

COUNCIL OF THE COUNTY OF MAUI

# BUDGET AND FINANCE COMMITTEE

February 27, 2018

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

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

Chair and Members:

Your Budget and Finance Committee, having met on January 30, 2018 and February 13, 2018, makes reference to County Communication 18-9, from the Budget Director, transmitting the following:

1. A proposed resolution entitled "APPROVING THE ACQUISITION OF REAL PROPERTY, APPROXIMATELY 15,351 SQUARE FEET, LOCATED IN KIHEI, MAUI, HAWAII."

The purpose of the proposed resolution is to approve the acquisition of real property comprised of approximately 15,351 square feet of vacant land on South Kihei Road, Kihei, Maui, Hawaii, identified for real property tax purposes as tax map key (2) 3-9-001:175 ("property"), from Home Maid Bakery, Inc. for \$2,585,000, to allow for public access to the Kenolio Beach Reserve.

2. A proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING APPENDIX A OF THE FISCAL YEAR 2018 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO PART II, SPECIAL PURPOSE REVENUES - SCHEDULE OF REVOLVING/SPECIAL FUNDS FOR FISCAL YEAR 2018, OPEN SPACE, NATURAL RESOURCES, CULTURAL RESOURCES, AND SCENIC VIEWS PRESERVATION FUND."

The purpose of the proposed bill is to amend Appendix A, Part II, Special Purpose Revenues - Schedule of Revolving/Special Funds for the Fiscal Year 2018 Budget, by adding a proviso for the purchase of the property for \$2,585,000, under the Open Space, Natural Resources, Cultural Resources, and

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Scenic Views Preservation Fund ("Fund"), for public access to Kenolio Beach Reserve.

3. A copy of the Real Property Purchase and Sale Agreement and the appraisal report prepared by R. J. Kirchner, SRA, for tax map key (2) 3-9-001:175, attached as Exhibits "1" and "2" to the resolution, respectively.

By correspondence dated February 2, 2018, the Budget Director transmitted the following:

1. A revised proposed resolution to approve the acquisition of the property for \$2,350,000.
2. A revised proposed bill to reduce the appropriation from the Fund to \$2,350,000.

Your Committee notes Section 9-19, Revised Charter of the County of Maui (1983), as amended, and Chapter 3.88, Maui County Code, allow the Fund to be used to acquire real property for purposes relating to outdoor recreation; preservation of culturally important land areas; and improving public access to, and enjoyment of, public land, open space, and recreational facilities.

The Director of Parks and Recreation said the purchase of the property would preserve beachfront land and provide public access to the Kenolio Beach Reserve.

Your Committee notes the appraised value of the property as of May 15, 2017, is \$2,585,000. The comparables used by the appraiser to determine the value were sales prices ranging from \$1,899,000 to \$3,100,000. The appraiser's adjusted values for the comparables range from \$2,515,000 to \$2,617,900.

Your Committee questioned whether the property's appraised value would change if its zoning was Park District instead of A-2 Apartment District. The County's Real Property Tax Administrator said the property

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value would be lower, but he could not provide an estimate of the property value.

The Director said the property could be used for a parking lot that might accommodate between 25 and 35 vehicles. He said a paved parking lot may not be possible because of the property's proximity to the shoreline, which is approximately 450 feet away. A gravel parking lot could be an alternative to a paved parking lot.

The Director explained additional funding to grade the property and lay gravel would be needed. He said maintenance costs for the immediate use of the property would include trash disposal and upkeep of portable toilets.

Your Committee noted the Department would need to complete a Special Management Area ("SMA") assessment process before the parking lot project could be considered. Public meetings would allow the community to discuss the merits of a proposed parking lot.

The Director said the parcel between the property and the beach is owned by the County. He also said the Department could expand the proposed parking lot to include the adjacent County-owned parcel if the required studies were conducted and the appropriate permits were obtained.

He said the temporary parking lot would also open a northern access to Waipuilani Park. The park is used mainly by residents of the adjacent condominiums. While the County maintains the entirety of Waipuilani Park, the condominiums provide additional maintenance of the southern end of the park, resulting in a disparity in the park's appearance.

The Director said a master plan of the area may be needed to determine the long-term use of the parcel and surrounding County properties.

Your Committee noted the landowner provided testimony indicating he is not interested in any development of the property. He said he recently

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turned down an offer for the property because of his commitment to sell it to the County. He said selling the property to the County is most beneficial to the community and its residents. The landowner said he is open to further negotiations with the County on the purchase price.

Your Committee noted after further negotiations, the landowner agreed to lower the purchase price of the property from \$2,585,000 to \$2,350,000.

Your Committee noted the Waiohuli-Keokea Beach Homestead subdivision adjacent to the property has an SMA Minor Permit. The County's Real Property Manager said the conditions of the permit will not be an issue for the acquisition.

Your Committee voted 8-1 to recommend adoption of the revised proposed resolution, passage of the revised proposed bill on first reading, and filing of the communication. Committee Chair Hokama, Vice-Chair White, and members Atay, Carroll, Crivello, Guzman, King, and Sugimura voted "aye." Committee member Cochran voted "no."

Your Committee is in receipt of a further revised proposed resolution, approved as to form and legality by the Department of the Corporation Counsel, incorporating nonsubstantive revisions.

Your Budget and Finance Committee **RECOMMENDS** the following:

1. That Resolution \_\_\_\_\_, as revised herein and attached hereto, entitled "APPROVING THE ACQUISITION OF REAL PROPERTY, APPROXIMATELY 15,351 SQUARE FEET, LOCATED IN KIHEI, MAUI, HAWAII," be ADOPTED;
2. That Bill \_\_\_\_\_ (2018), as revised herein and attached hereto, entitled "A BILL FOR AN ORDINANCE AMENDING APPENDIX A OF THE FISCAL YEAR 2018 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO PART II, SPECIAL PURPOSE REVENUES - SCHEDULE OF REVOLVING/SPECIAL FUNDS FOR FISCAL YEAR 2018,

COUNCIL OF THE COUNTY OF MAUI

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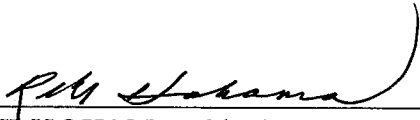
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OPEN SPACE, NATURAL RESOURCES, CULTURAL  
RESOURCES, AND SCENIC VIEWS PRESERVATION FUND,"  
be PASSED ON FIRST READING and ORDERED TO PRINT;  
and

3. That County Communication 18-9 be FILED.

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

  
\_\_\_\_\_  
RIKI HOKAMA, Chair

bf:cr:18123aa:mmmy



# Resolution

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

APPROVING THE ACQUISITION OF REAL PROPERTY, APPROXIMATELY  
15,351 SQUARE FEET, LOCATED IN KIHEI, MAUI, HAWAII

WHEREAS, HOME MAID BAKERY, INC., a Hawaii corporation, is the fee owner of the lot identified for real property tax purposes as tax map key number (2) 3-9-001:175 consisting of approximately 15,351 square feet, ("the Property"); and

WHEREAS, HOME MAID BAKERY, INC., has agreed to sell the Property to the County of Maui for TWO MILLION THREE HUNDRED FIFTY THOUSAND DOLLARS (\$2,350,000.00); and

WHEREAS, the Real Property Purchase and Sale Agreement is attached hereto as Exhibit "1"; and

WHEREAS, the Property is more particularly described in Exhibits "A" through "E" of Exhibit "1"; and

WHEREAS, in accordance with Section 3.44.015(B), Maui County Code, the Director of Finance contracted for an appraisal by a disinterested appraiser, and said appraisal is attached hereto as Exhibit "2"; and

WHEREAS, Section 3.44.015(C), Maui County Code, provides that, in the case of real property with a purchase price that exceeds TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000.00), authorization by the Council of the County of Maui by passage of a resolution is required; and

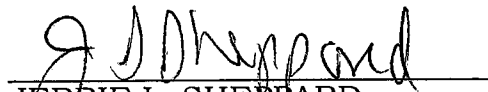
WHEREAS, the Council finds that the acquisition of the Property is in the public interest; now, therefore,

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

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

1. That pursuant to Section 3.44.015(C), Maui County Code, the Council hereby approves the acquisition of the Property for the purchase price of TWO MILLION THREE HUNDRED FIFTY THOUSAND DOLLARS (\$2,350,000.00) under the terms set forth in the Real Property Purchase and Sale Agreement attached hereto as Exhibit "1"; and
2. That it does hereby authorize the Mayor of the County of Maui, or the Mayor's duly authorized representative, to execute all necessary documents in connection with the acquisition of the Property; and
3. That certified copies of this Resolution be transmitted to the Mayor, the Director of Finance, the Director of Parks and Recreation, and Home Maid Bakery, Inc.

APPROVED AS TO FORM  
AND LEGALITY:

  
JERRIE L. SHEPPARD  
Deputy Corporation Counsel  
County of Maui  
LF 2017-0827 2017-12-7 Resolution  
LF 2017-0093 2018-2-20 Rev. Resolution



**REAL PROPERTY PURCHASE AND SALE AGREEMENT**

**TMK: (2) 3-9-001:175**

This Real Property Purchase and Sale Agreement ("Agreement") made effective \_\_\_\_\_, 2018 by and between HOME MAID BAKERY, INC., a Hawaii corporation, whose address is 1005 Lower Main Street, Wailuku, Hawaii 96793 (hereinafter referred to as "Owner" and/or "Seller") and COUNTY OF MAUI, a political subdivision of the State of Hawaii, the principal office and mailing address of which is 200 South High Street, Wailuku, Hawaii 96793 (hereinafter referred to as "County" and/or "Buyer").

**RECITALS**

- (a) Seller is the owner of the fee simple interest in the land located on South Kihei Road that is identified by TMK No. (2) 3-9-001:175.
- (b) Seller desires to sell, and Buyer desires to purchase said 15,351 square feet area on the terms set forth in this Agreement.

**AGREEMENT**

The parties, intending to be legally bound, agree as follows:

**1. DEFINITIONS.**

For purposes of this Agreement, the following terms have the meanings specified or referred to in this Section 1:

"Buyer" is defined in the first paragraph of this Agreement.

"Buyer's Closing Documents" is defined in Section 4.3.

"Closing" is defined in Section 4.1.

"Closing Date" means the date and time as of which the Closing actually takes place.

"Closing Payment" is defined in Section 2.2 (a).

"Consent" means any approval, consent, ratification, waiver, or other authorization (including any Governmental Authorization).

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Real Property Purchase Agreement: TMK: (2) 3-9-001:175

**"DCCA"** means the Department of Commerce and Consumer Affairs of the State of Hawaii.

**"Effective Date"** shall mean the date when this Agreement is fully-executed by the parties, which shall not be before Maui County Council approval of the budget amendment appropriating the funds for the purchase contemplated by this Agreement is certified by the Maui County Clerk.

**"Encumbrance"** means any charge, claim, condition, equitable interest, lien, option, pledge, security interest, right of first refusal, or restriction of any kind, including any restriction on use, transfer, receipt of income, or exercise of any other attribute of ownership.

**"Escrow Agent"** means Title Guaranty Escrow Services, Inc. – Kahului Branch, 80 South Puunene Avenue, Kahului, HI 96732: Attention: Robyn Delapinia, Escrow Officer.

**"Governmental Body"** means any: (a) federal, state, local, or municipal government; or (b) body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, police, regulatory, or taxing authority or power of any nature over the Property.

**"Hazardous Materials"** means and includes any and all radioactive materials, asbestos, organic compounds known as polychlorinated biphenyls, chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances, and any and all other substances or materials defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," or "toxic substances" under, or for the purposes of, the Hazardous Materials Laws.

**"Hazardous Materials Laws"** means and includes all federal, state or local laws, ordinances or regulations, now or hereafter in effect, relating to environmental conditions, industrial hygiene or Hazardous Materials, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Clean Water Act, 33 U.S.C. Section 1251 et seq., the Clean Air Act, 42 U.S.C. Section 7401 et seq., the Toxic Substances Control Act, 15 U.S.C. Sections 2601 through 2629, the Safe Drinking Water Act, 42 U.S.C. Sections 300f through 300j, and any similar state or local laws or ordinances and the regulations now or hereafter adopted, published and or promulgated pursuant thereto.

**"Knowledge"** means an individual is actually aware of a particular fact or other matter, without imposing any duty of inquiry or investigation.

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Real Property Purchase Agreement: TMK: (2) 3-9-001:175

**"Legal Requirement(s)"** means any federal, state, local, or municipal administrative order, constitution, law, ordinance, regulation, statute, or treaty.

**"Order"** means any award, decision, injunction, judgment, order, ruling, subpoena, or verdict entered, issued, made, or rendered by any court, administrative agency, or other Governmental Body or by any arbitrator.

**"Person"** means any individual, corporation (including any non-profit corporation), general or limited partnership, limited liability company, joint venture, estate, trust, association, organization, or other entity or Governmental Body.

**"Proceeding"** means any action, arbitration, hearing, litigation, or suit (whether civil, criminal, or administrative) commenced, brought, conducted, or heard by or before, or otherwise involving, any Governmental Body.

**"Property"** is defined in Section 2.1.

**"Purchase Price"** is defined in Section 2.2.

**"Real Property"** is defined in Section 2.1(a).

**"Seller"** is defined in the first paragraph of this Agreement.

**"Seller's Closing Documents"** is defined in Section 4.2.

**"Title Company"** means Title Guaranty of Hawaii, Inc., or such other title company authorized to do business in the State of Hawaii chosen by Seller and acceptable to Buyer.

**"Title Report"** is defined in Section 3.3.

## **2. SALE OF PROPERTY.**

**2.1 Sale of Property.** Subject to the terms and conditions of this Agreement, at the Closing, Seller agrees to sell to Buyer and Buyer agrees to purchase from Seller the following described Property (collectively the **"Property"**):

(a) **Real Property.** The fee simple real estate described in **Exhibit A** and shown in **Exhibit D**, together with the improvements, fixtures, appurtenant easements, and other real property interests appurtenant to such fee simple estate; and

(b) **Personal Property.** All development rights and permits for the Property, to the extent Seller has the right to assign the same.

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Real Property Purchase Agreement: TMK: (2) 3-9-001:175

2.2 Purchase Price. The purchase price (the "**Purchase Price**") for the Property shall be **TWO MILLION THREE HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$2,350,000.00)**. Buyer shall pay the Purchase Price as follows:

(a) At Closing, Buyer shall pay Seller, through Escrow Agent, the balance of the Purchase Price plus or minus net adjustments and prorations provided for in this Agreement. The Closing Payment shall be made in cash or other immediately available federal funds to Escrow Agent by the deadline specified by the Escrow Agent.

### 3. BUYER'S REVIEW OF THE PROPERTY.

3.1 Property Survey. Prior to execution of this Agreement Seller shall survey and stake the property. Seller shall prepare and deliver to Buyer a map and report of the Property. Buyer shall have thirty (30) days to review and accept the Survey map and report, attached hereto as **Exhibit E**. (collectively, the "**Survey**").

3.2 Due Diligence. Prior to the Effective Date of this Agreement, Buyer and its agents and professional advisors have had the opportunity to conduct all investigations and tests that it desired with respect to the Property; and is satisfied with the results of its investigations and tests.

3.3 Title Report. Attached hereto as **Exhibit B** is a Preliminary Report for the Property from the Title Company (collectively, the "**Title Report**").

3.4 Permitted Exceptions. All matters referred to in the Title Report, the Survey and the Warranty Deed of the Property attached hereto as **Exhibit C** that will be recorded at Closing (the "**Deed**") shall be hereinafter referred to as the "**Permitted Exceptions**". If at Closing Seller is unable to convey title subject only to the Permitted Exceptions, Buyer may terminate this Agreement.

3.5 Condition of Property; Property to be Purchased "As Is". As a material inducement to Seller to execute this Agreement, Buyer acknowledges and agrees that, except as expressly provided in this Agreement, Buyer waives any contingencies to the Closing of this Agreement. In addition Buyer agrees that as of the Closing Date:

(a) Buyer will have had an opportunity to fully examine and inspect the Property, including the physical condition of the Property;

(b) Buyer will have accepted the physical condition, value, financing status, use, leasing, operation, tax status, income and expenses of the Property;

(c) the Property will be purchased by Buyer "AS IS" and "WITH ALL FAULTS" and, Buyer shall assume responsibility for the physical condition of the Property and its compliance with all applicable Legal Requirements, and shall assume all liability and

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responsibility resulting from any violation of the Hazardous Materials Laws occurring either prior to the Closing Date, to the extent arising on a portion of the Property under control of Buyer at the time of such violation or after the Closing;

(d) Buyer recognizes that the Property is not new and acknowledges that: (i) consistent with the "AS IS" clause in subparagraph (c) above, the Property shall be sold in the same condition that it is in on the date of this Agreement; and (ii) Seller will not be required to take any action with respect to the Property, including, but not limited to the repair or replacement of any part of the Property; and

(e) Buyer has decided to purchase the Property solely on the basis of its own independent investigation. Seller has not made, does not make, and has not authorized anyone else to make any representation as to the present or future physical condition, value, financing status, use, leasing, operation, tax status, income and expenses or any other matter or thing pertaining to the Property, except as expressly set forth in this Agreement, and Buyer acknowledges that no such representation has been made and that in entering into this Agreement Buyer does not rely on any representation other than those expressly set forth in this Agreement. The provisions of this Section 3.5 shall survive Closing.

3.6 Disclaimer. Except as expressly set forth in this Agreement, Seller makes no warranty or representation, express or implied or arising by operation of law, including, without limitation, any warranty of condition, habitability, merchantability, or fitness for a particular purpose of the Property. Seller shall not be liable for or bound by any verbal or written statements, representations, real estate broker's "setups" or information pertaining to the Property furnished by any real estate broker, agent, employee, servant or any other Person unless the same are specifically set forth in this Agreement or in any document delivered by Seller pursuant to this Agreement or at Closing.

#### 4. CLOSING AND PRORATIONS.

4.1 Closing. Recordation of the documents necessary to complete the purchase and sale provided for in this Agreement (the "Closing") will occur no later than thirty (30) days after the certification of the Maui County Council approval of the budget amendment appropriating the funds for the purchase contemplated by this Agreement (the "Closing Date"), but no later than March 31, 2018.

4.2 Seller's Closing Documents and Requirements. Not later than two (2) business days prior to Closing, Seller will deposit with the Escrow Agent, the following documents, in each case duly executed by Seller or the appropriate Person, and if applicable, acknowledged and in recordable form ("**Seller's Closing Documents**");

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Real Property Purchase Agreement: TMK: (2) 3-9-001:175

(a) The Deed in the form attached as **Exhibit C**, to be recorded at Closing and provided to Buyer and Seller.

(b) A certificate of non-foreign status, upon request of Buyer, in form and content required by law certifying that Seller is not a "foreign person" as such term is used under Section 1445 of the Internal Revenue Code.

(c) A certificate of resident status in form and content required by law certifying Seller is a "resident person" as such term is used in H.R.S. Section 235-68.

(d) A certificate of good standing for Seller issued by the DCCA not more than ten (10) business days before the Closing Date, upon request of Buyer.

(e) Certified resolutions of Seller's directors (and shareholders, if required) approving the transaction contemplated by this Agreement.

**4.3 Buyer's Closing Documents and Requirements.** At the Closing, Buyer will deposit with the Escrow Agent, the following funds and documents, in each case duly executed by Buyer or the appropriate Person, and if applicable, acknowledged and in recordable form ("**Buyer's Closing Documents**"):

(a) The Closing Payment as required by Section 2.2.

(b) The Deed

**4.4 Expenses.**

(a) **Seller's Expenses.** Seller shall pay (a) the fees of any counsel representing Seller in connection with this transaction; (b) the premium for the issuance of the Title Policy (as defined in Section 7.3 below) in the amount of the Purchase Price; (c) the Seller's share of escrow fees charged by the Escrow Agent; (d) Attorney Document Preparation Fees; (e) all other costs and expenses incident to the Closing of this transaction and not expressly provided above.

**4.5 Adjustments and Prorations.** All receipts and disbursements of the Property will be prorated on the Closing Date and the Purchase Price will be adjusted on the following basis:

(a) **Property Taxes and Other Expenses.** All real and personal property ad valorem taxes, installments of special assessments, if any, for the year of closing and all other expenses of operating the Property for the year of Closing shall be paid by Seller.

