

# Medusky & Co., Inc.

REAL ESTATE CONSULTANTS

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Jan R. Medusky, MAI, CRE

October 31, 2019

Laura H. E. Kaakua  
Chief Executive Officer  
Hawaiian Islands Land Trust  
126 Queen Street, Suite 306  
Honolulu, HI 96813

Dear Ms. Kaakua:

**Subject:           Appraisal Report Regarding Proposed Waikalua Loko Fishpond  
Conservation Easement, Kaneohe, Koolaupoko, Oahu, Hawaii,  
TMK 4-5-30-Par. 1, First Division**

In response to your request, we have prepared this Appraisal Report regarding the above referenced property.

Pacific American Foundation Hawaii, Inc. ("PAFHI") owns the fee simple interest in the Waikalua Loko Fishpond property fronting Kaneohe Bay located off of Kulauli Street, Kaneohe, Oahu, Hawaii. The property is identified by Hawaii State Tax Maps as a portion of TMK 4-5-30-1, First Division and contains 17.113 acres of land zoned P-1, Restricted Preservation (12± acres) and P-2, General Preservation (5± acres). The property contains 11± acres of submerged land comprised of Waikalua Loko Fishpond and a smaller sister fishpond and 6± acres of fast land. Improvements on the fast land include an older dwelling in poor condition.

Hawaiian Islands Land Trust ("HILT") is considering acquiring a proposed conservation easement on the property from PAFHI. In this regard, you have retained Medusky & Co., Inc. to prepare this Appraisal Report.

## **ASSIGNMENT**

Our assignment has been to prepare an Appraisal Report estimating the market value of the proposed conservation easement.

The intended use of this appraisal is for decision making purposes regarding the proposed conservation easement.

The intended user of this report are the client (HILT), Pacific American Foundation ("PAF"), PAFHI, the City & County of Honolulu and other private and public funders.

The effective date of value for this report is October 1, 2019, the date of subject property inspection by the appraiser.

This report is subject to the Limiting Conditions and Assumptions contained in Exhibit 1 in the Addenda of this report.

## **DEFINITION OF TERMS**

**Market Value**<sup>1</sup> - The most probable price that 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.

**Conservation Easement**<sup>2</sup> - An interest in real estate restricting future land use to preservation, conservation, wildlife habitat, or some combination of those uses. A conservation easement may permit farming, timber harvesting, or other uses of a rural nature as well as some types of conservation-oriented development to continue, subject to the easement.

## **SCOPE OF WORK**

**Scope of Work** included the following.

- Researched and analyzed economic background data regarding the City & County of Honolulu and the State of Hawaii.
- Researched and analyzed geographic and demographic trends affecting the market in which the subject property competes.
- Researched and analyzed subject property data including history, ownership, zoning, etc.
- Inspected the subject property.

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<sup>1</sup> 12 C.F.R. Part 34.42(g); 55 *Federal Register* 34696, August 24, 1990, as amended at 57 *Federal Register* 12202, April 9, 1992; 59 *Federal Register* 29499, June 7, 1994.

<sup>2</sup> The Dictionary of Real Estate Appraisal, Sixth Ed., Page 47, (Chicago, Illinois: Appraisal Institute, 2015).

- Researched and analyzed transactions involving properties having characteristics similar to the subject property.
- Completed valuation analyses as described herein.
- Prepared this Appraisal Report.

**ECONOMIC BACKGROUND DATA**

**State of Hawaii**

Hawaii’s economy is supported primarily by tourism, Federal Government spending and agriculture, in that order.

Tourism provides the greatest opportunity for growth. After decline in the tourist industry in the mid and late 1990s, tourism showed signs of improvement in 2000/early 2001 prior to the terrorist attacks in September 2001 in New York and Washington D.C. Subsequent to the terrorist attacks, tourism was down, but rebounded from initial setbacks.

The tourist market was again adversely affected by the worldwide economic crisis commencing in 2008, but has since recovered. Tourist arrivals were 9.4 million in 2017 and increased 6 percent in 2018 to 9.9 million.

Historical and projected economic indicators are summarized as follows.

	Hawaii Economic Indicators (Annual Growth Rates by Percent)											
	‘10	‘11	‘12	‘13	‘14	‘15	‘16	‘17	‘18	‘19	‘20	‘21
Total Visitor Arrivals	7.7%	3.7%	9.7%	1.7%	2.4%	4.5%	3.0%	5.2%	6.0%	2.5%	1.4%	1.0%
U.S. Visitor Arrivals	5.9%	2.3%	5.2%	0.7%	1.1%	6.9%	4.6%	5.1%	8.6%	3.8%	1.3%	0.7%
Japan Visitor Arrivals	6.1%	0.2 %	18.0%	3.6%	-0.4%	-1.9%	0.4%	6.7%	-1.0%	1.7%	0.6%	0.1%
Payroll Jobs	-0.8%	1.2%	2.2%	2.0%	1.4%	1.8%	1.3%	1.3%	0.6%	0.7%	0.6%	0.6%
Unemployment Rate	6.9%	6.5%	5.7%	4.9%	4.4%	3.6%	3.0%	2.4%	2.1%	2.5%	2.8%	3.1%
Inflation Rate, Honolulu MSA	2.1%	3.7%	2.4%	1.8%	1.4%	1.0%	2.0%	2.5%	2.0%	2.1%	2.3%	2.6%
Real Personal Income	1.5%	2.0%	2.2	-1.0%	3.6%	4.3%	1.3%	1.2%	1.2%	1.2%	1.1%	0.9%

Source: UHERO. Non-farm Payrolls for 2017 and 2018 are UHERO estimates of the benchmark revision. Figures for 2018 are UHERO estimates. Figures for 2019-2021 are forecasts.

From 2008 to 2012, financial markets plummeted. The declines were accompanied by unprecedented realignment of major financial institutions. This economic chaos led to government intervention by the



# STATE MAP

United States and other major economic powers. The intent of the interventions was to bolster the credit markets which seized up as a result of the crisis. The positive effects of government intervention on the credit crisis and the passage of time have resulted in worldwide economic improvement and significant improvement in Hawaii's economy.

