

Draft Environmental Assessment

Lahaina Recreation Center, Lahaina, Maui
TMK: (2) 4-6-012:005 and (2) 4-6-015:004

A conversion of land protected under Section 6(f)3 of the
Land and Water Conservation Fund Act, Public Law 108-198

April 2010

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The Land and Water Conservation Fund (LWCF), Stateside Assistance grant program, provides funds to states, and through states to local agencies, for the acquisition and development of outdoor recreation resources. Lands that have received funding through LWCF are protected by section 6(f)3 of the Act unless a conversion is approved by the Secretary of the Interior as delegated to the National Park Service.

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SUMMARY

The County of Maui, Department of Parks and Recreation used federal grant funds from the Land and Water Conservation Fund (LWCF) Program in 1985, 2000, and 2002 to construct outdoor recreation facilities at the Lahaina Recreation Center. The use of these funds placed 28.16 acres of the Lahaina Recreation Center under Section 6(f) protection which requires that the property be retained in public use for outdoor recreation. The County of Maui, Department of Parks and Recreation now proposes to license the Youth Center within the 6(f) boundaries of the Lahaina Recreation Center to the West Maui Boys & Girls Club. The membership fees and age limits of the Boys and Girls Club will restrict the use of the facility and it will no longer be considered “open to the public” in conformance with the requirements of the LWCF Program. A non-public use of a 6(f) property triggers a conversion where a property is being taken out of 6(f) protection and must be replaced with a property of equivalent recreational and appraised fair market value. The County of Maui, Department of Parks and Recreation proposes to mitigate the “taking” from the Lahaina Recreation Center with the acquisition and development of a “replacement” property located along Front Street in Lahaina.

Lahaina Recreation Center is located at 280 Shaw Street in Lahaina, County of Maui (Fig. 2). The entire park consists of 37.55 acres (TMK: (2) 4-6-012:005 and (2) 4-6-015:004) and includes baseball and softball fields, soccer and football fields, a basketball court, an aquatic center, restrooms, parking lots, and the Youth Center. An area of 16,315 square feet (SF) (0.37 acre) encompassing the Youth Center will constitute the area to be taken out of 6(f) protection.

Front Street Park is located at 1377 Front Street in Lahaina, County of Maui (Fig. 8). This 0.494 acre parcel (TMK: (2) 4-5-012:018) is located between Front Street and the shoreline and constitutes the replacement property. This undeveloped property will be improved for passive shoreline recreation with picnic tables, fencing, and landscaping.

In addition to the proposed action, the County of Maui, Department of Parks and Recreation evaluated reverting the West Maui Boys & Girls Club facility to a recreation facility that is open and available to the public without any restrictions by age or membership. This alternative was not selected because of insufficient County staffing and funding to provide equivalent services and programs for the youth of the Lahaina and West Maui community.

Based upon an assessment of the alternatives, the County of Maui, Department of Parks and Recreation is requesting that the State of Hawai'i, Department of Land & Natural Resources forward a recommendation to the National Park Service (NPS) to approve the proposed conversion and replacement.

INTRODUCTION

The Lahaina Recreation Center and Front Street Park are adjacent to Old Lahaina Town on the southwestern coast of Maui (Fig. 1). Old Lahaina was once the capital of the Hawaiian Kingdom and is listed on the National Register of Historic Places for its rich history as a whaling town. Lahaina is a popular visitor destination on Maui with numerous beach resorts and shopping areas.

The resident population of Lahaina District was estimated to be 17,967 based on the 2000 census, with 6,031 households and 3,789 families. Of the 3,789 households, 41% of the married-couple families included children under the age of 18. Those under 18 years of age comprised 23% of the resident population. Residential development is expanding rapidly on the former sugarcane lands around Lahaina Town as the island population increases. In addition to the residents, another 2 million people visit Lahaina each year. The County of Maui, Department of Parks and Recreation provides numerous outdoor recreational opportunities for both residents and visitors, including beach parks, aquatic centers, ballfields, and ballcourts.

In 1985, 2000 and 2002, the County of Maui, Department of Parks and Recreation received grant funds from the Land and Water Conservation Fund (LWCF) Program for the development of ballfields, courts, and support facilities at the Lahaina Recreation Center. Collectively, these projects placed 28.16 acres of the Lahaina Recreation Center under 6(f) protection and set aside for public outdoor recreation per section 6(f)3 of the LWCF Act.

Section 6(f)3 requires that when a protected property is converted to a use other than outdoor recreation, it must be replaced with property that is of at least equal fair market value and equivalent recreation utility as the property. The replacement property must constitute a viable recreation unit, or be acquired as an addition to an existing recreation unit. Development of the replacement property may be required to ensure that a level of recreation utility is achieved similar to what was lost at the converted site.

Project Background

In the year 2000, the Youth Centers at Makawao, Haiku, Central Maui, and West Maui combined their operations and became the “Boys and Girls Club of Maui”. The new organization continues to receive County grant funds annually to support the operation of these youth centers. The “Boys and Girls Club of Maui” receives a minimal stipend from the users to cover the administration of the facility. This membership fee and age limit restrict use of the facility and therefore it is no longer considered “open to the public” and in conformance with the requirements of the LWCF Program.

The County has recently begun to formalize the licenses for the various “Boys and Girls Club of Maui” centers. A few years ago, a formal license for the Central Maui facility was executed. Currently, formal license agreements are being drafted for the Haiku and Makawao facilities as well as for the West Maui facility in the Lahaina Recreation Center which was recently renovated and expanded by the County.

The license agreement formalizes the responsibilities of each party concerning maintenance, operation and liability for the facility. The agreement will include a clause making it clear that the exclusive use by the Boys and Girls Club is limited to the building, loading dock, bus parking and license line buffer, and all other park facilities and open space must remain open and available to the public for outdoor recreation in conformance with the LWCF requirements. With a long term license, the “Boys and Girls Club of Maui” is in a better position to secure donations and grants for equipment, programs, and other operational requirements.



Figure 1. Location of the existing Lahaina Recreation Center and proposed Front Street Park in Lahaina, Maui.

Purpose and Need

The purpose of this project is to remove federal protection from 16,315 SF (0.37 acre) of Lahaina Recreation Center to allow for the West Maui Boys & Girls Club to license the Youth Center, including the building, loading dock, bus parking and buffer area. This action is needed because the West Maui Boys & Girls Club has age restrictions and requires membership to access and use the facility, which create a non-public use of the 6(f) property.

Three (3) park improvement projects at the Lahaina Recreation Center have been supported with matching grant funds from the LWCF Program which is the basis for the 6(f) protection boundaries as shown in Fig. 2.

15-00118	1985	Construction of 2 ball fields with backstops, dugouts, scorekeeper's booth, and bleachers; irrigation and water system; electrical system; landscaping; parking, and related support facilities in the southern portion of the park between Honoapi'ilani Highway and Mill Street.
15-00139	2000	Construction of Little League/Softball field with scorekeeper booth, backstop, and fencing; irrigation well and pump system; perimeter fencing; and lighting. Located to the east of Mill Street.
15-00143	2002	Construction of a second baseball field with backstop, fencing, scorekeeper booth, dugouts, scoreboard, and bleacher pads; lighting, fencing, and walkways throughout the park area to the east of Mill Street.

These three projects placed 28.16 acres of the park under 6(f) protection shown as Phase 1 and Phase 2 (Fig. 2).

In 2009, the County of Maui, Department of Parks and Recreation received a \$450,000 grant from the LWCF Program for the construction of a new West Maui Skate Park within Lahaina Recreation Center. Located within Phase 3 of the park, this new project is referred to as LWCF Project 15-00158 (Figures 2 and 3). This project will place an additional 9.393 acres at the Lahaina Recreation Center under 6(f) protection. However, the construction of the Skate Park and expenditure of the LWCF grant funds cannot begin until the proposed conversion is completed and approved by the National Park Service.

The County of Maui, Department of Parks and Recreation proposes to replace the 16,315 SF of the 6(f) property at Lahaina Recreation Center with a 0.494 acre parcel referred to as Front Street Park. Development at Front Street Park for passive outdoor recreation will include signage, picnic tables and landscaping. These improvements are expected to be completed by 2012. Figure 8 depicts the location and Figure 9 shows the proposed improvements of the proposed Front Street Park.

This Environmental Assessment is required to help the National Park Service evaluate the environmental consequences of the proposed conversion on the human environment and allow the affected public an opportunity to review the proposed alternatives and comment on the proposed action as it affects them and their community.



Figure 2. Phases of park development at the Lahaina Recreation Center. Total park area is 35.77 acres.

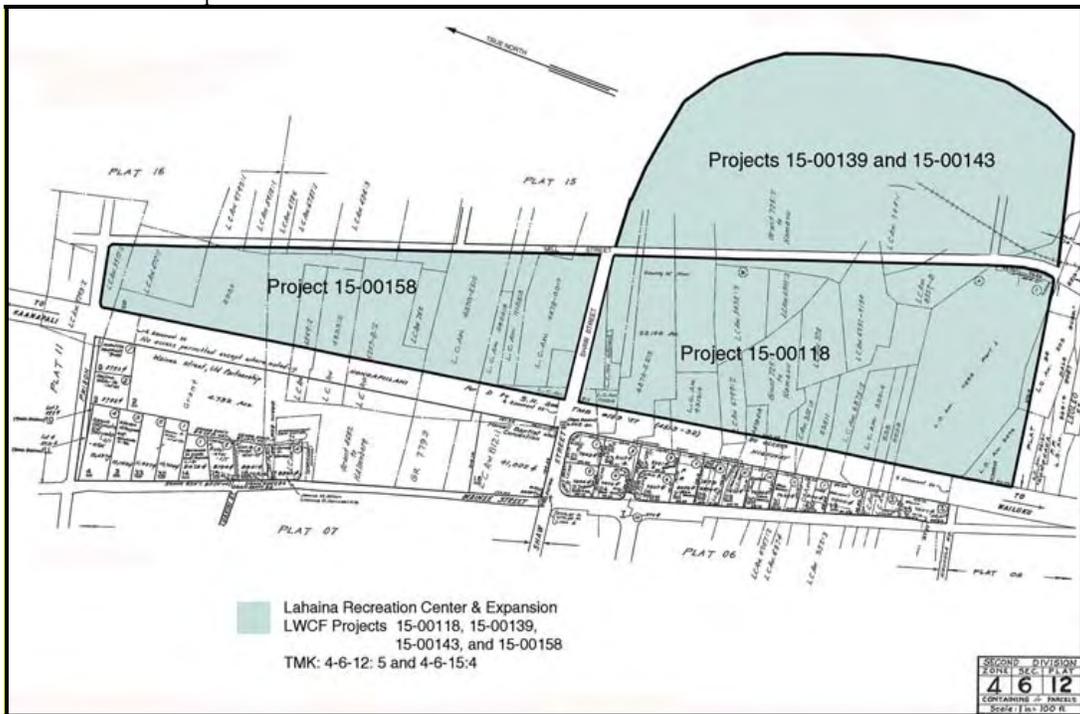


Figure 3. LWCF projects proposed (15-00158) and conducted within Lahaina Recreation Center. The existing 6(f)3 boundaries exclude Shaw Street, Mill Street, and Ipu Aumakua Lane.

DESCRIPTION OF ALTERNATIVES

No Action

The West Maui Boys and Girls Club is currently operating the Youth Center at the Lahaina Recreation Center and the “No Action” alternative would involve allowing them to continue to use and operate the facility in a manner that is not in compliance with the LWCF requirements. If the County of Maui does not take any action to resolve the conversion, the County of Maui would be unable to construct the West Maui Skate Park, a current LWCF grant, and State of Hawai'i would not be eligible to apply for or receive any new LWCF grants from the National Park Service. Because of these factors, this alternative is not acceptable.

Proposed Alternative #1

In this alternative, the County of Maui removes the Youth Center (16,315 SF) at the Lahaina Recreation Center from federal 6(f) protection to allow the West Maui Boys & Girls Club to operate the Center as a non-public facility. This property being taken out of 6(f) protection would be replaced by a new federally protected 0.494 acre park facility at Front Street Park. Development of Front Street Park for passive outdoor recreation will include signage, picnic tables and landscaping. Although it is not a requirement that the replacement property be located in the same area, this conversion proposal has identified a replacement property in Lahaina that will provide recreational opportunities for the same community served by the Lahaina Recreation Center. The properties are approximately 1.67 miles from each other (see Fig. 1).

Property to be Removed from 6(f) Protection

The Lahaina Recreation Center, including the Lahaina Aquatic Center, is located just south of the center of Old Lahaina Town on Honoapi'ilani Highway. The total County owned land area is 37.55 acres with over 28 acres of improved recreation facilities (Fig. 4). The complex is managed by the County of Maui, Department of Parks and Recreation. Current park improvements include the Aquatic Center, lighted softball and little league fields, basketball courts, lighted soccer field, and newly-renovated playground. The Aquatic Center was dedicated in 1992 and was the site of the 1994 Pan Pax Games. The facility features a 50 meter heated competition pool and a warm-up/children's pool, scoreboard, PA- and timing-systems, meeting, conference and locker rooms. The facility is fully ADA accessible.

The initial construction phase of the park in 1986 included two ball fields, a soccer/football field, and the Youth Center. A LWCF grant was awarded to the County of Maui in 1985 to support the construction of the playfields, but not the Youth Center. The Youth Center was constructed as a public facility and included within the 6(f) boundary. The Youth Center was originally operated by a nonprofit organization that was primarily funded by the County of Maui. It functioned as a drop-in center for youths. There was a policy for registration of the users including parental consent and waivers but no charge for facility use. The Youth Center operations were funded annually through a grant by the County.

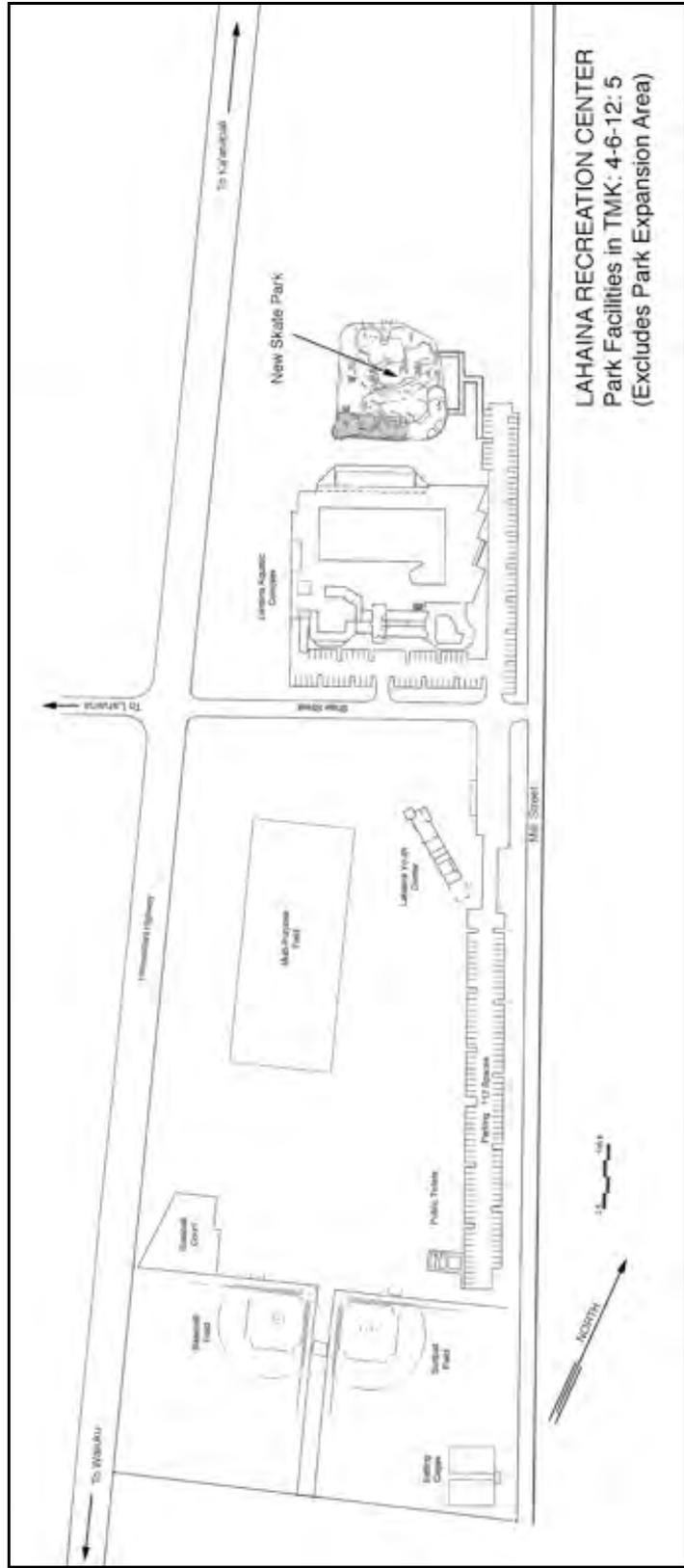


Figure 4. Recreational and support facilities within Phase 1 and Phase 3 of the Lahaina Recreation Center.

The license agreement at the West Maui facility will give exclusive use of the building, loading dock and bus parking and license line buffer around the building to the Boys and Girls Club of Maui. The newly renovated facility has a floor area of 7,575 SF, and includes a lobby, learning center, game room, cooking classroom, fitness room and lounge area (Figs. 5 and 6).

There will be no exclusive use of any of the parking stalls and these stalls will remain available for public park use on “first come” basis. None of the other park facilities, playgrounds, or play fields will be taken out of public use. The license line buffer around the building was included by the County to allow the tenant to use the loading dock and bus parking at their convenience, and to allow them jurisdiction over the area surrounding the building. The taking, therefore, will consist of 16,315 SF (0.37 acre) encompassing the building, loading dock, bus parking and license line buffer.

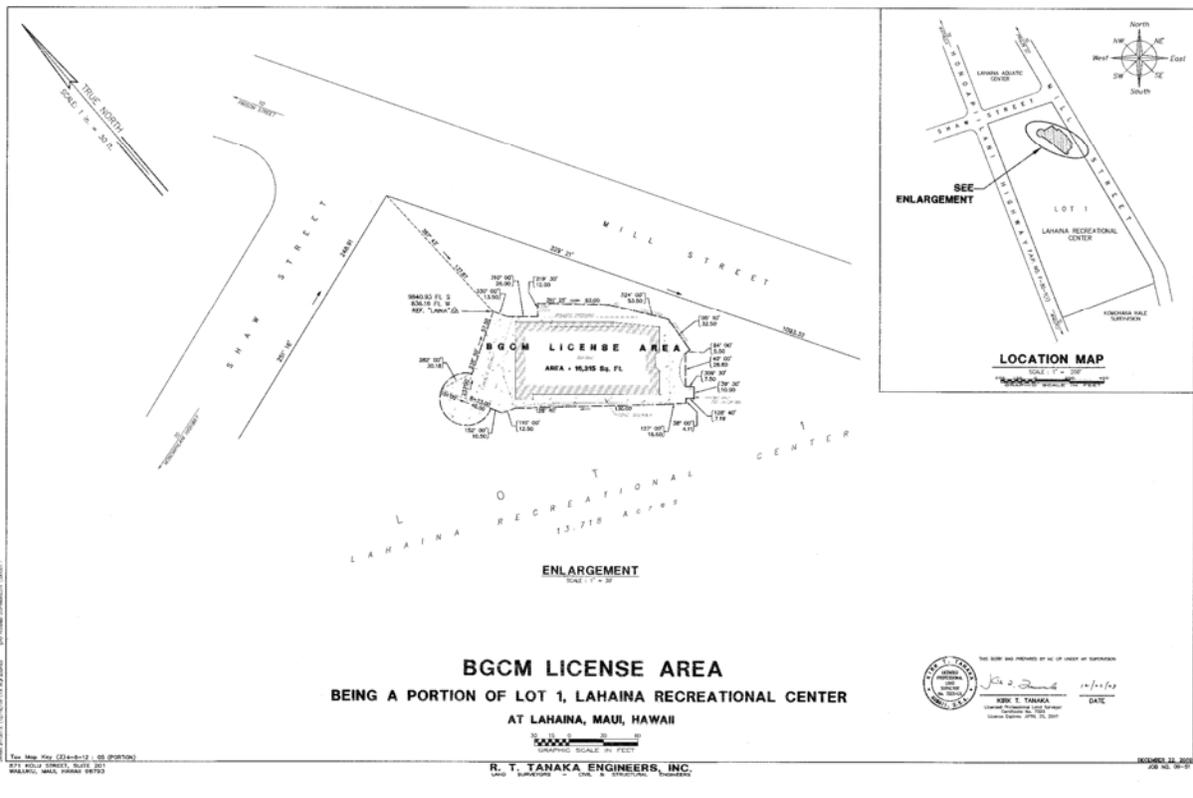


Figure 5. Delineation of the 16,315 SF (0.37 acre) area to be removed from the 6(f) protected boundary of the Lahaina Recreation Center.



Figure 6. Photograph of the West Maui Boys & Girls Club building.

Assessment of the “Taking”

Within the 28.16 acres of 6(f) protected parkland at Lahaina Recreation Center, there are numerous outdoor recreation facilities, including 4 baseball fields with fencing, backstops and dugouts, a basketball court, a soccer/football field, and a playground. Support structures include 2 comfort stations and parking areas. The Aquatic Center and proposed West Maui Skate Park are not currently within the 6(f) boundaries.

The Youth Center is located between the playfields and shares a parking lot with other public use areas and facilities. The acreage being lost from 6(f) protection at the Lahaina Recreation Center is 16,315 SF (0.37 acre) which is approximately 1% of the park area within the 6(f) boundary (Fig 7). The remaining 99% or 27.79 acres will remain under 6(f) protection. The area of the taking includes boundaries chosen to minimize the area taken out of 6(f) protection, and will not affect or negatively impact other recreation in the park. The recreational value of the Youth Center as a sheltered facility has a minimal effect on the outdoor recreational value of the Lahaina Recreation Center.

The Lahaina Recreation Center meets an important community recreational need, as 41% of those surveyed in the 2008 Hawaii SCORP ranked the recreation issue of “Playing fields (baseball, softball, soccer, football) for organized sports activities” as “Medium Priority”, with 31% ranking it as “High Priority”.

To date, there has not been any public involvement in the proposal.

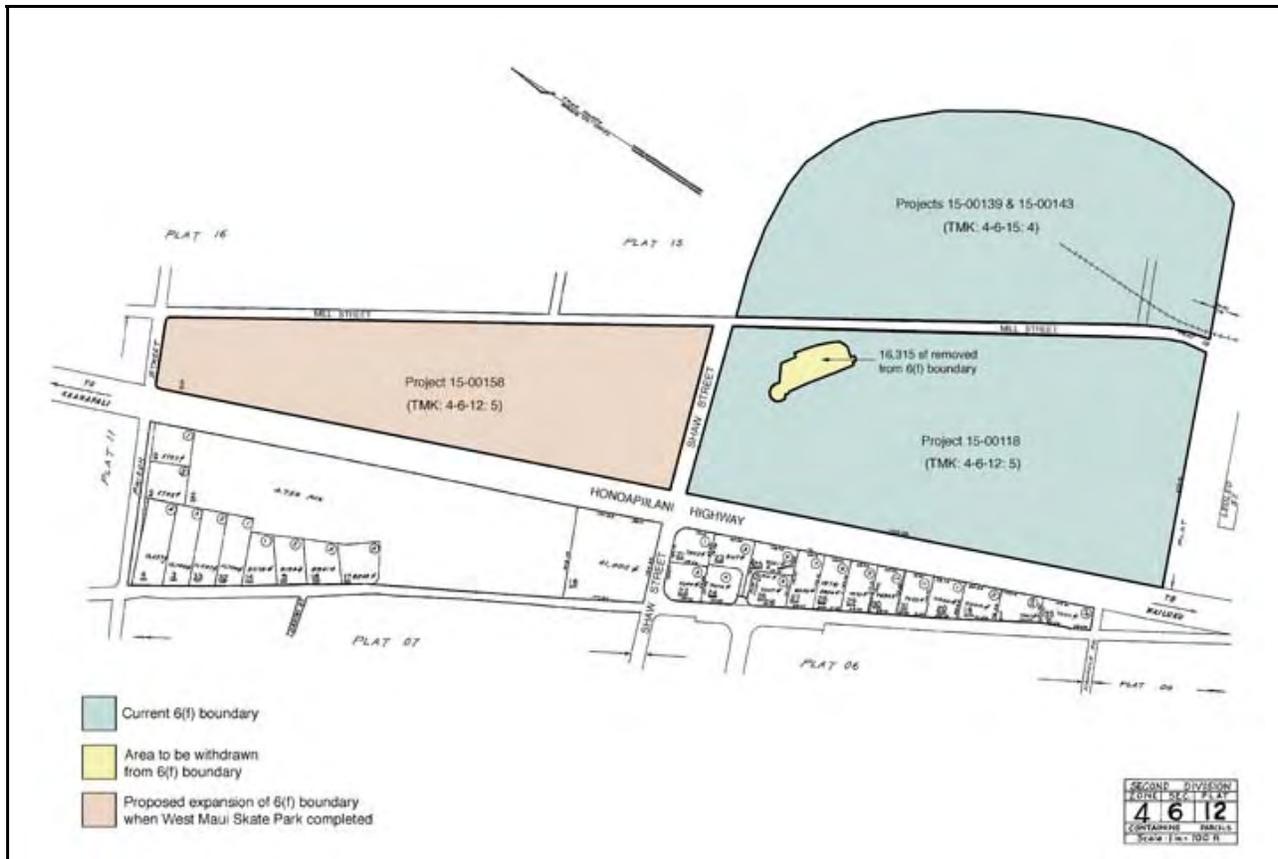


Figure 7. Map of Lahaina Recreation Center showing area of the Youth Center to be removed from 6(f) protection relative to larger 6(f) boundary and future expansion of the 6(f) boundary.

In summary:

- Acreage Lost: 16,315 square feet or 0.36 ac.
- Acreage Left: Phase 1: 12.37 ac.; Phase 2: 15.43 ac.; Total 27.80 ac.; (Future Phase 3: 9.393 ac.)
- Fair Market Value of lost acreage (land only): \$360,000.00 (See Appendix #3)

Replacement Property

The proposed replacement property along Front Street in Lahaina was acquired by the County of Maui by Resolution in April 2007 in a settlement of State lawsuit and State appeal in the Second Circuit Court, State of Hawaii. The resolution stated that the vacant property *“includes 680 linear feet of shoreline in Lahaina which provides an open space view plane along Front Street and an opportunity for a passive park.”* The property was landscaped by the previous owner and is not currently dedicated to public outdoor recreation. The County zoning for the property is R-1 Residential, however the Community Plan designation is a combination of Open Space and Single Family. The previous owner planned to build a single family residence on the property, however due to internal issues, the previously approved permits were retracted, which resulted in the lawsuit. Therefore, no improvements were completed except for improvements to the existing sea wall. Neighbors in the area have been keeping the lot maintained.

The proposed replacement property is located along the water front a few blocks north of historic Lahaina Town. The nearly half acre parcel (0.494 acre) is linear with the ocean to the west and Front Street to the east (Figs. 8 & 9). A sea wall runs along portions of the western edge of the property. The lot is uniquely situated

in the northern residential area of old Lahaina Town and will provide passive recreation for the surrounding neighborhoods within walking distance as well as ample street parking for destination users. There are no conditions that will restrict public access and use of the property.

The property is a vacant lot with level to gently sloping terrain, currently unimproved and fallow. It has approximately 670 feet of beachfront, with views of the ocean, West Maui mountains and offshore islands (Figs. 10 and 11).

The recreation user survey in the 2008 Update of the Statewide Comprehensive Outdoor Recreation Plan (SCORP) reported a high use of shoreline parks and identified the need for more beach parks and facilities for picnicking, etc. (Recreational Priority #4, pages 88 & 89). The placement of the 0.494 acre parcel of the Front Street Park into 6(f) protection will grant the public greater access to the shoreline and retain another section of the coast in open space with an unobstructed view to the ocean. At almost half an acre in size, the replacement property is a viable recreational area that will provide an additional passive park for the neighborhood and community.

The property is well suited for passive outdoor recreation activities including picnicking, sunset views and fishing along the sea wall. The County's development plans will include signage, picnic tables and landscaping. There are currently no plans to construct a restroom or parking area. However, the location of the property along Front Street makes it accessible to utilities, such as water and electricity, in the event the community recommends other improvements in the future. Figure 9 depicts the proposed site development plan for Front Street Park. The proposed improvements will take no longer than a year to complete and will commence in County fiscal year 2011. Once completed, the County of Maui owned park will be maintained by the County of Maui Department of Parks and Recreation.

Due to the narrow shape of the property and the County's shoreline setback and zoning setback requirements, only minimal development of the park is allowable. As a result, the County of Maui, Department of Parks and Recreation is proposing to establish a new park which emphasizes open space, shoreline access, and passive recreation. Because no major facilities or park development is being proposed, public involvement for the design phase is not envisioned.

In summary:

- Acreage Gained: 0.494 acres.
- Fair Market Value of Gained acreage: \$440,000.00 (See Appendix #3)

Comparison of Appraised Fair Market Value

One of the requirements of a conversion is to show that the replacement property is of at least equal fair market value to the land being removed from 6(f) protection and public outdoor recreation. Appraisals were conducted on both the 0.37 acre piece being removed from 6(f) protection at the Lahaina Recreation Center and the 0.494 acre parcel at Front Street that will serve as the replacement property. The appraisal with the effective date of January 18, 2010 found a fair market value of \$360,000 for the 0.37 acre piece at the Lahaina Recreation Center (Appendix 3). The appraisal with the effective date of February 10, 2010 determined a fair market value of \$440,000 for the 0.494 acre replacement parcel at Front Street Park (Appendix 3). Therefore, the Front Street Park parcel meets the conversion requirement of equivalent fair market value.



Figure 8. Map showing the configuration of the 0.494-acre parcel of Front Street Park between Front Street and the ocean.

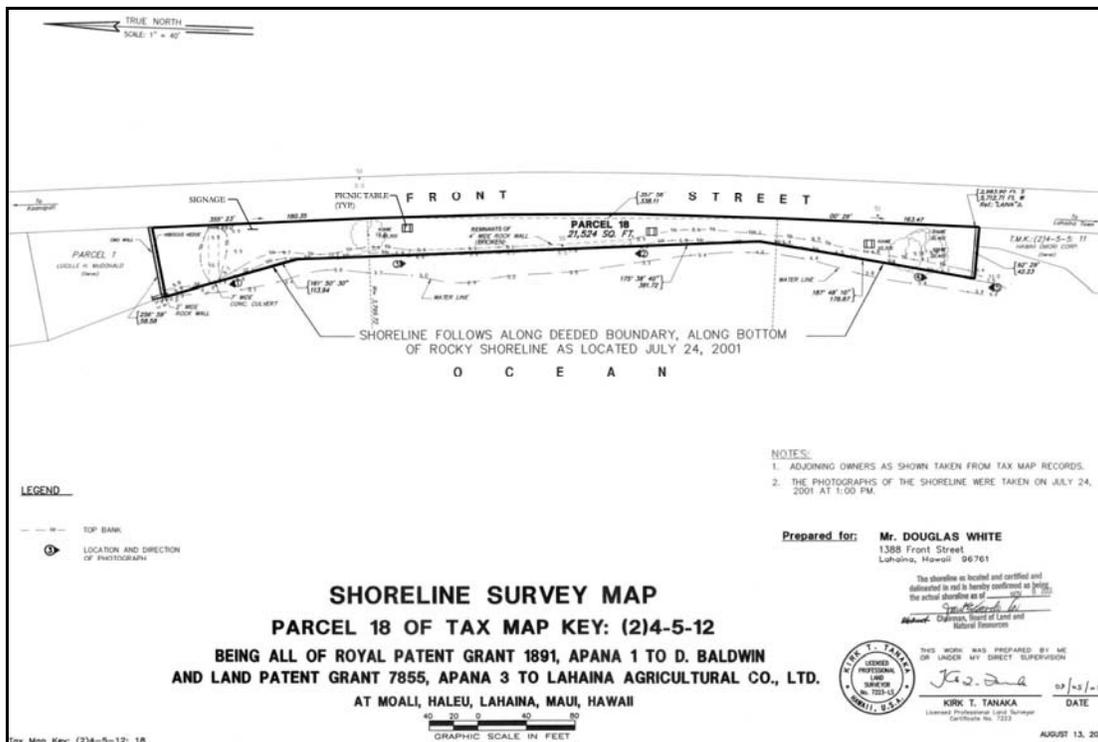


Figure 9. Survey map and improvements proposed with the designation of the Front Street parcel as a public park.



Figure 10. Photograph of Front Street Park property looking North.



Figure 11. Photograph of Front Street Park property looking South.

Proposed Alternative #2

Another alternative is to revert the West Maui Boys & Girls Club facility to a recreation facility that is open and available to the public without any restrictions by age or membership. As a recreation facility open to the public, the conversion would not be a requirement.

This alternative would require the County to increase staffing to maintain the facility, along with additional funding to manage the operation. It would also require an operational plan to meet the needs of the youths in the community, which has already been researched and determined by the Boys & Girls Club of Maui.

Since the transition of the Youth Center to the Boys & Girls Club of Maui in 2000, a strong relationship with the community has been established, one that the County of Maui is very supportive of. The benefit of providing the youths of West Maui with a safe environment, leadership training and positive life experiences made possible by the Boys & Girls Club of Maui outweighs the cost to the County. Therefore, the County does not believe that this alternative is in the best interest of the community or the County.

Affected Environment

Calvin Higuchi of Hiyakumoto + Higuchi Architects, Inc. assessed Lahaina Recreation Center and Patrick Matsui, County of Maui Chief of Parks Planning & Development assessed Front Street Park to determine the resources on site likely to be negatively impacted. Resources as they currently exist are as follows.

LAHAINA RECREATION CENTER

1. Geological resources: soils, bedrock, slopes, streambeds, landforms, etc.
 - The site is presently occupied by the West Maui Boys and Girls Club building with paved parking, concrete walkways, landscape trees and lawn grass.
 - The general elevations on the site range from 18 feet above mean sea level at the southwesterly (makai) boundary toward the highway to about 24 feet at the northeasterly (mauka) border along Mill Street. The general topography slopes from the eastern corner of the area to the western corner at about a 1 or 2 percent slope. The site's topography has been altered by the development of the park and there are no significant topographic constraints within the project site.
 - There are two soil types specific to the project site. The first type is Ewa silty clay loam, 0 to 3 percent slopes (EaA). EaA soils consist of well drained soils in basins and on alluvial fans. These soils developed in alluvium derived from basic igneous rock. Runoff is very slow and the erosion hazard is no more than slight. The second type is Waine'e very stony silty clay, 3 to 7 percent slopes (WxB). Runoff is slow and the erosion hazard is slight.
2. Air quality
 - The area is not exposed to adverse air quality conditions and air quality is generally good. Point sources of airborne emissions no longer exist in the immediate area as the Pioneer Mill operations have ceased over a decade ago. Non-point source automobile emissions from Honoapi'ilani Highway do not generate high concentrations of pollutants. The area's constant exposure to winds which quickly disperse concentrations of emissions helps to maintain the relatively high quality of air.
3. Sound (noise impacts)
 - Noise levels in the area are relatively low and characteristic of park use areas. There is also the occasional and temporary recreational activity noise from large events at the Lahaina Aquatic Center and the play fields as well as the traffic noise during these events.
4. Water quality/quantity
 - Lahaina Towns water sources are the Kahana Stream and water well drawing off the Launiupoko aquifer. The present Lahaina Recreation Center is serviced by an 8" waterline located along Shaw Street. There is also a 12" waterline running along the makai side of Mill Street. Fire protection for the site is provided by existing fire hydrants fronting the site along Shaw Street and at the end of the parking lot makai of Mill Street. An existing ¾" water service meter with a back flow preventer is located near the parking lot driveway entrance on Shaw Street. An on-site water well provides water for landscape irrigation.
5. Stream flow characteristics
 - Not Applicable

6. Marine/estuarine
 - o Not Applicable
7. Floodplains/wetlands
 - o According to Panel Number 150003 163 C of the Flood Insurance Rate Map, August 13, 1998, prepared by the United States Federal Emergency Management Agency, the project site is situated in Flood Zone C. Flood Zone C represents areas of minimal flooding.
 - o Existing site drainage contributes an estimated 4.2 c.f.s. run-off in a 50-year storm. The site currently provides for surface runoff to sheet flow along existing drainage pattern towards an existing onsite retention basin within the park site. The existing retention basin within the park is designed to accommodate a fully developed park development for the entire Lahaina Recreation Center area.
8. Land use/ownership patterns; property values; community livability
 - o The Lahaina Recreation Center, including the Lahaina Aquatic Center, is located just south of the center of Old Lahaina Town on Honoapiʻilani Highway. The total County owned land area is 37.55 acres with over 28 acres of improved recreation facilities. The complex is managed by the County of Maui Department of Parks and Recreation.
 - o The Youth Center will be licensed to the Boys and Girls Club of Maui. It was originally operated by a nonprofit organization that was primarily funded by the County of Maui. It functioned as a drop-in center for youths. There was a policy for registration of the users including parental consent and waivers but no charge for facility use. The Youth Center operations were funded annually through a grant by the County.
 - o The current property valuation (land only) is \$360,000.00. See Appendix #3 for appraisal.
9. Circulation, transportation
 - o The automobile is the primary source of transportation in Lahaina. An extensive roadway system exists in the Lahaina area. Right-of-way widths vary with each roadway. Some roads are paved with curbing and sidewalks while others are comprised of asphaltic concrete pavement with limited curbs. The project site is located between Honoapiʻilani Highway and Mill Street and off Shaw Street. The park's entrance is located approximately 400 feet mauka of the signalized Shaw Street and Honoapiʻilani Highway intersection. The average right-of-way width along Shaw Street fronting the property is approximately 48 feet, with a pavement width of approximately 24 feet.
 - o Bus transportation is provided for the majority of the youth using the facility after school hours. Approximately 2 buses are used per day. Parents also pick up the users after heavy commuter traffic hours. The regular hours of operation are Monday through Friday from 2:30 PM to 8:00 PM and Saturday from 2:30 PM to 10:00 PM.
10. Plant/animal/fish species of special concern and habitat; state/ federal listed or proposed for listing
 - o There is no indication of rare or endangered plants on the site. This fact is reinforced by the fact that the site was graded and developed as a park and youth center from the early 1980's. Much of the site is covered with common Bermuda lawn grass and other existing trees including Kukui, Monkey Pod, Elephant Ear, Pines, Plumeria, Shower, Poinciana, Banyan, Kou, African tulip, and some palms.
 - o The area is not known as a significant habitat for rare and endangered wildlife and birds. The wildlife in the area includes introduced species such as rats, mice, mongoose, cats, and common sparrows, mynas, doves, finches, and Japanese White-eye. The State Forestry and Wildlife Division has had occasional reports of Nene in the park area.

11. Unique ecosystems, such as biosphere reserves, World Heritage sites, old growth forests, etc.
 - Not Applicable
12. Unique or important wildlife/ wildlife habitat
 - Not Applicable
13. Unique or important fish/habitat
 - Not Applicable
14. Introduce or promote invasive species (plant or animal)
 - Not Applicable
15. Recreation resources, land, parks, open space, conservation areas, rec. trails, facilities, services, opportunities, public access, etc.
 - Lahaina has a wide reputation as a recreation destination, particularly for ocean related activities. Ocean sports and recreation available in the Lahaina District include swimming, fishing, surfing, scuba diving, snorkeling, sailing, and para-sailing. There are many State and County beach parks provided for tourists and residents in the Lahaina District. The number of parks in Lahaina providing active recreation (i.e., team sports) facilities for Maui's residents is however, limited. The project site is located within the Lahaina Recreation Center park which is central non-ocean County park in West Maui and includes the Lahaina Aquatic Center on the north side of Shaw Street, four baseball diamonds, a soccer / football field, and play courts.
 - Current park improvements include the Aquatic Center, lighted softball and little league fields, basketball courts, lighted soccer field, and newly-renovated playground. The Aquatic Center was dedicated in 1992. The facility features a 50 meter heated competition pool and a warm-up/children's pool, scoreboard, PA- and timing-systems, meeting, conference and locker rooms. The facility is fully ADA accessible.
 - The initial construction phase of the park in 1986 included two ball fields, a soccer/football field, and the Youth Center.
 - Public access is provided to all the recreation facilities within Lahaina Recreation Center with the exception of the Youth Center that will be licensed to the Boys and Girls Club of Maui.
16. Accessibility for populations with disabilities
 - The park is fully accessible, with five reserved parking stalls at the main entrance.
17. Overall aesthetics, special characteristics/features
 - Not Applicable
18. Historical/cultural resources, including landscapes, ethnographic, archeological, structures, etc.
 - The County of Maui is consulting with the State Historic Preservation Division (SHPD) and believes that no historic properties will be impacted by this action. A request for Section 106 clearance is currently being reviewed by SHPD.
 - As the site was graded and developed since the early 1980's there is no evidence of existing archaeological or historical landmarks. A cultural assessment was prepared by Munekiyo & Hiraga Inc. for the area at the time of the renovation of the Boys and Girls Club in January 2006. No significant cultural impacts were found to be created at that time.
19. Socioeconomics, including employment, occupation, income changes, tax base, infrastructure
 - The resident population of Maui County in 2000 according to the U.S. Census Bureau statistics was 128,240 residents with 117,640 residents on the island of Maui. In the same

- The resident population of Lahaina District was estimated to be 17,967 based on the 2000 census, with 6,031 households and 3,789 families. Of the 3,789 households, 41% of married-couple families included children under the age of 18. Those under 18 years of age comprised 23% of the resident population. Residential development is expanding rapidly on the former sugarcane lands around Lahaina Town as the island population increases. In addition to the residents, another 2 million people visit Lahaina each year.
 - The Lahaina economy is based primarily upon the visitor industry. Visitor accommodations are located near the shoreline along with necessary support facilities and residential communities. Kapalua and Kaanapali have developed into important visitor destination anchors while the old Lahaina Town, with its historic character and charm, has developed into the region's visitor, service, commercial and residential center. Agriculture is still a part of Lahaina's economy, although is a much lesser degree than in previous times.
20. Minority and low-income populations
- The U.S. Census calculated that in 2000 in Hawaii, 54.4% of the population claimed to have a minority racial background (Black or African American, American Indian and Alaska Native, Asian, Native Hawaiian and Other Pacific Islander, or Some other race) of the 78.6% claiming a single racial background (*DP-1, Profile of General Demographic Characteristics: 2000, Geographic Area: Hawaii, U.S. Census Bureau*).
 - In 2000, 4.3% of the total 40,041 households on the island of Maui were listed to be earning no more than 50% of HUD Median and located in Lahaina, (*Socio-Economic Forecast Report, County of Maui, Planning Department, Long Range Division, June 2006*)
21. Energy resources (geothermal, fossil fuels, etc.)
- Not Applicable
22. Other agency or tribal land use plans or policies
- Not Applicable
23. Land/structures with history of contamination/hazardous materials even if remediated
- Not Applicable
24. Other important environmental resources to address.
- Not Applicable

FRONT STREET PARK

1. Geological resources: soils, bedrock, slopes, streambeds, landforms, etc.
 - The property soil type is designated as "PpA", described as "Pulehu silt loam, 0 to 3 percent slopes" (*Natural Resources Conservation Service, Dec. 2006*)
2. Air quality
 - The area is not exposed to adverse air quality conditions and air quality is generally good. Point sources of airborne emissions no longer exist in the immediate area as the Pioneer Mill operations have ceased over a decade ago. Non-point source automobile emissions from Front Street do not generate high concentrations of pollutants. The area's constant exposure to winds which quickly disperse concentrations of emissions helps to maintain the relatively high quality of air.