(b) **Post-Closing Adjustments.** If at any time within thirty (30) days following the Closing either party discovers any items which should have been included

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in the adjustments and prorations described in this section but which were omitted therefrom, or any material error in the computation of such adjustments, such items shall be properly adjusted as of the Closing Date without interest thereon. Further, items otherwise not capable of determination prior to the Closing Date, for periods prior to the Closing Date, shall be determined and adjusted without interest thereon within thirty (30) days of the Closing Date.

5. REPRESENTATIONS AND WARRANTIES OF SELLER.

Seller represents and warrants to Buyer that:

5.1 Organization and Good Standing. Seller is a domestic profit corporation duly organized, validly existing, and in good standing under the laws of the State of Hawaii and is duly authorized to conduct business in the State of Hawaii.

5.2 Authority. This Agreement constitutes the legal, valid, and binding obligation of Seller, enforceable against Seller in accordance with its terms. Upon the execution and delivery by Seller of the Seller's Closing Documents, the Seller's Closing Documents will constitute the legal, valid, and binding obligations of Seller, enforceable against Seller in accordance with their respective terms. Seller has the absolute and unrestricted right, power, and authority to execute and deliver this Agreement and the Seller's Closing Documents and to perform its obligations under this Agreement and the Seller's Closing Documents. Neither the execution nor delivery of this Agreement by Seller nor the consummation or performance of any of Seller's obligations hereunder will contravene, conflict with, or result in a violation or breach of any provision of any agreement to which Seller is a party.

6. REPRESENTATIONS AND WARRANTIES OF BUYER.

Buyer represents and warrants to Seller that:

6.1 Organization and Good Standing. Buyer is political subdivision of the State of Hawaii.

6.2 Authority. This Agreement constitutes the legal, valid, and binding obligation of Buyer, enforceable against Buyer in accordance with its terms. Upon the execution and delivery by Buyer of the Buyer's Closing Documents, the Buyer's Closing Documents will constitute the legal, valid, and binding obligations of Buyer, enforceable against Buyer in accordance with their respective terms. Buyer has the absolute and unrestricted right, power, and authority to execute and deliver this Agreement and the Buyer's Closing Documents and to perform its obligations under this Agreement and the Buyer's Closing Documents. Neither the execution nor delivery of this Agreement by Buyer nor the consummation or performance of any of Buyer's obligations hereunder

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will contravene, conflict with, or result in a violation or breach of any provision of any agreement to which Buyer is a party.

7. CONDITIONS PRECEDENT TO BUYER'S OBLIGATION TO CLOSE.

Buyer's obligation and authority to purchase and close this transaction is subject to the approval of the Maui County Council in accordance with the provisions and requirements of Chapter 3.44 of the Maui County Code, and further, subject to said Maui County Council's approval to fund the purchase.

Buyer's obligation to purchase the Property and to take the other actions required to be taken by Buyer at the Closing is subject to the satisfaction, at or prior to the Closing, of each of the following conditions (any of which may be waived by Buyer, in whole or in part):

7.1 Accuracy of Representations. All of Seller's representations and warranties in this Agreement must have been accurate in all material respects as of the date of this Agreement, and must be accurate in all material respects as of the Closing Date as if made on the Closing Date.

7.2 Seller's Performance. All of the covenants and obligations that Seller is required to perform or to comply with pursuant to this Agreement at or prior to the Closing must have been duly performed and complied with in all material respects. Each document required to be delivered pursuant to Section 4.2 must have been delivered.

7.3 Title Policy. Buyer shall have received a commitment from the Title Company to issue (i) a fee simple standard owner's policy effective as of the Closing, in the amount of the Purchase Price, insuring that Buyer is the owner of the fee simple interest in the Property, and that title to the Property is marketable and clear of Encumbrances other than the Permitted Exceptions, (collectively, the "Title Policy").

8. CONDITIONS PRECEDENT TO SELLER'S OBLIGATION TO CLOSE.

Seller's obligation to sell the Property and to take the other actions required to be taken by Seller at the Closing is subject to the satisfaction, at or prior to the Closing, of each of the following conditions (any of which may be waived by Seller, in whole or in part):

8.1 Accuracy of Representations. All of Buyer's representations and warranties in this Agreement must have been accurate in all material respects as of the date of this Agreement and must be accurate in all material respects as of the Closing Date as if made on the Closing Date.

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Real Property Purchase Agreement: TMK: (2) 3-9-001:175



8.2 Buyer's Performance. All of the covenants and obligations that Buyer is required to perform or to comply with pursuant to this Agreement at or prior to the Closing must have been performed and complied with in all material respects. Buyer must have delivered each of the documents required to be delivered by Buyer pursuant to Section 4.3, and must have made the cash payments required to be made by Buyer pursuant to Section 2.2.

9. RISK OF LOSS; EMINENT DOMAIN.

9.1 Casualty or Taking. Seller and Buyer hereby waive the Uniform Vendor and Purchaser Risk Act, H.R.S. Chapter 508. If, prior to the Closing, the Property is damaged by fire, vandalism, acts of God or other casualty or cause ("Casualty"), or the Property is taken or made subject to condemnation, eminent domain or other governmental acquisition proceedings (a "Taking") then the procedures of this Section 9 shall apply.

9.2 Obligated to Close. If the cost of required repair or replacement related to or arising out of the Casualty or if the value of the Taking is \$100,000.00 or less, or the Taking is by the County of Maui or any agency or instrumentality thereof, Buyer shall proceed to close and take the Property as diminished by such events. In the case of a Casualty there shall be no adjustment of the Purchase Price and all insurance proceeds otherwise payable to Seller on account of such casualty shall be paid to Buyer. In the case of a Taking, there will be no adjustment of the Purchase Price and all awards otherwise payable to Seller shall be paid to Buyer.

9.3 Buyer's Option to Close. If the cost of repair or replacement related to or arising out of the Casualty or if the value of the Taking is greater than \$100,000.00 and the Taking is not by the County of Maui or any agency or instrumentality thereof, Buyer, at its sole option, may elect either to (a) terminate this Agreement by written notice to Seller given at or prior to the Closing; or (b) proceed to close in the manner set forth in Section 9.2.

9.4 Determination of Cost of Casualty or Taking. The cost of repair or replacement related to or arising out of the Casualty or the value of the Taking shall be determined by Seller and Buyer, or, if they are unable to agree, by an independent appraiser selected by two other appraisers, each of which shall be selected by Seller and Buyer.

9.5 Insurance and Awards. If, pursuant to the preceding Sections, Buyer is either obligated or elects to take the Property as it is together with the insurance or condemnation proceeds or the right to receive the same, Seller agrees to cooperate with Buyer in any loss adjustment or condemnation negotiations, legal actions and agreements with the insurance company or the condemning authority, and to assign to Buyer at the Closing its rights to such insurance or condemnation proceeds and will not

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settle any insurance claims, condemnation awards or legal actions relating thereto without Buyer's prior written consent.

9.6 Termination. If this Agreement is terminated pursuant to this Section 9, the parties hereto shall be released from all further obligations and liabilities hereunder.

## 10. GENERAL PROVISIONS.

10.1 Expenses. Except as otherwise expressly provided in this Agreement, each party to this Agreement will bear its respective expenses, fees, and costs incurred in connection with the preparation, execution, and performance of this Agreement and the contemplated transactions, including all fees and expenses of agents, representatives, counsel, and accountants. In the event of termination of this Agreement, the obligation of each party to pay its own expenses will be subject to any rights of such party arising from a breach of this Agreement by another party. In any case where this Agreement is terminated without the fault of either party, the Buyer and Seller shall share equally any cancellation fees charged by Escrow Agent. In the event of a dispute arising out of this Agreement, the prevailing party in any Proceeding may be entitled to recover its costs and expenses and reasonable attorneys' fees, including such costs and expenses on appeal, unless otherwise agreed upon and/or ordered by court and subject to Maui County Code Chapter 3.16.

10.2 Notices. Any notice or demand to Seller or Buyer provided for or permitted by this Agreement shall be given in writing (unless otherwise expressly provided), and may be: (a) mailed as registered or certified mail, addressed to such party at its post office address herein specified or the last such address designated by such party in writing to the other; or, (b) delivered personally within the State of Hawaii to any one of Seller or Buyer or any officer of a party if such party is a corporation or any general partner of a party if such party is a partnership, or any manager or member of a party if such party is a limited liability company, as the case may be; (c) sent by facsimile transmission (herein "Fax") to the Fax number, if any, of such party as specified herein or such other Fax number designated by such party in writing to the other or (d) delivered by Federal Express or other reliable overnight courier. Any such written notice shall be deemed received at the time of such personal delivery or receipt of the Fax (as evidenced by a confirmation slip indicating the fax was sent to the appropriate number set forth below), or at 5:00 P.M. (Hawaii Standard Time) on the third business day after being deposited with the United States mail as aforesaid, or on the next business day after being sent by overnight courier, as the case may be.

The initial address for each party is as follows:

To Seller: HOME MAID BAKERY, INC  
1005 Lower Main Street

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Real Property Purchase Agreement: TMK: (2) 3-9-001:175

Wailuku, Hawaii 96793  
Attn: Jeremy Kozuki  
Tel: (808) 281-0666  
Fax: (808) 242-8458

To Buyer: COUNTY OF MAUI  
Kalana O Maui Building  
200 South High Street  
Wailuku, Maui 96793  
Attn: Director of Finance  
Tel: (808) 270-7844  
Fax: (808) 270-7878

Rejection or other refusal to accept, or inability to deliver because of changed address of which no written notice was received, will constitute receipt of the notice or other communication.

10.3 Jurisdiction of Service of Process. Any action or proceeding seeking to enforce any provision of, or based on any right arising out of, this Agreement may be brought against any of the parties in the 2<sup>nd</sup> Circuit Court of the State of Hawaii, County of Maui, or, if it has or can acquire jurisdiction, in the United States District Court for the District of Hawaii, and each of the parties consents to the jurisdiction of such courts (and of the appropriate appellate courts) in any such action or proceeding and waives any objection to venue laid therein. Process in any action or Proceeding referred to in the preceding sentence may be served on any party anywhere in the world.

10.4 Further Assurances. The parties agree: (a) to furnish upon request to each other such further information; (b) to execute and deliver to each other such other documents; and (c) to do such other acts and things, all as the other party may reasonably request for the purpose of carrying out the intent of this Agreement and the documents referred to in this Agreement.

10.5 Waiver. Neither the failure nor any delay by any party in exercising any right, power, or privilege under this Agreement or the documents referred to in this Agreement will operate as a waiver of such right, power, or privilege, and no single or partial exercise of any such right, power, or privilege will preclude any other or further exercise of such right, power, or privilege or the exercise of any other right, power, or privilege.

10.6 Entire Agreement and Modification. This Agreement supersedes all prior agreements between the parties with respect to its subject matter and constitutes (along with the documents referred to in this Agreement) a complete and exclusive statement of the terms of the agreement between the parties with respect to its subject

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Real Property Purchase Agreement: TMK: (2) 3-9-001:175

matter. This Agreement may not be amended except by a written agreement executed by the party to be charged with the amendment.

10.7 Construction. This Agreement and any certificates or documents delivered pursuant to this Agreement will be construed without regard to which party drafted the document or any particular provision therein.

10.8 Assignments, Successors, and No Third-Party Rights. Buyer may not assign its rights and obligations hereunder to any other person without the prior written consent of Seller which may be withheld in Seller's sole discretion. In the event of any permitted assignment, the assignee shall assume in writing all of the assignor's obligations hereunder. The assignor shall in no event be released from its obligations hereunder by reason of any assignment. This Agreement will apply to, be binding in all respects upon, and inure to the benefit of the successors and permitted assigns of the parties. This Agreement and all of its provisions and conditions are for the sole and exclusive benefit of the parties to this Agreement and their successors and permitted assigns.

10.9 Severability. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

10.10 Section Headings, Construction. The headings of Sections in this Agreement are provided for convenience only and will not affect its construction or interpretation. All references to "Section" or "Sections" refer to the corresponding Section or Sections of this Agreement. All words used in this Agreement will be construed to be of such gender or number as the circumstances require. Unless otherwise expressly provided, the word "including" does not limit the preceding words or terms.

10.11 Time of Essence. With regard to all dates and time periods set forth or referred to in this Agreement, time is of the essence.

10.12 Governing Law. This Agreement will be governed by the laws of the State of Hawaii without regard to conflicts of laws principles.

10.13 Brokers. Buyer represents it has not engaged or contracted with any person entitled to any brokerage commission or finder's fee in connection with this transaction. Buyer agrees, to the extent permitted by law, to indemnify the other party against any claim asserted against or adjudged against the other party, for any brokerage commission or finder's fee or any like compensation occasioned by or as a result of any act or omission of the indemnifying party, including all attorney's fees,

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Real Property Purchase Agreement: TMK: (2) 3-9-001:175

costs, expenses and any other fees incurred by, charged against or adjudicated against, the other party, whether or not suit is filed, which are related to this indemnity agreement or enforcement thereof.

10.14 Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement.

10.15 Dispute Prevention Resolution. In the event of a dispute arising out of or relating to this Agreement or the services to be rendered hereunder, the parties to this Agreement agree to attempt to resolve such dispute in the following manner. First, the parties agree to attempt to resolve such dispute(s) through direct negotiations between representatives of each party. Second, if the dispute or any issues remain unresolved after attempts to negotiate, the parties agree to submit the dispute to a mutually agreed upon mediator, provided, however, if the dispute is not resolved within thirty (30) days after demand by either Seller or Buyer, Buyer and Seller shall have the right to exercise all remedies available at law or in equity.

10.16 No Party Deemed Drafter. The parties hereby represent that they have reviewed this Agreement and all of the documents memorializing the transaction contemplated herein and agree that no party shall be deemed to be the drafter of this Agreement and further that in the event that this Agreement is ever construed by a court of law, such court shall not construe this Agreement or any provision hereof against either party as drafter of this Agreement and shall in no way define, limit or describe the scope or intent of any provision of this Agreement.

10.17 Exhibits. The following exhibits are attached hereto, incorporated herein, and made a part hereof:

Exhibit "A"	Legal Description of Lot
Exhibit "B"	Title Reports
Exhibit "C"	Warranty Deed with Reservations and Covenants
Exhibit "D"	Subdivision Map
Exhibit "E"	Survey Map and Report

**Signatures begin on the following page.**

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Real Property Purchase Agreement: TMK: (2) 3-9-001:175

IN WITNESS WHEREOF, Seller and Buyer have executed this REAL  
PROPERTY PURCHASE AND SALE AGREEMENT as of the date first set forth above.

**SELLER:**

**HOME MAID BAKERY, INC**  
a Hawaii Domestic Profit Corporation

By: Jeremy F. Kozuki  
Name: JEREMY F. KOZUKI  
Title: President

Remainder of page intentionally left blank

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Real Property Purchase Agreement: TMK: (2) 3-9-001:175

**BUYER:**

**COUNTY OF MAUI**

By: \_\_\_\_\_  
ALAN M. ARAKAWA  
Its: Mayor

By: \_\_\_\_\_  
MARK R. WALKER  
Its: Director of Finance

**APPROVAL RECOMMENDED:**

  
BUTCH KA'ALA BUENCONSEJO  
Director of Parks & Recreation

**APPROVED AS TO FORM AND LEGALITY:**

  
JERRIE L. SHEPPARD  
Deputy Corporation Counsel  
County of Maui

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Real Property Purchase Agreement: TMK: (2) 3-9-001:175

STATE OF HAWAII

COUNTY OF MAUI

) SS:

On this 29<sup>TH</sup> day of September, 2017, before me personally appeared JEREMY F. KOZUKI, 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.

E. L. R.  
Notary Public, State of Hawaii

Printed Name: ESMERALDA BULOSAN

My commission expires: 2/6/2021

(Official Stamp or Seal)

NOTARY CERTIFICATION STATEMENT

Document Identification or Description: Real Property Purchase and Sale Agreement

Doc. Date: \_\_\_\_\_ or ☒ Undated at time of notarization

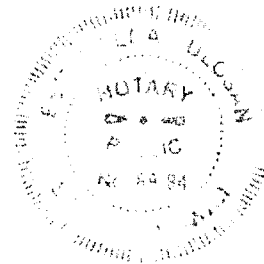
No. of Pages: 18 Jurisdiction: Second Circuit  
(in which notarial act is performed)

Ed Re September 29, 2017

**Signature of Notary**

**Date of Notarization and  
Certification Statement**

ESMERALDA BULOSAN  
Printed Name of Notary



Real Property Purchase Agreement: TMK: (2) 3-9-001:175





STATE OF HAWAII )  
 ) SS:  
COUNTY OF MAUI )

On this \_\_\_\_ day of \_\_\_\_\_, 2018, before me before me personally appeared MARK R. WALKER, to me personally known, who, being by me duly sworn, did say that he is the Director of Finance of the County of Maui, a political subdivision of the State of Hawaii, and executed the foregoing as his free act and deed, and in the capacity shown, having been duly authorized to execute such instrument in such capacity.

\_\_\_\_\_  
Notary Public, State of Hawaii

Printed Name: \_\_\_\_\_

My commission expires: \_\_\_\_\_

(Official Stamp or Seal)

**NOTARY CERTIFICATION STATEMENT**

Document Identification or Description: Real Property  
Purchase and Sale Agreement

Doc. Date: \_\_\_\_\_ or ☐ Undated at time of notarization

No. of Pages: \_\_\_\_\_ Jurisdiction: Second Circuit  
(in which notarial act is performed)

\_\_\_\_\_  
Signature of Notary

\_\_\_\_\_  
Date of Notarization and  
Certification Statement

(Official Stamp or Seal)

\_\_\_\_\_  
Printed Name of Notary

\_\_\_\_\_  
Real Property Purchase Agreement: TMK: (2) 3-9-001:175

**Exhibit "A"**  
**Legal Descriptions**



## EXHIBIT "A"

All of that certain parcel of land, being Lot 2-A-2-A of the Waiohuli-Keokea Beach Homesteads, being a portion of Land Patent Grant 8767 to E. N. Wilcox, situated at Waiohuli, Wailuku, (Kula), Island and County of Maui, State of Hawai'i and being more particularly described as follows:

Beginning at a 1/2-inch pipe (found) at the Northeast corner of this parcel of land, on the Westerly boundary of the South Kihei Road right-of-way, said pipe also being the Southeast corner of Lot 2-A-1-A-1 of the Waiohuli-Keokea Beach Homesteads, the coordinates of said point of beginning referred to Government Survey Triangulation Station "PUU O KALI" being:

10,889.63 feet North  
24,382.41 feet West

and running by azimuths measured clockwise from true South:

- |    |              |        |  |
|----|--------------|--------|--|
| 1. | 350° 00' 00" | 14.74  | feet along said Westerly boundary of the South Kihei Road right-of-way to a 1/2-inch pipe (found);   |
| 2. | 348° 23' 46" | 57.27  | feet along same to a 1/2-inch pipe (found) at the Northeast corner of Lot 2-A-2-B of said Waiohuli-Keokea Beach Homesteads;  |
| 3. | 92° 17' 30"  | 226.58 | feet along said Lot 2-A-2-B of the Waiohuli-Keokea Beach Homesteads, along the remainder of said Land Patent Grant 8767 to E. N. Wilcox to a 1/2-inch pipe (found) on the Easterly boundary of Kihei Beach Reserve (Parcel 1 of Tax Map Key: (2) 3-9-001); |
| 4. | 180° 06' 30" | 70.05  | feet along said Kihei Beach Reserve (Parcel 1 of Tax Map Key: (2) 3-9-001) to a 1/2-inch pipe (found) at the Southwest corner of said Lot 2-A-1-A-1 of the Waiohuli-Keokea Beach Homesteads;   |

5. 272° 17' 30" 212.36 feet along said Lot 2-A-1-A-1 of the Waiohuli-Keokea Beach Homesteads, along the remainder of said Land Patent Grant 8767 to E. N. Wilcox to the point of beginning and containing an area of 15,351 square feet, more or less.

