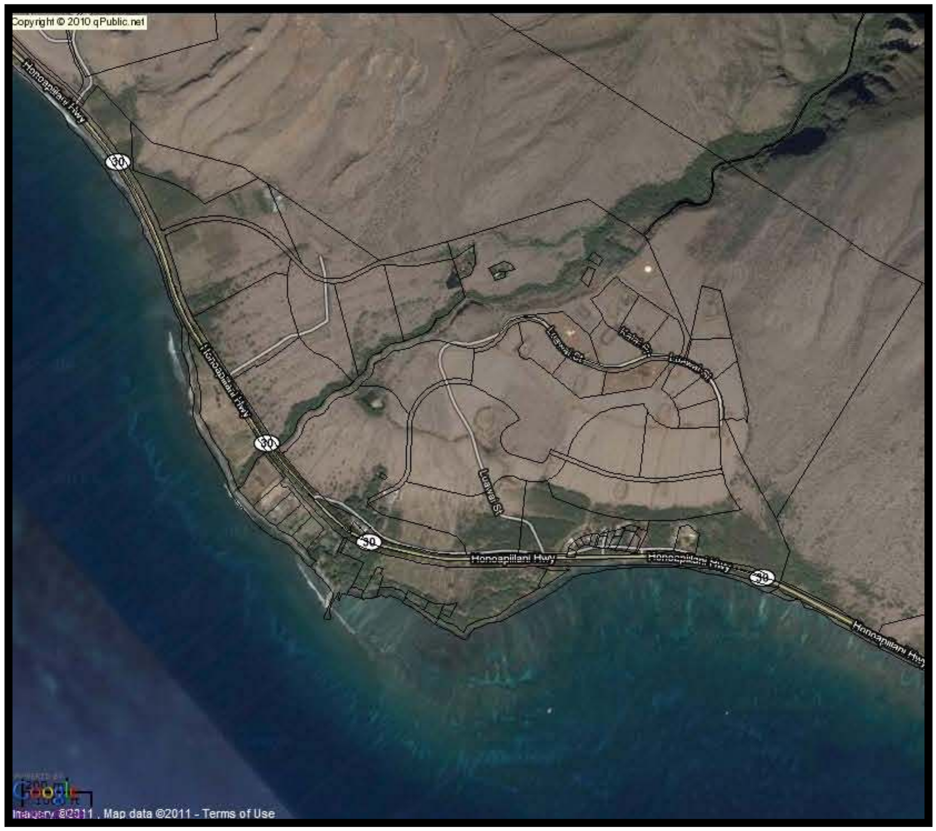

PREPARED FOR: **MR. BILL FRAMPTON**
OLOWALU TOWN LLC
2073 Wells Street, Suite 201
Wailuku, Hawaii 96793

EFFECTIVE DATE: **August 21, 2015**

ASSESSMENT OF ECONOMIC AND FISCAL IMPACTS, OLOWALU TOWN MASTER PLAN DEVELOPMENT, OLOWALU, ISLAND OF MAUI, HAWAII

ACM
CONSULTANTS, INC.

August 27, 2015

10-9106B
(Update)

Mr. Bill Frampton
OLOWALU TOWN LLC
2073 Wells Street, Suite 101
Wailuku, Hawaii 96793

Re: An Assessment of Economic and Fiscal Impacts for the proposed Olowalu Town Master Plan Development in Olowalu, Island and County of Maui

Dear Mr. Frampton

In accordance with your request, we have analyzed the proposed Olowalu Town Master Plan Development in Olowalu, District of Lahaina, Island and County of Maui, in order to provide a study of its potential economic and fiscal impacts. This *counseling report*, and the conclusions herein, is based on the on-site inspection of the property, a study of current political and economic conditions, and a historical review of the real estate market in the West Maui region.

The subject consists of approximately 636 acres of land and is currently zoned State Agricultural District. The proposed project is identified as Olowalu Town and will be located along Honoapiilani Highway between Maalaea and Lahaina. Olowalu Town will be a community comprised of residential uses, commercial and civic uses, parks and recreation sites, agricultural uses, and a cultural preserve.

At full build-out, Olowalu Town is expected to be comprised of approximately 1,500 living units, including single-family, multi-family and live-work units, together with 300,000 to 375,000 square feet of commercial and civic space. Within the 1,500 living units, on-site affordable housing units will also be included in compliance with the County of Maui's Residential Workforce Housing Policy.

The focus of this assignment essentially has three parts: (1) to define and delineate the subject and its market area; (2) to identify and analyze potential economic impacts with regard to the project; and (3) identify and analyze potential fiscal impacts with regard to the project.

The following report presents a narrative review of the assessment and our analysis of data along with other pertinent materials on which this report is predicated. It contains data and exhibits gathered in our investigations, and will include a description of the analytical process and our conclusions, as of August 21, 2015.

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

Respectfully submitted,
ACM Consultants, Inc.

Glenn K. Kunihisa, MAI
Certified General Appraiser,
State of Hawaii, CGA-039
Expiration: December 31, 2015

Dominic J. Suguitan
Certified General Appraiser,
State of Hawaii, CGA-576
Expiration: December 31, 2015

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EXHIBITS

Exhibit A Copy of County of Maui Residential Workforce Housing Policy
Exhibit B Selected Pages from County of Maui 2015 Affordable Sales Price Guidelines

ADDENDA

Definitions
Limiting and Contingent Conditions
Qualifications of the Consultant

PART I – INTRODUCTION

A. EXECUTIVE SUMMARY

Background

The proposed Olowalu Town Master Plan Development is located on both sides of Honoapiilani Highway in Olowalu, Island and County of Maui. The subject is primarily zoned State Agricultural District and consists of approximately 636 acres of land. The project, which is still in its preliminary planning stage, will consist of approximately 1,500 residential units, including single-family, multi-family and live-work units; passive parks and open space, such as cultural preserves, neighborhood parks, and archaeological sites; active parks/community services, such as coastal parks, community centers, schools and police/fire facilities; 300,000 to 375,000 square feet of commercial space (inclusive of live-work and civic uses); and, an on-site wastewater treatment facility. Potable water for the project will be provided by a private water well. According to the Developer, the proposed land uses and alternatives are as follows:

Alternative 1 Existing Land Use	
Agricultural	609 Acres
Conservation	27 Acres
Petition Area for Alternative 1	
Urban	266 acres
Rural Residential	168 acres
Alternative 2 Existing Land Use	
Agricultural	568 Acres
Conservation	22 Acres
Petition Area for Alternative 2	
Urban	228 acres
Rural Residential	168 acres

Preliminary plans call for 400 to 800 single-family units, 600 to 900 multi-family/apartment units, 150 to 200 live-work units, and 75 to 100 Rural residential lots. The Developer has estimated an 8- to 10-year build out for Olowalu Town.

Study Objectives

ACM Consultants, Inc. has been retained by Olowalu Town LLC to assess the potential economic and fiscal impacts related to this proposed project. In particular, the Consultants studied economic trends and demographics, and supply and demand factors for residential and commercial properties. Residential properties included single-family residences, single-family house lots, and condominium/apartment units. Commercial properties included vacant developable lots as well as improved properties. In the process, they gathered as much information as possible on real estate activity on Maui while focusing on the West Maui, Central Maui, and the South Maui market.

The objectives of the economic and fiscal impact assessment were as follows: (1) to define and delineate the subject and its market area; (2) to identify and analyze potential economic impacts with regard to the project; and (3) identify and analyze potential fiscal impacts with regard to the project.

Conclusion

The development of this project will generate significant expenditures by the developer of this subdivision, in addition to the eventual homeowners. These investments are expected to favorably impact the Maui economy on a broad scale, and in a multitude of ways.

- ❑ Site work and infrastructure construction for this project will immediately infuse capital into the Maui economy. Numerous consultants will be involved in the initial planning stages, and the construction trades will benefit from the job creation of this project.

- ❑ Advertising for the project and marketing of the units will benefit graphic artists, advertising companies, newspapers, real estate sales agents, escrow companies, etc.

- ❑ Individual site development will again result in additional work for engineers, architects, material suppliers, equipment rentals and sales, landscaping companies, and other related industries.

- ❑ The new housing units will have an indirect affect on retail businesses, restaurants and service establishments as the expanded work force purchases goods and services. This should pass through the entire community, causing a ripple effect and increase the amount of capital flowing through Maui.

- ❑ Upkeep of the residential, commercial and light industrial buildings will also translate into work for maintenance companies, painting companies, real estate management and leasing groups, etc.

- ❑ Fiscal benefits of this development will include increases in real estate taxes and various fees collected by the County of Maui, as well as additional conveyance tax, income tax and general excise tax inflow for the State of Hawaii.

SUMMARY OF ECONOMIC IMPACTS

From Development Activities	
Total Construction Expenditures	$465,562,500
Total Indirect Sales	$585,677,625
Total Employment	4,770 jobs
Total Payroll	$224,032,728
Total Residents Supported	10,390 residents[1]
Total Households Supported	3,310 units[2]
Total Excise Tax	$42,866,000[3]
At Full Build-Out	
Annual Taxable Property Values	$563,030,000[4]
Annual Property Tax Revenue	$2,011,000[5]
In-Migrant Residents	219 residents
Annual In-Migrant Resident County Expenditures	$(627,000)
Annual In-Migrant Resident Personal Income Tax And Corporate Income Tax	$732,000
Annual In-Migrant Resident General Excise Tax	$319,000
Annual In-Migrant Resident State Expenditures	$(1,428,000)

SUMMARY OF FISCAL IMPACTS, COUNTY OF MAUI

Net Annual Revenues at Full Build-Out	$1,600,000[6]

SUMMARY OF FISCAL IMPACTS, STATE OF HAWAII

Cumulative Net Revenues from Development	$65,164,000[7]
Net Annual Revenues at Full Build-Out	$(377,000)

1 *Revised based on updated population and job estimates gleaned from County and State data.*
2 *Revised based on updated market and affordable home prices.*
3 *Reflects total taxable property value of entire project. Previous figure represented only commercial property value.*
4 *Revised based on updated market value estimates.*
5 *Revised based on updated revenues.*
6 *Revised based on updated revenues and expenditures.*
7 *Revised based on updated excise tax revenues and expenditures.*

B. PURPOSE OF THE REPORT

The purpose of this report, as of August 21, 2015, is to generate an economic and fiscal impact assessment with respect to the proposed Olowalu Town Master Plan Development.

C. INTENDED USE OF THE REPORT

The intended use or function of this report is to provide potential economic and fiscal information and real estate market data to our client to be used in the entitlement process for the Olowalu Town Master Plan Development.

D. SCOPE OF THE REPORT

The Consultant has agreed to provide a current economic and fiscal impact assessment of this project by (1) defining and delineating the market area; (2) identifying and analyzing potential economic impacts with regard to the project; and (3) identifying and analyzing potential fiscal impacts with regard to the project. The assessment will be developed and prepared in conformity with, and subject to, the requirements of the Code of Professional Ethics and the Standards of Appraisal Practice of the Appraisal Institute, and the Uniform Standards of Professional Appraisal Practice.

E. STATEMENT OF COMPETENCY

ACM Consultants, Inc. (formerly ACM Real Estate Appraisers, Inc.) has been actively involved in the real estate appraisal and consulting business since 1982. Our business emphasis has focused mainly on the research, consultation and valuation of residential and commercial properties located within the State of Hawaii. The company considers itself competent to conduct an economic and fiscal impact assessment for a proposed master plan development in Olowalu, Island and County of Maui.

F. EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS

As of August 2015, the subject was still in the preliminary stages of planning. A land use map from the Developer provided a visual indication of the proposed layout of the project district. Several discussions were held with the Developer to better understand the housing products and complementary land uses planned for the subject. The Consultant is not liable for any changes in the project plan past this date, nor for information that has not been released or communicated to the Consultant.

The Consultant has no control over economic conditions and other international events that could have an affect upon Hawaii's economy and the Maui real estate market. As a result, this report has not made any assumptions regarding potential conflicts with other nations, or global external factors affecting economic conditions here.