3. Sound (noise impacts)
 - Noise levels in the area are relatively low. As the park is on the ocean, the wave action creates noise as the surf hits the break wall. There is also automobile noise from traffic on adjoining Front Street.
4. Water quality/quantity
 - Lahaina Town's water sources are the Kahana Stream and water well drawing off the Launiupoko aquifer.
5. Stream flow characteristics
 - The site is crossed by an existing drainage culvert which transfers water from neighboring elevated properties down to the ocean.
6. Marine/estuarine
 - The property is located along the Pacific Ocean with approximately 680 feet of shoreline. The north portion of the shoreline is lined with a retaining wall down to the rocky shore while the south portion of the property is rocky and sparsely vegetated along the rocky shore. The retaining wall along the north runs into the drainage canal making a perpendicular turn to create the channel.
7. Floodplains/wetlands
 - The property is located in Flood Hazard Zone VE, a coastal area with a 1% or greater chance of flooding and an additional hazard associated with storm waves. According to 1929 National Geodetic Vertical Datum the base flood elevation is 9 feet mean sea level.
 - The property is not within the wetland area.
8. Land use/ownership patterns; property values; community livability
 - The property was acquired by the County of Maui by Resolution in April 2007 in a settlement of State lawsuit and State appeal in the Second Circuit Court, State of Hawaii.
 - The property is located within a residential area of single-family residences, condominiums, and resorts.
 - The current property valuation is \$440,000.00. See Appendix #3 for appraisal.
9. Circulation, transportation
 - The automobile is the primary source of transportation in Lahaina. An extensive roadway system exists in the Lahaina area. Right-of-way widths vary with each roadway. Some roads are paved with curbing and sidewalks while others are comprised of asphaltic concrete pavement with limited curbs. The project site is located adjacent to Front Street north of Kapunakea Street. Street parking is allowable along Front Street and the land is accessed directly off of the pavement. No sidewalk or curbing exists in the area.
10. Plant/animal/fish species of special concern and habitat; state/federal listed or proposed for listing
 - There is no indication of rare or endangered plants on the site. This fact is reinforced by the fact that the site was graded for the construction of the retaining wall along the sea, the drainage canal and the construction of Front Street. Much of the site is covered with grass and other existing trees including Kiawe, Plumeria, and some palms.
11. Unique ecosystems, such as biosphere reserves, World Heritage sites, old growth forests, etc.
 - Not Applicable
12. Unique or important wildlife/ wildlife habitat
 - Not Applicable
13. Unique or important fish/habitat
 - Not Applicable

14. Introduce or promote invasive species (plant or animal)
 - Not Applicable
15. Recreation resources, land, parks, open space, conservation areas, rec. trails, facilities, services, opportunities, public access, etc.
 - The property is located along the water front a few blocks north of historic Lahaina Town. The nearly half acre parcel (0.494 ac.) is linear with the ocean to the west and Front Street to the east. The lot is uniquely situated in the northern residential area of old Lahaina Town where there are few open space or parks areas.
 - Recreational values include shoreline access and scenic views maintained between Front Street and the ocean.
 - Zoning and setbacks restricts the recreational use of the property to passive activities such as fishing and picnicking.
16. Accessibility for populations with disabilities
 - Not Applicable
17. Overall aesthetics, special characteristics/features
 - Not Applicable
18. Historical/cultural resources, including landscapes, ethnographic, archeological, structures, etc.
 - The County of Maui is consulting with the State Historic Preservation Division (SHPD) and believes that no historic properties will be impacted by this action. A request for Section 106 clearance is currently being reviewed by SHPD.
 - The property is located to the north and outside the Lahaina Historic District (State Site No. 50-50-03-3001) which is a National Historic Landmark listed on the National Register of Historic Places.
 - Because of its proximity to Front Street, there is a potential for significant subsurface cultural deposits to be located on the property. Further consultation will occur with SHPD regarding any new projects or improvements on the property, especially those involving ground disturbance activities.
19. Socioeconomics, including employment, occupation, income changes, tax base, infrastructure
 - The resident population of Maui County in 2000 according to the U.S. Census Bureau statistics was 128,240 residents with 117,640 residents on the island of Maui. In the same year, Lahaina district was noted to have 17,967 residents. This was an increase of 23.3% from the 1990 census.
 - The Lahaina economy is based primarily upon the visitor industry. Visitor accommodations are located near the shoreline along with necessary support facilities and residential communities. Kapalua and Kaanapali have developed into important visitor destination anchors while the old Lahaina Town, with it's historic character and charm, has developed into the region's visitor, service, commercial and residential center. Agriculture is still a part of Lahaina's economy, although is a much lesser degree than in previous times.
20. Minority and low-income populations
 - The U.S. Census calculated that in 2000 in Hawaii, 54.4% of the population claimed to have a minority racial background (Black or African American, American Indian and Alaska Native, Asian, Native Hawaiian and Other Pacific Islander, or Some other race) of the 78.6% claiming a single racial background (*DP-1, Profile of General Demographic Characteristics: 2000, Geographic Area: Hawaii, U.S. Census Bureau*).

- In 2000, 4.3% of the total 40,041 households on the island of Maui were listed to be earning no more than 50% of HUD Median and located in Lahaina, (*Socio-Economic Forecast Report, County of Maui, Planning Department, Long Range Division, June 2006*)
- 21. Energy resources (geothermal, fossil fuels, etc.)
 - Not Applicable
- 22. Other agency or tribal land use plans or policies
 - Not Applicable
- 23. Land/structures with history of contamination/hazardous materials even if remediated
 - Not Applicable
- 24. Other important environmental resources to address.
 - Not Applicable

Environmental Impact

LAHAINA RECREATION CENTER

1. Geological resources: soils, bedrock, slopes, streambeds, landforms, etc.
 - The site has been developed as a youth center and park for over 20 years now and the proposed action will have no impact on the site, soils, topography or landforms.
2. Air quality
 - The proposed action will not produce any long-term adverse effects in air quality as there will not be any airborne emission sources added by this action. There will be no significant change in the number of users of the facilities so there will be no increase in the emissions from vehicles of the building users.
3. Sound (noise impacts)
 - The long-term noise levels are not anticipated to significantly increase with the proposed action. Daily noise levels will be limited to youth activities within the building and some team sport practice sessions similar to other activities in the existing park. Night time use of the facility will be limited to classes, occasional dances and social events organized and controlled by the Boys and Girls Club of Maui. The noise levels associated with the occasional dances would be consistent with the present use of the facility and similar to levels generated by sports and other similar activities at the play fields and pool in the immediate area.
4. Water quality/quantity
 - There will be no change in the water sources due to the proposed action. There will be no significant change in the number of users of the facilities so there will be no increase in the quantity of water use.
5. Stream flow characteristics
 - Not Applicable
6. Marine/estuarine
 - Not Applicable
7. Floodplains/wetlands
 - The existing retention basin within the park is designed to accommodate a fully developed park development for the Lahaina Recreation Center area. There will be no change to the drainage patterns due to this proposed action. Based on the foregoing, the proposed action is not anticipated to result in any significant impact on downstream properties.
8. Land use/ownership patterns; property values; community livability
 - Maui County retains ownership of the property and the license agreement allows use of the Youth Center to the Boys and Girls Club to run needed programs for the youth in the community. These programs have the potential to serve a section of the community that is not sufficiently served elsewhere. The taking is seen as a positive impact for the community.
 - In the year 2000, the Youth Centers at Makawao, Haiku, Central Maui, and West Maui combined their operations and became the “Boys and Girls Club of Maui”. The new organization continues to receive County grant funds annually to support the operation of these youth centers. The “Boys and Girls Club of Maui” receives a minimal stipend from

- The County has recently begun to formalize the licenses for the various “Boys and Girls Club of Maui” centers. A few years ago, a formal license for the Central Maui facility was executed. Currently, formal license agreements are being drafted for the Haiku and Makawao facilities as well as for the West Maui facility in the Lahaina Recreation Center, recently renovated and expanded by the County. The license agreement at the West Maui facility will give exclusive use of the building, loading dock and bus parking and license line buffer around the building to the Boys and Girls Club. There will be no exclusive use of any of the parking stalls and these stalls will remain available for public park use on “first come” basis. None of the other park facilities, playgrounds, or play fields will be taken out of public use. The taking, therefore, will consist of 16,315 sq. feet encompassing the building, loading dock, bus parking and license line buffer.
 - The license agreement formalizes the responsibilities of each party concerning maintenance, operation and liability for the facility. The agreement will include a clause making it clear that the exclusive use by the Boys and Girls Club is limited to the building, loading dock, bus parking and license line buffer, and all other park facilities and open space must remain open and available to the public for outdoor recreation in conformance with the LWCF requirements. With a long term license, the “Boys and Girls Club of Maui” is in a better position to secure donations and grants for equipment, programs, and other operational requirements.
 - The current property valuation (land only) is \$360,000.00. See Appendix #3 for appraisal.
9. Circulation, transportation
- The proposed action is not anticipated to significantly impact the traffic and roadways in the area. No change in use of the facility is proposed, just a change in management. The license agreement will include a clause making it clear that the exclusive use by the Boys and Girls Club is limited to the building, loading dock, bus parking and license line buffer, and all other park facilities and open space must remain open and available to the public for outdoor recreation and circulation.
10. Plant/animal/fish species of special concern and habitat; state/federal listed or proposed for listing
- The proposed action is not expected to have any significant impact on rare, endangered, or threatened fauna or avifauna as only common alien species seem to be utilizing the sites.
11. Unique ecosystems, such as biosphere reserves, World Heritage sites, old growth forests, etc.
- Not Applicable
12. Unique or important wildlife/ wildlife habitat
- Not Applicable
13. Unique or important fish/habitat
- Not Applicable
14. Introduce or promote invasive species (plant or animal)
- Not Applicable
15. Recreation resources, land, parks, open space, conservation areas, rec. trails, facilities, services, opportunities, public access, etc.

- The effect on the public and Lahaina community by the “loss” of the Youth Center as a recreational facility is minimal, as the public’s use of most of the park (99%) is retained and the taking has been minimized. Public retains access to and use of the playground, parking, and other facilities located in the area of the Youth Center. The park and Youth Center are both retained as viable recreational facilities for the community.
 - The loss of 16,315 square feet of protected lands in order to place it under separate management while at the same time allowing the proposed West Maui Skate Park development to proceed as well as dedicating the Front Street land for future park development is seen as a benefit to the community of West Maui. The new management of the Youth Center should enhance the existing youth programs at the Center as well as the use of the park in providing expanded recreational facilities.
16. Accessibility for populations with disabilities
- The renovated Boys & Girls Club building is fully accessible, with sidewalk slopes and turnaround areas as required to meet ADA.
17. Overall aesthetics, special characteristics/features
- Not Applicable
18. Historical/cultural resources, including landscapes, ethnographic, archeological, structures, etc.
- Section 106 clearance request was submitted to the State Historic Preservation Division, and is currently being reviewed. In a 2009 application for LWCF funds to assist with the construction of the new West Maui Skate Park within the Lahaina Recreation Center, SHPD provided clearance based on the previous use of the land for sugarcane cultivation. The conversion is not expected to have any adverse effect on historic properties.
 - The impact of the proposed action will be insignificant as the use of the structure will not change. The existing building is less than 30 years old and does not have significant historical value at this point in time. A cultural assessment was prepared by Munekiyo & Hiraga Inc. for the area at the time of the renovation of the Youth Center in January 2006. No significant cultural impacts were found to be created at that time.
19. Socioeconomics, including employment, occupation, income changes, tax base, infrastructure
- As this proposed action will be to serve the existing West Maui residences, there should be no impact on the population growth in the area.
 - On a long term basis, the proposed action will provide an increase in recreational facilities for the youth of West Maui. The proposed action will have no significant impact upon employment opportunities and it will not have any significant impact upon local population levels.
 - The proposed action showcases a positive partnership between a community non-profit organization and the County of Maui to provide services for the youth of the community. The County does not have the resources to provide these services targeted towards the youth of the community.
20. Minority and low-income populations
- The Boys and Girls Club of Maui program supports youth of low-income and single parent families needing a safe place after school. Other opportunities for these youth are limited in Lahaina and therefore, this Youth Center under the Boys and Girls Club of Maui serves an important socio-economic need in the community.

- The proposed action will not have a significant impact on minority or low-income populations.
- 21. Energy resources (geothermal, fossil fuels, etc.)
 - Not Applicable
- 22. Other agency or tribal land use plans or policies
 - Not Applicable
- 23. Land/structures with history of contamination/hazardous materials even if remediated
 - Not Applicable
- 24. Other important environmental resources to address.
 - Not Applicable

FRONT STREET PARK

1. Geological resources: soils, bedrock, slopes, streambeds, landforms, etc.
 - Because the site is linear, minimal or no grading is anticipated for this development as the grades must match at the sea wall and at the existing street asphalt. No significant impact to the site, soils, topography or landforms are anticipated.
2. Air quality
 - The proposed action will not produce any long-term adverse effects in air quality as there will not be any airborne emission sources added by this action. There will be an insignificant increase in the emissions from vehicles of the park users as most users are expected to walk from the surrounding existing neighborhood.
3. Sound (noise impacts)
 - The long-term noise levels are not anticipated to significantly increase with the proposed park development. Daily noise levels will be limited to normal park activities. Night time use of the park will be restricted by park closure hours after sunset.
 - Short term noise level impact will be expected from the construction activity. Construction will be limited to normal working daylight hours and weekdays. The contractor will be required to obtain a noise permit from the Health Department prior to construction and to comply with A.A.R. Chapter 11-46 Community Noise Control.
4. Water quality/quantity
 - Water usage will not be increased by this action as minimal park improvements will not require irrigation.
5. Stream flow characteristics
 - No significant impact is anticipated to the existing stream flow by the proposed action. The existing drainage canal was renovated and repaired by the previous owner in 2002. No changes to this existing channel are proposed.
6. Marine/estuarine
 - No significant impact is anticipated to the adjacent ocean. The existing retaining sea wall has been on the site since the 1920's and was renovated and repaired by the previous owner in 2002.
7. Floodplains/wetlands

- No significant impact is anticipated to the floodplain. Minimal landscaping will not affect the slope and drainage.
 - The property is not within the wetland area.
8. Land use/ownership patterns; property values; community livability
- The proposed development of a public park on the site is expected to increase the value of property in the area as a prized neighborhood amenity. The proposed development is located along the water front a few blocks north of historic Lahaina Town. The nearly half acre parcel (0.494 ac.) is linear with the ocean to the west and Front Street to the east. A sea wall runs along portions of the property. The lot is uniquely situated in the northern residential area of old Lahaina Town and will provide passive recreation for the surrounding neighborhoods within walking distance as well as ample street parking for destination users.
 - As a public park, the public is assured of another shoreline access route with land area available for passive recreation along this shoreline.
 - The proposed property is situated among single family residences, within walking distance of the Lahaina Cannery Mall shopping center, as well as nearby restaurants and vacation rentals.
 - Once completed, the County of Maui owned park will be maintained by the County Parks Department.
 - The current property valuation is \$440,000.00. See Appendix #3 for appraisal.
9. Circulation, transportation
- The lot is uniquely situated in the northern residential area of old Lahaina Town within walking distance for the surrounding neighborhoods as well as provides ample street parking for destination users.
10. Plant/animal/fish species of special concern and habitat; state/federal listed or proposed for listing
- The proposed action is not expected to have any significant impact on rare, endangered, or threatened fauna or avifauna as only common alien species are utilizing the sites.
11. Unique ecosystems, such as biosphere reserves, World Heritage sites, old growth forests, etc.
- Not Applicable
12. Unique or important wildlife/ wildlife habitat
- Not Applicable
13. Unique or important fish/habitat
- Not Applicable
14. Introduce or promote invasive species (plant or animal)
- Not Applicable
15. Recreation resources, land, parks, open space, conservation areas, rec. trails, facilities, services, opportunities, public access, etc.
- The proposed park development property is located along the water front a few blocks north of historic Lahaina Town. The nearly half acre parcel (0.494 ac.) is linear with the ocean to the west and Front Street to the east. A sea wall runs along portions of the property. The lot is uniquely situated in the northern residential area of old Lahaina Town and will provide passive recreation for the surrounding neighborhoods within walking distance as well as ample street parking for destination users. There are no conditions that will restrict public access and use of the property.

- The proposed park will be a new recreational opportunity, developed for public use specifically for the Lahaina community, and placed under 6(f) protection. The replacement property will support a more passive than active type of recreational user. The recreation user survey in the 2008 Update of the Statewide Comprehensive Outdoor Recreation Plan (SCORP) reported a high use of shoreline parks and identified the need for more beach parks and facilities for picnicking, etc. (Recreational Priority #4, pages 88 & 89).
 - The property is well suited for activities including picnicking, sunset views and fishing along the sea wall. The County's development plans will include signage, picnic tables, fencing and landscaping. There are currently no plans to construct a restroom or parking area.
16. Accessibility for populations with disabilities
 - Not Applicable
 17. Overall aesthetics, special characteristics/features
 - Not Applicable
 18. Historical/cultural resources, including landscapes, ethnographic, archeological, structures, etc.
 - Setting this property aside as a public park for passive recreation is not believed to impact any historic properties. However, the potential for subsurface cultural deposits indicates that any future development may require archaeological investigations. The State Historic Preservation Division is being consulted and their concurrence sought with this finding.
 19. Socioeconomics, including employment, occupation, income changes, tax base, infrastructure
 - As this proposed development will be to serve the existing West Maui residences, there should be no impact on the population growth in the area.
 - On a long term basis, the proposed development will provide an increase in recreational facilities for the existing West Maui residents. The proposed development will have no significant impact upon employment opportunities and it will not have any significant impact upon local population levels.
 25. Minority and low-income populations
 - The proposed action will not have a significant impact on minority or low-income populations
 20. Energy resources (geothermal, fossil fuels, etc.)
 - Not Applicable
 21. Other agency or tribal land use plans or policies
 - Not Applicable
 22. Land/structures with history of contamination/hazardous materials even if remediated
 - Not Applicable
 23. Other important environmental resources to address.
 - Not Applicable

Coordination and Consultation

List of Preparers

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Public Review

The document will be submitted to the State of Hawai'i Department of Health Office of Environmental Quality Control (OEQC) for publication in *The Environmental Notice*, and available for 30-day public review and comment.

Appendix #1 Environmental Screening Form: Lahaina Recreation Center

A. ENVIRONMENTAL RESOURCES Indicate potential for adverse impacts. Use a separate sheet to clarify responses per instructions for Part A on page 9.	Not Applicable- Resource does not exist	No/Negligible Impacts- Exists but no or negligible impacts	Minor Impacts	Impacts Exceed Minor EA/EIS required	More Data Needed to Determine Degree of Impact EA/EIS required	
1. Geological resources: soils, bedrock, slopes, streambeds, landforms, etc.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
2. Air quality	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3. Sound (noise impacts)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
4. Water quality/quantity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
5. Stream flow characteristics	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
6. Marine/estuarine	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
7. Floodplains/wetlands	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
8. Land use/ownership patterns; property values; community livability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
9. Circulation, transportation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
10. Plant/animal/fish species of special concern and habitat; state/federal listed or proposed for listing	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
11. Unique ecosystems, such as biosphere reserves, World Heritage sites, old growth forests, etc.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
12. Unique or important wildlife/ wildlife habitat	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
13. Unique or important fish/habitat	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
14. Introduce or promote invasive species (plant or animal)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
15. Recreation resources, land, parks, open space, conservation areas, rec. trails, facilities, services, opportunities, public access, etc. <i>Most conversions exceed minor impacts. See Step 3.B</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
16. Accessibility for populations with disabilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
17. Overall aesthetics, special characteristics/features	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
18. Historical/cultural resources, including landscapes, ethnographic, archeological, structures, etc. Attach SHPO/THPO determination.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
19. Socioeconomics, including employment, occupation, income changes, tax base, infrastructure	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
20. Minority and low-income populations	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
21. Energy resources (geothermal, fossil fuels, etc.)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
22. Other agency or tribal land use plans or policies	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
23. Land/structures with history of contamination/hazardous materials even if remediated	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
24. Other important environmental resources to address.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
B. MANDATORY CRITERIA If your LWCF proposal is approved, would it...				Yes	No	To be determined
1. Have significant impacts on public health or safety?				<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

2. Have significant impacts on such natural resources and unique geographic characteristics as historic or cultural resources; park, recreation, or refuge lands, wilderness areas; wild or scenic rivers; national natural landmarks; sole or principal drinking water aquifers; prime farmlands; wetlands (E.O. 11990); floodplains (E.O 11988); and other ecologically significant or critical areas.	<input type="checkbox"/>	x	<input type="checkbox"/>
3. Have highly controversial environmental effects or involve unresolved conflicts concerning alternative uses of available resources [NEPA section 102(2)(E)]?	<input type="checkbox"/>	x	<input type="checkbox"/>
4. Have highly uncertain and potentially significant environmental effects or involve unique or unknown environmental risks?	<input type="checkbox"/>	x	<input type="checkbox"/>
5. Establish a precedent for future action or represent a decision in principle about future actions with potentially significant environmental effects?	<input type="checkbox"/>	x	<input type="checkbox"/>
6. Have a direct relationship to other actions with individually insignificant, but cumulatively significant, environmental effects?	<input type="checkbox"/>	x	<input type="checkbox"/>
7. Have significant impacts on properties listed or eligible for listing on the National Register of Historic Places, as determined by either the bureau or office.(Attach SHPO/THPO Comments)	<input type="checkbox"/>	x	<input type="checkbox"/>
8. Have significant impacts on species listed or proposed to be listed on the List of Endangered or Threatened Species, or have significant impacts on designated Critical Habitat for these species.	<input type="checkbox"/>	x	<input type="checkbox"/>
9. Violate a federal law, or a state, local, or tribal law or requirement imposed for the protection of the environment?	<input type="checkbox"/>	x	<input type="checkbox"/>
10. Have a disproportionately high and adverse effect on low income or minority populations (Executive Order 12898)?	<input type="checkbox"/>	x	<input type="checkbox"/>
11. Limit access to and ceremonial use of Indian sacred sites on federal lands by Indian religious practitioners or significantly adversely affect the physical integrity of such sacred sites (Executive Order 13007)?	<input type="checkbox"/>	x	<input type="checkbox"/>
12. Contribute to the introduction, continued existence, or spread of noxious weeds or non-native invasive species known to occur in the area, or actions that may promote the introduction, growth, or expansion of the range of such species (Federal Noxious Weed Control Act and Executive Order 13112)?	<input type="checkbox"/>	x	<input type="checkbox"/>

Environmental Reviewers

The following individual(s) provided input in the completion of the environmental screening form. List all reviewers including name, title, agency, field of expertise. Keep all environmental review records and data on this proposal in state compliance file for any future program review and/or audit. The ESF may be completed as part of a LWCF pre-award site inspection if conducted in time to contribute to the environmental review process for the proposal.

1. Calvin Higuchi, Hiyakumoto + Higuchi Architects, Inc.
2. Patrick Matsui, Chief of Parks Planning & Development, County of Maui
- 3.

The following individuals conducted a site inspection to verify field conditions.

List name of inspector(s), title, agency, and date(s) of inspection.

1. Calvin Higuchi, Hiyakumoto + Higuchi Architects, Inc., February 2006
2. Patrick Matsui, Chief of Parks Planning & Development, County of Maui, May 2009
- 3.

Appendix #2 Environmental Screening Form: Front Street Park

A. ENVIRONMENTAL RESOURCES Indicate potential for adverse impacts. Use a separate sheet to clarify responses per instructions for Part A on page 9.	Not Applicable- Resource does not exist	No/Negligible Impacts- Exists but no or negligible impacts	Minor Impacts	Impacts Exceed Minor EA/EIS required	More Data Needed to Determine Degree of Impact EA/EIS required
1. Geological resources: soils, bedrock, slopes, streambeds, landforms, etc.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Air quality	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Sound (noise impacts)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Water quality/quantity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Stream flow characteristics	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Marine/estuarine	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Floodplains/wetlands	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Land use/ownership patterns; property values; community livability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Circulation, transportation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Plant/animal/fish species of special concern and habitat; state/federal listed or proposed for listing	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Unique ecosystems, such as biosphere reserves, World Heritage sites, old growth forests, etc.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Unique or important wildlife/ wildlife habitat	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Unique or important fish/habitat	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Introduce or promote invasive species (plant or animal)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Recreation resources, land, parks, open space, conservation areas, rec. trails, facilities, services, opportunities, public access, etc. <i>Most conversions exceed minor impacts. See Step 3.B</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
16. Accessibility for populations with disabilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Overall aesthetics, special characteristics/features	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Historical/cultural resources, including landscapes, ethnographic, archeological, structures, etc. Attach SHPO/THPO determination.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. Socioeconomics, including employment, occupation, income changes, tax base, infrastructure	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Minority and low-income populations	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. Energy resources (geothermal, fossil fuels, etc.)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22. Other agency or tribal land use plans or policies	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
23. Land/structures with history of contamination/hazardous materials even if remediated	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
24. Other important environmental resources to address.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

B. MANDATORY CRITERIA If your LWCF proposal is approved, would it...	Yes	No	To be determined
--	-----	----	------------------

1. Have significant impacts on public health or safety?	<input type="checkbox"/>	x	<input type="checkbox"/>
2. Have significant impacts on such natural resources and unique geographic characteristics as historic or cultural resources; park, recreation, or refuge lands, wilderness areas; wild or scenic rivers; national natural landmarks; sole or principal drinking water aquifers; prime farmlands; wetlands (E.O. 11990); floodplains (E.O. 11988); and other ecologically significant or critical areas.	<input type="checkbox"/>	x	<input type="checkbox"/>
3. Have highly controversial environmental effects or involve unresolved conflicts concerning alternative uses of available resources [NEPA section 102(2)(E)]?	<input type="checkbox"/>	x	<input type="checkbox"/>
4. Have highly uncertain and potentially significant environmental effects or involve unique or unknown environmental risks?	<input type="checkbox"/>	x	<input type="checkbox"/>
5. Establish a precedent for future action or represent a decision in principle about future actions with potentially significant environmental effects?	<input type="checkbox"/>	x	<input type="checkbox"/>
6. Have a direct relationship to other actions with individually insignificant, but cumulatively significant, environmental effects?	<input type="checkbox"/>	x	<input type="checkbox"/>
7. Have significant impacts on properties listed or eligible for listing on the National Register of Historic Places, as determined by either the bureau or office.(Attach SHPO/THPO Comments)	<input type="checkbox"/>	x	<input type="checkbox"/>
8. Have significant impacts on species listed or proposed to be listed on the List of Endangered or Threatened Species, or have significant impacts on designated Critical Habitat for these species.	<input type="checkbox"/>	x	<input type="checkbox"/>
9. Violate a federal law, or a state, local, or tribal law or requirement imposed for the protection of the environment?	<input type="checkbox"/>	x	<input type="checkbox"/>
10. Have a disproportionately high and adverse effect on low income or minority populations (Executive Order 12898)?	<input type="checkbox"/>	x	<input type="checkbox"/>
11. Limit access to and ceremonial use of Indian sacred sites on federal lands by Indian religious practitioners or significantly adversely affect the physical integrity of such sacred sites (Executive Order 13007)?	<input type="checkbox"/>	x	<input type="checkbox"/>
12. Contribute to the introduction, continued existence, or spread of noxious weeds or non-native invasive species known to occur in the area, or actions that may promote the introduction, growth, or expansion of the range of such species (Federal Noxious Weed Control Act and Executive Order 13112)?	<input type="checkbox"/>	x	<input type="checkbox"/>

Environmental Reviewers

The following individual(s) provided input in the completion of the environmental screening form. *List all reviewers including name, title, agency, field of expertise. Keep all environmental review records and data on this proposal in state compliance file for any future program review and/or audit. The ESF may be completed as part of a LWCF pre-award site inspection if conducted in time to contribute to the environmental review process for the proposal.*

1. Patrick Matsui, Chief of Parks Planning & Development, County of Maui
2. Cheryl Akiona, CIP Coordinator, Parks Planning & Development, County of Maui
- 3.

The following individuals conducted a site inspection to verify field conditions.

List name of inspector(s), title, agency, and date(s) of inspection.

1. Patrick Matsui, Chief of Parks Planning & Development, County of Maui, January 2010
2. Cheryl Akiona, CIP Coordinator, Parks Planning & Development, County of Maui, January 2010
- 3.

Appendix #3 Property Appraisals



APPRAISAL OF THE LAND UNDERLYING
THE WEST MAUI BOYS & GIRLS CLUB,
LAHAINA, ISLAND AND COUNTY OF MAUI

The Subject is Identified as a Portion of Tax Map Key

Division 2, Zone 4, Section 6, Plat 12, Parcel 005

**AN APPRAISAL REPORT OF THE LAND UNDERLYING THE WEST MAUI BOYS & GIRLS CLUB
280 SHAW STREET, LAHAINA, ISLAND AND COUNTY OF MAUI, STATE OF HAWAII**

PART I - INTRODUCTION

A-1. TITLE PAGE

PREPARED FOR: Ms. Cheryl Akiona
Capital Improvements Project Coordinator
County of Maui Parks & Recreation
Planning and Development
700 Hali'a Nako Street, Unit 2
Wailuku, Maui, Hawaii 96793

PREPARED BY: Glenn Kunihsa, MAI, CRE
Certified General Appraiser,
State of Hawaii, CGA-39
Expiration: December 31, 2011

ACM Consultants, Inc.
2073 Wells Street, Ste 100
Wailuku, Maui, Hawaii 96793

PROPERTY: A 16,315 square foot parcel of land underlying the West Maui Boys & Girls Club, located at 280 Shaw Street, Lahaina, Island and County of Maui, State of Hawaii

Tax Map Key: (2) 4-6-12-005 (portion of)

EFFECTIVE DATE: January 18, 2010

A-2 LETTER OF TRANSMITTAL

February 4, 2010

09-9171

Ms. Cheryl Akiona
Capital Improvements Project Coordinator
County of Maui Parks & Recreation
Planning and Development
700 Hali`a Nakoa Street, Unit 2
Wailuku, Maui, Hawaii 96793

Re: Complete Summary Appraisal of the fee simple interest in the 16,315 square foot parcel of land underlying the West Maui Boys & Girls Club situated at 280 Shaw Street in Lahaina, Island and County of Maui, State of Hawaii

Tax Map Key: Division 2, Zone 4, Section 6, Plat 12, Parcel 005 (portion of)

Dear Ms. Akiona:

In accordance with your instructions and requirements, we have inspected the above-referenced property in order to provide an opinion of the fee simple market value of a 16,315 square foot portion of Tax Map Key (2) 4-6-12-005. As instructed by the client, the Appraiser will provide an opinion of market value of this 16,315 square foot site under the following **hypothetical conditions**:

- (1) The subject exists as a legal, subdivided parcel; and
- (2) The subject is vacant of all buildings and improvements.

This appraisal is presented as a **Summary Appraisal Report** which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice for a Summary Appraisal Report. This appraisal report was also written in compliance with the Uniform Standards for Federal Land Acquisitions (**Yellow Book**).

The final value estimate is based on the on-site inspection of the property; the Appraiser's opinion of highest and best use; a study of comparable land transactions in the market; and, a review of current economic and financial conditions.

Ms. Cheryl Akiona
February 4, 2010
Page 2

Based on our research and study, it is our opinion that the market value of the subject, as of January 18, 2010, and subject to the "Certification", "Extraordinary Assumptions and Conditions" and "Limiting and Contingent Conditions" set forth herein, is

THREE HUNDRED SIXTY THOUSAND DOLLARS
\$360,000

The following appraisal report presents a narrative review of the appraisal and our analysis of data along with other pertinent materials on which the estimate of value is predicated.

Thank you for allowing us the opportunity to work on this interesting assignment.

Respectfully submitted,
ACM Consultants, Inc.

Glenn K. Kuniyama, MAI, CRE
Certified General Appraiser
State of Hawaii, CGA-039
Expiration: December 31, 2011

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TABLES

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A-4 APPRAISER'S CERTIFICATION

The undersigned does hereby certify that except as otherwise noted in this appraisal report:

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, limiting conditions, and legal instructions, and are the personal, unbiased professional analysis, opinions, and conclusions of the appraiser;
3. The appraiser has no present or prospective interest in the property appraised and no personal interest or bias with respect to the parties involved;
4. The compensation received by the appraiser for the appraisal is not contingent on the analyses, opinions, or conclusions reached or reported;
5. The appraisal was made and the appraisal report prepared in conformity with the *Uniform Appraisal Standards for Federal Land Acquisitions*;
6. The appraisal was made and the appraisal report prepared in conformity with the Appraisal Foundation's *Uniform Standards for Professional Appraisal Practice*, except to the extent that the *Uniform Appraisal Standards for Federal Land Acquisitions* required invocation of USPAP's Jurisdictional Exception Rule, as described in Section D-1a of the *Uniform Appraisal Standards for Federal Land Acquisitions*. The appraisal has also been prepared in accordance with the *Federal Financial Assistance Manual Volume 69 of the Land & Water Conservation Fund (LWCF) State Assistance Program*.
7. The appraiser has made a personal inspection of the property appraised and that the property owner, or his/ her designated representative, was given the opportunity to accompany the appraiser on the property inspection;
8. No one provided significant professional assistance to the appraiser.

I have made a personal inspection of the appraised property which is the subject of this report and all comparable sales used in developing the opinion of value. The date(s) of inspection was January 18, 2010, and the method of inspection was by foot.

In my opinion, as of January 18, 2010, the market value of the property is \$360,000.

ACM Consultants, Inc.

Glenn K. Kunihsa, MAI, CRE
Certified General Appraiser,
State of Hawaii, CGA-039
Expiration: December 31, 2011

A-5. SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Date of Valuation	January 18, 2010	
Tax Map Key	A 16,315 square foot portion of Tax Map Key: Division 2, Zone 4, Section 6, Plat 12, Parcel 005	
Location	280 Shaw Street, Lahaina, Island and County of Maui, State of Hawaii	
Census Tract	314.03	
Registered Fee Owners	County of Maui	
Zoning	Agricultural District	
State Land Use Designation	Agricultural District	
Flood Status	Zone X Community Panel Number 1500030362E Effective Date: September 25, 2009 Flood insurance is not required.	
Site Area	16,315 square feet	
Existing Improvements	The site is improved with the West Maui Boys & Girls Club facility; however the improvements will not be addressed in the appraisal assignment.	
Real Property Assessments (Land Only) (Entire 22.219-Acre Parcel – 2009)	Pitt 500 Agricultural	\$799,900
Estimated Real Property Taxes (Land Only) (Entire 22.219-Acre Parcel – 2009)	\$3,599.55 The County of Maui is exempt from paying any tax on the property.	
Highest and Best Use	Utilization of the property for single-family residential use (subject to the Federal Financial Assistance Manual Volume 69 of the Land & Water Conservation Fund (LWCF) State Assistance Program)	
Value Opinion of the Property		

THREE HUNDRED SIXTY THOUSAND DOLLARS
(\$360,000)

A-6. PHOTOGRAPHS OF SUBJECT PROPERTY



Photograph No. 1

Taken From: Point No. 1
Camera Facing: South
Date Taken: January 18, 2010
Taken By: Glenn Kunihsa, MAI, CRE

Description: This photograph depicts an overall view of the subject in a southerly direction from the adjacent parking lot. This parking lot currently services the surrounding park land as well as the subject.



Photograph No. 2

Taken From: Point No. 2
Camera Facing: East
Date Taken: January 18, 2010
Taken By: Glenn Kunihsa, MAI, CRE

Description: This photograph depicts an overall view of the subject in an easterly direction from Point No. 2 situated in the surrounding park.



Photograph No. 3

Taken From: Point No. 3
Camera Facing: Northwest
Date Taken: January 18, 2010
Taken By: Glenn Kunihiha, MAI, CRE

Description: This photograph depicts an overall view of the subject in a northwesterly direction. The camera is facing down the southwestern boundary of the site.



Photograph No. 4

Taken From: Point No. 4
Camera Facing: Northwest
Date Taken: January 18, 2010
Taken By: Glenn Kunihiha, MAI, CRE

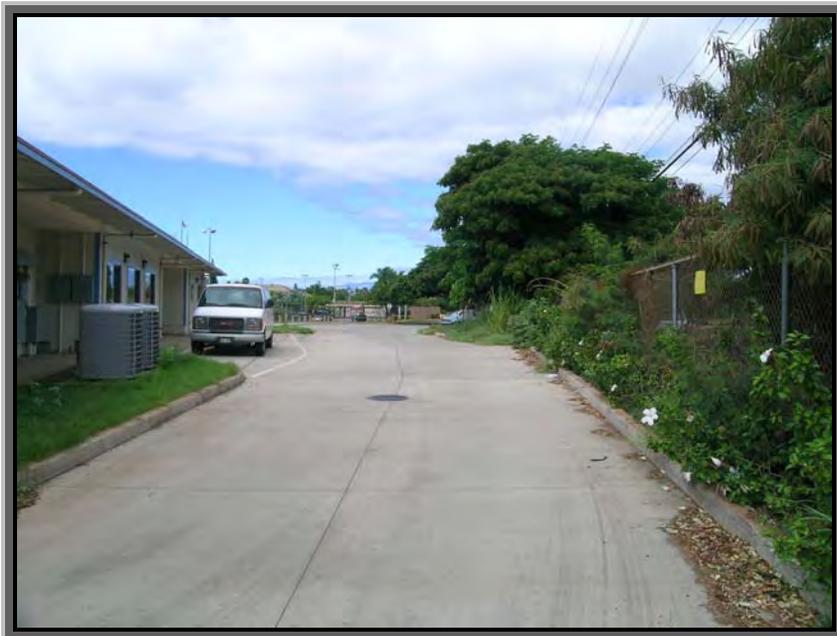
Description: This photograph depicts an additional overall view of the subject in a northwesterly direction from Point No. 4.



Photograph No. 5

Taken From: Point No. 5
Camera Facing: Northwest
Date Taken: January 18, 2010
Taken By: Glenn Kunihsa, MAI, CRE

Description: This photograph depicts an overall view of the subject in a northwest direction. The camera is facing down the subject's northeast boundary.



Photograph No. 6

Taken From: Point No. 6
Camera Facing: Northwest
Date Taken: January 18, 2010
Taken By: Glenn Kunihsa, MAI, CRE

Description: This photograph depicts an additional overall view of the adjacent driveway in a northwesterly direction. The concrete driveway provides access from Shaw Street (far background) to the surrounding park land.



Photograph No. 7

Taken From: Point No. 7
Camera Facing: Southwest
Date Taken: January 18, 2010
Taken By: Glenn Kunihi, MAI, CRE

Description: This photograph depicts an overall view of Shaw Street in a southwesterly direction. The driveway to the subject is shown at the far left and the Lahaina Aquatic Center is pictured at the far right. Shaw Street intersects with Honoapiilani Highway at the center background of this photograph.



Photograph No. 8

Taken From: Point No. 8
Camera Facing: Northeast
Date Taken: January 18, 2010
Taken By: Glenn Kunihi, MAI, CRE

Description: This photograph depicts an overall view of Shaw Street in a northeasterly direction. The subject is not shown but is on the right, beyond the fence. Shaw Street intersects with Shaw Street at the stop sign in the center background.



Photograph No. 9

Taken From: Point 9

Camera Facing: Northwest

Date Taken: January 18, 2010

Taken By: Glenn Kunihi, MAI, CRE

Description: This photograph depicts an overall view of Mill Street, which intersects with Shaw Street in the vicinity of the subject. Mill Street is presently a dirt road and is sparingly used. A gate prevents access to this roadway.

A-7. STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS

Extraordinary Assumptions. An assumption, directly related to a specific assignment, which, if found to be false, could alter the Appraiser's opinion or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis.

- (1) The value estimated in this report is based on the extraordinary assumption that the property is not negatively affected by the existence of hazardous substances, detrimental environmental conditions or articles of archaeological significance. The Appraiser is not an expert in the identification of such materials and conditions; therefore, no warranties with respect to these matters are expressed. Should tests and inspections by qualified experts in these fields reveal the existence of hazardous materials, detrimental environmental conditions or articles of archaeological significance on or around the property, unless otherwise noted in this report, such discoveries would negatively affect the property value and would invalidate this appraisal.
- (2) Preliminary site, parcel and survey maps and descriptions were furnished by the client and from the client's consultants and experts. The Appraiser assumes the maps and descriptions to be accurate and reliable. In addition, the Appraiser assumes no responsibility for their correctness or undisclosed modifications as of the date of appraisal.
- (3) At the time of inspection of the subject, the property pins and boundary markers were not readily visible to the Appraiser. As such, the approximate boundaries viewed by the Appraiser, based on the maps provided to him, as assumed to be correct.

Hypothetical Conditions. A hypothetical condition is that which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

The subject is a 16,315 square foot portion of a larger 22.219-acre parcel. It will be exchanged with another property in accordance with the Federal Financial Assistance Manual Volume 69 of the Land & Water Conservation Fund (LWCF) State Assistance Program. Chapter 4, Section D, Paragraph C (2) viii states the following:

Because Section 6(f) conversions are land exchanges, the following policies shall apply:

- a. *For partial takings, "part taken" appraisals shall be prepared for the subject parcels rather than employing the classic "before and after" appraisal methodology described above..."*
- b. *In order to determine the highest and best use of the park property, the appraiser is to ignore the actual zoning of the property if the zoning is a non-economic zoning established to recognize the "open space" characteristics of the park or to foster the preservation of the park. In this situation, the appraiser is to determine the most likely zoning that would have come about under the hypothetical condition the park was never created. In doing so, the appraiser will consider likely property uses based upon all germane factors as well as the actual present zoning of comparable, nearby, privately owned properties. Under this scenario, the cost, risk and time associated with obtaining a zoning change would not be appropriate. This procedure is necessary to avoid penalizing the conversion property because it was taken out of private ownership and dedicated to a non-economic use.*

In consideration of these requirements by LWCF, the appraisal will be subjected to the following Hypothetical Conditions:

- (1) Although the subject is a part of a larger parcel, it will be appraised under the hypothetical condition that it stands alone as a legal, fee simple, subdivided parcel of approximately 16,315 square feet.
- (2) The actual zoning classification of the subject may be ignored by the appraiser based on his/her determination of the most likely zoning that would have come about under the hypothetical condition the park was never created.

- (3) Since the exchange will involve land only, the improvements on the subject site will not be given consideration. Thus, the property will be appraised under the hypothetical condition that it is vacant and unimproved.

This appraisal report is also subject to the standard "Limiting and Contingent Conditions" located in the Addendum to this report.

A-8. SCOPE OF APPRAISAL

This appraisal report contains data gathered in our investigations, and is complete with exhibits describing the theory and calculations of our valuation methodology.

In the process, we have gathered pertinent data with respect to economic, social and environmental factors, along with other regional data that would have direct or indirect influence upon the subject. A physical inspection of the subject and its immediate neighborhood was conducted on January 18, 2010 and provided the basis for the site and other descriptions. Additionally, research was conducted into primary and secondary data sources in compiling factual information on the subject, and of the market.

Based on this information, an analysis of Highest and Best Use was conducted as though the site were vacant and available for development. In addition, the highest and best use scenario, the Appraiser determined the most likely zoning that would have come about under the hypothetical condition the park was never created. In doing so, the Appraiser has considered the likely property uses based upon all germane factors as well as the actual present zoning of comparable, nearby, privately owned properties.

This valuation assignment has been completed with the intent of complying with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute; specific guidelines of the Uniform Standards of Professional Appraisal Practice (USPAP); the Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA) or Yellow Book; and the Federal Financial Assistance Manual of the Land & Water Conservation Fund State Assistance Program.

A-9. PURPOSE, INTENDED USE AND INTENDED USER OF THE APPRAISAL

The purpose of this appraisal, as of January 18, 2010, is to provide an opinion of market value of the subject property. Market value under UASFLA is defined as follows:

Market value is the amount in cash, or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of the appraisal, after a reasonable exposure time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the property at the time of the appraisal.

The intended use of this report is to provide real property information, real estate market data, and an informed value conclusion to assist the client in the exchange of the property being appraised.

The County of Maui (the client), and those organizations or government agencies involved in the exchange process, are the only authorized users of this report. The specific federal agency involved in this exchange is the National Park Service, U.S. Department of the Interior. Any other use by any other person or entity for any other purpose, without exception, is explicitly unauthorized.

A-10. SUMMARY OF THE APPRAISAL PROBLEMS

This section of the report is provided to acquaint the reader with the specific appraisal problems which have been encountered during the valuation process.

The subject is located in the Lahaina District of Maui and is presently zoned Agricultural District although its present use is for a non-profit agency identified as the West Maui Boys & Girls Club.

The initial challenge facing the Appraiser is the determination of highest and best use under the guidelines set forth by the Federal Financial Assistance Manual Volume 69 of the Land & Water Conservation Fund, (LWCF) State Assistance Program. As stated in the valuation section, the highest and best use of the subject was concluded to be for single-family residential use. However, selection of the comparable properties for this valuation proved to be difficult, in light of the troubling economic condition of the state and the relative inactivity of the real estate market.

Research of the Maui Multiple Listing Service revealed that there have been no sales of residential zoned vacant land in Lahaina Town, since 2004. In the absence of recent sales in the area, the Appraiser was compelled to utilize conveyances from the greater Lahaina District.

The absence of sufficient data also made it difficult to provide quantitative support for adjustments made in the valuation tables. As a result, many of the adjustments were supported qualitatively by explanation and discussion reflecting the Appraiser's valuation experience on Maui.

The Appraiser has also provided supportive collateral data through the analysis of an active listing in Lahaina Town. It should be noted that as of the effective date, this was the only comparable active listing in the subject's general neighborhood.

PART II – FACTUAL DATA

A-11. LEGAL DESCRIPTION

A legal description of the subject was prepared by Kirk T. Tanaka, Licensed Professional Land Surveyor, as of December 22, 2009, as shown below.