SUBJECT, HOWEVER, to the following:

1. Mineral and water rights of any nature.
2. A non-exclusive sewer easement over and across the land described herein appurtenant to Lot 2-A-1 of the Waiohuli-Keokea Beach Homesteads, including the right to install, maintain and repair such apparatus within the servient tenement as may be or become necessary to provide the dominant tenement with such sewer service, as shown on the Tax Map and more particularly described as follows:

"All of that certain parcel of land, being a portion of Lot 2-A-2 of the Waiohuli-Keokea Beach Homesteads, being also a portion of Land Patent Grant 8767 to E. N. Wilcox, situated at Waiohuli, Wailuku, (Kula), Island and County of Maui, State of Hawaii, and being more particularly described as follows:

Beginning at a 3/4 inch pipe at the northeast corner of this parcel of land, said point being also the northeast corner of the above described Lot 2-A-2 and the southeast corner of Lot 2-A-1 of the Waiohuli-Keokea Beach Homesteads, the coordinates of said point of beginning referred to Government Survey Triangulation Station "PUU O KALI" being:

10,889.34 feet north  
24,375.17 feet west

and running by azimuths measured clockwise from true South:

1. 350° 00' 00" 10.00 feet along Lot 2-A-3 of this subdivision;
2. 131° 08' 45" 15.58 feet along the remainder of said Lot 2-A-2;

3. 272° 17' 30" 10.00 feet along said Lot 2-A-1 to the point of beginning and containing an area of 49 square feet, more or less."

3. The terms and provisions contained in the following:

INSTRUMENT : SUBDIVISION AGREEMENT (THREE LOTS OR LESS)

DATED : January 23, 1984

RECORDED : Liber 17681 Page 530

PARTIES : EDWIN T. IGE, ELSIE A. IGE, EDWIN T. IGE, JR. and JOSEPH G. KEALOHA, JR., "Kealoha", and COUNTY OF MAUI, "County"

4. The terms and provisions contained in the following:

INSTRUMENT : SUBDIVISION AGREEMENT (LARGE LOTS)

DATED : January 23, 1984

RECORDED : Liber 17681 Page 538

PARTIES : EDWIN T. IGE, ELSIE A. IGE, EDWIN T. IGE, JR. and JOSEPH G. KEALOHA, JR., "Kealoha", and COUNTY OF MAUI, "County"

5. The terms and provisions contained in the following:

INSTRUMENT : HOLD-HARMLESS AGREEMENT

DATED : October 25, 2002

RECORDED : Document No. 2004-047349

PARTIES : COUNTY OF MAUI, "County", and JOSEPH G. KEALOHA, JR., "Developer"

6. The terms and provisions contained in the following:

INSTRUMENT : SUBDIVISION AGREEMENT (THREE LOTS OR LESS)

DATED : February 1, 2005

RECORDED : Document No. 2005- 34849

PARTIES : JOSEPH G. KEALOHA, JR., "Owner", and COUNTY OF  
MAUI, "County"

7. GRANT

TO : MAUI ELECTRIC COMPANY, LIMITED, a Hawaii  
corporation, and HAWAIIAN TELCOM, INC., a Hawaii  
corporation

DATED : February 28, 2012

RECORDED : Document No. A-44710639

GRANTING : a right and easement for utility purposes

8. The terms and provisions contained in the following:

INSTRUMENT : UNILATERAL AGREEMENT AND DECLARATION OF CONDITIONS

DATED : January 14, 2013

RECORDED : Document No. A 47830302

PARTIES : JOSEPH G. KEALOHA, "DECLARANT"

9. Any unrecorded leases and matters arising from or affecting the same.

10. Any rights or interests which may exist or arise by reason of the following facts shown on Survey prepared by Carl R. Musto, Land Surveyor, with Carl R. Musto Land Surveying, LLC, dated October 2, 2017:

(A) The concrete block wall, belonging to the adjoining Lot 2 A 1-A-1 (Tax Map Key: (2) 3-9-001: 010), along the North (right side) boundary line meanders as much as four inches (4") within the subject Lot 2-A-2-A.



11. Easements or claims of easements which are not recorded in the public records.

Being the same premises conveyed to the Grantor by Assumption Deed dated June 3, 2016, of Jeremy Kozuki and Jeanette Kozuki, husband and wife, Shane Fuke, a married man, and Marc Kozuki, a married man, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. A-60120377.

NOTES:

1. There is hereby omitted from any covenants, conditions and reservations contained herein any covenant or restriction based on race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, or source of income, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law. Lawful restrictions under state or federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.
2. Road Widening Lot 2-A-2-D was conveyed to the COUNTY OF MAUI, by that certain Warranty Deed dated February 27, 2013, recorded as Document No. A 49720495.



Exhibit "B"

Title Reports



REVISED 11/16/17  
report date unchanged

**PRELIMINARY REPORT**  
(No Liability Hereunder)

This report (and any revisions thereto) is issued solely for the convenience of the titleholder, the titleholder's agent, counsel, purchaser or mortgagee, or the person ordering it for the purpose of facilitating the issuance of a policy of title insurance by Title Guaranty of Hawaii, Inc. and no liability will arise under this report.

-----  
**SCHEDULE A**

Title Guaranty of Hawaii, Inc. hereby reports that, subject to those matters set forth in Schedule "B" hereof, the title to the estate or interest to the land described in Schedule "C" hereof is vested in:

HOME MAID BAKERY, INC.,  
a Hawaii corporation,  
as Fee Owner

This report is dated as of July 24, 2017 at 8:00 a.m.

Inquiries concerning this report  
should be directed to  
NANETTE KODATE.  
Email nkodate@tghawaii.com.  
Fax (808) 521-0287.  
Telephone (808) 533-5887.  
Refer to Order No. 201736479.

Inquiries concerning Escrow  
should be directed to  
Robyn M. Delapinia.  
KAHULUI OFFICE  
Email rdelapinia@tghawaii.com.  
Fax (808) 871-2222.  
Telephone (808) 875-6679.  
Escrow No. 17099545

**SCHEDULE B  
EXCEPTIONS**

1. Real Property Taxes, if any, that may be due and owing.

Tax Key: (2) 3-9-001-175      Area Assessed: 15,351 sq. ft.

2. Mineral and water rights of any nature.

3. A non-exclusive sewer easement over and across the land described herein appurtenant to Lot 2-A-1 of the Waiohuli-Keokea Beach Homesteads, including the right to install, maintain and repair such apparatus within the servient tenement as may be or become necessary to provide the dominant tenement with such sewer service, as shown on the Tax Map and more particularly described as follows:

"All of that certain parcel of land, being a portion of Lot 2-A-2 of the Waiohuli-Keokea Beach Homesteads, being also a portion of Land Patent Grant 8767 to E. N. Wilcox, situated at Waiohuli, Wailuku, (Kula), Island and County of Maui, State of Hawaii, and being more particularly described as follows:

Beginning at a 3/4 inch pipe at the northeast corner of this parcel of land, said point being also the northeast corner of the above described Lot 2-A-2 and the southeast corner of Lot 2-A-1 of the Waiohuli-Keokea Beach Homesteads, the coordinates of said point of beginning referred to Government Survey Triangulation Station "PUU O KALI" being:

10,889.34 feet north  
24,375.17 feet west

and running by azimuths measured clockwise from true South:

- |    |      |     |     |       |   |
|----|------|-----|-----|-------|---|
| 1. | 350° | 00' | 00" | 10.00 | feet along Lot 2-A-3 of this subdivision;   |
| 2. | 131° | 08' | 45" | 15.58 | feet along the remainder of said Lot 2-A-2; |

SCHEDULE B CONTINUED

3. 272° 17' 30" 10.00 feet along said Lot 2-A-1 to the point of beginning and containing an area of 49 square feet, more or less."

4. The terms and provisions contained in the following:

INSTRUMENT : SUBDIVISION AGREEMENT (THREE LOTS OR LESS)

DATED : January 23, 1984

RECORDED : Liber 17681 Page 530

PARTIES : EDWIN T. IGE, ELSIE A. IGE, EDWIN T. IGE, JR. and JOSEPH G. KEALOHA, JR., "Kealoha", and COUNTY OF MAUI, "County"

5. The terms and provisions contained in the following:

INSTRUMENT : SUBDIVISION AGREEMENT (LARGE LOTS)

DATED : January 23, 1984

RECORDED : Liber 17681 Page 538

PARTIES : EDWIN T. IGE, ELSIE A. IGE, EDWIN T. IGE, JR. and JOSEPH G. KEALOHA, JR., "Kealoha", and COUNTY OF MAUI, "County"

6. The terms and provisions contained in the following:

INSTRUMENT : HOLD-HARMLESS AGREEMENT

DATED : October 25, 2002

RECORDED : Document No. 2004-047349

PARTIES : COUNTY OF MAUI, "County", and JOSEPH G. KEALOHA, JR., "Developer"

SCHEDULE B CONTINUED

7. The terms and provisions contained in the following:

INSTRUMENT : SUBDIVISION AGREEMENT (THREE LOTS OR LESS)  
DATED : February 1, 2005  
RECORDED : Document No. 2005-034849  
PARTIES : JOSEPH G. KEALOHA, JR., "Owner", and COUNTY OF MAUI, "County"

8. GRANT

TO : MAUI ELECTRIC COMPANY, LIMITED, a Hawaii corporation, and HAWAIIAN TELCOM, INC., a Hawaii corporation  
DATED : February 28, 2012  
RECORDED : Document No. A-44710639  
GRANTING : a right and easement for utility purposes

9. The terms and provisions contained in the following:

INSTRUMENT : UNILATERAL AGREEMENT AND DECLARATION OF CONDITIONS  
DATED : January 14, 2013  
RECORDED : Document No. A-47830302  
PARTIES : JOSEPH G. KEALOHA, "DECLARANT"

10. FIRST MORTGAGE, SECURITY AGREEMENT, FIXTURE FILING AND FINANCING STATEMENT

MORTGAGOR : JEREMY KOZUKI, husband of Jeanette N. Kozuki  
MORTGAGEE : FIRST HAWAIIAN BANK, a Hawaii corporation  
DATED : September 3, 2013  
RECORDED : Document No. A-50020213  
AMOUNT : \$1,330,000.00



SCHEDULE B CONTINUED

ABOVE MORTGAGE AMENDED BY INSTRUMENT

DATED : June 13, 2016  
RECORDED : Document No. A-60120378

11. Any unrecorded leases and matters arising from or affecting the same.
12. Discrepancies, conflicts in boundary lines, shortage in area, encroachments or any other matters which a correct survey or archaeological study would disclose.

END OF SCHEDULE B

### SCHEDULE C

All of that certain parcel of land, being Lot 2-A-2-A of the Waiohuli-Keokea Beach Homesteads, being a portion of Land Patent Grant 8767 to E. N. Wilcox, situated at Waiohuli, Wailuku, (Kula), Island and County of Maui, State of Hawai'i and being more particularly described as follows:

Beginning at a 1/2-inch pipe (found) at the Northeast corner of this parcel of land, on the Westerly boundary of the South Kihei Road right-of-way, said pipe also being the Southeast corner of Lot 2-A-1-A-1 of the Waiohuli-Keokea Beach Homesteads, the coordinates of said point of beginning referred to Government Survey Triangulation Station "PUU O KALI" being:

10,889.63 feet North  
24,382.41 feet West

and running by azimuths measured clockwise from true South:

- |    |              |        |  |
|----|--------------|--------|--|
| 1. | 350° 00' 00" | 14.74  | feet along said Westerly boundary of the South Kihei Road right-of-way to a 1/2-inch pipe (found);   |
| 2. | 348° 23' 46" | 57.27  | feet along same to a 1/2-inch pipe (found) at the Northeast corner of Lot 2-A-2-B of said Waiohuli-Keokea Beach Homesteads;  |
| 3. | 92° 17' 30"  | 226.58 | feet along said Lot 2-A-2-B of the Waiohuli-Keokea Beach Homesteads, along the remainder of said Land Patent Grant 8767 to E. N. Wilcox to a 1/2-inch pipe (found) on the Easterly boundary of Kihei Beach Reserve (Parcel 1 of Tax Map Key: (2) 3-9-001); |
| 4. | 180° 06' 30" | 70.05  | feet along said Kihei Beach Reserve (Parcel 1 of Tax Map Key: (2) 3-9-001) to a 1/2-inch pipe (found) at the Southwest corner of said Lot 2-A-1-A-1 of the Waiohuli-Keokea Beach Homesteads;   |

SCHEDULE C CONTINUED

5. 272° 17' 30" 212.36 feet along said Lot 2-A-1-A-1 of the Waiohuli-Keokea Beach Homesteads, along the remainder of said Land Patent Grant 8767 to E. N. Wilcox to the point of beginning and containing an area of 15,351 square feet, more or less.

BEING THE PREMISES ACQUIRED BY ASSUMPTION DEED

GRANTOR : JEREMY KOZUKI and JEANETTE KOZUKI, husband and wife, SHANE FUKU, a married man, and MARC KOZUKI, a married man

GRANTEE : HOME MAID BAKERY, INC., a Hawaii corporation

DATED : June 3, 2016

RECORDED : Document No. A-60120377

END OF SCHEDULE C

## **GENERAL NOTES**

1. There is hereby omitted from any covenants, conditions and reservations contained herein any covenant or restriction based on race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, or source of income, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law. Lawful restrictions under state or federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.
2. Road Widening Lot 2-A-2-D was conveyed to the COUNTY OF MAUI, by that certain Warranty Deed dated February 27, 2013, recorded as Document No. A-49720495.

## **BUYER(S) LIEN INFORMATION**

1. Title Guaranty of Hawaii, Inc. finds no liens docketed against COUNTY OF MAUI, the proposed purchaser(s).

## GUIDELINES FOR THE ISSUANCE OF INSURANCE

- A. Taxes shown in Schedule B are as of the date such information is available from the taxing authority. Evidence of payment of all taxes and assessments subsequent to such date must be provided prior to recordation.
  - B. Evidence of authority regarding the execution of all documents pertaining to the transaction is required prior to recordation. This includes corporate resolutions, copies of partnership agreements, powers of attorney and trust instruments.
  - C. If an entity (corporation, partnership, limited liability company, etc.) is not registered in Hawaii, evidence of its formation and existence under the laws where such entity is formed must be presented prior to recordation.
  - D. If the transaction involves a construction loan, the following is required:
    - (1) a letter confirming that there is no construction prior to recordation; or
    - (2) if there is such construction, appropriate indemnity agreements, financial statements and other relevant information from the owner, developer, general contractor and major sub-contractors must be submitted to the Title Company for approval at least one week prior to the anticipated date of recordation.
- Forms are available upon request from Title Guaranty of Hawaii, Inc.
- E. Chapter 669, Hawaii Revised Statutes, sets forth acceptable tolerances for discrepancies in structures or improvements relative to private property boundaries for various classes of real property. If your survey map shows a position discrepancy that falls within the tolerances of Chapter 669, call your title officer as affirmative coverage may be available to insured lenders.
  - F. The right is reserved to make additional exceptions and/or requirements upon examination of all documents submitted in connection with this transaction.
  - G. If a policy of title insurance is issued, it will exclude from coverage all matters set forth in Schedule B of this report and in the printed Exclusions from Coverage contained in an ALTA policy or in the Hawaii Standard Owner's Policy, as applicable. Different forms may have different exclusions and should be reviewed. Copies of the policy forms are available upon request from Title Guaranty of Hawaii, Inc. or on our website at [www.tghawaii.com](http://www.tghawaii.com).
  - H. Please be aware that due to the conflict between federal and state laws concerning the cultivation, distribution, manufacture or sale of marijuana, the Company is not able to close or insure any transaction involving Land that is associated with these activities.

DATE PRINTED: 11/16/2017

STATEMENT OF ASSESSED VALUES AND REAL PROPERTY TAXES DUE

TAX MAP KEY

DIVISION ZONE SECTION PLAT PARCEL HPR NO.  
(2) 3 9 001 175 0000

CLASS: APARTMENT

AREA ASSESSED: 15,351 SF

ASSESSED VALUES FOR CURRENT YEAR TAXES: 2017

The records of this division show the assessed values and taxes on the property designated by Tax Key shown above are as follows:

BUILDING	\$	0
EXEMPTION	\$	0
NET VALUE	\$	0
LAND	\$	2,141,500
EXEMPTION	\$	0
NET VALUE	\$	2,141,500
TOTAL NET VALUE	\$	2,141,500

Installment (1 - due 8/20; 2 - due 2/20) Tax Info As Of - 8/20/2017

Tax Year	Installment	Tax Amount	Penalty Amount	Interest Amount	Other Amount	Total Amount	
2017	2	6,767.14				6,767.14	PENDING
2017	1	6,767.14				6,767.14	PAID
2016	2	6,424.50				6,424.50	PAID
2016	1	6,424.50				6,424.50	PAID
2015	2	7,064.40				7,064.40	PAID
2015	1	7,064.40				7,064.40	PAID

Total Amount Due: 6,767.14

Penalty and Interest Computed to: 8/20/2017

The real property tax information provided is based on information furnished by the respective counties, is deemed reliable but not guaranteed, and no warranties are given express or implied. Billing and tax collection details may have changed. Please refer to the appropriate county real property tax offices for any further information or updates for the subject property.

Exhibit "C"  
Warranty Deed





LAND COURT

REGULAR SYSTEM

Return By Mail ☐ Pick-Up ☐ To:

County of Maui  
Department of Finance  
200 S. High Street  
Wailuku, Maui, Hawaii 96793

TG: 201736479  
TGE: 22417099545  
Robyn Delapinia

WARRANTY DEED

PARTIES TO DOCUMENT:

GRANTOR: HOME MAID BAKERY, INC.

GRANTEE: COUNTY OF MAUI  
200 S. High Street  
Wailuku, Maui, Hawaii 96793

TAX MAP KEY(S): (2) 3-9-001:175

(This document consists of 13 pages.)

WARRANTY DEED

THIS INDENTURE made this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between HOME MAID BAKERY, INC., a Hawaii corporation, whose address is 1005 L. Main Street, Wailuku, Maui, Hawaii 96793, hereinafter referred to as the "GRANTOR", and COUNTY OF MAUI, a political subdivision of the State of Hawaii, whose address is 200 South High Street, Wailuku, Maui, Hawaii 96793, hereinafter referred to as the "GRANTEE",

W I T N E S S E T H:

That the Grantor, for and in consideration of the sum of TWO MILLION THREE HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$2,350,000.00), lawful money of the United States of America, and for other good and valuable consideration to the Grantor paid by the Grantee, the receipt whereof is hereby acknowledged, does hereby grant, bargain, sell and convey unto the Grantee, its legal successors and assigns, forever, the property described in Exhibit "A" attached hereto and by reference made a part hereof.

AND the reversions, remainders, rents, issues and profits thereof, and all of the estate, right, title and interest of the Grantor, both at law and in equity, therein and thereto.

TO HAVE AND TO HOLD the same, together with all buildings and improvements, rights, easements, privileges and appurtenances thereon and thereunto belonging or appertaining or held and enjoyed therewith, unto the Grantee according to the tenancy and estate as hereinabove set forth, forever.

AND the Grantor hereby covenants and agrees with the Grantee, as aforesaid, that the Grantor is lawfully seised in fee simple of the property described in said Exhibit "A", and has good right and lawful authority to sell and convey the same as aforesaid; that said property is free and clear of all encumbrances, subject, however, to the reservations, restrictions, and encumbrances shown on said Exhibit "A", if any, and that the Grantor will WARRANT AND DEFEND the same unto the Grantee, forever, against the lawful claims and demands of all persons whomsoever, except as herein set forth.

The covenants and obligations, and the rights and benefits of the Grantor and the Grantee shall be binding upon and inure to the benefit of their respective estates, heirs, devisees, personal representatives, successors, successors in trust, and assigns, and all covenants and obligations undertaken by two or more persons shall be deemed to be joint and several unless otherwise expressly provided herein. The terms "Grantor" and "Grantee," wherever used herein, and any pronouns used in place thereof, shall mean and include the singular and the plural, and the use of any gender shall mean and include all genders.

*(Remainder of this page intentionally left blank - signature page follows)*

IN WITNESS WHEREOF, the Grantor and the Grantee have caused these presents to be duly executed on the day and year first above written.

GRANTOR:

HOME MAID BAKERY, INC.