Estimated construction costs, multipliers, tax rates, interest rates, earnings estimates, demographic information and per capita government expenditures were utilized by the Consultant in determining the economic and fiscal impacts of this proposed residential subdivision. These figures and statistics were obtained through conversations with those active in the construction industry, in addition to the review of various construction budgets, demographic and governmental reports. This consulting report has been based on the assumption that all information gleaned from third party sources is accurate for analytical purposes.

All conclusions in this counseling report have been stated in 2015 dollars, rounded to the nearest $1,000. In doing so, the Consultant has assumed that all construction costs, multipliers, tax rates, interest rates, earnings estimates, demographic information and per capita government expenditures will remain constant throughout the build-out period. Although the cyclical nature of the real estate market would undoubtedly produce varied annual assessments and impacts, for the purposes of this report, they have been reported as unweighted averages. Furthermore, total category impacts may not equate to the sum of the respective sub-categories due to rounding.

The counseling report is also subject to standard "Limiting and Contingent Conditions" located in the pages following.

G. CONFIDENTIALITY PROVISION

The contents of this economic and fiscal impact assessment are confidential. Release of this counseling report by ACM Consultants, Inc. is limited to you and for your preparation and submission of an Environmental Impact Statement for the proposed Olowalu Town Master Plan Development. The intended users of this report include Olowalu Town, LLC. and the appropriate government agencies to which this report will be submitted. Any further release of this report, or portions herein, is strictly prohibited and you shall accept the risk and liability for any such release without the previous written consent of ACM Consultants, Inc. Further, you shall indemnify and defend ACM Consultants, Inc., and its individual consultants/appraisers, from any claims arising out of any such unauthorized disclosure.

H. CERTIFICATION

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

1. The Consultants' compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

2. The Consultants have no present or prospective interest in the property that is the subject of this report, and no personal interest or bias with respect to the parties involved. Any "Estimate(s) of Market Value" in the consulting report is not based in whole or in part upon the race, color, or national origin of the prospective owners or occupants of the properties in the vicinity of the property appraised.

3. The Consultants have personally inspected the property, and are signatories of this Certification.

4. To the best of the Consultants' knowledge and belief, all statements of fact and information in this report are true and correct, and the Consultants have not knowingly withheld any significant information.

5. No other person provided significant professional assistance to the person(s) signing this report.

6. The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are the Consultants' personal unbiased professional analyses, opinions and conclusions.

7. All analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Appraisal Practice.

8. This counseling report is subject to and in conformance with the Code of Professional Ethics and Standards of Professional Conduct of the Appraisal Institute. The analyses, opinions and conclusions of this counseling report have been made in conformity with, and is subject to, the requirements of Title XI of the Federal Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

9. This counseling report is to be used only in its entirety and no part is to be used without the whole report. All conclusions and opinions concerning the real estate are set forth in the counseling report were prepared by the Consultants whose

signatures appears on the counseling report. No change of any item in the counseling report shall be made by anyone other than the Consultants, and the Consultants shall have no responsibility for any such unauthorized change.

10. The Appraisal Institute, of which the Consultants are members, has a legal right to review this report.

11. The qualifications of the Consultants, including completed educational requirements of their candidacy are located in the Addendum to this report. Any member signing the report has completed the requirements of the Appraisal Institute's continuing education program.

ACM Consultants, Inc.

Glenn K. Kunihisa, MAI
Certified General Appraiser,
State of Hawaii, CGA-039
Expiration: December 31, 2015

Dominic J. Suguitan
Certified General Appraiser,
State of Hawaii, CGA-576
Expiration: December 31, 2015

I. LIMITING AND CONTINGENT CONDITIONS

1) This is a Counseling Report which is intended to comply with the reporting requirements set forth under Standards Rule 5 of the Uniform Standards of Professional Appraisal Practice for a Counseling Report. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The Consultant is not responsible for unauthorized use of this report.

   This report has not been prepared for federally-related mortgage financing purposes, and has not been prepared in compliance with the requirements of Title XI of the Federal Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

2) No responsibility is assumed for legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated in this report.

3) The property analyzed is free and clear of any or all liens and encumbrances unless otherwise stated in this report.

4) Responsible ownership and competent property management are assumed unless otherwise stated in this report.

5) The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.

6) All engineering is assumed to be correct. Any plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.

7) It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.

8) It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in this report.

9) It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in this counseling report.

10) It is assumed that all required licenses, certificates of occupancy or other legislative or administrative authority from any local, state, or national governmental or private entity or

organization have been or can be obtained or renewed for any use on which the value estimates contained in this report are based.

11) Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. Maps and exhibits found in this report are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied unless otherwise stated in this report. No survey has been made for the purpose of this report.

12) It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless otherwise stated in this report.

13) The Consultant is not qualified to detect hazardous waste and/or toxic materials. Any comment by the Consultant that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The Consultant's value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value unless otherwise stated in this report. No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover them. The Consultant's descriptions and resulting comments are the result of the routine observations made during the analysis process.

14) Unless otherwise stated in this report, the subject property is evaluated without a specific compliance survey having been conducted to determine if the property is or is not in conformance with the requirements of the Americans with Disabilities Act. The presence of architectural and communications barriers that are structural in nature that would restrict access by disabled individuals may adversely affect the property's value, marketability, or utility.

15) Any proposed improvements are assumed to be completed in a good workmanlike manner in accordance with the submitted plans and specification.

16) The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for

land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.

17) Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the consultant, and in any event, only with property written qualification and only in its entirety.

18) Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the Consultant, or the firm with which the Consultant is connected) shall be disseminated to the public through advertising, public relations, news sales, or other media without prior written consent and approval of the Consultant.

PART II – DESCRIPTION OF THE PROPOSED DEVELOPMENT

A. LAND USE

The proposed Olowalu Town Master Plan Development is located on both sides of Honoapiilani Highway in Olowalu, Island and County of Maui. The subject is primarily zoned State Agricultural District and consists of approximately 636 acres of land. The project, which is still in its preliminary planning stage, will consist of approximately 1,500 residential units, including single-family, multi-family and live-work units; passive parks and open space, such as cultural preserves, neighborhood parks, and archaeological sites; active parks/community services, such as coastal parks, community centers, schools and police/fire facilities; 300,000 to 375,000 square feet of commercial space (inclusive of live-work and civic uses); and, an on-site wastewater treatment facility. Potable water for the project will be provided by a private water well. According to the Developer, the proposed land use and alternatives are as follows:

Alternative 1 Existing Land Use	
Agricultural	609 Acres
Conservation	27 Acres
Petition Area for Alternative 1	
Urban	266 acres
Rural Residential	168 acres
Alternative 2 Existing Land Use	
Agricultural	568 Acres
Conservation	22 Acres
Petition Area for Alternative 2	
Urban	228 acres
Rural Residential	168 acres

Preliminary plans call for 400 to 800 single-family units, 600 to 900 multi-family/apartment units, 150 to 200 live-work units, and 75 to 100 rural residential lots. The Developer has estimated an 8- to 10-year build out for Olowalu Town.

B. UNIT TYPES

Preliminary plans called for approximately 400 to 800 single-family units, approximately 600 to 900 multi-family units, and 75 to 100 rural residential lots. For purposes of this analysis, the typical single-family market unit is assumed to include three bedrooms with an average living area of about 2,000 square feet, and the typical multi-family market unit is assumed to include two bedrooms and about 1,200 square feet. The typical single-family affordable unit is assumed to include three bedrooms with an average living area of about 1,200 square feet, and the typical multi-family affordable unit is assumed to include two bedrooms and about 750 square feet.

C. AFFORDABLE PRICE UNITS

Based on the current County of Maui Workforce Housing Ordinance, the subject will be required to offer at least 25 percent of its proposed 1,500 housing units as on-site affordable units. The current Workforce Housing Ordinance also specifies the following minimum affordable housing unit allocation:

Above Moderate Income (121 to 140%)	20 percent
Moderate Income (101 to 120%)	50 percent
Below Moderate Income (81 to 100%)	30 percent

Based on the Workforce Housing Ordinance, approximately 375 affordable housing units would be required. The developer has proposed to provide 750 units for sale or lease at affordable housing prices (which would include multi-family rental units). The actual allocation will be based on discussions and agreement with the Maui County Department of Housing and Human Concerns.

D. COMMERCIAL/INDUSTRIAL COMPONENT

Based on preliminary plans, the Olowalu Town Master Plan Development will feature approximately 300,000 to 375,000 square feet of Commercial space, including neighborhood commercial, light industrial and village mixed-use. While some of the economic and fiscal impacts attributed to the development of these areas have been estimated, other impacts are more difficult to account for.

For example, at full build-out, there would be additional revenue to the State of Hawaii in the form of conveyance taxes, should commercial or industrial condominium units be constructed. However, this would not be the case if leasable multi-tenant structures were built. Furthermore, the general excise tax to be paid from ongoing sales within these projects cannot be accurately gauged, without knowing the tenant mix. A retail business would likely have gross revenue very different from a professional office user. Another example might be a light industrial space utilized for storage versus a wholesale distribution warehouse. Many of these factors will be determined by future market conditions. As a result, this analysis has conservatively limited its focus to those primary areas of economic impact, with emphasis on the Olowalu Town Master Plan Development's residential component.

PART III – ECONOMIC IMPACTS OF THE PROPOSED DEVELOPMENT

A. ECONOMIC IMPACTS RELATED TO DEVELOPMENT ACTIVITIES

Construction of the Subdivision Improvements

The Developer has estimated that vertical construction costs for the single-family units to be approximately $150 per square foot and about $175 per square foot for the multi-family units. Research of projects offering similar entry level housing units revealed this range to be reasonable. On average, the typical three-bedroom single-family unit will have approximately 1,200 square feet of living area, while the living area for the typical two-bedroom multi-family unit will average approximately 750 square feet. Vertical construction expenditures for the 1,500 proposed housing units totaled approximately $297,562,500. It should be noted that this figure included the residential component of the "live/work" units in the Village Mixed-Use area.

Other estimated vertical construction costs from the Developer were as follows: $75,000,000 for the neighborhood commercial and village mixed use areas; $50,000,000 for the internal roadways and utilities; and $15,000,000 for the wastewater treatment facility and R-1 transmission line; $18,000,000 for the new highway and bridge; $5,000,000 for parks improvements; and, $5,000,000 for a small-scale renewable energy system. The construction expenditures for the Olowalu Town Master Plan Development totaled approximately $465,562,500.

Indirect Sales

Development and construction activities will also generate indirect sales, through the supply of goods and services to the various construction companies, in addition to the families of their employees. By the same token, these suppliers and their families will purchase goods and services from other companies. This chain reaction continues over and over, with some of the revenues leaking out of Hawaii's economy with each cycle. Based on State economic multipliers, off-island indirect sales were estimated at about $344,516,250 over the term of the project. Meanwhile, Maui indirect sales were estimated at about $241,161,375 over the term of the project. Indirect sales attributed to the development totaled approximately $585,677,625.

Direct and Indirect Employment

New job opportunities created by this development will start with the design and entitlement process, employing architects, engineers, surveyors, and land use planners. Site work, road work and the installation of utility and drainage lines typically utilize heavy equipment operators, tractor-trailer drivers and utility personnel. Vertical construction of the housing units, commercial buildings, village mixed-use projects and light industrial facilities will employ masons, carpenters, sheet metal workers, roofers, drywall installers, plumbers, electricians and painters. Finish work will require cabinet makers, carpet and tile installers, interior decorators, and landscapers. Application of State economic multipliers resulted in a forecasted annual average of 186 jobs directly related to the construction of this development.

The increase in construction will also create the need for supplementary companies to strengthen their labor force. These jobs may be from building supply companies, hardware stores, equipment rental companies, and shipping/warehousing companies. In addition, the construction laborers and their families will patronize local goods and services providers. Grocers, restaurants, service stations, auto repair shops, financial institutions, recreational venues, medical facilities and personal care businesses could be considered potential companies that would need to bolster their employee count. Based on State economic multipliers, indirect jobs on Maui were forecasted to average 191 jobs annually, resulting in an estimated annual average of 377 Maui jobs directly and indirectly tied to the development of the project. Meanwhile, indirect employment on Oahu could possibly add an average 100 jobs per year. Employment attributed to the development totaled approximately 4,770 jobs over the term of the project.