Economists report that Hawaii's economy hit bottom in 2009. During the financial crisis and subsequently, Hawaii's two major lenders (Bank of Hawaii and First Hawaiian Bank) remained relatively stable compared to many US banks that did not fare as well during the initial stages of the economic chaos. Low mortgage loan interest rates and significant improvement in Hawaii's economy due to tourism have led to significant improvement in real estate conditions as well as substantial construction activity. The construction cycle peaked in mid-2016, however, the volume of activity has remained strong since. Unemployment has been on a declining trend and is forecasted at 2.5 percent for 2019, increasing modestly in future years.

Strong growth in the economy since 2010 has resulted in appreciation in Hawaii's real estate market. The Oahu residential market held up well during the 2008/2009 financial crisis with substantial appreciation since. Most outer island residential markets demonstrated significant decline during the initial economic chaos with improvement over the last several years. The economic crisis caused many residential developers to adjust their plans as several projects were put "on hold." Some developers sold their development sites or were forced to sell by lenders. The overall market is quite different now. Construction is in process or is planned for many projects, indicating a robust real estate recovery. However, different market sectors have demonstrated various levels of improvement.

Major factors likely to affect Hawaii's economy going forward include continued growth (but at a slower pace) in the tourist industry, the expectation of increasing interest rates that will likely adversely affect new construction and real estate activity and national policy including the overhaul of the US tax system (a positive factor in the near term) and national trade/immigration policies, the effects of which are uncertain at this time.

In summary, Hawaii's economy improved from 2000 to 2006, with stabilization in 2007 and modest decline in early and mid-2008. Late 2008 and 2009 were characterized by uncertainty as the financial crisis worsened. Figures for 2010 through 2018 demonstrate improvement, indicating that the economy hit bottom in 2009 with significant improvement since. Economists forecast moderation in growth in Hawaii for 2019 and following years that, to some extent, will be dependent upon conditions in Asia-Pacific (particularly China) and domestic policies associated with the Trump administration.

### **City and County of Honolulu**

The City & County of Honolulu encompasses the entire Island of Oahu. The island involves a fertile central plateau with mountain ranges to the east (Koolau Mountain Range) and to the west (Waianae Mountain Range).

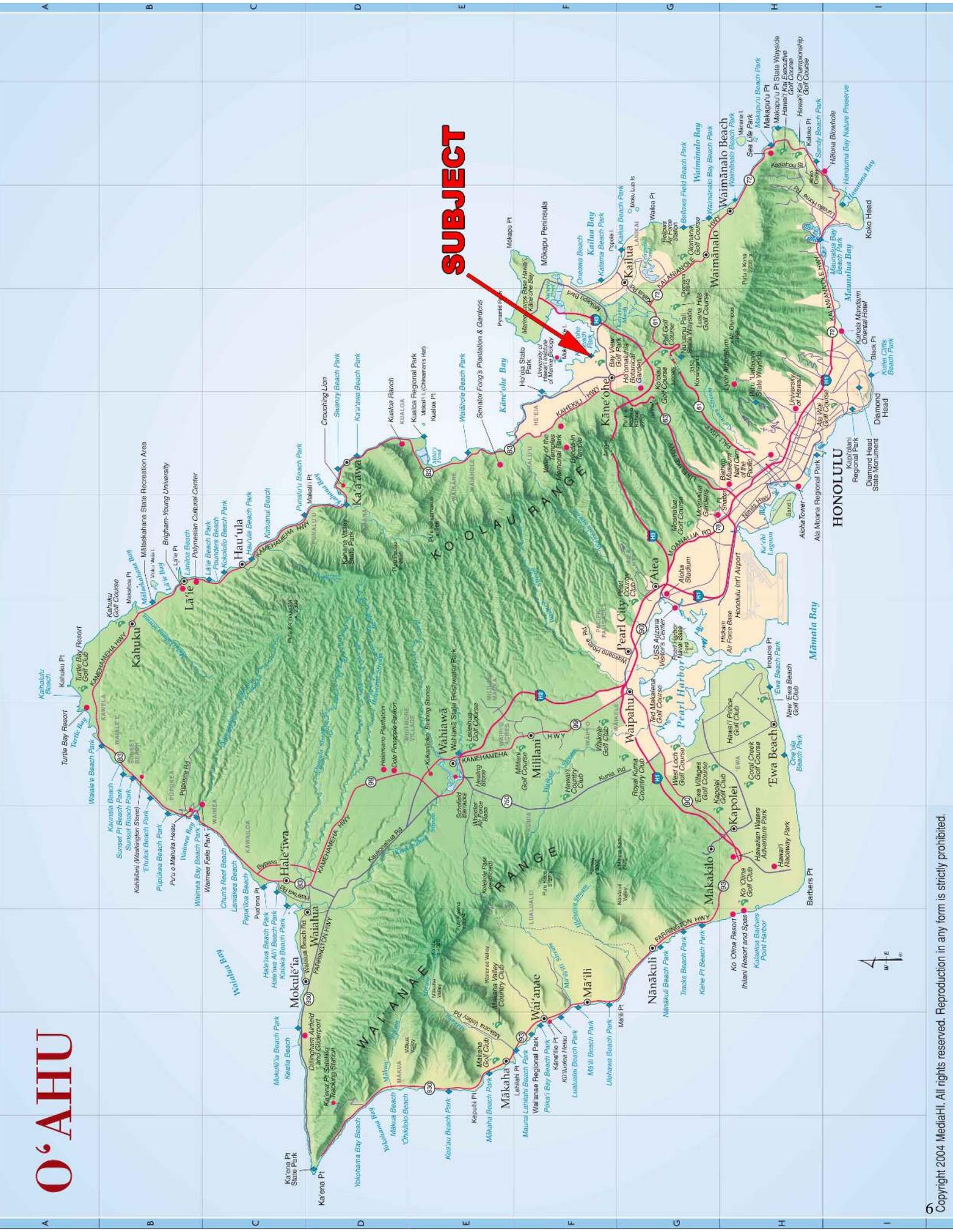
Honolulu, the state capital and financial center, is located along the southern coast of Oahu. It includes Waikiki, a 360-acre oceanfront area that is the center of tourism for the State.

Honolulu is the transportation hub for the State with Honolulu Harbor and Honolulu International Airport.

