

DANNY A. MATEO  
County Clerk



41  
JOSIAH K. NISHITA  
Deputy County Clerk

**OFFICE OF THE COUNTY CLERK**  
COUNTY OF MAUI  
200 SOUTH HIGH STREET  
WAILUKU, MAUI, HAWAII 96793  
www.mauicounty.gov/county/clerk

March 10, 2017

Honorable Riki Hokama, Chair  
Budget and Finance Committee  
Council of the County of Maui  
Wailuku, Hawaii 96793

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OFFICE OF THE  
COUNTY COUNCIL

Dear Chair Hokama:

Respectfully transmitted are copies of the following communications that were referred to your Committee by the Council of the County of Maui at its meeting of March 10, 2017:

COUNTY COMMUNICATIONS:

- No. 17-112 - Don Medeiros, Director of Transportation
- No. 17-113 - Lance T. Taguchi, County Auditor
- No. 17-114 - Danilo F. Agsalog, Director of Finance
- ✓ No. 17-115 - Danilo F. Agsalog, Director of Finance
- No. 17-116 - Lynn Araki-Regan, Budget Director

Respectfully,

A handwritten signature in cursive script that reads "Danny A. Mateo".

DANNY A. MATEO  
County Clerk

/jym

Enclosures

cc: Director of Council Services

ALAN M. ARAKAWA  
Mayor



RECEIVED  
2017 FEB 27 AM 11:31  
DANILO F. AGSALOG  
Director  
OFFICE OF THE CLERK  
MARK R. WALKER  
Deputy Director

COUNTY OF MAUI  
DEPARTMENT OF FINANCE  
200 S. HIGH STREET  
WAILUKU, MAUI, HAWAII 96793

February 27, 2017

RECEIVED  
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Honorable Alan Arakawa  
Mayor, County of Maui  
200 South High Street  
Wailuku, Hawaii 96793

For Transmittal to:

Honorable Michael White, Chair  
And Members of the Maui County Council  
200 South High Street  
Wailuku, Hawaii 96793

APPROVED FOR TRANSMITTAL  
*Alan Arakawa* 2/29/17  
Mayor Date

Dear Chair White:

**SUBJECT: AUTHORIZING THE DISPOSAL OF THE LOTS COMPRISING THE FAIRWAYS AT MAUI LANI BY PUBLIC AUCTION**

Transmitted herewith please find a resolution to dispose of the lots comprising The Fairways at Maui Lani by public auction at the upset price of NINE MILLION EIGHT HUNDRED SEVENTEEN THOUSAND FIVE HUNDRED DOLLARS (\$9,817,500.00).

Thank you for your attention in this matter. Should you have any questions, please feel free to contact me at Ext. 7475

Sincerely,

*[Signature]*  
for DANILO F. AGSALOG  
Director of Finance

Enclosure

COUNTY COMMUNICATION NO. 17-115

# Resolution

No. \_\_\_\_\_

## RESOLUTION AUTHORIZING THE DISPOSAL OF THE LOTS COMPRISING THE FAIRWAYS AT MAUI LANI BY PUBLIC AUCTION

WHEREAS, the County of Maui is the owner of the lots identified as TMK Nos. (2) 3-8-036:001-051, hereinafter collectively referred to as the "Fairways"; and

WHEREAS, the County of Maui, through its Director of Finance ("Director"), desires to dispose of the Fairways through bulk sale; and

WHEREAS, the proposed disposition shall be conducted by public auction in accordance with Section 3.44.020, Maui County Code ("MCC"); and

WHEREAS, the County of Maui is in receipt of an appraisal which identifies the market value of the Fairways under a bulk sale scenario as of December 15, 2016; and

WHEREAS, in accordance with Section 3.44.070, MCC, the Director intends to establish the upset price at NINE MILLION EIGHT HUNDRED SEVENTEEN THOUSAND FIVE HUNDRED DOLLARS (\$9,817,500); and

WHEREAS, proceeds from the sale shall first be used to satisfy any outstanding real property taxes on the Fairways with remainder being deposited into the Affordable Housing Fund; and

WHEREAS, these proceeds shall not substitute the appropriations required by the Revised Charter of the County of Maui (1983), as amended; and

WHEREAS, said proceeds deposited into the Affordable Housing Fund shall be not be included in the Affordable Housing Fund Annual Plan, but shall instead be specifically appropriated by the Council in the budget ordinance; and

WHEREAS, in accordance with Section 3.44.020, MCC, the Council may authorize the disposition of real property in fee simple; now, therefore,

BE IT RESOLVED by the Council of the County of Maui:

1. That pursuant to Chapter 3.44, MCC, the Council hereby authorizes the disposition of the Fairways by public auction with an upset

## Resolution \_\_\_\_\_

price of NINE MILLION EIGHT HUNDRED SEVENTEEN THOUSAND FIVE HUNDRED DOLLARS (\$9,817,500); and

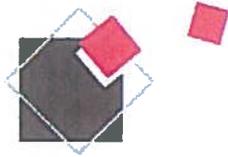
2. That the proceeds shall be distributed and appropriated in a manner consistent with this Resolution; and

3. The Mayor, the Director, or their authorized representatives, may execute and deliver any and all documents that they deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this Resolution; and

4. That certified copies of this Resolution shall be transmitted to the Mayor and Director of Finance.

APPROVED AS TO FORM  
AND LEGALITY:

  
\_\_\_\_\_  
JEFFREY UEOKA  
Deputy Corporation Counsel  
County of Maui  
2017-0177  
2017-02-10 Resolution



January 2, 2017

Mr. Danilo F. Agsalog  
Finance Director  
County of Maui  
200 South High Street  
Wailuku, Hawaii 96793

**RE: Vacant Lot Appraisals at the Fairways at Maui Lani Subdivision  
Kahului, Maui, Hawaii**

Dear Mr. Agsalog:

In accordance with your request I have prepared the following appraisal report which establishes the market value of vacant lots in the Fairways at Maui Lani subdivision in Kahului, Maui. The final value estimates are based on the on-site inspection of the subject properties; determination of highest and best use; review of comparable land transactions in the market, and a review of current economic and financial conditions.

This appraisal assignment involved market value opinions under the following Client-provided scenarios.

- (1) The market value of each individual lot; low and high market value range based upon comparable transactions, and a point market value estimate.
- (2) The bulk sale value estimate of the 55 lots in the Fairways at Maui Lani if sold to one buyer in a single transaction.
- (3) The bulk sale value estimate of a 10-lot bundle of lots in the Fairways at Maui Lani if sold to one buyer in a single transaction.

Based upon my research and study, the estimated market value of the subject lots under the various scenarios, as of December 15, 2016, subject to the "Certification" and "Assumptions and Limiting Conditions", are as follows:

**(1) Market value of each individual lot; low and high market value range based upon comparable transactions, and a point market value estimate.**

TMK	Parcel Size In Sq Ft	Indicated Market Value			TMK	Parcel Size In Sq Ft	Indicated Market Value		
		Low	High	Point			Low	High	Point
3-8-096:001	9,122	\$278,768	\$329,122	\$312,064	3-8-096:024	10,027	\$271,732	\$292,387	\$280,054
3-8-096:002	8,580	\$270,356	\$319,176	\$302,617	3-8-096:025	9,109	\$254,688	\$273,999	\$262,430
3-8-096:003	8,680	\$268,038	\$316,473	\$300,068	3-8-096:026	13,322	\$320,394	\$344,640	\$330,119
3-8-096:004	8,543	\$269,190	\$317,800	\$301,312	3-8-096:027	12,807	\$321,584	\$345,917	\$331,317
3-8-096:005	8,590	\$265,259	\$313,191	\$296,956	3-8-096:028	11,477	\$306,895	\$330,193	\$316,191
3-8-096:006	8,574	\$270,167	\$318,953	\$302,405	3-8-096:029	8,260	\$245,157	\$263,742	\$252,591
3-8-096:007	8,571	\$270,072	\$318,841	\$302,299	3-8-096:030	7,884	\$240,935	\$259,068	\$248,267
3-8-096:008	9,634	\$288,346	\$340,466	\$322,835	3-8-096:031	6,914	\$217,445	\$233,831	\$224,014
3-8-096:009	8,481	\$267,236	\$315,493	\$299,125	3-8-096:032	9,525	\$268,700	\$289,084	\$276,892
3-8-096:010	8,394	\$261,809	\$309,151	\$293,118	3-8-096:033	11,994	\$295,052	\$317,481	\$304,048
3-8-096:011	8,381	\$266,767	\$314,958	\$298,615	3-8-096:034	8,017	\$230,890	\$248,447	\$238,025
3-8-096:012	8,313	\$259,282	\$306,168	\$290,290	3-8-096:035	8,858	\$247,670	\$266,449	\$255,288
3-8-096:013	8,377	\$263,959	\$311,624	\$295,457	3-8-096:036	11,558	\$297,041	\$319,579	\$306,171
3-8-096:014	8,318	\$264,762	\$312,590	\$296,370	3-8-096:037	9,733	\$263,862	\$283,814	\$272,037
3-8-096:015	8,342	\$260,187	\$307,236	\$291,303	3-8-096:038	8,480	\$241,934	\$260,251	\$249,312
3-8-096:016	9,215	\$270,276	\$319,115	\$302,528	3-8-096:039	7,591	\$222,948	\$239,876	\$229,780
3-8-096:017	8,533	\$268,875	\$317,428	\$300,959	3-8-096:040	6,989	\$211,208	\$227,212	\$217,707
3-8-096:018	8,908	\$277,841	\$328,082	\$311,067	3-8-096:041	6,862	\$207,370	\$223,084	\$213,751
3-8-096:019	8,953	\$279,244	\$329,739	\$312,639	3-8-096:042	6,728	\$205,204	\$220,746	\$211,528
3-8-096:020	9,042	\$282,020	\$333,017	\$315,747	3-8-096:043	6,757	\$206,089	\$221,697	\$212,440
3-8-096:021	9,018	\$281,271	\$332,133	\$314,909	3-8-096:044	6,755	\$206,028	\$221,632	\$212,377
3-8-096:022	11,305	\$327,506	\$386,631	\$366,508	3-8-096:045	6,728	\$205,204	\$220,746	\$211,528
3-8-096:023	21,844	\$507,655	\$599,181	\$568,162	3-8-096:046	6,728	\$205,204	\$220,746	\$211,528
					3-8-096:047	6,728	\$205,204	\$220,746	\$211,528
					3-8-096:048	6,803	\$207,492	\$223,206	\$213,886
					3-8-096:049	6,936	\$209,606	\$225,489	\$216,056
					3-8-096:050	7,081	\$211,934	\$228,008	\$218,520

**Aggregate Lot Values – Lots 1 - 55**

	<b>Low Range Value</b>	<b>High Range Value</b>	<b>Point Value</b>
Total Aggregate Values	<b>\$13,050,000</b>	<b>\$14,720,000</b>	<b>\$14,025,000</b>

**(2) BULK SALE VALUE OF THE 55 LOTS**

(As if Sold to One Purchaser in a Single Transaction)

	Discount Range		Concluded Discount
	20%	40%	30%
Low Range Value	\$10,440,000	\$7,830,000	\$9,135,000
High Range Value	\$11,776,000	\$8,832,000	\$10,304,000
Point Value	\$11,220,000	\$8,415,000	<b>\$9,817,500</b>

**(3) BULK SALE VALUE OF LOTS SOLD IN 10-LOT INCREMENTS**  
**(To One Purchaser in a Single Transaction)**

	Discount Range		Concluded Discount
	10%	20%	15%
Low Range Value	\$2,133,454	\$1,898,182	\$2,016,818
High Range Value	\$2,408,728	\$2,141,091	\$2,274,909
Point Value	\$2,295,000	\$2,040,000	<b>\$2,167,500</b>

The following appraisal report summarizes my analysis of data along with other pertinent materials on which the estimates of value are predicated. Thank you for this opportunity to work on this interesting assignment.

Respectfully submitted,

*ACM Consultants, Inc.*



Ted Yamamura, SRA, R/W-AC  
Certified General Appraiser  
State of Hawaii, CGA-160  
Expires: 12/31/2017

CERTIFICATION

The undersigned does hereby certify that to the best of my knowledge and belief:

- (1) The statements of fact contained in this report are true and correct.
- (2) The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions and conclusions.
- (3) I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- (4) I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- (5) I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- (6) My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- (7) My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- (8) My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- (9) I have made a personal observation of the property that is the subject of this report.
- (10) No one provided significant real property appraisal assistance to the person signing this certification.
- (11) The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute.
- (12) The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- (13) As of the date of this report, the undersigned member signing the report has completed the continuing education program of the Appraisal Institute.

ACM Consultants, Inc.

  
Ted Yamamura, SRA, R/W-AC  
Certified General Appraiser  
State of Hawaii, CGA-160  
Expiration: December 31, 2017

TABLE OF CONTENTS

	<u>Page</u>
Certification	1
Table of Contents	2
<b><u>PART I – INTRODUCTION</u></b>	
Appraisal Development and Reporting Process	3
Scope of Work	3
Purpose and Intended Use of the Appraisal	3
Identification of the Subject Properties	4
Intended User	5
Property Inspection/Date of Report/Effective Date	5
Special Assumptions and Conditions	5
<b><u>PART II – FACTUAL DATA</u></b>	
Neighborhood Description	6
Property and Site Data – Subject Lots	8
Tax Map Location of the Subject Lots	10
Representative Photographs of the Golf Course Fronting Lots	11
Representative Photographs of the Interior Lots	12
Representative Photographs of Lot 51 and Roadway Lots	13
<b><u>PART III – DATA ANALYSIS AND CONCLUSIONS</u></b>	
Highest and Best Use	14
The Appraisal Process – Valuation of Vacant Land	15
Individual Lot Values and Aggregate Value of the 55 Lots	16
Valuation of Lots 1 – 50	16
Site Valuation Worksheet – Table 1, Lot 14 Benchmark Lot	19
Site Valuation Worksheet – Table 2, Lot 38 Benchmark Lot	20
Summary of Lot Valuations – Golf Course Fronting Lots	21
Summary of Lot Valuations – Interior Lots	22
Valuation of Lots 51 – 55	23
Summary of the Individual and Aggregate Lot Values	23
Bulk Sale Value of the 55 Lots	24
Bulk Sale Value of Lots in 10-Lot Increments	24
Conclusions of Value	25
<b><u>PART IV – EXHIBITS AND ADDENDA</u></b>	
Assumptions and Limiting Conditions	27
Legal Description	
Comparable Land Sales Location and Photographs	
Zoning Ordinance	
Qualification of the Appraiser	

## **PART I – INTRODUCTION**

### **APPRAISAL DEVELOPMENT AND REPORTING PROCESS**

This is an appraisal report which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice. This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, and statement of assumptions and limiting conditions, extraordinary assumptions and hypothetical conditions, and certifications contained in the appraisal.

### **SCOPE OF WORK**

The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report, including the following definition of market value, extraordinary assumptions and hypothetical conditions, statement of assumptions and limiting conditions, and certifications as contained in the report. The appraiser has at a minimum performed a complete visual inspection of the observable areas of the subject properties, considered the neighborhood and its characteristics, viewed each of the comparable sales, and researched, verified and analyzed data from public and/or private sources that were deemed to be reliable. An analysis of Highest and Best Use was conducted as though the sites were vacant and available for development and this conclusion was the basis upon which our valuations were derived. Finally, the analysis, opinions and conclusions were reported in this appraisal report.

### **PURPOSE AND INTENDED USE OF THE APPRAISAL**

The purpose of this appraisal, as of December 15, 2016, is to estimate the fee simple market value of the following vacant lots in the Fairways at Maui Lani Subdivision in Kahului, Maui, under the following Client-provided scenarios.

