Colliers INTERNATIONAL

MAJOR PRICE REDUCTION

WEST HAWAII BUSINESS PARK

PHASE ONE

www.WestHawaiiBusinessPark.com

Asking Price	$7,000,000
Land Area	95.39 Acres
Owner	West Hawaii Business Park, LLC
Tenure	Fee Simple
Zoning	MCX-20 (Industrial-Commercial Mixed)
TMK No.	(3) 7-4-8: 76
2017 Projected Rental and Royalty Income Revenue:	$402,412





PROPERTY HIGHLIGHTS

FLEXIBILITY IN PLANNING

» Preliminary subdivision plans for 13 lots are available for review, offering unique and desirable sizes

EXISTING INCOME

» The property currently produces rental income and rock royalty income from tenants

PROPERTY STATUS

» Entitlements, including water, have been secured
» Affordable housing requirements have been satisfied
» Several lots have been graded due to the excavation activities of the quarry tenant

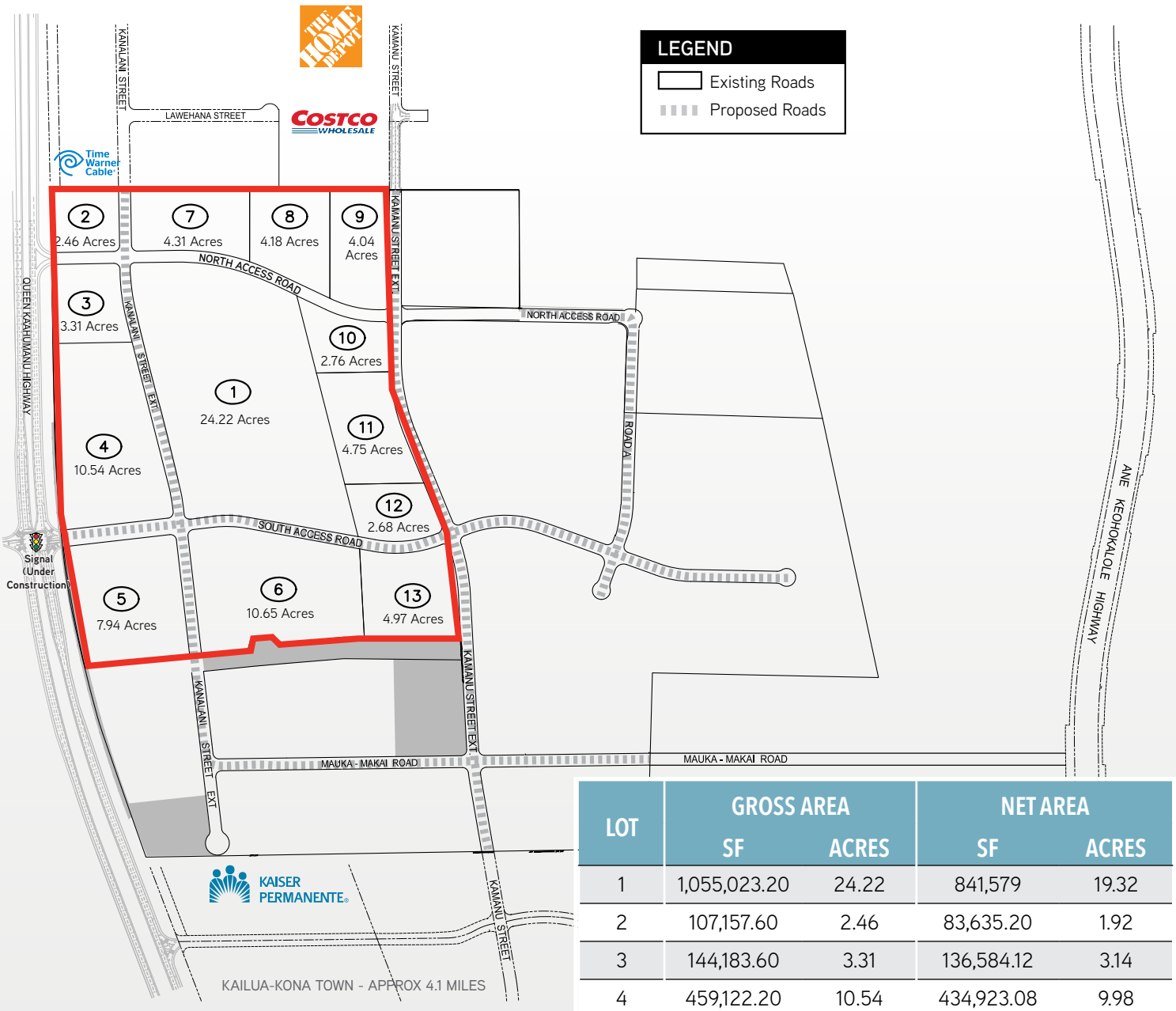
ACCOMMODATION FOR INFRASTRUCTURE COSTS

» Price reduction has been offered to account for infrastructure costs and absorption period

WELL-LOCATED SITE ALONG MAJOR HIGHWAY

» Excellent frontage and visibility on Queen Kaahumanu Highway
» New signalized intersection (full turning movements) is currently being constructed by the State of Hawaii's Department of Transportation at the entrance to West Hawaii Business Park as well as a right in/ right out access at North Access Road
» Terraced land allows for visibility from the highway for upland parcels

KOHALA COAST RESORTS - APPROX. 11 MILES
KONA INTERNATIONAL AIRPORT - APPROX. 7.6 MILES



PROPOSED SUBDIVISION

This conceptual plan has been prepared for a 13-lot subdivision. This configuration and number of lots were designed around the planned roadways and connections to the regional road system and infrastructure needs.

LOT	GROSS AREA		NET AREA	
	SF	ACRES	SF	ACRES
1	1,055,023.20	24.22	841,579	19.32