A license area for the Boys and Girls Club of Maui Facilities affecting Lot 1, Lahaina Recreational Center and described as follows:

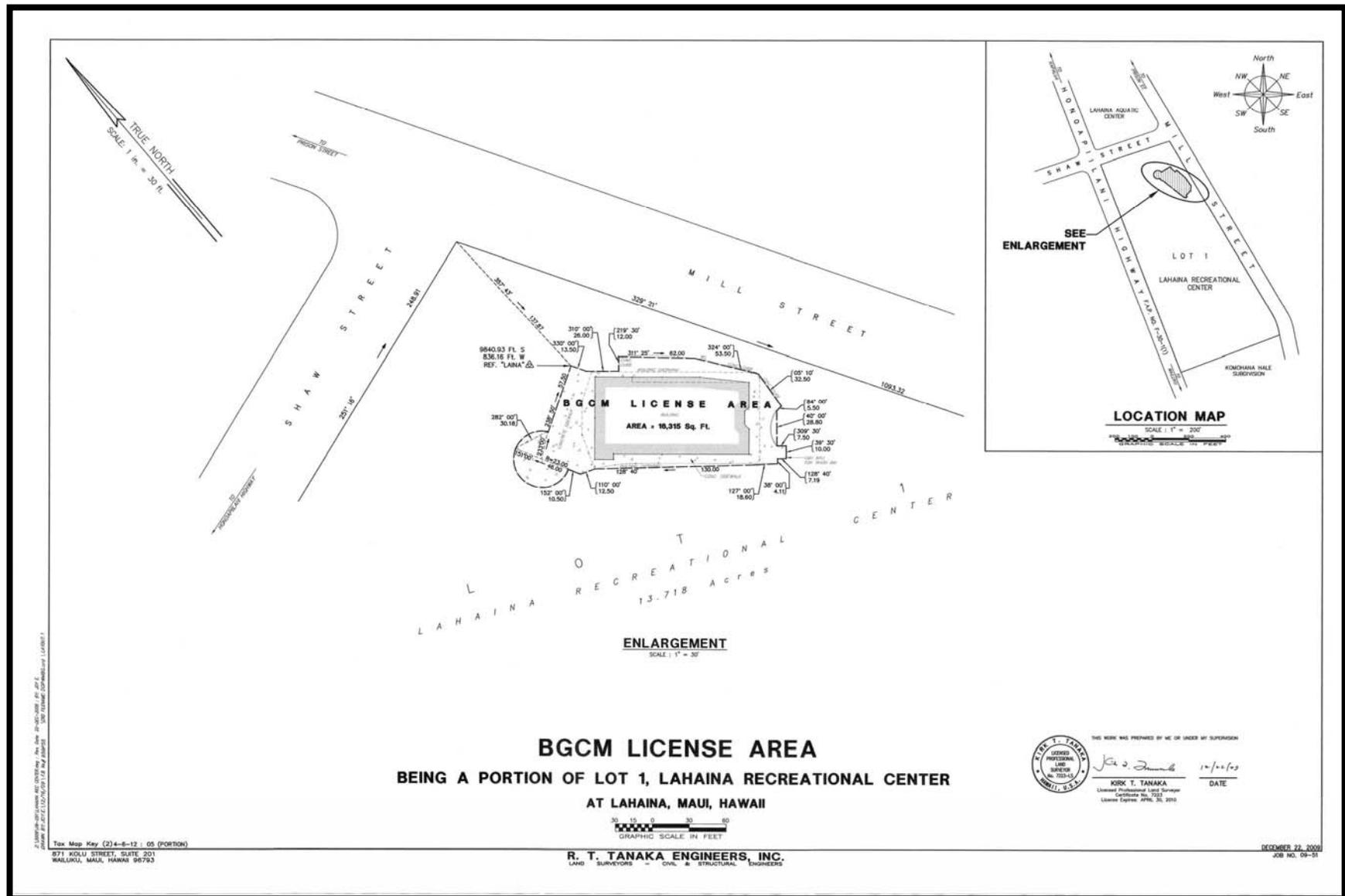
Beginning at the Northerly corner of this License Area, in the Northerly corner of Lot 1, said point being $357^{\circ} 43'$, 137.87 feet from the North corner of Lot 1, the coordinates of said point of beginning referred to Government Survey Triangulation Station "LAINA" being 9,840.93 feet South and 836.16 feet West and running by azimuths measure clockwise from True South:

1.	$330^{\circ} 00'$	13.50	feet along the remainder of Lot 1;
2.	$310^{\circ} 00'$	26.00	feet along the remainder of Lot 1;
3.	$219^{\circ} 30'$	12.00	feet along the remainder of Lot 1;
4.	$311^{\circ} 25'$	62.00	feet along the remainder of Lot 1
5.	$324^{\circ} 00'$	53.50	feet along the remainder of Lot 1;
6.	$05^{\circ} 10'$	32.50	feet along the remainder of Lot 1;
7.	$84^{\circ} 00'$	5.50	feet along the remainder of Lot 1;
8.	$40^{\circ} 00'$	28.80	feet along the remainder of Lot 1;
9.	$309^{\circ} 30'$	7.50	feet along the remainder of Lot 1;
10.	$39^{\circ} 30'$	10.00	feet along the remainder of Lot 1;
11.	$128^{\circ} 40'$	7.19	feet along the remainder of Lot 1

- | | | |
|---|--------|---|
| 12. 38° 00' | 4.11 | feet along the remainder of Lot 1; |
| 13. 127° 00' | 18.60 | feet along the remainder of Lot 1; |
| 14. 128° 40' | 130.00 | feet along the remainder of Lot 1; |
| 15. 110° 00' | 12.50 | feet along the remainder of Lot 1; |
| 16. 152° 00' | 10.50 | feet along the remainder of Lot 1 |
| 17. Thence, along the remainder of Lot 1 on a curve to the right with a radius of 23.00 feet, the chord azimuth and distance being:
152° 00' 46.00 feet; | | |
| 18. Thence, along the remainder of Lot 1 on a curve to the right with a radius of 23.00 feet, the chord azimuth and distance being:
282° 00' 30.18 feet; | | |
| 19. 238° 50' | 57.50 | feet along the remainder of Lot 1 to the point of beginning and containing an area of 16,315 square feet. |

The property is described on the Tax Maps of the State of Hawaii as:

Division 2, Zone 4, Section 6, Plat 12, Parcel 005 (portion of)



MAP OF LICENSE AREA

A-12. AREA, CITY AND NEIGHBORHOOD DATA

General Description

The geographic area surrounding the subject property is defined by physical and man-made boundaries, and encompasses an area known as Lahaina, which is located on the western slopes and coastal plain of west Maui. Its common boundary with the Wailuku Judicial District begins at the southern shore of west Maui, about two miles west of Papawai Point. Beginning at this point, the Lahaina region boundary travels mauka along the centerline of the Manawainui Gulch to the ridgeline of the West Maui Mountains. The boundary then continues in a northerly direction to Eke Crater then due North along Poelua Gulch to the northern shoreline of West Maui. West Maui generally includes the greater Puamana, Lahaina Town, Honokowai, Mahinahina, Napili and Kapalua neighborhoods.

Development also reflects the region's visitor and agricultural industries. Visitor accommodations are located at the shoreline along with necessary support facilities and residential communities. Kapalua and Kaanapali have developed into important visitor destination anchors while the old Lahaina Town with its historic character and charm has developed into the regions visitor, service, commercial and residential center. Small plantation camps and agricultural communities are located further inland.

Access to Lahaina from other parts of Maui is via Honoapiilani Highway, a State thoroughfare consisting of two asphalt-paved lanes, which widens to four lanes between Lahaina and Kaanapali. Extending past Launiupoko Park to the south of Honokowai Park is a proposed Lahaina by-pass.

In order to fully understand and appreciate the potential for expansion, as well as factors that could limit the growth of this region, a brief summary of recent or proposed developments in this area, along with a few important issues facing future development are in order.

Residential

Population and urban settlements in the Lahaina region are located at Olowalu and in a narrow band along the shoreline between the southern end of Lahaina and Kapalua. At Lahaina Town, settlement patterns extend mauka at Wahikuli and along Lahainaluna Road. This development pattern is set in the midst of former sugar cane and pineapple fields, at the base of the West Maui Mountains.

Residential neighborhoods directly in Lahaina Town are generally older, and older wood-framed dwellings (over 50 years old) are slowly being replaced with new homes. These older properties were subdivided prior to the inception of the Maui County Code;

consequently, land sizes of residential properties in Lahaina may vary anywhere from 1,600 to 30,000+ square feet instead of the 6,000 square foot minimum requirement set by the Maui County Code.

With the continued demand for workforce housing in West Maui, more focus has been made on the development of affordable units. One such contributor was Kapua Village, an employee housing project for Maui Land and Pineapple employees built in 2003. It consists of 46 affordable, single-family residential lots in the Kahana neighborhood of West Maui. The other project to bring affordable housing units to the region was the Villas at Kahana Ridge condominium project which added 117 affordable units to the market in 2005. Both projects were well received and sold out in a short time period.

Ongoing West Side condominium projects include Opukea in Lahaina, West Maui Breakers in Honokowai, as well as the Honua Kai development on Kaanapali Beach which is the first new oceanfront condominium development in this area in 20 years.

Commercial

Lahaina Town, the central hub of the Lahaina area, was once the capital of the State of Hawaii. Since the move of the capital to Honolulu, Lahaina Town has transformed into a major visitor oriented area replete with shopping centers, boutiques, and restaurants. It also contains the central business district of this region, with a number of professional office buildings, financial institutions, post office, medical facilities and service businesses. These types of businesses are situated along the interior roadways of Dickenson Street, Wainee Street, Papalaua Street, and Lahainaluna Road.

The 600 to 800 blocks of Front Street, situated along the ocean, are a shopping mecca frequented by hundreds of tourists each day. This popular commercial corridor commands the highest retail rents on Maui. One of the major developments on the 600 block is the Wharf Cinema Center which contains three levels of retail and restaurant space which is a popular stop for tourists and residents. Built in 1978, it reflects a traditional look of old, wooden oceanfront buildings. Also on the 600 block is the redeveloped Six Fathoms building, a retail building which has generated renewed interest in this southern section of the shopping district. At the northern end of the corridor is Lahaina Center, a 150,000 square foot commercial complex with an 800-stall parking lot. It includes such tenants as the Hard Rock Café, Hilo Hatties, and Ruth Chris Steak House and a multi-screen movie theater.

The other major retail area is situated approximately 5 miles northeast of Lahaina Town in the planned development of Kaanapali. The exclusive Kaanapali Resort is home to a number of hotels including the Hyatt Regency, Marriott, Westin, and Sheraton. Besides the

luxurious hotels, Kaanapali includes all of the resort-type amenities including condominium developments, championship golf courses, custom single family homes, restaurants, shopping and other recreational facilities. Whalers Village sits on 8.5 acres of prime Kaanapali oceanfront property with close to 60 shops and restaurants, a food court and whale museum. Developments such as the Hyatt Regency, Maui Marriott Hotel, Kapalua Resort, the Lahaina Cannery Shopping Center, along with numerous new businesses geared primarily to the visitor trade, had strengthened the employment center of West Maui.

Since late-2008, West Maui has seen a drop in tourism numbers, similar to the rest of the State. This was attributed to the global financial crisis, which stalled economic growth nationwide. This has led to the closure of businesses and created a number of retail vacancies. Even Lahaina Town, which rarely has available commercial space, has seen a significant drop in asking rents.

Meanwhile, several ongoing projects were completed, and are expected to have a significant impact in West Maui. The Ritz-Carlton Kapalua completed a 180 million dollar transformation in 2008 and now provides 463 guest rooms, Club level accommodations and the addition of one and two bedroom Residential Suites. The hotel is tiered down a 37-acre hillside and includes a spa, four world-class restaurants, fitness center, tri-level swimming pool, and over 150,000 square feet of meeting space.

In 2008, West Maui also saw the opening of Lahaina Gateway. This 145,000-square foot center is perched on an 11-acre site directly across Lahaina Cannery Mall. Dubbed a neighborhood "lifestyle" center, this shopping destination features specialty stores and service providers including Barnes & Noble, Outback Steakhouse, Melting Pot, Office Max, and Lahaina Farms, in addition to many other smaller businesses. Directly across Keawe Street, construction also began on a Burger King, Kentucky Fried Chicken, Panda Express and Walgreens.

There are two industrial parks in Lahaina: The Lahaina Business Park and the Wili Ko Industrial Subdivision. The Lahaina Business Park is the newest development with recently completed buildings in both Phases I and II. One of the largest projects within the park is the Emerald Plaza complex which consists of three phases, comprised of Emerald Plaza, Emerald Plaza Center and Emerald Plaza Place. These developments have seen regular sales of their spaces within the past several years. Continued building within both phases of the park is expected to continue through the next few years.

After more than 20 years of discussion, planning and design, ground was broken for the Lahaina by-pass in April 2009. Extending past Launiupoko Park to the south of Honokowai Park, the 9-mile corridor should relieve much of Lahaina Town's traffic congestion when completed.

Conclusion

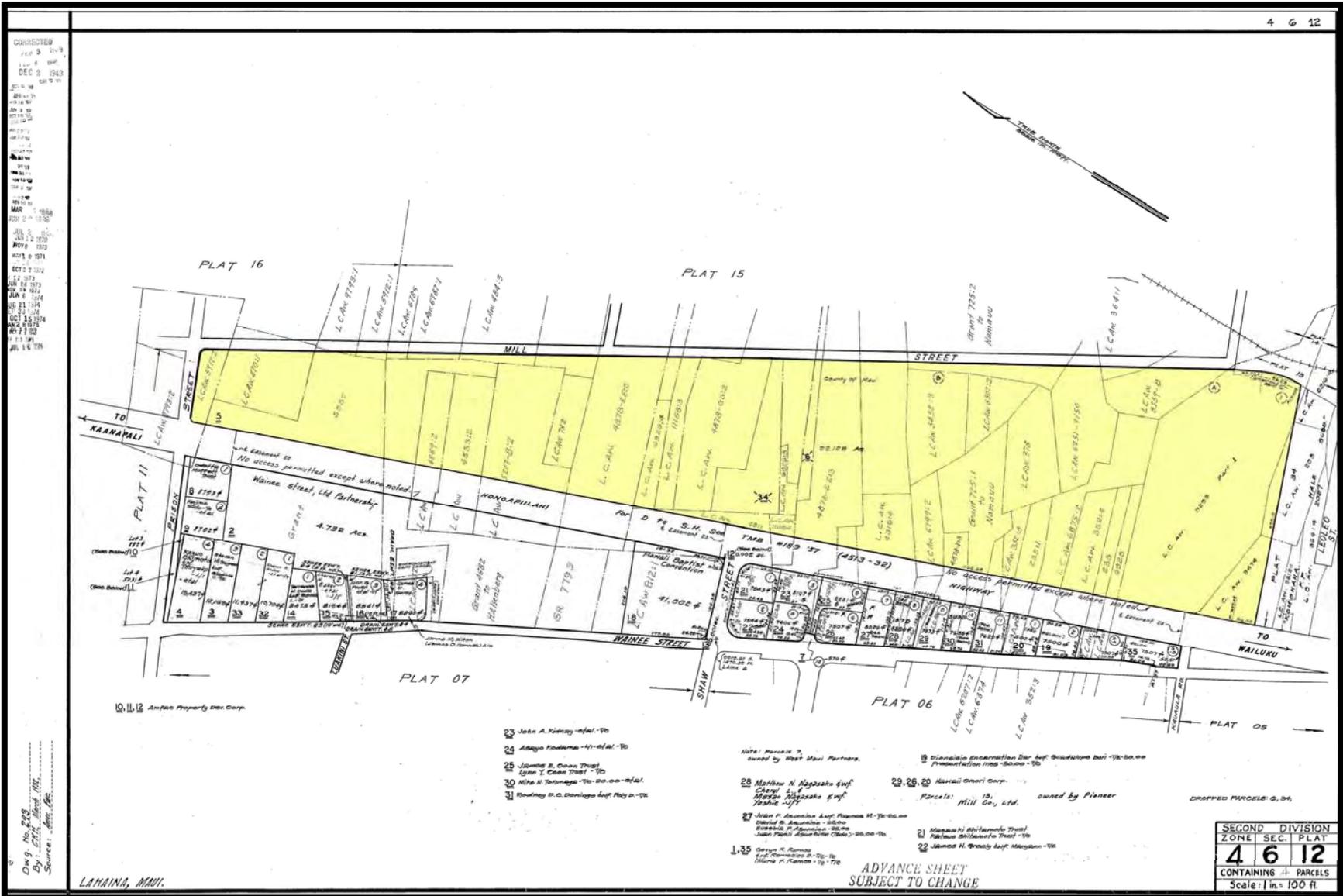
All public utilities including electricity, water, telephone and sewer service are available to the greater Lahaina area. Police and fire protection are provided by stations directly in Lahaina, as well as ambulance service. Shopping, schools, and other commercial, civic, recreational and religious facilities are located within Lahaina Town. Airline service to the Lahaina area is provided by commuter airlines into the Kapalua-West Maui Airport.

In previous years, the primary source of employment was provided by the Pioneer Mill. Since the mill's closure, however, the development of hotel resorts had created new job opportunities and the demand for employees had grown substantially. This demand for employees spurred growth in the area and also growth in commercial and other support activities. Inherent with this growth is the strain on the limited infrastructure in West Maui, as well as a keen shortage of available and affordable housing.

Due to the large land holdings of private companies and the State of Hawaii, available land in Lahaina for private, individual ownership is limited and subsequently, land values have risen steadily. The availability of affordable residential lots is expected to be in short supply for the foreseeable future.

The continued growth of Lahaina as a large urban area, as well as a major resort destination, is anticipated to be a catalyst for further growth in residential, commercial and various support facilities over the long term.

4 6 12



TAX MAP KEY

A-13. PROPERTY DATA

A-13a. Site

Topography. As verified by a physical inspection, the site has a generally level topography, with some gentle slopes along the western and northern boundaries.

View. There are views of the West Maui Mountains from the site.

Size and Shape. The site is roughly rectangular in shape with some small irregularities in the boundaries. It contains an area of approximately 16,315 square feet.

Public Utilities.

Water/Sewer:	Public water is available on site.
Electricity:	Electricity is available on site.
Telephone:	Telephone service on Maui is provided by Hawaiian Telcom and is available on site.

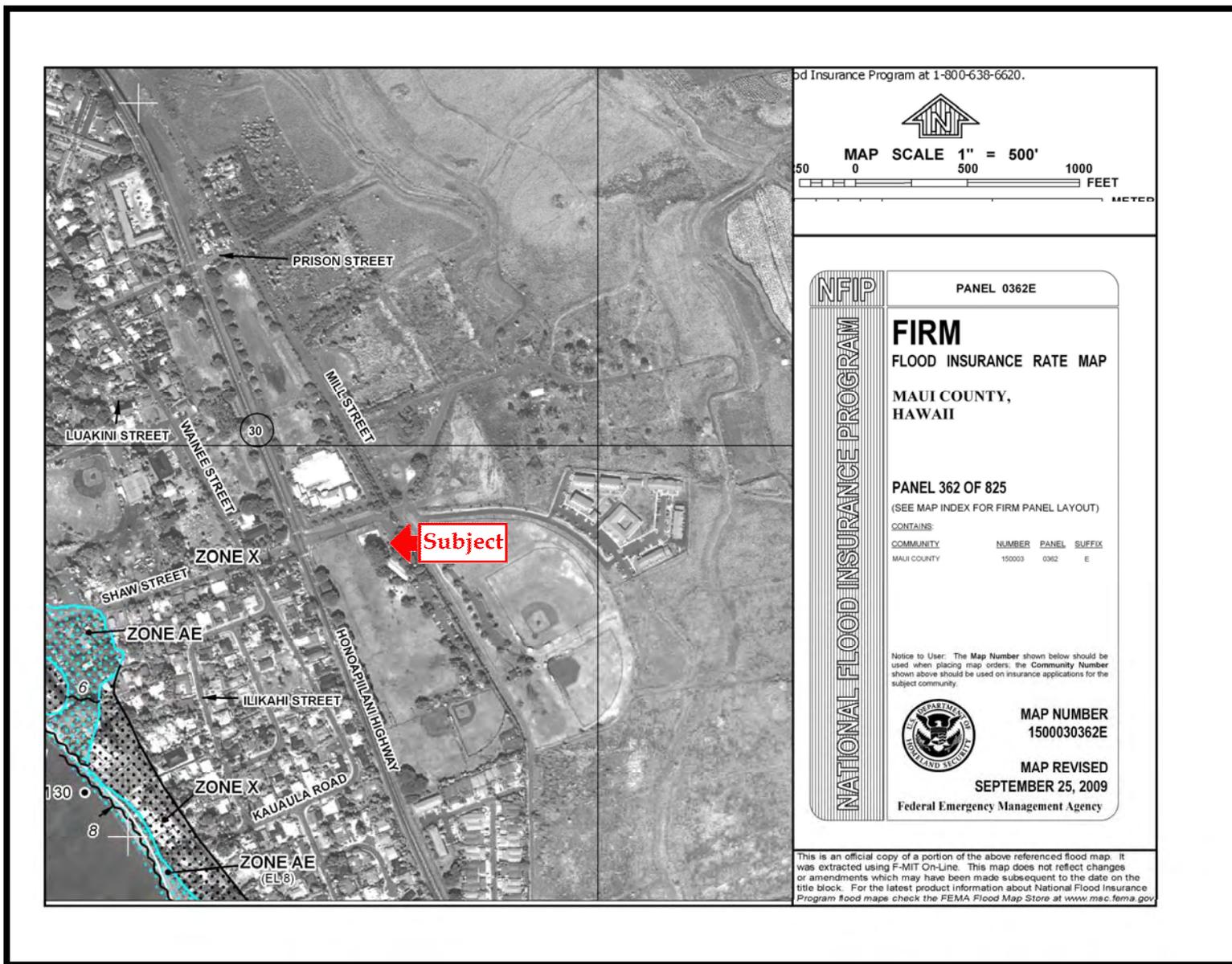
Minerals & Mining. The Appraiser is not aware of the existence or non-existence of commercially valuable mineral deposits. In either case, however, the State of Hawaii reserves all mineral and metallic mining rights on all properties.

Present Use. The site is presently improved by a non-profit facility occupied by the West Maui Boys & Girls Club.

Flood Status. Within the County of Maui, certain areas are subject to periodic inundation by flooding and/or tsunami which may result in loss of life and property, creation of health and safety hazards, disruption of commerce and governmental services as well as extraordinary public expenditures for flood and tsunami protection and relief. Congress has determined that regulation of construction in areas subject to flood hazards is necessary for the protection of life and property and reduction of public costs for flood control, rescue and relief efforts, thereby, promoting the safety, health, convenience and general welfare of the community. In order to achieve these purposes, Title 19, Article IV, Chapter 19.62 establishes flood hazard districts and imposes restrictions upon man-made changes to improved and unimproved real estate within the districts. These restrictions are necessary to qualify the County of Maui for participation in the federal flood insurance program. Failure to participate in the program would result in the denial of federal financial assistance for acquisition and construction purposes, and jeopardize the making, securing, extension and renewal of loans secured by improved real estate by lending institutions regulated by the federal government.

Flood Hazard Districts are delineated on Flood Boundary and Floodway Maps and the Federal Insurance Rate Maps prepared by the Federal Insurance Administration and Federal Emergency Management Agency (FEMA). The parcel, as illustrated by Map Number 1500030362E, revised September 25, 2009, by FEMA, lies in Zone X.

Zone X represents areas determined to be outside the 0.2 percent annual chance floodplain. Insurance purchase in conjunction with federally-related financing is not required in these zones.



FLOOD MAP

Wetland. The site is not presently encumbered by a wetland-designated area.

Historic or Archaeological Features. The Appraiser is not aware of any historical or archaeological features on this site. No studies were available for the Appraiser's review.

Flora/Fauna/Habitat. The property has a lawn and a few shade trees surrounding the existing building.

Soil Condition. According to the client, a final Environmental Assessment was completed in April 2006 for the construction of the West Maui Boys & Girls Club clubhouse. The client has confirmed that the assessment stated: "The site's topography has been altered by past sugar cane cultivation and the development of the park and there are no significant topographic constraints within the project site." Also, soil conditions were said to have been analyzed and reported in a Soils Investigation Report by Island Geotechnical Engineering.

The Appraiser has not been provided with soil, subsoil or other engineering studies to determine the load-bearing capacity of the subject parcel. However, based on typical construction in the neighborhood and our knowledge of other properties in the immediate vicinity, the site is presumed to have stable soil conditions and no apparent drainage problems.

Hazardous Substance Examination. This appraisal will be a part of an Environmental Assessment (EA) which the client will be submitting to the National Park Service. A Proposal Description - Environmental Screening Form (PD-ESF) is being prepared for the EA and a final version of this report was not available for review by the Appraiser.

Vehicular Access. Vehicular access to this property is via Shaw Street, which intersects Honoapiilani Highway, the major thoroughfare in the Lahaina District. According to site maps provided to the Appraiser, the subject is effectively land-locked. Vehicular access to the site is provided by a driveway and parking lot adjacent to the subject and along its eastern boundary. The driveway and parking lot also serve the park surrounding the subject. For the purposes of this report, the Appraiser has assumed that there will be adequate access to the subject into perpetuity.

A-13b. Improvements

The site is presently improved by a single-story clubhouse facility for the West Maui Boys & Girls Club. The subject, however, is being appraised under the hypothetical condition that the property is vacant and unimproved.

A-13c. Fixtures

The site is assumed to be vacant and, hypothetically, there are no fixtures on site.

A-13d. Use History

Based on the aforementioned hypothetical condition, the site is unimproved and there is no improvement use history. During the past 10 years, the site has been a part of a public park and unimproved until June 2009, when the West Maui Boys & Girls Club facility was completed.

A-13e. Sales History

Public records indicate that there have been no conveyances of the subject within 10 years prior to the effective date of this appraisal: UASFLA requires that if no sale of the property has occurred in the past 10 years, the Appraiser shall report the last sale of the property, irrespective of the date.

As mentioned earlier, the subject contains 16,315 square feet and is a part of a larger parcel (TMK: (2) 4-6-12-005) having a land area of 22.219 acres. The Appraiser's review of public records did not reveal any transfer of either the subject or the larger parcel during the past 10 years. According to records at the Maui County Tax Office, the larger parcel was acquired by the County of Maui through the eminent domain process which was deemed necessary for a public purpose; namely, the development of the Lahaina Recreational Center and Lahaina Housing Project. This property acquisition by the County of Maui occurred on April 4, 1991, the effective date of the Judgement. An employee at the County of Maui Tax Office indicated that the record did not specify any purchase price. Typically, compensation is awarded from the government agency to the property owner; and, it is assumed that the property was acquired at its market value.

A-13f. Rental History

According to the County of Maui Parks Department, this property was leased for one year from 1995 to 1996 to the West Maui Youth Center at a rent of \$1.00 per year. The holdover clause of this lease calls for a month-to-month extension of the lease and has been applied in this case.

A-13g. Assessed Value and Annual Tax Load

Land and improvements in Hawaii are assessed based on 100 percent of their estimated market value. The subject, being a portion of a larger parcel, has not been individually assessed by the County of Maui. Instead, the records of the Maui County Tax office indicate a

total 2009 land assessment of \$799,900 for the 22.219-acre parcel: Currently, the tax rate for Pitt 500 (Agricultural) is \$4.50 per \$1,000 of assessed value. In this regard, the tax for the entire 22.219-acre site is \$3,599.55 (land only).

It should be noted that the tax assessment is based primarily on the agricultural zoning of the land and not necessarily in accordance with its hypothetical highest and best use which the Appraiser is instructed to consider in this exchange process.

As a result, the tax load of the subject has been analyzed based on its highest and best use, as determined in this appraisal. At a market value of \$360,000, and a residential mill rate of \$4.85 per \$1,000 of assessed value, the tax burden for the subject is estimated to be \$1,746.00.

A-13h. Zoning and Other Land Use Regulations

Zoning classifications by the County of Maui, when dealing with Agricultural, Conservation and Rural properties, follows the State Land Use classifications set forth by the State Land Use Commission.

State Land Use Classification

As indicated by the Maui County Planning Department, the current SLU classification of the subject is Agricultural. The Maui County zoning of Agricultural District is consistent with the State Land Use classification. The Agricultural District zoning ordinance is summarized in the following paragraphs.

County of Maui Agricultural District

The purpose of the Agricultural District is to (1) implement chapter 205, Hawaii Revised Statutes, and the goals and policies of the Maui County General Plan and Community Plans; (2) promote agricultural development; (3) preserve and protect agricultural resources; and (4) support the agricultural character and components of the County's economy and lifestyle.

Permitted uses include (1) agriculture; (2) agricultural land conservation; (3) agricultural parks, pursuant to chapter 171 Hawaii Revised Statutes; (4) animal and livestock raising, including animal fee lots and sales yards; (5) private agricultural parks as defined in the Maui County Code; (6) minor utility facilities as defined in section 10.04.040, Maui County Code; and (7) retention, restoration, rehabilitation, or improvement of buildings, sites or cultural landscapes of historical or archaeological significance.

Of special significance to this report is the recent passage of Bill No. 113 (1998) on December 31, 1998. This bill made it more difficult to develop agricultural subdivisions by limiting the maximum number of lots that may be created from a bulk parcel of agricultural land. Under prior law, developers were able to maximize the number of marketable lots by subdividing a bulk parcel into as many 2.00-acre lots that the land area could support. Under the new ordinance, a 31-acre lot can only be subdivided into 7 two-acre minimum lots. A table outlining this restriction is shown below.

According to this new bill, "this subsection shall not apply to any lot which received preliminary subdivision approval prior to the effective date of this ordinance and which receives final subdivision approval after the effective date of this ordinance. The subsequent lots resulting from such subdivision shall be subject to this subsection."

Area of Lot In Acres	Two-Acre Minimum Lot Size
At least 2 but less than 31 acres	7 lots.
At least 31 but less than 61 acres	7, plus one additional lot for each 10 acres above 31 acres.
At least 61 but less than 92 acres	10, plus one additional lot for each 15 acres above 61 acres; plus, one additional 15-acre minimum lot.
92+ acres	12, plus one additional lot for each 40 acres above 92 acres (not to exceed 14 lots); plus 2 additional 15-acre minimum lots and one additional lot for each 60 acres above 92 acres; plus, 1 additional 25-acre minimum lot size and 1 additional lot for each 100 acres above 92 acres; plus, 1 40-acre minimum lot for each 160 acres above 92 acres.

Source: Ordinance No. 2749, Bill No. 113 (1998), Approved 12/31/98

Refer to Exhibit Section A-38 at the end of this report for the entire zoning ordinance.

West Maui Community Plan

The West Maui Community Plan covers the entire Lahaina Judicial District located on the western slopes and coastal plain of west Maui. Its common boundary with the Wailuku Judicial District begins at the southern shore of West Maui, about two miles west of Papawai Point. Beginning at this point the Lahaina region boundary travels mauka along the centerline of the Manawainui Gulch to the ridgeline of the West Maui Mountains. The boundary then continues in a northerly direction to Eke Crater then due North along Poelua Gulch to the northern shoreline of West Maui.

The purpose of this Community Plan is to provide a relatively detailed scheme for implementing the objectives and policies of the Maui County General Plan relative to the Lahaina region. Contained in this plan are the desired sequence, patterns, and characteristics of future developments for the region as well as statements of standards and principals with respect to development and statements indicating the sequence in which future development is to occur.

This Community Plan is a guide to making decisions regarding the development in the region until the year 2000. Updates will occur every five years to incorporate new data and analysis. The plan elements are organized according to the General Plan objectives and policies.

As shown on the West Maui Community Detailed Land Use Map and verified with the Maui County Land Use and Codes Division, the subject property is located in an area designated Park (PK). This designation applies to lands developed or to be developed for recreational use. This includes all public and private active and passive parks.

Special Management Area

An article was adopted by the Maui County Planning Commission in December of 1979 for the purpose of "preserving" and "protecting", and where possible, restoring the natural resources of the coastal zone of Hawaii. The rules and regulations in the article are known as the "Special Management Area Rules and Regulations of the County of Maui". The rules and regulations contained in the article were established pursuant to Chapter 205A, Hawaii Revised Statutes, as amended by Acts 176, 188 and 200, Session Laws of Hawaii 1975, 1977 and 1979, respectively. A review of the Special Management Area maps on the Maui County website discloses that the subject is not located within that district and is not subject to its rules and regulation.

PART III DATA ANALYSIS AND CONCLUSIONS

A-14. ANALYSIS OF HIGHEST AND BEST USE

Highest and Best Use analysis applies to both the site as though vacant and the property as currently improved. In highest and best use analysis, the four criteria that the property must satisfy are:

- 1) Physically possible uses;
- 2) Legally permissible uses;
- 3) Financially feasible uses; and
- 4) Maximally productive use.

These criteria should be considered sequentially through an examination of the physical and economic data reported in the previous sections of this report. Within the four categories mentioned above, other considerations include: use must be legal and in compliance with zoning and building requirements; use must be within the realm of probability and not speculative or conjectural; demand for such use must exist; use must be profitable; use should provide the highest net return to the land; and the use should produce the maximum return for the longest possible time.

Highest and Best Use is defined by the Uniform Appraisal Standards for Federal Land Acquisitions as:

The highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future

Since the appraisal of the subject property is based on a particular premise of use, the highest and best use analysis determines just what this premise of use should be.

Typically, two assumptions must be given pertinent consideration in the analysis of highest and best use.

- 1) The site as if vacant and available for development; and
- 2) The site as presently improved

In this case, however, this report was prepared under the hypothetical condition that the site is vacant. Consequently, the second scenario will not be addressed.

The Site as if Vacant

The first major aspect of the highest and best use analysis is considering the property as if it were vacant and available for development. Typically, this assumption is made to determine whether the land alone is worth more than the existing property, as is. In other

words, this is the beginning benchmark to compare with the highest and best use of the property, as is, to determine whether the site is presently underutilized.

Physically Possible Uses

The physical aspects of the site impose the first constraint on any possible use of the property. The subject contains a total of 16,315 square feet of land accessed from Shaw Street in the Lahaina District. The parcel is irregularly shaped with a generally level to gently sloping topography. The Appraiser has not been provided with soil, subsoil or other engineering studies to determine the load bearing capacity of each lot; however, the site is presumed to have stable soil conditions. Based only on the physical aspects of the sites, it is the Appraiser's opinion that a wide variety of residential and non-residential uses would be possible.

Legally Permissible Uses

The subject has a State Land Use designation of Agricultural, in addition to being zoned Agricultural District by the County of Maui. The purpose of the Agricultural District is to (1) implement chapter 205, Hawaii Revised Statutes, and the goals and policies of the Maui County General Plan and Community Plans; (2) promote agricultural development; (3) preserve and protect agricultural resources; and (4) support the agricultural character and components of the County's economy and lifestyle.

However, the subject will be exchanged with another property in accordance with the Federal Financial Assistance Manual Volume 69 of the Land & Water Conservation Fund (LWCF) State Assistance Program. Chapter 4, Section D, Paragraph C (2) viii states the following:

Because Section 6(f) conversions are land exchanges, the following policy shall apply:

In order to determine the highest and best use of the park property, the appraiser is to ignore the actual zoning of the property if the zoning is a non-economic zoning established to recognize the "open space" characteristics of the park or to foster the preservation of the park. In this situation, the appraiser is to determine the most likely zoning that would have come about under the hypothetical condition the park was never created. In doing so, the appraiser will consider likely property uses, based upon all germane factors as well as the actual present zoning of comparable, nearby, privately owned properties. Under this scenario,

the cost, risk and time associated with obtaining a zoning change would not be appropriate. This procedure is necessary to avoid penalizing the conversion property because it was taken out of private ownership and dedicated to a non-economic use.

In this case, it is highly likely that urbanization of agricultural zoned land would have occurred, had the park not been created. The surrounding uses consist primarily of single-family residential properties and would be highly supportive of a similar use for the subject. Based on the aforementioned policy, the Appraiser has considered single-family residential use to be a legally permitted use for the subject.

Financially Feasible Uses

The test of financial feasibility involves an analysis of the likelihood of the use producing an income, or return, greater than the combined income needed to satisfy operating expenses, financial expenses, and capital amortization. All uses that are expected to produce a positive net income or rate of return are considered to be financially feasible.

The criteria utilized in this analysis primarily involved the observation of market activity in relation to financial feasibility. Research has revealed historically strong demand for single-family residences in the Lahaina Town area. Goods and services providers in Lahaina Town primarily cater to the visitor industry, and employ a large number of workers. However, due to the high cost of housing in West Maui, much of its workforce commutes from other urban areas on Maui. In addition, the absence of residential zoned vacant land sales, even during times of market prosperity, is clear evidence of a lack of supply. Although current economic conditions are not conducive to the development of single-family housing, it is common knowledge that pent-up demand still exists in Lahaina Town. As such, it is the Appraiser's opinion that, over the long-term, single-family development for the subject is a financially feasible use.

Maximally Productive Use

The maximally productive use of the site is that use among all of the financially feasible uses that provides the highest rate of return, or value. In the final analysis, a determination must be made as to which feasible use is the highest and best use of the parcels as if vacant.

For this analysis, the Appraiser's conclusion was heavily influenced by the policy described in the Legally Permissible Use section. While zoned Agricultural District, the policy stipulated that consideration must be made for a reasonable alternative use for the subject, should the park not have been created. On this basis, it is the Appraiser's

opinion that the highest and best use of the subject would be for single-family residential use.

Conclusion of Highest and Best Use

In light of the subject's required alternative use consideration, location, physical attributes, and the current condition of the real estate market, the Highest and Best Use of the subject is concluded to be for single-family residential use.

A-15. LAND VALUATION

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

The value of the subject parcel was derived from an analysis of comparable sales in the general vicinity of the subject and their location relative to the subject is shown on the Comparable Land Sales Map in this section of the report. Because no two properties are ever truly identical, the prices of the market indicators must be reduced to various units of comparison to reflect the value of the subject property. Typically, the variations in sales prices reflect differences in size, location, zoning, time and terms of sale, and the physical characteristics of the land.

The value indication is developed using a unit of comparison in which the type of site being appraised is typically bought and sold on the market. In this assignment, the price per square foot of land is the most appropriate unit of comparison. The land sales which have been utilized as comparables in this valuation assignment are summarized on the following pages.

Comparable Land Transactions

Research commenced with a search of similar land sales in the subject's immediate Lahaina Town neighborhood, with concentration on transactions with similar zoning and other criteria as described above. Lacking comparable sales in Lahaina Town, however, the Appraiser expanded the scope of research to include properties within the greater Lahaina District. In this case, transactions of single-family residential vacant lots were utilized from the Kahana community and represent the most recent and competitive transactions in the district. It is the Appraiser's opinion that these sales are the most reasonable and appropriate indicators of the subject's market value.

The comparable land transactions and adjustments to reflect the variations in the properties are contained in the **Site Valuation Worksheet** on Page 47.

It should be noted that the worksheet includes an active listing to help support the Appraiser's conclusion of market value. Discussion of this

available property can be found in the Collateral Data section, which follows this analysis.

- **Land Transaction No. 1 - Tax Map Key (2) 4-3-20-101**

This fee simple property is located at 15 Areca Place, within the Kahana Ridge subdivision, in Kahana. It is zoned R-1 Residential District by the County of Maui, with a West Maui Community Plan designation of Single Family. The property has an irregular, trapezoid shape, with generally level to gently sloping topography. Mountain and partial ocean views are available from this site. All public utilities are available to this site and there were no known encumbrances to the property. The comparable is located within Flood Zone X, whereby the property owner is not required to carry flood insurance.

This property was sold from John & Joan Thompson to Christina Lovitt on July 27, 2009 at a price of \$250,000 or \$34.04 per square foot. This transaction was recorded in the Bureau of Conveyances as Document No. 090-144295.

Public records indicate one other sale of this property within the ten years prior to this transaction. It is noted in Section A-34 at the end of this report.

- **Land Transaction No. 2 - Tax Map Key (2) 4-3-20-111**

This fee simple property is located at 249 Kahana Ridge Drive, within the Kahana Ridge subdivision, in Kahana. It is zoned R-1 Residential District by the County of Maui, with a West Maui Community Plan designation of Single Family. The property has a generally rectangular shape, with generally level to gently sloping topography. Mountain and partial ocean views are available from this site. All public utilities are available to this site and there were no known encumbrances to the property. The comparable is located within Flood Zone X, whereby the property owner is not required to carry flood insurance.

This property was sold from Jeff McKinley & Deborah Daly to Jerry & Elizabeth Sager on July 10, 2009 at a price of \$225,000 or \$35.61 per square foot. This transaction was recorded in the Bureau of Conveyances as Document No. 09-105771.

Public records indicate one other sale of this property within the ten years prior to this transaction. It is noted in Section A-34 at the end of this report.

- **Land Transaction No. 3 - Tax Map Key (2) 4-3-20-077**

This fee simple property is located at 3 Hibiscus Place, within the Kahana Ridge subdivision, in Kahana. It is zoned R-1 Residential District by the County of Maui, with a West Maui Community Plan designation of Single Family. The property has a generally rectangular shape, with generally level to gently sloping topography. Mountain and partial ocean views are available from this site. All public utilities are available to this site and there were no known encumbrances to the property. The comparable is located within Flood Zone X, whereby the property owner is not required to carry flood insurance.

This property was sold from Harry and Carol Sicora to Richard and Judith Manthei on March 31, 2009 at a price of \$280,000 or \$44.03 per square foot. This transaction was recorded in the Bureau of Conveyances as Document No. 09-047828.

Public records indicate one other sale of this property within the ten years prior to this transaction. It is noted in Section A-34 at the end of this report.

Table 1 – Land Transaction Adjustment Schedule

Subject		COMPARABLE LAND SALES			Collateral Data
		Land Sale 1	Land Sale 2	Land Sale 3	Listing 1
Tax Map Key (Division 2)	4-6-12-005 (portion of)	4-3-20-101	4-3-20-111	4-3-20-077	4-5-14-TBD
Street Address	280 Shaw Street	15 Areca Place	249 Kahana Ridge Dr.	3 Hibiscus Place	120B Wahikuli Road
Community Location	Lahaina	Kahana	Kahana	Kahana	Lahaina
County Zoning	Assumed R-3 Residential	R-1 Residential	R-1 Residential	R-1 Residential	R-3 Residential
Community Plan	Assumed Single Family	Single Family	Single Family	Single Family	Single Family
Land Tenure	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Parcel Configuration	Irregular	Irregular	Generally rectangular	Generally rectangular	Rectangular
Topography/Terrain	Level to gentle slope	Level to gentle slope	Level to gentle slope	Level to gentle slope	Level to gentle slope
Roadway Accessibility	Assumed Adequate	Adequate	Adequate	Adequate	Adequate
Domestic Utilities	All public utilities	All public utilities	All public utilities	All public utilities	All public utilities
Predominant Site Views	Mountain	Mountain & ocean	Mountain & ocean	Mountain & ocean	Mountain & ocean
FEMA Flood Status	Zone X	Zone X	Zone X	Zone X	Zone X
Site Encumbrances	None noted	None noted	None noted	None noted	None noted
Land Area in SF	16,315	7,345	6,318	6,360	9,975
Recordation Date		7/27/09	7/10/09	3/31/09	DOM 137
Instrumental/Financing		Deed/Agmt of Sale	Deed/Cash	Deed/Cash	Active Listing
Document Number		09-144295	09-105771	09-047828	MLS 339402
Grantor		John Thompson, et al.	Jef McKinley, et al.	Harry & Carol Sicora	Not applicable
Grantee		Christina Lovitt	Jerry Sager, et al.	Richard & Judith Manthei	Not applicable
Transaction Price		\$250,000	\$225,000	\$280,000	\$395,000
Financing/Conditions of Sale Adjustment		(\$5,000)	\$0	\$0	\$0
Adjusted Transaction Price		\$245,000	\$225,000	\$280,000	\$395,000
Indicated Transaction Price per Square Foot		\$33.36	\$35.61	\$44.03	\$39.60
Market Conditions Adjustment (Time)		0.94	0.94	0.90	0.90
Market Conditions Adjusted Unit Price		\$31.35	\$33.48	\$39.62	\$35.64
ADJUSTMENTS					
Location		-10%	-10%	-10%	-5%
Availability of Domestic Utilities		0%	0%	0%	0%
Roadway Accessibility		0%	0%	0%	0%
Zoning/Community Plan Designation		10%	10%	10%	0%
Topography/Terrain		0%	0%	0%	0%
View Amenities		-10%	-10%	-10%	-10%
Flood Status		0%	0%	0%	0%
Site Encumbrances		0%	0%	0%	0%
Other Physical Characteristics		0%	-5%	-5%	-5%
Net Adjustments		-10%	-15%	-15%	-20%
Adjusted Unit Price		\$28.22	\$28.45	\$33.68	\$28.51
Size Adjustment		0.75	0.71	0.71	0.80
Final Size Adjusted Unit Price per Square Foot		\$21.16	\$20.20	\$23.91	\$22.81
WEIGHTING FACTOR		33.3333%	33.3333%	33.3333%	
Product		\$7.05	\$6.73	\$7.97	
Range of Final Adjusted Value: \$20.20 - \$23.91 per Square Foot Median Unit Value: \$21.16 per Square Foot Mean Unit Value: \$21.76 per Square Foot Weighted Unit Value: \$21.76 per Square Foot Estimated Value of the Land, Fee Simple: \$21.76 per Square Foot Indicated Site Value: 16,315 Sq Ft x \$21.76 = \$355,010 Rounded to \$360,000					

Discussion and Conclusion Of Fee Simple Land Value

The Appraiser has conducted a search for competitive vacant land transactions that were recent, similarly zoned, of comparable size and in the vicinity of the subject site. The absence of any recent lot sales in the subject's immediate vicinity prompted the use of transactions in the competing Kahana neighborhood, which is also a part of the subject's Lahaina District. After comparing these land transactions with the subject, it was the Appraiser's opinion that the comparable transactions be adjusted to reflect their individual differences with the subject. These adjustments are discussed in the paragraphs below.

