Good Morning Maui County Council Members,

My name is John Chaisson and I am a 20 year owner of Maui Sands .I I am here today to support Bill 88 and the creation of H3/H4 zoning. This will provide jobs to local economy and the creation of this new zoning will allow certain A1/A2 properties with current tvr status to transition to H3/H4/ to continue short term rentals.

The TIG Report identifies the conditions by which an A1/A2 property can transition to H3/H4. These conditions identify whether a property is appropriate and attainable as affordable housing. The properties listed on TIG/Exhibit 2 list are identified as not appropriate for affordable housing because of the conditions they present. These issues identified by the TIG report include whether it is a lease hold, are the monthlies are affordable, whether or not the property lies within the Sea-Rise Impact zone, whether there are legal issues with the property are some areas of concern the TIG addressed. Please pass Bill 88.

This gives Maui Sands I a chance to be part of Exhibit 2. We meet ALL the TIG criteria and then some being a lease hold property, a land lease so short it does not qualify for a mortgage, $3000 monthlies, located in the middle of the sea rise impact zone, and probable legal issues on the horizon. My presentation I handed out yesterday to support this has the receipts that support Maui Sands is not an affordable property with all the issues exist with Maui Sands 1. I am asking the Housing Land Use Committee and Maui County Council, when appropriate, to please include us on the Exhibit 2 for the council initiated zoning change. Mahalo for your time.

RECEIVED AT HLU MEETING ON 5/26/2026

Dear Honorable Maui County Council and the Housing and Land Use Committee,

I write to you today in hopes of correcting a possible oversight of Maui Sands I.

Based on the criteria of the TIG Report, Maui Sands I meets ALL of the requirements identified by the TIG Report to be a unattainable property to buy or rent as an affordable property for local residents. Here we are providing itemized and actual documentation to support this.

Therefore we are asking for an amendment from the Maui Planning Council to be included on the county initiated zoning change for the Exhibit 2 list. All our neighbors to the left and right of us, including Maui Sand 2 is on Exhibit 2 list. We feel that we may have been inadvertently left off and ask Maui County Council to include us in the county initiated zoning change A2 to H3/H4.

If H3/H4 is passed here are the reasons why to include us in the county initiated zoning change.

1. **We are a lease hold property**
2. **No one can get a mortgage for Maui Sands I because the land lease is too short**
3. **We have very high monthlies – approx. $3000**
4. **We sit in the middle of the sea-rise impact zone identified by the State of Hawaii**
5. **We have lease hold payment issues with our lease hold owners**

Below is a snippet from Maui County Property Records of my condo confirming Maui Sands is a lease hold property.

Parcel Information

Parcel Number	440010520054
Location Address	3559 LOWER HONOAPIILANI RD UNIT VIF LAHAINA HI 96761
Neighborhood Code	C436
Legal Information	APT VI-F MAUI SANDS CM 14 & 35TOG/PS VI-F AND STORAGE LOCKER VI-F UND 1/56TH INT IN COMM ELEM
Land Area	
Zoning	A2 - A-2 Apartment
Parcel Note	

Damage
Reentry Zone
Zone Color

Owner Information

Owner Names	Mailing Address
HARRY & JEANETTE WEINBERG FOUNDATION INC Fee Owner	HARRY & JEANETTE WEINBERG FOUNDATION INC
CHAISSON,JOHN JOSEPH Sub-Lessee	
PENINSULA DEV HAWAII TRUST Lessee	
ROBINSON MAUI SANDS PARTNERSHIP Fee Owner	

Show All Owners and Addresses

Information

COUNTY OF MAUI Hawaii

For questions regarding: - Clerical (exemptions, mailing address, land class) (808)270-7871
-Compliance (Ag use and dedi) (808) 270-7295
-Tax Maps (Ownership, new tmk's, map orders) (808)270-7226
-Appraisal (Property Values) (808)270-7798
RPA@co.maui.hi.us
-Tax bills and Circuit Breaker: (808) 270-7697
-Maui.rpto@co.maui.hi.us
Website

The TIG report states that properties with market values not attainable by Maui Residents would be appropriate to continue TVR uses. Even with lowered property values, Maui Sands is unattainable and not attractive as affordable housing because of the many issues presented here.

LEASE HOLD, MORTGAGE, TOTAL COST OF OWNERSHIP AND ISSUES

In this section we cover interrelated issues. Mortgage, Land Lease, Land Lease Monthly Cost, HOA Monthly Cost/Flood Insurance, Below we have provided email from BOH VP Loan Officer and Loan Depot that indicates we cant get a loan; our last leasehold negotiation letter from Monarch with payment and land values and monthly cost of leasehold for each unit;

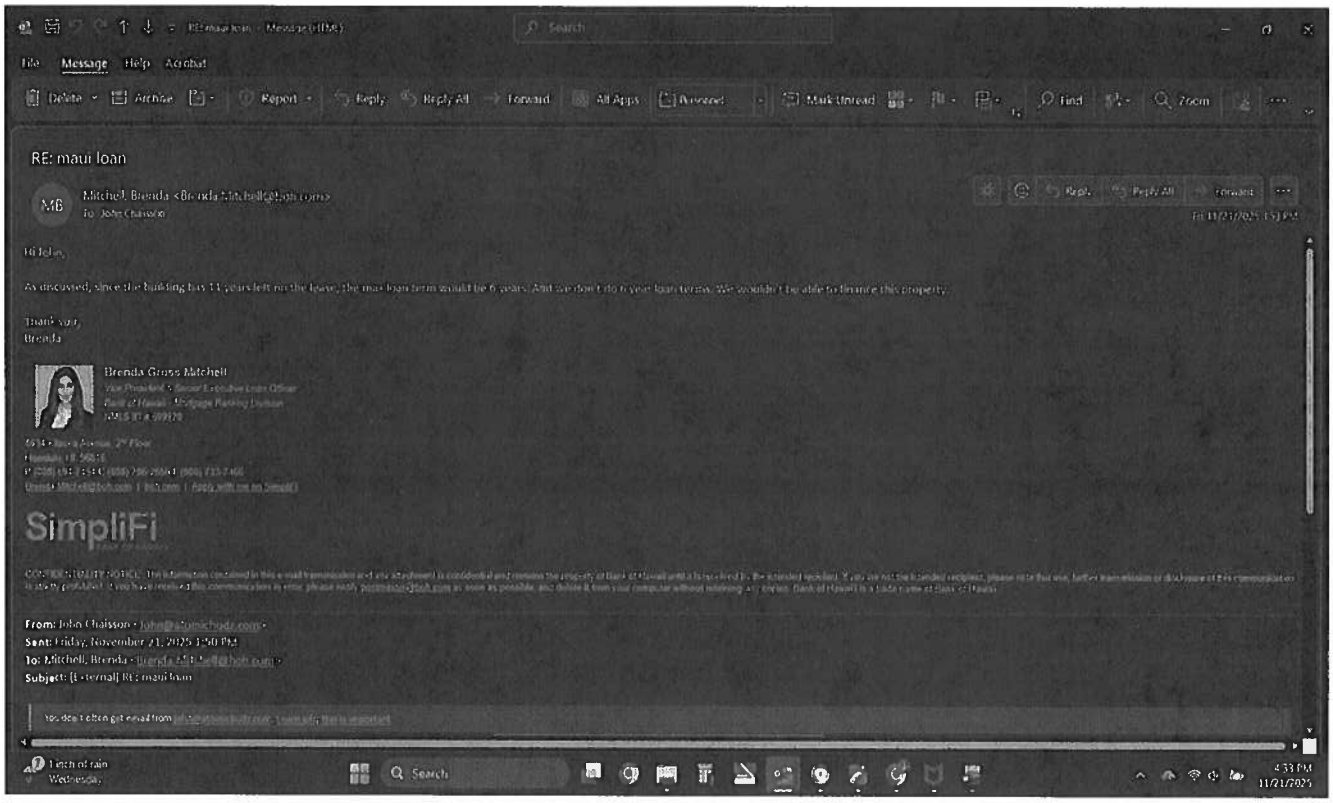
Mortgage: I have reached out to Bank of Hawaii. Given our current situation, the VP loan officer sent the following email back to my inquiry. Maui Sands does not meet the criteria to get a real estate loan. Banks like to see a loan 5 years past the leasehold expiration. For example on a 30 year, 20 year and 10 year loan, you have to add 5 years past that date for banks to even consider financing a leasehold property. It is 2026 and for a 30 year loan, the leasehold would have to expire in 2061 (2026 + 30 years + 5 years). For a 20 year loan, the leasehold would have to expire 2051. For a 10 year loan, the leasehold would have to expire on 2046. Our lease hold expires 2037.

We have no time left on our leasehold to get a loan as confirmed by VP loan officer from BANK OF HAWAII. All Maui Sands I properties would have to be bought with cash.

I have reached out to Bank of Hawaii and Loan Depot. Given our current situation, the both loan officers sent the following email back to my inquiry. Maui Sands does not meet the criteria to get a real estate loan because of the short land lease.

BANK OF HAWAII VP OF MORTGAGES EMAIL:

Hi John, As discussed, since the building has 11 years left on the lease, the max loan term would be 6 years. And we don't do 6 year loan terms. We wouldn't be able to finance this property. Thank you, Brenda



LOAN DEPOT BRANCH MANAGER OF MORTGAGES:

Hi John,

All loans that are secured by leasehold property are required to have more than 5 years left on the lease.