2	107,157.60	2.46	83,635.20	1.92
3	144,183.60	3.31	136,584.12	3.14
4	459,122.20	10.54	434,923.08	9.98
5	345,866.40	7.94	283,575.60	6.51
6	463,914.00	10.65	318,423.60	7.31
7	187,743.60	4.31	167,706.00	3.85
8	182,080.80	4.18	161,172.00	3.7
9	175,982.40	4.04	175,982.40	4.04
10	120,225.60	2.76	106,722.00	2.45
11	206,910.00	4.75	189,921.60	4.36
12	116,740.80	2.68	102,801.60	2.36
13	216,493.20	4.97	216,493.20	4.97
Road System	373,744.80	8.58	373,744.80	8.58
TOTAL	**4,155,188.20**	**95.39**	**3,593,263.80**	**82.49**

REGIONAL TRANSPORTATION PLAN

Prior to 1970, it became apparent to the urban planners of Hawaii Island that growth in housing and residential communities would need to take place along the mountainside (or "Mauka"). The first step in this plan was the implementation of a regional transportation system (roadways) that could sustain a substantial amount of growth. Queen Kaahumanu Highway has always been the main highway running parallel to the ocean, from Kailua-Kona town, past the Kona International Airport, to the exclusive resorts on the Kohala Coast. Over the past 20 years, additional roads have been added to alleviate congestion along Queen Kaahumanu Highway allowing for the development of more lands. One of these key thoroughfares is Ane Keohokalole Highway, which was built in 2012.

The next phase of the regional transportation system will extend the Ane Keohokalole Highway from Hina Lani Street to Kaiminani Drive. In addition, the Queen Kaahumanu Highway fronting WHBP Phase I will be expanded to two lanes in each direction. New homes and a regional park are planned for the area surrounding WHBP Phase I, along with the planned State judiciary now under construction on Makala. These activities are located in the center of Kailua-Kona, closer to WHBP Phase I.