Direct and Indirect Payroll

Payroll directly related to the development of the project was estimated to be $10,890,304 per annum, based on statistics gleaned from the State of Hawaii Department of Labor and Industrial Relations (DLIR) and job counts determined in the previous section. It should be noted that most construction positions are expected to be filled by Maui laborers.

Indirect Maui payroll came out to about $7,219,525 per year, while indirect Oahu payroll was around $4,293,444 annually. Total direct and indirect payroll attributed to the development of the subject was forecasted to be close to $224,032,728 over the term of the project.

Population Supported by Project Development

Statistical information obtained from the DLIR indicated Maui residents supported by construction jobs attributed to this development are forecasted to average of 435[8] residents per year, while residents supported by indirect jobs may amount to an average of 446 [9] residents per year.

Oahu residents supported by indirect jobs created by this development were estimated to average 158[10] residents per year. In all, approximately 10,390[11] residents on Maui and Oahu will potentially be supported by the development of this project.

8 Revised based on updated population and jobs data from County and State Data Books.
9 Revised based on updated population and jobs data from County and State Data Books.
10 Revised based on updated population and jobs data from County and State Data Books.
11 Revised based on updated population and jobs data from County and State Data Books.

Housing for Supported Population

Statistical information obtained from the DLIR indicated Maui housing units supported by construction jobs attributed to this development are forecasted to average 138[12] units per year, while housing units supported through indirect jobs would average about 141[13] units per year.

Oahu housing units supported through indirect jobs created by this development were estimated to average 69 units per year. In all, about 3,310 housing units on Maui and Oahu will potentially be supported by the development of this project. It should be noted that this category does not necessarily represent additional housing units needed for direct and indirect employees, but indicates the potential number of households that would be financially linked to monies earned by such workers.

B. ECONOMIC IMPACTS AT FULL BUILD-OUT

Property Values at Full Build-Out

For this analysis, the average **market value** for the single-family units (300 units) was estimated at $825,000[14], while the average **market value** for the multi-family units (450 units) was estimated at $725,000[15]. The average **affordable value** for the single-family units (300 units) was estimated at $430,000[16], while the average **affordable value** for the multi-family units (450 units) was estimated at $280,000[17]. Based on the unit breakdown provided by the Developer, the total property value of the 1,500 units, at full build-out was estimated at approximately $896,130,000[18]. With an estimated 300,000 square feet of potential commercial space in the project, the estimated total property value, based on $175 per square foot, calculates to $52,500,000.

Long Term Employment

In addition to construction related employment, the commercial and industrial components will provide long term employment opportunities. At full build-out this could result in approximately 1,000 jobs just in the commercial and industrial sectors within the project, including employees in live-work units. It is recognized that not all of these jobs would be new, since existing Maui businesses could be relocating to the project.

12 Revised based on updated population and jobs data from County and State Data Books.
13 Revised based on updated population and jobs data from County and State Data Books.
14 Revised estimate based on current real estate market data.
15 Revised estimate based on current real estate market data.
16 Revised estimate based on current Maui County Affordable Sales Price Guidelines.
17 Revised estimate based on current Maui County Affordable Sales Price Guidelines.
18 Revised estimate based on current real estate market data and Affordable Sales Price Guidelines.

PART IV – FISCAL IMPACTS, COUNTY OF MAUI

A. FISCAL IMPACTS RELATED TO DEVELOPMENT ACTIVITIES

Development Activities

Typically, the County accumulates revenue from developments in the form of fees, such as for building permits and impacts attributed to the development. In this case, fee revenue would be generated from the construction of the overall Olowalu Town Master Plan Development, as well as from the subsequent development of the individual project lots.

Net Taxable Value, Project Housing Units

For the purpose of this analysis, we have assumed that the Olowalu Town Master Plan Development will feature approximately 600 three-bedroom single-family units and 900 two-bedroom multi-family units. For this analysis, approximately 85 percent of the single family units and 75 percent of the multi family units were assumed to be owner occupied. Accordingly, about 345 market and affordable single-family units and 428 market and affordable multi-family units will be owner-occupied. As such, these homeowners would qualify for the County of Maui homeowner exemption, which currently stands at up to $300,000 per qualified housing unit. The single-family unit owners would be able to claim a $300,000 exemption. Meanwhile, the multi-family unit owners would be exempt for $275,000, or the full value of their property, only owing the County of Maui minimum tax (currently at $150 per year). After deduction of the homeowner exemptions, the net taxable value of the project, including commercial property values, amounted to approximately $563,030,000[19].

B. FISCAL IMPACTS AT FULL BUILD-OUT

At full build-out, County revenue would primarily be generated in the form of real property taxes. As previously discussed, the net taxable value of the project was determined to be about $563,030,000[20], based on market and affordable homes, as well as owner-occupant exemptions. Residential owner-occupants who qualify for the County homeowner exemption are assessed at PITT Code 900 (Homeowner). Currently, this tax class has a mill rate of $2.75 per $1,000 of assessed value. The tax obligation for the owner-occupied single-family units was calculated at $1,052,000[21] per year. The unoccupied and renter-occupied single-family units will be assessed at PITT Code 100 (Improved Residential). Currently, this tax class has a mill rate of $5.40 per $1,000 of assessed value. The tax obligation for the unoccupied and renter-

19 Revised based on updated real property values and tax revenues.
20 Revised based on updated real property values and tax revenues.
21 Revised based on updated real property values and property tax rates.

occupied single-family units amounted to close to $225,000[22] per year.

As previously discussed, the owner-occupied multi-family units will be fully exempt, but still pay the $150 minimum annual property tax. Thus, the tax obligation for the owner occupied multi-family units amounted to about $117,000 per year. Meanwhile, the unoccupied and renter-occupied multi-family units will be assessed at PITT Code 200 (Apartment). Currently, this tax class has a mill rate of $6.00 per $1,000 of assessed value. The tax obligation for the unoccupied and renter-occupied multi-family units was forecasted at $519,000[23] per year. The tax obligation for the commercial spaces amounted to $346,500[24]. The total estimated annual real property tax attributed to the residential and commercial portion of the project is estimated at $2,228,000[25] per year at full build-out.

The Olowalu Town Master Plan Development is slated to be built on the following State of Hawaii Tax Map Keys: (2) 4-8-03, Parcels 005, 071, 072, 084, 098 through 117, 124 and 124. According to the County of Maui Real Property Tax Division, the Developer currently pays approximately $30,972 in property taxes for these parcels. This amount was deducted from the annual revenues at full build-out, as the County will no longer receive this income. The resulting net real property tax revenue at full-build out was estimated to be about $1,600,000 [26] annually.

County of Maui annual expenditures at full build-out were considered to be for general services, infrastructure maintenance and public safety. This would also include upkeep of public recreational facilities, such as the parks to be provided by the project. Assuming that the majority of the development's future residents already live on Maui, some of these expenses would be incurred by the County no matter where they live. As such, there would not necessarily be an additional cost to the County for *each* resident moving into the Olowalu Town Master Plan Development. Based on demographic statistics for West Maui, it was estimated that the Olowalu Town Master Plan Development will have approximately 4,375 residents. For the purposes of this analysis, it was assumed that 95 percent will be already living on Maui, with the remaining 5 percent, or about 219 residents, being in-migrant residents. The additional cost to the County attributed to these in-migrant residents was estimated to be $586,000 per year, plus debt service of $42,000 per year.

22 Revised based on updated real property values and property tax rates.
23 Revised based on updated real property values and property tax rates.
24 Revised based on updated real property values and property tax rates.
25 Revised based on updated real property values and property tax rates.
26 Revised based on updated tax revenues and expenditures.

Thus, the net revenue attributed to the project, at full build-out, was estimated to be $1,600,000[27] per year. It should be noted that since this project will consist mostly of owner-occupant workforce housing units, its property tax base is significantly reduced by the homeowner exemptions. Furthermore, the County of Maui's property tax system is structured in a way that owner-occupant subdivisions such as the subject are essentially subsidized by revenue received from other property classes. The majority of Maui's property tax revenue is generated by time share, hotel/resort, industrial and commercial properties, which have substantially higher mill rates.

27 Revised based on updated tax revenues and expenditures.

PART V – FISCAL IMPACTS, STATE OF HAWAII

A. FISCAL IMPACTS RELATED TO DEVELOPMENT ACTIVITIES

Although the State of Hawaii will recognize revenue from the project through various taxes, including Conveyance Tax, and Personal Income Tax, this analysis will focus on the Excise Tax as the primary additional revenue source.

Excise tax is based on two rates, 4.166 percent for final sales and 0.5 percent for intermediate sales. The cumulative tax expectancy for final sales amounted to about $39,432,023[28], while intermediate sales should be close to $3,434,304. Excise tax attributed to the development totaled approximately $42,866,327[29].

B. FISCAL IMPACTS AT FULL BUILD-OUT

At full build-out, State revenue would be generated by Personal Income Tax, Excise Tax, and Other Revenues. Similar to the previous section, this analysis has focused on Excise Tax. In this case, the Excise Tax to be received from in-migrant residents was estimated to be $319,000 per year. Personal Income Tax and Corporate Income Tax from in-migrant residents was estimated to be $732,000.

Annual expenditures to the State were expected to be from services to residents, and debt service attributed to general improvements. It has been estimated for this analysis that the Olowalu Town Master Plan Development will have 219 in-migrant residents, in addition to 33 in-migrant students. At full build-out, the additional students are estimated to increase cost to the State by about $406,000 per year. At the same time, annual expenditure for services from in-migrant residents was forecasted at approximately $941,000 and annual general improvement debt service came out to close to around $81,000. Examples of services to residents include operation of civic, health and social services; as well as maintenance to highways, parks and recreational areas. General improvement debt service was based on typical per-capita figures currently carried by residents in Hawaii. Total annual expenditure at full build-out attributed to in-migrant residents was approximately $1,428,000. When deducted from the total annual revenues from the previous paragraph, the net annual revenue at full build-out was forecasted to be negative $377,000.

The negative net annual revenue at full build-out was primarily attributed to the household income levels within this subdivision. Since The Olowalu Town Master Plan Development will be geared

28 Revised based on updates State tax revenues.
29 Revised based on updates State tax revenues.

toward the workforce market segment, annual household income is expected to be on the lower side of the range. As excise tax estimates were based on percentages of household income, it is not surprising that total annual revenues were outpaced by total annual expenditures. In general, State services to workforce residential communities are subsidized by revenues received from the visitor industry, businesses and communities with higher annual household incomes.

Furthermore, as previously discussed, this assessment has not considered all of the potential impacts from the commercial, village mixed-use and industrial areas upon full build-out. There will need to be a significant number of employees for these areas, which would increase State's personal income tax revenues. Granted, many of these positions would be filled by those already in the workforce, yet those coming of working age and transplants from off-island would also be potential employees. With regard to general excise tax, some sales generated by the subject's commercial, village mixed-use and industrial areas may take away from sales of existing businesses. However, new sales will also contribute to the amount of general excise tax collected by businesses.

PART VI – REFERENCES

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EXHIBITS

<u>EXHIBIT A</u>

Copy of County of Maui
Residential Workforce Housing Policy

Chapter 2.96 - RESIDENTIAL WORKFORCE HOUSING POLICY

Sections:

2.96.010 - Purpose.

The purpose of this chapter is to enhance the public welfare by ensuring that the housing needs of the County are addressed. The council finds that there is a critical shortage of affordable housing, making home acquisition by the majority of County resident workers extremely difficult, and creating a shortage of affordable rental units. The resident workforce is leaving the County in search of affordable housing, and new employees are being deterred by the high cost of living. To maintain a sufficient resident workforce in all fields of employment, and to ensure the public safety and general welfare of the residents of the County, resident workforce housing needs must be addressed. It is the intent of this chapter to encourage the provision and maintenance of residential workforce housing units, for both purchase and rental, to meet the needs of income-qualified households for the workforce, students, and special housing target groups.

(Ord. 3418 § 1 (part), 2006)

2.96.020 - Definitions.

Whenever used in this chapter, unless a different meaning clearly appears from the context:

"Community land trust" means a nonprofit organization that acquires land that:

1. Is held in perpetuity;
2. Is primarily for conveyance under a long-term ground lease for the creation of dwelling units that shall be sold or rented to applicants within the income-qualified groups established by this chapter; and
3. Retains an option to purchase any dwelling unit at a price determined by formula that is designed to ensure that the dwelling unit remains affordable in perpetuity.

