

July 9, 2013

Land Use Commission
State of Hawaii
P.O. Box 2359
Honolulu, HI 96804-2359

Attention: Mr. Daniel Orodener, Executive Officer

Subject: 2013 Annual Report to the State Land Use Commission
Docket Nos. A03-739 and A88-634
Maui Business Park Phase II

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LAND USE COMMISSION
STATE OF HAWAII

Dear Mr. Orodener:

This letter constitutes A&B Properties, Inc.'s ("A&B" or "Petitioner") 2013 annual report to the State Land Use Commission ("SLUC") pursuant to Condition No. 22 under Docket No. A03-739 and Condition No. 23 under Docket No. A88-634. Inasmuch as both land use dockets involve the reclassification of land comprising the proposed 179-acre Maui Business Park Phase II project ("Project"), the annual report requirements under both dockets are being addressed in this report.

Project Background and Status

By its Decision and Order dated March 25, 2004, under Docket No. A03-739, the SLUC granted approval of A&B's petition to reclassify approximately 138.158 acres from the "Agricultural" to the "Urban" land use district at Kahului, Maui, Hawaii. Subsequently, by its Decision and Order dated June 13, 2005, under Docket No. A88-634, the SLUC granted approval of A&B's application for incremental approval of 33.53 acres to the "Urban" land use district at Kahului, Maui, Hawaii. The lands which comprise these two dockets, along with an additional approximately 7.3 acres that were already designated within the Urban District, make up the 179-acre Project site. The Project is a continuation of the existing Maui Business Park situated in Kahului, Maui, Hawaii.

A change in zoning application was filed in April 2004 with the County of Maui to attain the light industrial zoning necessary for the Project to proceed. In May 2005, the Maui Planning Commission voted to recommend approval of the zoning application to the Maui County Council. Subsequently, in April 2008 the County Council approved the zoning bill and it was enacted as Ordinance No. 3559 in May 2008.

Construction of an offsite private water system that will serve the Project commenced in February 2011 and was substantially completed in December 2011. Construction of other infrastructure improvements including drainage, sewer, and water systems, and roadways were substantially completed in March 2013. Offsite improvements to Hana Highway commenced in April 2013, and are projected to be completed by December 2013. Sales and marketing of the project commenced in June 2012 following issuance of a Preliminary Order of Subdivision Registration (included in 2012 report) issued by the State Department of Commerce and Consumer Affairs.

Status of Activities Relating to Imposed Conditions

Listed below are each of the conditions imposed by the SLUC and the status of activities pertaining to each respective condition. Note that the listed conditions are applicable to both Docket A03-739 and Docket A88-634 unless otherwise indicated.

Dockets A03-739 & A88-634

*1a. **Housing Study.** Within one hundred eighty days (180) of this decision and order, the Petitioner shall complete and submit to and for the approval of the Commission, with copies to the Department of Planning, the Department of Housing and Human Concerns and the Office of Planning, a housing study that addresses the following:*

- i. The impact the Project will have on the current labor force;*
- ii. The type of employee/affordable housing demands that will be created by the Project;*
- iii. Any employee/affordable housing policy adopted and in place by the County for commercial and industrial developments;*
- iv. The proposed mitigation measures to alleviate the impact on both the labor market and the employee/affordable housing situation, including, but not limited to, the acreage, siting, timing, type of housing and eligibility for the employee/affordable housing project and the identity of potential developers and recipient of land to be contributed and conveyed by Petitioner for affordable/employee housing (collectively, the "Proposed Mitigation Measures"); and*
- v. Recommendations and timeframe for implementing any applicable county housing policy (in place at the time of this study) or requirements and/or the Petitioner's proposed mitigation measures, including the minimum contribution of land described in Condition 1b immediately herein below (collectively, the "Proposed Timeline").*

The reclassification of the Petition Area, as described in this Decision and Order, shall be subject to the further condition of Petitioner's compliance with the Proposed Mitigation Measures and Proposed Timeline, as modified and/or approved by the Commission (the "Approved Mitigation Measures and Timeline").

*1b. **Minimum Contribution of Land by the Petitioner.** In compliance and consistent with the Approved Mitigation Measures and Timeline, Petitioner shall contribute, no later than one (1) year after any Maui County zoning approval authorizing the use of the Property for light industrial and/or commercial use, to the County of Maui or a non-profit housing entity or other appropriate entity, a minimum of ten (10) acres of*

land useable for residential development within the Central Maui region reasonably acceptable to the County of Maui towards development of employee/affordable housing or satisfy such more stringent employee/affordable housing requirements for the Project as may be imposed by the Maui County Council. The Approved Mitigation Measures and Timeline shall be an obligation of the recipient of the land conveyed for affordable housing purposes, as memorialized in the conveyance document from the Petitioner to such recipient.

Status: In compliance with this condition, Petitioner prepared and submitted the subject housing study to the SLUC in September 2004. The study focused on the increased housing unit demand due to the in-migration of job seekers at the Project. Based on the study, approximately 13 acres of land for affordable housing would be needed. The timing of the demand for these units would be over an approximately 13-year period from 2008 through 2020. The analysis confirmed that the preferable location for the land contribution would be in the Central Maui region. By letter dated November 10, 2004 the Maui Department of Housing and Human Concerns concurred with the findings of the housing study and recommended its approval to the Maui Planning Department. It should also be noted that although the Maui County's Residential Workforce Housing Policy was enacted in 2006, it did not address nor specify affordable housing requirements for commercial and industrial projects.

Affordable housing requirements related to the Project were deliberated by the Maui County Council as part of the zoning application. The Council, as a condition of zoning for the Project, has required the Petitioner to contribute a total of 50 acres of land for affordable housing, community center and park purposes. The specific provisions of the zoning condition are described below.

“7. That Alexander & Baldwin, Inc. shall provide land for affordable housing, a community multi-purpose center, and park purposes at the approximate location of the terminus of Kamehameha Avenue, near the new Maui Lani Park and Pomaikai Elementary School, as follows:

- a. Approximately 40 acres for affordable housing purposes;*
- b. Approximately 7 acres for a Kahului community multi-purpose center; and*
- c. Approximately 3 acres for park purposes.*

The precise location of these lands shall be acceptable to the Department of Housing and Human Concerns and the Department of Parks and Recreation, and Alexander & Baldwin, Inc. shall perform archaeological and topographic surveys of the land for the County's evaluation of the property's acceptability.”

As a result of land planning work and discussions with various representatives of the County, a suitable location on Petitioner's lands just south of the Maui Lani development has been identified. The required affordable housing, community center and park sites have been integrated within the Petitioner's Waiale master planned residential community. Waiale will include single-family and multi-family dwellings connected to village mixed-use areas supported with commercial, retail, office, park, open space, school, civic and other uses through a system of new roadways, pedestrian/bicycle paths and greenways. As part of the Waiale land planning process, a burial treatment plan was prepared to address the long term preservation of burial features. The plan was reviewed by the Maui/Lanai Islands Burial Council in July 2010 and the State Historic Preservation Division subsequently accepted the plan in September 2010.

The lands to be provided to the County as outlined in this condition were collaboratively integrated into the Waiale master plan. In August 2010, as part of the initial entitlement effort, Petitioner filed a land use petition with the State Land Use Commission to reclassify the Waiale lands from the Agricultural to the Urban District. As part of that process, an environmental impact statement was prepared and accepted by the SLUC in November 2011. The SLUC subsequently conducted hearings on the Waiale petition and in June 2012 approved the reclassification of the land. Petitioner will consult with the County regarding the process and timing of conveyance of the subject affordable housing, community center and park sites.

Dockets A03-739 & A88-634

2. **Water Facilities.** *Petitioner shall participate in the funding and construction of adequate water source, storage and transmission facilities and improvements or remit applicable fees for water source, storage and transmission facilities and improvements to accommodate projected water usage generated by the Project. Water facilities and improvements, including adequate storage facilities, should surface water sources be developed, or the payment of applicable fees, shall be coordinated and approved by the County of Maui, Department of Water Supply and, if applicable, the Commission on Water Resources Management of the Department of Land and Natural Resources. Adequate water source shall be made available prior to the issuance of any occupancy permits for buildings developed on the Property.*

Status: Construction of an offsite water system comprised of two wells, pumps, equipment, and storage and transmission facilities was completed in December 2011.

Dockets A03-739 & A88-634

3. **Aircraft Operations.** *Petitioner shall implement procedures to address notification and liability issues which arise from the potential adverse impacts from noise, right of flight, emissions, vibrations and other incidences of aircraft operations upon the present and future Owners and future lessees or occupants of the Property*

resulting from the adjacent Kahului Airport operations. The following covenant shall encumber the Property and be included in any transfer of any interest in the Property.

“The Property is located in the vicinity of Kahului Airport, a commercial airport, and each Owner is aware that there is a likelihood of noise from aircraft passing overhead or nearby and other potential adverse impacts from other incidence of aircraft operation. Each Owner hereby assumes the risk of any potential adverse impacts from such noise, right of flight, emissions, vibrations or other incidents of aircraft operations upon the Owner’s lot or uses thereon. Each Owner shall be responsible for appropriate mitigation measures to address the abovementioned potential adverse impacts. Each Owner shall indemnify and hold harmless Declarant and the State of Hawaii from and against all claims, liability and losses that arise out of noise, right of flight, emissions, vibrations and other incidences of aircraft operations, unless such claim, liability or loss arises out of the State of Hawaii’s willful misconduct in the operation of Kahului Airport or violating any applicable federal, state or county requirement governing aircraft safety and noise abatement measures, in which case, the indemnification of the State of Hawaii will be inapplicable.”

Status: In accordance with this condition, the above language has been incorporated into the Declaration of Covenants and Restrictions for the Project.

Dockets A03-739 & A88-634

4. **FAA Form 7460-1, Notice of Proposed Construction or Alteration.** *Petitioner shall impose a covenant encumbering the Property and be included in any transfer of any interest in the Property requiring the submittal of Federal Aviation Administration (FAA) Form 7460-1, Notice of Proposed Construction or Alteration, to the FAA’s Hawaii District Office when or if required under applicable FAA Regulations with a copy to DOT’s Airports Division.*

Status: The following language has been incorporated into the Declaration of Covenants and Restrictions recorded at the Bureau of Conveyances.

“Each Owner is aware of the obligation to submit Federal Aviation Administration (“FAA”) Form 7460-1, Notice of Proposed Construction or Alteration, to the FAA’s Hawaii District Office and will submit the same when or if required under applicable FAA Regulations with a copy to DOT’s Airports Division.”

