

MONARCH PROPERTIES, INC.

LEASED-FEE REPRESENTATION PROGRAM

THE SANDS OF KAHANA

Final Fee Conversion Report

Michael Pang (R)

May 5, 2008

FEE CONVERSION TRANSACTIONS CLOSE ESCROW

Good news! The leased-fee purchase and resale transactions closed escrow today. This means the Association of Apartment Owners of The Sands of Kahana ("AOAO") acquired the leased-fee interest from the fee owners and:

- 1) The 187 apartments (**Buyers**) in the bulk transaction closing that recorded today have acquired their leased-fee interest. Final closing statements, conveyance documents and any refunds due from Title Guaranty ("TG") will be sent to buyers shortly.
- 2) There are 8 apartments (**Late-Closers**) that should be able to close shortly. Late Closers who do not close escrow by **July 8, 2008** will be subject to the Future Buyer Policy and its increased price.
- 3) There is 1 apartment (**Future Buyer**) that did not contract. For now, the AOAO will keep this unsold leased-fee interest, priced pursuant to the Future Buyer Policy.

CONCLUSION

The leased-fee interests to 195 of the AOAO's 196 apartments were resold or are contracted for resale (99.5%). This is an extraordinary result.

The success of the transaction is due to the diligence of the AOAO's Board and legal counsel (Philip Lahne Esq. of Neeley & Anderson) in exercising its right of first refusal, opposing the considerable efforts of the Kahana Fee Group, LLC's ("LLC") to purchase ahead of the AOAO and accomplishing all closing requirements in a timely manner, despite the issues caused by the LLC's actions.

It has been our sincere pleasure to have assisted the AOAO and its members in this transaction. Our assignment will be concluded once the late closings are done. Please feel free to call Noe Tom or me at (808) 735-0000 if you have any remaining questions.

TENTATIVE BUYER STATEMENT

PATRICK T SULLIVAN
P O BOX 55
LAHAINA HI 96767

ESCROW NO: A8-171-0415-0051-0
RPT DATE : 3/25/2008
CLOSE DT : 5/05/2008
PROPERTY : SANDS OF KAHANA AOA
TMK (2)4/3/010/002 CPR:0000
ADDRESS 4299 LOWER HONOAPIILANI ROAD
UNIT #215
LAHAINA HI 96761

ESCROW AGENT:

TITLE GUARANTY ESCROW SERVICES, INC.
MAIN OFFICE
235 QUEEN ST
HONOLULU HI 96813

CONTRACT DATE : 0/00/0000

ATTN CHELSEA PARK

| DESCRIPTION | DEBITS/CHARGES | CREDITS |
|--|----------------|-----------|
| Sales/purchase price | 89,421.36 | |
| Initial deposit | | 1,000.00 |
| AOAO ACQUISITION COST | 2,046.43 | |
| Title insurance prem to TITLE GUARANTY OF HAWAII | 300.00 | |
| Escrow Reserve | 500.00 | |
| Attorney fee to NEELEY & ANDERSON LLP | 369.11 | |
| Escrow fee to TITLE GUARANTY ESCROW | 286.46 | |
| Record'g/filing fee | 25.00 | |
| Conveyance tax | 134.10 | |
| Balance due from Buyer | | 92,082.46 |
| TOTAL | 93,082.46 | 93,082.46 |

The undersigned read and understands the Controlled Business Arrangement Disclosure Statement from Title Guaranty Escrow Services, Inc.

Breakdown of Receipts:

| Payor | Dated | Description | Amount |
|-------------------------|-----------|-------------|----------|
| SULLIVAN PROPERTIES INC | 3/03/2008 | PAYMENT 1 | 1,000.00 |

NAME OF ADDITIONAL BUYER(S)
ANDREE LECOCQ
P O BOX 1257
KAPAA HI 96746

NAME OF SELLER(S)
SANDS OF KAHANA AOA
C/O MONARCH PROPERTIES
3465 WAIALAE AVE STE 230
HONOLULU HI 96816

LIST OF ADDITIONAL PROPERTY(S)
PROPERTY : SANDS OF KAHANA AOA
TMK : (2)4/3/010/002 0051
ADDRESS :

Title insurance fee credits will apply if this property is re-insured within 5 years.

MAINTENANCE (if applicable) is your responsibility and must be paid by you direct to the agency that collects it.



R-355

STATE OF HAWAII
BUREAU OF CONVEYANCES
RECORDED

MAY 05, 2008 08:01 AM

Doc No(s) 2008-070778



/s/ CARL T. WATANABE
REGISTRAR OF CONVEYANCES

20 3/25 28

CTax (15): \$134.10

Return by: Mail [] Pickup [] To:

PATRICK T. SULLIVAN, *et al.*
P.O. BOX 55
LAHAINA, HI 96767

TG: 200805311 -P
TGE:A8-171-0415-0051-0
Chelsea Park

RS / 0

TITLE OF DOCUMENT: LIMITED WARRANTY DEED AND IRREVOCABLE APPOINTMENT OF
ATTORNEY IN FACT

No of Pages: 18

PARTIES TO DOCUMENT:

GRANTOR: ASSOCIATION OF APARTMENT OWNERS OF THE SANDS OF KAHANA, a Hawai'i
nonprofit corporation

GRANTEE: PATRICK T. SULLIVAN, unmarried, as to an undivided one half interest and ANDREE
LECOQC, unmarried, as to an undivided one half interest

ADDRESS: P.O. BOX 55
LAHAINA, HI 96767

TENANCY: COMMON

PROPERTY DESCRIPTION:

PROJECT: The Sands of Kahana
TMK No.: (2) 4-3-010-002
Condominium Map No. 763

CPR No.: 0051
Apartment No.: 215
Undivided Interest: 0.5656%

Apartment Deed and Sublease:
Liber 16599, Page 526

1. WORDS OFTEN USED IN THIS DOCUMENT.

Apartment. The word "Apartment" means the Apartment identified above. The Apartment is a part of the Project.

Apartment Deed and Sublease. The words "Apartment Deed and Sublease" mean the initial conveyance document demising the Apartment, which document is described in Exhibit A attached to this Deed, as such Apartment Deed and Sublease has been or may be amended from time to time.