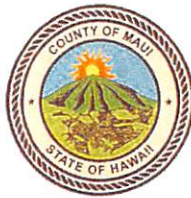


Michael P. Victorino
Mayor

Sananda K. Baz
Managing Director

Kay S. Fukumoto
Economic Development Director



OFFICE OF ECONOMIC DEVELOPMENT
COUNTY OF MAUI
2200 MAIN STREET
ONE MAIN PLAZA, SUITE 305
WAILUKU, MAUI, HAWAII 96793
www.maui-county.gov

RECEIVED

2019 NOV 27 AM 10:39

OFFICE OF THE MAYOR

November 26, 2019

Honorable Michael P. Victorino
Mayor, County of Maui
200 South High Street
Wailuku, HI 96793

APPROVED FOR TRANSMITTAL

Michael P. Victorino 11/27/19
Mayor Date

For Transmittal to:

Honorable Council Chair Kelly King
and members of the
Maui County Council
200 South High Street
Wailuku, HI 96793

Dear Council Chair King and members:

SUBJECT: RESOLUTION AUTHORIZING THE MAYOR TO GRANT OPEN SPACE, NATURAL RESOURCES, CULTURAL RESOURCES, AND SCENIC VIEWS PRESERVATION FUNDS TO KE AO HALI'I TO PURCHASE PROPERTY IN MOKAE, HANA, HAWAII

The Office of Economic Development is transmitting the attached resolution for Council approval.

Please feel free to contact me if there are any questions at 270-7224.

Sincerely,

Kay S. Fukumoto

KAY S. FUKUMOTO
Economic Development Director

Attachments

Cc: Jerrie Sheppard, Corporation Counsel
Scott Teruya, Finance Director
Sandy Baz, Managing Director

RECEIVED
2019 NOV 27 AM 11:02
OFFICE OF THE
COUNTY CLERK

COUNTY COMMUNICATION NO. 19-494

Resolution

No. _____

**AUTHORIZING THE MAYOR TO GRANT OPEN SPACE, NATURAL
RESOURCES, CULTURAL RESOURCES, AND SCENIC VIEWS
PRESERVATIONS FUNDS TO KE AO HALI'I TO PURCHASE PROPERTY
IN MOKAE, HANA, HAWAII**

WHEREAS, KE AO HALI'I, a Hawaii non-profit corporation, has proposed to purchase approximately 26.98 acres at Mokae, Hana, Hawaii, identified as TMK (2)1-4-010:004, for land conservation purposes as set forth in Chapter 3.88, Maui County Code; and

WHEREAS, KE AO HALI'I has been offered the opportunity to purchase this parcel by current owner, HRP Hana, LLC; and

WHEREAS, KE AO HALI'I has secured funding approval from the Legacy Land Conservation Fund through the Department of Land and Natural Resources, State of Hawaii, in the amount of \$2,225,625.00; and

WHEREAS, as required by Section 3.88.060, Maui County Code, an appraisal of the land, attached hereto as Exhibit "A", has determined the fair market purchase price to be \$2,800,000.00; and

WHEREAS, KE AO HALI'I submitted a grant proposal which the Mayor's Office of Economic Opportunity (OED) determined was complete and met the selection criteria as set forth in Section 3.88.050, Maui County Code; and

Resolution No. _____

WHEREAS, as required by Section 3.88.060, Maui County Code, OED requested, received and compiled comments from appropriate agencies, attached hereto as Exhibit “B”; and

WHEREAS, the County of Maui proposes to grant \$750,000.00 to KE AO HALI'I to purchase the property as more fully described in the “Grant Agreement of County Funds, Grant No. 5059”, attached hereto as Exhibit “C”; and

WHEREAS, pursuant to Maui County Code Section 3.88.060, the County Council provided \$750,000.00 in the Fiscal Year 2020 budget for the purpose of acquiring the specific parcel of property specified in this purpose; and

WHEREAS, Exhibit “C” specifically requires Grantee to comply with Maui County Code Section 3.88.070, subsections A., B., and C., for the use of Open Space, Natural Resources, Cultural Resources, and Scenic Views Preservation Funds, and includes a provision that Grantee shall convey to the County of Maui at closing a perpetual conservation easement if Grantee receives fee simple title to the property; and


WHEREAS, per MCC Section 3.44.015C., any acquisition of real property with a purchase price that exceeds \$250,000, requires the County Council to authorize the acquisition by resolution.

Resolution No. _____

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

1. That it finds Grant No. 5909 to KE AO HALI'I complies with the requirements for use of Open Space, Natural Resources, Cultural Resources and Scenic Views Preservation Funds; and
2. That it authorizes the Mayor to execute Grant No. 5909 and take all necessary actions to ensure compliance with Grant No. 5909; and
3. That it authorizes the Mayor and the Director of Finance, or their authorized representatives to accept a conveyance to the County at closing of a perpetual conservation easement if the Grantee receives fee simple title to the property; and
4. That certified copies of this Resolution be transmitted to the Mayor, the Director of Finance, and to KE AO HALI'I.

**APPROVED AS TO FORM
AND LEGALITY:**



JERRIE L. SHEPPARD
Deputy Corporation Counsel
County of Maui
2019-1567

APPRAISAL OF REAL PROPERTY

LOCATED AT

Haneo'o

Hana, HI 96713

Lot 3, Map 1, Ld. Crt. Consolidation No. 122, Hamoa, Mokae & Mokae Nui, Hana, Maui

FOR

Ke Ao Hali'i

P.O. Box 790007

Paia, HI 96779

OPINION OF VALUE

2,800,000

AS OF

11/30/2018

BY

Steve Parker

Classic Maui Properties Inc.

PO Box 1209

Kula, HI 96790-1209

(808) 878-1001 x#1

parkers007@hawaii.rr.com

EXHIBIT " A "

Owner	Hana Ranch Partners, L.L.C.		File No.	0003435	
Property Address	Haneo'o				
City	Hana	County	Maui	State	HI Zip Code 96713
Lender/Client	Ke Ao Hali'i				

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Owner **Hana Ranch Partners, L.L.C.** File No. **0003435**
 Property Address **Haneo'o**
 City **Hana** County **Maui** State **HI** Zip Code **96713**
 Lender/Client **Ke Ao Hali'i**

APPRAISAL AND REPORT IDENTIFICATION

This Report is one of the following types:

Appraisal Report (A written report prepared under Standards Rule 2-2(a) pursuant to the Scope of Work, as disclosed elsewhere in this report.)

Restricted Appraisal Report (A written report prepared under Standards Rule 2-2(b) pursuant to the Scope of Work, as disclosed elsewhere in this report, restricted to the stated intended use by the specified client or intended user.)

Comments on Standards Rule 2-3

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 limiting conditions 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 the parties involved.
- Unless otherwise indicated, I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice that were in effect at the time this report was prepared.
- Unless otherwise indicated, I have made a personal inspection of the property that is the subject of this report.
- Unless otherwise indicated, no one provided significant real property appraisal assistance to the person(s) signing this certification (if there are exceptions, the name of each individual providing significant real property appraisal assistance is stated elsewhere in this report).

Reasonable Exposure Time (USPAP defines Exposure Time as the estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.)


My Opinion of Reasonable Exposure Time for the subject property at the market value stated in this report is: **180 days**

Comments on Appraisal and Report Identification

Note any USPAP-related issues requiring disclosure and any state mandated requirements:

Extraordinary Assumptions needed to complete this assignment; should any assumption prove to be false, then the value conclusions could change:

- 1) title is assumed to be marketable.
- 2) The appraiser has not reviewed any CC&Rs of the project. He assumes that if there are CC&Rs applicable, that nothing in the documents would adversely affect value. No other leases or encumbrances, either on record or unrecorded, are assumed. Since a survey was not provided, no other encumbrances are assumed to negatively impact value.
- 3) The appraiser assumes that there are no environmental hazards, either on the property or nearby, that negatively affect value.
- 4) Maui is not subject to active volcanic activity, and thus is assumed to have a rating of 9.
- 5) Data bases used to determine the size and attributes of the comparable properties (RAM MLS & Hawaii Information Service & the County of Maui KIVA system) are assumed to be accurate.
- 6) See additional extraordinary assumptions in comment.
- 7) Appraiser last inspected the subject approximately 2 years ago - assumption is that the property is in the same state as last inspected.

<p>APPRAISER:</p> <p>Signature: </p> <p>Name: Steve Parker</p> <p>CGA 276</p> <p>State Certification #: _____</p> <p>or State License #: CGA276</p> <p>State: HI Expiration Date of Certification or License: 12/31/2019</p> <p>Date of Signature and Report: 11/30/2018</p> <p>Effective Date of Appraisal: 11/30/2018</p> <p>Inspection of Subject: <input type="checkbox"/> None <input checked="" type="checkbox"/> Interior and Exterior <input type="checkbox"/> Exterior-Only</p> <p>Date of Inspection (if applicable): 11/30/2018</p>	<p>SUPERVISORY or CO-APPRAISER (if applicable):</p> <p>Signature: _____</p> <p>Name: _____</p> <p>State Certification #: _____</p> <p>or State License #: _____</p> <p>State: _____ Expiration Date of Certification or License: _____</p> <p>Date of Signature: _____</p> <p>Inspection of Subject: <input type="checkbox"/> None <input type="checkbox"/> Interior and Exterior <input type="checkbox"/> Exterior-Only</p> <p>Date of Inspection (if applicable): _____</p>
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LAND APPRAISAL SUMMARY REPORT

File No.: 0003435

Property Address: **Haneo'o** City: **Hana** State: **HI** Zip Code: **96713**
 County: **Maui** Legal Description: **Lot 3, Map 1, Ld. Crt. Consolidation No. 122, Hamoa, Mokae & Mokae Nui, Hana, Maui**

Assessor's Parcel #: **2140100040000** Tax Year: **2018** R.E. Taxes: \$ **400** Special Assessments: \$ **0**
 Market Area Name: **Hana** Map Reference: **2-1-4-10-4** Census Tract: **0301.00**
 Current Owner of Record: **Hana Ranch Partners, L.L.C.** Borrower (if applicable): **n/a**
 Project Type (if applicable): PUD De Minimis PUD Other (describe) **vacant land** HOA: \$ **n/a** per year per month
 Are there any existing improvements to the property? No Yes If Yes, indicate current occupancy: Owner Tenant Vacant Not habitable
 If Yes, give a brief description:

The purpose of this appraisal is to develop an opinion of: Market Value (as defined), or other type of value (describe)
 This report reflects the following value (if not Current, see comments): Current (the Inspection Date is the Effective Date) Retrospective Prospective
 Property Rights Appraised: Fee Simple Leasehold Leased Fee Other (describe)
 Intended Use: **Establish Fair Market Value for purchase by Legacy Lands Conservation Program**
 Intended User(s) (by name or type): **client named herein**
 Client: **Ke Ao Hali'i** Address: **P.O. Box 790007, Paia, HI 96779**
 Appraiser: **Steve Parker** Address: **PO Box 1209, Kula, HI 96790-1209**

Characteristics		Predominant Occupancy	One-Unit Housing	Present Land Use	Change in Land Use
Location:	<input type="checkbox"/> Urban <input type="checkbox"/> Suburban <input checked="" type="checkbox"/> Rural	<input checked="" type="checkbox"/> Owner	PRICE AGE \$(000) (yrs)	One-Unit 10% 2-4 Unit %	<input checked="" type="checkbox"/> Not Likely <input type="checkbox"/> Likely * <input type="checkbox"/> In Process *
Built up:	<input type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input checked="" type="checkbox"/> Under 25%	<input type="checkbox"/> Tenant	250 Low 5 4,000 High 75 750 Pred 45	Multi-Unit 1% Comm'l 1%	* To:
Growth rate:	<input type="checkbox"/> Rapid <input type="checkbox"/> Stable <input checked="" type="checkbox"/> Slow	<input checked="" type="checkbox"/> Vacant (0-5%) <input type="checkbox"/> Vacant (>5%)			
Property values:	<input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining				
Demand/supply:	<input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Over Supply				
Marketing time:	<input type="checkbox"/> Under 3 Mos. <input type="checkbox"/> 3-6 Mos. <input checked="" type="checkbox"/> Over 6 Mos.				

Factors Affecting Marketability											
Item	Good	Average	Fair	Poor	N/A	Item	Good	Average	Fair	Poor	N/A
Employment Stability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Adequacy of Utilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Convenience to Employment	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Property Compatibility	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Convenience to Shopping	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Protection from Detrimental Conditions	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Convenience to Schools	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Police and Fire Protection	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Adequacy of Public Transportation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	General Appearance of Properties	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Recreational Facilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Appeal to Market	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Market Area Comments: **The entire northeast area on Maui from Keanae to Kipahulu is the defined market area. This area is relatively remote, but some people commute to Kahului for employment. County and Hana Hotel are the primary employers in the community. Local shopping, medical clinic, schools are all located here. Most of the ocean front properties are part of Hana Ranch holdings or owned by absentee owners. Most of the local populace lives inland or in ranch subdivisions.**

Dimensions: **irregular (see map)** Site Area: **26.98 Acres**
 Zoning Classification: **Agriculture/Conservation - State; Interim - County** Description: **2 acre minimum lot size**
 Do present improvements comply with existing zoning requirements? Yes No No Improvements
 Uses allowed under current zoning: **single family residential with detached cottage of up to 1,000 sq. ft.**
 Are CC&Rs applicable? Yes No Unknown Have the documents been reviewed? Yes No Ground Rent (if applicable) \$ **/**
 Comments:
 Highest & Best Use as improved: Present use, or Other use (explain) **development into a single family dwelling**
 Actual Use as of Effective Date: **vacant** Use as appraised in this report: **vacant**
 Summary of Highest & Best Use: **The zoning allows for the construction of a single family dwelling; predominant use in the neighborhood is the same; single family construction is physically possible and returns the maximum value to the raw land.**

Utilities	Public	Other	Provider/Description	Off-site Improvements	Type	Public	Private	Frontage	unk.
Electricity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Meco	Street	macadam	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Topography	slopes down fr. str. grade
Gas	<input type="checkbox"/>	<input checked="" type="checkbox"/>	bottle propane	Width	unk.	<input type="checkbox"/>	<input type="checkbox"/>	Size	larger than typical
Water	<input type="checkbox"/>	<input checked="" type="checkbox"/>	no county meter	Surface	macadam	<input type="checkbox"/>	<input type="checkbox"/>	Shape	acceptable
Sanitary Sewer	<input type="checkbox"/>	<input checked="" type="checkbox"/>	private septic system	Curb/Gutter	none	<input type="checkbox"/>	<input type="checkbox"/>	Drainage	appears adequate to lot line
Storm Sewer	<input type="checkbox"/>	<input type="checkbox"/>	none	Sidewalk	none	<input type="checkbox"/>	<input type="checkbox"/>	View	ocean
Telephone	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Haw. Tel.	Street Lights	none	<input type="checkbox"/>	<input type="checkbox"/>	Encumbrances	see below
Multimedia	<input type="checkbox"/>	<input checked="" type="checkbox"/>	unk.	Alley	none	<input type="checkbox"/>	<input type="checkbox"/>		

Other site elements: Inside Lot Corner Lot Cul de Sac Underground Utilities Other (describe)

FEMA Spec'l Flood Hazard Area Yes No FEMA Flood Zone **X & VE** FEMA Map # **1500030670E** FEMA Map Date **09/25/2009**

Site Comments: **Encumbrances: "Hamoa" triangulation survey station; perpetual non-exclusive easement to Ohana Hotel Co. (see title report); Maui Elec. & Hawaiian Telcom utility easement; 10' wide water pipeline easement in favor of I-4-7-1; Haneo'o Rd. waterline construction agreement between Hana Ranch Partners & County of Maui; location of Hamoa Beach Pedestrian Walkway & Roadway Easement; PASH; effect of various archaeological sites #123 (Hale o Lono Heiau) and #2835 (Kaholaiki Burial Site).**

LAND APPRAISAL SUMMARY REPORT

File No.: 0003435

My research did did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data Source(s): **Haw. Info. Serv.**

TRANSFER HISTORY	1st Prior Subject Sale/Transfer		Analysis of sale/transfer history and/or any current agreement of sale/listing:		
	Date:				
	Price:				
	Source(s):				
	2nd Prior Subject Sale/Transfer				
	Date:				
Price:					
Source(s):					

FEATURE	SUBJECT PROPERTY	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3	
Address	Hanco'o Hana, HI 96713	Hana Hwy Hana (tmk 1-5-5-3)	4-5550 Hana Hwy Hana (tmk 1-5-5-3)	6711 Hana Hwy Hana (tmk 1-4-10-6)	
Proximity to Subject		2.14 miles SW	2.90 miles SW	0.48 miles S	
Sale Price	\$ n/a	\$ 1,390,000	\$ 1,650,000	\$ 3,460,000	
Price/ Acre	\$	\$ 114,971.05	\$ 86,979.44	\$ 476,584.02	
Data Source(s)	Haw. Info. Serv.	MLS #338023	MLS #338023	MLS #365085	
Verification Source(s)	Inspection	Doc.#3933567	Doc.#3933567	Doc.#56250085	
VALUE ADJUSTMENT	DESCRIPTION	DESCRIPTION	+ (-) \$ Adjust	DESCRIPTION	+ (-) \$ Adjust
Sales or Financing	n/a	cash		cash	
Concessions		none		none	
Date of Sale/Time	n/a	1/21/2010	+737,000	7/30/2013	+545,000
Rights Appraised	Fee Simple	same		same	
Location	Hana	Puuiki		Muolea	
Site Area (in Acres)	26.98	12.09	+542,000	18.97	+1,800,000
county water meter	available	none	+139,000	yes	
private water	no	none		none	
power	public	public		public	
Improvement	none	no		yes	-1,500,000
tmk	1-4-10-4	1-5-5-3		1-5-10-1	
Net Adjustment (Total, in \$)		+ 1,418,000		+ 345,000	+ 992,000
Adjusted Sale Price (in \$)		\$ 2,808,000		\$ 1,995,000	\$ 4,452,000

Summary of Sales Comparison Approach

All Hana comparables were located in the Hamoa to Koali area of east Maui - comparable neighborhoods. Big Island Comparables were located in North Kohala, a location similar to the Hana area. This area was investigated due to the lack of comparables in the Hana area. All adjustments were based on paired analysis, data of which is located in appraiser's files. Size adjustment was based on a local adjustment (30%) to the 80% Dilmore curve. Most of the Hana comparables were somewhat dated, as well as a few of the Big Island comparables. Appreciation adjustments based on median residential single family properties with the two districts. Adjustments for utilities based on paired analysis. The indicated value based on the two sets of comparables cited is \$2,800,000

PROJECT INFORMATION FOR PUDs (if applicable) The Subject is part of a Planned Unit Development.

Legal Name of Project:

Describe common elements and recreational facilities:

Indicated Value by: Sales Comparison Approach \$ **2,800,000**

Final Reconciliation:

This appraisal is made "as is", or subject to the following conditions:

This report is also subject to other Hypothetical Conditions and/or Extraordinary Assumptions as specified in the attached addenda.


Based upon an inspection of the subject property, defined Scope of Work, Statement of Assumptions and Limiting Conditions, and Appraiser's Certifications, my (our) Opinion of the Market Value (or other specified value type), as defined herein, of the real property that is the subject of this report is: \$ **2,800,000**, as of: **11/30/2018**, which is the effective date of this appraisal. If indicated above, this Opinion of Value is subject to Hypothetical Conditions and/or Extraordinary Assumptions included in this report. See attached addenda.