Dockets A03-739 & A88-634

5. **Runway Protection Zone.** *Petitioner acknowledges that a portion of Petition Area A overlaps the runway protection zone (hereinafter “RPZ”) for a proposed extension of the Kahului Airport runway of up to 9,600 feet in length, as further described in the State Office of Planning’s Exhibits Nos. 9 and 10 and the testimony of DOT Airports Division witness Benjamin Schlapak. Petitioner agrees to restrict uses in*

the RPZ to light industrial, parking, roadway and other infrastructure uses that do not entail the congregation of people, provided all such uses are approved by the Federal Aviation Administration. This restriction on uses within the RPZ shall automatically terminate if the State Department of Transportation (DOT) does not attain all governmental approvals for the extension of the Kahului Airport runway within a period of five (5) years from March 25, 2004, the date of the Commission's Decision and Order in Docket No. A03-739. Notwithstanding the foregoing, and for good cause shown, the Commission may grant an extension of time for the DOT if DOT during such five-year period has been using its best efforts, in good faith, to attain all governmental approvals for the extension of the Kahului Airport runway. The size of the RPZ shall be adjusted if the runway length sought by the DOT is less than 9,600 feet. Should the DOT desire to acquire an easement or the fee simple interest in the RPZ, the fair market value of the land shall be based on its current Agricultural District classification and present zoning designation by the County of Maui provided that: a) the acquisition occurs within a period of five (5) years from March 25, 2004, the date of the Commission's Decision and Order in Docket No. A03-739; and b) the DOT during such five-year period has been using its best efforts, in good faith, to attain all governmental approvals for the extension of the Kahului Airport runway.

Status: In July 2012, Petitioner and DOT executed a Memorandum of Understanding setting forth the terms for the transfer of portions of the Petition area to DOT for the proposed RPZ (attached). A draft Memorandum of Agreement incorporating such terms was submitted to DOT in April 2013 (attached).

Dockets A03-739 & A88-634

6. **Traffic Impact Analysis Report.** *Prior to obtaining County zoning, Petitioner shall revise or supplement its traffic impact analysis report (hereafter TIAR) dated May 2003 to the satisfaction of the DOT. The TIAR shall identify the impact of Petitioner's project on the transportation system and recommend any required mitigation measures. Conditions and assumptions reflected in the TIAR shall be developed in consultation with DOT, including but not limited to, various proportions of retail and light industrial uses to be developed at the Property, plans for the proposed airport access road, permitted accesses, trip generation rates, and traffic projections. Petitioner shall obtain the DOT's prior written approval of the final TIAR and Petitioner may not proceed with the development of Petitioner's project unless and until the DOT approves the TIAR. As development occurs within the Property, the TIAR shall be revised or supplemented as may be requested and required by the DOT. Petitioner shall be responsible for constructing, implementing and/or contributing its fair share of the cost of those improvements or mitigation measures as recommended or required by the TIAR and as dictated by the actual proportion of light industrial and retail uses developed at the Property. The TIAR shall also address the impact to County of Maui roadways and shall be submitted to the County of Maui, Department of Planning for the County's review and consideration in the zoning approval process.*

Status: Petitioner prepared a revised TIAR for the Project dated July 2004 in compliance with this condition. The revised TIAR updates the previous study dated

May 2003. The study was revised in response to comments received from the DOT concerning completion of the proposed Airport Access Road and development scenarios with a higher percentage of retail versus industrial uses. Prior to preparing the revised TIAR, input concerning applicable assumptions was solicited and obtained from the DOT. A copy of the revised TIAR was included in the environmental impact statement that was prepared for the Project and accepted by the SLUC.

In an effort to further update the traffic data for key intersections analyzed in the TIAR, new traffic counts were undertaken in 2006. The results of the 2006 traffic counts were consistent with the projections of the TIAR, confirming the validity of the conclusions and recommendations of the TIAR. The DOT reviewed the 2006 supplemental traffic counts and found them reasonably consistent with the 2004 traffic report assumptions concerning growth in regional traffic.

In further compliance with this condition, Petitioner updated the TIAR with new traffic counts in June 2010. The updated TIAR served as the basis for development of construction drawings and discussions with DOT regarding Petitioner's fair share contribution toward regional transportation improvements.

Dockets A03-739 & A88-634

7. **Regional Transportation Improvements.** *Petitioner shall contribute Petitioner's fair share of the cost of regional transportation improvements in the area, as such fair share shall be determined by the DOT based on appropriate transportation planning methodologies to establish a rational nexus.*

Status: In 2006, Petitioner worked in cooperation with the State Department of Transportation-Maui District Office, to fund and implement the coordination of traffic signals during the AM and PM peak periods along the Dairy Road corridor from Haleakala Highway to Puunene Avenue. This work consisted of an evaluation of existing traffic signal equipment, the procurement and installation of new traffic signal equipment and communication systems, and the preparation and implementation of timing plans to coordinate the traffic signals at all intersections. The system was activated in December 2006.

In September 2012, Petitioner executed an agreement with the DOT concerning fair share costs and contributions, in compliance with this condition (Copy attached)

Dockets A03-739 & A88-634

8. **Best Management Practices.** *The Petitioner shall coordinate with the County of Maui, the State Department of Land and Natural Resources and the State Department of Health to establish Best Management Practices to contain spills, and prevent materials associated with light industrial uses such as petroleum products, chemicals, and other pollutants from leaching or draining into the ground or the storm drain system.*

Status: Petitioner acknowledges this condition, and as development of the Project progresses, will comply with this condition.

Dockets A03-739 & A88-634

9. **Hazardous Materials.** *Storage and/or disposal of hazardous materials shall be approved by the State Department of Health prior to their establishment on the subject Property.*

Status: As development of the Project progresses, Petitioner will comply with this condition.

Dockets A03-739 & A88-634

10. **Wastewater Facilities.** *Petitioner shall provide a sewer impact study to the County Department of Public Works and Environmental Management evaluating the wastewater system requirements for the Project. Petitioner shall fund and develop, as required by the County of Maui and the State Department of Health, wastewater transmission and treatment facilities to accommodate the additional wastewater generated by the Project.*

Status: Petitioner has completed a preliminary sewer system study for the Project and construction of approved offsite and onsite wastewater facilities has been completed. The County of Maui Department of Environmental Management has acknowledged completion of improvements and satisfaction of this condition. (Copy attached).

Dockets A03-739 & A88-634

11. **Drainage.** *Petitioner shall fund, design and construct any drainage system improvements required to mitigate the additional runoff resulting from the project without creating adverse effects on adjacent and downstream properties. The master drainage plan for Maui Business Park shall be constructed to mitigate the additional runoff resulting from this development.*

Status: Petitioner has completed a Drainage Report dated October 2010, and submitted the report to appropriate government agencies. Construction of drainage system improvements consistent with the Report has been completed.

Dockets A03-739 & A88-634

12. **Aircraft Operation Hazards.** *Petitioner shall fund and implement a program to control any bird nesting or occupation and any insect, pest or wildlife infestation, in any drainage retention basins serving the Property to minimize the hazards to aircraft operations, as deemed necessary by the DOT.*

Status: The Petitioner has consulted with the County of Maui regarding utilizing the existing drainage basins adjacent to the South Project Area for open area recreational use by a private entity (related correspondences concerning this matter were included in the 2010 annual report). Alternatively, the basins will be

maintained by the project's owners association. The future use of these existing drainage basins will incorporate the provisions of this condition.

Dockets A03-739 & A88-634

13. Provisions of the Hawai'i Right to Farm Act. Petitioner shall inform all prospective occupants of possible odor, noise, and dust pollution resulting from adjacent Agricultural Districts lands, and that the Hawaii Right-to-Farm Act, Chapter 165, HRS, limits the circumstances under which preexisting farming activities may be deemed a nuisance.

Status: The Declaration of Covenants and Restrictions for the Project includes provisions which satisfy this condition.

Dockets A03-739 & A88-634

14. Solid Waste. Petitioner shall develop a Solid Waste Management Plan in conformance with the Integrated Solid Waste Management Act, Chapter 342G, HRS. The Plan shall be approved by the County of Maui and shall address the need to divert the maximum amount of waste material caused by the development away from the County's landfills.

Status: A solid waste management plan was prepared for the project and included in the environmental impact statement prepared for the Project.

Dockets A03-739 & A88-634

15. Visual Analysis. That as part of its zoning application submittal, the Petitioner shall submit a visual analysis study for the location of the Hookele Street Extension emphasizing the maintenance of a "view corridor" toward Haleakala.

Status: The visual analysis study was submitted to the County of Maui as part of the change in zoning application for the Project. The study was also included in the environmental impact statement prepared for the Project. The visual analysis study was reviewed and approved by the Maui Urban Design Review Board on December 7, 2004.

Dockets A03-739 & A88-634

16. Visual Impacts. That as part of its zoning application, the Petitioner shall submit design guidelines with renderings on how a landscaped aesthetic visual corridor along all adjacent highways and how a landscaped berm utilizing trees and shrubbery shall be constructed along the entire proposed collector road (Hookele Street Extension) to soften the visual impact of the buildings along the road. (Wailuku-Kahului Community Plan Update).

Status: The design guidelines were submitted to the County of Maui as part of the change in zoning application for the Project. The design guidelines were reviewed and approved by the Maui Urban Design Review Board on December 7, 2004.