Bedroom communities extend from Honolulu's primary urban core and include Windward Oahu (Kaneohe and Kailua), Eastern Honolulu (Hawaii Kai), Central Oahu (Mililani, Waipio, Waikele and

# O'AHU

**SUBJECT**



Laura H. E. Kaakua  
Hawaiian Islands Land Trust  
October 31, 2019

Pearl City/Aiea) and Leeward Oahu (Ewa Plain and Waianae Coast). Significant residential development has occurred over the last 30± years in Central Oahu and the Ewa Plain. Land in this area previously used for sugarcane and pineapple cultivation is planned for continued urban growth.

A major on-going project that will significantly affect urban areas of Oahu is the construction of the rail transit system that will extend from the Ewa Plain in southwest Oahu to Ala Moana Shopping Center in central Honolulu. The first phase of the project (Kapolei to Aloha Stadium) is anticipated to be operational by late 2020. The second phase (Aloha Stadium to Ala Moana Shopping Center) is planned for completion by 2025.

Oahu is the home of several major military installations including Joint Base Pearl Harbor-Hickam (a combined Navy/Air Force installation), Marine Corps Base Hawaii in Kaneohe and the Army's Schofield Barracks (25<sup>th</sup> Infantry Division).

The economy of Oahu is, in effect, similar to/same as that previously discussed regarding the State of Hawaii. Therefore, due to heavy dependence on tourism, the Mainland U.S. recession had significant adverse effects for Honolulu, the financial center for the State. However, tourism and the economy of Oahu have since recovered.

## **ENVIRONS**

The subject property is located at Kaneohe in Windward Oahu.

Kailua Town is to the southeast. The Koolau Mountain Range is to the south and southwest. The Windward Coast is to the northwest. Kaneohe Bay is to the east and the Pacific Ocean is to the north.

Kaneohe is a bedroom-community of Honolulu, 10 miles southwest of the subject. Access to Honolulu is via three cross-mountain roadways, the Pali Highway, Likelike Highway and H-3 Freeway. The major roadway in Kaneohe Town is Kamehameha Highway which parallels the coastline.

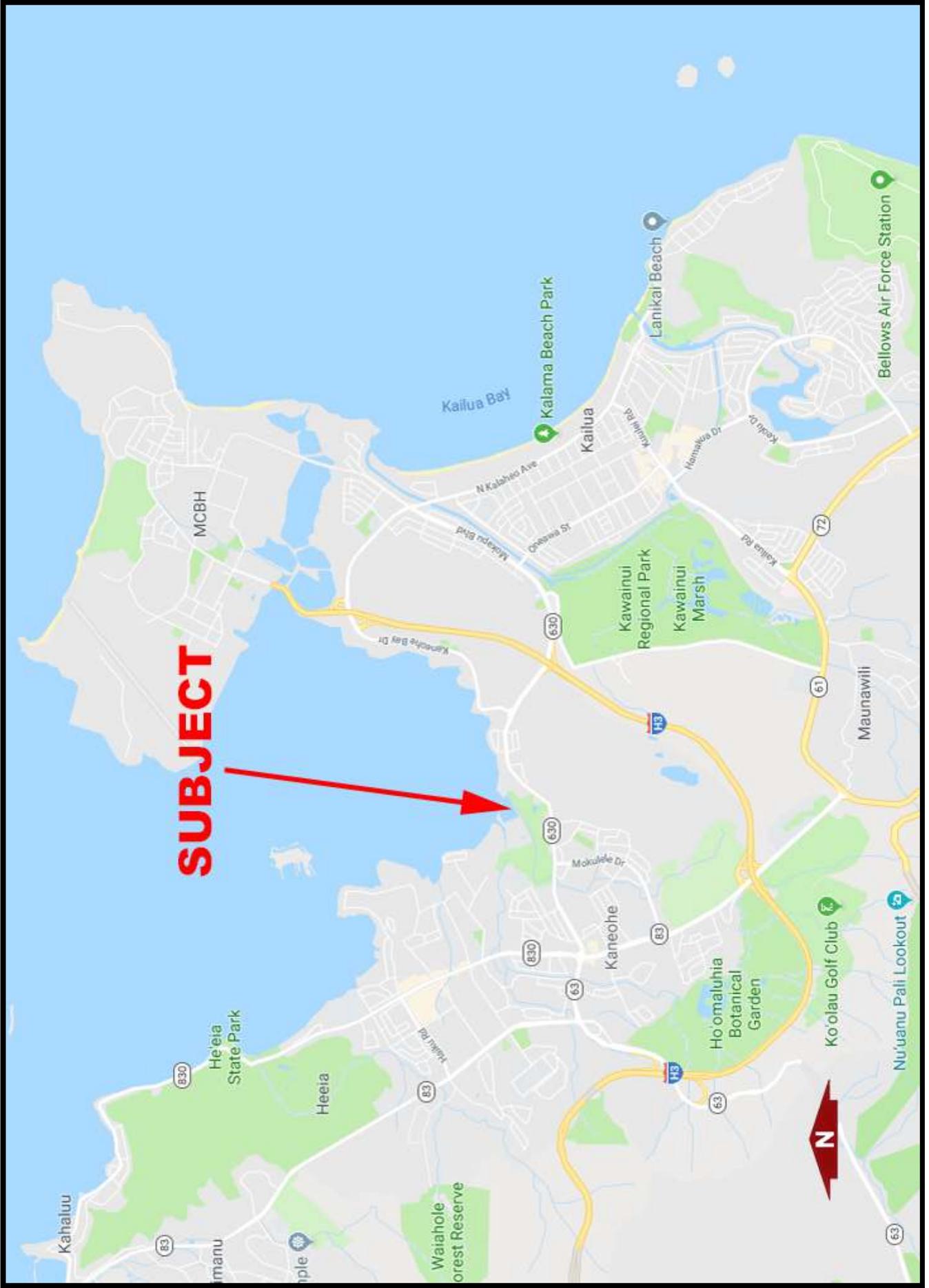
There is strip-commercial development along Kamehameha Highway and residential development (primarily single-family) elsewhere. Outlying areas involve conservation or agricultural land.

Kaneohe Bay Marine Corps Air Station is located on a peninsula northeast of Kaneohe Town.

Kaneohe Bay is a major feature of the area that provides for ocean-oriented activities and scenic views.

The subject property is located along Kaneohe Bay at the east central portion of Kaneohe Town. Kamehameha Highway and commercial development are one mile to the west. Uses in the immediate vicinity of the subject property include residential and public. Residential development involves primarily single family residences in older subdivisions. Public uses include Bay View Golf Course (18 holes), YWCA and a County wastewater transfer station.

