

COUNCIL OF THE COUNTY OF MAUI

**POLICY, ECONOMIC DEVELOPMENT,  
AND AGRICULTURE COMMITTEE**

February 16, 2018

**Committee  
Report No. \_\_\_\_\_**

Honorable Chair and Members  
of the County Council  
County of Maui  
Wailuku, Maui, Hawaii

Chair and Members:

Your Policy, Economic Development, and Agriculture Committee, having met on January 29, 2018, makes reference to County Communication 17-483, from the Director of Water Supply, transmitting a proposed resolution entitled "AUTHORIZING THE EXCHANGE OF REAL PROPERTY SITUATED AT HALEAKALA HIGHWAY KULA, MAUI, HAWAII, PURSUANT TO SECTION 3.44.060, MAUI COUNTY CODE."

The purpose of the proposed resolution is to authorize County real property, identified for real property tax purposes as tax map key (2) 2-3-005:012 ("Parcel 12") and comprised of approximately 6,577 square feet, to be exchanged for real property owned by Haleakala Ranch Company ("Haleakala Ranch"), identified for real property tax purposes as tax map key (2) 2-3-005:026 and comprised of approximately 4,869 square feet, and related access and waterline easements.

Your Committee notes the Haleakala Ranch parcel is the site of the Department's Haleakala Ranch Acres Tank and adjacent water line.

Your Committee also notes Section 3.44.060, Maui County Code, provides that no exchange of County real property for private property shall be made unless the Council finds the purpose of the exchange is in the public interest and adopts a resolution to that effect, approved by two-thirds of its members.

Scott Meidell, Senior Vice President, Real Estate and Land Management, Haleakala Ranch, provided a chronology of events dating back to a December 1948 conveyance by Haleakala Ranch of the parcel now known as Parcel 12 to the County at no cost, and culminating in the

**COUNCIL OF THE COUNTY OF MAUI**  
**POLICY, ECONOMIC DEVELOPMENT,**  
**AND AGRICULTURE COMMITTEE**

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**Committee**  
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current agreement in principle for a land exchange with no financial consideration, with Haleakala Ranch to pay for the subdivision of the property on which the tank is located.

According to Mr. Meidell, events allowing the County to place the water tank on Haleakala Ranch property appeared to have been transacted informally, without documentation. There are no documented easements with Haleakala Ranch for the waterline or access to the tank site. Following Haleakala Ranch's filing of a complaint for declaratory judgment relating to the ownership of Parcel 12, the Ranch and the County settled on an even exchange of the subject properties for no financial consideration. In 2010, Haleakala Ranch obtained preliminary subdivision approval for the creation of the lots where the existing water tank is located. In 2014, the County granted final subdivision approval.

Your Committee discussed the role of the water tank in the County water system. The Deputy Director of Water Supply said the tank is an essential one for the County.

Your Committee voted 6-0 to recommend adoption of the proposed resolution and filing of the communication. Committee Chair Sugimura, Vice-Chair Crivello, and members Atay, Carroll, Hokama, and King voted "aye." Committee members Cochran, Guzman, and White were excused.

Your Policy, Economic Development, and Agriculture Committee RECOMMENDS the following:

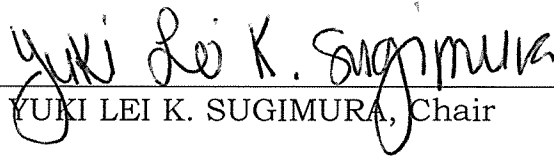
1. That Resolution \_\_\_\_\_, attached hereto, entitled "AUTHORIZING THE EXCHANGE OF REAL PROPERTY SITUATED AT HALEAKALA HIGHWAY KULA, MAUI, HAWAII, PURSUANT TO SECTION 3.44.060, MAUI COUNTY CODE," be ADOPTED; and
2. That County Communication 17-483 be FILED.

COUNCIL OF THE COUNTY OF MAUI  
**POLICY, ECONOMIC DEVELOPMENT,  
AND AGRICULTURE COMMITTEE**

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**Committee  
Report No.** \_\_\_\_\_

This report is submitted in accordance with Rule 8 of the Rules of the Council.

  
\_\_\_\_\_  
YUKI LEI K. SUGIMURA, Chair

pea:cr:18054aa:ske/cmn

# Resolution

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

AUTHORIZING THE EXCHANGE OF REAL PROPERTY  
SITUATED AT HALEAKALA HIGHWAY  
KULA, MAUI, HAWAII,  
PURSUANT TO SECTION 3.44.060, MAUI COUNTY CODE

WHEREAS, HALEAKALA RANCH COMPANY, a Hawaii corporation, hereinafter referred to as "Haleakala Ranch", owns real property situated at 18738 Haleakala Highway, Kula, Maui, Hawaii, which is further identified as Tax Map Key Number (2) 2-3-005:026; and

WHEREAS, Tax Map Key Number (2) 2-3-005:026 was created by Haleakala Ranch in its subdivision of Tax Map Key Number (2) 2-3-005:003; and

WHEREAS, the County of Maui ("County") owns real property situated at 18983 Haleakala Highway, Kula, Maui, Hawaii, which is further identified as Tax Map Key Number (2) 2-3-005:012; and

WHEREAS, an existing County, Department of Water Supply, water tank is located on Tax Map Key Number (2) 2-3-005:026; and

WHEREAS, pursuant to a Stipulated Final Judgment and Decree, filed in *Haleakala Ranch Company v. County of Maui*, Civil No. 05-1-0518(1), attached hereto as Exhibit "1", Haleakala Ranch and the County stipulated that Haleakala Ranch and the County will exchange properties upon final subdivision of Tax Map Key Number (2) 2-3-005:003, so that Haleakala Ranch will be the sole fee simple owner of Tax Map Key Number (2) 2-3-005:012, and that the County will be the sole fee simple owner of a portion of Tax Map Key Number (2) 2-3-005:003, namely all of the existing tank site; and

WHEREAS, final subdivision approval has been granted and Tax Map Key Number (2) 2-3-005:026, also identified as Lot 2 of the Puu Pahu Subdivision, is now the parcel of property upon which the water tank is situated; and

WHEREAS, Haleakala Ranch agrees to convey Tax Map Key Number (2) 2-3-005:026, also identified as Lot 2 of the Puu Pahu Subdivision, comprising of approximately 4,869 square feet, more particularly described in Exhibit "2" and

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

shown on Exhibit "3" attached hereto, to the County pursuant to said Stipulated Final Judgment and Decree; and

WHEREAS, the County agrees to convey Tax Map Key Number (2) 2-3-005:012, comprising of approximately 6,577 square feet, as shown on Exhibit "4" attached hereto, to Haleakala Ranch pursuant to said Stipulated Final Judgment and Decree; and

WHEREAS, the exchange of the above-described parcels of land between Haleakala Ranch and the County is desirable to provide the County fee simple title to the real property upon which its existing water tank is situated; and

WHEREAS, the County obtained an appraisal, dated June 12, 2017, for Tax Map Key Number (2) 2-3-005:012, attached hereto as Exhibit "5"; and

WHEREAS, the County obtained an appraisal, dated June 12, 2017, for Tax Map Key Number (2) 2-3-005:026, attached hereto as Exhibit "6"; and

WHEREAS, the County obtained an appraisal, dated June 12, 2017, for Easement "A", an access easement that Haleakala Ranch will grant to the County for access to Tax Map Key Number (2) 2-3-005:026, comprising of approximately 5,153 square feet, and for Easement "B", a waterline easement that Haleakala Ranch will grant to the County for waterline purposes from Tax Map Key Number (2) 2-3-005:026, comprising of approximately 8,601 square feet, attached hereto as Exhibit "7"; and

WHEREAS, pursuant to Section 3.44.060, Maui County Code, the County Council may, upon finding that the above-described exchange of land is in the public interest, approve such exchange by two-thirds of its members and, after public notice published at least once in two successive weeks in a newspaper of general circulation in the County, such exchange can be made; now, therefore,

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

1. That it finds that the exchange of the parcels of property as set forth hereinabove is for the public purpose of ensuring continued use of and continued access to the County water tank for the benefit of the County water users; and

2. That it does hereby authorize the Mayor of the County of Maui, or the Mayor's duly authorized representative, to implement the proposed exchange by executing an exchange deed or deeds and any and all other documents necessary to effectuate the purpose of this resolution; and

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

3. That certified copies of this Resolution be transmitted to the Mayor, the Director of Water Supply, the Director of Finance, the Director of Public Works, and Haleakala Ranch.

APPROVED AS TO FORM AND LEGALITY:



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JENNIFER M.P.E. OANA  
Deputy Corporation Counsel  
County of Maui  
2015-3860

FILED

2000 OCT -9 PM 3:53

CARLSMITH BALL LLP

TOM C. LEUTENEKER  
One Main Plaza, Suite 400  
2200 Main Street, P.O. Box 1086  
Wailuku, Maui, HI 96793-1086  
Tel No. 808.242.4535  
Fax No. 808.244.4974

0721-0

N. YOTSUYA, CLERK  
SECOND CIRCUIT COURT  
STATE OF HAWAII

Attorneys for Plaintiff  
HALEAKALA RANCH COMPANY

IN THE CIRCUIT COURT OF THE SECOND CIRCUIT

STATE OF HAWAII

HALEAKALA RANCH COMPANY,

Plaintiff,

vs.

COUNTY OF MAUI,

Defendant.

CIVIL NO. 05-1-0518(1)

STIPULATED FINAL JUDGMENT AND  
DECREE; EXHIBIT A

**STIPULATED FINAL JUDGMENT AND DECREE**

Come now the Plaintiff, HALEAKALA RANCH COMPANY, ("Haleakala") by and through its attorneys Carlsmith Ball LLP, and the Defendant, COUNTY OF MAUI, ("County") by and through its attorneys, BRIAN T. MOTO, Corporation Counsel, and JANE E. LOVELL, Deputy Corporation Counsel, and hereby stipulate as follows:

1. Haleakala and County will exchange properties upon final subdivision of the existing tank site from TMK (2) 2-3-005:003, so that Haleakala will be the sole fee owner of TMK (2) 2-3-005:012, and the County will be the sole fee simple owner of a portion of TMK (2) 2-3-005:003, 75 feet by 75 feet in size, namely all of the existing tank site colored in pink on the

I hereby certify that this is a full, true and correct copy of the Original.

4840-3951-9233.1

N. Yotsuya  
Clerk, Second Circuit Court

EXHIBIT " 1 "

attached Exhibit A map, a non-exclusive perpetual waterline easement, colored in yellow on the attached Exhibit A map, a non-exclusive access easement, colored in blue on the attached Exhibit A map, and, if necessary, a non-exclusive easement for a drain line at a location to be determined during subdivision.

2. Haleakala will pay the entire cost of the subdivision of the existing tank site to be subdivided out of TMK (2) 2-3-005:003, subject to and on the conditions that this subdivision will be processed as a limited subdivision for the sole purpose of a County of Maui water tank site, and although the tank site lot will not meet the minimum lot area, it will be in conformance with the State zoning districts and the purpose and intent of Title 19 of the Maui County Code, and that this subdivision will not prevent Haleakala from receiving separate lot recognition for LCA 5230 and Grant 2502, which are part of TMK (2) 2-3-005:003. The subdivision will be completed as soon as possible. Upon final subdivision approval, Haleakala will notify the County of final subdivision approval. The County will prepare the exchange deed and easements for Haleakala approval and transmit the same to the County Council for approval.

3. This STIPULATED FINAL JUDGMENT AND DECREE fully and finally settles all issues in this case, and this Stipulation when approved and so ordered by the Court will be the final judgment in this case.

DATED: Wailuku, Maui, Hawaii, OCT 03 2008




TOM C. LEUTENEKER

Attorney for Plaintiff  
HALEAKALA RANCH COMPANY



DATED: Wailuku, Maui, Hawaii, October 7, 2008

  
BRYAN T. MOTO  
JANE E. LOVELL  
Deputy Corporation Counsel

Attorneys for Defendant  
COUNTY OF MAUI

APPROVED AND SO ORDERED:

/s/ JOEL E. AUGUST (Seal)

JUDGE OF THE ABOVE ENTITLED COURT

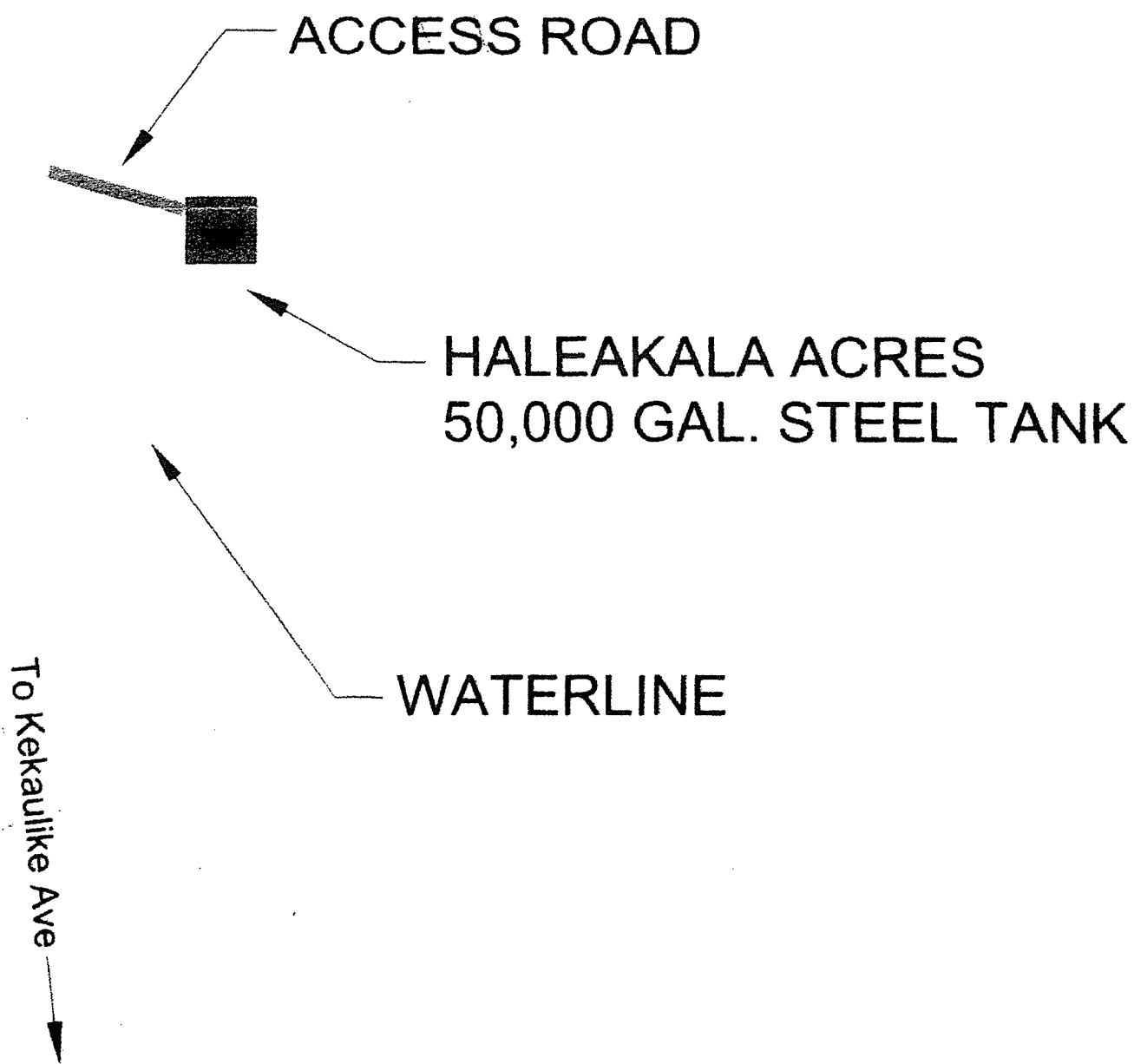


EXHIBIT A

Puu Pahu Subdivision  
Description of Lot 2

Land situated on the southerly side of Haleakala Crater Road (F.A.P. No. 5-B) at Pulehunui, Kula, Makawao, Maui, Hawaii.

Being a portion of Royal Patent 8140, Land Commission Award 5230 to Keaweamahi.

Beginning at a point at the most northerly corner of this parcel of land, the coordinates of said point of beginning referred to Government Survey Triangulation Station "PUU PANE" being: 13,042.22 feet South and 8,100.00 feet East and running by azimuths measured clockwise from True South:

1. 331° 57' 69.63 feet along Lot 1 of Puu Pahu Subdivision, being also along the remainder of Royal Patent 8140, Land Commission Award 5230 to Keaweamahi to a point;
2. 61° 55' 69.92 feet along same to a point;
3. 151° 57' 69.63 feet along same to a point;
4. 241° 55' 69.92 feet along same to the point of beginning and containing an Area of 4,869 Square Feet or 0.112 Acre.

TOGETHER WITH the following:

1. A Access Easement A affecting a portion of Lot 1 of Puu Pahu Subdivision, being a portion of Royal Patent 8140, Land Commission Award 5230 to Keaweamahi and being more particularly described as follows:

Beginning at a point at the northeasterly corner of this easement, the coordinates of said point of beginning referred to Government Survey Triangulation Station "PUU PANE" being: 12,841.69 feet South and 8,097.24 feet East and running by azimuths measured clockwise from True South:

1. Thence along the remainder of Lot 1 of Puu Pahu Subdivision, being a portion of Royal Patent 8140, Land Commission Award 5230 to Keaweamahi on a curve to the left, with the point of curvature azimuth from the radial point being: 167° 29' and the point of tangency azimuth from the radial point being: 85° 31' 20", having a radius of 15.00 feet, the chord azimuth and distance being: 36° 30' 10" 19.67 feet;
2. 355° 31' 20" 185.28 feet along same;
3. 61° 55' 27.29 feet along Lot 2 of Puu Pahu Subdivision, being also along the remainder of Royal Patent 8140, Land Commission Award 5230 to Keaweamahi;
4. 175° 31' 20" 188.44 feet along the remainder of Lot 1 of Puu Pahu Subdivision, being a portion of Royal Patent 8140, Land Commission Award 5230 to Keaweamahi;
5. Thence along same on a curve to the left, with the point of curvature azimuth from the radial point being: 265° 31' 20" and the point of tangency azimuth from the radial point being: 167° 29', having a radius of 15.00 feet, the chord azimuth and distance being: 126° 30' 10" 22.65 feet;
6. 257° 29' 55.55 feet along the southerly side of Haleakala Crater Road (F.A.P. No. 5-B) to the point of beginning and containing an Area of 5,153 Square Feet or 0.118 Acre, more or less.

2. A Water Easement B affecting a portion of Lot 1 of Puu Pahu Subdivision, being a portion of Royal Patent 8140, Land Commission Award 5230 to Keaweamahi and being more particularly described as follows:

Beginning at a point at the southwesterly corner of this easement, the coordinates of said point of beginning referred to Government Survey Triangulation Station "PUU PANE" being: 13,263.05 feet South and 7,613.77 feet East and running by azimuths measured clockwise from True South:

- |     |          |             |   |
|-----|----------|-------------|---|
| 1.  | 210° 35' | 21.46 feet  | along the southerly side of Haleakala Crater Road (F.A.P. No. 5-B);   |
| 2.  | 346° 14' | 58.98 feet  | along the remainder of Lot 1 of Puu Pahu Subdivision, being a portion of Royal Patent 8140, Land Commission Award 5230 to Keaweamahi; |
| 3.  | 273° 33' | 27.87 feet  | along same;   |
| 4.  | 304° 04' | 9.69 feet   | along same;   |
| 5.  | 255° 03' | 103.81 feet | along same;   |
| 6.  | 264° 18' | 55.00 feet  | along same;   |
| 7.  | 249° 29' | 93.59 feet  | along same;   |
| 8.  | 227° 38' | 57.88 feet  | along same;   |
| 9.  | 275° 08' | 25.36 feet  | along same;   |
| 10. | 230° 49' | 26.87 feet  | along same;   |
| 11. | 267° 33' | 30.00 feet  | along same;   |
| 12. | 190° 41' | 17.51 feet  | along same;   |
| 13. | 237° 34' | 20.30 feet  | along same;   |
| 14. | 198° 38' | 33.42 feet  | along same;   |

15.	331°	57'	8.35 feet	along Lot 2 of Puu Pahu Subdivision, being also along the remainder of Royal Patent 8140, Land Commission Award 5230 to Keaweamahi;
16.	241°	55'	13.01 feet	along same;
17.	18°	38'	42.46 feet	along the remainder of Lot 1 of Puu Pahu Subdivision, being a portion of Royal Patent 8140, Land Commission Award 5230 to Keaweamahi;
18.	57°	34'	19.10 feet	along same;
19.	10°	41'	22.91 feet	along same;
20.	87°	33'	36.92 feet	along same;
21.	50°	49'	28.00 feet	along same;
22.	95°	08'	24.86 feet	along same;
23.	47°	38'	54.17 feet	along same;
24.	69°	29'	98.45 feet	along same;
25.	84°	18'	55.73 feet	along same;
26.	75°	03'	109.44 feet	along same;
27.	124°	04'	12.44 feet	along same;
28.	93°	33'	34.81 feet	along same;
29.	166°	14'	54.67 feet	along same to the point of beginning and containing an Area of 8,601 Square Feet or 0.197 Acre, more or less.