A true and complete copy of this report contains **34** pages, including exhibits which are considered an integral part of the report. This appraisal report may not be properly understood without reference to the information contained in the complete report, which contains the following attached exhibits: Scope of Work Additional Sales Limiting cond./Certifications Narrative Addendum Location Map(s) Flood Addendum Hypothetical Conditions Extraordinary Assumptions Photo Addenda Parcel Map

Client Contact: **Lisa Starr** Client Name: **Ke Ao Hali'i**

E-Mail: **ecs@maui.net** Address: **P.O. Box 790007, Paia, HI 96779**

APPRAISER



Appraiser Name: **Steve Parker**

Company: **Classic Maui Properties Inc.**

Phone: **(808) 878-1001 x#1** Fax: **(808) 876-1772**

E-Mail: **parkers007@hawaii.rr.com**

Date of Report (Signature): **11/30/2018**

License or Certification #: **CGA276** State: **HI**

Designation: **CGA 276**

Expiration Date of License or Certification: **12/31/2019**

Inspection of Subject: Did Inspect Did Not Inspect (Desktop)

Date of Inspection: **11/30/2018**

SUPERVISORY APPRAISER (if required) or CO-APPRAISER (if applicable)

Supervisory or Co-Appraiser Name:

Company:

Phone: Fax:

E-Mail:

Date of Report (Signature):

License or Certification #:

State:

Designation:

Expiration Date of License or Certification:

Inspection of Subject: Did Inspect Did Not Inspect

Date of Inspection:

ADDITIONAL COMPARABLE SALES

File No.: **0003435**

FEATURE	SUBJECT PROPERTY	COMPARABLE NO. 4		COMPARABLE NO. 5		COMPARABLE NO. 6	
Address	Haneo'o Hana, HI 96713	Ainakea Dr. Kapa'au (3-5-3-6-27) 35.60 miles SE		Ainakea Dr. Kapa'au (3-5-3-6-29) 35.34 miles SE		Akoni Pule Hwy Kapa'au (3-5-3-7-22) 36.61 miles SE	
Proximity to Subject		\$ 3,300,000		\$ 3,150,000		\$ 2,500,000	
Sale Price	n/a						
Price/ Acre		\$ 26,402.11		\$ 43,015.16		\$ 113,224.64	
Data Source(s)	Haw. Info. Serv.	MLS #293181		MLS #299446		MLS #617159	
Verification Source(s)	Inspection	9935056		62540491		6670418	
VALUE ADJUSTMENT	DESCRIPTION	DESCRIPTION	+ (-) \$ Adjust	DESCRIPTION	+ (-) \$ Adjust	DESCRIPTION	+ (-) \$ Adjust
Sales or Financing	n/a	cash		cash		cash	
Concessions		none		none		none	
Date of Sale/Time	n/a	3/15/17	+66,000	2/14/17	+63,000	4/4/18	
Rights Appraised	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Location	Hana	Kapa'au, Hi.		Kapa'au, Hi.		Kapa'au, Hi.	
Site Area (in Acres)	26.98	124.99	-1,321,500	73.23	-1,305,000	22.08	+310,000
county water meter	available	yes		no		yes	
private water	no	no		no		no	
power	public	public		public		public	
Improvement	none	none		none		none	
tmk	1-4-10-4	3-5-3-6-27		3-5-3-6-29		3-5-3-7-22	
Net Adjustment (Total, in \$)		<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ -1,255,500		<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ -1,242,000		<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 310,000	
Adjusted Sale Price (in \$)		\$ 2,044,500		\$ 1,908,000		\$ 2,810,000	

Summary of Sales Comparison Approach

SALES COMPARISON APPROACH



Big Island Comp. Data

Z	S	PL	PA	Address	Location	Area	Zoning	Flood Zone	Fontage Sand	Area (ac)	# of lots	Topo	Flora A'a,Sand, Pahoehoe	Sale Date	DOM	Price	Unit Price	Terms
1	4	10		4 Haane'o Rd	Hamo'a	Hana	Ag Con	X VE	Rock	26.98	1	slope						
5	3	6		27 Ainakea Dr	Kapa'au	N. Kohala	Ag.-20	X	Rock cliff	124.99	1	level	pasture	3/15/17	119	\$3,300,000	\$26,402	CASH
5	3	6		29 Ainakea Dr	Kapa'au	N. Kohala	Ag.-20	X	Rock cliff	73.23	1	various	pasture	2/14/17	76	\$3,150,000	\$43,015	CASH
5	3	7		Akoni Pule 22 Hwy	Kapa'au	N. Kohala	C Ag.- 20	X VE	Rock cliff	22.08	1	slope	rock pasture	4/4/18	0	\$2,500,000	\$113,225	CASH
5	6	1		56-102 Old 74 Coast Guard	HAWI	N. Kohala	C Ag.- 20	X VE	Rock Sand	17.55	1	level	rock pasture	3/9/18	179	\$905,000	\$51,567	CASH
5	6	1		Akoni Pule 109 Hwy	Kukuipahu	N. Kohala	C Ag.- 20	X	Rock	24.1	1	slope	rock pasture	5/4/12	841	\$3,200,000	\$132,780	CASH

Detail of Adjustments (Big Island)

	<u>Comp. # 1</u>	<u>Comp. # 2</u>	<u>Comp. #3</u>	<u>Comp. #4</u>	<u>Comp. #5</u>
Tax Map Key	III-5-3-6-27	III-5-3-6-29	III-5-3-7-22	III-5-6-7-74	III-5-4-2-2
Location	Kapa'au	Kapa'au	N. Kohala	HAWI	Kukuipahu
Neighborhood	N. Kohala	N. Kohala	N. Kohala	N. Kohala	N. Kohala
Size (acres)	124.99	73.23	22.08	17.55	24.1
Access	paved	paved	paved	paved	paved
Power	HELCO	none	HELCO	none	HELCO
Zoning	Ag.-20	Ag.-20	C/Ag.-20	C/Ag.-20	C/Ag.-20
Water	county	catch	county private	county	county private
Oceanfrontage	Rock cliff	Rock cliff	Rock cliff	Rock	Sand Rock
Parcels	1	1	1	1	1
Topography	Flat to Slt Slope	Flat to Slt Slope	Flat to Slt Slope	Flat to Slt Slope	Flat to Slt Slope
Shape	Rectangular	Rectangular	Rectangular	Rectangular	Rectangular
Growth	pasture	pasture	pasture	pasture	pasture
Sale Date	15-Mar-17	14-Feb-17	4-Apr-18	9-Mar-18	4-May-12
Price	\$3,300,000	\$3,150,000	\$2,500,000	\$905,000	\$3,200,000
Terms	CASH	CASH	CASH	CASH	CASH
Days on Mkt.	119	76	0	179	841
Improvements	\$0	\$0	\$0	\$0	\$0
Net Price	\$3,300,000	\$3,150,000	\$2,500,000	\$905,000	\$3,200,000
Price/acre	\$26,402.11	\$43,015.16	\$113,224.64	\$51,566.95	\$132,780.08
MLS.#	293181	299446	617159	606255	206562
Doc.#	9935056	62540491	6670418	LCD10294208	45070707
other				asbestos rem.	
Land Area	124.99	73.23	22.08	17.55	24.1
Subject Area	26.98	26.98	26.98	26.98	26.98
Ratio	4.63	2.71	0.82	0.65	0.89
Dilmore Adj.	0.63	0.38	0.06	0.13	0.03
local adjustment	0.82	0.49	0.08	0.17	0.04
Multiplier	1.82	1.49	0.92	0.83	0.96
water	1.00	1.05	1.00	1.05	1.00
power	1.00	1.05	1.05	1.05	1.00
access	1.00	1.00	1.00	1.00	1.00
zoning	1.00	1.00	1.00	1.00	1.00
Appreciation	1.02	1.02	1.00	1.00	1.37
Composite	1.86	1.68	0.97	0.92	1.32
Adjusted Val:	\$48,986	\$72,269	\$109,613	\$47,244	\$174,814
Weighting	10%	10%	65%	5%	10%
Weighted Val.	\$4,899	\$7,227	\$71,248	\$2,362	\$17,481
Average (Unadj)	\$73,397.79				
Median (unadj)	\$51,566.95				
Average(adj)	\$90,585.26				
Median (adj)	\$72,268.81				
Weighted	\$103,217.43				
Indicated Unit:	\$103,250				
Indicated Val.:	\$2,785,685				

Description

Description of the Subject and Environs:

The subject is located on the ocean in the Hamoa district of Hana. Hana is a small town located on Maui's northeast sector, which is exposed to the predominant northeast tradewinds. Its primary source of employment is provided by the Hana Hotel (95 room), some agriculture, government service work, a number of bed and breakfast dwellings, and some cottage industries catering to tourists who visit on day trips. Many make the two hour drive to Kahului for employment. There is a small medical clinic, schools (elementary through high school), and two small neighborhood type grocery stores. There are a number of high end second homes located on the ocean and visited periodically by absentee owners.

Historically, post western contact, the area was farmed in sugar. That did not last, and much of the cane land was consolidated into Hana Ranch with cattle grazing the primary agriculture activity. There is still ranching activities, but on a much smaller scale. The community has a strong local Hawaiian bias that do not favor much development.

The subject slopes in a northeasterly direction from Haneo'o Rd. It abuts the Mokae cove which the hotel in Hana uses for their guests. It is also a popular sandy beach with the local population. The predominant growth is pasture grasses. It also has a fairly long ocean frontage, which is made up of an ocean cliff, and gravel beaches along the southerly sections.

Water could be provided from county water mains in the area (12" main along Hana Highway to the west of the subject). There is a smaller water main running down Haneo'o Rd, which may or may not be available to this property due to its size.

Access is by way of Haneo'o Rd., which is narrow (1 1/2 lane) paved public road. Power and telephone from overhead lines are also available along the road. There is no public sewage system in the area. Private septic systems are required by the county. It is unknown whether cable internet service is available.

The site has split state zoning: estimated 50% of the site is in agriculture and 50% (approximately 300' in from the shoreline) is in conservation. The state would probably insist if one wanted to build on this site, that they would be limited to the agricultural section (see the attached zoning maps). The conservation section has limited uses, depending on the sub-zone. The agricultural zoning calls for a minimum lot size of two acres. Improvements are limited to an agricultural dwelling plus an accessory dwelling no larger than 1,000 sq. ft. Other agricultural structures (such as barns) are permitted as well as additional dwellings for farm hands under certain conditions (see attached zoning data).

The highest and best use may be for a small (minimum two acre lot sizes) subdivision limited to the agriculture zoned portion, or an estate type property. The subject is located in the SMA zone (see map). Thus a subdivision would require a major SMA permit and public hearings. Given the history of this community, this may be a difficult task. If a large, estate type dwelling was contemplated depending on the value of the improvements, a major SMA could also be required.

The subject is also located in the tsunami flood inundation zone along the shoreline section (see attached maps) It is also located in the tsunami evacuation zone.

There was an archaeological study done that identified a heiau, and some burial sites. No negative impact on value is anticipated from these sites (public access to the sites may have to be provided). There is also a survey triangulation station on the property, which public officials may have to gain access to. The preliminary title report also indicated a non-exclusive easement to Ohana Hotel Co.; utility easements; 10' wide water pipeline easement in favor of 1-4-7-1; waterline construction agreement between Hana Ranch Partners and the county of Maui; location of Hamoa Beach pedestrian walkway & roadway easement; two archaeological sites #123 (Hale o Lono Heiau) and #2385 (Kaholaiki Burial Site). Without a map and the location of these items, this appraiser is making an extraordinary assumption that they do not negatively affect value.

Assumptions, Limiting Conditions & Scope of Work

File No.: 0003435

Property Address: Haneo'o	City: Hana	State: HI	Zip Code: 96713
Client: Ke Ao Hali'i	Address: P.O. Box 790007, Paia, HI 96779		
Appraiser: Steve Parker	Address: PO Box 1209, Kula, HI 96790-1209		

STATEMENT OF ASSUMPTIONS & LIMITING CONDITIONS

- 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.
- The appraiser may have provided a plat and/or parcel map in the appraisal report to assist the reader in visualizing the lot size, shape, and/or orientation. The appraiser has not made a survey of the subject property.
- If so indicated, 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 whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
- The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.
- The appraiser has noted in the appraisal report any adverse conditions (including, but not limited to, 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, but not limited to, 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.
- 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.
- The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice, and any applicable federal, state or local laws.
- An appraiser's client is the party (or parties) who engage an appraiser in a specific assignment. Any other party acquiring this report from the client does not become a party to the appraiser-client relationship. Any persons receiving this appraisal report because of disclosure requirements applicable to the appraiser's client do not become intended users of this report unless specifically identified by the client at the time of the assignment.
- The appraiser's written consent and approval must be obtained before this appraisal report can be conveyed by anyone to the public, through advertising, public relations, news, sales, or by means of any other media, or by its inclusion in a private or public database. Possession of this report or any copy thereof does not carry with it the right of publication.
- Forecasts of effective demand for the highest and best use or the best fitting and most appropriate use were based on the best available data concerning the market and are subject to conditions of economic uncertainty about the future.

The Scope of Work is the type and extent of research and analyses performed in an appraisal assignment that is required to produce credible assignment results, given the nature of the appraisal problem, the specific requirements of the intended user(s) and the intended use of the appraisal report. Reliance upon this report, regardless of how acquired, by any party or for any use, other than those specified in this report by the Appraiser, is prohibited. The Opinion of Value that is the conclusion of this report is credible only within the context of the Scope of Work, Effective Date, the Date of Report, the Intended User(s), the Intended Use, the stated Assumptions and Limiting Conditions, any Hypothetical Conditions and/or Extraordinary Assumptions, and the Type of Value, as defined herein. The appraiser, appraisal firm, and related parties assume no obligation, liability, or accountability, and will not be responsible for any unauthorized use of this report or its conclusions.

Additional Comments (Scope of Work, Extraordinary Assumptions, Hypothetical Conditions, etc.):

Certifications & Definitions

File No.: 0003435

Property Address: **Haneo'o** City: **Hana** State: **HI** Zip Code: **96713**
 Client: **Ke Ao Hali'i** Address: **P.O. Box 790007, Paia, HI 96779**
 Appraiser: **Steve Parker** Address: **PO Box 1209, Kula, HI 96790-1209**

APPRAISER'S CERTIFICATION

- I certify that, to the best of my knowledge and belief:
- The statements of fact contained in this report are true and correct.
 - The credibility of this report, for the stated use by the stated user(s), of the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
 - I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
 - I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
 - My engagement in this assignment was not contingent upon developing or reporting predetermined results.
 - My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
 - My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice that were in effect at the time this report was prepared.
 - I did not base, either partially or completely, my analysis and/or the opinion of value in the appraisal report on the race, color, religion, sex, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property, or of the present owners or occupants of the properties in the vicinity of the subject property.
 - Unless otherwise indicated, I have made a personal inspection of the property that is the subject of this report.
 - Unless otherwise indicated, no one provided significant real property appraisal assistance to the person(s) signing this certification.

Additional Certifications:

DEFINITION OF MARKET VALUE *:

Market value means 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 and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as 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 acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in 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.

* This definition is from regulations published by federal regulatory agencies pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989 between July 5, 1990, and August 24, 1990, by the Federal Reserve System (FRS), National Credit Union Administration (NCUA), Federal Deposit Insurance Corporation (FDIC), the Office of Thrift Supervision (OTS), and the Office of Comptroller of the Currency (OCC). This definition is also referenced in regulations jointly published by the OCC, OTS, FRS, and FDIC on June 7, 1994, and in the Interagency Appraisal and Evaluation Guidelines, dated October 27, 1994.

Client Contact: **Lisa Starr** Client Name: **Ke Ao Hali'i**
 E-Mail: **ecs@maui.net** Address: **P.O. Box 790007, Paia, HI 96779**

APPRAISER



Appraiser Name: **Steve Parker**
 Company: **Classic Maui Properties Inc.**
 Phone: **(808) 878-1001 x#1** Fax: **(808) 876-1772**
 E-Mail: **parkers007@hawaii.rr.com**
 Date Report Signed: **11/30/2018**
 License or Certification #: **CGA276** State: **HI**
 Designation: **CGA 276**
 Expiration Date of License or Certification: **12/31/2019**
 Inspection of Subject: Did Inspect Did Not Inspect (Desktop)
 Date of Inspection: **11/30/2018**

SUPERVISORY APPRAISER (if required)
 or CO-APPRAISER (if applicable)

Supervisory or Co-Appraiser Name: _____
 Company: _____
 Phone: _____ Fax: _____
 E-Mail: _____
 Date Report Signed: _____
 License or Certification #: _____ State: _____
 Designation: _____
 Expiration Date of License or Certification: _____
 Inspection of Subject: Did Inspect Did Not Inspect
 Date of Inspection: _____

SIGNATURES



Zoning Information

File No. 0003435

Owner	Hana Ranch Partners, L.L.C.						
Property Address	Haneo'o						
City	Hana	County	Maui	State	HI	Zip Code	96713
Lender/Client	Ke Ao Hali'i						

Chapter 19.30A AGRICULTURAL DISTRICT

- [19.30A.010 Purpose and intent.](#)
- [19.30A.020 District criteria.](#)
- [19.30A.030 District standards.](#)
- [19.30A.040 Limitations on resubdivision.](#)
- [19.30A.050 Permitted uses.](#)
- [19.30A.060 Special uses.](#)
- [19.30A.070 Private agricultural parks.](#)
- [19.30A.080 Agricultural leases.](#)
- [19.30A.090 Substandard agricultural lots.](#)
- [19.30A.100 Exemptions pursuant to state law.](#)
- [19.30A.110 Permits issued prior to the enactment of this ordinance.](#)
- [19.30A.120 Rule-making authority.](#)

19.30A.010 Purpose and intent.

A. Purpose. The purpose of the agricultural district is to:

1. Implement chapter 205, Hawai'i Revised Statutes, and the goals and policies of the Maui County general plan and community plans;
2. Promote agricultural development;
3. Preserve and protect agricultural resources; and
4. Support the agricultural character and components of the County's economy and lifestyle.

B. Intent. It is the intent of this chapter to:

1. Reduce the land use conflicts arising from encroachment of nonagricultural uses into agricultural areas;
2. Mitigate rising property values of farm lands to make agricultural use more economically feasible;
3. Discourage developing or subdividing lands within the agricultural district for residential uses, thereby preserving agricultural lands and allowing proper planning of land use and infrastructure development;
4. Discourage establishment of nonagricultural subdivisions;
5. Ensure that the rezoning of land from the agricultural district shall be open for public debate and in the overall public interest, as evidenced by conformance with the Maui County general plan and community plan land use designations and policies, State land use law, this chapter and good planning practices; and
6. Notify the public that lands within the agricultural district are used for agricultural purposes. Owners, residents, and other users of such property or neighboring properties may be subjected to inconvenience, discomfort, and the possibility of injury to property and health arising from normal and accepted agricultural practices and operations. Such normal and accepted agricultural practices and operations include but are not limited to noise, odors, dust, smoke, the operation of machinery of any kind, including aircraft, and the storage and disposal of manure. Owners, occupants, and users of such property or neighboring properties shall be prepared to accept such inconveniences, discomfort, and possibility of injury from normal agricultural operations. (Ord. 2749 § 3 (part), 1998)

19.30A.020 District criteria.

Agricultural lands that meet at least two of the following criteria should be given the highest priority for retention in the agricultural district:

- A. Agricultural Lands of Importance to the State of Hawai'i (ALISH);
- B. Lands not classified by the ALISH system whose agricultural land suitability, based on soil, topographic, and climatic conditions, supports the production of agricultural commodities, including but not limited to coffee, taro, watercress, ginger, orchard and flower crops and nonirrigated pineapple. In addition, these lands shall include lands used for intensive animal husbandry, and lands in agricultural cultivation in five of the ten years immediately preceding the date of approval of this chapter; and
- C. Lands which have seventy-five percent or more of their boundaries contiguous to lands within the agricultural district. (Ord. 2749 § 3 (part), 1998)

19.30A.030 District standards.