In summary, the subject property has a central, bayfront location in Kaneohe Town, a bedroom community of Honolulu.



# ENVIRONS MAP

## **PROPERTY DATA**

**Property Identification** – The subject property is identified by Hawaii State Tax Maps as a portion of TMK 4-5-30-1, First Division and contains 17.113 acres. A Tax Map is included on a following page.

The property does not have a street address but is located off of Kulauli Street, Kaneohe, Koolauoko, Island of Oahu, Hawaii.

A Legal Description is included in Exhibit 2 in the Addenda of this report.

**Property History** – Many years ago, native Hawaiians built a fishpond (now known as Waikalua Loko fishpond) on the property.

In September 2003, Bay View Investment Company, LLC purchased the Bay View Golf Course property, including the subject property, for indicated consideration of \$3,420,000.

In March 2006, KBAY LLC purchased the Bay View Golf Course property, including the subject property, for indicated consideration of \$11,000,000.

In September 2010, Central Pacific Bank took back the Bay View Golf Course property, including the subject property, from the borrower for indicated consideration of \$4,000,000.

In December 2011, Windward Church of the Nazarene purchased the Bay View Golf Course property, including the subject property, for indicated consideration of \$4,250,000.

In September 2013, Windward Church of the Nazarene and Pacific American Foundation entered into an agreement which provided for a grant of license to use and provisions for subdivision and sale of the subject property to Pacific American Foundation for total consideration of \$500,000. It should be noted that this transaction is not indicative of the market value of the subject property.

In February 2018, Bay View Kaneohe Golf Park, Inc. purchased the Bay View Golf Course property, including the subject property, for indicated consideration of \$4,100,000. The sale was subject to the agreement with Pacific American Foundation.

In March 2019, final subdivision approval of the subject property was granted.

In July 2019, Pacific American Foundation acquired the fee simple interest in the subject property.

In July 2019, the subject property was conveyed to Pacific American Foundation Hawaii, Inc., a related entity, for no indicated consideration.

Currently Pacific American Foundation Hawaii, Inc. owns the subject property and Bay View Kaneohe Golf Park, Inc. owns the adjacent property improved with Bay View Golf Course.

**Land Use Ordinances** – The subject property is classified Urban District (5± acres) and Conservation (12± acres) by the State of Hawaii (see State Land Use Map on a following page).

The Koolauoko Sustainable Communities Plan designates the property Open Space/Preservation Areas (see Sustainable Communities Plan Map on a following page).

SUBJECT PROPERTY DATA  
 TMK 4-5-30-por. 01 (First Division)  
Kaneohe, Oahu, Hawaii

Tax Map Parcel: 4-5-30-por. 01 (First Division)

Parcel 1 Land Area: 62.433 acres (2,719,581 sq. ft.)

Subject Land Area:	<u>acres</u>	<u>sq. ft.</u>
Usable Land	1 ±	43,560 ±
Surplus Dry Land	<u>5</u> ±	<u>217,800</u> ±
Total Dry Land	6 ±	261,360 ±
Submerged Land (Ponds)	<u>11</u> ±	<u>479,160</u> ±
Total Land Area	<u>17.113</u>	<u>745,442</u>

Location: Off Kulauli Street, Kaneohe, Koolaupoko, Oahu, Hawaii

Improvements: Older dwelling in poor condition.

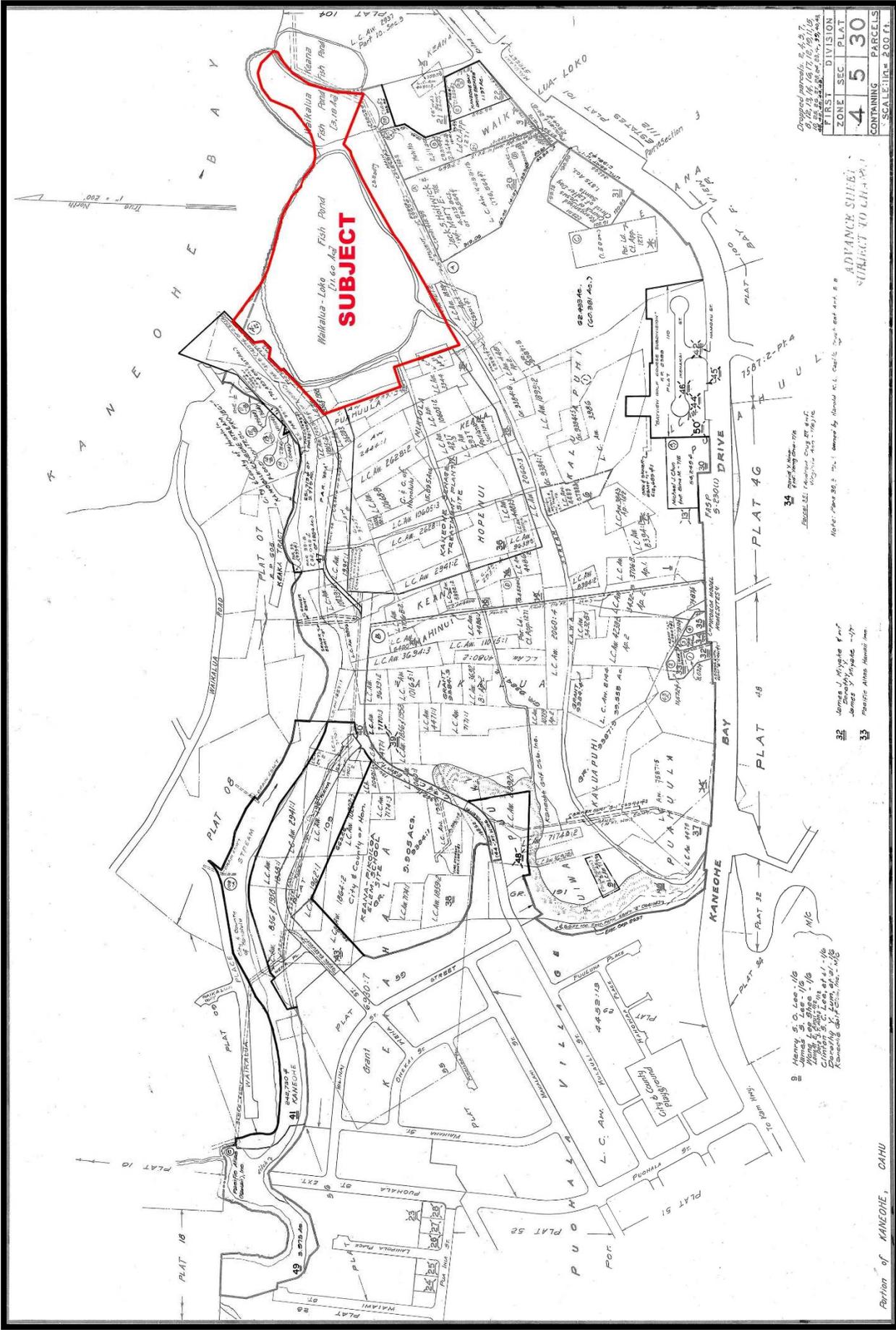
Fee Simple Property Owner: Pacific American Foundation Hawaii, Inc.