SUBJECT, HOWEVER, to the following affecting Easement B:

1. An Existing Construction Easement C-1 in favor of the State of Hawaii.
2. An Existing Waterline Easement W-3 in favor of the State of Hawaii.

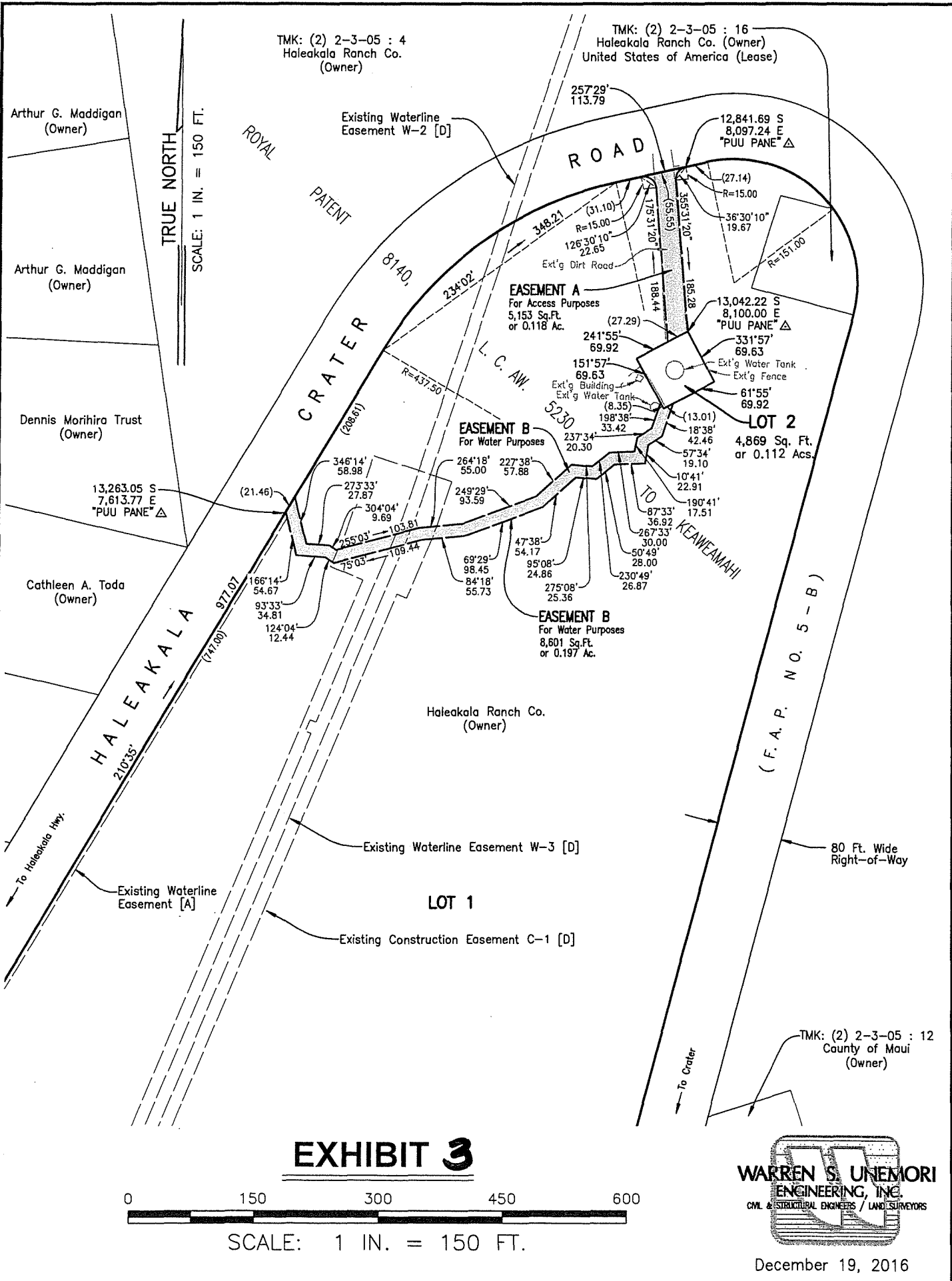


WARREN S. UNEMORI ENGINEERING, INC.  
Wells Street Professional Center  
2145 Wells Street, Suite 403  
Wailuku, Maui, Hawaii 96793  
March 19, 2014

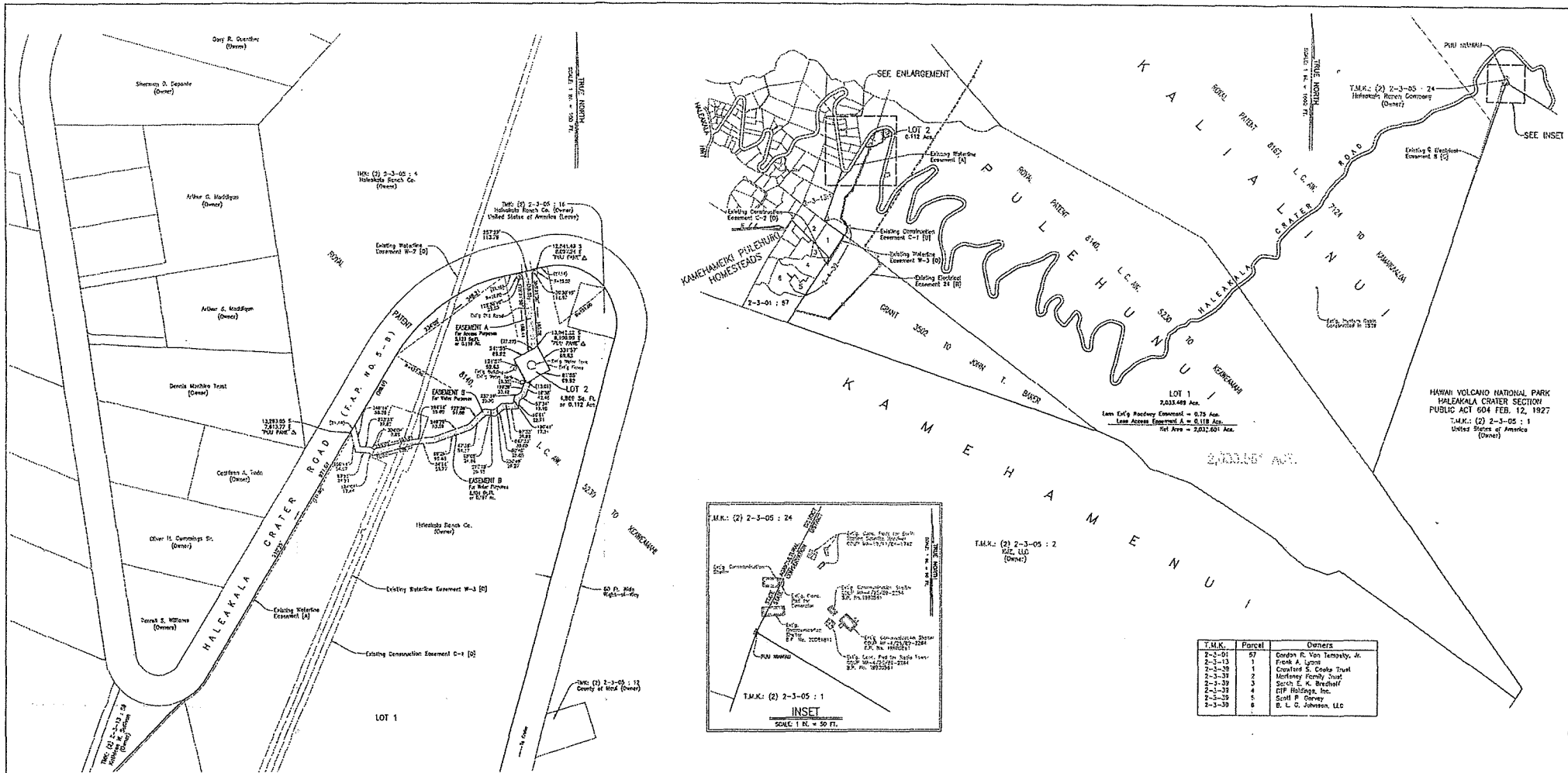
BY: Reed M. Ariyoshi 04/30/14 Exp.  
Licensed Professional Land Surveyor  
Certificate No. 6597

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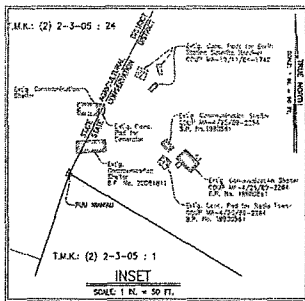
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ENLARGEMENT  
SCALE 1 IN. = 100 FT.



T.M.K.	Parcel	Owners
2-3-01	57	Gordon R. Van Kempany, Jr.
2-3-13	1	Frank A. Lyons
2-3-20	1	Coville S. Cook Trust
2-3-39	2	Mortaney Family Trust
2-3-39	3	Stark E. K. Brecheff
2-3-39	4	RJP Holdings, Inc.
2-3-39	5	Scott F. Barney
2-3-39	6	R. L. D. Johnson, LLC

NOTES:

1. ALL BOUNDARY CORNERS ARE MARKED WITH 1/4" PIPES, UNLESS OTHERWISE NOTED.
2. ALL ADJUSTS AND RECORD CORRECTIONS, REFERS TO GOVERNMENT SURVEY TRANSLATION SECTION "PUI PAHU".
3. CHANGES OF ADJOINING LANDS, AS SHOWN ON PLAN, TAKEN FROM RECORDS IN THE REAL PROPERTY MAPPING DIVISION.
4. PURSUANT TO HAWAII COUNTY CODE SECTION 3-4-1-10, THE COUNTY OF HAWAII IS NOT RESPONSIBLE FOR ANY FINAL REVISIONS, FACSIMILE CORRECTIONS OR ANY OTHER REVISIONS TO THIS MAP OR THEREON ON THESE PLANS, UNLESS THE HAWAII COUNTY COUNCIL HAS ACCEPTED ITS REVISION BY A RESOLUTION APPROVED BY A MAJORITY OF COUNCIL'S MEMBERS AT A PUBLIC OR SPECIAL MEETING OF THE HAWAII COUNTY COUNCIL.
5. LOT 1 IS A WATER TREATMENT SITE TO BE OPERATED BY THE COUNTY OF HAWAII, DEPARTMENT OF WATER SUPPLY AND IS A NON-DEVELOPABLE LOT.
6. EASEMENT A IS FOR ACCESS PROVIDED IN FAVOR OF LOT 2.
7. EASEMENT B IS FOR WATER PURPOSES IN FAVOR OF THE COUNTY OF HAWAII, DEPARTMENT OF WATER SUPPLY.

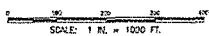
EXISTING EASEMENTS:  
(LETTERS IN BRACKET ON MAP CORRESPOND WITH NOTE BELOW)

- A. EXISTING EASEMENT FOR WATERLINE PURPOSES IN FAVOR OF HALEAKALA WATER ASSOCIATION INC., A PUBLIC CORPORATION, RECORDED IN DOCUMENT NO. 2001-157574, DATED FEBRUARY 14, 2001.
- B. EXISTING EASEMENT 24 IS FOR ELECTRICAL PURPOSES IN FAVOR OF HAWAII ELECTRIC COMPANY LTD., RECORDED IN LHAH 1971, PAGE 125, WATER BARR 14, 1976 (RECORD EASEMENT).
- C. EXISTING EASEMENT B IS FOR ELECTRICAL PURPOSES IN FAVOR OF HAWAII ELECTRIC COMPANY LTD., RECORDED IN LHAH 1641, PAGE 322, DATED MARCH 27, 1959 (RECORD EASEMENT).
- D. LEASE OF NON-EXCLUSIVE EASEMENT IN FAVOR OF THE STATE OF HAWAII, RECORDED IN DOCUMENT NUMBER 2003-039735, DATED JANUARY 24, 2003.

PUI PAHU SUBDIVISION

CONSOLIDATION OF PORTIONS OF ROYAL PATENT 8140, LAND COMMISSION AWARD 5230 TO KEAWEAMAHI, ROYAL PATENT 8167, LAND COMMISSION AWARD 7124 TO KAMAIIKAALOA, AND GRANT 3502 TO JOHN T. BAKER INTO ONE LOT AND RESUBDIVISION INTO LOTS 1 AND 2 AND DESIGNATION OF EASEMENTS A AND B

KAMEHAMEHA - PULEHUNUI, PULEHUNUI, KALIAKAI, KULA, MAKANAO, MAHI, HAWAII



OWNERS: HALEAKALA BANCORP COMPANY  
ADDRESS: MAKANAO, MAHI, HAWAII

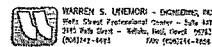
FINAL SUBDIVISION APPROVAL  
BY THE HAWAII COUNTY ENGINEER

Subdivision File Number: C-2017  
Approved by the Commission with the presence of  
Commissioners and Department of Land and Natural Resources  
Date of Approval: 2-1-19

Division of Public Works  
Date



Warren S. Uehara  
14320  
14320  
14320  
14320



February 28, 2017  
Revised: March 20, 2014

EXHIBIT "4"

# APPRAISAL REPORT

of

Vacant Land at  
Crater Road  
Kula, Hawaii 96790

**As Of:**

06/12/2017

**Prepared For:**

COUNTY OF MAUI-DEPT OF WATER SUPPLY  
200 High Street 5th Floor  
Wailuku, HI 96793

**Prepared By:**

Allan T. Shishido, CGA #143  
ISLAND APPRAISALS  
1806-B Kaohu Street  
Wailuku, HI 96793

EXHIBIT " 5 "

LAND APPRAISAL REPORT

Borrower COUNTY OF MAUI - DEPT OF WATER SUPPLY Census Tract 303.01 Map Reference 2-3-005-012  
Property Address Crater Road  
City Kula County Maui State Hawaii Zip Code 96790  
Legal Description Por RP 8140, LCAW 5230, Kaliainui  
Sale Price \$ N/Ap Date of Sale N/Ap Loan Term N/Ap yrs. Property Rights Appraised [X] Fee [ ] Leasehold [ ] De Minimis PUD  
Actual Real Estate Taxes \$ 0.00 (yr) Loan Charges to be paid by seller \$ N/Ap Other Sales Concessions N/Ap  
Lender/Client COUNTY OF MAUI-DEPT OF WATER SUPPLY Address 200 High Street 5th Floor, Wailuku, HI 96793  
Occupant Vacant Land Appraiser Allan T. Shishido, CGA #143 Instructions to Appraiser Estimate Market Value

Location [ ] Urban [ ] Suburban [X] Rural [ ] Good Avg. Fair Poor  
Built Up [ ] Over 75% [X] 25% to 75% [ ] Under 25% Employment Stability [ ] [X] [ ] [ ]  
Growth Rate [ ] Fully Dev. [ ] Rapid [X] Steady [ ] Slow Convenience to Employment [ ] [X] [ ] [ ]  
Property Values [ ] Increasing [X] Stable [ ] Declining Convenience to Shopping [ ] [X] [ ] [ ]  
Demand/Supply [ ] Shortage [X] In Balance [ ] Oversupply Convenience to Schools [ ] [X] [ ] [ ]  
Marketing Time [ ] Under 3 Mos. [X] 3-6 Mos. [ ] Over 6 Mos. Adequacy of Public Transportation [ ] [X] [ ] [ ]  
Present Land Use 50 %1 Family 5 %2-4 Family % Apts % Condo 5 % Commercial Recreational Facilities [ ] [X] [ ] [ ]  
%Industrial 40 % Vacant % Adequacy of Utilities [ ] [X] [ ] [ ]  
Change In Present Land Use [X] Not Likely [ ] Likely(\*) [ ] Taking Place (\*) Property of Compatibility [ ] [X] [ ] [ ]  
(\*) From To Protection from Detrimental Conditions [ ] [X] [ ] [ ]  
Predominate Occupancy [X] Owner [ ] Tenant % Vacant Police and Fire Protection [ ] [X] [ ] [ ]  
Single Family Price Range \$ 350,000 to \$ 1,000,000 Predominant Value \$ 750,000 General Appearance of Properties [ ] [X] [ ] [ ]  
Single Family Age New yrs to 50+ yrs. Predominant Age 20 yrs Appeal to Market [ ] [X] [ ] [ ]

Comments including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, view, noise): Kula is located on the lower slopes of Mount Haleakala approximately 20 miles from Kahului. The market area is considered a viable alternative when compared to a competing market area. The area is convenient to employment, shopping, schools, and recreational facilities.

Dimensions REFER TO SITE LOCATION MAP = 6,577 SF [ ] Corner Lot  
Zoning Classification Agriculture - 2 acre minimum lot size Present Improvements [ ] do [ ] do not conform to zoning regulations  
Highest and best use [ ] Present use [X] Other (specify) Vacant site available for potential development  
Elec. [X] Public [ ] Other (Describe) OFF SITE IMPROVEMENTS Topo Level/Gently sloping  
Gas [ ] None/Typical Street Access [X] Public [ ] Private Size Substandard  
Water [ ] Surface Paved Asphalt Shape Mostly Rectangular  
San. Sewer [ ] Septic/Typical Maintenance [X] Public [ ] Private View Mountain  
[ ] Underground Elect. & Tel. [ ] Storm Sewer [ ] Curb/Gutter Drainage Appears to be adequate  
[ ] Sidewalk [ ] Street Lights Is the property located in a HUD identified Special Flood Hazard Area? [X] No [ ] Yes

Comments (favorable or unfavorable including any apparent adverse easements, encroachments or other adverse conditions): There were no easements or other apparent adverse conditions affecting the subject site. The subject property is not located in a lava zone and lava flow maps are not available.

FLOOD STATUS: Map # 150003 0625E Zone: X: Areas of minimal flooding. Map Date: 09/25/2009

The undersigned has recited three recent sales of properties most similar and proximate to subject and has considered these in the market analysis. The description includes a dollar adjustment reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to or more favorable than the subject property, a minus (-) adjustment is made thus reducing the indicated value of subject; if a significant item in the comparable is inferior to or less favorable than the subject property, a plus (+) adjustment is made thus increasing the indicated value of the subject.

	SUBJECT PROPERTY	COMPARABLE NO.1	COMPARABLE NO.2	COMPARABLE NO.3
Address	Crater Road Kula, HI 96790			
Proximity to Subject				
Sales Price	\$ N/Ap	\$	\$	\$
Price / SF	\$ 0.00	\$	\$	\$
Data Source	HI Info. Svc.			
Date of Sale and Time Adjustment	DESCRIPTION DESCRIPTION DESCRIPTION N/Ap	ADJUSTMENT ADJUSTMENT ADJUSTMENT		
Location	Kula/Avg(TMK:2-3-23-115)			
Site/View	6,577 SF			
Terrain	Gently Sloping	REFER TO ADDENDUM		
Views	Mountain			
Utilities	Electricity			
Easement	None noted			
Sales or Financing Concessions	None noted			
Net Adj.(Total)	[X] Plus [ ] Minus \$ 0	[X] Plus [ ] Minus \$ 0	[X] Plus [ ] Minus \$ 0	
Indicated Value of Subject	Net=0% Gross=0% \$ 0	Net=0% Gross=0% \$ 0	Net=0% Gross=0% \$ 0	

Comments on Market Data REFER TO ADDENDUM

Comments and Conditions of Appraisal: None.  
ASSESSMENTS: Land: \$ 40,000

Final Reconciliation: REFER TO ADDENDUM

I ESTIMATE THE MARKET VALUE, AS DEFINED, OF SUBJECT PROPERTY AS OF 06/12/2017 to be \$ 180,000

Appraiser(s) [Signature] Review Appraiser (if applicable) [ ] Did [ ] Did Not Physically  
Allan T. Shishido, CGA #143 Inspect Property  
Date Report Signed 06/16/2017 Date Report Signed  
State Certification # CGA 0000143 State HI State Certification #  
Or State License # State Or State License # State  
Expiration Date of License or Certification 12/31/2017 Expiration Date of License or Certification

Island Appraisals  
**COMMENT ADDENDUM**

File No. L-17-333800  
Case No.

Borrower COUNTY OF MAUI - DEPT OF WATER SUPPLY

Property Address Crater Road

City Kula County Maui State Hawaii Zip Code 96790

Lender/Client COUNTY OF MAUI-DEPT OF WATER SUPPLY Address 200 High Street 5th Floor, Wailuku, HI 96793

**DATE OF THE APPRAISAL**

The opinions and conclusions of this appraisal are stated as of the date of inspection which was June 12, 2017.

**APPRAISAL DEVELOPMENT AND REPORTING PROCESS**

This is a Summary Appraisal Report, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice for a Summary Appraisal Report. 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 report.

**INTENDED USE AND USERS OF APPRAISAL REPORT**

The only intended user of the report is the County of Maui - Department of Water Supply and the intended use is to obtain a current market value for management decision making.

