



MANDARIN ORIENTAL, HONOLULU

SALEM PARTNERS



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Table of Contents



EXECUTIVE SUMMARY 4

PROPERTY SUMMARY 7

INVESTMENT HIGHLIGHTS 24

COMPETITION OVERVIEW 34

HAWAII MARKET OVERVIEW 54

DEVELOPMENT TEAM 65

SALEM PARTNERS REAL ESTATE 71

EXECUTIVE SUMMARY

Mandarin Oriental, Honolulu



Located at the intersection of Kapiolani Boulevard and Atkinson Drive, Mandarin Oriental, Honolulu (the “Project”) will be an instrumental catalyst in the continued revitalization of the Ala Moana Neighborhood. The 743,000-square foot tower will include ground level retail spaces, a 125-room ultra-luxury hotel and approximately 99 branded condominiums. When complete, the 38-story tower will represent the first implemented project in the newly adopted Ala Moana transit-oriented district. In a planned light rail-serviced neighborhood already anchored by the Hawaii Convention Center immediately across the street and the Ala Moana Center, the world’s largest open-air shopping center, within a 5 minute walk, the Project will catalyze an already diverse and active Honolulu neighborhood.

At the ground floor, the Project will create pedestrian-friendly sidewalks with activated street frontages leading to a public plaza at the intersection of Kapiolani Boulevard and Atkinson Drive. Concepts for the public plaza include a freestanding café kiosk and restaurants fronting the plaza and the first and second floors, with plenty of outdoor seating. A large-scale meandering bench wall will provide a variety of seating options next to an active fountain focal point.

The Project is envisioned as a modern, vertical interpretation of an indoor-outdoor sense of place and connection to the landscape embodied in the concept of lanai. Our vision for its character began with the warm and soft tones of a wooden building softened with landscape from ground to the uppermost levels. Terraces and balconies provide deeply shaded areas and views from these lanai frame views and create pleasant contrast and variety. Design details will reflect a modern interpretation of a tropical environment mixed with subtle Asian influences.

Investment Overview

- The Project is in an exceptional, irreplaceable location - directly across the street from the Hawaii Convention Center and within a 5 minute walk from the Ala Moana Center - the world's largest open-air shopping center.
- The Project benefits from being in a transit-oriented development zone, which allows it to benefit from additional height and density bonuses.
- Mandarin Oriental Hotel Group, a world-class luxury hotel operator, has been selected as the hotel operator and residence manager of the Project.
- Luxury condo buyers traditionally pay a significant premium for condos branded by luxury hotels as opposed to unbranded condos.
- There is virtually no land available for new high-rise development in Waikiki District. In addition, Ala Moana District allows for the development of hotels, which is generally not allowed in the rapidly developing Kaka`ako and Victoria Ward Districts.
- The supply of hotel rooms is constrained on Oahu with an occupancy level of 84.5% for 2019.
- 10.4 million tourists visited Hawaii in 2019 (an all time high), increasing 5.1% over 2018.
- Hawaii law allows the use of condo presale deposits for the construction of the Project, significantly enhancing returns.



PROPERTY SUMMARY

Property Overview

Project Details

Number of Floors	38
Building Height (Feet)	418
Gross Square Feet	743,000
LUO/Zonable Square Feet	505,410
Lot Size Square Feet	50,541

Condo

Type	Mix	Units	Avg. SF
2-Bedroom	48.5%	48	1,558
3-Bedroom	47.5%	47	2,327
4-Bedroom Penthouse	4.0%	4	4,680
Condo Total	100.0%	99	202,860

Hotel

Type	Mix	Units	Avg. SF
Standard Guestroom	64.8%	81	625
Regular Suite	12.8%	16	999
Large Suite	19.2%	24	1,087
Oriental Suite	1.6%	2	1,932
Presidential Suite	1.6%	2	2,438
Hotel Total	100.0%	125	101,401

Parking

276 spaces in above-ground parking podium

Mandarin Oriental Food & Beverage

Outlet	SF	Floor Location
Specialty Restaurant	4,600	Level 2
Hotel Lounge and Bar	3,000	Level 19
Three-Meal Restaurant	2,800	Level 19

Amenities

Retail Shops	Spa Facilities
Sky Lobby & Lounge	Amenity Deck with Pool & Cabanas
Specialty Dining	Wedding Chapel
Ballroom	Meeting Space

World-Renowned Design Team

Design Architect	[au]workshop architects + urbanists
Executive Architect	Architects Hawaii Ltd.
Landscape Architect	Hart Howerton
Interior Designer	Dianna Wong Architecture + Interior Design

Hotel Overview

- 125 guestrooms with standard rooms averaging 625 square feet starting on the 9th floor
- 65 percent guestrooms and 35 percent suites by unit count
- Amenities include:
 - A world-class spa, which is expected to be one of the most luxurious experiences in the hospitality industry. Mandarin Oriental has more Forbes 'Five Star Spas' than any other hotel group in the world. These include, among others, the group's hotels in Tokyo, Miami, New York, Hong Kong, Singapore and Bangkok. The fitness center will be adjacent to the spa and will feature state-of-the-art equipment for healthy living.
 - Almost 13,500 square feet of event space on the stunning bi-level sixth and seventh (mezzanine) floors. In addition to the event spaces, the screening room and multiple meeting rooms, the hotel will be the only luxury hotel in its competitive set to have a wedding chapel. The 800-square-foot wedding chapel will make the Mandarin Oriental uniquely competitive in capturing high-rated group transient business and the rest of the event spaces will capture high-rated corporate transient demand, diversifying the hotel's guest segmentation away from leisure transient demand. Because the leisure transient segment in Oahu is heavily dependent on OTAs, these amenities will help the Mandarin Oriental, Honolulu achieve better rates and margins than its competitive set.
 - 10,400 square feet of food and beverage space featuring the 4,600-square foot signature restaurant, a three-meal sky lobby restaurant on the 19th floor and a hotel lounge and bar on the 19th floor
 - Landscaped outdoor terrace and amenity deck with pools, cabanas and shaded relaxation space
 - State-of-the-art fitness center and separate hotel and residential indoor-outdoor amenity decks
 - Valet parking and 24-hour concierge service

Amenities		
Amenity	SF	Location
Ground Floor Retail	8,100	Ground Floor
Specialty Restaurant	4,600	Level 2
Wedding Chapel	800	Level 6
Ballroom & Meeting Space	13,500	Level 6 & 7
Screening Room	2,600	Level 7
Hotel Pool & Amenity Deck	11,700	Level 8
Spa	17,700	Level 8
Three-Meal Sky Lobby Restaurant	2,800	Level 19
Hotel Lounge & Bar	3,000	Level 19
Total Hotel Amenities	64,800	Ground Floor - Level 19

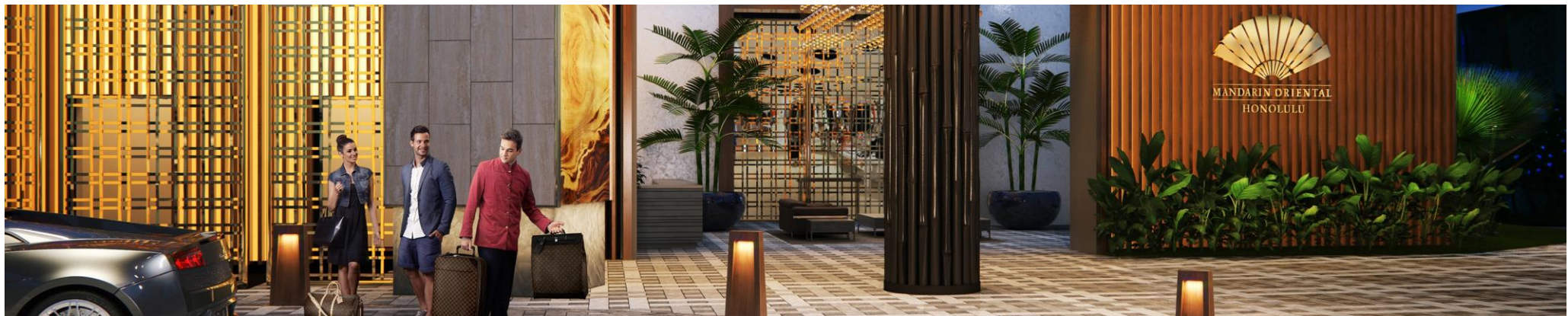
Hotel	Total Keys/Units	Location
Total Keys	125	Level 9 - 18

Guestroom & Suites

The Mandarin Oriental, Honolulu will feature 125 guestrooms and suites, with some of the largest average room sizes in the market. The guestrooms are distributed between floors 9 through 18 of the 36-story structure and all units have large, trellised lanais. Standard rooms average 625 square feet, with average suite sizes ranging from 999 square feet for regular suites to 2,438 square feet for presidential suites. The high suite-to-guestroom ratio, at 35 percent, is comparable only to the Trump International Hotel Waikiki and the Ritz-Carlton, Waikiki Beach. Each guestroom will feature ceilings at least 9.5 feet, which will be one of the most spacious heights in the market. Additionally, each room will be immaculately appointed per the luxurious Mandarin Oriental specifications.

Hotel Guestroom Mix

Room Type	Avg Interior SF	Units	% of Units	Location
Standard	625	81	64.8%	Level 9 - 18
Regular Suite	999	16	12.8%	Level 10 - 18
Large Suite	1,087	24	19.2%	Level 9 - 18
Oriental Suite	1,932	2	1.6%	Level 17 - 18
Presidential Suite	2,438	2	1.6%	Level 17 - 18
Total/Average	811	125	100.0%	Level 9 - 18



Residential Overview

With residences occupying floors 20 through 38 of the Property, the Mandarin Oriental, Honolulu will offer the most exquisite residential product in the city, with well-appointed finishes and an immensely luxurious amenity base. The residences will also benefit from the affiliation with The Mandarin Oriental Hotel Group, a leading hospitality and residence brand that is renowned throughout the world, especially in Asia.

Residential Programming Summary

- Standing 38 stories tall at the bustling corner of Atkinson Drive and Kapiolani Boulevard, the Mandarin Oriental, Honolulu will be one of the most prominent additions to the Ala Moana skyline
- Private hotel and residential lobbies will create an intimate arrival experience for condominium owners
- Private valet garage parking will be available on floors three through five of the tower
- Condominium units, beginning at the 20th floor (a height of 220 feet) and ending at the 38th floor penthouse level (a height of 400 feet), will amount to more than 200,000 square feet of net saleable luxury dwellings, most of which are three-bedroom units averaging 2,300 square feet
- In addition to the aforementioned, the residences will also feature:
 - Floor-to-ceiling windows with unobstructed panoramic ocean, Diamond Head, Waikiki, or Koʻolau Mountain views
 - Expansive trellised lanais
 - Access to hotel amenities including amenity deck, fitness center, and full-service spa and services including in-room dining and maid service



Residential Unit Mix

The residences at the Mandarin will all be two- and three-bedroom layouts, except for four four-bedroom penthouses. Each luxurious residence will feature 9.5-foot ceilings, floor-to-ceiling windows and a large, shaded lanai that allows residents to enjoy sweeping views of the ocean, Diamond Head, Waikiki, the Mountains, and Downtown Honolulu. Residences start on the 20th floor with, at most, six residences per floor. With sparsely populated floors and a private lobby and amenities deck, the Mandarin Oriental, Honolulu will offer discerning condominium buyers the ultimate in luxury, exclusivity, privacy and intimacy.

Condominium Unit Mix

Room Type	Avg Interior SF	Units	% of Units	Location
2-Bedroom	1,558	48	48.5%	Level 20 – 35
3-Bedroom	2,327	47	47.5%	Level 20 – 37
4-Bedroom Penthouse	4,860	4	4.0%	Level 37 & 38
Total/Average	2,049	99	100.0%	Level 20 – 38

Residential Assumptions

# of Units	99	Avg. Unit SF	2,049
Net Saleable SF	202,860	Avg. Price per Unit	\$7,200,000
Avg. Base Price per SF	\$3,500	Condominium Marketing Fee	2.0%
Branding Fee	4.0%	Condominium Closing Costs	5.0%

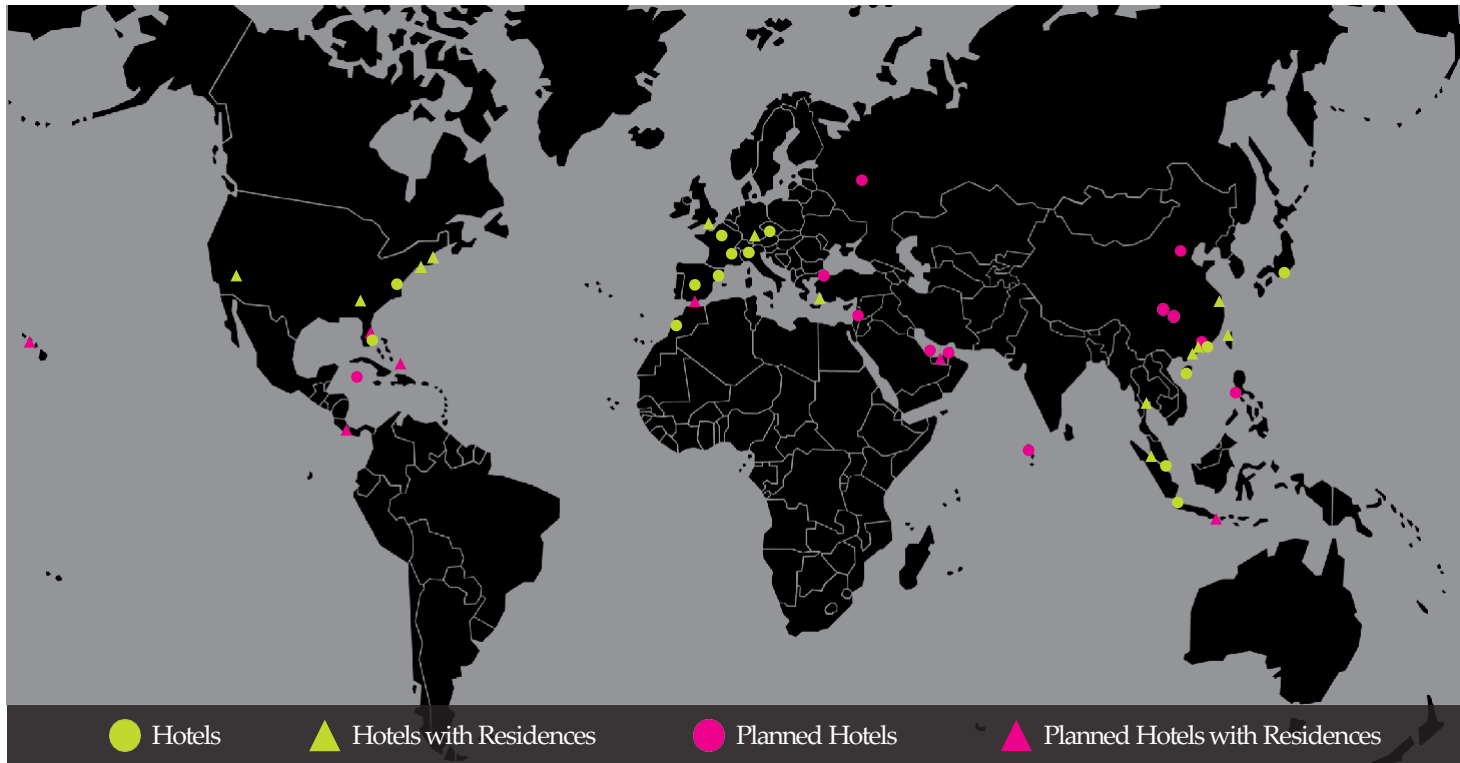
Pre-Sale Assumptions

Sales Office Opening/Pre-Sales Begin	Q2 2020	Projected Sell-Out Date	Q4 2021
Pre-Sales Period	78 Weeks	Deposit Due at Presales	30.0%

Mandarin Oriental Hotel Group

- Founded in 1963, Mandarin Oriental Hotel Group is a member of the Jardine Matheson Group, a British international hotel investment and management group and owns and operates some of the most luxurious hotels, resorts, and residences in the world.
- The hotel group currently operates 32 hotels (7 of which include residences) across North America, Asia and Europe with an additional 20 hotels (14 of which include residences) planned or under construction.
- Mandarin Oriental hotels have been consistently recognized by global publications including Forbes, Travel+Leisure and Michelin Guide and have won countless awards including *Best Hotel Group* from Travel+ and *Best of the Best - Hotel* from Robb Report.

www.mandarinoriental.com



“The small and stylish Mandarin Oriental Hotel Group takes top honours among hotel chains in both the United States and the Americas, earning the highest rating for Front Desk Service, Overall Design and Value for Cost among all hotel chains in North America.”