Except as otherwise provided in this chapter, the following district standards shall apply for uses, facilities and structures in the agricultural district:

- A. Minimum lot area: two acres;
- B. Minimum lot width: two hundred feet;
- C. Minimum yard setbacks: front yards, twenty-five feet; side and rear yards, fifteen feet;
- D. Maximum developable area: ten percent of the total lot area. This restriction shall apply to farm dwellings, but shall not apply to any structure or portion thereof which is used to support agriculture, including but not limited to storage facilities, barns, silos, greenhouses, farm labor dwellings, and stables, and shall not apply to utility facilities as permitted by this chapter;
- E. Maximum height limit: Unless otherwise provided for in this chapter, the maximum height of any dwelling shall be thirty feet, except that vent pipes, fans, chimneys, antennae and solar collectors on roofs shall not exceed forty feet. Any nondwelling structure such as a barn or silo that is over thirty-five feet in height shall be set back one additional foot for each foot in structure height;
- F. Maximum wall height: Walls shall not exceed four feet within the yard setback area as measured from the finished or existing grade, whichever is lower, to the top of the wall as defined herein. This does not preclude constructing fences on the top of the wall for safety purposes. The director of public works and waste management may permit greater heights of walls as needed to retain earth, water or both for health and safety purposes;
- G. The maximum number of lots that may be created from a lot, or portion thereof, that is in the agricultural district shall be based on the gross area of the subject lot, which for the purposes of this subsection shall be the tax map key parcel as certified by the real property tax division on March 1998, as follows:

Agricultural District

Area of lot (in	Maximum number of	Maximum number	Maximum number	Maximum number

Zoning Information

File No. 0003435

Owner	Hana Ranch Partners, L.L.C.			
Property Address	Haneo'o			
City	Hana	County	Maui	State HI Zip Code 96713
Lender/Client	Ke Ao Hali'i			

acres)	permitted lots: 2-acre minimum lot size	of permitted lots: 15-acre-minimum lot size	of permitted lots: 25-acre minimum lot size	of permitted lots: 40-acre minimum lot size
At least 2 but less than 31	7			
At least 31 but less than 61	7, plus one additional lot for each 10 acres above 31 acres			
At least 61 but less than 92	10, plus one additional lot for each 15 acres; plus Ⓢ	1		
92+	12, plus one additional lot for each 40 acres above 92 acres (not to exceed 14 lots); plus Ⓢ	2, plus one additional lot for each 60 acres above 92 acres; plus Ⓢ	1, plus one additional lot for each 100 acres above 92 acres; plus Ⓢ	one for each 160 acres above 92 acres

For the purposes of this subsection, any lot(s) or portions(s) thereof that is contained entirely within the subject lot, and that is owned by the same persons or related corporate entities as the subject lot, shall be considered a part of the subject lot and shall count towards the maximum number of permitted lots that may be created from the subject lot.

This subsection shall not apply to any lot which received preliminary subdivision approval prior to the effective date of the ordinance codified in this chapter and which receives final subdivision approval after the effective date of said ordinance. The subsequent lots resulting from such subdivision shall be subject to this subsection. (Ord. 2749 § 3 (part), 1998)

19.30A.040 Limitations on resubdivision.

A. Following the effective date of this the ordinance codified in this chapter:

1. At the time of subdivision, the director of public works and waste management shall determine the maximum number of lots that can be created based upon the provisions and standards set forth in section 19.30A.030;
2. The subdivider shall allocate the maximum number of lots that can be created between the original lot and any new lot created as a result of the subdivision;
3. The allocation of lots shall be recorded with the bureau of conveyances; and
4. No lot, or portion thereof, which is in the agricultural district shall be further subdivided beyond the maximum number of lots permitted pursuant to this chapter and as recorded with the bureau of conveyances, except as provided by subsection 19.30A.040.C.

B. The following subdivisions shall not reduce the gross "area of lot" nor the "maximum number of permitted lots" as provided by subsection 19.30A.030.G:

1. Any subdivision requested by a public agency or public utility company for a public purpose;
2. Any consolidation and resubdivision in which no additional developable lots, as defined by section 18.04.123, Maui County Code, are created, provided that this would not result in the potential to create any additional lots than could have been created prior to consolidation and resubdivision;
3. Any subdivision for purposes of providing an easement exclusively for the protection of sites of cultural and historic significance; greenways; protection of sensitive environmental areas such as wetlands, streams, and endangered species habitat; and easements for public access to shoreline and mountain areas; or
4. Any subdivision for purposes of providing a roadway easement or lot.

C. If the original lot has been subdivided into the maximum number of lots permitted pursuant to this chapter, additional lots may be created for family members as described in subsections 18.20.280.B.1 and 18.20.280.B.2, Maui County Code, whether or not a deferral of improvements is intended, with the approval of the council; the application for such additional lots shall be processed in the same manner as applications for conditional permits, as provided by chapter 19.40, Maui County Code.

D. No deed, lease, agreement of sale, mortgage or other instrument of conveyance shall contain any covenant or clause which restricts, directly or indirectly, the operation of agricultural activities on lands within the agricultural district. This subsection shall not apply to any covenant or clause existing prior to the effective date of the ordinance codified in this chapter. (Ord. 2749 § 3 (part), 1998)

19.30A.050 Permitted uses.

The following uses and structures shall be permitted in the agricultural district provided they also comply with all other applicable laws:

A. Principal Uses.

1. Agriculture;
2. Agricultural land conservation;
3. Agricultural parks, pursuant to chapter 171, Hawai'i Revised Statutes;
4. Animal and livestock raising, including animal feed lots and sales yards;
5. Private agricultural parks as defined herein;
6. Minor utility facilities as defined in section 19.04.040, Maui County Code; and
7. Retention, restoration, rehabilitation, or improvement of buildings, sites or cultural landscapes of historical or archaeological significance.

B. Accessory Uses. Uses which are incidental or subordinate to, or customarily used in conjunction with a permitted principal use, as follows:

1. Two farm dwellings per lot, one of which shall not exceed one thousand square feet of developable area;
2. One farm labor dwelling per five acres of lot area. On the island of Maui, the owner or lessee of the lot shall meet two of the following three criteria:
 - a. Provide proof of at least \$35,000 of gross sales of agricultural product(s) per year, for the preceding two consecutive years, for each farm labor dwelling on the lot, as shown by State general excise tax forms and federal Schedule F forms;
 - b. Provide certification by the Maui board of water supply that agricultural water rates are being paid if the subject lot

Zoning Information

File No. 0003435

Owner	Hana Ranch Partners, L.L.C.				
Property Address	Haneo'o				
City	Hana	County	Maui	State	HI
Lender/Client	Ke Ao Hali'i	Zip Code	96713		

is served by the County water system; or

c. Provide a farm plan that demonstrates the feasibility of commercial agricultural production.

On the islands of Moloka'i and Lana'i, the owner or lessee of the lot shall meet both of the criteria provided by subsections 19.30A.050.B.2.a and 19.30A.050.B.2.b;

3. One agricultural products stand per lot, for the purpose of displaying and selling agricultural products grown and processed on the premises or grown in the County, provided that said stand shall not exceed three hundred square feet, shall be set back at least fifteen feet from roadways, shall have a wall area which is at least fifty percent open, and shall meet the off-street parking requirements for roadside stands provided by section 19.36.010, Maui County Code, except that paved parking shall not be required; stands which display or sell agricultural products which are not grown on the premises shall be required to obtain a special permit pursuant to chapter 205, Hawai'i Revised Statutes;

4. Farmer's markets, for the growers and producers of agricultural products to display and sell agricultural products grown and processed in the County; structures shall have a wall area which is at least fifty percent open; markets shall operate only during daylight hours and shall not operate on parcels less than ten acres; the director of public works and waste management may impose additional requirements if a building permit is required for any structures; markets which display or sell agricultural products which are not grown on the premises shall be required to obtain a special permit pursuant to chapter 205, Hawai'i Revised Statutes;

5. Storage, wholesale and distribution, including barns; greenhouses; storage facilities for agricultural supplies, products and irrigation water; farmer's cooperatives; and similar structures that are customarily associated with one or more of the permitted principal uses or, for the purpose of this section, are associated with agriculture in the County;

6. Processing of agricultural products, the majority of which are grown in the County; this includes the burning of bagasse as part of an agricultural operation;

7. Energy systems, small-scale;

8. Small-scale animal-keeping;

9. Animal hospitals and animal board facilities; if conducted on the island of Moloka'i, such uses shall have been approved by the Moloka'i planning commission as conforming to the intent of this chapter;

10. Riding academies; if conducted on the island of Moloka'i, such uses shall have been approved by the Moloka'i planning commission as conforming to the intent of this chapter;

11. Open land recreation as follows: hiking; noncommercial camping; fishing; hunting; equestrian activities; rodeo arenas; arboretums; greenways; botanical gardens; guided tours which are accessory to principal uses, such as farm or plantation tours, petting zoos, and garden tours; hang gliding; paragliding; mountain biking; and accessory restroom facilities. If hiking, fishing, hunting, equestrian activities, rodeo arenas, hang gliding, paragliding or mountain biking and conducted for commercial purposes on the island of Moloka'i, such uses shall have been approved by the Moloka'i planning commission as conforming to the intent of this chapter. Open land recreation uses or structures not specifically permitted by this subsection or by subsection 19.30A.060.H shall be prohibited; certain open land recreation uses or structures may also be required to obtain a special permit pursuant to chapter 205, Hawai'i Revised Statutes;

12. Parks for public use, not including golf courses and not including commercial uses except when under the supervision of a government agency in charge of parks and playgrounds; and

13. Other uses which primarily support a permitted principal use; however, such uses shall be approved by the appropriate planning commission as conforming to the intent of this chapter. (Ord. 2749 § 3 (part), 1998)

19.30A.060 Special uses.

The following uses and structures shall be permitted in the agricultural district if a special use permit, pursuant to section 19.510.070, Maui County Code, has been obtained; except that if a use described in this section also requires a special permit pursuant to chapter 205, Hawai'i Revised Statutes, and if the land area of the subject parcel is fifteen acres or less, the State special permit shall fulfill the requirements of this section:

A. Additional farm dwellings beyond those permitted by subsection 19.30A.050.B.1;

B. Farm labor dwellings that do not meet the criteria of subsection 19.30A.050.B.2;

C. Agricultural products stands that do not meet the standards of subsection 19.30A.050.B.3;

D. Farmer's markets that do not meet the standards of subsection 19.30A.050.B.4;

E. Public and quasipublic institutions which are necessary for agricultural practices;

F. Major utility facilities as defined in section 19.04.040, Maui County Code;

G. Telecommunications and broadcasting antenna;

H. Open land recreation uses, structures or facilities which do not meet the criteria of subsection 19.30A.050.B. 11, including commercial camping; gun or firing ranges; archery ranges; skeet shooting; paint ball; bungee jumping; skateboarding; roller blading; playing fields; accessory buildings and structures. Certain open land recreation uses or structures may also be required to obtain a special permit pursuant to chapter 205, Hawai'i Revised Statutes. The following uses or structures shall be prohibited: airports, heliports, drive-in theaters, country clubs, drag strips; motor sports facilities; golf courses and golf driving ranges;

I. Cemeteries, crematories, and mausoleums;

J. Churches and religious institutions;

K. Mining and resource extraction; and

L. Landfills. (Ord. 2749 § 3 (part), 1998)

19.30A.070 Private agricultural parks.

Private agricultural parks provide for appropriately sized, functionally configured, and affordable agricultural parcels to support diversified agricultural development. Lots created for the purposes of establishing or expanding a private agricultural park shall not be counted in or as part of the number of lots permitted by subsection 19.30A.030.G. Except as otherwise provided in this chapter, the following requirements and standards shall apply for uses, facilities, and structures in areas designated as private agricultural parks;

A. Individual lot leases or deeds shall provide that the lots is restricted to agricultural purposes;

B. Lots within private agricultural parks shall be made available for lease or sale;

Zoning Information

File No. 0003435

Owner	Hana Ranch Partners, L.L.C.						
Property Address	Haneo'o						
City	Hana	County	Maui	State	HI	Zip Code	96713
Lender/Client	Ke Ao Hali'i						

C. No permanent or temporary dwellings or farm dwellings, including trailers and campers, shall be permitted within a private agricultural park, unless the following requirement are met:

1. A special use permit, pursuant to section 19.510.070, Maui County Code, has been obtained;
2. The lot on which the dwelling is located is used principally for agriculture, and the occupant of the dwelling provides security or caretaker services for the private agricultural park;
3. A maximum of one dwelling per lot;
4. The private agricultural park shall be subject to a maximum density of one dwelling per twenty-five acres of private agricultural park area; and
5. The dwelling shall be subject to a maximum developable area of seven hundred square feet.

D. A restrictive covenant excluding dwellings that do not meet the criteria of subsection 19.30A.070.C shall be included in the deed of the lot and run with said lot as long as said lot is within the agricultural district. This restriction shall not prohibit the construction of storage sheds, equipment sheds or other structures appropriate to the agricultural activity carried on within the lot;

E. Agricultural parks shall not be less than twenty-five acres in size;

F. Minimum lot area: five acres;

G. Subdivision requirements, as set forth in the following provisions of Title 18, Maui County Code, shall not apply to private agricultural parks and the lots therein:

1. 18.16.010 to 18.16.180;
2. 18.16.270 to 18.16.310B;
3. 18.16.320;
4. 18.20 to 18.20.090;
5. 18.20.140; and
6. 18.28; and

H. All requirements set forth herein shall terminate if an area designated as an agricultural park is rezoned to a nonagricultural zoning district. (Ord. 2749 § 3 (part), 1998)

19.30A.080 Agricultural leases.

A. Any landowner may enter into an agricultural lease provided that the following conditions are met:

1. The principal use of the leased land is agriculture; and
2. No permanent or temporary dwellings or farm dwellings, including trailers and campers, are constructed on the leased area. This restriction shall not prohibit the construction of storage sheds, equipment sheds or other structures appropriate to the agricultural activity carried on within the lot.

B. Subdivision requirements, as set forth in Title 18, Maui County Code, shall not apply to agricultural leases. (Ord. 2749 § 3 (part), 1998)

19.30A.090 Substandard agricultural lots.

Substandard agricultural lots existing prior to the enactment of the ordinance codified in this chapter shall be subject to the following standards:

A. Lots less than two acres but equal to or greater than one-half acre shall be subject to the yard and building height standards as set forth for lots of such area in section 19.29.020, Maui County Code, and shall be exempt from the maximum developable area restriction of subsection 19.30A.030.D; and

B. Lots less than one-half acre shall be subject to the yard and building height standards as set forth for lots of such area in sections 19.08.050 and 19.08.060, Maui County Code, and shall be exempt from the maximum developable area restriction of subsection 19.30A.030.D. (Ord. 2749 § 3 (part), 1998)

19.30A.100 Exemptions pursuant to state law.

A. If provided by Hawai'i Revised Statutes, for lands legally defined and recognized as kuleana or similar type of land ownership, such as land commission awards or royal patents, the district standards of section 19.30A.030, and the density restriction of subsection 19.30A.050.B.1, shall not apply.

B. Affordable housing projects as set forth in chapter 201E, Hawai'i Revised Statutes, shall be exempt from the requirements of this chapter. (Ord. 2749 § 3 (part), 1998)

19.30A.110 Permits issued prior to the enactment of this ordinance.

State or County special permits, special use permits, conditional permits and variances issued prior to the enactment of the ordinance codified in this chapter shall remain in full force and effect for their duration, and their renewal shall be subject to the provisions of this chapter. Any dwelling or structure that was constructed with a building permit that was approved prior to the enactment of said ordinance need not acquire a County special use permit, conditional permit or variance and may be reconstructed as permitted by the original building permit(s), and such dwellings or structures may be expanded or modified with a building permit, subject to the other provisions of this chapter and this title. (Ord. 2749 § 3 (part), 1998)

19.30A.120 Rule-making authority.

The planning director and the director of public works and waste management shall have the authority to adopt rules regarding the administration of this chapter. (Ord. 2749 § 3 (part), 1998)

(Ord. No. 3849, § 1, 2011; Ord. 3524 § 1, 2008; Ord. 2583 § 4 (part), 1997)

- 19.29.030 - Permitted uses.

The following uses and structures shall be permitted in the RU-0.5, RU-1, RU-2, RU-5, RU-10, and County rural districts if they also conform with all other applicable laws:

Zoning Information

File No. 0003435

Owner	Hana Ranch Partners, L.L.C.				
Property Address	Haneo'o				
City	Hana	County	Maui	State	HI
Lender/Client	Ke Ao Hali'i				
				Zip Code	96713

A. Principal uses.

1. One single-family dwelling per one-half acre in the RU-0.5 and County rural districts; one single-family dwelling per one acre in the RU-1 district; one single-family dwelling per two acres in the RU-2 district; one single-family dwelling per five acres in the RU-5 district; and one single-family dwelling per ten acres in the RU-10 district;
2. Growing and harvesting of any agricultural or agricultural crop or product, subject to restrictions set forth in this chapter;
3. Minor utility facilities as defined in section 19.04.040 of this title.
4. Parks for public use; but not including commercial: camping, campgrounds, campsites, overnight camps, and other similar uses;
5. Day care nurseries, kindergartens, nursery schools, child care homes, day care homes, adult day care homes, day care centers, nurseries, preschool kindergartens, babysitting services, and other like facilities located in dwelling units used for child care services. These facilities shall serve six or fewer clients at any one time on lot sizes of less than seven thousand five hundred square feet, eight or fewer clients at any one time on lot sizes of seven thousand five hundred or more square feet but less than ten thousand square feet, or twelve or fewer clients at any one time on lot sizes of ten thousand or more square feet; and

6. Home occupations.

B. Accessory uses.

1. Accessory uses such as garages, carports, barns, greenhouses, gardening sheds, and similar structures that are customarily used in conjunction with and incidental and subordinate to a principal use or structure;
2. The keeping of livestock, hogs, poultry, and fowl and game birds;
3. One accessory dwelling per lot, in accordance with the provisions of chapter 19.35 of this title;
4. Small-scale energy systems that are incidental and subordinate to principal uses;
5. Stands for the purpose of displaying and selling agricultural, floriculture or farming products, if such products have been produced or grown on the premises, subject to standards in section 19.29.020 of this title. Goods produced off-premises are expressly prohibited;
6. Bed and breakfast homes, subject to the provisions of chapter 19.64 of this title; and
7. Short-term rental homes, subject to the provisions of chapter 19.65 of this title.

(Ord. No. 3941, § 9, 2012; Ord. No. 3849, § 2, 2011; Ord. No. 3622, § 6, 2009; Ord. No. 3611, § 2, 2008; Ord. 3524 § 2, 2008; Ord. 2648 § 3, 1998; Ord. 2583 § 4 (part), 1997)

- 19.29.040 - Uses permitted with a County special use permit.

The following uses and structures shall be permitted in the RU-0.5, RU-1, RU-2, RU-5, RU-10, and County rural districts provided a County special use permit, pursuant to section 19.510.070, Maui County Code, has first been obtained:

A. Commercial stables, riding academies;

B. Schools, churches and religious institutions, and private clubs and lodges; but not including commercial: camping, campgrounds, campsites, overnight camps and other similar uses;

C. Cemeteries, crematories, and mausoleums;

D. Major utility facilities as defined in section 19.04.040, Maui County Code; and

E. Day care nurseries, kindergartens, nursery schools, child care homes, day care homes, adult day care homes, day care centers, nurseries, preschool kindergartens, babysitting services, and other like facilities located in dwelling units used for child care services serving more than the number of children defined in section 19.29.030

Zoning Information

File No. 0003435

Owner	Hana Ranch Partners, L.L.C.						
Property Address	Haneo'o						
City	Hana	County	Maui	State	HI	Zip Code	96713
Lender/Client	Ke Ao Hali'i						

(Ord. No. 3849, § 3, 2011; Ord. 3524 § 3, 2008; Ord. 2648 § 4, 1998; Ord. 2583 § 4 (part), 1997)

- 19.29.050 - Exemptions pursuant to state law.

The following shall be exempt from the requirements of this chapter if, or as, provided by Hawaii Revised Statutes:

A. If provided by statute, for lands legally defined and recognized as hui, kuleana, or similar type of land ownership:

1. The density restrictions of sections 19.29.030.A.1 and B.3 shall not apply; and
2. The district standards set forth in section 19.29.020 pertaining to minimum lot area, minimum lot width and minimum yards shall not apply.

B. As provided by section 205-2(4)(c), Hawaii Revised Statutes, one lot of less than one-half acre, but not less than eighteen thousand five hundred square feet, resulting from a subdivision.

(Ord. 2583 § 4 (part), 1997)

- 19.29.060 - Rule making authority.