Dockets A03-739 & A88-634

17. **Dual Water System.** *Petitioner shall evaluate the feasibility of developing a dual water system for the Project, utilizing non-potable water for landscape irrigation purposes.*

Status: **Petitioner has received approval of construction plans for a non potable water system for landscape irrigation purposes. The system has been completed with other project improvements.**

Dockets A03-739 & A88-634

18. **Energy Conservation.** *Petitioner shall implement energy conservation measures such as the use of solar energy and solar heating and incorporate such measures into the Project.*

Status: **As development of the Project progresses, Petitioner will comply with this condition.**

Dockets A03-739 & A88-634

19. **Project Composition.** *For a period of eight (8) years from the date of the County's approval of zoning for the Project a total of at least fifty percent (50%) of the Project acreage shall be (a) used and developed by Petitioner for non-retail, light industrial use and/or (b) sold or leased to and developed and used by third-party buyers for non-retail, light industrial use. For this same eight-year period, simultaneous with Petitioner's development or offer for sale or lease of the Property for retail use, Petitioner shall develop or offer for sale or lease an equal amount of acreage within the Property for non-retail, light industrial use. The phrase "light industrial", as used in this paragraph, includes warehousing and distribution types of activity as well as compounding, assembly, or treatment of articles or materials with the exception of heavy manufacturing and processing of raw materials. It is the intent of this paragraph that at the end of the above-described eight-year period, to the extent that the Project is developed or in the process of being developed by Petitioner or any third party, no less than fifty percent (50%) of such development or development in process shall be for non-retail, light industrial purposes.*

Status: **The Property will be subject to a Declaration of Use Restriction which will implement this condition. (Copy included with 2012 report)**

Docket A88-634

20. **Archaeological.** *Should any burial, archaeological or historic sites such as artifacts, marine shell concentrations, charcoal deposits, or stone platforms, pavings or walls be found, Petitioner or landowners of the affected properties shall stop work in the immediate vicinity and the SHPD shall be notified immediately. Subsequent work shall proceed after the SHPD authorization has been received and applicable mitigation measures have been implemented.*

Status: **Petitioner will comply with this condition.**

Dockets A03-739 & A88-634

20./21. **Compliance with Representations to the Commission.** *Petitioner shall develop the Property in substantial compliance with the representations made to the Commission. Failure to so develop the Property may result in reversion of the Property to its former classification, or change to a more appropriate classification.*

Status: **Petitioner intends to develop the Property in substantial compliance with the representations made to the Commission.**

Dockets A03-739 & A88-634

21./22. **Notice of Change to Ownership Interests.** *Petitioner shall give notice to the Commission of any intent to sell, lease, assign, place in trust, or otherwise voluntarily alter the ownership interests in the Property, prior to development of the Property.*

Status: **Petitioner will comply with this condition.**

Dockets A03-739 & A88-634

22./23. **Annual Reports.** *Petitioner shall timely provide without any prior notice, annual reports to the Commission, the Office of Planning, and the County of Maui Planning Department in connection with the status of the subject project and Petitioner's progress in complying with the conditions imposed herein. The annual report shall be submitted in a form prescribed by the Executive Officer of the Commission.*

Status: **This annual report is being submitted in compliance with this condition for both Dockets A03-739 and A88-634.**

Dockets A03-739 & A88-634

23./24. **Release of Conditions.** *The Commission may fully or partially release the conditions provided herein as to all or any portion of the Property upon timely motion and upon the provision of adequate assurance of satisfaction of these conditions by Petitioner.*

Status: **Not applicable at this time.**

Dockets A03-739 & A88-634

24./25. **Notice of Imposition of Conditions.** *Within 7 days of the issuance of the Commission's Decision and Order for the subject reclassification, Petitioner shall (a) record with the Bureau of Conveyances a statement that the Property is subject to conditions imposed herein by the Land Use Commission in the reclassification of the Property, and (b) shall file a copy of such recorded statement with the Commission.*

Status: **Docket A03-739: On April 1, 2004 the Notice of the Imposition of Conditions by the SLUC was filed with the Bureau of Conveyances as Document No. 2004-066861 and a copy was filed with the SLUC.**

Docket A88-634: On June 17, 2005 the Notice of Imposition of Conditions by the SLUC was filed with the Bureau of Conveyances as Document No. 2005-120343 and a copy was filed with the SLUC.

Dockets A03-739 & A88-634

*25./26. **Recordation of Conditions.** Petitioner shall record the conditions imposed herein by the Commission with the Bureau of Conveyances pursuant to Section 15-15-92 Hawai'i Administrative Rules.*

Status: Docket A03-739: On April 20, 2004 the Declaration of Conditions imposed by the SLUC was filed with the Bureau of Conveyances as Document Nos. 2004-078771 thru 2004-078772 and a copy was filed with the SLUC.

Docket A88-634: On June 29, 2005 the Declaration of Conditions imposed by the SLUC was filed with the Bureau of Conveyances as Document No. 2005-128814 and a copy was filed with the SLUC.

Please do not hesitate to contact the undersigned should you require any further information regarding this matter. An email .pdf version of this report is also being transmitted to you for your use.

Sincerely,



Grant Chun
Vice President, Maui

cc: Properties (Hnl)
Maui Planning Department
State Office of Planning

MEMORANDUM OF AGREEMENT
MAUI BUSINESS PARK PHASE II (KAHULUI AIRPORT ACCESS ROAD)

Water Services, Fence and RPZ Lands

THIS MEMORANDUM OF AGREEMENT (this "**Agreement**") is made this _____ day of _____, 2013, by and among A & B PROPERTIES, INC., a Hawaii corporation ("**ABP**"), ALEXANDER & BALDWIN, LLC, a Hawaii limited liability company ("**A&B**"), both of which have business address 822 Bishop Street, Honolulu, Hawaii 96813, and the STATE OF HAWAII, by its DEPARTMENT OF TRANSPORTATION, AIRPORTS DIVISION, ("**DOT-A**"), whose business address is 400 Rodgers Boulevard, Suite 700, Honolulu, Hawaii 96819.

R E C I T A L S :

A. ABP is the developer of that certain real property identified by Tax Map Key Nos. (2) 3-8-079:013 (the "**North Parcel**") and (2) 3-8-001:002 and (2) 3-8-006:004 (collectively, the "**South Parcel**"), intended to be developed into a commercial/light industrial subdivision known as "Maui Business Park Phase II" (the "**Project**"). A&B, ABP's parent entity, owns the land comprising the North Parcel and the South Parcel.

B. DOT-A is the owner of that certain real property identified as Tax Map Key Nos. (2) 3-8-001:166 ("**East Parcel #1**") and (2) 3-8-079:021 ("**East Parcel #2**"). DOT-A further holds the public rights of way over that certain lot identified by Tax Map Key No. (2) 3-8-079 situated between the northern property line of East Parcel #2 and the southern property line of the North Parcel and intended to be dedicated as the Kahului Airport Access Road (the "**Airport Access Road Right of Way**").

C. ABP desires to provide potable and non-potable water services originating from the South Parcel and servicing the North Parcel and DOT-A has agreed to grant non-exclusive easements pursuant to that certain Memorandum of Agreement dated July 2, 2012, to install such potable and non-potable water service lines (the "**Waterlines**"), as well as an access and maintenance road within East Parcel #1, East Parcel #2 and across the Airport Access Road Right of Way.

D. DOT-A desires to purchase non-potable water service from ABP for irrigation use within the Access Road Lot, and potable and non-potable water service for the adjoining East Parcels #1 and #2 at the same price of water sold to users in ABP's lots in Tax Map Key (2) 3-8-079:013 (North Parcel) ABP is willing to provide such potable and non-potable water services to DOT for the consideration and upon the terms outlined herein, provided that ABP has the capacity to provide such service, and obtains all necessary permits, licenses, and approvals from all federal, state, and county agencies prior to undertaking such service.

E. At no cost to DOT-A, DOT-A desires the installation of two (2) potable water and two (2) non-potable water stub-outs at locations along the Waterlines to be

determined by DOT-A along the length of East Parcels #1 and #2 to accommodate DOT-A's future development in the area, and the installation of one (1) non-potable water stub-out from the Waterlines within the Airport Access Road Right of Way for irrigation use. ABP is willing to provide such stub-outs to DOT-A upon the terms described above and outlined herein.

F. ABP has agreed to construct a visual buffer fence in connection with construction of improvements upon the North Parcel that will abut the Airport Access Road Right of Way (the "**Fence**").

G. DOT-A has plans to implement a 9,600 foot extension of Kahului Airport runway 2-20, which will result in the enlargement of the Runway Protection Zone ("**RPZ**") associated with the Kahului Airport. The expanded RPZ would be located on land owned by A&B and is generally shown on the map marked Exhibit "A", attached hereto and made a part hereof. Portions of the expanded RPZ will be located within urban zoned land comprising approximately 20.1 acres of land as identified on Tax Map Key No. (2) 3-8-1-2 and (2) 3-8-6-4, and is outlined in red on Exhibit "A" (the "**Urban RPZ Land**"). Additional portions of the expanded RPZ will be located within agricultural zoned land comprising approximately 28.9 acres of land as identified on Tax Map Key No. (2) 3-8-1-2 and (2) 3-8-6-4 and is outlined in green on Exhibit "A" (the "**Ag RPZ Land**"). The Urban RPZ Land and the Ag RPZ Land are collectively referred to as the "**RPZ Lands**." DOT-A may need to acquire the RPZ Lands and/or perpetual avigation easements over the RPZ Lands as further described herein.

H. By this Agreement, ABP and DOT-A desire to memorialize their understandings with respect to the potable and non-potable water services, the potable and non-potable waterline stub-outs, the Fence, and the RPZ Lands as described above and herein.

AGREEMENT:

NOW THEREFORE, in consideration of the recitals and promises and agreements herein, ABP and DOT-A agree as follows:

1. Subject to determination by the State of Hawaii, Public Utilities Commission that such services are exempt from HRS Chapter 269, ABP shall enter into a potable and non-potable water services agreement with DOT-A (the "**Water Services Agreement**") pursuant to which ABP shall agree to provide a certain minimum daily quantity of available non-potable water for DOT-A's irrigation needs within the Airport Access Road Right of Way, and potable and non-potable water for the East Parcels #1 and #2 provided that provision of potable or non-potable water to East Parcels #1 and #2 does not adversely impact ABP, the owner of the water systems, or customers served by or proposed to be served by the water systems (such adverse impacts being, without limitation, that (i) there are insufficient quantities of water to serve the needs of the Project, or (ii) ABP or its successor will have to expend additional capital to provide DOT-A with such water service, or (iii) there will be increases in operating costs or rates as a result of providing water to DOT-A, or (iv) by providing water to DOT-A, there will

be a detrimental effect on the quality of the water). The Water Services Agreement may be assigned to a qualified and capable third party by ABP in connection with a future transfer of the water system infrastructure to a third party, provided that the term of such Water Services Agreement shall be continuous until cancelled by DOT-A or otherwise terminated for breach. The amount of potable and non-potable water to be made available in the Airport Access Road Right of Way and East Parcels #1 and #2 to DOT-A for its landscape irrigation and potable water needs, and agreed to under the Water Services Agreement will be subject to the availability of such excess capacity from ABP's originating water sources, storage, transmission and distribution facilities, and will be further subject to drought, mechanical failures and other force majeure events. Water meter size, location and interconnection costs will be as agreed to in the Water Services Agreement.

2. DOT-A's non-potable water use shall be limited to the areas in the Airport Access Road Right of Way, East Parcel #1, and East Parcel #2 for irrigation purposes, and no services may be sold or assigned to third parties by DOT-A for use outside the areas. The Water Services Agreement shall be negotiated in good faith and shall provide for the delivery of water services to DOT-A, subject to the above cited limitations, under substantially the same terms and conditions as ABP (or the successor water system infrastructure operator) offers to the other water services recipients within lots in Tax Map Key (2) 3-8-079:013 (North Parcel) of Maui Business Park Phase II.