Condé Nast Traveler, US

“A truly top-of-the-line collection of fashionable, upscale hotels. This Asia-based chain combines amazing locations, gorgeous rooms, outstanding service catering to your every whim, world-class, cutting-edge spas and some of the best dining in their respective cities; exceptional attention to detail includes high-tech electronics, swanky bath amenities and plush terry robes.”

Zagat

Mandarin Oriental Hotel Group

Existing Locations

Hotel Name	Year Opened	Total Hotel Units	Total Residential Units
Mandarin Oriental, Bangkok	1974	368	146
Mandarin Oriental, Guangzhou ¹	2013	293	24
Mandarin Oriental, Hong Kong	1963	501	0
The Landmark, Mandarin Oriental (Hong Kong)	2005	109	0
Mandarin Oriental, Jakarta	1979	272	0
Mandarin Oriental, Kuala Lumpur ¹	1998	592	40
Mandarin Oriental, Macau	2010	213	92
Mandarin Oriental, Sanya	2009	296	0
Mandarin Oriental, Pudong, Shanghai ¹	2013	362	210
Mandarin Oriental, Singapore	1987	468	0
Mandarin Oriental, Taipei	2014	303	26
Mandarin Oriental, Tokyo	2005	179	0
Mandarin Oriental, Boston	2008	148	49
Mandarin Oriental, Canouan	2019	39	0
Mandarin Oriental, Miami	2000	326	0
Mandarin Oriental, New York	2003	244	64
Mandarin Oriental, Santiago	2019	360	0
Mandarin Oriental, Washington DC	2004	426	0
Mandarin Oriental, Abu Dhabi	2019	394	0
Mandarin Oriental, Barcelona	2009	120	0
Mandarin Oriental, Bodrum ²	2014	92	233
Mandarin Oriental, Doha	2019	482	0
Mandarin Oriental, Geneva	2000	189	0
Mandarin Oriental, Lake Como	2019	75	0
Mandarin Oriental Hyde Park, London	1996	193	84
Mandarin Oriental Ritz, Madrid	2020	167	0
Mandarin Oriental, Marrakech	2015	61	0
Mandarin Oriental, Milan	2015	104	0
Mandarin Oriental, Munich ³	2000	73	19
Mandarin Oriental, Prague	2006	99	0
Mandarin Oriental, Paris	2011	178	0
Total		7,726	1,239

Proposed Locations

Hotel Name	Total Hotel Units	Total Residential Units
The Project	125	99
Mandarin Oriental, Bali	114	91
Mandarin Oriental, Beijing	241	0
Mandarin Oriental, Chengdu	345	0
Mandarin Oriental, Chongqing	231	0
Mandarin Oriental, Maldives	114	0
Mandarin Oriental, Manila	275	0
Mandarin Oriental, Shenzhen	190	0
Mandarin Oriental, Boca Raton	TBD	89
Mandarin Oriental, Costa Rica	130	TBD
Mandarin Oriental, Dallas	TBD	100
Mandarin Oriental, Grand Cayman	TBD	89
Mandarin Oriental, Fifth Ave. New York	TBD	TBD
Mandarin Oriental, Dellsis Cay, Turks and Caicos	150	TBD
Mandarin Oriental, Dubai	255	144
Mandarin Oriental Etiler, Istanbul	TBD	TBD
Mandarin Oriental, Marbella	114	TBD
Mandarin Oriental, Mayfair	TBD	80
Mandarin Oriental, Moscow	TBD	TBD
Mandarin Oriental, Muscat	TBD	155
Total	2,284	847

1. Residential components of these properties offer serviced apartments for rent as opposed to serviced condos for sale
2. Residential component of this property offers serviced apartments for rent as well as serviced condos for sale
3. Residential component of this property is currently under development

Mandarin Oriental Hotel Group



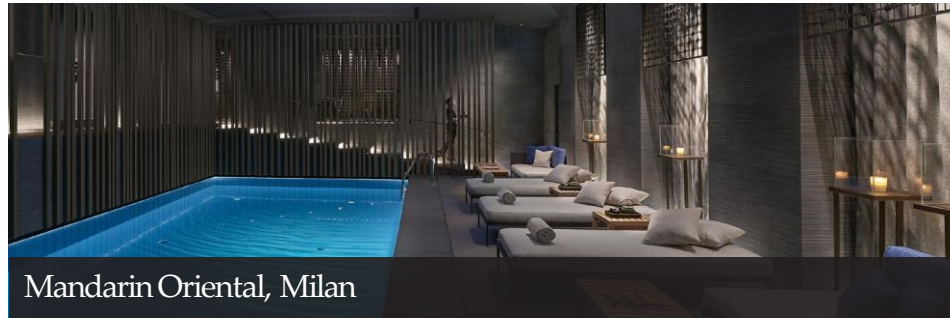
Mandarin Oriental, Paris



Mandarin Oriental, New York



Mandarin Oriental, Taipei



Mandarin Oriental, Milan



Mandarin Oriental Hyde Park, London



Mandarin Oriental, Tokyo



Mandarin Oriental, Las Vegas

Price Premium From Branding

The Project is also anticipated to command a premium to both non-branded and branded condominium hotel developments because of the strength of the Mandarin Oriental brand and its widespread presence in Asia. The Ritz-Carlton Residences, Waikiki Beach is one of the only other condominium hotel developments with a premium brand in Honolulu. The West Tower of the Ritz-Carlton project was completely sold out before construction began, with an average price per square foot that was double that of non-branded product of similar finish. Since 2005, only two other luxury condominium towers were built in addition to the Trump and Ritz-Carlton in Waikiki:

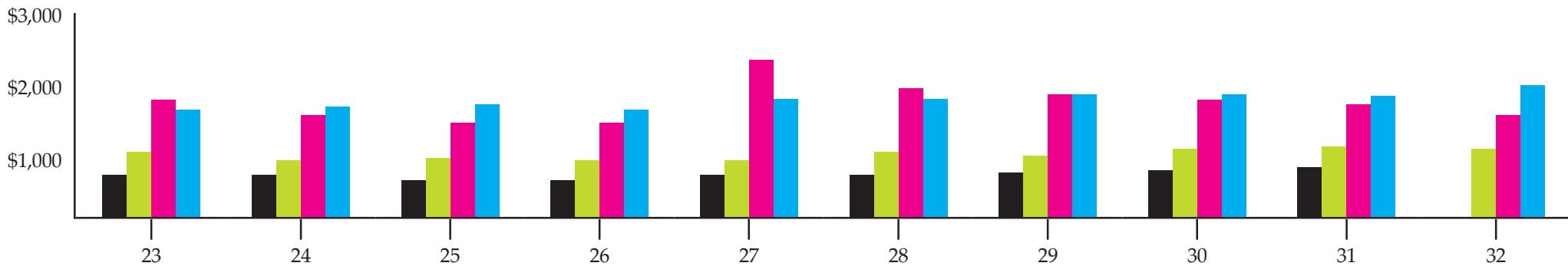
- The Allure opened in 2010 and reaches 35 floors above Kalakaua Avenue. The project features 302 units ranging from one- to three-bedroom layouts. Amenities include a resort-style, 20,000-square-foot recreation area with an infinity pool and Jacuzzi, fitness center, and barbeque area. Additionally, guests can relax in 32,000 square feet of green space and gardens with native Hawaiian plants.
- Opened in 2008, the Watermark contains 196 units on 38 floors. All residences are two or three-bedroom layouts, finished with balconies, floor-to-ceiling windows, granite and mahogany kitchens, and Viking appliances. Every unit faces the water and each floor contains six units or less. Shared amenities at the Watermark include a heated lagoon-style infinity pool, state-of-the-art gym, sauna, and steam rooms. Additionally, the property has a one-acre landscaped garden.



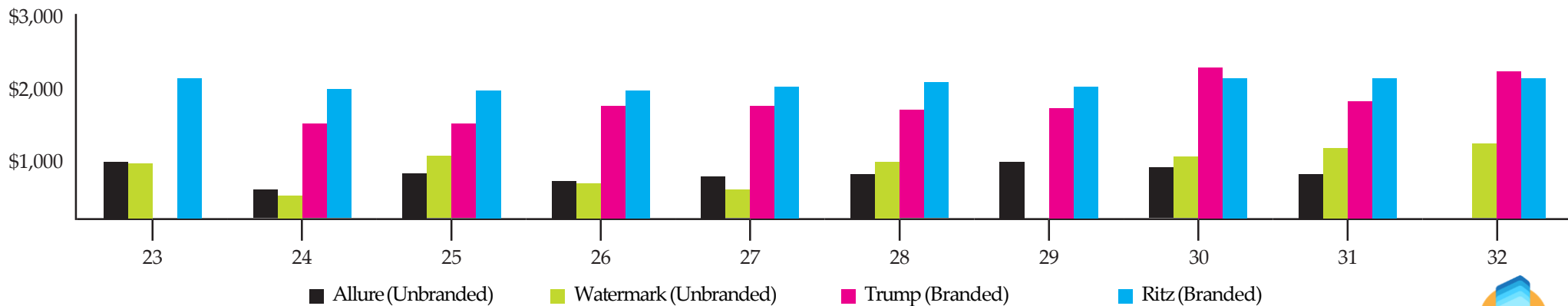
Price Premium From Branding

Despite having similar amenities and luxury finishes, the Watermark and Allure sell, on average, for approximately half the price per square foot of the Ritz-Carlton and Trump International. When broken down by floor and unit type, the difference between average sale price per square foot for unbranded units versus branded units is more pronounced. The variance is even greater in three-bedroom units than it is in two-bedroom units, with branded three-bedroom units commanding over 123 percent more in per-square-foot prices than two-bedroom units. The same phenomenon is expected at the Mandarin Oriental, Honolulu, where the brand equity of the Mandarin Oriental will command a premium for the Project's units when compared to unbranded condominiums in the Ala Moana and Kaka'ako neighborhoods, including Park Lane and Waiea.

\$/SF by Floor: Unbranded vs. Branded Two-Bedroom Units



\$/SF by Floor: Unbranded vs. Branded Three-Bedroom Units



Price Premium From Branding

Mandarin Oriental is a brand that commands incredible premiums in condominium sales. Units at the Mandarin Oriental in New York City, although not located in the traditional core luxury hospitality market of 57th Street/Plaza District, sell for a significantly higher price per square foot than the Manhattan condominium average. Additionally, they have appreciated more rapidly, with average Mandarin Oriental condominium increasing 133 percent since 2003 versus the average Manhattan condominium, which has appreciated 77 percent since 2003.

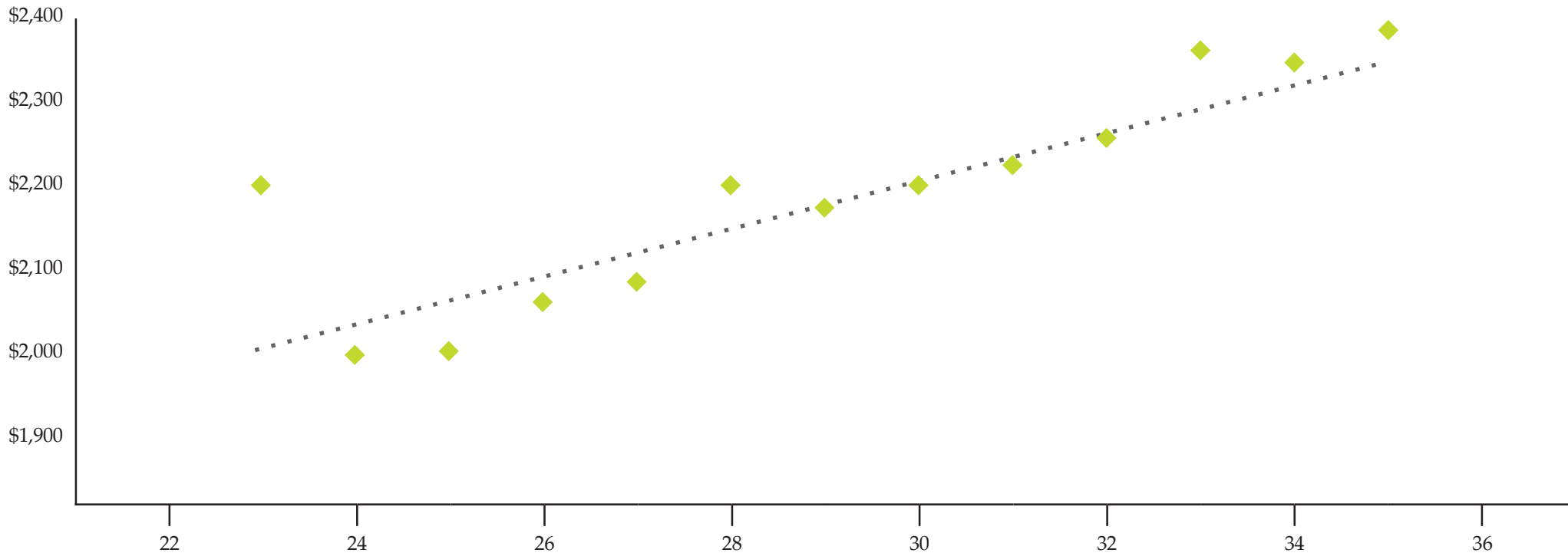
Residence at the Mandarin Oriental (\$/SF)



Price Premium From Height

As shown in the case study below, height also has a noticeable impact on the pricing of condominiums in Honolulu. Because the residences at the Mandarin Oriental, Honolulu start on the 20th floor, height should also be a consideration when identifying comparable units. At the Ritz-Carlton Residences Waikiki Beach, the same exact floorplate for three bedroom units can differ by hundreds of dollars per square foot in pricing when taking into account height. Condominium sales for three-bedroom residences at the Ritz-Carlton Tower I ranged between \$2,000 per square foot and \$2,400 per square foot, when most of the units were pre-sold. The Mandarin Oriental, Honolulu is expected to command a pricing premium over the Ritz-Carlton Residences due to its superior ceiling height, amenity base, intimate size, larger unit sizes, and timing of sale.