The director may adopt administrative rules to clarify and implement this chapter.

(Ord. 3524 § 4, 2008)

Comparable Land Photo Page

Owner	Hana Ranch Partners, L.L.C.				
Property Address	Haneo'o				
City	Hana	County	Maui	State	HI
Lender/Client	Ke Ao Hali'i	Zip Code	96713		



Comparable 1

Hana Hwy
 Prox. to Subj. 2.14 miles SW
 Sales Price 1,390,000
 Date of Sale 1/21/2010
 Location Puuiki
 Site/View 9.95 ac | ocean
 county water meter none
 private water none
 power public
 Improvement no



Comparable 2

4-5550 Hana Hwy
 Prox. to Subj. 2.90 miles SW
 Sales Price 1,650,000
 Date of Sale 7/30/2013
 Location Muolea
 Site/View 18.97 ac | ocean
 county water meter yes
 private water none
 power public
 Improvement yes

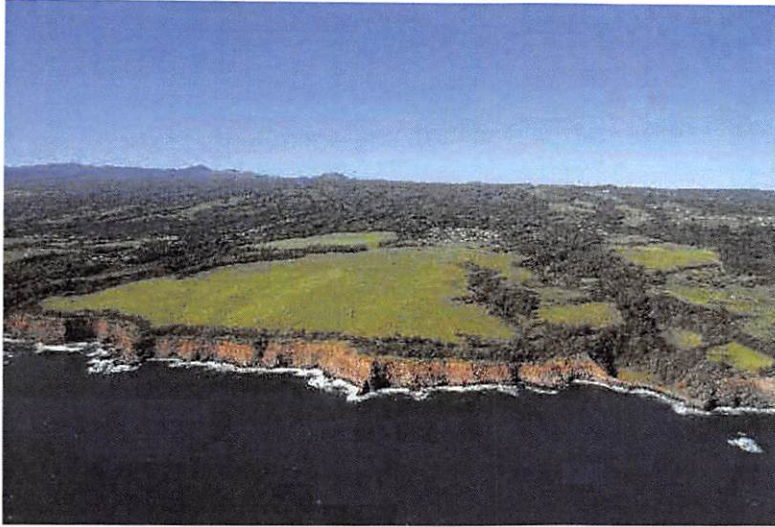


Comparable 3

6711 Hana Hwy
 Prox. to Subj. 0.48 miles S
 Sales Price 3,460,000
 Date of Sale 5/27/15
 Location Makaalae
 Site/View 7.26 ac | ocean
 county water meter yes
 private water none
 power public
 Improvement yes

Comparable Land Photo Page

Owner	Hana Ranch Partners, L.L.C.						
Property Address	Haneo'o						
City	Hana	County	Maui	State	HI	Zip Code	96713
Lender/Client	Ke Ao Hali'i						



Comparable 4

Ainakea Dr.
 Prox. to Subj. 35.60 miles SE
 Sales Price 3,300,000
 Date of Sale 3/15/17
 Location Kapa'au, Hi.
 Site/View 124.99 ac | ocean
 county water meter yes
 private water no
 power public
 Improvement none



Comparable 5

Ainakea Dr.
 Prox. to Subj. 35.34 miles SE
 Sales Price 3,150,000
 Date of Sale 2/14/17
 Location Kapa'au, Hi.
 Site/View
 county water meter no
 private water no
 power public
 Improvement none



Comparable 6

Akoni Pule Hwy
 Prox. to Subj. 36.61 miles SE
 Sales Price 2,500,000
 Date of Sale 4/4/18
 Location Kapa'au, Hi.
 Site/View 22.08 ac|ocean
 county water meter yes
 private water no
 power public
 Improvement none

Comparable Land Photo Page

Owner	Hana Ranch Partners, L.L.C.						
Property Address	Haneo'o						
City	Hana	County	Maui	State	HI	Zip Code	96713
Lender/Client	Ke Ao Hali'i						



Comparable 7

56-102 Old Coast Guard Rd
 Prox. to Subj. 33.44 miles S
 Sales Price 905,000
 Date of Sale 3/9/18
 Location Hawi, Hi.
 Site/View 17.55 ac | ocean
 county water meter yes
 private water no
 power public
 Improvement yes - asbestos



Comparable 8

Akoni Pule Hwy
 Prox. to Subj. 33.99 miles S
 Sales Price 3,200,000
 Date of Sale 5/4/12
 Location Kukuipahu, Hi.
 Site/View 24.1 ac | ocean
 county water meter yes
 private water no
 power public
 Improvement none

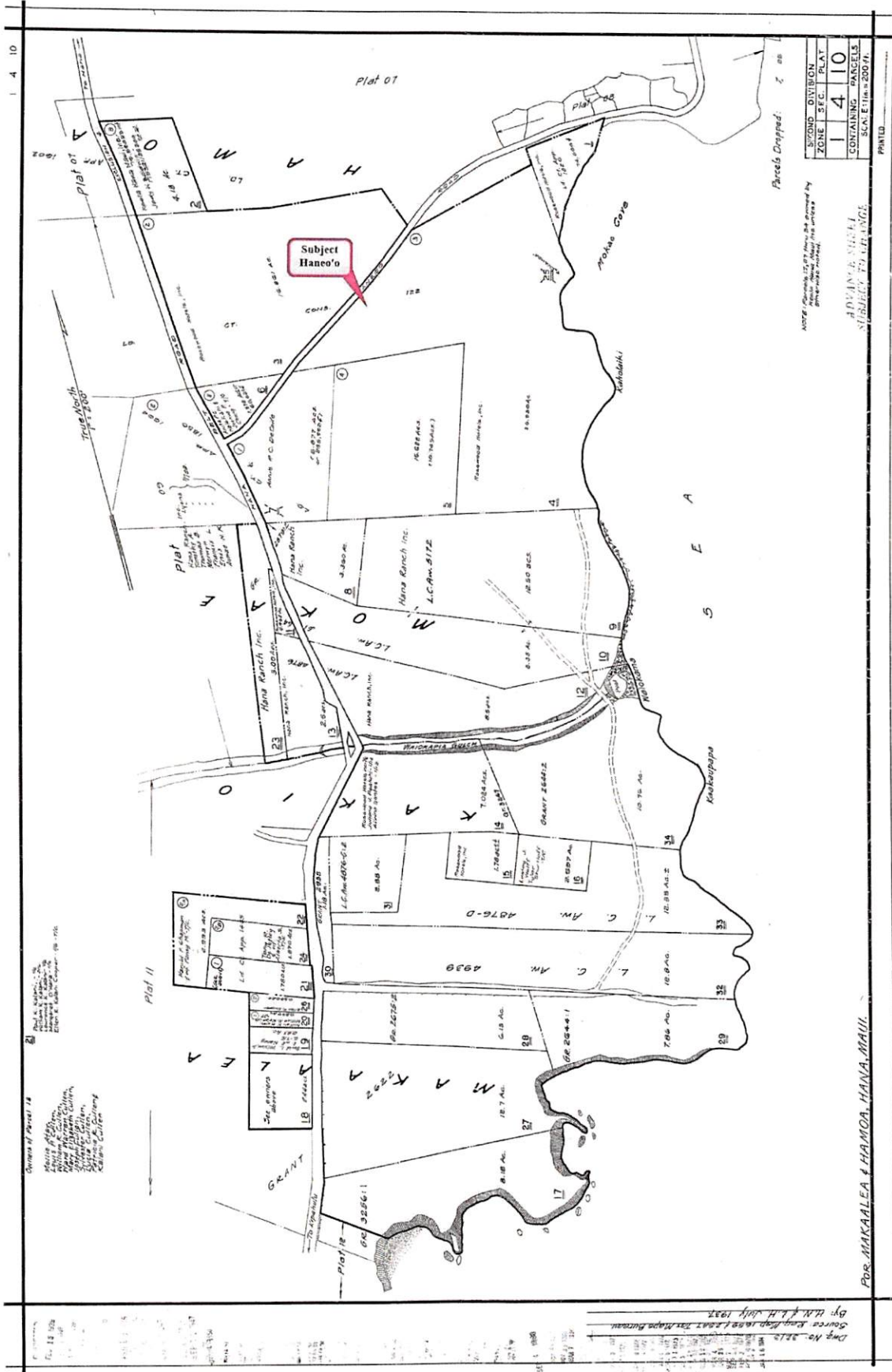
Comparable 9

Prox. to Subj.
 Sales Price
 Date of Sale
 Location
 Site/View
 county water meter
 private water
 power
 Improvement

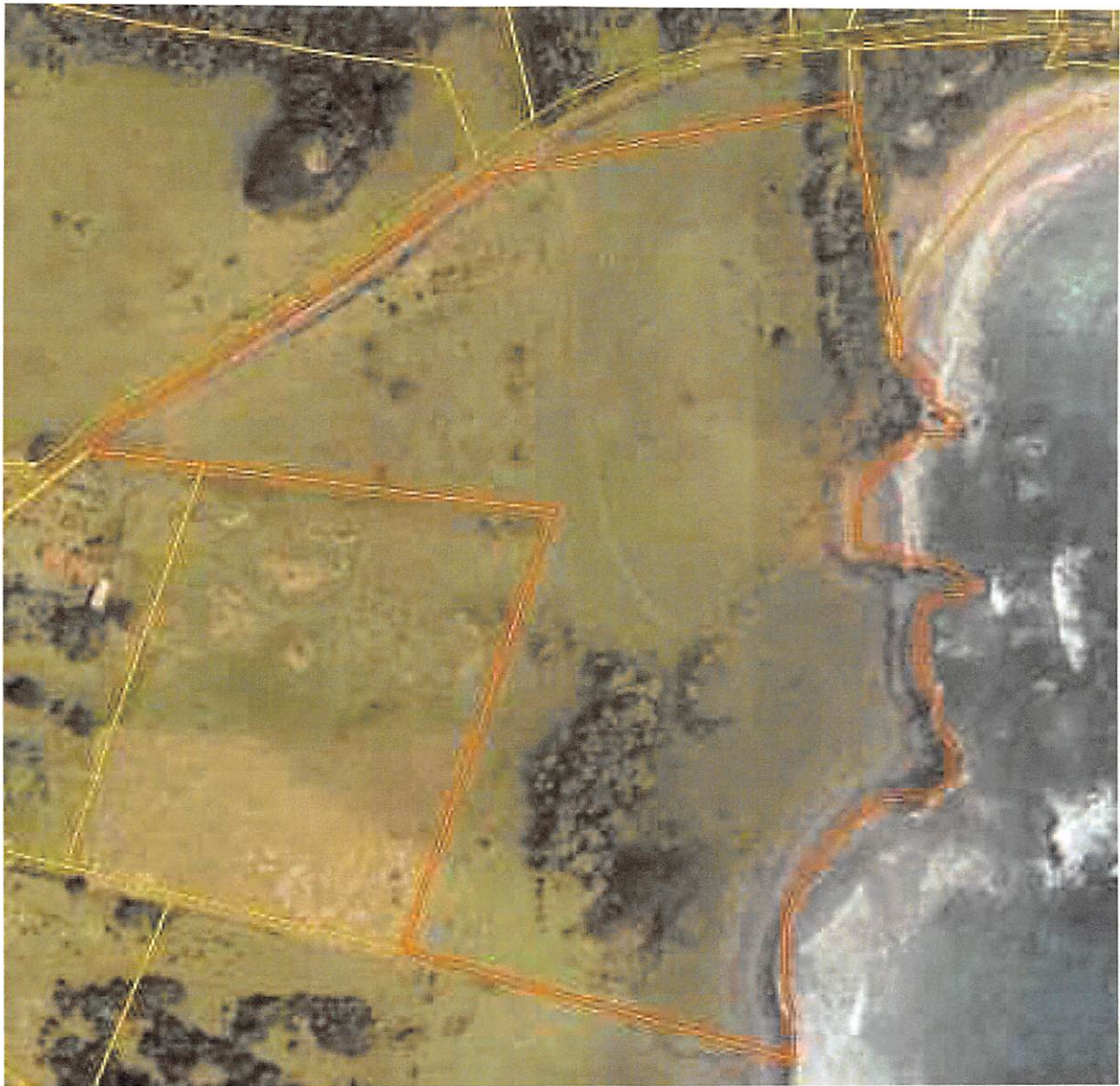
Map of Maui



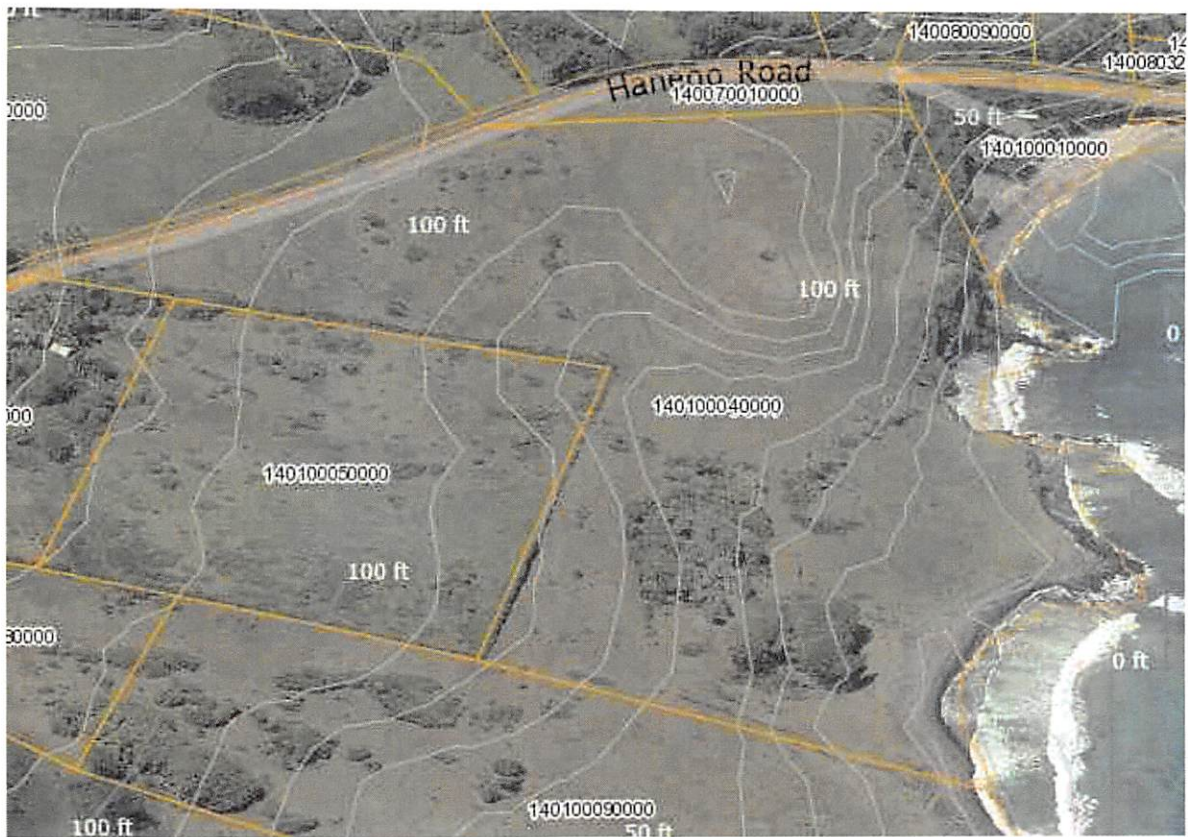
Tax Map



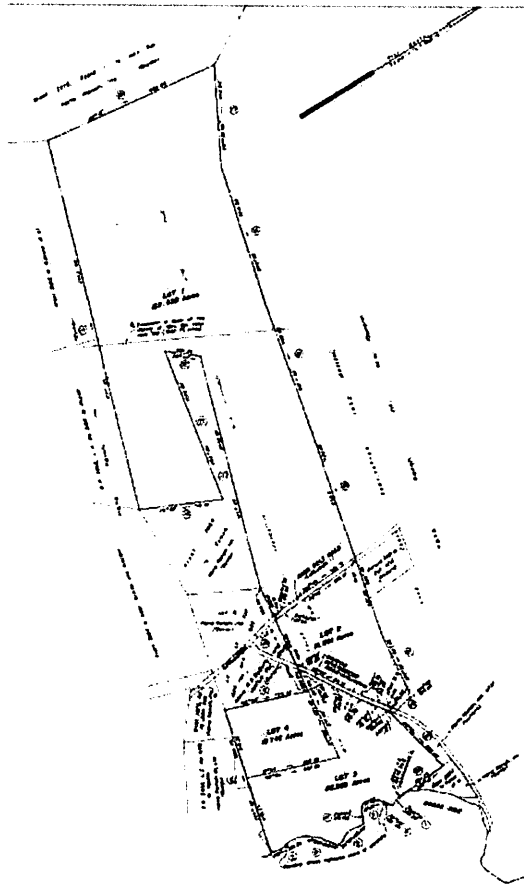
Aerial



Aerial Topography



Land Court Map



LAND COURT STATE OF HAWAII MAP WITH LAND COURT CONSOLIDATION USE

Wahi Road, Wa. - Oahu

Land shown as Bldg., Road, Water, Forest

Showing a consolidation of the following:

Lot or Apt.	Map No.	Owner's Certificate of Title	Owner	Area
103	1	15613	Wahi Road, Wa.	153,000 Acres
104	1	15614	Wahi Road, Wa.	153,000 Acres

See subdivision of said lands under the title of the above

FOR SALE STREET
ENCLOSURE MAP, NUMBER
1000 2, 000



WYOMAN SAFETY ENGINEERING CONSULTANTS, INC.
BY: *W. J. Wyoman*
REGISTERED PROFESSIONAL ENGINEER
LICENSE NO. 10000
1000 W. WASHINGTON STREET, SUITE 100
HONOLULU, HAWAII 96813

OWNER: *W. J. Wyoman*

I hereby certify that the above is a true and correct copy of the original map and that the same has been filed for record in the Office of the State Engineer, Honolulu, Hawaii, this 10th day of August, 1960.

W. J. Wyoman
REGISTERED PROFESSIONAL ENGINEER

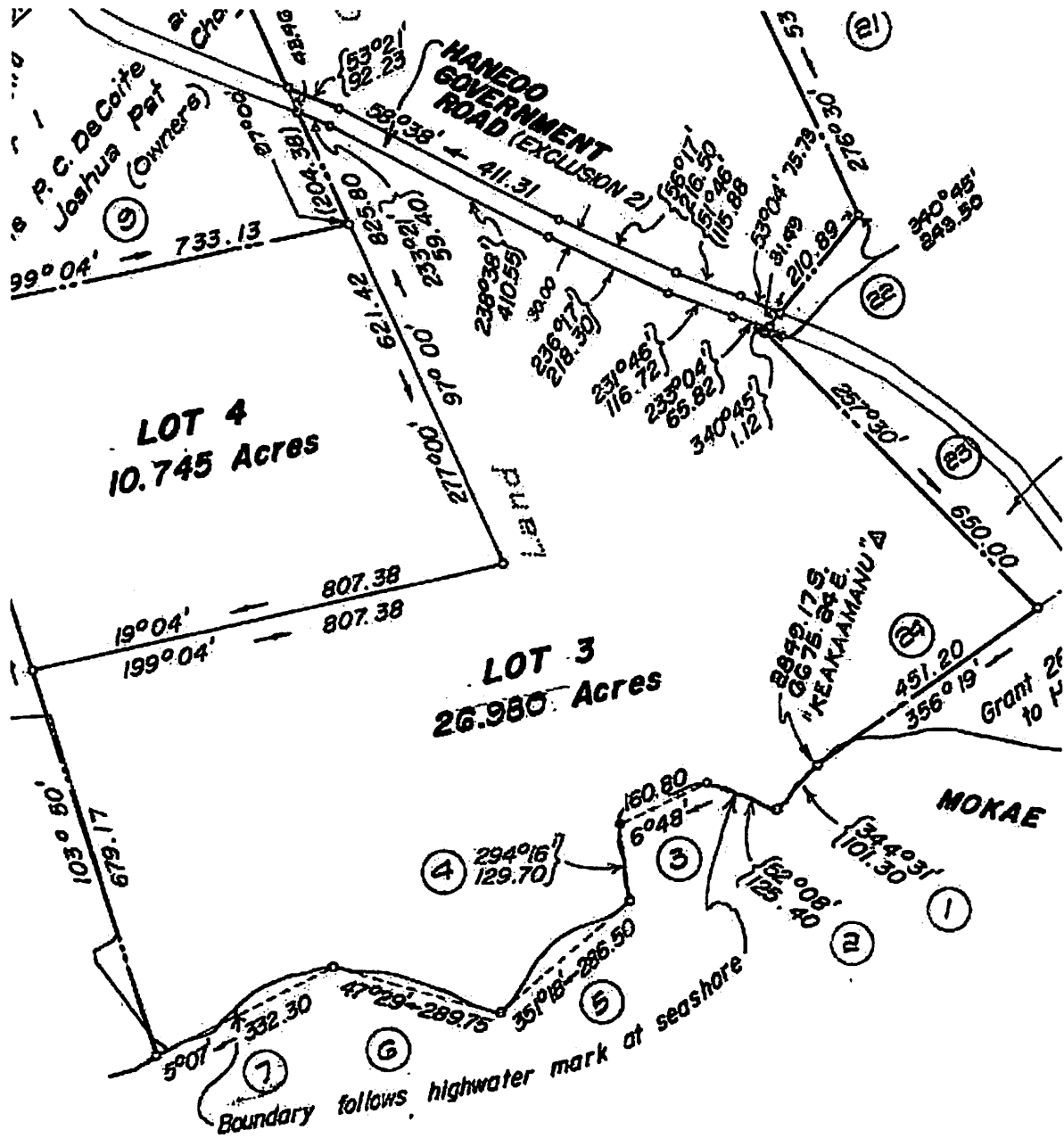
I hereby certify that the above is a true and correct copy of the original map and that the same has been filed for record in the Office of the State Engineer, Honolulu, Hawaii, this 10th day of August, 1960.