By \_\_\_\_\_  
Print  
Name: \_\_\_\_\_  
Its

By \_\_\_\_\_  
Print  
Name: \_\_\_\_\_  
Its

GRANTEE:

COUNTY OF MAUI

By \_\_\_\_\_  
ALAN M. ARAKAWA  
Its Mayor

By \_\_\_\_\_  
MARK R. WALKER  
Its Director of Finance

APPROVAL RECOMMENDED:

\_\_\_\_\_  
BUTCH KAALA BUENCONSEJO  
Parks & Recreation Director

APPROVED AS TO FORM AND  
LEGALITY:

\_\_\_\_\_  
JERRIE L. SHEPPARD  
Deputy Corporation Counsel  
County of Maui

State of Hawaii )  
 ) ss.  
County of Maui )  
Second Judicial Circuit

Document Description: Warranty Deed

Document Date: \_\_\_\_\_  
No. of Pages: 13

On this \_\_\_\_\_ day of \_\_\_\_\_, 2018, before me personally appeared \_\_\_\_\_ and \_\_\_\_\_, to me personally known/proved to me on the basis of satisfactory evidence, who, being by me duly sworn or affirmed, did say that they are the \_\_\_\_\_ and \_\_\_\_\_, respectively, of HOME MAID BAKERY, INC., a Hawaii corporation, and that such persons executed the foregoing instrument as the free act and deed of such persons, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

\_\_\_\_\_  
Notary's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Notary's Printed Name

My commission expires: \_\_\_\_\_

STATE OF HAWAII )  
COUNTY OF MAUI )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2018, before me personally appeared ALAN M. ARAKAWA, 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 ALAN M. ARAKAWA 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's Signature

Date \_\_\_\_\_

Notary's Printed Name

My commission expires: \_\_\_\_\_

### NOTARY CERTIFICATION STATEMENT

Document Identification or Description: Warranty Deed

Document Date: \_\_\_\_\_

No. of Pages: 13

Jurisdiction (in which notarial act is performed):

Second Judicial Circuit

Signature of Notary

Date of Notarization and  
Certification Statement

A Notice Stamp or Seal:

Printed Name of Notary

STATE OF HAWAII        )  
                                  ) SS.  
COUNTY OF MAUI        )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2018, before me personally appeared MARK R. WALKER, to me personally known, who being by me duly sworn, did say that he is the Director of Finance 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 9-18 of the Charter of the County of Maui; and the said MARK R. WALKER 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's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Notary's Printed Name

My commission expires: \_\_\_\_\_

NOTARY CERTIFICATION STATEMENT

Document Identification or Description: Warranty Deed

Document Date: \_\_\_\_\_

No. of Pages: 13

Jurisdiction (in which notarial act is performed):

Second Judicial Circuit

\_\_\_\_\_  
Signature of Notary

\_\_\_\_\_  
Date of Notarization and  
Certification Statement

(Notary Stamp or Seal)

\_\_\_\_\_  
Printed Name of Notary



## EXHIBIT "A"

All of that certain parcel of land, being Lot 2-A-2-A of the Waiohuli-Keokea Beach Homesteads, being a portion of Land Patent Grant 8767 to E. N. Wilcox, situated at Waiohuli, Wailuku, (Kula), Island and County of Maui, State of Hawai'i and being more particularly described as follows:

Beginning at a 1/2-inch pipe (found) at the Northeast corner of this parcel of land, on the Westerly boundary of the South Kihei Road right-of-way, said pipe also being the Southeast corner of Lot 2-A-1-A-1 of the Waiohuli-Keokea Beach Homesteads, the coordinates of said point of beginning referred to Government Survey Triangulation Station "PUU O KALI" being:

10,889.63 feet North  
24,382.41 feet West

and running by azimuths measured clockwise from true South:

- |    |              |        |  |
|----|--------------|--------|--|
| 1. | 350° 00' 00" | 14.74  | feet along said Westerly boundary of the South Kihei Road right-of-way to a 1/2-inch pipe (found);   |
| 2. | 348° 23' 46" | 57.27  | feet along same to a 1/2-inch pipe (found) at the Northeast corner of Lot 2-A-2-B of said Waiohuli-Keokea Beach Homesteads;  |
| 3. | 92° 17' 30"  | 226.58 | feet along said Lot 2-A-2-B of the Waiohuli-Keokea Beach Homesteads, along the remainder of said Land Patent Grant 8767 to E. N. Wilcox to a 1/2-inch pipe (found) on the Easterly boundary of Kihei Beach Reserve (Parcel 1 of Tax Map Key: (2) 3-9-001); |
| 4. | 180° 06' 30" | 70.05  | feet along said Kihei Beach Reserve (Parcel 1 of Tax Map Key: (2) 3-9-001) to a 1/2-inch pipe (found) at the Southwest corner of said Lot 2-A-1-A-1 of the Waiohuli-Keokea Beach Homesteads;   |

5. 272° 17' 30" 212.36 feet along said Lot 2-A-1-A-1 of the Waiohuli-Keokea Beach Homesteads, along the remainder of said Land Patent Grant 8767 to E. N. Wilcox to the point of beginning and containing an area of 15,351 square feet, more or less.

SUBJECT, HOWEVER, to the following:

1. Mineral and water rights of any nature.
2. A non-exclusive sewer easement over and across the land described herein appurtenant to Lot 2-A-1 of the Waiohuli-Keokea Beach Homesteads, including the right to install, maintain and repair such apparatus within the servient tenement as may be or become necessary to provide the dominant tenement with such sewer service, as shown on the Tax Map and more particularly described as follows:

"All of that certain parcel of land, being a portion of Lot 2-A-2 of the Waiohuli-Keokea Beach Homesteads, being also a portion of Land Patent Grant 8767 to E. N. Wilcox, situated at Waiohuli, Wailuku, (Kula), Island and County of Maui, State of Hawaii, and being more particularly described as follows:

Beginning at a 3/4 inch pipe at the northeast corner of this parcel of land, said point being also the northeast corner of the above described Lot 2-A-2 and the southeast corner of Lot 2-A-1 of the Waiohuli-Keokea Beach Homesteads, the coordinates of said point of beginning referred to Government Survey Triangulation Station "PUU O KALI" being:

10,889.34 feet north  
24,375.17 feet west

and running by azimuths measured clockwise from true South:

1. 350° 00' 00" 10.00 feet along Lot 2-A-3 of this subdivision;
2. 131° 08' 45" 15.58 feet along the remainder of said Lot 2-A-2;

3. 272° 17' 30" 10.00 feet along said Lot 2-A-1 to the point of beginning and containing an area of 49 square feet, more or less."

3. The terms and provisions contained in the following:

INSTRUMENT : SUBDIVISION AGREEMENT (THREE LOTS OR LESS)

DATED : January 23, 1984

RECORDED : Liber 17681 Page 530

PARTIES : EDWIN T. IGE, ELSIE A. IGE, EDWIN T. IGE, JR. and JOSEPH G. KEALOHA, JR., "Kealoha", and COUNTY OF MAUI, "County"

4. The terms and provisions contained in the following:

INSTRUMENT : SUBDIVISION AGREEMENT (LARGE LOTS)

DATED : January 23, 1984

RECORDED : Liber 17681 Page 538

PARTIES : EDWIN T. IGE, ELSIE A. IGE, EDWIN T. IGE, JR. and JOSEPH G. KEALOHA, JR., "Kealoha", and COUNTY OF MAUI, "County"

5. The terms and provisions contained in the following:

INSTRUMENT : HOLD-HARMLESS AGREEMENT

DATED : October 25, 2002

RECORDED : Document No. 2004-047349

PARTIES : COUNTY OF MAUI, "County", and JOSEPH G. KEALOHA, JR., "Developer"

6. The terms and provisions contained in the following:

INSTRUMENT : SUBDIVISION AGREEMENT (THREE LOTS OR LESS)

DATED : February 1, 2005  
RECORDED : Document No. 2005-034849  
PARTIES : JOSEPH G. KEALOHA, JR., "Owner", and COUNTY OF  
MAUI, "County"

7. GRANT

TO : MAUI ELECTRIC COMPANY, LIMITED, a Hawaii  
corporation, and HAWAIIAN TELCOM, INC., a Hawaii  
corporation

DATED : February 28, 2012  
RECORDED : Document No. A-44710639  
GRANTING : a right and easement for utility purposes

8. The terms and provisions contained in the following:

INSTRUMENT : UNILATERAL AGREEMENT AND DECLARATION OF CONDITIONS

DATED : January 14, 2013  
RECORDED : Document No. A-47830302  
PARTIES : JOSEPH G. KEALOHA, "DECLARANT"

9. Any unrecorded leases and matters arising from or affecting the same.

10. Any rights or interests which may exist or arise by reason of the following facts shown on Survey prepared by Carl R. Musto, Land Surveyor, with Carl R. Musto Land Surveying, LLC, dated October 2, 2017:

(A) The concrete block wall, belonging to the adjoining Lot 2-A-1-A-1 (Tax Map Key: (2) 3-9-001: 010), along the North (right side) boundary line meanders as much as four inches (4") within the subject Lot 2-A-2-A.

11. Easements or claims of easements which are not recorded in the public records.

Being the same premises conveyed to the Grantor by Assumption Deed dated June 3, 2016, of Jeremy Kozuki and Jeanette Kozuki, husband and wife, Shane Fuke, a married man, and Marc Kozuki, a married man, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. A-60120377.

NOTES:

1. There is hereby omitted from any covenants, conditions and reservations contained herein any covenant or restriction based on race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, or source of income, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law. Lawful restrictions under state or federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.
2. Road Widening Lot 2-A-2-D was conveyed to the COUNTY OF MAUI, by that certain Warranty Deed dated February 27, 2013, recorded as Document No. A-49720495.



**Exhibit "D"**  
**Subdivision Map**





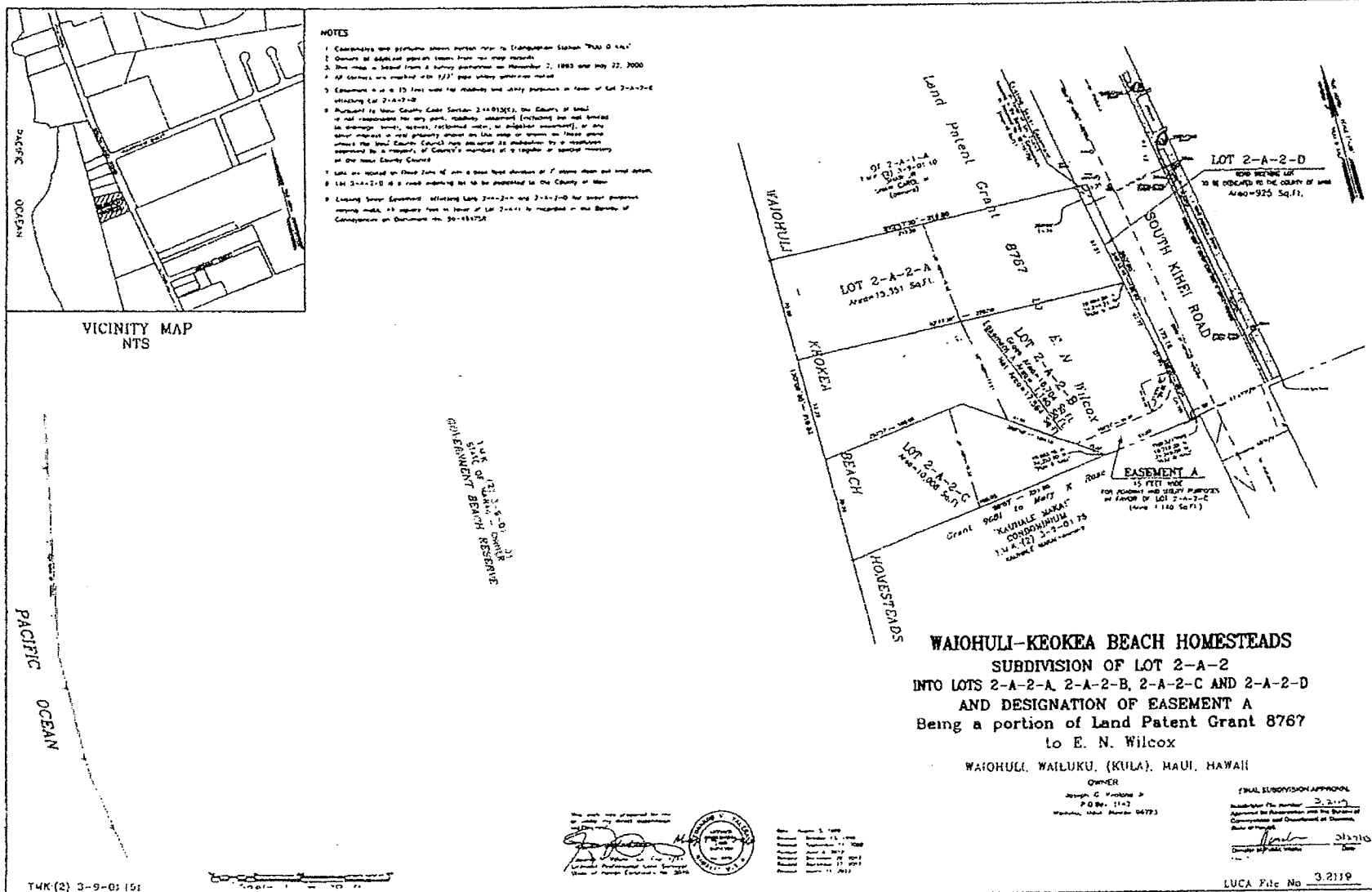
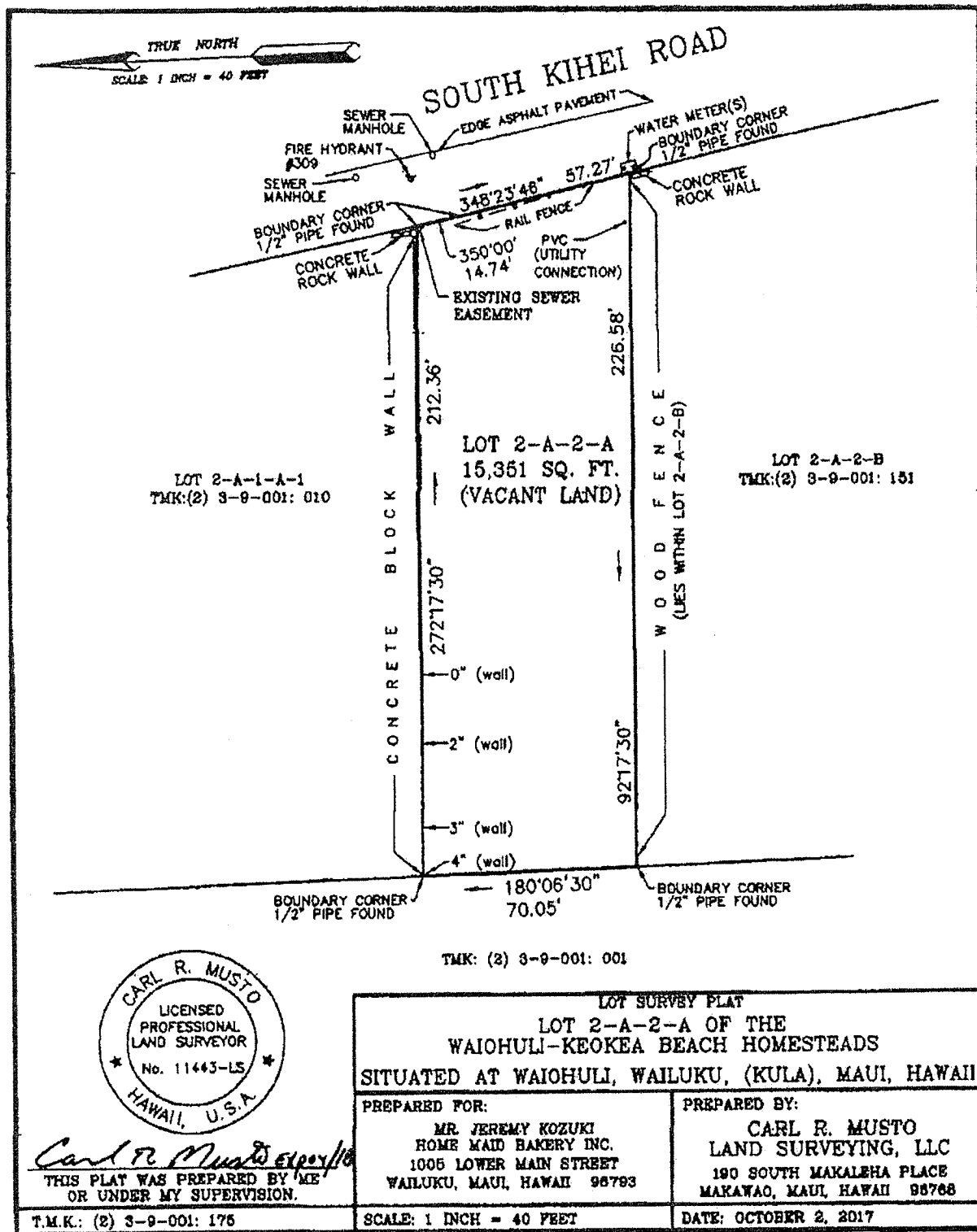




Exhibit "E"

Survey Map and Report





8.5"x11"

DRAWING: 17-2711D



DESCRIPTION  
LOT 2-A-2-A  
WAIHULI-KEOKEA BEACH HOMESTEADS

All of that certain parcel of land, being Lot 2-A-2-A of the Waiohuli-Keokea Beach Homesteads, being a portion of Land Patent Grant 8767 to E. N. Wilcox, situated at Waiohuli, Wailuku, (Kula), Island and County of Maui, State of Hawai'i and being more particularly described as follows:

Beginning at a ½-inch pipe (found) at the Northeast corner of this parcel of land, on the Westerly boundary of the South Kihei Road right-of-way, said pipe also being the Southeast corner of Lot 2-A-1-A-1 of the Waiohuli-Keokea Beach Homesteads, the coordinates of said point of beginning referred to Government Survey Triangulation Station "PUU O KALI" being:

10,889.63 feet North  
24,382.41 feet West

and running by azimuths measured clockwise from true South:

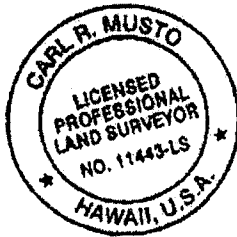
- |    |              |        |  |
|----|--------------|--------|--|
| 1. | 350° 00' 00" | 14.74  | feet along said Westerly boundary of the South Kihei Road right-of-way to a ½-inch pipe (found);   |
| 2. | 348° 23' 46" | 57.27  | feet along same to a ½-inch pipe (found) at the Northeast corner of Lot 2-A-2-B of said Waiohuli-Keokea Beach Homesteads;  |
| 3. | 92° 17' 30"  | 226.58 | feet along said Lot 2-A-2-B of the Waiohuli-Keokea Beach Homesteads, along the remainder of said Land Patent Grant 8767 to E. N. Wilcox to a ½-inch pipe (found) on the Easterly boundary of Kihei Beach Reserve (Parcel 1 of Tax Map Key: (2) 3-9-001); |
| 4. | 180° 06' 30" | 70.05  | feet along said Kihei Beach Reserve (Parcel 1 of Tax Map Key: (2) 3-9-001) to a ½-inch pipe (found) at the Southwest corner of said Lot 2-A-1-A-1 of the Waiohuli-Keokea Beach Homesteads;   |

S. 272° 17' 30"

212.36 feet along said Lot 2-A-1-A-1 of the Waiohuli-Keokea Beach Homesteads, along the remainder of said Land Patent Grant 8767 to E. N. Wilcox to the point of beginning and containing an area of 15,351 Square Feet, more or less.

Prepared by:

CARL R. MUSTO  
LAND SURVEYING, LLC



This description was prepared from an actual survey on the ground performed by me or under my supervision.

*Carl R. Musto*

CARL R. MUSTO *Exp 04/18*  
Licensed Professional Land  
Surveyor Certificate No. 11443



APPRAISAL OF



LOCATED AT:

Assessor's parcel #2390011750000, S. Kihei Road  
Kihei, HI 96753

CLIENT:

Client : County Of Maui  
Dept. of Finance, 200 S. High Street  
Wailuku, HI 96793

AS OF:

May 15, 2017

BY:

R. J. Kirchner, SRA

**EXHIBIT " 2 "**



Client: County Of Maui  
Dept. of Finance, 200 S. High Street  
Wailuku, HI 96793

File Number: M17028(239-1-175)

In accordance with your request, I have appraised the real property at:

Assessor's parcel #2390011750000, S. Kihei Road  
Kihei, HI 96753

The purpose of this appraisal is to develop an opinion of the defined value of the subject property, as vacant.  
The property rights appraised are the fee simple interest in the site.

