

Timber Valuation: Sandalwood – This Valuation was done by a third party: Forest Solution Inc. in December of 2020

We have 6,666 Kilograms of oil on 2780 Acres at \$3,400kg currently under contract for the next five years at a value of \$22, 665,000 million spread over 2780 acres is \$7,673.09/acre.

- Koa Valuation: 924,558 BF on 2780 acres. \$5/bf stumpage fee \$4,622,790 divided by 2780 is \$1,662.87/acre

944 acre lot has more stems per acre than the other two lots, but the values were spread evenly for this exercise.

944 acres

- Sandalwood 944 ac x \$7,673 per ac \$7,243,312
- Koa 944 x \$1662 per acre \$1,568,926
- **Total** **\$8,812,238**

638 acres

- Sandalwood 638 ac x \$7673 per ac \$4,895,374**
- Koa 638 acres x \$1662 per ac \$1,060,356**
- Total \$5,995,730**

The future of the trees growing can be calculated as Follows:

FSI inventory in 2020 counted 49 new sandalwood trees per acer. If 50% of the trees survive to full maturity in 20-30 years for an average of 24.5 trees per acre. At todays market each tree would be worth \$2,500.00.

Lot 16.  $24.5 \times 944 \times \$2,500 = \text{Value in 25 years} = \$57,820,000.00$

Lot 18:  $24.5 \times 637 \times \$2,500 = \text{Value in 25 years} = \$39,016,250.00$

Wade C. Lee

Member Haloa Aina LLC