"Council" means the Maui County council.

"Department" means the department of housing and human concerns.

"Director" means the director of housing and human concerns, County of Maui.

"Disabled" means a person who is determined, by a medical doctor, to have a physical, mental, or emotional impairment that:

1. Is expected to be of long-continued and indefinite duration;
2. Substantially impedes his or her ability to live independently; and
3. Is of such a nature that the ability to live independently could be improved by more suitable housing conditions.

"Division" means the housing division of the department of housing and human concerns, County of Maui.

"Elderly" means a person who has attained the age of sixty-two years.

"Employed" means working for compensation in the County for any number of hours.

"Homeless" means:

1. An individual or family who lacks a fixed, regular, and adequate nighttime residence; or

2. An individual or family who has a primary nighttime residence that is:

   a. A supervised shelter designed to provide temporary living accommodations; or

   b. A place not designed for or ordinarily used as sleeping accommodations for human beings.

"HUD" means the United States Department of Housing and Urban Development.

"Improved land" means land that has necessary infrastructural improvements to support a public use project or a use density of at least a single-family or a two-family residential building per acre, in conformity with state and County zoning laws and building permit requirements.

"Lot" means any improved or unimproved land that has been subdivided.

"Median family income" means the middle income in a series of incomes ranked from smallest to largest as determined by HUD for the County, or as adjusted by the department, for Hana, Lanai, and Molokai.

"Prevailing interest rate" means the average interest rate of two mortgage lenders in the County, acceptable to the director, for a thirty year fixed loan with no discount points.

"Qualified housing provider" means a community land trust, nonprofit agency, or other private or public organization, agency, or entity authorized and designated by the department in accordance with section 2.96.150 to own, develop, construct, administer, operate or otherwise provide residential workforce housing required under this chapter.

"Resident" means a person who meets one of the following criteria:

1. Currently employed in the County;
2. Retired from employment in the County, having worked in the County immediately prior to retirement;
3. A full-time student residing in the County;
4. A disabled person residing in the County who was employed in the County prior to becoming disabled;
5. The parent or guardian of a disabled person residing in the County;
6. A spouse or dependent of any such employee, retired person, student, or disabled person residing in the County; or
7. In the event of the death of the employee, retired person, student, or disabled person, the spouse or dependent of any such person residing in the County.

"Residential workforce housing unit" means a unit or lot to be sold or rented to residents within one of the following income groups as established by the department:

1. "Very low income," which are those households whose gross annual family income is fifty percent or less of the area median income as established by HUD, or as adjusted by the department, for Hana, Lanai, and Molokai.
2. "Low income," which are those households whose gross annual family income is more than fifty percent, but not more than eighty percent of the area median income as established by HUD, or as adjusted by the department, for Hana, Lanai, and Molokai.
3. "Below-moderate income," which are those households whose gross annual family income is more than eighty percent, but not more than one hundred percent of the area median income as established by HUD, or as adjusted by the department, for Hana, Lanai, and Molokai.
4. "Moderate income," which are those households whose gross annual family income is more than one hundred percent, but not more than one hundred twenty percent of the area median income as established by HUD, or as adjusted by the department, for Hana, Lanai, and Molokai.

5. "Above-moderate income," which are those households whose gross annual family income is more than one hundred twenty percent, but not more than one hundred forty percent of the area median income as established by HUD, or as adjusted by the department, for Hana, Lanai, and Molokai.

"Special housing target group" means a group of residents that can be demographically defined as having a special or unique housing need, including but not limited to, the elderly, homeless, and disabled.

"Unimproved land" means land not classified as "improved land."

"Wait list area" means Hana, Lanai, Maui (excluding Hana), or Molokai.

(Ord. No. 4177, §§ 1—4, 2014; Ord. No. 3719, § 1, 2010; Ord. 3512 § 1, 2007; Ord. 3418 § 1 (part), 2006)

2.96.030 - Applicability.

A. Any development, including the subdivision of land and/or the construction of single-family dwelling units, two-family dwelling units, multi-family dwelling units, or hotels, as defined in section 19.04.040 of this code, whether constructed at one time or over several years, shall be subject to this chapter upon final subdivision or building permit approval, whichever is applicable and occurs first, if it will result in the creation of the following:

    1. Ten or more lots, lodging units, time share units, or dwelling units, excluding farm labor dwellings or a second farm dwelling, as defined in section 19.04.040 of this code; provided that, such farm labor dwelling or farm dwelling is in full compliance with chapter 205, Hawaii Revised Statutes, and is not part of a condominium property regime, as set forth in chapter 514A, Hawaii Revised Statutes;

    2. A conversion of ten or more hotel units to dwelling units or time share units; or

    3. Any hotel redevelopment or renovation project that increases the number of lodging or dwelling units in a hotel by ten or more.

B. Exemptions. This chapter shall not apply to any development that falls into one or more of the following categories:

    1. A development subject to an affordable housing requirement, evidenced by an executed affordable housing agreement with the County, currently in effect and approved prior to the effective date of this chapter;

    2. A development subject to a change in zoning condition that requires affordable or residential workforce housing, unless the condition expressly allows for the application of the affordable housing or residential workforce housing policy set forth herein;

    3. A subdivision granted preliminary subdivision approval prior to the effective date of this chapter;

    4. A building permit application submitted prior to the effective date of this chapter;

    5. A family subdivision, for immediate family members, as described in subsections 18.20.280.B.1 and B.2 of this code;

    6. A development by a government entity or a community land trust, as approved by the director; or

    7. A development within the boundaries of the Wailuku redevelopment area as defined by the Maui redevelopment agency pursuant to chapter 53, Hawaii Revised Statutes.

C. Adjustment by developer.

    1. A developer of any development subject to this chapter may appeal to the council for a reduction, adjustment, or waiver of the requirements based upon the absence of any

reasonable relationship or nexus between the impact of the development and the number of residential workforce housing units or in-lieu fees/land required.

2. Any such appeal shall be made in writing and filed with the county clerk prior to final subdivision approval or issuance of a building permit for the development, whichever is applicable. Any such appeal shall administratively stay the processing of the development's subdivision or building permit, whichever is applicable, until a decision on the appeal is rendered. The appeal shall set forth in detail the factual and legal basis for the claim of reduction, adjustment, or waiver, and the developer shall bear the burden of presenting substantial evidence to support the appeal, including comparable and relevant technical information.

3. The council, or if the appeal is assigned to a council committee, the council committee shall convene a meeting within forty-five days of the county clerk's receipt of the appeal, to consider the appeal. The council shall approve or disapprove the appeal by resolution within forty-five days from the date the developer has concluded its presentation of evidence supporting the appeal in a council or committee meeting.

4. If the council or a council committee has not convened a meeting within forty-five days of the county clerk's receipt of the appeal, or if the council does not approve or disapprove the appeal by resolution within forty-five days from the date the developer has concluded its presentation of evidence at the council or council committee meeting, the appeal, as submitted by the developer, shall be deemed approved by the council.

5. If a reduction, adjustment, or waiver is granted by the council, any subsequent substantive change or modification in use within the development, as determined by the director, shall invalidate the reduction, adjustment, or waiver previously granted.

D. Adjustment by Director. The director may, subject to council approval by resolution, authorize a reduction, adjustment, or waiver of any provision of this chapter.

(Ord. No. 4177, § 5, 2014; Ord. 3546 § 1, 2008; Ord. 3418 § 1 (part), 2006)

2.96.040 - Residential workforce housing requirements.

A. Developers shall be required to provide a number of residential workforce housing units equivalent to at least twenty-five percent, rounding up to the nearest whole number, of the total number of market rate lots, lodging units, time share units, or dwelling units, excluding farm labor dwellings or a second farm dwelling, as defined in section 19.04.040 of this code, created. If a developer satisfies the requirements of this chapter through subsection (B)(3) and the units shall remain available only to income-qualified groups in perpetuity, the developer shall provide at least twenty percent, rounding up to the nearest whole number, of the total number of market rate lots, lodging units, time share units, or dwelling units, excluding farm labor dwellings or a second farm dwelling, as defined in section 19.04.040 of this code, created.

B. Prior to final subdivision approval or issuance of a building permit for a development subject to this chapter, the department shall require the developer to enter into a residential workforce housing agreement. The agreement shall set forth the method by which the developer satisfies the requirements of this chapter. The requirements may be satisfied by one or a combination of the following, which shall be determined by the director and stated in the agreement:

1. Offer for sale, single-family dwelling units, two-family dwelling units, or multi-family dwelling units as residential workforce housing within the community plan area;

2. Offer for rent, multi-family dwelling units as residential workforce housing units within the community plan area;

3. In lieu of directly selling or renting units pursuant to subsections (B)(1) or (B)(2) the developer may convey such units to a qualified housing provider subject to department approval pursuant to section 2.96.150; or

4. In lieu of providing residential workforce housing units, the residential workforce housing requirement may be satisfied by payment of a fee, by providing improved land, or by providing unimproved land in accordance with the following:

   a. The in-lieu fee per residential workforce housing unit required by this chapter shall be equal to the difference in unit costs for a three bedroom, single-family, dwelling unit, at one hundred percent and a three bedroom, single-family, dwelling unit at one hundred sixty percent of median income, for a family of four, pursuant to HUD affordable sales price guidelines, or as adjusted by the department for Hana, Lanai, and Molokai.

   b. Any dedication of improved or unimproved land in-lieu of residential workforce housing units shall be subject to the approval of the director and the council by resolution.

C. Income group distribution.

   1. Unless an exemption is granted by the director, the percentage of ownership units within each income group shall be as follows:

      a. Thirty percent of the ownership units shall be for "below-moderate income" residents.

      b. Fifty percent of the ownership units shall be for "moderate income" residents.

      c. Twenty percent of the ownership units shall be for "above-moderate income" residents.

   2. Unless an exemption is granted by the director, the percentage of rental units within each income group shall be as follows:

      a. One-third of the rental units shall be for "very low income" and "low income" residents.

      b. One-third of the rental units shall be for "below-moderate income" residents.

      c. One-third of the rental units shall be for "moderate income" residents.

(Ord. No. 4177, § 6, 2014; Ord. No. 3719, § 2, 2010; Ord. 3438 § 1, 2007: Ord. 3418 § 1 (part), 2006)

2.96.050 - Residential workforce housing credits.

A. Credits may be given under the following circumstances:

   1. One residential workforce housing credit shall be given for every single-family dwelling unit, two-family dwelling unit, or multi-family dwelling unit constructed and sold at affordable rates, in excess of the residential workforce housing required by section 2.96.040; and

   2. Credits may be issued for a one hundred percent affordable project developed pursuant to section 201H-38, Hawaii Revised Statutes, provided that one residential workforce housing credit shall be given, upon request by the developer, for every single-family dwelling unit, two-family dwelling unit, or multi-family dwelling unit constructed and sold at affordable rates, in excess of fifty percent of the total number of units constructed and sold at affordable rates in the project. Credits shall not be issued for projects developed pursuant to section 201H-38, Hawaii Revised Statutes, that are not one hundred percent affordable.

B. The credit may be used in any community plan area.

C. The credit may satisfy the requirement for any type of unit constructed.

D. The credit may satisfy the requirement for a unit in any income group.

E. The credit may be used for a future development, but may not be used for an affordable housing or residential workforce housing unit owed at the time the credit is given.

F. The number of credits issued shall be set forth in the residential workforce housing agreement.

(Ord. No. 4177, § 7, 2014; Ord. 3418 § 1 (part), 2006)

2.96.060 - Residential workforce housing restrictions-ownership units.

A. Timing of completion.

1. Residential workforce housing units shall be made available for occupancy either before or concurrently with market rate units at the same ratio required of the development.
2. Certificates of occupancy shall not be issued and/or final inspections shall not be passed for the market rate units unless certificates of occupancy are issued and/or final inspections are passed for the residential workforce housing units concurrently or sooner.