Ordinances Affecting Land Use and Development:

State Land Use Designation:	Urban (5± acres) & Conservation (12± acres, Resource Subzone) Districts
County Planning Designation:	Open Space/Preservation Areas
County Zoning Designation:	P-1, Restricted Preservation District (12± acres) & P-2, General Preservation District (5± acres)
Federal Flood Insurance Rate Map (FIRM) Panel No. 15003C0270J, dated 11/05/2014:	Zone AE: Special Flood Hazard Areas Subject To Inundation By The 1% Annual Chance Flood. Base Flood Elevations determined.  Portions are located in Floodway Areas of Zone AE.
Special Management Area (SMA):	Located in Special Management Area.
Census Tract:	106.01

Real Property Tax Assessed Values and Estimated Taxes for Parcel 1 (62.433 acres)

Year	Assessed Values @ 100%				Tax Rate/\$1,000		Approximate R.P. Taxes
	Land		Building	Total	Land	Bldg.	
	\$	\$/acre					
2019	\$2,567,900	\$41,130	\$0	\$2,567,900	\$5.70	\$5.70	\$14,637
2018	\$2,567,900	\$41,130	\$0	\$2,567,900	\$5.70	\$5.70	\$14,637
2017	\$2,372,900	\$38,007	\$0	\$2,372,900	\$5.70	\$5.70	\$13,526
2016	\$1,961,800	\$31,422	\$0	\$1,961,800	\$5.70	\$5.70	\$11,182
2015	\$1,961,800	\$31,422	\$0	\$1,961,800	\$5.70	\$5.70	\$11,182
2014	\$1,961,800	\$31,422	\$0	\$1,961,800	\$5.70	\$5.70	\$11,182



FIRST DIVISION	ZONE	SEC	PLAT	CONTAINING PARCELS
4	5	30		

SCALE: 1" = 200 FT.

ADVANCE SHEET  
SUBJECT TO LHA-1

Note: Area 38.1 is owned by Harold K.L. Cooke, Trust and Area 3.9

- 32 James J. Myrnes Trust
- 33 Pacific Airco Hawaii, Inc.

Portion of KANEHOE, OAHU

# TAX MAP



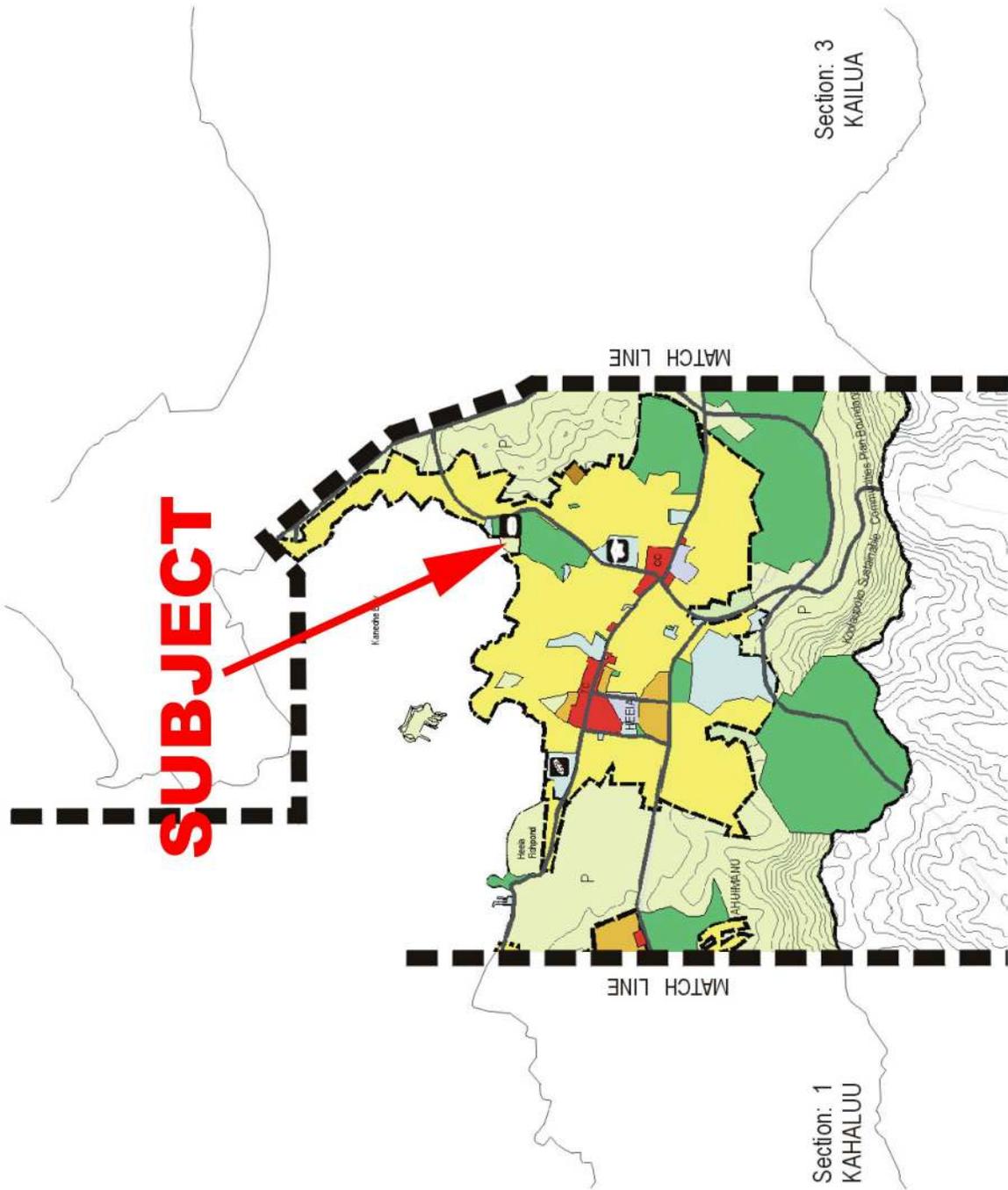
- Open Space/Preservation Areas
- Agricultural Areas
- Major Parks, Golf Courses, and Cemeteries, and Nature Preserves
- Medium Density Residential
- Low Density Residential
- Industrial
- Institutional
- Military
- Community Commercial Centers
- Rural Commercial Centers
- Neighborhood Commercial Centers
- Regional Town Centers
- Urban Community Boundary
- Rural Community Boundary
- Agriculture/Open Space/Preservation Boundary
- Freeways, Highways, and Major Roads
- High School (State)
- Intermediate School (State)
- Wastewater Treatment Plant

