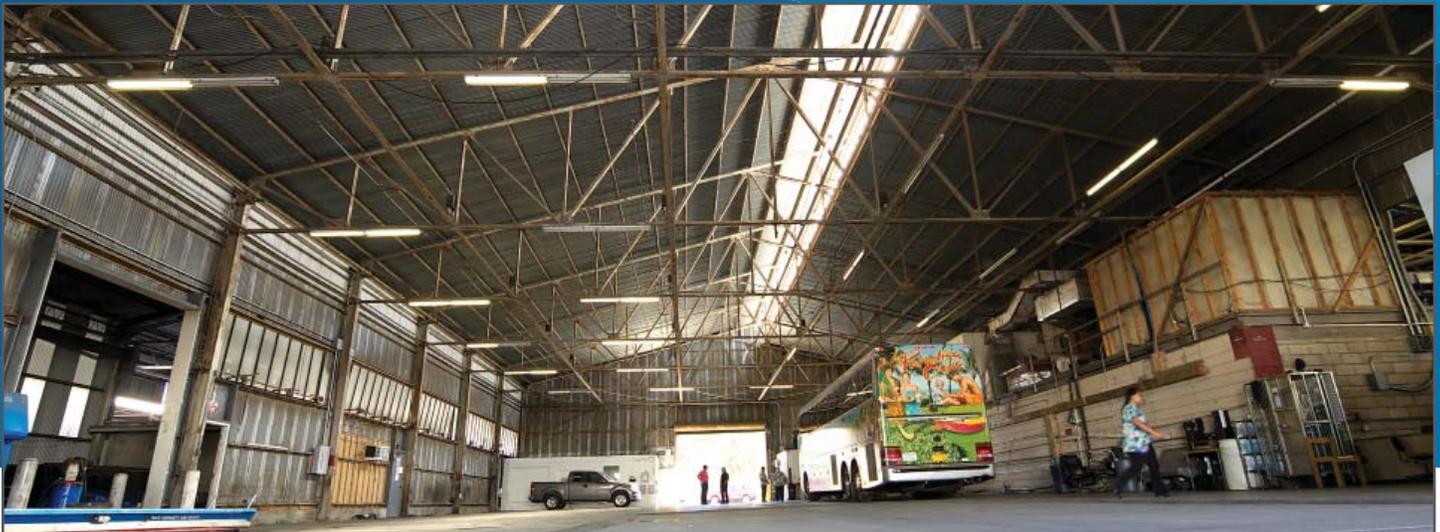


# FOR SALE > HONOLULU, HAWAII

## FEE SIMPLE NET LEASED INVESTMENT

### INDUSTRIAL BUILDING NEAR HONOLULU INTERNATIONAL AIRPORT



## Executive Summary

2880 Kilihau Street is a fee simple industrial property in the Mapunapuna submarket of urban Honolulu area near the Honolulu International Airport. The property is 100% occupied with two tenants who have long term triple net leases. The Mapunapuna market is comprised of 133 properties with Commonwealth REIT having fee simple ownership of 94% or 125 of these properties. The REIT is rumored to have plans to up-zone the properties and increase density substantially in anticipation of the proposed Honolulu Rail which is expected to be built in the area.

### *Ownership History*

2880 Kilihau is one of only eight fee simple properties in the area. The property was owned by Nissan Motor Corporation of Hawaii ("Nissan") and serviced the main dealership facility across the street. In 2004, Nissan sold the property to Kilihau Investments, a group which includes the owners of King Infiniti (Infiniti) of Honolulu. Kilihau Investments has decided to sell the property for estate planning purposes and is prepared to close by December 31, 2012.

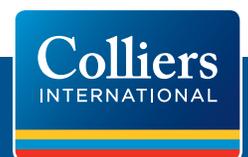
### *Tenant Overview*

Polynesian Adventure Tours, a wholly owned subsidiary of Norwegian Cruise Lines, has leased the majority of the property since July 2010 and now occupies 85.7% of the site. The company uses the property to park and maintain over 50 buses that service the largest visitor attractions on the island. Their corporate offices are also on site. Norwegian Cruise Lines has an S&P rating of B+ and in 2011, their revenue was reported to be \$2.2 billion.