W. J. Wyoman
REGISTERED PROFESSIONAL ENGINEER

7
© JOHN P. HAYES'S NUMBER OF THIS IS A REPRODUCTION
OF THE ORIGINAL MAP NUMBER 1000 2, 000

W. J. Wyoman
REGISTERED PROFESSIONAL ENGINEER

Blow up of Ld. Crt. Map



Comparable Sales Map (Hana Comparables)

Owner	Hana Ranch Partners, L.L.C.						
Property Address	Haneo'o						
City	Hana	County	Maui	State	HI	Zip Code	96713
Lender/Client	Ke Ao Hali'i						



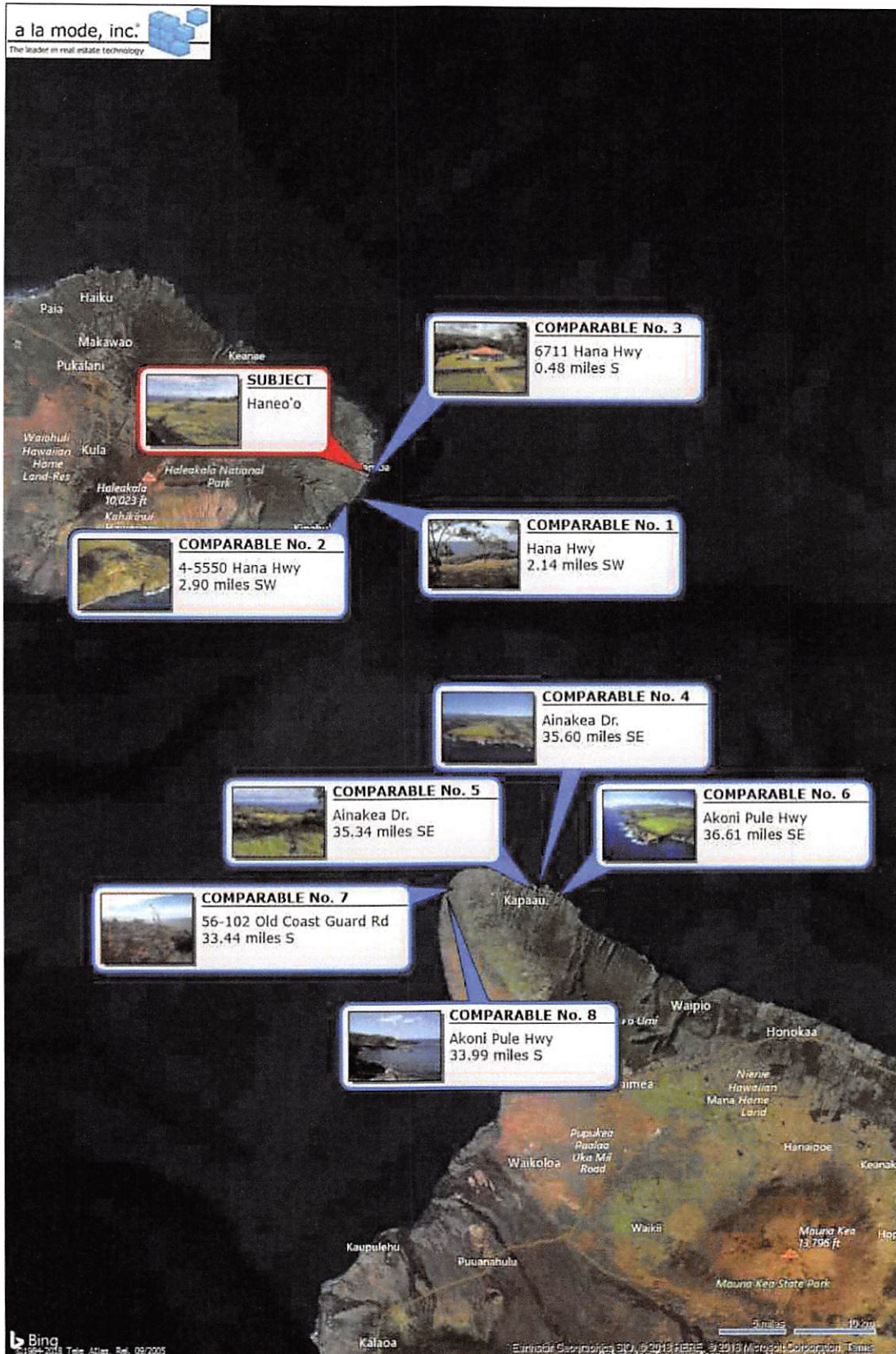
Comparable Sales Map (Big Island Comps.)

Owner	Hana Ranch Partners, L.L.C.				
Property Address	Haneo'o				
City	Hana	County	Maui	State	HI Zip Code 96713
Lender/Client	Ke Ao Hali'i				



Comparable Sales Map

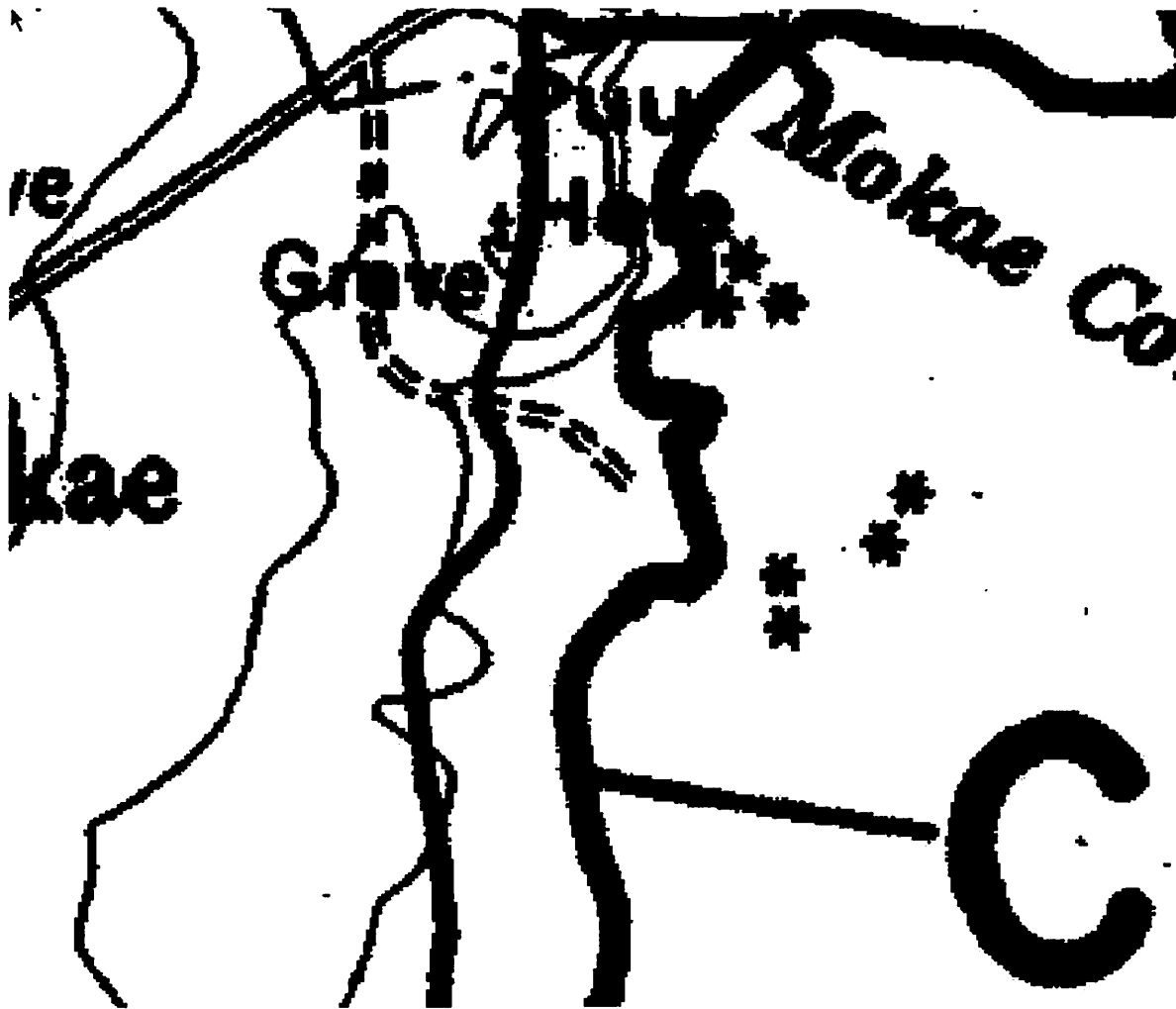
Owner	Hana Ranch Partners, L.L.C.		
Property Address	Haneo'o		
City	Hana	County	Maui
		State	HI
Lender/Client	Ke Ao Hali'i	Zip Code	96713



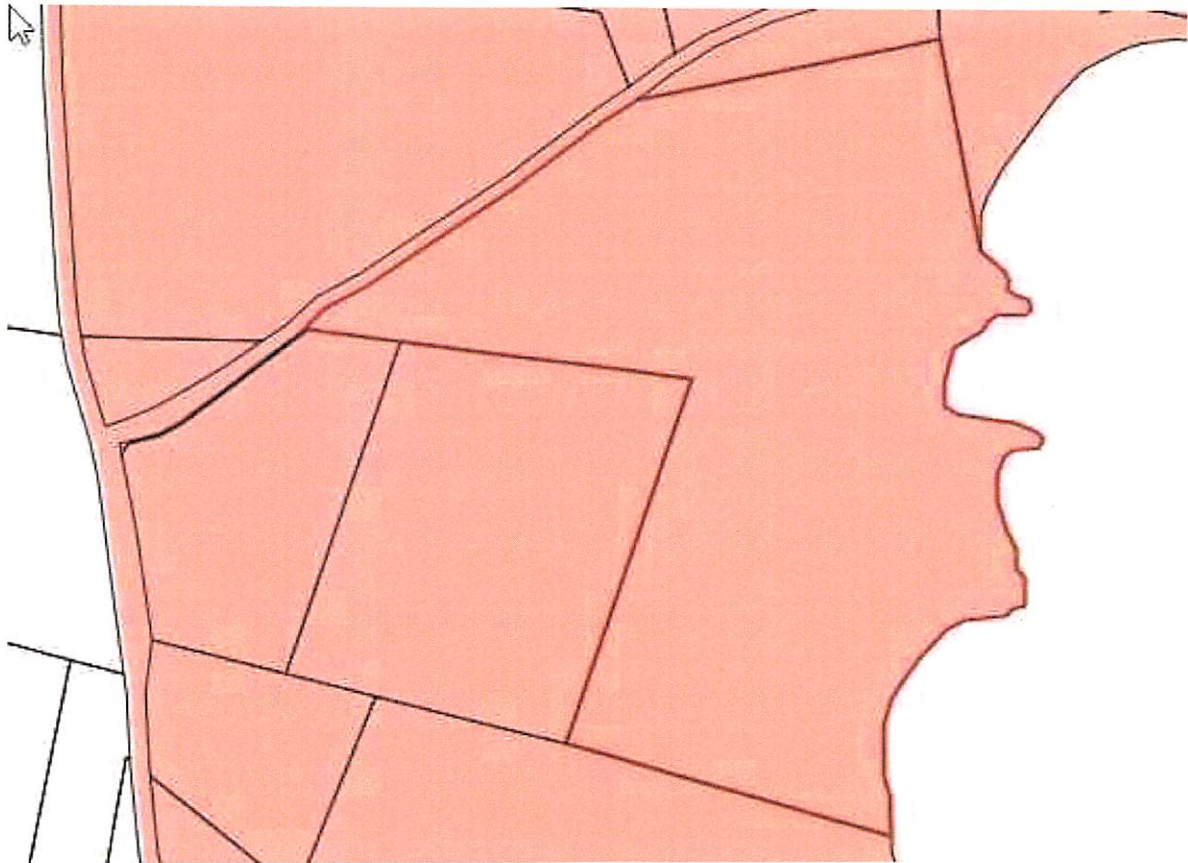
Zoning Map (County)