Financing/Conditions of Sale

No adjustment was required for Land Sales 2 and 3 since their purchases were conducted with cash, or financing that is considered to be conventional or typical of the market. Land Sale 1 was conveyed as an agreement of sale. There is generally a higher risk inherit with this type of financing, since the Grantor does not receive all proceeds from the property sale until the Grantee fulfills the terms of the agreement. For this reason a \$5,000 deduction was made toward Land Sale 1.

Time/Market Conditions

This category was considered in order to compensate for changes in real property values over time, if any, in the subject's market area. The transactions all occurred in July 2009. Based on statistical analysis of the Maui Multiple Listing System, depreciation of 1 percent per month was deemed to be reasonable from the time of the comparables' conveyance to the effective date of this report. As such, negative 6 percent adjustments were issued to Land Sales 1 and 2; meanwhile a negative 10 percent adjustment was assigned to Land Sale No. 3.

Location

The location adjustment considers the overall desirability of the subject's immediate neighborhood, as compared to the comparable land sales. In this case, the subject is found in Lahaina Town, whereas the subjects are located in Kahana.

Market evidence has shown that proximity to the Kaanapali and Kapalua resorts has a direct affect on market values. In general, a property that is closer to these resort areas will be worth more than one that is farther away, should all other characteristics be equal. At the same time, however, the subject's location in Lahaina Town is very convenient to schools, shopping, employment and professional offices. Cognizant of these factors, the Appraiser applied a negative 10

percent adjustment to each of the land sales, as all are located in the Kahana Ridge subdivision in Kahana.

Availability of Utilities

The ability to acquire public utilities is important in the timing of future development. The subject has access to all public utilities, as does each of the comparables. No adjustments were warranted for this reason.

Roadway Accessibility

For the purposes of this appraisal, the subject is being analyzed under the hypothetical condition that it legally exists as a subdivided parcel. Based on this condition, the subject becomes essentially land-locked. Vehicular access to the site is currently provided by a driveway and parking lot adjacent to the subject and along its eastern boundary. The driveway and parking lot also serve the park surrounding the subject. For the purposes of this report, the Appraiser has assumed that there will be adequate access to the subject into perpetuity.

Each of the comparable sales has adequate roadway accessibility, and rated comparable to the subject. Consequently, no adjustments were warranted.

Zoning

The zoning adjustment considers the potential higher uses of the property with respect to current zoning classifications. Although the subject currently has Agricultural District zoning, the Appraiser was required to consider what the property's zoning would be if the park had not been created. Given the predominant single-family uses surrounding the subject, it is reasonable to assume that urbanization of the agricultural tract would have occurred in years past and would have resulted in single-family residential development. In light of the subject's size of 16,315 square feet, Maui County's Residential District zoning code would allow development of a single-family house together with an additional dwelling unit of 600 square feet. Market evidence has shown that buyers will generally pay a premium for the ability to build an additional dwelling unit. None of the comparable sales have this ability; thus, a positive 10 percent adjustment was applied to each of the Land Sales.

Topography/Terrain

The subject has generally level to gently sloping topography and all of the land sales share this characteristic. Adjustments for this category were not merited.

View Amenities

The subject is limited to mountain views, as is Land Sale 3. For this reason, no adjustment was considered. On the other hand, Land Sales 1, 2 and 3 enjoy partial ocean views, justifying negative 10 percent adjustments to these conveyances.

Flood Status

This category considers the bearing of being in a federally determined flood zone which requires flood insurance. The subject is located in an area categorized as Flood Zone X, areas outside the 0.2 percent annual chance floodplain. All of the comparables are similarly located in Flood Zone X and no adjustments were considered.

Site Encumbrances

The subject does not appear to be encumbered by any easements, encroachments or restrictions. Similarly, research of the comparable sales did not uncover any readily apparent encumbrances that would warrant an adjustment.

Physical Characteristics

The physical characteristics adjustment considers the impact of shape, topography and utility of the site with respect to development potential. The subject has an irregular shape, as does Land Sale 1. Thus, no adjustment was appropriate for this transaction. Meanwhile, Land Sales 2 and 3 have rectangular shapes, which are considered to be superior characteristics in a development perspective. Consequently, negative 5 percent adjustments were made to these sales.

Size Adjustment

The size factor typically reflects the contention that larger parcels have lower unit values, and smaller parcels have higher unit values. Based on a statistical curve analysis of the subject and the comparable sales, negative adjustments were applied to each of the land sales to reflect their smaller sizes.

Conclusion of Fee Simple Land Value

After careful consideration of the competitive parcels and adjustments to reflect the differences in the properties, the estimated value of the subject site was determined to be in the range of \$20.20 to \$23.91 per square foot. Equal weight of reliance was placed on the comparable sales since none of the group was determined to be a superior value indicator for the subject.

Thus, after careful analysis of the comparable land transactions, adjusting for the variations in the properties, and application of a weighted average, the subject's market value, as of January 18, 2010, is

THREE HUNDRED SIXTY THOUSAND DOLLARS
\$360,000

Collateral Data

As previously indicated, the Site Valuation Worksheet on Page 45 included an active listing of a residential zoned parcel in Lahaina Town. 120B Wahikuli Road (Maui MLS #339402) is in the final stages of being subdivided. According to the County's website, the listed parcel is undergoing final plat review, with final review approval slated for mid-February 2010.

After the subdivision process is complete, the rectangular lot will have a land area of 9,975 square feet, with access provided by an easement over the other subdivided lot. Zoning for this listing is R-3 Residential District and the generally level to gently sloping site features all public utilities, in addition to ocean and mountain views. There were no known site encumbrances for this property which is located within Flood Zone X.

Since buyers in the current market are currently not paying full list price, a negative deduction was made to its offering price. Appropriate adjustments were also applied for superior location, shape, and partial ocean view. After consideration was made for smaller size, the adjusted unit price for the listing was estimated to be \$22.81 per square foot, which provides strong evidence in favor of the subject's concluded unit value of approximately \$21.76 per square foot.

A-16. VALUE ESTIMATE BY THE COST APPROACH

The Cost Approach is based on the principal of substitution, which holds that an informed purchaser would not pay more for a property than the cost of acquiring another property having the same utility. The rationale is that a prudent purchaser would not pay more for a property than the cost of acquiring a similar site and constructing improvements of equal design and utility.

The Cost Approach requires the estimation of three distinct components: the land as though vacant and available for development to its highest and best use; the reproduction or replacement cost of the improvements on the effective date of the appraisal; and accrued depreciation in the improvements.

The Cost Approach was not utilized in this appraisal assignment since the appraisal is based on the hypothetical condition that the subject is a vacant parcel, void of any improvements.

A-17. VALUE ESTIMATE BY THE SALES COMPARISON APPROACH

The Sales Comparison Approach is based on the principle of substitution which states that a prudent purchaser will not pay more for a property than the cost of acquiring an equally desirable property in the market with the same utility. The Sales Comparison Approach involves the comparison of comparable properties that have recently sold with the subject. In analyzing the market data of the comparable sales, it is imperative that the sales prices be reduced to common units of comparison to relate the degree of comparability to the property under appraisal.

This valuation method was solely employed in the previous Land Valuation section.

A-18. VALUE ESTIMATE BY THE INCOME CAPITALIZATION APPROACH

The Income Capitalization Approach involves the conversion of anticipated future benefits (income) to be derived from the ownership of a property into an estimate of value. The procedure requires the estimation of revenues and expenses from which net income can be derived. This estimated net annual income is then capitalized by a market supported capitalization rate to arrive at an indication of value, or the net annual income and reversion is discounted over an investment holding period to a net present value. The Income Capitalization Approach is applicable in the valuation of investment

properties in an active market or when comparable market data is available.

The subject has been valued as a vacant land parcel and the Income Approach was not utilized in this appraisal assignment, since the Appraiser could not identify a strong rental market from which land rents and applicable capitalization rates could be gleaned.

A-19. CORRELATION AND FINAL VALUE ESTIMATE

In arriving at the final value estimate, sole reliance was placed on the Sales Comparison Approach since the Cost and Income Approaches were deemed inapplicable for this vacant parcel of land.

It is the Appraiser's opinion that the market value of the property, subject to the extraordinary assumptions, hypothetical conditions, and limiting and contingent conditions provided herein, is

THREE HUNDRED SIXTY THOUSAND DOLLARS
\$360,000

Exposure Time

In reporting the subject's market value, the Appraiser has also considered the probable exposure time for the subject. The reasonable exposure time for the subject, at a value range of, say, \$325,000 to \$400,000 (approximately ± 10 percent) is from 10 to 12 months. This opinion is based upon an analysis of economic and real estate market conditions that existed prior to the effective date of this appraisal, and it does not reflect any unknown or adverse marketability conditions of the subject.

Marketing Time

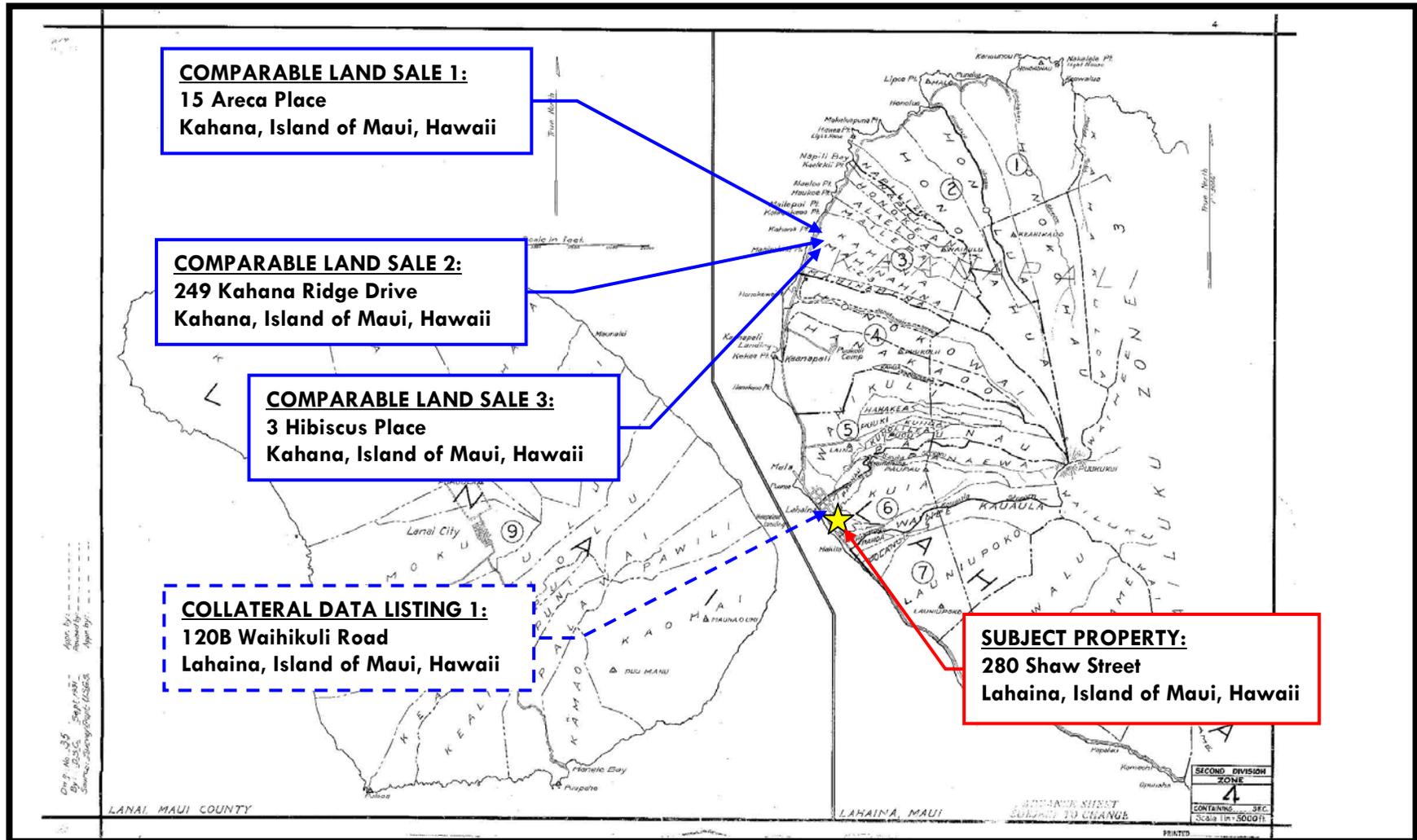
Based on observations of current real estate market conditions, interviews with real estate brokers on Maui, and a general analysis of current and future economic and real estate market conditions, the estimated marketing time for the subject is estimated to be between 10 and 12 months, at the value estimated herein. This is considered to be a reflection of the current real estate market conditions and does not reflect any unknown or adverse marketability conditions of the subject.

PART IV. EXHIBITS AND ADDENDA

A-32. LOCATION MAP



A-33. COMPARABLE DATA MAPS



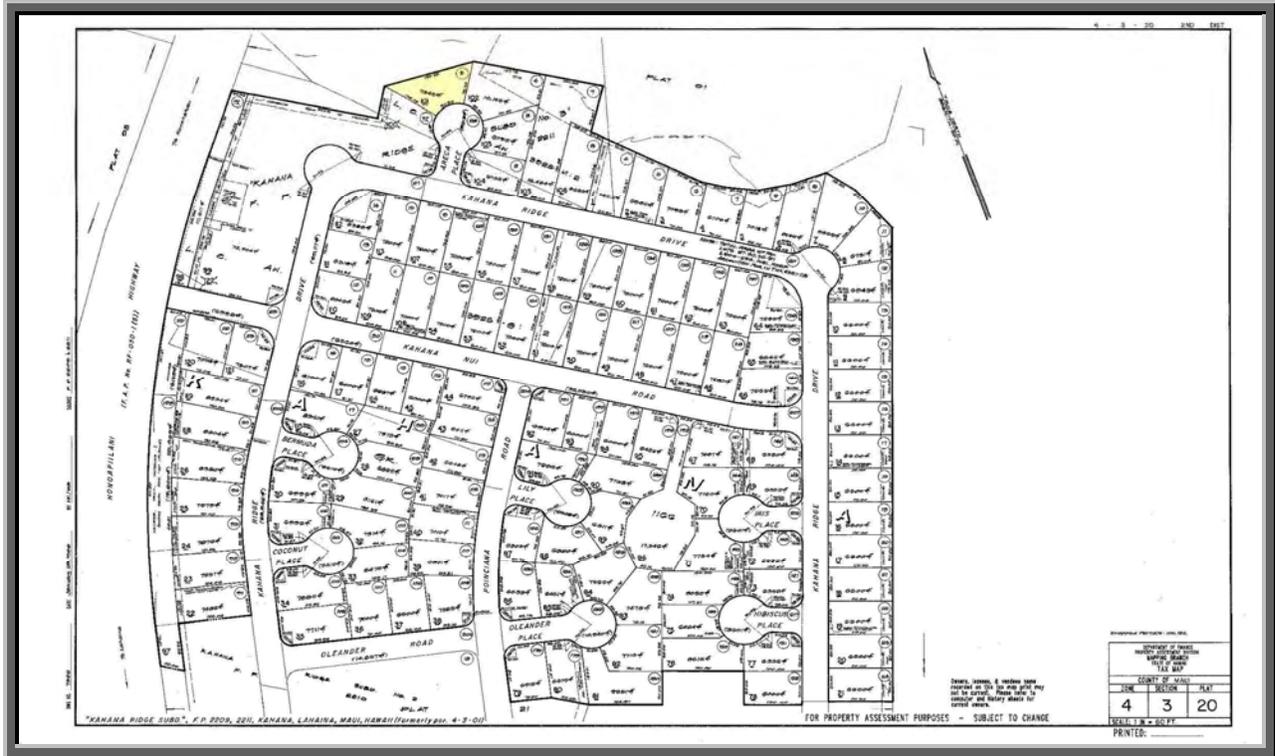
A-34. DETAIL OF COMPARATIVE DATA

***Photographs, Tax Maps & Details
Comparable Land Transactions
LAND TRANSACTION NO. 1***



Tax Map Key:	Division 2, Zone 4, Section 3, Plat 20, Parcel 101
Address/Location:	15 Areca Place, Lahaina, Island of Maui
Site Area:	7,345 square feet
Zoning:	R-1 Residential District
Community Plan:	Single-Family
Flood Status:	Zone X
Parcel Configuration:	Irregular, nearly triangular
Topography:	Level to gentle slopes
Electricity:	Electricity is readily available
Water:	Public water readily available
Views:	Partial ocean and mountain views
Grantor:	John H. Thompson and Joan F. Pastor-Thompson
Grantee:	Christina Lovitt
Instrument:	Deed
Date Recorded:	July 27, 2009
Document No.	09-114295
Recorded Sale Price:	\$250,000
Prior Sales:	Public documents revealed only one other sale of this property within the 10 years prior to this latest transaction. The property was acquired by the Grantor on April 16, 2001 at a price of \$188,400. This indicates an appreciation of 32.7 percent during the 8-year period between the two transactions.
Comments:	The subject is located in an improved residential subdivision complete with underground utilities, paved asphalt roads, street lights, sidewalks, curbs, gutters and drainage.
Confirmation:	Debbie Arakaki, Buyer's Agent

West Maui Land Company, Inc.



LAND TRANSACTION NO. 2

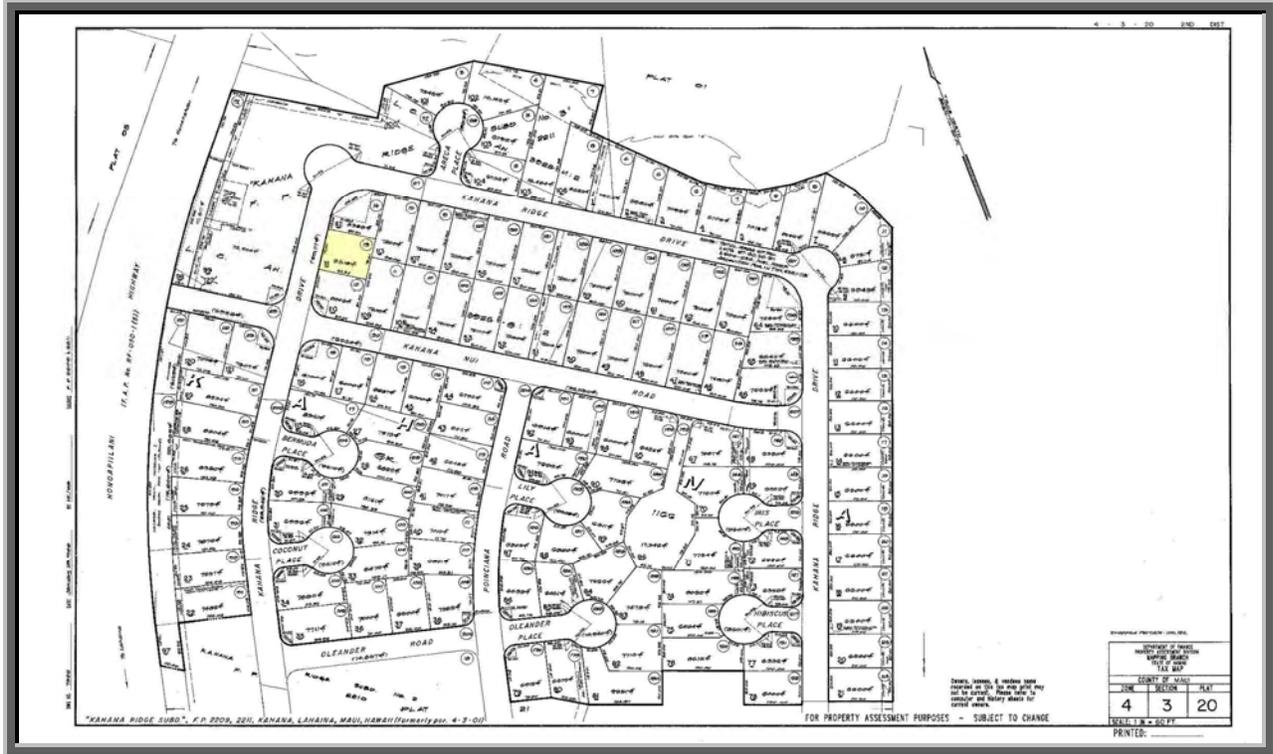


Tax Map Key:	Division 2, Zone 4, Section 3, Plat 20, Parcel 111
Address/Location:	249 Kahana Ridge Drive, Lahaina, Island of Maui
Site Area:	6,318 square feet
Zoning:	R-1 Residential District
Community Plan:	Single-Family
Flood Status:	Zone X
Parcel Configuration:	Generally rectangular
Topography:	Level to gentle slopes
Electricity:	Electricity is readily available
Water:	Public water readily available
Views:	Partial ocean and mountain views
Grantor:	Jeff McKinley and Deborah Daly
Grantee:	Jerry W. Sager and Elizabeth A. Sager
Instrument:	Deed
Date Recorded:	July 10, 2009
Document No.	09-105771
Recorded Sale Price:	\$225,000
Prior Sales:	Public documents revealed only one other sale of this property within the 10 years prior to this latest transaction. The property was acquired by the Grantor on May 24, 2001 at a price of \$170,500. This indicates an appreciation of approximately 32 percent during the 8-year period between the two transactions.
Comments:	The subject is located in an improved residential subdivision complete with underground utilities, paved

asphalt roads, street lights, sidewalks, curbs, gutters and drainage.

Confirmation:

Theresa M. Adams, Listing Agent and Buyer's Agent
Prudential Maui Realtors, Inc.

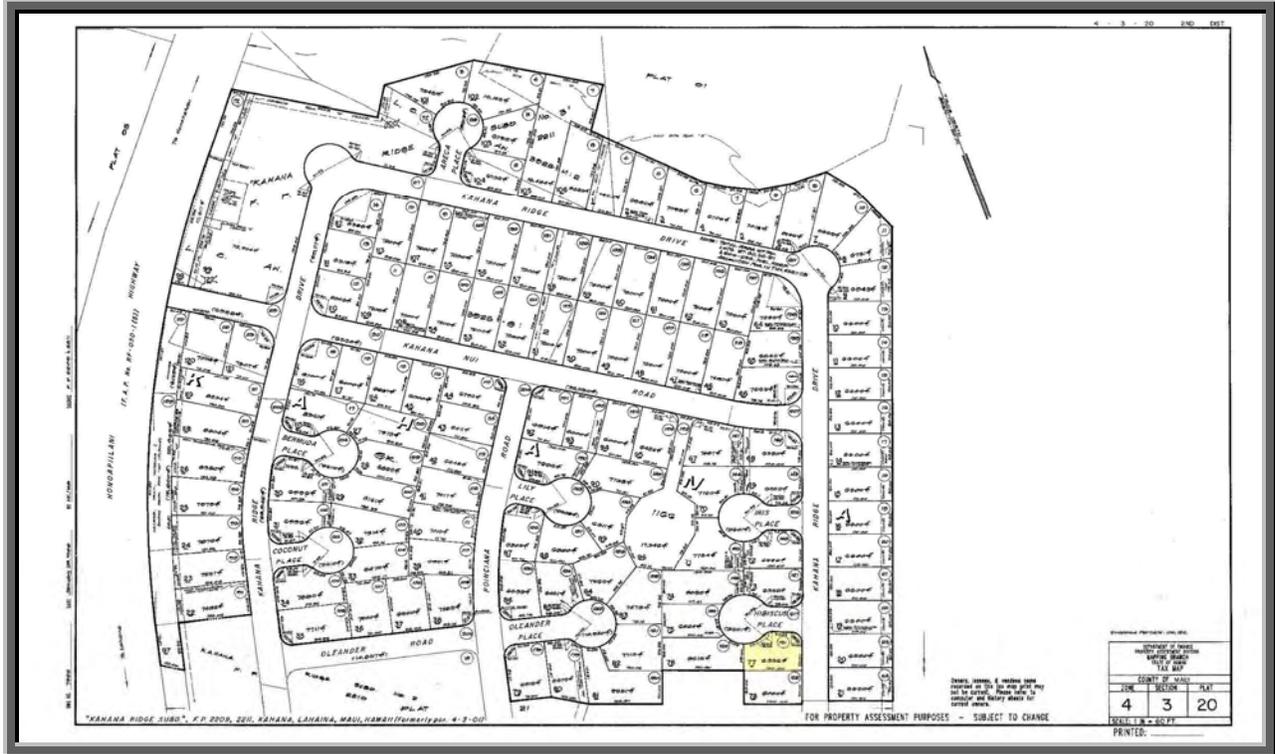


LAND TRANSACTION NO. 3



Tax Map Key:	Division 2, Zone 4, Section 3, Plat 20, Parcel 077
Address/Location:	3 Hibiscus Place, Lahaina, Island of Maui
Site Area:	6,352 square feet
Zoning:	R-1 Residential District
Community Plan:	Single-Family
Flood Status:	Zone X
Parcel Configuration:	Generally rectangular
Topography:	Level to gentle slopes
Electricity:	Electricity is readily available
Water:	Public water readily available
Views:	Partial ocean and mountain views
Grantor:	Harry W. Sicora and Carol C. Sicora
Grantee:	Richard W. Manthei and Judith B. Manthei
Instrument:	Deed
Date Recorded:	March 31, 2009
Document No.	09-047828
Recorded Sale Price:	\$280,000
Prior Sales:	Public documents revealed only one other sale of this property within the 10 years prior to this latest transaction. The property was acquired by the Grantor on April 19, 2001 at a price of \$169,900. This indicates an appreciation of 64.8 percent during the approximate 8-year period between the two transactions.
Comments:	The subject is located in an improved residential subdivision complete with underground utilities, paved

Confirmation: asphalt roads, street lights, sidewalks, curbs, gutters and drainage.
Mike Montoya, Buyer's Agent
Whalers Realty, Inc.



COLLATERAL DATA (Listing No. 1)



Photograph from Street

Lot B is behind trees and appraiser was not permitted access

Tax Map Key:	Division 2, Zone 4, Section 5, Plat 14, Parcel 004 (portion of)
Address/Location:	120-B Wahikuli Road (Lot 20-B)
Site Area:	9,975 square feet
Zoning:	R-3 Residential District
Community Plan:	Single-Family
Flood Status:	Zone X – minimal flooding
Parcel Configuration:	Generally rectangular in shape
Topography:	Level to gentle slopes
Electricity:	Electricity is readily available
Water:	Public water is readily available
Views:	Partial ocean and mountain views
Grantor:	Not applicable
Grantee:	Not applicable
Instrument:	Not applicable
Date Recorded:	Not applicable
Document No.	Not applicable
Listing Price:	\$395,000
Prior Sales:	This parcel is awaiting final subdivision approval; therefore, it will be a newly created lot and has no sales history.
Comments:	This listing is for a parcel that is awaiting final subdivision approval from the County of Maui. It is within an older subdivision called Wahikuli House Lots located on the slopes east of Honoapiilani Highway.

A-35. PLOT PLAN

A Plot Plan is shown on Page 23 following the Legal Description of the subject.

A-36. FLOOR PLAN

Not Applicable

A-37. TITLE EVIDENCE REPORT

None available for review by the Appraiser

A-38. OTHER PERTINENT EXHIBITS**A-38a. Legal Description/Survey**

BGCM LICENSE AREA
 AT LAHAINA, MAUI, HAWAII
 BEING A PORTION OF LOT 1, LAHAINA RECREATIONAL CENTER

A license area for the Boys and Girls Club of Maui Facilities affecting Lot 1, Lahaina Recreational Center and described as follows:

Beginning at the Northerly corner of this License Area, in the Northerly corner of Lot 1, said point being $357^{\circ} 43'$, 137.87 feet from the North corner of Lot 1, the coordinates of said point of beginning referred to Government Survey Triangulation Station "LAINA" being 9,840.93 feet South and 836.16 feet West and running by azimuths measured clockwise from True South:

- | | | |
|-----|-------------------|---|
| 1. | $330^{\circ} 00'$ | 13.50 feet along the remainder of Lot 1; |
| 2. | $310^{\circ} 00'$ | 26.00 feet along the remainder of Lot 1; |
| 3. | $219^{\circ} 30'$ | 12.00 feet along the remainder of Lot 1; |
| 4. | $311^{\circ} 25'$ | 62.00 feet along the remainder of Lot 1; |
| 5. | $324^{\circ} 00'$ | 53.50 feet along the remainder of Lot 1; |
| 6. | $05^{\circ} 10'$ | 32.50 feet along the remainder of Lot 1; |
| 7. | $84^{\circ} 00'$ | 5.50 feet along the remainder of Lot 1; |
| 8. | $40^{\circ} 00'$ | 28.80 feet along the remainder of Lot 1; |
| 9. | $309^{\circ} 30'$ | 7.50 feet along the remainder of Lot 1; |
| 10. | $39^{\circ} 30'$ | 10.00 feet along the remainder of Lot 1; |
| 11. | $128^{\circ} 40'$ | 7.19 feet along the remainder of Lot 1; |
| 12. | $38^{\circ} 00'$ | 4.11 feet along the remainder of Lot 1; |
| 13. | $127^{\circ} 00'$ | 18.60 feet along the remainder of Lot 1; |
| 14. | $128^{\circ} 40'$ | 130.00 feet along the remainder of Lot 1; |
| 15. | $110^{\circ} 00'$ | 12.50 feet along the remainder of Lot 1; |

A-38b. Agricultural Zoning District**Chapter 19.30A****AGRICULTURAL DISTRICT****Sections:**

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

19.30A.010 Purpose and intent.

- A. Purpose. The purpose of the agricultural district is to:
1. Implement chapter 205, Hawai'i Revised Statutes, and the goals and policies of the Maui County general plan and community plans;
 2. Promote agricultural development;
 3. Preserve and protect agricultural resources; and
 4. Support the agricultural character and components of the County's economy and lifestyle.
- B. Intent. It is the intent of this chapter to:
1. Reduce the land use conflicts arising from encroachment of nonagricultural uses into agricultural areas;
 2. Mitigate rising property values of farm lands to make agricultural use more economically feasible;
 3. Discourage developing or subdividing lands within the agricultural district for residential uses, thereby preserving agricultural lands and allowing proper planning of land use and infrastructure development;
 4. Discourage establishment of nonagricultural subdivisions;
 5. Ensure that the rezoning of land from the agricultural district shall be open for public debate and in the overall public interest, as evidenced by conformance with the Maui County general plan and community plan land use designations and policies, State land use law, this chapter and good planning practices; and
 6. Notify the public that lands within the agricultural district are used for agricultural purposes. Owners, residents, and other users of such property or neighboring properties may be subjected to inconvenience, discomfort, and the possibility of injury to property and health arising from normal and accepted agricultural practices and operations. Such

normal and accepted agricultural practices and operations include but are not limited to noise, odors, dust, smoke, the operation of machinery of any kind, including aircraft, and the storage and disposal of manure. Owners, occupants, and users of such property or neighboring properties shall be prepared to accept such inconveniences, discomfort, and possibility of injury from normal agricultural operations. (Ord. 2749 § 3 (part), 1998)

19.30A.020 District criteria.

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

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

19.30A.030 District standards.

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

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

the subject lot, shall be considered a part of the subject lot and shall count towards the maximum number of permitted lots that may be created from the subject lot.

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

19.30A.040 Limitations on resubdivision.

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

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

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

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

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

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

19.30A.050 Permitted uses.

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

A. Principal Uses.

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

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

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

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

3. One agricultural products stand per lot, for the purpose of displaying and selling agricultural products grown and processed on the premises or grown in the County, provided that said stand shall not exceed three hundred square feet, shall be set back at least fifteen feet from roadways, shall have a wall area which is at least fifty percent open, and shall meet the off-street parking requirements for roadside stands provided by section 19.36.010, Maui County Code, except that paved parking shall not be required; stands which display or sell agricultural products which are not grown on the premises shall be required to obtain a special permit pursuant to chapter 205, Hawai'i Revised Statutes;
4. Farmer's markets, for the growers and producers of agricultural products to display and sell agricultural products grown and processed in the County; structures shall have a wall area which is at least fifty percent open; markets shall operate only during daylight hours and shall not operate on parcels less than ten acres; the director of public works and waste management may impose additional requirements if a building permit is required for any structures; markets which display or sell agricultural products which are not grown on the premises shall be required to obtain a special permit pursuant to chapter 205, Hawai'i Revised Statutes;
5. Storage, wholesale and distribution, including barns; greenhouses; storage facilities for agricultural supplies, products and irrigation water; farmer's cooperatives; and similar

- structures that are customarily associated with one or more of the permitted principal uses or, for the purpose of this section, are associated with agriculture in the County;
6. Processing of agricultural products, the majority of which are grown in the County; this includes the burning of bagasse as part of an agricultural operation;
 7. Energy systems, small-scale;
 8. Small-scale animal-keeping;
 9. Animal hospitals and animal board facilities; if conducted on the island of Moloka'i, such uses shall have been approved by the Moloka'i planning commission as conforming to the intent of this chapter;
 10. Riding academies; if conducted on the island of Moloka'i, such uses shall have been approved by the Moloka'i planning commission as conforming to the intent of this chapter;
 11. Open land recreation as follows: hiking; noncommercial camping; fishing; hunting; equestrian activities; rodeo arenas; arboretums; greenways; botanical gardens; guided tours which are accessory to principal uses, such as farm or plantation tours, petting zoos, and garden tours; hang gliding; paragliding; mountain biking; and accessory restroom facilities. If hiking, fishing, hunting, equestrian activities, rodeo arenas, hang gliding, paragliding or mountain biking and conducted for commercial purposes on the island of Moloka'i, such uses shall have been approved by the Moloka'i planning commission as conforming to the intent of this chapter. Open land recreation uses or structures not specifically permitted by this subsection or by subsection 19.30A.060.H shall be prohibited; certain open land recreation uses or structures may also be required to obtain a special permit pursuant to chapter 205, Hawai'i Revised Statutes;
 12. Parks for public use, not including golf courses and not including commercial uses except when under the supervision of a government agency in charge of parks and playgrounds; and
 13. Other uses which primarily support a permitted principal use; however, such uses shall be approved by the appropriate planning commission as conforming to the intent of this chapter. (Ord. 2749 § 3 (part), 1998)

19.30A.060 Special uses.

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

- A. Additional farm dwellings beyond those permitted by subsection 19.30A.050.B.1;
- B. Farm labor dwellings that do not meet the criteria of subsection 19.30A.050.B.2;
- C. Agricultural products stands that do not meet the standards of subsection 19.30A.050.B.3;
- D. Farmer's markets that do not meet the standards of subsection 19.30A.050.B.4;
- E. Public and quasipublic institutions which are necessary for agricultural practices;
- F. Major utility facilities as defined in section 19.04.040, Maui County Code;
- G. Telecommunications and broadcasting antenna;
- H. Open land recreation uses, structures or facilities which do not meet the criteria of subsection 19.30A.050.B. 11, including commercial camping; gun or firing ranges; archery ranges; skeet shooting; paint ball; bungee jumping; skateboarding; roller blading; playing fields; accessory buildings and structures. Certain open land recreation uses or structures may

also be required to obtain a special permit pursuant to chapter 205, Hawai'i Revised Statutes. The following uses or structures shall be prohibited: airports, heliports, drive-in theaters, country clubs, drag strips; motor sports facilities; golf courses and golf driving ranges;

- I. Cemeteries, crematories, and mausoleums;
- J. Churches and religious institutions;
- K. Mining and resource extraction; and
- L. Landfills. (Ord. 2749 § 3 (part), 1998)

19.30A.070 Private agricultural parks.

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

- A. Individual lot leases or deeds shall provide that the lots is restricted to agricultural purposes;
- B. Lots within private agricultural parks shall be made available for lease or sale;
- C. No permanent or temporary dwellings or farm dwellings, including trailers and campers, shall be permitted within a private agricultural park, unless the following requirements are met:
 1. A special use permit, pursuant to section 19.510.070, Maui County Code, has been obtained;
 2. The lot on which the dwelling is located is used principally for agriculture, and the occupant of the dwelling provides security or caretaker services for the private agricultural park;
 3. A maximum of one dwelling per lot;
 4. The private agricultural park shall be subject to a maximum density of one dwelling per twenty-five acres of private agricultural park area; and
 5. The dwelling shall be subject to a maximum developable area of seven hundred square feet.
- D. A restrictive covenant excluding dwellings that do not meet the criteria of subsection 19.30A.070.C shall be included in the deed of the lot and run with said lot as long as said lot is within the agricultural district. This restriction shall not prohibit the construction of storage sheds, equipment sheds or other structures appropriate to the agricultural activity carried on within the lot;
- E. Agricultural parks shall not be less than twenty-five acres in size;
- F. Minimum lot area: five acres;
- G. Subdivision requirements, as set forth in the following provisions of Title 18, Maui County Code, shall not apply to private agricultural parks and the lots therein:
 1. 18.16.010 to 18.16.180;
 2. 18.16.270 to 18.16.310B;
 3. 18.16.320;
 4. 18.20 to 18.20.090;
 5. 18.20.140; and

6. 18.28; and

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

19.30A.080 Agricultural leases.

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

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

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

19.30A.090 Substandard agricultural lots.

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

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

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

19.30A.100 Exemptions pursuant to state law.

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

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

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

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

and such dwellings or structures may be expanded or modified with a building permit, subject to the other provisions of this chapter and this title. (Ord. 2749 § 3 (part), 1998)

19.30A.120 Rule-making authority.

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

A-38c. Residential Zoning District**Chapter 19.08****RESIDENTIAL DISTRICTS****Sections:**

- 19.08.010 Generally.**
- 19.12.020 Permitted uses.**
- 19.12.030 Special Uses.**
- 19.12.040 Area Regulations.**
- 19.12.050 Height Regulations.**
- 19.12.060 Yards.**

19.08.010 Generally.

Areas for single family dwellings are established to provide for harmonious residential neighborhood without the detraction of commercial and industrial activities. (Prior code § 8-1.4(a))

19.08.020 Permitted uses.

Within the residential districts, the following uses shall be permitted:

- A. Single –family dwellings;
- B. Greenhouses, flower and truck gardens and nurseries; provided, that there shall be no retailing or transaction of business on the premises;
- C. Parks and playgrounds, noncommercial; certain commercial amusement and refreshment sale activities may be permitted when under supervision of the government agency in charge of the park or playground;
- D. Schools, elementary, intermediate, high and colleges, publicly or privately owned, which may include on-campus dormitories;
- E. Buildings or premises used by the federal, State, or county governments for public purposes;
- F. Accessory buildings located on the same lot, the use of which is customary and incidental, usual and necessary to that of the main building or to the use of the land;
- G. An accessory dwelling may be permitted where the area of the lot on which the main house is located is seven thousand five hundred square feet or more. Chapter 19.35 of this article, pertaining to accessory dwellings, shall be applicable to any accessory dwelling;
- H. Day care nurseries, kindergartens, nursery schools, child care homes, day care homes, day care centers, nurseries, preschool kindergartens, babysitting services, and other like facilities located in private homes used for child care services. These facilities shall serve six or fewer children at any one time on lot sized of less than seven thousand five hundred square feet, serving eight or fewer children at any one time on lot sizes of seven thousand five hundred or more square feet but less than ten thousand square feet or serving twelve of fewer children at any one time on lot sizes of ten thousand or more square feet;
- I. Subject to the restrictions and standards of chapter 19.64 of this title, Type 1 bed and breakfast homes shall be permitted on any lot; Type 2 bed and breakfast homes shall be

permitted on lots of seven thousand five hundred square feet or greater, and Type 3 bed and breakfast homes shall be permitted on lots of ten thousand square feet or greater. (Ord. 2628 § 1, 1997; Ord. 2609 § 3, 1997; Ord. 2585 § 1, 1997; Ord. 2030 § 3, 1991; Ord. 1956 § 1, 1990; Ord. 1269 § 6, 1982; prior code § 8-1.4(b))

19.08.030 Special Uses.

The following are declared special uses, and approval of the appropriate planning commission shall be obtained:

- A. Churches together with accessory buildings;
- B. Day care nurseries, kindergartens, nursery schools, child care homes, day care homes, day care centers, nurseries, preschool kindergartens, babysitting services, and other like facilities located in private homes used for child care services serving more than the number of children defined in section 19.08.020H;
- C. Hospitals; provided, that written consent of seventy-five percent of the property owners within five hundred feet from the property to be used for such purpose has been obtained;
- D. Nursing or convalescent homes and domiciliary facilities operated and maintained to provide nursing or supporting care;
- E. Housing for the aged, operated by governmental or nonprofit organizations; provided, that the normal population density is not increased more than ten percent;
- F. Housing for low and moderate income families, operated by governmental or nonprofit organizations; provided, that the normal dwelling unit density is not increased more than ten percent;
- G. Public utilities substations, which are not and will not be hazardous or a nuisance to the surrounding areas;
- H. Certain domestic type businesses in the home, provided there will be no detrimental or nuisance effect upon the neighbors. Such businesses shall be normal functions of the home, such as baking, sewing and piano playing;
- I. Residential planned developments only. (Ord. 2628 § 2, 1997; Ord. 2585 § 2, 1997; Ord. 1956 § 2, 1990; prior code § 8-1.4(c))

19.08.040 Area Regulations.

- A. The minimum lot area shall be six thousand square feet in R-1 residential districts, seven thousand five hundred square feet in R-2 residential districts, and ten thousand square feet in R-3 residential districts. The minimum lot width shall be sixty feet for R-1, sixty-five feet for R-2, and seventy feet for R-3. There may be more than one single-family dwelling on any lot when the minimum lot area of six thousand square feet in R-1, seven thousand five hundred square feet in R-2, and ten thousand square feet in R-3 is provided for each dwelling unit.
- B. Subject to approval of the commission, mixture of lot sizes may be permitted within any residential district; provided, however, that the minimum lot size shall not be less than six thousand square feet, and that the overall project density shall not exceed that permitted within the district. Where the subdivision or project is designed to meet the needs of low or moderate income families, and adequate provisions are provided to insure owner-occupancy and the control or limitation of speculation, the commission may permit an increase in density not to exceed ten percent. (Ord. 784 § 1, 1974; prior code § 8-1.4(d))

19.08.050 Height Regulations.

No building shall exceed two stories nor thirty feet in height. (Prior code § 8-1.4(e))

19.12.060 Yards.

A. There shall be a front yard of fifteen feet, side yard of six feet, and rear yard of six feet for all residential districts. Side and rear yards for two-story buildings shall be ten feet in all residential districts.

