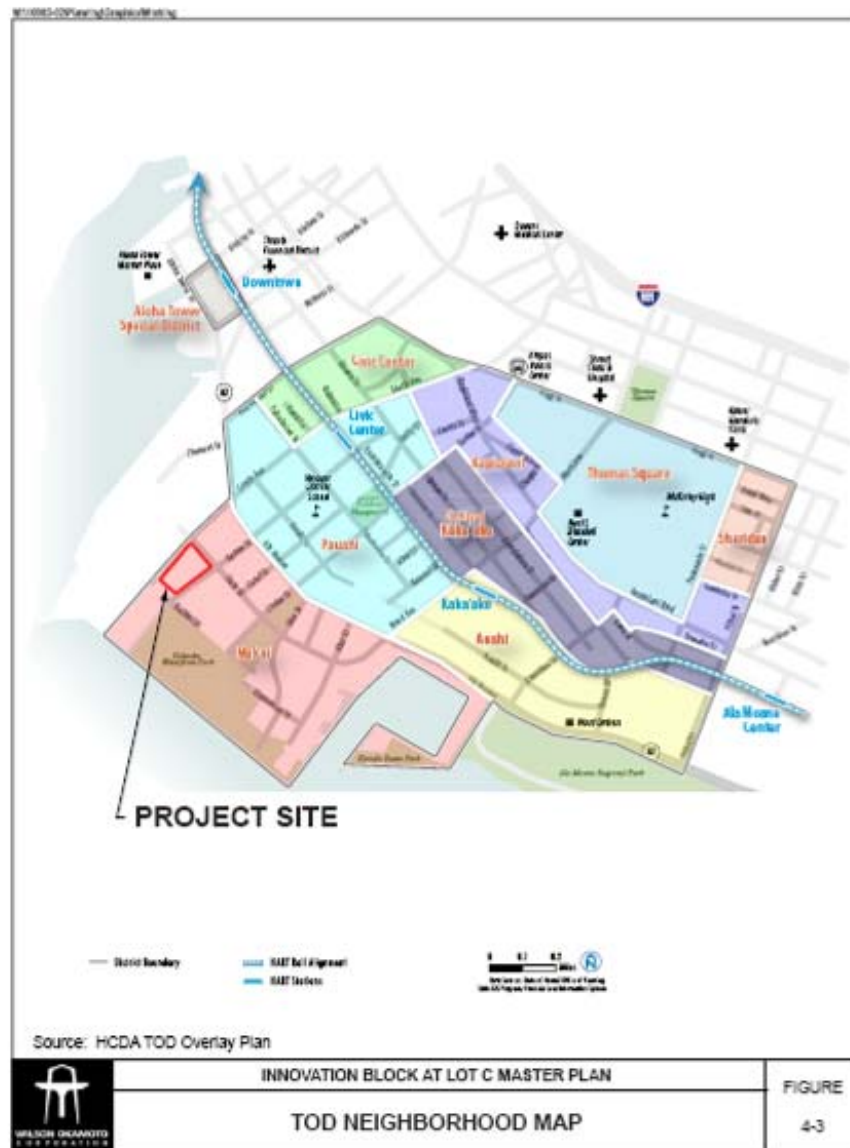
Source: University of Hawaii with annotations by Leshner Chee Stadlbauer

Kakaako Makai suffers from a well-publicized and sizable homeless population who camp illegally in Kakaako Gateway Park, Kakaako Waterfront Park as well as on public sidewalks. While this issue may ultimately be temporary, the SOH, CCH and other stake holders have been mostly ineffective in resolving this issue as of the date of value. While the homeless issue impacts all of Oahu, the disjointed ownership of public lands involving the SOH has created jurisdictional issues with law enforcement in Kakaako Makai.

HONOLULU RAIL TRANSIT PROJECT

As exhibited on the following map, the Honolulu Rail Transit Project's route (blue) is planned to travel along Halekauwila Street, four blocks north of the subject site. The nearest transit station to the subject is the planned Civic Center Station located approximately 0.40 miles away from the subject parcel (red). The proposed Keauhou Lane project is planned for the site immediately makai of the transit station. In January 2011, construction of the \$5.5 billion Honolulu rail transit project received final environmental approval from the Federal Transit Administration with its route extending between East Kapolei near the UH-West Oahu campus to Ala Moana Shopping Center. Rail construction began in April of 2012, with steel frames being erected on the western portion of the route. However, construction came to a halt on August 24, 2012, after the Hawaii State Supreme Court ruled that state agencies failed to complete an archaeological survey for the entirety of the 20-mile route and that an EIS for the

entirety must be completed before construction continues. As of September 2013, the EIS was given final approval and rail construction resumed.



Source: FEA January 2016 Lot C Figure 4-3

The preceding map depicts the Kakaako Transit Oriented Development Overlay Plan. The new rules would essentially “overlay” the existing Kakaako Mauka and Makai district rules. According the Final Environmental Assessment, the plan is described as follows:

The TOD Overlay Plan represents a comprehensive analysis of the issues and opportunities associated with TOD in Kaka`ako. The Plan and Rules enhance the policies and direction set forth in the previously established district plans and rules by maximizing development through the use of smart growth principles, multi-modal transportation, and walkable neighborhood design. The intent of the TOD Overlay Plan is to foster

development that creates well-used and well-loved urban places that are safe, comfortable, diverse, attractive and representative of the diverse character in the Kaka`ako community, while providing safe and comfortable streets and convenient access to the district's three future Honolulu Authority for Rapid Transit (HART) stations.

The entire Makai neighborhood including the project site are not located within a TOD area as displayed on the TOD Overlay Plan Draft Environmental Impact Statement for the Kakaako Development District dated January 8, 2015.

Figure ES-1: Proposed TOD Development Areas



DEMOGRAPHICS

A demographic survey was provided by CCIM's Site to Do Business (CCIM STDB). CCIM STDB's demographic surveys are based on data provided by various sources, including the U.S. Bureau of the Census, U.S. Bureau of Labor Statistics, Health Care Financing Administration of Social Security, and Internal Revenue Service. More information concerning their sources of data and methodology for their forecasts are available at their website: www.stdb.com.



Map Source: STDB Online

Demographic trend data within concentric rings of 0.5, 1.0, and 2.0 miles centered on the subject site were examined in the reports. Island-wide data has been included for comparison sake. The characteristics of the demographics within each ring are summarized in the following tables. Consistent with fair lending practices, we have not identified race characteristics.

Ring Study Demographic Data 2015 Estimate				
Category	0.5-Mile	1.0-Mile	2.0-Mile	Oahu
Population	1,067	9,471	96,514	985,666
Households	565	4,872	45,962	322,193
Mean Household Size	1.49	1.77	2.04	2.95
Owner-occupied HHs [1]	166	2,081	15,981	176,948
Renter-occupied HHs [1]	399	2,791	29,980	145,245
Median Household Income	\$69,113	\$60,442	\$49,074	\$74,898
Mean Household Income	\$93,405	\$78,067	\$65,166	\$92,331
Per Capita Income	\$49,399	\$40,980	\$31,648	\$30,808
Median Age	51.7	47.9	45.8	38.0

[1] Households

Source: STDB

From the above data, we have inferred the following observations:

- Mean household size in all three rings surrounding the subject is lower than that of the island wide statistic. This is indicative of the high proportion of multi-family housing units in this market. The owner-occupied and renter-occupied data also attest to this, as there are a high percentage of households in all three rings that are renter occupied, compared to the island-wide data.
- Median and mean household income levels in all three rings are significantly lower than island-wide income levels. However, per capita income figures in all exceed Oahu's overall figures.
- The median age in all three rings is comparatively higher than the island-wide median age.

In addition to reporting historical demographic information, the STDB reports also include a 2020 forecast. The following chart exhibits 2010, 2015 and forecasted 2020 data for the 1.0-mile ring surrounding the subject site.

1.0-Mile Ring Demographic Data 2010, 2015 & 2020 [2]			
Category	2010	2015	2020 [2]
Population	8,437	9,471	10,149
Households	4,295	4,872	5,260
Mean Household Size	1.78	1.77	1.77
Owner-occupied HHs [1]	1,890	2,081	2,243
Renter-occupied HHs [1]	2,405	2,791	3,017
Median Household Income	--	\$60,442	\$68,162
Mean Household Income	--	\$78,067	\$89,541
Per Capita Income	--	\$40,980	\$46,964
Median Age	45.7	47.9	49.4

[1] HHs = Households

[2] Forecasted

Source: STDB

From the above data, it appears:

- The housing stock is forecasted to increase.
- The resident population is forecasted to shift toward older households.
- Median income demographics are forecasted to shift upward in terms of general income class.

LAND USE CONTROLS

STATE LAND USE CLASSIFICATION

The State Land Use law was passed in 1961 to control and plan land use at the State level. The State Land Use Commission's task is to classify the various islands in the State of Hawaii into four major districts. These districts are listed as such:

1	URBAN
2	AGRICULTURAL
3	RURAL
4	CONSERVATION

The subject property is designated to be in an **Urban** district by the State Land Use Commission. Urban Districts are defined as lands in urban use, with reserve areas to accommodate an estimated ten-year growth. These areas are characterized by a concentration of people, structures, streets, and other related land uses. This district is regulated and administered by the counties.

KAKAAKO COMMUNITY DEVELOPMENT DISTRICT – MAKAI AREA RULES

The subject property is located in Kakaako Makai. Uses and development policies are governed by the Hawaii Community Development Authority (HCDA), which is an instrumentality of the State of Hawaii. As cited previously in the Neighborhood Description, the subject is located within the Makai Area of the district. There are four designated land use zones within the Makai Area.

- 1) Mixed-Use zone (MUZ);
- 2) Waterfront Commercial (WC);
- 3) Park (P); and
- 4) Public Use areas (PU).

A land use map for the Kakaako Makai plan extracted from the Draft EA for Lot C is provided following:

Regulated height and maximum development densities for the respective designated zones and sites are illustrated in the Makai Area Rules, Exhibits 2 and 3, pages 23-91 and 23-92.



Source: FEA Lot C January 2016, Figure 4-1

MUZ, MIXED USE ZONE

The subject site is zoned **MUZ, Mixed Use Zone**. This zoning designation applies to Kakaako Community Development District's Makai Area Rules.

MUZ INTENDED PURPOSE

According to the Makai Area Plan (rev. Oct. 2005) and Makai Area Rules (rev. Sept. 2005), the Mixed-Use Zone is designed to promote and protect the public health, safety, and general welfare. The plan has since further been amended to exclude residential use¹. The general goals of the MUZ include, among others, the following specific purposes:

- (1) To provide a subdistrict whereby a variety of commercial uses may coexist compatibly within the same area. The emphasis within this zone shall be to develop a [predominantly commercial] multi-storied area which will provide jobs, and other employment opportunities. In addition, the area will support a variety of appropriate community facilities for workers;
- (2) To create a truly vibrant and working environment by regulating the density and bulk of buildings in relation to the land around them and to one another, by requiring the provision of open space and encouraging the development of job opportunities;
- (3) To provide freedom of architectural design, in order to encourage the development of more attractive and economic building forms; and
- (4) To promote the most desirable use of land and direction of building development in accord with a well-considered plan, to promote stability of commercial development, to protect the character of the district and its peculiar suitability for particular uses, and to conserve the value of land and buildings.

MUZ ALLOWED USES

Within the Mixed-Use Zone (MUZ), the following are a sampling of uses and structures permitted. A more complete listing with detailed development requirements are provided within the Mauka Area Rules, which are available at the Hawaii Community Development Authority's website <http://www.hcdaweb.org>.

- (1) Commercial uses: Shopping center complexes; Food markets, stores, delis; Drug stores; General merchandise; Eating and drinking establishments; Furniture, home furnishing, and equipment; Personal service establishments, Business, vocational, and language schools; Banks and financial institutions, insurance, and real estate offices; Private clubs, lodges, social centers, eleemosynary establishments; Theaters, museums, art galleries, historical sites, libraries; Commercial condominiums; Medical and health services; Offices, professional clinics, studios, medical and research laboratories; retail establishments; Motor vehicle & accessory establishments (sales, rentals, and service); Misc. business services; Governmental services administrative; Parking garages (enclosed);

¹ Act 317 / House Bill 2555, was enacted into law on July 12, 2006 without Governor Linda Lingle's signature. Act 317 prohibits HCDA from approving any plan or proposal for any type of residential use in Kakaako's development district located makai of Ala Moana Boulevard and between Kewalo Basin and the foreign trade zone.

(2) Community service uses: Child care, day care, and senior citizen centers; Nursery schools and kindergartens; Churches; Charitable institutions and nonprofit organization; Public uses including: public safety facilities; post offices; hospitals; misc. health and medical facilities; public school/park complexes; consulates.

(3) Uses and structures which are customarily accessory and clearly incidental and subordinate to the principal uses and structures.

DEVELOPMENT REQUIREMENTS

The following is a brief summary of the general development guidelines. The reader is highly encouraged to review the complete development regulations.

KAKAAKO MAKAI AREA DEVELOPMENT GUIDELINES

Density:	<p>The maximum Floor Area Ratio (FAR) for any development lot, within any land use zone, is set forth in Exhibit 3, entitled "Maximum Height and Density Plan", dated September 2005.</p> <p>The Project's maximum FAR is 1.5.</p>
Maximum Height:	<p>Per Exhibit 3, of the Makai Area Rules, "Maximum Height and Density Plan", dated September 2005. The height of any structure shall be measured from ground elevation, except where finish grade is higher than ground elevation in order to meet city construction standards for driveways, roadways, drainage, sewerage and other infrastructure requirements.</p> <p>The Project's maximum height is 100 feet.</p>
Front Yards:	<p>Every yard bounded by a street shall be a front yard. A minimum front yard of 15-feet in depth shall be required for each development lot. The minimum front yard may be [reduced to five feet in depth, except on Ala Moana Boulevard, if ground floor windows are provided.]</p>
Side & Rear Yards:	<p>For structures without windows or openings facing side or rear property lines, no side or rear yard shall be required;</p> <ol style="list-style-type: none"> 1) For structures without windows or openings facing side or rear property lines, no side or rear yard shall be required; 2) For structures containing windows or openings facing side or rear property lines, the minimum side yard shall be ten-feet, and the minimum rear yard shall be ten-feet and 3) Parking spaces may extend to side and rear property lines through the zoning adjustment process specified in section 15-23-21, subject to the following conditions: <ol style="list-style-type: none"> a) An area or areas of required yards equivalent to the area to be used for parking or accessory use is provided elsewhere on the lot. This equivalent area shall be landscaped, except for drives or walkways. Parking may overhand yard areas up to three feet if wheel stops are

installed. A minimum of 50% of the equivalent area shall be contiguous to the street frontage abutting the zoning lot.

b) Any parking floor situated within 10 feet of the property line shall not be more than four feet above existing grade.

Other Yard Requirements/Regulations

Yard Widths:

Yard widths shall be measured perpendicular to lot lines, except that front yards shall be measured perpendicular to the street right-of-way or the established street setback line, whichever is the greater distance from the street center line.

Business Use or Structures:

No business or structure shall be carried or located within any required yard except for:

- 1) Up to 50% of the lot frontage may be used for outdoor dining.
- 2) Dispensers for newspapers sales and distribution.
- 3) Porte cocheres and pergolas
- 4) Bicycle parking

Roof overhangs, eaves, sunshades, sills, projecting courses, planters, and other architectural embellishments or appendages, and minor mechanical apparatus with less than a 30-inch vertical thickness may project into the required yard by no more than five feet.

Retaining walls within a required yard shall no exceed a height of three feet. A safety railing not capable of retaining earth or exceeding 42-inches may be erected on top of the retaining wall.

Parking and loading including related maneuvering area or aisle shall not be allowed in any required yard or street setback area, except that parking spaces may overlap required front yards by three feet if wheel stops are installed.

Open Space Requirements:

Open space is that portion of a development lot, exclusive of required yards, setback areas, or parking areas, which is:

(1) Open and unobstructed overhead; (2) Landscaped or maintained as a recreational or social facility; (3) Not to be used for driveways, loading purposes, or storage, or for the parking of vehicles; and (4) Visible and open to the public during normal business hours.

Berms, landforms, or underground structures covered with landscape treatment including artificial turf, shall be considered as part of the required open space, provided that open space shall not exceed four feet from the sidewalk elevation.

The minimum amount of open space shall be the lower of:

- (A) 20% of the development lot area; or
- (B) 30% of the development lot area less required yard areas.

(2) The minimum required open space may include both of the following:

(A) up to 25% of an adjacent front yard, provided that: i) at least one-half of the open space is entirely in one location and proportioned to a maximum length-to-width of 2:1; and ii) one linear foot of seating is provided for each 30 sq. ft. of open space.

(B) Up to 25% of any passageways or arcades.

Open space requirements for developments of lots of 40,000 square feet or less shall be according to the following table. For lot areas between 10,000 and 40,000 square feet, the minimum open space is proportional to the parameters of the lots enumerated in the following table:

Lot Area (Square feet)	Minimum Open Space (percent of lot area)
40,000	20
20,000	10
≤10,000	0

General off-street parking requirements:

<u>Use</u>	<u>Requirement</u>
Auditoriums	1 per 300 sq. ft. of assembly area or 1 per 10 fixed seats, whichever is greater.
Churches & theaters	1 per every five fixed seats or 50 sq. ft. of general assembly area, whichever is greater.
Commercial and all other uses	1 per 400 sq. ft. of floor area.
Daycare facilities	1 per ten enrollment capacity.
Eating and drinking establishments	1 per three hundred square feet of eating and drinking area, plus one per four hundred square feet of kitchen or other area.
Schools, language, vocational, business, technical and trade, colleges or universities	1 for each ten students of design capacity, plus 1 per 400 sq. ft. of office floor area.
Waterfront industrial uses	1 per 1,000 sq. ft. of floor area or 1 on-site space per every 2 employees, whichever is greater. On-site parking areas within this zone are not required to be enclosed.

Off-Street Loading Requirements

<u>Use</u>	<u>Floor Area</u>	<u>Loading Space</u>
Hospitals or similar	5,000-10,000	One

institutions or places of public assembly	10,001 – 50,000 50,001 – 100,000	Two Three
Offices or office buildings, waterfront industrial uses	20,000 – 50,000 50,001 – 100,000 Each additional 100,000 over 100,000	One Two One
Retail stores, eating and drinking establishments, wholesale operations, business services, personal services, repair, general	2,000 – 10,000 10,001 – 20,000 20,001 – 40,000 40,001 – 60,000 Each additional 50,000 Over 50,000	One Two Three Four One

FLOOD HAZARD DISTRICT

The National Flood Insurance Program has designated certain areas on all islands in terms of the flood potential in these areas. The program recognizes that within certain areas of various islands these areas may be subject to periodic inundation by flooding and/or tsunami activity which may result in the loss of life and property, reduce public cost for flood control, rescue and relief efforts, thereby promoting the safety, health, convenience, and general welfare of the community.