Here is a link to the rules all lenders use for leaseholds:

https://selling-guide.fanniemae.com/sel/b2-3-03/special-property-eligibility-and-underwriting-considerations-leasehold-estates

Specifically, this portion:

- The lease must have an unexpired term that exceeds the maturity date of the loan by five (5) years or more.

A 7 year loan would have a *very* large payment, but I couldn't find any to offer you, knowing its much worse than your current loan.

There are no 5 year balloons available as they were regulated away back in 2012. This is covered here: https://selling-guide.fanniemae.com/sel/b2-1.5-02/loan-eligibility

From what I see, you have **two options**:

1. **get the lease extended**
    a. ideally until after 2060 so you can get 30 year loans
    b. 2025 + 30yr maturity + 5yr buffer = 2060
2. **Sell and use money to buy something else**

APPLY NOW

Gavin Walker

NMLS #71223

Branch Manager

(425) 898-5111 – office

(206) 790-4843 – mobile

gavinwalker@loandepot.com

https://www.loanDepot.com/gavinwalker

Yeary tax base loss for Maui County:

The total TVR-STRH property tax owed for 2025 to Maui County is $532,556.07. If those were converted to Owner Occupied Units total property tax owed to Maui County would be drop to $29,904.16 each year. **This would be a loss to Maui County Property Tax of $502,651.91 per year.**

Our monthlies are approx. $3000 with the land lease and HOA fees which makes Maui Sands I unattainable affordable housing for local residents. Below is the breakdown of our land lease payments. One Bedroom ranges $774.23 to $855.25. Two bedroom range from $1018.08 to $1378.95. We are in the middle of the land lease purchase.

MAUI SANDS

New Weinberg & New Robinson Lease Rent includes Peninsula

New Apartment Lease Rents: 7/1/2017 - 6/30/2027

Unit Number	Lease Rent Proportion	New Weinberg Monthly Apartment Lease Rent [1] (incl Peninsula 12.5% override)	New Robinson Monthly Apartment Lease Rent [2] (incl Peninsula 12.5% override)	Additional Monthly Apartment Lease Rent [3]	Total New Monthly Apartment Lease Rent without GET [4]	Total New Monthly Apartment Lease Rent with GET [5]	Total Old Monthly Apartment Lease Rent with GET [5]	Total Additional Rent Due through 10/31/2018
2D	1.41480%	$277.30	$495.18	$5.24	$777.72	$810.12	$774.23	$574.24
1F 2A	1.45710%	$285.59	$509.99	$5.40	$800.98	$834.35	$797.39	$591.36
2H	1.47825%	$289.74	$517.39	$5.48	$812.61	$846.46	$808.96	$600.00
3A 3F 6A 6D	1.49940%	$293.88	$524.79	$5.55	$824.22	$858.56	$820.54	$608.32
1G 1M 2E	1.52055%	$298.03	$532.19	$5.63	$835.85	$870.67	$832.11	$616.96
3G 3M 6E 6H	1.56285%	$306.32	$547.00	$5.79	$859.11	$894.90	$855.25	$634.40
1B 1C 1D 1E 2B 2C	2.09351%	$410.33	$732.73	$7.75	$1,150.81	$1,198.75	$1,145.66	$849.44
3B 3C 3D 3E 6B 6C	2.13581%	$418.62	$747.53	$7.91	$1,174.06	$1,222.97	$1,168.81	$866.56
1H 1J 1K 1L 2F 2G	2.17384%	$426.07	$760.84	$8.05	$1,194.96	$1,244.74	$1,189.62	$881.92
3H 3J 3K 3L 6F 6G	2.21614%	$434.36	$775.65	$8.21	$1,218.22	$1,268.97	$1,212.77	$899.20
4B 4C 5B 5C	2.26260%	$443.47	$791.91	$8.38	$1,243.76	$1,295.58	$1,238.19	$918.24
4F 4G 5F 5G	2.34293%	$459.21	$820.03	$8.68	$1,287.92	$1,341.57	$1,282.16	$950.56
4A 4D 5A 5D	2.42753%	$475.80	$849.64	$8.99	$1,334.43	$1,390.02	$1,328.44	$985.28
4E 4H 5E 5H	2.50853%	$491.67	$877.99	$9.29	$1,378.95	$1,436.40	$1,372.77	$1,018.08
55 Units	112.5%	$22,049.99	$39,375.06	$416.65	$61,841.70	$64,417.99	$61,564.86	$45,650.08

Notes:

[1] Master Lease rent: 50,282 sf (land area) X $77.93/sf (land value) = $3,920,000 (rounded project land value) X 6% (rate of return) = $235,200 annual lease rent.
[2] Master Lease rent: 70,188 sf (land area) X $99.73/sf (land value) = $7,000,000 (project land value) X 6% (rate of return) = $420,000.00 annual lease rent.
[3] $5,000 additional rent owed in Master Lease. Over and above, and in addition to, all other rents provided under the Sublease.
[4] Total apartment lease rent including Peninsula (aggregate 112.5% of master lease rent).
[5] 4.166% General Excise Tax included.

This is a copy of my monthly HOA dues and maintenance fees at $1647.39. Everyone pays this fee every month. Maui Sands is 60 years old and the maintenance effort and cost is large.

Maui Sands Association
Destination Maui, Inc.
380 Huku Li'i Place, Suite 206
Kihei, HI 96753

Code	Date	Amount	Balance	Check#	Memo
Payment	5/3/2024	-1,647.39	0.00	8420755	DMUCABLB 050324.CAB
Maintenance	6/1/2024	1,647.39	1,647.39		Maintenance
Payment	6/5/2024	-1,647.39	0.00	8373124	DMUCABLB 060524.CAB
Maintenance	7/1/2024	1,647.39	1,647.39		Maintenance
Payment	7/5/2024	-1,647.39	0.00	8146035	DMUCABLB 070524.CAB
Maintenance	8/1/2024	1,647.39	1,647.39		Maintenance
Payment	8/5/2024	-1,647.39	0.00	8884858	DMUCABLB 080524.CAB
Maintenance	9/1/2024	1,647.39	1,647.39		Maintenance
Payment	9/5/2024	-1,647.39	0.00	8707802	DMUCABLB 090524.CAB
Maintenance	10/1/2024	1,647.39	1,647.39		Maintenance
Payment	10/4/2024	-1,647.39	0.00	8421772	DMUCABLB 100424.CAB
Maintenance	11/1/2024	1,647.39	1,647.39		Maintenance
Payment	11/5/2024	-1,647.39	0.00	8600321	DMUCABLB 110524.CAB
Maintenance	12/1/2024	1,647.39	1,647.39		Maintenance
Payment	12/5/2024	-1,647.39	0.00	8452180	DMUCABLB 120524.CAB
Maintenance	1/1/2025	1,692.83	1,692.83		Maintenance
Payment	1/3/2025	-1,692.83	0.00	8058408	DMUCABLB 010325.CAB
Maintenance	2/1/2025	1,692.83	1,692.83		Maintenance
Payment	2/3/2025	-1,692.83	0.00	8063971	DMUCABLB 020325.CAB
Maintenance	3/1/2025	1,692.83	1,692.83		Maintenance
Payment	3/3/2025	-1,692.83	0.00	8971371	DMUCABLB 030325.CAB
Maintenance	4/1/2025	1,692.83	1,692.83		Maintenance
Payment	4/3/2025	-1,692.83	0.00	8107493	DMUCABLB 040325.CAB
Maintenance	5/1/2025	1,692.83	1,692.83		Maintenance
Payment	5/2/2025	-1,692.83	0.00	8049881	DMUCABLB 050225.CAB
Maintenance	6/1/2025	1,692.83	1,692.83		Maintenance
Payment	6/3/2025	-1,692.83	0.00	8999083	DMUCABLB 060325.CAB
Maintenance	7/1/2025	1,692.83	1,692.83		Maintenance
Payment	7/3/2025	-1,692.83	0.00	8066927	DMUCABLB 070325.CAB
Maintenance	8/1/2025	1,692.83	1,692.83		Maintenance
Payment	8/1/2025	-1,692.83	0.00	8548278	DMUCABLB 080125.CAB
Maintenance	9/1/2025	1,692.83	1,692.83		Maintenance
Payment	9/3/2025	-1,692.83	0.00	8757899	DMUCABLB 090325.CAB
Maintenance	10/1/2025	1,692.83	1,692.83		Maintenance
Payment	10/3/2025	-1,692.83	0.00	8856555	DMUCABLB 100325.CAB
Maintenance	11/1/2025	1,692.83	1,692.83		Maintenance
Payment	11/3/2025	-1,692.83	0.00	8639354	DMUCABLB 110325.CAB

Balance: 0.00

This is our 2018 land lease monthly payment negotiation update for owners. Back in 2018 the two pieces of land was valued at $10,920.00 back then. Current value is much higher as we try to negotiate the land lease purchase.

Maui Sands AOAO
c/o Associa Hawaii
375 Huku Li'i Place #207
Kihei, HI 96753

September 20, 2018

Aloha Maui Sands Owners,

The Robinson land lease arbitration process has been completed and we can now share with you the lease amounts for the current 10-year period ending June 30, 2027.

Background:
As you are aware, Maui Sands leases two parcels of land from two different owners. The property that borders the road is owned by the Weinberg Foundation and the waterfront parcel is owned by the Robinson family. Both land leases currently extend through July 2037 and, under the terms of the lease, the lease rent rates were to be revised for the current 10year period. The leases are bundled together in a "sandwich lease" arrangement, managed by Peninsula Properties, a successor company to the original development entity.