- (1) The market value of each individual lot; low and high market value range based upon comparable transactions, and a point market value estimate.
- (2) The bulk sale value estimate of the 55 lots in the Fairways at Maui Lani if sold to one buyer in a single transaction.
- (3) The bulk sale value estimate of a 10-lot bundle of lots in the Fairways at Maui Lani if sold to one buyer in a single transaction.

**THE FAIRWAYS AT MAUI LANI**  
**Identification of the Subject Properties**

TMK	Lot No.	Land Area	Street
		Sq Ft	
3-8-096:001	1	9,122	Puumakani Street
3-8-096:002	2	8,580	Puumakani Street
3-8-096:003	3	8,680	Puumakani Street
3-8-096:004	4	8,543	Puumakani Street
3-8-096:005	5	8,590	Puumakani Street
3-8-096:006	6	8,574	Puumakani Street
3-8-096:007	7	8,571	Puumakani Street
3-8-096:008	8	9,634	Puumakani Street
3-8-096:009	9	8,481	Puumakani Street
3-8-096:010	10	8,394	Puumakani Street
3-8-096:011	11	8,381	Puumakani Street
3-8-096:012	12	8,313	Puumakani Street
3-8-096:013	13	8,377	Puumakani Street
3-8-096:014	14	8,318	Puumakani Street
3-8-096:015	15	8,342	Puumakani Street
3-8-096:016	16	9,215	Puumakani Street
3-8-096:017	17	8,533	Puumakani Street
3-8-096:018	18	8,908	Puumakani Street
3-8-096:019	19	8,953	Puumakani Street
3-8-096:020	20	9,042	Puumakani Street
3-8-096:021	21	9,018	Puumakani Street
3-8-096:022	22	11,305	Puumakani Street
3-8-096:023	23	21,844	Puumakani Street
3-8-096:024	24	10,027	Puumakani Street
3-8-096:025	25	9,109	Puumakani Street
3-8-096:026	26	13,322	Puumakani Street
3-8-096:027	27	12,807	Puumakani Street
3-8-096:028	28	11,477	Puumakani Street
3-8-096:029	29	8,260	Puumakani Street

TMK	Lot No.	Land Area	Street
		Sq Ft	
3-8-096:030	30	7,884	Puumakani Street
3-8-096:031	31	6,914	Puumakani Street
3-8-096:032	32	9,525	Puumakani Street
3-8-096:033	33	11,994	Puumakani Street
3-8-096:034	34	8,017	Puumakani Street
3-8-096:035	35	8,858	Puumakani Street
3-8-096:036	36	11,558	Puumakani Street
3-8-096:037	37	9,733	Puumakani Street
3-8-096:038	38	8,480	Puumakani Street
3-8-096:039	39	7,591	Puumakani Street
3-8-096:040	40	6,989	Puumakani Street
3-8-096:041	41	6,862	Puumakani Street
3-8-096:042	42	6,728	Puumakani Street
3-8-096:043	43	6,757	Puumakani Street
3-8-096:044	44	6,755	Puumakani Street
3-8-096:045	45	6,728	Puumakani Street
3-8-096:046	46	6,728	Puumakani Street
3-8-096:047	47	6,728	Puumakani Street
3-8-096:048	48	6,803	Puumakani Street
3-8-096:049	49	6,936	Puumakani Street
3-8-096:050	50	7,081	Puumakani Street
3-8-096:051	51	21,004	Drainage Lot
3-8-096:052	52	89,575	Road Lot
3-8-096:053	53	3,193	Road Lot
3-8-096:054	54	4,041	Road Lot
3-8-096:055	55	8,620	Road Lot

The intended use of this report is to provide real property information, real estate market data, and informed value conclusions for internal decision making purposes regarding possible disposition of the subject lots.

*Definition of Fee Simple<sup>1</sup>*

"Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat".

<sup>1</sup> The Dictionary of Real Estate Appraisal, 6<sup>th</sup> Edition, Appraisal Institute, 2015

*Definition of Market Value<sup>2</sup>*

"The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress".

**INTENDED USER**

The County of Maui (Client) and their assigns are the only authorized users of this report. Any other use by any other person or entity for any other purpose, without exception, is explicitly unauthorized.

**PROPERTY INSPECTION/DATE OF REPORT/EFFECTIVE DATE**

The subject property was physically inspected by Ted Yamamura on December 15, 2016. The date of this appraisal report is January 2, 2017, and the effective date of valuation is December 15, 2016.

**SPECIAL ASSUMPTIONS AND CONDITIONS**

(1) At the time of inspection of the subject properties, the property pins and boundary markers were not visible to the Appraiser. As such, the approximate boundaries viewed by the Appraiser are assumed to be correct. It is also assumed that there are no encroachments between the subjects and their adjacent properties.

(2) Values estimated in this report are based on the assumption that the properties are not negatively affected by the existence of hazardous substances or detrimental environmental conditions. Since the Appraiser is not an expert in the detection of such substances and conditions, it is possible that tests and inspections made by a qualified environmental expert would reveal the existence of hazardous materials and detrimental environmental conditions on or around the property that would negatively affect its value.

<sup>2</sup> *The Dictionary of Real Estate Appraisal*, 6<sup>th</sup> Edition, Appraisal Institute, 2015

## PART II – FACTUAL DATA

### NEIGHBORHOOD DESCRIPTION



The geographic area surrounding the subject property is defined by physical and man-made boundaries, and encompasses an area known as Wailuku-Kahului. This region is located on the north shore of the Island of Maui and encompasses the civic and business centers of Wailuku and Kahului. The island's major seaport and primary airport are also contained within the boundaries of this region. The surrounding agricultural land of Central Maui and the eastern half of the West Maui Mountains are also within the Wailuku-Kahului neighborhood.

The boundaries of the Wailuku-Kahului region are the northern shoreline from Poelua Bay to Baldwin Park on the north, Kailua Gulch and Lowrie Ditch on the east, Spanish Road to Waikapu Road to Honoapiilani Highway to Pohakea Gulch on the south, and the Wailuku Judicial District boundary on the west.

Population is concentrated in the urban centers of the region. Wailuku has maintained its role as the civic-financial-cultural center while Kahului has strengthened its role in recent years as the business and industrial center.

In addition to the urban centers of Wailuku-Kahului, the region also includes the more rural settlements of Waihee to the north and Waikapu and Puunene to the southeast. Agricultural lands are adjacent on the lower slopes of the West Maui Mountains and in the central plain south and east of Kahului. This green border is a significant part of the settlement pattern because of its open space and economic value. Kahului Harbor and Airport are major land users along the Kahului shoreline. As major ports of entry for people and goods, they serve as an important center of jobs and economic activity.

The major thoroughfares through Kahului and Wailuku are Kaahumanu Avenue which begins in Kahului and provides primary access to Wailuku as well as Lahaina and Kihei; Hana Highway, which is actually a continuation of Kaahumanu Avenue, leads from Kahului to the eastern or "upcountry" portions of the island; and Puunene Avenue which provides access to all major areas in Kahului and ultimately leads to Kuihelani Highway which provides by-pass access to Lahaina and Kihei. The Kaahumanu Avenue also runs into Main Street, and via secondary access, runs into Waiehu Beach Road and Lower Main Street.

Kahului, adjacent to Wailuku, is situated on the northwest portion of the island of Maui, and is the central commercial, industrial and residential area of Maui. Kahului Town contains Maui's major shopping centers, centralized industrial areas, financial institutions, medical office facilities and business offices. Additionally, the Kahului Airport and Kahului Harbor are located in Kahului proper and centrally provides the majority of firms providing various goods and services throughout the island, as well as to Lanai and Molokai. Consistent with its central location, post office facilities, community library, parks, schools (elementary, intermediate, high school and a community college), churches of various denominations, entertainment facilities, food outlets and a fire station are located in Kahului.

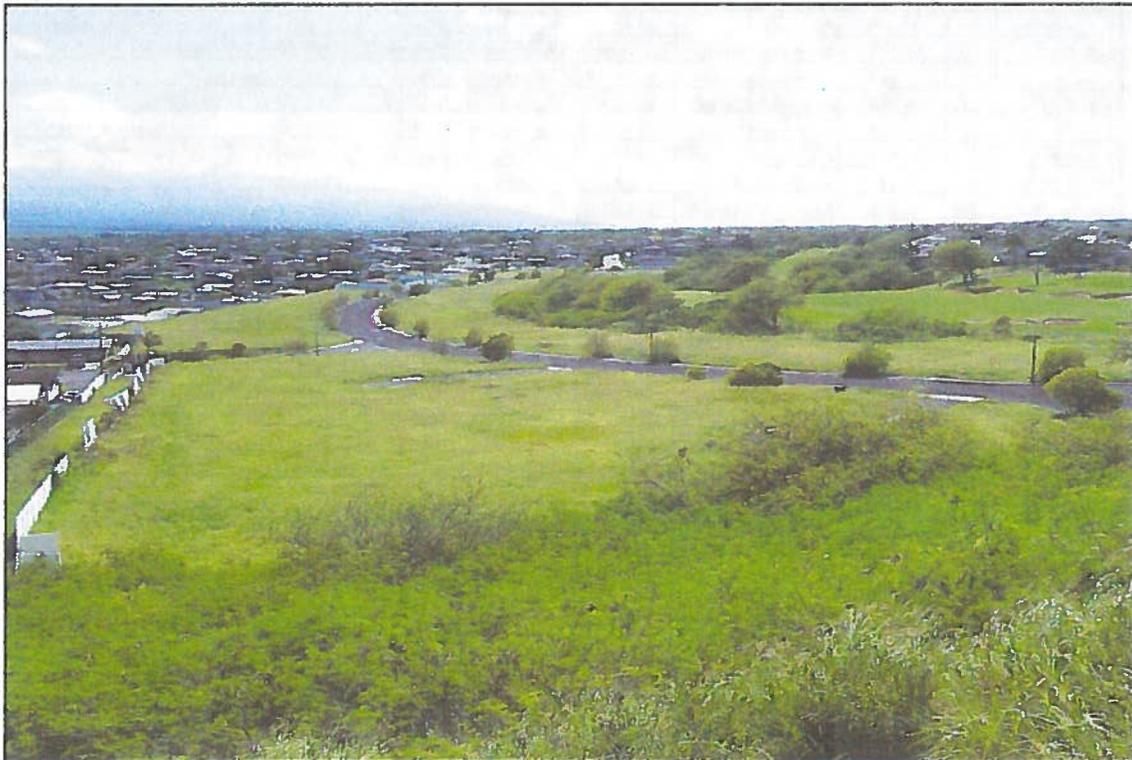
Wailuku, at one time, was the heart of Maui's business activities. Decentralization of business to nearby Kahului and lack of maintenance and modernization of buildings to keep up with the new shopping habits brought about a gradual decline. However, since the creation of the municipal parking area in Wailuku, several new buildings have been built or renovated and a rejuvenation of the Wailuku Town is being experienced. The Kahului-Wailuku Community Plan envisions Wailuku as the "governmental, cultural and professional center of Maui". Located in Wailuku are the various government agencies, courts, hospital, major recreational facilities and police station.

Wailuku Fire Station sits in the heart of Wailuku Town, and until the opening of the Kahului Fire Station, was the only one in Central Maui. Kahului Fire Station is a 21,300 square foot facility that includes two main buildings and is situated on Dairy Road. The Maui Memorial Medical Center, which is Maui's primary facility of medical and emergency service, is located between the connecting boundaries of Kahului and Wailuku. In 2006, work was completed on the newest wing for the hospital. The Wailuku Police Station is also conveniently located nearby. Numerous pre-schools, elementary, grade and high schools are located throughout Kahului and Wailuku, with the University of Hawaii Maui College located on Kaahumanu Avenue.

PROPERTY AND SITE DATA – SUBJECT LOTS

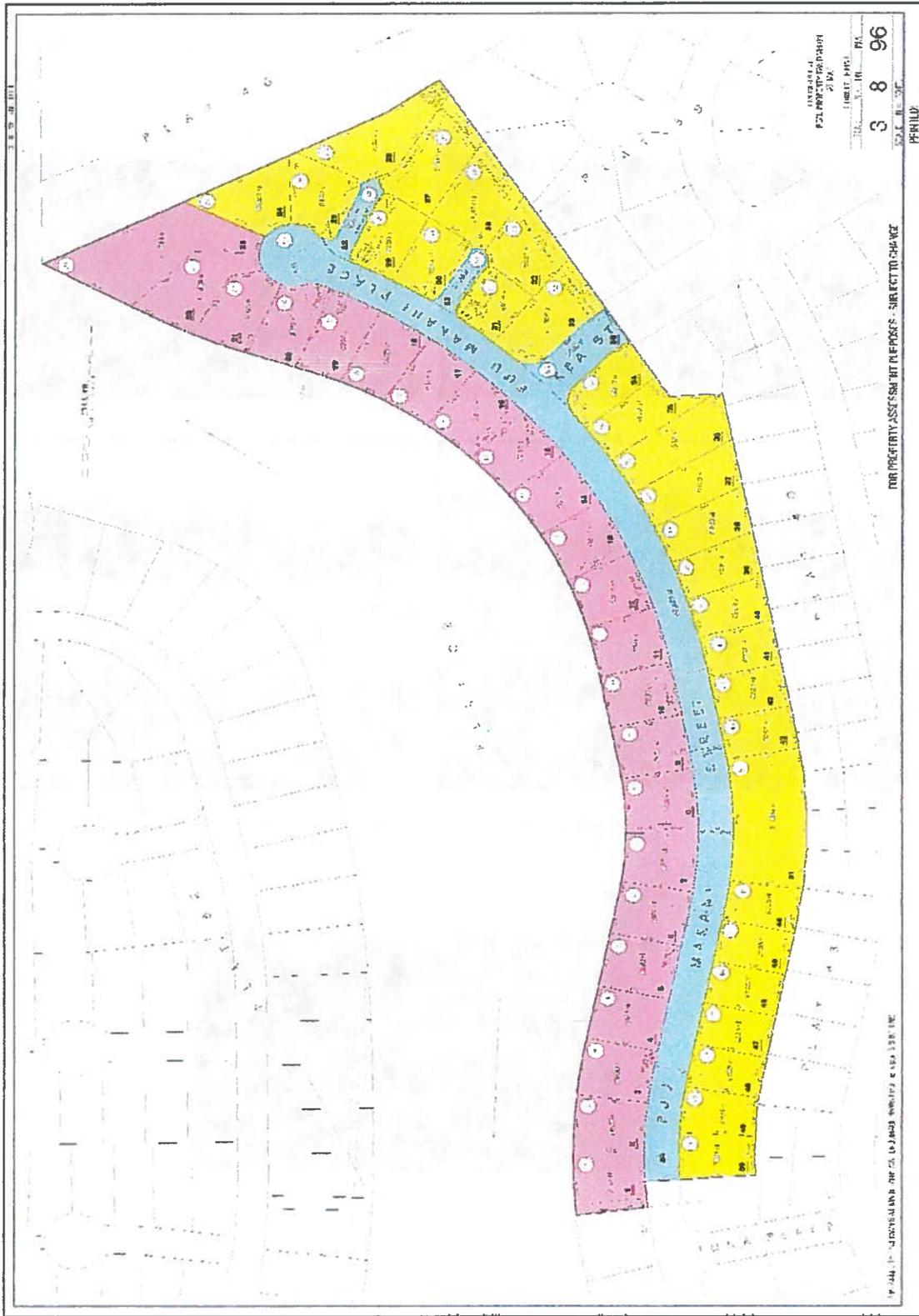
The subject lots are identified and described under the following subheadings.

