

SUGAR MILL GLEN LLC (“Seller”)  
C/o Avalon Commercial LLC  
841 Bishop Street Suite 1601  
Honolulu, HI 96813

**NON-BINDING LETTER OF INTEREST (“LOI”)**

Dear Sirs:

Thank you for providing preliminary information regarding your intention to offer for sale the unencumbered fee simple interest in subdivided vacant I-2, Industrial zoned lots at Sugar Mill Center at Milltown. We understand and agree any such offering is wholly contingent upon final subdivision approval by property governmental authority and satisfactory completion of all required sub-division infrastructure.

We further understand the following:

**Property Owner:** Sugar Mill Glen, LLC, a Hawaii limited liability company.

**Property:** The property (“Property”) we are interested in is approximately \_\_\_\_\_ square feet.

**Purchase Price and Other Terms and Conditions of Purchase:**  
Subject to final negotiation. Estimated price / SF: \$55 to \$60.

**Target Delivery Date:** Estimated to be in the fall of 2007.

**Representation:** Undersigned and Property Owner (sometimes jointly referred to herein as “Principal Parties”) acknowledge that prior to Undersigned’s submittal of this LOI it has been disclosed and agreed that only Avalon Commercial represents the Property Owner only. Undersigned chooses to not have brokerage representation but reserves the right to legal counsel of its own choosing, at its sole expense. There are no other brokers involved in this transaction. Any claims for commissions by anyone other than Avalon Commercial and Undersigned’s Broker shall be the Undersigned’s sole responsibility.

**Non-Binding Nature:** This LOI is intended to simply register our potential interest in the Property, subject to final subdivision approval and mutual agreement of all the terms and conditions of a binding Purchase/Sale Agreement between us, if any. This LOI shall not be construed as an offer to sell or purchase and shall not be deemed to create a binding contract or agreement, implied or otherwise, between the Principal Parties. No contract or purchase agreement shall be deemed to exist between the Property Owner and the Undersigned unless and until a definitive Purchase/Sale Agreement has been executed by and between the Principal Parties.

The terms of this letter shall not be disclosed by (NAME OF ENTITY) to any third party unless and until the Principal Parties sign a Purchase/Sale Agreement, if any. Thereafter, such Purchase/Sale Agreement shall govern the confidentiality of any transaction.

Sincerely,

NAME OF ENTITY, as “Undersigned”

By: \_\_\_\_\_

Title: \_\_\_\_\_

ACKNOWLEDGED by Property Owner:  
**SUGAR MILL GLEN LLC**, a Hawaii limited liability company  
By: Avalon SMC, LLC, its Manager  
By: Avalon Development Company LLC, its Manager  
By: \_\_\_\_\_  
Christine Camp Friedman, its Manager  
Date: \_\_\_\_\_