The Flood Hazard Districts are delineated on Flood Boundary and Floodway Maps and Flood Insurance Rate Maps, and any amendments by the Federal Emergency Management Agency, which are on file with the State Department of Land and Natural Resources.

As exhibited on the map above, the subject property is located entirely within Flood Zone "X", (Panel No. 15003C0362G, dated January 19, 2011). Flood Zone "X" describes an area determined to be outside the 500-year flood plain. Mandatory flood insurance is not required for buildings situated in Zone "X".

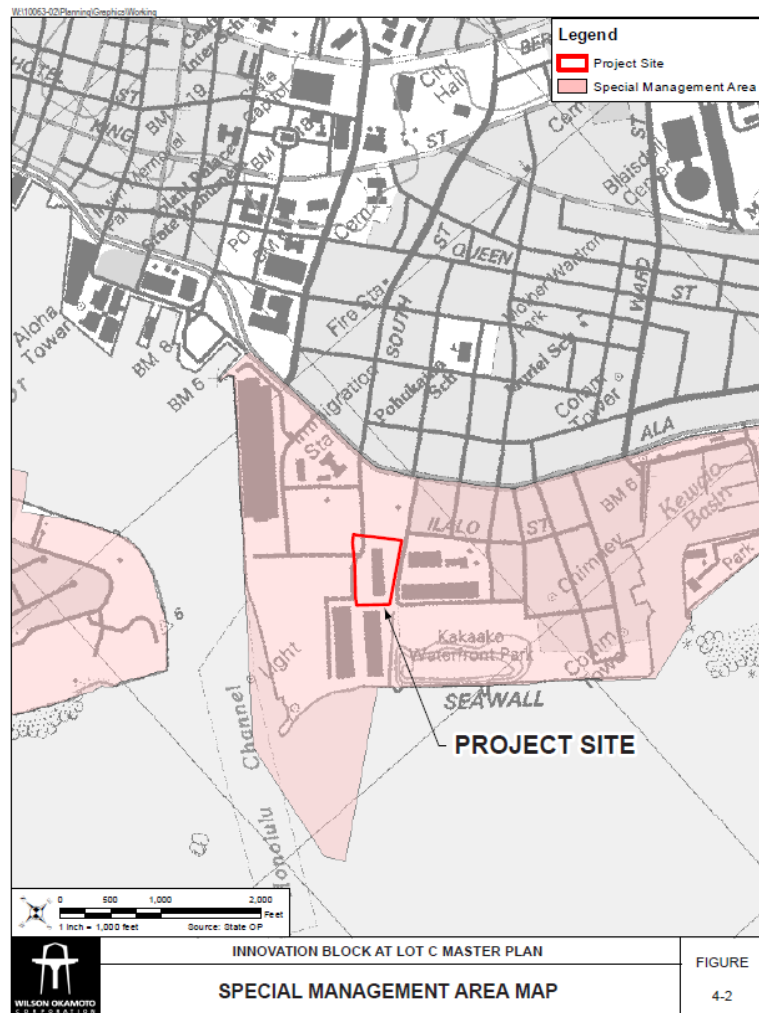
SPECIAL MANAGEMENT AREA

The subject is located within a Special Management Area (SMA). According to Chapter 25: Special Management Area of the Revised Ordinances for the City and County of Honolulu, it is the City and County of Honolulu's policy to preserve, protect, and where possible, to restore the natural resources of the coastal zone of Hawaii. Therefore, special controls on developments within shoreline areas have been adopted in order to avoid permanent loss of valuable resources and to insure that adequate public access is provided to public beaches, recreation areas, and natural reserves. In addition, it is the policy of the City and County to avoid or minimize damage to natural or historic special management area wetlands; to require that

activities not dependent upon wetlands are located at upland sites; and to allow wetland losses only when all practicable measure have been applied to reduce unavoidable losses.

Development within an SMA is subject to review by the City and County of Honolulu Department of Planning and Permitting. The construction of a development or structure within an SMA first requires the developer to obtain an SMA Use Permit, Minor Permit, or exemption. According to the City and County of Honolulu's Department of Planning and Permitting, the entire subject site is sited within an SMA.

Prior to development of urban land uses in a Special Management Area, specific rules and regulations must be met under the SMA Permit process. The rules and regulations pertain to the impact the development may have on the local environs including, but not limited to, sewer and water service; drainage; traffic flow and road capacity; wetlands,

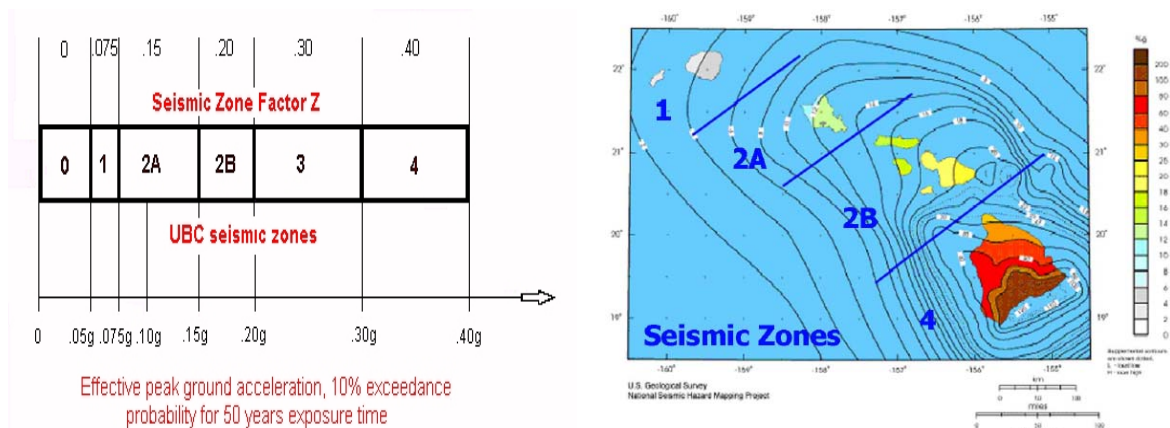


waterways and fisheries; compliance with local governments' land use regulations; and monitoring or archaeological finds before and during site development.

For properties situated within an SMA, certain additional permits for development are required. The process is governed by the County and creates an added layer of government approvals that must be obtained for a proposed development. There are two principle permits: an SMA Minor Permit and an SMA Major Use Permit. The Minor Permit is approved through an administrative process and which the project's fair market value must not exceed \$125,000. The Major Permit involves more detailed study and must be presented before the Planning Commission and a public hearing.

EARTHQUAKE SEISMIC ZONES

According to the United States Geological Survey (USGS), seismic hazards are classified under a system based on the expected strength of ground shaking and the probability of the shaking actually occurring within a specified time. The results are included in the Uniform Building Code (UBC) seismic provisions, which contain six seismic zones, ranging from 0 to 4 (the higher the number the greater the chance of severe shaking in a 50-year interval).

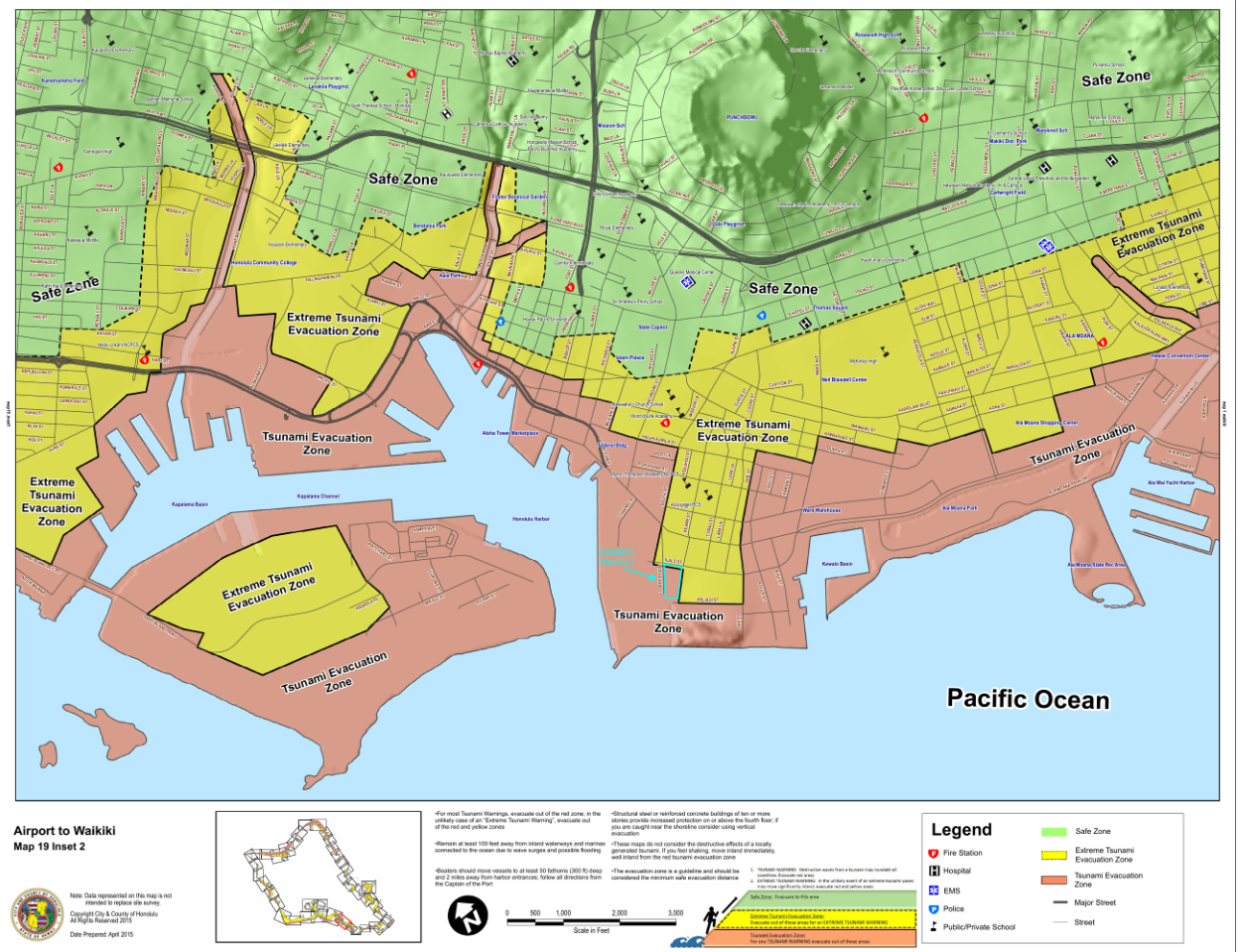


Source: United States Geological Survey Website (www.usgs.org) with additional annotations by Leshar Chee Stadlbauer

According to the 1997 Hawaii's Seismic Zone Assignments map (annotated by Leshar Chee Stadlbauer) provided above, the Island of Oahu (location of subject site) is located within seismic zone 2A. This zone identifies areas with a 10% chance of shaking with a force of up to .15g in a 50-year interval.

TSUNAMI EVACUATION ZONE

According to the Oahu Civil Defense Agency's Evacuation Zone Maps, Map 19 Inset 2: Airport to Waikiki, the vast majority of the subject property is located within a Tsunami Evacuation Zone. The subject's location is approximated and highlighted in blue below.



Persons located within a tsunami evacuation zone must begin evacuation if an evacuation advisory/order is issued by civil defense (3 to 4 hours prior to wave arrival). We also note these maps are used for civil defense purposes only and are not used to establish insurance or development policies.

HAWAII AND NATIONAL REGISTER OF HISTORICAL PLACES

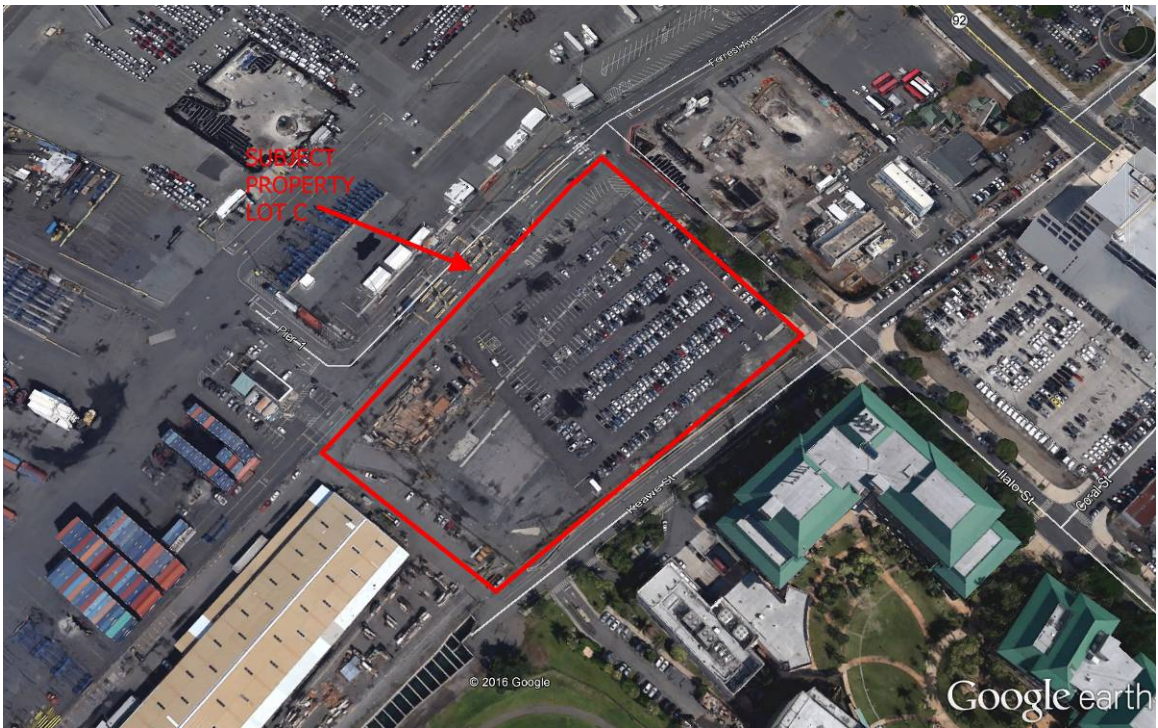
A review of the Hawaii and National Register of Historical Places did not list the lands encompassing the subject property as being identifiable historic places.

CENSUS TRACT NUMBER

The subject property is located in Census Tract No. 38.00, as exhibited on the 2010 Census Tracts map for the Island of Oahu, prepared by the State of Hawaii's Department of Business, Economic Development and Tourism.



SITE DESCRIPTION



Source: Google Earth with annotations by Leshler Chee Stadlbauer



Lot C consists of an open asphalt paved parking lot currently accessible via Ilalo Street. The paid parking lot is accessed via a gated entry located on Ilalo Street in the proximity of the corner of Forrest Avenue and Ilalo Street. The project site also borders Keawe Street along its southeastern border. The Keawe Street "extension" located between the makai side of Ilalo Street (fronting the Cancer Research Center site) and ending in the vicinity of the subject's Mauka/Diamond Head corner is considered a privately owned street.

Lot C contains an area of 5.511 acres in aggregate. The dimensions of Lot C are: 600 feet of linear frontage along parcel 51 at its easterly boundary; nearly 445 feet along Ilalo Street at its northeasterly boundary; 585 feet along the northwesterly boundary adjoining the access easement for Parcel 51, and approximately 309 feet its border with Parcel 51 along its southwesterly boundary. The Kakaako Waterfront Park is located east/ southeast of the subject, across of the canal.

The subject site features level topography and is located at "street grade". Off-site improvements feature sidewalks, asphalt paved streets, drains, and overhead street lighting and utilities in the vicinity of the subject.

Lot C is located on filled lands situated atop a coral reef. A geotechnical/engineering report was not available for this assignment. The Kewalo Basin area has historically been used for military, and now currently commercial and government uses. We believe the proven historical use of the area should not preclude continued commercial use of the area. However, our findings and conclusions thus may be subject to change pending the availability of additional information.

VIEW PLANES

Despite the subject's proximity to the ocean, view planes are limited. The Diamond Head (easterly) views are blocked by existing berms within Kakaako Waterfront Park. According to the City and County of Honolulu's Dept. of Planning and Permitting website, the peak of the park's rolling topography is 40 feet. We note that the subject site's height limit is 100 feet. Therefore, it may provide a floor high enough to overlook the park. At ground level, the makai/southerly ocean views are partially blocked by the built-up seawall and a steel-warehouse located on the adjacent Ewa parcel.

Providing following are photos of the subject property taken during the April 8, 2016 site visit:



View of Keawe Street, camera facing southwest. JABSOM is visible to the left and a portion of the subject property is visible to the right.



View of Ilalo Street, camera facing southeast. JABSOM is visible in the background (green roof) and a portion of the subject property is visible to the right.



View of the subject's northern corner (to the left of photograph) along the Ilalo Street/ Forrest Avenue boundary. Camera is facing southwest.



View of subject site taken from the corner of Keawe and Ilalo Street, camera facing west.



View of the subject site taken from its eastern corner on Ilalo Street.



Eastern portion of subject site, camera facing southwest, Re-Use Hawaii is visible to the rear of the subject property.



View of the southern portion of the subject site, camera facing generally south. Re-Use Hawaii building is visible in the background.



View of the western portion of the subject site at its Boundary with Piers 1 & 2, camera facing north/northeast.



View of central portion of site, camera facing northeast. JABSOM is visible to the right.

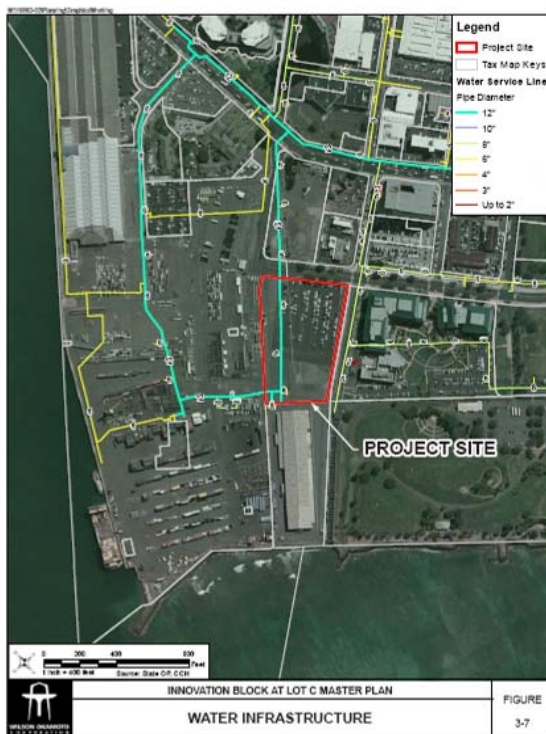


View of the subject property current entrance to paid parking lot along Ilalo Street. Camera facing south.



View of western/ central portion of site, camera facing southwest.

UTILITIES



Source: Draft Environmental Assessment Lot C, September 2015

According to the Final Environmental Assessment, the Water and Wastewater service for Lot C are summarized as follows:

Water

The project site is traversed by a 12-inch buried waterline with three 6-inch stub-outs within the parcel. The nearest Board of Water Supply potable water source in the vicinity of the project site is the Beretania Station. The water system serving the project area is shown in Figure 3-7.