In my opinion, the defined value of the property as of May 15, 2017 is:

\$2,585,000  
Two Million Five Hundred Eighty-Five Thousand Dollars

The attached report contains the description, analysis and supportive data for the conclusions,  
final opinion of value, descriptive photographs, assignment conditions and appropriate certifications.



R. J. Kirchner, SRA



**USPAP Compliant 2-2 Report  
Land Appraisal Report**

File No: M17028(239-1-175)

<b>PURPOSE</b>	The purpose of the appraisal report is to provide the client with a credible opinion of the defined value of the subject property, given the intended use of the appraisal.																																																																																																	
	Client Name/Intended User: <b>Client County Of Maui</b> E-mail: <b>Guy.Hironaka@co.maui.hi.us</b> County Agency: <b>Dept of Finance, 200 S. High Street</b> City: <b>Wailuku</b> State: <b>HI</b> Zip: <b>96793</b> Addressing method (optional): <b>Subject Property Owner. No other intended users are anticipated by the appraiser.</b>																																																																																																	
<b>SUBJECT</b>	Intended Use: <b>The County of Maui intends to acquire the subject property through negotiation and requires an appraisal to determine what price should be paid. The power to force the acquisition is not being used. No other intended use is anticipated.</b> Property Address: <b>Assessor's parcel #2390011750000, S. Kihei Road</b> City: <b>Kihei</b> State: <b>HI</b> Zip: <b>96753</b> Owner of Public Record: <b>Home Maid Bakery, Inc</b> County: <b>Maui</b> Legal Description: <b>See addendum and map pages for a legal description found in the sources that are publicly available to the appraiser.</b> Assessor's Parcel #: <b>2390011750000</b> Tax Year: <b>2016</b> R.T. Taxes: <b>\$ 12,849</b> Neighborhood Name: <b>Kihei</b> Map Reference: <b>239-1-175</b> Lot/Block/Tract:																																																																																																	
	Property Rights Appraised: <input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Other (describe): My assignment <input checked="" type="checkbox"/> and I did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal. Prior Sale/Transfer: Date: <b>6/17/2016</b> Price: <b>\$1,600,000</b> Source(s): <b>County Records</b> A review of prior sales or transfers of the subject property (and comparable sales, if applicable)      This sale appears to have been between related parties. The signers for the grantor were Jeremy, Jeanette, and Marc Kozuki and Shane Fuke. The grantee signatories are Jeremy and Jeanette Kozuki. This is not likely an arms length transaction.																																																																																																	
<b>SALES HISTORY</b>	Other sales or transfers of the subject property for the three years prior to the effective date of this appraisal: <b>The subject is currently offered for sale in Maui MLS at a price of \$2,800,000. It has been listed on and off since 3/1/2014 at prices ranging from \$2,100,000 to \$2,800,000.</b>																																																																																																	
	<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th colspan="4">Neighborhood Characteristics</th> <th colspan="4">One-Unit Housing Trends</th> <th colspan="2">One-Unit Housing</th> <th colspan="2">Percent Land Use %</th> </tr> <tr> <th>Location</th> <th>Age</th> <th>Size</th> <th>Condition</th> <th>Property Values</th> <th>Inventory</th> <th>Status</th> <th>Detention</th> <th>PRICE</th> <th>AGE</th> <th>One Unit</th> <th>30 %</th> </tr> </thead> <tbody> <tr> <td>High Up</td> <td>Older</td> <td>2,000 sq. ft.</td> <td>Good</td> <td>High</td> <td>Shortage</td> <td>In Balance</td> <td>Over Supply</td> <td>\$100K</td> <td>(yr)</td> <td>2.4 Unit</td> <td>5 %</td> </tr> <tr> <td>Low</td> <td>Newer</td> <td>1,500 sq. ft.</td> <td>Good</td> <td>Low</td> <td>Under Supply</td> <td>3.4 units</td> <td>Over 6 mths</td> <td>1,700 Low</td> <td>1</td> <td>Model only</td> <td>30 %</td> </tr> <tr> <td colspan="8">Neighborhood Features: <b>The market area is bound by Wailea on the south, S. Kihei Road on the east, Pacific Ocean on the west and N. Kihei Rd on the North. Oceanfront Kihei properties.</b></td> <td>16,500 High</td> <td>70</td> <td>Commercial</td> <td>5 %</td> </tr> <tr> <td colspan="8">Neighborhood Description: <b>See attached addendum. The subject is not an over improvement or an under improvement for the area.</b></td> <td>4,250 Price</td> <td>25</td> <td>Other Vacant</td> <td>30 %</td> </tr> </tbody> </table>			Neighborhood Characteristics				One-Unit Housing Trends				One-Unit Housing		Percent Land Use %		Location	Age	Size	Condition	Property Values	Inventory	Status	Detention	PRICE	AGE	One Unit	30 %	High Up	Older	2,000 sq. ft.	Good	High	Shortage	In Balance	Over Supply	\$100K	(yr)	2.4 Unit	5 %	Low	Newer	1,500 sq. ft.	Good	Low	Under Supply	3.4 units	Over 6 mths	1,700 Low	1	Model only	30 %	Neighborhood Features: <b>The market area is bound by Wailea on the south, S. Kihei Road on the east, Pacific Ocean on the west and N. Kihei Rd on the North. Oceanfront Kihei properties.</b>								16,500 High	70	Commercial	5 %	Neighborhood Description: <b>See attached addendum. The subject is not an over improvement or an under improvement for the area.</b>								4,250 Price	25	Other Vacant	30 %																							
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High Up	Older	2,000 sq. ft.	Good	High	Shortage	In Balance	Over Supply	\$100K	(yr)	2.4 Unit	5 %																																																																																							
Low	Newer	1,500 sq. ft.	Good	Low	Under Supply	3.4 units	Over 6 mths	1,700 Low	1	Model only	30 %																																																																																							
Neighborhood Features: <b>The market area is bound by Wailea on the south, S. Kihei Road on the east, Pacific Ocean on the west and N. Kihei Rd on the North. Oceanfront Kihei properties.</b>								16,500 High	70	Commercial	5 %																																																																																							
Neighborhood Description: <b>See attached addendum. The subject is not an over improvement or an under improvement for the area.</b>								4,250 Price	25	Other Vacant	30 %																																																																																							
<b>NEIGHBORHOOD</b>	Market conditions and supply of the comparable neighborhood: <b>See attached addendum.</b>																																																																																																	
	Other comments: <b>See attached plat map</b> Area: <b>15351sf</b> Shape: <b>Trapezoid</b> View: <b>Ocean Park front</b> Specific Zoning: <b>Assessor's A-2 Apartment</b> Zoning Description: <b>Apartment zoned</b> Zoning Compliance: <input checked="" type="checkbox"/> Legal <input type="checkbox"/> Legal Nonconforming (Grandfathered Use) <input type="checkbox"/> No Zoning <input type="checkbox"/> Illegal (describe): Highest and best use of the subject property: <b>See attached</b>																																																																																																	
<b>SITE</b>	Utilities: Public: <input checked="" type="checkbox"/> Other (describe): <input type="checkbox"/> Public: <input checked="" type="checkbox"/> Other (describe): <input type="checkbox"/> Off-site Improvements -- Type: Public: <input checked="" type="checkbox"/> Private: <input type="checkbox"/> Electricity: <input checked="" type="checkbox"/> Water: <input checked="" type="checkbox"/> Sewer: <b>Asphalt</b> Gas: <input checked="" type="checkbox"/> Individual      Sanitary Sewer: <input checked="" type="checkbox"/> Alley: <b>None</b>																																																																																																	
	FEMA Special Flood Hazard Area: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No      FEMA Flood Zone: <b>AE</b> FEMA Map #: <b>1500030567F</b> FEMA Map Date: <b>9/19/2012</b> Site Comments: <b>The subject backs to an oceanfronting County beach park with a wide lawn between the subject and the beach. The subject is located in an AE flood zone with a base flood elevation of 6 to 6 feet. The subject has 70.05 feet of frontage on the park and 57.27' on the road.</b>																																																																																																	
<b>MARKET DATA ANALYSIS</b>	<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th>ITEM</th> <th>SUBJECT</th> <th>COMPARABLE NO. 1</th> <th>COMPARABLE NO. 2</th> <th>COMPARABLE NO. 3</th> </tr> </thead> <tbody> <tr> <td>Address:</td> <td><b>#239001175 S. Kihei Road</b></td> <td><b>850 S. Kihei Road</b></td> <td><b>83 Kapu Place</b></td> <td><b>1816 Halama St.</b></td> </tr> <tr> <td>City:</td> <td><b>Kihei</b></td> <td><b>Kihei</b></td> <td><b>Kihei</b></td> <td><b>Kihei</b></td> </tr> <tr> <td>Proximity to subject:</td> <td></td> <td><b>0.07 miles NE</b></td> <td><b>1.00 miles SE</b></td> <td><b>1.78 miles SE</b></td> </tr> <tr> <td>Days on Market</td> <td></td> <td><b>3,100,000</b></td> <td><b>1,899,000</b></td> <td><b>3,000,000</b></td> </tr> <tr> <td>Price \$</td> <td><b>0.00</b></td> <td><b>107.97</b></td> <td><b>229.46</b></td> <td><b>211.00</b></td> </tr> <tr> <td>Data Source</td> <td></td> <td><b>TMK, MLS, D#59740550</b></td> <td><b>TMK, MLS, D#57240350</b></td> <td><b>TMK, MLS, D#62010079</b></td> </tr> <tr> <td>Date of Sale and Description</td> <td></td> <td><b>Sold 5/10/2016</b></td> <td><b>Sold 9/3/2015</b></td> <td><b>Sold 12/23/2016</b></td> </tr> <tr> <td>Price Adjustments</td> <td></td> <td><b>186,000</b></td> <td><b>180,400</b></td> <td><b>60,000</b></td> </tr> <tr> <td>Adjusted Sale Price</td> <td></td> <td><b>287,125sf Ocean P</b></td> <td><b>8276sf Ocean Pa</b></td> <td><b>14197sf Ocean fr</b></td> </tr> <tr> <td>Frontage</td> <td><b>70.05'</b></td> <td><b>145.77'</b></td> <td><b>52.44'</b></td> <td><b>125.98'</b></td> </tr> <tr> <td>Beach</td> <td><b>Part Sand</b></td> <td><b>Part Sand</b></td> <td><b>Sand</b></td> <td><b>Rocky</b></td> </tr> <tr> <td>Shape</td> <td><b>Trapezoid</b></td> <td><b>Similar 2 Parcels</b></td> <td><b>Rectangle</b></td> <td><b>Trapezoid</b></td> </tr> <tr> <td>Improvements</td> <td><b>None</b></td> <td><b>None</b></td> <td><b>None</b></td> <td><b>1715sf Hm Br 1952</b></td> </tr> <tr> <td>Sales or financing concessions</td> <td></td> <td><b>Conventional</b></td> <td><b>PMM</b></td> <td><b>Cash</b></td> </tr> <tr> <td>Net Adj. (Local)</td> <td></td> <td><b>482,100</b></td> <td><b>616,000</b></td> <td><b>383,400</b></td> </tr> <tr> <td>Independent Value of Subject</td> <td></td> <td><b>Net Adj. -15.6%</b></td> <td><b>Net Adj. 32.4%</b></td> <td><b>Net Adj. -12.6%</b></td> </tr> <tr> <td></td> <td></td> <td><b>Gross Adj. 27.6%</b></td> <td><b>Gross Adj. 42.4%</b></td> <td><b>Gross Adj. 28.9%</b></td> </tr> <tr> <td></td> <td></td> <td><b>\$ 2,617,900</b></td> <td><b>\$ 2,515,000</b></td> <td><b>\$ 2,616,600</b></td> </tr> </tbody> </table>			ITEM	SUBJECT	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3	Address:	<b>#239001175 S. Kihei Road</b>	<b>850 S. Kihei Road</b>	<b>83 Kapu Place</b>	<b>1816 Halama St.</b>	City:	<b>Kihei</b>	<b>Kihei</b>	<b>Kihei</b>	<b>Kihei</b>	Proximity to subject:		<b>0.07 miles NE</b>	<b>1.00 miles SE</b>	<b>1.78 miles SE</b>	Days on Market		<b>3,100,000</b>	<b>1,899,000</b>	<b>3,000,000</b>	Price \$	<b>0.00</b>	<b>107.97</b>	<b>229.46</b>	<b>211.00</b>	Data Source		<b>TMK, MLS, D#59740550</b>	<b>TMK, MLS, D#57240350</b>	<b>TMK, MLS, D#62010079</b>	Date of Sale and Description		<b>Sold 5/10/2016</b>	<b>Sold 9/3/2015</b>	<b>Sold 12/23/2016</b>	Price Adjustments		<b>186,000</b>	<b>180,400</b>	<b>60,000</b>	Adjusted Sale Price		<b>287,125sf Ocean P</b>	<b>8276sf Ocean Pa</b>	<b>14197sf Ocean fr</b>	Frontage	<b>70.05'</b>	<b>145.77'</b>	<b>52.44'</b>	<b>125.98'</b>	Beach	<b>Part Sand</b>	<b>Part Sand</b>	<b>Sand</b>	<b>Rocky</b>	Shape	<b>Trapezoid</b>	<b>Similar 2 Parcels</b>	<b>Rectangle</b>	<b>Trapezoid</b>	Improvements	<b>None</b>	<b>None</b>	<b>None</b>	<b>1715sf Hm Br 1952</b>	Sales or financing concessions		<b>Conventional</b>	<b>PMM</b>	<b>Cash</b>	Net Adj. (Local)		<b>482,100</b>	<b>616,000</b>	<b>383,400</b>	Independent Value of Subject		<b>Net Adj. -15.6%</b>	<b>Net Adj. 32.4%</b>	<b>Net Adj. -12.6%</b>			<b>Gross Adj. 27.6%</b>	<b>Gross Adj. 42.4%</b>	<b>Gross Adj. 28.9%</b>			<b>\$ 2,617,900</b>	<b>\$ 2,515,000</b>	<b>\$ 2,616,600</b>
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<b>RECONCILIATION</b>	Summary of Sales Comparison Approach: <b>See addendum</b>																																																																																																	
	This appraisal is made <input checked="" type="checkbox"/> as is <input type="checkbox"/> subject to the following: <b>The subject has been appraised as is. The attached addendum, limiting conditions, and appraiser's certification are a part of this appraisal report.</b>																																																																																																	
Based on the scope of work, assumptions, limiting conditions and appraiser's certification, my (our) opinion of the defined value of the real property that is the subject of this report is \$ <b>2,585,000</b> as of <b>5/15/2017</b> , which is the effective date of this appraisal.																																																																																																		



Paradise Appraisals

File No: M17028(239-1-175)

## MARKET DATA ANALYSIS

File No. M17028(239-1-175)

Scope of work is defined in the Uniform Standards of Professional Appraisal Practice as "the type and extent of research and analyses in an assignment." In short, scope of work is simply what the appraiser did and did not do during the course of the assignment. It includes, but is not limited to: the extent to which the property is identified and inspected, the type and extent of data researched, the type and extent of analyses applied to arrive at opinions or conclusions.

The appraiser's certification appearing in this appraisal report is subject to the following conditions and to such other specific conditions as are set forth by the appraiser in the report. All extraordinary assumptions and hypothetical conditions are stated in the report and might have affected the assignment results.

- Additional Comments Related To Scope Of Work, Assumptions and Limiting Conditions  
See addendum

USPAP Compliant 2-2 Report  
Land Appraisal Report

Fee No: M17028(239-1-175)

**Appraiser's Certification**

The appraiser(s) certifies that, to the best of the appraiser's knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are the appraiser's personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. The appraiser has no interest in the property that is the subject of this report and has no personal interest with respect to the parties involved.
4. The appraiser has no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. The appraiser's engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. The appraiser's 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 fee, the amount of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of the appraisal.
7. The appraiser's analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
8. The appraiser has made a personal inspection of the property that is the subject of this report.
9. Unless noted below, no other persons significantly assisted in the appraisal, signing this certification. Significant real property appraisal assistance provided by:

See addendum for additional certifications.

**Additional Certifications**

See Addendum

Definition of Value: ☒ Market Value ☐ Other Value:

Source of Definition: Comptroller of Currency

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

- o The buyer and seller are typically motivated.
- o Both parties are well informed or well advised, and each acting in what they consider their own best interest.
- o A reasonable time is allowed for exposure in the open market.
- o Payment is made in terms of cash in U. S. Dollars or in terms of financial arrangements comparable thereto, and
- o 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.

ADDRESS OF THE PROPERTY APPRAISED

Assessor's parcel #2390011750000, S. Kihel Road  
Kihel, HI 96753

EFFECTIVE DATE OF THE APPRAISAL: 5/15/2017

APPROXIMATE VALUE OF THE SUBJECT PROPERTY'S 2,585,000

**APPRAISER**

Signature: [Signature]  
Name: R. J. Kirchner, SRA  
State Certification #: CGA 0000275  
License #: HI State: HI  
Expiration Date of Certification or License: 12/31/2017  
Date of Signature and Report: 05/24/2017  
Date of Property Viewing: 5/15/2017  
Degree of property viewing:  
☒ Did not personally view ☐ Did not personally view

**SUPERVISORY APPRAISER**

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
State Certification #: \_\_\_\_\_  
License #: \_\_\_\_\_  
State: \_\_\_\_\_  
Expiration Date of Certification or License: \_\_\_\_\_  
Date of Signature: \_\_\_\_\_  
Date of Property Viewing: \_\_\_\_\_  
Degree of property viewing:  
☐ Did not personally view ☐ Did not personally view



Paradise Appraisals



## ADDENDUM

Client: Client County Of Maui	File No: M17028(239-1-175)
Property Address: Assessor's parcel #2390011750000, S Kihei Road	Case No:
City: Kihei	State: HI Zip: 96753

**Paradise Appraisals LLC Mission Statement:**  
 We find market supported solutions to real estate valuation questions. We communicate the solutions in a manner that allows our clients to replicate our analysis and conclusions.

**Introduction and Important Disclosures:**  
 Paradise Appraisals LLC performs all of its appraisals in conformance with the USPAP and the standards and ethics of the Appraisal Institute. All reports are completed by state certified and licensed appraisers. FIRREA guidelines are met in each case. The reader is asked to read the report carefully and thoroughly to be certain that all of the enclosed information is understood.

**Scope and Purpose of the Appraisal:**  
 The following assignment elements exist in this appraisal assignment:  
**Client** (entity that ordered and engaged the firm to complete an appraisal assignment): The County of Maui ordered this appraisal and is the client by USPAP definition.  
**Intended User** (the entity the client intends the appraisal to be used by): The County of Maui and the property owner are the only intended users.  
**Intended Use:** The appraisal was ordered for use in determining how much the County should pay for the property in a non forced acquisition sale and is not being used in a federally regulated loan transaction.  
**Type of Value Requested:** The client has asked for the appraiser to measure the market value as defined by the Comptroller of Currency. The interest appraised is fee simple.  
**Effective Date of Valuation:** The effective date of valuation is the appraiser's inspection date as detailed in the certification of this appraisal.

Given the assignment elements detailed above, the appraisal problem to be solved is estimating the market value of the fee simple interest in the subject property AS IS on the date of inspection. The appraiser's plan for solving this appraisal problem is as follows:

**Property Inspection:** This appraisal was completed by first performing a thorough inspection of the subject property which was then described in summary detail within this report. The scope of the appraiser's inspection is intended to satisfy the definition of market value found within this report for the vacant site. That definition assumes a typically motivated buyer and seller who are well informed and well advised. The typically motivated buyers and sellers are not engineers or contractors, and the appraiser is not either. *The reader should not rely on the description in this appraisal as a substitute for a professional building and engineering inspection of the property.*

Following the property inspection, the appraiser performed the following valuation procedures:

**Sales Comparison Approach:** The appraiser completed a search for similar market sales within the subject's market area. This search was completed utilizing the following sources: County records via TMK service, MLS, the appraiser's own appraisal files, and buyers and sellers. At least three of the most similar of these sales were then compared to the subject and their sale prices were adjusted to reflect the differences between these sales and the subject. The result is an indication of the subject's market value. The indications from these sales were then reconciled to arrive at a value via the market comparison approach.

The other two typical approaches to value were not utilized in this report because they are not appropriate valuation methods for this type of vacant lot. The cost approach is not applicable because there are no buildings or improvements on this site. The income approach is not reasonable because this type of property is not typically bought and sold for its income potential.