The Weinbergs extended their land lease at the same rates as the previous 10-year period over a year ago. However, the Robinsons initially wanted a much higher increase than we were prepared to accept. Your Board held firm that due to the seawall issues and Robinson's refusal to assist in that, we could not agree to this higher lease rent increase. Robinsons refused to budge nor would we, and so arbitration became necessary. This was a lengthy process over the past several months and the outcome is much better than what the Robinsons originally proposed for us.

The new lease amounts:
Each unit will be paying an increase of between $32 to $57 per month beginning November 1, 2018 (but retroactive to the end of the previous lease rent agreement of 7/1/17). The amount depends on the size and location of your unit based on a long-standing allocation formula.

More good news:
Minutes from a 1987 Annual Owners meeting were discovered in which it was agreed that Peninsula, the sandwich lease holders, would reduce their 25% surcharge to 12.5% beginning in July 2017. This is a considerable decrease from the 25% surcharge paid to Peninsula from 1992 until July 2017 and greatly affects our new payments making them much less of an increase for us!

A schedule of the new lease amounts for all Maui Sands' units is attached and is based on the following formula:

- **Weinberg:** $235,200/year plus *$5,000 ($ 77.93 per sq. ft.) based on a land value of $3,920,000 (rounded). * As part of the negotiations with Weinberg in the 1980's, Weinberg agreed to extending the lease for an annual "bonus" of $5,000.

- **Robinson:** $ 420,000/year ($ 99.93 per sq. ft.) based on a land value of $7,000,000.
- **Peninsula Surcharge:** Reduced from 25% to 12.5% of lease payments.

Retroactive "Catch Up" Payments:
As we have mentioned in previous letters and meetings, any lease rent increase would be retroactive to July 2017. Thus, in addition to the monthly increase, each unit will owe the difference between the previous monthly lease amount for the Robinsons and the new lease amount for the period from July 1, 2017 through October 31, 2018 (16 months) when we will begin paying the new lease amount.

Statements:
In addition to an individual mailing with your statement, you will be receiving a chart showing what each unit pays for lease (attached here also). Lease payments are subject to Hawaii's GET (General Excise Tax), so the column that shows your new needed monthly payment amount is the bold highlighted yellow (or 3rd column from the left) labeled as "with GET". **Note: Those on automated payment will have the new monthly fee withdrawn from your account on November 1, 2018.**

Monarch Properties handled the lease negotiations on behalf of our AOAO and you will be receiving a mailing from them explaining the lease fee negotiations and the new fee amounts, as well. If you have any questions about the negotiations or how this amount was calculated, please contact Monarch Properties. Their contact information will be in the mailing you receive. We thank Monarch for once again doing a great job for us!

We are happy to have the lease fee negotiation completed for the next 10 years!

Maui Sands Board of Directors:
Karen Schoepp, President
David Bontorin, Secretary
Jean Rachkowski, Treasurer
Rosa McAllister and Mo Merheb, Directors

Below is our most current written summary for the leasehold purchase. Based on the cost of the land and the number of units Maui Sands has, it would roughly be $196k to $200K for each property unit. This is based on the two parcels valued at $10,920,000.

Again based on the TIG Report, the land lease purchase would make Maui Sands I unattainable for local residents as affordable housing.

MONARCH PROPERTIES, INC.
LEASED-FEE REPRESENTATION PROGRAM

MAUI SANDS

Lease Issues Update

Keslie Hui (R)
September 2, 2025

The Board of Directors ("Board") of the Association of Apartment Owners of Maui Sands ("AOAO") hired Monarch Properties, Inc. ("MPI") in 2010. Since then, MPI has represented the AOAO in its 2012 and 2017 lease rent renegotiations and has been helping the Board seek an acquisition of the leased-fee interests from the fee owners. We are currently in active discussions with the landowners to do a lease fee buy-out and would like to provide some background information and status of that process.

LESSORS

There are two master leases and 56 apartment subleases ("ASLs"), at the Maui Sands condominium project which means there are two fee owners and a sandwich interest owner as lessors.

The relationship between the fee owners and sandwich interest owner is contained in the two master leases. The relationship between the sandwich interest owner and the apartment owners are contained in the 56 individual ASLs.

The fee owners are the Robinson Maui Sands Partnership ("Robinson") and the Harry & Jeanette Weinberg Foundation, Inc. ("Weinberg"), also known as master lessors, who own the leased-fee interest in the land. The leased-fee interest is the fee interest in the land and is subject to the master lease and ASLs. It has the reversionary interest in the land (surrender of the property at the end of the lease) and rights to income (part of the lease rent).

The sandwich interest owner is Peninsula Development Hawaii, Inc. ("Peninsula") also known as the master lessee or sublessor. The sandwich interest is essentially a cash flow interest. It has income (part of the lease rent) but no real property ownership and it expires when the ASLs expire.

200 N. Vineyard Blvd, Suite B267 • Honolulu, HI 96817 • Telephone: (808) 735-0000
Facsimile: (808) 735-4400 • Email: keslie@mpi-hi.com • Website: www.mpi-hi.com

The ASLs appoint the AOAO to renegotiate the master lease rent with the master lessors (Robinson and Weinberg) for the master lessee (Peninsula). It is fairer to have the AOAO (who naturally wants the lowest amount) determine land value with the master lessors, rather than have the master lessors and master lessee do it themselves since both naturally want the highest amount.

There is one (1) remaining lease rent renegotiation date: 7/1/27. Lease expiration is 6/30/37.

RECAP OF PREVIOUS NEGOTIATIONS

In 2012, the AOAO successfully renegotiated the new lease rent with Robinson and contracted for the purchase of Weinberg's leased-fee interest. However, the AOAO was not able to secure financing of the acquisition of Weinberg's interest primarily as it was only for one of the two fee owner interests. The AOAO had also offered to purchase Robinson's interest but the value Robinson was seeking at that time, combined with acquiring Weinberg and Peninsula's sandwich interest, would be too high to be financeable or feasible for the AOAO and its owners. There were also other factors of concern at that time that lenders could not overlook.

In 2017, the lease fee negotiation with Weinberg resulted in the same lease rent for the previous five years. Negotiations with Robinson were not as simple as they chose to arbitrate the new rent for their parcels of land. The new rent with Robinsons was set in 2018 via an arbitration award.

CURRENT STATUS OF FEE CONVERSION OFFER

The AOAO made a new, joint offer to both fee owners this summer. Robinson owns the oceanfront section of the property and is managed by five (5) General Partners, with a total of about 20 family partners. The roadside section of the property is owned by Weinberg.

The fee owners acknowledged receipt of the offer and most (but not all) of the relevant decision makers have expressed interest in further discussions about a possible sale to the AOAO. Price and terms of the AOAO's offer will be kept confidential at this time, as these matters are highly sensitive while we seek to engage the fee owners in a productive dialogue. Please keep in mind that the fee owners are under no obligation to sell, but we nonetheless believe that a sale and fee conversion at this juncture could be beneficial for all parties.

While the Board and I cannot guarantee you specific result or timeframe, we can assure you of our best efforts in the interests of the AOAO and its leasehold members.

I will update you as soon as there is more to report. Meanwhile, if you have any questions, please feel free to contact me at keslie@mpi-hi.com.

We are an ocean front property. We have two buildings right behind the seawall and four other building behind those two building. This is the cost of the flood insurance every year. It goes up every year 5-9% as we are in the **Sea Rise Impact Zone defined by the State of Hawaii**.

WRIGHT

A Stock Company
P.O. Box 33003
St. Petersburg, FL 33733-8003
Customer Service: 1-800-820-3242
Claims: 1-800-725-9472

FFL99.001 1124
0600305
2/18/25
2000 11523 FLD RCBP

FLOOD DECLARATIONS PAGE
RENEWAL

National Flood Insurance Policy

Policy Number	NFIP Policy Number	Product Type:
52 1151921250 05	1151921250	Residential Condominium Building Policy Form

Policy Period	Date of Issue	Agent Code	Prior Policy Number
From: 2/09/25 To: 2/09/26 12:01 am Standard Time	02/18/2025	0600305	FLD1190883

Agent (808)540-3333
BROWN & BROWN INSURANCE
SERVICES INC
700 BISHOP ST STE 1400
HONOLULU HI 96813-4116
JOSIE.CERVANTES@BBROWN.COM

AOAO MAUI SANDS CONDO ASSN UNIT OWNERS
ATIMA CO DESTINATION MAUI INC
380 HUKU LII PL STE 206
KIHEI HI 96753-7043

Property Location (if other than above) Address may have been changed in accordance with USPS standards
3558 LOWER HONOAPIILANI RD, BLDG 6, LAHAINA HI 96761

Rating Information

Rate Category: Rating Engine
Primary Residence: N
Building Occupancy: Residential Condominium Building
Building Description: Entire Residential Condo Building

Property Description: Slab on Grade, 2 floors

Flood Risk: AE
First Floor Height: 1.0 ft
Method Used to Determine First Floor Height: FEMA Determined
Date of Construction: 06/30/1969
Prior NFIP Claims: 0
Number of Units: 8
Replacement Cost Value: 1,694,000

Coverage		Deductible	Annual Premium
BUILDING	$1,694,000	$10,000	$24,784.00
CONTENTS	NO CONTENTS COVERAGE	INSURED DECLINED CONTENTS COVERAGE	$0.00

Your property's NFIP flood claims history can affect your premium. For more information contact your insurance agent or company.