<i>Subdivision:</i>	Lots 1 through 55 - Fairways at Maui Lani
<i>Owner of Record:</i>	County of Maui
<i>State Land Use:</i>	Urban District
<i>Community Plan Designation:</i>	Single Family Residential
<i>Zoning:</i>	PD-WK/1SF5
<i>5 Year Transaction History:</i>	August 31, 2011, VP & PK (ML), LLC to County of Maui, Lots 1 through 55, Fairways at Maui Lani, Deed, \$11,750,000, Doc 11-200595.
<i>Access:</i>	Puumakani Street
<i>Utilities:</i>	All public utilities available
<i>Topography:</i>	Level to gentle sloping
<i>Flood Status:</i>	Based upon the Federal Insurance Rate Maps prepared by the Federal Insurance Administration and Federal Emergency Management Agency, the parcels are located within Map Number 1500030392E, Map dated September 25, 2009, and located within Zone X. Zone X indicates areas determined to be outside the 0.2% annual chance floodplain.

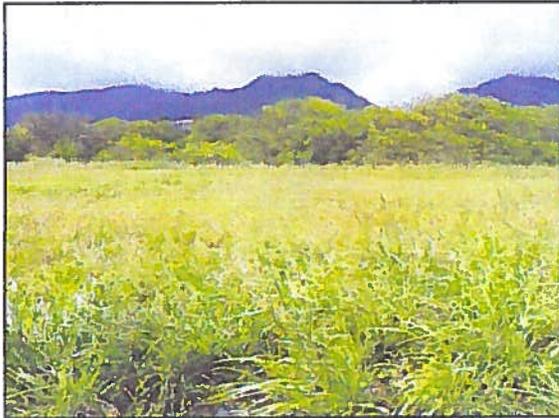


Fairways at Maui Lani SUBJECT LOTS								
TMK	Lot No.	Land Area in Sq Ft	Street	Assessed Value	Physical Characteristics			
					Shape	Location	Views	Easements
3-8-096:001	1	9,122	Puumakani Street	\$232,300	Rectangular	Golf Course	Golf Course	Landscape
3-8-096:002	2	8,580	Puumakani Street	\$229,900	Rectangular	Golf Course	Golf Course	None
3-8-096:003	3	8,680	Puumakani Street	\$230,300	Rectangular	Golf Course	Golf Course	Electrical
3-8-096:004	4	8,543	Puumakani Street	\$229,700	Rectangular	Golf Course	Golf Course	None
3-8-096:005	5	8,590	Puumakani Street	\$229,900	Rectangular	Golf Course	Golf Course	Electrical
3-8-096:006	6	8,574	Puumakani Street	\$229,800	Rectangular	Golf Course	Golf Course	None
3-8-096:007	7	8,571	Puumakani Street	\$229,800	Rectangular	Golf Course	Golf Course	None
3-8-096:008	8	9,634	Puumakani Street	\$234,600	Rectangular	Golf Course	Golf Course	Drainage
3-8-096:009	9	8,481	Puumakani Street	\$229,400	Rectangular	Golf Course	Golf Course	None
3-8-096:010	10	8,394	Puumakani Street	\$229,000	Rectangular	Golf Course	Golf Course	Electrical
3-8-096:011	11	8,381	Puumakani Street	\$229,000	Rectangular	Golf Course	Golf Course	None
3-8-096:012	12	8,313	Puumakani Street	\$228,700	Rectangular	Golf Course	Golf Course	Electrical
3-8-096:013	13	8,377	Puumakani Street	\$228,900	Rectangular	Golf Course	Golf Course	Drainage
3-8-096:014	14	8,318	Puumakani Street	\$228,700	Rectangular	Golf Course	Golf Course	None
3-8-096:015	15	8,342	Puumakani Street	\$228,800	Rectangular	Golf Course	Golf Course	Electrical
3-8-096:016	16	9,215	Puumakani Street	\$232,700	Rectangular	Golf Course	Golf Course	Sewerline
3-8-096:017	17	8,533	Puumakani Street	\$229,600	Rectangular	Golf Course	GC/Pti Ocn	None
3-8-096:018	18	8,908	Puumakani Street	\$231,300	Rectangular	Golf Course	GC/Pti Ocn	None
3-8-096:019	19	8,953	Puumakani Street	\$231,500	Rectangular	Golf Course	GC/Pti Ocn	None
3-8-096:020	20	9,042	Puumakani Street	\$231,900	Rectangular	Golf Course	GC/Pti Ocn	None
3-8-096:021	21	9,018	Puumakani Street	\$231,800	Rectangular	Golf Course	GC/Pti Ocn	None
3-8-096:022	22	11,305	Puumakani Street	\$242,100	Irregular	Golf Course	GC/Pti Ocn	None
3-8-096:023	23	21,844	Puumakani Street	\$289,500	Irregular	Golf Course	Golf Course	None
3-8-096:024	24	10,027	Puumakani Street	\$236,400	Irregular	Interior	Mountain	None
3-8-096:025	25	9,109	Puumakani Street	\$232,200	Irregular	Interior	Mountain	None
3-8-096:026	26	13,322	Puumakani Street	\$251,200	Irregular	Interior	Mountain	Waterline/Drainage/Landscape
3-8-096:027	27	12,807	Puumakani Street	\$248,900	Rectangular	Interior	Partial Ocn	Waterline/Drainage/Landscape
3-8-096:028	28	11,477	Puumakani Street	\$242,900	Rectangular	Interior	Partial Ocn	Waterline/Drainage/Landscape
3-8-096:029	29	8,260	Puumakani Street	\$228,400	Rectangular	Interior	Partial Ocn	Electrical
3-8-096:030	30	7,884	Puumakani Street	\$226,700	Rectangular	Interior	Partial Ocn	None
3-8-096:031	31	6,914	Puumakani Street	\$222,400	Rectangular	Interior	Partial Ocn	Electrical
3-8-096:032	32	9,525	Puumakani Street	\$234,100	Rectangular	Interior	Partial Ocn	Waterline/Drainage/Landscape
3-8-096:033	33	11,994	Puumakani Street	\$245,200	Rectangular	Interior	Mountain	Waterline/Drainage/Landscape
3-8-096:034	34	8,017	Puumakani Street	\$227,300	Rectangular	Interior	Mountain	Drainage
3-8-096:035	35	8,858	Puumakani Street	\$231,100	Rectangular	Interior	Mountain	Drainage
3-8-096:036	36	11,558	Puumakani Street	\$243,300	Rectangular	Interior	Mountain	Drainage
3-8-096:037	37	9,733	Puumakani Street	\$235,000	Rectangular	Interior	Mountain	Drainage
3-8-096:038	38	8,480	Puumakani Street	\$229,400	Rectangular	Interior	Mountain	Drainage
3-8-096:039	39	7,591	Puumakani Street	\$225,400	Rectangular	Interior	Mountain	Drainage
3-8-096:040	40	6,989	Puumakani Street	\$222,700	Rectangular	Interior	Mountain	Drainage
3-8-096:041	41	6,862	Puumakani Street	\$222,100	Rectangular	Interior	Mountain	Drainage
3-8-096:042	42	6,728	Puumakani Street	\$221,500	Rectangular	Interior	Mountain	Drainage
3-8-096:043	43	6,757	Puumakani Street	\$221,700	Rectangular	Interior	Mountain	Drainage
3-8-096:044	44	6,755	Puumakani Street	\$221,600	Rectangular	Interior	Mountain	Drainage
3-8-096:045	45	6,728	Puumakani Street	\$221,500	Rectangular	Interior	Mountain	Drainage
3-8-096:046	46	6,728	Puumakani Street	\$221,500	Rectangular	Interior	Mountain	Drainage
3-8-096:047	47	6,728	Puumakani Street	\$221,500	Rectangular	Interior	Mountain	Drainage
3-8-096:048	48	6,803	Puumakani Street	\$221,900	Rectangular	Interior	Mountain	Drainage
3-8-096:049	49	6,936	Puumakani Street	\$222,500	Rectangular	Interior	Mountain	Drainage
3-8-096:050	50	7,081	Puumakani Street	\$223,100	Rectangular	Interior	Mountain	Drainage
3-8-096:051	51	21,004	Puumakani Street	\$2,900	Rectangular	Interior	Mountain	None
3-8-096:052	52	4,041	Puumakani Street	\$100	Rectangular	Interior	Mountain	Electrical/Utility
3-8-096:053	53	3,193	Puumakani Street	\$100	Rectangular	Interior	Mountain	Electrical/Utility
3-8-096:054	54	89,575	Puumakani Street	\$100	Rectangular	Interior	Mountain	Drainage
3-8-096:055	55	8,620	Puumakani Street	\$100	Rectangular	Interior	Mountain	None

TAX MAP LOCATION OF THE SUBJECT LOTS



REPRESENTATIVE PHOTOGRAPHS OF THE GOLF COURSE FRONTING LOTS



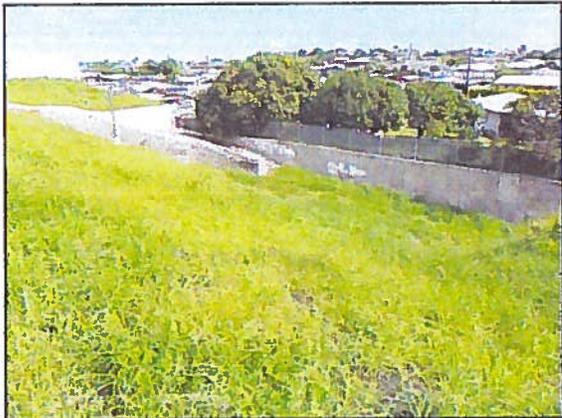
Puumakani Street

REPRESENTATIVE PHOTOGRAPHS OF INTERIOR LOTS



Puumakani Street

REPRESENTATIVE PHOTOGRAPHS OF LOT 51 AND ROADWAY LOTS



Lot 51



Lot 52



Lot 53



Lot 54 (Puumakani Street)



Lot 55 (Kea Street)

### PART III – DATA ANALYSIS AND CONCLUSIONS

#### HIGHEST AND BEST USE

The reasonably probable use of property that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financing feasibility, and maximum productivity.<sup>3</sup>

Since the appraisal of the subject properties are based on a particular premise of use, the highest and best use analysis determines just what this premise of use should be. The primary consideration in the analysis of the highest and best use of the subject lots is the site as if vacant and available for development

##### Lots 1 through 50

The subject lots are located in an established residential neighborhood and the surrounding properties are also similarly zoned and utilized predominantly for single family use. There are no anticipated changes in land use, and hence the optimum use of the subject sites would be single family residential use.

##### Lots 51 - 55

Lot 51 is a drainage catchment and retention lot servicing Lots 1 through 55 of the Fairways at Maui Lani subdivision. It is an integral infrastructural component of the subdivision and also provides water drainage protection to neighboring properties. Within the context of highest and best use, the property rights being considered and valued in this appraisal assignment cannot be further physically or legally developed, there are no anticipated changes in land use, and the shape and physical characteristics of the subject lot precludes any alternate uses other than the current drainage and water retention use. Therefore the highest and best use of the subject parcel is its continued use as a drainage catchment and retention lot.

Lots 52, 53, 54 and 55 are roadway lots improved with asphalt paving, concrete curbs and gutters, concrete sidewalks and street lights. Within the context of highest and best use, the property rights being considered and valued in this appraisal assignment cannot be further physically or legally developed, the fact that there are no anticipated changes in land use and the shape and physical characteristics of the subject parcels precludes any alternate uses other than the current roadway use. Therefore the highest and best use of the subject lots is their continued use as a roadway.

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<sup>3</sup> *The Dictionary of Real Estate Appraisal*, 6<sup>th</sup> Edition, Appraisal Institute, 2015

## THE APPRAISAL PROCESS – VALUATION OF VACANT LAND

The generally accepted methods of land valuation include the following:

### *Sales Comparison Approach*

The Sales Comparison Approach involves comparison of similar vacant properties which have recently sold.

### *Allocation*

The Allocation method of estimating land value is based on the development of a typical ratio of site value to total property value through an analysis of sales of improved properties.

### *Extraction*

The extraction method of estimating land value involves the deduction of depreciated improvement costs from the sale prices of improved properties which have recently sold. The contribution of the improvements to the improved property is deducted from the total sale price of value to arrive at an estimated sale price of value of the land.

### *Capitalization of Ground Rent*

Capitalization of Ground Rent is a procedure typically used to estimate the value of a leased fee estate. In estimating land value, the annual ground rent is capitalized at the land capitalization rate resulting in an indication of land value.

### *Land Residual Technique*

The Land Residual Technique involves the application of a land capitalization rate to the estimated residual income attributable to land, for improved income producing properties.

### *Development Procedure*

The Development Procedure involves the estimation of individual lot values, as if the land were subdivided, and subtracting total development costs from the aggregate values of the individual lots.

### *Conclusion*

The most commonly accepted approach for land valuation is the direct comparison of the subject land with sales of other land parcels in the market. When the availability of data permits its use, this analytical method produces an indication of what the purchaser-investor would most probably have to pay for the same rights in existing substitute properties on the same market, as of the effective date of the appraisal. Consequently, the Sales Comparison Approach was concluded to be the most desirable methodology in the valuation of the subject parcels.

### **(1) INDIVIDUAL LOT VALUES AND AGGREGATE VALUE OF THE 55 LOTS**

The scope of work for this appraisal assignment requires a low and high market value range as well as a point market value estimate for each lot.

The 55 subject lots were valued utilizing the Sales Comparison Approach. Since the purpose of this section of the appraisal is to estimate the individual market values of the 55 lots, four steps were necessary in the valuation process:

1. Research recent recorded sales of competing properties within competitive neighborhoods.
2. Select "benchmark" golf course and interior lots that are representative of the subject lots.
3. Value the benchmark lots.
4. Apply and compare the benchmark values to each of the remaining lots to arrive at individual values for each of the 55 subject lots. The aggregate of these individual values represents their potential gross revenue.

### **VALUATION OF INDIVIDUAL LOTS 1 - 50**

#### Selection of the Benchmark Lots

The Appraiser selected Lot 14 as the benchmark for the golf course lots and Lot 38 as the benchmark for the interior lots.

#### Application of the Sales Comparison Approach

Proper application of the Sales Comparison Approach requires knowledge of the standards of the local market plus a detailed property inspection and personal observation. The ability to interpret land characteristics are necessary together with knowledge and experience of typical buyer preferences and price reactions in the local market. Finally, the application of sound judgment is required to produce reasonable results.

The Sales Comparison Approach involves the comparison of comparable properties that have recently sold with the subject property. The subject property is the "standard" upon which all comparisons and adjustments are made. Because no two properties are ever truly identical, the prices of the market indicators must be reduced to various units of comparison to reflect the value of the subject property. Typically, the variations in sales prices reflect differences in size, location, zoning, time and terms of sale, and the physical characteristics of the land.

The value indication is developed using a unit of comparison in which the type of site being appraised is typically bought and sold on the market. In this assignment, the price per square foot was considered the most appropriate unit of comparison due to the varying sizes of the comparable land sales as compared to the benchmark lots.

Primary criteria utilized in the market research and selection of vacant land comparables included consideration of the following factors:

- Relatively recent transaction date, location with the same or competing neighborhood, and similar community characteristics
- Similarity in size area and/or zoning and permitted land use/density, topographic features, public utilities, access, and view amenities

Research commenced with a search of similar residential lot sales in the central Maui neighborhoods. Based upon this research and the above criteria, the vacant land comparables selected and utilized in the Site Valuation Worksheets represent the most reasonably recent and competitive transactions of residential lots in competitive residential subdivisions in central Maui. The land comparables and adjustments to reflect any variations in the properties are contained in **Tables 1 and 2.**

**Table 1** relates to the valuation of the golf course benchmark lot while **Table 2** relates to the valuation of the interior benchmark lot.