**Extraordinary Assumptions** needed to complete this assignment. The following extraordinary assumptions needed to be made by the appraiser to complete the appraisal assignment. These are characteristics of the property that are not known and must be assumed for the appraiser to derive a market value of the subject. *If any of these assumptions are found to be false, they could alter the appraiser's conclusions.*

1. The appraiser has not been provided a survey and assumes there are no adverse easements, encroachments, or other hidden site conditions.
2. The appraiser assumes the property has no hidden physical or functional deficiencies.
3. The appraiser assumes that there are no significant archeological sites that would restrict the property's ability to be developed.
4. The appraiser assumes the property is not subject to any unknown leases that may make it more or less valuable. Unless stated in this report, the appraiser is unaware of any other contracts that might affect this property.
5. The appraiser assumes the subject is not affected by any contamination or environmental hazard. No obvious signs of contamination or hazards were noted during the inspection.

The attached report and the following addendum detail how this scope of work was carried out with the resulting analysis and conclusions.

**Adverse Environmental Conditions:**  
 The appraiser is not an expert in environmental hazards. The following is a brief description of possible environmental hazards that could affect the subject property:

1. The subject had no readily apparent tanks or barrels that might contain hazardous materials.
2. No readily visible signs of dead vegetation or discolored soils were noted on the property that would indicate contamination.

**Legal Description**  
 The appraiser assumes no adverse easements or encroachments exist. The legal description has not been provided and the appraiser has relied on a publicly available legal description. The appraiser has relied upon TMK to identify the subject.

# ADDENDUM

Client: Client County Of Maui	File No. M17028(239-1-175)
Property Address: Assessor's parcel #2390011750000 S Kihei Road	Case No.
City: Kihei	State: HI Zip: 96753

No survey has been reviewed. The fact that the legal description has not been reviewed has forced the appraiser to make extraordinary assumptions that weaken the reliability of the report.

The appraiser assumes no adverse easements, encroachments, or title issues exist.

The appraiser has attached a legal description for the property which was found in the sources that are publicly available to the appraiser. This legal description may not be complete. It may not include a description of easements, boundary agreements, encroachments, or other defects. The appraiser is assuming the legal description provided is complete and that no un-noted easements, agreements, or encroachments exist. The client is cautioned that a survey or more complete legal description developed by a title company could find such conditions and that they could impact the value opinion of the appraiser. The appraisal company is not a law office or a title company. The appraisal company recommends the client and the users of this report seek out a complete legal description and survey of the property in question.

The legal description attached to this report was found in Hawaii Information Service and was the legal description used for the subject's last transaction. It is assumed to be correct.

## Maui Market Conditions Please insert and insert charts

### Maui County Market:

The residential and agricultural land market in Maui has seen a consistent upward price trend as evidenced by the attached statistics taken from the Maui Board of Realtors market data found on the extra map pages in this report.

### Highest and Best Use

There are four elements to deciding the subject's highest and best use:

1. What is physically possible? The subject's area and site have shown that they can support residential and multi family structures. No obvious physical limitation to residential use was noted during the property inspection. No engineering studies have been completed; however, as part of this assignment, the appraiser is assuming there are no physical conditions that would limit the subject site from supporting a residential structure. The width and size of the site make development of multi family difficult. The flood zone also imposed construction requirements that the lowest floor be elevated above the flood elevation.
2. What is legally possible? The subject is zoned A-2 Apartment. The subject exceeds the minimum site size requirements of 10,000 sq. ft. and can support a 4-story building with a lot coverage ratio of 35%. The width at 57' 27" to 70' 05" will make development of parking problematic.
3. What uses of the physically and legally possible uses provide a financial reward? Residential and multi family use are the only physically possible and legally permitted use that the property can be used for that the market recognizes a financial reward for.
4. Which use provides the highest return? The market shows that single family use is the use the market believes creates the highest net return. This is evidenced by several of the comparisons cited in the direct sales comparison approach which have apartment zoning but have been developed or are being developed into single family homes.

### Comments on Sales Comparison

The appraiser has written a summary appraisal report, meaning the analysis is provided in only summarized detail. The appraiser has developed the adjustments within this analysis by pairing sales when possible. Examples of such pairings might include pairing lot sales to isolate lot size, location, or view adjustments. It also involves pairing existing home sales to develop such adjustments as age and GLA. Market conditions adjustments are based upon data such as the data shown in the market conditions section of this addendum as well as on ongoing evaluation of sales over time by this appraiser's office.

The following sales were considered in this analysis:

TMK	Sq. ft.	Shape	Zoning	Frontage	Beach	Improvements	Price	Date	\$/Sq. ft.
239-11-9	20064	Rectangle	R-3	75'	Beach Park	3560sf Home & Cott. Blt 1957	\$ 3,200,000.00	6/18/2012	\$ 159.49
239-5-33	9779	Trapezoid	A-1	104.4	Beach Park	1164sf Home Blt 1951	\$ 2,700,000.00	1/29/2014	\$ 276.10
246-2-17	16013	Trapezoid	R-3	72.00	Sand front	1140sf Home Blt 1951	\$ 3,300,000.00	6/19/2015	\$ 206.08
239-9-25	12119	Trapezoid	A-1	75.55	Beach Park	2314sf Home Blt 1960	\$ 2,900,000.00	6/24/2015	\$ 239.29
239-9-7	8276	Rectangle	A-1	52.44	Beach Park	None	\$ 1,899,000.00	9/2/2015	\$ 229.46
239-1-151 & 176	28712	Trapezoid	A-2	145.77	Beach Park	None	\$ 2,700,000.00	5/10/2016	\$ 94.04
245-3-25	8668	Irregular	R-2	61.93	Sea Wall	875sf Home Blt 1927	\$ 2,150,000.00	5/26/2016	\$ 248.04
246-2-4	14135	Rectangle	R-3	94.00	Sand front	1616sf House & Cott Blt 1951	\$ 2,960,000.00	7/5/2016	\$ 209.41
239-12-1	14196	Trapezoid	R-3	125.98	Rocky Front	1715sf Home Blt	\$ 3,000,000.00	12/23/2016	\$ 211.33

# ADDENDUM

Client: Client County Of Maui					File No. M17028(239-1-175)		
Property Address Assessor's parcel #2390011750000, S. Kihei Road					Case No.		
City Kihei					State HI		Zip 96753

239-5-34	10001 Trapezoid	A-1	100.00 Beach Park	1952 2511sf House & Cott. Blt 1950	\$ 4,118,000.00	2/7/2017	\$ 411.76
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The following is provided as support for major adjustments:

Market Conditions: There is an obvious upward trend in prices over the last 5 years. The appraiser has utilized a 1/2% per month market conditions adjustment to reflect current prices which is supported by the data shown in the market conditions section of this report.

Land size:									
TMK	Sq. ft.	Shape	Zoning	Frontage	Beach	Improvements	Price	Date	\$/Sq. ft.
246-2-17	16013	Trapezoid	R-3	72.00	Sand front	1140sf Home Blt 1951	\$ 3,300,000.00	6/19/2015	\$ 206.08
239-5-33	9779	Trapezoid	A-1	104.4	Beach Park	1164sf Home Blt 1951	\$ 2,700,000.00	1/29/2014	\$ 276.10
Difference	6234						\$ 600,000.00		
\$/sq. ft.							\$ 96.25		

and,

TMK	Sq. ft.	Shape	Zoning	Frontage	Beach	Improvements	Price	Date	\$/Sq. ft.
239-1-151	28712	Trapezoid	A-2	145.77	Beach Park	None	\$ 2,700,000.00	5/10/2016	\$ 94.04
& 176									
239-9-7	8276	Rectangle	A-1	52.44	Beach Park	None	\$ 1,899,000.00	9/2/2015	\$ 229.46
Difference	20436						\$ 801,000.00		
\$/sq. ft.							\$ 39.20		

The appraiser has used an adjustment of \$75 per sq. ft. of difference for smaller sites and \$50 for larger sites.

Improvements:									
TMK	Sq. ft.	Shape	Zoning	Frontage	Beach	Improvements	Price	Date	\$/Sq. ft.
245-3-25	8668	Irregular	R-2	61.93	Sea Wall	875sf Home Blt 1927	\$ 2,150,000.00	5/26/2016	\$ 248.04
239-9-7	8276	Rectangle	A-1	52.44	Beach Park	None	\$ 1,899,000.00	9/2/2015	\$ 229.46
Difference	392					875	\$ 251,000.00		
Adjust for time							\$ (86,000.00)		
Adjusted							\$ 165,000.00		
\$/sq. ft.							\$ 188.57		

This pairing shows how much per sq. ft. the typical older home nearing the end of its economic life (needing significant remodel or replacement) adds to price.

and,

TMK	Sq. ft.	Shape	Zoning	Frontage	Beach	Improvements	Price	Date	\$/Sq. ft.
239-9-25	12119	Trapezoid	A-1	75.55	Beach Park	2314sf Home Blt 1960	\$ 2,900,000.00	6/24/2015	\$ 239.29
239-9-7	8276	Rectangle	A-1	52.44	Beach Park	None	\$ 1,899,000.00	9/2/2015	\$ 229.46
Difference	3843					2314	\$ 1,001,000.00		
Adjust for time							\$ 43,500.000		
Adjust for land							\$ (153,720.00)		
Adjusted							\$ 890,780.000		
\$/sq. ft.					Remodeled 2007		\$ 384.95		

The first sale here had its older home renovated and remodeled in 2007.

The sales used as direct comparisons are the most similar available.

Sale #1 is adjacent to the subject and was the sale of two parcels in one transaction. The buyer is building two detached homes on the property as spec. The site has the same zoning and backs to the same beach park. This sale is superior to the subject because the buyer has the potential to sell one site of separately from the other and it is larger overall than the subject. This property is zoned apartment, but is being used for detached single family.

Sale #2 is a smaller direct oceanfront site on a sand beach. Because it is smaller, it should bracket from the bottom. This property is zoned apartment but is being used for detached single family.

Sale #3 is a rocky water-fronting property that has a wider beach park frontage and is improved with an older 1716 sq ft home. This sale should also bracket from the top. This property is zoned single family and shows a similar price per sq. ft. to sales #2 and #4 which are zoned Apartment.

Sale #4 is near sale #3 and is a smaller ocean park-fronting site with an older home that as remodeled in 2007 it too should bracket from the top. This sale is zoned Apartment.

# ADDENDUM

Client: Client County Of Maui	File No. M17028(239-1-175)
Property Address: Assessor's parcel #2390011750000, S. Kine Road	Case No.
City: Kine	State: HI Zip: 96753

The following weighting has been used

Comparison	Adjusted Price	Weighting	Product
1	\$ 2,617,900.00	40%	\$ 1,047,160.00
2	\$ 2,515,000.00	25%	\$ 628,750.00
3	\$ 2,616,600.00	25%	\$ 654,150.00
4	\$ 2,571,500.00	10%	\$ 257,150.00
Average	\$ 2,580,250.00	100%	\$ 2,587,210.00
Concluded			\$ 2,585,000.00
Indicated \$/sq. ft.			\$ 168.39

The concluded market value measurement is \$2,585,000 with both a marketing and exposure time estimate of 6 to 9 months.

**Additional Certifications**

**Reconciliation:**  
 The appraiser considered other approaches such as an income approach through direct capitalization of ground rent, extraction (used in the direct sales comparison approach), and the subdivision development approach. These approaches either had insufficient market data available to provide credible results or were not relevant given the highest and best use. The direct sales comparison approach was the only approach found to have enough data to lead to credible results.

**Appraiser Additional Certifications**  
 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.

- I have no present or prospective interest in the property that is the subject of this report and no (unless otherwise specified) 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.
- I have made a personal inspection of the property that is the subject of this report.

The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute which include the Uniform Standards of Professional Appraisal Practice (USPAP).

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.

The appraiser, R. J. Kirchner SRA, is currently designated by the Appraisal Institute as an SRA (Senior Residential Appraiser) and holds a CGA (Certified General Appraiser) license in the State of Hawaii. He has been a full-time appraiser since 1981 and has the experience and training necessary to meet USPAP's competency provision in performing this appraisal.

R. J. Kirchner SRA has met the current continuing education requirements of the Appraisal Institute.

The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute which include the Uniform Standards of Professional Appraisal Practice.

The use of this report is subject to the requirements of the Appraisal Institute relating to reviews by its duly authorized representatives.

**Competency Certification**

- 1 I am competent in the property type of this assignment
- 2 I am competent in the geographical area of the assignment
- 3 I have access to the appropriate data sources for the assignment
- 4 I am aware that misrepresentation of competency is subject to mandatory reporting to the respective licensing authority
- 5 I have read and understood the assignment conditions and terms and conditions for this order.

ADDENDUM

Client	Client	County Of Maui	File No.	M17028(239-1-175)
Property Address	Assessor's parcel #2390011750000, S Kihei Road		Case No.	
City	Kihei	State	HI	Zip: 96753



SUBJECT PROPERTY PHOTO ADDENDUM

Client: Client : County Of Maui	File No.: M17028(239-1-175)
Property Address: Assessor's parcel #2390011750000, S. Kihei Road	Case No.:
City: Kihei	State: HI Zip: 96753



FRONT VIEW OF  
SUBJECT PROPERTY

Appraised Date: May 15, 2017  
Appraised Value: \$ 2,585,000



REAR VIEW OF  
SUBJECT PROPERTY



STREET SCENE

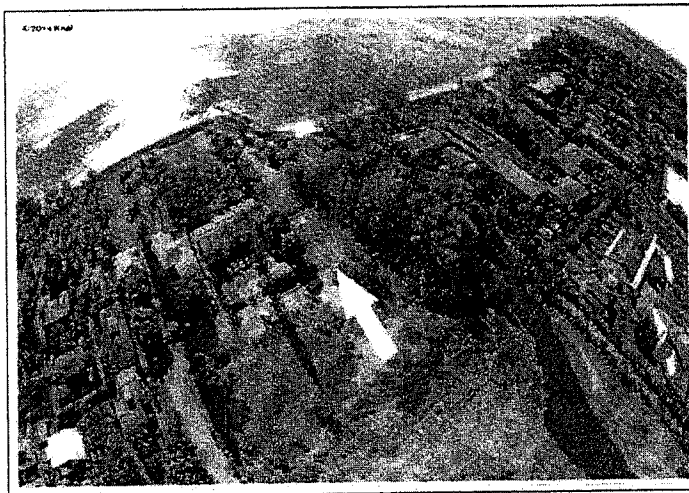
# COMPARABLE PROPERTY PHOTO ADDENDUM

Client: Client County Of Maui	File No.: M17028(239-1-175)
Property Address: Assessor's parcel #2390011750000, S. Kihei Road	Case No.:
City: Kihei	State: HI Zip: 96753



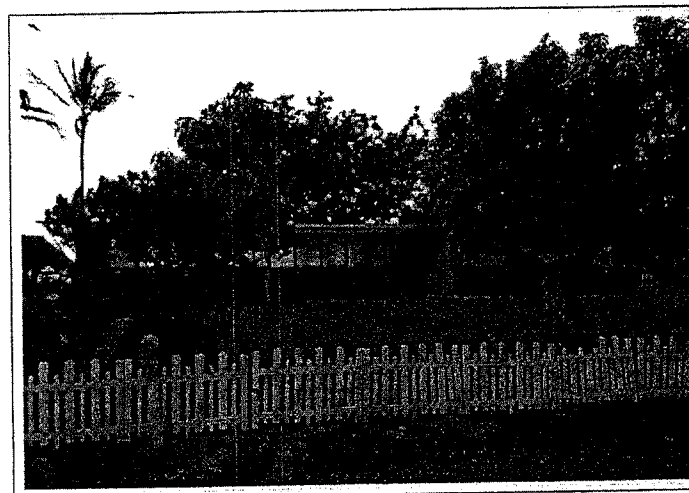
## COMPARABLE SALE #1

850 S. Kihei Road  
Kihei TMK 239-1-151&176  
Sale Date: Sold 5/10/2016  
Sale Price: \$ 3,100,000



## COMPARABLE SALE #2

83 Kapu Place  
Kihei TMK 239-9-7  
Sale Date: Sold 9/3/2015  
Sale Price: \$ 1,899,000



## COMPARABLE SALE #3

1816 Halama St.  
Kihei TMK 239-12-1  
Sale Date: Sold 12/23/2016  
Sale Price: \$ 3,000,000



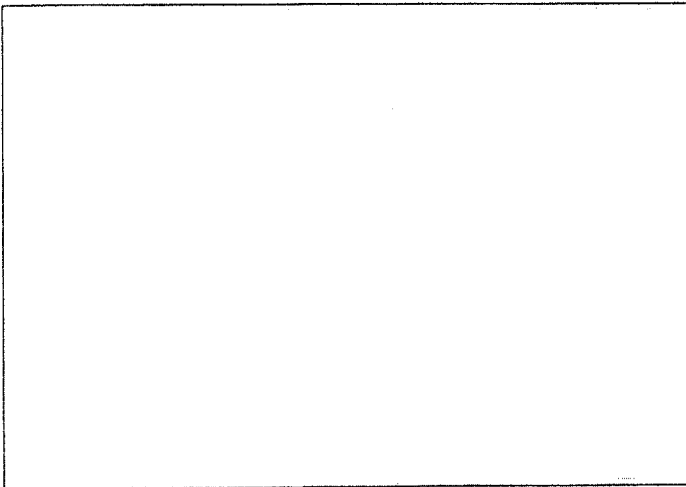
# COMPARABLE PROPERTY PHOTO ADDENDUM

Client: Client County Of Maui	File No.: M17028(239-1-175)
Property Address: Assessor's parcel #2390011750000, S Kihei Road	Case No.
City: Kihei	State: HI Zip: 96753



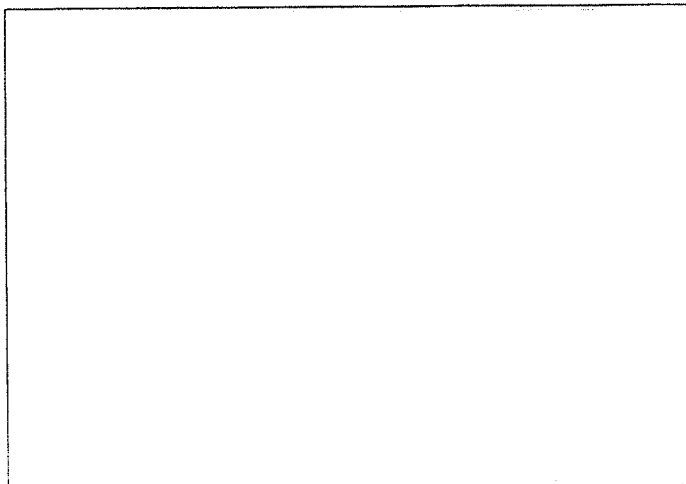
## COMPARABLE SALE #4

1470 Halama St  
 Kihei TMK 239-9-25  
 Sale Date: Sold 6/24/2015  
 Sale Price: \$ 2,900 000



## COMPARABLE SALE #5

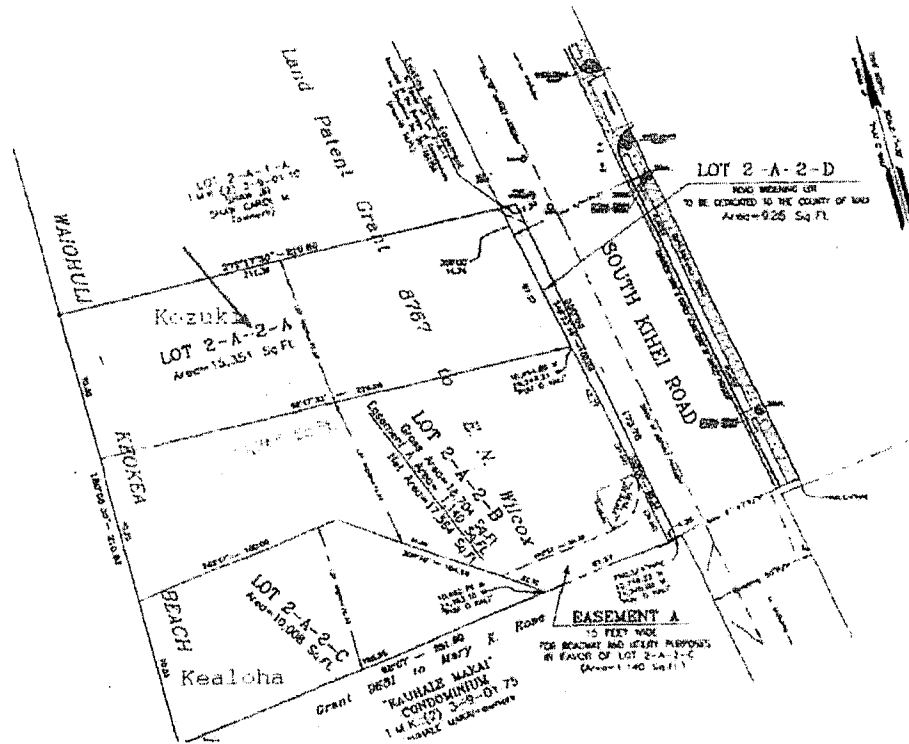
Sale Date:  
 Sale Price: \$



## COMPARABLE SALE #6

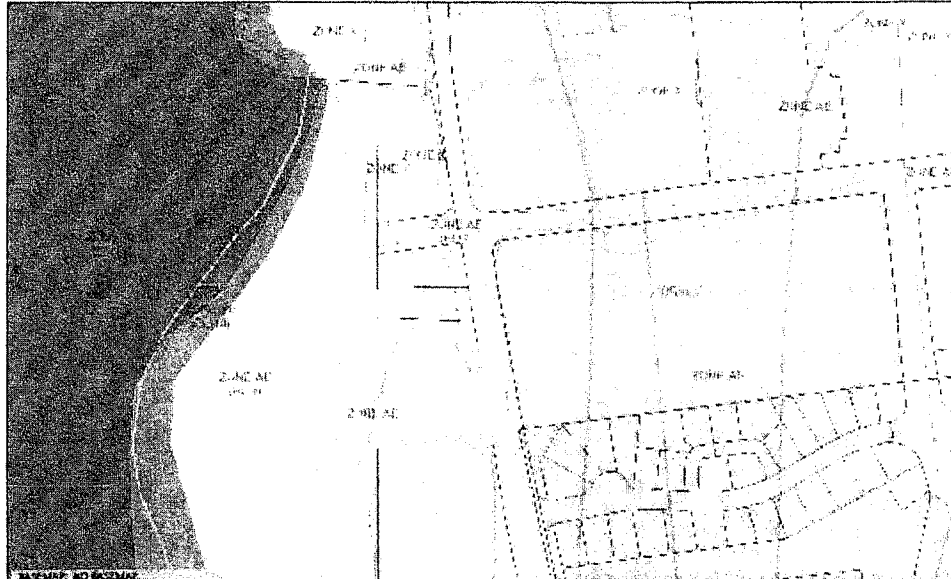
Sale Date:  
 Sale Price: \$

Client: Client, County Of Maui	File No.: M17028(239-1-175)
Property Address: Assessor's parcel #2390011750000, S Kihei Road	Case No.
City: Kihei	State: HI Zip: 96753