3. ABP and its contractors shall construct two (2) potable and two (2) non-potable Waterline stub-outs somewhere in the Waterline length along East Parcels #1 and #2, and one (1) non-potable Waterline stub-out in the Airport Access Road Right of Way (the "**Stub-Out Work**"). Locations of the stub-outs along the Waterline will be determined by DOT-A and submitted to ABP for approval, which approval shall not be unreasonably denied. The Stub-Out Work shall be done by ABP pursuant to a form of right of entry agreement that is mutually agreeable to the parties and has been approved by the State of Hawaii, Department of the Attorney General.

4. ABP and its contractors shall construct the Fence within ABP's North Parcel along the property line of the Airport Access Road Right of Way, and reimburse DOT-A for the actual cost of installation of a vegetation hedge and irrigation system that will be required within the Airport Access Road Right of Way. All landscaping and irrigation within the Airport Access Road Right of Way shall be maintained by DOT-A.

5. Notwithstanding DOT-A's review and approval of any plans and specifications submitted by ABP, DOT-A shall not be responsible for any error or omission in the plans and specifications, or a part thereof, or for any portion of the plans and specifications that result in or cause a defective design or construction, or a loss or damage to any party. ABP shall indemnify and hold harmless DOT-A, its officers, employees and agents from and against all liability, loss, damage, cost and expense, including reasonable attorney's fees, and all claims, suits and demands therefore, arising out of, resulting from, or related to the design or construction of any water lines, or any grading or improvements designed and/or constructed by ABP pursuant to this Agreement, provided, however, that the foregoing indemnity shall automatically

terminate and cease to be of any force or effect upon the sale by ABP of the last lot within the Project. ABP shall further indemnify and hold harmless DOT-A, its officers, employees and agents from and against all liability, loss, damage, cost and expense, including reasonable attorney's fees, and all claims, suits and demands therefore, arising out of, resulting from, or related to ABP's or its contractor's activities within the Airport Access Road Right of Way pursuant to the right of entry granted by DOT-A to ABP.

6. DOT-A shall have the right to acquire in fee simple, or to obtain a perpetual avigation easement over the Urban RPZ Land. DOT-A's option to acquire and/or obtain easements over the Urban RPZ Land shall commence on the date of this Agreement and continue for five (5) years from the Date of this Agreement (the "**Outside Closing Date**"). The Outside Closing Date may be extended by DOT-A for an additional three (3) years following the initial 5-year period for good cause, including that DOT-A has exercised good faith and best efforts to obtain all governmental and funding approvals for the proposed RPZ Lands acquisitions, including without limitation, the submission of an application for RPZ funding, the preparation of construction plans, the submission of applications with appropriate government agencies for necessary governmental permits and approvals, and such other evidence that DOT-A is proceeding in good faith with the acquisition of the RPZ Land, and further provided that DOT-A has paid rent for the RPZ Land to A&B as required hereunder (the "**Extended Outside Closing Date**"). Within sixty (60) days following the execution of this Agreement, DOT-A shall identify and designate to ABP those Urban RPZ Lands that will acquire in fee simple and those it will purchase avigation easements there over.

7. The Urban RPZ Land acquired by DOT-A shall be free and clear of all liens and encumbrances, except as accepted by the DOT-A and contemplated by this Agreement, including, without limitation, (a) those encumbrances that are existing as of the date of this Agreement of which the DOT-A has been provided a title report describing such encumbrances and that DOT-A has reviewed and deemed acceptable, (b) an irrigation well and appurtenant water line easements as indicated on Exhibit "A" hereto, (c) future roadways within the Urban Land RPZ in the reasonable vicinity of the roadways indicated on Exhibit "A" hereto, and (d) such underground utility and/or landscape easement encumbrances located within twenty (20) feet of the Urban RPZ Land property boundaries that are reasonably required by ABP to develop the Project. ABP agrees not to voluntarily create any further liens or encumbrances on the Urban RPZ Land except as otherwise described above, except with DOT-A prior written approval. DOT-A shall acquire the Urban RPZ Land or obtain perpetual avigation easement rights there over, at DOT-A's option and as agreed to by A&B/ABP, based on their fair market value and based on their highest and best use and subject to the applicable restrictions and limitations on use, together with severance damages, if any, to the remaining lands owned by ABP/A&B; but said acquisition price shall not be less than the amount of payment required by condemnation proceedings under DOT-A's power of eminent domain. The parties acknowledge that Ho`okele St., which is intended to be dedicated to the County of Maui after being improved to County of Maui standards, will encumber the Urban RPZ Land, and DOT-A agrees to cooperate with ABP/A&B in good faith in effecting the dedication of Ho`okele St. and any other roadway

within the RPZ Land to the County of Maui. In the event the County of Maui declines to accept the dedication and transfer of any roadway within the Project based on, solely or in part, the RPZ avigation easements required by DOT-A, then DOT-A shall assume title and maintenance responsibilities over such roadways from ABP-A&B for no additional consideration by or from either party.

8. ABP/A&B agrees that should DOT-A acquire the Urban RPZ Land in fee and/or perpetual avigation easements are purchased by DOT-A over the Urban RPZ Land, then A&B shall simultaneously gift to DOT-A in the form of a charitable donation the Ag RPZ Land in fee simple and/or agricultural perpetual avigation easements over the Ag RPZ Lands, as determined by DOT-A upon written notice to A&B. Certain utility, access, landscaping and similar easements are to be reserved on these lands in favor of ABP, A&B, or their related entities or the Maui Business Park Phase II Association for lot owners (the "**Project's Owners Association**"), for operational purposes, as negotiated in good faith by the parties.

The parties acknowledge and agree that should ABP gift the Ag RPZ Land to DOT-A, then, DOT-A shall (a) grant a perpetual easement to ABP or A&B dba Hawaiian Commercial & Sugar Company, allowing exclusive access to and use of that certain reservoir located on the Ag RPZ Land and identified on the attached Exhibit "A" map (the "**HC&S Reservoir**"), and (b) grant a perpetual easement to ABP, A&B or the Project's Owners Association, allowing exclusive access to and use of that certain drainage basin 23 located on the Ag RPZ Land and identified on the attached Exhibit "A" map ("**Basin 23**"). DOT-A shall assume and perform all required wildlife hazard mitigation techniques imposed on owners of the RPZ Lands, including without limitation the HC&S Reservoir, provided that ABP shall be responsible for the wildlife hazard mitigation techniques for Basin 23.

9. If DOT-A elects to purchase the Urban RPZ Land, then DOT-A will obtain an appraisal report for the Urban RPZ Land in fee simple and/or the perpetual avigation easements there over from a duly licensed appraiser and a review appraiser. DOT-A shall provide ABP/A&B a written offer of the purchase price supported by said appraisal and ABP/A&B shall have sixty (60) days from receipt thereof to review DOT-A's offer and ABP/A&B may order its own appraisal report from a duly licensed appraiser. If the parties cannot agree within sixty (60) days of the submission of the purchase offer by DOT-A to ABP/A&B, DOT-A reserves the right to condemn all of the RPZ Lands. If DOT-A instigates condemnation proceedings, the DOT-A's option to acquire the RPZ Lands shall terminate and all ongoing obligations related to the RPZ Lands shall lapse, provided that such termination shall not prevent any claim of breach hereunder.

10. Prior to the Outside Closing Date (or Extended Outside Closing Date, if applicable), ABP/A&B agrees that it will not sell or develop the RPZ Lands, provided that DOT-A leases these lands from ABP/A&B in accordance with this paragraph. ABP/A&B agrees to enter into a short term lease with DOT-A for the use of the RPZ Lands, which will expire on the Outside Closing Date or the Extended Outside Closing Date, if applicable (the "**Ground Lease with Option**"). Under the Ground Lease with Option, DOT-A shall have the right to acquire the Urban RPZ Land and/or avigation

easements there over subject to the appraisal procedure described above, and be gifted the Ag RPZ Land, by providing written notice to ABP not less than 180 days prior to the Outside Closing Date (or the Extended Outside Closing Date, if applicable). The lease rent payable under the Ground Lease with Option shall be at market rates set in accordance with similarly zoned lands in the vicinity of the RPZ Lands having similar improvements and subject to similar restrictions and limitations on use. Any improvements which the DOT-A may decide to construct will be subject to the prior written consent of ABP, which consent shall not be unreasonably withheld, and such improvements shall be consistent with applicable zoning laws, shall not create a public nuisance, and in the event DOT-A fails to exercise its option to purchase, then at the expiration of the Ground Lease with Option the RPZ Lands shall be returned to their original condition and improvements removed (except where otherwise waived by ABP).

The parties will use good faith and reasonable efforts to complete the necessary appraisals to support the lease rent payable under the Ground Lease with Option and any environmental assessments or similar required government preconditions to entering said lease. Notwithstanding when the Ground Lease with Option is entered into, the Outside Closing Date and Extended Outside Closing Date shall be based on and commence from the date of this Agreement. If the Ground Lease with Option is not entered within 12 months of the Date of this Agreement, then the DOT-A's option to acquire the RPZ Lands shall terminate and all ongoing obligations related to the RPZ Lands shall lapse, provided that such termination shall not prevent any claim of breach hereunder or DOT-A's right of eminent domain. If the Ground Lease with Option is entered into prior to the one year anniversary of this Agreement, then rent shall begin to accrue on the date the Ground Lease with Option becomes effective.

11. If DOT-A does not close on the acquisition of the Urban RPZ Land by the Outside Closing Date, or the Extended Outside Closing Date if applicable, or does not timely exercise its option under the Ground Lease with Option, then APB will be permitted to market for sale or lease or develop and improve the RPZ Lands provided that DOT-A shall have the right to acquire such lands and easements by way of condemnation.

12. Any Urban RPZ Land acquired in fee simple by DOT-A shall be outside the Project and not subject to its rules, restrictions, and covenants, and DOT-A shall not be entitled to such benefits available to owners within the Project

13. ABP shall include a provision in each of ABP's sales, lease and conveyance documents, whereby each person who may from time to time own portions of the Project, or hold any other interest therein or occupy any improvements thereon, makes the same acknowledgment and the following agreements in favor of DOT-A, ABP and its affiliates: (a) such person assumes complete risk of and forever releases DOT-A, ABP and its affiliates from all claims for damages and nuisances occurring on the Project and arising out of or related to noise, right of flight, emissions, vibrations and other incidences of aircraft operations at Kahului Airport; and (b) such person waives any right to (i) require DOT-A, ABP or its affiliates to take any action to correct, modify, alter, eliminate or abate any noise, right of flight, emissions, vibrations and other

incidences of aircraft operations; (ii) file any suit or claim against DOT-A, ABP or its affiliates for injunction or abatement of any noise, right of flight, emissions, vibrations and other incidences of aircraft operations at Kahului Airport.