**Table 1 - Description of Adjustments**

*Location:* The subject is a golf course fronting lot in the Fairways at Maui Lani Subdivision while the three land comparables are located in the Wailuku Heights Subdivision. Paired sales analysis indicated that lots in the Wailuku Heights subdivision were approximately 5% higher in value than golf course fronting parcels in Maui Lani. Therefore negative 5% adjustments were applied to each comparable.

*Access/Utilities:* The availability of utilities, specifically electricity and water determines the potential of land development. The subject and comparable land sales are similar in access and utilities and no adjustments were required.

*Zoning:* Zoning determines land uses and density. The subject parcels and all comparable land sales are competitively zoned and no adjustments were required.

*Physical Characteristics:* No adjustments were required.

*Size:* The comparables ranged in parcel sizes and typically, the larger the parcel the lower the price per square foot and the smaller the parcel the higher the price per square foot. Therefore size can affect the purchase price. An adjustment was applied to address the disparity in size between the comparables and the subject.

*Comparable Weighting*

A weighting process is utilized to acknowledge the most applicable (reliable) of the comparables. Equal weight was placed on each comparable in determining the subject's unit value since no individual transaction was considered to be more representative of the subject than the others.

*Exposure Time*

The estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective of the appraisal would have been 6 to 9 months.

**Table 2 - Description of Adjustments**

*Location:* The subject is an interior (non-golf course fronting) lot in the Fairways at Maui Lani Subdivision while the three land comparables are located in the competitive Waiolani Mauka Subdivision and therefore no adjustments were required.

*Access/Utilities:* The availability of utilities, specifically electricity and water determines the potential of land development. The subject and comparable land sales are similar in access and utilities and no adjustments were required.

*Zoning:* Zoning determines land uses and density. The subject parcels and all comparable land sales are competitively zoned and no adjustments were required.

*Physical Characteristics:* Comparable land sales 1 and 2 have superior partial ocean and mountain views and appropriate negative adjustments were applied.

*Size:* The comparables ranged in parcel sizes and typically, the larger the parcel the lower the price per square foot and the smaller the parcel the higher the price per square foot. Therefore size can affect the purchase price. An adjustment was applied to address the disparity in size between the comparables and the subject.

#### *Comparable Weighting*

A weighting process is utilized to acknowledge the most applicable (reliable) of the comparables. Equal weight was placed on each comparable in determining the subject's unit value since no individual transaction was considered to be more representative of the subject than the others.

#### Exposure Time

The estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective of the appraisal would have been 6 to 9 months.

#### Conclusion of the Benchmark Lot Values

The Appraiser selected Lot 14 as the benchmark for the golf course lots and Lot 38 as the benchmark for the interior lots.

After analysis of the vacant land comparables, adjusting for the variations in the properties, and application of a weighted average, a low, high and point estimate of unit value (price/SF) were determined for the benchmark lots and summarized as follows:

<b>Benchmark Lot</b>	<b>Table No.</b>	<b>Low Price/SF</b>	<b>High/SF</b>	<b>Point Price/SF</b>
Golf Course Lot 38	Table 1	\$31.83	\$37.58	\$35.63
Interior Lot 14	Table 2	\$28.25	\$30.68	\$29.40

#### Valuation of the Remaining Subject Lots

To estimate the market value of the remaining subject lots, each lot was rated based primarily on encumbrances, physical characteristics and size. Positive or negative adjustments were made, depending on how each remaining lot compared to its respective benchmark. Based on the foregoing factors, the aggregate retail value of the subject lots were determined as follows:

Summaries of the valuation of the remaining lots are found in **Tables 3 and 4.**

**TABLE 1**

<b>SITE VALUATION WORKSHEET</b>				
LAND TRANSACTION ANALYSIS AND ADJUSTMENT SCHEDULE				
<b>GOLF COURSE LOT 14 - BENCHMARK VALUATION</b>				
	Subject	COMPARABLE LAND SALES		
		Land Sale 1	Land Sale 2	Land Sale 3
Tax Map Key (Division 2)	3-8-096:014	3-5-13-11	3-5-13-164	3-5-13-36
Street Address	Puumakani Street	521 Kualau Street	503 Kuikahi Drive	546 Ania Place
Community Location	Kahului	Wailuku	Wailuku	Wailuku
County Zoning	<b>PD-WK/1SF5</b>	<b>R-3 Residential</b>	<b>R-3 Residential</b>	<b>R-3 Residential</b>
Community Plan	SFR	SFR	SFR	SFR
Land Tenure	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Parcel Configuration	Rectangular	Rectangular	Rectangular	Rectangular
Topography/Terrain	Level to gentle slope	Level to gentle slope	Level to gentle slope	Level to gentle slope
Roadway Accessibility	Adequate	Adequate	Adequate	Adequate
Utilities	All public utilities	All public utilities	All public utilities	All public utilities
Predominant Site Views	Golf Course	Ocean	Ocean	Ocean
FEMA Flood Status	Zone X	Zone X	Zone X	Zone X
Site Encumbrances	None Noted	Drainage easement	Drainage easement	None Noted
Gross Land Area in SF	<b>8,318</b>	<b>12,938</b>	<b>11,822</b>	<b>9,120</b>
Recordation Date		12/6/16	8/17/16	8/10/14
Instrumental/Financing		Deed	Deed	Deed
Document Number		61840052	60730323	60080170
Grantor		James Sundin	Gary Meola	Carlos Rivera
Grantee		Kolter Kalberg	Ryo Essig	Christopher Lallo
Transaction Price		<b>\$339,000</b>	<b>\$285,000</b>	<b>\$330,000</b>
Financing/Conditions of Sale Adjustment		\$0	\$0	\$0
Adjusted Transaction Price		\$339,000	\$285,000	\$330,000
Indicated Transaction Price per Square Foot		\$26.20	\$24.11	\$36.18
Market Conditions Adjustment (Time)		1.00	1.00	1.00
Market Conditions Adjusted Unit Price		\$26.20	\$24.11	\$36.18
<b>ADJUSTMENTS</b>				
Location		-5%	-5%	-5%
Access/Utilities		0%	0%	0%
Zoning/Community Plan Designation		0%	0%	0%
Other Physical Characteristics		0%	0%	0%
Net Adjustments		-5%	-5%	-5%
Adjusted Unit Price		\$24.89	\$22.90	\$34.37
Size Adjustment		1.51	1.39	1.09
<b>Final Size Adjusted Unit Price per Square Foot</b>		<b>\$37.58</b>	<b>\$31.83</b>	<b>\$37.46</b>
<b>WEIGHTING FACTOR</b>		33.33%	33.33%	33.33%
Product		\$12.53	\$10.61	\$12.49
Range of final Adjusted Value:	\$31.83 -	\$37.58 Per Square Foot		
Median Unit Value:		\$37.46 Per Square Foot		
Weighted Unit Value:		\$35.63 Per Square Foot		
Estimated Value of the Land, Fee Simple:		<b>\$35.63</b> Per Square Foot Point Estimate		
Indicated Site Value:	8,318 SF X	\$35.63 = \$296,370		

**TABLE 2**

<b>SITE VALUATION WORKSHEET</b>				
<b>LAND TRANSACTION ANALYSIS AND ADJUSTMENT SCHEDULE</b>				
<b>INTERIOR LOT 38 - BENCHMARK VALUATION</b>				
	Subject	COMPARABLE LAND SALES		
		Land Sale 4	Land Sale 5	Land Sale 6
Tax Map Key (Division 2)	3-8-096:038	3-5-32-84	3-5-32-4	3-5-32-26
Street Address	Puumakani Street	68 Moolu Street	24 Koani Loop	55 Moolu Street
Community Location	Kahului	Wailuku	Wailuku	Wailuku
County Zoning	<b>PD-WK/1SF5</b>	<b>R-3 Residential</b>	<b>R-3 Residential</b>	<b>R-3 Residential</b>
Community Plan	SFR	SFR	SFR	SFR
Land Tenure	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Parcel Configuration	Rectangular	Rectangular	Rectangular	Rectangular
Topography/Terrain	Level to gentle slope	Level to gentle slope	Level to gentle slope	Level to gentle slope
Roadway Accessibility	Adequate	Adequate	Adequate	Adequate
Utilities	All public utilities	All public utilities	All public utilities	All public utilities
Predominant Site Views	Mountain	Partial Ocean	Partial Ocean	Mountain
FEMA Flood Status	Zone X	Zone X	Zone X	Zone X
Site Encumbrances	None Noted	None Noted	None Noted	None Noted
Gross Land Area in SF	<b>8,480</b>	<b>9,247</b>	<b>8,514</b>	<b>7,933</b>
Recordation Date		10/31/16	9/28/16	5/4/16
Instrumental/Financing		Deed	Deed	Deed
Document Number		61480439	61150004	5968004
Grantor		Alton Watanabe	Neil Hanzawa	Mona Smout
Grantee		Leah Hanada	Eric Brown	Erick Kuniyoshi
Transaction Price		<b>\$275,000</b>	<b>\$275,000</b>	<b>\$230,000</b>
Financing/Conditions of Sale Adjustment		\$0	\$0	\$0
Adjusted Transaction Price		\$275,000	\$275,000	\$230,000
Indicated Transaction Price per Square Foot		\$29.74	\$32.30	\$28.99
Market Conditions Adjustment (Time)		1.00	1.00	1.00
Market Conditions Adjusted Unit Price		\$29.74	\$32.30	\$28.99
<b>ADJUSTMENTS</b>				
Location		0%	0%	0%
Access/Utilities		0%	0%	0%
Zoning/Community Plan Designation		0%	0%	0%
Other Physical Characteristics		-5%	-5%	0%
Net Adjustments		-5%	-5%	0%
Adjusted Unit Price		\$28.25	\$30.69	\$28.99
Size Adjustment		1.01	1.00	1.00
<b>Final Size Adjusted Unit Price per Square Foot</b>		<b>\$28.53</b>	<b>\$30.69</b>	<b>\$28.99</b>
<b>WEIGHTING FACTOR</b>		33.33%	33.33%	33.33%
Product		\$9.51	\$10.23	\$9.66
Range of final Adjusted Value:	\$28.53 -	\$30.69 Per Square Foot		
Median Unit Value:		\$28.99 Per Square Foot		
Weighted Unit Value:		\$29.40 Per Square Foot		
Estimated Value of the Land, Fee Simple:		<b>\$29.40</b> Per Square Foot Point Estimate		
Indicated Site Value:	8,480 SF X	\$29.40 = \$249,312		

TABLE 3

SUMMARY OF VACANT LOT VALUATIONS

The Fairways at Maui Lani

Golf Course Fronting Lots

TMK	Parcel Size In Sq Ft	Benchmark Price/SF			Adjustments		Net Adjustments	Adjusted Price/SF			Size	Final Adjusted Price/SF			Indicated Market Value		
		Low	High	Point	Encumbrances	Physical		Low	High	Point		Low	High	Point	Low	High	Point
3-8-096:001	9,122	\$31.83	\$37.58	\$35.63	-1.0%	0.0%	-1.0%	\$31.51	\$37.20	\$35.27	0.97	\$30.56	\$36.08	\$34.21	\$278,768	\$329,122	\$312,064
3-8-096:002	8,580	\$31.83	\$37.58	\$35.63	0.0%	0.0%	0.0%	\$31.83	\$37.58	\$35.63	0.99	\$31.51	\$37.20	\$35.27	\$270,356	\$319,176	\$302,617
3-8-096:003	8,680	\$31.83	\$37.58	\$35.63	-2.0%	0.0%	-2.0%	\$31.19	\$36.83	\$34.92	0.99	\$30.88	\$36.46	\$34.57	\$268,038	\$316,473	\$300,068
3-8-096:004	8,543	\$31.83	\$37.58	\$35.63	0.0%	0.0%	0.0%	\$31.83	\$37.58	\$35.63	0.99	\$31.51	\$37.20	\$35.27	\$269,190	\$317,800	\$301,312
3-8-096:005	8,590	\$31.83	\$37.58	\$35.63	-2.0%	0.0%	-2.0%	\$31.19	\$36.83	\$34.92	0.99	\$30.88	\$36.46	\$34.57	\$265,259	\$313,191	\$296,956
3-8-096:006	8,574	\$31.83	\$37.58	\$35.63	0.0%	0.0%	0.0%	\$31.83	\$37.58	\$35.63	0.99	\$31.51	\$37.20	\$35.27	\$270,167	\$318,953	\$302,405
3-8-096:007	8,571	\$31.83	\$37.58	\$35.63	0.0%	0.0%	0.0%	\$31.83	\$37.58	\$35.63	0.99	\$31.51	\$37.20	\$35.27	\$270,072	\$318,841	\$302,299
3-8-096:008	9,634	\$31.83	\$37.58	\$35.63	-1.0%	0.0%	-1.0%	\$31.51	\$37.20	\$35.27	0.95	\$29.93	\$35.34	\$33.51	\$288,346	\$340,466	\$322,835
3-8-096:009	8,481	\$31.83	\$37.58	\$35.63	0.0%	0.0%	0.0%	\$31.83	\$37.58	\$35.63	0.99	\$31.51	\$37.20	\$35.27	\$267,236	\$315,493	\$299,125
3-8-096:010	8,394	\$31.83	\$37.58	\$35.63	-2.0%	0.0%	-2.0%	\$31.19	\$36.83	\$34.92	1.00	\$31.19	\$36.83	\$34.92	\$261,809	\$309,151	\$293,118
3-8-096:011	8,381	\$31.83	\$37.58	\$35.63	0.0%	0.0%	0.0%	\$31.83	\$37.58	\$35.63	1.00	\$31.83	\$37.58	\$35.63	\$266,767	\$314,958	\$298,615
3-8-096:012	8,313	\$31.83	\$37.58	\$35.63	-2.0%	0.0%	-2.0%	\$31.19	\$36.83	\$34.92	1.00	\$31.19	\$36.83	\$34.92	\$259,282	\$306,168	\$290,290
3-8-096:013	8,377	\$31.83	\$37.58	\$35.63	-1.0%	0.0%	-1.0%	\$31.51	\$37.20	\$35.27	1.00	\$31.51	\$37.20	\$35.27	\$263,959	\$311,624	\$295,457
3-8-096:014	8,318	\$31.83	\$37.58	\$35.63	BENCHMARK		0.0%	\$31.83	\$37.58	\$35.63	1.00	\$31.83	\$37.58	\$35.63	\$264,762	\$312,590	\$296,370
3-8-096:015	8,342	\$31.83	\$37.58	\$35.63	-2.0%	0.0%	-2.0%	\$31.19	\$36.83	\$34.92	1.00	\$31.19	\$36.83	\$34.92	\$260,187	\$307,236	\$291,303
3-8-096:016	9,215	\$31.83	\$37.58	\$35.63	-5.0%	0.0%	-5.0%	\$30.24	\$35.70	\$33.85	0.97	\$29.33	\$34.63	\$32.83	\$270,276	\$319,115	\$302,528
3-8-096:017	8,533	\$31.83	\$37.58	\$35.63	0.0%	0.0%	0.0%	\$31.83	\$37.58	\$35.63	0.99	\$31.51	\$37.20	\$35.27	\$268,875	\$317,428	\$300,959
3-8-096:018	8,908	\$31.83	\$37.58	\$35.63	0.0%	0.0%	0.0%	\$31.83	\$37.58	\$35.63	0.98	\$31.19	\$36.83	\$34.92	\$277,841	\$328,082	\$311,067
3-8-096:019	8,953	\$31.83	\$37.58	\$35.63	0.0%	0.0%	0.0%	\$31.83	\$37.58	\$35.63	0.98	\$31.19	\$36.83	\$34.92	\$279,244	\$329,739	\$312,639
3-8-096:020	9,042	\$31.83	\$37.58	\$35.63	0.0%	0.0%	0.0%	\$31.83	\$37.58	\$35.63	0.98	\$31.19	\$36.83	\$34.92	\$282,020	\$333,017	\$315,747
3-8-096:021	9,018	\$31.83	\$37.58	\$35.63	0.0%	0.0%	0.0%	\$31.83	\$37.58	\$35.63	0.98	\$31.19	\$36.83	\$34.92	\$281,271	\$332,133	\$314,909
3-8-096:022	11,305	\$31.83	\$37.58	\$35.63	0.0%	0.0%	0.0%	\$31.83	\$37.58	\$35.63	0.91	\$28.97	\$34.20	\$32.42	\$327,506	\$386,631	\$366,508
3-8-096:023	21,844	\$31.83	\$37.58	\$35.63	0.0%	0.0%	0.0%	\$31.83	\$37.58	\$35.63	0.73	\$23.24	\$27.43	\$26.01	\$507,655	\$599,181	\$568,162
Aggregate Lot Value															\$6,518,886	\$7,696,568	\$7,297,353
Average Lot Value															\$283,430	\$334,633	\$317,276