No short- or long-term significant impacts are anticipated to result from the development and operation of the proposed project improvements. Water service will be provided from the 12-inch waterline. The HCDA will be required to obtain a water supply allocation from the State Department of Land and Natural Resources and to pay the Board of Water Supply's Water System Facilities charges.

Waste Water

A 21-inch municipal sewer line lies beneath Ilalo Street fronting the project site (See Figure 3- 8), That line, along with a 16-inch sewer line coming from the opposite direction beneath Ilalo Street, discharge into a 24-inch line near the intersection of Ilalo and Keawe Streets. The 24-inch line carries the combined flows to the City & County of Honolulu's Ala Moana (wastewater) Pump Station, which is located opposite Ilalo Street from the project site.

The pump station receives wastewater flows from Kakaako to Pauoa/Dowsett Highlands on the west to Niu Valley on the west. A 78-inch force main extends underground from the pump station and traverses the project site's eastern border, continuing through the Pier 1 area before crossing beneath Honolulu Harbor to the Sand Island Wastewater Treatment Plant where the wastewater is received for treatment and disposal.

There is a non-municipal wastewater service line that traverses beneath the project site to collect wastewater from areas makai of the project site. No wastewater is currently generated from the project site.

Wastewater service will be provided by the City and County of Honolulu's Department of Environmental Services (ENV). Wastewater from the proposed project will be conveyed to the existing 21-inch sewer line along Ilalo Street through two new service laterals. In addition, the existing service line traversing the project site will be relocated to the Ewa edge of the project site, paralleling Forrest Avenue. Additional new service lateral(s) to the relocated line will serve future phases of the proposed project. All wastewater flows generated at the project site will continue to be conveyed to the Ala Moana Pump Station.

No significant impacts are anticipated on the existing wastewater system as a result of the construction and operation of the proposed improvements as the collection, treatment and disposal system is adequate to serve the proposed development.

Due to the proximity of the Ala Moana Pump Station and force mains to the project site, there is a potential for odors and noise emanating from these facilities during periods of maintenance, construction work or as a result of unexpected operational issues or emergencies that could impact future occupants of the project site.

Electricity, telephone and cable services are available to the subject site.

ENVIRONMENTAL CONDITIONS

The adjacent and surrounding land uses have long been used for military/industrial/and landfill purposes. Several sites located within the makai area are known to contain environmental conditions (i.e. JABSOM, Kakaako Waterfront Park, Children's Discovery Center, and Kewalo Basin). The subject is surrounded by and located in close proximity to these known contaminated sites.

A Phase I Environmental Site Assessment (ESA) was completed in July 2015 for Lot c. No recognized environmental conditions (REC) were reported except for the potential presence of contaminants associated with historical usage, operations (former UST, storage practices, etc.) and suspect fill operations.

COUNTY ASSESSED VALUATION

In Hawaii, property taxes reflect a January 1 calendar year assessment (the actual valuation date by the County Assessor is October 1 of the preceding year). The City and County of Honolulu assesses real property at 100% of the assessor's estimate of market value (this is the case with all counties in the State of Hawaii).

According to the City and County of Honolulu Real Property Tax Division, the subject parcel was assessed the following land valuations for the 2014 through 2016 calendar years.

Assessed Values Calendar Years 2014 - 2016			
Year	Assessed Land Value	Price per Square Foot	% Change
2016	\$33,608,300	\$140.03	+17.0%
2015	\$28,807,100	\$120.02	+9%
2014	\$26,406,500	\$110.02	N/A

RECORDED OWNERSHIP

According to public records, the subject is owned by the Hawaii Community Development Authority (HCDA) a state agency.

EASEMENTS, RESTRICTIONS, AND ENCUMBRANCES

We were not provided with a copy of the current title report for Lot c. According to the tax map, the following easements were identified:

Sewer easement for a 78" Ala Moana Sewer Force Main (located near the subject's east/ southeastern boundary.

Sanitary Sewer Easements S-1 (6,697 square feet) and S-2 (307 square feet) located near the central portion of the subject parcel

Pipeline Easement "B" located near the norther corner of the parcel

Perpetual Non-exclusive Easement "M" (in favor of Parcel 51) 2,893 square feet located on the eastern border of the subject parcel.

PROPOSED IMPROVEMENT DESCRIPTION

KAKAAKO MAKAI INNOVATION BLOCK AT LOT "C"

According to the RFP, the overall civic mixed-use commercial project is envisioned to be comprised of various components including the Innovation Hale. The Entrepreneur's Sandbox/Collaboration Center are viewed as an extension of the tech business incubator operated by the High Tech Development Corporation of Hawaii (HTDC). An existing Innovation Center facility in Manoa is slated to be relocated in the proposed "Entrepreneur's Sandbox" at the northeastern corner of the subject site. The Entrepreneur's Sandbox will be complemented with the Innovation Hale (commercial office and retail), Incubation Center, Learning Center and parking are also proposed to be constructed on the site. The various components are summarized following:

- Entrepreneur's Sandbox (approximately 13,500 SF)
- Innovation Hale (approximately 150,000 SF)
- Kewalo Incubation Center (KIC) (approximately 47,000 SF)
- Learning Center (approximately 140,000 SF)
- Regional Parking Garage (approximately 900 stalls)

As noted, the RFP addressed only development of the Entrepreneur's Sandbox/Collaboration Center and an Innovation Hale. The Kewalo Incubation Center, Learning Center and parking were outside the scope of the RFP.

INNOVATION HALE

In response to the RFP, Stanford Carr Development (SCD) submitted a proposal (dated February 8, 2016) to develop the Sandbox and Innovation Hale. SCD's proposal involved developing the Sandbox on behalf of HCDA under a fee based arrangement. SCD proposed to develop the Innovation Hale to involve a "privately owned condominium



3D MASSING ALONG KEAWE STREET
HTDC PHASE 1 A & B - CONCEPTUAL DESIGN

office building, which is designed as a 7 story building consisting of approximately 153,000 square feet of space". Consistent with the RFP, the tower is adjacent to a lowrise component (along Ilalo Street) referred to as the Collaboration Area. SCD further proposed to form a limited partnership with two future unit owners who will occupy the first two levels (Fisher Hawaii and 'ike). SCD requested that a 65-year

ground lease be granted by the State of Hawaii for use of the land underlying the Innovation Hale.



3D MASSING ALONG ILALO STREET
HTDC PHASE 1 A & B - CONCEPTUAL DESIGN

While we have described Lot C in aggregate, the intended use of this appraisal is to estimate market ground rent for the portion of the site to be developed with the Innovation Hale. SCD's proposed site plan is provided on a following page. As exhibited, the Innovation Hale will front Ilalo Street and also feature exposure to Keawe Street through a proposed open courtyard. The SCD proposal did not quantify the area to be ground leased but

the ground floor of the Innovation Hale will entail ~ 40,700 square feet of site area. In addition to the overall site plan, the ground floor plan for the Innovation Hale has also been provided. Additional floorplans, elevations and SCD's "development narrative" for the Innovation Center are provided in the Addenda.



MASTER PLAN

PHASE 1:

- A - SANDBOX
- B - INNOVATION HALL

PHASE 2:

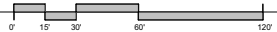
- C - PARKING STRUCTURE & LOADING ZONE
- D - KEWALO INCUBATION CENTER
- E - PUBLIC PLAZA

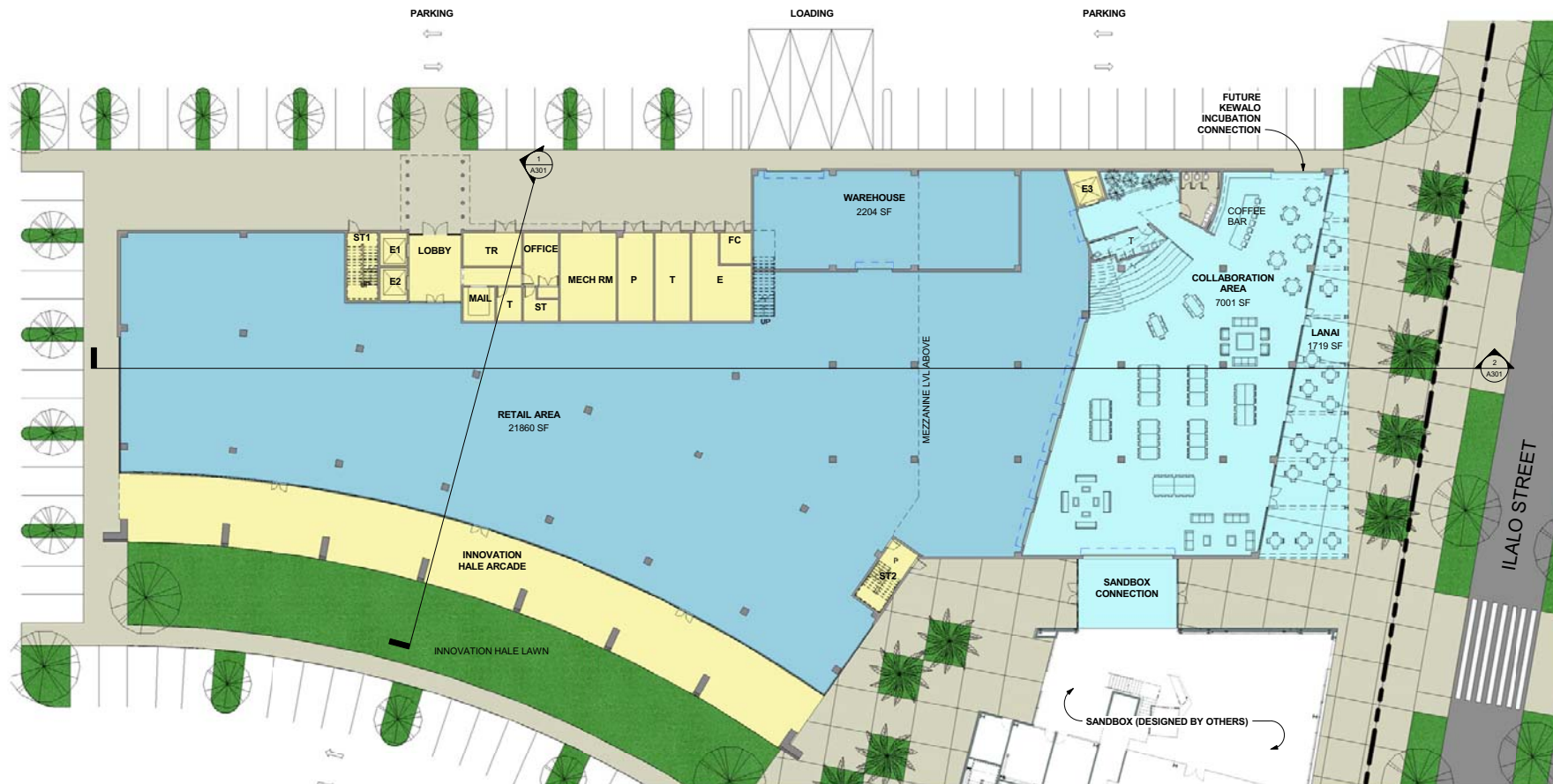
PHASE 3:

- F - LEARNING CENTER

MASTER PLAN - PHASE 1, 2 & 3

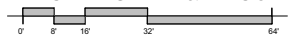
HTDC PHASE 1 A & B - CONCEPTUAL DESIGN





1ST FLOOR PLAN

HTDC PHASE 1 A & B - CONCEPTUAL DESIGN



A101
SHEET NO.

ADG
ALAKEADESIGNGROUP
ARCHITECTURE | PLANNING | INTERIOR

HIGHEST AND BEST USE

DEFINITION AND DISCUSSION

Highest and best use is shaped by the competitive forces within the market where the property is located. Accordingly, given the market orientation of highest and best use analysis and market value, highest and best use analysis is the basis for all valuation assignments. It is important to note that while the concept is linked to feasibility, the reasonable likelihood that a project will satisfy specific objectives will often address considerations that are beyond the scope of highest and best use analysis.

The Appraisal of Real Estate (*Appraisal Institute, 14th Edition, 2013, Pages 331-358*) provides guidance for the development of a conclusion of *Highest and Best Use*. The four criteria that must be addressed in the highest and best use analysis are legal permissibility, physical possibility, financial feasibility, and maximum productivity. Conclusions for both the land as though vacant and the property as improved are reported in terms of

- use,
- timing, and
- market participants, i.e., users or most probable buyers or tenants. Appraisers determine the most likely users for a specified use as well as probable buyers, who may have different motivations for purchasing the property.

Highest and best use is associated with the land residual concept of the classical economists which incorporates the principles of balance and the related concept of contribution which are concerned with equilibrium among the agents of production (i.e., labor, capital, coordination and land). Essentially, the theory is that land value is equivalent to the portion of total property income that remains after all of the improvement costs are paid. In Hawaii, due to scarcity of available entitled development sites, this traditional theory may have limitations where the market data indicate that owner/users are willing to pay high prices for sites in order to secure a place for their business operations; even in the face of prevailing rental rates for improved properties that would not support the prices paid from a strict return on real estate perspective.

Given that the purpose of this assignment is to form an opinion in market value of the fee simple real property interest in the site underlying the Innovation Hale, as if vacant and available for development to its highest and best use, discussion of the highest and best use is limited to the site as if vacant.

HIGHEST AND BEST USE AS VACANT

LEGALLY PERMISSIBLE

The portion of Lot C proposed to be developed with the Innovation Hale is zoned MUZ, Mixed-Use Zoning. This zoning designation allows for a wide variety of commercial uses. However, residential development within the Kewalo Peninsula sub-area is not permitted.

PHYSICAL POSSIBILITY

The next step of highest and best use analysis is to determine the uses which would be physically possible on the site. Consideration must be given to the physical characteristics of the site; the utility of the site in terms of its frontage, depth and access; and the capacity and availability of the public infrastructure in place.

As vacant, the portion of Lot C proposed to be developed with the Innovation Hale features a rectangular shaped parcel, level topography, with relatively limited street frontage along Ilalo Street. The site is level and located at street grade with adequate depth and width to support a wide range of development options. However, the site features somewhat narrow dimensions. Further, the subject is presumed to be serviced by an adequate level of public utilities.

It is our understand that the Kewalo Basin region is filled land created atop an old coral bed. A soils engineering report was not available for this assignment. Our findings and conclusions presume existing utilities and underlying geotechnical conditions allow the subject site to be developed to maximum allowed density.

FINANCIALLY FEASIBLE

It is at this point in highest and best use analysis that the economic forces of supply and demand should be considered in conjunction with the prior two criteria. In analyzing the financial feasibility of the various development options for the subject property which are physically possible and legally permissible, we initially considered retail and office development.

The potential for multi-tenant office use of the subject site was analyzed. Due to current income and cost dynamics we do not believe multi-tenant office development is financially feasible (as if operated as a traditional income property). The program use proposed by SCD for the Innovation Hale involves selling various office and retail space as commercial condominiums.

While the subject is located in the proximity to Ala Moana Shopping Center and the Victoria Ward Shops, it is not adjacent to either. The subject also has relatively limited street traffic and is located a considerable distance from Ala Moana Boulevard. Development of multi-tenant retail use was also determined to be financially infeasible.

MAXIMALLY PRODUCTIVE

We could not identify any particular use of the subject site which would be clearly financially feasible on a strict return to real estate basis. However, this is not particularly unique to the subject property. Commercial and industrial land values in urban Honolulu are currently driven by the motivations of owner-users. Hence, many sites are worth more than what they can financially support as an income property.

Owner-user type development often does not involve a strict return to real estate. Rather such buyers treat real estate costs as an agent of production. Value then is set by supply and demand (or more often the case, scarcity).

Accordingly, we believe the market value of the subject would be driven by the motivations of owner-users. Potential use could conceivably involve office and or retail use involving owner-users. Other possibilities include community-oriented types of uses such as schools, churches and or medical clinics.

Section II

VALUATION

VALUATION SECTION II-A

FEE SIMPLE LAND VALUATION BY SALES COMPARISON

VALUATION METHODOLOGY

Typically, there are six methods to value vacant land:

- 1) The **Sales Comparison Approach**, involving comparison of similar vacant properties which have recently sold,
- 2) The **Allocation Method**, involving the application of a typical ratio of land value to property value for improved properties in a particular area which have recently sold,
- 3) The **Extraction Method**, involving the deduction of depreciated improvement costs from the sale prices of improved properties which have recently sold,
- 4) The **Subdivision Development Method**, involving the estimation of individual lot values, as if the land were subdivided, and subtracting total development costs from the aggregate values of the individual lots,
- 5) The **Land Residual Technique**, involving the capitalization of estimated residual income attributable to land into value, for improved income producing properties, and
- 6) The **Ground Rent Capitalization Technique**, involving the capitalization of ground rent into value for leasehold properties reflecting market ground rents.

Of the available methods of land valuation, the Sales Comparison Approach was considered to be most applicable to the valuation of the subject site. This land valuation approach involves the use of sales transactions of vacant or nominally improved sites, which were compared to the subject site in regards to certain elements of comparison, after time of sale and terms of sale factors were considered. Our research indicated that the existing market data is of a sufficient quality and quantity for purposes of conducting a Sales Comparison Approach valuation analysis. The Sales Comparison Approach is based on the principle of substitution, which presumes that purchasers of a property will consider their available alternatives and that the purchaser will act rationally or prudently on the basis of this information. Hence, this approach addresses various pertinent supply and demand factors in a given market. Often, if a sufficient quantity of relevant market data is available, this valuation approach is the valuation analysis of choice for many land valuation assignments.

SELECTION OF MARKET DATA FOR SUBJECT SALES COMPARISON VALUATION

Market research was carried out for the purpose of gathering and analyzing market transactions, which could serve as indicators of fee simple land value for the subject site. We researched sales of vacant or marginally improved sites in urban Honolulu.

Ideally, comparable selection would be limited to other lands in Kakaako Makai. Such lands would be, like the subject, administered by HCDA's Makai Area Plan and Rules. The Makai Area Rules are distinct from the Mauka Area Rules and in particular prohibit residential development in Kakaako Makai. Aside from the Office of Hawaiian Affairs (OHA) settlement with the State of Hawaii (SOH) involving 30.718 acres of former SOH owned land in 2012, we are unaware of any land transactions in Kakaako Makai. Kamehameha Schools has confirmed that none of their lands in Kakaako Makai have been subject to any recent ground rent reopenings. The 30.718 acres comprise ten distinct parcels ranging in area between .938 and 5.082 acres. In conjunction with OHA's claims involving use of Public Land Trust Lands (Ceded Lands), a \$200 million settlement was agreed to by the parties. The SOH offered title of the 30.718 acres as a form of settlement. On a unit basis, the settlement equates to \$149.47 per square foot. As reported in a market assessment report prepared by Sanford Murata, Inc. on behalf of OHA, two independent appraisals (effective November 30, 2011) had concluded overall market values between \$194,200,000 (average of \$145/sf) and \$199,130,000 (average of \$149/sf). The appraised values represent the total retail value of the 10 parcels on a parcel by parcel basis according to the Murata report. OHA moved forward with this transaction with benefit of due diligence that the Kakaako Makai lands involved a combined market value approximating \$200 million. While highly notable, we had reservations whether this transaction could be reasonably utilized as a direct comparable.