B. Greenhouses may be constructed along the rear or side lot lines, provided, the entire roof is constructed of laths or screen to permit passage of light and air; the clear distance to the front lot line is not less than thirty feet; and that no portion of the greenhouse shall overhang into the next property. If the greenhouse is not constructed on the lot lines, then it must conform to the side and rear yard spacing of six feet. (Prior code § 8-1.4(f))

A-39. QUALIFICATIONS OF APPRAISER

PROFESSIONAL QUALIFICATIONS

Glenn K. Kunihsa, MAI, CRE

STATE LICENSING

State Certified General Appraiser,
State of Hawaii, License No. CGA 39, July 17, 1991
Expiration: December 31, 2011



PROFESSIONAL AFFILIATIONS

Member, Appraisal Institute, MAI Designation, Hawaii Chapter No. 67
Member, The Counselors of Real Estate, CRE Designation, Hawaii Chapter
Member, International Right of Way Association
Appraiser-Realtor, National Association of Realtors, Maui Board of Realtors

PROFESSIONAL INVOLVEMENT

Past President – Hawaii Chapter of the Appraisal Institute – 2009
Vice Chairperson – Hawaii Chapter of The Counselors of Real Estate - 2010
Education Chairperson – Hawaii Chapter of the Appraisal Institute – 2004 and 2005
Former Multiple Listing Service (MLS) Committee Member – Realtors Association of Maui

COMMUNITY AFFILIATIONS

St. Anthony Parish School Board
Board Member 1995 to 2008
Board President 1997 and 1998
Alii Community Care, Inc. – A non-profit health care corporation
Board Member 2004 to 2006

EMPLOYMENT

President
ACM Consultants, Inc.
May, 1997 to present

Previously associated with the following:

ACM, Real Estate Appraisers, Inc. - 1986 to 1997
A&B Commercial Company; a division of Alexander & Baldwin, Inc. - 1979 to 1985
Bank of Hawaii - 1976 to 1979

GENERAL EDUCATION

University of Hawaii at Manoa
Master of Business Administration (MBA) - Executive MBA Program V, 1988
Bachelor of Business Administration (BBA), 1976
Iolani School, 1971

LEGAL & CONSULTING

Qualified as an expert witness in the Second Circuit Court of the State of Hawaii
Qualified as an expert in testimony to the State Land Use Commission
Experienced in real estate arbitration assignments in the State of Hawaii

APPRAISAL EDUCATIONAppraisal Institute

Seminar	<i>Online Small Hotel/Motel Valuation</i> Chicago, Illinois – November 2009
Seminar	<i>Business Practices and Ethics</i> Honolulu, Hawaii – September 2009
Seminar	<i>Hawaii Lands, Historical Review</i> Lihue, Hawaii – August 2009
Seminar	<i>Appraisal Challenges: Declining Markets and Sales Concessions</i> Cambria, California – October 2008
Course	<i>7-Hour National USPAP Update Course</i> Honolulu, Hawaii – September 2008
Course	<i>Online 7-Hour National USPAP Equivalent Course</i> Chicago, Illinois – October 2007
Course	<i>Valuation of Conservation Easements</i> Denver, Colorado – October 2007
Seminar	<i>Uniform Standards for Federal Land Acquisitions (“Yellow Book”)</i> <i>Practical Applications for Fee Appraisers</i> Honolulu, Hawaii – December 2006
Seminar	<i>California Conservation Easements</i> Sacramento, California – November 2005
Course 400	<i>7-Hour National USPAP Update Course</i> Honolulu, Hawaii – October 2005
Seminar	<i>Case Studies in Limited Partnership and Partial Interest Valuation</i> Honolulu, Hawaii – May 2005
Seminar	<i>Appraisal Consulting: A Solutions Approach for Professionals</i> Honolulu, Hawaii – February 2005
Seminar	<i>Real Estate Finance, Value and Investment Performance</i> Honolulu, Hawaii – February 2005
Seminar	<i>Fannie Mae Residential Presentation</i> Honolulu, Hawaii - July 2004
Seminar	<i>Subdivision Analysis</i> Chicago, Illinois - August 2003
Seminar	<i>Supporting Capitalization Rates</i> Chicago, Illinois - August 2003
Seminar	<i>The Technology Assisted Appraiser</i> Chicago, Illinois - August 2003
Seminar	<i>Scope of Work: Expanding Your Range of Services</i> Chicago, Illinois - August 2003
Course 400	<i>National Uniform Standards of Professional Practice</i> Honolulu, Hawaii - May 2003
Course 420	<i>Business Practices and Ethics</i> Honolulu, Hawaii - May 2003
Seminar	<i>The Private Conservation Market</i> Honolulu, Hawaii - July 2002
Seminar	<i>Finance Reporting Valuations Parts I and II</i> Honolulu, Hawaii - July 2002
Seminar	<i>Future of Appraisal Profession from a Global Perspective</i> Honolulu, Hawaii - July 2002
Seminar	<i>Appraisal Office Management</i> Honolulu, Hawaii - July 2002

Course 540	<i>Report Writing</i> Denver, Colorado - December 2000
Seminar	<i>Partial Interests: Theory and Case Law</i> Las Vegas, Nevada - July 2000
Seminar	<i>Easement Valuation</i> Las Vegas, Nevada - July 2000
Seminar	<i>Bridging the Gap: Marketability Discounts for Real Estate Interests</i> Las Vegas, Nevada - July 2000
Course 430	<i>Standards of Professional Practice, Part C</i> Honolulu, Hawaii - September 1999
Seminar	<i>Litigation Skills for the Appraiser: An Overview</i> Honolulu, Hawaii - May 1998
Seminar	<i>Special Purpose Properties</i> Honolulu, Hawaii - September 1997
Seminar	<i>Highest and Best Use Applications</i> Honolulu, Hawaii - September 1997
Seminar	<i>Detrimental Conditions</i> Honolulu, Hawaii - July 1997
Seminar	<i>The Appraiser As Expert Witness</i> Honolulu, Hawaii - August, 1995
Seminar	<i>How to Appraise FHA-Insured Property</i> Los Angeles, California - January, 1995
Seminar	<i>Understanding Limited Appraisals and Reporting Options</i> Honolulu, Hawaii - August, 1994
Seminar	<i>Valuation of Leasehold Interests</i> Honolulu, Hawaii - May, 1993
Seminar	<i>Valuation of Leased Fee Interests</i> Honolulu, Hawaii - May, 1993
Seminar	<i>Valuation Considerations: Appraising Non-Profits</i> Boston, Massachusetts - July, 1992
Seminar	<i>Americans With Disabilities Act</i> Boston, Massachusetts - July, 1992
Seminar	<i>Valuation in Today's Capital and Financing Markets</i> Honolulu, Hawaii - June 1992
Seminar	<i>Arbitration Principles, Procedures and Pitfalls</i> Honolulu, Hawaii - June, 1992
Seminar	<i>Institutional Real Estate in the 1990's</i> Honolulu, Hawaii - June, 1992
Seminar	<i>FIRREA and its Impact on Appraisers</i> Honolulu, Hawaii - June, 1992
Course 410/420	<i>Standards of Professional Practice, Parts A & B</i> Honolulu, Hawaii - April, 1991

The American Society of Farm Managers and Rural Appraisers, Inc.

Seminar	<i>Agricultural Lease Valuation</i> Honolulu, Hawaii – March 2006
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Maui Coastal Land Trust

Seminar	<i>Understanding the New Tax Incentives: Conservation Easements & Other Charitable Contributions</i> Wailuku, Hawaii – June 2007
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Society of Real Estate Appraisers

Course 101	<i>Introduction to Appraising Real Property</i> Dallas, Texas – 1987
Course 102	<i>Applied Residential Property Valuation</i> Honolulu, Hawaii - July 1990
Course 201	<i>Principles of Income Property Appraising</i> Chicago, Illinois, 1987
Course 202	<i>Applied Income Property Valuation</i> San Diego, California - 1988
Seminar	<i>Professional Practice and the Society of Real Estate Appraisers</i> Honolulu, Hawaii - 1988
Seminar	<i>Appraisal Standards Seminar - Federal Home Loan Bank Board Guidelines, Regulations and Policies</i> Honolulu, Hawaii - April, 1988
Seminar	<i>Appraisal Standards Seminar - Federal Home Loan Bank Board Guidelines, Regulations and Policies</i> Honolulu, Hawaii - April, 1988

American Institute of Real Estate Appraisers

Seminar	<i>Rates, Ratios and Reasonableness</i> Honolulu, Hawaii - 1989
Seminar	<i>Discounted Cash Flow Analysis</i> Honolulu, Hawaii - 1989
Seminar	<i>Highest and Best Use</i> Honolulu, Hawaii - 1989
Seminar	<i>Capitalization Overview - Part A</i> Honolulu, Hawaii - 1990
Seminar	<i>Capitalization Overview - Part B</i> Honolulu, Hawaii – 1990
Seminar	<i>Accrued Depreciation</i> Honolulu, Hawaii - 1990

International Right of Way Association

Course 101	<i>Appraisal</i> Las Vegas, Nevada - October, 1998
Course 101	<i>Negotiation</i> Las Vegas, Nevada - October 1998

National Business Institute, Inc.

Seminar	<i>Commercial Real Estate Leasing In Hawaii</i> Honolulu, Hawaii - 1989
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American Arbitration Association

Seminar	<i>Real Estate Dispute Resolution - Mediation and Arbitration</i> Kahului, Maui, Hawaii - October, 1990
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A-40. DEFINITIONS**DEFINITIONS**

The purpose of this Glossary is to assist the reader in understanding specific terminology used in this report.

Appraisal (noun) the act or process of estimating value; an estimate of value. (adjective) of or pertaining to appraising and related functions, e.g. appraisal practice, appraisal services.

Complete Appraisal: The act or process of estimating value or an estimate of value performed without invoking the Departure Provision.

Limited Appraisal: The act or process of estimating value or an estimate of value performed under and resulting from invoking the Departure Provision.

Binding Requirement All or part of a standards rule of the Uniform Standards of Professional Appraisal Practice (USPAP) from which departure is not permitted (See Departure Provision).

Cash Equivalent A price expressed in terms of cash, as distinguished from a price expressed totally or partly in terms of the face amounts of notes or other securities that cannot be sold at their face amounts.

Counseling Providing competent, disinterested, and unbiased advice and guidance on diverse problems in the broad field of real estate; may involve any or all aspects of the business such as merchandising, leasing, management, acquisition/disposition planning, financing, development, cost-benefit studies, feasibility analysis, and similar services. Counseling services are often associated with evaluation, but they are beyond the scope of appraisal.

Departure Provision This provision permits limited exceptions to sections of the Uniform Standards of Professional Appraisal Practice that are classified as specific guidelines rather than binding requirements. The burden of proof is on the appraiser to decide before accepting a limited assignment that the result will not confuse or mislead. The burden of disclosure is also on the appraiser to report any limitations.

Discounting The procedure used to convert periodic income and reversions into present value; based on the assumption that benefits received in the future are worth less than the same benefits received now.

Fair Value The cash price that might reasonably be anticipated in a current sale under all conditions requisite to a fair sale. A fair sale means that buyer and seller are each acting prudently, knowledgeably, and under no necessity to buy or sell, i.e., other than in a forced or liquidation sale. The appraiser should estimate the cash price that might be received upon exposure to the open market for a reasonable time, considering the property type and local

market conditions. ***When a current sale is unlikely, i.e., when it is unlikely that the sale can be completed within 12 months, the appraiser must discount all cash flows generated by the property to obtain the estimate of fair value.*** These cash flows include, but are not limited to, those arising from ownership, development, operating, and sale of the property. The discount applied shall reflect the appraiser's judgment of what a prudent, knowledgeable purchase under no necessity to buy would be willing to pay to purchase the property in a current sale.

Fee Simple Estate

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

Hawaiian Terms

The Hawaiian words "mauka" and "makai" are commonly used in the islands as indicators of direction. The word "mauka" means toward the mountain, and "makai" means toward the ocean.

Highest and Best Use

The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability.

Highest and Best Use of Land or a Site as Though Vacant

The use of a property based on the assumption that a parcel of land is vacant or can be made vacant through demolition of any improvements.

Highest and Best Use of Property as Improved

The use that should be made of a property as it exists.

Leased Fee Estate

An ownership interest held by a landlord with the right of use and occupancy conveyed by lease others; the rights of lessor or the leased fee owner and leased fee are specified by contract terms contained within the lease

Leasehold Estate

The right to use and occupy real estate for a stated term and under certain conditions; conveyed by a lease.

Market Rent

The rental income that a property would most probably command in the open market.

Market Value

Market value is the major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined. Continual refinement is essential to the growth of the appraisal profession. The current economic definition of market value can be stated as follows:

"The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the

buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress."

The current economic definition of Market value as stated in the Uniform Standards of Professional Practice, published by The Appraisal Foundation in 1990, is as follows:

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

1. buyer and seller are typically motivated.
2. both parties are well informed or well advised, and acting in what they consider their best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."

***Prospective Market Value
Upon Completion
of Construction***

The prospective future value of a property on the date that construction is completed, based upon market conditions forecast to exist as of the completion date.

Prospective Value Estimate

A forecast of the value expected at a specified future date. A prospective value estimate is most frequently sought in connection with real estate projects that are proposed, under construction, or under conversion to a new use, or those that have not achieved sellout or a stabilized level of long-term occupancy at the time the appraisal report is written.

Report

Any communication, written or oral, of an appraisal, review, or consulting service that is transmitted to the client upon completion of an assignment. The types of written reports listed below apply to real property appraisals:

Self-Contained Appraisal Report: A written report prepared under Standards Rule 2-2(a) of a complete or Limited Appraisal performed under Standard 1.

Summary Appraisal Report: A written report prepared under Standards Rule 2-2(b) of a Complete or Limited Appraisal performed under Standard 1.

Restricted Appraisal Report: A written report prepared under Standards Rule 2-2(c) of a Complete or Limited Appraisal performed under Standard 1.

Specific Guideline

All or part of a standards rule of the Uniform Standards of Professional Appraisal Practice (USPAP) from which departure is permitted under certain conditions (See Departure Provision).

**Uniform Standards
of Professional
Appraisal Practice**

Current standards of the appraisal profession, developed for appraisers and the users of appraisal services; the USPAP deal with the procedures to be followed in developing an appraisal, analysis, or opinion and the manner in which an appraisal, analysis, or opinion is communicated. The USPAP are endorsed by the Appraisal Institute and other professional appraisal organizations.

A-41. LIMITING & CONTINGENT CONDITIONS

LIMITING AND CONTINGENT CONDITIONS: The certification of the Appraiser appearing in the appraisal report is subject to the following conditions and to such other specific and limiting conditions as are set forth by the Appraiser in the report. By this notice, all persons and firms reviewing, utilizing or relying on the report in any manner bind themselves to accept these assumptions and limiting conditions. Do not use this report if you do not so accept. These conditions are a part of the appraisal report, they are a preface to any certification, definition, fact or analysis, and are intended to establish as a matter of record that the Appraiser's function is to provide a present market value indication for the subject property based upon the Appraiser's observation as to the subject property and real estate market. This appraisal report is an economic study to estimate value as defined in it. It is not an engineering, construction, legal or architectural study nor survey and expertise in these areas, among others, is not implied.

1. **CONFIDENTIALITY.** The contents of the appraisal are confidential. Release of this appraisal by ACM Consultants, Inc. to you is limited to and solely for your business use only. Any further release of this appraisal by you or any of your agents is strictly prohibited and you shall accept the risk and liability for any such release without the previous written consent of ACM Consultants, Inc. Further, you shall indemnify and defend ACM Consultants, Inc. from any claims arising out of any such unauthorized disclosure.
2. **LIMIT OF LIABILITY.** The liability of ACM Consultants, Inc. and employees and affiliated independent contractors is limited to the fee actually received by Appraiser (total per appraisal). Further, there is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The Appraiser is in no way to be responsible for any costs incurred to discover or correct any deficiencies of any type present in the property; physically, financially, and/or legally. In the case of limited partnerships or syndication offerings or stock offerings in real estate, client agrees that in case of lawsuit (brought by lender, partner or part owner in any form of ownership, tenant, or any other party), any and all awards, settlements of any type in such suit, regardless of outcome, client will hold Appraiser harmless in any such action.
3. **INFORMATION USED.** No responsibility is assumed for accuracy of information furnished by work of or work by others, the client, his designee, or public records. We are not liable for such information or the work of possible subcontractors. The comparable date relied upon in this report has been confirmed with one or more parties familiar with the transaction or from affidavit or other source though reasonable; all are considered appropriate for inclusion to the best of our factual judgment and knowledge. An impractical and uneconomic expenditure of time would be required in attempting to furnished unimpeachable verification in all instances, particularly as to engineering and market-related information. It is suggested that the client consider independent verification as a prerequisite to any transaction involving sale, lease, or other significant commitment of funds of subject property.
4. **TESTIMONY, CONSULTATION, COMPLETION OF CONTRACT FOR APPRAISAL SERVICES.** The contract for appraisal, consultation or analytical service is fulfilled, and the total fee is payable upon completion of the report.

The Appraiser(s) or those assisting in preparation of the report will not be asked or required to give testimony in court or hearing because of having made the appraisal, in full or in part, nor engage in post appraisal consultation with client or third parties except under separate and special arrangement and at additional fee. If testimony or deposition is required because of subpoena, the client shall be responsible for any additional time, fees, and charges regardless of issuing party.

5. **LEGALITY OF USE.** The appraisal is based on the premise that, there is full compliance with all applicable federal, state and local environmental regulations and laws unless otherwise stated in the report; further, that all applicable zoning, building, use regulations and restrictions of all types have been complied with unless otherwise stated in the report; further, it is assumed that all required licenses, consents, permits, or other legislative or administrative authority, local, state, federal and/or private entity or organization have been or can be obtained or renewed for any use considered in the value estimate.

6. **COMPONENT VALUES.** The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. The separate valuations for land and building must not be used in conjunction with any other appraisal and are invalid if so used.
7. **AUXILIARY AND RELATED STUDIES.** No environmental or impact studies, special market study or analysis, highest and best use analysis or feasibility study has been requested or made unless otherwise specifically stated in an agreement for services or in the report.
8. **DOLLAR VALUES, PURCHASING POWER.** The market value estimated, and the costs used, are as of the date of the estimate of value. All dollar amounts are based on the purchasing power and price of the dollar as of the date of the value estimate.
9. **INCLUSIONS.** Furnishings and equipment or personal property or business operations except as specifically indicated and typically considered as a part of real estate, have been disregarded with only the real estate being considered in the value estimate unless otherwise stated.
10. **ENVIRONMENTAL DISCLAIMER.** The value estimated in this report is based on the assumption that the property is not negatively affected by the existence of hazardous substances or detrimental environmental conditions. The Appraiser is not an expert in the identification of hazardous substances or detrimental environmental conditions. The Appraiser's routine inspection of and inquiries about the subject property did not develop any information that indicated any apparent significant hazardous substances or detrimental environmental conditions which would affect the property negatively. It is possible that tests and inspections made by a qualified hazardous substance and environmental expert would reveal the existence of hazard material and environmental conditions on or around the property that would negatively affect its value.
11. **LEGAL, ENGINEERING, FINANCIAL, STRUCTURAL, OR MECHANICAL NATURE, HIDDEN COMPONENTS, SOIL.** The Appraiser and/or firm has no responsibility for matters legal in character or nature, nor of any architectural, structural, mechanical, or engineering nature. No opinion is rendered as to the title, which is presumed to be good and merchantable. The property is appraised as if free and clear, unless otherwise stated in particular parts of the report.
The legal description is assumed to be correct as used in this report as furnished by the client, his designee, or as derived by the Appraiser.

Note that no advice is given regarding mechanical equipment or structural integrity or adequacy, no soils and potential for settlement, drainage, and such (seek assistance from qualified architect and/or engineer) nor matters concerning liens, title status, and legal marketability (seek legal assistance), and such. The lender and owner should inspect the property before any disbursement of funds; further it is likely that the lender or owner may wish to require mechanical or structural inspections by a qualified and licensed contractor, civil or structural engineer, architect, or other expert.

The Appraiser has inspected as far as possible, by observation, the land and the improvements; however, it was not possible to personally observe conditions beneath the soil or hidden structurally or by other components. We have not critically inspected mechanical components within the improvements and no representations are made herein as to these matters unless specifically stated and considered in the report. The value estimate considers there being no such conditions that would cause a loss of value. The land or the soil of the area being appraised appears firm, however, subsidence in the area is unknown. The Appraiser(s) do not warrant against this condition or occurrence of problems arising from soil conditions.

The appraisal is based on there being no hidden, unapparent, or apparent conditions of the property site, subsoil, or structures or toxic material which would render it more or less valuable. The Appraiser and firm have no responsibility for any such conditions or for any expertise or engineering to discover them. All mechanical components are assumed to be in operable condition and status standard for properties of the subject type. Conditions of heating, cooling, ventilation, electrical and plumbing equipment is considered to be commensurate with the conditions of the balance of the improvements unless otherwise stated. No judgment may be made by us as to adequacy of insulation, type of insulation, or energy efficiency of the improvements or equipment which is assumed standard for subject and type.

If the Appraiser has not been supplied with a termite inspection, survey or occupancy permit, no responsibility or representation is assumed or made for costs associated with obtaining same or for any deficiencies discovered before or after they are obtained. No representation or warranties are made concerning obtaining the above mentioned items.

The Appraiser has no responsibility for any costs or consequences arising due to the need, or the lack of need for flood hazard insurance. An Agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.

12. PROPOSED IMPROVEMENTS, CONDITIONED VALUE. Improvements proposed, if any, on or off-site, as well as any repairs required are considered, for purposes of the appraisal to be completed in good and workmanlike manner according to information submitted and/or considered by the Appraiser(s). In cases of proposed construction, the appraisal is subject to change upon inspection of property after construction is completed. This estimate of market value is as of the date shown, as proposed, as if completed and operating at levels shown and projected. On all appraisals, subject to satisfactory completion, repairs, or alterations, the appraisal report and value conclusion are contingent upon completion of the improvements in a workmanlike manner.

13. VALUE CHANGE, DYNAMIC MARKET, INFLUENCES, ALTERATION OF ESTIMATE BY APPRAISER. The estimated market value, which is defined in the report, is subject to change with market changes over time; value is highly related to exposure, time, promotional effort, terms, motivation, and conditions surrounding the offering. The value estimate considers the productivity and relative attractiveness of the property physically and economically in the marketplace.

Appraisal report and value estimate subject to change if physical or legal entity or financing is different than that envisioned in this report.

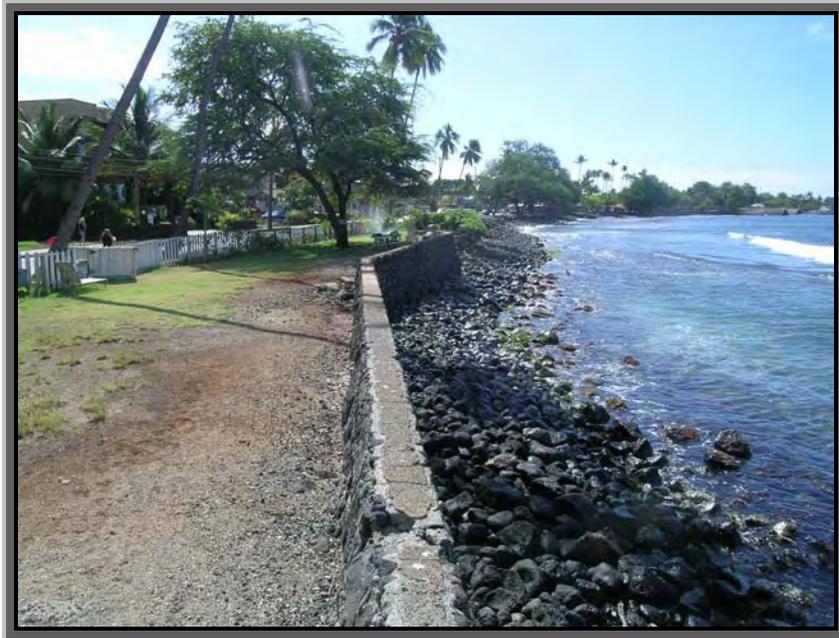
14. EXHIBITS. The sketches and maps in this report are included to assist the reader in visualizing the property and are not necessarily to scale. Various photos, if any, are included for the same purpose as of the date of the photos. Site plans are not surveys unless shown from separate surveyor. All documents, materials, photographs, negatives, and other items provided to or obtained by the Appraiser becomes the property of the Appraiser unless other arrangements have been previously made therefore.

15. CHANGES, MODIFICATION. The Appraiser(s) and/or officers of ACM Consultants, Inc., reserve the right to alter statements, analysis, conclusion or any value estimate in the appraisal if there becomes known to us facts pertinent to the appraisal process which were unknown to us when the report was completed.

16. DISCLOSURE. Disclosure of the contents of the appraisal report is governed by the Bylaws and Regulations of the professional appraisal organizations with which the Appraiser is affiliated. Neither all, nor any part of the content of the report, or copy thereof (including conclusions as to the property value, the identity of the Appraiser, professional designations, reference to any professional appraisal organizations, or the firm with which the Appraiser is connected, shall be used for any purpose by anyone but the client specified in the report, without the previous written consent of the Appraiser; nor shall it be conveyed by anyone to the public through advertising, public relations, news sales, or other media, without the written consent and approval of the Appraiser. The Appraiser may not divulge the material (evaluation) contents of the report, analytical findings or conclusions, or give a copy of the report to anyone other than the client or his designee as specified in writing except as may be required by the Appraisal Institute as they may request in confidence for ethics enforcement, or by a court of law or body with the power of subpoena.

17. CONTINUING EDUCATION. The Appraisal Institute conducts a voluntary program of continuing education for its designated members. As of the date of this report, Glenn Kunihsa has completed the requirements of the continuing education program of the Appraisal Institute.

ACCEPTANCE OF, AND/OR USE OF THIS APPRAISAL REPORT BY CLIENT OR ANY THIRD PARTY CONSTITUTES ACCEPTANCE OF THE ACM CONSULTANTS, INC., CERTIFICATION, LIMITING AND CONTINGENT CONDITIONS. APPRAISER LIABILITY EXTENDS ONLY TO STATED CLIENT, NOT SUBSEQUENT PARTIES OR USERS OF ANY TYPE, and the total liability of Appraiser(s) and firm is limited to the amount of fee received by Appraiser.



APPRAISAL OF A VACANT LAND PARCEL
SITUATED AT
1377 FRONT STREET, LAHAINA, MAUI

The Subject is Identified as Tax Map Key

Division 2, Zone 4, Section 5, Plat 12, Parcel 018

**AN APPRAISAL REPORT OF THE VACANT PARCEL OF LAND LOCATED AT
1377 FRONT STREET, LAHAINA, ISLAND AND COUNTY OF MAUI, STATE OF HAWAII**

PART I - INTRODUCTION

A-1. TITLE PAGE

PREPARED FOR: Ms. Cheryl Akiona
Capital Improvements Project Coordinator
County of Maui Parks & Recreation
Planning and Development
700 Hali'a Nakoa Street, Unit 2
Wailuku, Maui, Hawaii 96793

PREPARED BY: Glenn Kunihsa, MAI, CRE
Certified General Appraiser,
State of Hawaii, CGA-39
Expiration: December 31, 2011

ACM Consultants, Inc.
2073 Wells Street, Ste 100
Wailuku, Maui, Hawaii 96793

PROPERTY: A 21,524 square foot parcel of oceanfront land located at 1377 Front Street,
Lahaina, Island and County of Maui, State of Hawaii

Tax Map Key: (2) 4-5-12-018

EFFECTIVE DATE: February 10, 2010

A-2 LETTER OF TRANSMITTAL

March 9, 2010

10-9008

Ms. Cheryl Akiona
Capital Improvements Project Coordinator
County of Maui Parks & Recreation
Planning and Development
700 Hali`a Nakoa Street, Unit 2
Wailuku, Maui, Hawaii 96793

Re: A Summary Appraisal of the fee simple interest in the 21,524 square foot parcel of land situated at 1377 Front Street in Lahaina, Island and County of Maui, State of Hawaii

Tax Map Key: Division 2, Zone 4, Section 5, Plat 12, Parcel 018

Dear Ms. Akiona:

In accordance with your instructions and requirements, we have inspected the above-referenced property in order to provide an opinion of the fee simple market value of this 21,524 square foot parcel of oceanfront land.

This appraisal is presented as a **Summary Appraisal Report** which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice for a Summary Appraisal Report. This appraisal report was also written in compliance with the Uniform Standards for Federal Land Acquisitions (**Yellow Book**).

The final value estimate is based on the on-site inspection of the property; the Appraiser's opinion of highest and best use; a study of comparable land transactions in the market; and, a review of current economic and financial conditions.

Based on our research and study, it is our opinion that the market value of the subject, as of February 10, 2010, and subject to the "Certification", "Extraordinary Assumptions and Conditions" and "Limiting and Contingent Conditions" set forth herein, is

FOUR HUNDRED FORTY THOUSAND DOLLARS
\$440,000

Ms. Cheryl Akiona

March 9, 2010

Page 2

The following appraisal report presents a narrative review of the appraisal and our analysis of data along with other pertinent materials on which the estimate of value is predicated.

Thank you for allowing us the opportunity to work on this interesting assignment.

Respectfully submitted,

ACM Consultants, Inc.

Glenn K. Kunihsa, MAI, CRE
Certified General Appraiser
State of Hawaii, CGA-039
Expiration: December 31, 2011

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A-4 APPRAISER'S CERTIFICATION

The undersigned does hereby certify that except as otherwise noted in this appraisal report:

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, limiting conditions, and legal instructions, and are the personal, unbiased professional analysis, opinions, and conclusions of the appraiser;
3. The appraiser has no present or prospective interest in the property appraised and no personal interest or bias with respect to the parties involved;
4. The compensation received by the appraiser for the appraisal is not contingent on the analyses, opinions, or conclusions reached or reported;
5. The appraisal was made and the appraisal report prepared in conformity with the *Uniform Appraisal Standards for Federal Land Acquisitions*;
6. The appraisal was made and the appraisal report prepared in conformity with the Appraisal Foundation's *Uniform Standards for Professional Appraisal Practice*, except to the extent that the *Uniform Appraisal Standards for Federal Land Acquisitions* required invocation of USPAP's Jurisdictional Exception Rule, as described in Section D-1a of the *Uniform Appraisal Standards for Federal Land Acquisitions*. The appraisal has also been prepared in accordance with the *Federal Financial Assistance Manual Volume 69 of the Land & Water Conservation Fund (LWCF) State Assistance Program*.
7. The appraiser has made a personal inspection of the property appraised and that the property owner, or his/ her designated representative, was given the opportunity to accompany the appraiser on the property inspection;
8. No one provided significant professional assistance to the appraiser.

I have made a personal inspection of the appraised property which is the subject of this report and all comparable sales used in developing the opinion of value. The date(s) of inspection was February 10, 2010, and the method of inspection was by foot.

In my opinion, as of February 10, 2010, the market value of the property is \$440,000.

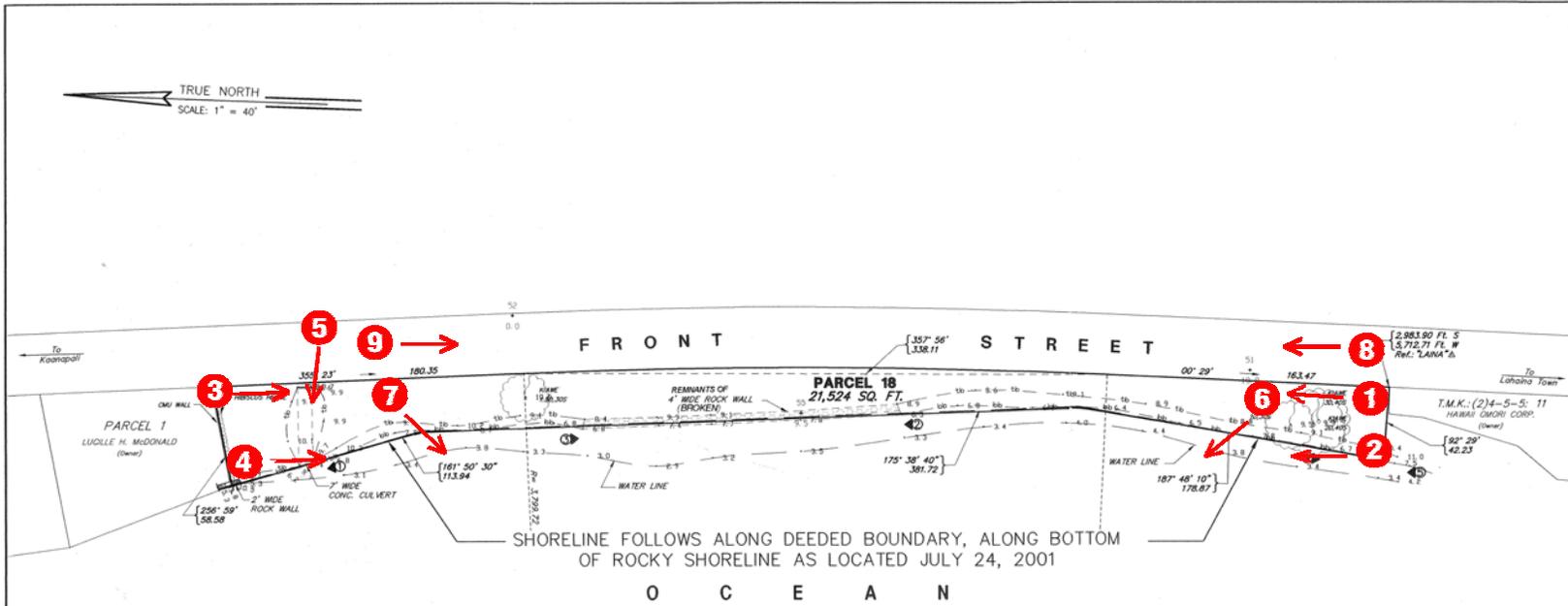
ACM Consultants, Inc.

Glenn K. Kunihsa, MAI, CRE
Certified General Appraiser,
State of Hawaii, CGA-039
Expiration: December 31, 2011

A-5. SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Date of Valuation	February 10, 2010
Tax Map Key	Division 2, Zone 4, Section 5, Plat 12, Parcel 018
Location	1377 Front Street, Lahaina, Island and County of Maui, State of Hawaii
Census Tract	314.02
Registered Fee Owners	County of Maui
Zoning	R-1 Residential District
State Land Use Designation	Urban
Flood Status	Zone VE Community Panel Number 1500030361E Effective Date: September 25, 2009 Flood insurance is required.
Site Area	21,524 square feet
Existing Improvements	The site is vacant and unimproved
Real Property Assessments	Pitt 100 - Improved Residential \$893,900
Estimated Real Property Taxes	\$4,335.42 The County of Maui is exempt from paying any tax on the property.
Highest and Best Use	Single-family residential
Value Opinion of the Property	

FOUR HUNDRED FORTY THOUSAND DOLLARS
(\$440,000)



LEGEND

--- to --- TOP BANK

③ LOCATION AND DIRECTION OF PHOTOGRAPH

NOTES:

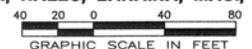
- ADJOINING OWNERS AS SHOWN TAKEN FROM TAX MAP RECORDS.
- THE PHOTOGRAPHS OF THE SHORELINE WERE TAKEN ON JULY 24, 2001 AT 1:00 PM.

Prepared for: Mr. DOUGLAS WHITE
1388 Front Street
Lahaina, Hawaii 96761

The shoreline is located and certified and delineated in red is hereby confirmed as being the actual shoreline as of NOV 8 2001

[Signature]
Chairman, Board of Land and Natural Resources

SHORELINE SURVEY MAP
PARCEL 18 OF TAX MAP KEY: (2)4-5-12
BEING ALL OF ROYAL PATENT GRANT 1891, APANA 1 TO D. BALDWIN
AND LAND PATENT GRANT 7855, APANA 3 TO LAHAINA AGRICULTURAL CO., LTD.
AT MOALI, HALEU, LAHAINA, MAUI, HAWAII



THIS WORK WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION

[Signature]
KIRK T. TANAKA
Licensed Professional Land Surveyor
Certificate No. 7223

DATE: 08/05/01

Tax Map Key: (2)4-5-12: 18
871 KOLU STREET, SUITE 201
WAILUKU, MAUI, HAWAII 96793

R. T. TANAKA ENGINEERS, INC.
LAND SURVEYORS - CIVIL & STRUCTURAL ENGINEERS

AUGUST 13, 2001
JOB NO. 01-058

A-6. PHOTOGRAPHS OF SUBJECT PROPERTY



Photograph No. 1

Taken From: Point No. 1
Camera Facing: North
Date Taken: February 10, 2010
Taken By: Glenn Kunihsa, MAI, CRE

Description: This photograph depicts an overall view of the subject in a northerly direction from the southeastern corner of the parcel. As mentioned in the report, this parcel is extremely long and narrow, and extends past the vehicles pictured in the background.



Photograph No. 2

Taken From: Point No. 2
Camera Facing: North
Date Taken: February 10, 2010
Taken By: Glenn Kunihsa, MAI, CRE

Description: This photograph depicts an overall view of the subject in a northerly direction from Point No. 2. Pictured is the rocky shoreline that covers a majority of the boundary.



Photograph No. 3

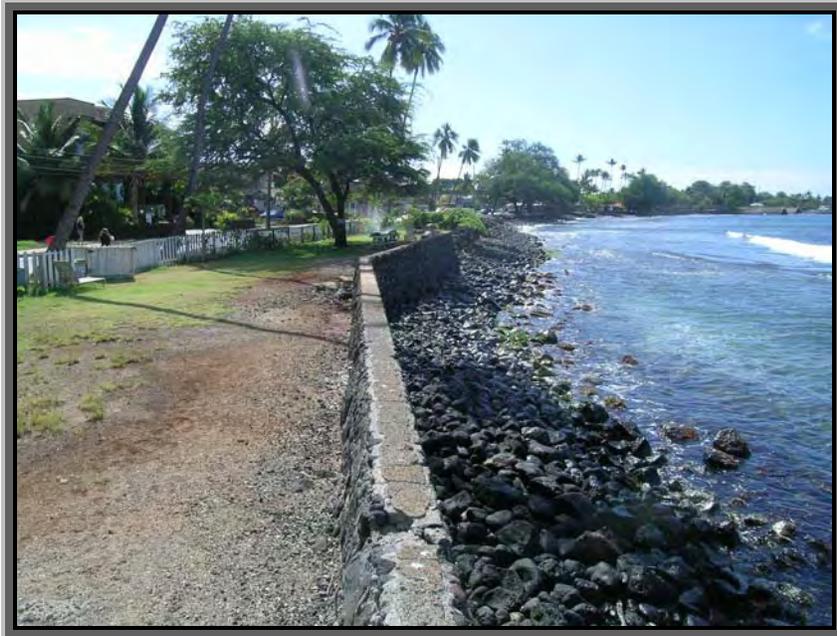
Taken From: Point No. 3

Camera Facing: South

Date Taken: February 10, 2010

Taken By: Glenn Kunihsa, MAI, CRE

Description: This photograph depicts an overall view of the subject in a southerly direction from the subject's northeastern corner. The camera is facing down the eastern boundary of the site.



Photograph No. 4

Taken From: Point No. 4

Camera Facing: South

Date Taken: February 10, 2010

Taken By: Glenn Kunihsa, MAI, CRE

Description: This photograph depicts an additional overall view of the subject in a northerly direction from Point No. 4 at the subject's northwestern corner. Note the seawall which runs along this segment of the oceanfront boundary.



Photograph No. 5

Taken From: Point No. 5
Camera Facing: West
Date Taken: February 10, 2010
Taken By: Glenn Kunihsa, MAI, CRE

Description: This photograph depicts an overall view of the drainage channel which runs across the site from east to west. It is situated near the northern boundary of the property. The camera is facing west.



Photograph No. 6

Taken From: Point No. 6
Camera Facing: Northwest
Date Taken: February 10, 2010
Taken By: Glenn Kunihsa, MAI, CRE

Description: This photograph depicts a part of the panoramic view from this property. A part of the island of Lanai is pictured in the left background.



Photograph No. 7

Taken From: Point No. 7

Camera Facing: Southwest

Date Taken: February 20, 2010

Taken By: Glenn Kunihiha, MAI, CRE

Description: This photograph depicts a portion of the subject's panoramic ocean view. The picture was taken from the seawall and faces in a southwesterly direction. The island of Lanai is pictured in the background.



Photograph No. 8

Taken From: Point No. 8

Camera Facing: North

Date Taken: February 10, 2010

Taken By: Glenn Kunihiha, MAI, CRE

Description: This photograph depicts an overall view of Front Street in a northerly direction. The subject is shown to the left of the roadway and single-family homes line the right side of the street.



Photograph No. 9

Taken From: Point 9

Camera Facing: South

Date Taken: February 10, 2010

Taken By: Glenn Kunihsa, MAI, CRE

Description: This photograph depicts an overall view of Front Street in a southerly direction. The subject is pictured to the right of the photograph.

A-7. STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS

Extraordinary Assumptions. An assumption, directly related to a specific assignment, which, if found to be false, could alter the Appraiser's opinion or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis.

- (1) The value estimated in this report is based on the extraordinary assumption that the property is not negatively affected by the existence of hazardous substances, detrimental environmental conditions or articles of archaeological significance. The Appraiser is not an expert in the identification of such materials and conditions; therefore, no warranties with respect to these matters are expressed. Should tests and inspections by qualified experts in these fields reveal the existence of hazardous materials, detrimental environmental conditions or articles of archaeological significance on or around the property, unless otherwise noted in this report, such discoveries would negatively affect the property value and would invalidate this appraisal.
- (2) Preliminary site, parcel and survey maps and descriptions were furnished by the client and from the client's consultants and experts. The Appraiser assumes the maps and descriptions to be accurate and reliable as of this date. In addition, the Appraiser assumes no responsibility for their correctness or undisclosed modifications as of the date of appraisal or subsequent to the date of appraisal.
- (3) At the time of inspection of the subject, the property pins and boundary markers were not readily visible to the Appraiser. As such, the approximate boundaries viewed by the Appraiser, based on the maps provided to him, as assumed to be correct. It is also assumed that there is no encroachment into, or from, the subject property.

Hypothetical Conditions. A hypothetical condition is that which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

The subject is a 21,524 square foot oceanfront parcel in Lahaina. It will be exchanged with another property in accordance with the Federal Financial Assistance Manual Volume 69 of the Land & Water Conservation Fund (LWCF) State Assistance Program.

The LWCF allows the Appraiser to disregard the actual zoning of the property if this property is utilized as a park; however, that is not the case in this instance. The subject is not presently utilized as a park and, in fact, it is zoned R-1 Residential District. Furthermore, although the West Maui Community Plan classifies a major portion of this property as "Open Space", this designation was in place long before the subject was acquired by the County of Maui. As such, this appraisal will **not** be subjected to a hypothetical condition which would disregard the existing zoning of the subject.

In this light, this report and its findings will not be subject to any hypothetical conditions in the appraisal process.

This appraisal report is also subject to the standard "Limiting and Contingent Conditions" located in the Addendum to this report.

A-8. SCOPE OF APPRAISAL

This appraisal report contains data gathered in our investigations, and is complete with exhibits describing the theory and calculations of our valuation methodology.

In the process, we have gathered pertinent data with respect to economic, social and environmental factors, along with other regional data that would have direct or indirect influence upon the subject. A physical inspection of the subject and its immediate neighborhood was conducted on February 10, 2010 and provided the basis for the site and other descriptions. Additionally, research was conducted into primary and secondary data sources in compiling factual information on the subject, and of the market. Based on this information, an analysis of Highest and Best Use was conducted.

This valuation assignment has been completed with the intent of complying with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute; specific guidelines of the Uniform Standards of Professional Appraisal Practice (USPAP); the Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA) or Yellow Book; and the Federal Financial Assistance Manual of the Land & Water Conservation Fund State Assistance Program.

A-9. PURPOSE, INTENDED USE AND INTENDED USER OF THE APPRAISAL

The purpose of this appraisal, as of February 10, 2010, is to provide an opinion of market value of the subject property. Market value under UASFLA is defined as follows:

Market value is the amount in cash, or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of the appraisal, after a reasonable exposure time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the property at the time of the appraisal.

The intended use of this report is to provide real property information, real estate market data, and an informed value conclusion to assist the client in the exchange of the property being appraised.

The County of Maui (the client), and those organizations or government agencies involved in the exchange process, are the only authorized users of this report. The specific federal agency involved in this exchange is the National Park Service, U.S. Department of the Interior. Any other use by any other person or entity for any other purpose, without exception, is explicitly unauthorized.

A-10. SUMMARY OF THE APPRAISAL PROBLEMS

This section of the report is provided to acquaint the reader with the specific appraisal problems which have been encountered during the valuation process.

The subject is an oceanfront parcel located in the Lahaina District of Maui and is presently zoned Residential District; however, the West Maui Community Plan designates it as Open Space.

The initial challenge facing the Appraiser is the determination of highest and best use. While the subject's zoning is R-1 Residential District, it is primarily classified in the West Maui Community Plan as "Open Space"; together with a small section at its northern boundary designated as "Single-Family". In addition, the subject has a very narrow, and irregularly-shaped configuration which will make development of the site extremely difficult. This is further complicated by the presence of an open concrete drainage channel at the northern end of the parcel which causes difficulties in the future placement of a building. As will be shown later in this report, the Appraiser's opinion of highest and best use of the subject was concluded to be for single-family residential use. Subsequently, selection of the comparable oceanfront properties for this valuation proved to be difficult, in light of the relative inactivity of the real estate market.

Research of the Maui Multiple Listing Service revealed that there has been only one recent sale of a residential zoned vacant lot in Lahaina Town. In the absence of recent sales in the area, the Appraiser was compelled to utilize conveyances from competitive neighborhoods on Maui, namely, oceanfront parcels in Maalaea and Paia. The absence of sufficient data also made it difficult to provide quantitative support for adjustments made in the valuation tables. As a result, many of the adjustments were supported qualitatively by explanation and discussion reflecting the Appraiser's valuation experience on Maui.

PART II – FACTUAL DATA

A-11. LEGAL DESCRIPTION

A legal description of the subject was gleaned from the Warranty Deed which recorded on June 15, 2007 in the Bureau of Conveyances, State of Hawaii.