TABLE 4

SUMMARY OF VACANT LOT VALUATIONS

The Fairways at Maui Lani

Interior Lots

TMK	Parcel Size In Sq Ft	Benchmark Price/SF			Adjustments		Net Adjustments	Adjusted Price/SF			Size	Final Adjusted Price/SF			Indicated Market Value		
		Low	High	Point	Encumbrances	Physical		Low	High	Point		Low	High	Point	Low	High	Point
3-B-096-024	10,027	\$28.53	\$30.69	\$29.40	0.0%	0.0%	0.0%	\$28.53	\$30.69	\$29.40	0.95	\$27.10	\$29.16	\$27.93	\$271,732	\$292,387	\$280,054
3-B-096-025	9,109	\$28.53	\$30.69	\$29.40	0.0%	0.0%	0.0%	\$28.53	\$30.69	\$29.40	0.98	\$27.96	\$30.08	\$28.81	\$254,688	\$273,999	\$262,430
3-B-096-026	13,322	\$28.53	\$30.69	\$29.40	-2.0%	0.0%	2.0%	\$27.96	\$30.08	\$28.81	0.86	\$24.05	\$25.87	\$24.78	\$320,394	\$344,640	\$330,119
3-B-096-027	12,807	\$28.53	\$30.69	\$29.40	-5.0%	5.0%	0.0%	\$28.53	\$30.69	\$29.40	0.88	\$25.11	\$27.01	\$25.87	\$321,584	\$345,917	\$331,317
3-B-096-028	11,477	\$28.53	\$30.69	\$29.40	2.0%	5.0%	3.0%	\$29.39	\$31.61	\$30.28	0.91	\$26.74	\$28.77	\$27.55	\$306,895	\$330,193	\$316,191
3-B-096-029	8,260	\$28.53	\$30.69	\$29.40	2.0%	5.0%	3.0%	\$29.39	\$31.61	\$30.28	1.01	\$29.68	\$31.93	\$30.58	\$245,157	\$263,742	\$252,591
3-B-096-030	7,884	\$28.53	\$30.69	\$29.40	0.0%	5.0%	5.0%	\$29.96	\$32.22	\$30.87	1.02	\$30.56	\$32.86	\$31.49	\$240,935	\$259,068	\$248,267
3-B-096-031	6,914	\$28.53	\$30.69	\$29.40	-2.0%	5.0%	3.0%	\$29.39	\$31.61	\$30.28	1.07	\$31.45	\$33.82	\$32.40	\$217,445	\$233,831	\$224,014
3-B-096-032	9,525	\$28.53	\$30.69	\$29.40	-2.0%	5.0%	3.0%	\$29.39	\$31.61	\$30.28	0.96	\$28.21	\$30.35	\$29.07	\$268,700	\$289,084	\$276,892
3-B-096-033	11,994	\$28.53	\$30.69	\$29.40	-2.0%	0.0%	-2.0%	\$27.96	\$30.08	\$28.81	0.88	\$24.60	\$26.47	\$25.35	\$295,052	\$317,481	\$304,048
3-B-096-034	8,017	\$28.53	\$30.69	\$29.40	-1.0%	0.0%	-1.0%	\$28.24	\$30.38	\$29.11	1.02	\$28.80	\$30.99	\$29.69	\$230,890	\$248,447	\$238,025
3-B-096-035	8,858	\$28.53	\$30.69	\$29.40	-1.0%	0.0%	-1.0%	\$28.24	\$30.38	\$29.11	0.99	\$27.96	\$30.08	\$28.82	\$247,670	\$266,449	\$255,288
3-B-096-036	11,558	\$28.53	\$30.69	\$29.40	-1.0%	0.0%	-1.0%	\$28.24	\$30.38	\$29.11	0.91	\$25.70	\$27.65	\$26.49	\$297,041	\$319,579	\$306,171
3-B-096-037	9,733	\$28.53	\$30.69	\$29.40	-1.0%	0.0%	-1.0%	\$28.24	\$30.38	\$29.11	0.96	\$27.11	\$29.16	\$27.95	\$263,862	\$283,814	\$272,037
3-B-096-038	8,480	\$28.53	\$30.69	\$29.40	BENCHMARK		0.0%	\$28.53	\$30.69	\$29.40	1.00	\$28.53	\$30.69	\$29.40	\$241,934	\$260,251	\$249,312
3-B-096-039	7,591	\$28.53	\$30.69	\$29.40	-1.0%	0.0%	-1.0%	\$28.24	\$30.38	\$29.11	1.04	\$29.37	\$31.60	\$30.27	\$222,948	\$239,876	\$229,780
3-B-096-040	6,989	\$28.53	\$30.69	\$29.40	-1.0%	0.0%	-1.0%	\$28.24	\$30.38	\$29.11	1.07	\$30.22	\$32.51	\$31.15	\$211,208	\$227,212	\$217,707
3-B-096-041	6,862	\$28.53	\$30.69	\$29.40	-1.0%	0.0%	-1.0%	\$28.24	\$30.38	\$29.11	1.07	\$30.22	\$32.51	\$31.15	\$207,370	\$223,084	\$213,751
3-B-096-042	6,728	\$28.53	\$30.69	\$29.40	-1.0%	0.0%	-1.0%	\$28.24	\$30.38	\$29.11	1.08	\$30.50	\$32.81	\$31.44	\$205,204	\$220,746	\$211,528
3-B-096-043	6,757	\$28.53	\$30.69	\$29.40	-1.0%	0.0%	-1.0%	\$28.24	\$30.38	\$29.11	1.08	\$30.50	\$32.81	\$31.44	\$206,089	\$221,697	\$212,440
3-B-096-044	6,755	\$28.53	\$30.69	\$29.40	-1.0%	0.0%	-1.0%	\$28.24	\$30.38	\$29.11	1.08	\$30.50	\$32.81	\$31.44	\$206,028	\$221,632	\$212,377
3-B-096-045	6,728	\$28.53	\$30.69	\$29.40	-1.0%	0.0%	-1.0%	\$28.24	\$30.38	\$29.11	1.08	\$30.50	\$32.81	\$31.44	\$205,204	\$220,746	\$211,528
3-B-096-046	6,728	\$28.53	\$30.69	\$29.40	-1.0%	0.0%	-1.0%	\$28.24	\$30.38	\$29.11	1.08	\$30.50	\$32.81	\$31.44	\$205,204	\$220,746	\$211,528
3-B-096-047	6,728	\$28.53	\$30.69	\$29.40	-1.0%	0.0%	-1.0%	\$28.24	\$30.38	\$29.11	1.08	\$30.50	\$32.81	\$31.44	\$205,204	\$220,746	\$211,528
3-B-096-048	6,803	\$28.53	\$30.69	\$29.40	-1.0%	0.0%	-1.0%	\$28.24	\$30.38	\$29.11	1.08	\$30.50	\$32.81	\$31.44	\$207,492	\$223,206	\$213,886
3-B-096-049	6,936	\$28.53	\$30.69	\$29.40	-1.0%	0.0%	-1.0%	\$28.24	\$30.38	\$29.11	1.07	\$30.22	\$32.51	\$31.15	\$209,606	\$225,489	\$216,056
3-B-096-050	7,081	\$28.53	\$30.69	\$29.40	-1.0%	0.0%	-1.0%	\$28.24	\$30.38	\$29.11	1.06	\$29.93	\$32.20	\$30.86	\$211,934	\$228,008	\$218,520
														Aggregate Lot Value	\$6,527,470	\$7,022,070	\$6,727,385
														Average Lot Value	\$241,758	\$260,077	\$249,162



**VALUATION OF INDIVIDUAL LOTS 51 - 55**

Lot 51 is a drainage catchment and retention lot servicing Lots 1 through 55 of the Fairways at Maui Lani subdivision. It is an integral infrastructural component of the subdivision and also provides water drainage protection to neighboring properties.

Lots 52, 43, 54 and 55 are roadway lots improved with asphalt paving, concrete curbs and gutters, concrete sidewalks and street lights. These lots provide roadway access to lots in the subdivision.

Due to the physical characteristics and land use limitations of Lots 51 through 55, as well as the absence of similar drainage/retention basis and roadway market transactions, the traditional methods of land valuation could not be applied.

Thus, after careful analysis of these subject lots and their physical characteristics, determination of highest and best use, and land use limitations, it was concluded by the appraiser that the market value of Lots 51, 52, 53, 54 and 55 were nominal. Therefore, the estimated market value of these subject lots were concluded as follows:

<b>Lot No.</b>	<b>Current Lot Use</b>	<b>Estimated Market Value</b>
51	Drainage/retention lot	\$1.00
52	Roadway lot	\$1.00
53	Roadway Lot	\$1.00
54	Roadway Lot	\$1.00
55	Roadway Lot	\$1.00

**SUMMARY OF THE INDIVIDUAL AND AGGREGATE LOT VALUES – LOTS 1 - 55**

	<b><u>Low Range Value</u></b>	<b><u>High Range Value</u></b>	<b><u>Point Value</u></b>
Golf Course Fronting Lots	\$6,518,886	\$7,696,568	\$7,297,353
Interior Lots	\$6,527,470	\$7,022,070	\$6,727,385
Drainage and Street Lots	\$ 5	\$ 5	\$ 5
Total Aggregate Values	\$13,046,361	\$14,718,643	\$14,024,743
Rounded	<b><u>\$13,050,000</u></b>	<b><u>\$14,720,000</u></b>	<b><u>\$14,025,000</u></b>

**(2) BULK SALE VALUE OF THE 55 LOTS**

(As if Sold to One Purchaser in a Single Transaction)

The purpose of this section is to arrive at a bulk sale value as if the 55 lots were sold to one purchaser in a single transaction. Data from numerous other studies regarding bulk transactions revealed a range of discounts for the bulk sale of lots to one purchaser in a single transaction. The discounts ranged from 20% to 40% depending on a number of variables such as economic and financial conditions, location, supply and demand, absorption, carrying and marketing costs, etc.

The subject 55 lots are finished residential lots with all onsite and offsite infrastructure in place. After considering the current active real estate market, limited supply of residential lots, and favorable interest rates, the concluded discount for the bulk sale of the 55 lots to one purchaser in a single transaction was 30%. The bulk sale value discount is applied to the aggregate retail value of the individual lots. The bulk sale values were determined and concluded as follows:

	Aggregate Retail Lot Value (Rounded)	Bulk Values		
		Discount Range		Concluded Discount
		20%	40%	30%
Low Range Value	\$13,050,000	\$10,440,000	\$7,830,000	\$9,135,000
High Range Value	\$14,720,000	\$11,776,000	\$8,832,000	\$10,304,000
Point Value	\$14,025,000	\$11,220,000	\$8,415,000	<b>\$9,817,500</b>

**(3) BULK SALE VALUE OF LOTS IN 10-LOT INCREMENTS**

(To One Purchaser in a Single Transaction)

The purpose of this section is to arrive at a bulk sale value as if a 10-lot bundle were sold to one purchaser in a single transaction. Based upon the discount established for the bulk sale of 55 lots, it was concluded by the appraiser that the discount for a 10-lot bundle would be less onerous and a range of 10% to 20% would be adequate.

After considering the current active real estate market, limited supply of residential lots, and favorable interest rates, the concluded discount for the bulk sale of a 10-lot bundle to one purchaser in a single transaction was 15%. The bulk sale value discount is applied to the aggregate retail value of the individual lots. The bulk sale values were determined as follows:

	Aggregate Retail Lot Value (Rounded)	Bulk Values		
		Discount Range		Concluded Discount
		10%	20%	15%
Low Range Value	\$2,372,727	\$2,135,454	\$1,898,182	\$2,016,818
High Range Value	\$2,676,364	\$2,408,728	\$2,141,091	\$2,274,909
Point Value	\$2,550,000	\$2,295,000	\$2,040,000	<b>\$2,167,500</b>

**CONCLUSIONS OF VALUE**

This appraisal assignment involved market value opinions under the following Client-provided scenarios.

- (1) The market value of each individual lot; low and high market value range based upon comparable transactions, and a point market value estimate;
- (2) The bulk sale value estimate of the 55 lots in the Fairways at Maui Lani if sold to one buyer in a single transaction;
- (3) The bulk sale value estimate of a 10-lot bundle of lots in the Fairways at Maui Lani if sold to one buyer in a single transaction.