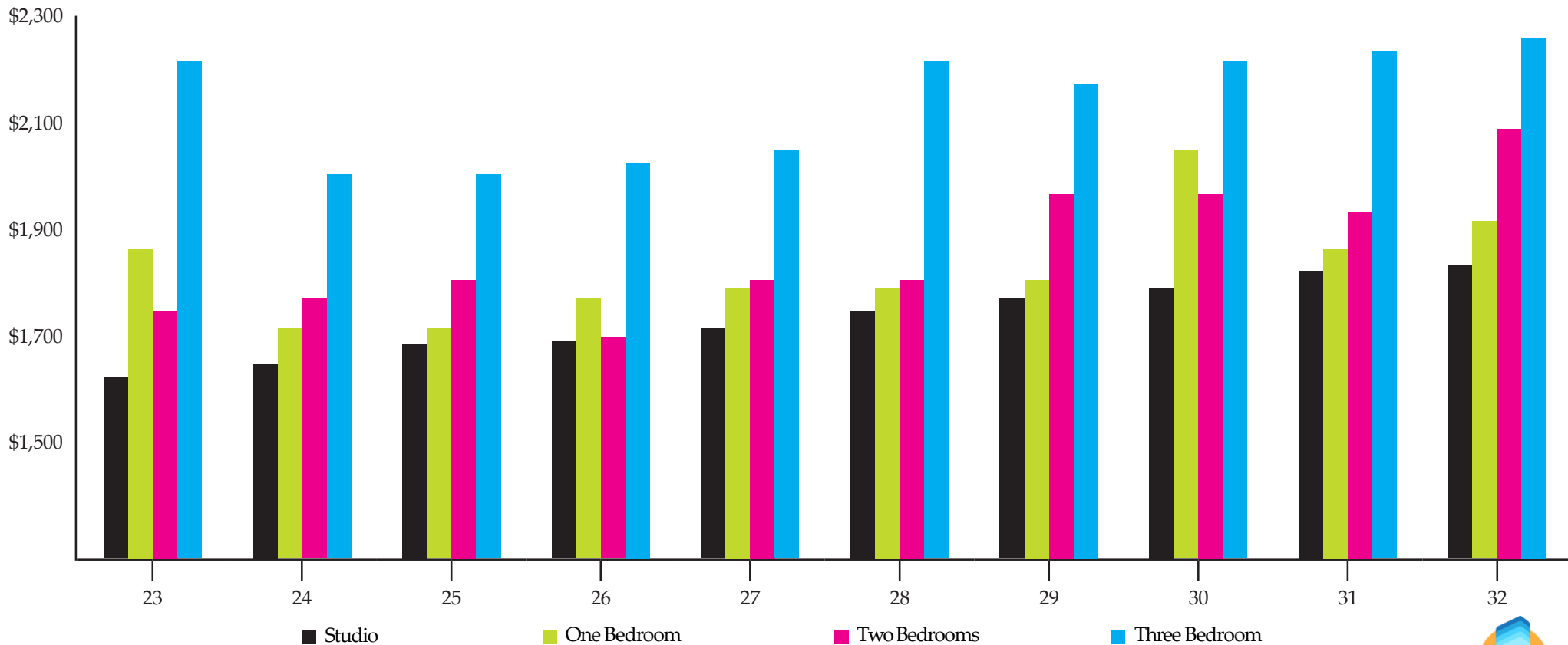
Ritz-Carlton Tower I Price Per SF By Floor - Three-Bedroom Units



Price Premium From Unit Mix

With only 99 bespoke, luxury units, the Mandarin Oriental, Honolulu also differentiates itself from other luxury condominium developments by delivering a more intimate and personalized experience. The residences will be two- and three-bedroom designs, with the exception of four four-bedroom penthouse units. Traditionally, two-bedroom units and three-bedroom units are priced at a premium when compared to one-bedroom and studio units. At the Ritz-Carlton Residences Waikiki Beach, three-bedroom units achieved the highest premium in price per square foot, averaging 15 percent more than both one- and two-bedroom units.

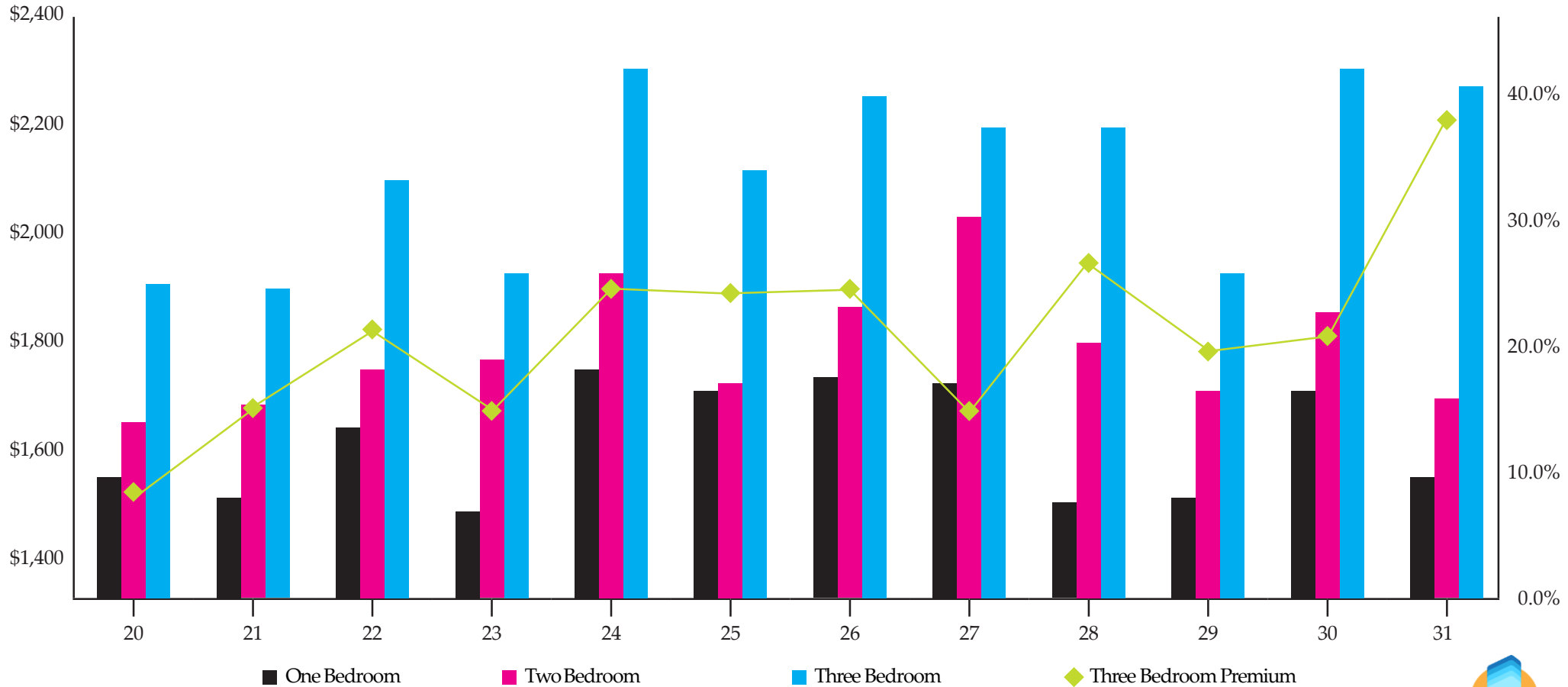
Ritz-Carlton Waikiki Tower I - Pricing Premium of Three-Bedroom Residences



Price Premium From Unit Mix

At the newly constructed Waiea development in Ward Village, three-bedroom units on floors 20 to 31 command, on average, a 21 percent premium in price per square foot when compared to the average price per square foot of other unit types. Two-bedroom units also clearly command a premium in price per square foot when compared to one-bedroom units.

Waiea - Pricing Premium of Three-Bedrooms



Penthouse Units

Starting on the 37th floor at an average of nearly 5,000 square feet per unit, the penthouse units offer buyers unmatched finishes tucked between the luxury shopping and entertainment of Kalakaua Avenue and Ala Moana Center. These units will feature three and four-bedroom layouts, some with two-level heights and wrap-around lanais with sweeping Diamond Head, mountain, city, and ocean views.



Food & Beverage Outlets and Retail Space

The Project will have several food and beverage options including a signature restaurant, lobby lounge and bar, and three-meal sky lobby restaurant. These options will have lushly landscaped, indoor and outdoor spaces for an intimate and tropical experience. The Mandarin Oriental Hotel Group is home to the most Michelin-starred restaurants of any hotel brand, thus an exciting, world-renowned celebrity chef or concept can be expected at the property. Additionally, street-level retail and casual-chic café concepts will offer guests immediate access to other dining options, as well as an active streetscape and public plaza to enjoy throughout the day. Although the ground-floor retail along Kapiolani Boulevard and Atkinson Drive offers immediate access to entertainment, shopping, and dining amenities, the Project is also only a five-minute walk to the Ala Moana Center, the largest open-air shopping center in the world, with a plethora of luxury shops; dozens of dining, café and bar concepts; live performances; an international food hall; and authentic and local retailers. Guests have the unique opportunity to live above the cosmopolitan, activated streetscape of Ala Moana and Waikiki while also being able to retreat to a quiet, discreet, and luxurious oasis.



Mandarin Oriental, Bangkok



Mandarin Oriental, New York

INVESTMENT HIGHLIGHTS

Uber Luxury Brand with Deep History and Loyalty in Asia

Mandarin Oriental is an established five-star and Michelin-awarded global leader in luxury hospitality. The group operates 32 destinations across 19 countries including Tokyo, Bangkok, Macau, Singapore, Hong Kong, Guangzhou, Paris, London, New York, Washington, DC, Miami and Milan. The brand is famed for its elegant hotels, residences, spas and restaurants.

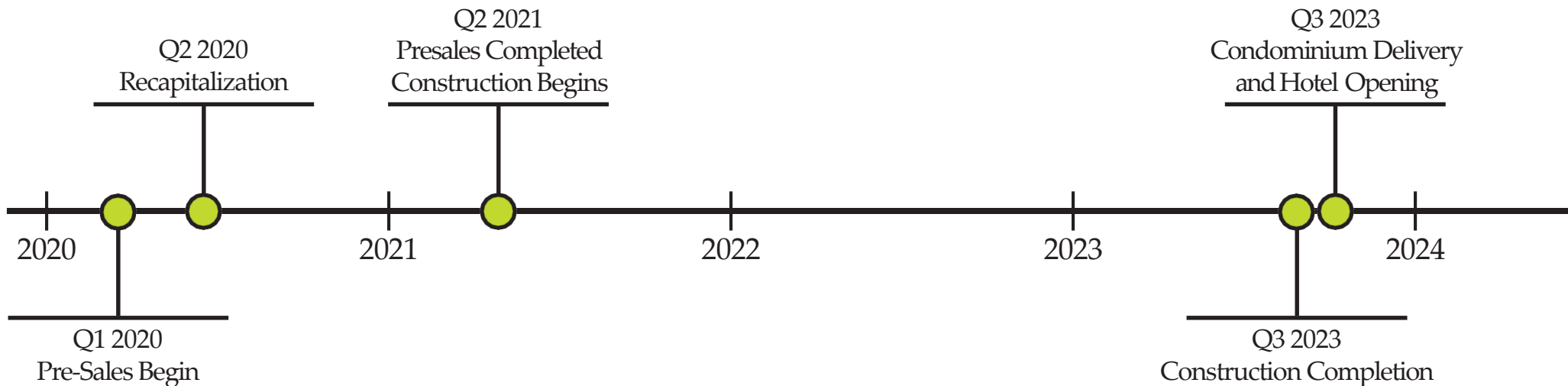
- Mandarin Oriental is proud of its more than 50 years of Asian heritage starting in 1963 with its flagship hotel, the Mandarin Oriental, Hong Kong.
- Conde Nast Traveler has rated Mandarin Oriental the number one hotel group in numerous categories on several occasions, a testament to the hotel brand's success in delivering authentic, high-touch service and delightful luxury experiences.

The Mandarin Oriental, Honolulu will define a new benchmark of luxury in Hawaii. The design and details of this magnificent project have undergone strenuous review, ensuring that it will be unrivaled in user experience. Mandarin Oriental's executed management agreement highlights the group's strong belief in the Ala Moana market as a premier destination and its ability to satisfy its network of loyal, well-heeled clientele.

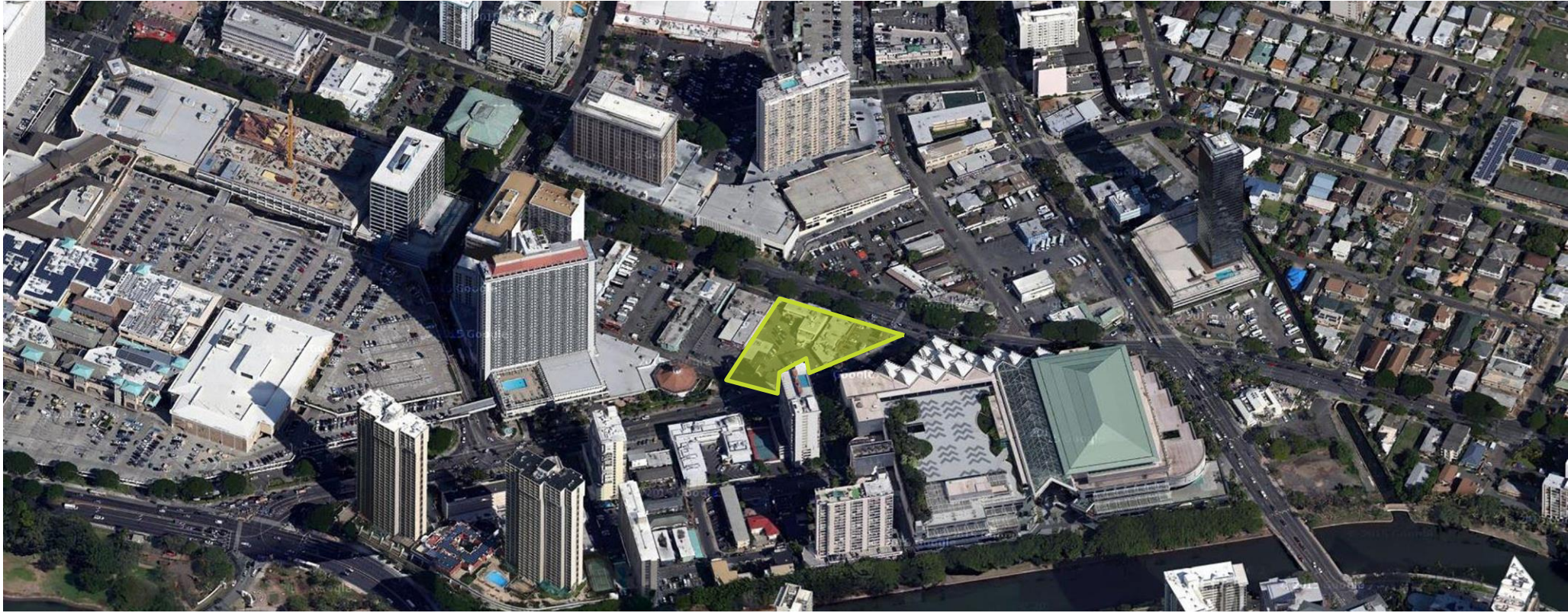


Fully-Entitled Project with Limited Development Timeline

Mana'olana Partners acquired the land several years ago and has worked in conjunction with the city and its officials to deliver this fully-entitled one-of-a-kind project. All city council approvals have been received and the Project is currently in the design phase. The majority of 2020 has been set aside to pre-sell the condominium units and construction of the Project is anticipated to take approximately 20 months.



Premier Luxury Product In Central, Urban Location



Upon completion, the Mandarin Oriental, Honolulu will offer one of the top residential and hotel guestroom experiences on the island, in addition to a virtually unmatched array of high-end amenities, which will instantly make it the premier urban resort on Oahu. Due to its low unit count, guests will be able to relax in an intimate, tropical landscaped oasis situated above the bustle of Waikiki and Ala Moana. The Property is a stone's throw away from the five-star shopping, dining, and entertainment of Waikiki and is just minutes away from Ala Moana Center, the world's largest open-air shopping mall and the seventh largest retail mall in the United States. At 2,400,000 square feet and \$1,400 per square foot in sales, Ala Moana Center is one of the highest revenue-producing retail centers in the U.S. Ala Moana features over 350 shops, with more than 160 dining options, surrounding the outdoors, including renowned brands such as Cartier, Coach, Gucci, Hermes, Jimmy Choo and Louis Vuitton. Natural wonders, such as the parks and beaches of Magic Island, are also a quick stroll from the Property, making it one of the most connected yet secluded hotels in Honolulu.