The next most plausible submarket for comparable selection would be Kakaako Mauka. While there has been some market activity here, sales of larger sites have typically involved proposed residential condominium development. We ultimately excluded any comparable that was acquired for purposes of residential development. The residential condominium developer was considered to be outside the conceivable market of potential buyers for the subject property. Despite its proximity to the subject, we could not identify any transactions in Kakaako Mauka which could be utilized as a direct comparable due to this criteria. After taking this into consideration, we widened our research to the remainder of urban Honolulu.

Due to the limited quantity and quality of transactions involving fee simple commercial zoned sites, fee simple land indicators extrapolated from ground rent re-openings were also utilized within our analysis. Given the prevalence of leasehold ownership in the market area, the land value base extrapolated from ground rent renegotiations is commonly used in the marketplace as indicators of fee simple land value. Consistent with the marketplace, we have included recent ground rent renegotiations within the data set selected for critical analysis of the subject.

Table II-1

**SUBJECT FEE SIMPLE LAND VALUATION
SITE UNDERLYING THE PROPOSED INNOVATION HALE
PORTION OF KAKAAKO MAKAI LOT C
As of the Date of Value - April 15, 2016**

SUBJECT					
FACTUAL DATA SUMMARY	PROPERTY	1	2	3	4
Tax Map Key (Division 1)	2-1-15: 52 (por)	1-7-26: 4, 16	1-2-13: 06	2-4-02: 05, 31	2-1-26: 15
Project	Innovation Hale	ASB Campus	Foremost	CVS	345 Queen St Bldg
Location	Ilalo Street	N. Beretania Street	2277 Kamehameha Hwy	1026/ 1030 S. King	345 Queen St
Area	Kakaako Makai	Aala	Kalihi	Lower Makiki	CBD
Current Use/Use at Time of Sale	Parking Lot	Vacant	Vacant	Office	Office Building
Proposed Use	Commercial Condo	Office Campus	Industrial and Parking	Retail	N/A
County Zoning/Land Use	MUZ	BMX-3	I-2	BMX-3	B-2
Height Limit (in feet)	100	200	60	150	100
Date of Agreement		Sep-14	Jun-13	Jul-11	N/A
Recordation Date		Nov-14	Aug-13	Nov-12	Apr-14
Transaction Type		Deed	Deed	Deed	Ground Rent Re-Opening
Fee Simple Equivalent Sales Price - Land		\$12,000,000	\$21,000,000	\$15,200,000	\$4,647,300
Total Site Area (Square Feet)	127,500 [1]	62,595	174,501	68,703	22,236
Site Area in Acres	2.927	1.437	4.006	1.577	0.510
Sales Price per Square Foot of Site Area		\$191.71	\$120.34	\$221.24	\$209.00
Maximum Allowable Floor Area Ratio	1.50	3.50	2.50	3.50	2.50
Maximum Allowable Floor Area (Square Feet)	191,250	219,083	436,253	240,461	55,590
ADJUSTMENTS					
Conditions of Sale		0%	0%	5.3%	0%
Adjusted Sales Price per SF Site Area		\$191.71	\$120.34	\$232.89	\$209.00
Market Conditions		3%	10%	20%	6%
Adjusted Sales Price per Square Foot of Site Area		\$197.30	\$132.63	\$279.46	\$222.06
Location/Exposure/View		10%	15%	-10%	-20%
Zoning / Land Use Controls					
Allowed Use		-5%	10%	-10%	0%
Density		-15%	-5%	-15%	-5%
Height Limit		0%	0%	0%	0%
Access to Utilities		0%	0%	0%	0%
Physical Characteristics:					
Shape, Topography, Access Etc.		-5%	0%	-5%	5%
Net Adjustment before Size		-15.0%	20%	-40%	-20%
Adjusted Sales Price per Square Foot before Size Adjustment		\$167.71	\$159.15	\$167.68	\$177.65
Size		-5.0%	2.5%	-5.0%	-10.0%
Total Adjusted Sales Price per Square Foot of Site Area		\$159.32	\$163.13	\$159.29	\$159.88
Weighting		25%	30%	20%	25%
Product		\$39.83	\$48.94	\$31.86	\$39.97
SUMMARY OF ADJUSTED VALUE INDICATORS					
Average Value per Square Foot of Site Area					\$160.41
Weighted Value per Square Foot of Site Area					\$160.60
CONCLUDED VALUE PER SQUARE FOOT OF SITE AREA					\$161.00
CONCLUDED AS-IS FEE SIMPLE LAND VALUE					\$20,530,000

[1] Site area extrapolated by HCDA based on SCD's proposed building area and HCDA Makai Area Rules.

SOURCE: LESHAR CHEE STADLBAUER

Ultimately, four transactions were selected to comprise our primary data set. The selected data can be summarized as: 1) Zoned B-2, I-2 or BMX; 2) having land areas between 22,235 and 174,501 sf; 3) transacting since July 2011; 4) involving unit sale prices/transaction values between \$120.34 and \$221.24 per square foot; 5) involving height limits of between 60' and 200'; and 6) being located between Lower Makiki and Kalihi.

MARKET DATA SUMMARY

The following map exhibits the location of the subject property and the comparable transactions.

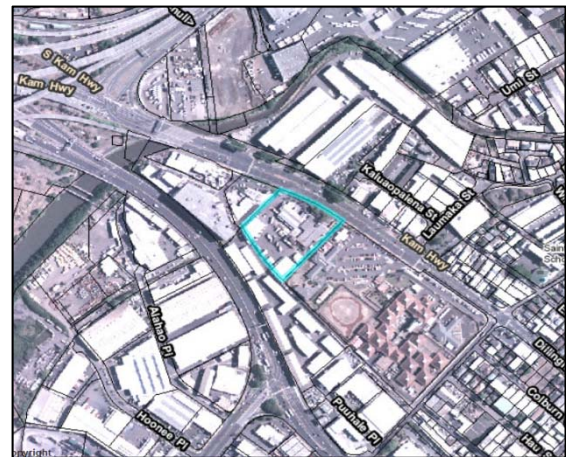


Source: Microsoft Streets and Trips

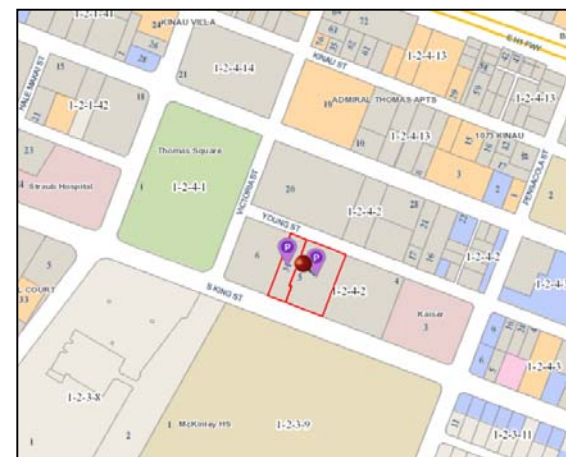
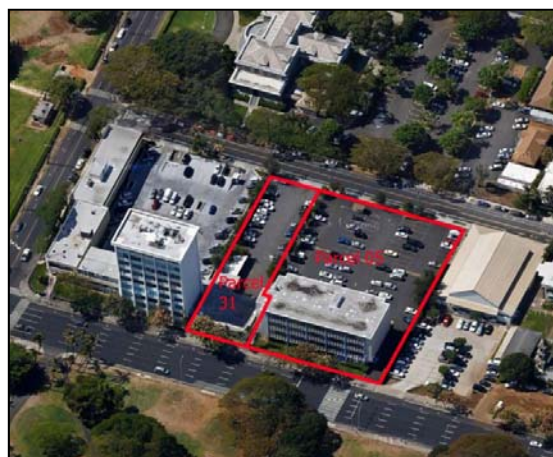
The respective primary comparables are summarized following:

Transaction No. 1 (TMK: 1/1-7-26: 4, 16) involves the fee simple acquisition of a vacant 62,595 sf site located across Aala Park along N Beretania Street between Aala Street and College Walk. The parties to this transaction are Pacific Constructors LLC (grantor) and American Savings Bank (grantee). The rectangular shaped masterparcel features a generally level topography with access along three thoroughfares. The site is zoned BMX-3 with a 200' height limit. The site is also encumbered by a deed restriction involving an affordable housing requirement if residential development occurs. The sales price was \$12,000,000 and closed on November 20, 2014. The site had been widely exposed to the market at an asking price of \$14,000,000 and was already under contract by September 2014 at what the listing broker then described as "close to asking". The sales price equates to \$191.71 per square foot of site area. The buyer

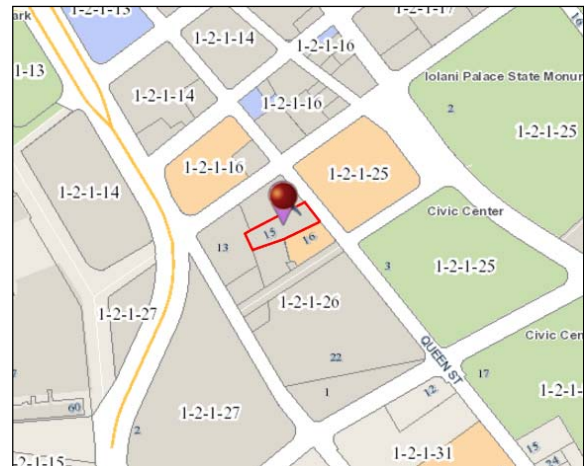
Portion of Lot C Underlying Proposed Innovation Hale



Transaction No. 3 (TMK: 2-4-02: Parcel 05 and 31) represents a November 2012 sale of a marginally improved site for redevelopment into a CVS drugstore. The site is located on the mauka side of S. King Street across from McKinley High School. The rectangular-shaped site is mostly level and contains 68,703 square feet (1.577 acres). The site is zoned BMX-3, Business Mixed Use District with a height limit of 150 feet. The two parcels had different sellers, but the buyer (CVS) believes they were negotiated independent of each other and hence, there was no assemblage premium. The sale recorded in November 2012 but was reportedly negotiated in mid-2011. The original aggregate sales price was agreed upon to be \$16,000,000; however, due to the presence of asbestos, the sales price was re-traded to \$15,200,000. Aside from this issue, the sales price was considered to reflect vacant land value and does not recognize any demolition costs. Based on the \$15,200,000 sales price, a unit value of \$221.24 per sf of site area results.



Transaction No. 4 (TMK: 1/2-1-26: 15) involves a ground rent re-opening for the 10-year period commencing April 1, 2014 for the site underlying the 345 Queen Street Building. Annual ground rent was established via mutual agreement and involved a 7% rate of return and a fee simple land value of \$4,647,300 or \$209.00 per square foot of site area. The parties to this transaction are Kump Properties (lessor) and Queen Street Building Associates (lessee). The 22,236 square-foot parcel is located on the mauka side of the neighborhood block bound by Queen Street, Mililani Mall, Richards Street and Halekauwila Street. The site is slightly irregular shaped and contains a generally level topography. The site is zoned B-2, Community Business District (100' height limit) and is also within the Hawaii Capital Special District.



Detailed Transaction Resumes are provided in following Section III.

VALUATION UNIT OF COMPARISON

The market for business zoned land traditionally recognizes price per square foot of site area as a standard unit of comparison. While we are familiar with true development land (involving condominium development sites) sometimes trading on per square foot of floor area, this unit of comparison was not considered applicable in this instance. Accordingly, our analysis utilizes price per square foot of site area.

The portion of Lot C which will underlie the Innovation Hale as proposed by SCD is estimated to be 40,700 square feet. Based on maximum allowed FAR (1.5), 100' height limit and open space requirements within the Makai Area Rules, the 153,000 square feet of proposed floor area could not be supported by only 40,700 square feet of site area.

By dividing the 153,000 square feet of building area by the FAR of 1.5, the resulting quotient is 102,000 square feet. After further factoring the 20% open space requirement, the total minimum underlying site is 127,500 square feet ($102,000 \div 80\%$). *Our valuation analysis thus was based on the hypothetical assumption that the site underlying the Innovation Hale is the equivalent of 127,500 square feet in area.*

DISCUSSION OF ADJUSTMENTS APPLIED TO THE MARKET DATA

The *Market Data Adjustment Schedule* reflects the elements of comparison considered necessary in this analysis; which include adjustments for conditions of sale, time/market conditions, location, zoning, and various physical characteristics. Once adjustments were applied to the vacant equivalent sales prices of the market data, a weighting process was employed, which gave greater emphasis to comparables most similar to the subject, to arrive at a final subject land value conclusion.

CONDITIONS OF SALE

Transaction No. 3 was impacted by extraordinary demolition costs associated with asbestos in the former improvements. An upward adjustment of 5.3% (\$800,000 ÷ \$15,200,000) was recognized.

No additional adjustments were considered necessary.

MARKET CONDITIONS ADJUSTMENTS

The market data transacted between July 2011 and November 2014. The market conditions adjustment recognizes possible changes in market conditions, which occurred between the respective transaction dates of the comparables through the effective date of value (appreciation/depreciation).

During 2005 thru mid-2007, commercial land values in urban Honolulu increased dramatically. We are aware of paired sales during this time period which demonstrate appreciation rates as high as 1.5% to 2.5% per month. Following mid-2007, Oahu's overall commercial real estate market softened as a result of the Great Recession. Market observers generally believe the overall market was static to declining through 2010. During this period, the commercial real estate market witnessed increasing overall capitalization rates, softening net rents, and slightly higher vacancy levels in most submarkets.

Ultimately, we believe that land values started appreciating during 2011. Land values have continued to appreciate through at least 2015. In support of this, we have provided the following paired sales (involving sale and resales of the same sites). These pairings involved initial sales prices that occurred in 2006 and 2007 and then resold between 2012 and 2014. As exhibited, overall appreciation has ranged between 25% and 50%. Annual average appreciation was between 3.88% and 8.79%. Because all these transactions were believed subject to both appreciation and depreciation between their two sale dates, a wide range in annual appreciation results.

PAIRED SALES ANALYSIS - MARKET CONDITIONS SALE AND RESALE TRANSACTIONS						
Property	Initial Sales Date	Price	Subsequent Sales Date	Price	Total Δ	Annual Δ
1/1-7-26: 04, 16 American Savings Bank Campus (FKA Town Inn)	Sep-06	\$8,900,000	Nov-14	\$12,000,000	34.83%	4.24%
1/1-7-02: 26 902 Kekaulike	Apr-06	\$4,150,000	Nov-12	\$5,200,000	25.30%	3.88%
1/2-3-41: 020 1685 Kapiolani	Oct-07	\$10,000,000	Jun-14	\$13,500,000	35.00%	5.27%
1/2-7-30: 56 Kilohana Square Expansion	Oct-07	\$2,737,000	Jun-13	\$4,090,000	49.43%	8.79%

In order to recognize changing market conditions we have adjusted the comparable transactions as follows:

- An upward adjustment of +5% per annually from 2011 and through mid-2015;
- Due to spiraling construction costs, we believe land values have been relatively static since mid-2015.

The overall adjustments for market conditions ranged between +3.0% and +20.0%.

LOCATION ADJUSTMENTS

The subject is located in Kakaako Makai and will be located immediately opposite of Keawe Street from JABSOM. While being exposed to JABSOM (from a proposed open courtyard), the subject actually fronts Ilalo Street which is the main Diamond Head-Ewa thoroughfare through Kakaako Makai. Other notable uses include the Kakaako Waterfront Park, the 677 Ala Moana Building, Honolulu Harbor Pier 1 and Reuse Hawaii warehouse. JABSOM and the UH Cancer Research Center were the initial steps in the rebirth of Kakaako Makai, but no new development has followed despite proposed developments such as the Life Science Research Complex. The exclusion of residential development in Kakaako Makai had undoubtedly impacted development here. In response to a proposal by A&B Properties to develop Kakaako Makai under a masterplan including residential condominium towers, there was considerable community opposition. This ultimately led to amendments to the Makai Are Rules prohibiting residential development in 2006. However, in conjunction with their acquisition of former SOH lands in Kakaako, OHA is preparing a masterplan centered around a live-work-play concept that appears to entail future residential development.

In regards to location, the subject benefits greatly from its highly centralized location in Honolulu. However, Kakaako Makai does suffer from a well-publicized and sizable homeless population who camp illegally in Kakaako Gateway Park, Kakaako Waterfront Park as well as on public sidewalks. While this issue may ultimately be temporary, the SOH, CCH and other stake holders have been mostly ineffective in resolving this issue as of the date of value. Accordingly, this was recognized in our location analysis.

The only other notable negative that we cite involves the existence of the County wastewater pumping station located directly across Ilalo Street. Under certain climatic conditions, sewer odor can emanate from this site to surrounding properties including the subject. There is also some potential visual blight from directly overlooking a wastewater pumping station.

Transaction No. 1 is located across Aala Park and like the subject neighborhood suffers from a homeless issue. This location was considered inferior to the subject's and was adjusted upward by +10%.

Transaction No. 2 is located along Kam Highway at the Ewa end of Kalihi near Middle Street. This location was considered inferior to the subject's and was adjusted upward by +15%.

Transaction No. 3 is located in lower Makiki along S. King Street and near McKinley High School. This location was considered superior to the subject's and was adjusted downward by -10%.

Transaction No. 4 is located along Queen Street in the CBD. Land values in the CBD have historically traded at a significant premium. This location was considered superior to the subject's and was adjusted downward by -20%.

ZONING/LAND USE CONTROLS

The subject is classified as MUZ in the Makai Area Rules. A summary of MUZ was provided preceding, but in general allows a variety of commercial uses but precludes residential development. Density and height limit are limited to an FAR of 1.5 and a height limit of 100'. The zoning/land use controls adjustment was broken down into components addressing Allowed Use, Density and Height Limit.

Allowed Use

Transaction Nos. 1 and 3 are zoned BMX, which allows residential development. These transactions were utilized as comparables because neither one was acquired for this use. However, we believe some adjustment is required. Transaction No. 1 was encumbered by an affordable housing restriction that (in conjunction with its location) limited its desirability for condominium development. Transaction No. 3 had no such restriction but was not considered a trophy condominium development site due to its relatively low

height limit and location. Transaction Nos. 1 and 3 were negatively adjusted by -5% and -10%, respectively, for allowed use.

Transaction No. 2 is zoned I-2 (Intensive Industrial) which allows primarily for industrial uses with only a limited number of commercial uses. This transaction was positively adjusted by +10% for allowed use.

Transaction No. 4, which is zoned B-2 (Community Business) did not require adjustment.