**(1) Market value of each individual lot; low and high market value range based upon comparable transactions, and a point market value estimate.**

TMK	Parcel Size In Sq Ft	Indicated Market Value			TMK	Parcel Size In Sq Ft	Indicated Market Value		
		Low	High	Point			Low	High	Point
3-8-096:001	9,122	\$278,768	\$329,122	\$312,064	3-8-096:024	10,027	\$271,732	\$292,387	\$280,054
3-8-096:002	8,580	\$270,356	\$319,176	\$302,617	3-8-096:025	9,109	\$254,688	\$273,999	\$262,430
3-8-096:003	8,680	\$268,038	\$316,473	\$300,068	3-8-096:026	13,322	\$320,394	\$344,640	\$330,119
3-8-096:004	8,543	\$269,190	\$317,800	\$301,312	3-8-096:027	12,807	\$321,584	\$345,917	\$331,317
3-8-096:005	8,590	\$265,259	\$313,191	\$296,956	3-8-096:028	11,477	\$306,895	\$330,193	\$316,191
3-8-096:006	8,574	\$270,167	\$318,953	\$302,405	3-8-096:029	8,260	\$245,157	\$263,742	\$252,591
3-8-096:007	8,571	\$270,072	\$318,841	\$302,299	3-8-096:030	7,884	\$240,935	\$259,068	\$248,267
3-8-096:008	9,634	\$288,346	\$340,466	\$322,835	3-8-096:031	6,914	\$217,445	\$233,831	\$224,014
3-8-096:009	8,481	\$267,236	\$315,493	\$299,125	3-8-096:032	9,525	\$268,700	\$289,084	\$276,892
3-8-096:010	8,394	\$261,809	\$309,151	\$293,118	3-8-096:033	11,994	\$295,052	\$317,481	\$304,048
3-8-096:011	8,381	\$266,767	\$314,958	\$298,615	3-8-096:034	8,017	\$230,890	\$248,447	\$238,025
3-8-096:012	8,313	\$259,282	\$306,168	\$290,290	3-8-096:035	8,858	\$247,670	\$266,449	\$255,288
3-8-096:013	8,377	\$263,959	\$311,624	\$295,457	3-8-096:036	11,558	\$297,041	\$319,579	\$306,171
3-8-096:014	8,318	\$264,762	\$312,590	\$296,370	3-8-096:037	9,733	\$263,862	\$283,814	\$272,037
3-8-096:015	8,342	\$260,187	\$307,236	\$291,303	3-8-096:038	8,480	\$241,934	\$260,251	\$249,312
3-8-096:016	9,215	\$270,276	\$319,115	\$302,528	3-8-096:039	7,591	\$222,948	\$239,876	\$229,780
3-8-096:017	8,533	\$268,875	\$317,428	\$300,959	3-8-096:040	6,989	\$211,208	\$227,212	\$217,707
3-8-096:018	8,908	\$277,841	\$328,082	\$311,067	3-8-096:041	6,862	\$207,370	\$223,084	\$213,751
3-8-096:019	8,953	\$279,244	\$329,739	\$312,639	3-8-096:042	6,728	\$205,204	\$220,746	\$211,528
3-8-096:020	9,042	\$282,020	\$333,017	\$315,747	3-8-096:043	6,757	\$206,089	\$221,697	\$212,440
3-8-096:021	9,018	\$281,271	\$332,133	\$314,909	3-8-096:044	6,755	\$206,028	\$221,632	\$212,377
3-8-096:022	11,305	\$327,506	\$386,631	\$366,508	3-8-096:045	6,728	\$205,204	\$220,746	\$211,528
3-8-096:023	21,844	\$507,655	\$599,181	\$568,162	3-8-096:046	6,728	\$205,204	\$220,746	\$211,528
					3-8-096:047	6,728	\$205,204	\$220,746	\$211,528
					3-8-096:048	6,803	\$207,492	\$223,206	\$213,886
					3-8-096:049	6,936	\$209,606	\$225,489	\$216,056
					3-8-096:050	7,081	\$211,934	\$228,008	\$218,520

**Aggregate Lot Values – Lots 1 - 55**

	<u>Low Range Value</u>	<u>High Range Value</u>	<u>Point Value</u>
Total Aggregate Values	\$13,046,361	\$14,718,643	\$14,024,743
Rounded	<b>\$13,050,000</b>	<b>\$14,720,000</b>	<b>\$14,025,000</b>

**(2) BULK SALE VALUE OF THE 55 LOTS**

(As if Sold to One Purchaser in a Single Transaction)

	Discount Range		Concluded Discount
	20%	40%	30%
Low Range Value	\$10,440,000	\$7,830,000	\$9,135,000
High Range Value	\$11,776,000	\$8,832,000	\$10,304,000
Point Value	\$11,220,000	\$8,415,000	<b>\$9,817,500</b>

**(3) BULK SALE VALUE OF LOTS SOLD IN 10-LOT INCREMENTS**

(To One Purchaser in a Single Transaction)

	Discount Range		Concluded Discount
	10%	20%	15%
Low Range Value	\$2,133,454	\$1,898,182	\$2,016,818
High Range Value	\$2,408,728	\$2,141,091	\$2,274,909
Point Value	\$2,295,000	\$2,040,000	<b>\$2,167,500</b>

In reporting the above values, the Appraiser has also considered the probable exposure time for the subject property. In the Appraiser's opinion, a reasonable exposure time for the subject lots at the value ranges estimated herein, is 18 to 24 months. The estimated exposure time is based upon an analysis of economic and real estate market conditions that existed prior to the effective date of this appraisal, and does not reflect any adverse marketability conditions of the subject lots.

## PART IV – EXHIBITS AND ADDENDA

### ASSUMPTIONS AND LIMITING CONDITIONS

The research, analysis, and value conclusions contained in this appraisal are guided and influenced by the following assumptions and conditions, and constitute the framework of our study.

- No responsibility is assumed for matters legal in character or nature. No opinion is rendered as to title, which is assumed to be good and marketable. All existing liens, encumbrances, and assessments have been disregarded, unless otherwise noted, and the property is appraised as though free and clear, having responsible ownership and competent management.
- Legal descriptions referenced in the report were obtained from public documents from the State of Hawaii, Bureau of Conveyances, or were furnished by the client or other third-party, and were assumed to be correct.
- It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in this appraisal report.
- It is assumed that all required licenses, certificates of occupancy or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report are based.
- It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless otherwise stated in this report. Responsible ownership and competent property management are assumed unless otherwise stated in this report.
- The Appraiser has viewed, as far as possible, the land and the improvements; however, it was not possible to personally observe conditions beneath the soil or hidden structurally or by other components. The appraisal assumes that there are no hidden, unapparent, or apparent conditions of the property site, subsoil, or structures or toxic material which would render it more or less valuable. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist.
- The appraiser is not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraiser that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The appraiser's value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value unless otherwise stated in this report. No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover them. The appraiser's descriptions and resulting comments are the result of the routine observations made during the appraisal process.
- All engineering is assumed to be correct. Any plot plans and illustrative material in this report are included only to assist the reader in visualizing the property. Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. Maps and exhibits found in this report are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied unless otherwise stated in this report. No survey has been made for the purpose of this report.

- Information provided by the client, property owner, owners' representative, or persons designated by the client or owner to supply said information are accurate and correct unless otherwise specially noted in the appraisal report. Additionally, information from third parties including government agencies, financial institutions, realtors, buyers, sellers, and others and contained in this report were obtained from sources considered reliable and believed to be true and correct. However, no warranty is assumed for possible misinformation.
- If analysis contained in this appraisal involve partial interests in real estate, the value of the fractional interest plus the value of all other fractional interests may or may not equal the value of the entire fee simple estate considered as a whole.
- Unless otherwise stated in this report, the subject property is appraised without a specific compliance survey having been conducted to determine if the property is or is not in conformance with the requirements of the Americans with Disabilities Act. The presence of architectural and communications barriers that are structural in nature that would restrict access by disabled individuals may adversely affect the property's value, marketability, or utility.
- Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event, only with proper written qualification and only in its entirety.
- The Appraiser(s) or those assisting in preparation of the report will not be asked or required to give testimony in court or hearing because of having made the appraisal, in full or in part, nor engage in post appraisal consultation with client or third parties except under separate and special arrangement and at additional fee. If testimony or deposition is required because of subpoena, the client shall be responsible for any additional time, fees, and charges regardless of issuing party.
- Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news sales, or other media without prior written consent and approval of the appraiser.
- The appraiser will not disclose the contents of this appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice, and/or applicable federal, state or local laws.
- Acceptance of, and/or use of this appraisal report by client or any third party constitutes acceptance of the ACM Consultants, Inc., Certification and Limiting and Contingent Conditions. Appraiser liability extends only to stated client, not subsequent parties or users of any type, and the total liability of Appraiser(s) and firm is limited to the amount of fee received by Appraiser.

LEGAL DESCRIPTION

**EXHIBIT "A"**

All of that certain parcels of land situate at Wailuku, Island and County of Maui, State of Hawaii, being LOTS 1 to 55, inclusive, of "THE FAIRWAYS AT MAUI LANI", as shown on File Plan No. 2448, filed in the Bureau of Conveyances of the State of Hawaii, described in Schedule 1 attached hereto.

BEING THE PREMISES ACQUIRED BY LIMITED WARRANTY DEED AND RESERVATION OF RIGHTS AND EASEMENTS from MAUI LANI PARTNERS, a Hawaii general partnership, as Grantor, to VP&PK (ML), LLC, a Hawaii limited liability company, as Grantee, dated June 15, 2004, recorded in said Bureau as Document No. 2004-119618.

SUBJECT, HOWEVER, to the following:

1. Mineral and water rights of any nature in favor of the State of Hawaii.
2. ELEVATION AGREEMENT by and between A&B PROPERTIES, INC. and the COUNTY OF MAUI through its DEPARTMENT OF WATER SUPPLY, a political subdivision of the State of Hawaii, dated September 16, 1980, recorded in said Bureau in Liber 15037 at Page 310.
3. CERTIFICATE by A&B PROPERTIES, INC., a Hawaii corporation, dated June 2, 1983, recorded in said Bureau in Liber 17086 at Page 382, re Reclassification of approximately 680 acres from Agricultural District to Urban District.
4. SUBDIVISION AGREEMENT (LARGE LOTS) by and between ALEXANDER & BALDWIN, INC., and the COUNTY OF MAUI, dated February 14, 1989, recorded in said Bureau in Liber 23036 at Page 373.
5. AGREEMENT TO DEFER SUBDIVISION REQUIREMENTS by and between ALEXANDER & BALDWIN, INC., a Hawaii corporation, and the DEPARTMENT OF WATER SUPPLY of the County of Maui, dated September 27, 1989, recorded in said Bureau in Liber 23854 at Page 9.
6. SUBDIVISION AGREEMENT (LARGE LOTS) by and between ALEXANDER & BALDWIN, INC., a Hawaii corporation, and the COUNTY OF MAUI, dated August 29, 1989, recorded in said Bureau in Liber 23899 at Page 689.
7. UNILATERAL AGREEMENT AND DECLARATION FOR CONDITIONAL USE by MAUI LANI PARTNERS, a Hawaii general partnership, dated November 28, 1989, recorded in said Bureau in Liber 23963 at Page 712.
8. DECLARATION OF COVENANTS AND RESTRICTIONS dated as of January 30, 1990, recorded in said Bureau as Document No. 90-014464.

Limited Warranty Deed

5

Said Declaration was amended by instruments dated ----, 1990 (acknowledged August 17, 1990 and September 24, 1990), recorded in said Bureau as Document No. 90-197551, and dated May 18, 1994, recorded in said Bureau as Document No. 94-085713.

9. SUBDIVISION AGREEMENT (LARGE LOTS) by and between ALEXANDER & BALDWIN, INC., a Hawaii corporation and MAUI LANI PARTNERS, a Hawaii general partnership, dated March 22, 1991, recorded in said Bureau as Document No. 91-051286.

10. SUBDIVISION AGREEMENT (LARGE LOTS) by and between MAUI LANI PARTNERS, a Hawaii general partnership, and the COUNTY OF MAUI, dated June 19, 1991, recorded in said Bureau as Document No. 91-085078.

11. SUBDIVISION AGREEMENT (LARGE LOTS) by and between MAUI LANI PARTNERS, a Hawaii general partnership, and the COUNTY OF MAUI, dated June 19, 1991, recorded in said Bureau as Document No. 91-085079.

12. ACKNOWLEDGMENT dated May 29, 1991, recorded in said Bureau as Document No. 91-085080, by MAUI LANI PARTNERS; re: sewage system capacity.

13. AGREEMENT by and between COUNTY OF MAUI, MAUI LANI PARTNERS, a Hawaii general partnership, and HRT, LTD., a Hawaii corporation, dated July 17, 1995, recorded in said Bureau as Document No. 95-094052, re Drainage and erosion control plan and traffic improvements.

14. HOLD-HARMLESS AGREEMENT by and between COUNTY OF MAUI, and MAUI LANI PARTNERS, a Hawaii general partnership, and HRT, LTD., a Hawaii corporation, dated July 17, 1995, recorded in said Bureau as Document No. 95-094053, re Wastewater treatment capacity.

15. SUBDIVISION AGREEMENT (LARGE LOTS) by and between MAUI LANI PARTNERS (MLP) and HRT, Ltd. (HRT) and the COUNTY OF MAUI, dated July 11, 1995, recorded in said Bureau as Document No. 95-094143.

16. DEFERRAL OF SUBDIVISION REQUIREMENTS AGREEMENT, dated July 3, 1995, recorded in said Bureau as Document No. 95-097157.

17. The terms and provisions contained in the DEED, dated September 6, 1995, recorded in said Bureau as Document No. 95-116076. The foregoing includes, but is not limited to, matters relating to proposed golf course on adjacent property.

18. RECIPROCAL EASEMENT AGREEMENT by and between HRT, LTD., a Hawaii corporation, and MAUI LANI PARTNERS, a Hawaii general partnership, dated September 6, 1995, recorded in said Bureau as Document No. 95-116080.

Said above Agreement was amended by instrument dated July 16, 2010, recorded in said Bureau as Document No. 2010-109450.

Limited Warranty Deed

6



**DECLARATION TO PARTIALLY RELEASE THE RECIPROCAL EASEMENT AGREEMENT** dated June 15, 2004, recorded in said Bureau as Document No. 2004-119615, by MAUI LANI PARTNERS, a Hawaii general partnership, re: upon the conveyance of a subdivided residential lot to a residential lot buyer for his or her use, the Reciprocal Easement Agreement shall be released from and no longer be applicable to such conveyed subdivided residential lot.

**AMENDMENT TO RECIPROCAL EASEMENT AGREEMENT** dated July 16, 2010, recorded in said Bureau as Document No. 2010-109450.

**19. HOLD-HARMLESS AGREEMENT** by and between COUNTY OF MAUI and MAUI LANI HOMES, a Hawaii general partnership, dated October 4, 1996, recorded in said Bureau as Document No. 96-149386, re Adequate wastewater treatment.

**20. MAUI LANI DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS** dated January 22, 1997, recorded in said Bureau as Document No. 97-010578.

The foregoing replaces and restates in its entirety that certain Maui Lani Declaration of Covenants, Conditions and Restrictions dated February 13, 1996, recorded in said Bureau as Document No. 96-020854.

Said Declaration was amended by instruments dated September 17, 1997, recorded in said Bureau as Document No. 97-128719, dated August 3, 2001, recorded in said Bureau as Document No. 2001-131425, dated --- (acknowledged October 18, 2001), recorded in said Bureau as Document No. 2001-171089, dated October 11, 2007, recorded in said Bureau as Document No. 2007-196169, dated June 13, 2008, recorded in said Bureau as Document No. 2008-102293, dated June 13, 2008, recorded in said Bureau as Document No. 2008-102294, dated August 18, 2008, recorded in said Bureau as Document No. 2008-132440, dated December 31, 2007, recorded in said Bureau as Document No. 2008-147256, dated September 18, 2008, recorded in said Bureau as Document No. 2008-147257, dated December 1, 2008, recorded in said Bureau as Document No. 2008-181885, and dated September 21, 2009, recorded in said Bureau as Document No. 2009-156014.

**AMENDMENT TO THE BYLAWS OF THE MAUI LANI COMMUNITY ASSOCIATION** dated November 16, 2010, recorded in said Bureau as Document No. 2010-179699.

-Note:- Bylaws are not attached to original Declaration or to amended and restated Declaration.

**21. HOLD-HARMLESS AGREEMENT** by and between COUNTY OF MAUI, MAUI LANI HOMES, a Hawaii General Partnership, and MAUI LANI PARTNERS, a Hawaii general partnership, dated November 10, 1998, recorded in said Bureau as Document No. 98-179083, re Wastewater treatment capacity.

Limited Warranty Deed

7

22. HOLD-HARMLESS AGREEMENT by and between COUNTY OF MAUI and MAUI LANI HOMES, a Hawaii general partnership, dated November 8, 1999, recorded in said Bureau as Document No. 2000-014015, re adequate wastewater treatment.

23. -AS TO LOT 1:- DESIGNATION OF EASEMENT "F" for drainage purposes, as shown on File Plan No. 2267.

24. -AS TO LOTS 26, 27, 28, 32, 33 AND 55:- DESIGNATION OF EASEMENT "O" for waterline purposes, as shown on File Plan No. 2194.