All of that certain parcel of land (being portion (s) of the land(s) described in and covered by Royal Patent Grant Number 1891, Apana 1 to D. Baldwin, and Land Patent Grant Number 7855, Apana 3 to Lahaina Agricultural Co., Ltd.) situate, lying and being on the west side of Front Street, at Moali, Haleu, Lahaina, Island and County of Maui, State of Hawaii, and thus bounded and described:

Beginning at a pipe at the Southeast corner of this parcel of land, the coordinates of said point of beginning referred to Government Survey Triangulation Station "LAINA" being 2,983.90 feet South and 5,712.71 feet West and running by azimuths measure clockwise from True South:

- | | | | | |
|----|---|---------|--------|--|
| 1. | 92° | 29' | 42.23 | feet along the remainder of Grant 1891 Apana 1 to D. Baldwin to a pipe; |
| 2. | 187° | 48' 10" | 178.87 | feet along the seashore along the base of a stonewall to a pipe; |
| 3. | 175° | 38' 40" | 381.72 | feet along same to a pipe; |
| 4. | 161° | 50' 30" | 113.94 | feet along same to a pipe; |
| 5. | 256° | 59' | 58.58 | feet along the remainder of Grant 1891, Apana 1 to D. Baldwin and Grant 7855, Apana 2 to Lahaina Agricultural Co., Ltd. to a pipe; |
| 6. | 355° | 23' | 180.35 | feet along the West side of Front Street to a pipe; |
| 7. | Thence along same on a curve to the right having a radius of 3,799.72 feet, the chord azimuth and distance being: | | | |
| | 357° | 56' | 338.11 | feet to a pipe; |
| 8. | 0° | 29' | 163.47 | feet along same to the point of beginning and containing |

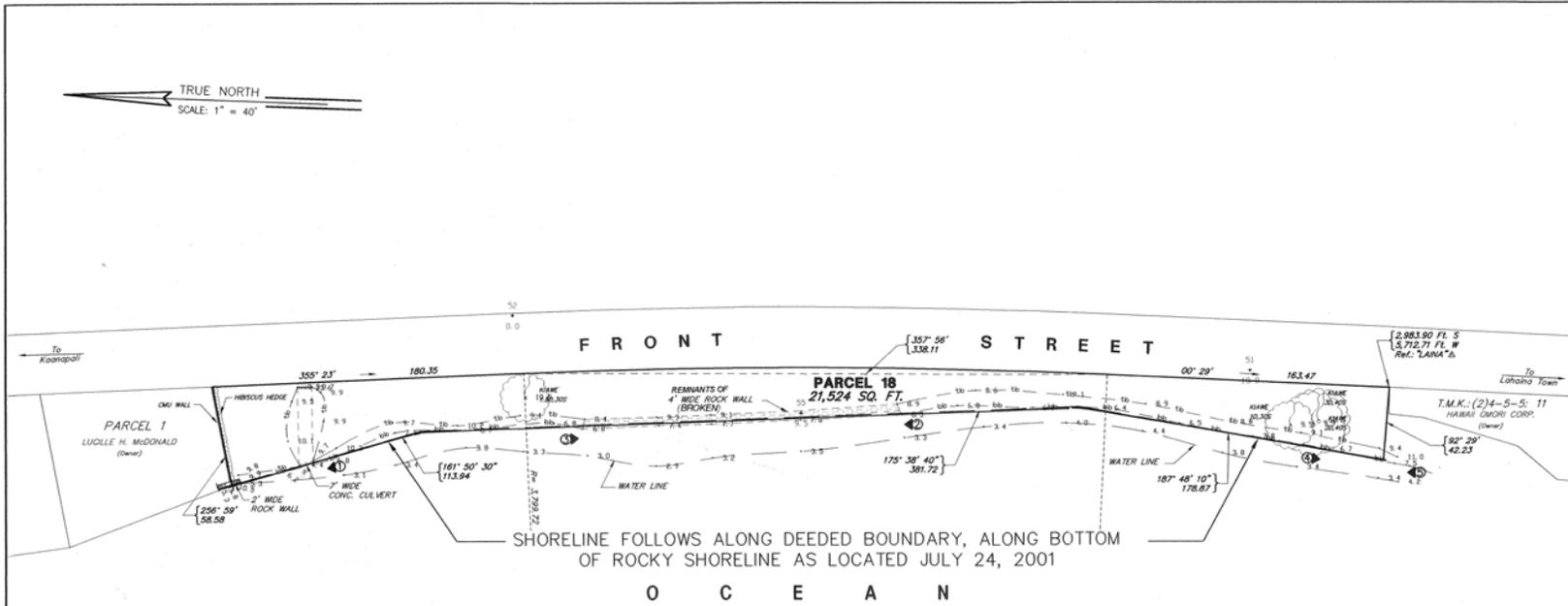
an area of 21,524 square feet, more or less.

Subject, however, to the following:

1. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
2. Location of the seaward boundary in accordance with the laws of the State of Hawaii and shoreline setback line in accordance with County regulation and/or ordinance.
3. The terms and provisions contained in Deed dated October 11, 1967, recorded in the said Bureau of Conveyances in Liber 5830 on Page 236. The foregoing includes, but is not limited to, matters relating to agricultural activities, including sugar cane burning, on nearby lands.
4. The terms and provisions contained in Deed dated May 25, 2001, recorded in the said Bureau of Conveyances as Document No. 2001-078027.

The property is also described on the Tax Maps of the State of Hawaii as:

Division 2, Zone 4, Section 5, Plat 12, Parcel 018



SHORELINE FOLLOWS ALONG DEEDED BOUNDARY, ALONG BOTTOM OF ROCKY SHORELINE AS LOCATED JULY 24, 2001

O C E A N

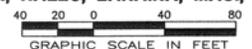
- LEGEND**
- TO --- TOP BANK
 - ③ LOCATION AND DIRECTION OF PHOTOGRAPH

- NOTES:**
1. ADJOINING OWNERS AS SHOWN TAKEN FROM TAX MAP RECORDS.
 2. THE PHOTOGRAPHS OF THE SHORELINE WERE TAKEN ON JULY 24, 2001 AT 1:00 PM.

Prepared for: Mr. DOUGLAS WHITE
1388 Front Street
Lahaina, Hawaii 96761

The shoreline is located and certified and delineated in red is hereby confirmed as being the actual shoreline as of NOV 5 2001
Kirk Tanaka
Chairman, Board of Land and Natural Resources

SHORELINE SURVEY MAP
PARCEL 18 OF TAX MAP KEY: (2)4-5-12
BEING ALL OF ROYAL PATENT GRANT 1891, APANA 1 TO D. BALDWIN
AND LAND PATENT GRANT 7855, APANA 3 TO LAHAINA AGRICULTURAL CO., LTD.
AT MOALI, HALEU, LAHAINA, MAUI, HAWAII



THIS WORK WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION
Kirk T. Tanaka
KIRK T. TANAKA DATE 08/05/01
Licensed Professional Land Surveyor
Certificate No. 7223

Tax Map Key: (2)4-5-12: 18
871 KOLU STREET, SUITE 201
WAILUKU, MAUI, HAWAII 96793

R. T. TANAKA ENGINEERS, INC.
LAND SURVEYORS - CIVIL & STRUCTURAL ENGINEERS

AUGUST 13, 2001
JOB NO. 01-058

A-12. AREA, CITY AND NEIGHBORHOOD DATA

General Description

The geographic area surrounding the subject property is defined by physical and man-made boundaries, and encompasses an area known as Lahaina, which is located on the western slopes and coastal plain of west Maui. Its common boundary with the Wailuku Judicial District begins at the southern shore of west Maui, about two miles west of Papawai Point. Beginning at this point, the Lahaina region boundary travels mauka along the centerline of the Manawainui Gulch to the ridgeline of the West Maui Mountains. The boundary then continues in a northerly direction to Eke Crater then due North along Poelua Gulch to the northern shoreline of West Maui. West Maui generally includes the greater Puamana, Lahaina Town, Honokowai, Mahinahina, Napili and Kapalua neighborhoods.

Development also reflects the region's visitor and agricultural industries. Visitor accommodations are located at the shoreline along with necessary support facilities and residential communities. Kapalua and Kaanapali have developed into important visitor destination anchors while the old Lahaina Town with its historic character and charm has developed into the regions visitor, service, commercial and residential center. Small plantation camps and agricultural communities are located further inland.

Access to Lahaina from other parts of Maui is via Honoapiilani Highway, a State thoroughfare consisting of two asphalt-paved lanes, which widens to four lanes between Lahaina and Kaanapali. Extending past Launiupoko Park to the south of Honokowai Park is a proposed Lahaina by-pass.

In order to fully understand and appreciate the potential for expansion, as well as factors that could limit the growth of this region, a brief summary of recent or proposed developments in this area, along with a few important issues facing future development are in order.

Residential

Population and urban settlements in the Lahaina region are located at Olowalu and in a narrow band along the shoreline between the southern end of Lahaina and Kapalua. At Lahaina Town, settlement patterns extend mauka at Wahikuli and along Lahainaluna Road. This development pattern is set in the midst of former sugar cane and pineapple fields, at the base of the West Maui Mountains.

Residential neighborhoods directly in Lahaina Town are generally older, and older wood-framed dwellings (over 50 years old) are slowly being replaced with new homes. These older properties were subdivided prior to the inception of the Maui County Code;

consequently, land sizes of residential properties in Lahaina may vary anywhere from 1,600 to 30,000+ square feet instead of the 6,000 square foot minimum requirement set by the Maui County Code.

With the continued demand for workforce housing in West Maui, more focus has been made on the development of affordable units. One such contributor was Kapua Village, an employee housing project for Maui Land and Pineapple employees built in 2003. It consists of 46 affordable, single-family residential lots in the Kahana neighborhood of West Maui. The other project to bring affordable housing units to the region was the Villas at Kahana Ridge condominium project which added 117 affordable units to the market in 2005. Both projects were well received and sold out in a short time period.

Ongoing West Side condominium projects include Opukea in Lahaina, West Maui Breakers in Honokowai, as well as the Honua Kai development on Kaanapali Beach which is the first new oceanfront condominium development in this area in 20 years.

Commercial

Lahaina Town, the central hub of the Lahaina area, was once the capital of the State of Hawaii. Since the move of the capital to Honolulu, Lahaina Town has transformed into a major visitor oriented area replete with shopping centers, boutiques, and restaurants. It also contains the central business district of this region, with a number of professional office buildings, financial institutions, post office, medical facilities and service businesses. These types of businesses are situated along the interior roadways of Dickenson Street, Wainee Street, Papalaua Street, and Lahainaluna Road.

The 600 to 800 blocks of Front Street, situated along the ocean, are a shopping mecca frequented by hundreds of tourists each day. This popular commercial corridor commands the highest retail rents on Maui. One of the major developments on the 600 block is the Wharf Cinema Center which contains three levels of retail and restaurant space which is a popular stop for tourists and residents. Built in 1978, it reflects a traditional look of old, wooden oceanfront buildings. Also on the 600 block is the redeveloped Six Fathoms building, a retail building which has generated renewed interest in this southern section of the shopping district. At the northern end of the corridor is Lahaina Center, a 150,000 square foot commercial complex with an 800-stall parking lot. It includes such tenants as the Hard Rock Café, Hilo Hatties, and Ruth Chris Steak House and a multi-screen movie theater.

The other major retail area is situated approximately 5 miles northeast of Lahaina Town in the planned development of Kaanapali. The exclusive Kaanapali Resort is home to a number of hotels including the Hyatt Regency, Marriott, Westin, and Sheraton. Besides the

luxurious hotels, Kaanapali includes all of the resort-type amenities including condominium developments, championship golf courses, custom single family homes, restaurants, shopping and other recreational facilities. Whalers Village sits on 8.5 acres of prime Kaanapali oceanfront property with close to 60 shops and restaurants, a food court and whale museum. Developments such as the Hyatt Regency, Maui Marriott Hotel, Kapalua Resort, the Lahaina Cannery Shopping Center, along with numerous new businesses geared primarily to the visitor trade, had strengthened the employment center of West Maui.

Since late-2008, West Maui has seen a drop in tourism numbers, similar to the rest of the State. This was attributed to the global financial crisis, which stalled economic growth nationwide. This has led to the closure of businesses and created a number of retail vacancies. Even Lahaina Town, which rarely has available commercial space, has seen a significant drop in asking rents.

Meanwhile, several ongoing projects were completed, and are expected to have a significant impact in West Maui. The Ritz-Carlton Kapalua completed a 180 million dollar transformation in 2008 and now provides 463 guest rooms, Club level accommodations and the addition of one and two bedroom Residential Suites. The hotel is tiered down a 37-acre hillside and includes a spa, four world-class restaurants, fitness center, tri-level swimming pool, and over 150,000 square feet of meeting space.

In 2008, West Maui also saw the opening of Lahaina Gateway. This 145,000-square foot center is perched on an 11-acre site directly across Lahaina Cannery Mall. Dubbed a neighborhood "lifestyle" center, this shopping destination features specialty stores and service providers including Barnes & Noble, Outback Steakhouse, Melting Pot, Office Max, and Lahaina Farms, in addition to many other smaller businesses. Directly across Keawe Street, construction also began on a Burger King, Kentucky Fried Chicken, Panda Express and Walgreens.

There are two industrial parks in Lahaina: The Lahaina Business Park and the Wili Ko Industrial Subdivision. The Lahaina Business Park is the newest development with recently completed buildings in both Phases I and II. One of the largest projects within the park is the Emerald Plaza complex which consists of three phases, comprised of Emerald Plaza, Emerald Plaza Center and Emerald Plaza Place. These developments have seen regular sales of their spaces within the past several years. Continued building within both phases of the park is expected to continue through the next few years.

After more than 20 years of discussion, planning and design, ground was broken for the Lahaina by-pass in April 2009. Extending past Launiupoko Park to the south of Honokowai Park, the 9-mile corridor should relieve much of Lahaina Town's traffic congestion when completed.

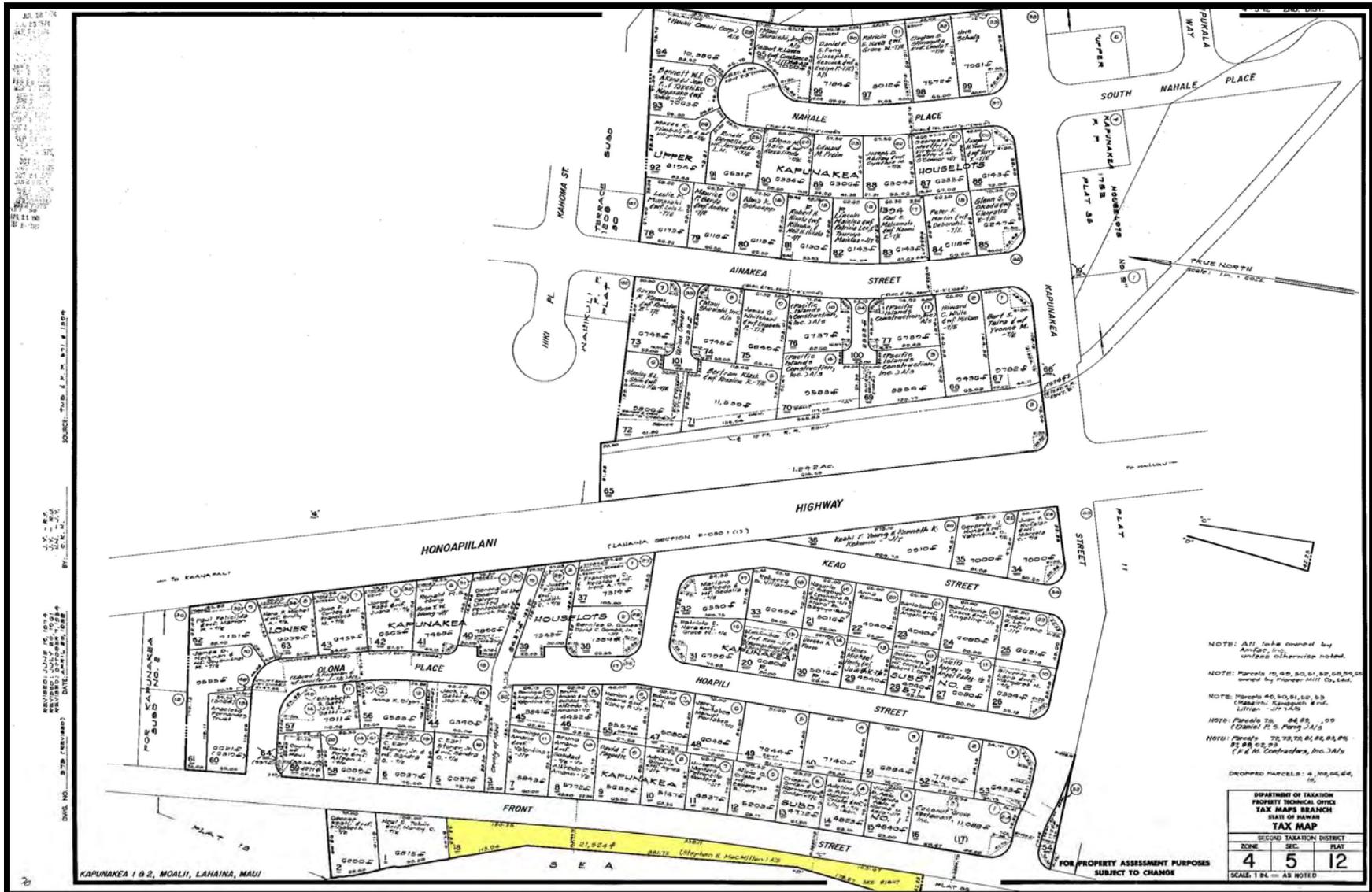
Conclusion

All public utilities including electricity, water, telephone and sewer service are available to the greater Lahaina area. Police and fire protection are provided by stations directly in Lahaina, as well as ambulance service. Shopping, schools, and other commercial, civic, recreational and religious facilities are located within Lahaina Town. Airline service to the Lahaina area is provided by commuter airlines into the Kapalua-West Maui Airport.

In previous years, the primary source of employment was provided by the Pioneer Mill. Since the mill's closure, however, the development of hotel resorts had created new job opportunities and the demand for employees had grown substantially. This demand for employees spurred growth in the area and also growth in commercial and other support activities. Inherent with this growth is the strain on the limited infrastructure in West Maui, as well as a keen shortage of available and affordable housing.

Due to the large land holdings of private companies and the State of Hawaii, available land in Lahaina for private, individual ownership is limited and subsequently, land values have risen steadily. The availability of affordable residential lots is expected to be in short supply for the foreseeable future.

The continued growth of Lahaina as a large urban area, as well as a major resort destination, is anticipated to be a catalyst for further growth in residential, commercial and various support facilities over the long term.



TAX MAP

A-13. PROPERTY DATA

A-13a. Site

Topography. As verified by a physical inspection, the site has a generally level topography.

View. There are panoramic views of the ocean and off-shore island views from the site.

Size and Shape. The site is highly irregular in shape with a very long and narrow configuration. Its ocean frontage is very broad, with a cumulative width of 674.53 feet. The southern depth of the property is 42.23 feet and its northern depth measures 58.58. It contains an area of approximately 21,524 square feet.

Public Utilities.

Water/Sewer:	Public water is available along Front Street.
Electricity:	Electricity is available from overhead lines along Front Street.
Telephone:	Telephone service on Maui is provided by Hawaiian Telcom and is available from overhead lines along Front Street.

Minerals & Mining. The Appraiser is not aware of the existence or non-existence of commercially valuable mineral deposits. In either case, however, the State of Hawaii reserves all mineral and metallic mining rights on all properties.

Present Use. The site is presently vacant of any structures and is not being utilized at this time. A seawall which partially protects the property from ocean erosion is situated along the northern segment of the subject's western boundary. A wood fence has been built along a portion of the street frontage of the property.

In 2002, the County of Maui issued a residential building permit to the owner of the property at that time, Douglas White. This building permit, together with the Special Management Area (SMA) determination, was later rescinded in 2003; and, after much controversy, Mr. White was denied the right to construct his single-family residence. The County of Maui ended up purchasing the site from Mr. White, et al. on June 15, 2007 at a price of \$800,000.

Flood Status. Within the County of Maui, certain areas are subject to periodic inundation by flooding and/or tsunami which may result in loss of life and property, creation of health and safety hazards, disruption of commerce and governmental services as well as extraordinary public expenditures for flood and tsunami protection

and relief. Congress has determined that regulation of construction in areas subject to flood hazards is necessary for the protection of life and property and reduction of public costs for flood control, rescue and relief efforts, thereby, promoting the safety, health, convenience and general welfare of the community. In order to achieve these purposes, Title 19, Article IV, Chapter 19.62 establishes flood hazard districts and imposes restrictions upon man-made changes to improved and unimproved real estate within the districts. These restrictions are necessary to qualify the County of Maui for participation in the federal flood insurance program. Failure to participate in the program would result in the denial of federal financial assistance for acquisition and construction purposes, and jeopardize the making, securing, extension and renewal of loans secured by improved real estate by lending institutions regulated by the federal government.

Flood Hazard Districts are delineated on Flood Boundary and Floodway Maps and the Federal Insurance Rate Maps prepared by the Federal Insurance Administration and Federal Emergency Management Agency (FEMA). The parcel, as illustrated by Map Number 1500030361E, revised September 25, 2009, by FEMA, lies in Zone VE.

Zone VE is the flood insurance rate zone that corresponds to areas within the one-percent (1%) annual chance coastal floodplain that have additional hazards associated with storm waves. Base flood elevations derived from the detailed hydraulic analyses are shown at selected intervals within this zone. Mandatory flood insurance purchase requirements apply.

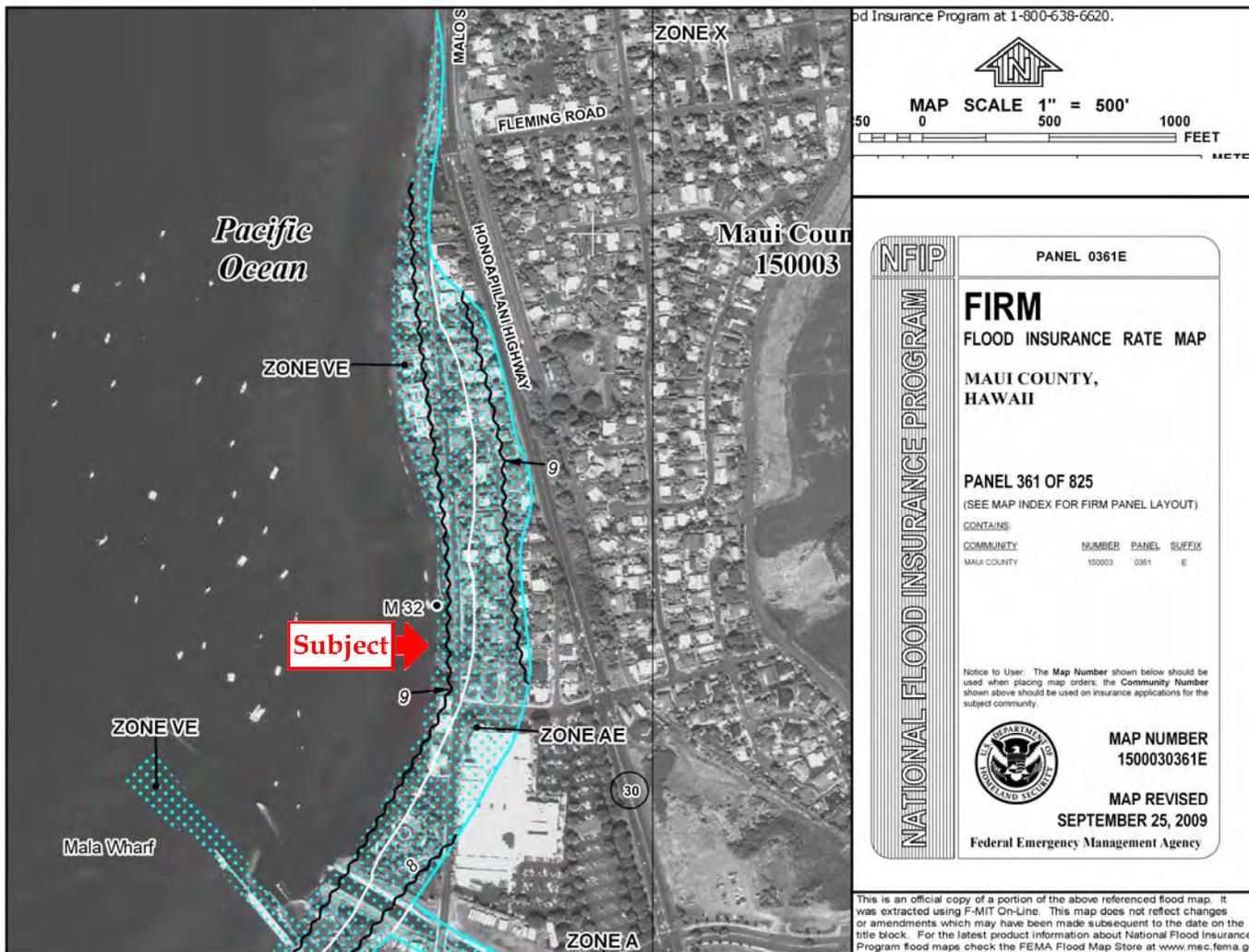
Wetland. To the best of the Appraiser's knowledge, the site is not presently encumbered by a wetland-designated area.

Historic or Archaeological Features. The Appraiser is not aware of any historical or archaeological features on this site. When questioned, the County of Maui revealed that no professional studies have been recently conducted in this regard; and, the County is not aware of any historic or archaeological features on this site.

Flora/Fauna/Habitat. The property is minimally landscaped with a small grass lawn, and various tropical shrubs and trees.

Soil Condition. The site has not been recently examined by a soils professional and no report was available for review. The Appraiser has not been provided with soil, subsoil or other engineering studies to determine the load-bearing capacity of the subject parcel. However, based on typical construction in the neighborhood and our knowledge

of other properties in the immediate vicinity, the site is presumed to have stable soil conditions and no apparent drainage problems.



FLOOD MAP

Hazardous Substance Examination. This appraisal will be a part of an Environmental Assessment (EA) which the client will be submitting to the National Park Service. A Proposal Description - Environmental Screening Form (PD-ESF) is being prepared for the EA and a final version of this report was not available for review by the Appraiser.

Vehicular Access. Vehicular access to this property is via Front Street, which is a primary roadway running through Lahaina Town.

A-13b. Improvements

There are no buildings on the site but there is a seawall protecting a northern segment of its oceanfront boundary; and, an open concrete drainage channel extends under Front Street, through the property, and into the ocean. A picket fence has also been built along a short portion of the subject's street frontage.

A-13c. Fixtures

The site is vacant and there are no fixtures on site.

A-13d. Use History

The property has been vacant as far back as County records were available and the site has not been utilized for any specific use.

A-13e. Sales History

Public records indicate that there have been three conveyances of the subject within 10 years prior to the effective date of this appraisal: These transactions are summarized below:

The property was acquired by Douglas Richard White on May 25, 2001 at a price of \$40,000. This sale was recorded in the Bureau of Conveyances as Document No. 01-078027.

On June 15, 2007, Douglas White conveyed this property to himself with an undivided two-thirds (2/3) interest and an undivided one-third (1/3) interest to Michael David McInerney. The transaction price was \$266,667 and the sale was recorded in the Bureau of Conveyances as Document No. 07-107317.

Finally, on June 15, 2007, the property was purchased by the County of Maui for \$800,000. The transaction was recorded in the Bureau of Conveyances as Document No. 07-107318. This sale followed a contentious battle among the owners, the community and the County of Maui. As such, the price does not necessarily reflect the market value of the property at that time.

A-13f. Rental History

Neither the County of Maui, nor the Appraiser, is aware of any formal rental history of the subject as a vacant parcel, and no information was available in this regard.

A-13g. Assessed Value and Annual Tax Load

Land and improvements in Hawaii are assessed based on 100 percent of their estimated market value. The records of the Maui County Tax office indicate a total 2009 land assessment of \$893,900. It is subject to the tax rate for Pitt 100 (Improved Residential) which is \$4.85 per \$1,000 of assessed value. In this regard, the tax for the subject would be \$4,335.42; however, properties owned by the County of Maui are totally exempt from property taxes and none are collected from the present owner.

The tax load of the subject based on the opinion of market value herein of \$410,000, and a tax rate of \$4.85 per \$1,000, is \$1,988.50.

A-13h. Zoning and Other Land Use Regulations**State Land Use Classification**

As indicated by the Maui County Planning Department, the current State Land Use classification of the subject is Urban.

County of Maui Zoning District

The subject is zoned R-1 Residential District Areas by the County of Maui. This category is established to provide for harmonious residential neighborhood without the detraction of commercial and industrial activities.

Refer to Exhibit Section A-38b at the end of this report for the entire zoning ordinance.

West Maui Community Plan

The West Maui Community Plan covers the entire Lahaina Judicial District located on the western slopes and coastal plain of west Maui. Its common boundary with the Wailuku Judicial District begins at the southern shore of West Maui, about two miles west of Papawai Point. Beginning at this point the Lahaina region boundary travels mauka along the centerline of the Manawainui Gulch to the ridgeline of the West Maui Mountains. The boundary then continues in a northerly direction to Eke Crater then due North along Poelua Gulch to the northern shoreline of West Maui.

The purpose of this Community Plan is to provide a relatively detailed scheme for implementing the objectives and policies of the Maui County General Plan relative to the Lahaina region. Contained in this plan are the desired sequence, patterns, and characteristics of future developments for the region as well as statements of standards and principals with respect to development and statements indicating the sequence in which future development is to occur.

This Community Plan is a guide to making decisions regarding the development in the region until the year 2000. Updates will occur every five years to incorporate new data and analysis. The plan elements are organized according to the General Plan objectives and policies.

As shown on the West Maui Community Detailed Land Use Map and verified with the Maui County Land Use and Codes Division, the subject property has two designations: The majority of the land is classified as "Open Space (OS)"; and a small portion of land at the northern end of the property is designated "Single-Family (SF)".

The "Open Space" designation is intended to limit development on certain urban and non-urban designated lands which may be inappropriate for intensive development due to environmental, physical or scenic constraints; this category would include but not be limited to shoreline buffer areas, landscape buffers, drainage ways, viewplanes, flood plains, tsunami prone areas. Other appropriate urban and non-urban uses may be allowed on a permit basis.

The "Single-Family" designation includes single-family and ohana dwellings. Ohana dwellings are additional residential units which are selectively permitted on lots subject to zoning regulations.

Special Management Area

An article was adopted by the Maui County Planning Commission in December of 1979 for the purpose of "preserving" and "protecting", and where possible, restoring the natural resources of the coastal zone of Hawaii. The rules and regulations in the article are known as the "Special Management Area Rules and Regulations of the County of Maui". The rules and regulations contained in the article were established pursuant to Chapter 205A, Hawaii Revised Statutes, as amended by Acts 176, 188 and 200, Session Laws of Hawaii 1975, 1977 and 1979, respectively. A review of the Special Management Area maps on the Maui County website discloses that the subject is located within that district and is subject to its rules and regulation.

PART III DATA ANALYSIS AND CONCLUSIONS

A-14. ANALYSIS OF HIGHEST AND BEST USE

Highest and Best Use analysis applies to both the site as though vacant and the property as currently improved. In highest and best use analysis, the four criteria that the property must satisfy are:

- 1) Physically possible uses;
- 2) Legally permissible uses;
- 3) Financially feasible uses; and
- 4) Maximally productive use.

These criteria should be considered sequentially through an examination of the physical and economic data reported in the previous sections of this report. Within the four categories mentioned above, other considerations include: use must be legal and in compliance with zoning and building requirements; use must be within the realm of probability and not speculative or conjectural; demand for such use must exist; use must be profitable; use should provide the highest net return to the land; and the use should produce the maximum return for the longest possible time.

Highest and Best Use is defined by the Uniform Appraisal Standards for Federal Land Acquisitions as:

The highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future

Since the appraisal of the subject property is based on a particular premise of use, the highest and best use analysis determines just what this premise of use should be.

Typically, two assumptions must be given pertinent consideration in the analysis of highest and best use.

- 1) The site as if vacant and available for development; and
- 2) The site as presently improved

In this case, however, the site is vacant and the second scenario need not be addressed.

The Site as if Vacant

The first major aspect of the highest and best use analysis is considering the property as if it were vacant and available for development. Typically, this assumption is made to determine whether the land alone is worth more than the existing property, as is. In other words, this is the beginning benchmark to compare with the highest

and best use of the property, as is, to determine whether the site is presently underutilized.

Physically Possible Uses

The physical aspects of the site impose the first constraint on any possible use of the property. The subject contains a total of 21,524 square feet of land accessed from Front Street in the Lahaina District. The parcel is has an extremely long and narrow shape with a generally level to slightly sloping topography. Its awkward configuration will cause great difficulty in future development and will limit the possible improvements on this site. Causing additional difficulty in development is the open drainage channel which crosses the parcel at the northern end of the property. The northern segment of the site is the most buildable due to its having the greatest width at 58.58 feet; however, the drainage channel bisects this section and is noted as being problematic. In order to construct on this site, the owner would have to confine the building footprint to the northernmost section of the property. This decision would necessitate a two-story structure to maximize the floor area of the building.

The Appraiser has not been provided with soil, subsoil or other engineering studies to determine the load bearing capacity of this lot; however, the site is presumed to have stable soil conditions. Based only on the physical aspects of the sites, it is the Appraiser's opinion that a limited number of residential and non-residential uses would be possible.

Legally Permissible Uses

The subject has a State Land Use designation of Urban, and is zoned R-1 Residential District by the County of Maui. Additionally, the West Maui Community Plan designates the property as Open Space with a section of Single-Family at the northern end of the site.

The subject's zoning and community plans appear to be consistent at the northern end of the property; and, it would appear that development of a single-family residence would unquestionably be the highest and best use of this oceanfront lot. However, the conflicting Open Space and Residential zoning on the remainder of the property is a dilemma. Because the subject is located in the Special Management Area (SMA), development cannot occur unless the zoning and community plan are entirely consistent. In this case, the owner would have to apply for a revision in the West Maui Community Plan, for the entire parcel, from Open Space to Single-Family.

Financially Feasible Uses

The test of financial feasibility involves an analysis of the likelihood of the use producing an income, or return, greater than the combined income needed to satisfy operating expenses, financial expenses, and capital amortization. All uses that are expected to produce a positive net income or rate of return are considered to be financially feasible.

The criteria utilized in this analysis primarily involved the observation of market activity in relation to financial feasibility. Research has revealed historically strong demand for single-family, oceanfront residences in the Lahaina Town area. The scenic off-shore views of neighbor islands, whales, boats and ocean activities have led to a strong demand for oceanfront residential properties.

One must be overly conscious, however, of community sentiment regarding development on this site. The concrete channel running through this property provides drainage of any excess rainwater in this neighborhood. In addition, this site has been vacant for decades and provides for scenic view planes to passersby along Front Street and to residences across the roadway. Consequently, there was a significant outcry from neighbors when building permits were formerly issued for this property. As a result of these objections, the building permits were later rescinded and the County of Maui purchased the property from the former owner.

Still, the residential zoning of this site has not been changed; nor has the community plan been revised. Although current economic conditions are not conducive to the development of single-family housing at this time, it is still a viable possibility for someone to purchase the property at the right price, mitigate the community protests, and gain the entitlements and approvals for construction of a single-family residence. Thus, it is the Appraiser's opinion that, over the long-term, single-family development for the subject is a financially feasible use.

An alternative use, albeit an uneconomic one, is to utilize this site as a public park.

Maximally Productive Use

The maximally productive use of the site is that use among all of the financially feasible uses that provides the highest rate of return, or value. In the final analysis, a determination must be made as to which feasible use is the highest and best use of the vacant parcel.

While the West Maui Community Plan classifies the majority of this property as Open Space, this designation does not carry the legal authority of its zoning, which is R-1 Residential District. Still, it is a

factor that needs to be dealt with, especially due to the subject's location in the SMA district. A park use of the property would provide a social benefit to the community but its economic value is difficult to measure.

On the other hand, a single-family use of the oceanfront property would be an adaptable and very valuable use. Thus, it is the Appraiser's opinion that the maximally productive use of the property is to mitigate the community concerns, change the community plan classification to Single Family, and develop a single-family residence. Since the real estate market is presently very sluggish, this may be a good time undertake the entitlement process.

Conclusion of Highest and Best Use

In light of the subject's required alternative use consideration, location, physical attributes, and the current condition of the real estate market, the Highest and Best Use of the subject is concluded to be for single-family residential use when market conditions improve.

A-15. LAND VALUATION

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

The value of the subject parcel was derived from an analysis of comparable sales in the general vicinity of the subject and their location relative to the subject is shown on the Comparable Land Sales Map in this section of the report. Because no two properties are ever truly identical, the prices of the market indicators must be reduced to various units of comparison to reflect the value of the subject property. Typically, the variations in sales prices reflect, among other factors, differences in size, location, zoning, time and terms of sale, and the physical characteristics of the land.

The value indication is developed using a unit of comparison in which the type of site being appraised is typically bought and sold on the market. In this assignment, the price per square foot of land is the most appropriate unit of comparison. The land sales which have been utilized as comparables in this valuation assignment are summarized on the following pages.

Comparable Land Transactions

Research commenced with a exploration of similar land sales in the subject's immediate Lahaina Town neighborhood, with concentration on transactions having similar zoning and other criteria as described above. With only one oceanfront comparable sale in Lahaina Town, however, the Appraiser expanded the scope of research to include sales in competitive oceanfront communities on Maui. In this case, transactions of single-family residential vacant lots were utilized from Maalaea and Paia. It is also noted that due to the inactivity of the market, only one sale occurred within a year of this appraisal. The other two sales occurred in 2008. Furthermore, due to the absence of vacant land sales, two of the comparable transactions involved the sales of properties improved with older dwellings. **In light of the limited availability of market transactions, it is the Appraiser's opinion that these transactions are the most reasonable and appropriate indicators of the subject's market value.**

The comparable land transactions and adjustments to reflect the variations in the properties are contained in the **Site Valuation Worksheet** on Page 45.

- **Land Transaction No. 1 - Tax Map Key (2) 4-6-02-005**

This fee simple, oceanfront property is located at 433 Front Street in Lahaina Town. It is zoned R-3 Residential District by the County of Maui, with a West Maui Community Plan designation of Single Family. The property contains 15,746 square feet and has a generally rectangular shape with a level to gently sloping topography. Panoramic ocean and off-shore island views are available from this site. All public utilities are available to this site and there were no known encumbrances to the property. The comparable is primarily located within Flood Zone X with a fringe of AE and VE along the shoreline boundary.

This property was sold from Loughhead Management LLC to Brian R. and Elizabeth B. Cook on July 24, 2009 at a price of \$2,500,000 or \$158.77 per square foot. This transaction was recorded in the Bureau of Conveyances as Document No. 09-113462.

Public records indicate two other sales of this property within the ten years prior to this transaction. These sales are noted in Section A-34 at the end of this report.

- **Land Transaction No. 2 - Tax Map Key (2) 2-6-08-009**

This fee simple property is located at 72 Lae Place in the town of Paia on Maui's north shore. It is zoned R-3 Residential District by the County of Maui, with a Community Plan designation of Single Family. The property contains 47,916 square feet and has a generally rectangular shape, with level to gently sloping topography. Panoramic ocean views are available from this site. Water and electricity are available to this site and there were no known encumbrances to the property. The comparable is primarily located within Flood Zone X, with a fringe of Zone VE along the shoreline boundary. The property was improved with two older dwellings which contributed very little to its market value.

This property was sold from Windward Palms Properties LLC to Point Cuban LLC on September 19, 2008 at a price of \$4,500,000 or \$91.83 per square foot (after deducting the

contribution of the building). This transaction was recorded in the Bureau of Conveyances as Document No. 08-146756.

Public records indicate four other sales of this property within the ten years prior to this transaction. They are noted in Section A-34 at the end of this report.

- **Land Transaction No. 3 - Tax Map Key (2) 3-6-01-035**

This fee simple property is located at 3911 Maalaea Bay Place near the entrance to the Maalaea Small Boat Harbor. It is zoned R-3 Residential District by the County of Maui, with a Community Plan designation of Single-Family. The property has a generally rectangular shape, with an irregular topography. Panoramic ocean and off-shore island views are available from this site. Water and electricity are accessible to this site. According to information received about this property, the site encroached into the State of Hawaii highway right-of-way at the time of conveyance. The comparable sale is primarily located within Flood Zone X with a fringe of VE along the shoreline boundary. The property was improved with a 1,388 square foot residential structure which was built in 1958.

This property was sold from David Lazear to David M. Rooks and James M. Oxborrow on September 30, 2008 at a price of \$1,599,000 or \$213.54 per square foot (after extracting the contribution of the building). This transaction was recorded in the Bureau of Conveyances as Document No. 09-047828.

Public records indicate one other sale of this property within the ten years prior to this transaction. It is noted in Section A-34 at the end of this report.

Table 1 – Land Transaction Adjustment Schedule

Subject	COMPARABLE LAND SALES			
	Land Sale 1	Land Sale 2	Land Sale 3	
Tax Map Key (Division 2)	4-5-12-018	4-6-02-005	2-6-08-009	3-6-01-035
Street Address	1377 Front Street	433 Front Street	72 Lae Place	3911 Maalaea Bay Pl.
Ocean Frontage	Seawall	Sandy	Rocky	Rocky
Community Location	Lahaina	Lahaina	Paia	Maalaea
County Zoning	R-1 Residential District	R-3 Residential	R-3 Residential	R-3 Residential
Community Plan	Open Space/Single-Family	Single Family	Single Family	Single Family
Land Tenure	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Parcel Configuration	Irregular - extremely long & very narrow	Generally rectangular	Irregular (triangular)	Rectangular
Topography/Terrain	Generally level to slight slope	Level to gentle slope	Level to gentle slope	Irregular
Roadway Accessibility	Adequate	Adequate	Adequate	Adequate
Domestic Utilities	Water, electricity, sewer available	Water, electricity, sewer	Water & electricity	Water & electricity
Predominant Site Views	Panoramic ocean views	Panoramic ocean	Panoramic ocean	Panoramic ocean
FEMA Flood Status	Zone VE	Zone X/Fringe of AE& VE	Zone X and Fringe of VE	Zone X and Fringe of VE
Site Encumbrances	Drainage channel runs through site	None noted	None noted	None noted
Land Area in SF	21,524	15,746	47,916	6,645
Recordation Date	7/24/09	9/19/08	9/30/08	
Instrument	Deed	Deed	Deed	
Document Number	09-113462	08-146756	08-151960	
Grantor	Loughead Management	Windward Palm Properties	David Lazear	
Grantee	Brian & Elizabeth Cook	Point Cuban LLC	Rooks and Oxborrow	
Transaction Price	\$2,500,000	\$4,500,000	\$1,599,000	
Financing/Conditions of Sale Adjustment	\$0	(\$100,000)	(\$180,000)	
Adjusted Transaction Price	\$2,500,000	\$4,400,000	\$1,419,000	
Indicated Transaction Price per Square Foot	\$158.77	\$91.83	\$213.54	
Market Conditions Adjustment (Time)	0.93	0.83	0.83	
Market Conditions Adjusted Unit Price	\$147.66	\$76.22	\$177.24	
ADJUSTMENTS				
Location	0%	10%	10%	
Availability of Domestic Utilities	0%	2%	2%	
Roadway Accessibility	0%	0%	0%	
Zoning	0%	-10%	0%	
Community Plan	-40%	-40%	-40%	
Topography/Terrain	0%	0%	0%	
Ocean Frontage	0%	0%	0%	
View Amenities	0%	0%	0%	
Flood Status	-5%	-5%	-5%	
Site Encumbrances	-20%	-20%	-10%	
Other Physical Characteristics	-20%	-20%	-20%	
Net Adjustments	-85%	-83%	-63%	
Adjusted Unit Price	\$22.15	\$12.96	\$65.58	
Size Adjustment	0.78	1.89	0.39	
Final Size Adjusted Unit Price per Square Foot	\$17.28	\$24.49	\$25.58	
WEIGHTING FACTOR	60%	20%	20%	
Product	\$10.37	\$4.90	\$5.12	
Range of Final Adjusted Value:	\$17.28 -	\$25.58 per Square Foot		
Median Unit Value:		\$24.49 per Square Foot		
Mean Unit Value:		\$22.45 per Square Foot		
Weighted Unit Value:		\$20.38 per Square Foot		
Estimated Value of the Land, Fee Simple:		\$20.38 per Square Foot		
Indicated Site Value:	21,524 Sq Ft x	\$20.38 = \$438,624		
		Rounded to \$440,000		

**Discussion and Conclusion
Of Fee Simple Land Value**

The Appraiser has conducted a search for competitive vacant land transactions that were recent, similarly zoned, of comparable size and in the vicinity of the subject site. However, the absence of any recent lot sales in the subject’s immediate vicinity prompted the use of transactions in the competing communities of Maalaea and Paia. After comparing these land transactions with the subject, it was the Appraiser’s opinion that the comparable transactions be adjusted to reflect their individual differences with the subject. These adjustments are discussed in the paragraphs below.

Financing/Conditions of Sale

No Financing adjustment was required for any of the Land Sales since their purchases were conducted with cash, or financing that is considered to be conventional or typical of the market.

Negative adjustments for Conditions of Sale were required for Land Sales No. 2 and 3 because they were improved with old dwellings at the time of sale.

Land Sale No. 2

At the time of sale, this property was improved with two dwellings, a garage and utility shed. The 1,380 square foot main dwelling was built in 1937 and is a single-wall wood structure with four bedrooms and two bathrooms. Its quality is rated “Poor” by the County of Maui tax office. The second dwelling has a living area of 550 square feet and has one bedroom and one bathroom. This double-wall structure was built in 1983 but its quality is rated “Poor” by the County of Maui Tax Office. The improvements are assessed by the County at \$101,400. The analysis by the Appraiser resulted in a rounded value of \$100,000 for the depreciated value of the improvements.

Item	Size	Cost/SqFt	Cost/New	Actual Age	Effective Age	Depreciation
Dwelling	1,380 SF	x \$ 200.00	\$ 276,000	73	73	\$ 251,850
Dwelling 2	550 SF	x \$ 200.00	\$ 110,000	27	30	\$ 50,769
Garage	306 SF	x \$ 50.00	\$ 15,300	73	73	\$ 13,961
Utility Shed	168 SF	x \$ 40.00	\$ 6,720	73	73	\$ 6,132
Porches	560 SF	x \$ 35.00	\$ 19,600	73	73	\$ 17,885
			\$ 427,620			\$ 340,597
Depreciated Value of the Buildings						\$ 87,023
Depreciated Value of the Site Improvements						15,000
						\$ 102,023
Rounded to:						\$ 100,000

Land Sale No. 3

At the time of sale, this property was improved with a 1,388 square foot, single-story dwelling, a patio, porches and a concrete parking deck. The dwelling was built in 1958 and is a double-wall wood structure with two bedrooms and an attached studio apartment. Its quality is rated "Average" by the County of Maui tax office. The improvements are assessed by the County at \$171,700. The analysis by the Appraiser resulted in a rounded value of \$180,000 for the depreciated value of the improvements.