ICC Premium:	$75.00
Community Rating Discount:	$11.00
FULL RISK PREMIUM:	$24,848.00
Statutory Discounts	
Annual Increased Cap Discount:	$7,567.00
DISCOUNTED PREMIUM:	$17,281.00
Reserve Fund Assessment:	$3,111.00
Federal Policy Service Fee:	$376.00
HFIAA Surcharge:	$250.00
TOTAL ANNUAL PAYMENT	$21,018.00

THIS IS NOT A BILL

Premium Paid by: Insured

Forms and Endorsements:
FFL 99.310 0224 0224 WFL 99.416 1021 1021 FFL 99.117 1021 1021

This policy is issued by NAIC company 11523
Wright National Flood Insurance Company A stock company
Copy Sent To: As indicated on back or additional pages, if any.

Patricia Templeton-Jones
Patricia Templeton-Jones, President

0600305521151921250 5025049 00004
Company

WRIGHT

A Stock Company
P.O. Box 33003
St. Petersburg, FL 33733-8003
Customer Service: 1-800-820-3242
Claims: 1-800-725-9472

FFL99.001 1124
0600305
2/18/25
2000 11523 FLD RCBP

FLOOD DECLARATIONS PAGE
RENEWAL

National Flood Insurance Policy

Policy Number	NFIP Policy Number	Product Type:
52 1151917411 05	1151917411	Residential Condominium Building Policy Form

Policy Period	Date of Issue	Agent Code	Prior Policy Number
From: 2/09/25 To: 2/09/26 12:01 am Standard Time	02/18/2025	0600305	FLD1190880

Agent (808)540-3333
BROWN & BROWN INSURANCE
SERVICES INC
700 BISHOP ST STE 1400
HONOLULU HI 96813-4116
JOSIE.CERVANTES@BBROWN.COM

AOAO MAUI SANDS CONDO ASSN UNIT OWNERS
ATIMA CO DESTINATION MAUI INC
380 HUKU LII PL STE 206
KIHEI HI 96753-7043

Property Location (if other than above) Address may have been changed in accordance with USPS standards.
3559 LOWER HONOAPIILANI RD, BLDG 3, LAHAINA HI 96761

Rating Information

Rate Category: Rating Engine
Primary Residence: N
Building Occupancy: Residential Condominium Building
Building Description: Entire Residential Condo Building

Property Description: Slab on Grade, 2 floors

Flood Risk: AE
First Floor Height: 1.0 ft
Method Used to Determine First Floor Height: FEMA Determined
Date of Construction: 06/30/1969
Prior NFIP Claims: 0
Number of Units: 12
Replacement Cost Value: 2,662,000

Coverage		Deductible	Annual Premium
BUILDING	$2,662,000	$10,000	$39,024.00
CONTENTS	NO CONTENTS COVERAGE	INSURED DECLINED CONTENTS COVERAGE	$0.00

Your property's NFIP flood claims history can affect your premium. For more information contact your insurance agent or company.

ICC Premium	$75.00
Community Rating Discount	$1,622.00
FULL RISK PREMIUM:	$37,177.00
Statutory Discounts	
Annual Increased Cap Discount:	$10,073.00
DISCOUNTED PREMIUM:	$27,104.00
Reserve Fund Assessment	$4,879.00
Federal Policy Service Fee:	$564.00
HFIAA Surcharge:	$250.00
TOTAL ANNUAL PAYMENT	$32,797.00

THIS IS NOT A BILL

Premium Paid by: Insured

Forms and Endorsements:
FFL 99.310 0224 0224 WFL 99.416 1021 1021 FFL 99.117 1021 1021

This policy is issued by NAIC company 11523
Wright National Flood Insurance Company A stock company
Copy Sent To: As indicated on back or additional pages, if any.

Patricia Templeton-Jones
Patricia Templeton-Jones, President

0600305521151917411 25049 00008
Company

MAINTENANCE SCHEDULE AND FEES

Maui Sands I is 60 years old and is ocean front property. As such the maintenance cost and effort is high. Maui Sands has and is dererring maintenance as we struggle to keep up a certain level of maintenance.

I have owned at Maui Sands since 2005 and I can attest to the maintenance struggle because of the ocean and the high cost of maintenance. Currently we have a spalling project that has gone out to bid and has returned bids at approx. half a million to near a million for this project. Way beyond what was budgeted.

Item No.	Major Component	Est. Useful Life	Est. Remain. Life	Estimated Cost to Replace	2025
Spalling & Repairs					
70	CMU Block - Gutter Installation Repair/Replace Allowance.	99	1	80,000	80,000
71	Decorative Dividing Walls - Bldgs 4,5 Repair Allowance	15	1	8,500	8,500
72	Exterior Surfaces - Major Spall Repairs (4%)	20	3	117,600	-
73	Exterior Surfaces - Minor Spall Repairs (2%)	20	13	58,800	-

The snippet below shows our monthly maintenance cost and that we are under funded by 65.47%. This equals to about $1.393,449 being underfunded for maintenance.

Effective January 01, 2025

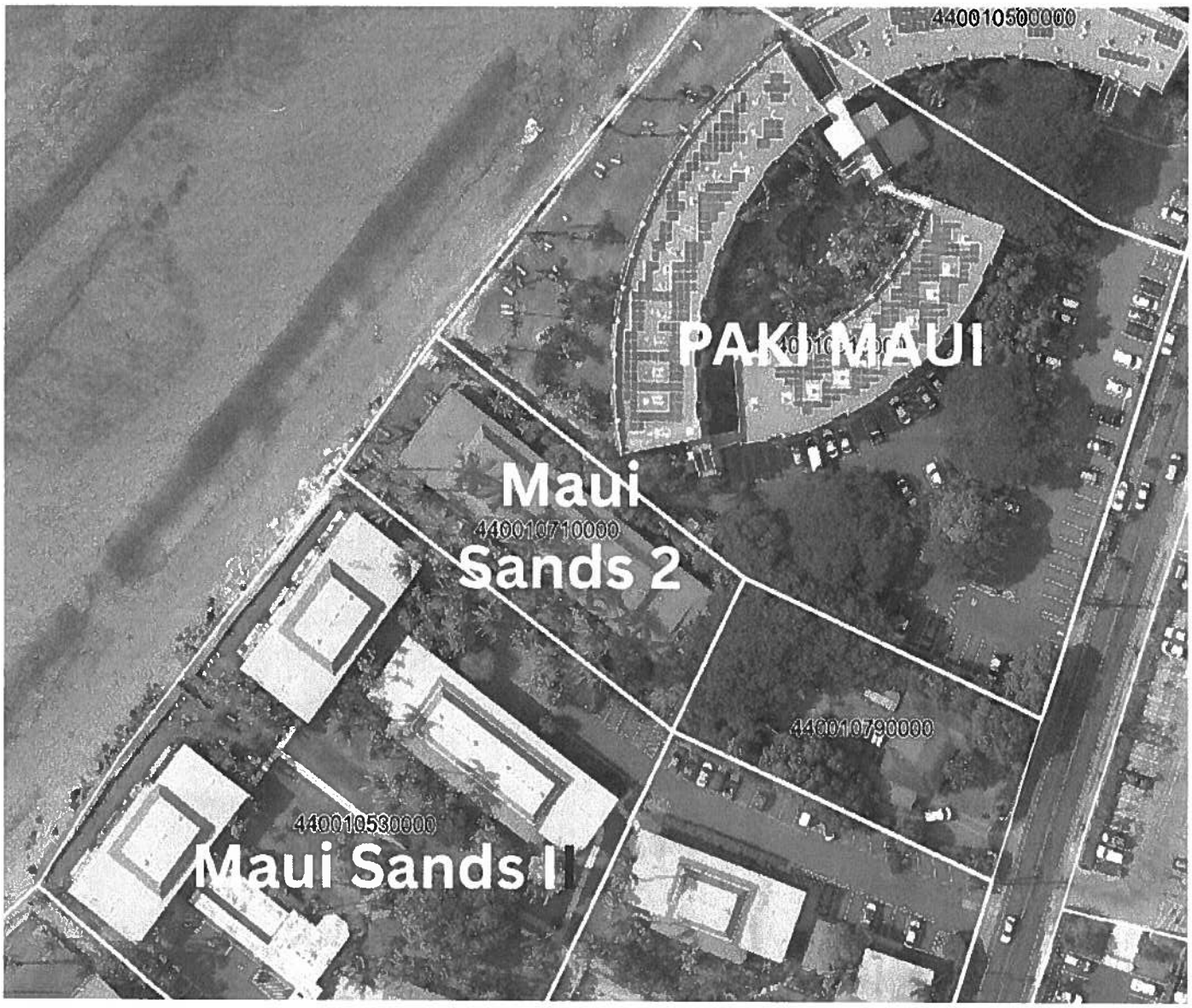
		2025
	CASH FLOW METHOD:	
		0%
	CASH RECEIPTS	
1.	Assessments	$ 191,796
2.	Interest Earned @ 3.0%	6,000
3.	Total Cash Receipts	$ 197,796
4.	Less Major Component Costs - Section II	-252,900
5.	Net Increase (Decrease) In Cash	$ (55,104)
6.	Cash Reserve Balances At Beginning Of Year (1)	790,178
7.	Cash Reserve Balances At The End Of Year (2)	735,074
	PERCENTAGE OF LIABILITY METHOD:	
8.	Estimated Total Liability - Section III	$ 2,381,423
9.	Less Major Components Paid In Current Yr	-252,900
10.	Net Liability at Dec 31	$ 2,128,523
11.	Less: Cash Balance at Dec 31	-735,074
12.	Estimated Unfunded Liability at Dec 31	$ 1,393,449
13.	Percentage Funded (3)	34.53%
14.	Percentage Unfunded	65.47%

SEA LEVEL RISE AND VULNERABLE EXPOSURE AREA

I have looked at the Sear-Rise Impact Study and model used by the State of Hawaii. We are right in the middle of the impact zone as our neighbors to the left and right of us are that were included on Exhibit 2. It shows yet another reason why Maui Sands is not an attainable affordable housing option for local residents with possible risky devastating sea level rise.