**SCOPE OF WORK**

Our client is the County of Maui. In performing this assignment and preparing this report, the Appraiser(s):

1. Inspected and photographed the subject on June 12, 2017 in order to gather information about the physical characteristics of the property that are relevant to the valuation problem.
2. Information pertaining to the size of the site was based on County Tax office records and information contained in on-line data.
3. We relied on the legal description for information regarding easements, restrictions, and other restrictions. We did not research the presence of such items independently.
4. We inspected and photographed surrounding areas, examined land use, economic and demographic indicators in order to determine an appropriate market area in which the subject competes.
5. We researched demographic data and land regulations data with County records as well as various Internet sites.
6. We were not asked to develop a Highest & Best Use analysis of the site.
7. The Cost Approach and Income Approaches to Value were not utilized in this report.
8. The Sales Comparison Approach to value was utilized in our analyses of the subject property. This entailed researching vacant property sales inside and outside the Market Area that have sold during the past three years in order to estimate a probable selling price for the Subject. There were no comparable sales in the subject's immediate market area; therefore, the research of vacant land transactions in the central Maui area.

**WRITTEN APPRAISALS & FORMS**

This appraisal report has been completed in writing on a form accompanied by addenda, photographs, and sketches (where applicable) that together satisfy requirements of this section. It is our opinion that this report is sufficiently descriptive and contains enough information to enable the reader to understand the reasoning behind the Market Value Estimate and Value Conclusion arrived at for the subject property.

ASSESSMENTS: Land: \$ 40,000 Improvements: \$ -0-

Island Appraisals  
**COMMENT ADDENDUM**

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**TREND ANALYSIS**

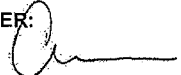
The real estate market is dynamic. Real estate prices continually change due to current economic conditions and local trends. It is reasonable to assume that this same trend would apply to the subject. Still the average marketing time typically varies between 90-180 days for properties within the subject's market area provided the property is competitively priced and properly marketed.

**CERTIFICATION AND LIMITING CONDITIONS**

I hereby certify that the statements contained in this appraisal are correct to the best of the appraiser's knowledge and belief, and that:

1. We have no present or prospective future interest in the real estate that is the subject of this appraisal report.
2. We have no personal interest or bias with respect to the subject matter of this appraisal report or the parties involved.
3. The statements of fact contained in this appraisal report, upon which the analysis, opinions and conclusions expressed herein are based, are true and correct.
4. This appraisal report sets forth all the assumptions and limiting conditions (imposed by the terms of our assignment or by the undersigned) affecting the analysis, opinions and conclusions contained in this report.
5. 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 and the Uniform Standards of Professional Appraisal Practice, as well as the requirements of the State of Florida for State Certified Appraisers.
6. This appraisal conforms to the Uniform Standards of Professional Appraisal Practice ("USPAP") adopted by the Appraisal Standards Board of the Appraisal Foundation.
7. Compensation for this assignment is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
8. This appraisal assignment was not based on a request minimum valuation, a specific valuation, or the approval of a loan.
9. No one other than the undersigned prepared the analysis, conclusions and opinions that are set forth in this appraisal report, except as herein acknowledged.
10. The use of this report is subject to the requirements of the State of Hawaii relating to the review by its Real Estate Appraisal Board.
11. Allan T. Shishido has completed the requirements of the continuing education requirements of the State of Hawaii. The appraiser(s) performing this real estate appraisal have completed numerous appraisal reports of commercial, residential and vacant properties in Maui County and is competent in performing such assignments.

**APPRAISER:**

Signature:   
Name: Allan T. Shishido, CGA #143  
Date Signed: 06/16/2017  
State Certification #: CGA 0000143  
or State License #: \_\_\_\_\_  
State: HI  
Expiration Date of Certification or License: 12/31/2017

**SUPERVISOR:**

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date Signed: \_\_\_\_\_  
State Certification #: \_\_\_\_\_  
or State License #: \_\_\_\_\_  
State: \_\_\_\_\_  
Expiration Date of Certification or License: \_\_\_\_\_

Island Appraisals  
**COMMENT ADDENDUM**

File No. L-17-333800  
Case No.

Borrower COUNTY OF MAUI - DEPT OF WATER SUPPLY

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1. The appraisers will not be required to give testimony or appear in court because of having made this appraisal, with reference to the property in question, unless arrangements have been previously made therefore.
2. Neither all nor any part of the contents of this report, or a copy thereof, shall be conveyed to the public through advertising, public relations, news, sales or any other media without written consent and approval of the appraisers. Nor shall the appraisers, firm or professional organizations of which the appraiser is a member be identified without Written consent of the appraisers.
3. This appraisal report has been prepared for the exclusive benefit of the named clients and is subject to the assumptions, and limitations agreed upon by the clients and the appraisers. If this report becomes the property of any party, other than the addressee or the person who has paid the fee connected herewith, permission must be obtained from the original addressee for reproduction or additional copies. Additional fees will be charged for any further consultation, reappraisal, or review of the property.
4. No responsibility is assumed for matters pertaining to determination of flood hazard zone requirements or issuance of insurance thereof.
5. Information regarding the location or existence of public utilities has been obtained through a verbal inquiry to the appropriate utility, or has been ascertained from visual evidence. No warranty has been made regarding the exact location or capabilities of public utility systems.
6. Opinions of value contained herein are estimates and there are no guarantees, either written or implied, that the property would sell for the expressed estimates of value.
7. The property history has been provided by conversations with various individuals involved in the chain of title, and if available, various documents such as contracts, deeds, leases and closing statements. We have not performed a title search, nor do we warrant that the history, as presented herein, is completely accurate. Anyone contemplating an interest in the subject property should rely solely upon a title search and opinion prepared by a qualified attorney at law.
8. Information regarding the location or existence of public utilities has been obtained through a verbal inquiry to the appropriate utility, or has been ascertained from visual evidence. No warranty has been made regarding the exact location or capabilities of public utility systems.
9. Opinions of value contained herein are estimates and there are no guarantees, either written or implied, that the property would sell for the expressed estimates of value.
10. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property. We received reports that indicating that the site is being treated for ammonia gas as explained in the report. The 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. The client is urged to retain an expert in this field, if desired. Furthermore, the appraisers hereby reserve the right to alter, amend, revise or rescind any of the value opinions based upon any subsequent environmental impact studies, research or investigations.
11. Unless specifically stated to the contrary in this report, no independent evaluation of concurrence matters were made for the subject or any sales comparables. In the event concurrence is found to affect subject property or any of the sales comparables, we reserve the right to reconsider the value conclusion.
12. The Americans with Disabilities Act (ADA) became effective January 26, 1992. The appraiser has not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirement so the ADA could reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative effect upon the value of the property. Since the appraiser has no direct evidence relating to this issue, he did not consider possible noncompliance with the requirements of the ADA in estimating the value of the property.
13. Disclosure of the contents of this appraisal report is governed by the Bylaws and Regulations of the Appraisal Institute.

Island Appraisals  
**COMMENT ADDENDUM**

File No. L-17-333800  
Case No.

Borrower COUNTY OF MAUI - DEPT OF WATER SUPPLY  
Property Address Crater Road  
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Lender/Client COUNTY OF MAUI-DEPT OF WATER SUPPLY Address 200 High Street 5th Floor, Wailuku, HI 96793

14. ACCEPTANCE OF AND/OR USE OF THIS APPRAISAL REPORT BY THE CLIENT OR ANY THIRD PARTY CONSTITUTES ACCEPTANCE OF THE FOREGOING GENERAL ASSUMPTIONS AND LIMITING CONDITIONS. APPRAISAL LIABILITY EXTENDS ONLY TO THE STATED CLIENT, NOT SUBSEQUENT PARTIES OR USERS, AND IS LIMITED TO THE AMOUNT OF THE FEE RECEIVED BY THE APPRAISERS FOR THE PREPARATION OF THIS REPORT.

"MARKET VALUE" is defined as follows:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is consummation of a sale as of a specified date and passing of title from seller to buyer under conditions whereby,

Buyer and seller are typically motivated;

Both parties are well informed or well advised and each acting in what he considers his own best interest;

A reasonable time is allowed for exposure in the open market;

Payment is made in terms of cash in US dollars or in terms of financial arrangements comparable thereto;

The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

#### REASONABLE EXPOSURE TIME

Reasonable exposure time is the estimated length of time the property being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal, assuming adequate, sufficient and reasonable effort.

- I. The property would be actively exposed and aggressively marketed to potential purchasers through marketing channels commonly used by sellers of similar type properties:
- II. The property would be offered at a price reflecting the most probable markup over market value used by sellers of similar type properties;
- III. A sale will be consummated under the terms and conditions of the definition of market value as set forth above.
- IV. We estimate an exposure time of 6 to 12 months or more based on the average listing period of actively marketed land sales in the area, discussions with brokers and property owners active in the area and sales verification.

#### HIGHEST AND BEST USE

In the highest and best use analysis of the subject property, the appraiser has considered its permissible (legal) uses or those uses which are permitted by zoning and deed restrictions (if any); its possible uses or those uses which are physically possible for the site; and its feasible use or those uses which will produce the highest net return to the owner of the site under current and projected market conditions.

The subject property as well as the surrounding properties are zoned Agriculture. The minimum lot size required in the Agriculture zoning is two acres. Subject site is vacant and considered sub-standard. It is possible to build a dwelling on the subject site. Therefore, the highest and best use of the property is a vacant site available for potential development.

Island Appraisals  
**COMMENT ADDENDUM**

File No. L-17-333800  
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COMMENTS REGARDING THE SUBJECT

The subject includes a 6,577 square foot vacant site situated on Crater Road in Kula. Subject site is vacant and considered sub-standard. The subject appears to be a viable building site. Electricity is available; however, the property does not have a water meter. There appears to be adequate rainfall to support a water catchment system.

THE APPRAISAL PROCESS

The subject was examined and analyzed utilizing the Appraisal Process, which involves three generally recognized valuation methods; namely, the Cost Approach, the Income Approach, and the Direct Sales Comparison Approach. Each valuation method is briefly discussed and finally correlated into a final value estimate.

COST APPROACH

The Cost Approach to estimated value is based on the principle that a prudent purchaser would pay no more than the cost of producing a similar property with the same utility. It is a process of estimating the cost to reproduce an identical improvement or improvements on the property, deduct any observed depreciation from the reproduction cost, and arrive at a depreciated cost. This depreciated cost is then added to the land value found by market comparison of competitive vacant property sales to arrive at market value. Building costs are gleaned from builder's cost handbooks and local construction cost estimates. The depreciation estimate was based primarily on the age/life method.

The Cost Approach was not relevant in appraising vacant land.

INCOME APPROACH

The Income Approach is a mathematical process for converting the net income derived from real estate into capital value. Value is based upon the present and prospective income from the property. A rate, known as the "capitalization rate", is applied to the estimated net annual income produced by the property, to estimate its value. The capitalization rate represents the relation between the value of the property and the net income it produces (net before interest payments, depreciation charges, and income taxes).

The Income Approach to value was not considered appropriate in this appraisal assignment and no consideration was given to this approach.

DIRECT SALES COMPARISON APPROACH

The Direct Sales Comparison Approach is based on the principle of substitution whereby a potential purchaser would pay no more than to acquire an existing property with the same utility as the subject. It is a process of comparing the subject property with recent or recent-past sales of similar type properties in the same or competitive market areas. This approach to value is generally considered most reliable when adequate sales data are available.

COMMENTS REGARDING THE MARKET DATA

The primary criteria in the research and selection of comparables included:

1. Fee simple tenure
2. Location in Kula or competitive market area
3. Similar site area and zoning
4. Similar gross building area and construction quality
5. Recent transaction date

The comparables selected and utilized in the Direct Sales Comparison Approach are the best available and provide a good indication of the value of the subject. There are a limited number of similar sales in the market area. Therefore, the search was extended to include properties located in central Maui. Fourteen relatively recent sales were identified in the central Maui area, as well as two active listings.

The comparables selected and utilized in the Direct Sales Comparison Approach are the best available and provide a good indication of the value of the subject. Due to the lack of more recent similar sales in the subject's market area, comparables which sold over three-months ago were utilized. Expanding the search to a radius greater than one mile developed sales that are within competitive market areas. These sales are the best comparables to the subject property and are therefore utilized in this report.



Island Appraisals  
**COMMENT ADDENDUM**

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The recent sales and listings with adjustments are as follows:

Comparable	TMK	Sale Date	Sales Price	Area (Sq. Ft)	Price/SF	Listing Adjustment (-10%)	Adj Price/SF	Water Meter Adjustment (-15%)	Net Price/SF
1	3-9-25-065	3/9/2017	\$ 262,000.00	9080	\$28.85	\$0.00	\$28.85	-\$4.33	\$24.53
2	2-4-25-054	11/7/2016	\$ 185,000.00	6560	\$28.20	\$0.00	\$28.20	\$0.00	\$28.20
3	2-4-25-055	8/22/2016	\$ 185,000.00	6265	\$29.53	\$0.00	\$29.53	\$0.00	\$29.53
4	2-4-17-024	Listing	\$ 179,000.00	3981	\$44.96	-\$4.50	\$40.47	-\$6.07	\$38.89
5	3-4-21-36	Listing	\$ 169,000.00	5619	\$30.08	-\$3.01	\$27.07	-\$4.06	\$26.02
6	3-2-4-15	6/9/2017	\$ 161,775.00	6534	\$24.76	\$0.00	\$24.76	-\$3.71	\$21.05
7	2-4-25-056	5/31/2016	\$ 160,000.00	6570	\$24.35	\$0.00	\$24.35	\$0.00	\$24.35
8	3-6-07-032	7/2/2015	\$ 150,000.00	4561	\$32.89	\$0.00	\$32.89	-\$4.93	\$27.95
9	3-9-48-113	12/1/2015	\$ 265,000.00	8045	\$32.94	\$0.00	\$32.94	-\$4.94	\$28.00
10	3-5-09-033	1/7/2016	\$ 245,000.00	8276	\$29.60	\$0.00	\$29.60	-\$4.44	\$25.16
11	3-5-32-026	5/4/2016	\$ 230,000.00	7933	\$28.99	\$0.00	\$28.99	-\$4.35	\$24.64
12	3-5-32-104	8/2/2016	\$ 258,000.00	8019	\$32.17	\$0.00	\$32.17	-\$4.83	\$27.35
13	3-5-32-004	9/28/2016	\$ 275,000.00	8514	\$32.30	\$0.00	\$32.30	-\$4.84	\$27.45
14	3-5-32-084	10/31/2016	\$ 275,000.00	9247	\$29.74	\$0.00	\$29.74	-\$4.46	\$25.28
15	3-5-34-004	1/17/2017	\$ 233,000.00	6839	\$34.07	\$0.00	\$34.07	-\$5.11	\$28.96
16	3-5-34-005	1/17/2017	\$ 233,000.00	6899	\$33.77	\$0.00	\$33.77	-\$5.07	\$28.71

**ADJUSTMENTS**

Comparables #4 and #5 were listings only. Based on typical list to sales price ratios, a negative 10% adjustment was considered warranted.

The subject does not have a water meter. Comparables #2, #3 and #7 sold without water meters. The other comparables sold with water meters. A negative 15% adjustment was considered warranted.

No other adjustments were considered warranted.

Borrower COUNTY OF MAUI - DEPT OF WATER SUPPLY

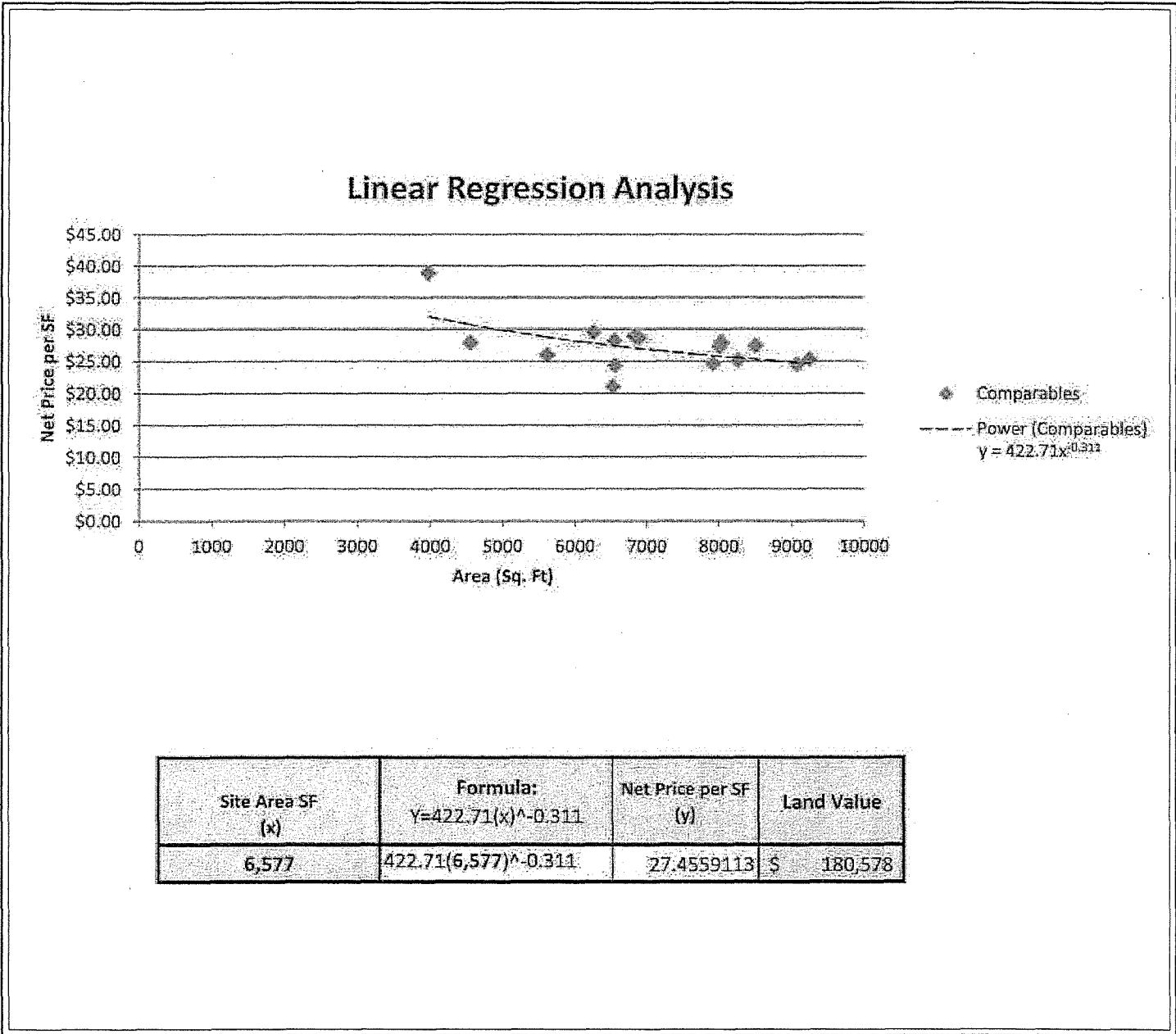
Property Address Crater Road

City Kula County Maui State Hawaii Zip Code 96790

Lender/Client COUNTY OF MAUI-DEPT OF WATER SUPPLY Address 200 High Street 5th Floor, Wailuku, HI 96793

VALUE CONCLUSION

Based on a linear regression analysis, the indicated value of the subject site is \$180,578, or rounded, \$180,000. Thus the estimated value of the subject property was estimated to be \$180,000 as of June 12, 2017.



Island Appraisals  
**COMMENT ADDENDUM**

File No. L-17-333800  
Case No.

Borrower COUNTY OF MAUI - DEPT OF WATER SUPPLY

Property Address Crater Road

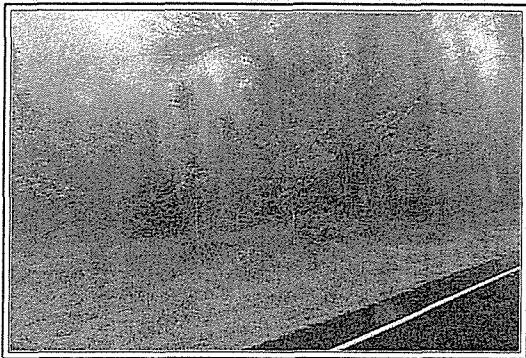
City Kula County Maui State Hawaii Zip Code 96790

Lender/Client COUNTY OF MAUI-DEPT OF WATER SUPPLY Address 200 High Street 5th Floor, Wailuku, HI 96793

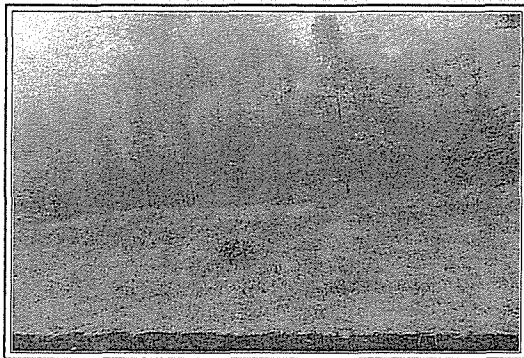
**FINAL RECONCILIATION**

After analysis of the subject property utilizing the Appraisal Process, it is the appraiser's opinion that the Direct Sales Comparison Approach is the most reliable indicator of the value for the subject property and subsequently given greatest weight. This approach is perceived to reflect the market's attitude – the actions of both buyer and seller in the real estate market.