Density

The subject has a relatively low allowed density of 1.5 FAR. For certain users, like say CVS or another retailer, this FAR is more than sufficient. For others, a 1.5 FAR may be problematic. As an example, American Savings Bank proposes to develop Transaction No. 1 to an FAR of ~ 2.4.

The comparables involve allowed FARs of between 2.5 and 3.5. If say the subject and comparables involved residential development, this disparity in allowed FAR would be highly material. However, it is unlikely that the effective market for the subject would consistently seek to develop it far in excess of its allowed 1.5 FAR. This was considered in tempering the adjustment for density. The comparables were adjusted by between -5% and -15% for density.

Height Limit

The comparables involve allowed height limits of between 60' and 200'. Again, if say the subject and comparables involved residential development, this disparity in height limit would be highly material. In addition, the disparity in height limit is already somewhat recognized in the allowed density. Neither the subject or any of the comparables feature a mega allowed density which requires a high height limit to achieve allowed density. Accordingly, a height limit adjustment was not considered to be warranted.

Utilities

The subject benefits from good access to public utilities as well as upgraded street infrastructure along Ilalo and Keawe Streets. No adjustments were necessary.

Physical Characteristics Adjustments

Adjustments for physical characteristics generally take into account such elements as shape, topography, and frontage. The subject property is assumed to feature a generally rectangular shape and a level topography with street frontage only along a single thoroughfare (Keawe Street).

Transaction Nos. 1 and 3 feature regular parcel shapes, level topography and frontage along multiple right of ways. These transactions were negatively adjusted by -5%. Transaction No. 2 was considered overall equal to the subject in this regard and was not adjusted. Transaction No. 4 is a narrow interior parcel with limited street frontage. This transaction was adjusted upward by +5%.

SIZE

With respect to size, we have found that, in many instances, smaller parcels reflect higher unit values/sales prices than larger parcels. This adjustment attempts to quantify the variances in price structures for parcel size as exhibited by the market.

Transaction Nos. 1, 3 and 4, which are smaller than the subject, were adjusted downward by between -5% and -10% for size. Transaction No. 2, which is larger, was adjusted upward by +2.5% for size. Following application of the size adjustment, the range of adjusted sales prices narrowed considerably.

WEIGHTING AND CONCLUSION OF FEE SIMPLE LAND VALUE

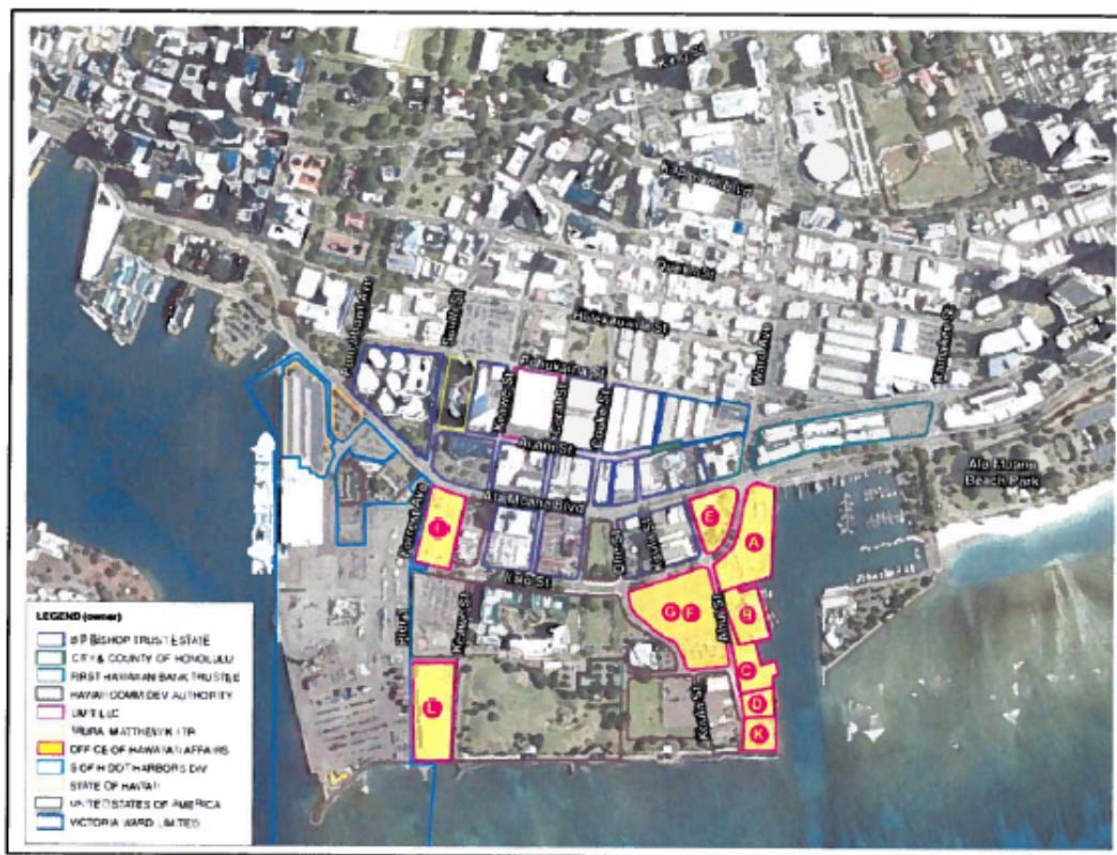
In preceding Table II-1, adjusted land transaction sales prices values ranged from \$159.29 to \$163.13 per square foot of site area. The mean of this range is \$160.41 psf. The respective transactions were accorded certain weighting depending on their scale of adjustment and appraiser opinion, in order to arrive at a weighted average. The weighted average of this range was \$160.60 psf.

Based on the preceding analysis, the market value of the fee simple interest in the subject property interest was estimated to be **\$20,530,000** (rounded) overall, or **\$161** per square foot of site area, as of April 15, 2016. As noted, the subject property is hypothetically presumed to contain the equivalent of 127,500 square feet in area.

As a check of reasonability, we again cite the OHA ceded lands settlement involving 30.718 acres comprised of ten distinct parcels ranging in area between .938 and 5.082 acres in Kakaako Makai. In conjunction with OHA's claims involving use of Public Land Trust Lands (Ceded Lands), a \$200 million settlement was agreed to by the parties. The SOH offered title of the 30.718 acres as a form of settlement. On a unit basis, the

settlement equates to \$149.47 per square foot. As reported in a market assessment report prepared by Sanford Murata, Inc. on behalf of OHA, two independent appraisals (effective November 30, 2011) had concluded overall market values between \$194,200,000 (average of \$145/sf) and \$199,130,000 (average of \$149/sf). The appraised values represent the total retail value of the 10 parcels on a parcel by parcel basis according to the Murata report. OHA moved forward with this transaction with benefit of due diligence that the Kakaako Makai lands involved a combined market value approximating \$200 million.

The OHA transaction, which essentially was negotiated in 2011, is highly supportive of our findings given the appreciation in land values which have since occurred. A map, which identifies the OHA parcels, was excerpted from the Murata report and is provided following.



Source: Sanford Murata, Inc.

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 6 to 9 months, as of the date of value.

VALUATION SECTION II-B

ESTIMATE OF MARKET GROUND RENT

In Hawaii, ground rent is typically calculated by applying a “rate of return”¹ to fee simple land value. Due to the market’s general distaste for leasehold, there has been a scarcity of new ground leases since the 1980s. We are familiar with the 2013 ground lease executed under the Kapolei Lofts rental apartment development in Kapolei. Future ground rent here will be calculated based on an 8.0% rate of return on fee simple land value. In addition to new ground leases, the next best reliable indicator has involved ground rent re-openings where rate of return requires establishment. We are not aware of any examples in Kakaako but consider market activity in nearby Downtown Honolulu to be highly relevant. We cite the following examples.

- The site underlying the Bank of Hawaii parking garage (TMK: 1/2-1-02: 14) involved a 2012 ground rent re-opening where the ground lease did not contain a stipulated rate of return. It is our understanding that in setting annual rent, an 8.0% rate of return on fee simple land value was recognized by both parties.
- The ground lease underlying the Executive Center condominium TMK: 1/2-1-12: 04) stipulated that the higher of 7.5% or the prevailing rate of return be utilized. Ground rent re-opened here based on an agreed upon 8.0% rate of return on land. This transaction occurred in February 2013.
- The ground lease underlying a portion of the Haseko Center Office Building (TMK: 1/2-1-26: 12) involved a 2014 ground rent re-opening where the ground lease did not contain a stipulated rate of return. Ground rent re-opened here based on an arbitration that found 8.0% to be the prevailing rate of return on land. This transaction occurred in November 2014.

We are aware of numerous other examples outside of Downtown Honolulu where 8.0% was recognized as the prevailing rate of return on Business, Apartment and Resort zoned land. Based on the available market data, we have concluded that 8.0% is the appropriate market supported rate to be applied to fee simple land value for purposes of establishing market ground rent.

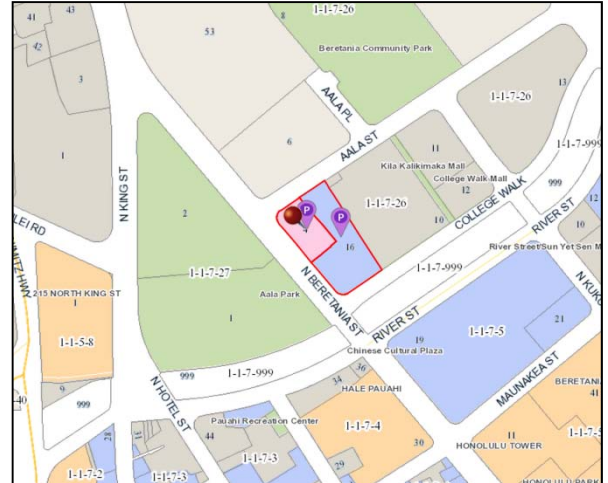
¹ While the concept of “rate of return” is typically utilized in applying a given percentage towards fee simple land value in arriving at ground rent, it is debatable whether this rate functions truly as a capitalization rate. The 8% rate of return on land utilized in urban Honolulu has become particularly resilient in the face of cap rate compression across practically all other competitive real estate investments. Hence, it does not behave like a true capitalization rate which typically moves in conjunction with market forces such as competition and the price of debt. As such, the 8% rate presently appears to function as a market convention purely for purposes of establishing market ground rent as opposed to a true land capitalization rate that may be utilized in say a band of investment model.

After applying an 8.0% rate towards the concluded fee simple land value of \$20,530,000, annual ground rent (as of April 15, 2016) was concluded to be \$1,642,400. On a unit basis, estimated annual ground equates to \$12.88 per square foot of site area.

Section III

RESUMES

TRANSACTION NO. 1 FORMER TOWN INN & SQUARE



PROPERTY IDENTIFICATION

Project

254 North Beretania & 1221 Aala Street
(former Town Inn & Square)

Street Address

254 North Beretania Street

Location

City and County of Honolulu, State of Hawaii

County Tax Map Key

(1) 1-7-026: 004 and 016

SALE DATA

Grantor

Pacific Constructors LLC (Highmark Investments, LLC)

Grantee

American Savings Bank, F.S.B.

Contract Date

November 20, 2014

Conveyance Instrument

Limited Warranty Deed

Recordation Information

Regular System Document No. A-54410243
recorded November 24, 2014

Property Rights Conveyed

Fee Simple

Conditions of Sale

Market

Financing

Conventional

Marketing Time

N/A

Verification Source / Phone No.

Wendell Brooks III (listing agent)

Contracted Price

\$12,000,000, or \$191.71/sf of site area

LAND DATA (LEGAL & PHYSICAL)

Land Area

Aggregate site area of 62,595 square feet or 1.437 acres. Parcel 4 contains 19,857 square feet. Parcel 16 contains 42,738 square feet.

State Land Use

Urban

Zoning (LUO or Other Ordinance)

BMX-3, Business Mixed-Use District

Maximum Allowable Density

2.5, increasing to 3.5 with open space bonuses

**TRANSACTION NO. 1
FORMER TOWN INN & SQUARE**

Maximum Height Limit	200 feet.
Special Districts	The property was located in the Honolulu Redevelopment Agency's Urban Renewal Plan for the Kukui Project No. Hawaii R-2 (KURP). However, the restrictions expired on May 9, 2007.
Flood Zone Information	FIRM Zone X
Easements or Use Restrictions	On June 6, 2006, the property was rezoned from B-2 to BMX-3 with a 200-foot height limit. In the process of rezoning the property, an affordable housing requirement was established via a <i>Unilateral Agreement and Declaration for Conditional Zoning (Recorded May 25, 2006)</i> . Per the <i>Agreement</i> , if a multi-family residential project were developed on the property, 20% of the total number of residential units in the project are required to be reserved for households with incomes up to and including 120% of the median income level or less; and no less than 10% of the total number of residential units in the project are to be delivered to households with incomes up to and including 80% of the median income level or less.
Shape	Rectangular
Topography	Level
Utilities Available at Time of Sale	Utility laterals in place.
View Amenity	None
Beach Front	None
Site Improvements	Site improvements include curbs, gutters, overhead street lighting, and paved roadways fronting property.
Bldg. Improvements at Time of Sale	The property was vacant at the time of sale.
Demolition	The former Town Inn & Square improvements were demolished after the 2006 sale of the property.
Comments	<p>The property was previously purchased in 2006 by HighMark Investments LLC who planned to develop a 225,000 square foot medical office facility. However, the developer cancelled their plans for the project and listed the property for sale (September 2007) for \$14 million.</p> <p>Buyer proposes to develop an owner-user office campus to consolidate various banking operations. Improvements to contain a reported 150,000 square feet of floor area over parking.</p>

**LAND TRANSACTION NO. 2
FORMER FOREMOST DAIRY SITE**



PROPERTY IDENTIFICATION

Street Address	2277 Kamehameha Highway
Location	City and County of Honolulu, State of Hawaii
County Tax Map Key	(1) 1-2-13: 6

SALE DATA

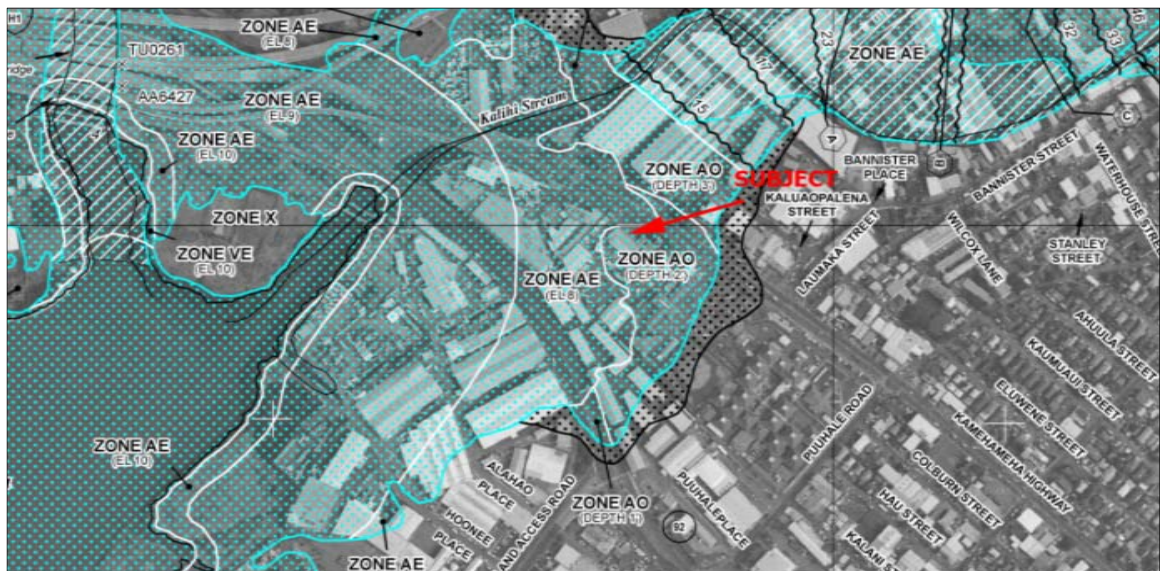
Grantor	Newfair Investments, LLC
Grantee	Paradise Cruise, Ltd.
Purchaser Profile	Owner-User
Contract Date/"Meeting of the Minds"	June 2013
Conveyance Instrument	Deed
Recordation Date	August 19, 2013 (Doc. 49790329).
Property Rights Conveyed	Fee Simple
Conditions of Sale	Market sale
Financing	Conventional – commercial bank.
Marketing Time	Late 2011/Early 2012
Verification Source / Phone No.	Bruce Nakaoka, Real Estate Manager, Tradewind Capital (representative of the seller), Ph: 564-8192; and Layne Wada, Buyer.
Contract Price	\$21,000,000 (\$120.34/sf of gross site area)

LAND DATA (LEGAL & PHYSICAL)

Land Area	174,501 sf (4.006-acres)
State Land Use	Urban
Zoning (LUO or Other Ordinance)	I-2, Intensive Industrial District
Maximum Allowable Density	2.5 FAR
Maximum Height Limit	LUO = 60' (Airport aviation easement height of 163')
Special Districts	None
Flood Zone Information	Flood Zones "AE" and "AO". Mandatory flood insurance purchase requirements and floodplain management standards apply.

According to the National Flood Insurance Program (NFIP), the Base Flood Elevation (BFE) for the flood zone "AE" portion of the site is stated to be 8' above Mean Sea Level (MSL). The flood map is shown below. According to the City and County's Department of Planning and Permitting online GIS website, the topography is approximately 5' for this site.

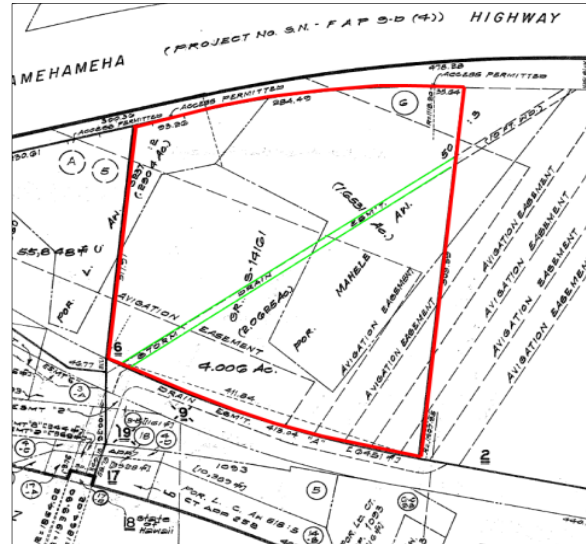
Flood zone "AO" represent coastal hazard areas that are mapped with flood depths instead of BFE. According to the State of Hawaii Flood Hazard Assessment Report, the flood depth is stated to be 2'.



Easements or Use Restrictions

Storm drain and aviation easements were noted in the legal description (refer to the annotated tax map shown following for location of storm drain easement). Cited in the legal description, "the Grantee may, at its expense, and with the consent and approval of the State of Hawaii or of

its successors, provide and construct a storm drain of equal flowing and carrying capacity and quality and adequately supported, over other portions of Parcel 6..." That is, the existing easement can be relocated if desired.