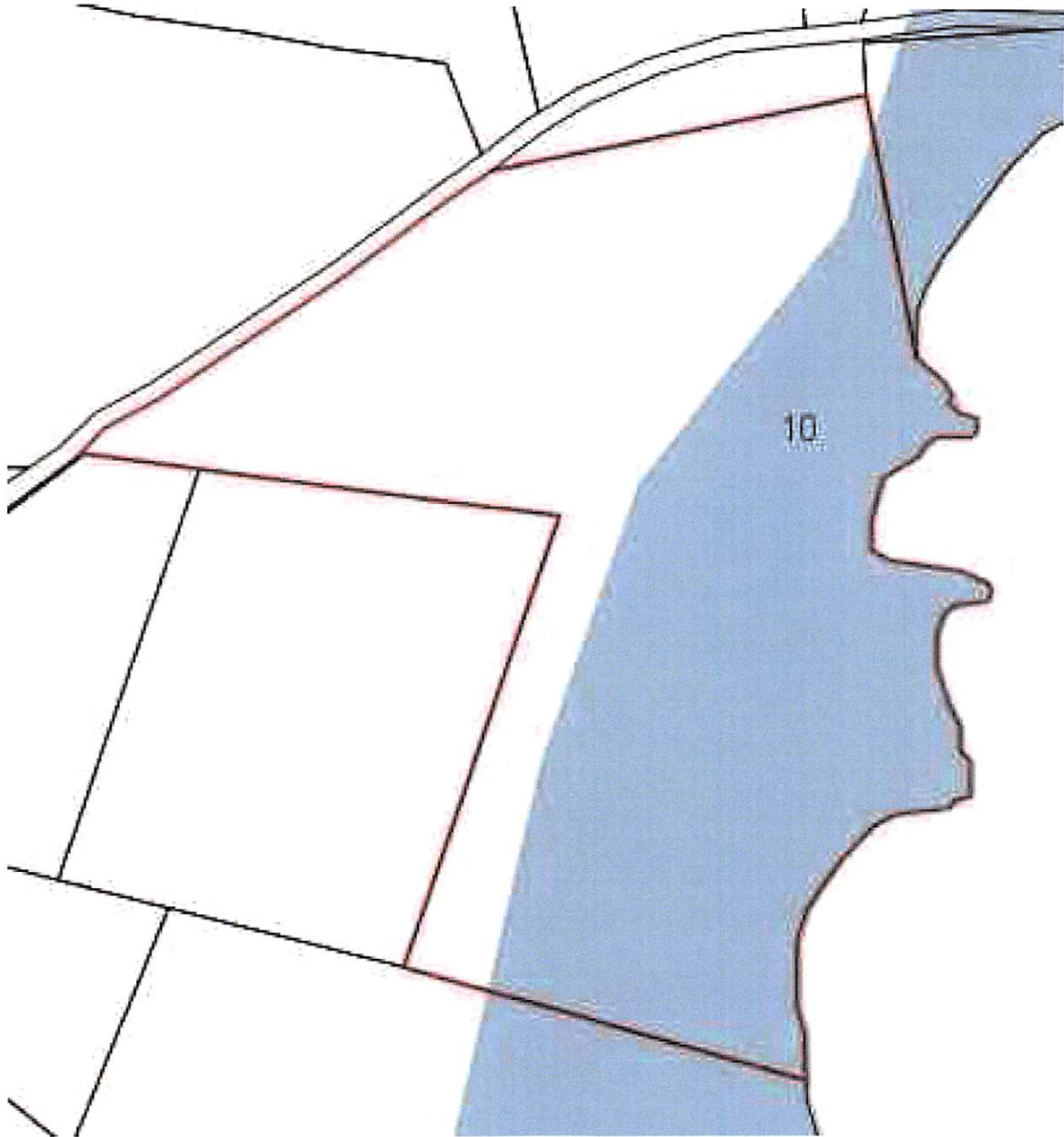
State Land Use Map



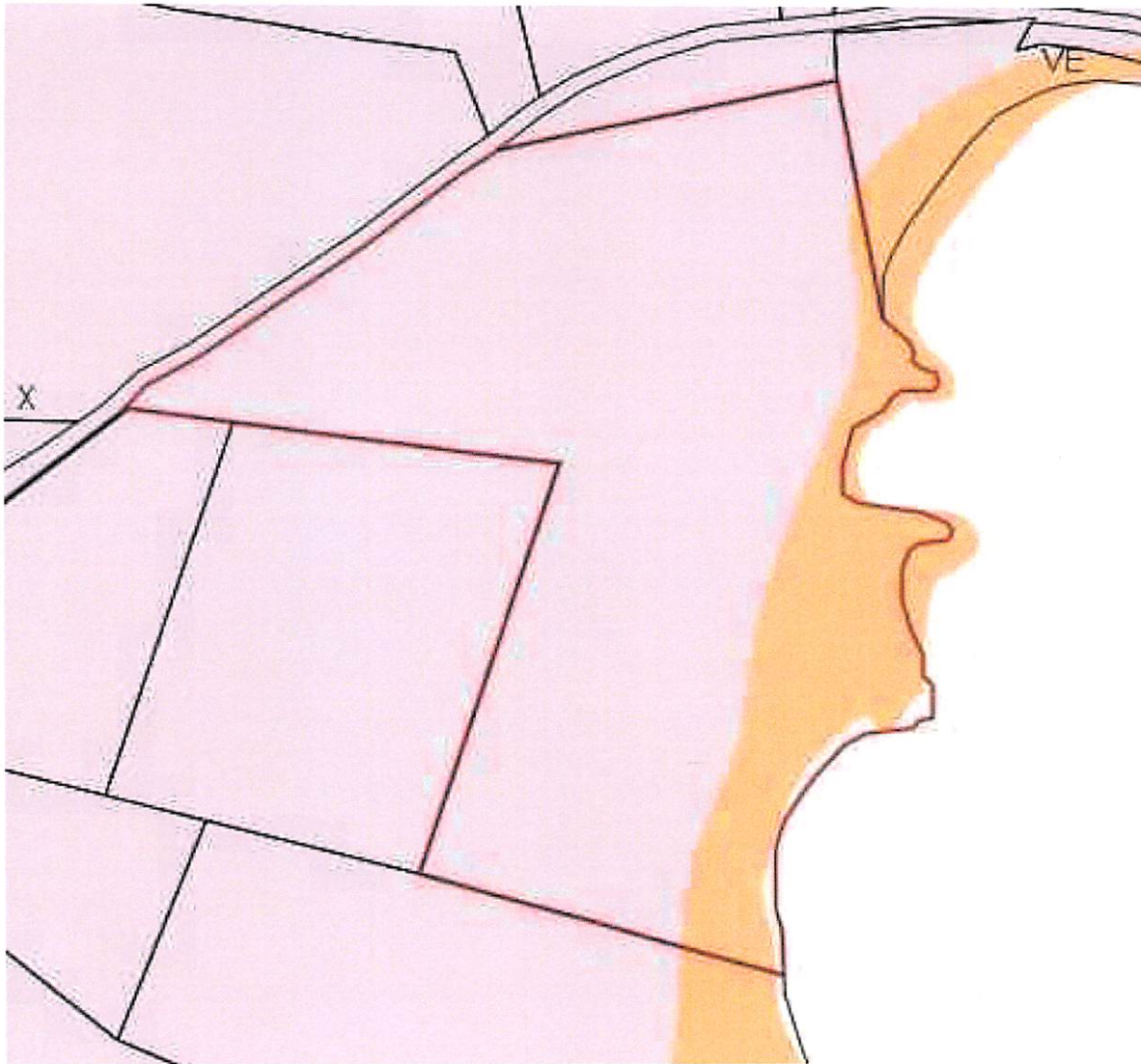
SMA Map



Tsunami Evacuation Zone



Flood Hazard Zones



Ke Ao Hall'i TMK (2)4-1-010:004	Exhibit B
Agency	Comments
DLNR, Native Ecosystems Protection & Management (NEPM)	No Comment Provided
Four Seasons Resorts Lanai, Cultrual Practitioner	<p>I would like to recommend that this acquisition be approved. The Land Management Plan looks promising with the understanding that it is a living document that will evolve as more experience and knowledge is gained and revealed. My only suggestion is that on page 10-11 under the heading, "Historical Significance," wherever the words, "legend" and "myth" are used, the verbage be changed to "tradition," or "historical accounts." The "Legend" and "myth" may allow the perception that these accounts are fiction. To many people, those mentioned in these traditions are lineal ancestors.</p> <p>My other comment/question is that with the reforestation of native plants and restoration of habitats for native seabirds, is there a plan to eventually phase out cattle grazing? If so, is this understood by Hana Ranch and are they supportive of that?</p> <p>Thank you again. I hope my contributions are useful.</p>
County of Maui Department of Public Works, Director	No Comment Provided
County of Maui Department of Parks and Recreation, Director	<p>The Parks Department is in support of the acquisition for the following reasons:</p> <ol style="list-style-type: none"> 1. The acquisition is part of a long-term plan that appears to have been prepared in a thoughtful process that included both residents and respected organizations. As a result, there is a clear and convincing rationale for why acquisition is needed. 2. The acquisition is part of a larger strategy to protect a significant amount of land along the Hana coastline. Without this protection, it's likely that it would be developed, which would result in the loss of public shoreline access. 3. There is a specific organization (Ke Ao Hall'i) devoted to managing the site and the larger acquisition. The organization has a board of directors as well. Moreover, other groups who helped prepare the plan (Nature Conservancy, Maui Nui Marine Resources Council, , Maui Nui Makai Network) have committed to continuing their assistance. <p>3. Future use and management of the property and adjacent areas have been studied and proposed as part of the plan's recommendations.</p>
County of Maui Department of Environmental Management, Director	<p>Although the grants we work with through DEM-EP&S Division are mainly for recycling and landfill diversion, we have reviewed the attached grant proposal for grant funds from OED and do not find anything that would cause a concern for the proposed grant to be awarded to the grantee. Therefore, I have no comments/concerns and would concur with OED approving the \$750,000.00 grant to the grantee. Our EP&S division would like to ask some questions that I will forward to you on a separate email. If you have any questions or concerns, please let me know.</p>
County of Maui Department of Environmental Mangement, Chief, Division of Environmental Protection and Sustainability	<p>With respect to ensuring preservation of tidal resources, ecological diversity, and carbon sequestration efforts (climate change response), I would like to ask how the items in Number 3 of the Conservation Purposes section (introduction of suitable native seabird and bee habitats) could be further expanded in the long-term management plans. I am also interested to know if another Open Space grant is or could be proposed for native habitat restoration/reforestation and maintenance of this land.</p>
DLNR, Division of Forestry and Wildlife	<p>Thank you for the opportunity to comment on this proposal. Please find attached comments and give me a call if you need additional information. (See Exhibit B, Attachment 1)</p>
Maui Nui Seabird Recovery	<p>I attach here my testimony. As I noted in the hearing, I only focused on the seabird values in my testimony. I do support all of the values and objectives of Ke Ao Hall'i! I do believe they are a model for others in other parts of our islands! (See Exhibit B, Attachment 2)</p>
County of Maui, Budget, Director	No Comment Provided
County of Maui, Finance, Director	No Comment Provided
Hawaiian Islands Land Trust, President and CEO	No Comment Provided
County of Maui, Office of Economic Development, Environmental Coordinator	<p>I think this property is the poster child for what types of property Open Space Funds can go to. The applicant organization and Conservation Easment Co-holder are also well established in the community and have the capacity to hold such an easment and follwo through with the management plan. I am concerned that the management plan includes the continued grazing of said land especially since there is iwi kupuna found across the landscape. This continued partnership with Hana Ranch also leads me to believe that the owners are not that concerned with selling the land and vacating the property. It concerns me that they will be paid out a huge some of money and continue to have access to the property. Lastly, if seabird nesting habitat is a priority to saving this landscape, why would ranching activities continue in these locations and what is the exact management plan and timeline for restoration activities to begin, ie fencing and exclusion of cattle from these sensitive locations</p>

DAVID Y. IGE
GOVERNOR OF HAWAII



SUZANNE D. CASE
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

ROBERT K. MASUDA
FIRST DEPUTY

KALFOL MANUEL
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
DIVISION OF FORESTRY AND WILDLIFE
1151 PUNCHBOWL STREET, ROOM 325
HONOLULU, HAWAII 96813

November 19, 2019

Kay Fukumoto, Director
Maui County, Office of Economic Development
2200 Main Street
Wailuku, Hawaii 96793

Subject: Request for recommendation regarding grant of county funds for proposed acquisition of land parcel identified as TMK (2)4-1-010:004

Dear Ms. Fukumoto:

Thank you for the opportunity to comment on the subject proposal. Maui County is considering an award of funds from its open space fund in support of the acquisition of the subject parcel by Ke Ao Hāli'i, a community-based non-profit conservation organization.

The subject lands are rich in natural resource values that face imminent threat of loss and degradation from development and invasive species. The lands support highly significant cultural, scenic, and aesthetic values and provide shoreline access to public trust natural resources. In addition, the lands hold the potential for management of rare native plants and seabirds. Acquisition and protection of the lands by Ke Ao Hāli'i will ensure that those resource values are held and protected in perpetuity. The proposed acquisition will further the goals of the 1994 Hana Community Plan by protecting coastal open space vistas along the Hana Highway, ensuring shoreline access to marine resources supporting traditional uses, and by supporting protection of areas of high cultural significance.

The Division of Forestry and Wildlife supports the proposed acquisition and is pleased to provide a recommendation in strong support of the request by Ke Ao Hāli'i for funding from the county open space fund for that purpose. We recognize and appreciate the strong community-based foundation that Ke Ao Hāli'i has established to guide its efforts and believe those roots will serve well to secure and protect the natural resources of Hana's coastal areas.

Sincerely,

J. Scott Fretz, PhD
Maui Branch Manager

C: Makalea Ane

Attachment 1
(to EXHIBIT B)

19 November 2019

Jay Penniman, Manager
jayfp@hawaii.edu
808-280-4114

In support of agenda item EDB-24(14): Ke Ao Hali'i on their proposed acquisition of land identified for real property tax purposes as (2) 1-4-010:004 in Mokae, Maui, Hawai'i.

Aloha Chair Rawlins-Fernandez & Members of the Committee,

Na Manu Kai, Birds of the Sea, Seabirds, came to Hawai'i to mate, lay eggs, & raise chicks beginning some 70 million years ago. Over those years Na Manu Kai worked as ecological engineers, bringing marine nutrients to the terrestrial habitat. These organic nutrients mixed with the mineral lava soils of the islands to form the rich matrix in which the unique plant community of the islands developed. The plants and their detritus that built up on the ground, formed the sponge that transports the abundant rainfall to the aquifers within each island, from where we can now recycle it for agriculture and drinking. Seabird derived nutrients also nourished the nearshore coral reef ecosystem, providing the nitrogen and phosphorus, in proper balance for optimal growth and health.

People have modified lands from the time of the Polynesian arrival to today. Many of human land use practices have eliminated what were once nesting colonies of Na Manu Kai. In addition, people brought mammals that were unknown to seabirds and of whom seabirds had no knowledge of their threat. Therefore, these mammals have and continue to, eat Na Manu Kai. These impacts have been so severe that seabird populations are now a dim shadow of their former selves. Today the majority of Na Manu Kai of Hawai'i nei raise their young on the islands and atolls of Papahānaumokuākea. Here too the impacts of human activity are threatening the existence of seabirds. Sea level rise has already claimed East Island in Kānemiloa'i. Literally millions of seabirds need to find new nesting colonies and they are not equipped to move as quickly as the sea is rising.

The Mokae lands would provide excellent nesting sites for many of Na Manu Kai whose traditional colony sites are under threat. Predator proof fencing would be required to prevent introduced mammals from accessing the sites. Within the sites alien pasture grasses and weed species could be controlled and native coastal strand vegetation could be reintroduced to move the ecosystem back toward balance and productivity.

We believe that Ke Ao Hali'i has the vision and community engagement to succeed in the preservation of open space and restoration of significant elements of ecological and cultural value. We strongly encourage your support of the acquisition of the Mokae lands by Ke Ao Hali'i.

GRANT AGREEMENT OF COUNTY FUNDS

KE AO HALI'I
(Grant No.5059)

PURCHASE OF TMK# (2)1-4-010:004 IN MOKAE, HANA

Source of Funds: Open Space, Natural Resources, Cultural Resources, and Scenic Views Preservation Fund 101417-7192

Certification Requested from County: \$750,000.00

THIS AGREEMENT, made this _____ day of _____, 2019, by and between KE AO HALI'I, a Hawaii nonprofit corporation, whose mailing address is P.O. Box 115, Hana, HI 96713, hereinafter called "Grantee", and the COUNTY OF MAUI, a political subdivision of the State of Hawaii, whose principal place of business is 200 South High Street, Wailuku, Maui, Hawaii 96793, hereinafter called "County", collectively referred to as the "Parties".

W I T N E S S E T H:

WHEREAS, the County desires to support and encourage Grantee's proposal, as more fully described in Exhibit "A", attached hereto and made a part hereof; and

WHEREAS, the County has reviewed the Grantee's application for a grant of County funds in furtherance of this goal, and finds the application has complied with the requirements set forth in Chapter 3.88, Maui County Code (as amended) ("MCC"); and

WHEREAS, the Maui County Council appropriated funds from the Open Space Fund for the purpose of acquiring the specific parcel of property specified in Exhibit "A" for land conservation purposes as set forth in Section 3.88.020, MCC; and

NOW, THEREFORE, the Parties, in consideration of the mutual promises hereinafter set forth, hereby agree as follows:

A. Scope of Program. Grantee shall complete its Program in accordance with Exhibit "A".

B. Property Description. The property to be acquired with this grant is described on page 4 or Exhibit "A".

C. Program Budget. The County agrees to make available as a grant to the Grantee, a sum not to exceed SEVEN HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$750,000.00) in grant funds. Grantee shall utilize all County funds granted hereunder solely for Grantee's Program as described in Exhibit "A".

C. Performance Schedule. Grantee shall perform work on its Program between July 1, 2019 and June 30, 2020, subject to such extensions as may be agreed to in writing by the County, and unless sooner terminated as provided herein.

D. General Conditions. In consideration of a grant of County funds, the Grantee shall agree to and complete its Program in accordance with the General Terms and Conditions, attached hereto as Exhibit "B" and made a part hereof;

E. Special Conditions. The following special conditions shall apply and the Grantee shall agree to and complete its Program in accordance with these Special Conditions. In the event that a Special Condition conflicts with any General Term and Condition, the Special Conditions shall control.

Special Condition 1) Compliance with MCC Section 3.88.070A is required. Specifically:

- a) Title to or other interest in the subject property acquired by grantee with funds wholly or partially provided under chapter 3.88, Maui County Code, shall be held in perpetuity by grantee unless conveyed to the County of Maui or another qualified land conservation organization or agency approved by the County Council.
- b) The grantee shall submit to the mayor or the mayor's designee annual reports for the first three years documenting progress toward implementation of the long-term management plan and compliance with terms and conditions of this grant. Each report shall be incorporated into the director of finance's next quarterly report to the council. Subsequent annual reports will be provided to the County as specified in the perpetual conservation easement.
- c) In the event that the grantee dissolves, title to or other interest in the subject property shall be conveyed to the County of Maui or to another qualified land conservation organization or agency approved by the County Council.
- d) Pursuant to section 3.88.070(B), Maui County Code, the grantee shall convey to the County of Maui at closing a perpetual conservation easement, if the grantee receives fee simple title to the property.
- e) The subject property shall not be sold, exchanged, divested, or converted to other uses that are

inconsistent with the purposes as set forth in the conservation easement without the prior approval of the County Council by resolution.

- f) The grantee shall not mortgage, hypothecate, or pledge the subject property or any portion thereof without the prior approval of the County Council by resolution.

Special Condition 2) Compliance with MCC Section 3.88.070B.

is required. Specifically:

- a) If Grantee, as the land conservation organization, receives fee simple title to the property, the land conservation organization shall convey to the County, at closing, a perpetual conservation easement, subject to council approval pursuant to chapter 3.44 of this code, as amended. The easement shall contain, among other things, restrictive covenants in substantially the following form:

- 1) This property has been acquired by (insert grantee's name here) with funds from the Maui County open space, natural resources, cultural resources, and scenic views preservation fund. Upon dissolution of (insert grantee's name here), title to or interest in this property shall be conveyed to the County of Maui or to another qualified land conservation organization or agency approved by the Maui County Council;

2) The general public shall be allowed reasonable access to this property, provided that access may be limited or controlled for cultural and environmental resource protection and public safety; and

3) This property shall be managed for land conservation purposes only and shall not be converted to other uses except as approved by the Maui County Council at such time as the potential conversions may be contemplated.

Special Condition 3) Compliance with MCC Section 3.88.070C is required. Specifically:

a) The escrow company used to complete the closing of the subject property shall provide the mayor or the mayor's designee, the Director of the Office of Economic Development, with copies of the closing documents, including a copy of the recorded deed, within sixty days of recordation of the deed. The escrow company shall be instructed that the conservation easement shall be recorded before, or at the time of, closing.


IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the day, month and year first above written.

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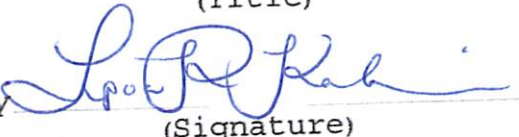
[SIGNATURE PAGES FOLLOW]

GRANTEE:

GRANTEE:
KE AO HALI'I

By 
(Signature)
Scott Crawford
(Print Name)

Its Chair
(Title)

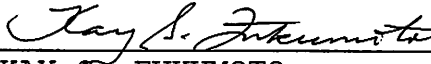
By 
(Signature)
Lipoa R. Kahalenahi
(Print Name)

Its Secretary
(Title)

COUNTY OF MAUI:

By _____
MICHAEL P. VICTORINO
Its Mayor

APPROVAL RECOMMENDED:

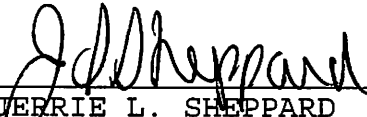


KAY S. FUKUMOTO
Director
Office of Economic Development



MICHELE M. YOSHIMURA
Budget Director

APPROVED AS TO FORM
AND LEGALITY:

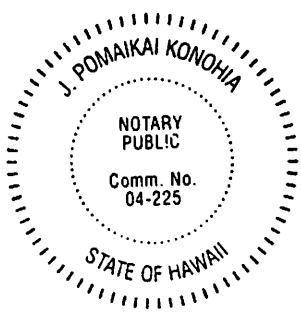


JERRIE L. SHEPPARD
Deputy Corporation Counsel
(LF 2019-1567)

STATE OF Hawaii)
County of Maui) SS.

On this 12th day of November, 2019, before me personally appeared Scott Crawford, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable, in the capacity shown, having been duly authorized to execute such instrument in such capacity.

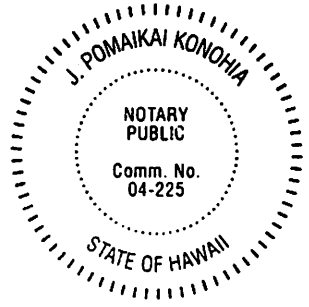
IN WITNESS WHEREOF, I have hereunto set my hand and official seal.



J Pomaikai Konohia
Notary Public, State of Hawaii
Print Name: J. Pomaikai Konohia
My commission expires: _____

**My Commission Expires
May 2, 2020**

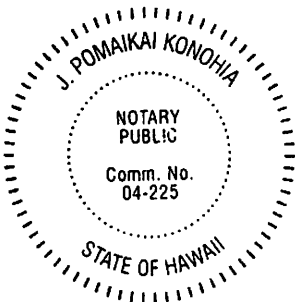
NOTARY PUBLIC CERTIFICATION			
Doc. Date:	<u>undated at time of notarization</u>	# Pages:	<u>28</u>
Notary Name:	<u>J. Pomaikai Konohia</u>	Judicial Circuit:	<u>2nd</u>
Doc. Description:	<u>Grant Agreement of County Funds Ke Ao Hala'i'i (Grant No. 3059) Purchase of TMT# (2) 1-4-010:004 in Makae, Hana</u>		
Notary Signature:	<u>J Pomaikai Konohia</u>		
Date:	<u>November 12, 2019</u>		



STATE OF Hawaii)
County of Maui) SS.

