BEFORE THE LAND USE COMMISSION
OF THE STATE OF HAWAI'I

In the Matter of the Petition of:

WAIKAPU PROPERTIES, LLC; MTP LAND PARTNERS, LLC; WILLIAM S. FILIOS, Trustee of the William S. Filios Separate Property
Trust dated APRIL 3, 2000; and WAIALE 905 PARTNERS, LLC,

To Amend the Agricultural Land Use District Boundaries into the Rural Land Use District for certain lands situate at Waikapu, District of Wailuku, Island and County of Maui, State of Hawaii, consisting of 92.394 acres and 57.454 acres, bearing Tax Map Key No. (2) 3-6-004:003 (por) and to Amend the Agricultural Land Use District Boundaries into the Urban Land Use District for certain lands situate at Waikapu, District of Wailuku, Island and County of Maui, State of Hawaii, consisting of 236.326 acres, 53.775 acres, and 45.054 acres, bearing Tax Map Key No. (2) 3-6-002:003 (por), (2) 3-6-004:006 and (2) 3-6-005:007 (por).
DIRECT TESTIMONY OF ALBERT G. BOYCE V

My name is Albert G. Boyce V and my business address is P. O. Box 1870, Manteca, California 95336.

I am a manager of Waikapu Properties, LLC, MTP Land Partners, LLC and Waiale 905 Partners, LLC, which collectively are the Owners.

I obtained a Bachelor of Arts degree in Economics and Spanish from Stanford University in 1986.

After my graduation from college, I worked for several companies in California and South America in operations and implementing and executing of joint venture contracts concerning export crops. From 1990 to 1996, I primarily was involved in the operation of a natural resource company that produced domestic crude oil and continuing through this date, and also engaged in agriculture and real estate development. From 1996 to the present, I have been involved full-time with the entitlement, development and construction of residential and commercial real estate.

I have been a member of the Owners since the purchase of the lands that make up the Project we call Waikapu Country Town in 2005. Since the purchase, I have been involved on a day-to-day basis to manage the properties, including the commercial operation known as the Maui Tropical Plantation and the Mill House restaurant on the Maui Tropical Plantation
I am here to speak to the economic ability of the Owners to carry out the development of the Project. In my capacity as a member of the Owners, I obtained financial statements from each of the Owners as well as a financial statement from William Filios which are found in Exhibit “24”. The financial statements were prepared by accounting firms. Recently, I requested for review updated financial statements from each of the Owners and from Mr. Filios. I compared the updated financial information with the information contained in the financial statements that is found in Exhibit “24”. There has been no significant change to the financial condition of the Owners and of Mr. Filios from the financial condition shown on Exhibit “24”. The lands which are owned by the Owners and Mr. Filios remain debt free and the Owners and Mr. Filios liabilities remain small.

In my development of commercial and residential projects over the past 12 years, which included over 1,500 single-family units and over 450 multi-family units, I became familiar with the requirements that financial institutions and private lenders imposed to provide financing for acquisition, development construction and housing construction. These
projects involved obtaining financing during the economic
downturn from 2008 to 2010 and financing of projects after 2008
when lending requirements became more restrictive. Over the
past 9 years, the lenders' requirements have become much more
stringent requiring developers to provide greater amounts of
collateral and stronger financial positions.

I also have had initial discussions with lenders
concerning the Project to gauge both a willingness to finance
the Project as well as the expected lending requirements for the
Project.

Based upon my experience and upon my initial
discussions with lenders, the Owners have the economic ability
to carry out the development. The following factors support
that statement.

Lenders view the debt load on the property to be
developed as critical to lending decisions. The property on
which the Project will be built has no debt. The Owners and Mr.
Filios have been able to pursue the entitlements necessary to
allow the Project to be built without placing debt against the
land. The Owners and Mr. Filios also do not expect that
borrowing against the property will be required to complete the
entitlement process. Once the property is fully entitled, the
value of the property will be sufficient to enable the Owners
and Mr. Filios to borrow the funds necessary to complete the
development of the infrastructure.

Another important factor in obtaining financing for
the development of property is the ability of the owners of the
developer entities to commit personal resources to the project.
I am a member of the Owners and am familiar with the other
persons who are members of the Owners. The cumulative resources
of the members of the Owners is sufficient to meet any
commercially reasonable conditions that a lender might place on
the Owners to obtain financing for the development of the
property under lending practices of 2017.

The Owners recognize that the cost of development of
water sources and the wastewater treatment facility are
significant. Nevertheless, the Owners are prepared to complete
the Project using their own resources or funds that can be
borrowed from those resources. In the past, the Owners explored
a joint venture or joint development of water sources and/or a
wastewater treatment facility with the County of Maui and/or
developers of lands adjoining the Project to facilitate the
development, construction and implementation of those sources
and facilities. The Owners will continue to explore such a
venture or joint development in the future in order to complete
the construction of the Project following receiving all
titlements needed for the Project.

Thank you for the opportunity to speak to you.

DATED: Manteca, California, October 31, 2017.

ALBERT G. BOYCE V