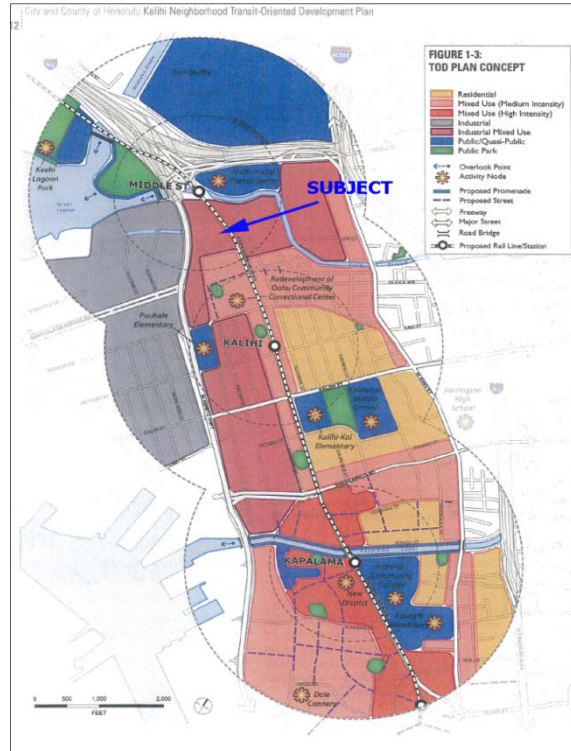


Transit Oriented Development

According to the *City and County of Honolulu Kalihi Neighborhood Transit-Oriented Development Plan (TOD)*¹, properties within 1/4 to 1/2 mile radius around the station/stop (a five or ten-minute walk), will be subject to additional development regulations which will provide a land use and circulation framework to guide future development. The TOD will also supplement or modify the underlying zoning district regulations which may have an effect on existing and future development. As shown, on the TOD Plan Concept illustration on the following page, this property will be situated in the Industrial Mixed Use TOD area. Due to the preliminary nature of the TOD concept, we do not have information at this time to determine if the subject property will eventually be upzoned from strictly I-2, Intensive Industrial District based on the current Land Use Ordinance to the conceptual Industrial Mixed Use² TOD area, which may allow greater commercial use. The buyer was aware of the future TOD plans but did not indicate that the plans affected the purchase price.

¹ Dated September 2012 and prepared by Dyett & Bhatia Urban and Regional Planners.

²"A mix of commercial and industrial uses allowing a range of business and employment opportunities; residential development is not permitted."



Shape

Irregular

Topography

Generally level (slight cross slope from east to west).

Utilities Available at Time of Sale

All utilities are readily available

Site Improvements

None

Bldg. Improvements at Time of Sale

None

Demolition

Former dairy improvements were razed during 2010-2011.

Comments/Analysis

This property entered the market in 4th Qtr. 2010 (listing agreement with CB Richard Ellis signed September 2010) as a fee simple purchase opportunity, a 30-year ground lease or a possible build-to-suit lease arrangement. Ownership (Newfair Investments, LLC) informs us that primary interest was from potential buyers of the site. The list price for the fee simple interest was \$126/sf.

The CBRE listing was terminated at the end of May 2011. By that time, an LOI from US Kinden Corp./Wasa Electrical had been received and negotiations were proceeding on that transaction. US Kinden Corp. / Wasa Electrical agreed to a price of \$20,500,000 (\$117.48/sf); however, by the end of 2011 the pending sale

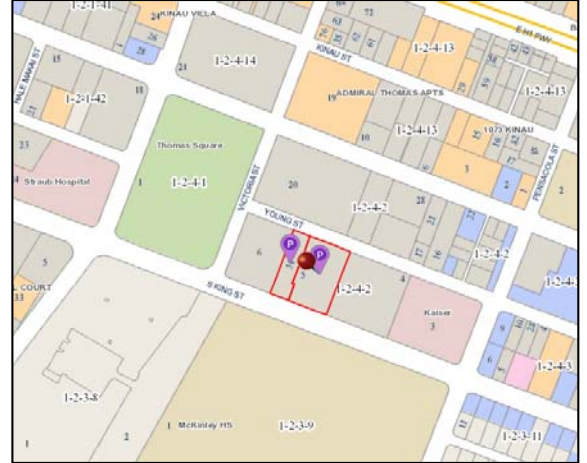
was terminated. The property owner did not disclose the reason for the cancellation of the Purchase and Sale Agreement (PSA) other than to say that elements of the PSA could not be agreed to by the parties involved.

During this period, ownership reports that unsolicited inquiries relative to the sale of the site were being received. Following the cancellation of the sale, ownership re-evaluated their options for the property and were planning to prepare their own marketing package to release to all commercial brokers. In addition, ownership began certain site cleanup under a Voluntary Response Program (VRP) agreement with the State of Hawaii Department of Health (February 2012).

In May 2013, Paradise Cruise, Ltd. submitted an offer to purchase and negotiations began in earnest. A pending PSA was accepted between ownership and Paradise Cruise, Ltd. (buyer) for the fee simple real property interest at a price of \$21,000,000 (\$120.34/sf). The final PSA is dated June 19, 2013.

Based on our interview with the buyer as well as information from ownership, there is a back-up offer at the current purchase price. Ownership also reports a second back-up offer has been received.

TRANSACTION NO. 3 MAKIKI CVS STORE



PROPERTY IDENTIFICATION

Project
Street Address
Location
County Tax Map Key

Makiki CVS Store
1026/1030 S. King Street
City and County of Honolulu, State of Hawaii
(1) 2-4-02: 05, 31

SALE DATA

Grantor

Grantee
Contract Date
Conveyance Instrument
Recordation Information

HK & K Building LP (Parcel 05)
K. Inouye Properties, Inc. (Parcel 31)
Long's Drugstore of California, LLC
Mid 2011
Warranty Deeds
Regular System Document No. A-47070267
recorded November 20, 2012 (Parcel 05)

Property Rights Conveyed
Conditions of Sale
Financing
Marketing Time
Verification Source / Phone No.
Contracted Price

Regular System Document No. A-47070268
recorded November 20, 2012 (Parcel 31)
Fee Simple
Market
Cash
N/A
Rock Tang (CVS)
\$15,200,000 or \$221.24/sf of site area

LAND DATA (LEGAL & PHYSICAL)

Land Area

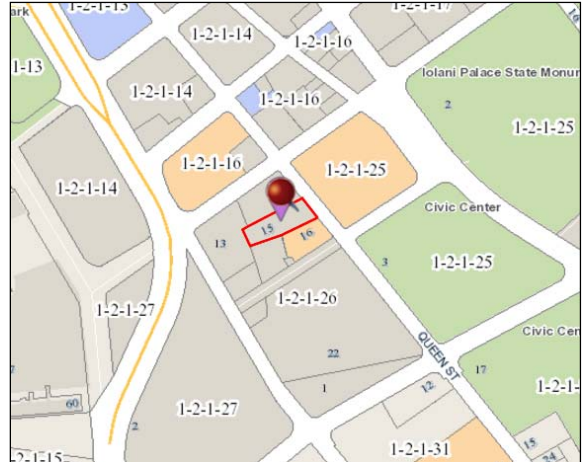
State Land Use
Zoning (LUO or Other Ordinance)
Maximum Allowable Density

Aggregate site area of 68,703 square feet or 1.577 acres. Parcel 5 contains 47,150 square feet. Parcel 31 contains 21,553 square feet.
Urban
BMX-3, Business Mixed-Use District
2.5, increasing to 3.5 with open space bonuses

**TRANSACTION NO. 3
MAIKI CVS STORE**

Maximum Height Limit	150 feet.
Special Districts	None
Flood Zone Information	FIRM Zone X
Shape	Rectangular
Topography	Level
Utilities Available at Time of Sale	Utility laterals in place.
View Amenity	None
Beach Front	None
Site Improvements	Site improvements include curbs, gutters, overhead street lighting, and paved roadways fronting property.
Bldg. Improvements at Time of Sale	Parcel 05 was formerly improved with a low rise office building and surface parking.
Demolition	The former improvements were demolished following the sale of the individual sites.
Comments	<p>The original aggregate sales price was agreed upon to be \$16,000,000; however, due to the presence of asbestos, the sales price was re-traded to \$15,200,000. Aside from this issue, the sales price was considered to reflect vacant land value and does not recognize any demolition costs according to the buyer. Based on the \$15,200,000 sales price, a unit value of \$221.24 per sf of site area results.</p> <p>The transaction involved two separate sellers but the sales were negotiated independently and the buyer does not believe a consolidation premium was paid.</p>

**LAND TRANSACTION NO. 4
345 QUEEN STREET BUILDING**



PROPERTY IDENTIFICATION

Street Address

Location

County Tax Map Key

345 Queen Street

City and County of Honolulu, Island of Oahu,
State of Hawaii

(1) 2-1-26: 15

TRANSACTION DATA

Lessor

Lessee

Purchaser Profile

Rent re-opening Date

Conveyance Instrument

Recordation Information

Conditions of Sale

Price/Equivalent Fee Simple Value

Kump Properties

Queen Street Building Associates

N/A

April 1, 2014 (10 Year period)

Ground Rent Reopening

N/A

Mutual Agreement

\$4,647,300

LAND DATA (LEGAL & PHYSICAL)

Land Area

State Land Use

Zoning (LUO or Other Ordinance)

Maximum Height Limit

Special District

Shape

Topography

Utilities Available at Time of Sale

22,236 square feet

Urban

B-2

100 feet

Hawaii Capital District. Site was also within the
Downtown TOD District Plan.

Rectangular – not adverse. Site involves a
relatively long and narrow interior parcel.

Level, located at street grade.

All major utilities reportedly available to the site.

**LAND TRANSACTION NO. 4
345 QUEEN STREET BUILDING**

View Amenity

City views

Bldg. Improvements at Time of Sale

345 Queen Street multi-tenant office building featuring seven floors and parking garage. Improvements contain 77,719 square feet of floor area. Parking garage is partially subterranean.

Analysis

Annual ground rent was agreed upon based on a mutually agreed upon fee simple land value of \$4,647,300 and a contract rate of return on land of 7%. Lessee had benefit of third party appraisal performed by LCS and was able to negotiate a lower rent reflected by the Lessor's initial offer. Agreed upon land value approximated the real property tax assessed value.

Verification

Mr. Keisuke Horiike (Lessee)

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 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 performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- 5) 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.
- 6) The appraiser's engagement in this assignment was not contingent upon developing or reporting predetermined results.
- 7) 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.
- 8) The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).
- 9) I certify that, to the best of my knowledge and belief, my analyses, opinions, and conclusions were developed, and this report complies with, the Code of Professional Ethics and Standards of Valuation Practice of the Appraisal Institute.
- 10) Steven D. Chee, MAI has made a personal inspection of the property that is the subject of this report as of the effective date of valuation.
- 11) Lianne K. S. Poppinga, CRA, Real Property Analyst, assisted in the gathering and reporting 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.
- 12) The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- 13) 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.
- 14) As of the date of this report, Steven D. Chee, MAI has completed the continuing education program for Designated Members of the Appraisal Institute.



Steven D. Chee, MAI
Hawaii State Certified General Appraiser, CGA-381
Expiration Date 12/31/2017

ADDENDA

EXHIBIT A

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

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).

Appraisers are cautioned to identify the exact definition of market value, and its authority, applicable in each appraisal completed for the purpose of market value.

Market Value² 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.

¹ Unless otherwise noted, the source for definitions set forth herein is: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 5th Ed. (2010).

² Source: 12 CFR, Part 34.42(g); 55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992, and at 59 Federal Register 29499, June 7, 1994; and The Dictionary of Real Estate Appraisal, 5th Edition.

For the purposes of this report, **Market Value “As Is”**³ is an estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal's effective date.

The following definition of Market Value has been set forth under the Uniform Standards of Professional Appraisal Practice (USPAP 2012/2013 Edition) as promulgated by the Appraisal Standards Board (ASB) of the Appraisal Foundation:

“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.”

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.

³FDIC Law, Regulations, Related Acts; 5000 – Statements of Policy, Interagency Appraisal and Evaluation Guidelines, Appendix D – Glossary of Terms (www.fdic.gov/regulations/laws/rules/5000-4800).

⁴ *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.

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 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.

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.

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, 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

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 - (*kai*) toward the sea; and townside - toward the town.

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

⁸ Ibid.

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

EXHIBIT B

General Assumptions and Limiting Conditions

GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

General Assumptions

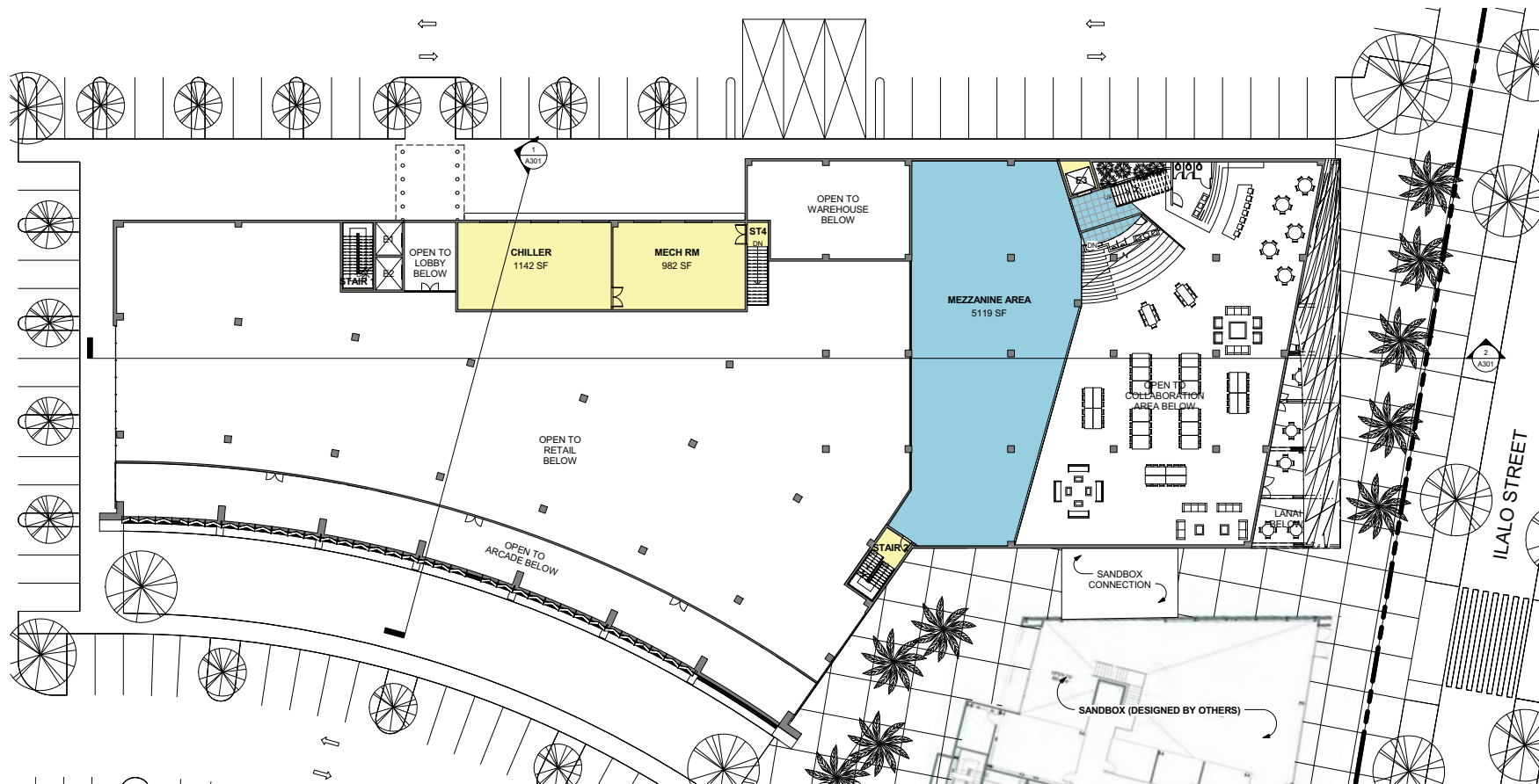
- 1) While the appraisal may contain information about the physical items being appraised (including their adequacy, age and/or condition), it should be clearly understood that this information is only to be used as a general guide for property valuation and not as a complete or detailed physical report; 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 C