# FLOOD MAP

Client: Client County Of Maui	File No.: M17028(239-1-175)
Property Address: Assessor's parcel #2390011750000, S. Kihei Road	Case No.:
City: Kihei	State: HI Zip: 96753



## Flood Hazard Assessment Report

www.hawaiiinfo.org

### Property Information

COUNTY: MAUI  
TAX NO.: 01-3-4-001-151  
WATERSHED: MAUPA  
PARCEL ADDRESS: 380 S. Kihei Rd.  
KIHEI HI 96753

### Notes:

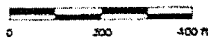
### Flood Hazard Information

FROM INDEX DATE:  
LETTER OF MAP CHANGE(S):  
TEMA PDM PANEL - EFFECTIVE DATE:

NOVEMBER 04, 2015  
NONE  
15000006477 - SEPTEMBER 18, 2012  
15000005186 - NOVEMBER 04, 2015

THIS PROPERTY IS WITHIN A TSUNAMI (EVACUATION) ZONE YES  
FOR MORE INFO, VISIT: <http://www.vol.hawaii.gov/>

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



Disclaimer: The National Commission of Ocean and Natural Resources (NCONR) conducted the investigation and analysis for the purpose of providing information and data for the development of the report. The NCONR does not warrant the accuracy or completeness of the information or data provided in this report. The NCONR is not responsible for any errors or omissions in this report. The NCONR is not responsible for any damages or losses resulting from the use of this report. The NCONR is not responsible for any claims or liabilities resulting from the use of this report.

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### FLOOD HAZARD ASSESSMENT TOOL LAYER LEGEND

(Note: Legend does not correspond with FEMA)

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

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

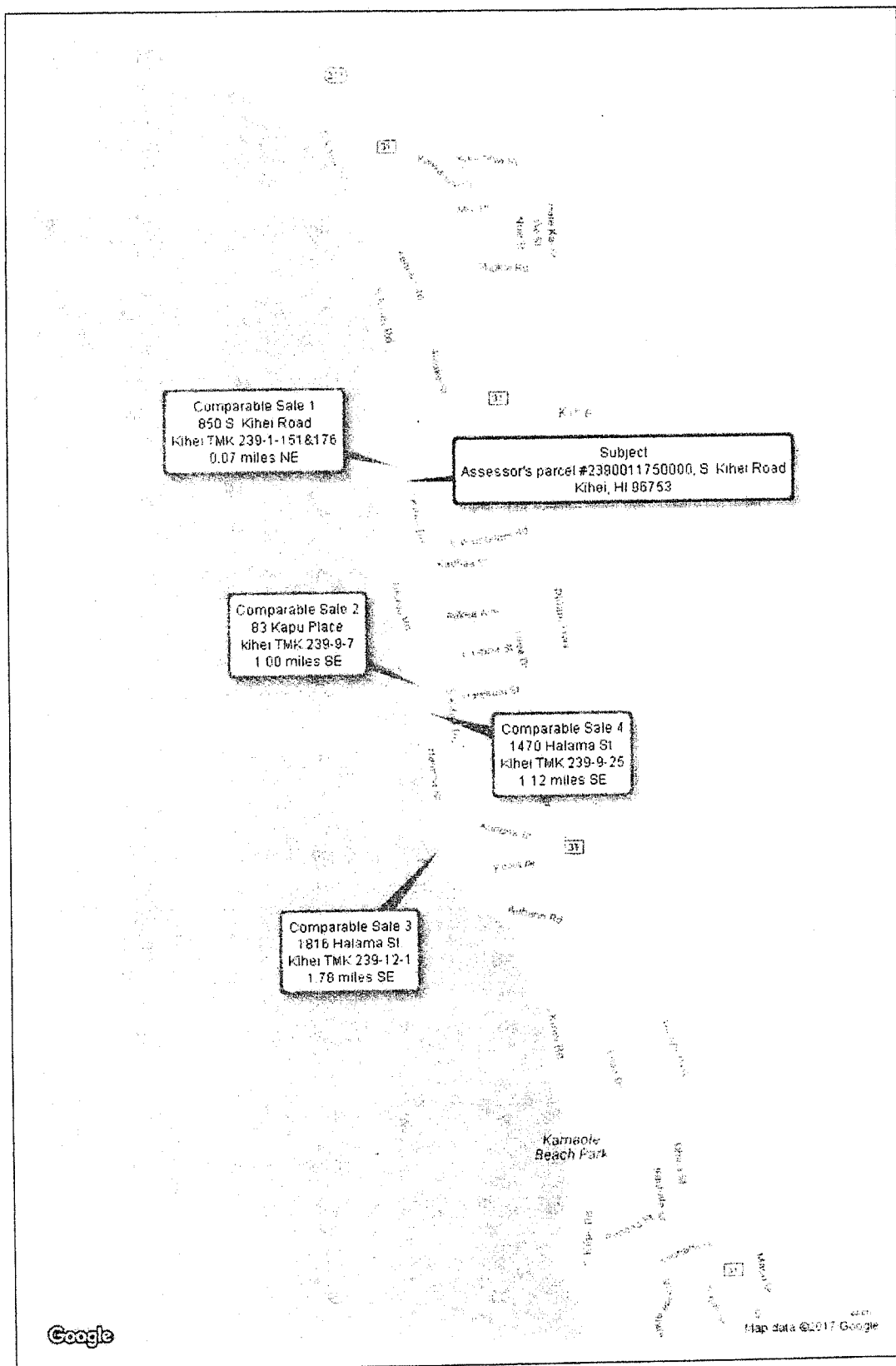
**NON-SPECIAL FLOOD HAZARD AREA** - An area in a low-to-moderate risk flood zone, for mandatory flood insurance purchase requirements apply, but coverage is available in participating communities.

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

### OTHER FLOOD AREAS

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

Client: Client County Of Maui	File No.: M17028(239-1-175)
Property Address: Assessor's parcel #2390011750000, S. Kihei Road	Case No.
City: Kihei	State: HI Zip: 96753



## Market Conditions

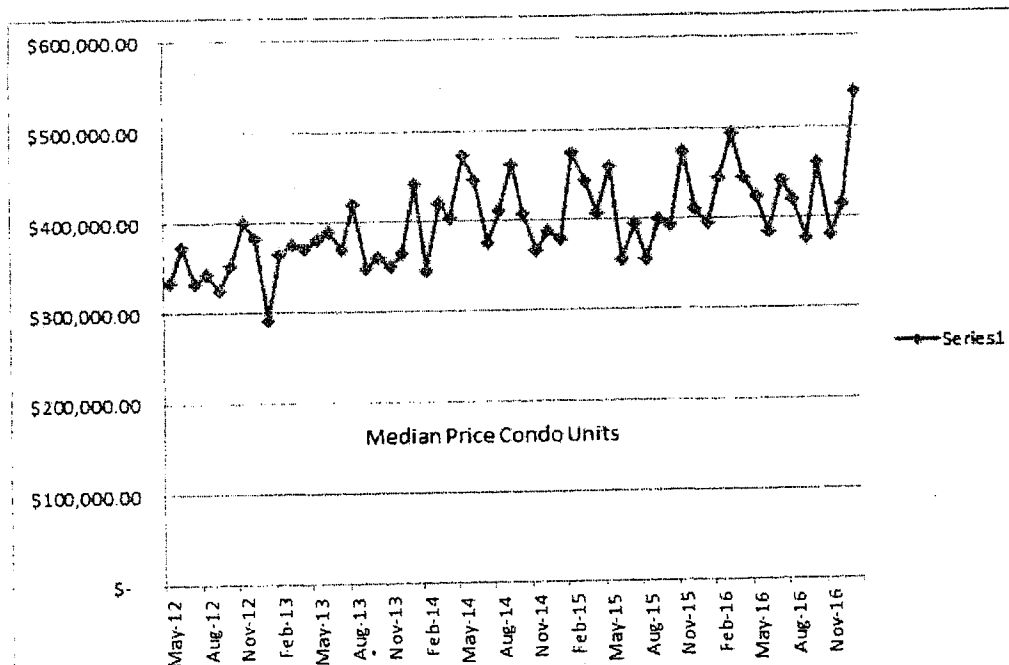
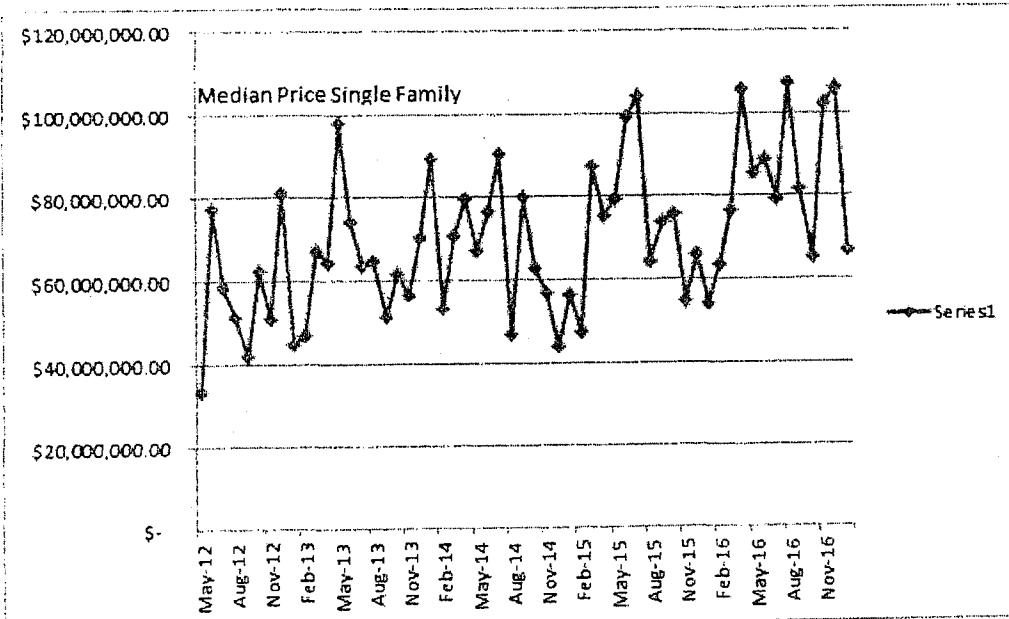
Client: Client: County Of Maui	File No.: M17028(239-1-175)
Property Address: Assessor's parcel #2390011750000, S. Kihei Road	Case No.:
City: Kihei	State: HI Zip: 96753

Month	Single Family Total Volume	Median Deatche Home Price	Condo Total Volume	Median Fee Simple Condo Price
May-12	\$ 33,415,649.00	\$ 382,000.00	\$ 58,209,450.00	\$ 334,500.00
Jun-12	\$ 77,311,750.00	\$ 575,500.00	\$ 55,415,328.00	\$ 372,990.00
Jul-12	\$ 58,606,444.00	\$ 488,000.00	\$ 32,165,559.00	\$ 332,000.00
Aug-12	\$ 51,365,842.00	\$ 620,000.00	\$ 41,206,475.00	\$ 342,450.00
Sep-12	\$ 42,074,906.00	\$ 437,500.00	\$ 29,447,742.00	\$ 325,000.00
Oct-12	\$ 63,521,555.00	\$ 487,000.00	\$ 37,396,535.00	\$ 351,495.00
Nov-12	\$ 51,261,155.00	\$ 467,599.00	\$ 59,993,786.00	\$ 400,000.00
Dec-12	\$ 81,342,337.00	\$ 511,750.00	\$ 69,780,428.00	\$ 382,450.00
Jan-13	\$ 44,860,175.00	\$ 550,000.00	\$ 25,467,040.00	\$ 292,000.00
Feb-13	\$ 47,089,500.00	\$ 550,000.00	\$ 50,587,457.00	\$ 364,950.00
Mar-13	\$ 67,340,383.00	\$ 509,500.00	\$ 62,948,654.00	\$ 375,000.00
Apr-13	\$ 64,569,492.00	\$ 500,000.00	\$ 76,973,491.00	\$ 370,000.00
May-13	\$ 98,101,958.00	\$ 544,500.00	\$ 75,007,354.00	\$ 360,000.00
Jun-13	\$ 74,245,993.00	\$ 615,000.00	\$ 68,122,211.00	\$ 390,000.00
Jul-13	\$ 63,702,316.00	\$ 475,000.00	\$ 65,449,499.00	\$ 370,000.00
Aug-13	\$ 64,780,342.00	\$ 585,000.00	\$ 61,990,362.00	\$ 420,000.00
Sep-13	\$ 51,393,639.00	\$ 470,000.00	\$ 64,776,595.00	\$ 347,500.00
Oct-13	\$ 61,520,387.00	\$ 545,000.00	\$ 56,343,752.00	\$ 360,000.00
Nov-13	\$ 56,462,461.00	\$ 515,000.00	\$ 81,496,687.00	\$ 350,000.00
Dec-13	\$ 70,355,553.00	\$ 512,500.00	\$ 70,605,661.00	\$ 365,000.00
Jan-14	\$ 69,363,445.00	\$ 695,000.00	\$ 58,064,091.00	\$ 441,000.00
Feb-14	\$ 53,500,137.00	\$ 560,000.00	\$ 49,549,851.00	\$ 345,000.00
Mar-14	\$ 70,871,643.00	\$ 596,000.00	\$ 84,424,747.00	\$ 420,000.00
Apr-14	\$ 72,857,915.00	\$ 583,000.00	\$ 84,075,749.00	\$ 403,500.00
May-14	\$ 66,964,425.00	\$ 540,000.00	\$ 68,662,339.00	\$ 472,000.00
Jun-14	\$ 76,497,044.00	\$ 535,000.00	\$ 59,621,244.00	\$ 444,500.00
Jul-14	\$ 90,791,926.00	\$ 570,250.00	\$ 51,082,100.00	\$ 375,000.00
Aug-14	\$ 47,079,365.00	\$ 570,000.00	\$ 75,534,400.00	\$ 410,000.00
Sep-14	\$ 79,942,353.00	\$ 570,000.00	\$ 41,967,400.00	\$ 462,500.00
Oct-14	\$ 62,884,568.00	\$ 564,000.00	\$ 56,699,040.00	\$ 407,000.00
Nov-14	\$ 56,930,810.00	\$ 585,000.00	\$ 44,319,495.00	\$ 366,250.00
Dec-14	\$ 43,995,485.00	\$ 565,000.00	\$ 62,197,022.00	\$ 387,500.00
Jan-15	\$ 56,605,365.00	\$ 577,000.00	\$ 43,424,420.00	\$ 378,000.00
Feb-15	\$ 47,340,156.00	\$ 558,625.00	\$ 68,052,940.00	\$ 475,000.00
Mar-15	\$ 87,738,194.00	\$ 630,000.00	\$ 66,539,202.00	\$ 442,500.00
Apr-15	\$ 75,455,720.00	\$ 575,000.00	\$ 71,242,135.00	\$ 407,500.00
May-15	\$ 79,237,955.00	\$ 607,098.00	\$ 84,482,640.00	\$ 459,000.00
Jun-15	\$ 99,334,727.00	\$ 650,000.00	\$ 52,062,043.00	\$ 355,000.00
Jul-15	\$ 104,529,507.00	\$ 590,000.00	\$ 53,243,300.00	\$ 394,000.00
Aug-15	\$ 64,496,019.00	\$ 550,000.00	\$ 60,100,943.00	\$ 355,000.00
Sep-15	\$ 73,837,626.00	\$ 573,300.00	\$ 57,118,040.00	\$ 399,900.00
Oct-15	\$ 75,879,642.00	\$ 585,000.00	\$ 59,427,622.00	\$ 392,900.00
Nov-15	\$ 54,876,344.00	\$ 550,000.00	\$ 47,601,004.00	\$ 475,000.00
Dec-15	\$ 66,060,302.00	\$ 545,788.00	\$ 65,355,837.00	\$ 410,000.00
Jan-16	\$ 54,099,246.00	\$ 630,000.00	\$ 45,711,559.00	\$ 395,000.00
Feb-16	\$ 63,582,865.00	\$ 595,000.00	\$ 63,554,937.00	\$ 444,450.00
Mar-16	\$ 76,436,053.00	\$ 610,750.00	\$ 69,569,844.00	\$ 494,000.00
Apr-16	\$ 105,900,599.00	\$ 680,000.00	\$ 91,157,464.00	\$ 445,000.00
May-16	\$ 85,415,239.00	\$ 622,500.00	\$ 74,116,614.00	\$ 423,500.00
Jun-16	\$ 89,304,798.00	\$ 657,000.00	\$ 65,075,951.00	\$ 384,000.00
Jul-16	\$ 79,221,540.00	\$ 599,000.00	\$ 73,744,769.00	\$ 440,000.00
Aug-16	\$ 107,413,195.00	\$ 669,125.00	\$ 72,982,425.00	\$ 420,000.00
Sep-16	\$ 81,812,387.00	\$ 667,500.00	\$ 60,967,700.00	\$ 377,000.00
Oct-16	\$ 68,276,867.00	\$ 632,500.00	\$ 65,967,872.00	\$ 460,000.00
Nov-16	\$ 102,462,353.00	\$ 635,000.00	\$ 50,610,326.00	\$ 380,000.00
Dec-16	\$ 106,258,118.00	\$ 700,000.00	\$ 72,927,303.00	\$ 414,500.00
Jan-17	\$ 66,851,017.00	\$ 655,000.00	\$ 63,308,480.00	\$ 537,500.00