	PROPERTY	HOTEL UNITS	HOUSING UNITS
1	Mauna Kea Resort / Hapuna Price	602	350
2	Mauna Lani Bay Hotel and The Fairmont Orchid	350	1,109
3	Marriott Waikoloa Beach Resort and The Hilton Waikoloa Village	533	757
4	Four Seasons Hualalai Resort	243	330
5	Kukio Golf and Beach Club	n/a	378
6	Kohanaiki Golf and Ocean Club	n/a	500
7	Courtyard King Kamehameha's Kona Beach Hotel	460	n/a
	TOTAL	2,188	3,424



MARKET OVERVIEW

RETAIL

Hawaii Island's economy is poised for another strong year of growth after reporting healthy gains for 2016. The positive economic indicators of job growth, increased visitor arrival counts, and higher general excise tax collections are beginning to be reflected in the retail market.

Kailua-Kona is the primary commercial and population sector in West Hawaii. The retail market serves over 21,000 residents within a 5-mile radius, as well as Kohala Coast tourists. In 2016, the number of visitor arrivals to West Hawaii increased 3% to over 1.32 million visitors as airline capacity increased with new direct routes from Japan and the US mainland. There is more than 1.6 million square feet of retail inventory in this market, which consists of a mixture of resort retail, resident retail, big/mid boxes, and street retail. Despite record visitor arrivals, vacancy rates rose to 10.15% as a result of large tenant vacancies such as Sports Authority over the past year. Average asking base rents fell to $3.58 per square foot per month as these larger spaces typically lease at lower rates. Commercial land prices range from $35 to $45 per square foot for one-acre parcels.







INDUSTRIAL

The Kailua-Kona industrial market consists of over 5.7 million square feet of industrial space. Historically, this market has been relatively tight due to a lack of developable land for industrial development and limited inventory as vacancy rates hover below 4.0%. The subject property is located next to the Kaloko industrial park, one of three industrial areas in the market. This park is well-located off of Queen Ka'ahumanu Highway, one of the primary roadways through West Hawaii. Average asking rental rates for this market were $0.95 per square foot per month in 2016, a robust gain of 26.7% during the past year. Properties in these newer parks are generally one-acre+ parcels with 15,000 to 25,000 square foot buildings. Land prices range from $11 to $21 per square foot for smaller parcels.





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CONFIDENTIALITY AGREEMENT

THIS CONFIDENTIALITY AGREEMENT (this "**Agreement**") is made as of the _____ day of _____, 2017, by _____ ("**Recipient**"), whose principal place of business and post office address is at _____, in favor of West Hawaii Business Park LLC, whose principal place of business and post office address is at P.O. Box 9032, Kailua-Kona, HI 96745, the owner(s) of the Asset (defined below) (collectively and individually, the "**Owner**"), with respect to the fee simple interest in the property commonly known as West Hawaii Business Park-Phase I, containing approximately 95.39 acres of land, located in the city of Kailua-Kona, County & State of Hawaii, identified by TMK Number(s) (3) 7-4-8: 76 and all improvements thereon (collectively, the "**Asset**").

1. **Background.**
   Owner and/or Owner's broker, Colliers International ("**Colliers**") may be providing and/or making available to Recipient information and/or documents relating to the Asset. The information may be presented to Recipient in various forms including, but not limited to, photocopies of documents, digital information on CD-ROM, digital information sent via electronic mail, and/or digital information accessible via the Internet (collectively "**Information**").

2. **Confidentiality.**
   Recipient, including, but not limited to its directors, officers, employees, managers, members and/or shareholders, agrees that it will keep all Information, including any information derived from the Information, regardless of whether the Information is marked or specifically identified as "confidential" or "proprietary", confidential, except as to Recipient's professional consultants (disclosed to Owner in advance) who will be evaluating the feasibility of Recipient acquiring the Asset. Recipient further agrees, prior to disclosing the Information to any consultants, that it will inform such consultant that they are required to observe and maintain the confidentiality of the Information and the provisions of this Agreement.

3. **Limitation on Use of Information.**
   All Information furnished to Recipient by Owner will be used solely by Recipient for the purpose of evaluating the feasibility of purchasing the Asset and Recipient agrees not to use the Information, including any information derived from the Information, for any other purpose.

4. **Limitation on Disclosure of Information.**
   Recipient will not disclose to anyone, with exception to its disclosed consultants, the existence of or any other aspect of the Information or any information derived from the Information.