Stunning Architectural Detail and Iconic Design

A creatively brilliant team of architects and designers assembled to conceive a unique and extraordinary 38-story tower of art assured to be one of the most recognizable features of the Honolulu skyline. The Project will deliver awe-inspiring views of Honolulu, the surrounding white sand beaches, the majestic mountains and the turquoise blue Pacific Ocean. It will also feature an unparalleled selection of lavish amenities for both hotel guests and residents.



Superior Condominium Positioning



In Waikiki, branded condominiums command a significant premium to unbranded residences of the same vintage and similar finish. The sales price per square foot of the unbranded Allure and Watermark towers was approximately half of that of the branded Ritz-Carlton Residences, Waikiki Beach and Trump International Hotel Waikiki.

More recent luxury condominium projects, including Park Lane and the Ritz-Carlton, have also received a significant premium in price per-square-foot for their larger three-bedroom units. The unique unit mix at the Mandarin Oriental, Honolulu, with over half of its valuation derived from three-bedroom residence sales, will result in superior pricing per square foot. Lastly, with condominium units starting on the 20th floor, buyers will have unparalleled views that stretch over the natural wonders of Honolulu. Through public records, a study of the West Tower sales of the Ritz-Carlton Residences, Waikiki Beach proves that higher floors have a pricing advantage, at an average of 2.0 percent higher per floor.

Strong Lodging Fundamentals and Limited New Supply

Oahu achieved record tourism in 2018, bringing in nearly 5.9 million visitors, of which 58 percent were repeat visitors staying for nearly a week on average. In 2018 alone, the island of Oahu generated over \$8.2 billion in visitor expenditures.

Japanese visitation is one of the many facets of growth in the tourism economy in Hawaii. Japanese visitors are responsible for over \$2.1 billion in visitor expenditures annually and account for over 1.5 million visitors annually with over 67.0 percent being repeat visitors. Japan continued to rank third in visitor spending, visitor days, and arrivals. Over the past year, Japanese visitors have slightly decreased their spending, with a 0.7 percent decline year-over-year in 2018.

Lodging continues to be the largest expense for visitors in Oahu. Despite healthy demand growth for lodging in the market, the area is extremely supply-constrained, as Oahu has experienced a 0.4 percent compounded annual decrease in supply in the last 15 years. The lack of new supply has impacted the market dramatically, increasing average occupancy to 84.2 percent during the current lodging cycle (2009–2019), which is higher than the average of any other previous cycle. Compression in the market led to a RevPAR CAGR of 6.3 percent between 2009 and 2019. Compression in the market led to RevPAR growth of 8.6 percent between 2018 and 2019, driven by a 6.4 percent growth in ADR, which both outpaced the Top-5 U.S. average.

In the island-wide luxury segment, the pace of new rooms growth is extraordinarily slow, with no new supply from the 1980s to 2009, when the Trump International Hotel Waikiki was constructed, followed by another supply drought until 2016, when the Ritz-Carlton, Waikiki Beach was delivered. The natural barriers to supply and the extreme lack of developable land with ocean views will protect the Property's asset value.



Low Key Count, Perfect for Capturing Ultra-Luxury Market

Once open, the Mandarin Oriental, Honolulu will cater to the discerning international traveler who appreciates the privacy of a low key-count, 35 percent suite mix with average room sizes of 2,049 square feet and an unparalleled dining experience and amenities base. According to Capgemini, a global consulting firm, the Asia-Pacific region leads the world with the largest amount of high net worth wealth. The Asia-Pacific region saw an 18.4 percent increase in high net worth wealth from 2015-2018, reaching \$20.6 trillion. Asia-Pacific's Ultra High Net Worth population, defined as those with US \$30 million or more investable wealth, grew by 19.6 percent over the same period to 6 million individuals. Growing numbers of Ultra High Net Worth individuals and investable wealth bode well for the reception of the Mandarin Oriental, Honolulu in international markets.



Transit-Oriented Development & Neighborhood Revitalization

The Project is located in Ala Moana's Transit-Oriented Development (TOD) District. This district is part of the Honolulu High-Capacity Transit Corridor Project (HHCTCP), a planned city-wide rail system that incentivizes mixed-use development and investment in and around each rail station with increased density, experiential streetscapes, walkability and transit usage. The HHCTCP is a driving force in continuing to improve and transform an already vibrant and thriving destination within Honolulu by spurring redevelopment and increasing mobility and convenience.



Capital Structure

In Hawaii, development projects can use condominium sale deposits to finance the construction of the project. In the case of the Mandarin Oriental, Honolulu, ownership expects \$120 million, or 17 percent of the capital stack to be funded through pre-sale deposits. Deposits increase returns by providing the Project with interest-free financing and also validate the feasibility of the Project. The majority of the units at the Mandarin Oriental, Honolulu, if not all, is projected to be sold prior to construction.



COMPETITION OVERVIEW

National Lodging Market Performance

National Lodging Market RevPAR Trends

Year	Occupancy	%Δ	ADR	%Δ	RevPAR	%Δ	Supply	%Δ	Demand	%Δ
1987	63.6%	--	\$52.80	--	\$33.56	--	1,083,602,052	--	689,170,905	--
1988	63.6%	0.0%	\$54.74	3.7%	\$34.81	3.7%	1,134,116,722	4.7%	721,298,235	4.7%
1989	64.3%	1.1%	\$56.92	4.0%	\$36.62	5.2%	1,176,481,863	3.7%	756,477,838	4.9%
1990	62.4%	-3.0%	\$58.49	2.8%	\$36.50	-0.3%	1,241,127,880	5.5%	774,463,797	2.4%
1991	60.9%	-2.4%	\$58.83	0.6%	\$35.83	-1.8%	1,259,177,205	1.5%	766,838,918	-1.0%
1992	62.1%	2.0%	\$59.65	1.4%	\$37.04	3.4%	1,260,369,184	0.1%	782,689,263	2.1%
1993	63.1%	1.6%	\$61.30	2.8%	\$38.68	4.4%	1,265,331,128	0.4%	798,423,942	2.0%
1994	64.7%	2.5%	\$64.24	4.8%	\$41.56	7.4%	1,272,443,570	0.6%	823,270,990	3.1%
1995	65.5%	1.2%	\$67.34	4.8%	\$44.11	6.1%	1,282,610,702	0.8%	840,110,010	2.0%
1996	65.1%	-0.6%	\$70.97	5.4%	\$46.20	4.7%	1,317,744,303	2.7%	857,851,541	2.1%
1997	64.5%	-0.9%	\$75.31	6.1%	\$48.57	5.1%	1,364,582,750	3.6%	880,155,874	2.6%
1998	63.8%	-1.1%	\$78.62	4.4%	\$50.31	3.6%	1,417,384,959	3.9%	904,291,604	2.7%
1999	63.3%	-0.8%	\$81.27	3.4%	\$51.44	2.2%	1,471,325,987	3.8%	931,349,350	3.0%
2000	63.5%	0.3%	\$85.06	4.7%	\$54.01	5.0%	1,518,680,102	3.2%	964,361,865	3.5%
2001	60.2%	-5.2%	\$83.72	-1.6%	\$50.40	-6.7%	1,548,118,184	1.9%	931,967,147	-3.4%
2002	59.0%	-2.0%	\$83.19	-0.6%	\$49.04	-2.7%	1,584,900,319	2.4%	935,091,188	0.3%
2003	59.2%	0.3%	\$82.46	-0.9%	\$49.15	0.2%	1,604,587,699	1.2%	949,915,918	1.6%
2004	61.4%	3.7%	\$86.41	4.8%	\$53.03	7.9%	1,609,343,425	0.3%	988,136,863	4.0%
2005	63.1%	2.8%	\$91.16	5.5%	\$57.56	8.5%	1,609,704,418	0.0%	1,015,723,488	2.8%
2006	63.3%	0.3%	\$97.99	7.5%	\$62.03	7.8%	1,612,016,611	0.1%	1,020,406,515	0.5%
2007	63.1%	-0.3%	\$104.07	6.2%	\$65.62	5.8%	1,631,682,965	1.2%	1,029,591,951	0.9%
2008	60.4%	-4.3%	\$106.68	2.5%	\$64.42	-1.8%	1,674,222,164	2.6%	1,011,230,187	-1.8%
2009	54.5%	-9.8%	\$98.17	-8.0%	\$53.50	-17.0%	1,747,851,076	4.4%	952,578,836	-5.8%
2010	57.6%	5.7%	\$98.08	-0.1%	\$56.47	5.6%	1,781,123,970	1.9%	1,025,927,407	7.7%
2011	59.9%	4.0%	\$101.85	3.8%	\$61.02	8.1%	1,766,519,581	-0.8%	1,058,144,031	3.1%

National Lodging Market Performance

National Lodging Market RevPAR Trends

Year	Occupancy	%Δ	ADR	%Δ	RevPAR	%Δ	Supply	%Δ	Demand	%Δ
2012	61.4%	2.5%	\$106.10	4.2%	\$65.17	6.8%	1,770,637,830	0.2%	1,087,171,627	2.7%
2013	62.3%	1.5%	\$110.35	4.0%	\$68.69	5.4%	1,785,940,993	0.9%	1,112,641,239	2.3%
2014	64.4%	3.4%	\$115.32	4.5%	\$74.28	8.1%	1,802,014,462	0.9%	1,162,710,095	4.5%
2015	65.4%	1.6%	\$120.01	4.1%	\$78.67	5.9%	1,821,836,621	1.1%	1,196,428,687	2.9%
2016	65.5%	0.2%	\$123.97	3.3%	\$81.19	3.2%	1,850,986,007	1.6%	1,216,767,975	1.7%

Years	Avg.	CAGR	CAGR	CAGR	CAGR
1987-2016	62.4%	3.0%	3.1%	1.9%	2.0%
1987-2008	62.7%	3.4%	3.2%	2.1%	1.8%
1994-2000	64.3%	4.8%	4.5%	3.0%	2.7%
2003-2008	61.8%	5.3%	5.6%	0.9%	1.3%
2009-2016	61.4%	3.4%	6.1%	0.8%	3.6%

Oahu Market Performance

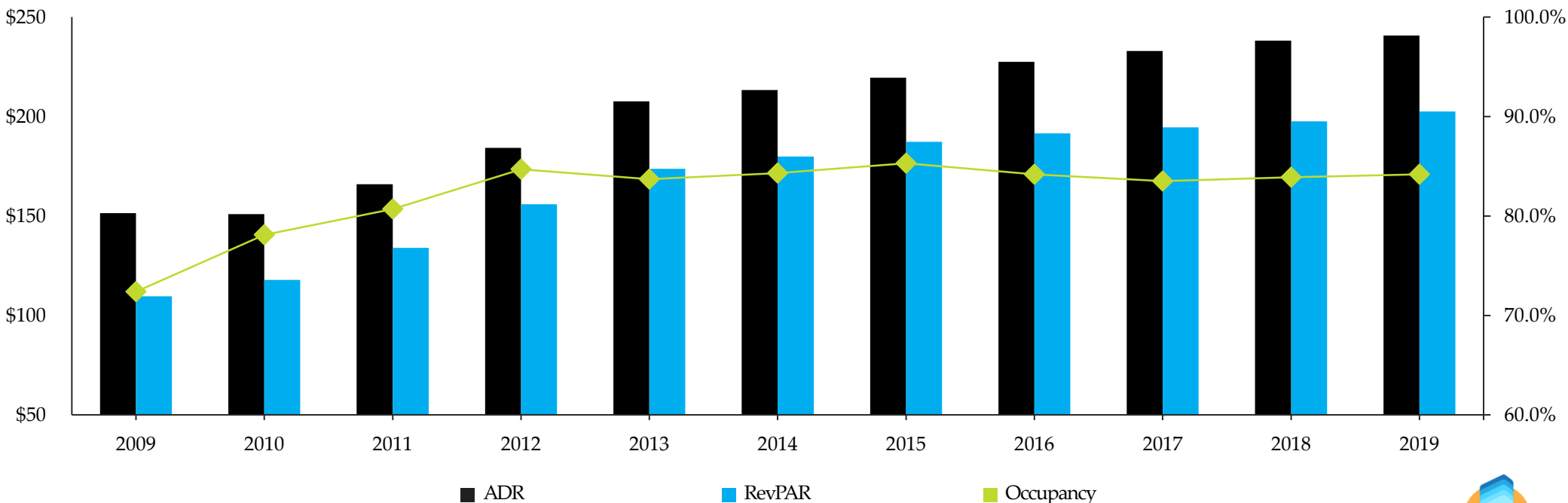
Oahu RevPAR Trends

Year	Occupancy	%Δ	ADR	%Δ	RevPAR	%Δ	Supply	%Δ	Demand	%Δ
2003	72.1%	--	\$117.32	--	\$84.54	--	11,808,522	--	8,509,888	--
2004	78.4%	8.7%	\$124.78	6.4%	\$97.83	15.7%	11,668,059	-1.2%	9,148,316	7.5%
2005	82.8%	5.6%	\$142.03	13.8%	\$117.58	20.2%	11,043,856	-5.3%	9,143,103	-0.1%
2006	80.5%	-2.8%	\$158.25	11.4%	\$127.42	8.4%	10,577,238	-4.2%	8,516,749	-6.9%
2007	75.7%	-6.0%	\$169.53	7.1%	\$128.40	0.8%	10,692,720	1.1%	8,098,639	-4.9%
2008	73.7%	-2.6%	\$171.65	1.3%	\$126.57	-1.4%	10,414,425	-2.6%	7,679,478	-5.2%
2009	72.4%	-1.8%	\$151.46	-11.8%	\$109.60	-13.4%	10,435,003	0.2%	7,550,627	-1.7%
2010	78.1%	7.9%	\$150.90	-0.4%	\$117.87	7.5%	10,547,672	1.1%	8,238,836	9.1%
2011	80.7%	3.3%	\$165.99	10.0%	\$133.94	13.6%	10,550,833	0.0%	8,513,737	3.3%
2012	84.7%	5.0%	\$184.24	11.0%	\$155.98	16.5%	10,698,351	1.4%	9,057,579	6.4%
2013	83.7%	-1.2%	\$207.59	12.7%	\$173.76	11.4%	10,717,455	0.2%	8,970,960	-1.0%
2014	84.3%	0.7%	\$213.33	2.8%	\$179.91	3.5%	10,595,985	-1.1%	8,936,014	-0.4%
2015	85.3%	1.2%	\$219.55	2.9%	\$187.32	4.1%	10,331,085	-2.5%	8,810,910	-1.4%
2016	84.2%	-1.3%	\$227.50	3.6%	\$191.59	2.3%	10,527,376	1.9%	8,881,397	0.8%
2017	83.5%	-0.8%	\$233.02	2.4%	\$194.51	1.5%	10,845,300	3.0%	9,053,100	1.9%
2018	83.9%	0.4%	\$238.16	2.2%	\$197.65	1.6%	10,874,300	0.3%	9,118,400	0.7%
2019	84.2%	0.4%	\$240.76	1.1%	\$202.62	2.5%	11,087,200	1.9%	9,330,900	2.3%
Years	Avg.		CAGR		CAGR		CAGR		CAGR	
2003-2008	77.2%		7.9%		8.4%		-1.4%		0.0%	
2009-2019	82.3%		4.7%		6.3%		0.6%		2.1%	

Oahu Market Highlights

- A testament to the supply-constrained environment of the market, Oahu has seen a 2.0 percent supply increase since 2004.
- This cycle (2009-2019) has boasted supply and demand CAGRs of 0.6 percent and 2.1 percent, respectively.
- Occupancy has averaged 82.3 percent in the market during the current lodging cycle (2009-2019), a higher average than any previous cycle.
- ADR & RevPAR:
 - Average Daily Rate in the market ended 2019 at \$240.76, marking the ninth consecutive year of record ADR growth.
 - Record-high occupancies and ADR have led to a RevPAR CAGR of 6.3 percent between 2009 and 2019.
 - RevPAR for the market ended 2016 at \$202.62, marking the tenth consecutive year of record RevPAR growth.
 - As of year-end 2016, Oahu boasts the third-highest nominal ADR and RevPAR of any U.S. Market.