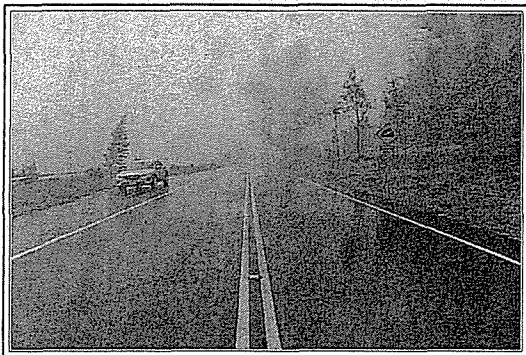
Borrower COUNTY OF MAUI - DEPT OF WATER SUPPLY  
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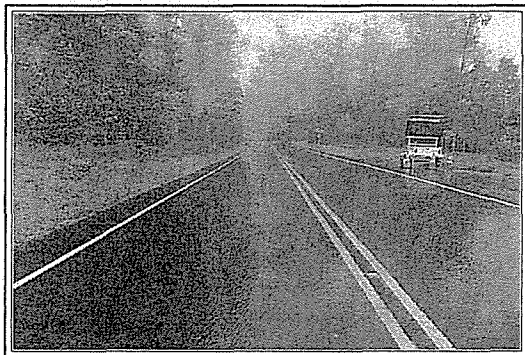
SUBJECT SITE



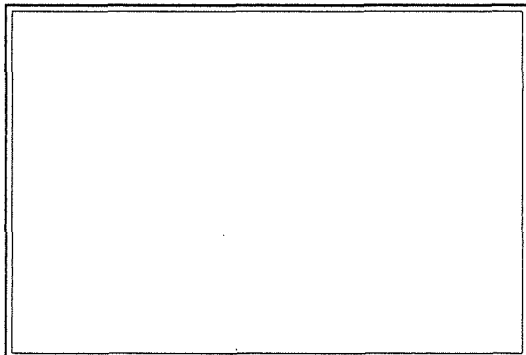
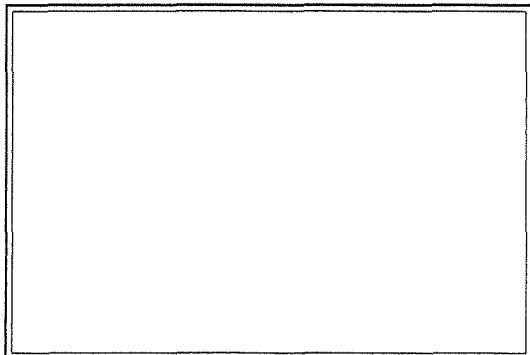
SUBJECT SITE



STREET SCENE - FACING NORTH



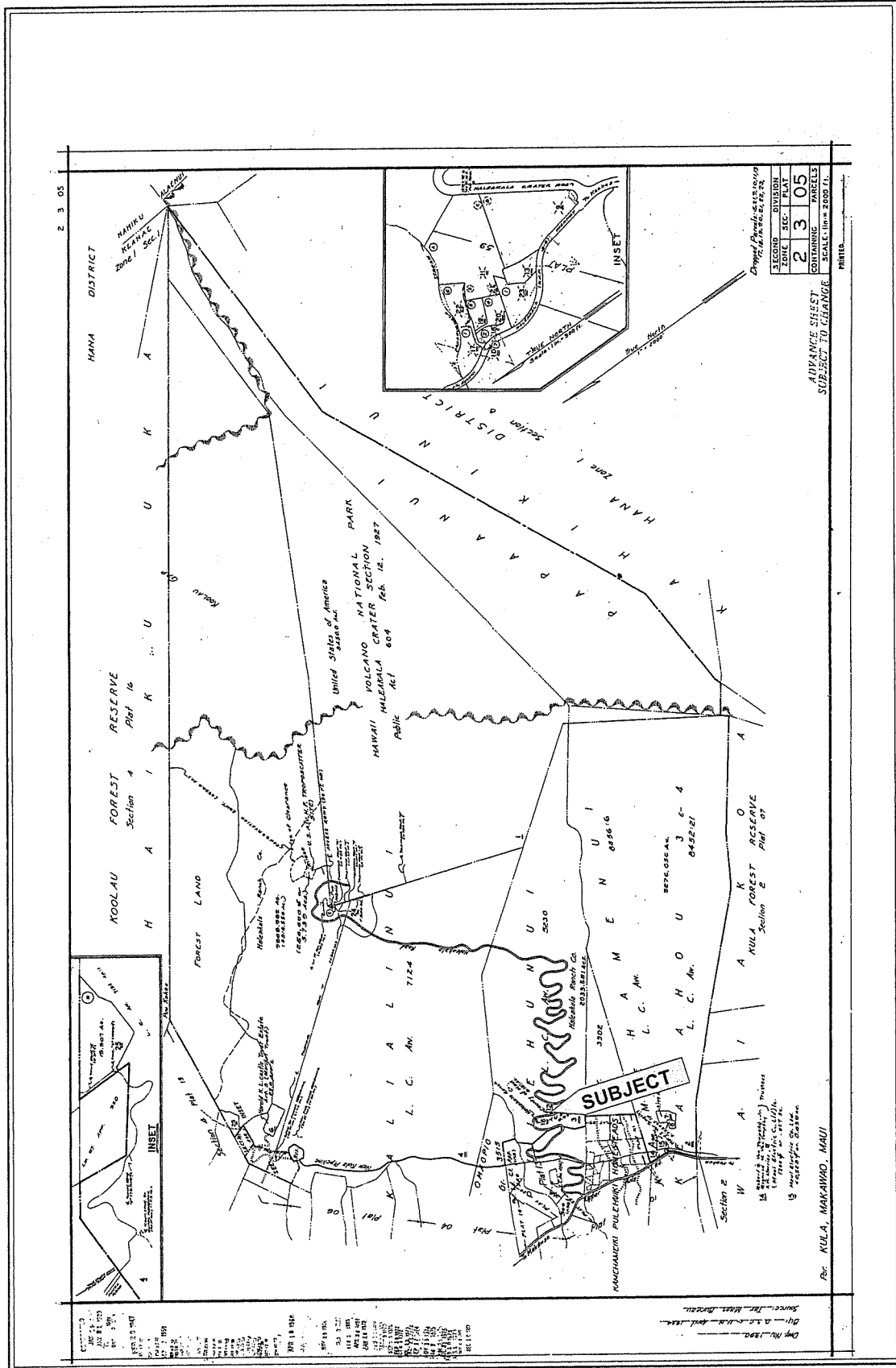
STREET SCENE - FACING SOUTH



Island Appraisals  
**PLAT MAP**

File No. L-17-333800  
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Borrower COUNTY OF MAUI - DEPT OF WATER SUPPLY  
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Borrower COUNTY OF MAUI - DEPT OF WATER SUPPLY

Property Address Crater Road

City Kula

County

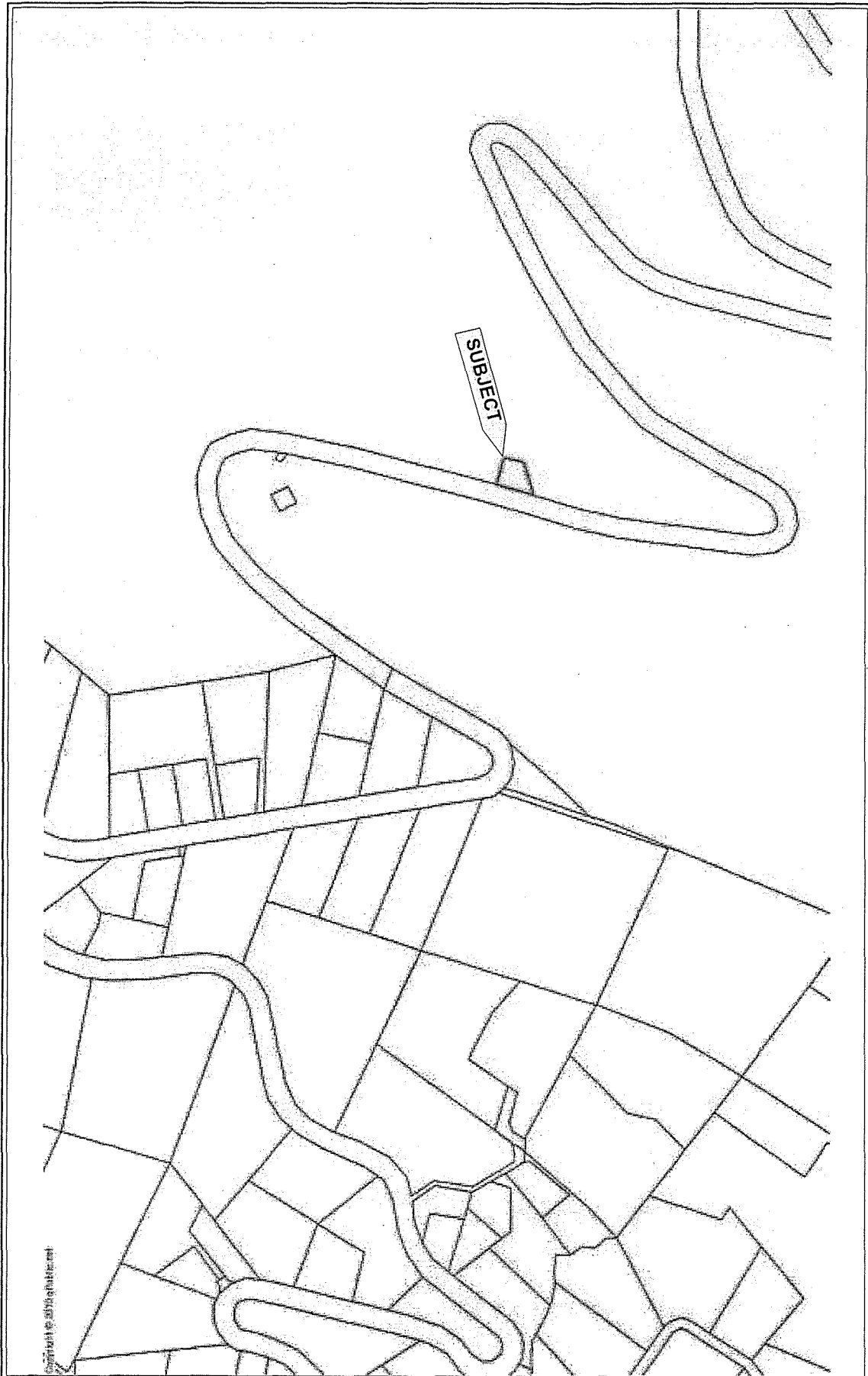
Maui

State Hawaii

Zip Code

96790

Lender/Client COUNTY OF MAUI-DEPT OF WATER SUPPLY Address 200 High Street 5th Floor, Wailuku, HI 96793

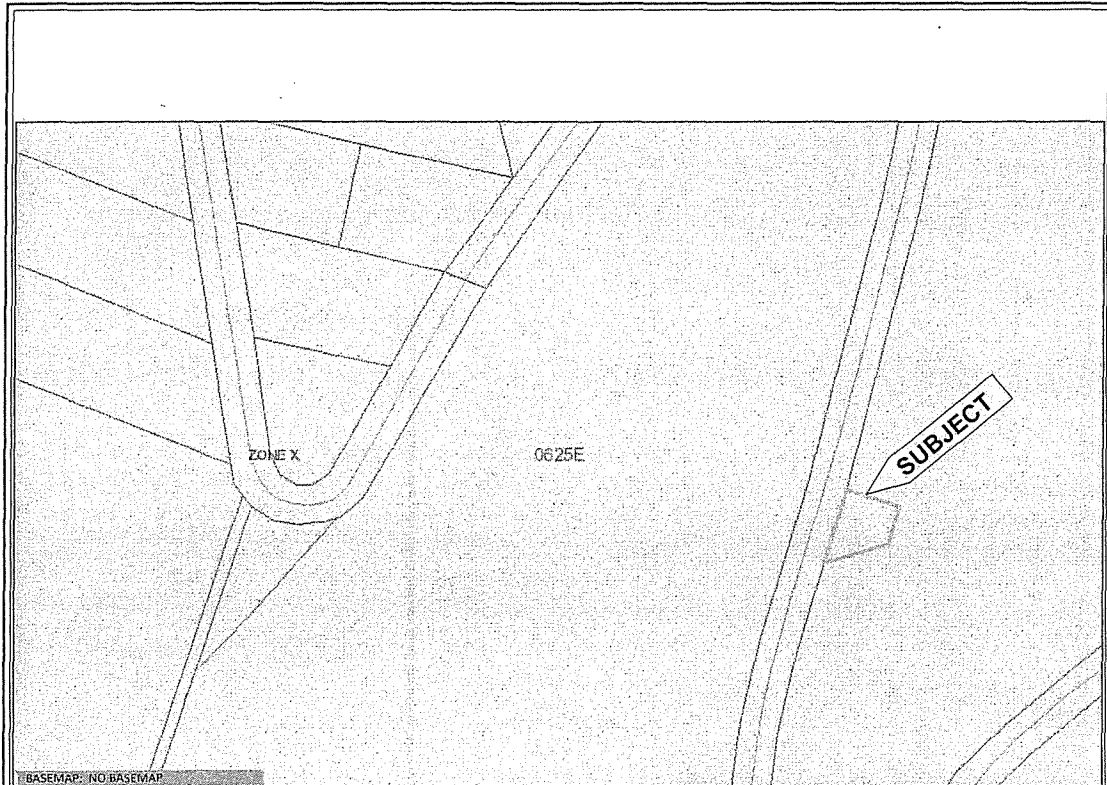


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Island Appraisals  
**FLOOD MAP ADDENDUM**

File No. L-17-333800  
 Case No.

Borrower COUNTY OF MAUI - DEPT OF WATER SUPPLY  
 Property Address Crater Road  
 City Kula County Maui State Hawaii Zip Code 96790  
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**Flood Hazard Assessment Report**

www.hawaiiinfip.org

**Property Information**

COUNTY: MAUI  
 TMK NO: (2) 2-3-005:012  
 WATERSHED: WAIAKOA  
 PARCEL ADDRESS: 0 HALEAKALA HWY  
 KULA, HI 96790

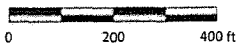
**Notes:**

**Flood Hazard Information**

FIRM INDEX DATE: NOVEMBER 04, 2015  
 LETTER OF MAP CHANGE(S): NONE  
 FEMA FIRM PANEL: 1500030625E  
 PANEL EFFECTIVE DATE: SEPTEMBER 25, 2009

THIS PROPERTY IS WITHIN A TSUNAMI EVACUATION ZONE: NO  
 FOR MORE INFO, VISIT: <http://www.scd.hawaii.gov/>

THIS PROPERTY IS WITHIN A DAM EVACUATION ZONE: NO  
 FOR MORE INFO, VISIT: <http://dlnr.hawaii.gov/dam/>



*Disclaimer: The Hawaii Department of Land and Natural Resources (DLNR) assumes no responsibility arising from the use, accuracy, completeness, and timeliness of any information contained in this report. Viewers/Users are responsible for verifying the accuracy of the information and agree to indemnify the DLNR, its officers, and employees from any liability which may arise from its use of its data or information.*

*If this map has been identified as 'PRELIMINARY', please note that it is being provided for informational purposes and is not to be used for flood insurance rating. Contact your county floodplain manager for flood zone determinations to be used for compliance with local floodplain management regulations.*

**FLOOD HAZARD ASSESSMENT TOOL LAYER LEGEND**  
 (Note: legend does not correspond with NFHL)

**SPECIAL FLOOD HAZARD AREAS (SFHAs) SUBJECT TO INUNDATION BY THE 1% ANNUAL CHANCE FLOOD** - The 1% annual chance flood (100-year), also known as the base flood, is the flood that has a 1% chance of being equaled or exceeded in any given year. SFHAs include Zone A, AE, AH, AO, V, and VE. The Base Flood Elevation (BFE) is the water surface elevation of the 1% annual chance flood. Mandatory flood insurance purchase applies in these zones:

- Zone A: No BFE determined.
- Zone AE: BFE determined.
- Zone AH: Flood depths of 1 to 3 feet (usually areas of ponding); BFE determined.
- Zone AO: Flood depths of 1 to 3 feet (usually sheet flow on sloping terrain); average depths determined.
- Zone V: Coastal flood zone with velocity hazard (wave action); no BFE determined.
- Zone VE: Coastal flood zone with velocity hazard (wave action); BFE determined.
- Zone AEF: Floodway areas in Zone AE. The floodway is the channel of stream plus any adjacent floodplain areas that must be kept free of encroachment so that the 1% annual chance flood can be carried without increasing the BFE.

**NON-SPECIAL FLOOD HAZARD AREA** - An area in a low-to-moderate risk flood zone. No mandatory flood insurance purchase requirements apply, but coverage is available in participating communities.

- Zone XS (X shaded): Areas of 0.2% annual chance flood; areas of 1% annual chance flood with average depths of less than 1 foot or with drainage areas less than 1 square mile; and areas protected by levees from 1% annual chance flood.
- Zone X: Areas determined to be outside the 0.2% annual chance floodplain.

**OTHER FLOOD AREAS**

- Zone D: Unstudied areas where flood hazards are undetermined, but flooding is possible. No mandatory flood insurance purchase apply, but coverage is available in participating communities.

Borrower COUNTY OF MAUI - DEPT OF WATER SUPPLY

Property Address Crater Road

City Kula

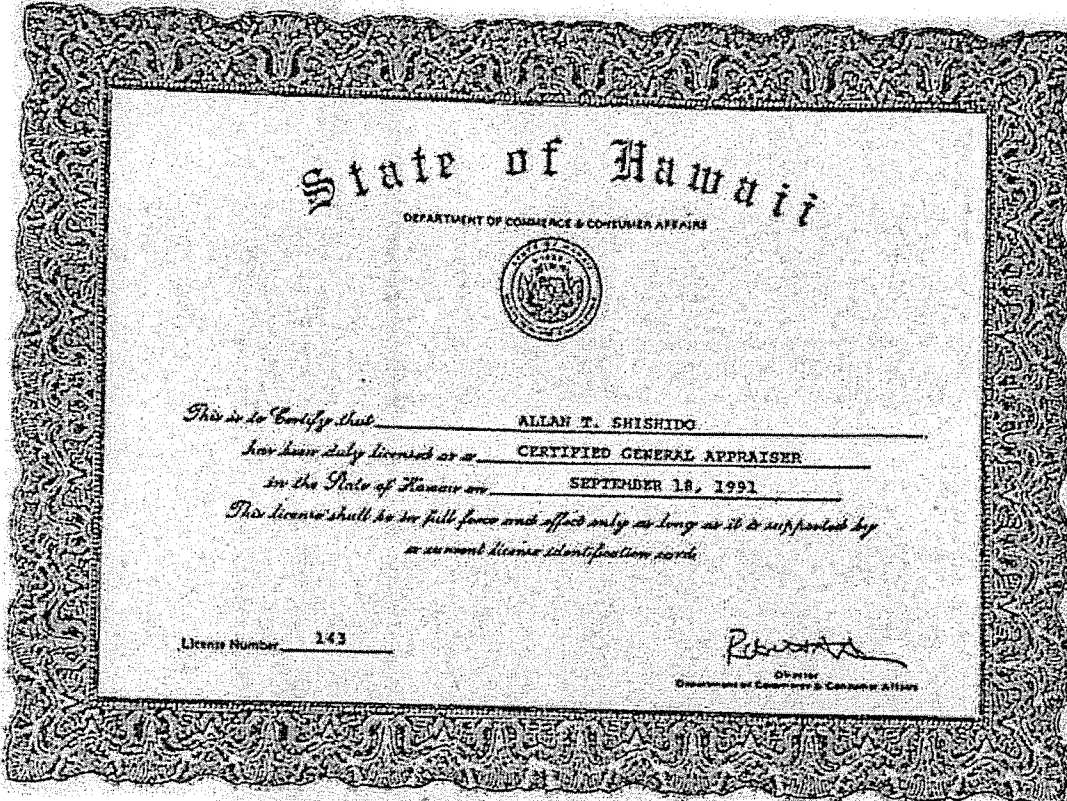
County

Maui

State Hawaii Zip Code

96790

Lender/Client COUNTY OF MAUI-DEPT OF WATER SUPPLY Address 200 High Street 5th Floor, Wailuku, HI 96793



THIS LICENSE MUST BE DISPLAYED AT PLACE OF BUSINESS AND IS NOT TRANSFERABLE OR ASSIGNABLE.

LICENSE NUMBER
CGA - 143

EXPIRATION DATE
12/31/2017

STATE OF HAWAII DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
CERTIFIED GENERAL APPRAISER

ALLAN T SHISHIDO  
P O BOX 1054  
WAILUKU HI 96793

(SIGNATURE OF LICENSEE)

*[Signature]*



# APPRAISAL REPORT

of

Vacant Land at  
Crater Road  
Kula, Hawaii 96790

**As Of:**

06/12/2017

**Prepared For:**

COUNTY OF MAUI-DEPT OF WATER SUPPLY  
200 High Street 5th Floor  
Wailuku, HI 96793

**Prepared By:**

Allan T. Shishido, CGA #143  
ISLAND APPRAISALS  
1806-B Kaohu Street  
Wailuku, HI 96793

EXHIBIT " 6 "

LAND APPRAISAL REPORT

Identification section containing Borrower (COUNTY OF MAUI - DEPT OF WATER SUPPLY), Property Address (Crater Road), City (Kula), County (Maui), State (Hawaii), Zip Code (96790), and other details.