808-322-0999

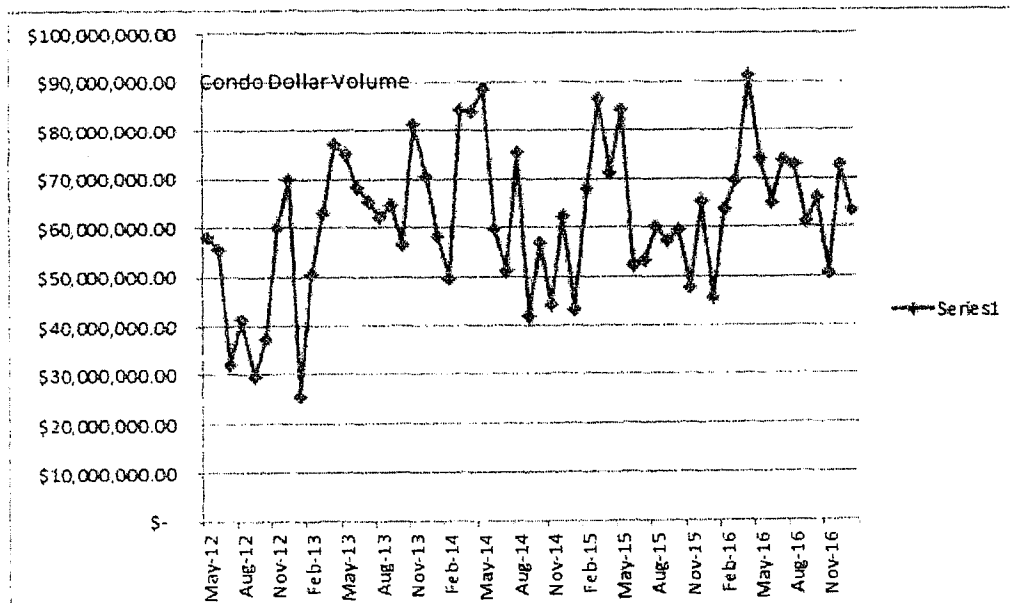
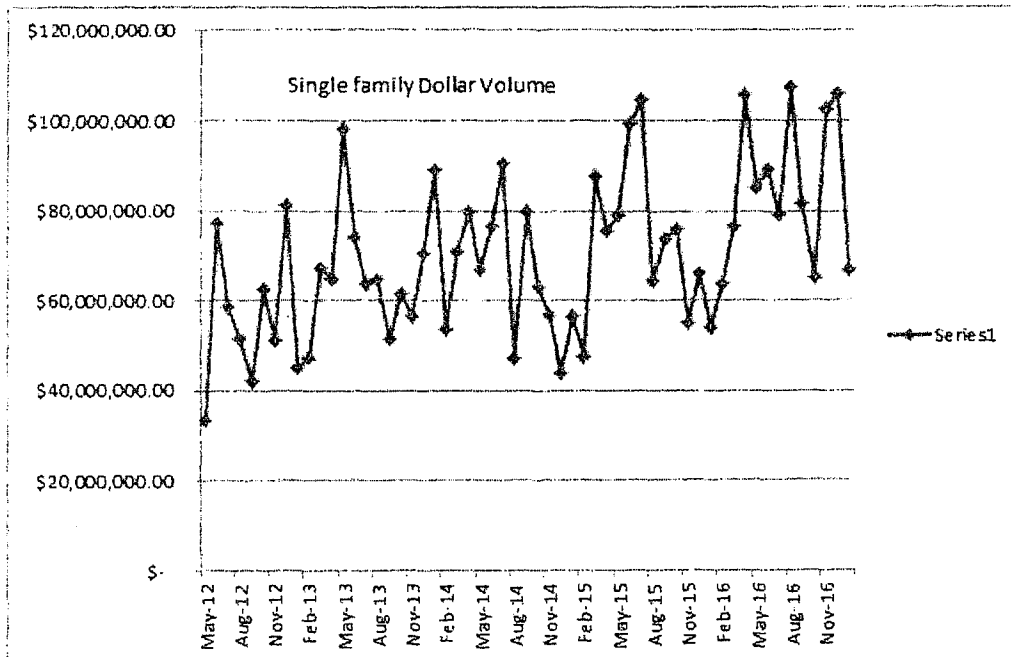
Market Conditions

Client: Client: County Of Maui	File No.: M17028(239-1-175)
Property Address: Assessor's parcel #2390011750000, S. Kihei Road	Case No.:
City: Kihei	State: HI Zip: 96753



Market Conditions

Client: Client: County Of Maui	File No.: M17028(239-1-175)
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Client: Client County Of Maui	File No.: M17028(238-1-175)
Property Address: Assessor's parcel #2390011750000, S Kihei Road	Case No.:
City: Kihei	State: HI Zip: 96753

EXHIBIT "A"

All of that certain parcel of land (being portion(s) of the land(s) described in and covered by Land Patent Grant Number 8767 to E. N. Wilcox) situate, lying and being at Waiohuli, Wailuku Commons, Kihei, Island and County of Maui, State of Hawaii, being LOT 2-A-2-A of the "WAIHULI-KEOKEA BEACH HOMESTEADS" (Subdivision File No. 3.2119), same being portion of Lot 2-A-2 of Waiohuli-Keokea Beach Homesteads and thus bounded and described:

Beginning at a 1/2 inch pipe at the northeast corner of this lot and the northwest corner of the road widening Lot 2-A-2-D of this subdivision along the west side of South Kihei Road, the coordinates of said point of beginning referred to Government Survey Triangulation Station "PUU O KALI" being 10,889.63 feet north and 24,382.41 feet west and running by azimuth measured clockwise from true South (meridian of said "PUU O KALI"):

- |    |      |         |        |   |
|----|------|---------|--------|---|
| 1. | 350° | 00'     | 14.74  | feet along Lot 2-A-2-D of Waiohuli-Keokea Beach Homesteads (Subdivision File No. 3.2119) to a 1/2 inch pipe; thence,  |
| 2. | 148° | 23' 46" | 57.27  | feet along the same to a 1/2 inch pipe; thence,   |
| 3. | 92°  | 17' 30" | 226.58 | feet along Lot 2-A-2-B of this subdivision to a 1/2 inch pipe; thence,  |
| 4. | 180° | 06' 30" | 70.05  | feet along Government Beach Reserve (TMK: (2) 3-9-001-001) to a 1/2 inch pipe; thence,  |
| 5. | 272° | 17' 30" | 212.36 | feet along Lot 2-A-1 of Waiohuli-Keokea Homesteads (Subdivision File No. 3.1871), TMK (2) 3-9-001-010 to the point of beginning and containing an area of 15,351 square feet, more or less. |

SUBJECT, HOWEVER, to the following:

1. Mineral and water rights of any nature.
2. A non-exclusive sewer easement over and across the land described herein appurtenant to Lot 2-A-1 of the Waiohuli-Keokea Beach Homesteads, including the right to install, maintain and repair such apparatus within the servient tenement as may be or become necessary to provide the dominant tenement with such sewer service, as shown on the Tax Map and more particularly described as follows:

4839 1207 1730 1-019999-00113



Publicly Available Legal Description

Client: Client : County Of Maui

File No.: M17028(239-1-175)

Property Address: Assessor's parcel #2390011750000, S. Kihei Road

Case No.:

City: Kihei

State: HI

Zip: 96753

8. The terms and provisions contained in Unilateral Agreement And Declaration Of Conditions dated January 14, 2013, recorded in said Bureau of Conveyances as Document No. A-47830302 by Joseph G. Kealoha, "Declarant."

9. First Mortgage, Security Agreement, Fixture Filing And Financing Statement in favor of First Hawaiian Bank, a Hawaii corporation, dated September 3, 2013, recorded in said Bureau of Conveyances as Document No. A-50020213.

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

11. Any unrecorded leases and matters arising from or affecting the same.

Said above described parcel of land having been acquired as follows:

1. By Shane Fuke, a married man, as to an undivided one percent (1%) interest, by Warranty Deed of Jeremy Kozuki, husband of Jeanette Kozuki, dated September 12, 2013, recorded in said Bureau of Conveyances as Document No. A-50080249.

2. By Marc Kozuki, a married man, as to an undivided three percent (3%) interest, by Warranty Deed of Jeremy Kozuki, husband of Jeanette Kozuki, dated September 12, 2013, recorded in said Bureau of Conveyances as Document No. A-50080250.

3. By Jeremy Kozuki and Jeanette Kozuki, husband and wife, as Tenants by the Entirety, as to an undivided ninety six percent (96%) interest, by Warranty Deed of Jeremy Kozuki, husband of Jeanette Kozuki, dated ---, (acknowledged on December 17, 2014 and December 19, 2014), recorded in said Bureau of Conveyances as Document No. A-54710609.

NOTES:

1. There is hereby omitted from any covenants, conditions and reservations contained herein any covenant or restriction based on race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, or source of income, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law. Lawful restrictions under state or federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

2. Road Widening Lot 2-A-2-D was conveyed to the County of Maui, by that certain Warranty Deed dated February 27, 2013, recorded in said Bureau of Conveyances as Document No. A-49720495.

Engagement Letter

Client: Client : County Of Maui

File No.: M17028(239-1-175)

Property Address: Assessor's parcel #2390011750000, S. Kihei Road

Case No.:

City: Kihei

State: HI

Zip: 96753

## Paradise Appraisals, LLC



R.J. Kirchner, SRA, CGA • [www.HawaiiParadiseAppraisals.com](http://www.HawaiiParadiseAppraisals.com)

**KONA:**

79-7266 Mamalahoe Hwy, #9, Kealahou, Hawaii 96750  
Phone: (808) 322-0999 • Fax: (808) 322-0975 • 1-800-514-3222  
Email: [Kona@PAHawaii.com](mailto:Kona@PAHawaii.com)

**MAUI:**

360 Ho'ohana Street, #201, Kahului, Hawaii 96732  
Phone: (808) 877-5952 • Fax: (808) 877-6408  
Email: [Maui@PAHawaii.com](mailto:Maui@PAHawaii.com)

April 5, 2017

Guy M Hironaka  
County of Maui  
Finance Department  
Real Property Manager  
[Guy.Hironaka@co.maui.hi.us](mailto:Guy.Hironaka@co.maui.hi.us)

RE: Appraisal for Assessor's Parcel # 2390011750000

Dear Mr. Hironaka,

This letter shall serve as my engagement letter to provide an appraisal of the fee simple interest in the above captioned property for the County's potential acquisition of this parcel. The following is my basic understanding of the major elements of this assignment:

- The property is a 15,351 Sq. Ft. apartment (A-2) zoned site that backs to Waipuli Beach Park. Much of the site appears to be in an AE flood zone.
- The appraiser assumes no federal monies are being used for this acquisition that would require the appraiser to meet the Uniform Appraisal Standards for federal Land Acquisition.
- The County of Maui is to be my client for this assignment and is the entity that I will keep my work confidential to. You are my contact at the County for this assignment.
- The Intended users of this assignment include the County of Maui only.
- The Intended use of the assignment is to help the County of Maui determine a proper offering price to acquire the parcel.
- The definition of market value shall be:

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

- The buyer and seller are typically motivated,
- Both parties are well informed or well advised, and each acting in what they consider their own best interest,
- A reasonable time is allowed for exposure in the open market,
- Payment is made in terms of cash in U. S. Dollars or in terms of financial arrangements comparable thereto, and
- 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.

Engagement Letter

Client: Client : County Of Maui

File No.: M17028(239-1-175)

Property Address: Assessor's parcel #2390011750000, S. Kihei Road

Case No.:

City: Kihei

State: HI


Zip: 96753

My fee for this assignment shall be \$1,800.00 plus 4.166% general excise tax for a total fee of \$1,874.99. Payment is expected within 30 days of completion and a 1% per month late fee will be charged on any payments not received after 30 days. I can complete the assignment within 4 weeks of your approval to proceed. To undertake this assignment I will require:

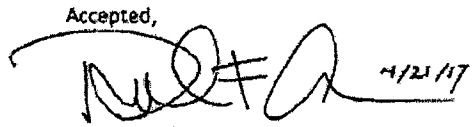
1. Your signed agreement to these terms.
2. A current legal description, and/or survey of this parcel, if available.
3. A copy of any offers to buy or sell this lot made in the last year.
4. A copy of any agreements from County of Maui Departments allowing water meters, building permits or other approvals regarding this parcel.
5. A contact to allow my inspection of the subject property.

The report I will provide will meet the current requirements of the Uniform Standards of Professional Appraisal Practice as well as the standards of the Appraisal Institute. The report may be subject to review by any duly authorized committee of the Appraisal Institute related to peer review.

Sincerely,

  
R. J. Kirchner, SRA, CGA 275

Accepted,

  
Danilo F. Apsalag  
County of Maui  
Finance Director

4/21/17  
Date

Appraiser's License

Client: Client : County Of Maui

File No.: M17028(239-1-175)

Property Address: Assessor's parcel #2390011750000, S. Kihei Road

Case No.:

City: Kihei

State: HI

Zip: 96753

**LICENSE NUMBER**

CGA - 275

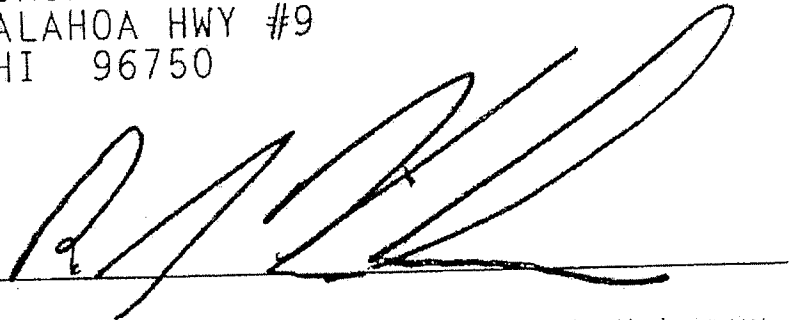
**EXPIRATION DATE**

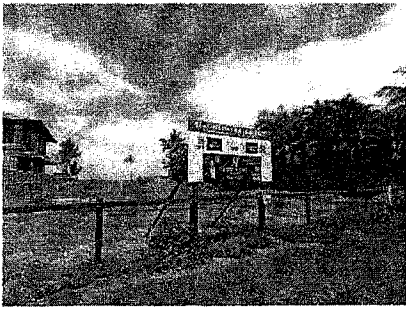
12/31/2017

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

RAYMOND J KIRCHNER  
79-7266 MAMALAHOA HWY #9  
KEALAKEKUA HI 96750

(SIGNATURE  
OF LICENSEE)

A large, stylized handwritten signature in black ink, appearing to read 'R. J. Kirchner', is written over a horizontal line.



Subject Front View



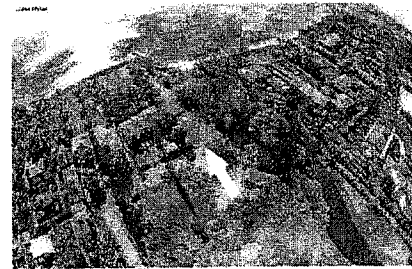
Subject Rear View



Subject Street Scene



Sales Comp. 1



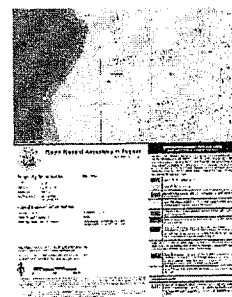
Sales Comp. 2



Sales Comp. 3



Sales Comp. 4



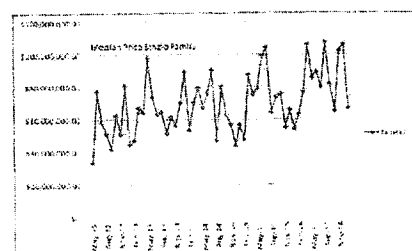
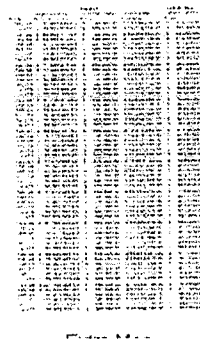
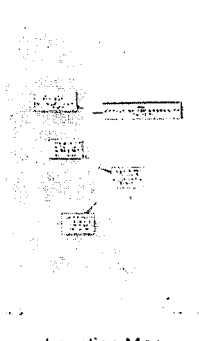
Sales Comp. 5



Sales Comp. 6

Plat Map

Flood Map



1. The purpose of this document is to provide information regarding the proposed project and the potential impacts on the environment. The information is intended to assist the public in understanding the project and the potential impacts on the environment.

2. The project is a proposed development of a new facility. The facility is located in a sensitive area and the development is expected to have significant impacts on the environment. The impacts are expected to be both direct and indirect.

3. The impacts of the project are expected to be both direct and indirect. The direct impacts are expected to be the most significant. The indirect impacts are expected to be less significant but still important.

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Extra Map

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Extra Map

LICENSE NUMBER 123456789	EXPIRATION DATE 12/31/2025
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STATE OF HAWAII DEPARTMENT OF COMMERCE AND ECONOMIC AFFAIRS  
CERTIFIED GENERAL APPRAISER

RAYMOND J. SCHULTE  
20-123456789-0001-0001  
P.O. BOX 12345

SIGNATURE  
*[Signature]*

License Image

ORDINANCE NO. \_\_\_\_\_

BILL NO. \_\_\_\_\_ (2018)

A BILL FOR AN ORDINANCE AMENDING APPENDIX A  
OF THE FISCAL YEAR 2018 BUDGET FOR THE COUNTY OF MAUI  
AS IT PERTAINS TO PART II, SPECIAL PURPOSE REVENUES -  
SCHEDULE OF REVOLVING/SPECIAL FUNDS FOR FISCAL YEAR 2018,  
OPEN SPACE, NATURAL RESOURCES, CULTURAL RESOURCES, AND  
SCENIC VIEWS PRESERVATION FUND

BE IT ORDAINED BY THE PEOPLE OF THE COUNTY OF MAUI:

SECTION 1. Ordinance No. 4456, Bill No. 65 (2017), Draft 1, as amended, "Fiscal Year 2018 Budget", Appendix A, Part II, Special Purpose Revenues – Schedule of Revolving/Special Funds for Fiscal Year 2018, is hereby amended as it pertains to the Open Space, Natural Resources, Cultural Resources, and Scenic Views Preservation Fund, by adding a proviso for the purchase of vacant land in Kihei, Maui, Hawaii, in the amount of \$2,350,000, to read as follows:

**"II. SPECIAL PURPOSE REVENUES - SCHEDULE OF REVOLVING/SPECIAL  
FUNDS FOR FISCAL YEAR 2018**

	<b><u>ESTIMATED BALANCE AS OF 6/30/17</u></b>	<b><u>ANTICIPATED REVENUES FOR FY 2018</u></b>	<b><u>TOTAL FOR FY 2018</u></b>
"J. Open Space, Natural Resources, Cultural Resources, and Scenic Views Preservation Fund (Section 9-19, Revised Charter of the County of Maui (1983), as amended; Chapter 3.88, Maui County Code)	3,986,832	3,031,757	7,018,589
(1) Provided, that \$304,500 shall be for land acquisition and related costs for TMK: (2) 4-8-002:057, Ukumehame, Maui, Hawaii, totaling approximately 9.1 acres, subject to Chapter 3.88, Maui County Code.			
(2) Provided, that \$300,000 shall be for debt service for the purchase of approximately 186 acres at Launiupoko, Maui, Hawaii, TMKs: (2) 4-7-001:030 and (2) 4-7-001:026 (por.).			
(3) Provided, that \$210,000 shall be for grants and disbursements to the Hawaiian Islands Land Trust for land acquisition for a perpetual conservation easement over TMKs: (2) 1-1-003:041 and (2) 1-1-003:065, Keanae, Maui, Hawaii, totaling approximately six acres, subject to Chapter 3.88, Maui County Code.			

- (4) Provided, that \$250,000 shall be for the acquisition of Dole Park, Lanai, and related costs.
- (5) Provided, that \$500,000 shall be for land acquisition and related costs for a Lanai agricultural park.
- (6) Provided, that \$400,000 shall be used to negotiate the purchase of vacant lands, or a portion thereof, identified as TMKs: (2) 4-3-007-026:0000 and (2) 4-3-007-027:0000 and located at the south side of Honokeana Cove in West Maui for beach access.
- (7) Provided, that \$2,350,000 shall be used for the purchase of approximately 15,351 square feet of vacant land identified as TMK: (2) 3-9-001:175 for public access to Kenolio Beach reserve."

SECTION 2. New material is underscored.

SECTION 3. This Ordinance shall take effect upon its approval.

APPROVED AS TO FORM AND LEGALITY:



JEFFREY UEOKA  
Deputy Corporation Counsel