Oahu RevPAR Trends



Hawaii Luxury Market Performance

Hawaii Luxury RevPAR Trends

Year	Occupancy	%Δ	ADR	%Δ	RevPAR	%Δ	Supply	%Δ	Demand	%Δ
2000	78.2%	--	\$284.48	--	\$222.38	--	2,621,065	--	2,048,924	--
2001	69.8%	-10.8%	\$303.04	6.5%	\$211.38	-4.9%	2,596,060	-1.0%	1,810,835	-11.6%
2002	67.4%	-3.4%	\$303.68	0.2%	\$204.63	-3.2%	2,582,034	-0.5%	1,739,842	-3.9%
2003	66.6%	-1.1%	\$322.26	6.1%	\$214.78	5.0%	2,632,380	1.9%	1,754,405	0.8%
2004	71.8%	7.8%	\$335.18	4.0%	\$240.77	12.1%	2,632,380	0.0%	1,890,891	7.8%
2005	74.1%	3.1%	\$335.91	6.2%	\$263.70	9.5%	2,630,794	-0.1%	1,949,207	3.1%
2006	74.0%	-0.1%	\$383.15	7.7%	\$283.69	7.6%	2,630,417	0.0%	1,947,651	-0.1%
2007	72.1%	-2.7%	\$417.46	9.0%	\$300.84	6.0%	2,533,236	-3.7%	1,825,549	-6.3%
2008	63.7%	-11.6%	\$443.23	6.2%	\$282.27	-6.2%	2,380,912	-6.0%	1,516,276	-16.9%
2009	54.2%	-14.9%	\$394.35	-11.0%	\$213.74	-24.3%	2,508,917	5.4%	1,359,867	-10.3%
2010	58.2%	7.5%	\$389.31	-1.3%	\$226.77	6.1%	2,739,235	9.2%	1,595,575	17.3%
2011	66.6%	14.3%	\$408.63	5.0%	\$272.11	20.0%	2,699,261	-1.5%	1,797,451	12.7%
2012	70.2%	5.5%	\$427.22	4.5%	\$300.06	10.3%	2,720,345	0.8%	1,910,639	6.3%
2013	70.2%	0.0%	\$462.21	8.2%	\$324.56	8.2%	2,755,745	1.3%	1,935,024	1.3%
2014	71.2%	1.4%	\$472.84	2.3%	\$336.73	3.8%	2,848,210	3.4%	2,028,363	4.8%
2015	72.8%	2.3%	\$495.26	4.7%	\$360.74	7.1%	2,785,484	-2.2%	2,028,885	0.0%
2016	73.5%	0.9%	\$504.44	1.9%	\$370.78	2.8%	2,995,939	7.6%	2,202,105	8.5%
2017	75.1%	1.2%	\$525.13	4.5%	\$394.29	6.2%	--	--	--	--
2018	74.6%	-0.7%	\$555.81	5.9%	\$414.12	5.3%	--	--	--	--
2019	76.0%	1.9%	\$566.64	2.0%	\$430.77	4.0%	--	--	--	--

Years	Avg.	CAGR	CAGR	CAGR	CAGR
2000-2019	69.3%	3.6%	4.4%	--	--
2003-2008	70.4%	6.6%	5.6%	-2.0%	-2.9%
2009-2019	69.3%	3.7%	7.3%	--	--

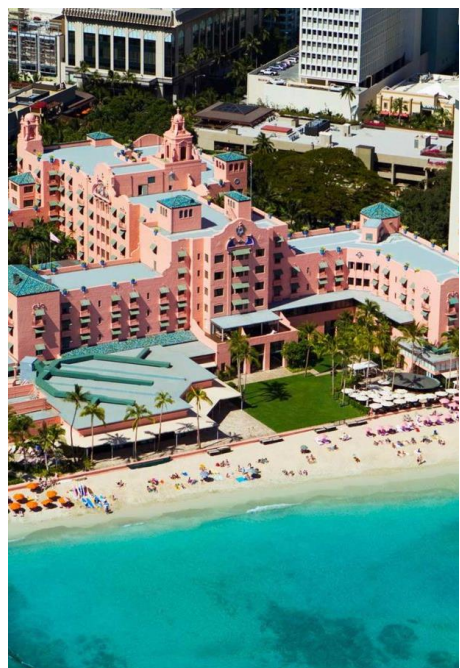
Supply & Demand Fundamentals

- Over the last 16 years, the luxury segment of the market has only seen a supply increase of 0.8 percent. One factor in this increase is the opening of the Trump International Hotel Waikiki Beach Walk in 2009. Otherwise, the luxury market has remained very supply-constrained, with more years of zero or negative supply growth than positive growth since 2000.
- REVPAR/ADR:
 - Throughout the current cycle, the luxury segment of the Hawaii market has exhibited similar growth trends to the Oahu market, with a RevPAR CAGR from 2009-2016 of 8.2 percent.
 - Average Daily Rate for the luxury market ended 2019 at \$566.64 marking the fourth consecutive year of record rate growth. This ADR is a \$326.60, or 135.5 percent, premium to the greater Oahu market.
 - RevPAR reached a record high for the fourth consecutive year as well, ending 2019 at \$430.77.
 - 2019 is off to a very strong start for the luxury sector in Hawaii, with RevPAR growth of 4.0 percent as compared to same time last year.



Competitive Hotel Set

Competitive Set						
Hotel	Rooms	Date Opened	Total Meeting Space (SF)	Meeting Space Per Room (SF)	Total Spa Space (SF)	Spa Space Per Room (SF)
Mandarin Oriental, Honolulu	125	2023	12,900	103	17,700	142
The Royal Hawaiian	528	1959	15,864	30	7,000	13
Halekulani	453	1984	19,930	44	5,500	12
The Kahala Hotel & Resort	338	1964	21,005	62	5,500	16
Trump International Hotel	469	2009	8,426	18	3,700	8
Ritz-Carlton Waikiki	551	2016/2018	3,000	5	6,500	12
Total (Excluding Mandarin)	2,329		68,225	29	28,200	12



Competitive Hotel Set

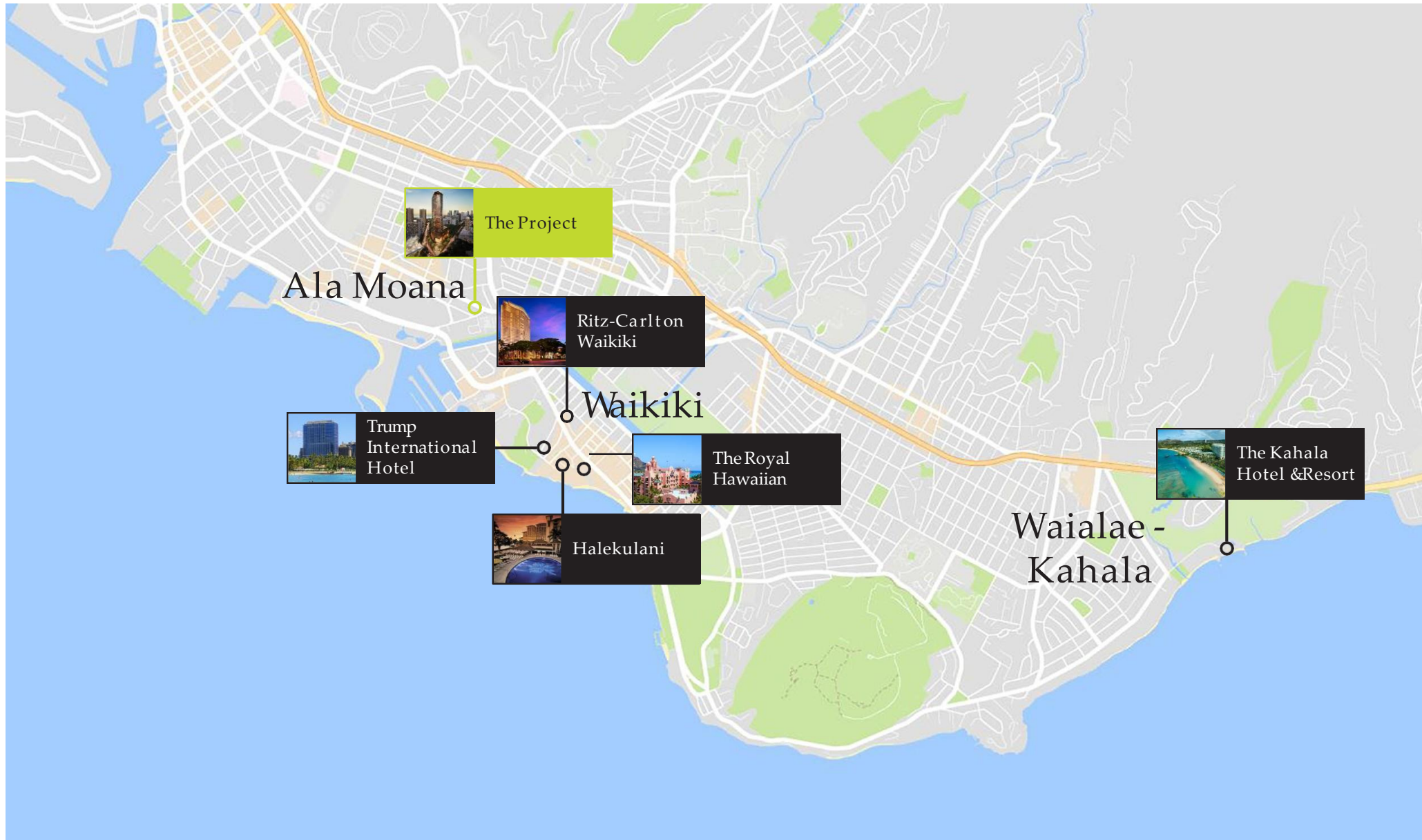
Competitive Set Summary Matrix

	Mandarin Oriental, Honolulu	Ritz-Carlton Waikiki	Trump International Hotel	Halekulani	The Kahala Hotel & Resort	The Royal Hawaiian
Address	1695 Kapiolani Blvd. Honolulu, Hawaii 96814	383 Kalaimoku St. Honolulu, HI 96815	223 Saratoga Rd. Honolulu, HI 96815	2199 Kalia Rd. Honolulu, HI 96815	5000 Kahala Ave. Honolulu, HI 96816	2259 Kalakaua Ave. Honolulu, HI 96815
Year Opened	2023	2016/2018	2009	1984	1964	1959
Last or Planned Renovation	N/A	N/A	N/A	2012	2009	2009
Most Recent Renovation Scope	N/A	N/A	FF&E is refreshed by Unit Owners	Guestrooms, Corridors, Flooring, Restrooms	Common Areas, Guestrooms, Meeting Spaces, Technology	Corridors, Lounges, Guest Reception Area
Most Recent Renovation Cost	N/A	N/A	N/A	\$52,000,000	\$52,000,000	\$70,000,000
Affiliation	Mandarin Oriental, Honolulu	Ritz-Carlton / Marriott	Trump International	Halekulani	Okura	Luxury Collection
Stories	38	38	36	17 (Ewa Tower)	10	16 (Mailani Tower)
Number of Rooms	125	551	462	453	338	528
Restaurants/Bars	Signature Restaurant Three-meal Sky Lobby Restaurant Sky Lobby Bar	BLT Market Sushi Sho Dean and Deluca BLT Pool Bar & Grille	BLT Steakhouse Wai'olu Ocean View Lounge In-Yo Café	La Mer L'Aperitif Cocktail Bar Orchids House Without A Key Lewers Lounge	Hoku's Plumeria Beach House The Veranda Seaside Grill Arancino at the Kahala	Surf Lanai Restaurant Mai Tai Bar Azure Restaurant Aha'Ana
Spa (SF)	17,700	6,500	3,700	5,500	5,500 ¹	7,000
Total Net Meeting Space (SF) ²	13,500	3,000	350	20,000	24,000	12,000
Largest Ballroom (SF)	3,640	3,000	N/A	6,400	8,800	78,000
Meeting Space per Key	108	5	1	44	71	23
Spa Space per Key	142	12	8	12	16	13
Swimming Pool	Yes	Yes	Yes	Yes	Yes	Yes
Fitness Room	Yes	Yes	Yes	Yes	Yes	Yes

1. Spa space for Kahala is estimated

2. Meeting Space only includes dedicated meeting space

Competitive Hotel Set



Competitive Hotel Set Description - Ritz-Carlton Waikiki



The Ritz-Carlton Residences was completed in two phases with two towers that contain a total of 551 condominium hotel residences, a parking podium, an amenities deck, a spa and four restaurant or grab-and-go concepts. Approximately half of the Ritz-Carlton's room product are suites and almost all the rooms will have direct ocean views. The hotel will have approximately 3,000 square feet of dedicated meeting space, an infinity pool and lagoon pool, a Ritz-Carlton Spa, a kid's club, and a state-of-the-art fitness center with sauna and steam room. Tower II of the project, which contains 244 condominium hotel residences, opened in 2018, while Tower I of the project, which contains 307 condominium hotel units, opened in 2016.

Competitive Hotel Set Description - Trump International Hotel

Opened in 2009, the Trump International Hotel Waikiki Beach Walk features a total of 462 condo-hotel units. Food and beverage options include an American steakhouse, a café, an ocean view lounge, and a twenty four-hour in-room gourmet dining service. The property boasts five different flexible areas for events and meetings spread across approximately 17,000 square feet, including restaurant and outdoor lanai space. The hotel also includes an in-house spa service which features an infinity pool and a state-of-the-art fitness center.



Competitive Hotel Set Description - Halekulani



Located just off the coast of Waikiki Bay, the Halekulani was built in 1984. The resort offers 453 rooms, including 42 suites. Food and beverage options include two fine dining restaurants, two bars, and a lounge. Amenities include a heated swimming pool, a fitness center with available classes, a business center, and an in-house spa. Its most recent \$52-million renovation was completed in 2012 and has revamped and modernized its 453 guestrooms, hallways, and featured artwork around the property. Halekulani features six different indoor and outdoor meeting and event spaces for a total of 20,000 square feet of meeting space.



Competitive Hotel Set Description - The Kahala Hotel & Resort

The Kahala Hotel & Resort currently stands as one of the top Hawaiian luxury hotels and resorts in Honolulu. The 338-room resort first opened in 1964 and offers a twenty four-hour fitness and health center, a business center, beach portrait photography sessions, surfing lessons and a shopping gallery. The hotel features seven indoor and outdoor fine dining restaurants. The Kahala Hotel & Resort offers over 24,000 square feet of meeting space across seven different rooms and ballroom spaces, which can be adapted to suit any type of gathering or event. Its most recent \$52-million renovation, which was completed in 2009, renovated all room décor, technology around the resort, ballroom and meeting space and featured amenities.