B. Deed restrictions.

1. The ownership units within each income group shall be subject to the deed restrictions contained in this section for the following periods:
   a. "Below-moderate income," ten years.
   b. "Moderate income," eight years.
   c. "Above-moderate income," five years.
2. For the deed-restricted period, the following shall apply:
   a. The unit must be owner-occupied.
   b. The owner must notify the department upon a decision to sell.
   c. Upon the owner's decision to sell, the County shall have the first option to purchase the unit from the owner; said option shall be available to the County for a period of one hundred and twenty days from receipt of written notice from the owner and shall not apply to sales by reason of foreclosure.
   d. Upon sale of the unit, the deed-restricted shall remain in full force and effect for the remainder of the deed restriction period that commenced at the time of the initial sale.
   e. Under special circumstances an owner of a residential workforce housing unit may appeal to the department for a waiver of the owner-occupancy deed restriction; these circumstances would include, but are not limited to, assignment to active duty military or short-term contracts for off-island employment.
   f. Resale. The maximum resale price shall be established by the department using the following guidelines:
      1. An appraisal of the property shall be required before occupancy.
      2. A second appraisal shall be required upon a decision to sell the unit.
      3. Twenty-five percent of the difference between the two appraisals shall be added to the owner's purchase price.

C. Sales price - dwelling units. The sales price of a new dwelling unit shall be established by the department based on current HUD price guidelines.

(Ord. No. 4177, § 8, 2014; Ord. 3418 § 1 (part), 2006)

2.96.070 - Residential workforce housing restrictions - rental units.

A. Timing of completion. Residential workforce housing units shall be made available for occupancy either prior to or concurrently with market rate units at the same ratio required of the development. Certificates of occupancy shall not be issued and/or final inspections shall not be passed for the market rate units unless certificates of occupancy are issued and/or final inspections are passed for the residential workforce housing units concurrently or sooner.

B. Vacancies. Any rental unit vacancy must be filled by an applicant in the appropriate income group to better maintain an equal distribution of rentals across the "very low income" and "low income," "below-moderate income," and "moderate income" groups.

C. Deed restrictions.

1. The rental unit must remain affordable for thirty years from the initial occupancy.

2. For the thirty-year affordability period, the following shall apply:

a. The owner must notify the department upon a decision to sell the rental development and the County shall have the first option to purchase the rental development from the owner; said option shall be available to the County for a period of one hundred and twenty days from receipt of written notice from the owner and shall not apply to sales by reason of foreclosure.

b Any new owner must comply with the deed restrictions.

3. Within 90 days of the expiration of the thirty-year affordability period, the owner shall offer the County the right to purchase the property at market value as determined by the owner.

D. Rental rates. The monthly rental rates shall be set by the department based on HUD income limits.

(Ord. No. 4177, § 9, 2014; Ord. 3418 § 1 (part), 2006)

2.96.080 - Residential workforce housing agreement.

A. Before final subdivision approval or issuance of a building permit, the developer shall enter into a residential workforce housing agreement that sets forth the detailed terms and conditions of compliance with the residential workforce housing policy, including but not limited to:

1. Sales or rental periods for the residential workforce housing units, which specify procedures for the release of units from the residential workforce housing requirements should units not be sold or rented following the expiration of the sales or rental periods;

2. Identification of the number, type, and location of units;

3. Designation of units for specific income and/or special housing target groups;

4. Marketing process for the residential workforce housing units;

5. Eligibility of income-qualified households;

6. Provision for residential workforce housing credits, as applicable;

7. Payment of in-lieu fees or provision of in-lieu land; and

8. Resale restrictions, which may include buy-back provisions, shared equity, and encumbrances.

B. The residential workforce housing agreement shall be recorded with the bureau of conveyances of the State of Hawaii or the land court of the State as the case may be, so that the terms and conditions of the agreement run with the land and bind and constitute notice to all subsequent grantees, assignees, mortgagees, lienors, and any other persons who claim an interest in such property. The agreement shall be enforceable by the County by appropriate action at law or suit in equity, against the developer, its successors, and assignees.

(Ord. 3418 § 1 (part), 2006)

2.96.090 - Applicant selection process - ownership units.

A. Wait List Procedure.

1. The developer, its partner, or its management company shall establish wait lists of interested applicants by development.

2. Prior to initiating the wait list, the developer, its partner, or its management company shall publish in at least five issues of a newspaper of general circulation within the County, a public notice that shall contain all information that is relevant to the establishment of the wait list. The public shall also be informed in a like manner, of any decision that would substantially affect the maintenance and use of the wait list.

3. Selection for purchase shall be made by a lottery administered by the developer, its partner, or its management company and overseen by the department, subject to the applicant meeting the eligibility criteria established in subsection (B).

B. Eligibility criteria. In order to be eligible for a residential workforce housing unit, an applicant must meet the following criteria:

1. Be a citizen of the United States or a permanent resident alien who is a resident of the County.

2. Be eighteen years of age or older.

3. Have a gross annual family income (not to include the income of minors) which does not exceed one hundred forty percent of the County's area median income as established by HUD, or as adjusted by the department, for Hana, Lanai, and Molokai. Initial determination for compliance with the maximum gross annual family income provision shall be made by the developer, its partner, or its management company for the initial sale of residential workforce housing units, on the basis of the information provided on the ownership application. The ownership application will be completed when a specific unit is being considered. Final determination for compliance with the maximum gross annual family income provision shall be made by the prospective lender at the time the applicant's income verification data is received.

4. Have assets that do not exceed one hundred forty percent of the County's area median income as established by HUD, or as adjusted by the department, for Hana, Lanai, and Molokai. Assets shall include all cash, securities, stocks, bonds and real property. Real property shall be valued at fair market value less liabilities on such real property.

5. For a period of three years before the submittal of the ownership application, have not had an interest of fifty percent or more in real property in fee or leasehold in the United States, where the unit or land is deemed suitable for dwelling purposes, unless the applicant is selling an affordable unit and purchasing a different affordable unit that is more appropriate for the applicant's family size.

6. Pre-qualify for a loan with the applicant's choice of lender.

C. Notification of Change. Each applicant shall be responsible for notifying the developer, its partner, or its management company in writing of any changes in mailing address, telephone number, fax number, and/or e-mail address. If an applicant fails to properly notify the developer, its partner, or its management company of such changes and the developer, its partner, or its management company is unable to contact the applicant, the developer, its partner, or its management company shall remove the applicant's name from the wait list.

D. Selection priority.

1. Residents on the wait list shall receive first priority for the available units. Nonresidents on the wait list may purchase a residential workforce housing unit once the wait list has been exhausted of all residents.

2. The developer, its partner, or its management company may do a mass mailing of housing applications to applicants on the wait list.

3. The residential workforce housing units must be offered to residents in the order in which their names were drawn in the lottery, provided that there is a unit available in the income group for

which they qualify. Nonresidents will be offered residential workforce housing units in the order in which their names were drawn in the lottery.

4. In the event that units are not sold within the first ninety days after they are offered for sale, and the developer has made a good faith effort, as determined by the director, to contact and qualify applicants on the wait list, the sale of remaining units shall be conducted as follows:

   a. For the next ninety-day period, units shall be offered for sale to the next-higher income preference group, at the original sales price. For example, units targeted for families earning up to one hundred twenty percent of the median income may be sold to families earning up to one hundred forty percent of the median income. All other eligibility criteria shall apply.

   b. Units shall be offered to the next higher income group every ninety days until the units are sold or there are no more income groups available.

   c. Units shall then be offered to nonresidents on the wait list in the order in which their names were drawn in the lottery, for the next ninety-day period, provided that the applicant's income is within the residential workforce housing income groups.

   d. Any units that remain unsold may be offered at market rate without deed restrictions. Upon the sale of the unit, the County shall receive fifty percent of the difference between the original sales price of the unit and the actual market rate sales price, for deposit into the affordable housing fund. In this event, the developer shall still be deemed to have satisfied the requirement for producing a residential workforce housing unit.

5. The developer shall submit copies of the following information to the department to verify the sale of residential workforce housing units to eligible buyers:

   a. Applicant's completed ownership application.

   b. Executed sales contract.

   c. Pre-qualification notice from lender.

   d. All signed federal and state tax returns used to determine eligibility, or any other documents used to determine eligibility by the lender.

   e. Escrow company's settlement statement.

6. An owner of a residential workforce housing unit that is being resold must sell the unit to an income-qualified household and notify the department of the sale. The department shall verify the sales price.

(Ord. No. 4177, § 10, 2014; Ord. 3418 § 1 (part), 2006)

2.96.100 - Applicant selection process—rental units.

A. Wait List Procedure.

   1. The developer, its partner, or its management company shall establish wait lists of interested applicants by rental development;

   2. Prior to initiating the wait list, the developer, its partner, or its management company shall initiate the wait list process by publishing in at least five issues of a newspaper of general circulation within the County, a public notice that shall contain all information that is relevant to the establishment of the wait list. The public shall also be informed in a like manner, of any decision that would substantially affect the maintenance and use of the wait list; and

   3. Selection for rental units shall be made by a lottery administered by the developer, its partner, or its management company and overseen by the department, subject to the applicant meeting the eligibility criteria established in subsection B of this section.

B. Eligibility Criteria. The eligibility criteria for rentals shall be established on a project-by-project basis by the director in the following manner:

1. If the project is receiving federal and/or state assistance, the applicable federal and/or state eligibility criteria shall apply; and

2. If the project is not receiving federal and/or state assistance, all eligibility criteria in section 2.96.090.B of this chapter shall apply, except for section 2.96.090.B.6 of this chapter.

C. Notification of Change. Each applicant shall be responsible for notifying the developer, its partner, or its management company in writing of any changes in mailing address, telephone number, fax number, and/or e-mail address. If an applicant fails to properly notify the developer, its partner, or its management company of such changes and the developer, its partner, or its management company is unable to contact the applicant, the applicant's name shall be removed from the applicable wait list.

D. Selection Priority.

1. Residents on the wait list shall receive first priority for the available units. Nonresidents on the wait list may rent a residential workforce housing unit once the wait list has been exhausted of all residents.

2. The developer, its partner, or its management company may do a mass mailing of housing applications to applicants on the wait list.

3. The residential workforce housing units shall be offered to residents in the order in which their names were drawn in the lottery, provided that there is a unit available in the income group for which they qualify. Nonresidents will then be offered residential workforce housing units in the order in which their names were drawn in the lottery, provided that there is a unit available in the income group for which they qualify.

4. The developer, its partner, or its management company shall submit copies of the following information to the department to verify the rental of residential workforce housing units to eligible renters:

   a. Applicant's completed final rental application;

   b. Executed rental lease; and

   c. All signed federal and state tax returns used to determine eligibility, or any other documents used to determine eligibility by the developer, its partner, or its management company.

5. The developer, its partner, or its management company shall maintain a wait list for the development after all of the units are rented, which shall be used to fill any vacancy.

6. Any rental unit vacancy shall be filled by an applicant in the same income group as the original tenant to maintain an equal distribution of rentals across the "very low income" and "low income," "below-moderate income," and "moderate income" groups.

7. An owner of a residential workforce housing rental development intending to sell the development shall notify the department in writing prior to the closing of the sale, and shall provide documentation to the department that the prospective new owner acknowledges and is aware of the terms, conditions, and restrictions encumbering the development as set forth in section 2.96.070.

(Ord. 3546 § 2, 2008; Ord. 3418 § 1 (part), 2006)

2.96.110 - Review requirements.

A. The council shall review this chapter every two years.

B. The director shall provide an annual report to the council on the status of the housing policy that shall include the following:

   1. The number of units built for sale and rent, categorized by number of bedrooms, income group, and sales price if for sale;

   2. The number of purchasers who resold units, categorized by number of bedrooms, income group, and sales price; and

   3. The number of developers, their partner(s), or their management companies maintaining a wait list, and the number of applicants on each wait list.

C. For rental developments, the developer, its partner, or its management company shall submit an annual report of rental units to the department that includes the following:

   1. The tenant's move-in date; and

   2. The income group of the tenant or family.

(Ord. 3418 § 1 (part), 2006)

2.96.120 - Rules.

The director shall adopt administrative rules to implement this chapter, pursuant to chapter 91, Hawaii Revised Statutes, within one hundred eighty days after the effective date of the ordinance codified in this chapter.

(Ord. 3418 § 1 (part), 2006)

2.96.130 - Property assessment value.

The annual tax assessed value, as determined by the County, will take into account the limited resale value of the residential workforce housing property.