14. If DOT-A acquires the RPZ lands, then A&B shall grant DOT-A an aviation easement over certain portions of Ho`okele Street situated within the RPZ, provided ABP continues to have the ability to dedicate said street to the County of Maui notwithstanding the aviation easement encumbrance.

15. If A&B gifts to DOT-A the Ag RPZ Land, DOT-A shall have the option to obtain potable and/or non-potable water on similar terms and conditions, subject to water availability and there being no adverse impact on the water system (as described above), and DOT-A shall pay for any necessary construction/improvements to interconnect to the water system.

16. Upon execution of this Agreement by the parties, this Agreement shall become binding and enforceable according to its terms. The rights and obligations of each party named in this Agreement shall bind and inure to the benefit of each party and their respective successors and permitted assigns.

17. Each party warrants to the other party that the individual or individuals executing this Agreement on behalf of the respective parties are authorized to do so.

18. This Agreement embodies the entire agreement of the parties and supersedes any other agreements and understandings with respect to the subject matter hereof that may have existed between the parties.

19. The parties hereto agree that this Agreement may be executed in counterparts, each of which shall be deemed an original, and said counterparts shall together constitute one and the same instrument, binding on all of the parties hereto, notwithstanding that all of the parties are not signatories to the original or the same counterparts. For all purposes, including, without limitation, recordation, filing and delivery of this Agreement, duplicate, unexecuted and unacknowledged pages of the counterparts may be discarded and the remaining pages assembled as one document.

20. Notwithstanding anything provided herein, this Agreement may be amended only by each party signing a subsequent written instrument which sets forth the amendment.

[SIGNATURES APPEAR ON NEXT PAGE]

IN WITNESS WHEREOF, ABP and DOT-A have caused these presents to be executed as of the day and year first above written.

ALEXANDER & BALDWIN, LLC

By _____

Its

By _____

Its

"A&B"

A & B PROPERTIES, INC.

By _____

Its

By _____

Its

"ABP"

STATE OF HAWAII

By _____

GLENN M. OKIMOTO

Its DIRECTOR OF TRANSPORTATION

"DOT-A"

Approved as to Form:

Name:
Deputy Attorney General

Attachments:
Exhibit "A" - Map of RPZ Lands

STATE OF HAWAII)
) SS:
CITY AND COUNTY OF HONOLULU)

On this _____ day of _____, 2013, before me personally appeared _____ and _____, to me personally known, who, being by me duly sworn or affirmed, did say that such persons executed the foregoing instrument as the free act and deed of such persons, and if applicable in the capacities shown, having been duly authorized to execute such instrument in such capacities.

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

Notary Public, State of Hawaii

Printed Name: _____

My commission expires: _____

(Official Stamp or Seal)

NOTARY CERTIFICATION STATEMENT

Document Identification or Description: Memorandum of Agreement

Maui Business Park Phase II (Kahului Airport Access Road)

Doc. Date: _____ or Undated at time of notarization.

No. of Pages: _____ Jurisdiction: _____
Circuit

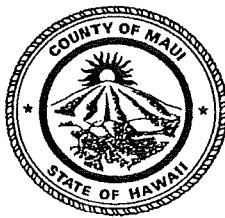
(in which notarial act is performed)

Signature of Notary Date of Notarization and Certification Statement

Printed Name of Notary

(Official Stamp or Seal)

ALAN M. ARAKAWA
Mayor
KYLE K. GINOZA, P.E.
Director
MICHAEL M. MIYAMOTO
Deputy Director



TRACY TAKAMINE, P.E.
Solid Waste Division
ERIC NAKAGAWA, P.E.
Wastewater Reclamation Division

**COUNTY OF MAUI
DEPARTMENT OF
ENVIRONMENTAL MANAGEMENT**
2200 MAIN STREET, SUITE 100
WAILUKU, MAUI, HAWAII 96793

March 15, 2013

Diane Bevilacqua
Alexander & Baldwin, Inc.
33 Lono Avenue
Kahului, Hawaii 96793

RE: Maui Business Park Phase II, TMKs (2) 3-8-079:013,
(2) 3-8-001:002, (2) 3-8-006:004

Dear Ms. Bevilacqua,


The State Land Use Commission's Order Adopting Hearing Officer's Proposed Findings of Fact, Conclusions of Law, and Decision and Order dated March 18, 2004, Docket No. A03-739 and A88-634 ("SLUC Decision and Order") reclassified the above-referenced property from Agricultural to Urban. By way of Condition No. 10 of the SLUC Decision and Order, Alexander & Baldwin was required to provide to the County of Maui a sewer impact study and to fund and develop wastewater transmission and treatment facilities to accommodate the additional wastewater generated by the Maui Business Park Phase II project.

You are hereby notified that the Wastewater System Analysis Report dated March 2011 ("Sewer Impact Study") has been received and accepted by the County. Further, Alexander & Baldwin's funding of the upsizing the force main connecting the Alamaha Wastewater Pump Station and the Kahului Pump Station and the improvements made by A&B on behalf of the County to the Alamaha Wastewater Pump Station satisfy the County's requirements with respect to Condition No. 10 of the SLUC Decision and Order.

Diane Bevilacqua
Alexander & Baldwin, Inc.
March 15, 2013

I request that an authorized representative complete the acknowledgement below. Please contact me should you have any questions.

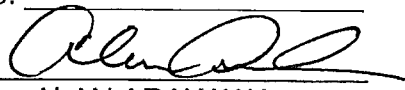
Best regards,


KYLE K. GINOZA, Director

On behalf of Alexander & Baldwin, Inc., I hereby transfer control and ownership (if any) of the physical upgrades and improvements made to the Alamaha Wastewater Pump Station by Alexander & Baldwin, Inc., on behalf of the County of Maui, which upgrades included replacing three pumps with new pumps and controls, wet well improvements, and other work as set forth in the Maui Business Park Phase II Alamaha Wastewater Pump Station Improvements Plans, prepared by Austin Tsutsumi & Associates, Inc., dated September 28, 2011.

Alexander & Baldwin, Inc.

Date: 3-18-2013

By: 
ALAN ARAKAWA
Senior Vice President

**MEMORANDUM OF UNDERSTANDING FOR
REMAINING MATERIAL NEGOTIATION POINTS
REGARDING KAHULUI AIRPORT RUNWAY PROTECTION ZONE AND
MAUI BUSINESS PARK PHASE II DEVELOPMENT**

The purpose of this Memorandum of Understanding ("**MOU**") is to memorialize certain understandings and items to be resolved between A & B PROPERTIES, INC., a Hawaii corporation, ("**ABP**") and the STATE OF HAWAII, by its DEPARTMENT OF TRANSPORTATION, AIRPORTS DIVISION, ("**DOT-A**"), with respect to ABP's development of the Maui Business Park Phase II project (the "**Project**") and DOT-A's desire to secure a runway protection zone ("**RPZ**") in and around the Project. The following points reflect our discussions and intentions with respect to the matters described herein. ABP and DOT-A agree and acknowledge that they will use their best and good faith efforts to negotiate one or more definitive and legally binding Memorandums of Agreement to memorialize the transactions and material negotiation points described below.

RUNWAY PROTECTION ZONE (RPZ)

- Implementation of DOT-A plans for a 9,600 foot extension of Kahului Airport runway 2-20 will result in enlargement of the Runway Protection Zone (RPZ). DOT-A may need to acquire lands and/or perpetual avigation easements over lands impacted by expanded RPZ, including ABP's lands near or within the Project.
- DOT-A to have the right to acquire in fee simple up to or obtain a perpetual avigation easement over up to 20.1 ± acres of the Project's urban zoned land and 28.9 ± acres of nearby agricultural zoned land which DOT-A will need for the RPZ, as agreed to by the parties (see attached map).
- ABP agrees that if the urban fee simple parcels and urban perpetual avigation easements are purchased by DOT-A, then ABP shall simultaneously gift the agricultural fee simple parcels and agricultural perpetual avigation easements to DOT-A in the form of a donation. Certain easements may need to be reserved on these lands in favor of ABP and its related entity for operational purposes.
- DOT-A shall have 5 years to make such acquisitions (the "**Outside Closing Date**") using good faith and best efforts to obtain all governmental and funding approvals for the proposed acquisitions. Outside Closing Date may be extended by DOT-A for an additional 3 years (the "**Extended Outside Closing Date**") for good cause.
- Lands to be acquired by DOT-A shall be free and clear of all liens and encumbrances, except as accepted by the DOT-A, at fair market value based on their highest and best use and subject to the applicable restrictions and limitations on use, together with severance damages, if any, to the remaining land owned by ABP; but not less than payment required by condemnation proceedings under DOT-A's power of eminent domain.
- If DOT-A elects to purchase, then it will obtain appraisal report for the urban fee simple lands/easements from a duly licensed appraiser and review appraiser. DOT-A to provide ABP a written offer of the purchase price supported by the appraisal and ABP has sixty (60) days from receipt to review DOT-A's offer and may order its own appraisal report from a duly licensed appraiser. If the parties cannot agree within sixty (60) days of the submission

of the purchase offer by DOT-A, DOT-A reserves the right to condemn all of the RPZ required lands.

- Prior to the Outside Closing Date (or Extended Outside Closing Date, if applicable), ABP agrees that it will not sell or develop the potential RPZ parcels, provided that DOT-A leases these lands from ABP at market rates.
- Any acquired urban fee simple lands shall be outside the Project and not subject to its rules, restrictions, and covenants.
- For lands acquired by DOT-A, ABP may reserve access and utility easements, as negotiated.
- ABP to include in the Project's sales, lease and conveyance documents DOT-A approved disclosures and agreements regarding owner's assumption of risk, releases and waivers for claims relating to noise, right of flight, emissions, vibrations and other incidences of aircraft operations at Kahului Airport.
- If DOT-A acquires the RPZ lands, then ABP shall grant DOT-A an avigation easement over certain portions of Ho'okele Street situated within the RPZ, provided ABP continues to have the ability to dedicate the street to the County of Maui.