**KOOLAUPOKO**  
SUSTAINABLE COMMUNITIES PLAN

Map A-2; Section 2: Kaneohe

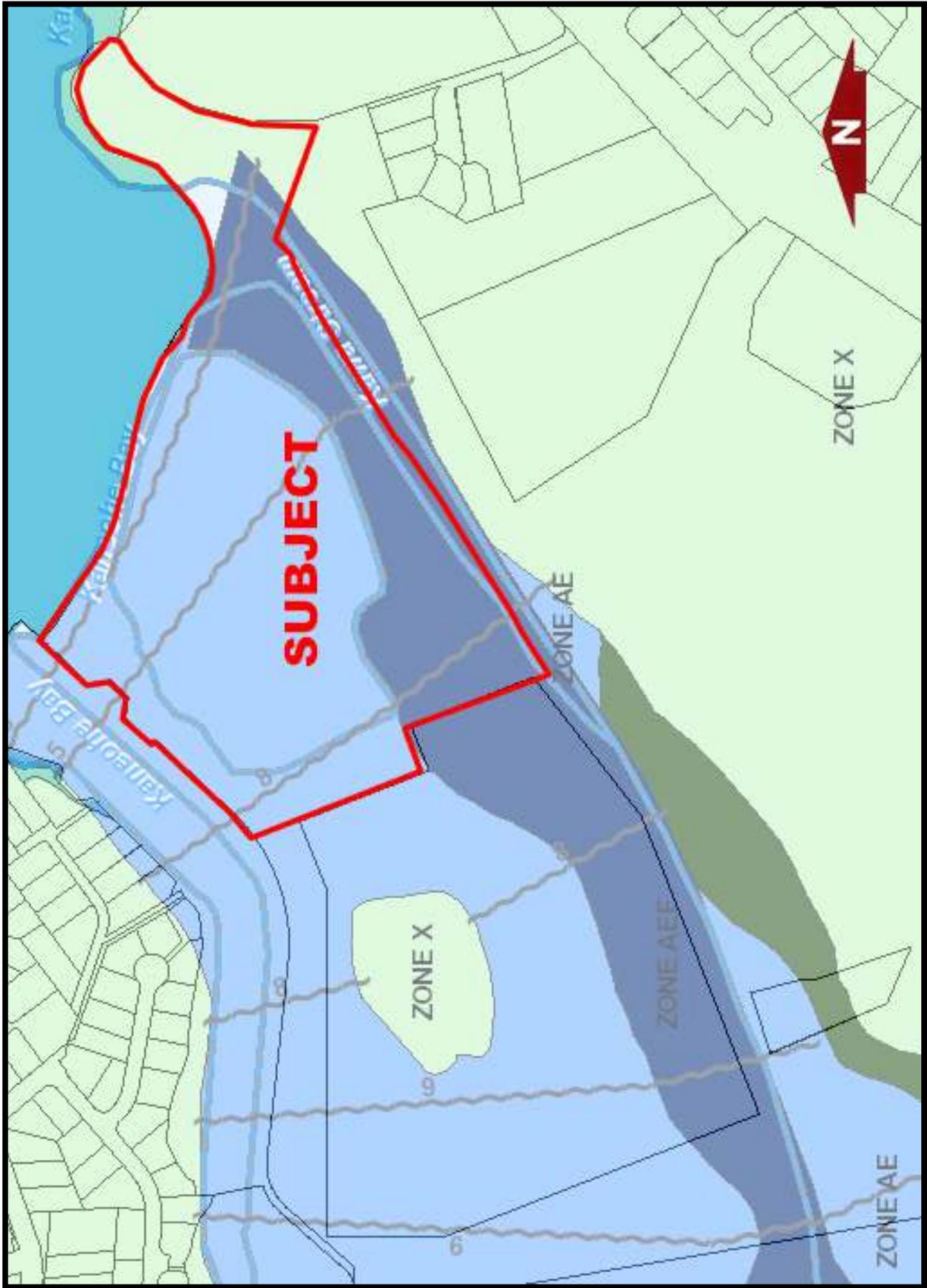


Department of Planning and Permitting  
City & County of Honolulu  
August 2000





# ZONING MAP



**FLOOD ZONE MAP**





County zoning is P-1, Restricted Preservation District for 12± acres of the property. About 1± acre involves fast land with the balance involving submerged land. This land is also in the State classified Conservation District (Resource Subzone) which sets forth allowed uses which include traditional low intensity, open space uses including fishpond use. With approval of the State, one residence per lot of record is allowed.

County zoning is P-2, General Preservation District for 5± acres of the property which permits a variety of low intensity open spaces use such as game preserves, vacation cabins, recreational facilities, etc. Traditional residential use is not allowed by the County zoning code.

The property is located in Flood Zone AE, Special Flood Hazard Areas subject to inundation by the 1 percent annual chance flood, base flood elevation is determined. Eastern portions of the property are also in the Floodway which restricts residential development in that area (see Flood Zone Map on a previous page).

The property is located in the Special Management Area (SMA). Development in the SMA requires an additional level of permit approval handled by the County.

Fishpond portions of the property are located in an area designated Wetlands.