Neighborhood section with various checkboxes for location (Urban, Suburban, Rural), growth rate, property values, and present land use.

Comments including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, view, noise): Kula is located on the lower slopes of Mount Haleakala approximately 20 miles from Kahului.

Site section containing dimensions (4,869 SF), zoning classification (Agriculture - 2 acre minimum lot size), and site improvements (Level/Gently sloping).

Comments (favorable or unfavorable including any apparent adverse easements, encroachments or other adverse conditions): There were no easements or other apparent adverse conditions affecting the subject site.

FLOOD STATUS: Map # 150003 0625E Zone: X: Areas of minimal flooding. Map Date: 09/25/2009

Market Data Analysis table with columns for Subject Property, Comparable No. 1, 2, and 3, including sales price, price per SF, and net/gross values.

Comments on Market Data REFER TO ADDENDUM

Comments and Conditions of Appraisal: None. ASSESSMENTS: Land: \$ 17,800

Final Reconciliation: REFER TO ADDENDUM

Reconciliation section with signature of Allan T. Shishido, CGA #143, dated 06/16/2017, and an estimated market value of 147,000 as of 06/12/2017.

Island Appraisals  
**COMMENT ADDENDUM**

File No. L-17-333801  
Case No.

Borrower COUNTY OF MAUI - DEPT OF WATER SUPPLY

Property Address Crater Road

City Kula County Maui State Hawaii Zip Code 96790

Lender/Client COUNTY OF MAUI-DEPT OF WATER SUPPLY Address 200 High Street 5th Floor, Wailuku, HI 96793

DATE OF THE APPRAISAL

The opinions and conclusions of this appraisal are stated as of the date of inspection which was June 12, 2017.

APPRAISAL DEVELOPMENT AND REPORTING PROCESS

This is a Summary Appraisal Report, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice for a Summary Appraisal Report. 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 report.

INTENDED USE AND USERS OF APPRAISAL REPORT

The only intended user of the report is the County of Maui - Department of Water Supply and the intended use is to obtain a current market value for management decision making.

SCOPE OF WORK

Our client is the County of Maui. In performing this assignment and preparing this report, the Appraiser(s):

1. Inspected and photographed the subject on June 12, 2017 in order to gather information about the physical characteristics of the property that are relevant to the valuation problem.
2. Information pertaining to the size of the site was based on County Tax office records and information contained in on-line data.
3. We relied on the legal description for information regarding easements, restrictions, and other restrictions. We did not research the presence of such items independently.
4. We inspected and photographed surrounding areas, examined land use, economic and demographic indicators in order to determine an appropriate market area in which the subject competes.
5. We researched demographic data and land regulations data with County records as well as various Internet sites.
6. We were not asked to develop a Highest & Best Use analysis of the site.
7. The Cost Approach and Income Approaches to Value were not utilized in this report.
8. The Sales Comparison Approach to value was utilized in our analyses of the subject property. This entailed researching vacant property sales inside and outside the Market Area that have sold during the past three years in order to estimate a probable selling price for the Subject. There were no comparable sales in the subject's immediate market area; therefore, the research of vacant land transactions in the central Maui area.

WRITTEN APPRAISALS & FORMS

This appraisal report has been completed in writing on a form accompanied by addenda, photographs, and sketches (where applicable) that together satisfy requirements of this section. It is our opinion that this report is sufficiently descriptive and contains enough information to enable the reader to understand the reasoning behind the Market Value Estimate and Value Conclusion arrived at for the subject property.

ASSESSMENTS: Land: \$ 17,800 Improvements: \$ -0-

Island Appraisals  
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Property Address Crater Road  
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**TREND ANALYSIS**

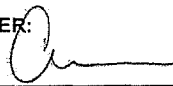
The real estate market is dynamic. Real estate prices continually change due to current economic conditions and local trends. It is reasonable to assume that this same trend would apply to the subject. Still the average marketing time typically varies between 90-180 days for properties within the subject's market area provided the property is competitively priced and properly marketed.

**CERTIFICATION AND LIMITING CONDITIONS**

I hereby certify that the statements contained in this appraisal are correct to the best of the appraiser's knowledge and belief, and that:

1. We have no present or prospective future interest in the real estate that is the subject of this appraisal report.
2. We have no personal interest or bias with respect to the subject matter of this appraisal report or the parties involved.
3. The statements of fact contained in this appraisal report, upon which the analysis, opinions and conclusions expressed herein are based, are true and correct.
4. This appraisal report sets forth all the assumptions and limiting conditions (imposed by the terms of our assignment or by the undersigned) affecting the analysis, opinions and conclusions contained in this report.
5. 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 and the Uniform Standards of Professional Appraisal Practice, as well as the requirements of the State of Florida for State Certified Appraisers.
6. This appraisal conforms to the Uniform Standards of Professional Appraisal Practice ("USPAP") adopted by the Appraisal Standards Board of the Appraisal Foundation.
7. Compensation for this assignment is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
8. This appraisal assignment was not based on a request minimum valuation, a specific valuation, or the approval of a loan.
9. No one other than the undersigned prepared the analysis, conclusions and opinions that are set forth in this appraisal report, except as herein acknowledged.
10. The use of this report is subject to the requirements of the State of Hawaii relating to the review by its Real Estate Appraisal Board.
11. Allan T. Shishido has completed the requirements of the continuing education requirements of the State of Hawaii. The appraiser(s) performing this real estate appraisal have completed numerous appraisal reports of commercial, residential and vacant properties in Maui County and is competent in performing such assignments.

**APPRAISER:**

Signature:   
Name: Allan T. Shishido, CGA #143  
Date Signed: 06/16/2017  
State Certification #: CGA 0000143  
or State License #: \_\_\_\_\_  
State: HI  
Expiration Date of Certification or License: 12/31/2017

**SUPERVISOR:**

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date Signed: \_\_\_\_\_  
State Certification #: \_\_\_\_\_  
or State License #: \_\_\_\_\_  
State: \_\_\_\_\_  
Expiration Date of Certification or License: \_\_\_\_\_

Island Appraisals  
**COMMENT ADDENDUM**

File No. L-17-333801  
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Borrower COUNTY OF MAUI - DEPT OF WATER SUPPLY

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1. The appraisers will not be required to give testimony or appear in court because of having made this appraisal, with reference to the property in question, unless arrangements have been previously made therefore.
2. Neither all nor any part of the contents of this report, or a copy thereof, shall be conveyed to the public through advertising, public relations, news, sales or any other media without written consent and approval of the appraisers. Nor shall the appraisers, firm or professional organizations of which the appraiser is a member be identified without Written consent of the appraisers.
3. This appraisal report has been prepared for the exclusive benefit of the named clients and is subject to the assumptions, and limitations agreed upon by the clients and the appraisers. If this report becomes the property of any party, other than the addressee or the person who has paid the fee connected herewith, permission must be obtained from the original addressee for reproduction or additional copies. Additional fees will be charged for any further consultation, reappraisal, or review of the property.
4. No responsibility is assumed for matters pertaining to determination of flood hazard zone requirements or issuance of insurance thereof.
5. Information regarding the location or existence of public utilities has been obtained through a verbal inquiry to the appropriate utility, or has been ascertained from visual evidence. No warranty has been made regarding the exact location or capabilities of public utility systems.
6. Opinions of value contained herein are estimates and there are no guarantees, either written or implied, that the property would sell for the expressed estimates of value.
7. The property history has been provided by conversations with various individuals involved in the chain of title, and if available, various documents such as contracts, deeds, leases and closing statements. We have not performed a title search, nor do we warrant that the history, as presented herein, is completely accurate. Anyone contemplating an interest in the subject property should rely solely upon a title search and opinion prepared by a qualified attorney at law.
8. Information regarding the location or existence of public utilities has been obtained through a verbal inquiry to the appropriate utility, or has been ascertained from visual evidence. No warranty has been made regarding the exact location or capabilities of public utility systems.
9. Opinions of value contained herein are estimates and there are no guarantees, either written or implied, that the property would sell for the expressed estimates of value.
10. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property. We received reports that indicating that the site is being treated for ammonia gas as explained in the report. The 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. The client is urged to retain an expert in this field, if desired. Furthermore, the appraisers hereby reserve the right to alter, amend, revise or rescind any of the value opinions based upon any subsequent environmental impact studies, research or investigations.
11. Unless specifically stated to the contrary in this report, no independent evaluation of concurrence matters were made for the subject or any sales comparables. In the event concurrence is found to affect subject property or any of the sales comparables, we reserve the right to reconsider the value conclusion.
12. The Americans with Disabilities Act (ADA) became effective January 26, 1992. The appraiser has not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirement so the ADA could reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative effect upon the value of the property. Since the appraiser has no direct evidence relating to this issue, he did not consider possible noncompliance with the requirements of the ADA in estimating the value of the property.
13. Disclosure of the contents of this appraisal report is governed by the Bylaws and Regulations of the Appraisal Institute.

Island Appraisals  
**COMMENT ADDENDUM**

File No. L-17-333801  
Case No.

Borrower COUNTY OF MAUI - DEPT OF WATER SUPPLY

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City Kula County Maui State Hawaii Zip Code 96790

Lender/Client COUNTY OF MAUI-DEPT OF WATER SUPPLY Address 200 High Street 5th Floor, Wailuku, HI 96793

14. ACCEPTANCE OF AND/OR USE OF THIS APPRAISAL REPORT BY THE CLIENT OR ANY THIRD PARTY CONSTITUTES ACCEPTANCE OF THE FOREGOING GENERAL ASSUMPTIONS AND LIMITING CONDITIONS. APPRAISAL LIABILITY EXTENDS ONLY TO THE STATED CLIENT, NOT SUBSEQUENT PARTIES OR USERS, AND IS LIMITED TO THE AMOUNT OF THE FEE RECEIVED BY THE APPRAISERS FOR THE PREPARATION OF THIS REPORT.

"MARKET VALUE" is defined as follows:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is consummation of a sale as of a specified date and passing of title from seller to buyer under conditions whereby,

Buyer and seller are typically motivated;

Both parties are well informed or well advised and each acting in what he considers his own best interest;

A reasonable time is allowed for exposure in the open market;

Payment is made in terms of cash in US dollars or in terms of financial arrangements comparable thereto;

The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

#### REASONABLE EXPOSURE TIME

Reasonable exposure time is the estimated length of time the property being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal, assuming adequate, sufficient and reasonable effort.

- I. The property would be actively exposed and aggressively marketed to potential purchasers through marketing channels commonly used by sellers of similar type properties:
- II. The property would be offered at a price reflecting the most probable markup over market value used by sellers of similar type properties;
- III. A sale will be consummated under the terms and conditions of the definition of market value as set forth above.
- IV. We estimate an exposure time of 6 to 12 months or more based on the average listing period of actively marketed land sales in the area, discussions with brokers and property owners active in the area and sales verification.

#### HIGHEST AND BEST USE

In the highest and best use analysis of the subject property, the appraiser has considered its permissible (legal) uses or those uses which are permitted by zoning and deed restrictions (if any); its possible uses or those uses which are physically possible for the site; and its feasible use or those uses which will produce the highest net return to the owner of the site under current and projected market conditions.

The subject property as well as the surrounding properties are zoned Agriculture. The minimum lot size required in the Agriculture zoning is two acres. Subject site is vacant and considered sub-standard. It is possible to build a dwelling on the subject site. Therefore, the highest and best use of the property as though vacant is a site available for potential development.

Island Appraisals  
**COMMENT ADDENDUM**

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Borrower COUNTY OF MAUI - DEPT OF WATER SUPPLY

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COMMENTS REGARDING THE SUBJECT

The subject includes a 4,869 square foot site situated on Crater Road in Kula. Subject is improved with a water tank and a chain link fence enclosure. The site is considered sub-standard. It appears that a dwelling can be built on the subject site. Electricity is available; however, the property does not have a water meter. However, there appears to be adequate rainfall to support a water catchment system. Access to the site is via an easement; however, according to a title report by Title Guaranty of Hawaii, Incorporated dated May 22, 2017, the access easement is not recorded or made appurtenant to the subject site.

THE APPRAISAL PROCESS

The subject was examined and analyzed utilizing the Appraisal Process, which involves three generally recognized valuation methods; namely, the Cost Approach, the Income Approach, and the Direct Sales Comparison Approach. Each valuation method is briefly discussed and finally correlated into a final value estimate.

COST APPROACH

The Cost Approach to estimated value is based on the principle that a prudent purchaser would pay no more than the cost of producing a similar property with the same utility. It is a process of estimating the cost to reproduce an identical improvement or improvements on the property, deduct any observed depreciation from the reproduction cost, and arrive at a depreciated cost. This depreciated cost is then added to the land value found by market comparison of competitive vacant property sales to arrive at market value. Building costs are gleaned from builder's cost handbooks and local construction cost estimates. The depreciation estimate was based primarily on the age/life method.

The Cost Approach was not relevant in appraising vacant land.

INCOME APPROACH

The Income Approach is a mathematical process for converting the net income derived from real estate into capital value. Value is based upon the present and prospective income from the property. A rate, known as the "capitalization rate", is applied to the estimated net annual income produced by the property, to estimate its value. The capitalization rate represents the relation between the value of the property and the net income it produces (net before interest payments, depreciation charges, and income taxes).

The Income Approach to value was not considered appropriate in this appraisal assignment and no consideration was given to this approach.

DIRECT SALES COMPARISON APPROACH

The Direct Sales Comparison Approach is based on the principle of substitution whereby a potential purchaser would pay no more than to acquire an existing property with the same utility as the subject. It is a process of comparing the subject property with recent or recent-past sales of similar type properties in the same or competitive market areas. This approach to value is generally considered most reliable when adequate sales data are available.

COMMENTS REGARDING THE MARKET DATA

The primary criteria in the research and selection of comparables included:

1. Fee simple tenure
2. Location in Kula or competitive market area
3. Similar site area and zoning
4. Similar gross building area and construction quality
5. Recent transaction date

The comparables selected and utilized in the Direct Sales Comparison Approach are the best available and provide a good indication of the value of the subject. There are a limited number of similar sales in the market area. Therefore, the search was extended to include properties located in central Maui. Fourteen relatively recent sales were identified in the central Maui area, as well as two active listings.

The comparables selected and utilized in the Direct Sales Comparison Approach are the best available and

Island Appraisals  
**COMMENT ADDENDUM**

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provide a good indication of the value of the subject. Due to the lack of more recent similar sales in the subject's market area, comparables which sold over three-months ago were utilized. Expanding the search to a radius greater than one mile developed sales that are within competitive market areas. These sales are the best comparables to the subject property and are therefore utilized in this report.

The recent sales and listings with adjustments are as follows:

Comparable	TMK	Sale Date	Sales Price	Area (Sq. Ft)	Price/SF	Listing Adjustment (-10%)	Adj Price/SF	Water Meter Adjustment (-15%)	Net Price/SF
1	3-9-25-065	3/9/2017	\$ 262,000.00	9080	\$28.85	\$0.00	\$28.85	-\$4.33	\$24.53
2	2-4-25-054	11/7/2016	\$ 185,000.00	6560	\$28.20	\$0.00	\$28.20	\$0.00	\$28.20
3	2-4-25-055	8/22/2016	\$ 185,000.00	6265	\$29.53	\$0.00	\$29.53	\$0.00	\$29.53
4	2-4-17-024	Listing	\$ 179,000.00	3981	\$44.96	-\$4.50	\$40.47	-\$6.07	\$38.89
5	3-4-21-36	Listing	\$ 169,000.00	5619	\$30.08	-\$3.01	\$27.07	-\$4.06	\$26.02
6	3-2-4-15	6/9/2017	\$ 161,775.00	6534	\$24.76	\$0.00	\$24.76	-\$3.71	\$21.05
7	2-4-25-056	5/31/2016	\$ 160,000.00	6570	\$24.35	\$0.00	\$24.35	\$0.00	\$24.35
8	3-6-07-032	7/2/2015	\$ 150,000.00	4561	\$32.89	\$0.00	\$32.89	-\$4.93	\$27.95
9	3-9-48-113	12/1/2015	\$ 265,000.00	8045	\$32.94	\$0.00	\$32.94	-\$4.94	\$28.00
10	3-5-09-033	1/7/2016	\$ 245,000.00	8276	\$29.60	\$0.00	\$29.60	-\$4.44	\$25.16
11	3-5-32-026	5/4/2016	\$ 230,000.00	7933	\$28.99	\$0.00	\$28.99	-\$4.35	\$24.64
12	3-5-32-104	8/2/2016	\$ 258,000.00	8019	\$32.17	\$0.00	\$32.17	-\$4.83	\$27.35
13	3-5-32-004	9/28/2016	\$ 275,000.00	8514	\$32.30	\$0.00	\$32.30	-\$4.84	\$27.45
14	3-5-32-084	10/31/2016	\$ 275,000.00	9247	\$29.74	\$0.00	\$29.74	-\$4.46	\$25.28
15	3-5-34-004	1/17/2017	\$ 233,000.00	6839	\$34.07	\$0.00	\$34.07	-\$5.11	\$28.96
16	3-5-34-005	1/17/2017	\$ 233,000.00	6899	\$33.77	\$0.00	\$33.77	-\$5.07	\$28.71

**ADJUSTMENTS**

Comparables #4 and #5 were listings only. Based on typical list to sales price ratios, a negative 10% adjustment was considered warranted.

The subject does not have a water meter. Comparables #2, #3 and #7 sold without water meters. The other comparables sold with water meters. A negative 15% adjustment was considered warranted.

No other adjustments were considered warranted.



Borrower COUNTY OF MAUI - DEPT OF WATER SUPPLY

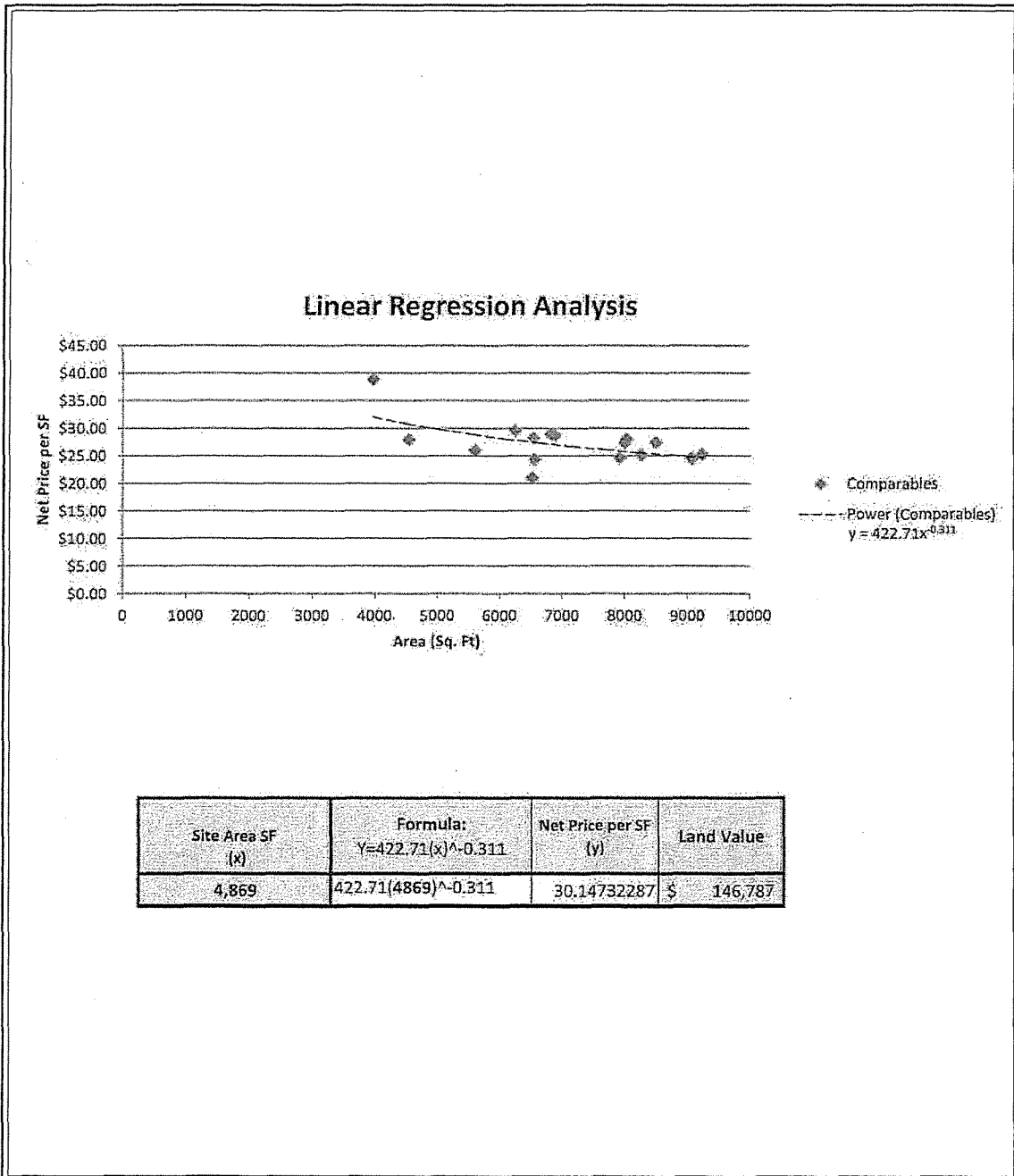
Property Address Crater Road

City Kula County Maui State Hawaii Zip Code 96790

Lender/Client COUNTY OF MAUI-DEPT OF WATER SUPPLY Address 200 High Street 5th Floor, Wailuku, HI 96793

VALUE CONCLUSION

Based on a linear regression analysis, the indicated value of the subject site is \$146,787, or rounded, \$147,000. Thus the estimated value of the subject property was estimated to be \$147,000 as of June 12, 2017.