25. The terms and provisions contained in the LIMITED WARRANTY DEED AND RESERVATION OF RIGHTS AND EASEMENTS dated June 15, 2004, recorded in said Bureau as Document No. 2004-119618.

The foregoing includes, but is not limited to, matters relating to (i) agricultural activities, including sugar cane burning, on adjacent lands; (ii) "Site Conditions", being more particularly described therein, including the former use of adjacent lands by the County of Maui as a garbage disposal site; and (iii) "Development Activities", being more particularly described therein, on adjacent lands..

26. The following easements as shown on File Plan No. 2448:

(A) EASEMENT "D-1" for drainage purposes affecting Lots 44 to 50, inclusive.

(B) EASEMENT "D-2" for drainage purposes affecting Lots 34 to 43, inclusive.

(C) EASEMENT "D-3" for drainage purposes affecting Lot 8.

(D) EASEMENT "D-3A" for drainage purposes affecting Lot 54.

(E) EASEMENT "D-4" for drainage purposes affecting Lot 13.

(F) EASEMENT "E-1" for electrical purposes affecting Lot 3.

(G) EASEMENT "E-2" for electrical purposes affecting Lot 5.

(H) EASEMENT "E-3" for electrical purposes affecting Lot 10.

(I) EASEMENT "E-4" for electrical purposes affecting Lot 12.

(J) EASEMENT "E-5" for electrical purposes affecting Lot 15.

(K) EASEMENT "E-6" for electrical purposes affecting Lots 29 and 52.

(L) EASEMENT "E-7" for electrical purposes affecting Lots 31 and 53.

(M) EASEMENT "L-1" for landscape purposes affecting Lot 1.

(N) EASEMENT "S-1" for sewerline purposes affecting Lot 16.

(O) EASEMENT "U-1" for utility purposes affecting Lot 52.

(P) EASEMENT "U-2" for utility purposes affecting Lot 53.

(Q) EASEMENT "W-1" for waterline purposes affecting Lot 27.

Lot 26. (R) EASEMENT "W-2" for waterline, drainage and landscape purposes affecting

Lot 27. (S) EASEMENT "W-3" for waterline, drainage and landscape purposes affecting

Lot 28. (T) EASEMENT "W-4" for waterline, drainage and landscape purposes affecting

Lot 32. (U) EASEMENT "W-5" for waterline, drainage and landscape purposes affecting

Lot 33. (V) EASEMENT "W-6" for waterline, drainage and landscape purposes affecting

27. GRANT to the COUNTY OF MAUI, dated October 24, 2006, recorded in said Bureau as Document No. 2006-219398, granting an easement over said Easement "U-1".

Said Grant was amended by DECLARATION TO CORRECT GRANTOR'S NAME ON EASEMENTS dated May 16, 2007, recorded in said Bureau as Document No. 2007-093186.

28. GRANT to the COUNTY OF MAUI, dated October 24, 2006, recorded in said Bureau as Document No. 2006-219399, granting an easement for waterline purposes over said Easement "W-1".

Said Grant was amended by DECLARATION TO CORRECT GRANTOR'S NAME ON EASEMENTS dated May 16, 2007, recorded in said Bureau as Document No. 2007-093186.

29. GRANT to the COUNTY OF MAUI, dated October 24, 2006, recorded in said Bureau as Document No. 2006-219400, granting an easement for waterline purposes over Roadway Lots 54 and 55.

Said Grant was amended by DECLARATION TO CORRECT GRANTOR'S NAME ON EASEMENTS dated May 16, 2007, recorded in said Bureau as Document No. 2007-093186.

30. GRANT to the COUNTY OF MAUI, dated November 9, 2006, recorded in said Bureau as Document No. 2006-219401, granting an easement for waterline purposes over said Easement "W-2".

Said Grant was amended by DECLARATION TO CORRECT GRANTOR'S NAME ON EASEMENTS dated May 16, 2007, recorded in said Bureau as Document No. 2007-093186.

31. GRANT to the COUNTY OF MAUI, dated November 9, 2006, recorded in said Bureau as Document No. 2006-219402, granting an easement for waterline purposes over said Easement "W-3".

Said Grant was amended by DECLARATION TO CORRECT GRANTOR'S NAME ON EASEMENTS dated May 16, 2007, recorded in said Bureau as Document No. 2007-093186.

32. GRANT to the COUNTY OF MAUI, dated November 9, 2006, recorded in said Bureau as Document No. 2006-219403, granting an easement for waterline purposes over said Easement "W-4".

Said Grant was amended by DECLARATION TO CORRECT GRANTOR'S NAME ON EASEMENTS dated May 16, 2007, recorded in said Bureau as Document No. 2007-093186.

33. GRANT to the COUNTY OF MAUI, dated November 9, 2006, recorded in said Bureau as Document No. 2006-219404, granting an easement for waterline purposes over said Easement "W-5".

Said Grant was amended by DECLARATION TO CORRECT GRANTOR'S NAME ON EASEMENTS dated May 16, 2007, recorded in said Bureau as Document No. 2007-093186.

34. GRANT to the COUNTY OF MAUI, dated November 9, 2006, recorded in said Bureau as Document No. 2006-219405, granting an easement for waterline purposes over said Easement "W-6".

Said Grant was amended by DECLARATION TO CORRECT GRANTOR'S NAME ON EASEMENTS dated May 16, 2007, recorded in said Bureau as Document No. 2007-093186.

35. Pending Civil No. 07-1-0258 filed in the Circuit Court of the Second Circuit, State of Hawaii, on July 18, 2007; KAREN GOO, RON LEINWEBER, SUE LEINWEBER,

Limited Warranty Deed

10

NANCY OSHIRO, AMBER TORRECER-PAZ, REYN TATEYAMA, EMERY LEE, DONNA LEE, LARRY OSHIRO, ADRIENNE OWENS, YOSHI SAKUMA, LILLIAN TORRECER, KAHAI SHISHIDO, WENDY SHISHIDO, CLARK NAKAMOTO, SCOTT OSHIRO, JOHN ZANER and JULIE ZANER, "Plaintiff", vs. VP and PK (ML) LLC, KCOM CORP., et al., "Defendant"; re: declaratory and injunctive relief and damages.

36. UTILITY EASEMENT to MAUI ELECTRIC COMPANY, LIMITED, a Hawaii corporation, and HAWAIIAN TELCOM, INC., a Hawaii corporation, dated August 13, 2007, recorded as Document No. 2008-127027, granting an easement over said Easements "E-1", "E-2", "E-3", "E-4", "E-5", "E-6", "E-7", "U-1", "U-2", Roadway Lots 54 and 55.

37. UTILITY EASEMENT to MAUI ELECTRIC COMPANY, LIMITED, a Hawaii corporation, dated July 15, 2009, recorded in said Bureau as Document No. 2010-008329, granting an easement over said Easement "E-6A", described therein, affecting Lot 29.

38. UTILITY EASEMENT to MAUI ELECTRIC COMPANY, LIMITED, a Hawaii corporation, dated July 15, 2009, recorded in said Bureau as Document No. 2010-008330, granting an easement over said Easement "E-7A", described therein, affecting Lot 31.

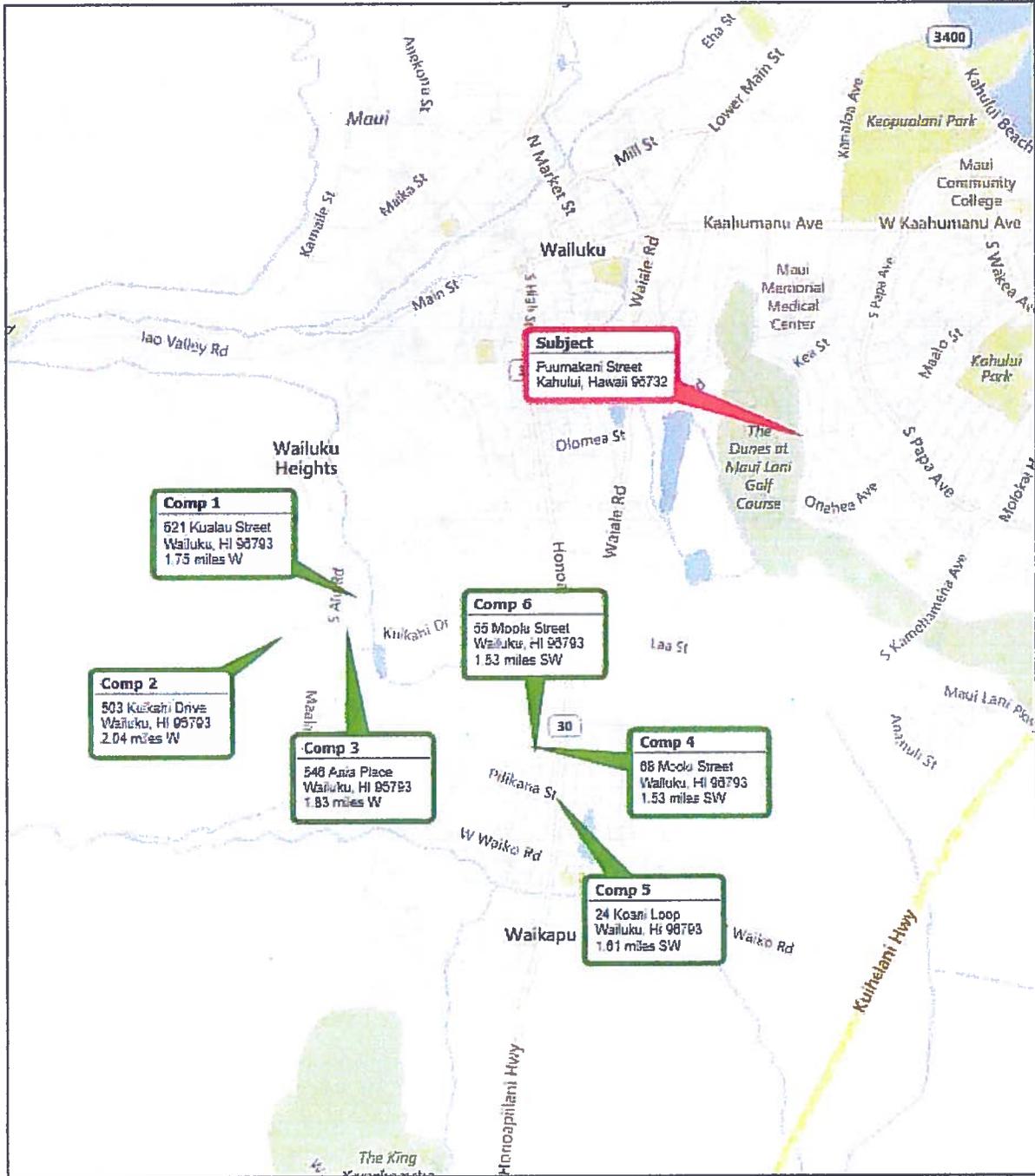
39. UTILITY EASEMENT to MAUI ELECTRIC COMPANY, LIMITED, a Hawaii corporation, and HAWAIIAN TELCOM, INC., a Hawaii corporation, dated August 4, 2009, recorded in said Bureau as Document No. 2010-012727, granting an easement over said Easement "E-8", described therein, affecting Lot 33.

40. Discrepancies, conflicts in boundary lines, shortage in area, encroachments or any other matters which a correct survey or archaeological study would disclose.

SCHEDULE "1"

LOT NUMBER	AREA (SQ. FT)	TAX MAP KEY
1	8,122	(2) 3-8-098-001
2	8,580	(2) 3-8-098-002
3	8,680	(2) 3-8-098-003
4	8,543	(2) 3-8-098-004
5	8,590	(2) 3-8-098-005
6	8,574	(2) 3-8-098-006
7	8,571	(2) 3-8-098-007
8	9,634	(2) 3-8-098-008
9	8,481	(2) 3-8-098-009
10	8,394	(2) 3-8-098-010
11	8,381	(2) 3-8-098-011
12	8,313	(2) 3-8-098-012
13	8,377	(2) 3-8-098-013
14	8,318	(2) 3-8-098-014
15	8,342	(2) 3-8-098-015
16	9,215	(2) 3-8-098-016
17	8,533	(2) 3-8-098-017
18	8,908	(2) 3-8-098-018
19	8,953	(2) 3-8-098-019
20	9,042	(2) 3-8-098-020
21	9,018	(2) 3-8-098-021
22	11,305	(2) 3-8-098-022
23	21,844	(2) 3-8-098-023
24	10,027	(2) 3-8-098-024
25	9,109	(2) 3-8-098-025
26	13,322	(2) 3-8-098-026
27	12,807	(2) 3-8-098-027
28	11,477	(2) 3-8-098-028
29	8,260	(2) 3-8-098-029
30	7,884	(2) 3-8-098-030
31	6,914	(2) 3-8-098-031
32	9,525	(2) 3-8-098-032
33	11,994	(2) 3-8-098-033
34	8,017	(2) 3-8-098-034
35	8,858	(2) 3-8-098-035
36	11,558	(2) 3-8-098-036
37	8,733	(2) 3-8-098-037
38	8,480	(2) 3-8-098-038
39	7,591	(2) 3-8-098-039
40	8,989	(2) 3-8-098-040
41	6,852	(2) 3-8-098-041
42	6,728	(2) 3-8-098-042
43	6,757	(2) 3-8-098-043
44	6,755	(2) 3-8-098-044
45	6,728	(2) 3-8-098-045
46	6,728	(2) 3-8-098-046
47	6,728	(2) 3-8-098-047
48	6,803	(2) 3-8-098-048
49	6,936	(2) 3-8-098-049
50	7,061	(2) 3-8-098-050
51	21,004	(2) 3-8-098-051
52	4,041	(2) 3-8-098-052
53	3,183	(2) 3-8-098-053
54	89,575	(2) 3-8-098-054
55	8,620	(2) 3-8-098-055

COMPARABLE LAND SALES LOCATION AND PHOTOGRAPHS





COMPARABLE LAND SALE 1



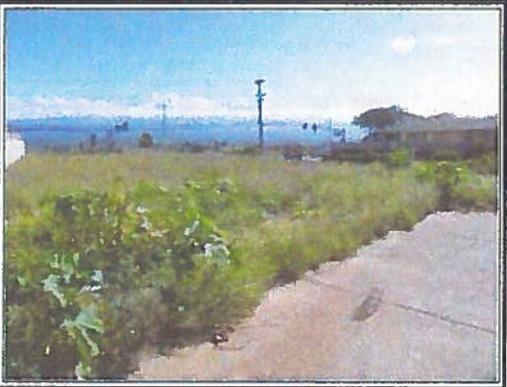
COMPARABLE LAND SALE 2



COMPARABLE LAND SALE 3



COMPARABLE LAND SALE 4



COMPARABLE LAND SALE 5



COMPARABLE LAND SALE 6

ZONING

**Chapter 19.78 - WAILUKU-KAHULUI PROJECT DISTRICT 1 (MAUI LANI)**

**Sections:**

19.78.010 - Purpose and intent.

- A. The purpose of this project district is to provide for a flexible and creative approach to development which considers physical, environmental, social, and economic factors in a comprehensive manner.
- B. The intent of the Wailuku-Kahului project district 1, referred to in this code as the Maui Lani project district, is to establish a residential community along with an integrated open space and recreation system, future school sites, village mixed use area, and community or regional scale commercial shopping facilities to serve the expanding Wailuku-Kahului population.

(Ord. 3364 § 2, 2006; Ord. 1924 § 1, 1990)

19.78.020 - Residential PD-WK/1.

- A. The designation and boundaries of each subdistrict within the residential PD-WK/1 district shall be reviewed and approved by the appropriate planning commission in conjunction with phase two provisions of the County's project district processing procedures.