**Easements/Encumbrances** are included in the Legal Description in Exhibit 2 and include 5 easements (3 of which are temporary). The two permanent easements are for an effluent force main under the smaller, sister fishpond continuing along the southern boundary of the site and for right of way purposes in favor of the County along the southern boundary. The 3 temporary easements are for construction and temporary fill purposes.

The property is also served by Easements A-1, A-2 and A-3 for access purposes.

**Proposed Conservation Easement** – A letter outlining terms of the proposed Conservation Easement is included in Exhibit 3. Guiding terms of the proposed easement include:

- Prohibition of subdivision and condominium property regime (CPR)
- Prohibition of structures except for one educational structure
- Restrict land use to fishpond restoration and care, aquaculture, et al.
- Require managed public access, to include regular community volunteer workdays and education access, such as class field trips and place based study.

**Utilities** serving the property include:

**Electricity** to the property is provided via Hawaiian Electric Co., Inc.

**Telephone** lines to the property are provided by Hawaiian Telcom Communications, Inc.

**Water** – There are County water lines providing potable water to the property.

Laura H. E. Kaakua  
Hawaiian Islands Land Trust  
October 31, 2019

Waste Water – There are County sewer lines in the subject vicinity. Waste water is handled by an on-site system.

**Assessed Values/Real Property Taxes** are summarized on a previous page.

The 2019 assessed value (land only) for Parcel 1 (62.433 acres) is \$2,567,900 and is not considered by market participants as an accurate indication of actual market value.

The current applicable tax rate is \$5.70 per \$1,000 of assessed value.

Real property taxes for Parcel 1 total \$14,637.

### **PROPERTY DESCRIPTION**

**Land** – The appraiser inspected the property on October 1, 2019 and was accompanied by Herb Lee of PAFHI.

Ground level photographs of the property included herein were taken by Edward Becker, MAI.

The subject property contains 17.113 acres in an irregular shape.

Access to the property is via a gravel/dirt road that connects with Kulauli Street, 1/2 mile west of the property.

The property is bordered to the northeast by Kaneohe Bay. In front of the subject, the bayfront involves rocky/muddy frontage that is not particularly good for swimming. There are also modest sandy beach areas and rock outcroppings.

A thin strip of land owned by the County and Kaneohe Stream abuts the property to the northwest. In front of the subject, the stream is a relatively wide canal lined by a rock wall on each side. The stream is navigable by small watercraft at the subject property and further inland. Like the adjacent bayfront, the stream is an attractive amenity for the property.

A County wastewater transfer station abuts the property to the southwest. The facility was previously used for wastewater treatment, but is no longer used for this purpose and is a transfer station only. The appraiser did not notice any foul adverse smell emanating from the transfer station. However, the appraiser understands that, at times of heavy rain, the facility is sometimes overburdened and creates an adverse smell along/near the subject property's southwest boundary adjacent to the facility.

Bay View Golf Course (18 holes) abuts the subject property to the southwest, south and southeast. However, the subject property does not have golf course views due to the extensive, natural vegetation that runs along this portion of the property.

The Kaneohe YWCA abuts the property to the northeast. There is no view of this facility from the subject property due to extensive natural vegetation along the boundary.

Topography of the property is fairly level.



**AERIAL PHOTOGRAPH**



**SUBJECT PROPERTY**  
Kaneohe, Oahu, Hawaii



PHOTO NO. 1: Northeasterly view near the entrance to the Subject Property. The Subject Property is to the right.

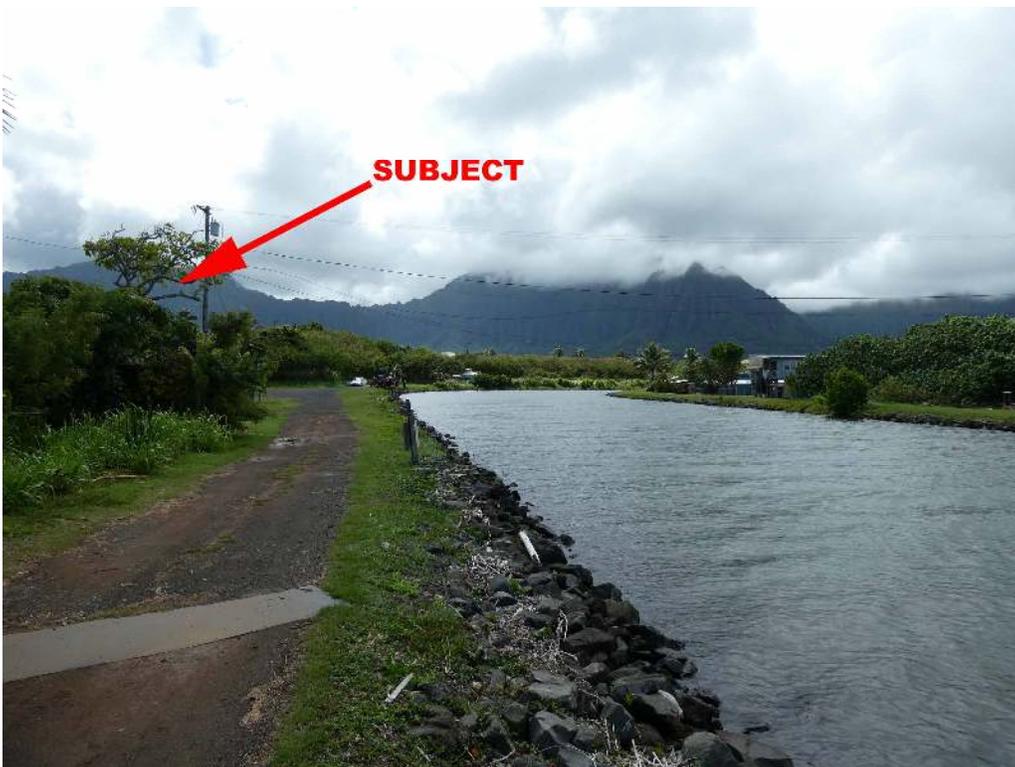


PHOTO NO. 2: Southwesterly view along the access road near the entrance to the Subject Property. The Subject Property is to the left.

SUBJECT PROPERTY  
Kaneohe, Oahu, Hawaii



PHOTO NO. 3: Southwesterly view along the northern boundary of the Subject Property. The Subject Property is to the left.



PHOTO NO. 4: Ocean view from the northern corner of the Subject Property.