PROVISION OF WATER; CONSTRUCTION OF FENCE

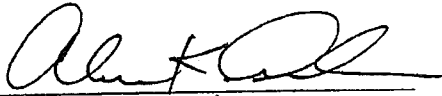
- ABP to provide non-potable water service for irrigation use within Kahului Airport Access Road, TMK No. (2) 3-8-079 (the "Airport Access Road Right of Way"), at the same price of non-potable water sold to users in ABP's lots in Tax Map Key (2) 3-8-079:013 (the "North Parcel").
- ABP to provide potable and non-potable water service for adjoining DOT-A parcels TMK Nos. (2) 3-8-001:166 ("East Parcel #1") and (2) 3-8-079:021 ("East Parcel #2") at the same price of water sold to users in ABP's lots in the North Parcel.
- Water services subject to availability and obtaining all necessary permits, licenses, and approvals from all federal, state, and county agencies prior to undertaking such service, including confirmation from the PUC that such services are exempt from regulation.
- An agreement will be negotiated and entered into setting out the terms of the water services to be provided.
- At no cost to DOT-A, ABP to install two (2) potable water and two (2) non-potable water stub-outs from its waterlines within the easement granted by DOT-A to ABP at such locations determined by DOT-A along the length of East Parcels #1 and #2 to accommodate DOT-A's future development in the area, and the installation of one (1) non-potable water stub-out within the Airport Access Road Right of Way for DOT-A's irrigation use.
- For any Agricultural zoned lands outside the Project that APB gifts to DOT-A (as described in the following section), DOT-A will have the option to obtain potable and/or non-potable water on similar terms and conditions, subject to water availability and DOT-A to pay for any necessary construction/improvements to interconnect to the water system.
- DOT-A to grant a right of entry to ABP and its contractors to construct a redwood fence within the Airport Access Road Right of Way in connection with construction of improvements upon the North Parcel that abut the Airport Access Road Right of Way. Plans subject to the DOT-A approval. DOT-A to own and maintain the fence. Not a security fence, merely visual buffer. ABP has the option, in lieu of a fence within the Airport Access Road Right of Way, to construct the fence within the North Parcel along the property line of the Airport Access Road Right of Way, and reimburse DOT-A for the actual cost of

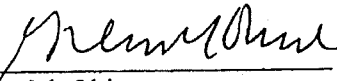
installation of a vegetation hedge and irrigation system that will be required within the Airport Access Road Right of Way. All landscaping and irrigation within the Airport Access Road Right of Way shall be maintained by DOT-A.

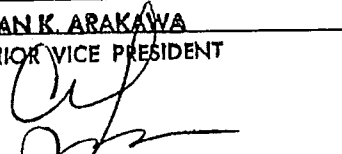
Signed this 2nd day of July, 2012.

A & B PROPERTIES, INC.

STATE OF HAWAII

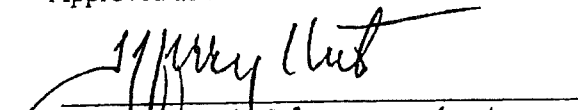
By 
ALAN K. ARAKAWA
Its SENIOR VICE PRESIDENT

By 
Glenn M. Okimoto
Its Director of Transportation

By 
CHARLES W. LOOMIS
Its ASST SECRETARY

Attachment: RPZ Map

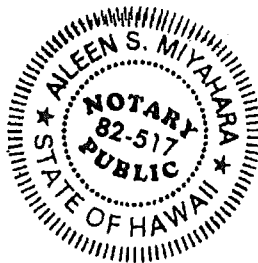
Approved as to Form:


Name: Jeffery Kato
Deputy Attorney General

STATE OF HAWAII)
) SS:
CITY AND COUNTY OF HONOLULU)

On this 22nd day of June, 2012, before me personally appeared
ALAN K. ARAKAWA and CHARLES W. LOOMIS, to me personally known, who, being
by me duly sworn or affirmed, did say that such persons executed the foregoing instrument as the
free act and deed of such persons, and if applicable in the capacities shown, having been duly
authorized to execute such instrument in such capacities.

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



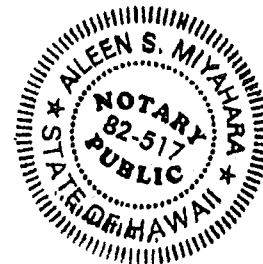
Aileen S. Miyahara
Notary Public, State of Hawaii

Printed Name: AILEEN S. MIYAHARA

My commission expires: 7/15/14

(Official Stamp or Seal)

NOTARY CERTIFICATION STATEMENT	
Document Identification or Description:	Memorandum of Agreement
Maui Business Park Phase II (Kahului Airport Access Road)	
Doc. Date:	_____ or <input checked="" type="checkbox"/> Undated at time of notarization.
No. of Pages:	<u>4</u> Jurisdiction: <u>First</u>
Circuit	_____
(in which notarial act is performed)	
<u>Aileen S. Miyahara</u>	<u>6/22/12</u>
Signature of Notary	Date of Notarization and Certification Statement
<u>AILEEN S. MIYAHARA</u>	
Printed Name of Notary	



(Official Stamp or Seal)

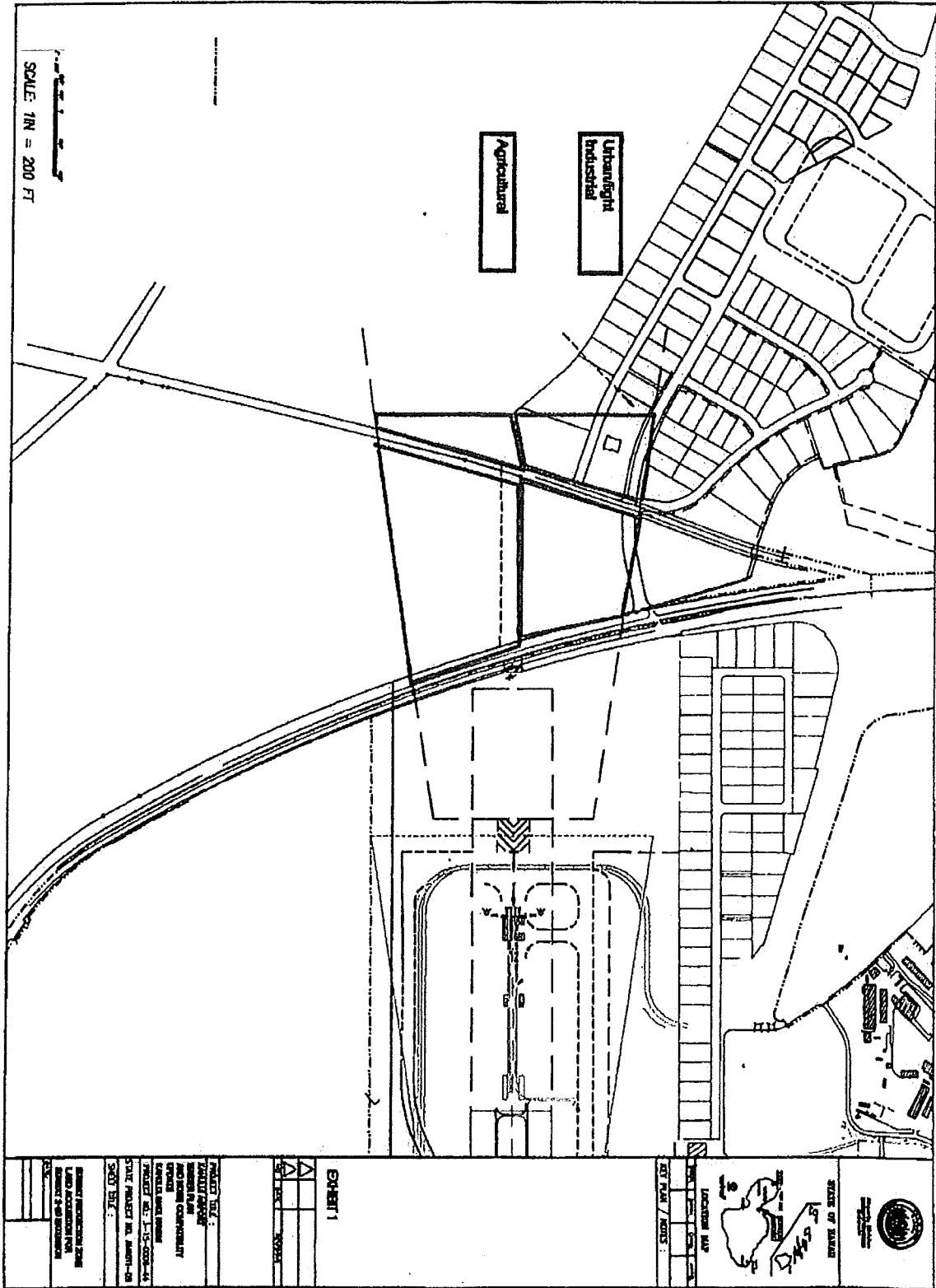


EXHIBIT "A"

NEIL ABERCROMBIE
GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

GLENN M. OKIMOTO
DIRECTOR

Deputy Directors
JADE T. BUTAY
FORD N. FUCHIGAMI
RANDY GRUNE
JADINE URASAKI

IN REPLY REFER TO:
HWY-PS
2.2889

September 10, 2012

Mr. Alan K. Arakawa
Senior Vice President, Planning
A & B Properties, Inc.
822 Bishop Street
Honolulu, Hawaii 96813

CJB JWP DIH KSA JAC PWH MASL
MMI CWL
SAK SKM
DMS SEP 11 2012 KMD
CJC BZK
MGW DC
LKP ~~AKA~~
NIK GAO BF JKA SMC SB DYY RBS

Dear Mr. Arakawa:

Subject: Maui Business Park Phase II
Fair Share Memorandum of Agreement (MOA)
Maui, Wailuku, Kahului TMK: (2) 3-8-079: 013; 3-8-006:004; 3-8-001:002

The State of Hawaii Department of Transportation (HDOT) hereby transmits three (3) executed copies of the Maui Business Park Phase II fair share MOA for regional improvements for final execution.

Please acknowledge that the MOA accurately represents what has been discussed and agreed upon between A&B Properties, Inc. and HDOT by signing and affirming this letter in the space below and returning it along with a fully executed copy of the MOA to our Department upon completion.

If you have any questions, please contact, Jadine Urasaki, Deputy Director - Projects, at 587-2156.

Very truly yours,

GLENN M. OKIMOTO, Ph.D.
Director of Transportation

Accepted and Affirmed:

Its: SENIOR VICE PRESIDENT

LAND COURT SYSTEM

REGULAR SYSTEM

Return by Mail Pickup To:

Total Pages: _____

Tax Map Key No(s). (2) 3-8-01:2 (portion), 3-8-06:4 (portion), and 3-8-79:13 (portion).