Competitive Hotel Set Description - The Royal Hawaiian

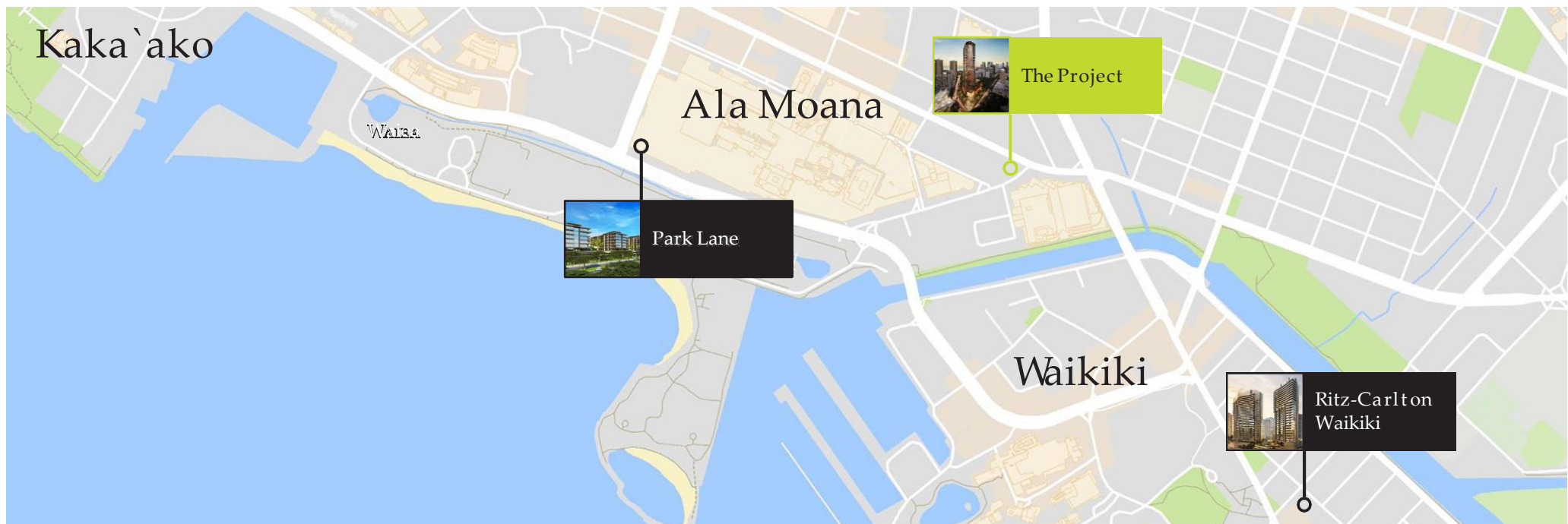


The largest property in the Mandarin Oriental's competitive set, the 528-room Royal Hawaiian Luxury Collection Resort resides on Waikiki Beach, just nine miles east of the Honolulu International Airport. Its most recent \$70-million renovation in 2010, together with the redesigned accommodations, ballrooms, bars and restaurants have revitalized the atmosphere of the resort. The resort features 34 suites, including 18 oceanfront suites and six two-story exclusive suites. Guests enjoy more than 66,000 square feet of beachfront space along with world-class restaurants and bars. The resort offers a state-of-the-art twenty-four-hour fitness center, 12 different specialty boutique shops and an in-house salon and day spa. The Royal Hawaiian Resort boasts six meeting and event spaces, including 12,000 square feet of indoor meeting space and 72,000 square feet of potential outdoor meeting space.

Competitive Condominium Set

Several luxury condominiums have been developed in recent years with the majority of the new luxury developments being built in the Kaka'ako neighborhood. Relevant luxury condominium developments are highlighted below.

Competitive Set							
Property	Address	Type	Units/Floor	Completion	Avg \$/SF	Developer	% Sold
Park Lane	1388 Ala Moana Blvd.	Condo	219/8	Nov.2017	\$2,600	Kobayashi/ MacNaughton	90%
Ritz-Carlton Waikiki	383 Kalaimoku St.	Condo-Hotel	551/28	Jul. 2018	n/a	Irongate	97%



Competitive Condominium Set Description - Park Lane

Park Lane is a unique townhouse residential project that is being developed on top of the parking structure of Ala Moana Shopping Center, directly connected to the mall. The seven separate buildings are 100 feet tall and will house 219 units and was completed in 2017. The units range from one - to five - bedrooms and offer diverse services including grocery delivery and an in-house movie theater. This \$300-million project was also developed by Kobayashi Group and MacNaughton Group with Blacksand Capital. As of December 2018, 100 percent of the units had been sold. Initial sale prices for Park Lane ranged from \$1.2 million to \$28 million with units averaging from \$2,000 to \$4,200 per square foot.

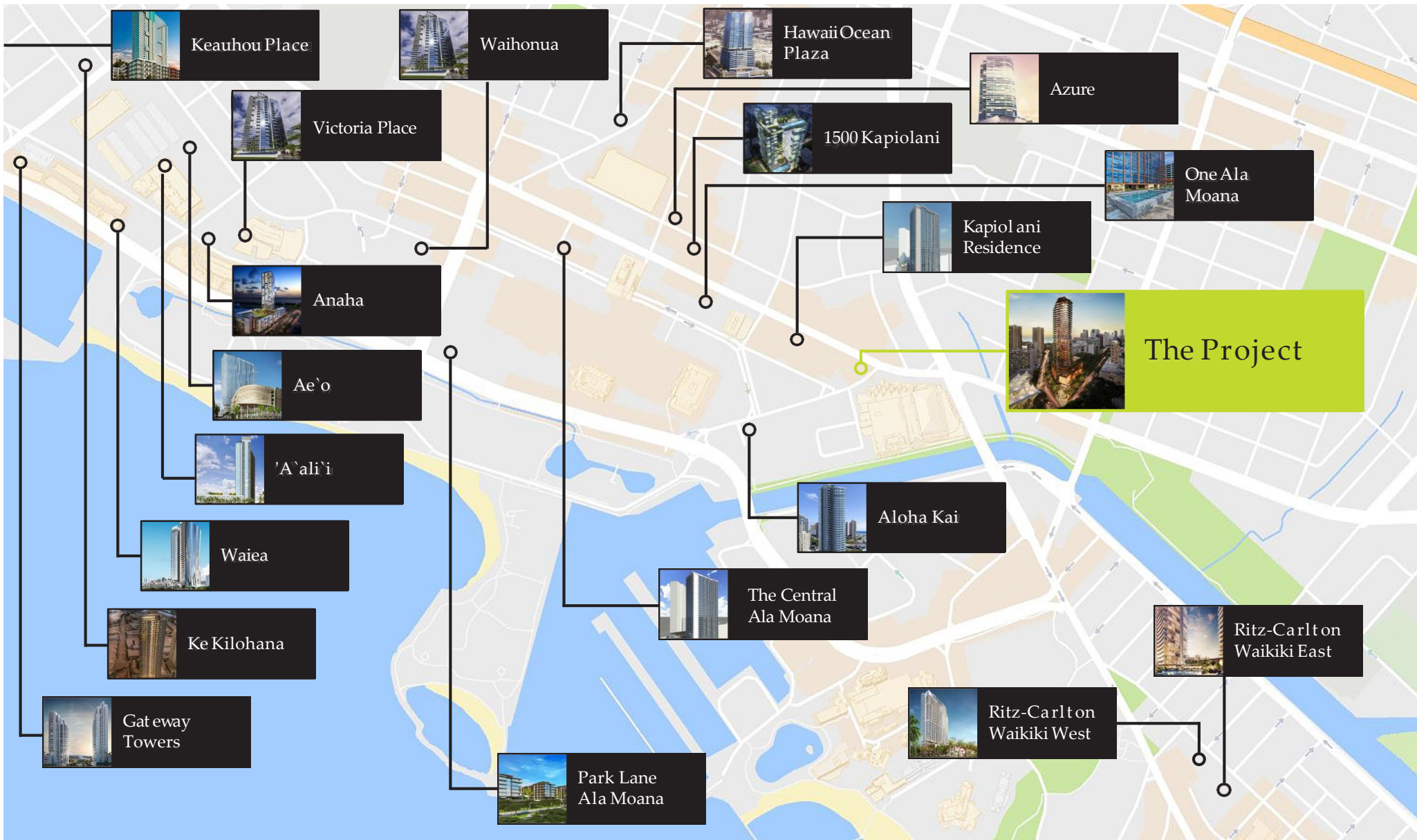


Competitive Condominium Set Description - Ritz-Carlton Waikiki



Perched above Luxury Row, the Ritz-Carlton Residences offers 551 total units in two 38-story towers. The first tower contains 307 residences, was completely presold and opened in July 2016. The second tower contains 244 units and was completed in 2018. Units range from \$1 million for studio units to over \$3 million for three-bedroom units. Amenities include two separate pools, a Ritz-Carlton Spa, state-of-the-art fitness center, kid's lounge, and three restaurant concepts including Dean and DeLuca. Owners at the Ritz-Carlton are permitted to rent out their units through Ritz-Carlton's management program allowing for additional rental income.

Area Recent and Future Developments Map



Area Recent and Future Developments

Property Name	Developer	Building Height (ft.)	Floors	Unit Count	Exp. Year Completed
The Project	Mana`olana Partners (Salem Partners)	400	38	99 Condo, 125 Hotel	2023
1500 Kapiolani	Mana`olana AREP III Holdings (Salem Partners)	400	38	TBD	2022
'A`ali`i	Howard Hughes Corporation	400	42	751 Condo	2020
Ae`o	Howard Hughes Corporation	400	41	466 Condo	2018
Aloha Kai	MB Property Acquisitions	350	37	140 Condo	2019
Anaha	Howard Hughes Corporation	400	38	317 Condo	2017
Azure Ala Moana	Keeamoku Acquisition (Prospac Holdings Group)	400 ¹	41	429 Condo	2019
Gateway Towers	Howard Hughes Corporation	330/400	34	236 Condo	2021
Hawaii Ocean Plaza	Advantage America Hawaii Regional Center	350	40	207 Condo, 200 Hotel	2022
Kapiolani Residence	SamKoo Pacific (SamKoo Development)	400	45	485 Condo	2019
Ke Kilohana	Howard Hughes Corporation	400	43	424 Condo	2019
Keauhou Place	Stanford Carr Development	400	43	423 Condo	2017
One Ala Moana	MacNaughton Group & Kobayashi Group	250	23	206 Condo	2014
Park Lane Ala Moana	MacNaughton Group & Kobayashi Group	100	8	215 Condo	2017
Ritz-Carlton Waikiki East	Pacrep (Irongate)	350	38	246 Condo-Hotel	2018
Ritz-Carlton Waikiki West	Pacrep (Irongate)	350	38	308 Condo-Hotel	2016
The Central Ala Moana	SamKoo Pacific (SamKoo Development)	400 ¹	43	513 Condo	2020
Victoria Place	Howard Hughes Corporation	400	40	350 Condo	2019
Waiea	Howard Hughes Corporation	400	36	171 Condo	2016
Waihonua	Alexander and Baldwin Properties	400	43	345 Condo	2015

1. Assumed height based on maximum allowable height under TOD rules (excluding overrides)

HAWAII MARKET OVERVIEW

Market Overview

Hawaii Overview

- Hawaii is comprised of eight major islands, of which four (Oahu, Maui, Kauai, and Big Island) are popular tourist destinations.
- Tourism remains one of Hawaii's leading employers, revenue producers and growth sectors.
- Agriculture, aquaculture, mining, and film and television production have broadened Hawaii's economic base.
- In 2019, Hawaii welcomed approximately 10.4 million visitors.

Ala Moana Overview

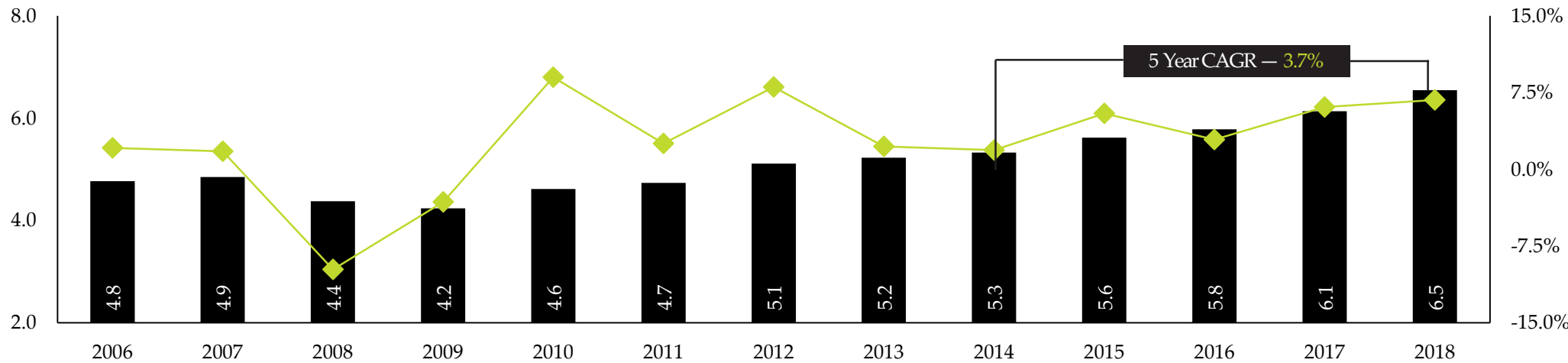
- Ala Moana is a diverse, densely developed district that currently serves as the "gateway" to Waikiki but is quickly becoming the newest hospitality and residential high-rise corridor in Hawaii.
- Anchored by Ala Moana Center, which logs over 53 million visitors annually, Ala Moana is one of the top retail destinations in the world.
- Given the fact that the majority of Ala Moana is already developed, the difficulty facing new high-rise development lies in the challenge of land aggregation and the entitlement process in an urban district.



Economic Indicators

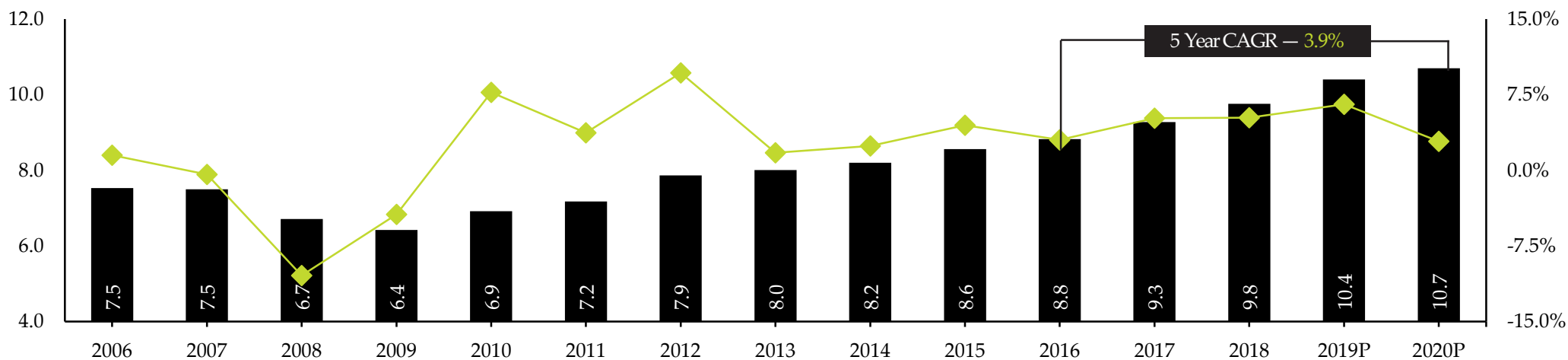
Repeat Visitors

(In Millions)



Visitor Arrivals

(In Millions)



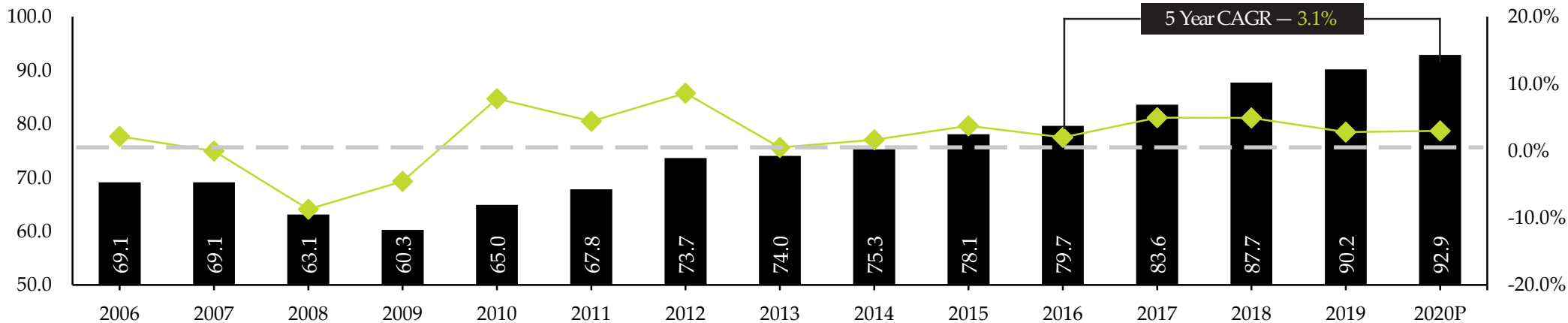
■ Annual Historicals and Projections ◆ Annual Growth