(Ord. 3418 § 1 (part), 2006)

2.96.140 - Incentives.

A. For developments subject to this chapter, and under the jurisdiction of the development services administration of the department of public works, decisions on permits will be made by all departments within sixty days of the date the permit application is deemed complete by the development services administration. Decisions on permits that require review by any outside agency will be made within thirty days of receipt by the development services administration of the last approval from an outside agency; provided that decisions on applications that require special management area permit review, or environmental review pursuant to chapter 343, Hawaii Revised Statutes, shall be issued within ninety days of completion of the applicable review.

B. For developments subject to this chapter, and if applicable, the council will schedule the initial meeting for such application within six months of the referral to the appropriate committee. The council will vote to approve or deny the application within one year of the referral to committee.

(Ord. No. 4177, § 11, 2014; Ord. 3418 § 1 (part), 2006)

2.96.150 - Qualified housing providers.

Where the department determines that such an agreement will further the purposes of this chapter, the department shall enter into an agreement, on a project-by-project basis, with a qualified housing provider. Such an agreement may provide, without limitation, that the qualified housing provider shall:

A. Receive, own, manage, rent, operate and sell residential workforce housing units provided by developers pursuant to section 2.96.040.

B. Receive land and in-lieu fees provided by developers pursuant to subsection 2.96.040(B)(4).

C. Receive disbursements from the affordable housing fund and other funds provided for the purposes of this chapter.

D. Administer the selection processes under sections 2.96.090 and 2.96.100 subject to the department's oversight.

   1. Where a qualified housing provider receives, owns, develops, rents, operates or sells residential workforce housing units, such units shall be rented or sold to applicants qualified under this chapter, as set forth in the qualified housing provider's agreement with the department.

   2. Selection of purchasers or renters for a qualified housing provider's units shall be made in accordance with sections 2.96.090 and 2.96.100 of this chapter or with other selection processes permitted under the qualified housing provider's agreement with the department.

   3. All qualified housing provider rentals or sales shall be on terms, conditions, and restrictions set forth in the agreement, which shall be at least as restrictive as the terms, conditions and restrictions applicable to developer rentals or sales under this chapter, and may be more restrictive.

   4. All qualified housing provider agreements shall require detailed reports to the department, on no less than an annual basis, of the qualified housing provider's implementation of, and compliance with, the agreement. This report shall include an annual financial audit.

(Ord. No. 4177, § 10[12], 2014; Ord. 3418 § 1 (part), 2006)

<u>EXHIBIT B</u>

Selected Pages from County of Maui
2015 Affordable Sales Price Guidelines

Prepared by:
HOUSING DIVISION
DEPARTMENT OF HOUSING AND HUMAN CONCERNS (DHHC)
COUNTY OF MAUI

Effective: **May 1, 2015**

2015
AFFORDABLE SALES PRICE GUIDELINES
MAUI (EXCEPT HANA)
SINGLE FAMILY

		Percent of Median Income											
		Very Low	Low Income			Below Moderate		Moderate		Above Moderate		Gap Income	
		50% & Below	(51% to 80%)			(81% to 100%)		(101% to 120%)		(121% to 140%)		(141% to 160%)	
Prevailing Int. Rate	No. of Bedrooms	50% $37,550	60% $45,060	70% $52,570	80% $60,080	90% $67,590	100% $75,100	110% $82,610	120% $90,120	130% $97,630	140% $105,140	150% $112,650	160% $120,160
4.000%	1	$144,900	$173,880	$202,860	$231,840	$260,820	$289,800	$318,780	$347,760	$376,740	$405,650	$434,630	$463,610
	2	$175,950	$211,140	$246,330	$281,520	$316,710	$351,900	$387,090	$422,280	$457,470	$492,575	$527,765	$562,955
	3	$207,000	$248,400	$289,800	$331,200	$372,600	$414,000	$455,400	$496,800	$538,200	$579,500	$620,900	$662,300
	4	$238,050	$285,660	$333,270	$380,880	$428,490	$476,100	$523,710	$571,320	$618,930	$666,425	$714,035	$761,645
4.125%	1	$142,730	$171,290	$199,780	$228,340	$256,900	$285,460	$314,020	$342,510	$371,070	$399,630	$428,190	$456,750
	2	$173,315	$207,995	$242,590	$277,270	$311,950	$346,630	$381,310	$415,905	$450,585	$485,265	$519,945	$554,625
	3	$203,900	$244,700	$285,400	$326,200	$367,000	$407,800	$448,600	$489,300	$530,100	$570,900	$611,700	$652,500
	4	$234,485	$281,405	$328,210	$375,130	$422,050	$468,970	$515,890	$562,695	$609,615	$656,535	$703,455	$750,375
4.250%	1	$140,630	$168,700	$196,840	$224,980	$253,120	$281,190	$309,330	$337,470	$365,610	$393,680	$421,820	$449,960
	2	$170,765	$204,850	$239,020	$273,190	$307,360	$341,445	$375,615	$409,785	$443,955	$478,040	$512,210	$546,380
	3	$200,900	$241,000	$281,200	$321,400	$361,600	$401,700	$441,900	$482,100	$522,300	$562,400	$602,600	$642,800
	4	$231,035	$277,150	$323,380	$369,610	$415,840	$461,955	$508,185	$554,415	$600,645	$646,760	$692,990	$739,220
4.375%	1	$138,530	$166,250	$193,970	$221,690	$249,340	$277,060	$304,780	$332,500	$360,220	$387,940	$415,590	$443,310
	2	$168,215	$201,875	$235,535	$269,195	$302,770	$336,430	$370,090	$403,750	$437,410	$471,070	$504,645	$538,305
	3	$197,900	$237,500	$277,100	$316,700	$356,200	$395,800	$435,400	$475,000	$514,600	$554,200	$593,700	$633,300
	4	$227,585	$273,125	$318,665	$364,205	$409,630	$455,170	$500,710	$546,250	$591,790	$637,330	$682,755	$728,295
4.500%	1	$136,500	$163,800	$191,100	$218,400	$245,700	$273,000	$300,370	$327,670	$354,970	$382,270	$409,570	$436,870
	2	$165,750	$198,900	$232,050	$265,200	$298,350	$331,500	$364,735	$397,885	$431,035	$464,185	$497,335	$530,485
	3	$195,000	$234,000	$273,000	$312,000	$351,000	$390,000	$429,100	$468,100	$507,100	$546,100	$585,100	$624,100
	4	$224,250	$269,100	$313,950	$358,800	$403,650	$448,500	$493,465	$538,315	$583,165	$628,015	$672,865	$717,715
4.625%	1	$134,540	$161,420	$188,370	$215,250	$242,200	$269,080	$295,960	$322,910	$349,790	$376,740	$403,620	$430,500
	2	$163,370	$196,010	$228,735	$261,375	$294,100	$326,740	$359,380	$392,105	$424,745	$457,470	$490,110	$522,750
	3	$192,200	$230,600	$269,100	$307,500	$346,000	$384,400	$422,800	$461,300	$499,700	$538,200	$576,600	$615,000
	4	$221,030	$265,190	$309,465	$353,625	$397,900	$442,060	$486,220	$530,495	$574,655	$618,930	$663,090	$707,250
4.750%	1	$132,580	$159,110	$185,640	$212,170	$238,700	$265,230	$291,690	$318,220	$344,750	$371,280	$397,810	$424,340
	2	$160,990	$193,205	$225,420	$257,635	$289,850	$322,065	$354,195	$386,410	$418,625	$450,840	$483,055	$515,270
	3	$189,400	$227,300	$265,200	$303,100	$341,000	$378,900	$416,700	$454,600	$492,500	$530,400	$568,300	$606,200
	4	$217,810	$261,395	$304,980	$348,565	$392,150	$435,735	$479,205	$522,790	$566,375	$609,960	$653,545	$697,130
4.875%	1	$130,690	$156,870	$182,980	$209,160	$235,270	$261,380	$287,560	$313,670	$339,850	$365,960	$392,140	$418,250
	2	$158,695	$190,485	$222,190	$253,980	$285,685	$317,390	$349,180	$380,885	$412,675	$444,380	$476,170	$507,875
	3	$186,700	$224,100	$261,400	$298,800	$336,100	$373,400	$410,800	$448,100	$485,500	$522,800	$560,200	$597,500
	4	$214,705	$257,715	$300,610	$343,620	$386,515	$429,410	$472,420	$515,315	$558,325	$601,220	$644,230	$687,125
5.000%	1	$128,870	$154,630	$180,390	$206,150	$231,910	$257,740	$283,500	$309,260	$335,020	$360,780	$386,540	$412,300
	2	$156,485	$187,765	$219,045	$250,325	$281,605	$312,970	$344,250	$375,530	$406,810	$438,090	$469,370	$500,650
	3	$184,100	$220,900	$257,700	$294,500	$331,300	$368,200	$405,000	$441,800	$478,600	$515,400	$552,200	$589,000
	4	$211,715	$254,035	$296,355	$338,675	$380,995	$423,430	$465,750	$508,070	$550,390	$592,710	$635,030	$677,350
5.125%	1	$127,050	$152,460	$177,870	$203,280	$228,690	$254,100	$279,510	$304,920	$330,330	$355,740	$381,150	$406,490
	2	$154,275	$185,130	$215,985	$246,840	$277,695	$308,550	$339,405	$370,260	$401,115	$431,970	$462,825	$493,595
	3	$181,500	$217,800	$254,100	$290,400	$326,700	$363,000	$399,300	$435,600	$471,900	$508,200	$544,500	$580,700
	4	$208,725	$250,470	$292,215	$333,960	$375,705	$417,450	$459,195	$500,940	$542,685	$584,430	$626,175	$667,805
5.250%	1	$125,230	$150,290	$175,350	$200,410	$225,470	$250,530	$275,590	$300,650	$325,710	$350,770	$375,760	$400,820
	2	$152,065	$182,495	$212,925	$243,355	$273,785	$304,215	$334,645	$365,075	$395,505	$425,935	$456,280	$486,710
	3	$178,900	$214,700	$250,500	$286,300	$322,100	$357,900	$393,700	$429,500	$465,300	$501,100	$536,800	$572,600
	4	$205,735	$246,905	$288,075	$329,245	$370,415	$411,585	$452,755	$493,925	$535,095	$576,265	$617,320	$658,490

