STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Land Division
Honolulu, Hawaii 96813

November 30, 2012

Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii

PSF No.: 06MD-166 & 167

Clarification of On-Site and Off-Site Conditions Related to the Sale of Lease at Public Auction for Pasture Purposes Amended and Approved by the Board Action of April 13, 2012, Item D-5, Waiohuli-Keokea, Kula, Makawao, Maui. Tax Map Key: (2) 2-2-004: 001, 002, 029, 031, 066, and (2) 2-2-005: 047 & 053.

PURPOSE:

Clarification of On-Site and Off-Site Conditions Related to the Sale of lease at public auction for pasture purposes.

LOCATION:

Portions of Government lands situated at Waiohuli-Keokea, Kula, Makawao, Maui, identified by Tax Map Key: (2) 2-2-004: 001, 002, 029, 031, 066, and (2) 2-2-005: 047 & 053 as shown on the attached maps labeled Exhibit A.

GENERAL PROPERTY CHARACTERISTICS:

Elevation: 2,800 feet to 4,000 feet (more or less)
Rainfall: 35 (thirty-five) inches annual average (more or less)
Slope: 20% to 50% (more or less)
Carrying Capacity: 1 (one) animal unit per 10 (ten) acres (more or less)

ACCESS and UTILITIES:

<table>
<thead>
<tr>
<th>TMK (2) 2-2-004</th>
<th>Access</th>
<th>Utilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>001</td>
<td>Kula Highway and Thompson Road</td>
<td>Water Meter Premises No. 1011531</td>
</tr>
<tr>
<td>002</td>
<td>Thompson Road</td>
<td>None</td>
</tr>
<tr>
<td>029</td>
<td>Polipoli and Waiohuli Road (portions undeveloped)</td>
<td>None</td>
</tr>
<tr>
<td>TMK (2) 2-2-005:</td>
<td>Access</td>
<td>Utilities</td>
</tr>
<tr>
<td>----------------</td>
<td>--------</td>
<td>-----------</td>
</tr>
<tr>
<td>047</td>
<td>Middle to Waiohuli Road (portions undeveloped)</td>
<td>None</td>
</tr>
<tr>
<td>053</td>
<td>Middle to Waiohuli Road (portions undeveloped)</td>
<td>Water Meter Premises No. 1032198</td>
</tr>
</tbody>
</table>

Subdivision – Staff has verified that the subject properties to be auctioned are legally subdivided lots and each lot has legal recorded access.

Note: Road access to 4 (four) of the lots is unimproved. Lots are being offered “as is - where is” and with no representations or warranties. Applicants are advised to conduct due diligence in regards to existing infrastructure and permitting requirements necessary for proposed improvements to government lands. Auction packets describing each parcel shall be available for review by prospective applicants prior to the auction.

DISCUSSION:

The proposed auction involves seven (7) separate TMK parcels totaling over 586 acres (more or less) all of which were at one time encumbered by lease to Mr. Charles S. Ota, dba Landmark Ranch.

The Maui District Land Office (MDLO) seeks to clarify the approved Board action of April 13, 2012, Item D-5 by reiterating the fact that lands to be auctioned shall be in their “as is - where is” condition with no representations or warranties, and that prospective applicants shall conduct their own due diligence in regards to on-site and off-site infrastructure assessments and permits necessary to implement proposed improvements. Furthermore, the MDLO staff plans to conduct an “open-house” in order to allow eligible bidders and opportunity to access the government lands prior to the auction in order to better assess on- and off-site conditions.

All parcels have legal recorded access, however parcels 029, 031, 047 and 053 have roads that are unimproved. Furthermore, parcels 002, 029, 031 and 047 have no County water meter assigned to the lot. Future users of these parcels shall improve access at their cost and will either have to install a water meter or implement some other form of water storage and delivery system as needed.
RECOMMENDATION: That the Board acknowledge the following:

1. that each parcel is suitable for pasture purposes despite the potential need for on- and off-site improvements for access and utility purposes, and

2. that the parcels are to be auctioned in their “as is – where is” condition with no representations or warranties, and prospective applicants shall conduct their own due diligence in regards to site conditions and that all costs and permitting requirements related to proposed infrastructure improvements shall be the responsibility of each successful applicant.

Respectfully Submitted,

[Signature]

Daniel Ornellas
District Land Agent

APPROVED FOR SUBMITTAL:

[Signature]

William J. Alla, Jr. Chairperson