Source: Hawaii State Department of Business, Economic Development & Tourism

Economic Indicators

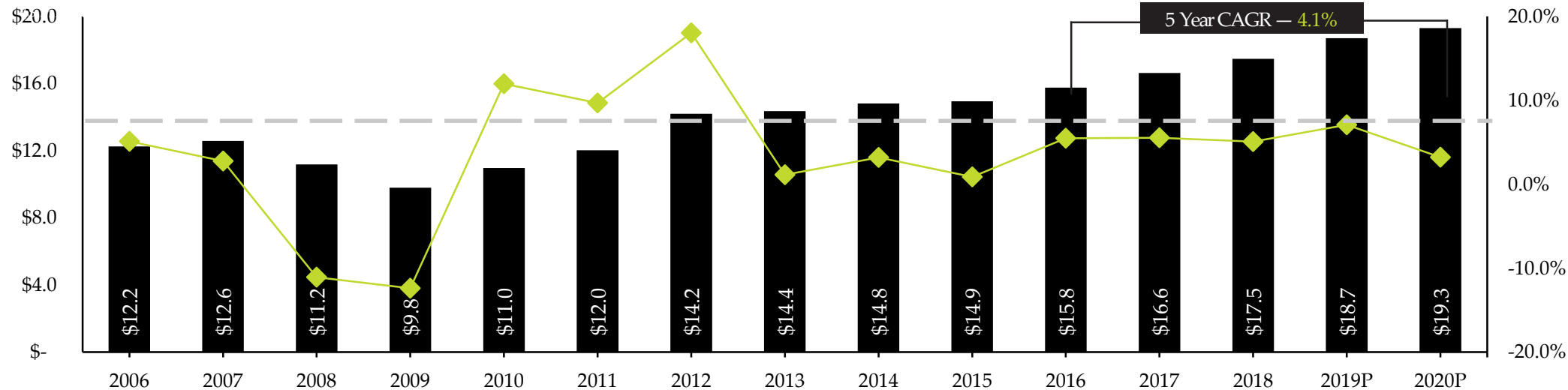
Visitor Days

(In Millions)



Visitor Expenditures

(In Thousands)



■ Annual Historicals and Projections ◆ Annual Growth

Source: Hawaii State Department of Business, Economic Development & Tourism

Tourism and Visitor Industry

Tourism accounts for more than a quarter of Hawaii's gross domestic product. The U.S. and Japan markets contribute the most to Hawaii's tourism market followed by Canada, Europe, Australia, China and Korea.

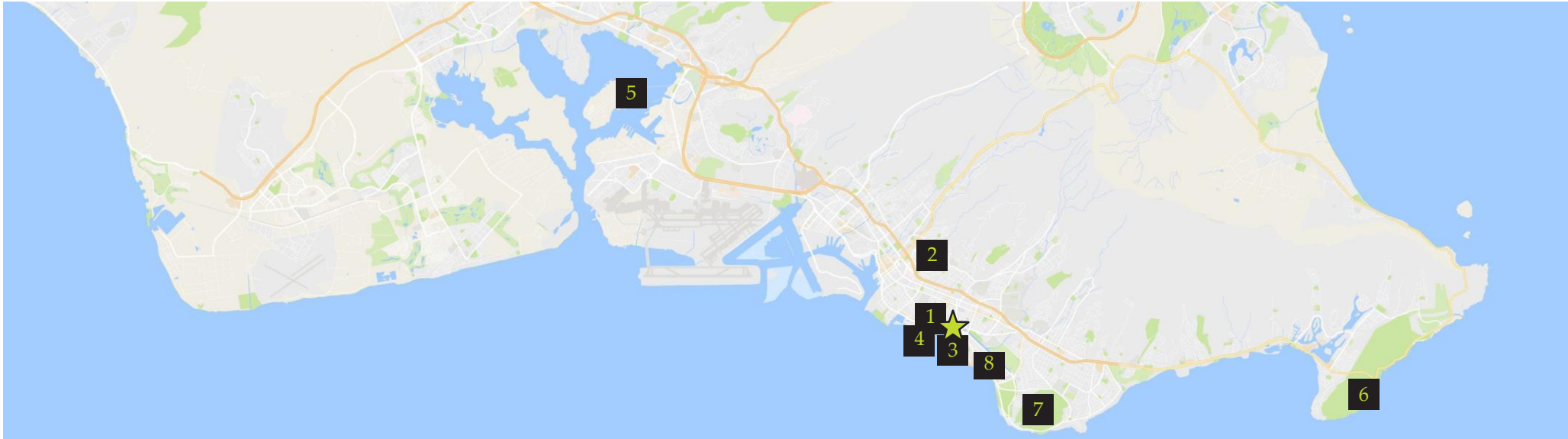
Below are a few key growth trends:

- Hawaii experienced 17 straight quarters of positive growth from Q3 2009 to Q3 2013.
- After two consecutive quarters of negative growth in Q4 2013 and Q1 2014, Hawaii's tourism sector returned to positive growth.
- In 2019, visitor arrivals experienced the largest growth since 2012.
- Hawaii's tourism economy has continued its momentum in 2019, surpassing 2018 records in visitor expenditures and arrivals for the ninth consecutive year.



Tourist Attractions in Honolulu

Map of Tourist Attractions



Key	Attraction	Annual Visitors	Distance (mi)	Drive Time (min)	Description
1	Ala Moana Center	53,000,000	0.3	2	7th largest shopping center in the United States
2	National Memorial Cemetery of the Pacific	5,000,000	3.0	12	National cemetery located at Punchbowl Center
3	Waikiki Beach	4,500,000	1.3	5	2-mile long beach on the south shore of Oahu
4	Ala Moana Beach Park	4,000,000	0.4	3	100-acre public park
5	The USS Arizona Memorial at Pearl Harbor	2,000,000	10.2	18	Resting place of 1,102 of the 1,177 marines killed during Pearl Harbor attack
6	Hanauma Bay Nature Park	1,000,000	10.4	20	Protected marine life reserve and underwater park
7	Diamond Head State Monument	1,000,000	3.3	10	Hawaii's most recognized landmark known for its hiking trails and coastal views
8	International Market Place	n/a	1.2	5	Opened in August 2016 and features approximately 75 retailers

State of the Local Economy

Public and Private Capital Expenditures

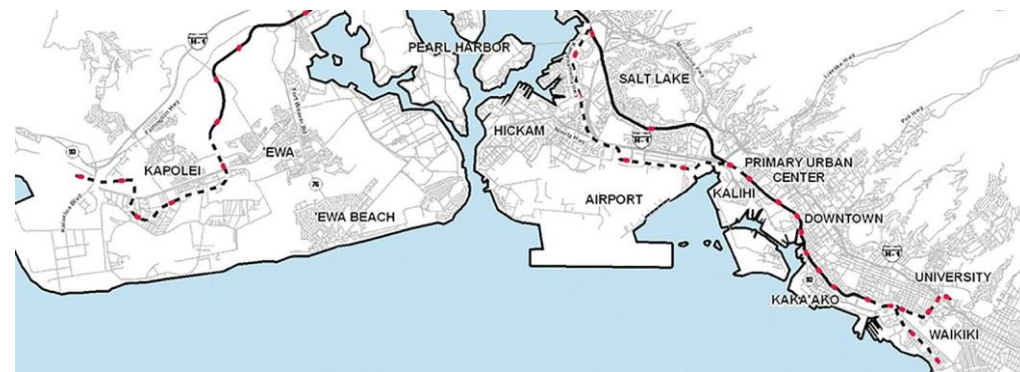
Current and planned capital expenditures by both the government and the private sector are often indicators of the long-term economic health of a state. The island of Oahu has planned on investing approximately \$5.3 billion in infrastructure over the next six years with many private parties looking to invest in the state's development as well. The following is a summary of some of the major developments in the area.

Capital Budget (\$ in Millions)	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	Total
General Government	\$84.7	\$67.9	\$44.3	\$31.1	\$32.3	\$32.5	\$292.8
Public Safety	52.6	36.0	69.1	35.5	18.1	76.6	287.9
Highways and Streets	121.1	133.5	117.0	148.7	126.1	86.0	732.4
Sanitation	482.7	919.8	607.2	329.2	530.5	391.0	3,260.4
Human Services	9.6	8.6	8.6	8.6	8.7	8.6	52.7
Culture-Recreation	77.7	51.0	40.3	37.2	59.1	28.8	294.1
Utilities or Other Enterprises (Mass Transit)	42.8	60.6	59.4	64.8	75.3	85.3	388.2
Total Capital Expenditures	\$871.2	\$1,277.4	\$945.9	\$655.1	\$850.1	\$708.8	\$5,308.5

Source: City and County of Honolulu, The Executive Program and Budget

Honolulu High-Capacity Transit Corridor Project (HHCTCP)

The City and County of Honolulu have undertaken construction of its \$9.0 billion 20-mile high-speed rail project. To further spur development in this region, the government has implemented policies governing density bonuses for projects deemed to be within the influence of a transit station. The project is expected to create an average of 10,000 jobs annually, relieve traffic congestion and drive state and city revenues. As of Q1 2020, the project was approximately 50% complete and is anticipated to open in 2025.

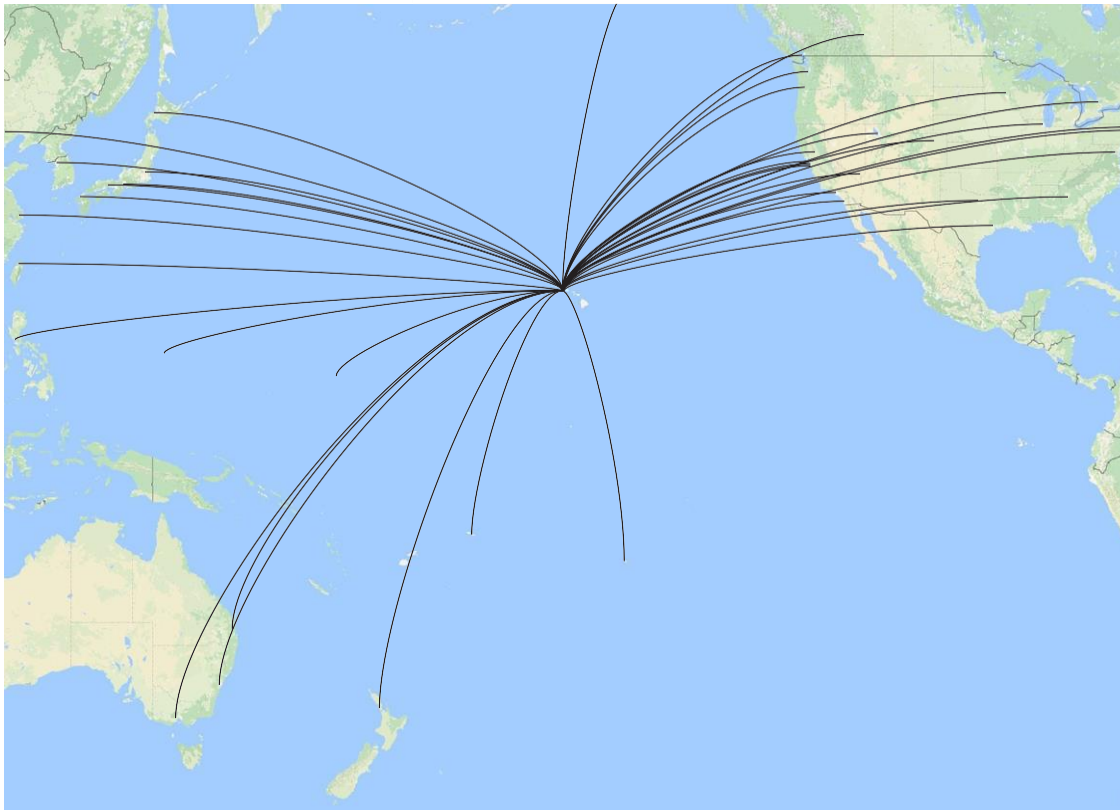


State of the Local Economy

Honolulu International Airport Modernization

HNL is currently undergoing an 5-year, \$3.2 billion renovation and expansion plan that includes the addition of a new concourse providing 6 new gates and 11 new aircraft parking stalls, a new commuter terminal providing 6 departure gates and 14 aircraft parking stalls, 2,250 parking stalls, a new separate employee parking lot, wider taxi-lanes and new food and beverage concessions. The project is scheduled to be finished in 2021.

Direct Flights to Honolulu



Domestic Flights	Flight Time	International Flights	Flight Time
Anchorage (ANC)	6h20m	American Samoa - Pago Pago (PPG)	5h 25m
Atlanta (ATL)	10h5m	Australia - Brisbane (BNE)	9h 15m
Chicago (ORD)	9h30m	Australia - Melbourne (MEL)	10h25m
Dallas/Fort Worth (DFW)	8h35m	Australia - Sydney (SYD)	9h 40m
Denver (DIA)	7h35m	Canada - Calgary (YYC)	7h 30m
Houston (IAH)	8h45m	Canada - Toronto (YYZ)	10h30m
Las Vegas (LAS)	6h25m	Canada - Vancouver (YVR)	6h 20m
Los Angeles (LAX)	5h50m	China - Beijing (PEK)	9h 0m
Minneapolis (MSP)	8h40m	China - Shanghai (PVG)	8h 50m
New York City (JFK)	11h15m	Guam - Tamuning (GUM)	7h 10m
Newark (EWR)	11h25m	Japan - Fukuoka (FUK)	7h 40m
Oakland (OAK)	5h35m	Japan - Nagoya (NGO)	6h 50m
Phoenix (PHX)	6h45m	Japan - Osaka (ITM)	6h 40m
Portland (PDX)	6h5m	Japan - Sapporo (CTS)	7h 30m
Sacramento (SMF)	5h50m	Japan - Tokyo (HND)	6h 45m
Salt Lake City (SLC)	6h50m	Japan - Tokyo (NRT)	6h 30m
San Diego (SAN)	6h10m	Marshall Islands - Majuro Atoll (MAJ)	4h 40m
San Francisco (SFO)	5h30m	New Zealand - Auckland (AKL)	8h 35m
San Jose (SJC)	5h40m	Philippines - Manila (MNL)	9h 55m
Seattle (SEA)	6h15m	South Korea - Seoul (ICN)	7h 40m
Washington D.C. (IAD)	10h45m	Taiwan - Taipei (TPE)	8h 45m

State of the Local Economy

Ala Moana Center Expansion

The Ala Moana Center recently completed its \$573 million Ewa Wing Expansion, a multi-level 650,000-square-foot expansion, in November 2015. The expansion includes a 167,000-square-foot Bloomingdale's department store, 186,000-square-foot Nordstrom department store, Saks Off Fifth, Target, other large format retailers, dining and entertainment venues, 200,000 square feet of inline retailers and an additional 1,000 parking stalls. Ala Moana Center tenants generate \$1.1 billion dollars in annual sales.



Waikiki International Market Place Redevelopment

After being closed down for 3 years, the redeveloped Waikiki International Market Place opened in August of 2016. The marketplace covers 345,000 square feet and features dozens of restaurants and retailers - nearly 50% of which are unique to Oahu.