**Additional Floorplans, Elevations and
SCD Narrative for Innovation Center**



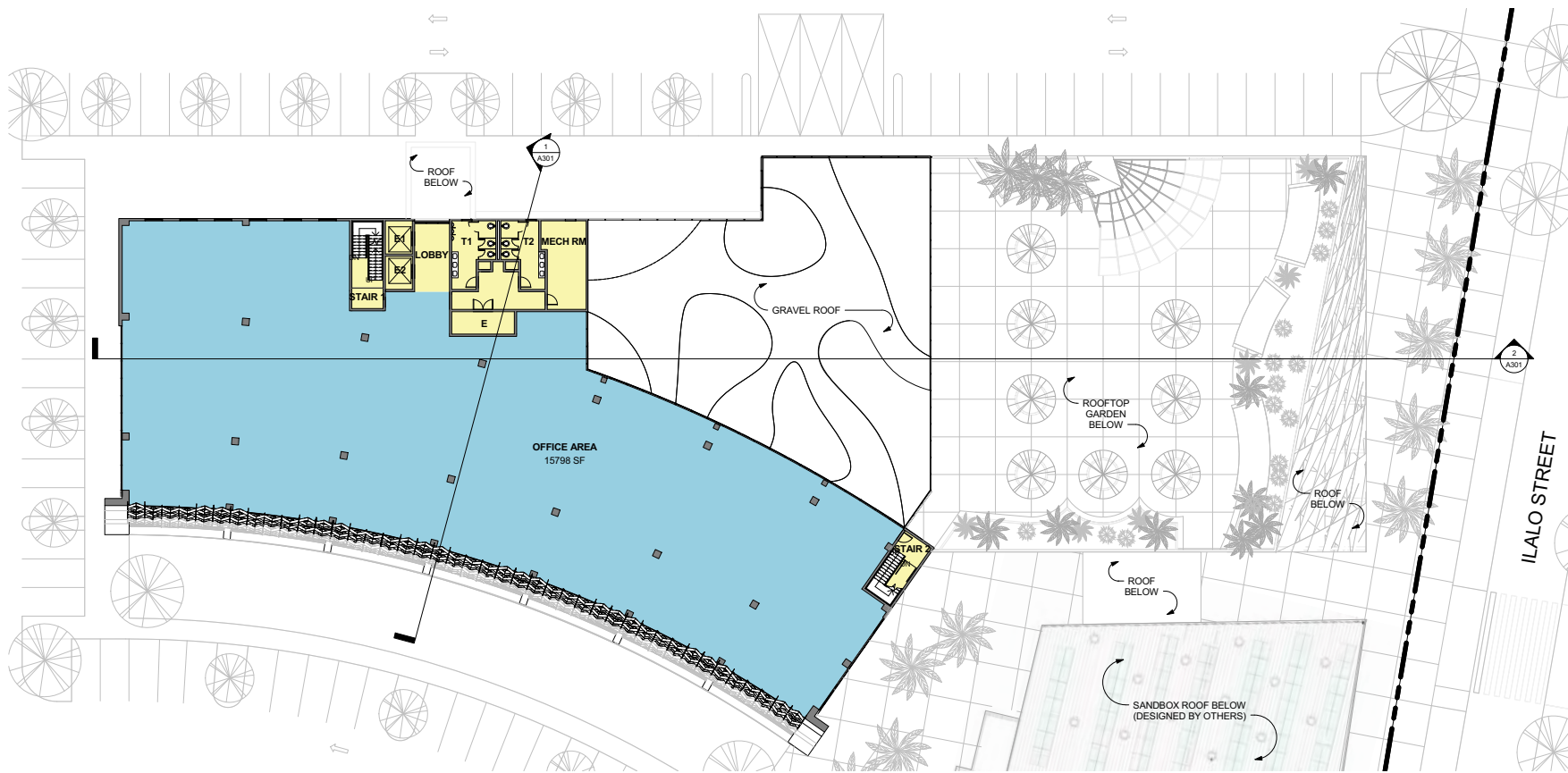
MEZZANINE FLOOR PLAN

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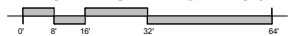
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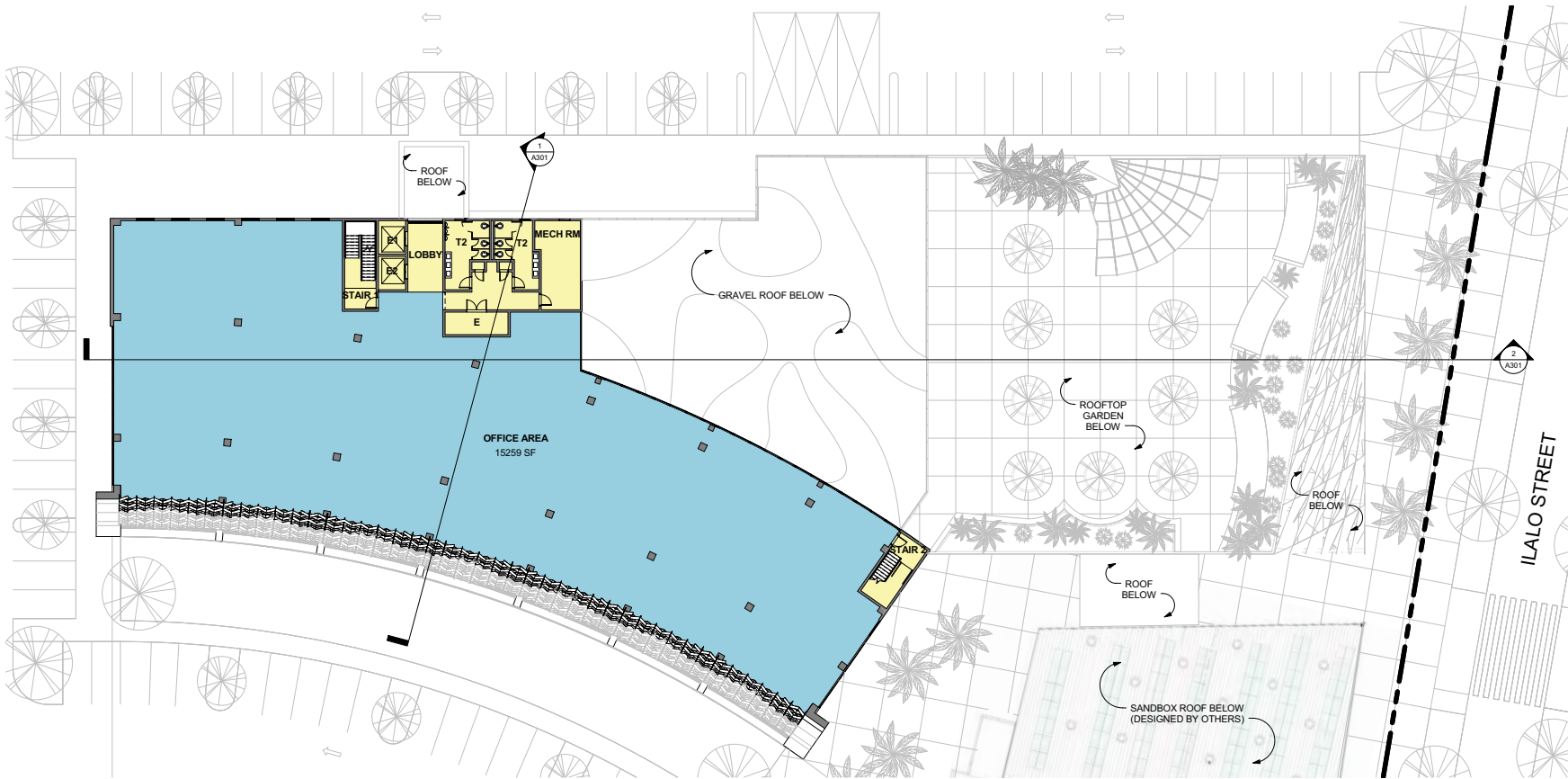


3RD FLOOR PLAN

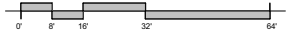
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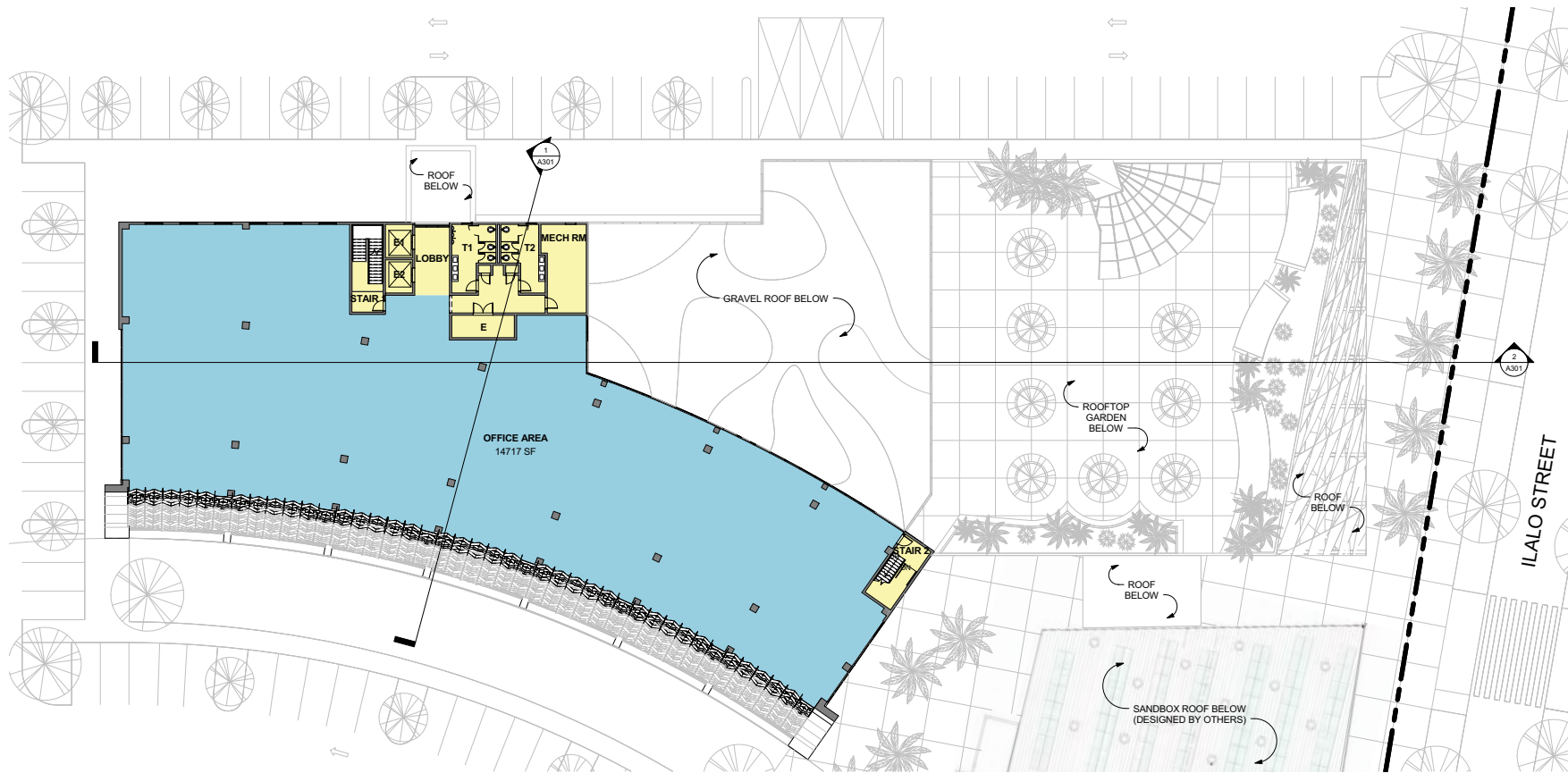


4TH FLOOR PLAN
HTDC PHASE 1 A & B - CONCEPTUAL DESIGN



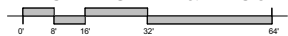
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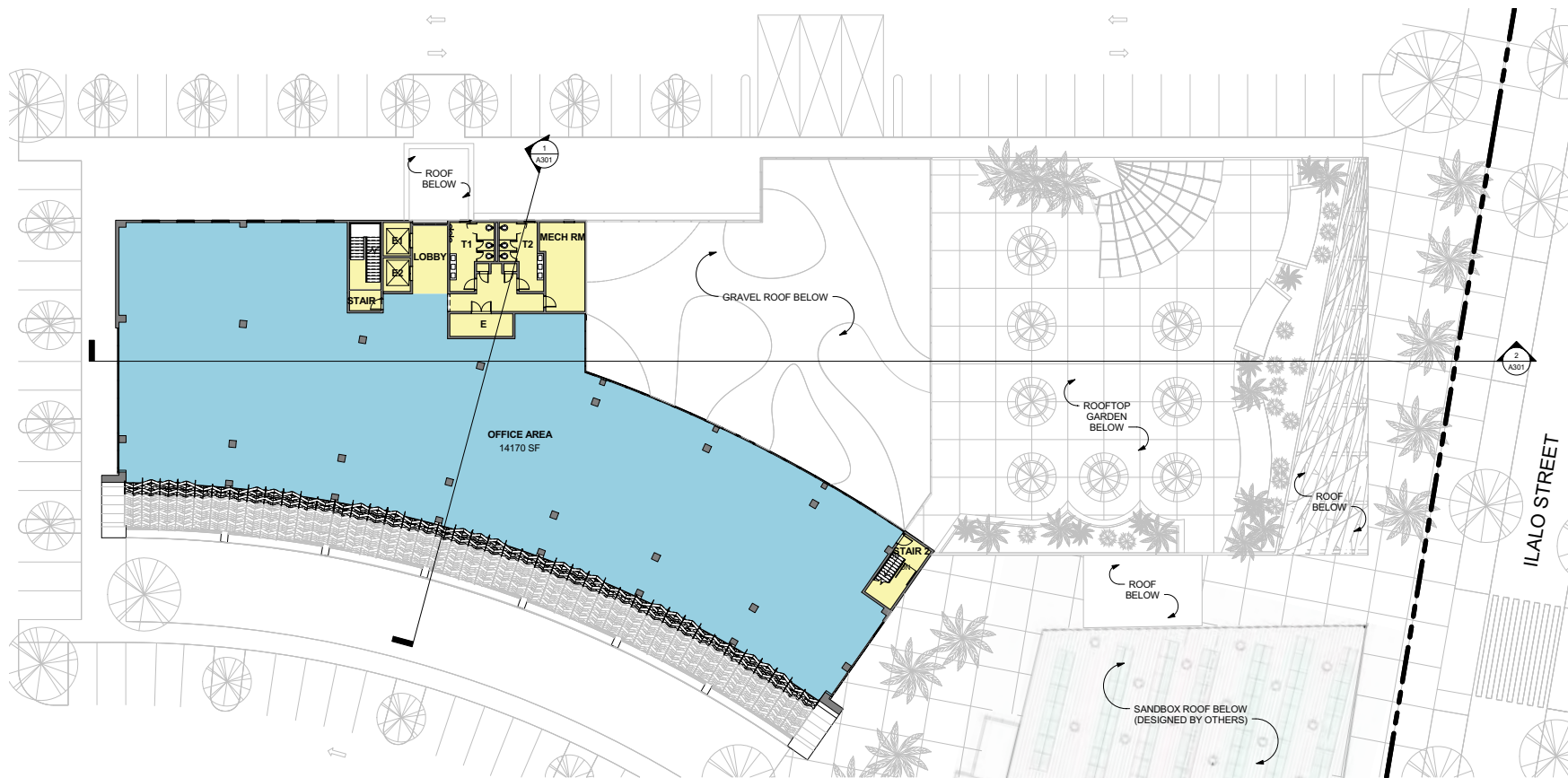


5TH FLOOR PLAN

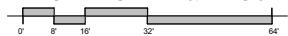
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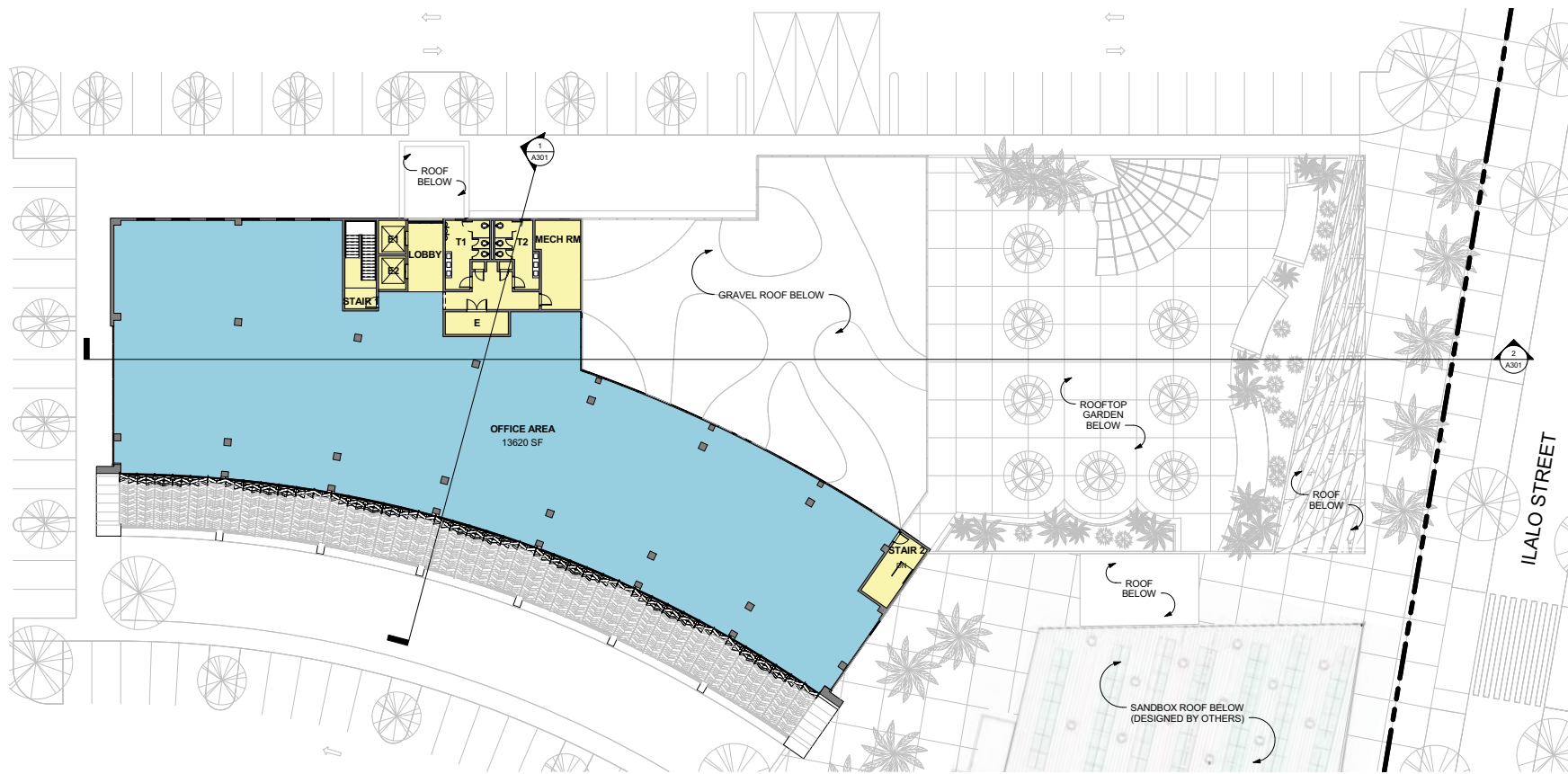
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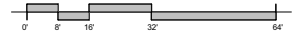
6TH FLOOR PLAN HTDC PHASE 1 A & B - CONCEPTUAL DESIGN



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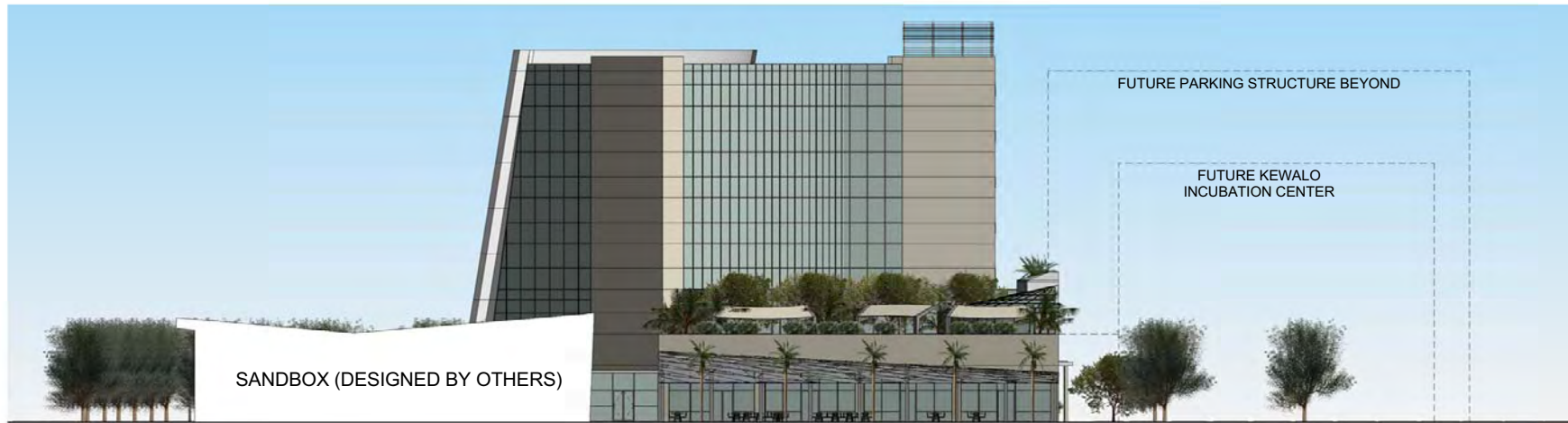
7TH FLOOR PLAN HTDC PHASE 1 A & B - CONCEPTUAL DESIGN