MEMORANDUM OF AGREEMENT

This Memorandum of Agreement (this "Agreement") is made this 10th day of September, 2012, by and between A & B PROPERTIES, INC., a Hawaii corporation ("ABP"), the business address of which is 822 Bishop Street, Honolulu, Hawaii 96813, and the DEPARTMENT OF TRANSPORTATION, a department of the State of Hawaii ("DOT"), the business address of which is 869 Punchbowl Street, Honolulu, Hawaii 96813-5097.

RECITALS:

A. ABP is the owner and developer of those certain parcels of land situated at Kahului, Wailuku, County of Maui, Island of Maui, State of Hawaii, being the identified as Tax Map Key Nos. (2) 3-8-079: 013 comprising approximately 38 acres (the "North Parcel") and (2) 3-8-006: 004 and (2) 3-8-001: 002 comprising approximately 140 acres (the "South Parcel") and together with the North Parcel is collectively known as the "Property"), intended to be developed into a commercial/light industrial subdivision known as "Maui Business Park Phase II" (the "Project"), as more particularly shown on Exhibit A attached hereto and made a part hereof.

B. The Property was redesignated from the State Land Use Agricultural District to State Land Use Urban District by the State Land Use Commission ("SLUC"), subject to conditions, by the Order Adopting Hearing Officer's Proposed Findings of Fact, Conclusions of Law, and Decision and Order dated March 18th, 2004, in Docket No. A03-739 ("Decision and Order"). In accordance with and in satisfaction of **Condition No. 6** of the Decision and Order, ABP has submitted a revised and/or supplemented Traffic Impact Analysis Report dated June 16,

2010 (“**Traffic Impact Study**”) for the proposed Project and has entered into this Memorandum of Agreement which sets forth ABP’s level of fair share funding and participation in the construction of local and regional transportation improvements and dedication of rights-of-way as determined by the DOT.

C. ABP representatives have met with DOT staff and based on these meetings and pursuant to **Condition No. 7** of the Decision and Order, has committed to funding its fair share of the costs of the regional transportation improvements that will be provided by DOT to mitigate traffic impacts of the proposed development of the Project on the Property, in accordance with recommendations of the Traffic Impact Study and further recommendations of DOT staff (“**Fair Share Analysis**”). A copy of the Fair Share Analysis setting forth the amounts that ABP is required to pay and the summary of each of the regional transportation improvements to be funded, in part, by ABP’s fair share contribution, is attached hereto as Exhibit B.

D. The Property has been rezoned to M-1 Light Industrial for development of the Project into industrial lots and/or industrial condominium units (collectively, the “**Lots**”) to be sold to end users for uses permitted within these zoning districts.

NOW, THEREFORE, in consideration of the recitals and the promises and agreements herein, ABP and DOT agree as follows:

1. **IMPROVEMENTS BY DOT.** DOT shall construct the following improvements recommended by the Traffic Impact Study:

- a. Puunene Avenue Widening – Wakea to Kuihelani (MP 0.46 to 1.09)
- b. Puunene Avenue Widening – Kuihelani to Hookele Street (MP 0.0 to 0.2)
- c. Hana Highway Widening – Kaahumanu Avenue to Airport Access Road (MP 0.0 to 1.27)
- d. Airport Access Road – Hana Highway to Puunene Avenue (4700 lf)

2. **IMPROVEMENTS BY ABP.** DOT acknowledges that ABP at its sole cost and expense will construct the following.

- a. Addition of a left turn lane westbound on Haleakala Highway at the intersection of Dairy Road, Keolani Place, and Haleakala Highway as recommended in the Traffic Impact Study. Subject to DOT approval of construction drawings, this improvement will be completed no later than the completion of subdivision improvements for the North Parcel.
- b. Hana Highway & Hookele Intersection improvements including widening of Hana Highway (MP 1.27 to 1.75). Subject to DOT approval of construction drawings, these improvements will be constructed concurrently with the Hookele Street

extension within the first increment of development of the South Parcel. DOT further acknowledges that ABP will receive a credit towards its fair share cost allocation for the same as described in Exhibit B attached hereto.

3. **PAYMENT OF FAIR SHARE AMOUNT.** ABP shall pay the total fair share amount of \$4,601,026.00 set forth in Exhibit B of this document, subject to the credit described in paragraph 2b above, upon the letting and award of the public procurement construction contract for the first improvement project described in paragraph 1 above and ABP's receipt of written notice from the DOT of such procurement award. Upon payment in full of the fair share amount for regional improvements, as required by Condition No. 7 of the Decision and Order and as set forth in Exhibit B of this document, no further payments or amounts shall be due and/or owing by ABP to DOT for the improvements described in paragraph 1 above, regardless of the actual costs of such improvements.

4. **COMPLETION OF IMPROVEMENTS.** DOT shall cause the construction of the improvements identified in paragraph 1 above in a diligent and workmanlike manner.

5. **MATERIAL CHANGES TO PLANNED IMPROVEMENTS.** In the event the DOT makes material changes to the scope of the improvements outlined in the Traffic Impact Study, DOT agrees to notify ABP of such material changes. ABP shall have an opportunity to review and comment on said changes, and to submit suggestions and objections and the reasons therefor to DOT within ten (10) business days of ABP's receipt of notification from the DOT of proposed material changes to the improvements; provided that the DOT shall make the final decision regarding said proposed material changes, which decision shall be final.

6. **DISCLOSURES REGARDING THE PROPERTY.** ABP shall include a provision in each of ABP's sales, lease and conveyance documents, whereby each person who may from time to time own the Property, any portion thereof, or hold any other interest therein or occupy any improvements thereon, makes the same acknowledgment and the following agreements in favor of Airports Division DOT, ABP and its affiliates: (a) such person assumes complete risk of and forever releases Airports Division DOT, ABP and its affiliates from all claims for damages and nuisances occurring on the Property and arising out of or related to noise, right of flight, emissions, vibrations and other incidences of aircraft operations at Kahului Airport; and (b) such person waives any right to (i) require Airports Division DOT, ABP or its affiliates to take any action to correct, modify, alter, eliminate or abate any noise, right of flight, emissions, vibrations and other incidences of aircraft operations; (ii) file any suit or claim against Airports Division DOT, ABP or its affiliates for injunction or abatement of any noise, right of flight, emissions, vibrations and other incidences of aircraft operations at Kahului Airport and for any damages or other claims related to or arising therefrom.

7. **ACKNOWLEDGEMENT OF DOT.** DOT acknowledges that it has agreed to ABP's level of fair share funding and participation in the construction of local and regional transportation improvements and programs set forth in this Agreement, as required by **Condition No. 7** of the Decision and Order.

8. **BINDING EFFECT.** Upon execution of this Agreement by the parties, this Agreement shall become binding and enforceable according to its terms. The rights and obligations of each party named in this Agreement shall bind and inure to the benefit of each party and their respective successors and assigns.

9. **AUTHORIZATION.** Each party warrants to each other party that the individuals executing this Agreement on behalf of the respective parties are authorized to do so.

10. **ENTIRE AGREEMENT.** This Agreement embodies the entire agreement of the parties and supersedes any other agreements and understandings with respect to the subject matter hereof that may have existed between the parties.

11. **COUNTERPARTS.** The parties hereto agree that this Agreement may be executed in counterparts, each of which shall be deemed an original, and said counterparts shall together constitute one and the same instrument, binding all of the parties hereto, notwithstanding that all of the parties are not signatories to the original or the same counterparts. For all purposes, including, without limitation, recordation, filing and delivery of this Agreement, duplicate, unexecuted and unacknowledged pages of the counterparts may be discarded and the remaining pages assembled as one document.

12. **AMENDMENT.** Notwithstanding anything provided herein, this Agreement may be amended only by each party signing a subsequent written instrument which sets forth the amendment.

(The remainder of this page is intentionally left blank)

IN WITNESS WHEREOF, ABP and DOT have caused these presents to be executed as of the day and year first above written.

A & B PROPERTIES, INC., a Hawaii corporation

By: _____



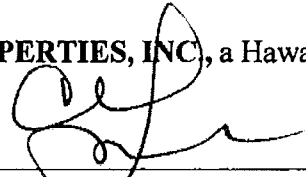
ALAN K. ARAKAWA
SENIOR VICE PRESIDENT

Its

"ABP"

A & B PROPERTIES, INC., a Hawaii corporation

By: _____



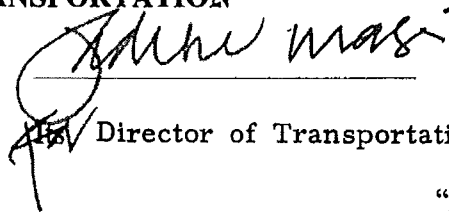
CHARLES W. LOOMIS
ASST. SECRETARY

Its

"ABP"

STATE OF HAWAII DEPARTMENT OF TRANSPORTATION

By: _____



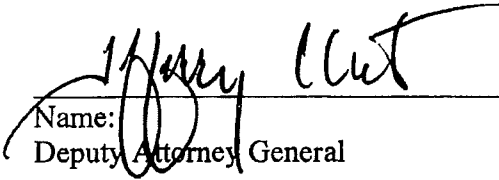
Director of Transportation

"DOT"

Approved as to Form and Content:

OFFICE OF THE ATTORNEY GENERAL
STATE OF HAWAII

Name: _____
Deputy Attorney General

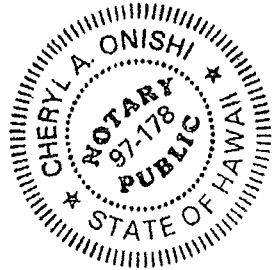


STATE OF HAWAII)
)
CITY & COUNTY OF HONOLULU)

On this 5th day of July 2012, before me appeared ALAN K. ARAKAWA and CHARLES W. LOOMIS to me personally known, who, being by me duly sworn, did say that they are officers of **A & B PROPERTIES, INC.**, a Hawaii corporation; that the foregoing instrument was signed on behalf of said corporation; and that said officers acknowledged said instrument to be the free act and deed of said corporation.