Prepared by:
HOUSING DIVISION
DEPARTMENT OF HOUSING AND HUMAN CONCERNS (DHHC)
COUNTY OF MAUI

Effective: **May 1, 2015**

2015
AFFORDABLE SALES PRICE GUIDELINES
MAUI (EXCEPT HANA)
MULTI-FAMILY

		Percent of Median Income											
		Very Low	Low Income			Below Moderate		Moderate		Above Moderate		Gap Income	
		50% & Below	(51% to 80%)			(81% to 100%)		(101% to 120%)		(121% to 140%)		(141% to 160%)	
Prevailing Int. Rate	No. of Bedroom	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
		$37,550	$45,060	$52,570	$60,080	$67,590	$75,100	$82,610	$90,120	$97,630	$105,140	$112,650	$120,160
4.000%	1	$130,410	$156,520	$182,560	$208,670	$234,710	$260,820	$286,930	$312,970	$339,080	$365,120	$391,160	$417,270
	2	$158,355	$190,060	$221,680	$253,385	$285,005	$316,710	$348,415	$380,035	$411,740	$443,360	$474,980	$506,685
	3	$186,300	$223,600	$260,800	$298,100	$335,300	$372,600	$409,900	$447,100	$484,400	$521,600	$558,800	$596,100
	4	$214,245	$257,140	$299,920	$342,815	$385,595	$428,490	$471,385	$514,165	$557,060	$599,840	$642,620	$685,515
4.125%	1	$128,450	$154,140	$179,830	$205,520	$231,210	$256,900	$282,590	$308,280	$333,970	$359,660	$385,350	$411,110
	2	$155,975	$187,170	$218,365	$249,560	$280,755	$311,950	$343,145	$374,340	$405,535	$436,730	$467,925	$499,205
	3	$183,500	$220,200	$256,900	$293,600	$330,300	$367,000	$403,700	$440,400	$477,100	$513,800	$550,500	$587,300
	4	$211,025	$253,230	$295,435	$337,640	$379,845	$422,050	$464,255	$506,460	$548,665	$590,870	$633,075	$675,395
4.250%	1	$126,560	$151,830	$177,170	$202,510	$227,780	$253,050	$278,390	$303,730	$329,070	$354,340	$379,610	$404,950
	2	$153,680	$184,365	$215,135	$245,905	$276,590	$307,275	$338,045	$368,815	$399,585	$430,270	$460,955	$491,725
	3	$180,800	$216,900	$253,100	$289,300	$325,400	$361,500	$397,700	$433,900	$470,100	$506,200	$542,300	$578,500
	4	$207,920	$249,435	$291,065	$332,695	$374,210	$415,725	$457,355	$498,985	$540,615	$582,130	$623,645	$665,275
4.375%	1	$124,670	$149,660	$174,580	$199,500	$224,420	$249,340	$274,330	$299,250	$324,170	$349,160	$374,010	$399,000
	2	$151,385	$181,730	$211,990	$242,250	$272,510	$302,770	$333,115	$363,375	$393,635	$423,980	$454,155	$484,500
	3	$178,100	$213,800	$249,400	$285,000	$320,600	$356,200	$391,900	$427,500	$463,100	$498,800	$534,300	$570,000
	4	$204,815	$245,870	$286,810	$327,750	$368,690	$409,630	$450,685	$491,625	$532,565	$573,620	$614,445	$655,500
4.500%	1	$122,850	$147,420	$171,990	$196,560	$221,130	$245,700	$270,340	$294,910	$319,480	$344,050	$368,620	$393,190
	2	$149,175	$179,010	$208,845	$238,680	$268,515	$298,350	$328,270	$358,105	$387,940	$417,775	$447,610	$477,445
	3	$175,500	$210,600	$245,700	$280,800	$315,900	$351,000	$386,200	$421,300	$456,400	$491,500	$526,600	$561,700
	4	$201,825	$242,190	$282,555	$322,920	$363,285	$403,650	$444,130	$484,495	$524,860	$565,225	$605,590	$645,955
4.625%	1	$121,100	$145,250	$169,540	$193,760	$217,980	$242,200	$266,350	$290,640	$314,790	$339,080	$363,230	$387,450
	2	$147,050	$176,375	$205,870	$235,280	$264,690	$294,100	$323,425	$352,920	$382,245	$411,740	$441,065	$470,475
	3	$173,000	$207,500	$242,200	$276,800	$311,400	$346,000	$380,500	$415,200	$449,700	$484,400	$518,900	$553,500
	4	$198,950	$238,625	$278,530	$318,320	$358,110	$397,900	$437,575	$477,480	$517,155	$557,060	$596,735	$636,525
4.750%	1	$119,350	$143,220	$167,090	$190,960	$214,830	$238,700	$262,500	$286,370	$310,310	$334,180	$358,050	$381,920
	2	$144,925	$173,910	$202,895	$231,880	$260,865	$289,850	$318,750	$347,735	$376,805	$405,790	$434,775	$463,760
	3	$170,500	$204,600	$238,700	$272,800	$306,900	$341,000	$375,000	$409,100	$443,300	$477,400	$511,500	$545,600
	4	$196,075	$235,290	$274,505	$313,720	$352,935	$392,150	$431,250	$470,465	$509,795	$549,010	$588,225	$627,440
4.875%	1	$117,600	$141,190	$164,710	$188,230	$211,750	$235,270	$258,790	$282,310	$305,900	$329,350	$352,940	$376,460
	2	$142,800	$171,445	$200,005	$228,565	$257,125	$285,685	$314,245	$342,805	$371,450	$399,925	$428,570	$457,130
	3	$168,000	$201,700	$235,300	$268,900	$302,500	$336,100	$369,700	$403,300	$437,000	$470,500	$504,200	$537,800
	4	$193,200	$231,955	$270,595	$309,235	$347,875	$386,515	$425,155	$463,795	$502,550	$541,075	$579,830	$618,470
5.000%	1	$115,990	$139,160	$162,330	$185,570	$208,740	$231,980	$255,150	$278,320	$301,490	$324,730	$347,900	$371,070
	2	$140,845	$168,980	$197,115	$225,335	$253,470	$281,690	$309,825	$337,960	$366,095	$394,315	$422,450	$450,585
	3	$165,700	$198,800	$231,900	$265,100	$298,200	$331,400	$364,500	$397,600	$430,700	$463,900	$497,000	$530,100
	4	$190,555	$228,620	$266,685	$304,865	$342,930	$381,110	$419,175	$457,240	$495,305	$533,485	$571,550	$609,615
5.125%	1	$114,380	$137,200	$160,090	$182,980	$205,800	$228,690	$251,580	$274,400	$297,290	$320,180	$343,070	$365,820
	2	$138,890	$166,600	$194,395	$222,190	$249,900	$277,695	$305,490	$333,200	$360,995	$388,790	$416,585	$444,210
	3	$163,400	$196,000	$228,700	$261,400	$294,000	$326,700	$359,400	$392,000	$424,700	$457,400	$490,100	$522,600
	4	$187,910	$225,400	$263,005	$300,610	$338,100	$375,705	$413,310	$450,800	$488,405	$526,010	$563,615	$600,990
5.250%	1	$112,700	$135,240	$157,850	$180,390	$202,930	$225,470	$248,010	$270,620	$293,160	$315,700	$338,170	$360,710
	2	$136,850	$164,220	$191,675	$219,045	$246,415	$273,785	$301,155	$328,610	$355,980	$383,350	$410,635	$438,005
	3	$161,000	$193,200	$225,500	$257,700	$289,900	$322,100	$354,300	$386,600	$418,800	$451,000	$483,100	$515,300
	4	$185,150	$222,180	$259,325	$296,355	$333,385	$370,415	$407,445	$444,590	$481,620	$518,650	$555,565	$592,595

ADDENDA

DEFINITIONS

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

Appraisal (noun) the act or process of developing an opinion of value; an opinion of value (adjective) of or pertaining to appraising and related functions such as appraisal practice or appraisal services.

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

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

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

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

- It is required to properly develop credible opinions and conclusions;
- The consultant has a reasonable basis for the extraordinary assumption;
- Use of the extraordinary assumption results in a credible analysis; and
- The consultant complies with the disclosure requirements set forth in USPAP for extraordinary assumptions.

Fair Value The cash price that might reasonably be anticipated in a current sale under all conditions requisite to a fair sale. A fair sale means that buyer and seller are each acting prudently, knowledgeably, and under no necessity to buy or sell-, i.e., other than in a forced or liquidation sale. The consultant should estimate the cash price that might be received upon exposure to the open market for a reasonable time, considering the property type and local market conditions. ***When a current sale is unlikely- i.e., when it is unlikely that the sale can be completed within 12 months-the consultant must discount all cash flows generated by the property to obtain the estimate of fair value.*** These cash flows include, but are not limited to, those arising from ownership, development, operating, and sale of the property. The discount applied shall reflect the consultant's judgment of what a prudent, knowledgeable purchase under o necessity to buy would be willing to pay to purchase the property in a current sale.

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

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

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

Highest and Best Use of Land or a Site as Though Vacant Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements.

Highest and Best Use of Property as Improved The use that should be made of a property as it exists. An existing improvement should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one.

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

- Use of the hypothetical condition is clearly required for legal purposes, for purposes of reasonable analysis, or for purposes of comparison;
- Use of the hypothetical condition results in a credible analysis; and
- The consultant complies with the disclosure requirements set forth in USPAP for hypothetical conditions

Leased Fee Interest An ownership interest held by a landlord with the rights of use and occupancy conveyed by lease to others. The rights of the lessor (the leased fee owner) and the lessee are specified by contract terms contained within the lease.

Leasehold Interest The interest held by the lessee (the tenant or renter) through a lease transferring the rights of use and occupancy for a stated term under certain conditions.

Market Rent The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the specified lease agreement including term, rental adjustment and revaluation, permitted uses, use restrictions, and expense obligations; the lessee and lessor each acting prudently and knowledgeably, and assuming consummation of a lease contract as of a specified date and the passing of the leasehold from lessor to lessee under conditions whereby:

- Lessee and lessor are typically motivated.
- Both parties are well informed or well advised, and acting in what they consider their best interests.
- A reasonable time is allowed for exposure in the open market.
- The rent payment is made in terms of cash in United States dollars, and is expressed as an amount per time period consistent with the payment schedule of the lease contract.
- The rental amount represents the normal consideration for the property leased unaffected by special fees or concessions granted by anyone associated with the transaction.

Market Value

The major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined. Continual refinement is essential to the growth of the appraisal profession.

The most widely accepted components of market value are incorporated in the following definition:

"The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress."

Market value is defined in the Uniform Standards of Professional Appraisal Practice (USPAP) as follows:

"A type of value, stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the definition of the term identified by the consultant as applicable in an appraisal."

The following definition of market value is used by agencies that regulate federally insured financial institutions in the United States:

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

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their best interests;
- A reasonable time is allowed for exposure in the open market;

- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Prospective Market Value Upon Completion of Construction

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

Prospective Value Opinion

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

Report

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

> <u>Self-Contained Appraisal Report</u>: A written appraisal report prepared under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice. A self-contained appraisal report sets forth the data considered, the appraisal procedures followed, and the reasoning employed in the appraisal, addressing each item in the depth and detail required by its significance to the appraisal and providing sufficient information so that the client and the users of the report will understand the appraisal and not be misled or confused.
>
> <u>Summary Appraisal Report</u>: A written report prepared under Standards Rule 2-2(b) or 8-2(b). A summary appraisal report contains a summary of all information significant to the solution of the appraisal problem. The essential difference between a self-contained appraisal report and a summary appraisal report is the level of detail of presentation.
>
> <u>Restricted Appraisal Report</u>: A written report prepared under Standards Rule 2-2(c), 8-2(c), or 10-2(b). A restricted use appraisal report is for client use only. The restricted use appraisal report should contain a brief statement of information significant to the solution of the appraisal problem.

Uniform Standards of Professional Appraisal Practice

Current standards of the appraisal profession, developed for consultants and the users of appraisal services by the Appraisal Standards Board of The Appraisal Foundation. The Uniform Standards set forth the procedures to be followed in developing an appraisal, analysis, or opinion and the manner in which an appraisal, analysis, or opinion is communicated. They are endorsed by the Appraisal Institute and by other professional appraisal organizations.

LIMITING AND CONTINGENT CONDITIONS
ACM Consultants, Inc.

1. The property is appraised as though free and clear of any or all liens and encumbrances unless otherwise stated in this report. The Consultant will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The Consultant assumes that the title is good and marketable, and therefore, will not render any opinions about the title.

2. Legal descriptions referenced in the report were obtained from public documents from the State of Hawaii, Bureau of Conveyances, or were furnished by the client, and were assumed to be correct.

3. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in this appraisal report.

4. It is assumed that all required licenses, certificates of occupancy or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report are based.

5. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless otherwise stated in this report. Responsible ownership and competent property management are assumed unless otherwise stated in this report.

6. The Consultant has inspected as far as possible, by observation, the land and the improvements; however, it was not possible to personally observe conditions beneath the soil or hidden structurally or by other components. The appraisal assumes that there are no hidden, unapparent, or apparent conditions of the property site, subsoil, or structures or toxic material which would render it more or less valuable. The Consultant and firm have no responsibility for any such conditions or for any expertise or engineering to discover them. All mechanical components are assumed to be in operable condition and status standard for properties of the subject type. Conditions of heating, cooling, ventilation, electrical and plumbing equipment is considered to be commensurate with the conditions of the balance of the improvements unless otherwise stated. No judgment may be made by us as to adequacy of insulation, type of insulation, or energy efficiency of the improvements or equipment, and no representations are made herein as to these matters unless specifically stated and considered in the report.

7. Information provided by third parties including government agencies, financial institutions, realtors, buyers, sellers, property owners and others and contained in this report were obtained from sources considered reliable and believed to be true and correct. However, no warranty is assumed for possible misinformation.

8. All engineering is assumed to be correct. Any plot plans and illustrative material in this report are included only to assist the reader in visualizing the property. Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. Maps and exhibits found in this report are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied unless otherwise stated in this report. No survey has been made for the purpose of this report.