Infiniti is the other tenant on site and operates a 7,410 square foot facility where they prep and detail the dealership cars. Infiniti is a privately held company and is part of the King Auto Group.

The tenants' financial information is available to potential buyers who execute a confidentiality agreement.

[www.NNNHonolulu.com](http://www.NNNHonolulu.com)



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## Property Income

Both tenants have leases through July 25, 2025, at which time buyer will be free to lease this highly desirable “in town” location to a new tenant or redevelop this rare fee simple property. In addition, a photovoltaic system has been installed on site. The seller plans to lease back the system from the new owner through 2017 with payments deposited through Title Guaranty Escrow Services, Inc. Title for the photovoltaic system will transfer to the buyer at the close of escrow.

## Income Summary

### Tenant Net Rents

	2013 (Year 1)	2014 Year 2	2015 Year 3	2016 Year 4	2017 Year 5	2018 Year 6	2019 Year 7
Polynesian Adventure Tours	\$600,000	\$600,000	\$600,000	\$625,000	\$660,000	\$660,000	\$660,000
King Infiniti of Honolulu	\$126,000	\$126,000	\$126,000	\$126,000	\$126,000	\$126,000	\$126,000
PV System Income <sup>1</sup>	\$78,000	\$78,000	\$78,000	\$78,000	\$78,000	\$78,000	\$78,000
Net Operating Income	\$804,000	\$804,000	\$804,000	\$829,000	\$864,000	\$864,000	\$864,000

<sup>1</sup>Guaranteed Income Through 2017

	2020 Year 8	2021 Year 9	2022 Year 10	2023 Year 11	2024 Year 12	2025 Year 13
Polynesian Adventure Tours	\$660,000	\$687,500	\$733,565	\$751,910	\$751,910	\$751,910
King Infiniti of Honolulu	\$126,000	\$126,000	\$126,000	\$126,000	\$126,000	\$126,000
PV System Income	\$78,000	\$78,000	\$78,000	\$78,000	\$78,000	\$78,000
Net Operating Income	\$864,000	\$891,500	\$937,565	\$955,910	\$955,910	\$955,910

## Current Fair Market Rental & Sales Value

Fee Simple Land Value	\$85-\$140 psf
Warehouse Lease Rates	\$0.85 psf per month NNN
Yard Area Rents	\$0.57 psf per month NNN