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SOUTH ELEVATION - KEAWE STREET



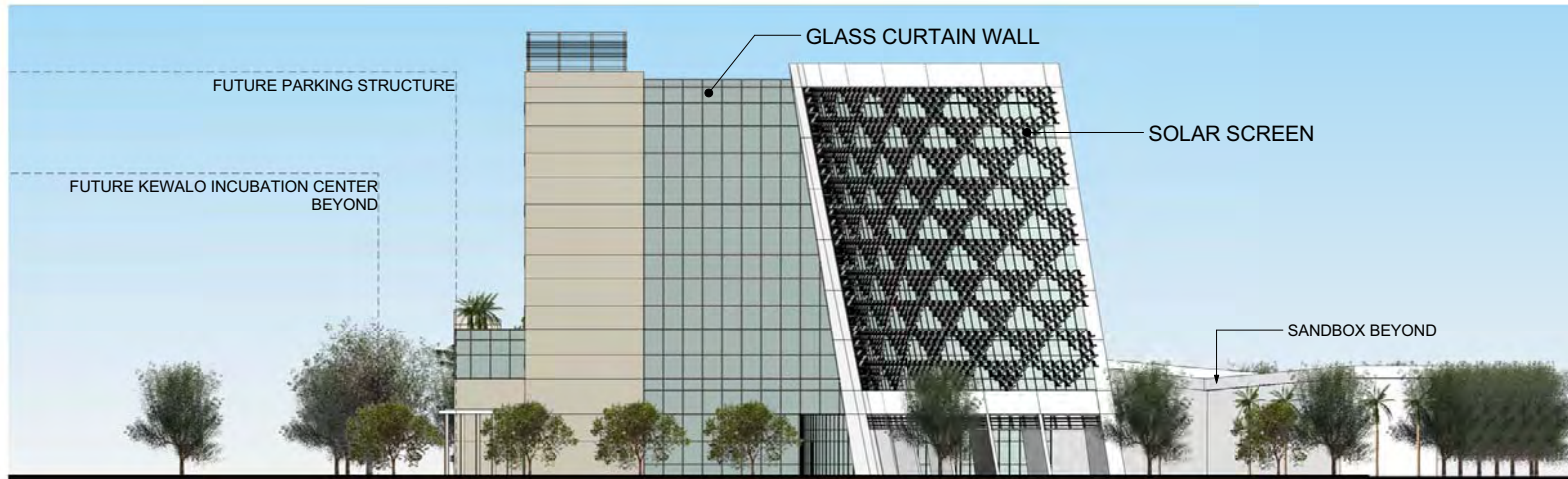
EAST ELEVATION - ILALO STREET

HTDC PHASE 1 A & B - CONCEPTUAL DESIGN

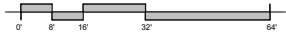


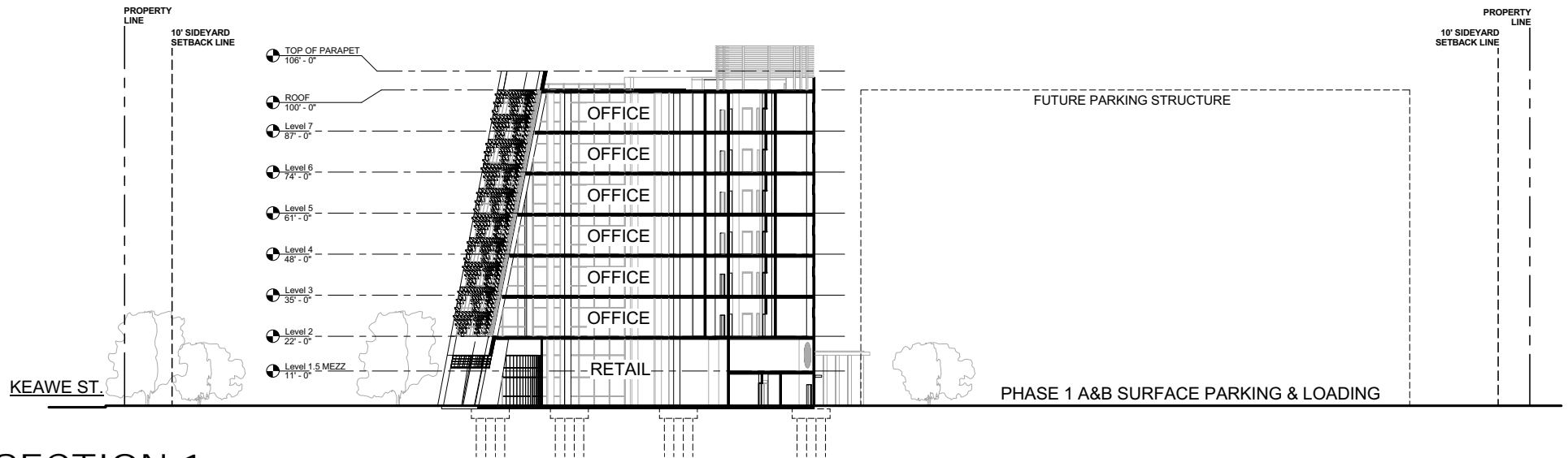


NORTH ELEVATION

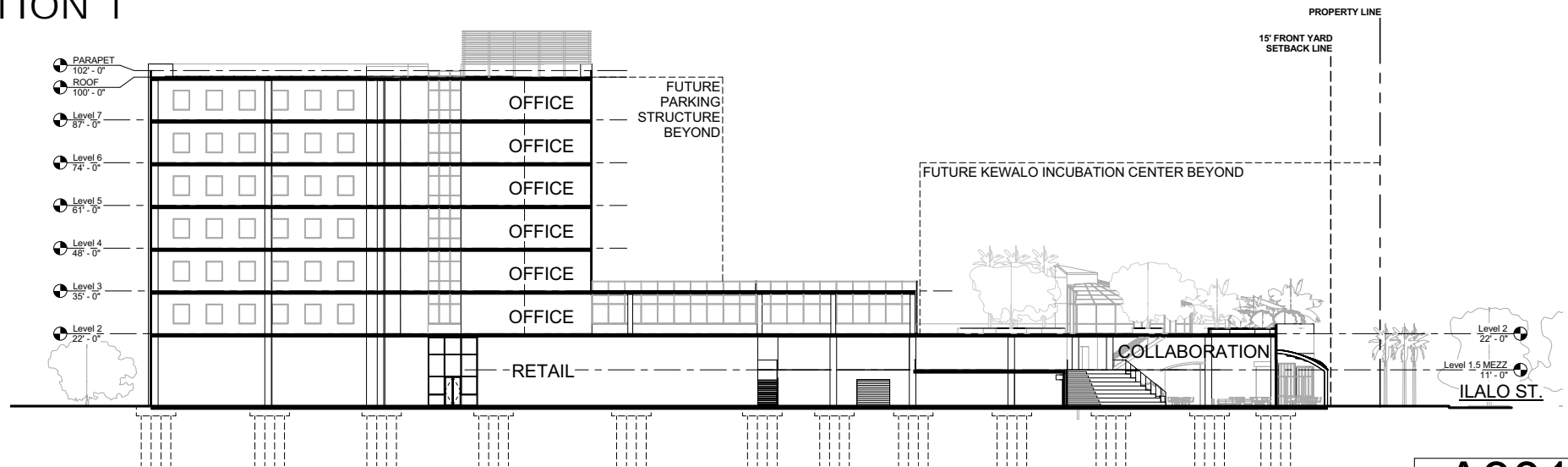


WEST ELEVATION
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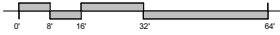


SECTION 1



SECTION 2

HTDC PHASE 1 A & B - CONCEPTUAL DESIGN



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ARCHITECTURE | PLANNING | INTERIOR



INTERIOR VIEW - COLLABORATION AREA

HTDC PHASE 1 A & B - CONCEPTUAL DESIGN



MAUKA VIEW ALONG KEAWE STREET

HTDC PHASE 1 A & B - CONCEPTUAL DESIGN



3D MASSING ALONG ILALO STREET

HTDC PHASE 1 A & B - CONCEPTUAL DESIGN



3D MASSING ALONG KEAWE STREET

HTDC PHASE 1 A & B - CONCEPTUAL DESIGN

(II) a. Development Narrative. Provide a narrative description of the design concept, rationale, and development program. Include a summary of the uses and floor areas.

Section (II) a. Development Narrative

Innovation Hale

Design Concept and Rationale

The master plan for Kakaako Makai Innovation Block at Lot C consists of 4 commercial buildings, and a 7 level parking structure to be developed in phases. This Proposal covers the development and construction of buildings included in the first phase, consisting of the Innovation Hale and Entrepreneur's Sandbox (Sandbox) buildings. SCD has commissioned Alakea Design Group to design the Innovation Hale. It is assumed that existing at-grade parking will be made available to serve the tenants and visitors for both buildings at reasonable rates during the interim until the permanent parking structure is developed in the second phase, and any parking variance will be supported by HCDA.

The Innovation Hale is planned to serve as the private office tower component for HCDA's development master plan for the Kakaako Makai Innovation Block. The Innovation Hale will be designed as a separate structure from the Sandbox building, though will be connected for pedestrian access. The design concept for the Innovation Hale as proposed by SCD intends to support the goals of the Innovation Block, which is to create a place of inspiration, entrepreneurial energy, and discovery through incorporation of architectural concepts and space planning to cause collisions, connections and random contacts in the everyday activities of tenants and visitors. Individual users may be involved in fields such as technology, medicine, science, the arts, education, design, law or finance, all of whom may serve as a resource or colleague for the other, to collaborate, organize and "Make it Happen." To achieve these ideals, significant space is being incorporated into the design and positioning of buildings where these types of interactions can be encouraged or will naturally occur.

SCD's seven story design for the Innovation Hale blends a combination of glass, concrete and steel into a curvilinear shaped 7 story main structure, with the lower level serving as a critical connection between the Sandbox and the Kewalo Incubation Center (to be developed in a future phase). The curvilinear shape of the tower is inspired by the building form depicted in the Kakaako Makai Innovation Block Master Plan. This contemporary form is designed to create views of the ocean from the interior while blending in with the external environment and projecting a modern and futuristic centerpiece for the Innovation Block as a whole. The building gently tapers back in acknowledgement of the future public plaza that will front the building. A covered arcade will help form a link between the Sandbox and the buildings contemplated in the future phases. The south facing wall will be shielded by an aluminum sunscreen that will provide shading and reflect light into the interior ceilings cutting the lighting energy load. The diamond pattern of the screens is inspired by a Hawaiian tapa motif. The elevator core and the ancillary functions for the tower are located on the side of the building that faces the future parking garage. The covered entry will link the two structures when Phase 2 is completed. The

retail warehouse and building back of house rooms are located in the loading area as depicted in the master plan.

The Innovation Hale will comprise approximately 153,300 square feet of floor area, with 6 levels of office space totaling 110,994 square feet, and 1 level of retail space at the ground level totaling 30,837 square feet. In addition, the ground floor will include approximately 7,670 square feet of enclosed collaboration space with sitting areas and space for a coffee café serving beverages, snacks and grab-and-go light meals. It will have a direct connection to a smaller collaboration area in the Sandbox. The 2 story height of the retail space allows for a mezzanine level that serves as a connecting link to a roof garden above the collaboration space. The garden serves as another gathering area to meet and exchange ideas in an outdoor setting and could also be used for special functions. It is hoped that a direct connection to the garden from the future Kewalo Incubation Center could be incorporated into the design of the Incubation Center. Covered lanai space is included on the ground floor along Ilalo Street for outdoor café seating offering another area for social interaction and providing a welcoming frontage along the street.

As the hub of the Innovation Block or the “Nest”, the collaboration space and second level rooftop garden will be the central location to get a quick meal or coffee, where people will come to meetup, and by doing so, will run into friends and colleagues in passing, catching up on the latest happenings or exchanging new ideas. A hip, upbeat, atmosphere will be encouraged in the interior design of the ground level space. This space will be designed for flexibility, and will accommodate desk or table space, and open space for group or industry events. These common spaces are envisioned to be used by the entire Innovation Block occupants with usage for formal displays and general patronage, as well as visitors from the adjacent JABSOM and the Cancer Research Center facilities. Every opportunity to increase public exposure to the Innovation Block by taking advantage of the collaboration and rooftop garden spaces and over time, make this location the go-to place where knowledge industry professionals will enjoy coming to, and eventually make it their hang out. Events will be scheduled on a regular, on-going basis, such as hackathons, trade seminars, periodic technology events, after work beer gardens, fundraisers, and other professional and social events.

Construction Method and Sustainable Development Strategies

The Innovation Hale building is designed under Type IIA construction, incorporating steel columns and beams for its structural support with a concrete topping over metal decks, supported by a concrete slab foundation with footings on piles, subject to soils conditions. The roof will be built up, most likely using a thermoplastic polyolefin membrane as a roofing material.

The overall design for the Innovation Hale will be guided by principles of the new USGBC LEED rating system. As such, we are committed to incorporating green site and building design, and will incorporate such best practices as supportable by our business plan. Examples of such measures being considered for implementation are as follows:

1. Sustainable Site & Building Strategies:

EXHIBIT D

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 45-years.*

Leshor 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. Leshor, 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. Leshor's practice was in the Hawaiian Islands and Pacific.

The current principals of LCS are **Steven D. Chee, MAI, MRICS** and **Stephen E. Stadlbauer, MAI, MRICS**. 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 a 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 including:

- ❖ **Sidney K. Komatsu, MAI, CCIM** (Vice President) 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, JP Morgan Chase.
- ❖ **Lianne K. S. Poppinga, CRA** (Real Property Analyst) had practiced as an independent fee appraiser for the past ten years prior to joining LCS and is a graduate of the University of Hawaii.
- ❖ **Matthew Balkin** (Real Property Analyst) is a graduate of the University of Washington and previously worked as a legislative aide and research analyst in the Hawaii State Senate.
- ❖ **Carter Pomai Jones** (Real Property Analyst) is an experienced analyst and worked previously for Medusky and Company, a Hawaii based real estate appraisal practice.
- ❖ **Desiree L. Manuel, JD** (Real Property Analyst) is a graduate of Pepperdine University and received her Juris Doctorate from the University of Hawaii - William S. Richardson School of Law. Ms. Manuel is presently pursuing a Masters of Business Administration from the University of Hawaii at Manoa.

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

HFCD
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

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Crabtree & Hoshibata
Chun Kerr Dodd Beaman & Wong
Friedman Collard Cutter & Pennetton (CA)
KPMG Peat Marwick
Kobayashi Sugita & Goda
Ning Lilly & Jones
Reinwald O'Connor & Playdon
Bays Deaver Lung Rose & Holma

Ashford & Wriston
Case Bigelow & Lombardi
Pricewaterhouse Coopers
Dwyer Imanaka & Schraff
Goodsill Anderson Quinn & Stifel
Kemper and Watts
McCorriston Miller Mukai MacKinnon
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, MAI and Mr. Chee, MAI, MRICS as the Principals of **Leshar Chee Stadlbauer, Inc.**, are shown following:

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SOURCES FOR REFERENCE PURPOSES
(Continued)

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September 16, 2015

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
- Hawaii Community Reinvestment Corporation
- Kalani Iki Estates Association of Dwelling Owners – Board Member
- State of Hawaii Certified General Appraiser, License No. CGA-381, Expiration Date: December 31, 2017.

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:	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; Makena Resort and Golf Courses; 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; Dunes at Maui Lani Golf Course; Kauai Beach Resort; Ilikai Hotel; Waikoloa Resort and Golf Courses; Naniloa Volcanoes Resort; Makaha Valley Country Club; Hotel Renew; Best Western Coconut Inn; Ramada Waikiki; Lotus Honolulu; Andaz Wailea Resort; Hyatt Maui Residence Club; Lumeria Maui; Makena Beach Hotel; Coconut Beach Timeshare Development; Ewa Hotel Waikiki; Hokele Suites
Subdivisions	A'ina Lea; Kapiwai Pauoa; Makaha Oceanview Estates; Maniniowali (Por); Kapalua Mauka Masterplanned Community; Gentry Waiawa Masterplanned Community; Royal Kunia Phase II Masterplanned Community; Maile Kai Masterplanned Community; Honua'ula Masterplanned Community; Makena Resort; Highlands at Waialae Iki Subdivision; Kahala Kua Subdivision; Makakilo Ridge/Kumulani Subdivision; Hale Lumi Subdivision; Pacific Plantation Subdivision; Kupulau Meadows Subdivision; Kawailani Estates Subdivision; Piionua 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; Ke Kailani; Ke Ola Pokai Bay; 49 Black Sand Beach; Maniniowalu Lots; Kihei 88 Commercial Subdivision; Hokulani Golf Villas; Kula 1800; Koloa Creekside; Bay View Estates; Kakaako Makai Development Lands
Condominiums:	One Ala Moana, The Collection, Symphony Honolulu, Waihonua; Pacifica at Honolulu, Pensacola Chelsea, Koloa Landing at Poipu; Bacarrat Wailea Resort & Residencees; 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; Ka Milo; 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; Spectrum Industrial Condominium; Iolani Regent;; Piers 5 and 6 Honolulu Harbor/Pacific Quay Development Site; 690 Pohukaina
Apartments:	Live Work Play Aiea; Kapolei Lofts, 7000 Hawaii Kai Drive; Waiakea Villas; 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; Kalealoa Rental Homes; Hilo Palms Dormitory; Kahului Student Dormitory; Kahului Town Terrace; US China Center Dormitory; Kalani Gardens Affordable Rental; Hale Mohalu Affordable Rental; Kulana Hale Affordable Rental; Queen Emma Dormitory; Frint Street Apartments;
Leased Fee Land Interests:	Various residential condominium and townhome projects throughout the State of Hawaii; Imperial Hawaii Resort, 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; Sheraton Kauai.
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; Waikiki Galleria
Office:	HMSA Center; City Financial Tower; Ala Moana Building; Ala Moana Pacific Center; 1357 Kapiolani; Pacific Guardian Tower; 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 (<i>Guam</i>); 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, Mililani 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; Paciic Honda Dealership and Parking Garage; Servco Auto Dealership Portfolio; Cyanotech Facility; Pier 4 Honolulu Harbor; Hanalei Buffalo Ranch; USCG Wailupe Station; Kamilonui Valley; Flying R Ranch; Velocity Auto Dealership; Various HART Takings; Island Pacific Academy; Ka Iwi Mauka; Hawaii Loa Campus;

December 2015