9. The Consultant is not qualified to detect hazardous waste and/or toxic materials. Any comment by the Consultant that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The Consultant's value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value unless otherwise stated in this report. No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover them. The Consultant's descriptions and resulting comments are the result of the routine observations made during the appraisal process.

10. If analysis contained in this appraisal involves partial interests in real estate, the value of the fractional interest plus the value of all other fractional interests may or may not equal the value of the entire fee simple estate considered as a whole.

11. Unless otherwise stated in this report, the subject property is appraised without a specific compliance survey having been conducted to determine if the property is or is not in conformance with the requirements of the Americans with Disabilities Act. The presence of architectural and communications barriers that are structural in nature that would restrict access by disabled individuals may adversely affect the property's value, marketability, or utility.

12. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purposed by any person other than the party to whom it is addressed without the written consent of the Consultant, and in any event, only with proper written qualification and only in its entirety.

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

14. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the Consultant, or the firm with which the Consultant is connected) shall be disseminated to the public through advertising, public relations, news sales, or other media without prior written consent and approval of the Consultant.

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

PROFESSIONAL QUALIFICATIONS

Glenn K. Kunihisa, MAI

STATE LICENSING

State Certified General Appraiser,
State of Hawaii, License No. CGA 39, July 17, 1991
Expiration: December 31, 2015

PROFESSIONAL AFFILIATIONS

Member, Appraisal Institute, MAI Designation, Hawaii Chapter No. 67
Member, National Association of Realtors, Maui Board of Realtors

PROFESSIONAL INVOLVEMENT

Past President – Hawaii Chapter of the Appraisal Institute – 2009
Past Chair – Hawaii Chapter of The Counselors of Real Estate - 2011

COMMUNITY AFFILIATIONS

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

EMPLOYMENT

President, ACM Consultants, Inc.
May, 1997 to present

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

GENERAL EDUCATION

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

LEGAL & CONSULTING

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

APPRAISAL EDUCATION

<u>Appraisal Institute</u>

Seminar *7-Hour National USPAP Update Course*
Las Vegas, Nevada – September 2013
Seminar *Marketability Studies: Advanced Considerations & Applications*
Las Vegas, Nevada – June 2013
Seminar *Marketability Studies: Six-Step Process & Basic Applications*
Las Vegas, Nevada – June 2013
Course *Fundamentals of Separating Real Property, Personal Property and Intangible Business Assets*
Honolulu, Hawaii – July 2012

Course	*Online 7-Hour National USPAP Equivalent Course* Chicago, Illinois – December 2011
Seminar	*Appraisal Curriculum Overview (2-day general)* Honolulu, Hawaii – July 2010
Seminar	*Online Valuation of Green Residential Properties* Chicago, Illinois – July 2010
Seminar	*Hotel Valuation* Honolulu, Hawaii – February 2010
Seminar	*Online Small Hotel/Motel Valuation* Chicago, Illinois – November 2009
Seminar	*Business Practices and Ethics* Honolulu, Hawaii – September 2009
Seminar	*Hawaii Lands, Historical Review* Lihue, Hawaii – August 2009
Seminar	*Appraisal Challenges: Declining Markets and Sales Concessions* Cambria, California – October 2008
Course	*7-Hour National USPAP Update Course* Honolulu, Hawaii – September 2008
Course	*Online 7-Hour National USPAP Equivalent Course* Chicago, Illinois – October 2007
Course	*Valuation of Conservation Easements* Denver, Colorado – October 2007
Seminar	*Uniform Standards for Federal Land Acquisitions ("Yellow Book")* *Practical Applications for Fee Appraisers* Honolulu, Hawaii – December 2006
Seminar	*California Conservation Easements* Sacramento, California – November 2005
Course 400	*7-Hour National USPAP Update Course* Honolulu, Hawaii – October 2005
Seminar	*Case Studies in Limited Partnership and Partial Interest Valuation* Honolulu, Hawaii – May 2005
Seminar	*Appraisal Consulting: A Solutions Approach for Professionals* Honolulu, Hawaii – February 2005
Seminar	*Real Estate Finance, Value and Investment Performance* Honolulu, Hawaii – February 2005
Seminar	*Fannie Mae Residential Presentation* Honolulu, Hawaii - July 2004
Seminar	*Subdivision Analysis* Chicago, Illinois - August 2003
Seminar	*Supporting Capitalization Rates* Chicago, Illinois - August 2003
Seminar	*The Technology Assisted Appraiser* Chicago, Illinois - August 2003
Seminar	*Scope of Work: Expanding Your Range of Services* Chicago, Illinois - August 2003
Course 400	*National Uniform Standards of Professional Practice* Honolulu, Hawaii - May 2003
Course 420	*Business Practices and Ethics* Honolulu, Hawaii - May 2003
Seminar	*The Private Conservation Market* Honolulu, Hawaii - July 2002

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

<u>The American Society of Farm Managers and Rural Appraisers, Inc.</u>

Seminar	*Agricultural Lease Valuation*	
		Honolulu, Hawaii – March 2006

<u>Maui Coastal Land Trust</u>

Seminar — *Understanding the New Tax Incentives: Conservation Easements & Other Charitable Contributions*
Wailuku, Hawaii – June 2007

<u>Society of Real Estate Appraisers</u>

Course 101 — *Introduction to Appraising Real Property*
Dallas, Texas – 1987

Course 102 — *Applied Residential Property Valuation*
Honolulu, Hawaii - July 1990

Course 201 — *Principles of Income Property Appraising*
Chicago, Illinois, 1987

Course 202 — *Applied Income Property Valuation*
San Diego, California - 1988

Seminar — *Professional Practice and the Society of Real Estate Appraisers*
Honolulu, Hawaii - 1988

Seminar — *Appraisal Standards Seminar - Federal Home Loan Bank Board Guidelines, Regulations and Policies*
Honolulu, Hawaii - April, 1988

<u>American Institute of Real Estate Appraisers</u>

Seminar — *Rates, Ratios and Reasonableness*
Honolulu, Hawaii - 1989

Seminar — *Discounted Cash Flow Analysis*
Honolulu, Hawaii - 1989

Seminar — *Highest and Best Use*
Honolulu, Hawaii - 1989

Seminar — *Capitalization Overview - Part A*
Honolulu, Hawaii - 1990

Seminar — *Capitalization Overview - Part B*
Honolulu, Hawaii – 1990

Seminar — *Accrued Depreciation*
Honolulu, Hawaii - 1990

<u>International Right of Way Association</u>

Course 410 — *Reviewing Appraisals in Eminent Domain*
San Diego, California – February 2011

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

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

<u>National Business Institute, Inc.</u>

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

<u>American Arbitration Association</u>

Seminar — *Real Estate Dispute Resolution - Mediation and Arbitration*
Kahului, Maui, Hawaii - October, 1990

PROFESSIONAL QUALIFICATIONS
of
Dominic J. Suguitan

STATE LICENSING

State Certified General Appraiser,
State of Hawaii, License No. CGA-576, April 17, 1995
Expiration: December 31, 2015

ASSOCIATION MEMBERSHIPS

Candidate for Designation - Appraisal Institute

Associate Member, Realtors Association of Maui

EXPERIENCE AND EDUCATION

Employment

Vice President, Commercial Division
ACM Consultants, Inc. (formerly ACM, Real Estate Appraisers, Inc.)
April, 1991 to present

Previously associated with the following:

Yamaguchi & Yamaguchi, Inc.
Real Estate Appraisers and Consultants

General Education

University of Hawaii at Manoa
Bachelor of Arts Degree, Communications, 1990

Maui Community College, 1985-86

Baldwin High School, 1985

Appraisal Education

Appraisal Institute Courses

"Appraising the Single Family Residence"
Honolulu, Hawaii - January, 1991

"Foundations of Real Estate Appraisal"
Honolulu, Hawaii - February, 1991

Course 1BA – "Capitalization Theory & Techniques, Part A"
San Jose, California - July, 1992.

Course 1BB – "Capitalization Theory & Techniques, Part B"
San Jose, California - July, 1992.

Course I410 – “Standards of Professional Practice, Part A (USPAP)”
Honolulu, Hawaii - April, 1993

Course II420 – “Standards of Professional Practice, Part B (USPAP)”
Honolulu, Hawaii - April, 1993.

Course II430 – “Standards of Professional Practice, Part C (USPAP)”
Honolulu, Hawaii - September, 1999.

Course I400 – “7-Hour National USPAP Update Course”
Honolulu, Hawaii - May, 2003.

Course II420 – “Business Practices and Ethics”
Honolulu, Hawaii - May, 2003

“Online 7-Hour National USPAP Equivalent Course” – Online Course
Chicago, Illinois – November, 2005

Course 520 – “Highest & Best Use and Market Analysis”
Seattle, Washington – September 2006

“Online 7-Hour National USPAP Equivalent Course” – Online Course
Chicago, Illinois – November, 2007

“Online 7-Hour National USPAP Equivalent Course” – Online Course
Chicago, Illinois – September, 2009

“Online Business Practices and Ethics” – Online Course
Chicago, Illinois – November, 2009

“Online 7-Hour National USPAP Equivalent Course” – Online Course
Chicago, Illinois – December, 2011

Course 844 – “Residential & Commercial Valuation of Solar”
Albuquerque, New Mexico – February, 2013

“Online General Appraiser Report Writing and Case Studies” – Online Course
Appraisal Institute, October, 2013

“7-Hour National USPAP Update Course” – Online Course
McKissock, December, 2013

“Advanced Concepts & Case Studies”
San Diego, California – May, 2014

<u>Appraisal Institute Seminars</u>

“Data Confirmation and Verification Methods” - Seminar
Honolulu, Hawaii - October, 1995

“Residential Property Construction and Inspection” - Seminar
Honolulu, Hawaii - October, 1995

"Appraisal of Retail Properties" - Seminar
Honolulu, Hawaii - May, 1996

"Detrimental Conditions in Hawaii" - Seminar
Honolulu, Hawaii - July, 1997

"Special Purpose Properties" - Seminar
Honolulu, Hawaii - September, 1997

"Highest and Best Use Applications" - Seminar
Honolulu, Hawaii - September, 1997

"Appraising From Blueprints and Specs" - Seminar
Honolulu, Hawaii - May, 1998

"New Industrial Valuation" - Seminar
Honolulu, Hawaii - October, 1998

"Eminent Domain & Condemnation Appraising" - Seminar
Honolulu, Hawaii - October, 1998

"Online Analyzing Operating Expenses" – Online Seminar
Chicago, Illinois - September, 2001

"Real Estate Disclosure" - Seminar
Honolulu, Hawaii - October, 2001

"Online Internet Search Strategies for R.E. Appraisers" – Online Seminar
Chicago, Illinois - October, 2001

"Online Valuation of Detrimental Conditions in Real Estate" – Online Seminar
Chicago, Illinois - December, 2001

"The Appraisal Institute Commercial Database & AppraiserLoop, Part I" - Seminar
Honolulu, Hawaii - July, 2002

"Statistical Analysis Using the Database, Part I" - Seminar
Honolulu, Hawaii - July, 2002

"The Aftermath: Our World Post-Sept 11" - Seminar
Honolulu, Hawaii - July, 2002

"Statistical Modeling & GIS: Applications for Income Properties" - Seminar
Honolulu, Hawaii - July, 2002

"Real Estate Finance, Value and Investment Performance" – Seminar
Honolulu, Hawaii – February, 2005

"Introduction to GIS Applications for Real Estate Appraisal" – Online Seminar
Chicago, Illinois – August, 2005

"Online Small Hotel/Motel Valuation" – Online Seminar
Chicago, Illinois – October, 2005

"Hawaii Lands, Historical Review"
Kahului, Hawaii – September, 2009

"Online Real Estate Finance Statistics and Valuation Modeling" – Online Seminar
Chicago, Illinois – October, 2009

"Online An Introduction to Valuing Commercial Green Buildings" – Online Seminar
Chicago, Illinois – August 2011

"Online Rates and Ratios: Making sense of GIMs, OARs, and DCF" – Online Seminar
Chicago, Illinois – August 2011

"Online Forecasting Revenue" – Online Seminar
Chicago, Illinois – August 2011

<u>Society of Real Estate Appraisers</u>

Course 101 – "Introduction to Appraising Real Property"
Tempe, Arizona - June, 1991