State of the Local Economy

Howard Hughes Corporation's Ward Village

In 2012, The Howard Hughes Corporation announced plans to transform 60 acres in Kaka`ako between downtown Honolulu and Waikiki into a luxurious urban master planned community, the Ward Village. Upon its completion within the next 10 to 15 years, this mixed-use community is expected to include more than 4,000 residential units and over one million square feet of retail and other commercial space.



Kaiaulu`o Kaka`ako (Community of Kaka`ako) Development

The Kamehameha Schools is leading development in this community to serve as a model of progressive urban living in Honolulu. The group has already had its master plan application approved by the Hawaii Community Development Authority (HCDA) in 2009.



Honolulu Retail Market

Retail Leasing

Honolulu is the retail center of Hawaii that caters to everyone. The city offers a wide range of retail options from large international retailers to small, local boutiques and features two of the largest open-air shopping centers in the world: Ala Moana Center and International Market Place. The Project is located in the Ala Moana District which borders the Waikiki and Honolulu submarkets.

The Oahu retail market consists of approximately 16.8 million square feet in nine different submarkets. The island's retail vacancy rate stands at a low 5.5% with the high average of triple net asking rents standing at \$4.31 per square foot. The increasing residential development on the island is a good sign for the growth of its retail market.

Oahu Retail Market as of Quarter Ended 12/31/2019

Submarket	Total SF	% of Total	Vacant SF	Vacancy	High Average Triple Net Asking Rent
Central Oahu	889,235	5.2%	24,463	2.8%	\$3.96
East Oahu	1,521,774	8.9%	54,946	3.6%	\$6.84
Honolulu ¹	4,806,127	28.1%	161,119	3.4%	\$4.92
Leeward Oahu	4,287,506	25.1%	241,306	5.6%	\$4.11
North Shore	225,125	1.3%	0	0.0%	\$3.75
Waianae	342,060	2.0%	38,739	11.3%	\$3.00
Waikiki ²	1,618,460	9.5%	121,841	7.5%	\$19.16
West Oahu	1,741,637	10.2%	83,452	4.8%	\$5.42
Windward Oahu	1,670,150	9.8%	191,771	11.5%	\$4.65
Total¹	17,102,074	100.0%	917,637	5.4%	\$4.66

1. Islandwide total for average rents and CAM calculations exclude Waikiki and Ala Moana Center

2. Increased vacancy rate due to recent renovation of International Market Place (345,000 square feet)

Source: Eastdil Secured

DEVELOPMENT TEAM

Design Architect - [au]workshop architects+urbanists

Team Biography

[au]workshop architects+urbanists create quality, authentic architecture and catalytic urban, civic and commercial projects with a focus on projects that sustainably invigorate neighborhoods and cities. With active architecture and master planning projects throughout the western United States and Asia, architects Randy Shortridge and Jason Kersley founded the firm in 2013 after a combined 40 years of experience locally, nationally and internationally in a wide variety of typologies. Helping clients realize their visions, striving to add value by elegantly organizing uses, creating great places and developing costs conscious design strategies are the basis of [au]workshop's mission.

[au]workshop has won numerous awards including the 2015 AIA Colorado North Firm of the Year. Their recently-completed Block One project was selected as a 2015 winner in the Architecture category of the Fort Collins Urban Design Awards.

www.auworkshop.com

Key Team Members



Randy Shortridge
Lead Workshop Dreamer



Jason Kersley
Lead Workshop Manager

Representative Projects



1500 Kapiolani
Honolulu, Hawaii



888 Devon
Los Angeles, California



Block One
Fort Collins, Colorado



Emquartier
Bangkok, Thailand



Radia
Shah Alam, Malaysia

Interior Designer - Dianna Wong Architecture+Interior Design

Team Biography

For more than 17 years, Dianna Wong Architecture+Interior Design has been exploring and developing its expertise in the luxury lifestyle business. With a high level of commitment, their exceptional team of designers, artists and architects applies their trademark approach to an eclectic blend of projects, from 5 star hotels to casinos, from branding to product design.

Previous clients include Caruso Affiliated, Rosewood Hotels & Resorts, MGM Resorts International, Hilton Hotels Corporation, Marriott Hotels & Resorts, The Peninsula Hotels, Starwood Hotels & Resorts Worldwide, Ritz-Carlton Hotels & Resorts and Disney.

Designs from Dianna Wong have been featured in numerous design magazines including Home & Style, Bazaar, Hospitality Design, Hotel Design, Boutique Design and Lodging.

www.diannawong.com

Key Team Members



Dianna Wong
Founder & CEO



Oscar Jacobo
Project Designer

Representative Projects



W Washington D.C.
Washington, D.C.



The Americana at Brand
Glendale, California



The Beverly Hills Hotel
Beverly Hills, California



Disney's Wilderness Lodge
Orlando, Florida



Avenue of the Arts Hotel
Costa Mesa, California

Landscape Architect - Hart Howerton

Team Biography

Hart Howerton is a team of planners, architects, landscape architects and interior designers headquartered in New York and San Francisco with a network of domestic and international offices. Their practice is Designing Complete Environments - exceptional buildings, communities and places - in special situations, where a unique historic or natural environment requires an especially thoughtful and innovative solution.

Hart Howerton has worked in sensitive natural settings, historic towns, and growing cities across 6 continents and 51 countries.

www.harthowerton.com

Key Team Members



Anne Howerton
Principal



Jim Jacobs
Senior Landscape Architect

Representative Projects



Kuki'o
Kona Coast, Hawaii



The Arabelle at Vail Square
Vail, Colorado



Four Seasons Residences
Scottsdale, Arizona



The Island House
Nassau, Bahamas



Hacienda
Los Cabos, Mexico

Branding Consultants - InterCommunications

Team Biography

InterCommunications is a full-service brand consulting company with 30 years experience in the leisure and lifestyle industries, specializing in real estate, resort, recreation and retail on a global basis. Since 1984, its Imaging Places branding expertise has been instrumental in putting some of the world's most desirable destinations on the map for discriminating buyers.

InterCommunications has worked for leading U.S. and international real estate players including Tuxedo Farms for the Related Companies, Potomac Shores for SunCal, Castiglion del Bosco for the Ferragamo family, Hualalai for Michael Dell and Ka'upulehu Makai Venture and many more.

www.intercommunications.com

Key Team Members



Tori Alexander
President & Creative Director



Tyler Strateman
Project Designer & Director

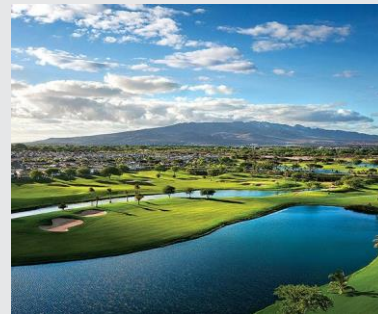
Representative Projects



Four Seasons Resort Hualalai
Kailua-Kona, Hawaii



Kohanaiki
Kailua-Kona, Hawaii



Hoakalei Resort
Ewa Beach, Hawaii



Four Seasons Costa Rica
Guanacaste, Costa Rica



Castiglion del Bosco
Montalcino, Italy

Executive Architect - Architects Hawaii Ltd.

Team Biography

AHL is a multi-disciplinary architectural firm with international experience in architecture, planning, and interior design. Based in Honolulu, the firm has developed a worldwide reputation as one of the most versatile and progressive design firms in the Pacific Region. AHL's staff of over 90 offer a full range of architectural services to clients throughout Hawaii, the Pacific Rim, Asia and United States.

AHL has received more than 175 awards for its design excellence in high- and low-rise housing (multi-family and luxury residences), hotels and resorts, commercial retail and office, educational, healthcare, industrial, institutional, and specialty projects. AHL received awards on a range of projects including the Hawaii Hall Restoration at the University of Hawaii, Kaua'i Main Police Facility, Marriott Ko Olina Beach Club, Castle & Cookie Homes Hawaii Northpointe Development, The Shops at Wailea and the Aston Ka'anapali Shores.

www.ahldesign.com

Key Team Members



David A. Miller
Chairman & Principal



Lisa Y.T. Rapp
Principal

Representative Projects



Ae'o
Honolulu, Hawaii



Anaha
Honolulu, Hawaii



Waiea
Honolulu, Hawaii



Ritz-Carlton Waikiki
Honolulu, Hawaii



Moana Surfrider
Honolulu, Hawaii

SALEM PARTNERS REAL ESTATE

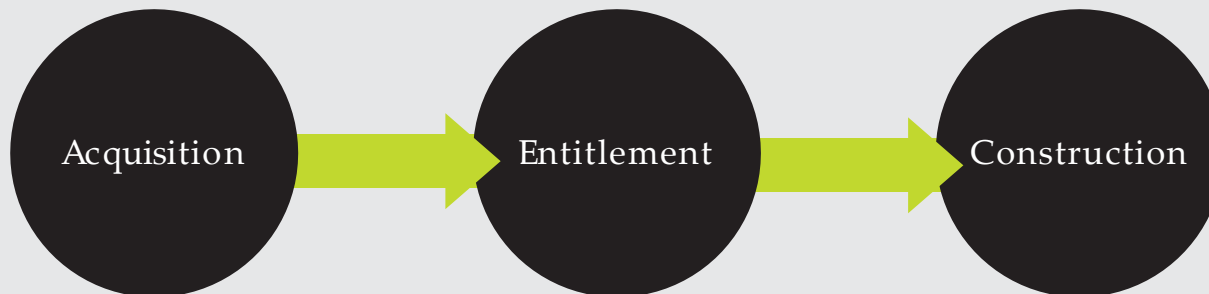
Salem Partners Real Estate Overview

Development Team Summary

- In aggregate, the SPRE Team has over 100 years of in-depth developmental and transactional experience across all asset types in the real estate industry.
- SPRE focuses on developing iconic, high-quality projects in irreplaceable, infill locations across key markets throughout the country and in markets where it has deep relationships.
- SPRE currently has over 2.1 million square feet under entitlement and development.
- SPRE professionals have built numerous award-winning developments and hail from a variety of high-profile real estate development companies, including Caruso Affiliated and The Ratkovich Company.

Development Overview

Development Process



Asset Types

Hospitality

Residential (Multi-Family)

Retail

Other

Salem Partners Real Estate Overview

Summary of Principals' Current and Past Projects



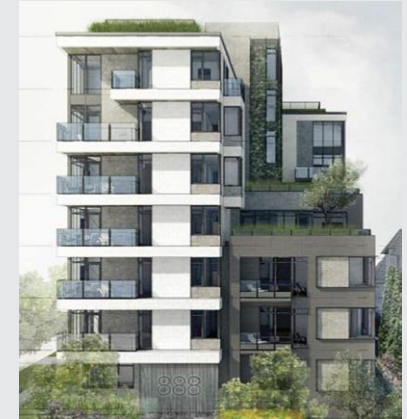
Mandarin Oriental, Honolulu
Honolulu, Hawaii



1500 Kapiolani
Honolulu, Hawaii



Berkeley Plaza
Berkeley, California



888 Devon
Los Angeles, California



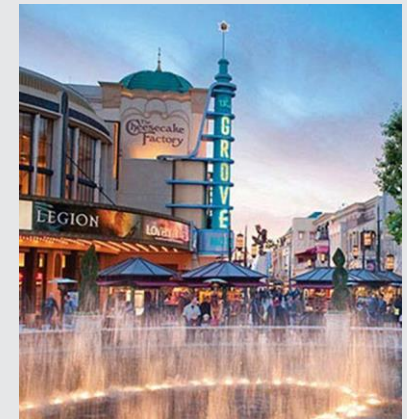
Wailea Beach Villas
Wailea, Hawaii



The Americana at Brand
Glendale, California



8500 Burton Way
Los Angeles, California



The Grove
Los Angeles, California

Salem Partners Real Estate Overview

Summary of Principals' Current and Past Projects



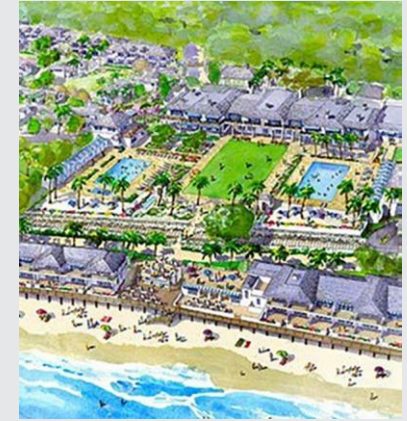
Fairmont San Francisco
San Francisco, California



Fairmont Orchid
Kohala Coast, Hawaii



The Pacific
Long Beach, California



Miramar Hotel & Bungalows
Montecito, California



Century Plaza Hotel
Los Angeles, California



Kamalani (Hali'i Kai)
Waikoloa, Hawaii



Lonomakua
Waikoloa, Hawaii



Edgewater on Ocean
Long Beach, California

Salem Partners Real Estate Overview

Summary of Principals' Current and Past Projects



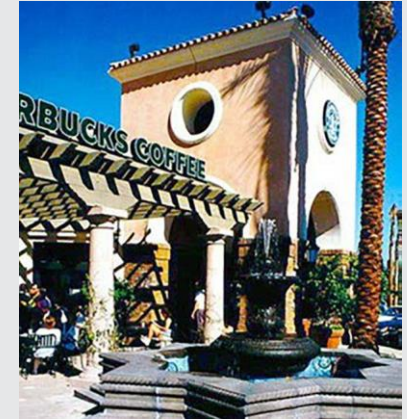
Northpoint Crossing
College Station, Texas



The Promenade at Westlake
Thousand Oaks, California



The Village at Moorpark
Thousand Oaks, California



Encino Marketplace
Encino, California



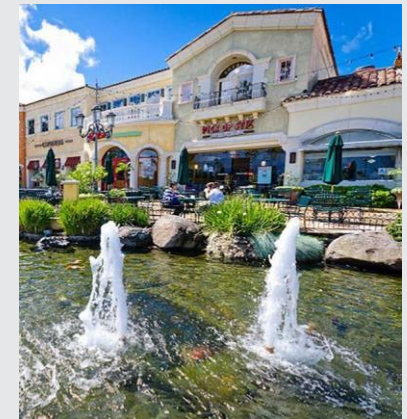
The Lakes at Thousand Oaks
Thousand Oaks, California



Waterside at Marina Del Rey
Marina Del Rey, California



Chapman Market
Los Angeles, California



The Commons at Calabasas
Calabasas, California

Salem Partners Real Estate Overview

Summary of Principals' Current and Past Projects



The LINQ
Las Vegas, Nevada



Coral Creek Golf Course
Kapolei, Hawaii



The Wilton Theatre
Los Angeles, California



FIDM Campus
Los Angeles, California



Oahu Airport Industrial Center
Honolulu, Hawaii



Niketown
Honolulu, Hawaii



650 Sierra Madre Villa
Pasadena, California



The Pike
Long Beach, California

Salem Partners Real Estate Overview

Development Partners

HETZELDESIGN

WALDO'S DESIGNS



ELKUS | MANFREDI
ARCHITECTS

CALLISON RTKL
A DESIGN CONSULTANCY OF ARCADIS

DIANNA WONG
ARCHITECTURE ■ INTERIOR DESIGN

HART | HOWERTON

[au]workshop
ARCHITECTS+URBANISTS

 **HAWAIIAN DREDGING**
CONSTRUCTION COMPANY, INC.


LIFESCAPES
International Inc
LANDSCAPE ARCHITECTS

WET

MVE
+ PARTNERS


ARCHITECTS

BAMO



ARCHITECTS HAWAII
LIMITED


WILSON OKAMOTO
CORPORATION

MARK SCHEURER
ARCHITECT

WATG

Salem Partners Real Estate Overview

Legal and Financial Partners

**WELLS
FARGO**



OAKTREE



**EAST WEST
BANK**

**JONES
DAY**

**PAUL
HASTINGS**



IMANAKA ASATO
A LIMITED LIABILITY LAW COMPANY



GIBSON DUNN