This district shall consist of four subdistricts, each of which shall permit specific principal, accessory and special uses and which shall be defined by specific development standards in order to foster the development of various types and densities of residential units within the Maui Lani project district.

- B. The residential subdistricts shall be as follows:

1. Single-family SF-8 subdistrict:

- a. Permitted Uses. Within the single-family SF-8 subdistrict, the following uses shall be permitted:
  - i. Principal uses and structures:
    - (A) Single-family detached dwellings;
  - ii. Accessory Uses and Structures. The following uses shall be clearly incidental to and customarily found in connection with the principal use:
    - (A) Antennae dish; provided, that ground dish antennae shall be screened by walls, earth berms, and/or landscaping of a minimum of four feet in height,
    - (B) Boarders, up to three boarders in a dwelling unit,
    - (C) Maintenance and storage structures,
    - (D) Home occupations,
    - (E) Recreation centers and facilities,
    - (F) Parks and common areas,
    - (G) Private parking areas for four or more cars, and
    - (H) Utility installations.
- b. Development requirements in the single-family SF-8 subdistrict shall be:
  - i. Minimum lot area, eight thousand square feet;
  - ii. Minimum average lot width, seventy feet;
  - iii. Minimum building setbacks:
    - (A) Front yard, fifteen feet for houses, twenty feet for garages, carports,
    - (B) Side yard, six feet for single-story, fifteen feet for two stories,
    - (C) Rear yard, six feet for single-story, fifteen feet for two stories;
  - iv. Maximum building height, two stories not exceeding thirty feet;
  - v. Maximum floor area ratio (FAR) (not to include carport or garage), 0.4 FAR;
  - vi. Maximum overall density, four units per acre.
- c. Special Uses. The following uses shall be permitted subject to the approval of the planning commission:
  - i. Elementary schools;
  - ii. Churches;
  - iii. Day care centers;
  - iv. Residential group living quarters;
  - v. Nursing and retirement homes; and
  - vi. Other recreational or institutional uses as deemed to be appropriate and compatible with the principal uses of this subdistrict by the planning commission.

2. Single-family SF-5 subdistrict:
  - a. Permitted Uses. Within the single-family SF-5 subdistrict, the following uses shall be permitted:
    - i. Principal uses and structures:
      - (A) Single-family detached dwellings;
    - ii. Accessory Uses and Structures. The following uses shall be clearly incidental to and customarily found in connection with the principal use:
      - (A) Antennae dish; provided, that ground dish antennae shall be screened by walls, earth berms, and/or landscaping a minimum of four feet in height,
      - (B) Boarders, up to three boarders in a dwelling unit,
      - (C) Maintenance and storage structures,
      - (D) Resident parking facilities,
      - (E) Home occupations,
      - (F) Recreation centers and facilities,
      - (G) Parks and common areas,
      - (H) Utility installations, and
      - (I) Private parking areas for four or more cars.
  - b. Development requirements in the single-family SF-5 subdistrict shall be:
    - i. Minimum lot area, five thousand square feet;
    - ii. Minimum lot width, fifty feet;
    - iii. Minimum building setbacks:
      - (A) Front yard, fifteen feet for houses, twenty feet for garages, carports,
      - (B) Side yard, six feet, ten feet for second stories,
      - (C) Rear yard, six feet, ten feet for second stories;
    - iv. Maximum building height, two stories, not to exceed thirty feet;
    - v. Maximum floor area ratio (FAR) (not to include carport or garage), 0.45 FAR;
    - vi. Maximum overall density, six units per acre.
  - c. Special Uses. The following uses shall be permitted subject to the approval of the planning commission:
    - i. Elementary schools;
    - ii. Churches;
    - iii. Day care centers;
    - iv. Residential group living quarters;
    - v. Nursing and retirement homes; and
    - vi. Other recreational or institutional uses as deemed to be appropriate and compatible with the principal uses of this subdistrict by the planning commission.
3. Single-family SF-3 subdistrict:
  - a. Permitted Uses. Within the single-family SF-3 subdistrict, the following uses shall be permitted:
    - i. Principal uses and structures:
      - (A) Single-family detached dwellings, and
      - (B) Single-family semi-attached (on one side only) dwellings;
    - ii. Accessory Uses and Structures. The following uses shall be clearly incidental to and customarily found in connection with the principal use:
      - (A) Antennae dish; provided, that ground dish antennae shall be screened by walls, earth berms, and/or landscaping a minimum of four feet in height,
      - (B) Boarders, up to three boarders in a dwelling unit,
      - (C) Maintenance and storage structures,
      - (D) Resident parking facilities,
      - (E) Home occupations,
      - (F) Recreation centers and facilities,
      - (G) Parks and common areas,
      - (H) Utility installations, and
      - (I) Private parking areas for four or more vehicles.
  - b. Development requirements in the single-family SF-3 subdistrict shall be:
    - i. Minimum lot area, three thousand square feet;
    - ii. Minimum average lot width, forty feet;
    - iii. Minimum building setbacks:
      - (A) Front yard, ten feet for houses, twenty feet for carports,
      - (B) Side yard, five feet for any exterior walls with openings for light, air and/or access; the sum of both side yards on any lot must total ten feet; common walls built on property lines must be constructed of masonry or of equal fire and sound retardant material,
      - (C) Rear yard, five feet, ten feet for second stories;
    - iv. Maximum building height, two stories, not to exceed thirty feet;
    - v. Maximum floor area ratio (FAR) (not to include carport or garage), 0.5 FAR;

- vi. Maximum overall density, ten units per acre.
  - c. Special Uses. The following uses shall be permitted subject to the approval of the planning commission:
    - i. Elementary schools;
    - ii. Churches;
    - iii. Day care centers;
    - iv. Residential group living quarters;
    - v. Nursing and retirement homes; and
    - vi. Other recreational or institutional uses as deemed to be appropriate and compatible with the principal uses of this subdistrict by the planning commission.
4. Multifamily MF subdistrict:
- a. Permitted Uses. Within the multifamily subdistrict, the permitted uses shall be as follows:
    - i. Principal uses and structures:
      - (A) Single-family detached dwellings,
      - (B) Single-family attached dwellings, and
      - (C) Apartments;
    - ii. Accessory Uses and Structures. The following uses shall be clearly incidental to and customarily found in connection with the principal uses:
      - (A) Antennae dish; provided, that ground dish antennae shall be screened by walls, earth berms, and/or landscaping a minimum of four feet in height,
      - (B) Boarders, up to three boarders in a dwelling unit,
      - (C) Maintenance and storage structures,
      - (D) Resident parking facilities,
      - (E) Home occupations,
      - (F) Resident manager's office,
      - (G) Recreation centers and facilities,
      - (H) Parks and common areas, and
      - (I) Utility installations.
  - b. Development requirements in the multifamily MF subdistrict shall be:
    - i. Minimum lot area, ten thousand square feet;
    - ii. Minimum average lot width, seventy feet;
    - iii. Minimum building setbacks:
      - (A) Front yard, fifteen feet,
      - (B) Side yard, ten feet,
      - (C) Rear yard, fifteen feet;
    - iv. Maximum building height, two stories, not to exceed thirty feet;
    - v. Maximum overall density, twenty-five units per acre.
  - c. Special Uses. The following uses shall be permitted subject to the approval of the planning commission:
    - i. Elementary schools;
    - ii. Churches;
    - iii. Day care centers;
    - iv. Residential group living quarters;
    - v. Nursing and retirement homes; and
    - vi. Other recreational or institutional uses as deemed to be appropriate and compatible with the principal uses of this subdistrict by the planning commission.

(Ord. 1924 § 1, 1990)

**PROFESSIONAL QUALIFICATIONS – TED YAMAMURA, SRA, R/W-AC**

• **STATE LICENSING**

State Certified General Appraiser,  
State of Hawaii, License No. CGA 160, 9/18/1991  
Expiration: December 31, 2017



• **PROFESSIONAL AFFILIATIONS**

Member---Appraisal Institute - Honolulu Chapter #67, **SRA** Designation - 1985  
Member---International Right of Way Association (IRWA), **R/W-AC** Certification - 2007

• **PROFESSIONAL AND COMMUNITY INVOLVEMENT**

Past Member -- State of Hawaii, Commission on Water Resource Management – 2012-2014  
Past President -- Hawaii Chapter of the Appraisal Institute – 2010  
Past Member -- County of Maui, Board of Water Supply – 2008-2012  
Past Member -- State of Hawaii, Board of Land & Natural Resources – 2001-2006  
Past President -- International Right of Way Association (IRWA), Hawaii Chapter #30 - 2004  
Past President -- Maui County Council, Boy Scouts of America – 1987

• **EXPERIENCE AND EDUCATION**

Executive Vice President  
ACM Consultants, Inc.  
2073 Wells Street Suite 100  
Wailuku, Maui, Hawaii 97693

*Previously associated with the following:*

Vice President - Alexander & Alexander, Ltd. - Maui Division – 1979-1982  
Assistant Vice President - Honolulu Federal Savings & Loan Assn. – 1974-1979  
Veteran - United States Air Force – 1967-1971  
Educated: Maui High School and University of Hawaii

• **SUCCESSFULLY COMPLETED THE FOLLOWING COURSES:**

Appraisal Institute – *National Uniform Standards of Professional Appraisal Practice (USPAP) 2016-2017 Update Course* – Las Vegas, Nevada - 2016  
International Right of Way Association – *Course 403, Easement Valuation*, Tucson, Arizona – 2008  
International Right of Way Association – *Course 410, Reviewing Appraisals in Eminent Domain*, Tucson, Arizona – 2008  
International Right of Way Association – *Course 401, The Appraisal of Partial Acquisitions* Fresno, California – 2007  
International Right of Way Association – *Course 409, Integrating Appraisal Standards*, Anaheim, California – 2005  
Appraisal Institute – *Business Practices and Ethics*, Honolulu, Hawaii – 2009  
Appraisal Institute – *Course 400, Uniform Standards of Professional Appraisal Practice (USPAP)*, Honolulu, Hawaii – 2003  
Appraisal Institute - *Standards of Professional Practice Part C*, Honolulu, Hawaii - 1997  
Appraisal Institute - *Standards of Professional Practice Part A and Part B*, Honolulu, Hawaii - 1993  
International Right of Way Association (IRWA) *Course 214, Skills of Expert Testimony* Honolulu, Hawaii – 1988  
Society of Real Estate Appraisers (SREA) *Course 102 Examination, "Applied Residential Property Valuation"*, Honolulu, Hawaii - 1982  
Society of Real Estate Appraisers (SREA) *"Narrative Demonstration Report" Examination*, Wailuku, Maui, Hawaii - 1983  
Society of Real Estate Appraisers (SREA) *Course 101 Examination, "Introduction to Appraising Real Property"*, Honolulu, Hawaii – 1979

**CONTINUING EDUCATION SEMINARS AND WORKSHOPS ATTENDED:**

Appraisal Institute "The Discounted Cash Flow Model" Honolulu, Hawaii - 2015  
Appraisal Institute "Complex Litigation Appraisal Case Studies" Honolulu, Hawaii - 2014  
The Seminar Group "Eminent Domain & Condemnation in Hawaii" Honolulu, Hawaii - 2013  
University of Hawaii/State of Hawaii Department of Transportation "Federal Highways (FHWA) Highway Noise Policy and Abatement Guidelines Workshop" - 2011  
Appraisal Institute "Real Estate Finance, Statistics, and Valuation Modeling" - 2009  
Appraisal Institute "Eminent Domain and Condemnation" - 2007  
Appraisal Institute "National Uniform Appraisal Standards for Federal Land Acquisitions ("Yellow Book") Practical Applications for Fee Appraisers" Honolulu, Hawaii - 2006  
Lorman Education Services "Law of Easements: Legal Issues and Practical Considerations in Hawaii" Honolulu, Hawaii - 2006  
Lorman Education Services "Eminent Domain in Hawaii" Honolulu, Hawaii - 2006  
Appraisal Institute "Mini-Series on USPAP Issues" Honolulu, Hawaii - 2006  
International Right of Way Association (IRWA) "Uniform Act Symposium", Anaheim, California - 2005  
Lorman Education Services "Zoning and Land Use in Hawaii", Honolulu, Hawaii - 2003  
The American Society of Farm Managers & Rural Appraisers "Conservation Easements" Honolulu, Hawaii - 2001  
The American Society of Farm Managers & Rural Appraisers "Appraising Rural Residential Properties" - Honolulu, Hawaii - 2001  
Appraisal Institute "Valuation of Detrimental Conditions in Real Estate" Honolulu, Hawaii - 2000  
Appraisal Institute "Case Studies in Residential Highest and Best Use" Honolulu, Hawaii - 2000  
Appraisal Institute "Advanced Sales Comparison Approach" Honolulu, Hawaii - 2000  
Appraisal Institute "Appraisal of Nonconforming Uses" Honolulu, Hawaii - 2000  
Appraisal Institute "Litigation Skills for the Appraiser: An Overview" Honolulu, Hawaii - 1998  
Appraisal Institute "Special Purpose Properties" Honolulu, Hawaii - 1997  
Appraisal Institute "Appraising for the Secondary Market" Honolulu, Hawaii - 1996  
Appraisal Institute "The Employee Relocation Council Form and the Drive-By Form", Anaheim, California - 1995  
Appraisal Institute "The Condominium Form and the Small Residential Income Property Appraisal Report Form", Anaheim, California - 1995  
Appraisal Institute "Technology Trends for the New Appraisal Office: EDI, GIS, and Digital Imaging" San Francisco, California - 1995  
Appraisal Institute "Residential Appraisal Review", Chicago, Illinois - 1994  
Appraisal Institute "Understanding Limited Appraisals and Appraisal Reporting Options" Chicago, Illinois - 1994  
Appraisal Institute "Accrued Depreciation", Las Vegas, Nevada - 1992  
Appraisal Institute "Market Analysis", Las Vegas, Nevada - 1992  
American Institute of Real Estate Appraisers (AIREA) "Easement Valuation", Los Angeles, California - 1990  
Federal National Mortgage Association (FNMA) "Fannie Mae Appraisals", Seminar, Honolulu, Hawaii - 1990  
Society of Real Estate Appraisers (SREA) "Federal Home Loan Bank Board Appraisal Standards", Honolulu, Hawaii - 1989  
Society of Real Estate Appraisers (SREA) "Uniform Small Residential Income Appraisal Report", New York - 1989  
Society of Real Estate Appraisers (SREA) "Professional Practice", Honolulu, Hawaii - 1988  
Society of Real Estate Appraisers (SREA) "Appraisers Guide to the Uniform Residential Appraisal Report", Honolulu, Hawaii - 1987  
American Institute of Real Estate Appraisers (AIREA) "R-41b and Subdivision Analysis", Honolulu, Hawaii - 1985  
International Right of Way Association (IRWA) "Condemnation", Honolulu, Hawaii - 1982  
Society of Real Estate Appraisers (SREA) "Creative Financing and Cash Equivalency", Honolulu, Hawaii - 1983  
Society of Real Estate Appraisers (SREA) "Appraising Single Family Residences", Honolulu, Hawaii - 1983  
Society of Real Estate Appraisers (SREA) "Application of Market Extraction's", Honolulu, Hawaii - 1981

• **LEGAL**

Qualified as an expert witness:  
First Circuit Court, Honolulu, Hawaii  
Second Circuit Court, Maui, Hawaii  
Third Circuit Court, Hawaii Island, Hawaii  
U.S. District Court, Honolulu, Hawaii  
U.S. Bankruptcy Court, Honolulu, Hawaii  
Experienced in real estate arbitration assignments in the State of Hawaii