Item	Size	Cost/SqFt	Cost/New	Actual Age	Effective Age	Depreciation
Dwelling	1,388 SF x	\$ 200.00	\$ 277,600	50	40	\$ 158,629
Patio	400 SF x	\$ 35.00	\$ 14,000	50	40	\$ 8,000
Decks	600 SF x	\$ 35.00	\$ 21,000	50	40	\$ 12,000
Concrete Deck	420 SF x	\$ 40.00	\$ 16,800	50	40	\$ 9,600
			\$ 329,400			\$ 188,229
Depreciated Value of the Buildings						\$ 141,171
Depreciated Value of the Site Improvements						40,000
						\$ 181,171
Rounded to:						\$ 180,000

Time/Market Conditions

This category was considered in order to compensate for changes in real property values over time, if any, in the subject's market area. The transactions all occurred in July 2009. Based on statistical analysis of the Maui Multiple Listing System, depreciation of 1 percent per month was deemed to be reasonable from the time of the comparables' conveyance to the effective date of this report. As such, a negative 7 percent adjustment was issued to Land Sale No. 1; and, negative 17 percent adjustments were assigned to Land Sales No. 2 and 3 to reflect their September 2008 transaction dates.

Location

The location adjustment considers the overall desirability of the subject's immediate neighborhood, as compared to the comparable land sales. In this case, the subject is situated along Front Street in Lahaina Town.

Land Sale No. 1 occupies a similar oceanfront location on Front Street in Lahaina Town; therefore, no adjustments were warranted. Land Sale No. 2 has an oceanfront location in the town of Paia on Maui's north shore. While Paia is highly popular due to its world-renowned

windsurfing reputation, an analysis of real estate prices indicates that Lahaina offers a slightly superior location. For this reason a positive 10 percent adjustment was applied to this sale.

Land Sale No 3 is also situated oceanfront near the entrance to the Maalaea small boat harbor. It is similar to the subject, having views of off-shore islands, whales playing in the ocean, and picturesque vistas of the harbor and boats sailing in and out. Still, the Lahaina location offers a slightly superior location when comparing real estate market prices between the two communities. Hence, a positive 10 percent adjustment was also applied to this comparable sale.

Availability of Utilities

The ability to acquire public utilities is important in the timing of future development. The subject has access to all public utilities, including water, electricity and sewer system. Similarly, Land Sale No. 1 also has access to these public utilities and no adjustment was necessary. Land Sales No. 2 and 3 do not have access to the public sewer and will have to construct a septic system on site in order to handle waste. In light of this requirement a positive 2 percent adjustment was merited.

Roadway Accessibility

The subject has adequate access off Front Street and each of the comparable sales have similar access from paved public roads. As a result, no adjustments were made to the sales.

Zoning

The zoning adjustment considers the potential higher uses of the property with respect to current zoning classifications. The subject is zoned R-1 Residential District which allows one lot per 6,000 square feet. While this would typically be viewed as an advantage for the subject, its extremely narrow shape throughout the lot will probably disqualify it from future subdivision. Land Sales No. 1 and 3 are zoned R-3 Residential District (10,000 square foot lots) and, due to their sizes, cannot be further subdivided. Thus, no adjustments were deemed warranted for these comparable sales. On the other hand, Land Sale No. 2 is also zoned R-3 Residential District; however, its large size allows it to be further subdivided into a maximum of 4 lots. In light of dismal economic and real estate market conditions, this subdivision premium is viewed as being minimal at this time. Consequently, a negative 10 percent adjustment was applied to reflect its future subdivision potential.

Community Plan

The majority of the subject is designated Open Space under the West Maui Community Plan. Only a small northern section of this property is classified Single-Family. As mentioned earlier, in order for development to take place in the SMA District, the subject's community plan designation and its zoning must be entirely consistent. In this case, the Open Space designation in the community plan causes a significant problem to the subject's potential development. In order to attain the proper entitlements for a single-family use, the property owner will have to apply for an amendment to the community plan from Open Space to Single-Family. While this process may appear to be simplistic due to the Residential zoning of the site, it may take three to five years to complete the change. Given the difficulty of this task, one must consider the fact that the proposed amendment may never receive County approval; thus, there is added risk attributed to this process. Consequently, the Appraiser has factored in a 10 percent negative adjustment for each year that this process is expected to take which, in this case, is about four years or negative 40 percent.

Topography/Terrain

The subject has generally level to slightly sloping topography and all of the land sales share this characteristic. Adjustments for this category were not merited.

View Amenities

The subject has panoramic ocean vistas and all of the comparable sales have similar view characteristics; therefore, no adjustments were required.

Flood Status

This category considers the bearing of being in a federally determined flood zone which requires flood insurance. The subject is located entirely in an area categorized as Flood Zone VE. Zone VE is the flood insurance rate zone that corresponds to areas within the one-percent (1%) annual chance coastal floodplain that have additional hazards associated with storm waves. All of the comparable sales are also affected by this zone, but they are situated only along the narrow fringe of their respective shoreline boundaries. The primary classifications of the comparable land sales are Zone X, which constitutes areas outside the 0.2 percent annual chance floodplain. New construction in the designated VE zones are subject to strict regulations including requirements for flood insurance; thus, the subject is recognized as being inferior to the Land Sales. To reflect this difference, negative 5 percent adjustments were applied to each comparable sale.

Site Encumbrances

The subject is greatly affected by the presence of a concrete channel which bisects the prime buildable area on the site. This open channel runs from east to west, from Front Street to the ocean. This places a severe encumbrance on the property owner by reducing the utility of the lot. Thus, construction of a new dwelling will either be restricted to a smaller footprint or will be subject to costly sitework to divert the channel. For this reason, negative 20 percent adjustments were applied to Land Sales No. 1 and 2. Land Sale No. 3 was purchased subject to encroachment problems along its shoreline and roadside boundaries; thus the negative adjustment was tempered by 10 percent.

Physical Characteristics

The physical characteristics adjustment considers the impact of shape, topography and utility of the site with respect to development potential. The extremely narrow shape of the subject also has a severe impact on the utility and privacy of the site. While a broad shoreline is typically desirable in this market, this demand is more than offset by the fact that any improvements built will have little or no privacy from the street. In addition, vehicular traffic noise and dust is expected to be a problem. Based on the Appraiser's physical inspection, it appears that only the northern portion of the site has any building potential. However, as mentioned earlier, that portion of the site is hampered by a drainage channel which traverses through the parcel. This factor makes the narrow shape of the remainder of the lot even more damaging on its utility. To adjust for this characteristic, negative 20 percent adjustments were applied to each comparable sale.

Size Adjustment

The size factor typically reflects the contention that larger parcels have lower unit values, and smaller parcels have higher unit values. Based on a statistical curve analysis of the subject and the comparable sales, negative adjustments were applied to each of the land sales to reflect their smaller sizes. A 57.5 percent size curve was applied.

Conclusion of Fee Simple Land Value

After careful consideration of the competitive parcels and adjustments to reflect the differences in the properties, the estimated value of the subject site was determined to be in the range of \$17.28 to \$25.58 per square foot. Primary weight of reliance was placed on Land Sale No. 1 due to its most recent transaction date and its proximity to the

subject. Equal secondary weight was assigned to Land Sales No. 2 and 3.

Thus, after careful analysis of the comparable land transactions, adjusting for the variations in the properties, and application of a weighted average, the subject's market value, as of February 10, 2010, is

FOUR HUNDRED FORTY THOUSAND DOLLARS

\$440,000

A-16. VALUE ESTIMATE BY THE COST APPROACH

The Cost Approach is based on the principal of substitution, which holds that an informed purchaser would not pay more for a property than the cost of acquiring another property having the same utility. The rationale is that a prudent purchaser would not pay more for a property than the cost of acquiring a similar site and constructing improvements of equal design and utility.

The Cost Approach requires the estimation of three distinct components: the land as though vacant and available for development to its highest and best use; the reproduction or replacement cost of the improvements on the effective date of the appraisal; and accrued depreciation in the improvements.

The Cost Approach was not utilized in this appraisal assignment since the appraisal is based on the hypothetical condition that the subject is a vacant parcel, void of any improvements.

A-17. VALUE ESTIMATE BY THE SALES COMPARISON APPROACH

The Sales Comparison Approach is based on the principle of substitution which states that a prudent purchaser will not pay more for a property than the cost of acquiring an equally desirable property in the market with the same utility. The Sales Comparison Approach involves the comparison of comparable properties that have recently sold with the subject. In analyzing the market data of the comparable sales, it is imperative that the sales prices be reduced to common units of comparison to relate the degree of comparability to the property under appraisal.

This valuation method was solely employed in the previous Land Valuation section.

A-18. VALUE ESTIMATE BY THE INCOME CAPITALIZATION APPROACH

The Income Capitalization Approach involves the conversion of anticipated future benefits (income) to be derived from the ownership of a property into an estimate of value. The procedure requires the estimation of revenues and expenses from which net income can be derived. This estimated net annual income is then capitalized by a market supported capitalization rate to arrive at an indication of value, or the net annual income and reversion is discounted over an investment holding period to a net present value. The Income Capitalization Approach is applicable in the valuation of investment

properties in an active market or when comparable market data is available.

The subject has been valued as a vacant land parcel and the Income Approach was not utilized in this appraisal assignment, since the Appraiser could not identify a strong rental market from which land rents and applicable capitalization rates could be gleaned.

A-19. CORRELATION AND FINAL VALUE ESTIMATE

In arriving at the final value estimate, sole reliance was placed on the Sales Comparison Approach since the Cost and Income Approaches were deemed inapplicable for this vacant parcel of land.

It is the Appraiser's opinion that the market value of the property, subject to the extraordinary assumptions, hypothetical conditions, and limiting and contingent conditions provided herein, is

FOUR HUNDRED FORTY THOUSAND DOLLARS
\$440,000

Exposure Time

In reporting the subject's market value, the Appraiser has also considered the probable exposure time for the subject. The reasonable exposure time for the subject, at a value range of, say, \$395,000 to \$485,000 (approximately ± 10 percent) is from 10 to 12 months. This opinion is based upon an analysis of economic and real estate market conditions that existed prior to the effective date of this appraisal, and it does not reflect any unknown or adverse marketability conditions of the subject.

Marketing Time

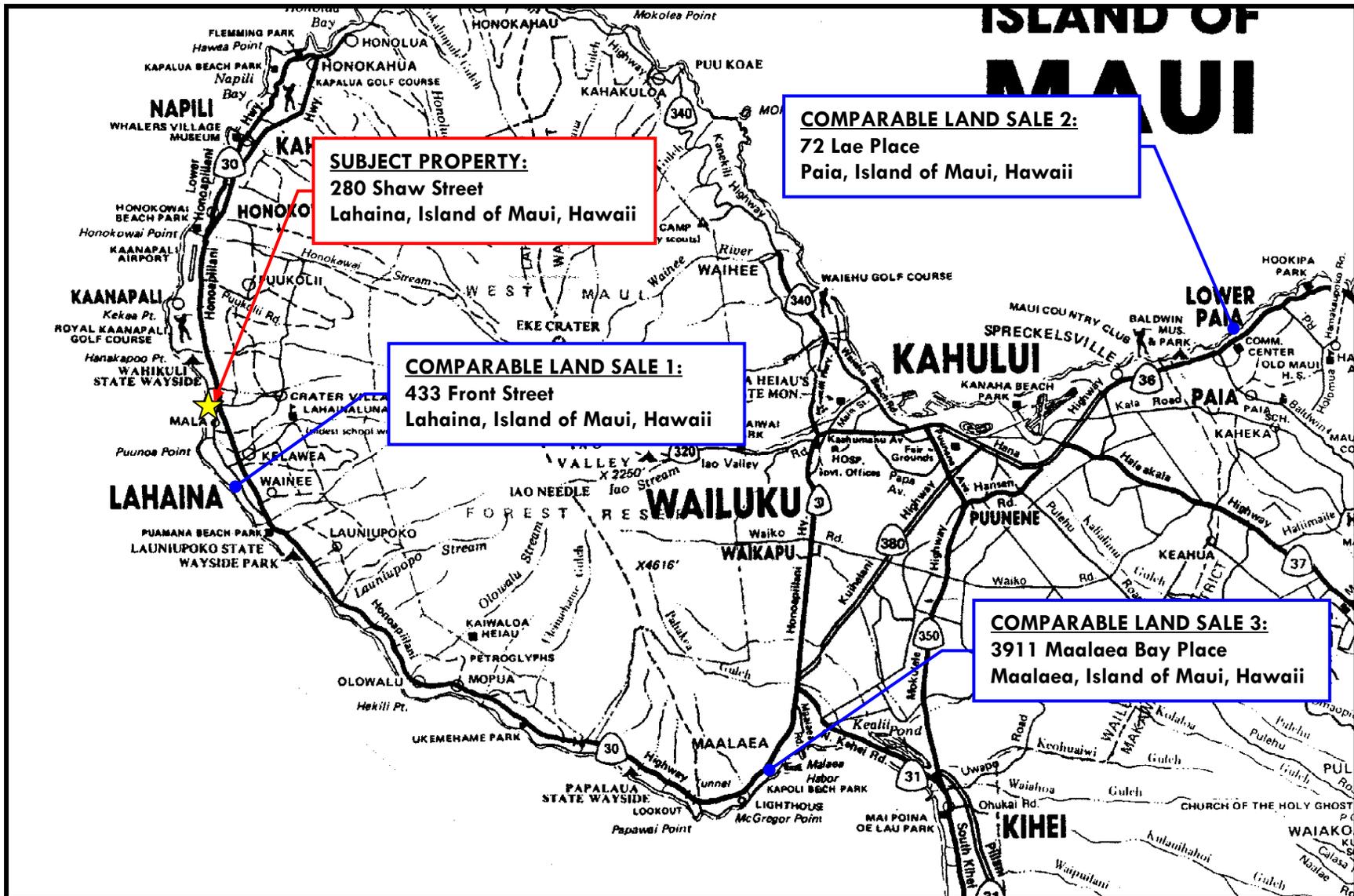
Based on observations of current real estate market conditions, interviews with real estate brokers on Maui, and a general analysis of current and future economic and real estate market conditions, the estimated marketing time for the subject is estimated to be between 10 and 12 months, at the value estimated herein. This is considered to be a reflection of the current real estate market conditions and does not reflect any unknown or adverse marketability conditions of the subject.

PART IV. EXHIBITS AND ADDENDA

A-32. LOCATION MAP



A-33. COMPARABLE DATA MAPS



A-34. DETAIL OF COMPARATIVE DATA

***Photographs, Tax Maps & Details
Comparable Land Transactions***

LAND TRANSACTION NO. 1



Tax Map Key:	Division 2, Zone 4, Section 6, Plat 02, Parcel 005
Address/Location:	433 Front Street, Lahaina, Island of Maui
Site Area:	15,746 square feet
Zoning:	R-3 Residential District
Community Plan:	Single-Family
Flood Status:	Zone X, with a fringe of Zone VE along the oceanfront boundary.
Parcel Configuration:	Generally rectangular
Topography:	Level to gentle slope
Electricity:	Electricity is readily available along Front Street
Water:	Public water readily available along Front Street
Sewer:	Sewer system is available along Front Street
Views:	Panoramic ocean and off-shore island views
Grantor:	Loughead Management LLC
Grantee:	Brian R. Cook and Elizabeth B. Cook
Instrument:	Deed
Date Recorded:	July 24, 2009
Document No.	09-113462
Recorded Sale Price:	\$2,500,000
Prior Sales:	Public documents revealed two other sales of this property within the 10 years prior to this latest transaction. The property was acquired by the Grantor, Loughead Management LLC, on October 24, 2003 at a price of \$3,250,000. This indicates depreciation of 23 percent during the 57-month period between the two transactions. The property

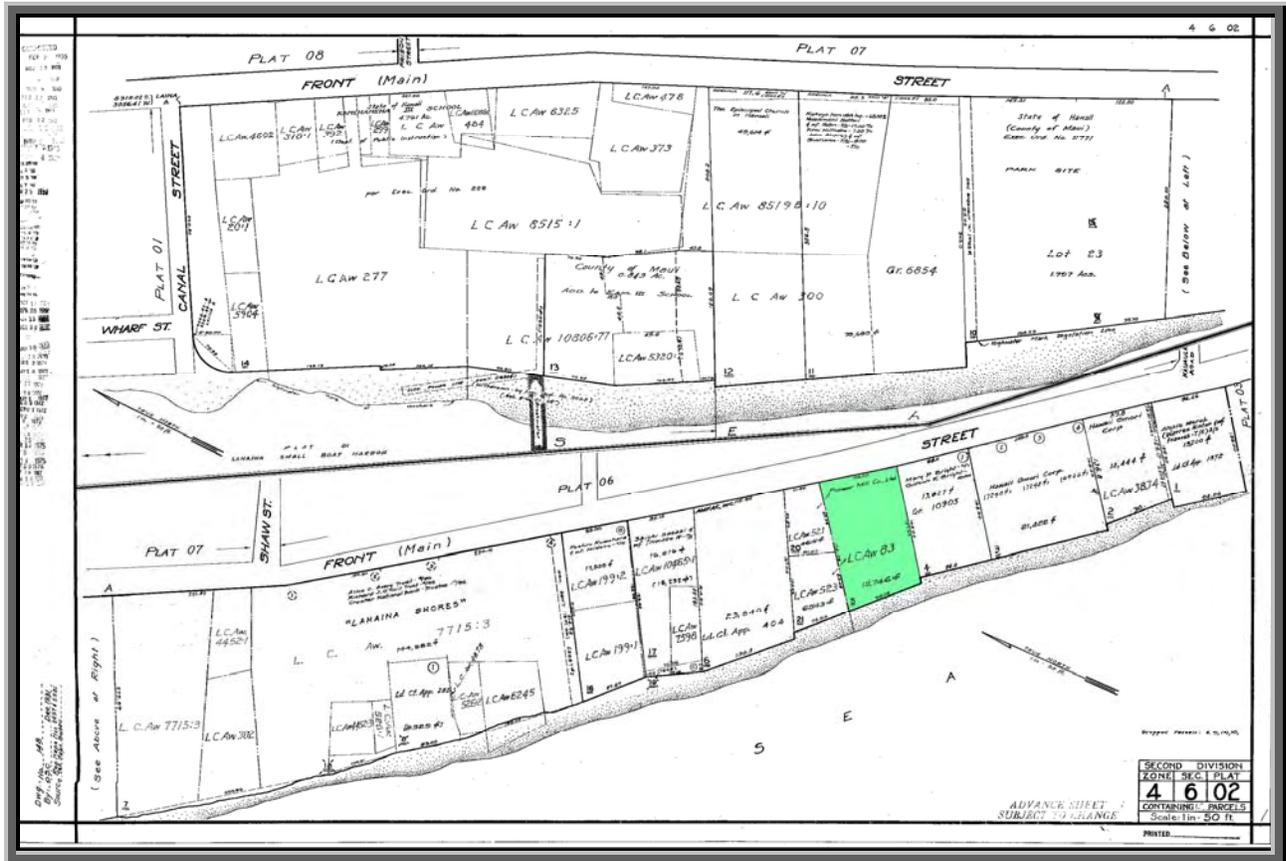
was originally acquired by Joseph Fedele, Trustee of the Joseph Fedele 1995 Living Trust on February 15, 2001 for \$650,000.

Comments:

The subject is located four lots from the 505 Front Street retail complex. The price included plans for a custom home, but the buyer did not plan to use them. A single-family residence is planned by the purchaser.

Confirmation:

Jeff Simon
Simon Properties LLC



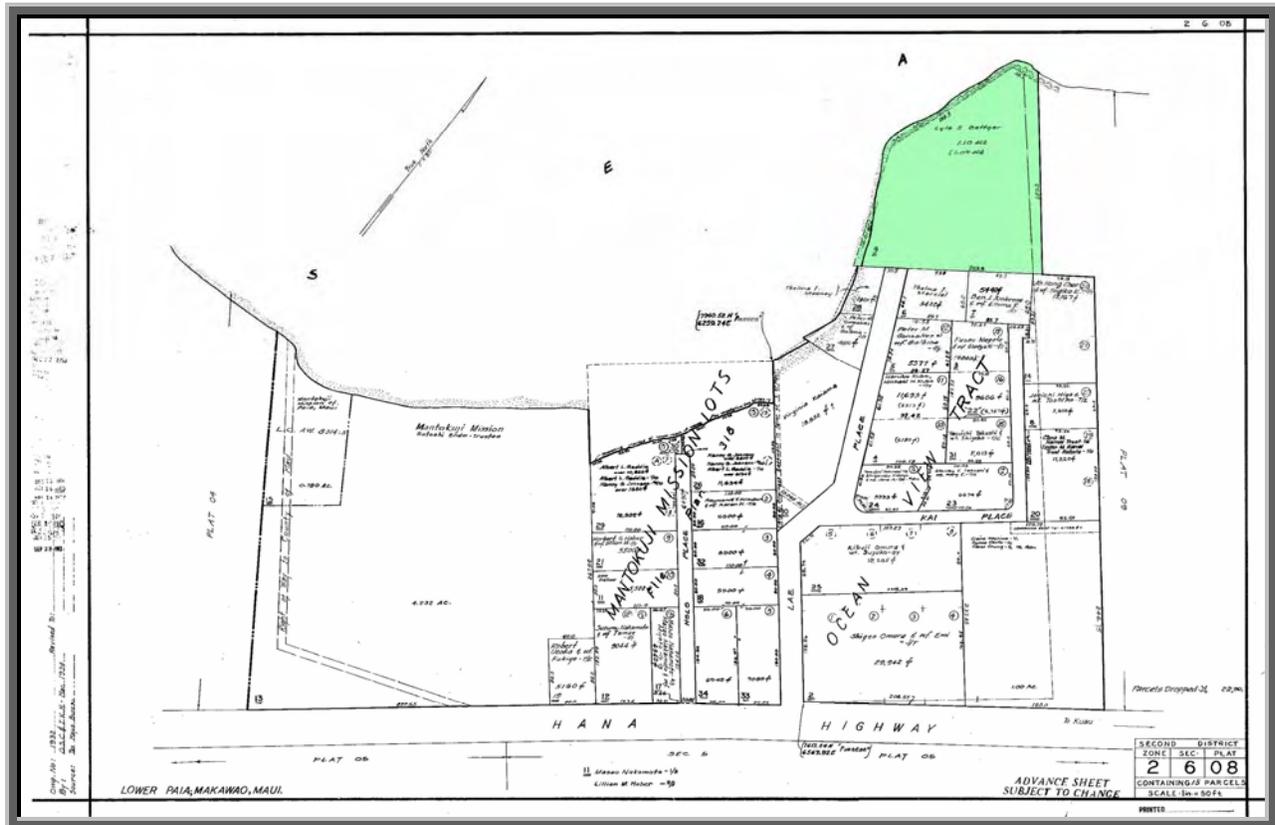
LAND TRANSACTION NO. 2

Tax Map Key:	Division 2, Zone 2, Section 6, Plat 08, Parcel 009
Address/Location:	72 Lae Place, Paia District
Site Area:	47,916 square feet (1.100 acres)
Zoning:	R-3 Residential District
Community Plan:	Single-Family
SMA District:	Yes
Flood Status:	Zone C an area of minimal flooding, and fringe of Zone VE an area inundated by 100-year flooding with velocity hazard.
Parcel Configuration:	Triangular
Topography:	Level to gentle slope
Electricity:	Readily available on Lae Place
Water & Sewer:	Public water is available but sewer service is not
Views:	Ocean views
Grantor:	Windward Palm Properties
Grantee:	Point Cuban LLC
Instrument:	Deed
Date Recorded:	September 19, 2008
Document No.	08-146756
Sales Price:	\$4,500,000
Prior Sales:	Public records did not reveal any other sale of this property within the three years prior to this transaction.
Comments:	This oceanfront property is located on the island's north shore, at 72 Lae Place in Paia. The site is situated on the leeward side of an outcropping along

the shoreline, and has expansive views toward the ocean and along the coastline to the northeast. The purchase included a main house which was built in 1937 and a detached cottage constructed in 1983. A physical review of these structures indicated that they were in livable condition; however, the main house was nearing the end of its economic life. The Maui County Tax Office rated the quality of both dwellings as "Poor". After conducting a basic cost and depreciation analysis of these structures, the Appraiser concluded their value to be approximately \$100,000. At the same time, the tax assessed value of these buildings was observed to be \$101,400. Recognizing that both analyses are very basic, but acknowledging their support for each other, the Appraiser employed a deduction of \$100,000 to adjust for the existing improvements included in this sale.

Confirmation:

Jim Sanders
 Jim Sanders Realty, Inc.



LAND TRANSACTION NO. 3



Tax Map Key:	Division 2, Zone 3, Section 6, Plat 01, Parcel 035
Address/Location:	3911 Maalaea Bay Place
Site Area:	6,645 square feet
Zoning:	R-3 Residential District
Community Plan:	Single-Family
Flood Status:	Zone X with a fringe of VE along the shoreline
Parcel Configuration:	Generally rectangular
Topography:	Level to irregular slopes
Electricity:	Electricity is readily available
Water:	Public water readily available
Sewer:	Sewer service is not available in the neighborhood
Views:	Panoramic ocean and off-shore island views
Grantor:	David Lazear
Grantee:	David M. Rooks and James M. Oxborrow
Instrument:	Deed
Date Recorded:	September 30, 2008
Document No.	08-151960
Recorded Sale Price:	\$1,599,000
Prior Sales:	Public documents revealed only one other transaction of this property within the 10 years prior to this latest transaction. A quit-title deed in the amount of \$5,000 occurred on April 29, 2003 in which James L. Reedy was removed from title. Originally, the property had been purchased by David G. Lazear

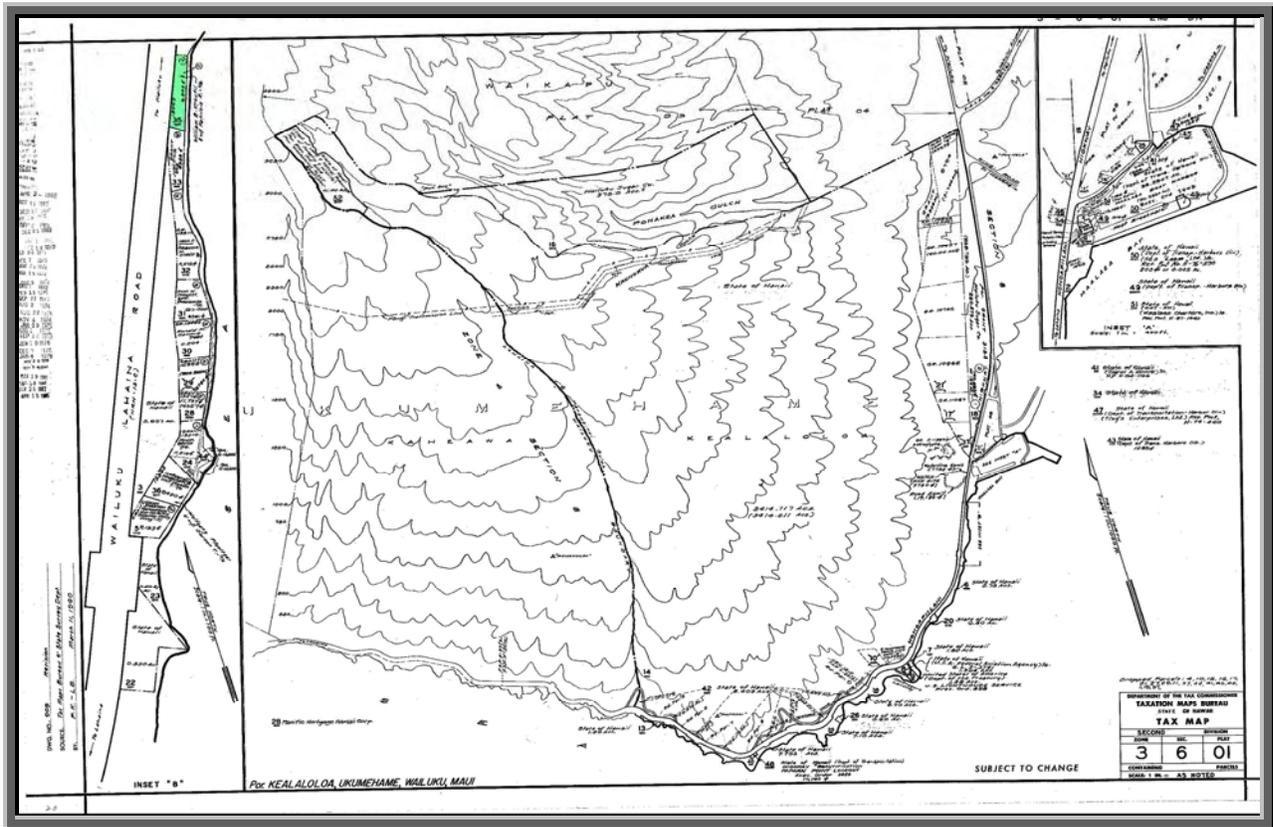
and James L. Reedy on March 31, 1999 for \$725,000.

Comments:

The subject was improved with a single-family dwelling and an attached studio at the time of sale. The improvements, built in 1958, are assessed for \$171,700 by the Maui County Tax Office. After conducting a basic cost and depreciation analysis of these structures, the Appraiser concluded their value to be approximately \$180,000. This value was extracted from the sales price to reflect the inclusion of these improvements in the sale price. In addition, the subject's improvements were encroaching along the highway right-of-way and along the oceanside boundary at the time of sale.

Confirmation:

Jim Wagner, Realtor
Coldwell Banker Island Properties



A-35. PLOT PLAN

A Plot Plan is shown on Page 22 following the Legal Description of the subject.

A-36. FLOOR PLAN

Not Applicable

A-37. TITLE EVIDENCE REPORT



Title Guaranty of Hawaii, Inc.

235 QUEEN STREET, HONOLULU, HI 96813 • P.O. BOX 3084, HONOLULU, HI 96802

CSUI RESEARCH B Phone (808) 539-7752 Fax (808) 532-3165

June 12, 2001

MR DOUGLAS WHITE
1388 FRONT ST
LAHAINA HI 96761

Escrow Reference: A11011125
Owner: KAA NAPALI DEVELOPMENT CORP
Property: FRONT STREET, LAHAINA
Tax Key: (2) 4-5-012-018
Order No.: 200119223
File No.: 200681

Dear Client:

Title Guaranty of Hawaii would like to thank you for using our services. You are a valued client and we appreciate your business.

Enclosed is your Owner's Policy of Title Insurance, as well as copies of pertinent documents which were recorded at the Bureau of Conveyances and/or Land Court of the State of Hawaii.

Thank you for the opportunity to have been of service.

Mahalo,

Title Representative

EXHIBIT DN-1

DW00223

 **TICOR TITLE INSURANCE**

Policy No. 7407011- 01477

Policy of Title Insurance

**Hawaii Standard
Owner's Policy
(1998)**

**SUBJECT TO THE EXCLUSIONS FROM
COVERAGE, THE EXCEPTIONS FROM
COVERAGE CONTAINED IN SCHEDULE B
AND THE CONDITIONS AND STIPULA-
TIONS, TICOR TITLE INSURANCE COM-
PANY, a California corporation, herein called
the Company, insures, as of Date of Policy
shown in Schedule A, against loss or damage,
not exceeding the amount of insurance stated
in Schedule A, sustained or incurred by the
insured by reason of:**

- 2. Any defect in or lien or encumbrance on the title;
- 3. Unmarketability of the title;
- 4. Lack of a right of access to and from the land.

The Company will also pay the costs, attorneys' fees and expenses incurred in defense of the title, as insured, but only to the extent provided in the Conditions and Stipulations.

- 1. Title to the estate or interest described in Schedule A being vested other than as stated therein;

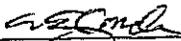
This policy shall not be valid or binding until countersigned below by an authorized signatory of the Company.

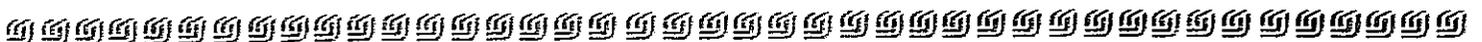
Insurance Agent
Title Guaranty of Hawaii, Inc.
P.O. Box 3084
Honolulu, HI 96802
(808) 533-6261

TICOR TITLE INSURANCE COMPANY

By  President

Attest  Secretary


Authorized Signatory



Exclusions from Coverage

The following matters are expressly excluded from the coverage of this Policy. The Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant or any agent of the insured claimant and not disclosed in writing to the Company by the insured prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.
4. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
 - (i) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer; or
 - (ii) the transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure:
 - (a) to timely record the instrument of transfer; or
 - (b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.
5. Taxes, assessments or obligations levied or created for any public purpose or improvement, unless the amount thereof has been fixed, is payable and is shown as a lien in the public records at Date of Policy.
6. Any facts, rights, interest or claims which are not recorded in the public records at Date of Policy but which could be ascertained by an inspection of the land or by making inquiry of persons in possession thereof or of the lessors in any lease of the land.
7. Easements or claims of easements which are not recorded in the public records at Date of Policy.
8. Discrepancies, conflicts in boundary lines, shortage in area, encroachments or any other facts which a correct survey or archaeological study would disclose.
9. Claims arising out of customary and traditional rights and practices, including without limitation those exercised for subsistence, cultural, religious, access or gathering purposes, as provided for in the Hawaii Constitution or the Hawaii Revised Statutes.
10. Rights or claims of persons or entities other than the insured involving or arising out of: mineral or metallic mines; geothermal resources; water; fishing, commerce or navigation; creation or loss of the land or any portion thereof by accretion, avulsion, erosion or artificial means; persons residing on or otherwise in possession of the land or any portion thereof; trails, roadways or other rights of way, including without limitation any such rights or claims under Chapter 264, Hawaii Revised Statutes.
11. Any lien (or claim of lien) for services, labor or material arising from an improvement or work related to the land, whether furnished before or after Date of Policy and regardless of the legal effective date of any such lien or claim, unless at the Date of Policy such lien or claim was recorded in the public records or filed in the Circuit Court pursuant to Chapter 507, Hawaii Revised Statutes.
12. Any claim arising as a result of the inability or failure of the insured to comply with applicable doing business laws of the State of Hawaii.

Conditions and Stipulations

1. DEFINITION OF TERMS

The following terms when used in this policy mean:

- (a) "insured": the insured named in Schedule A, and, subject to any rights or defenses the Company would have had against the named insured, those who succeed to the interest of the named insured by operation of law as distinguished from purchase including, but not limited to, heirs, distributees, devisees, survivors, personal representatives, next of kin, or corporate or fiduciary successors.
- (b) "insured claimant": an insured claiming loss or damage.
- (c) "knowledge" or "known": actual knowledge, not constructive knowledge or notice which may be imputed to an insured by reason of the public records as defined in this policy or any other records which impart constructive notice of matters affecting the land.
- (d) "land": the land described or referred to in Schedule A, or in Schedule A not provided for in Schedule A, and improvements affixed thereto which by law constitute real property. The term "land" does not include any property beyond the lines of the area described or referred to in the applicable Schedule, nor any right, title, interest, estate or easement in abutting streets, roads, avenues, alleys, lanes, ways or waterways, but nothing herein shall modify or limit the extent to which a right of access to and from the land is insured by this policy.
- (e) "mortgage": mortgage, deed of trust, trust deed, or other security

(f) "public records": records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without knowledge. With respect to Section 1(a)(iv) of the Exclusions from Coverage, "public records" shall also include environmental protection liens filed in the records of the clerk of the United States District Court for the district in which the land is located.

(g) "unmarketability of the title": an alleged or apparent matter affecting the title to the land, not excluded or excepted from coverage, which would entitle a purchaser of the estate or interest described in Schedule A to be released from the obligation to purchase by virtue of a contractual condition requiring the delivery of marketable title.

2. CONTINUATION OF INSURANCE AFTER CONVEYANCE OF TITLE

The coverage of this policy shall continue in force as of Date of Policy in favor of an insured only so long as the insured retains an estate or interest in the land, or holds an indebtedness secured by a purchase money mortgage given by a purchaser from the insured, or only so long as the insured shall have liability by reason of covenants or warranty made by the insured in any transfer or conveyance of the estate or interest. This policy shall not continue in force in favor of any purchaser from the insured of either (i) an estate or interest in the land, or (ii) an indebtedness secured by a purchase money mortgage given to the insured.

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT

The insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in Section 4(a) below; (ii) in case knowledge shall

The provisions of this paragraph shall not apply to costs, attorneys' fees and expenses for which the Company is liable under this policy, and shall only apply to that portion of any loss which exceeds, in the aggregate, 10 percent of the Amount of Insurance stated in Schedule A.

(c) The Company will pay only those costs, attorneys' fees and expenses incurred in accordance with Section 4 of these Conditions and Stipulations.

APPORTIONMENT

If the land described in the applicable Schedule consists of two or more parcels which are not used as a single site, and a loss is established affecting one or more of the parcels but not all, the loss shall be computed and settled on a pro rata basis as if the amount of insurance under this policy was divided pro rata as to the value on Date of Policy of each separate parcel to the whole, exclusive of any improvements made subsequent to Date of Policy, unless a liability or value has otherwise been agreed upon as to each parcel by the Company and the insured at the time of the issuance of this policy and shown by an express statement or by an endorsement attached to this policy.

9. LIMITATION OF LIABILITY

(a) If the Company establishes the title, or removes the alleged defect, lien or encumbrance, or cures the lack of a right of access to or from the land, or cures the claim of unmarketability of title, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals therefrom, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused thereby.

(b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals therefrom, adverse to the title as insured.

(c) The Company shall not be liable for loss or damage to any insured for liability voluntarily assumed by the insured in settling any claim or suit without the prior written consent of the Company.

10. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY

All payments under this policy, except payments made for costs, attorneys' fees and expenses, shall reduce the amount of the insurance pro tanto.

11. LIABILITY NONCUMULATIVE

It is expressly understood that the amount of insurance under this policy shall be reduced by any amount the Company may pay under any policy insuring a mortgage to which exception is taken in Schedule B or to which the insured has agreed, assumed, or taken subject, or which is hereafter executed by an insured and which is a charge or lien on the estate or interest described or referred to in Schedule A, and the amount so paid shall be deemed a payment under this policy to the insured owner.

12. PAYMENT OF LOSS

(a) No payment shall be made without producing this policy for endorsement of the payment unless the policy has been lost or destroyed, in which case proof of loss or destruction shall be furnished to the satisfaction of the Company.

(b) When liability and the extent of loss or damage has been definitely fixed in accordance with these Conditions and Stipulations, the loss or damage shall be payable within 30 days thereafter.

13. SUBROGATION UPON PAYMENT OR SETTLEMENT

(a) The Company's Right of Subrogation.

Whenever the Company shall have settled and paid a claim under this policy, all right of subrogation shall vest in the Company unaffected by any act of the insured claimant.

The Company shall be subrogated to and be entitled to all rights and remedies which the insured claimant would have had against any person or property in respect to the claim had this policy not been issued. If requested by the Company, the insured claimant shall transfer to the Company all rights

and remedies against any person or property necessary in order to perfect this right of subrogation. The insured claimant shall permit the Company to sue, compromise or settle in the name of the insured claimant and to use the name of the insured claimant in any transaction or litigation involving these rights or remedies.

If a payment on account of a claim does not fully cover the loss of the insured claimant, the Company shall be subrogated to these rights and remedies in the proportion which the Company's payment bears to the whole amount of the loss.

If loss should result from any act of the insured claimant, as stated above, that act shall not void this policy, but the Company, in that event, shall be required to pay only that part of any losses insured against by this policy which shall exceed the amount, if any, lost to the Company by reason of the impairment by the insured claimant of the Company's right of subrogation.

(b) The Company's Rights Against Non-Insured Obligors.

The Company's right of subrogation against non-insured obligors shall exist and shall include, without limitations, the rights of the insured to indemnities, guaranties, other policies of insurance or bonds, notwithstanding any terms or conditions contained in those instruments which provide for subrogation rights by reason of this policy.

14. ARBITRATION

Unless prohibited by applicable law, either the Company or the insured may demand arbitration pursuant to the Title Insurance Arbitration Rules of the American Arbitration Association. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the insured arising out of or relating to this policy, any service of the Company in connection with its issuance or the breach of a policy provision or other obligation. All arbitrable matters when the Amount of Insurance is \$1,000,000 or less shall be arbitrated at the option of either the Company or the insured. All arbitrable matters when the Amount of Insurance is in excess of \$1,000,000, shall be arbitrated only when agreed to by both the Company and the insured; Arbitration pursuant to this policy and under the Rules in effect on the date the demand for arbitration is made or, at the option of the insured, the Rules in effect at Date of Policy shall be binding upon the parties. The award may include attorneys' fees only if the laws of the state in which the land is located permit a court to award attorneys' fees to a prevailing party. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

The law of the situs of the land shall apply to an arbitration under the Title Insurance Arbitration Rules.

A copy of the Rules may be obtained from the Company upon request.

15. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT

(a) This policy together with all endorsements, if any attached hereto by the Company is the entire policy and contract between the insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.

(b) Any claim of loss or damage, whether or not based on negligence, and which arises out of the status of the title to the estate or interest covered hereby or by any action asserting such claim, shall be restricted to this policy.

(c) No amendment of or endorsement to this policy can be made except by a writing endorsed hereon or attached hereto signed by either the President, a Vice President, the Secretary, an Assistant Secretary, or validating officer or authorized signatory of the Company.

16. SEVERABILITY

In the event any provision of the policy is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision, all other provisions shall remain in full force and effect.

17. NOTICES, WHERE SENT

All notices required to be given the Company and any statement in writing required to be furnished the Company shall include the number of this policy and shall be addressed to the Company at Tigor Title Insurance Company, Claims Department, P.O. Box 2233, Los Angeles, California 90051.

adverse to the title to the estate or interest, as insured, and which might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if title to the estate or interest, as insured, is rejected as unmarketable. If prompt notice shall not be given to the Company, then as to the insured all liability of the Company shall terminate with regard to the matter or matters in which prompt notice is required; provided, however, that failure to notify the Company shall in no case prejudice the rights of any insured under this policy unless the Company shall be prejudiced by the failure and then only to the extent of the prejudice.

4. DEFENSE AND PROSECUTION OF ACTIONS: DUTY OF INSURED CLAIMANT TO COOPERATE

(a) Upon written request by the insured and subject to the options contained in Section 6 of these Conditions and Stipulations, the Company, at its own cost and without unreasonable delay, shall provide for the defense of an insured in litigation in which any third party asserts a claim adverse to the title or interest as insured, but only as to those stated causes of action alleging a defect, lien or encumbrance or other matter insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the insured to object for reasonable cause) to represent the insured as to those stated causes of action and shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs or expenses incurred by the insured in the defense of those causes of action which allege matters not insured against by this policy.

(b) The Company shall have the right, at its own cost, to institute and prosecute any action or proceeding or to do any other act which in its opinion may be necessary or desirable to establish the title to the estate or interest, as insured, or to prevent or reduce loss or damage to the insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable hereunder, and shall not thereby concede liability or waive any provision of this policy. If the company shall exercise its rights under this paragraph, it shall do so diligently.

(c) Whenever the Company shall have brought an action or interposed a defense as required or permitted by the provisions of this policy, the Company may pursue any litigation to final determination by a court of competent jurisdiction and expressly reserves that right, in its sole discretion, to appeal from any adverse judgment or order.

(d) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding, the insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, and all appeals therein, and permit the Company to use, at its option, the name of the insured for this purpose. Whenever requested by the Company, the insured, at the Company's expense shall give the Company all reasonable aid (i) in any action or proceeding, securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act which in the opinion of the Company may be necessary or desirable to establish the title to the estate or interest as insured. If the company is prejudiced by the failure of the insured to furnish the required cooperation, the Company's obligations to the insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.

5. PROOF OF LOSS OR DAMAGE

In addition to and after the notices required under Section 3 of these Conditions and Stipulations have been provided the Company, a proof of loss or damage signed and sworn to by the insured claimant shall be furnished to the Company within 90 days after the insured claimant shall ascertain the facts giving rise to the loss or damage. The proof of loss or damage shall describe the defect in, or lien or encumbrance on the title, or other matter insured against by this policy which constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage. If the Company is prejudiced by the failure of the insured claimant to provide the required proof of loss or damage, the Company's obligations to the insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such proof of loss or damage.