I have attached a parcel map view of Maui Sands I (440010530000) , Maui Sand 2 (Seaside) (44001071000) and Paki Maui (440010510000). Both properties Maui Sand 2 and Paki Maui were included on Exhibit 2 as well as a number of properties extending out to the left and right of us. Maui Sands I was not. Maui Sands I is in the bottom of the photo. This puts Maui Sands I right in the middle of the sea-rise area and is at risk just like all the other properties around us who are on Exhibit 2.

You can see that Maui Sands I is much closer to the ocean than Paki Maui (upper property) and a tad bit closer to the ocean than Maui Sands 2 (between Maui Sands I and Paki Maui). Both properties have a bit less of a danger of sea level rise and subsequent erosion than Maui Sands I.



Below is an excerpt giving guidance to evaluate the two seal level rises in the SLR-XA. The map shows that we are in an area that would be vulnerable to sea rise of the 4 ft and 6 ft that State of Hawaii says is the minimum scenario we should be planning for. At ½ foot to 4 feet, Maui Sands I is very vulnerable to sea rise. During the Fukushima Tsunami, the ocean front buildings experienced flooding when the tsunami hit. Below is text taken from 2022 Hawaii Sea Level Rise. Attached are screen shots of Maui Sands I and possible road/hi-way flooding that would occur at the sea levels that rise.

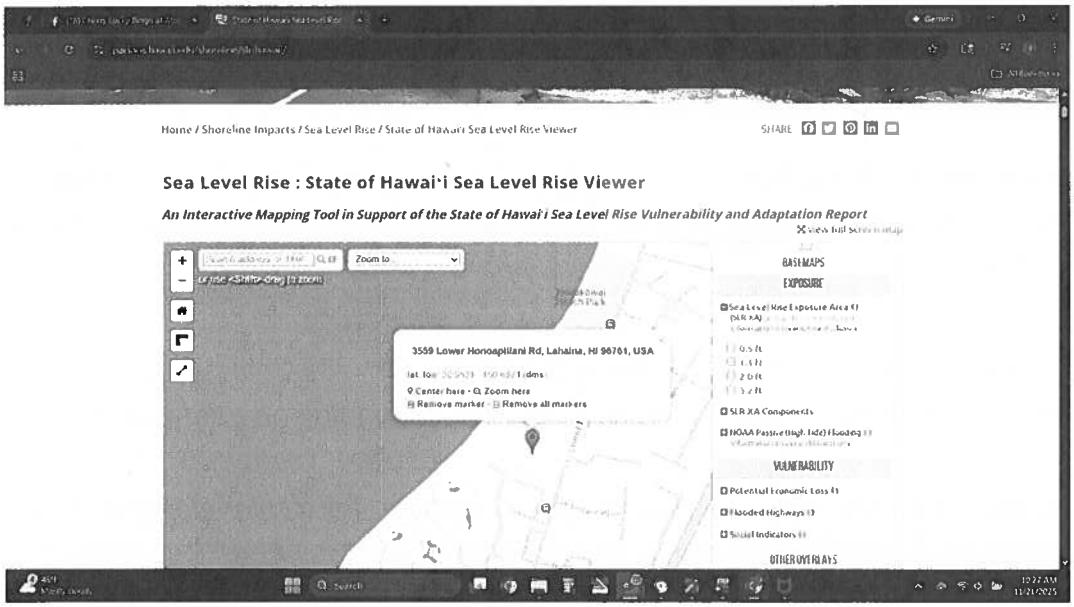
Per the TIG Report text "*properties where any portion of the property is located in the full SLR-XA or would already impacted by sea-level rise would not produce long-term housing options for residents and therefore be appropriate to continue TVR uses".*

Guidance from the State of Hawai'i based on the 2022 Hawai'i Sea Level Rise Vulnerability and Adaptation Report recommends evaluating two sea level rise scenarios depending on tolerance for risk:

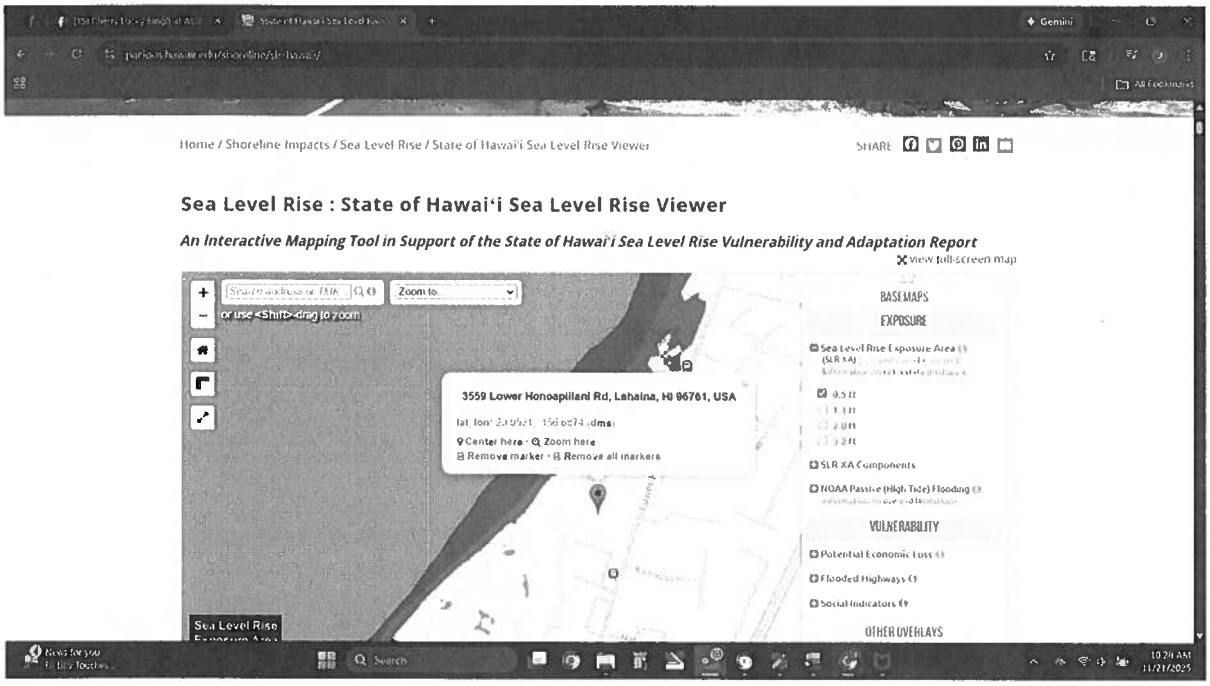
1. **4 feet** of sea level rise should be considered as the minimum scenario for *all planning and design*. This is following the latest NOAA interagency sea level rise report (Sweet et al., 2022) based on the report's Intermediate (mid-range) scenario for Hawai'i of 3.9 feet of sea level rise by 2100. **Continue to use the 3.2-foot SLR-XA and NOAA 4-foot passive flooding map data until updated SLR-XA data are available.**
2. **6 feet** of sea level rise should be considered for *planning and design of public infrastructure projects and other projects with low tolerance for risk*. This is based on the NOAA 2022 report's Intermediate-High scenario for Hawai'i of 5.9 feet of sea level rise by 2100. **Use the 3.2-foot SLR-XA along wave-exposed shorelines and NOAA 6-foot passive flooding map data in areas landward of annual high wave and coastal erosion hazard areas until updated SLR-XA data are available.**

Zero Sea Rise: this is our baseline and we move forward as recommended on this model of sea rise from the State of Hawaii to see the level of erosion and destruction for Maui Sands I