On this 12th day of November, 2019, before me personally appeared Lipca R. Kahakuahe, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable, in the capacity shown, having been duly authorized to execute such instrument in such capacity.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

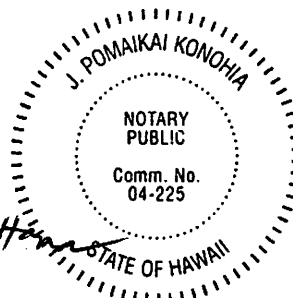


J. Pomaikai Konohia
Notary Public, State of Hawaii

Print Name: J. Pomaikai Konohia

My commission expires May 2, 2020

NOTARY PUBLIC CERTIFICATION			
Doc. Date:	<u>undated at time of notarization</u>	# Pages:	<u>28</u>
Notary Name:	<u>J. Pomaikai Konohia</u>	Judicial Circuit:	<u>2nd</u>
Doc. Description:	<u>Grant Agreement of County Funds to the Halei'i (Grant No. 5059) purchase of TMR# 125 1-4-010 out in Mahee, Hawaii</u>		
Notary Signature:	<u>J. Pomaikai Konohia</u>		
Date:	<u>November 12, 2019</u>		



STATE OF HAWAII)
) SS.
COUNTY OF MAUI)

On this ____ day of _____, 20__, before me personally appeared MICHAEL P. VICTORINO, to me personally known, who, being by me duly sworn, did say that he is the Mayor of the County of Maui, a political subdivision of the State of Hawaii, and that the seal affixed to the foregoing instrument is the lawful seal of the said County of Maui, and that the said instrument was signed and sealed on behalf of said County of Maui pursuant to Section 7-5.11 and Section 9-18 of the Charter of the County of Maui; and the said MICHAEL P. VICTORINO acknowledged the said instrument to be the free act and deed of said County of Maui.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Notary Public, State of Hawaii

Print Name: _____

My commission expires: _____

NOTARY PUBLIC CERTIFICATION		
Doc. Date: _____	# Pages: _____	28
Notary Name: _____	Judicial Circuit: _____	
Doc. Description: _____ _____ _____ _____		
Notary Signature: _____		
Date: _____		

Grant Application Checklist

Please retain this checklist as the first page of your grant application. Proposals WILL NOT be reviewed unless ALL required documents are submitted with the grant application by the deadline listed in this handbook. (see page 7 of Handbook for more details):

REQUIRED DOCUMENTS

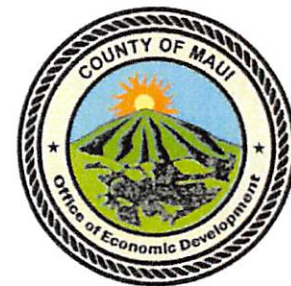
Corporate Entity (check one): Sole Proprietor Corporation LLC
 Federally Recognized Non-Profit Government Entity

- Certificate of Vendor Compliance (Dated within 2 months)
- Current DCCA Annual Filing Form
 - List Current Board of Directors and Officers if different from DCCA filing
 - Corporate Resolution (required only if one or more authorized signers are not Officers or Board Members of applicant organization)
- IRS W-9 Form
- Current Financial Statement
- Grant Application Packet
 - Certification (Signatures shall match DCCA filing or individuals identified in Corporate Resolution)
 - Proposal Narrative
 - Itemized Budget and Narrative (Template on OED website)

*Proof of Liability Insurance is not required at time of application, however applicant must secure prior to performing any grant activity. Check with your insurance agent to confirm that the following coverage and policy endorsement will be noted in the certificate of insurance:

"Grant # _____ The County of Maui, Its Departments, Agencies, Officers, Directors, Employees and Agents are named as an additional insured. Policy shall include a duty to defend the County, its Departments, Agencies, Officers, Directors, Employees and Agents against any loss, liability claims, and demands for injury or damage, including but not limited to, claims for property damage, personal injury, or wrongful death, arising out of, or in connection with the grantees' actions and/or performance of this agreement. No erosion of limit by payment of defense costs"

EXHIBIT
"A"



Grant Application Packet FY20

July 1, 2019 – June 30, 2020

A. Applicant/Fiscal Agent Information:

Legal Name of Organization:

Should match legal name listed on Department of Commerce and Consumer Affairs (DCCA) and Certificate of Vendor Compliance

Ke Ao Hali'i

Mailing Address:

P.O. Box 115 Hana HI 96713

Organization's Website:

www.savehanacoast.org

Authorized Representative (Name, Title):

Scott Crawford, Chair

Phone Number:

808-281-2021

Email:

scott@savehanacoast.org

Additional Representative or Project Authorized Representative (Name, Title):

Lipoa Kahaleuahi, Secretary

Phone Number:

808-269-9342

Email:

lipoa@savehanacoast.org

B. Project/Program Information:

Project/Program Title:

Purchase of TMK# (2) 1-4-010:004

Project Description: One sentence that describes your project. Will be used in a press release.

Open Space, Natural Resources, Cultural Resources and Scenic Views Preservation funds for land acquisition and related costs for approximately 26.98 acres at Moka'e, Hana.

List specific dates for events and/or festivals:

Performance Period (check one):

Fiscal Year: July 1, 2019 – June 30, 2020

Calendar Year: January 1, 2020 – December 31, 2020

Amount of Funds Requested: \$ 750,000.00

Geographic Location: Wailuku Kahului East Maui Haiku-Paia-Makawao
(check all that apply) Pukalani-Kula-Ulupalakua South Maui West Maui
 Lanai Molokai Kaho'olawe

Priority Focus Area: Small Business Promotion Agriculture Technology Culture
(check all that apply) Environmental Economic Development Energy Visitor Industry

C. Hawaii Tourism Authority (HTA) and other County Funding:

Did you receive HTA funding for this project/program in calendar year 2019? Yes No

Do you plan on applying for HTA funding for this project for calendar year 2020? Yes No

List additional funding you anticipate/will receive from Maui County for FY20

D. Grant Application Certification

Ke Ao Hali'i

Name of Applicant/Fiscal Agent

Submits this application as requested to receive County of Maui, Office of Economic Development grant funds for:

Purchase of TMK# (2)1-4-010:004 in Mokae, Hana

Project/Program Title

And hereby agrees to administer the project in accordance with the contract prescribed by the County of Maui Office of Economic Development. Distribution of grant funds is limited to those applicants who are in compliance with regulations, policies, and procedures. The Office of Economic Development reserves the right to withhold such distributions at any time the applicant/grantee is not in compliance.

It is the policy of the County of Maui, a political subdivision of the State of Hawaii, whose principal place of business is 200 South High Street, Wailuku, Maui, Hawaii 96793, hereinafter called the "COUNTY", and for those who do business with the County to provide equal employment opportunities to all persons regardless of race, physical disabilities, color, religion, sex, age or national origin as mandated by the Federal Civil Rights Acts, as amended and any other federal and state laws relating to equal employment opportunities.

Authority and Capacity:

The applicant assures that it has the authority and capacity to develop and submit the application and to carry out a project pursuant to the application.

Contracts:

Contracts for a grant shall not be disbursed unless and until a fully executed grant agreement is entered into between the COUNTY and the recipient. The terms of this application shall be incorporated between the COUNTY and the recipient. Each grant agreement shall expressly state that the GRANTEE is an independent contractor and not an employee of the County and provide that the recipient or provider shall indemnify and hold harmless the County, its departments, the appropriate contracting agency and the involved officers, employees and agents from and against all claims, damages, or costs arising out of or in connection with the acts or omissions of the recipient or provider.

Continued Eligibility:

Any GRANTEE who withholds or omits any material facts to the County of Maui shall be in violation of the terms of this Agreement and may be liable to reimburse a portion of any funds received herein. Such GRANTEE shall be prohibited from receiving any grant, subsidy or purchase of service Agreement from the County of Maui for a period of five years. Organizations currently receiving funds from the County Office of Economic Development must be in good standing and up to date on all required reporting requirements and contract deliverables in order to re-apply.

Certification: Unsigned proposals will not be accepted. Two signatures are required unless the applicant is a sole proprietor or sole member of an LLC.

The applicant certifies that the data in this application is true and correct and that the Applicant shall comply with the assurances set forth in this application.

Name and title of official(s) authorized to sign for applicant organization and project representative liable for deliverables:

Must be listed as an owner, member or officer on DCCA Annual Filing, or must submit a corporate resolution identifying who may sign legal documents for the organization

Scott Crawford, Chair

Name of Authorized Representative (Name, Title)


Signature of Authorized Representative

August 21, 2019

Date

Additional Representative or Project Authorized Representative (Name, Title)

Signature of Additional Representative or Project Authorized Representative

Date



Grant Application For: Purchase of TMK# (2)4-1-010:004 in Mokae, Hāna and related costs

Fiscal Year Ending: June 30, 2020

Date of Request: August 12, 2019

Granting Agency: County of Maui, Office of Economic Development
200 South High St. Wailuku, HI 96793.

Applicant

1. **Legal Name of Organization:** Ke Ao Hāli'i
Contact name: Scott Crawford, Chair
Phone: (808) 281-2021; scott@savehanacoast.org
2. **Address:** P.O. Box 115, Hana, HI 96713
3. **Taxpayer Type:** Corporation: Non-profit Charitable 501(c)(3)
4. **Tax ID Number:** 83-0653576
5. **Amount of Request of County Funds:** \$750,000 from FY20, II Special Purpose Revenues, J (5)
6. **Has the Applicant Applied for/received any other funds from the County of Maui this Fiscal Year?** Yes. We are also applying for Open Space Funds in the amount of \$1,500,000 from II Special Purpose Revenues, J (6)

Authorized Signature:

A handwritten signature in black ink, appearing to read "Scott Crawford", is written over a horizontal line.

Scott Crawford, Chair

Request Summary:

Ke Ao Hali‘i (“KAH”) requests a **Grant of \$750,000 (seven hundred and fifty thousand dollars)** from the Maui County FY 2020 Open Space, Natural Resources, Cultural Resources and Scenic Views Preservation funds to be used for the land acquisition and related costs for approximately 26.98 acres at Mokaē, currently owned by HRP Hana LLC (“Seller”). The total fair market purchase price for the property, per the latest appraisal, is \$2,800,000. KAH has secured funding approval for this project in the amount of \$2,225,625 from the Legacy Land Conservation Fund, through the Department of Land and Natural Resource. The funds we are requesting will conserve this land in perpetuity.

Upon approval by the Maui County Council of a land management plan and KAH as a tax-exempt organization under section 501(c)(3) of the Internet Revenue Code as steward of the property, fee title will be acquired by KAH, with a perpetual conservation easement to be jointly held by Hawaiian Islands Land Trust and the County of Maui.

Ke Ao Hali‘i Background and Qualifications

Ke Ao Hali‘i (Protective Blanket of Clouds”) was established in March 2018 with the purpose “to protect and preserve the natural and cultural resources of the Hāna moku and the customary and traditional practices of Native Hawaiians of the region; to hold title to and own interests in real property or to hold easements; to preserve and manage the area’s natural, cultural, scenic, historic and marine resources for the benefit, education and enjoyment of our community and future generations; and for all lawful activities for which nonprofit corporations may be incorporated under Chapter 414D, Hawai‘i Revised Statutes.”

According to our bylaws, the majority of members of the Board of Directors are Native Hawaiians who currently reside in Hāna moku. Our 11-member board is composed of a combination of members of families of the area with lineal descendancy from these lands, and supportive community members who bring a variety of relevant experience and skills.

Property Description

The subject property (“Property”), TMK (2)1-4-010:004 is located in the ahupua‘a of Mokaē, south of Haneo‘o Road adjacent to Hamoa Beach and Mokaē Cove. The Property consists of a cinder hill (Puhele or Kahinehineula) overlooking Hamoa Beach, and predominantly open, gently sloping pasture lands. It includes an old hala tree grove, archaeological sites, and extensive ancient burials. The Property includes about 1,375 feet of shoreline, including important fishing and marine resource gathering areas.

Currently, the Property is managed as pasture through a lease agreement with Hana Ranch/Biological Capital, and is used by local families for gatherings, as well as shoreline sustenance gathering and recreation.

Conservation Purposes

1. Public Outdoor recreation and education

The flat, grassy open area near the shoreline of the Property is known locally as “Kolaiki” (on old maps as “Kaholaiki”), and is an important spot used traditionally by local families for camping and gathering. This area is accessed by vehicles through a grassy road across the pasture from Haneo‘o Road, and the gate key has been controlled by Sellers for many years. Pedestrian access is available from this road, or by walking along the coastline from either direction. From Hamoa Beach, one must climb over a rocky outcropping with access depending on the ocean conditions. Local families of the area commonly use the shoreline for fishing, throwing net, and gathering ‘opihi, limu and other intertidal resources. It is adjacent, and one point of access, to a popular local surf break known as “Rock Pile” (on an old map as Waikanonono).

It is the intention of Ke Ao Hali‘i to manage the land to perpetuate the outdoor recreation and education opportunities, protecting the land from development and maintaining it as open space, while also protecting it from overuse by limiting vehicular access and having a policy and code of conduct for its use for camping and educational gatherings.

2. Preservation of historic or culturally important land areas

According to the Hawaiian newspaper articles “Dispatches from East Maui,” by 1877, the area of subsistence farmers had been replaced by Kakio Village (Maka’alae) and was crowded with “other people” living in closely constructed wood frame houses and many shops. Due to labor shortages, the Reciprocity Sugar Mill (ruins still visible today) in Maka’alae closed in 1902. In 1946, the 14,000 acre Hana Plantation was bought for cattle ranching, which still exists today. Lineal descendants of the Mokae and Maka’alae lands talk about the ranch owners not just covering over the wahi pana (sacred sites) and graves, but literally carrying the stones off site to conceal the evidence.

‘Iwi kupuna are known to be buried on this property extensively, and where the shoreline is eroding, ‘iwi, iliili and charcoal are exposed in layers showing evidence of historic periods of heavy habitation. There is evidence that this was once the site of a large battle.

The Property contains significant and relatively undisturbed pre-contact archaeological sites, mainly within and protected by an ancient grove of hala trees.

3. Protection of significant habitat or ecosystems

Due to many decades of use of this area by sugar production followed by cattle ranching, most of the native habitat has been significantly disrupted. However, the intertidal and nearshore habitat of this area is very important, with tide pools and reefs supporting an abundance of marine life, and very nearby what are described by locals as the most important limu beds in Hana. Although nearby Kapia stream is highly seasonal, being dry most of the time and only running in flash floods during storms, these resources are fed by fresh water seeps that come from the native

forest above. It is important that these nearshore habitats and limu beds are protected from sedimentation and runoff, as well as human overuse, that could be caused if these lands were developed.

In addition, the Maui Nui Seabird Recovery Project has surveyed the Property and determined that while no seabirds are presenting nesting there due to alien grasses and cattle, “the site would be an excellent location for seabird restoration.” With predator control fencing and native coastal strand vegetation restoration, several sites on the Property would provide high quality nesting habitat for several seabird species. “The offshore islet, Alau, is a short distance offshore. Alau is a predator free islet and ‘ua’u kani nest there in large numbers. Recruiting into the breeding population, young birds will explore new sites close to their natal site if the available nesting space where they hatched is filled.” (See MNSRP site visit report and recommendations.)

We have also been advised by Keahi Bustamente, state Department of Land and Natural Resources Division of Forestry and Wildlife biologist and geologist, of the potential for reintroduction of a native Hawaiian bee through planting of native flora as habitat for the bee.

4. Preserving forests, beaches, coastal areas and agricultural lands

Hamoia Beach is a crown jewel of Maui, enjoyed by residents and visitors. Hamoia is frequently rated as one of the top beaches in the America. For example, “Dr. Beach” (Dr. Stephen P. Leatherman, Professor and Director of the Laboratory for Coastal Research at Florida International University, generally considered the country’s foremost authority on beaches) has consistently rated Hamoia in his top 5 beaches in America. Author James Michener wrote about it, and Ernest Hemmingway once said that Hamoia Beach was the world’s best beach.

Hamoia Beach sits at the base of a partially eroded cinder cone that overlooks and protects it, which is located on the subject Property. The view from the beach, as well as from Haneo‘o Road above Hamoia Beach, is of the subject Property, and the stunning open landscape and coastline is one of the reasons why Hamoia Beach is so beautiful and special, and so appreciated as a profoundly important place of natural rejuvenation and recreation for locals and visitors alike.

Justification and Prioritization

The urgency of acquiring and protecting this land is underscored by the fact that the Seller has been actively marketing all of their coastal properties, and after decades of ownership are eager to divest themselves of their holdings in the near future. If this Property is not acquired with public funds dedicated to this purpose for long-term protection, it could easily be sold and developed into a private, restricted estate. The Seller would like to see the land be conserved and supports the community’s efforts to acquire the Property, making a willing partner, but only for a limited time.

Due to another special property close by almost being sold last year, the community was catalyzed into action, and has organized with a very clear, strong and dedicated purpose to protect these lands and steward them into the future. The lineal descendants of the area are involved and supportive of the effort, and committed to the long-term management of the land.

Thus, this is a rare and exceptional opportunity with the combination of a willing seller and an appropriate and capable community organization committed to take on the responsibility of stewarding the property for its conservation and cultural values in perpetuity.

In addition, along with the Maka'ala'e parcel that Ke Ao Hali'i is also seeking to acquire adjacent to Waioka Pond, these two properties form the "bookends" of a stretch of open coastline that is all on the market and could be developed, but with a two- to three-year plan for fundraising and acquisition, eventually all of this coastline will be protected. The Moka'e Property is a crucial first step necessary to establish credibility with Sellers and create momentum that can lead to other very important lands also being protected.

The establishment of a permanent Conservation Easement on the Property will ensure that these lands will always be available for open space, coastal habitat, subsistence and recreational use, and agricultural production, with the management support of the families of the area and local community who have a deep, enduring commitment to its stewardship.

Brief Overview of Long-Term Management Plans

The land is currently being grazed by Hana Ranch (Biological Capital) through a lease agreement with HRP Hana LLC, and for the next several years at least, we anticipate continuing the management of the land with cattle. (See Hana Ranch letter). Although cattle grazing does have some negative consequences, overall it is an effective method to keep the lands open and accessible and minimize encroachment by invasive species. In addition to cattle, we plan to do some manual removal of invasive plant species.

We will consult archaeologists to determine if any historical sites are in need of protection and preservation measures from grazing cattle or invasive plants, through fencing or other means. We have also had a preliminary site visit with archaeologist Maria Orr, and have discussed carbon dating the charcoal layers to learn more about the time periods of habitation. We will develop a policy for handling 'iwi that become exposed through coastal erosion based on the guidance of the lineal descendants, Hawai'i State Historic Preservation Division (SHPD), and the Maui County Burial Council.

In some key areas, we will consider carefully the viability and desirability of doing native plant and seabird habitat restoration. This would entail fencing to keep out cattle, feral cats, mongoose and rodents, and replanting with appropriate native vegetation. This may also include creating habitat for the reintroduction of the native bee.

We do not intend to restrict pedestrian access, but we plan to manage vehicular access to allow for limited usage while preventing overuse. We will develop a fair and open policy for how access is granted, to whom and for what purposes, and a code of conduct for the use of the Property for activities such as family and educational gatherings.

While many details of the long-term management plan are still to be worked out and decided, all of our management decisions will be made with appropriate input from lineal descendants and local community, with support of relevant agencies and partners with expertise in the areas.

We will strive as much as possible to accomplish our management goals through community volunteer efforts, but we will hire specialized services (e.g. fencing, arborists) or management staff as needed to maintain the Property in accordance with our goals and the terms of the conservation easement.

Description of Efforts to Obtain Matching Funds from Non-County Sources for Acquisition and Management.

The state Legacy Lands Conservation Program has approved an award in the amount of \$2,225,625 for the purchase of the land and related costs, which is 75% of the appraisal plus estimated related costs. LLCP requires 25% matching funds, which we are asking to be provided by the County of Maui.

In addition, upon completion of the transaction for subject Property, the Seller has also agreed to transfer fee title to KAH, without consideration and as a charitable contribution, of adjacent parcel TMK (2)1-4-007:001, consisting of 1.361 acres.

Appraisal by Disinterested Appraiser Dated Not More Than One Year from Date of Proposal.

An appraisal of the subject property by Steve Parker/ Classic Maui Properties Inc., was produced on November 30, 2018, and established the fair market value at \$2,800,000.

Community Plan Advancement

The proposed purchase and management of Property will directly advance the objectives and policies set forth in the 1994 Hana Community Plan as follows:

Land Use Goal - An efficient distribution of urban, rural and agricultural land uses in order to provide for the social and economic well-being of residents in the Hana Community Plan region. Preservation and enhancement of the current land use patterns which establish and enrich the Hana Community Plan region's unique and diverse qualities.

Objective and Policy 1: Preserve [...] existing coastal open space vistas by discouraging linear development along the highways traversing the Hana District.

Objective and Policy 7: Discourage developing or subdividing land under agricultural use or agriculturally designated lands for passive agricultural, estate residential uses.

Environment Goal - Protection and management of Hana's land, water and ocean resources to ensure that future generations can enjoy the region's exceptional environmental qualities.

Objective and Policy 1: Protect, preserve and increase the Hana region's natural marine, coastal and inland resources, encouraging comprehensive resource management programs.

Objective and Policy 2: Recognize residents' traditional uses of the region's natural resources which balance environmental protection and self-sufficiency.

Objective and Policy 3: Manage, protect, and where appropriate, restore areas which have significant indigenous flora and fauna habitat resource value.

Objective and Policy 4: Discourage water or land development and activities which threaten the biological diversity of the Hana region and degrade the existing quality of the region's (1) air and noise character, (2) marine, surface and ground water and (3) scenic resources and vistas.

Cultural Resources Goal - Identification, preservation, protection, and where appropriate, restoration of significant cultural resources and practices, that provide a sense of history and identity for the Hana region.