In addition, the insured claimant may reasonably be required to submit for examination under oath by any authorized representative of the Company and shall produce for examination, inspection and copying, at such reasonable times and places as may be designated by any authorized representative of the Company, all records, books, ledgers, checks, correspondence and memoranda, whether bearing a date before or after Date of Policy, which reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the insured claimant shall grant its permission, in writing, for any authorized representative of the Company

to examine, inspect and copy all records, books, ledgers, checks, correspondence and memoranda in the custody or control of a third party, which reasonably pertain to the loss or damage. All information designated as confidential by the insured claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the insured claimant to submit for examination under oath, produce other reasonably requested information or grant permission to secure reasonably necessary information from third parties as required in this paragraph shall terminate any liability of the Company under this policy as to that claim.

6. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS: TERMINATION OF LIABILITY

In case of a claim under this policy, the Company shall have the following additional options:

(a) To Pay or Tender Payment of the Amount of Insurance.

To pay or tender payment in the amount of insurance under this policy together with any costs, attorneys' fees and expenses incurred by the insured claimant, which were authorized by the Company, up to the time of payment or tender of payment and which the Company is obligated to pay.

Upon the exercise by the Company of this option, all liability and obligations to the insured under this policy, other than to make the payment required, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, and the policy shall be surrendered to the Company for cancellation.

(b) To Pay or Otherwise Settle with Parties Other than the Insured or With the Insured Claimant.

(i) to pay or otherwise settle with other parties for or in the name of an insured claimant any claim insured against under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by Company up to the time of payment and which the Company is obligated to pay; or

(ii) to pay or otherwise settle with the insured claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay.

Upon the exercise by the Company of either of the options provided for in paragraphs b(i) or (ii), the Company's obligations to the insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute or continue any litigation.

7. DETERMINATION, EXTENT OF LIABILITY AND COINSURANCE

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the insured claimant who has suffered loss or damage by reason of matters insured against by this policy and only to the extent herein described.

(a) The liability of the Company under this policy shall not exceed the least of:

(i) the amount of insurance stated in Schedule A; or

(ii) the difference between the value of the insured estate or interest as insured and the value of the insured estate or interest subject to the defect, lien or encumbrance insured against by this policy.

(b) In the event the Amount of Insurance stated in Schedule A at the Date of Policy is less than 80 percent of the value of the insured estate or interest or the full consideration paid for the land, whichever is less, or if subsequent to the Date of Policy an improvement is erected on the land which increases the value of the insured estate or interest by at least 20 percent over the amount of insurance stated in Schedule A, then this Policy is subject to the following:

(i) where no subsequent improvement has been made, as to any partial loss, the Company shall only pay the loss pro rata in the proportion that the amount of insurance at Date of Policy bears to the total value of the insured estate or interest at Date of Policy; or

(ii) where a subsequent improvement has been made, as to any partial loss, the Company shall only pay the loss pro rata in the proportion that 120 percent of the Amount of Insurance stated in Schedule A bears to the sum of the Amount of Insurance stated in Schedule A and the amount expended for the improvement.

SCHEDULE A

Premium: \$235.00
Amount of Insurance: \$40,000.00
Date of Policy: May 25, 2001 at 8:01 a.m.
Policy No.: T74-0001477
TG File No.: 200681

Hawaii Standard Owner's Policy (1998)

1. Name of Insured:

DOUGLAS RICHARD WHITE, single, as Tenant in Severalty, as Fee Owner
2. Title to the estate or interest in the land is vested in:

THE NAMED INSURED
3. The estate or interest in the land which is covered by this policy is:

FEE SIMPLE
4. The land referred to in this policy is described as follows:

See Schedule C.

SCHEDULE B

All matters set forth in the paragraphs below the caption "Exclusions from Coverage" on the inside cover of this Policy and the following matters are expressly excluded from the coverage of this Policy and the Company will not pay loss or damage, costs, attorney's fees or expenses which arise by reason thereof.

1. Real Property Taxes have been fully paid up to and including June 30, 2001.

Tax Key: (2) 4-5-012-018 Area Assessed: 21,524 sq. ft.

2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. Location of the seaward boundary in accordance with the laws of the State of Hawaii and shoreline setback line in accordance with County regulation and/or ordinance and the effect, if any, upon the area of the land described herein.
4. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT : DEED

DATED : October 11, 1967

RECORDED : Liber 5830 Page 236

SCHEDULE B CONTINUED

The foregoing includes, but is not limited to, matters relating to agricultural activities, including sugar cane burning, on nearby lands.

END OF SCHEDULE B

SCHEDULE C

The land referred to in this policy is described as follows:

All of that certain parcel of land (being portion(s) of the land(s) described in and covered by Royal Patent Grant Number 1891, Apana 1 to D. Baldwin, and Land Patent Grant Number 7855, Apana 3 to Lahaina Agricultural Co., Ltd.) situate, lying and being on the west side of Front Street, at Moali, Haleu, Lahaina, Island and County of Maui, State of Hawaii, and thus bounded and described of Warren S. Unemori, Registered Land Surveyor, dated October 25, 1978, to-wit:

Beginning at a pipe at the Southeast corner of this parcel of land, the coordinates of said point of beginning referred to Government Survey Triangulation Station "Laina" being 2,983.90 feet South and 5,712.71 feet West and running by azimuths measured clockwise from True South:

1.	92°	29'	42.23	feet along the remainder of Grant 1891 Apana 1 to D. Baldwin to a pipe;
2.	187°	48' 10"	178.87	feet along the seashore along the base of a stonewall to a pipe;
3.	175°	38' 40"	381.72	feet along same to a pipe
4.	161°	50' 30"	113.94	feet along same to a pipe;

SCHEDULE C CONTINUED

5. 256° 59' 58.58 feet along the remainder of Grant 1891, Apana 1 to D. Baldwin and Grant 7855, Apana 2 to Lahaina Agricultural Co., Ltd. to a pipe;
6. 355° 23' 180.35 feet along the West side of Front Street to a pipe;
7. Thence along same on a curve to the right having a radius of 3,799.72 feet, the chord azimuth and distance being :
- 357° 56' 338.11 feet to a pipe;
8. 0° 29' 163.47 feet along same to the point of beginning and containing an area of 21,524 square feet, more or less.

BEING THE PREMISES ACQUIRED BY LIMITED WARRANTY DEED

GRANTOR : KAAPALI DEVELOPMENT CORP., a Hawaii corporation

GRANTEE : DOUGLAS RICHARD WHITE, single, as Tenant in Severalty

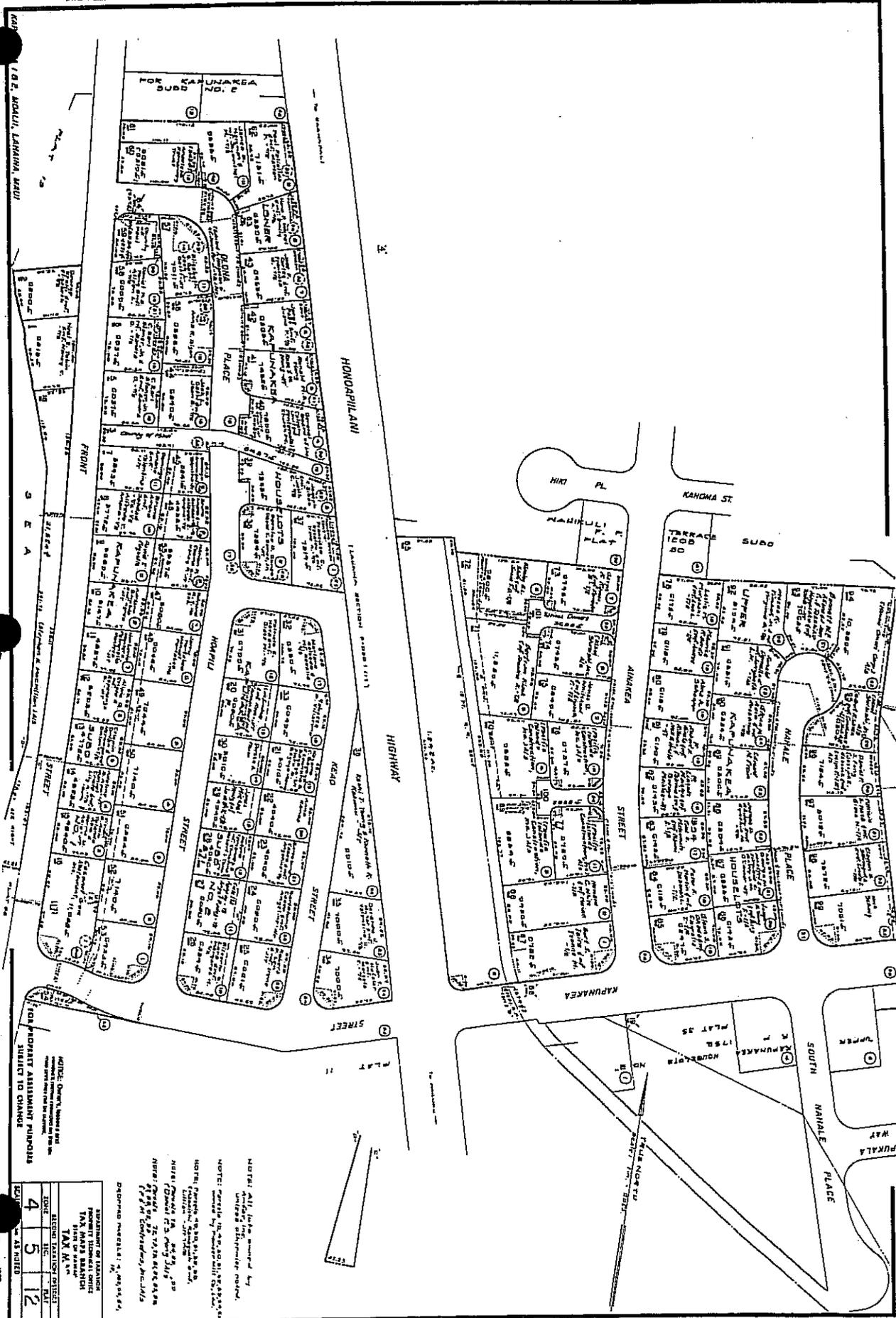
DATED : May 25, 2001

RECORDED : Document No. 2001-078027

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, handicap, familial status or national origin, unless and only to the extent that said covenant (i) is exempt under Chapter 42, Section 3607 of the United States Code or (ii) relates to handicap but does not discriminate against handicapped persons.



NOTE: Change of ownership of land
does not affect the tax liability of the
landowner.

NOTE: Change of ownership of land
does not affect the tax liability of the
landowner.

NOTE: Change of ownership of land
does not affect the tax liability of the
landowner.

NOTE: Change of ownership of land
does not affect the tax liability of the
landowner.

DEPARTMENT OF REVENUE
PROPERTY TAXATION DIVISION
TAX MAPS BRANCH
TAX MAPS
1775 M. COMMERCE, HONOLULU, HAWAII

DATE	BY	REVISION
4	5	12

no. 107 of 1891
Deed
The Pioneer Mill Co

of Honolulu, Oahu, Territory of Hawaii, for and in consideration of the sum of One Hundred Dollars, Gold coin, to have in hand paid by the Pioneer Mill Company, a corporation duly organized and existing under and by virtue of the laws of the Hawaiian Islands, Island of Maui, Hawaiian Islands, the receipt whereof is hereby acknowledged, do hereby give, grant, bargain, sell, convey and assign, with all that therein lot, tract, piece or parcel of land situate at Koaiki's Suburbs, Island of Maui, Hawaiian Islands, being a part of Royal Patent Grant No. 1291 to D. Baldwin, and bounded and described as follows to-wit: Beginning at the S. E. angle on the shore and running:

- S. 52° 30' E. 1.00 chain along Alanihi.
- S. 18° E. 1.55 chains along Hanakamui's house lot.
- S. 72° E. 0.67 chains along
- S. 16° 14' N. 1.42 chains along
- S. 61° E. 1.81 chains along Alanihi's boundary to Unahie's lot.
- N. 31° 30' E. 0.94 chains along Hanakamui's house lot.
- N. 62° 30' N. 0.90 chains along Hanakamui's house lot to corner of lot.
- N. 31° E. 2.18 chains along Hanakamui's house lot to corner of lot.
- N. 75° 50' N. 2.12 chains along Haukio's Pond.
- N. 14° 30' E. 2.91 chains along Haukio's Pond.
- S. 72° 30' E. 1.66 chains along Haukio's Pond.
- N. 4° N. 2.89 chains along Road.
- West 1.20 chains along Haukio's Pond.
- N. 1° E. 6.70 chains along Haukio's Pond to road.
- N. 11° 45' N. 7.41 chains along Road of Koaiki's Pond.
- N. 42° N. 4.52 chains along Koaiki's Pond.
- S. 20° E. 6.52 chains along Sea Shore.
- S. 1° E. 10.56 chains along Sea Shore.
- S. 11° N. 8.47 chains along Sea Shore to Koaiki's Pond and containing an area of 3.3 acres.

And further described as being the same premises conveyed to me, the said D. Baldwin, by deed of the Executors of the Will of the Rev. D. Baldwin, deceased, dated April 1, 1884, and duly recorded, and the Office of the Registrar of Conveyances in Honolulu, in Volume 114 pages 425, 427 and 430. I do hereby and do hold the said granted premises together with all the rights, easements, privileges and appurtenances thereunto belonging unto the said the Pioneer Mill Company, its successors and assigns forever. And for the

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consideration of said J. Cornelia A. Bishop, wife of the said
 Serrano E. Bishop, personally appears, unto the said J. P. Jones, Master
 of the said Court, and assigns power, all of my right in the
 said lands, to the said Serrano E. Bishop and Cornelia A. Bishop, his
 wife, in the said Serrano E. Bishop and Cornelia A. Bishop, his
 wife, to sell, lease and alienate the same for the said day of March 1899.
 In presence of
 George M. Mason
 Hawaiian Islands
 Islands of Oahu
 Serrano E. Bishop
 Cornelia A. Bishop

On this 15th day of March (A.D. 1899) J. P. Jones
 personally appeared before me, Serrano E. Bishop and Cornelia A.
 Bishop, his wife, personally known to me, to be the same person
 described in and who executed the foregoing instrument, who duly
 acknowledged to me that they executed the same freely and volun-
 tarily and for the uses and purposes therein mentioned. And
 the said Cornelia A. Bishop further acknowledged to me on an
 examination, separate and apart from the said husband that
 she executed the same without any fear or compulsion of her
 said husband. In witness whereof I have hereunto set my
 hand the day and year first above written.

George M. Mason
 Agent to take Acknowledgment,
 District of Hono., Oahu.
 Recorded & Complied with this 15th day of March A.D. 1899 at 2:10 O'clock P.M.
 Tho' C. Tho' W.

A. Long
 Stamped 10¢

Chas. W. Booth

Know all men by these presents that I Anna Long of
 Honolulu in the Island of Oahu, Hawaiian Islands for and
 in consideration of One Dollar (\$1.00) to me paid by my son,
 Charles Wallace Booth, of said Honolulu, the receipt whereof is
 acknowledged and in further consideration of my love and affec-
 tion for my said son, have given, granted, bargained, sold and
 conveyed and by these presents do give, grant, bargain, sell and con-
 vey unto said Charles Wallace Booth, his heirs and assigns, all of those
 tracts and parcels of land situated at Kewalo, Parish District of
 Honolulu, Island of Oahu, aforesaid described in Royal Patent #302,
 Royal Patent #303, Royal Patent #304, and Royal Patent #305, all
 as and in confirmation of Land Commission Award #273, to
 Joseph Booth, in which premises I now have an estate of
 inheritance. And also all the tenement, hereditaments, rents,
 reversions, remainders, rights, privileges and appurtenances to the
 said lands appertaining and all my estate and possession in
 and of the same. To have and to hold with the appurtenances

A-38. OTHER PERTINENT EXHIBITS

A-38a. Legal Description/Survey

Included in the Title Insurance document

A-38b. Residential Zoning District**Chapter 19.08****RESIDENTIAL DISTRICTS****Sections:**

- 19.08.010 Generally.**
- 19.12.020 Permitted uses.**
- 19.12.030 Special Uses.**
- 19.12.040 Area Regulations.**
- 19.12.050 Height Regulations.**
- 19.12.060 Yards.**

19.08.010 Generally.

Areas for single family dwellings are established to provide for harmonious residential neighborhood without the detraction of commercial and industrial activities. (Prior code § 8-1.4(a))

19.08.020 Permitted uses.

Within the residential districts, the following uses shall be permitted:

- A. Single –family dwellings;
- B. Greenhouses, flower and truck gardens and nurseries; provided, that there shall be no retailing or transaction of business on the premises;
- C. Parks and playgrounds, noncommercial; certain commercial amusement and refreshment sale activities may be permitted when under supervision of the government agency in charge of the park or playground;
- D. Schools, elementary, intermediate, high and colleges, publicly or privately owned, which may include on-campus dormitories;
- E. Buildings or premises used by the federal, State, or county governments for public purposes;
- F. Accessory buildings located on the same lot, the use of which is customary and incidental, usual and necessary to that of the main building or to the use of the land;
- G. An accessory dwelling may be permitted where the area of the lot on which the main house is located is seven thousand five hundred square feet or more. Chapter 19.35 of this article, pertaining to accessory dwellings, shall be applicable to any accessory dwelling;
- H. Day care nurseries, kindergartens, nursery schools, child care homes, day care homes, day care centers, nurseries, preschool kindergartens, babysitting services, and other like facilities located in private homes used for child care services. These facilities shall serve six or fewer children at any one time on lot sized of less than seven thousand five hundred square feet, serving eight or fewer children at any one time on lot sizes of seven thousand five hundred or more square feet but less than ten thousand square feet or serving twelve of fewer children at any one time on lot sizes of ten thousand or more square feet;
- I. Subject to the restrictions and standards of chapter 19.64 of this title, Type 1 bed and breakfast homes shall be permitted on any lot; Type 2 bed and breakfast homes shall be

permitted on lots of seven thousand five hundred square feet or greater, and Type 3 bed and breakfast homes shall be permitted on lots of ten thousand square feet or greater. (Ord. 2628 § 1, 1997; Ord. 2609 § 3, 1997; Ord. 2585 § 1, 1997; Ord. 2030 § 3, 1991; Ord. 1956 § 1, 1990; Ord. 1269 § 6, 1982; prior code § 8-1.4(b))

19.08.030 Special Uses.

The following are declared special uses, and approval of the appropriate planning commission shall be obtained:

- A. Churches together with accessory buildings;
- B. Day care nurseries, kindergartens, nursery schools, child care homes, day care homes, day care centers, nurseries, preschool kindergartens, babysitting services, and other like facilities located in private homes used for child care services serving more than the number of children defined in section 19.08.020H;
- C. Hospitals; provided, that written consent of seventy-five percent of the property owners within five hundred feet from the property to be used for such purpose has been obtained;
- D. Nursing or convalescent homes and domiciliary facilities operated and maintained to provide nursing or supporting care;
- E. Housing for the aged, operated by governmental or nonprofit organizations; provided, that the normal population density is not increased more than ten percent;
- F. Housing for low and moderate income families, operated by governmental or nonprofit organizations; provided, that the normal dwelling unit density is not increased more than ten percent;
- G. Public utilities substations, which are not and will not be hazardous or a nuisance to the surrounding areas;
- H. Certain domestic type businesses in the home, provided there will be no detrimental or nuisance effect upon the neighbors. Such businesses shall be normal functions of the home, such as baking, sewing and piano playing;
- I. Residential planned developments only. (Ord. 2628 § 2, 1997; Ord. 2585 § 2, 1997; Ord. 1956 § 2, 1990; prior code § 8-1.4(c))

19.08.040 Area Regulations.

- A. The minimum lot area shall be six thousand square feet in R-1 residential districts, seven thousand five hundred square feet in R-2 residential districts, and ten thousand square feet in R-3 residential districts. The minimum lot width shall be sixty feet for R-1, sixty-five feet for R-2, and seventy feet for R-3. There may be more than one single-family dwelling on any lot when the minimum lot area of six thousand square feet in R-1, seven thousand five hundred square feet in R-2, and ten thousand square feet in R-3 is provided for each dwelling unit.
- B. Subject to approval of the commission, mixture of lot sizes may be permitted within any residential district; provided, however, that the minimum lot size shall not be less than six thousand square feet, and that the overall project density shall not exceed that permitted within the district. Where the subdivision or project is designed to meet the needs of low or moderate income families, and adequate provisions are provided to insure owner-occupancy and the control or limitation of speculation, the commission may permit an increase in density not to exceed ten percent. (Ord. 784 § 1, 1974; prior code § 8-1.4(d))

19.08.050 Height Regulations.

No building shall exceed two stories nor thirty feet in height. (Prior code § 8-1.4(e))

19.12.060 Yards.

A. There shall be a front yard of fifteen feet, side yard of six feet, and rear yard of six feet for all residential districts. Side and rear yards for two-story buildings shall be ten feet in all residential districts.

B. Greenhouses may be constructed along the rear or side lot lines, provided, the entire roof is constructed of laths or screen to permit passage of light and air; the clear distance to the front lot line is not less than thirty feet; and that no portion of the greenhouse shall overhang into the next property. If the greenhouse is not constructed on the lot lines, then it must conform to the side and rear yard spacing of six feet. (Prior code § 8-1.4(f))

A-39. QUALIFICATIONS OF APPRAISER**PROFESSIONAL QUALIFICATIONS****Glenn K. Kunihsa, MAI, CRE****STATE LICENSING**

State Certified General Appraiser,
 State of Hawaii, License No. CGA 39, July 17, 1991
 Expiration: December 31, 2011

**PROFESSIONAL AFFILIATIONS**

Member, Appraisal Institute, MAI Designation, Hawaii Chapter No. 67
 Member, The Counselors of Real Estate, CRE Designation, Hawaii Chapter
 Member, International Right of Way Association
 Appraiser-Realtor, National Association of Realtors, Maui Board of Realtors

PROFESSIONAL INVOLVEMENT

Past President – Hawaii Chapter of the Appraisal Institute – 2009
 Vice Chairperson – Hawaii Chapter of The Counselors of Real Estate - 2010
 Education Chairperson – Hawaii Chapter of the Appraisal Institute – 2004 and 2005
 Former Multiple Listing Service (MLS) Committee Member – Realtors Association of Maui

COMMUNITY AFFILIATIONS

St. Anthony Parish School Board
 Board Member 1995 to 2008
 Board President 1997 and 1998
 Alii Community Care, Inc. – A non-profit health care corporation
 Board Member 2004 to 2006

EMPLOYMENT

President
 ACM Consultants, Inc.
 May, 1997 to present

Previously associated with the following:

ACM, Real Estate Appraisers, Inc. - 1986 to 1997
 A&B Commercial Company; a division of Alexander & Baldwin, Inc. - 1979 to 1985
 Bank of Hawaii - 1976 to 1979

GENERAL EDUCATION

University of Hawaii at Manoa
 Master of Business Administration (MBA) - Executive MBA Program V, 1988
 Bachelor of Business Administration (BBA), 1976
 Iolani School, 1971

LEGAL & CONSULTING

Qualified as an expert witness in the Second Circuit Court of the State of Hawaii
 Qualified as an expert in testimony to the State Land Use Commission
 Experienced in real estate arbitration assignments in the State of Hawaii

APPRAISAL EDUCATIONAppraisal Institute

Seminar	<i>Hotel Valuation</i> Honolulu, Hawaii – February 2010
Seminar	<i>Online Small Hotel/Motel Valuation</i> Chicago, Illinois – November 2009
Seminar	<i>Business Practices and Ethics</i> Honolulu, Hawaii – September 2009
Seminar	<i>Hawaii Lands, Historical Review</i> Lihue, Hawaii – August 2009
Seminar	<i>Appraisal Challenges: Declining Markets and Sales Concessions</i> Cambria, California – October 2008
Course	<i>7-Hour National USPAP Update Course</i> Honolulu, Hawaii – September 2008
Course	<i>Online 7-Hour National USPAP Equivalent Course</i> Chicago, Illinois – October 2007
Course	<i>Valuation of Conservation Easements</i> Denver, Colorado – October 2007
Seminar	<i>Uniform Standards for Federal Land Acquisitions (“Yellow Book”) Practical Applications for Fee Appraisers</i> Honolulu, Hawaii – December 2006
Seminar	<i>California Conservation Easements</i> Sacramento, California – November 2005
Course 400	<i>7-Hour National USPAP Update Course</i> Honolulu, Hawaii – October 2005
Seminar	<i>Case Studies in Limited Partnership and Partial Interest Valuation</i> Honolulu, Hawaii – May 2005
Seminar	<i>Appraisal Consulting: A Solutions Approach for Professionals</i> Honolulu, Hawaii – February 2005
Seminar	<i>Real Estate Finance, Value and Investment Performance</i> Honolulu, Hawaii – February 2005
Seminar	<i>Fannie Mae Residential Presentation</i> Honolulu, Hawaii - July 2004
Seminar	<i>Subdivision Analysis</i> Chicago, Illinois - August 2003
Seminar	<i>Supporting Capitalization Rates</i> Chicago, Illinois - August 2003
Seminar	<i>The Technology Assisted Appraiser</i> Chicago, Illinois - August 2003
Seminar	<i>Scope of Work: Expanding Your Range of Services</i> Chicago, Illinois - August 2003
Course 400	<i>National Uniform Standards of Professional Practice</i> Honolulu, Hawaii - May 2003
Course 420	<i>Business Practices and Ethics</i> Honolulu, Hawaii - May 2003
Seminar	<i>The Private Conservation Market</i> Honolulu, Hawaii - July 2002
Seminar	<i>Finance Reporting Valuations Parts I and II</i> Honolulu, Hawaii - July 2002
Seminar	<i>Future of Appraisal Profession from a Global Perspective</i> Honolulu, Hawaii - July 2002

Seminar	<i>Appraisal Office Management</i> Honolulu, Hawaii - July 2002
Course 540	<i>Report Writing</i> Denver, Colorado - December 2000
Seminar	<i>Partial Interests: Theory and Case Law</i> Las Vegas, Nevada - July 2000
Seminar	<i>Easement Valuation</i> Las Vegas, Nevada - July 2000
Seminar	<i>Bridging the Gap: Marketability Discounts for Real Estate Interests</i> Las Vegas, Nevada - July 2000
Course 430	<i>Standards of Professional Practice, Part C</i> Honolulu, Hawaii - September 1999
Seminar	<i>Litigation Skills for the Appraiser: An Overview</i> Honolulu, Hawaii - May 1998
Seminar	<i>Special Purpose Properties</i> Honolulu, Hawaii - September 1997
Seminar	<i>Highest and Best Use Applications</i> Honolulu, Hawaii - September 1997
Seminar	<i>Detrimental Conditions</i> Honolulu, Hawaii - July 1997
Seminar	<i>The Appraiser As Expert Witness</i> Honolulu, Hawaii - August, 1995
Seminar	<i>How to Appraise FHA-Insured Property</i> Los Angeles, California - January, 1995
Seminar	<i>Understanding Limited Appraisals and Reporting Options</i> Honolulu, Hawaii - August, 1994
Seminar	<i>Valuation of Leasehold Interests</i> Honolulu, Hawaii - May, 1993
Seminar	<i>Valuation of Leased Fee Interests</i> Honolulu, Hawaii - May, 1993
Seminar	<i>Valuation Considerations: Appraising Non-Profits</i> Boston, Massachusetts - July, 1992
Seminar	<i>Americans With Disabilities Act</i> Boston, Massachusetts - July, 1992
Seminar	<i>Valuation in Today's Capital and Financing Markets</i> Honolulu, Hawaii - June 1992
Seminar	<i>Arbitration Principles, Procedures and Pitfalls</i> Honolulu, Hawaii - June, 1992
Seminar	<i>Institutional Real Estate in the 1990's</i> Honolulu, Hawaii - June, 1992
Seminar	<i>FIRREA and its Impact on Appraisers</i> Honolulu, Hawaii - June, 1992
Course 410/420	<i>Standards of Professional Practice, Parts A & B</i> Honolulu, Hawaii - April, 1991

The American Society of Farm Managers and Rural Appraisers, Inc.

Seminar	<i>Agricultural Lease Valuation</i> Honolulu, Hawaii – March 2006
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Maui Coastal Land Trust

Seminar	<i>Understanding the New Tax Incentives: Conservation Easements & Other Charitable Contributions</i> Wailuku, Hawaii – June 2007
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Society of Real Estate Appraisers

- Course 101 *Introduction to Appraising Real Property*
Dallas, Texas – 1987
- Course 102 *Applied Residential Property Valuation*
Honolulu, Hawaii - July 1990
- Course 201 *Principles of Income Property Appraising*
Chicago, Illinois, 1987
- Course 202 *Applied Income Property Valuation*
San Diego, California - 1988
- Seminar *Professional Practice and the Society of Real Estate Appraisers*
Honolulu, Hawaii - 1988
- Seminar *Appraisal Standards Seminar - Federal Home Loan
Bank Board Guidelines, Regulations and Policies*
Honolulu, Hawaii - April, 1988
- Seminar *Appraisal Standards Seminar - Federal Home Loan
Bank Board Guidelines, Regulations and Policies*
Honolulu, Hawaii - April, 1988

American Institute of Real Estate Appraisers

- Seminar *Rates, Ratios and Reasonableness*
Honolulu, Hawaii - 1989
- Seminar *Discounted Cash Flow Analysis*
Honolulu, Hawaii - 1989
- Seminar *Highest and Best Use*
Honolulu, Hawaii - 1989
- Seminar *Capitalization Overview - Part A*
Honolulu, Hawaii - 1990
- Seminar *Capitalization Overview - Part B*
Honolulu, Hawaii – 1990
- Seminar *Accrued Depreciation*
Honolulu, Hawaii - 1990

International Right of Way Association

- Course 101 *Appraisal*
Las Vegas, Nevada - October, 1998
- Course 101 *Negotiation*
Las Vegas, Nevada - October 1998

National Business Institute, Inc.

- Seminar *Commercial Real Estate Leasing In Hawaii*
Honolulu, Hawaii - 1989

American Arbitration Association

- Seminar *Real Estate Dispute Resolution - Mediation and Arbitration*
Kahului, Maui, Hawaii - October, 1990

A-40. DEFINITIONS**DEFINITIONS**

The purpose of this Glossary is to assist the reader in understanding specific terminology used in this report.

Appraisal (noun) the act or process of estimating value; an estimate of value. (adjective) of or pertaining to appraising and related functions, e.g. appraisal practice, appraisal services.

Complete Appraisal: The act or process of estimating value or an estimate of value performed without invoking the Departure Provision.

Limited Appraisal: The act or process of estimating value or an estimate of value performed under and resulting from invoking the Departure Provision.

Binding Requirement All or part of a standards rule of the Uniform Standards of Professional Appraisal Practice (USPAP) from which departure is not permitted (See Departure Provision).

Cash Equivalent A price expressed in terms of cash, as distinguished from a price expressed totally or partly in terms of the face amounts of notes or other securities that cannot be sold at their face amounts.

Counseling Providing competent, disinterested, and unbiased advice and guidance on diverse problems in the broad field of real estate; may involve any or all aspects of the business such as merchandising, leasing, management, acquisition/disposition planning, financing, development, cost-benefit studies, feasibility analysis, and similar services. Counseling services are often associated with evaluation, but they are beyond the scope of appraisal.

Departure Provision This provision permits limited exceptions to sections of the Uniform Standards of Professional Appraisal Practice that are classified as specific guidelines rather than binding requirements. The burden of proof is on the appraiser to decide before accepting a limited assignment that the result will not confuse or mislead. The burden of disclosure is also on the appraiser to report any limitations.

Discounting The procedure used to convert periodic income and reversions into present value; based on the assumption that benefits received in the future are worth less than the same benefits received now.

Fair Value The cash price that might reasonably be anticipated in a current sale under all conditions requisite to a fair sale. A fair sale means that buyer and seller are each acting prudently, knowledgeably, and under no necessity to buy or sell, i.e., other than in a forced or liquidation sale. The appraiser should estimate the cash price that might be received upon exposure to the open market for a reasonable time, considering the property type and local

market conditions. ***When a current sale is unlikely, i.e., when it is unlikely that the sale can be completed within 12 months, the appraiser must discount all cash flows generated by the property to obtain the estimate of fair value.*** These cash flows include, but are not limited to, those arising from ownership, development, operating, and sale of the property. The discount applied shall reflect the appraiser's judgment of what a prudent, knowledgeable purchase under no necessity to buy would be willing to pay to purchase the property in a current sale.

Fee Simple Estate

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

Hawaiian Terms

The Hawaiian words "mauka" and "makai" are commonly used in the islands as indicators of direction. The word "mauka" means toward the mountain, and "makai" means toward the ocean.

Highest and Best Use

The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability.

Highest and Best Use of Land or a Site as Though Vacant

The use of a property based on the assumption that a parcel of land is vacant or can be made vacant through demolition of any improvements.

Highest and Best Use of Property as Improved

The use that should be made of a property as it exists.

Leased Fee Estate

An ownership interest held by a landlord with the right of use and occupancy conveyed by lease others; the rights of lessor or the leased fee owner and leased fee are specified by contract terms contained within the lease

Leasehold Estate

The right to use and occupy real estate for a stated term and under certain conditions; conveyed by a lease.

Market Rent

The rental income that a property would most probably command in the open market.

Market Value

Market value is the major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined. Continual refinement is essential to the growth of the appraisal profession. The current economic definition of market value can be stated as follows:

"The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the

buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress."

The current economic definition of Market value as stated in the Uniform Standards of Professional Practice, published by The Appraisal Foundation in 1990, is as follows:

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

1. buyer and seller are typically motivated.
2. both parties are well informed or well advised, and acting in what they consider their best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."

***Prospective Market Value
Upon Completion
of Construction***

The prospective future value of a property on the date that construction is completed, based upon market conditions forecast to exist as of the completion date.

Prospective Value Estimate

A forecast of the value expected at a specified future date. A prospective value estimate is most frequently sought in connection with real estate projects that are proposed, under construction, or under conversion to a new use, or those that have not achieved sellout or a stabilized level of long-term occupancy at the time the appraisal report is written.

Report

Any communication, written or oral, of an appraisal, review, or consulting service that is transmitted to the client upon completion of an assignment. The types of written reports listed below apply to real property appraisals:

Self-Contained Appraisal Report: A written report prepared under Standards Rule 2-2(a) of a complete or Limited Appraisal performed under Standard 1.

Summary Appraisal Report: A written report prepared under Standards Rule 2-2(b) of a Complete or Limited Appraisal performed under Standard 1.

Restricted Appraisal Report: A written report prepared under Standards Rule 2-2(c) of a Complete or Limited Appraisal performed under Standard 1.

Specific Guideline

All or part of a standards rule of the Uniform Standards of Professional Appraisal Practice (USPAP) from which departure is permitted under certain conditions (See Departure Provision).

***Uniform Standards
of Professional
Appraisal Practice***

Current standards of the appraisal profession, developed for appraisers and the users of appraisal services; the USPAP deal with the procedures to be followed in developing an appraisal, analysis, or opinion and the manner in which an appraisal, analysis, or opinion is communicated. The USPAP are endorsed by the Appraisal Institute and other professional appraisal organizations.

A-41. LIMITING & CONTINGENT CONDITIONS

LIMITING AND CONTINGENT CONDITIONS: The certification of the Appraiser appearing in the appraisal report is subject to the following conditions and to such other specific and limiting conditions as are set forth by the Appraiser in the report. By this notice, all persons and firms reviewing, utilizing or relying on the report in any manner bind themselves to accept these assumptions and limiting conditions. Do not use this report if you do not so accept. These conditions are a part of the appraisal report, they are a preface to any certification, definition, fact or analysis, and are intended to establish as a matter of record that the Appraiser's function is to provide a present market value indication for the subject property based upon the Appraiser's observation as to the subject property and real estate market. This appraisal report is an economic study to estimate value as defined in it. It is not an engineering, construction, legal or architectural study nor survey and expertise in these areas, among others, is not implied.

1. **CONFIDENTIALITY.** The contents of the appraisal are confidential. Release of this appraisal by ACM Consultants, Inc. to you is limited to and solely for your business use only. Any further release of this appraisal by you or any of your agents is strictly prohibited and you shall accept the risk and liability for any such release without the previous written consent of ACM Consultants, Inc. Further, you shall indemnify and defend ACM Consultants, Inc. from any claims arising out of any such unauthorized disclosure.
2. **LIMIT OF LIABILITY.** The liability of ACM Consultants, Inc. and employees and affiliated independent contractors is limited to the fee actually received by Appraiser (total per appraisal). Further, there is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The Appraiser is in no way to be responsible for any costs incurred to discover or correct any deficiencies of any type present in the property; physically, financially, and/or legally. In the case of limited partnerships or syndication offerings or stock offerings in real estate, client agrees that in case of lawsuit (brought by lender, partner or part owner in any form of ownership, tenant, or any other party), any and all awards, settlements of any type in such suit, regardless of outcome, client will hold Appraiser harmless in any such action.
3. **INFORMATION USED.** No responsibility is assumed for accuracy of information furnished by work of or work by others, the client, his designee, or public records. We are not liable for such information or the work of possible subcontractors. The comparable date relied upon in this report has been confirmed with one or more parties familiar with the transaction or from affidavit or other source though reasonable; all are considered appropriate for inclusion to the best of our factual judgment and knowledge. An impractical and uneconomic expenditure of time would be required in attempting to furnished unimpeachable verification in all instances, particularly as to engineering and market-related information. It is suggested that the client consider independent verification as a prerequisite to any transaction involving sale, lease, or other significant commitment of funds of subject property.
4. **TESTIMONY, CONSULTATION, COMPLETION OF CONTRACT FOR APPRAISAL SERVICES.** The contract for appraisal, consultation or analytical service is fulfilled, and the total fee is payable upon completion of the report.

The Appraiser(s) or those assisting in preparation of the report will not be asked or required to give testimony in court or hearing because of having made the appraisal, in full or in part, nor engage in post appraisal consultation with client or third parties except under separate and special arrangement and at additional fee. If testimony or deposition is required because of subpoena, the client shall be responsible for any additional time, fees, and charges regardless of issuing party.

5. **LEGALITY OF USE.** The appraisal is based on the premise that, there is full compliance with all applicable federal, state and local environmental regulations and laws unless otherwise stated in the report; further, that all applicable zoning, building, use regulations and restrictions of all types have been complied with unless otherwise stated in the report; further, it is assumed that all required licenses, consents, permits, or other legislative or administrative authority, local, state, federal and/or private entity or organization have been or can be obtained or renewed for any use considered in the value estimate.

6. **COMPONENT VALUES.** The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. The separate valuations for land and building must not be used in conjunction with any other appraisal and are invalid if so used.
7. **AUXILIARY AND RELATED STUDIES.** No environmental or impact studies, special market study or analysis, highest and best use analysis or feasibility study has been requested or made unless otherwise specifically stated in an agreement for services or in the report.
8. **DOLLAR VALUES, PURCHASING POWER.** The market value estimated, and the costs used, are as of the date of the estimate of value. All dollar amounts are based on the purchasing power and price of the dollar as of the date of the value estimate.
9. **INCLUSIONS.** Furnishings and equipment or personal property or business operations except as specifically indicated and typically considered as a part of real estate, have been disregarded with only the real estate being considered in the value estimate unless otherwise stated.
10. **ENVIRONMENTAL DISCLAIMER.** The value estimated in this report is based on the assumption that the property is not negatively affected by the existence of hazardous substances or detrimental environmental conditions. The Appraiser is not an expert in the identification of hazardous substances or detrimental environmental conditions. The Appraiser's routine inspection of and inquiries about the subject property did not develop any information that indicated any apparent significant hazardous substances or detrimental environmental conditions which would affect the property negatively. It is possible that tests and inspections made by a qualified hazardous substance and environmental expert would reveal the existence of hazard material and environmental conditions on or around the property that would negatively affect its value.
11. **LEGAL, ENGINEERING, FINANCIAL, STRUCTURAL, OR MECHANICAL NATURE, HIDDEN COMPONENTS, SOIL.** The Appraiser and/or firm has no responsibility for matters legal in character or nature, nor of any architectural, structural, mechanical, or engineering nature. No opinion is rendered as to the title, which is presumed to be good and merchantable. The property is appraised as if free and clear, unless otherwise stated in particular parts of the report.
The legal description is assumed to be correct as used in this report as furnished by the client, his designee, or as derived by the Appraiser.

Note that no advice is given regarding mechanical equipment or structural integrity or adequacy, no soils and potential for settlement, drainage, and such (seek assistance from qualified architect and/or engineer) nor matters concerning liens, title status, and legal marketability (seek legal assistance), and such. The lender and owner should inspect the property before any disbursement of funds; further it is likely that the lender or owner may wish to require mechanical or structural inspections by a qualified and licensed contractor, civil or structural engineer, architect, or other expert.

The Appraiser has inspected as far as possible, by observation, the land and the improvements; however, it was not possible to personally observe conditions beneath the soil or hidden structurally or by other components. We have not critically inspected mechanical components within the improvements and no representations are made herein as to these matters unless specifically stated and considered in the report. The value estimate considers there being no such conditions that would cause a loss of value. The land or the soil of the area being appraised appears firm, however, subsidence in the area is unknown. The Appraiser(s) do not warrant against this condition or occurrence of problems arising from soil conditions.

The appraisal is based on there being no hidden, unapparent, or apparent conditions of the property site, subsoil, or structures or toxic material which would render it more or less valuable. The Appraiser and firm have no responsibility for any such conditions or for any expertise or engineering to discover them. All mechanical components are assumed to be in operable condition and status standard for properties of the subject type. Conditions of heating, cooling, ventilation, electrical and plumbing equipment is considered to be commensurate with the conditions of the balance of the improvements unless otherwise stated. No judgment may be made by us as to adequacy of insulation, type of insulation, or energy efficiency of the improvements or equipment which is assumed standard for subject and type.

If the Appraiser has not been supplied with a termite inspection, survey or occupancy permit, no responsibility or representation is assumed or made for costs associated with obtaining same or for any deficiencies discovered before or after they are obtained. No representation or warranties are made concerning obtaining the above mentioned items.

The Appraiser has no responsibility for any costs or consequences arising due to the need, or the lack of need for flood hazard insurance. An Agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.

12. PROPOSED IMPROVEMENTS, CONDITIONED VALUE. Improvements proposed, if any, on or off-site, as well as any repairs required are considered, for purposes of the appraisal to be completed in good and workmanlike manner according to information submitted and/or considered by the Appraiser(s). In cases of proposed construction, the appraisal is subject to change upon inspection of property after construction is completed. This estimate of market value is as of the date shown, as proposed, as if completed and operating at levels shown and projected. On all appraisals, subject to satisfactory completion, repairs, or alterations, the appraisal report and value conclusion are contingent upon completion of the improvements in a workmanlike manner.

13. VALUE CHANGE, DYNAMIC MARKET, INFLUENCES, ALTERATION OF ESTIMATE BY APPRAISER. The estimated market value, which is defined in the report, is subject to change with market changes over time; value is highly related to exposure, time, promotional effort, terms, motivation, and conditions surrounding the offering. The value estimate considers the productivity and relative attractiveness of the property physically and economically in the marketplace.

Appraisal report and value estimate subject to change if physical or legal entity or financing is different than that envisioned in this report.

14. EXHIBITS. The sketches and maps in this report are included to assist the reader in visualizing the property and are not necessarily to scale. Various photos, if any, are included for the same purpose as of the date of the photos. Site plans are not surveys unless shown from separate surveyor. All documents, materials, photographs, negatives, and other items provided to or obtained by the Appraiser becomes the property of the Appraiser unless other arrangements have been previously made therefore.

15. CHANGES, MODIFICATION. The Appraiser(s) and/or officers of ACM Consultants, Inc., reserve the right to alter statements, analysis, conclusion or any value estimate in the appraisal if there becomes known to us facts pertinent to the appraisal process which were unknown to us when the report was completed.

16. DISCLOSURE. Disclosure of the contents of the appraisal report is governed by the Bylaws and Regulations of the professional appraisal organizations with which the Appraiser is affiliated. Neither all, nor any part of the content of the report, or copy thereof (including conclusions as to the property value, the identity of the Appraiser, professional designations, reference to any professional appraisal organizations, or the firm with which the Appraiser is connected, shall be used for any purpose by anyone but the client specified in the report, without the previous written consent of the Appraiser; nor shall it be conveyed by anyone to the public through advertising, public relations, news sales, or other media, without the written consent and approval of the Appraiser. The Appraiser may not divulge the material (evaluation) contents of the report, analytical findings or conclusions, or give a copy of the report to anyone other than the client or his designee as specified in writing except as may be required by the Appraisal Institute as they may request in confidence for ethics enforcement, or by a court of law or body with the power of subpoena.

17. CONTINUING EDUCATION. The Appraisal Institute conducts a voluntary program of continuing education for its designated members. As of the date of this report, Glenn Kunihsa has completed the requirements of the continuing education program of the Appraisal Institute.

ACCEPTANCE OF, AND/OR USE OF THIS APPRAISAL REPORT BY CLIENT OR ANY THIRD PARTY CONSTITUTES ACCEPTANCE OF THE ACM CONSULTANTS, INC., CERTIFICATION, LIMITING AND CONTINGENT CONDITIONS. APPRAISER LIABILITY EXTENDS ONLY TO STATED CLIENT, NOT SUBSEQUENT PARTIES OR USERS OF ANY TYPE, and the total liability of Appraiser(s) and firm is limited to the amount of fee received by Appraiser.