Island Appraisals  
**COMMENT ADDENDUM**

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**FINAL RECONCILIATION**

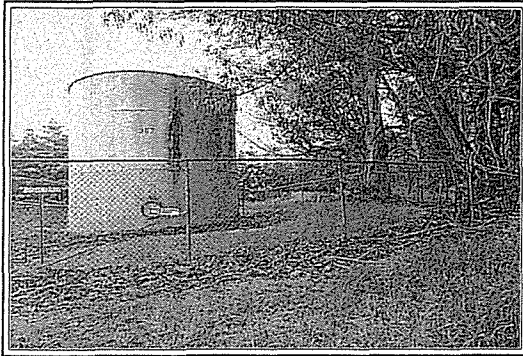
After analysis of the subject property utilizing the Appraisal Process, it is the appraiser's opinion that the Direct Sales Comparison Approach is the most reliable indicator of the value for the subject property and subsequently given greatest weight. This approach is perceived to reflect the market's attitude – the actions of both buyer and seller in the real estate market.

Borrower COUNTY OF MAUI - DEPT OF WATER SUPPLY

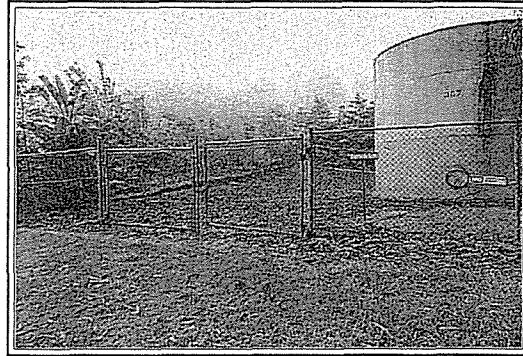
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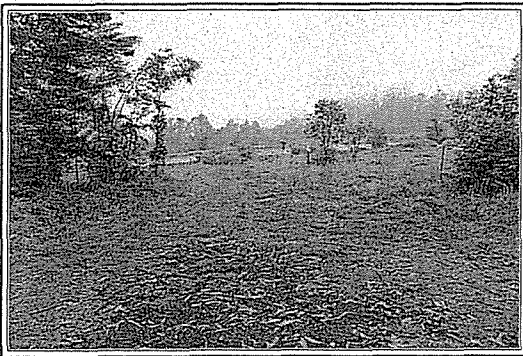
Lender/Client COUNTY OF MAUI-DEPT OF WATER SUPPLY Address 200 High Street 5th Floor, Wailuku, HI 96793



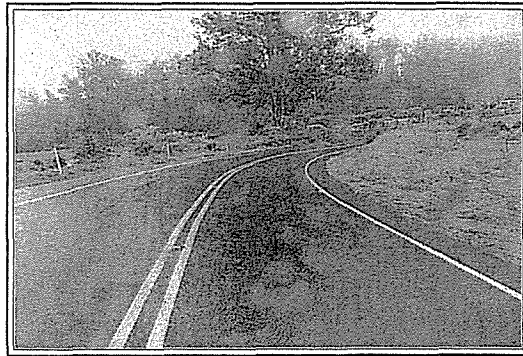
SUBJECT SITE



VIEW FROM SUBJECT



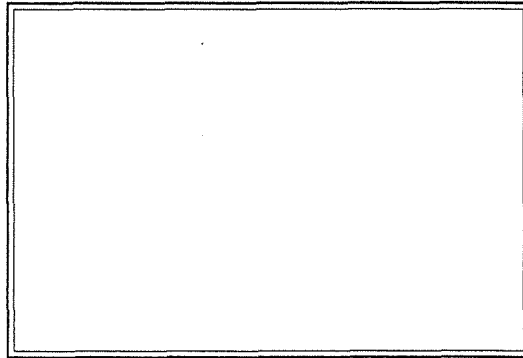
VIEW FROM SUBJECT



STREET SCENE - FACING EAST



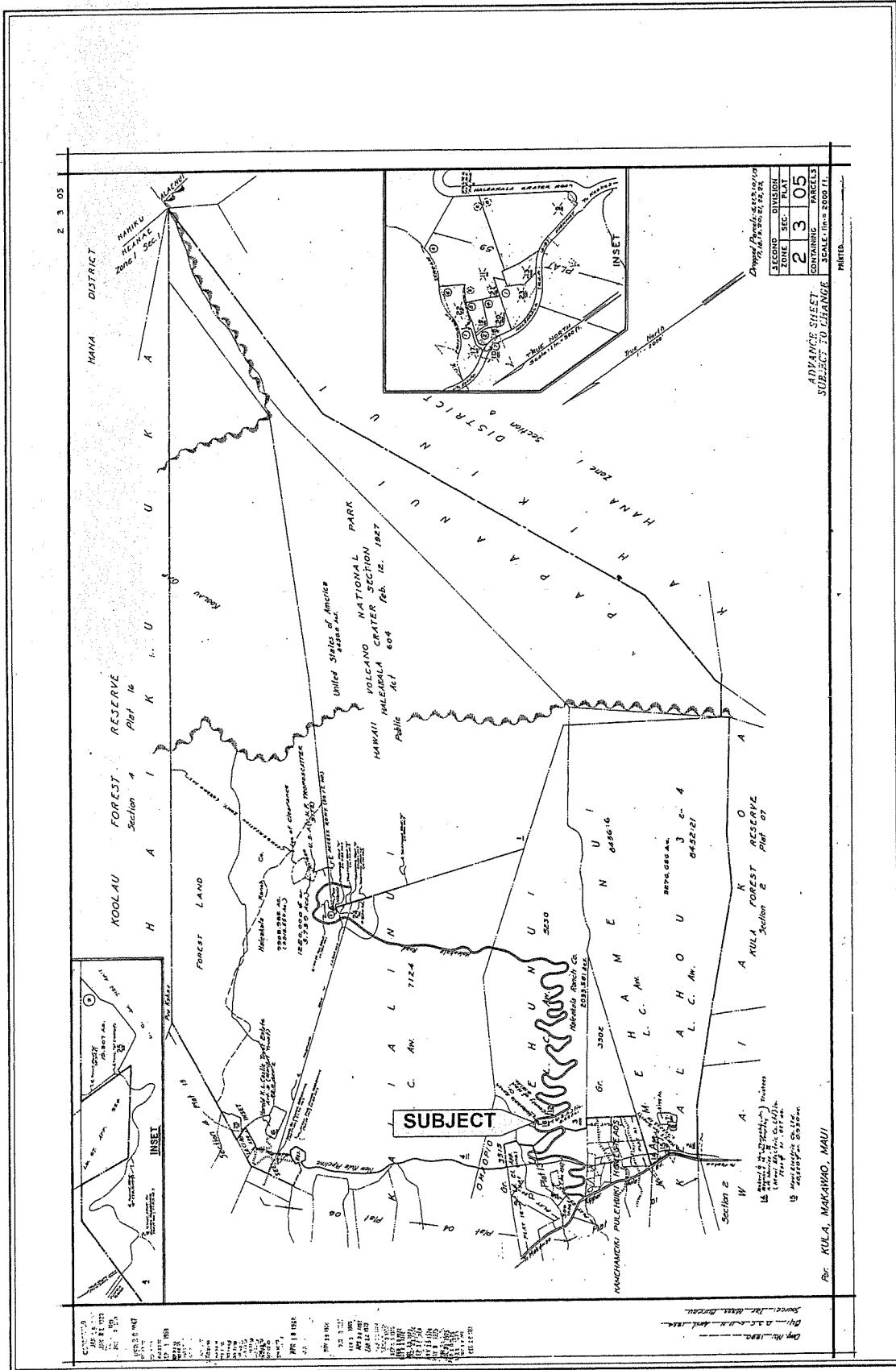
STREET SCENE - FACING SOUTH



Island Appraisals  
**PLAT MAP**

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City Kula

County

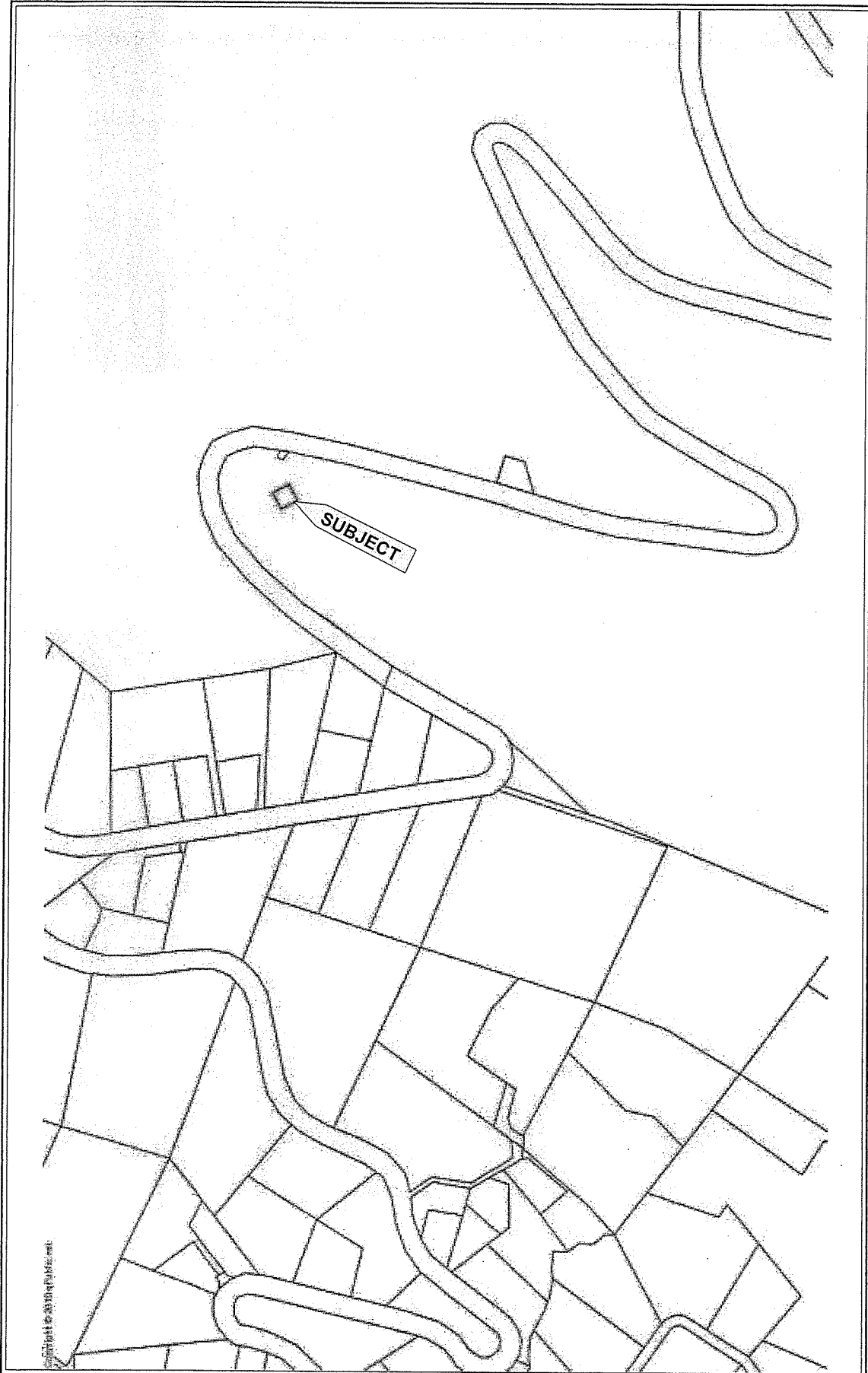
Maui

State Hawaii

Zip Code

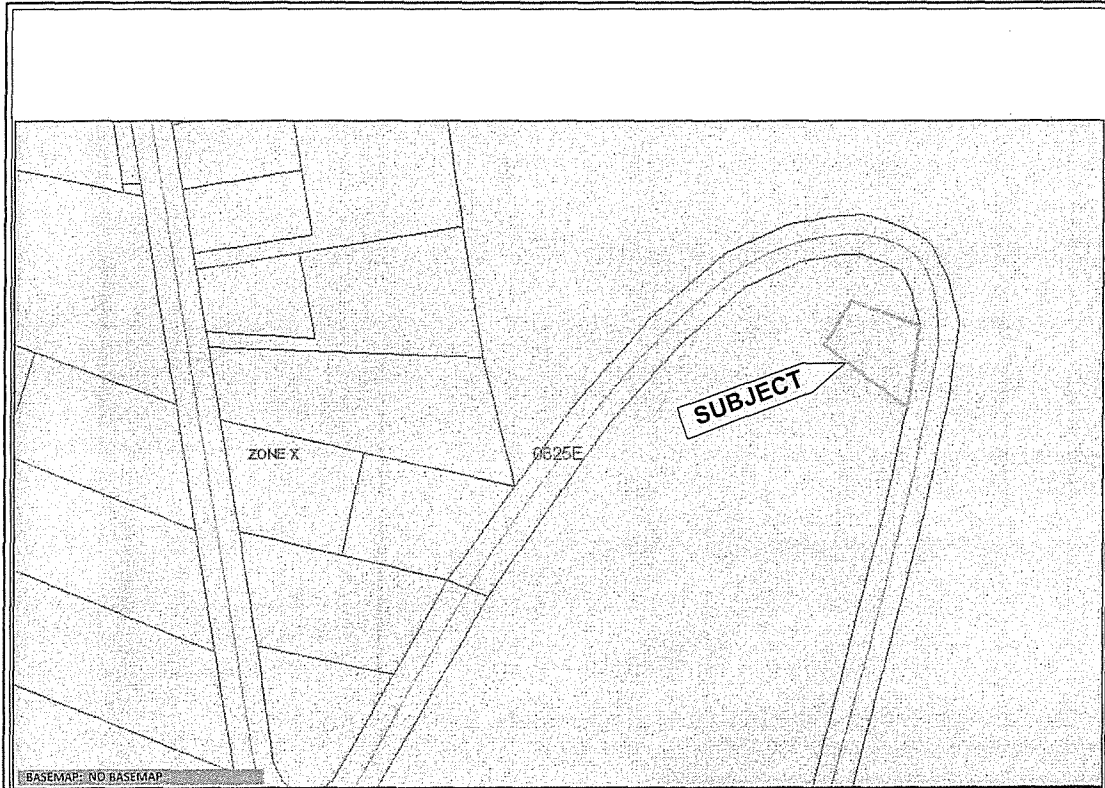
96790

Lender/Client COUNTY OF MAUI-DEPT OF WATER SUPPLY Address 200 High Street 5th Floor, Wailuku, HI 96793



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Borrower COUNTY OF MAUI - DEPT OF WATER SUPPLY  
 Property Address Crater Road  
 City Kula County Maui State Hawaii Zip Code 96790  
 Lender/Client COUNTY OF MAUI-DEPT OF WATER SUPPLY Address 200 High Street 5th Floor, Wailuku, HI 96793



**Flood Hazard Assessment Report**

www.hawaiiifip.org

**Property Information**

COUNTY: MAUI  
 TMK NO: (2) 2-3-005:016  
 WATERSHED: WAIAKOA  
 PARCEL ADDRESS: 0 HALEAKALA HWY  
 KULA, HI 96790

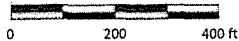
**Notes:**

**Flood Hazard Information**

FIRM INDEX DATE: NOVEMBER 04, 2015  
 LETTER OF MAP CHANGE(S): NONE  
 FEMA FIRM PANEL: 1500030625E  
 PANEL EFFECTIVE DATE: SEPTEMBER 25, 2009

THIS PROPERTY IS WITHIN A TSUNAMI EVACUATION ZONE: NO  
 FOR MORE INFO, VISIT: <http://www.scd.hawaii.gov/>

THIS PROPERTY IS WITHIN A DAM EVACUATION ZONE: ND  
 FOR MORE INFO, VISIT: <http://dlnren.hawaii.gov/dam/>



*Disclaimer: The Hawaii Department of Land and Natural Resources (DLNR) assumes no responsibility arising from the use, accuracy, completeness, and timeliness of any information contained in this report. Viewers/Users are responsible for verifying the accuracy of the information and agree to indemnify the DLNR, its officers, and employees from any liability which may arise from its use of its data or information.*

*if this map has been identified as 'PRELIMINARY', please note that it is being provided for informational purposes and is not to be used for flood insurance rating. Contact your county floodplain manager for flood zone determinations to be used for compliance with local floodplain management regulations.*

**FLOOD HAZARD ASSESSMENT TOOL LAYER LEGEND**

(Note: legend does not correspond with NFHL)

**SPECIAL FLOOD HAZARD AREAS (SFHAs) SUBJECT TO INUNDATION BY THE 1% ANNUAL CHANCE FLOOD** - The 1% annual chance flood (100-year), also known as the base flood, is the flood that has a 1% chance of being equaled or exceeded in any given year. SFHAs include Zone A, AE, AH, AO, V, and VE. The Base Flood Elevation (BFE) is the water surface elevation of the 1% annual chance flood. Mandatory flood insurance purchase applies in these zones:

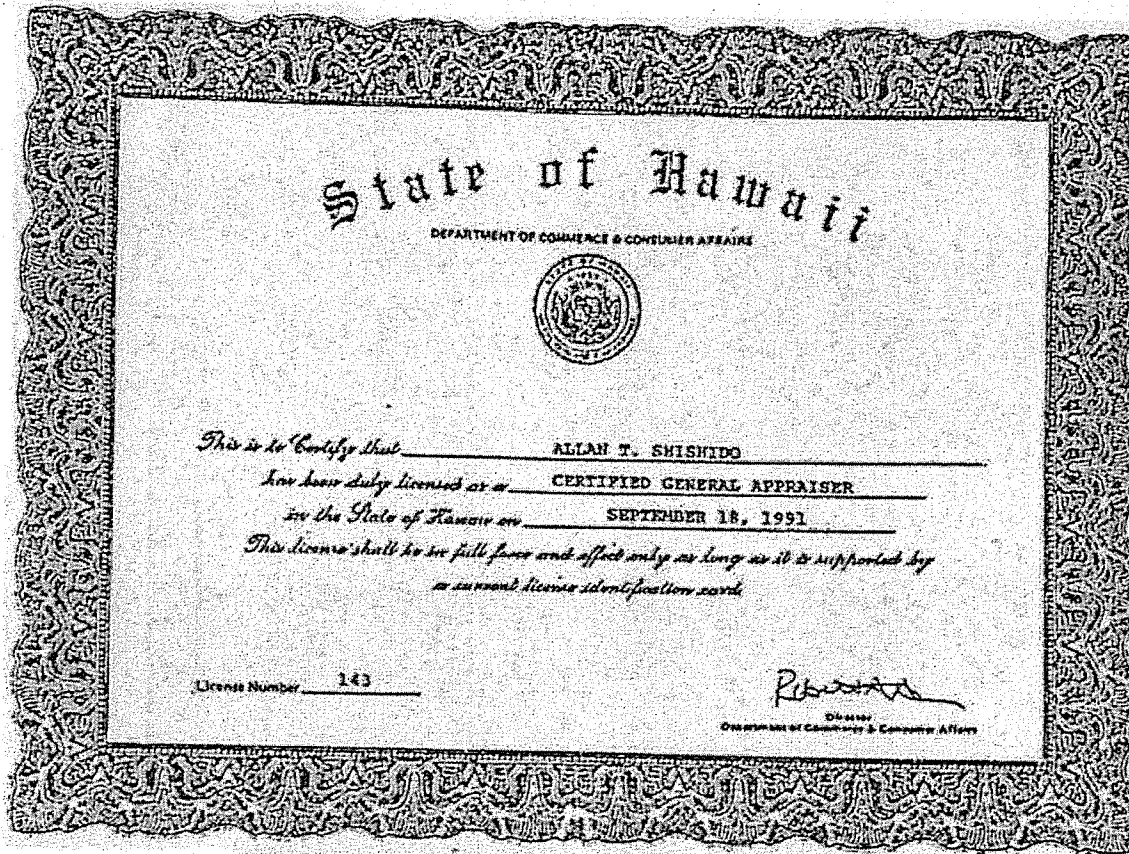
- Zone A: No BFE determined.
- Zone AE: BFE determined.
- Zone AH: Flood depths of 1 to 3 feet (usually areas of ponding); BFE determined.
- Zone AO: Flood depths of 1 to 3 feet (usually sheet flow on sloping terrain); average depths determined.
- Zone V: Coastal flood zone with velocity hazard (wave action); no BFE determined.
- Zone VE: Coastal flood zone with velocity hazard (wave action); BFE determined.
- Zone AEF: Floodway areas in Zone AE. The floodway is the channel of stream plus any adjacent floodplain areas that must be kept free of encroachment so that the 1% annual chance flood can be carried without increasing the BFE.