Further, I certify, as of this date, as follows:

Date of Document: Undated at time of notarization
Number of Pages: 14 (if counterpart signature pages are subsequently attached, the document may have a different number of pages)
Document Description: Memorandum of Agreement
Jurisdiction/Judicial Circuit Where Signed: First



Cheryl A. Onishi
Print Name: CHERYL A. ONISHI
Date: 7/5/12
Notary Public, in and for said County and State
My commission expires: APR 17 2013

EXHIBIT A

DESCRIPTION

LIGHT INDUSTRIAL
ZONING APPLICATION

SOUTH PROJECT AREA

T.M.K: (2) 3-8-06:PARCEL 4 (Portion)

T.M.K: (2) 3-8-01:PARCEL 2 (Portion)

All of that certain parcel of land, being a portion of Grant 3343 to Claus Spreckels situated at Puunene, Kahului, Wailuku, Island and County of Maui, State of Hawaii

Beginning at a point at the southwesterly corner of this parcel of land, on the easterly side of Puunene Avenue, the coordinates of said point of beginning referred to Government Survey Triangulation Station "LUKE" being 2,888.88 feet South and 13,107.78 feet East and running by azimuths measured clockwise from True South:

1. 149° 00' 484.87 feet along the easterly side of Puunene Avenue to a pipe;
2. Thence along the southeasterly side of Ho'okele Street on a curve to the right with a radius of 30.00 feet, the chord azimuth and distance being:
190° 30' 39.76 feet to a pipe;
3. 232° 00' 158.73 feet along the southeasterly side of Ho'okele Street to a pipe;
4. 228° 34' 10" 100.28 feet along same to a pipe;
5. 232° 00' 1,369.86 feet along same to a pipe;
6. 142° 00' 80.00 feet along the northeasterly side of Ho'okele Street to a pipe;
7. 232° 00' 316.37 feet along Lot 12 of the Kahului Industrial Park-Phase 1B to a point;

8. Thence along same on a curve to the right with a radius of 3,056.00 feet, the chord azimuth and distance being:
233° 44' 46.5" 186.25 feet to a point;
9. Thence along Lot 12 of the Kahului Industrial Park-Phase 1B on a curve to the left with a radius of 30.00 feet, the chord azimuth and distance being:
195° 36' 16.5" 38.48 feet to a point;
10. 335° 43' 263.55 feet along the remainder of Grant 3343 to Claus Spreckels to a point;
11. Thence along same on a curve to the right with a radius of 580.00 feet, the chord azimuth and distance being:
290° 29' 14.5" 91.27 feet to a point;
12. 273° 18' 135.31 feet along the remainder of Grant 3343 to Claus Spreckels to a point;
13. 276° 27' 404.15 feet along same to a point;
14. 245° 00' 561.68 feet along same to a point;
15. 155° 00' 539.27 feet along same to a point;
16. 155° 15' 30" 862.12 feet along same to a point;
17. 239° 13' 385.03 feet along same (being along the southeasterly side of the Proposed Kahului Airport Access Road) to a point;
18. Thence along same on a curve to the left with a radius of 240.00 feet, the chord azimuth and distance being:
265° 20' 30" 211.36 feet to a point;
19. 291° 28' 352.18 feet along the remainder of Grant 3343 (being along the southeasterly side of the Proposed Kahului Airport Access Road) to a point;

20. 16° 08' 76.34 feet along same to a point;
21. Thence along same on a curve to the left with a radius of 480.00 feet, the chord azimuth and distance being: 263° 03' 376.39 feet to a point;
22. 239° 58' 50.00 feet along the remainder of Grant 3343 to Claus Spreckels (being along the southeasterly side of the Proposed Kahului Airport Access Road) to a point;
23. 234° 28' 271.50 feet along same to a point;
24. Thence along the southwesterly side of Pulehu Road on a curve to the left with a radius of 3,472.00 feet, the chord azimuth and distance being: 141° 32' 24" 12.38 feet to a point;
25. 231° 43' 56.00 feet along the remainder of Grant 3343 to Claus Spreckels to a point;
26. Thence along the northeasterly side of Pulehu Road on a curve to the left with a radius of 3,528 feet, the chord azimuth and distance being: 141° 25' 08.5" 2.86 feet to a point;
27. 231° 43' 143.37 feet along the remainder of Grant 3343 to Claus Spreckels to a point;
28. 288° 51' 11" 708.85 feet along same to a point;
29. Thence along the southerly side of Hana Highway on a curve to the left with a radius of 11,509.16 feet, the chord azimuth and distance being: 291° 04' 49.5" 748.18 feet to a point;
30. 34° 56' 48" 1,017.74 feet along the remainder of Grant 3343 to Clause Spreckels to a point;
31. 34° 57' 78.41 feet along same to a point;
32. 23° 08' 312.58 feet along same to a point;

33. 85° 20' 348.01 feet along same to a point;
34. Thence along same on a curve to the left with a radius of 1000.00 feet, the chord azimuth and distance being:
75° 15' 350.16 feet to a point;
35. 65° 10' 3,628.00 feet along the remainder of Grant 3343 to Claus Spreckels to a point;
36. 72° 30' 337.41 feet along same to the point of beginning and containing an Area of 140.783 Acres.

Prepared by: A&B Properties, Inc.
Kahului, Maui, Hawaii

March 16, 2004

This work was prepared by me or under my supervision.



Ken T. Nomura 4/30/04
Ken T. Nomura
Licensed Professional Land Surveyor
Certificate No. LS-7633
Expiration Date: 4/30/04

ME
27/30-y

DESCRIPTION

LOT 17-A

AIRPORT INDUSTRIAL SUBDIVISION

TAX MAP KEY: (2) 3-8-079:013

KAHULUI, WAILUKU, MAUI, HAWAII

All of that certain parcel of land, being a portion of Grant 3343 to Claus Spreckels situated at Kahului, Wailuku, Island and County of Maui, State of Hawaii

Beginning at a point at the northwesterly corner of this lot, on the southerly side of Haleakala Highway, the coordinates of said point of beginning referred to Government Survey Triangulation Station "LUKE" being 2,745.93 feet North and 16,205.40 feet East and running by azimuths measured clockwise from True South:

1. 267° 32' 52" 442.36 feet along the southerly side of Haleakala Highway to a point;
2. Thence along same on a curve to the left with a radius of 2,892.93 feet, the chord azimuth and distance being:
264° 26' 22" 313.73 feet to a point;
3. 261° 19' 52" 594.40 feet along the southerly side of Haleakala Highway to a point;
4. Thence along same on a curve to the right with a radius of 1,882.08 feet, the chord azimuth and distance being:
266° 51' 22" 362.41 feet to a point;
5. 272° 22' 52" 270.09 feet along the southerly side of Haleakala Highway to a point;

6. Thence along the northwesterly side of the Kahului Airport Access Road on a curve to the right with a radius of 40.00 feet, the chord azimuth and distance being:
342° 02' 52" 75.02 feet to a point;
7. 51° 42' 52" 621.03 feet along the northwesterly side of the Kahului Airport Access Road to a point;
8. 53° 46' 08" 800.51 feet along same to a point;
9. 51° 42' 52" 320.91 feet along same to a point;
10. Thence along same on a curve to the right with a radius of 250.00 feet, the chord azimuth and distance being:
81° 42' 52" 250.00 feet to a point;
11. 114° 17' 52" 330.00 feet along same to a point;
12. 201° 42' 52" 15.00 feet along same to a point;
13. Thence along same on a curve to the left with a radius of 390.00 feet, the chord azimuth and distance being:
72° 31' 52" 492.81 feet to a point;
14. 33° 20' 52" 49.90 feet along same to a point;
15. 21° 27' 52" 97.13 feet along same to a point;
16. 33° 20' 52" 49.65 feet along same to a point;
17. Thence along same on a curve to the right with a radius of 90.00 feet, the chord azimuth and distance being:
75° 48' 12" 121.50 feet to a point;
18. 118° 15' 32" 289.85 feet along the northeasterly side of Hana Highway to a point;
19. 223° 00' 00" 402.57 feet along Lot 20-A of the Airport Industrial Subdivision to a point;
20. 300° 00' 86.00 feet along Lot 21-A of the Airport Industrial Subdivision to a point;

- | | | | |
|-----|----------|-------------|--|
| 21. | 237° 30' | 588.99 feet | along same to a point; |
| 22. | 145° 48' | 179.85 feet | along same to a point; |
| 23. | 182° 55' | 54.86 feet | along same to a point; |
| 24. | 193° 28' | 219.17 feet | along same to a point; |
| 25. | 214° 24' | 116.73 feet | along same and along the southerly side of Haleakala Highway to the point of beginning and containing an Area of 38.191 Acres. |

Prepared by: A&B Properties, Inc.
Kahului, Maui, Hawaii

November 22, 2011

This work was prepared by me or under my supervision.



Ken T. Nomura 4/30/2012
 Ken T. Nomura
 Licensed Professional Land Surveyor
 Certificate No. LS-7633
 Expiration Date: 4/30/2012

ME
11/47-j

Exhibit B
Fair Share Analysis

Roadway Improvement	Estimated Construction Cost	MBPIL AM % of Traffic	MBPIL PM % of Traffic	MBPIL Average % of Traffic	AM Peak % Pro Rata Share	PM Peak % Pro Rata Share	Average Pro Rata Share
Puunene Avenue Widening - Wakea to Kuihelani (MP 0.46 to 1.09)	\$ 7,983,360	7.31%	11.34%	9.33%	\$ 583,584	\$ 905,313	\$ 744,448
Puunene Avenue Widening - Kuihelani to Hookele Street (MP 0.0 to 0.2)	\$ 2,534,400	11.07%	18.84%	14.98%	\$ 280,608	\$ 477,481	\$ 379,044
Hana Highway Widening - Kaahumanu Avenue to Airport Access Road (MP 0.0 to 1.27)	\$ 16,093,440	7.52%	15.54%	11.53%	\$ 1,210,227	\$ 2,500,921	\$ 1,855,574
Hana Highway and Hookele Street Intersection Improvements & Widening (MP 1.27 to 1.75)	\$ 6,082,580	11.77%	24.85%	18.31%	\$ 715,917	\$ 1,511,516	\$ 1,113,717
Airport Access Road - Hana Highway to Puunene Avenue (4700 lf)	\$ 30,400,000	9.58%	16.02%	12.80%	\$ 2,912,320	\$ 4,870,080	\$ 3,891,200
Subtotal					\$ 5,702,655	\$ 10,265,311	\$ 7,983,983
Credit for Construction of Hana Highway/Hookele Street Intersection Improvement					\$ (6,082,560)	\$ (6,082,560)	\$ (6,082,560)
Total (less Hana Highway/Hookele Intersection)					\$ (379,905)	\$ 4,182,751	\$ 1,901,423
Contingency Allowance (10%)						\$ 418,275	
Total Fair Share Amount						\$ 4,601,026	

Percent of Traffic from TIAR, Austin Tsutsumi & Associates, June 16, 2010
ATA's estimate of probable construction costs - \$1,200/ft./lane

End of Exhibit B