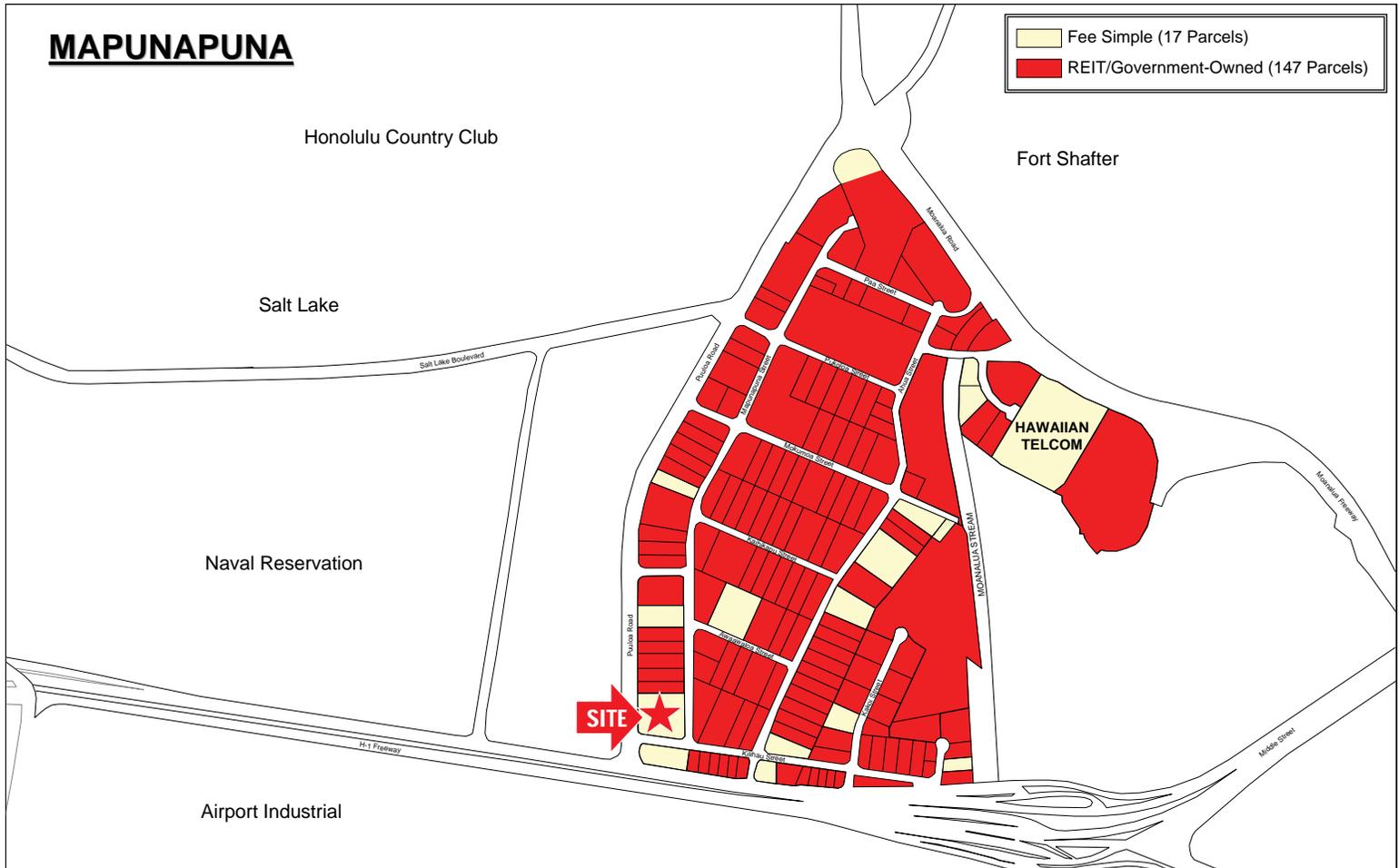
## Property Reports

In December 2001, the owners received a No Further Action letter from the state of Hawaii. A Phase 1 Environmental Assessment was completed in November 2004. The report found one recognized environmental concern. Subsequently, 6 monitoring wells were placed on site. A new Phase 1 report has been ordered and will be available to potential buyers in two weeks.

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# FOR SALE > HONOLULU, HAWAII FEE SIMPLE NET LEASED INVESTMENT INDUSTRIAL BUILDING NEAR HONOLULU INTERNATIONAL AIRPORT



The foregoing information was provided to us by sources we deem reliable, but no warranty or representation is made as to the accuracy thereof. We have no reason to doubt its accuracy, but we regret we cannot guarantee it. All properties subject to change or withdrawal without notice.

[www.NNNHonolulu.com](http://www.NNNHonolulu.com)

## Contact Us

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**CONFIDENTIALITY AGREEMENT**

THIS CONFIDENTIALITY AGREEMENT (this "**Agreement**") is made as of the \_\_\_\_ day of \_\_\_\_\_, 2012, by \_\_\_\_\_ ("**Recipient**"), whose principal place of business and post office address is at \_\_\_\_\_, in favor of Michael Niethammer, whose principal place of business and post office address is at 45-568 Kamehameha Hwy., Kaneohe, HI 96744, the owner of the Asset (defined below) ("**Owner**"), with respect to the fee simple interest in the property located at 2880 Kilihau Street, containing approximately 48,270 square feet of land located in the City and County of Honolulu, State of Hawaii, TMK Number (1) 1-1-1-5 (16) and all improvements thereon ("**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 provides for a one-half percent (0.5%) commission, plus Hawaii general excise tax, to any properly licensed broker representing the buyer of the Asset. 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.

<b>Recipient's Broker:</b>	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

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

**COLLIERS INTERNATIONAL**

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