**NON-SPECIAL FLOOD HAZARD AREA** - An area in a low-to-moderate risk flood zone. No mandatory flood insurance purchase requirements apply, but coverage is available in participating communities.

- Zone XS (X shaded): Areas of 0.2% annual chance flood; areas of 1% annual chance flood with average depths of less than 1 foot or with drainage areas less than 1 square mile; and areas protected by levees from 1% annual chance flood.
- Zone X: Areas determined to be outside the 0.2% annual chance floodplain.

**OTHER FLOOD AREAS**

- Zone D: Unstudied areas where flood hazards are undetermined, but flooding is possible. No mandatory flood insurance purchase apply, but coverage is available in participating communities.



State of Hawaii

DEPARTMENT OF COMMERCE & CONSUMER AFFAIRS



This is to Certify that ALLAN T. SHISHIDO  
has been duly licensed as a CERTIFIED GENERAL APPRAISER  
in the State of Hawaii on SEPTEMBER 18, 1991  
This license shall be in full force and effect only as long as it is supported by  
a current license identification card.

License Number 143

*[Signature]*

Director  
Department of Commerce & Consumer Affairs

THIS LICENSE MUST BE DISPLAYED AT PLACE OF BUSINESS AND IS NOT TRANSFERABLE OR ASSIGNABLE.

LICENSE NUMBER	EXPIRATION DATE
CGA - 143	12/31/2017

STATE OF HAWAII DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
CERTIFIED GENERAL APPRAISER

ALLAN T SHISHIDO  
P O BOX 1054  
WAILUKU HI 96793

(SIGNATURE OF LICENSEE) *[Signature]*

# APPRAISAL REPORT

of

Property at  
Crater Road  
Kula, HI 96790

**As Of:**

06/12/2017

**Prepared For:**

DEPARTMENT OF PUBLIC WORKS  
COUNTY OF MAUI - DEPT OF WATER SUPPLY  
200 South High Street  
5th Floor Wailuku, HI 96793

**Prepared By:**

Allan T. Shishido, CGA #143  
Island Appraisals  
1806-B Kaohu Street  
Wailuku, HI 96793

EXHIBIT **7**



RESTRICTED APPRAISAL REPORT

Restriction on Use of this Appraisal: This is a Restricted Appraisal Report as defined and permitted by the Uniform Standards of Professional Appraisal Practice (USPAP). This Restricted Appraisal Report is intended for use only by the client for the stated use. The client understands the limited utility of the Restricted Appraisal Report and its limited application to only the specified use. This report cannot be properly understood without additional information contained in the appraiser's work file. Use by anyone other than the client is prohibited.

CLIENT AND PROPERTY IDENTIFICATION

Client COUNTY OF MAUI - DEPT OF WATER SUPPLY
Client's Address 200 South High Street, 5th Floor Wailuku, HI 96793

Identification of Property being Appraised

X Address Crater Road City Kula St HI Zip 96790
Legal Description
X Property Survey (See Attached)
Property Sketch (See Attached)

Statement of the Real Property Interest being Appraised

X Fee Simple Leasehold Other

APPRAISAL APPROACH

Statement of Purpose of Appraisal

To estimate the market value of the subject property.
X To estimate the fair market value of appurtenant access easement and non-exclusive easement

Statement of Intended Use of Appraisal

Provide real property information, real estate market data and an informed value conclusion

Statement of the Appraisal Procedures followed

This is a Complete Appraisal assignment. All of the procedures of the Valuation Process as required by the Uniform Standards of Professional Appraisal Practice (USPAP) specific guidelines for a Complete Appraisal were performed. This Restricted Appraisal Report is made based on client instructions.
This is a Limited Appraisal assignment. All of the procedures of the Valuation Process as required by the Uniform Standards of Professional Appraisal Practice (USPAP) specific guidelines for a Complete Appraisal were performed except for those departures permitted by USPAP and requested by the client. The client understands the limitations of this appraisal and agrees that the performance of this limited appraisal is appropriate.

Statement of All Assumptions and Limiting Conditions that Affect the Analyses, Opinion, and Conclusion

X A statement of typical or ordinary assumptions and limiting conditions is attached to this report.
X Extraordinary assumptions or limiting conditions are disclosed with statements of each opinion and value conclusion that is affected.

Description of the Extent of the Process of Collecting, Confirmation and Reporting Data Refer to Addendum

Statement of the Exclusion of any of the Usual Approaches to Value Refer to Addendum

VALUE CONCLUSIONS

Statement of the Appraiser's Opinion of the Highest and Best Use of Subject Property

X Present Use Other

Statement of Definition of the Value to be Estimated

X A definition of value being estimated is attached to this report.
A definition of value estimated is

Statement of Value Conclusions

Table with 2 columns: Approach (Cost, Income, Sales Comparison) and Value (\$ N/Ap, N/Ap, 1,000). Reconciliation: Greatest weight place on Sales Comparison Approach.

Estimated Value as of the Date of Appraisal June 12, 2017 is \$ 1,000

Supporting Documentation

X Supporting documentation for this appraisal is maintained on file by the appraiser. The file is available for inspection by the client, such third parties as may be authorized by due process of law, and as required by USPAP Guidelines.

Report Attachments

X Sales Comp. Approach Limited Appraisal Disclosure Comparable Photos Property Survey
Cost Approach X Definition of Value & Cert. Location Map Environmental Addendum
Income Approach X Subject Photos Property Sketch X Maps

The analyses, opinions and conclusions used to prepare this Restricted Appraisal Report were developed in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of The Appraisal Standards Committee of the Appraisal Foundation.

APPRAISER Signature [Signature]
Name Allan T. Shishido, CGA #143
Date Report Signed 06/16/2017
X Did Did not inspect subject property.
Cert./Lic. # CGA #143 St HI Exp: 12/31/2017

SUPERVISORY APPRAISER Signature
Name
Date Report Signed
Did Did not inspect subject property.
Cert./Lic. # St Exp:

Island Appraisals  
**COMMENT ADDENDUM**

File No. RC-333802

Borrower COUNTY OF MAUI

Property Address Crater Road

City Kula County Maui State HI Zip Code 96790

Lender/Client COUNTY OF MAUI - DEPT OF WATER SUPPLY Address 200 South High Street, 5th Floor Wailuku, HI 96793

DATE OF THE APPRAISAL

The opinions and conclusions of this appraisal are stated as of the date of inspection which was June 12, 2017.

APPRAISAL DEVELOPMENT AND REPORTING PROCESS

This is a Summary Appraisal Report, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice for a Summary Appraisal Report. 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 report.

INTENDED USE AND USERS OF APPRAISAL REPORT

The only intended user of the report is the County of Maui - Department of Water Supply and the intended use is to obtain a fair market value for management decision making.

SCOPE OF WORK

Our client is the County of Maui. In performing this assignment and preparing this report, the Appraiser(s):

1. Inspected and photographed the subject on June 12, 2017 in order to gather information about the physical characteristics of the property that are relevant to the valuation problem.
2. Information pertaining to the size of the site was based on County Tax office records and information contained in on-line data.
3. We relied on the legal description for information regarding easements, restrictions, and other restrictions. We did not research the presence of such items independently.
4. We inspected and photographed surrounding areas, examined land use, economic and demographic indicators in order to determine an appropriate market area in which the subject competes.
5. We researched demographic data and land regulations data with County records as well as various Internet sites.
6. We were not asked to develop a Highest & Best Use analysis of the site.
7. The Cost Approach and Income Approaches to Value were not utilized in this report.
8. The Sales Comparison Approach to value was utilized in our analyses of the subject property. This entailed researching vacant property sales inside and outside the Market Area that have sold during the past three years in order to estimate a probable selling price for the Subject. There were no comparable sales in the subject's immediate market area; therefore, the research of vacant land transactions in the central Maui area.

WRITTEN APPRAISALS & FORMS

This appraisal report has been completed in writing on a form accompanied by addenda, photographs, and sketches (where applicable) that together satisfy requirements of this section. It is our opinion that this report is sufficiently descriptive and contains enough information to enable the reader to understand the reasoning behind the Market Value Estimate and Value Conclusion arrived at for the subject property.

Island Appraisals  
**COMMENT ADDENDUM**

File No. RC-333802

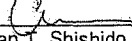
Borrower COUNTY OF MAUI  
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Lender/Client COUNTY OF MAUI - DEPT OF WATER SUPPLY 200 South High Street, 5th Floor Wailuku, HI 96793

**CERTIFICATION AND LIMITING CONDITIONS**

I hereby certify that the statements contained in this appraisal are correct to the best of the appraiser's knowledge and belief, and that:

1. We have no present or prospective future interest in the real estate that is the subject of this appraisal report.
2. We have no personal interest or bias with respect to the subject matter of this appraisal report or the parties involved.
3. The statements of fact contained in this appraisal report, upon which the analysis, opinions and conclusions expressed herein are based, are true and correct.
4. This appraisal report sets forth all the assumptions and limiting conditions (imposed by the terms of our assignment or by the undersigned) affecting the analysis, opinions and conclusions contained in this report.
5. 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 and the Uniform Standards of Professional Appraisal Practice, as well as the requirements of the State of Florida for State Certified Appraisers.
6. This appraisal conforms to the Uniform Standards of Professional Appraisal Practice ("USPAP") adopted by the Appraisal Standards Board of the Appraisal Foundation.
7. Compensation for this assignment is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
8. This appraisal assignment was not based on a request minimum valuation, a specific valuation, or the approval of a loan.
9. No one other than the undersigned prepared the analysis, conclusions and opinions that are set forth in this appraisal report, except as herein acknowledged.
10. The use of this report is subject to the requirements of the State of Hawaii relating to the review by its Real Estate Appraisal Board.
11. Allan T. Shishido has completed the requirements of the continuing education requirements of the State of Hawaii. The appraiser(s) performing this real estate appraisal have completed numerous appraisal reports of commercial, residential and vacant properties in Maui County and is competent in performing such assignments.

**APPRAISER:**

Signature:   
Name: Allan T. Shishido, CGA #143  
Date Signed: 06/16/2017  
State Certification #: CGA 0000143  
or State License #: \_\_\_\_\_  
State: HI  
Expiration Date of Certification or License: 12/31/2017

**SUPERVISOR:**

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date Signed: \_\_\_\_\_  
State Certification #: \_\_\_\_\_  
or State License #: \_\_\_\_\_  
State: \_\_\_\_\_  
Expiration Date of Certification or License: \_\_\_\_\_

Island Appraisals  
COMMENT ADDENDUM

File No. RC-333802

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1. The appraisers will not be required to give testimony or appear in court because of having made this appraisal, with reference to the property in question, unless arrangements have been previously made therefore.
2. Neither all nor any part of the contents of this report, or a copy thereof, shall be conveyed to the public through advertising, public relations, news, sales or any other media without written consent and approval of the appraisers. Nor shall the appraisers, firm or professional organizations of which the appraiser is a member be identified without Written consent of the appraisers.
3. This appraisal report has been prepared for the exclusive benefit of the named clients and is subject to the assumptions, and limitations agreed upon by the clients and the appraisers. If this report becomes the property of any party, other than the addressee or the person who has paid the fee connected herewith, permission must be obtained from the original addressee for reproduction or additional copies. Additional fees will be charged for any further consultation, reappraisal, or review of the property.
4. No responsibility is assumed for matters pertaining to determination of flood hazard zone requirements or issuance of insurance thereof.
5. Information regarding the location or existence of public utilities has been obtained through a verbal inquiry to the appropriate utility, or has been ascertained from visual evidence. No warranty has been made regarding the exact location or capabilities of public utility systems.
6. Opinions of value contained herein are estimates and there are no guarantees, either written or implied, that the property would sell for the expressed estimates of value.
7. The property history has been provided by conversations with various individuals involved in the chain of title, and if available, various documents such as contracts, deeds, leases and closing statements. We have not performed a title search, nor do we warrant that the history, as presented herein, is completely accurate. Anyone contemplating an interest in the subject property should rely solely upon a title search and opinion prepared by a qualified attorney at law.
8. Information regarding the location or existence of public utilities has been obtained through a verbal inquiry to the appropriate utility, or has been ascertained from visual evidence. No warranty has been made regarding the exact location or capabilities of public utility systems.
9. Opinions of value contained herein are estimates and there are no guarantees, either written or implied, that the property would sell for the expressed estimates of value.
10. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property. We received reports that indicating that the site is being treated for ammonia gas as explained in the report. The 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. The client is urged to retain an expert in this field, if desired. Furthermore, the appraisers hereby reserve the right to alter, amend, revise or rescind any of the value opinions based upon any subsequent environmental impact studies, research or investigations.
11. Unless specifically stated to the contrary in this report, no independent evaluation of concurrence matters were made for the subject or any sales comparables. In the event concurrence is found to affect subject property or any of the sales comparables, we reserve the right to reconsider the value conclusion.
12. The Americans with Disabilities Act (ADA) became effective January 26, 1992. The appraiser has not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirement so the ADA could reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative effect upon the value of the property. Since the appraiser has no direct evidence relating to this issue, he did not consider possible noncompliance with the requirements of the ADA in estimating the value of the property.
13. Disclosure of the contents of this appraisal report is governed by the Bylaws and Regulations of the Appraisal Institute.
14. ACCEPTANCE OF AND/OR USE OF THIS APPRAISAL REPORT BY THE CLIENT OR

Island Appraisals  
COMMENT ADDENDUM

File No. RC-333802

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Property Address Crater Road

City Kula County Maui State HI Zip Code 96790

Lender/Client COUNTY OF MAUI - DEPT OF WATER SUPPLY Address 200 South High Street, 5th Floor Wailuku, HI 96793

ANY THIRD PARTY CONSTITUTES ACCEPTANCE OF THE FOREGOING GENERAL ASSUMPTIONS AND LIMITING CONDITIONS. APPRAISAL LIABILITY EXTENDS ONLY TO THE STATED CLIENT, NOT SUBSEQUENT PARTIES OR USERS, AND IS LIMITED TO THE AMOUNT OF THE FEE RECEIVED BY THE APPRAISERS FOR THE PREPARATION OF THIS REPORT.

"FAIR MARKET VALUE" is defined as follows:

The price at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant fact. The fair market value of a particular item of property is not to be determined by a forced sale price. Nor is the fair market value of an item of property to be determined by the sale price of the item in a market other than that in which such item is most commonly sold to the public, taking into account the location of the item where ever appropriate.

#### PURPOSE AND INTENDED USER

This appraisal is provided for the County of Maui, Department of Water Supply valuation purposes to determine the fair market value of an easement to access a proposed water tank site and another easement for a water transmission line. The intended use is for the County of Maui, Department of Water Supply staff to assist in negotiations to acquire the easements and is considered confidential. The intended users of the report are the County of Maui, Department of Water supply staff.

#### APPRAISAL PROCESS AND SCOPE OF WORK

The scope of this assignment includes appraising the fair market value for the proposed access easement and water transmission line to improve service within the neighborhood.

The traditional Sales Comparison Approach is not normally applicable in this type of appraisal. The proposed easements are special purpose properties. That is, properties that are devoted or available for special uses not usually found in the open real estate market. Existing easements are not commonly bought or sold in the routine marketplace. Rather, sales prices are sometimes based on "alternative settlement," not based on an economic analysis. Due to the wide disparity in geographic location, climate, sales concessions, retained rights, comparison with the subject easement, sales of other easements should be made with extreme caution.

The income Capitalization Approach is used for investment purposes, and has as its premise the concept that the income stream can be diverted into an indication of fair market value when capitalized in a manner that is commensurate with the risk, the quality of the income stream, and the life expectancy of the improvements. The Income Capitalization Approach is not generally used for the valuation of easements because there is no practical method to allocate the revenue derived from a since segment or small portion of the overall integrity of the easement.

The Cost Approach is the measure of value when the property is unique and there is no relevant market in comparable sales, or is there any income stream available for analysis to determine the market value. While this approach is based on the principle of substitution, it is less reliable than other approaches due to the difficulty in estimating all the cost of the easements.

The Across-The-Fence (ATF) Methodoloty is based on the concept of alternative use that is assignable to land segments within the overall easement. In theory, the segments are divided down the centerline and each half is joined to the adjacent parcel, along with the adjacent property's highest and best use and unit value. ATF is the Sales Comparison Approach modified to the degree that shape, size, topography, and access is disregarded. The easement is uniquely configured to meet the highest and bese use as a right-of-way and should not be penalized for special physical characteristics when compared with the vacant parcels in the neighborhood. The ATF methodology has precedence in the practices of utility companis and public agencies. In addition, the private and public agencies have utilized this method for estimation of operating property and non-operating property, and have used it as a basis for ground rent and for estimating value for public and private streets. Adjustments are made only for the differences in marketing conditions (time) and location. The underlying assumption of this method is that land in the easement is equal to the value of the adjoining lands.

#### ACROSS-THE-FENCE (ATF)

When utilizing the ATF approach, a unit value of the typical parcel of those adjacent lands, usually on a per square foot or per acre basis, is multiplied by the area of that district or zone of the easement to estimate its value. After each zone has been assigned a value, the zones are added together to estimate the ATF value of the unencumbered fee value of the easement.

It is assumed that the access easement (Easement A) being acquired is a permanent exclusive easement, and the easement for the water transmission line (Easement B) being acquired is a permanent non-exclusive easement. It is assumed that the proposed water transmission line easement is in a location beneath the surface and is minimally disruptive to the existing uses. According to the engineering drawings provided, the access easement is approximately 27 feet wide and contains an area of 5,253 square feet. The water transmission line is approximately 21 feet wide and contains an area of 8,601 square feet.

For purposes of this appraisal, the unit of comparison used is the price per square foot. This unit is a common

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**COMMENT ADDENDUM**

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unit of comparison in the area.

**Valuation**

Recent sales of similar use and zoning were sought to represent the current fair market value of the unencumbered fee interest. A search dating back to 2006 revealed a few applicable sales of land which best indicate the subject's larger parcel, and is summarized in the chart below:

Comparable	TMK	Sale Date	Sales Price	Land Area (acres)	Price/Acre	Price/SF
1	2-2-02-002	12/19/2016	\$2,852,300	146.27	\$19,500	\$0.45
2	2-2-02-017	12/27/2013	\$9,457,267	1116.20	\$8,473	\$0.19
3	2-2-04-033	9/22/2003	\$2,850,000	523.62	\$5,443	\$0.12
4	2-2-08-001	1/25/2013	\$3,958,000	360.00	\$10,994	\$0.25
5	2-3-01-023	9/7/2006	\$10,706,000	272.96	\$39,222	\$0.90
6	2-3-02-004	12/27/2013	\$6,142,733	725.00	\$8,473	\$0.19
7	2-3-02-008	8/30/2011	\$6,250,000	236.52	\$26,425	\$0.61
8	2-3-07-035	11/16/2007	\$4,750,000	149.87	\$31,694	\$0.73
9	2-7-02-004	7/20/2009	\$2,425,000	214.92	\$11,283	\$0.26
10	2-7-03-001	9/26/2014	\$1,820,000	152.31	\$11,949	\$0.27
11	2-7-07-004	12/24/2014	\$2,200,000	312.54	\$7,039	\$0.16
12	2-7-15-003	12/15/2006	\$4,419,000	661.58	\$6,679	\$0.15

The sales above are vacant land or their improvements contribute nominally to the land value.

Utilizing linear regression analysis, it is my opinion that the unit value for the unencumbered fee interest is \$0.10 per square foot.

**Easement Value**

This assignment involves the estimation of fair market value of two separate easements. Specific easement areas are noted on the engineering maps attached. The following table summarizes the value of the easements:

Easement	Description	Area (SF)	Price	%Rights	Indication
A	Exclusive	5,153	\$0.10	100%	\$ 515
B	Non-Exclusive	8,601	\$0.10	50%	\$ 430
	Total				\$ 945
				Say,	\$1,000

Based on the use to which the easement will be put and the use restrictions imposed by the easement rights, an appropriate percentage was applied to the previous unencumbered fee unit value. The easement percentage has been quantified based on an apportionment of the impact on the subsurface, surface, and air rights of the property. It is the appraiser's opinion that the contributory value of the non-exclusive easement interest is approximately 50% of the per unit unencumbered fee value of the property.

