



**Hawaii Reserves, Inc.**  
A LAND MANAGEMENT COMPANY

Statement by R. Eric Beaver, President & CEO  
March 6, 2008

After careful evaluation, Hawaii Reserves, Inc. (HRI) has decided to halt plans to facilitate a workforce housing project in the Malaekahana area, the majority of which was planned to be priced in the affordable category. Feasibility estimates pose an unacceptable risk at this time. Cost of the entitlement process, current market and political conditions, moderate community support, and other nearby residential development plans were key factors in our decision to stop the project.

While we plan to withdraw our proposed amendment to the Ko'olauloa Sustainable Communities Plan, we are pleased that there are other development plans in the area that seek to address the shortage of affordable housing for the community. We trust that residents will study these plans and support those projects that best reflect their interests.

With respect to the impact of the housing shortage on BYU-Hawaii and the Polynesian Cultural Center, as an affiliate, and consistent with our objectives, HRI will continue to assist our sister entities in finding desired solutions, as appropriate.

We look forward to the future, and hope that new growth will strike the right balance between economic sustainability and the character of the area.