5. **Prohibition Against Copying and Return of Materials.**
   No copies of the Information shall be made or disclosed to anyone whatsoever without the prior written consent of Owner. Upon the completion of the above-described evaluation, or upon request by Owner, Recipient shall return to Owner all Information in the form that was provided to Recipient and any and all duplications thereof.

6. **Damages.**
   Recipient acknowledges and agrees that Owner has a substantial, material and proprietary interest in the Information and that if the Information or any other information protected under this Agreement is disclosed by Recipient in any respect whatsoever without Owner's prior written consent, Owner may suffer immediate and irreparable harm and may be substantially and materially damaged.

7. **Remedies.**
   In the event Recipient breaches any of the conditions set forth in this Agreement, Owner shall have the right to exercise all of its rights and remedies at law and equity, including, without limiting the generality of the foregoing, the right to obtain injunctive relief. The non-prevailing party shall pay all costs and expenses, including, without limitation, reasonable attorneys' fees incurred by the prevailing party in enforcing any of the covenants or conditions contained in this Agreement.

8. Agency.

Owner is represented by Colliers, a licensed real estate broker in the State of Hawaii. The brokerage agreement between Owner and Colliers authorizes the sharing of commissions received with any properly licensed broker representing the buyer of the Asset in accordance with a separate agreement with the buyer of the property or such buyer's broker. If a properly licensed real estate broker represents Recipient, Recipient must provide the information below simultaneously with the execution of this Agreement. If Recipient's broker is not listed below at the time of Recipient's execution hereof, neither Owner nor Colliers shall be obligated to compensate any alleged brokerage representative of Recipient making claims to commissions at a subsequent date and Recipient shall indemnify, defend and hold Owner and Colliers harmless from any brokerage commission claims. If a properly licensed real estate agent represents itself as Recipient or if a real estate agent is a principal or owner of Recipient, neither Owner nor Colliers shall be obligated to compensate Recipient. No commission will be accrued or paid unless the sale is closed and proceeds distributed to Owner.

Recipient's Broker:	Company:	_____
	Agent:	_____
(if not represented	License No.:	_____
please write "NONE")	Address:	_____
	City:	_____
	State & Zip:	_____
	Telephone:	( ) Fax: ( )
	Email:	_____

9. No Waiver.

No waiver by Owner of any breach hereunder shall be deemed a waiver of any other or subsequent breach.

10. No Oral Modifications.

This Agreement may not be altered, amended, changed, waived, terminated or modified in any respect or particular unless the same shall be in writing and consented to by Owner and Recipient.

11. Successors and Assigns.

This Agreement shall inure to the benefit of Owner and to its successors and assigns and be binding upon Recipient and its legal representatives, successors and assigns.

12. No Third Party Beneficiaries.

This Agreement is not intended to confer any benefits upon any persons, firms, corporations or other entities except Owner and Recipient and their respective directors, officers, employees, managers, members and/or shareholders.

13. Choice of Law.

This Agreement shall be construed, governed and enforced in accordance with the laws of the State of Hawaii without giving effect to principles of conflict of laws.

14. No Other Agreement.

Recipient acknowledges that this Agreement is solely for the purpose of establishing the confidentiality of the Information and does not grant Recipient any exclusive or other rights in connection with the purchase of Owner's Asset.

IN WITNESS WHEREOF, Recipient has executed this Agreement as of the day and year first hereinabove set forth.

"Recipient"

Signature	Date
Print Name	Title
Company/Organization	E-Mail
Address	City/State/Zip
Telephone	Facsimile
Company/Organization Website	

Additional Partner(s)/Broker(s) requesting to review due diligence documents:

Signature/Date	Company/Organization
Print Name	E-Mail
Signature/Date	Company/Organization
Print Name	E-Mail

Please return signed Confidentiality Agreement (preferably via email in PDF format) to:

COLLIERS INTERNATIONAL

Attn: Mark D. Bratton* (R) CCIM
Direct: 808-523-9708
Fax: 808-521-0977
Email: mark.bratton@colliers.com

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* Bratton Realty Advisers, Ltd., exclusively contracted to Colliers International HI, LLC