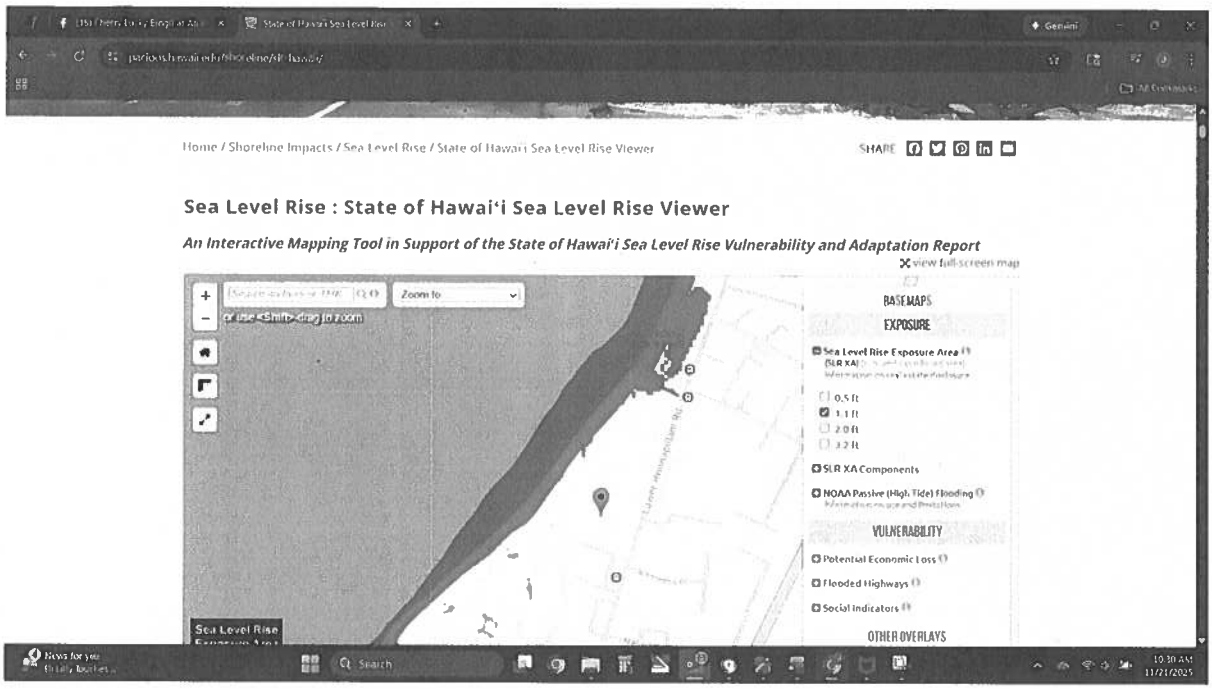
ZERO- SEA RISE BASELINE



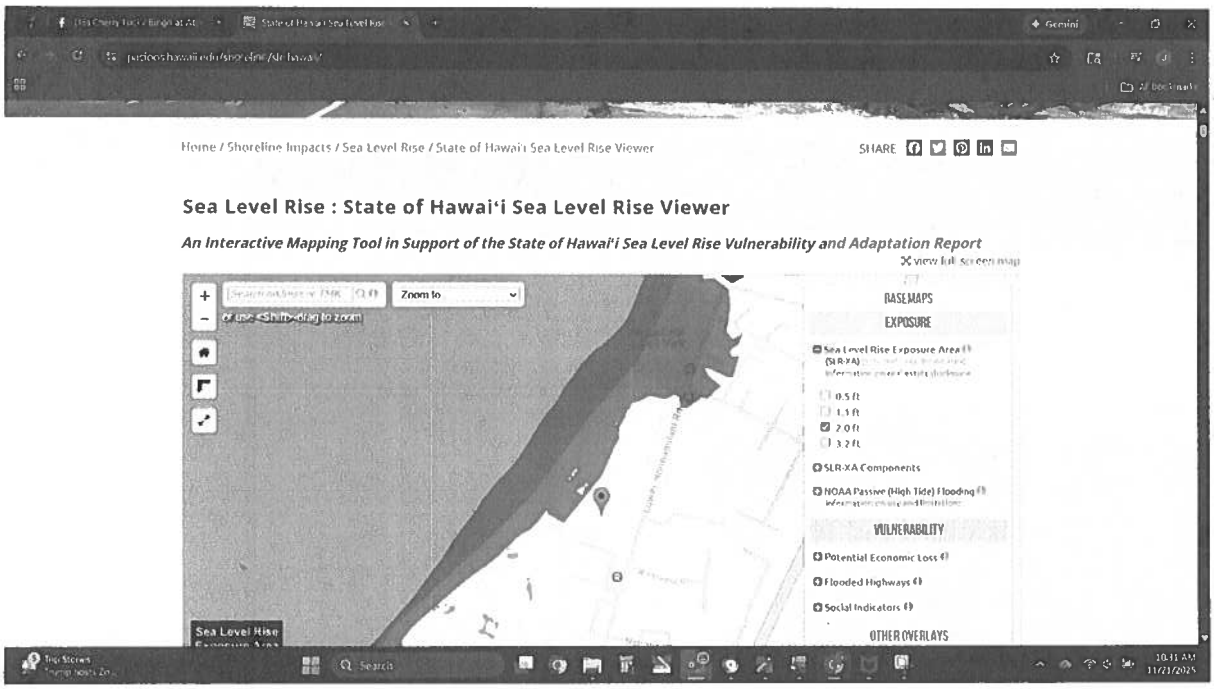
.5 SEA RISE – FLOODING WOULD OCCUR AT THE TWO OCEAN FRONT BUILDINGS



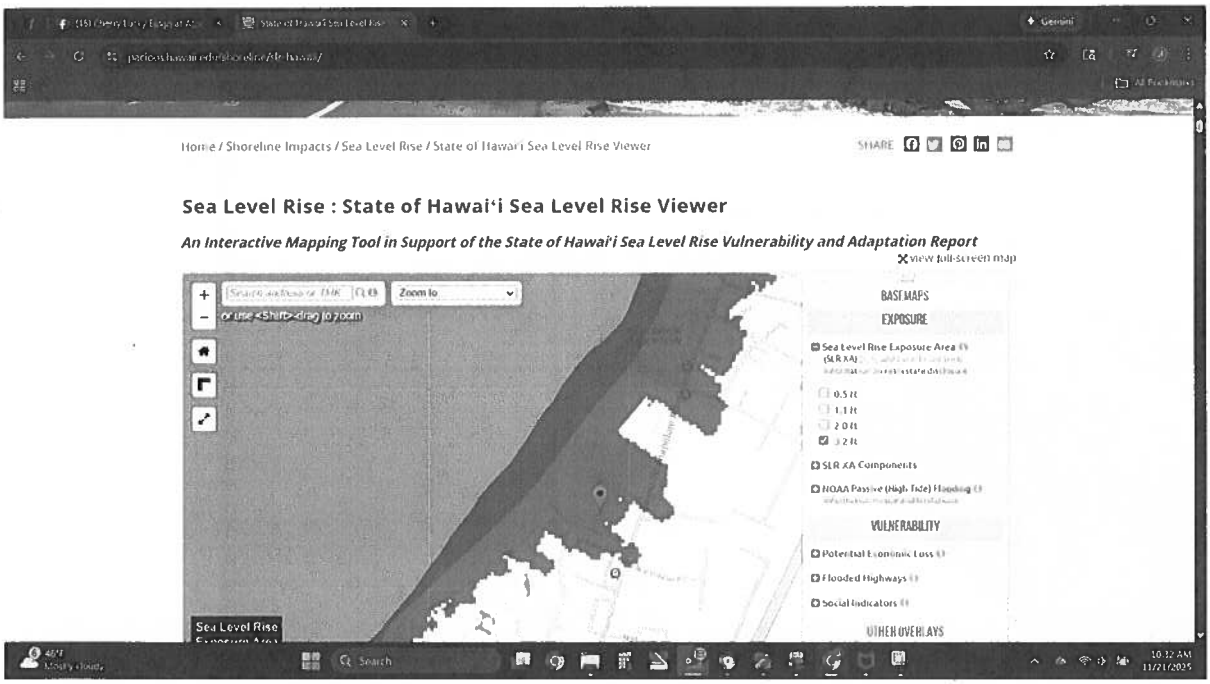
1.5 ft - SEA RISE FLOODS THIRD OF THE LAND AT MAUI SANDS I



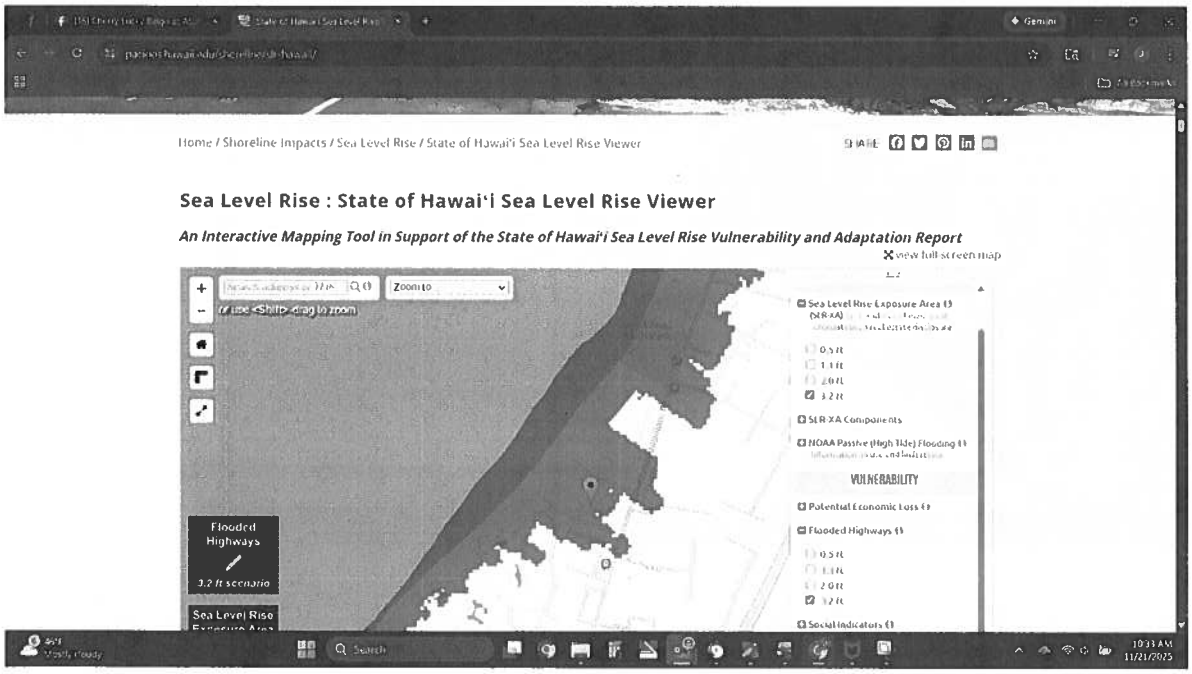
2 ft - SEA RISE FLOODS NEAR HALF THE LAND AT MAUI SANDS I