LARGER PARCEL PROPERTY DATA - TAX MAP KEY (II) 2-3-005-003

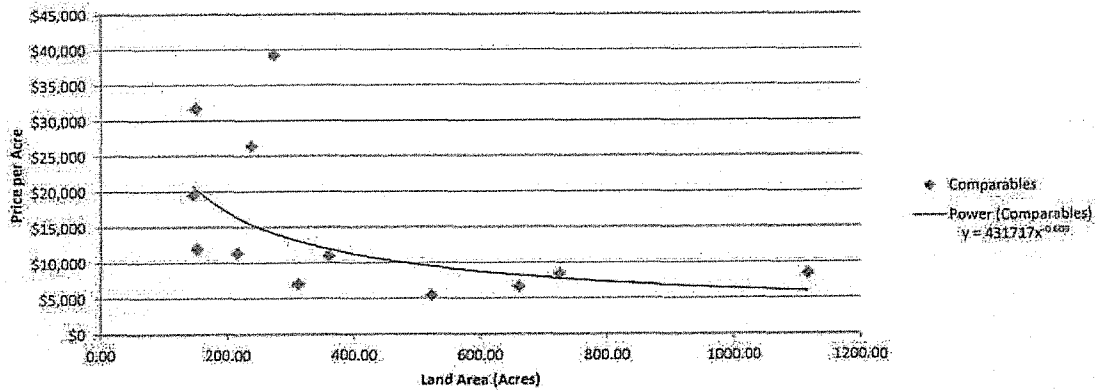
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### Linear Regression Analysis



Site Area - Acres (x)	Formula: $Y=431717(x)^{-0.609}$	Net Price per Acre (y)	Net Price per SF	Land Value
2,033.47	$431717(2033.47)^{-0.609}$	4173	0.10	\$ 8,857,795

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The subject larger parcel is located in Kula, Island and County of Maui, State of Hawaii and described on the Tax Map of the State of Hawaii as:

Division 2, Zone 2, Section 003, Plat 005, Parcel 003

Real Estate Assessments

The records of the County Tax Office show the following assessment for the 2017 tax period:

837.02	Pasture	\$10,044
101.368	Pasture	7,907
194.581	Pasture	2,335
600.00	Pasture	25,200
300.00	Pasture	7,500
0.50	Primary Site	37,500
Total 2,033.469		90,486

COMMENTS REGARDING THE SUBJECT

The subject includes a 2,033.469 acre parcel situated on Crater Road in Kula. Subject site is vacant and utilized for pasture. The site is irregular in shape and one its boundaries follows Crater Road from a lower portion to to the Haleakala National Park.



**RESTRICTED APPRAISAL REPORT**

**Definition of Market Value  
Ordinary Assumptions and Limiting Conditions  
Certification**

**DEFINITION OF MARKET VALUE:**

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he considers his own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of U.S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

**ORDINARY ASSUMPTIONS AND LIMITING CONDITIONS:**

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.
2. If the appraiser has provided a sketch in the appraisal report, the sketch shows approximate dimensions and is included only to assist the reader of the report in visualizing the property and understanding the appraiser's determination of its size.
3. If the appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report that the subject site is (or is not) located in an identified Special Flood Hazard Area, as the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless required to do so by a court.
5. The appraiser has noted in the appraisal report any significant adverse conditions (such as needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. 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. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.
6. The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
7. The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice.
8. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that completion of the improvements will be performed in a workmanlike manner.
9. I have agreed to enter into this assignment as requested by the client named in the report for the use specified by the client which is stated in the report, which calls for things that are different from the work that would otherwise be required by the specific guidelines of the USPAP. The client has agreed that the performance of this limited appraisal service is appropriate for their intended use.

Other:

**CERTIFICATION:**


I 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, unbiased professional analyses, opinions, and conclusions.
3. I have no (or the specified) present or prospective interest in this property that is the subject of this report, and I have no (or the specified) personal interest or bias with respect to the parties involved.
4. My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
5. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Practice.
6. I have (or have not) as indicated on the report made a personal inspection of the property that is the subject of this report. If more than one person has signed the report, each person has indicated on the report whether they did or did not make an inspection of the appraisal property.
7. Unless otherwise indicated below, no one provided me with significant professional assistance in the completion of this appraisal assignment.

**SUPERVISORY APPRAISER'S CERTIFICATION:**

If a supervisory appraiser signed the appraisal report, he or she certifies and agrees that: I directly supervise the appraiser who prepared the appraisal report, have reviewed the appraisal report, agree with the statements and conclusions of the appraiser, agree to be bound by the appraiser's certifications, and am taking full responsibility for the appraisal and the appraisal report.

**APPRAISER**

Signature   
 Name Allan T. Shishido, CGA #143  
 Date Report Signed 06/16/2017  
 Did  Did Not Inspect Property  
 Cert./Lic. # CGA #143 St. HI Exp. 12/31/2017

**SUPERVISORY APPRAISER**

Signature \_\_\_\_\_  
 Name \_\_\_\_\_  
 Date Report Signed \_\_\_\_\_  
 Did  Did Not Inspect Property  
 Cert./Lic. # \_\_\_\_\_ St. \_\_\_\_\_ Exp. \_\_\_\_\_

APPRAISAL COMPLIANCE ADDENDUM

Borrower/Client COUNTY OF MAUI
Address Crater Road
City Kula
County Maui
State HI
Zip Code 96790
Lender/Client COUNTY OF MAUI - DEPT OF WATER SUPPLY

This Appraisal Compliance Addendum is included to ensure this appraisal report meets all USPAP 2014 requirements.

APPRAISAL AND REPORT IDENTIFICATION
This Appraisal Report is one of the following types:
[ ] Appraisal Report
[X] Restricted Appraisal Report

ADDITIONAL CERTIFICATIONS

I certify that, to the best of my knowledge and belief:
The statements of fact contained in this report are true and correct.
The reported analyses, opinions, and conclusions are limited only by the reported assumptions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
Unless otherwise indicated, I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to parties involved.

PRIOR SERVICES
[X] I have NOT performed services, as an appraiser or in another other capacity, regarding the property that is the subject of the report within the three-year period immediately preceding acceptance of this assignment.

PROPERTY INSPECTION
[X] HAVE made a personal inspection of the property that is the subject of this report.

APPRAISAL ASSISTANCE
Unless otherwise noted, no one provided significant real property appraisal assistance to the person signing this certification. If anyone did provide significant assistance, they are hereby identified along with a summary of the extent of the assistance provided in the report.

ADDITIONAL COMMENTS
Additional USPAP related issues requiring disclosure and/or any state mandated requirements: As of the date of this report, I have completed the Standards and Ethics Education Requirement of the Appraisal Institute for Associate Members.

MARKETING TIME AND EXPOSURE TIME FOR THE SUBJECT PROPERTY
[X] A reasonable marketing time for the subject property is over 180 day(s) utilizing market conditions pertinent to the appraisal assignment.
[X] A reasonable exposure time for the subject property is over 180 day(s).

APPRAISER SUPERVISORY APPRAISER (ONLY IF REQUIRED)

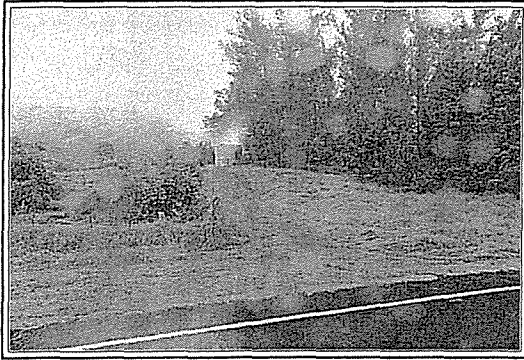
Signature [Handwritten Signature]
Name Allan T. Shishido, CGA #143
Date of Signature 06/16/2017
State Certification # CGA 0000143
or State License #
State HI
Expiration Date of Certification or License 12/31/2017
Effective Date of Appraisal 06/12/2017

Borrower COUNTY OF MAUI

Property Address Crater Road

City Kula County Maui State HI Zip Code 96790

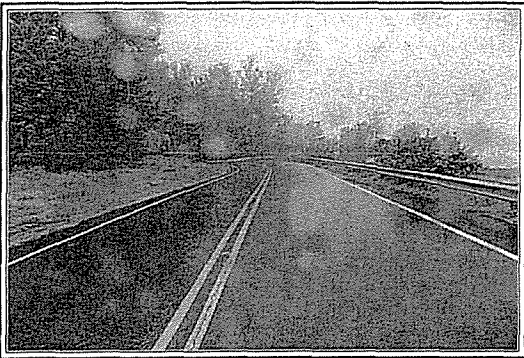
Lender/Client COUNTY OF MAUI - DEPT OF WATER SUPPLY Address 200 South High Street, 5th Floor Wailuku, HI 96793



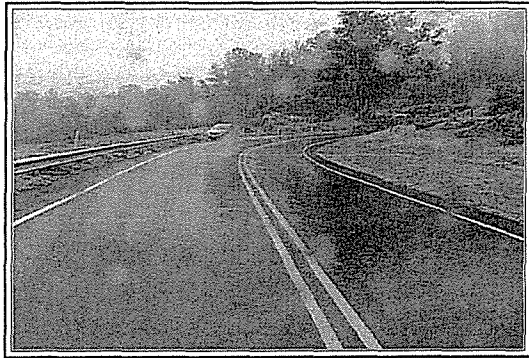
VIEW OF ACCESS EASEMENT



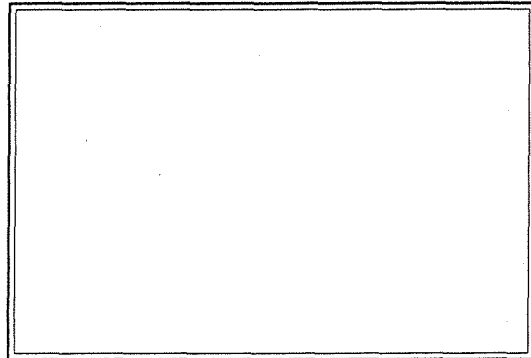
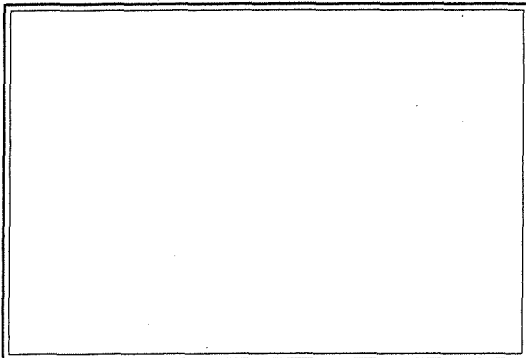
VIEW OF WATER TRANSMISSION LINE EASEMENT



STREET SCENE - FACING SOUTH



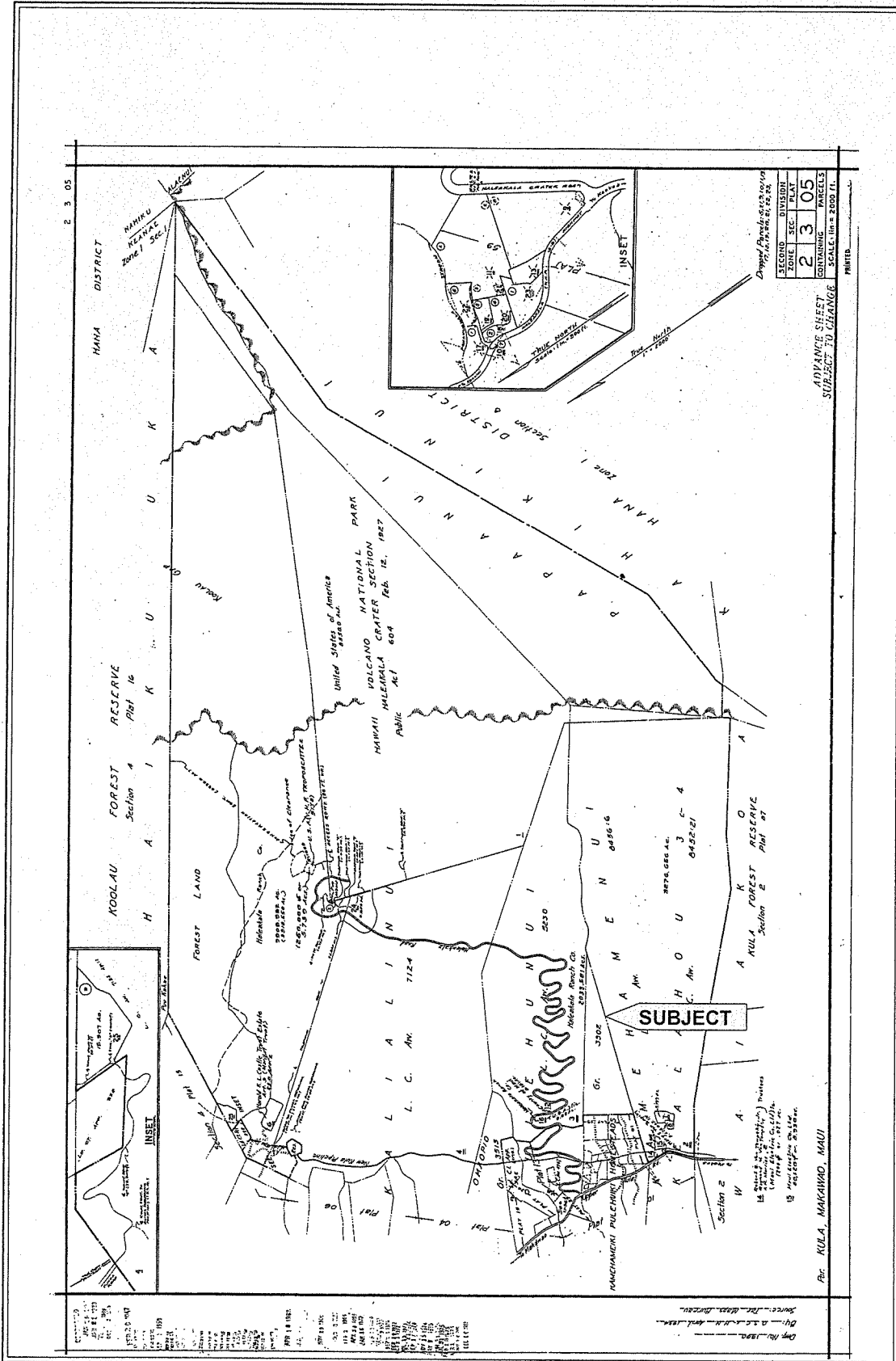
STREET SCENE - FACING EAST



Island Appraisals  
**PLAT MAP**

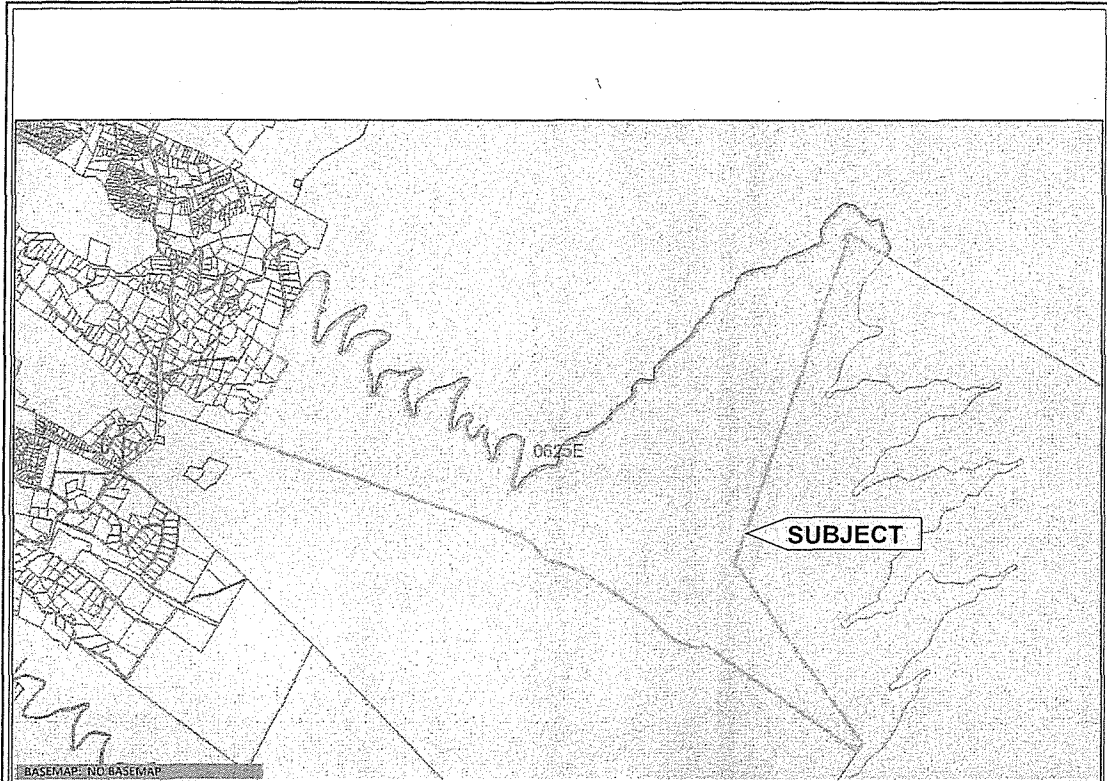
File No. RC-333802

Borrower **COUNTY OF MAUI**  
 Property Address **Crater Road**  
 City **Kula** County **Maui** State **HI** Zip Code **96790**  
 Lender/Client **COUNTY OF MAUI - DEPT OF WATER SUPPLY** Address **200 South High Street, 5th Floor Wailuku, HI 96793**



SUBJECT

Borrower **COUNTY OF MAUI**  
 Property Address **Crater Road**  
 City **Kula** County **Maui** State **HI** Zip Code **96790**  
 Lender/Client **COUNTY OF MAUI - DEPT OF WATER SUPPLY** Address **200 South High Street, 5th Floor Wailuku, HI 96793**



BASEMAP: NO BASEMAP



## Flood Hazard Assessment Report

www.hawaiiifip.org

### Property Information

COUNTY: MAUI  
 TMK NO: (2) 2-3-005:003  
 WATERSHED: KAILUA; KAILUA GULCH; KAILUALINU;  
 MALIKO; WAHINEPEE; WAIAKOA;  
 PARCEL ADDRESS: 28200 HALEAKALA HWY  
 KULA, HI 96790

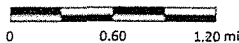
### Notes:

### Flood Hazard Information

FIRM INDEX DATE: NOVEMBER 04, 2015  
 LETTER OF MAP CHANGE(S): NONE  
 FEMA FIRM PANEL: 1500030625E  
 PANEL EFFECTIVE DATE: SEPTEMBER 25, 2009

THIS PROPERTY IS WITHIN A TSUNAMI EVACUATION ZONE: NO  
 FOR MORE INFO, VISIT: <http://www.scd.hawaii.gov/>

THIS PROPERTY IS WITHIN A DAM EVACUATION ZONE: NO  
 FOR MORE INFO, VISIT: <http://dlnrenr.hawaii.gov/dam/>



*Disclaimer: The Hawaii Department of Land and Natural Resources (DLNR) assumes no responsibility arising from the use, accuracy, completeness, and timeliness of any information contained in this report. Viewers/Users are responsible for verifying the accuracy of the information and agree to indemnify the DLNR, its officers, and employees from any liability which may arise from its use of its data or information.*

*If this map has been identified as 'PRELIMINARY', please note that it is being provided for informational purposes and is not to be used for flood insurance rating. Contact your county floodplain manager for flood zone determinations to be used for compliance with local floodplain management regulations.*

### FLOOD HAZARD ASSESSMENT TOOL LAYER LEGEND

(Note: Legend does not correspond with NFHL)

**SPECIAL FLOOD HAZARD AREAS (SFHAs) SUBJECT TO INUNDATION BY THE 1% ANNUAL CHANCE FLOOD** - The 1% annual chance flood (100-year), also known as the base flood, is the flood that has a 1% chance of being equaled or exceeded in any given year. SFHAs include Zone A, AE, AH, AO, V, and VE. The Base Flood Elevation (BFE) is the water surface elevation of the 1% annual chance flood. Mandatory flood insurance purchase applies in these zones:

- Zone A: No BFE determined.
- Zone AE: BFE determined.
- Zone AH: Flood depths of 1 to 3 feet (usually areas of ponding); BFE determined.
- Zone AD: Flood depths of 1 to 3 feet (usually sheet flow on sloping terrain); average depths determined.
- Zone V: Coastal flood zone with velocity hazard (wave action); no BFE determined.
- Zone VE: Coastal flood zone with velocity hazard (wave action); BFE determined.
- Zone AEF: Floodway areas in Zone AE. The floodway is the channel of stream plus any adjacent floodplain areas that must be kept free of encroachment so that the 1% annual chance flood can be carried without increasing the BFE.

**NON-SPECIAL FLOOD HAZARD AREA** - An area in a low-to-moderate risk flood zone. No mandatory flood insurance purchase requirements apply, but coverage is available in participating communities.

- Zone XS (X shaded): Areas of 0.2% annual chance flood; areas of 1% annual chance flood with average depths of less than 1 foot or with drainage areas less than 1 square mile; and areas protected by levees from 1% annual chance flood.
- Zone X: Areas determined to be outside the 0.2% annual chance floodplain.

### OTHER FLOOD AREAS

- Zone D: Unstudied areas where flood hazards are undetermined, but flooding is possible. No mandatory flood insurance purchase applies, but coverage is available in participating communities.