Objective and Policy 1: Identify, preserve and protect historically, archaeologically and culturally significant areas, sites, and features within the Hana District.

Objective and Policy 2: Acknowledge and respect family ancestral ties to cultural resources.

Objective and Policy 3: Encourage community stewardship of historic sites [...].

Objective and Policy 4: Promote the cultural resources of the Hana region as an identifying characteristic of the people and the place.

Objective and Policy 6: Encourage and protect traditional [...] makai accesses for traditional cultural uses and practices.

Economic Activity Goal - A balanced local economy which provides long-term viability and sustainability while meeting residents' needs and respecting the cultural and natural resources of Hana.

Objective and Policy 4: Protect traditional [...] makai access for subsistence activities that supplement family food sources.

Objective and Policy 5: Promote and maintain agriculture as a major economic activity with emphasis on a regional diversified agricultural industry.

Urban Design Goal - Harmony between the natural and man-made environments through building, infrastructure and landscaping design which ensures that the natural beauty and character of the Hana region is preserved.

Objective and Policy 4: Preserve significant view corridors.

Budget

Maui County Open Space Fund (<i>this proposal</i>)	\$750,000
Legacy Land Conservation Fund (DLNR)	\$2,225,625
Total Cost including purchase price plus estimated related costs:	\$2,975,625

FY20 FILL-IN GRANT PROPOSAL BUDGET & NARRATIVE

ITEMIZED BUDGET AND NARRATIVE: Please list all sources of income and expense for this project; then describe each line item in Narrative form to your right.

INCOME DESCRIPTION	COUNTY	OTHER CASH	IN KIND	TOTAL	NARRATIVE (two lines - approx 160 characters)
Open Space Fund Grant	750,000.00			750,000.00	II Special Purpose Revenues, I (6)
LLCP Award		2,225,265.00		2,225,265.00	Legacy Land Conservation Program award
R. Clay Sutherland, A Law Corporation			2,500.00	2,500.00	20% <i>pro bono</i> discount on legal fees
				0.00	
				0.00	
TOTAL INCOME	750,000.00	2,225,265.00	2,500.00	2,977,765.00	
EXPENSE DESCRIPTION	COUNTY	OTHER CASH	IN KIND	TOTAL	NARRATIVE (two lines - approx 160 characters)
ADMINISTRATION (PERSONNEL)					
				0.00	
				0.00	
				0.00	
				0.00	
				0.00	
OPERATIONS (INCLUDING CONTRACTED WORK)					
Land Purchase	625,000.00	2,175,000.00		2,800,000.00	Fair market value appraised purchase price
Appraisal review		6,000.00		6,000.00	Required by LLCP
Land survey		10,000.00		10,000.00	To determine metes and bounds
Title insurance		5,000.00		5,000.00	
Title report		2,600.00		2,600.00	
Environmental inspection		11,000.00		11,000.00	required by LLCP
Environmental site assessment		16,025.00		16,025.00	required by LLCP
Escrow fees	3,000.00			3,000.00	Title Guaranty Escrow Services, Inc.
Baseline documentation	112,000.00			112,000.00	For conservation easement, to be provided by HILT (held jointly by HILT and the County of Maui)
Attorney fees	10,000.00		2,500.00	12,500.00	review/draft acquisition related documents, with 20% discount offered by R. Clay Sutherland Law Corporation
				0.00	
				0.00	
				0.00	
				0.00	
				0.00	
MARKETING					
				0.00	
				0.00	
				0.00	
				0.00	
OTHER					
				0.00	
				0.00	
TOTAL EXPENSE	750,000.00	2,225,625.00	2,500.00	2,978,125.00	

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GENERAL TERMS AND CONDITIONS

In consideration of the grant of County funds, Grantee covenants and agrees to the following terms and conditions in the use and administration of County funds. In the event the following conditions conflict with any term, provision, condition and/or covenant contained in the body of the Agreement and any subsequent amendments, the terms, provisions, conditions and/or covenants contained in said body shall prevail.

- 1) **RECORD KEEPING.** Grantee shall keep records and prepare reports, including detailed, separate financial records relating to all grant funds received from the County. All accounts shall be prepared and maintained according to generally accepted accounting principles and as otherwise provided by law to ensure the effective administration of the grant. Grantee shall maintain such accounts and documents in a manner as to permit an expeditious determination to be made at any time of the status of funds within the award, including any disposition of all funds received from County and the nature and amount of all charges claimed to be against such funds. To facilitate the auditing process, Grantee's general ledger shall be organized to reflect the separation of County grant funds and expenses from other funds of the Grantee. Grantee shall maintain in its files, at all times, documentation certifying that the work described in any invoices, executed contracts or reimbursement requests submitted to the County are complete, correct, and in accordance with the terms of this Agreement.

Any information, data, report, record, summary, table, map or study given to or prepared or assembled by the Grantee under this Agreement that the County requests to be kept confidential shall not be made available to any individual or organization other than any subcontractor to which the material may relate, without prior written approval of the County. The County shall have complete ownership of all material, both finished and unfinished, that is developed, prepared, assembled, or conceived by the Grantee pursuant to this Agreement, and all such materials shall be considered "works made for hire". The County, in its sole discretion, shall have the exclusive right to copyright any product, concept, or material developed, prepared, assembled, or conceived by the Grantee pursuant to this Agreement.

The Grantee and any subcontractors shall maintain the books and records that relate to the Agreement, and any cost or pricing data, for five (5) years from the date of the final payment under the Agreement. In the event of any litigation, claim, investigation, audit, or other action, the records shall be retained for five (5) years from the date of final payment, or the date of the resolution of the action, whichever occurs later. During the period that records are retained under this section, the Grantee and any subcontractors shall allow County free and unrestricted access to such records.

- 2) **QUARTERLY REPORTS.** Grantee shall provide County with written, narrative, quarterly status reports within thirty (30) calendar days of the end of each report quarter (excluding the final quarter). These reports shall contain the following information:
 - a. Summary of program status in relation to goals, objectives and scheduled actions steps outlined in the grant application;
 - b. Contact information and all other relevant information regarding people or businesses served;
 - c. Financial status of County funds used; and
 - d. If appropriate, a report regarding progress towards meeting performance standards and economic self-sufficiency.
- 3) **FINAL REPORT.** Within 60 (sixty) days of the expiration of the Performance Schedule or completion of the Program or Project, or termination of the Agreement, whichever is sooner, Grantee shall submit to County a final project report, in a form satisfactory to the County agency administering this grant. This report shall document Grantee's efforts toward meeting the requirements of this Agreement, and contain the following:

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- a. An inventory of all equipment costing \$250.00 or more acquired with funds provided under this Agreement;
 - b. A list of expenditures incurred in the performance of this Agreement;
 - c. A summary of program status in relation to goals, objectives, and scheduled action steps outlined in the grant application;
 - d. Contact information and all other relevant information regarding people or businesses served;
 - e. Financial status report of County funds used; and
 - f. If appropriate, a narrative report regarding progress towards meeting performance standards and economic self-sufficiency.
- 4) **FINANCIAL AUDITS.** Grantee shall supply County with a copy of its annual financial statements that shall be prepared by a Certified Public Accountant. Grantee shall allow County to audit Grantee's records, report books, and other financial records upon request of County to determine compliance with the terms of this Agreement. Grantee shall cooperate fully and assist County in such an audit.
- 5) **NONPROFIT STATUS.** If Grantee is a nonprofit organization, Grantee shall establish and be governed by bylaws or policies that shall include provisions relating to nepotism and management of potential conflict of interest situations, as required by Section 3.36.040(c), Maui County Code.
- 6) **INSURANCE.** During the term of this Agreement, Grantee shall maintain at all times or cause to be maintained general and professional liability insurance coverage for Grantee and its employees. The insurance policies shall be issued by a company or companies authorized to do business in Hawaii and approved by the County, with combined single limits of not less than ONE MILLION DOLLARS (\$1,000,000) per occurrence and TWO MILLION DOLLARS (\$2,000,000) in the aggregate or such greater amount as may be required from time to time by the County. Grantee shall provide County not less than thirty (30) days' notice prior to any cancellation or material change or reduction in coverage. No such material change or reduction may be made without approval from the County. The County shall be listed as an additional insured on all policies, with the exception of professional liability. Prior to the commencement of this Agreement, Grantee shall provide the County with a certificate of insurance, which provides the following endorsement: "THE COUNTY OF MAUI, ITS DEPARTMENTS, AGENCIES, OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS ARE NAMED AS AN ADDITIONAL INSURED. POLICY SHALL INCLUDE A DUTY TO DEFEND THE COUNTY, ITS DEPARTMENTS, AGENCIES, OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS AGAINST ANY LOSS, LIABILITY, CLAIMS, AND DEMANDS FOR INJURY OR DAMAGE, INCLUDING BUT NOT LIMITED TO, CLAIMS FOR PROPPERTY DAMAGE, PERSONAL INJURY, OR WRONGFUL DEATH, ARISING OUT OF, OR IN CONENCTION WITH THE GRANTEE'S ACTIONS AND/OR PERFORMANCE OF THIS AGREEMENT. NO EROSION OF LIMIT BY PAYMENT OF DEFENSE COSTS."

Thereafter, prior to the expiration of each policy period, the insurance carriers for Grantee shall provide the County with certificates of insurance evidencing the foregoing coverage and provisions. The County reserves the right to request and receive a certified copy of the policies. Grantee shall also carry workers' compensation insurance for Grantee's employees in the amounts required by applicable law. Failure to maintain the necessary insurance in accordance with the provisions set forth herein shall constitute a material breach of this Agreement and the County shall thereafter have the options of pursuing remedies for such breach and/or immediate termination of this Contract.

Other Insurance Provisions. For any claims related to this Agreement, Grantee's insurance coverage shall be primary insurance as respects County, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by County, its officers, officials, employees, and volunteers shall be excess of Grantee's insurance and shall not contribute with it. The submission of insurance documentation to and acceptance by County that does not meet the requirements herein shall not be considered a waiver of Grantee's obligations or County's rights under the terms of this Agreement.

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- 7) **INDEMNIFICATION**. To the extent permitted by law, Grantee shall indemnify, defend, release, and hold harmless the County, its officers, agents, and employees from and against any and all manner of action and claim arising, either directly or indirectly, out of or resulting from the errors, omissions, or acts of Grantee, its officers, its employees, or its agents occurring during, or in connection with, the performance of the Grantee's services under this Agreement. The Grantee's obligations under this section shall survive and shall continue to be binding upon Grantee notwithstanding the expiration, termination or surrender of this Agreement.
- 8) **SUBCONTRACTS**. The Grantee shall not procure or subcontract any part of the services under this Agreement without the prior written consent of the County. All subcontracts entered into by the Grantee shall be in writing.
- 9) **EMPLOYEE COMPENSATION**. Grantee shall not compensate its employees more than the wages then prevailing in the State of Hawaii for employees with similar skills and abilities. Grantee shall not pay any commissions, bonuses or similar to its employees.
- 10) **COUNTY RECOGNITION**. Grantee shall give the County and State of Hawaii, if applicable, appropriate recognition in all grant-funded programs and printed materials. All such printed materials must be approved by the County prior to printing and/or use.
- 11) **GRANTEE COMPLIANCE**. Grantee shall strictly comply with its articles of incorporation and/or bylaws and all relevant County, State and Federal rules and regulations concerning Grantee's policies and operations.
- 12) **NO DISCRIMINATION**. Grantee shall not discriminate in the hiring of staff, compensation, terms or conditions of employment of individuals, use of volunteers, or delivery of client services on the basis of sex, sexual orientation, national origin, age, race, color, religion or disability. Grantee shall comply with all applicable Federal and State laws prohibiting discrimination.
- 13) **MODIFICATION OF AGREEMENT**. Any request to modify, alter or change this Agreement, shall be made to the Coordinator or designee of the Office of Economic Development in writing. Any modification, alteration or change to this Agreement, including, but not limited to, modification of the services to be performed, modification of the scope of services to be performed, extension of time of performance, or changes to the approved budget, shall be made by written supplemental Agreements executed by the County and Grantee.
- 14) **DEFAULT, SUSPENSION, OR TERMINATION OF AGREEMENT**. Grantee shall be deemed to be in default of the Agreement if:
 - a. Any of Grantee's representations or warranties made to the County with respect to this Grant shall have been false in any material aspect when made;
 - b. Grantee fails to faithfully and timely perform any of the promises, terms, or conditions of this Agreement;
 - c. Grantee abandons or discontinues its operations for a period in excess of thirty (30) days; or
 - d. Grantee (i) files a petition in bankruptcy, reorganization, or similar proceedings under the bankruptcy laws of the United States, (ii) has filed against it a petition in bankruptcy, reorganization, or similar proceedings under the bankruptcy laws of the United States which petition is not dismissed within sixty (60) Days, (iii) is adjudicated bankrupt under the bankruptcy laws of the United States, (iv) has a receiver, permanent or temporary, appointed for it by a court of competent jurisdiction, (v) requests the appointment of a receiver; (vi) makes a general assignment for the benefit of creditors, (vii) has its bank accounts, property or receivables attached and such attachment proceedings are not dismissed within sixty (60) Days, or (viii) is dissolved or liquidated.

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Should the default or noncompliance continue for thirty (30) days after written notice thereof is delivered to Grantee or mailed to its last known address, County may, at its sole discretion:

- a. Suspend or terminate, wholly or partially, this Agreement by giving written notice to the Grantee of such suspension or termination;
- b. Withhold grant fund payments pending correction of the noncompliance;
- c. Disallow all or part of the cost/expense of the activity or action not in compliance;
- d. Withhold additional award(s) to Grantee; and
- e. Terminate this Agreement without service or notice or legal process and without prejudice to any other remedy or right of action for breach of contract.

Further, the County may suspend or terminate this Agreement without cause by giving written notice to the Grantee thirty (30) calendar days before the effective date of such suspension or termination. Upon termination of this Agreement, all finished or unfinished documents, data, studies, and reports purchased or prepared by the Grantee pursuant to this Agreement shall be transferred to the County.

- 15) COSTS INCURRED DUE TO SUSPENSION OR TERMINATION. The County shall not reimburse the Grantee for any costs incurred by the Grantee during suspension or after termination of this Agreement unless the County authorizes such costs in the Notice of Suspension or Termination issued to the Grantee.
- 16) WITHHOLDING OF PAYMENTS. County may withhold any and all payments to Grantee if the costs set forth in a reimbursement request are, in the County's determination, unreasonable, or if Grantee fails to comply with the terms of this Agreement in any manner whatsoever.
- 17) PROSELYTIZATION PROHIBITED. Grant funds shall not be used to recruit or convert a person to a new faith, institution, or cause.
- 18) ENTERTAINMENT OR PERQUISITES PROHIBITED. Grantee shall not use any grant funds for purposes of entertainment or perquisites. For purposes of this Agreement, "perquisites" means a privilege provided or service rendered by Grantee to an employee, officer, director, or member of Grantee to reduce that individual's personal expenses.
- 19) LOBBYING PROHIBITED. Grantee shall not use grant funds for lobbying purposes or activities.
- 20) REVERSION OF ASSETS. The Grantee is prohibited from disposing any real or personal property acquired with County funds received under this Agreement, without first receiving prior written consent of the County.
Should the Grantee cease to use any real or personal property acquired with County funds for the purposes or personal property acquired with County funds for the purposes described in this Agreement, the Grantee shall either:
 - a. Pay the County the current fair market value of the asset; or
 - b. Transfer control of the asset to the County.

Unless instructed otherwise by the County in writing, within thirty (30) days of the expiration or termination of this Agreement, the Grantee shall transfer to the County:

- a. Any County funds on hand at the time of expiration or termination of this Agreement;
- b. Any account receivables attributed to the use of County funds; and
- c. Any real and/or personal property acquired or improved in whole or in part with County funds.
- d. An inventory of all personal property acquired with County funds at a purchase price of \$500.00 or more.

- 21) PRODUCTION OF INFORMATION. If applicable, Grantee shall comply with all requests of the State of Hawaii and/or the County of Maui for information and reports regarding the project and Grantee's operations.

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- 22) **COMPLIANCE WITH LAWS.** Grantee shall comply with all applicable Federal, State and County laws, rules, regulations, licensing requirements, applicable accreditation and other standards of quality generally accepted in the field of Grantee's activities.
- 23) **METHOD OF PAYMENT.** Unless otherwise specified herein, Grantee shall submit on its company/agency's letterhead written reimbursement requests to the County for payment of grant funds. Payment shall be made as work is performed and the required invoices, billing statements, or other documents are submitted. Each reimbursement request shall:
- a. Identify the Project, the nature of the work or materials provided, and the specific Phase of the Project for which the work or materials were provided;
 - b. Be signed by an authorized representative of Grantee as to its accuracy and verified by a designated County official;
 - c. Include a certification by Grantee that the work for which payment is requested was performed in accordance with the terms of this Agreement;
 - d. Include copies of receipts, canceled checks, certified payroll records for the applicable time period or phase for which payment is requested, vendor Agreements, and/or other documents providing verification of work completed in accordance with this Agreement; and
 - e. Be presented in duplicate, with two (2) complete sets of all items submitted.

Grantee shall maintain in its files, at all times, documentation verifying that work described in any contract, bill, invoice, purchase order, or request for payment sent to the County is correct, complete, and in accordance with the terms of this Agreement. Initial and final payment under this Agreement shall be subject to receipt by the County or original tax clearance certificates for the Grantee from the State of Hawaii.

The County will reserve 10% of the grant award as a final payment. Final payment on this Agreement shall be available upon completion of Grantee's program, receipt by County of a final report which County finds to be acceptable, and if applicable receipt of a certified copy of a State of Hawaii Tax Clearance Certificate for the Grantee validated by the State of Hawaii Department of Taxation and the Internal Revenue Service or other forms of documentation that meet the requirements of County policy and are deemed acceptable by County.

- 24) **PROGRAM INCOME.** "Program Income" means gross income received by Grantee generated from the use of County funds. In no event shall any of the income, earnings, or assets of the Program, including any and all grant funds, surplus funds, or Program Income as described herein, be distributed by Grantee to, or for the benefit of, its corporate directors, officers, members, employees, or consultants. Discretionary use of Program Income by Grantee is strictly prohibited.
- 25) **PROCUREMENT.** If Grantee contracts for the design and/or construction of any structure, defined for purposes hereof as any construction involving a load-bearing wall, Grantee shall comply with the Hawaii Public Procurement Code, Chapter 103D, Hawaii Revised Statutes, any County procurement policies for the procurement of contracts for design and/or construction of any structures as defined herein. Grantee shall ensure that all procurement transactions for construction of non-structures, as defined herein, and all procurement transactions for goods and services are conducted in a manner to provide, to the maximum extent possible, open and free competition.
- 26) **INSPECTIONS AND MONITORING.** Grantee shall permit the County or its duly authorized agent free access to any and all Grantee programs, facilities, event or activities without advance formal notification or appointment when such access is for the express purpose of monitoring, investigation, researching or formulating programs, services or related policies and procedures or when County is otherwise in the pursuit of any official business relative to any aspect of this Agreement.

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27) PERSONNEL REQUIREMENTS.

- a. The Grantee shall secure, at the Grantee's own expense, all personnel required to perform this Agreement.
- b. The Grantee shall ensure that the Grantee's employees or agents are experienced and fully qualified to engage in the activities and perform the services required under this Agreement, and that all applicable licensing and operating requirements imposed or required under Federal, State or County law, and all applicable accreditation and other standards of quality generally accepted in the field of the activities of such employees and agents are complied with and satisfied.
- c. The Grantee and the Grantee's employees and agents are not by reason of this Agreement, agents or employees of the County for any purpose, and the Grantee and the Grantee's employees and agents shall not be entitled to claim or receive from the County any vacation, sick leave, retirement, workers' compensation, unemployment insurance, or other benefits provided to the County employees.

28. ALCOHOL. The County of Maui will not reimburse for any alcohol expenses.

In the event Grantee fails to adhere to any of the conditions listed herein, County may withdraw any part or all of the grant at the County's sole discretion and without advance notice. Grantee shall be held liable for any grant funds expended in a manner inconsistent with this Agreement, including any attachments incorporated therein.