3.2 FT - SEA RISE FLOODS ALL OF MAUI SANDS I

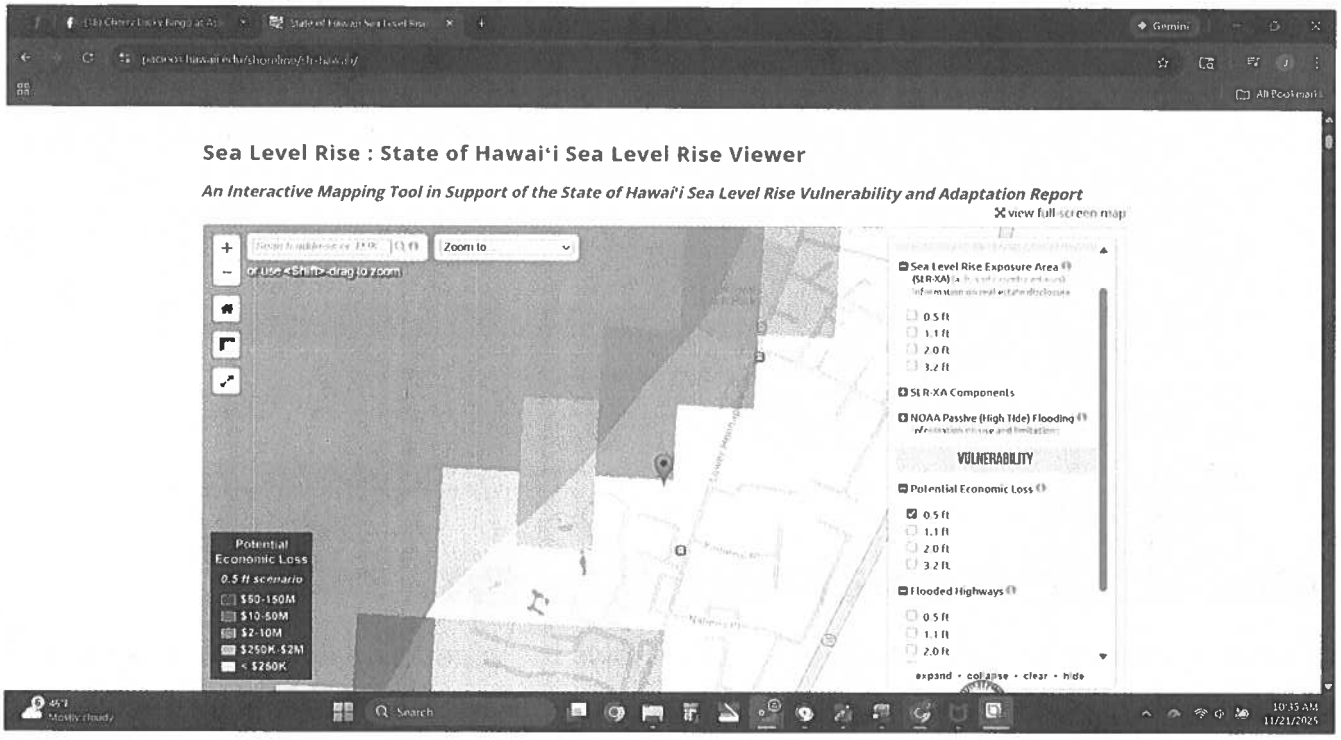


3.2 FT - FLOODS ALL OF MAUI SANDS I AND THE ROAD IN FRONT

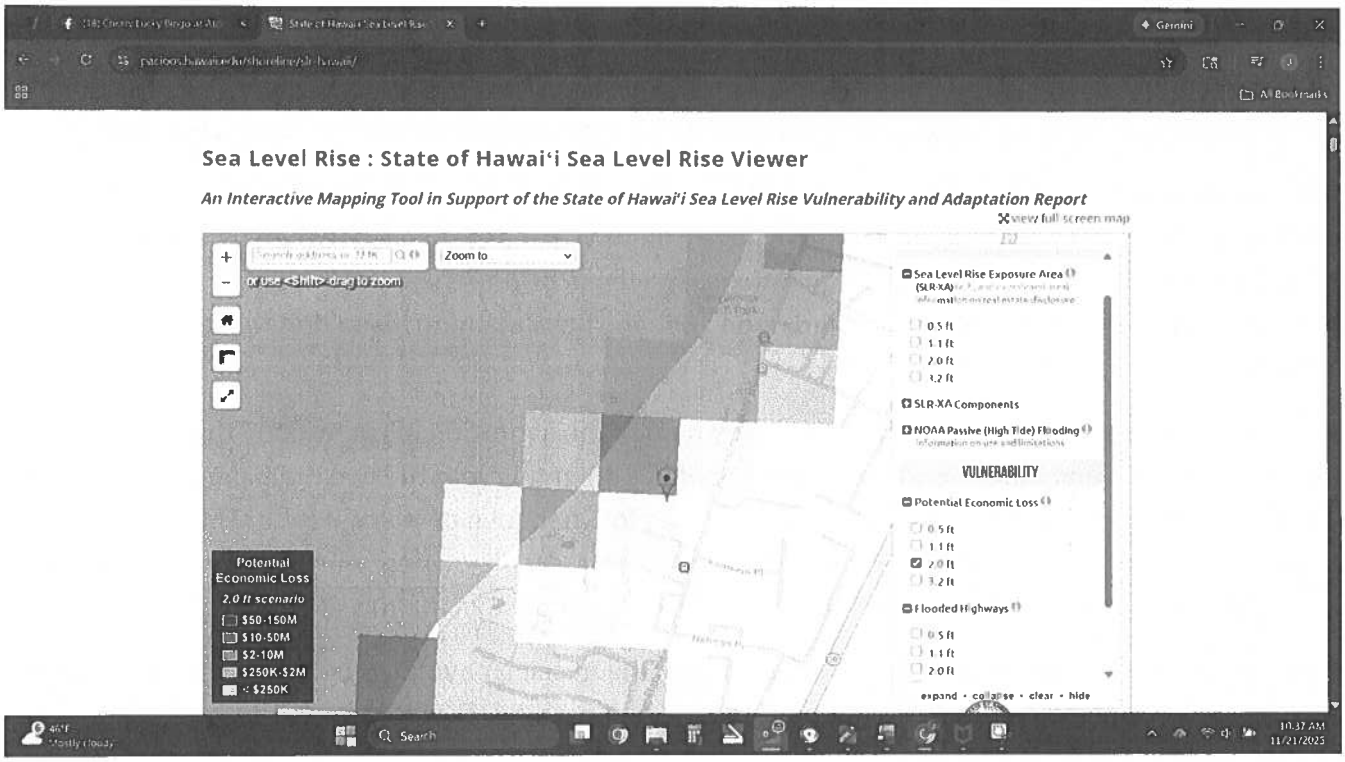


ECONOMIC DAMAGE MAUI SANDS WOULD RECEIVE:

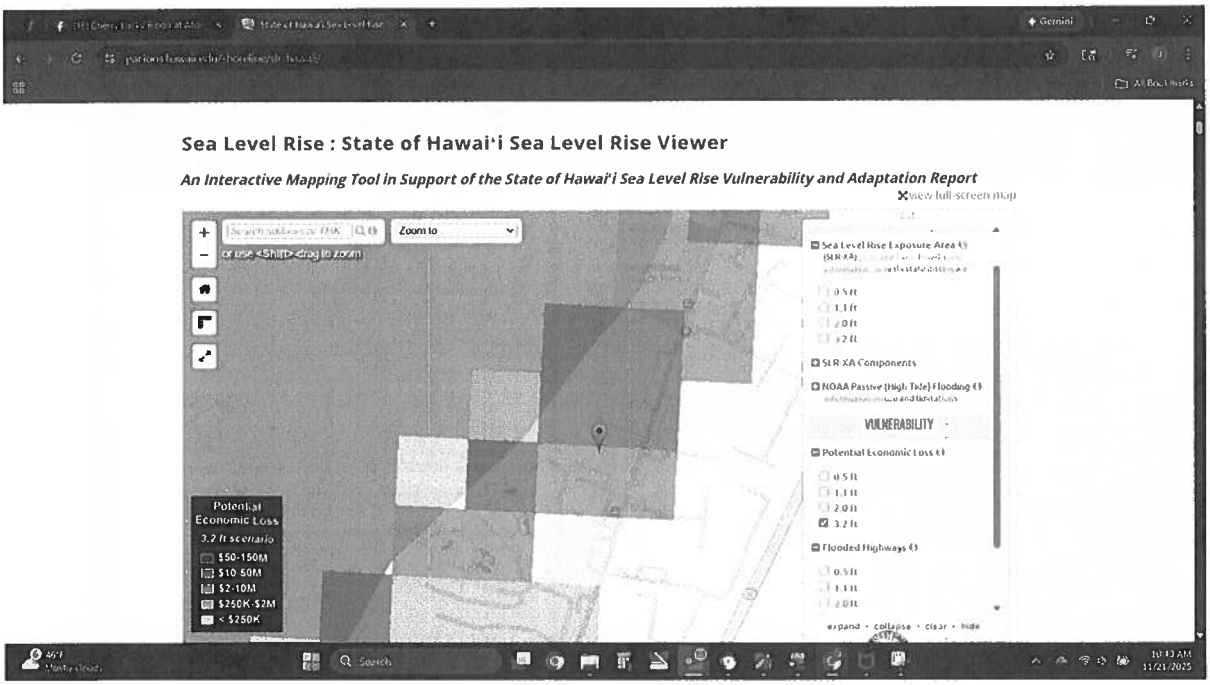
.5 SEA RISE - TRANSLATES INTO A $250,000 to $2,000,000 ECONOMIC LOSS FOR MAUI SANDS.



2 ft SEA RISE TRANSLATES INTO A $2,000,000 to $50,000,000 ECONOMIC LOSS FOR MAUI SANDS



3.2 SEA RISE STILL TRANSLATES INTO A $2,000,000 TO $10,000,000 ECONOMIC LOSS FOR MAUI SANDS



Coastal erosion estimated by the State of Hawaii shows the vegetation line and the erosion estimate by the State of Hawaii from .5 ft to 3.2 ft. will occur. This sea level rise would be catastrophic and the damages for Maui Sands l would be from $250k to $10 Million is loss. Overtime, our seawall may not protect Maui Sands as much as might be needed.

UNACCOUNTED FOR LEASEHOLD PAYMENTS OF $500,000

TIG Report commented on page 8 about litigation. **The TIG also acknowledges that properties that are subject to litigation are (1) less likely to be sold; and (2) less likely to be bought by local residents.**

I am not accusing anyone one of any wrong doing. We are missing approx. $500,000 in lease hold payments to lease holders. We do not collect these fees. We have a sandwich lease that is between us and the owners of the land, the Robinsons and Weinbergs Foundations. The lease payments are collected by the Peninsula Sandwich Lease and Peninsula keeps an agreed upon 15% and pays the land lease due to the Robinsons and Weinbergs.

Below are emails that verify this problem. The main owners of the sandwich lease, which I think is a total of 5 owners are in their 80s and elderly and not in good health. Earlier this year the two main people, a married couple, quit doing their sandwich lease responsibility. I was told because of failing health. That responsibility is cashing and accounting for land lease payments. All the owners were wondering what was going on. The other members of Peninsula refused to take over because of the missing payments.

There is email from me to their attorney about this. For me, the missing payments came to light as we were wondering why land lease payments were not being cashed for months. There has yet to be a forensic accounting of the missing payments.

As our board president said, if the Robinsons and Weinbergs can not resolve this with Peninsula, they will look to us to pay it. Meanwhile the threat of liens on each of our units is very real.

We at Maui Sands are probably faced with some sort of litigation that includes hiring attorneys and possibly pay for a forensic accountant if we want this issue resolved. This will be a costly and time-intensive effort. There is $500,000 missing in payments to the landlords, Robinsons and Weinbergs.

Below is a letter to the Peninsula Trustees from our attorney. I have also attached a couple emails. One from Peninsula Lease Attorney and Robinsons Trust Attorney. We are hoping this is just accumulated missing payments that can easily be resolved by a forensic accountant. For example: during 2008 real estate bust, there were no lease hold payments made for quite awhile on multiple condo that went into bankruptcy and sold in foreclosure.

Keri C. Mehling, Attorney at Law
a limited liability law company
PO Box 2050, Kihei, Maui, Hawaii 96753
(808) 419-6299
keri@yourmauilawyer.com

January 17, 2025

Via CMRRR and U.S. Mail

Adel Kunisawa (pendevhawaiitrust@gmail.com)
Ryosuke Kunisawa
Peninsula Development-Hawaii Trust
119 Bagwell Farm Road
Spartanburg, SC 29302

Re: Maui Sands Association of Apartment Owners – Payment of Lease Fee

Dear Adel and Kay:

This office continues to represent the Association of Apartment Owners of Maui Sands (the "Association"). I write with respect to questions the owners at Maui Sands have regarding the payment of the lease rents.

I understand that you have both resigned your position(s) as trustees of the Peninsula Development Hawaii Trust ("Trust"). The Trust is in the 'sandwich' position on the underlying land lease and is obligated to collect the lease fee from owners and pay the relevant portions to landowners Robinson Maui Sands Partnership and The Harry and Jeannette Weinberg Foundation, Inc.

Given your resignation and the lack of communications to the ownership as to where they should continue to send payment, I write to get clarification from you. Please advise:

1) Where payments are to be sent;
2) Who is the appropriate contact person or new Trustee acting on behalf of the Trust along with their contact details (phone and email and address if different from above); and
3) Whether all lease rent payments made by ownership to date have been forwarded to the landowners.

As I am sure you can appreciate, the ownership is very concerned that their payments are being properly processed and accounted for so there will be no impairment or encumbrance on the title of their respective apartments. Due to the lack of communication on this issue, we understand some owners are considering opening escrow accounts and depositing their lease rent to such an account until they receive formal notice from the Trust as to its course of action. For all parties, we would like to help avoid that by providing the information requested above to our ownership.

BELOW IS AN EMAIL TRAIL FROM PENINSULA DEVELOPMENT ATTORNEY, PAUL HORIKAWA WHO IS RESPONSIBLE FOR COLLECTING AND PAYING THE TWO LEASE HOLDERS. I ASKED QUESTIONS CONCERNING THIS. HE REPLIED

BELOW. PLEASE NOTE HE HAS NO IDEA HOW TO RESOLVE THIS MATTER. ALSO AS I UNDERSTAND IT, THE ACCOUNTING RECORDS OF PENINSULA DEVELOPMENT ARE NOT UP TO PAR AS THEY SHOULD BE.

" John Chaisson:

I am working with representatives of the Sublessor on this matter. I don't know how this matter will be resolved."

- Aloha – we sent the letter in Jan. No one at Maui Sands has said anyone has contracted us back.

Who are you representing?

From: Paul Horikawa <phorikawa3316@gmail.com>
Sent: Tuesday, May 20, 2025 11:23 AM
To: John Chaisson <John@atomicbudz.com>
Subject: Re: maui sands sandwich lease

John Chaisson:

I am working with representatives of the Sublessor on this matter. I don't know how this matter will be resolved.

Paul L. Horikawa

Law Office of Paul L. Horikawa

2233 Vineyard Street, Suite E

Wailuku, Hawaii 96793

Telephone No. (808) 244-4671

On Tue, May 20, 2025 at 7:48 AM John Chaisson <John@atomicbudz.com> wrote:

Opps I forgot one email

From: John Chaisson
Sent: Tuesday, May 20, 2025 10:48 AM
To: phorikawa3316@gmail.com; gaif2000@yahoo.com; rtiedeman197@gmail.com; tuck06@comcast.net
Subject: maui sands sandwich lease
Importance: High

Aloha – I am trying to get to someone who can actually help us.

The Kunisawas have resigned their roles as beneficiaries. Here at maui sands we all have a problem.

The accounting of the collection of lease payments is wrong for many people.

We have checks cashed and not accounted for and checks not cashed.

Who do we all need to contact to straighten this out?

mahalo

Law Office of Paul L. Horikawa
2233 Vineyard Street, Suite E
Wailuku, HI 96793

Phone: (808) 244-4671 Fax: (808) 249-0124

This is an email from our current Board President. As she suggests, this liability very well might turn back to us as the lease holder could lien each and every unit until they get paid back. Recently the sandwich lease, Peninsula hired estate accounting firm in Honolulu to help (2026).

Hi John,

All good points. Unfortunately, all parties are being non-responsive except the Weinbergs. In responses to your points specifically:

- all parties have been included in the letters and emails from our attorney (all three Peninsula beneficiaries, Robinson, Weinberg and attorneys for Peninsula, Weinberg & Robinsons)

- We don't know what happens to Kunisawa's share of the Trust if they pass away. They have children, so I would assume it is an asset that passes to the whoever they have designated as their beneficiary of that asset. We do not have access to their Trust agreement.

- Peninsula has the responsibility to respond and if they do not, the landowners. The sale that is pending is owned by Global Connection (vacation time share) and they have a representative sitting on our board and are in good position to push this issue as they are able to

- lease rate is set every 10 years and is a negotiation between Peninsula & Landowners, but Peninsula has given the right of negotiation to the board of Maui Sands and historically, they have hired Monarch Properties to broker the deal. That contract also requires Monarch to represent us in any buy-out we do

- Kunisawas have previously informed us that Peninsula would be supportive of a buy-out. We believe they are in conversation with Weinberg / Robinson to resolve this. Our attorney has suggested several paths forward (dissolve the Trust as part of the buy-out deal, hire a bank to be trustee, have one of the landowners take over the trustee position).

Agree, it seems like it would be in the best interest of the landowners & sandwich lease owners to resolve this to limit their liability. But, it is not an association responsibility, unless it can be tied to a buy-out and we agree to take on that responsibility.

Best, Glenna