SUBJECT PROPERTY  
Kaneohe, Oahu, Hawaii



PHOTO NO. 5: Southeasterly view along the makai boundary of the Subject Property.



PHOTO NO. 6: Southeasterly view along the fishpond wall. The main fishpond is to the right. Kaneohe Bay is to the left. The smaller sister fishpond is in the distant center.

SUBJECT PROPERTY  
Kaneohe, Oahu, Hawaii



PHOTO NO. 7: Northwesterly view along the fishpond wall. The main fishpond is to the left. Kaneohe Bay is to the right.



PHOTO NO. 8: Southwesterly view across the main fishpond from the fishpond wall.

SUBJECT PROPERTY  
Kaneohe, Oahu, Hawaii



PHOTO NO. 9: Northwesterly view along the main fishpond wall. Kaneohe Bay is to the right. The main fishpond is to the left.



PHOTO NO. 10: Northeasterly view near the northeasterly corner of the Subject Property. The smaller sister fishpond is located beyond the overgrowth.

SUBJECT PROPERTY  
Kaneohe, Oahu, Hawaii



PHOTO NO. 11: Southwesterly view near the southwestern corner of the Subject Property.



PHOTO NO. 12: Northwesterly view near the southwesterly boundary of the Subject Property. The wastewater transfer station on adjacent land is to the left. The main fishpond is to the right.

**SUBJECT PROPERTY**  
**Kaneohe, Oahu, Hawaii**

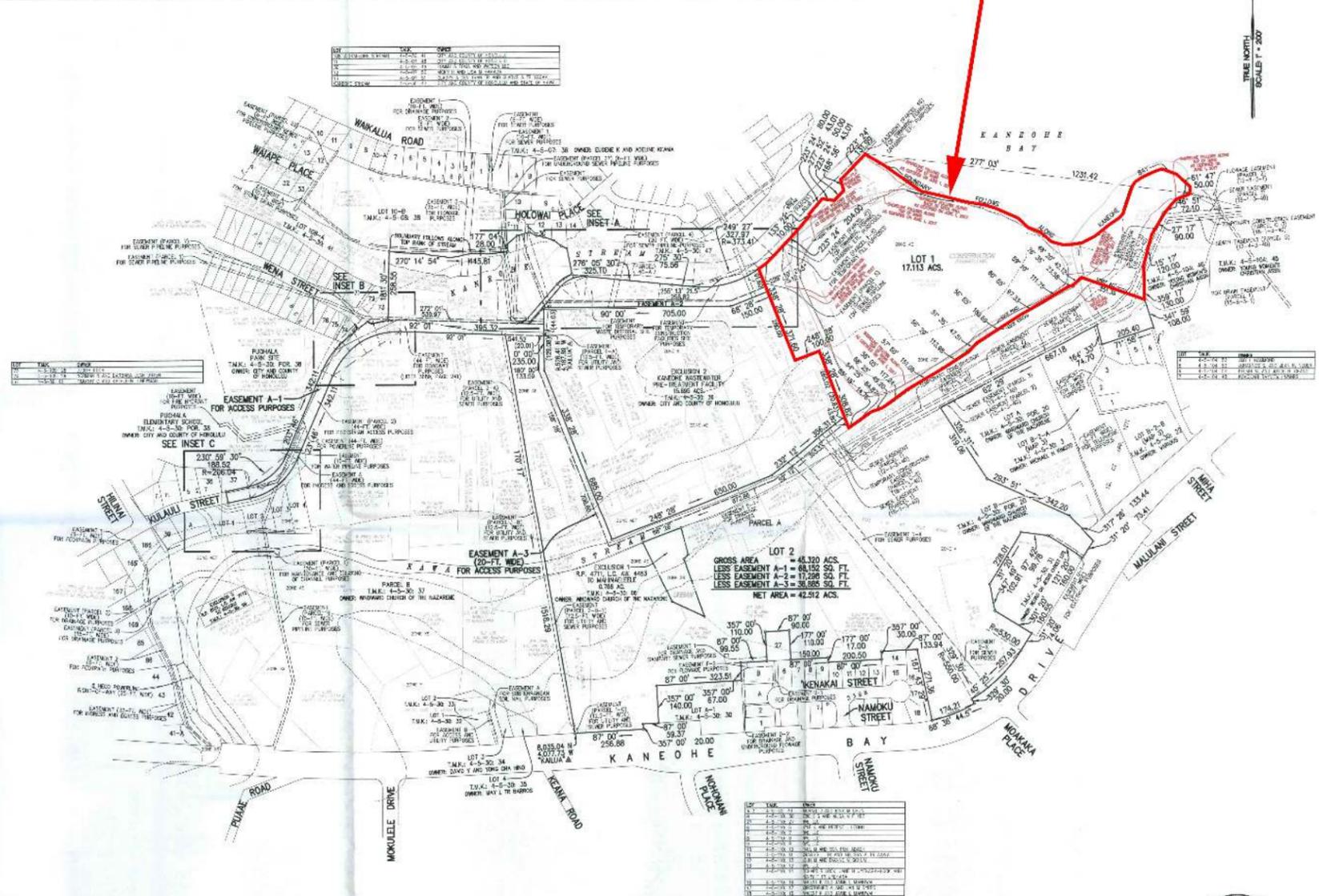
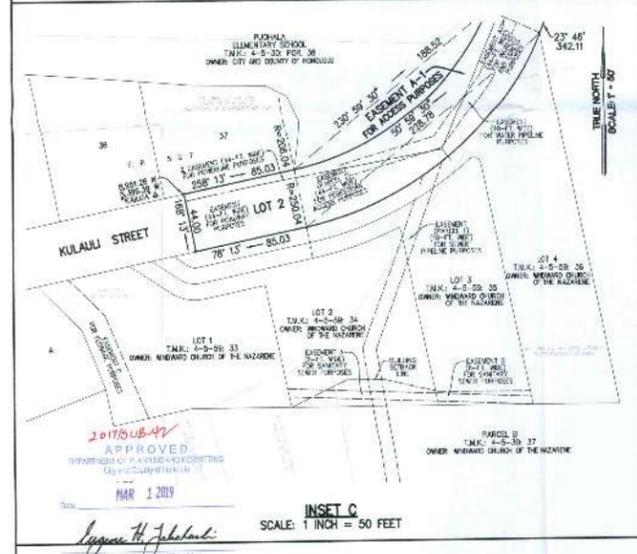
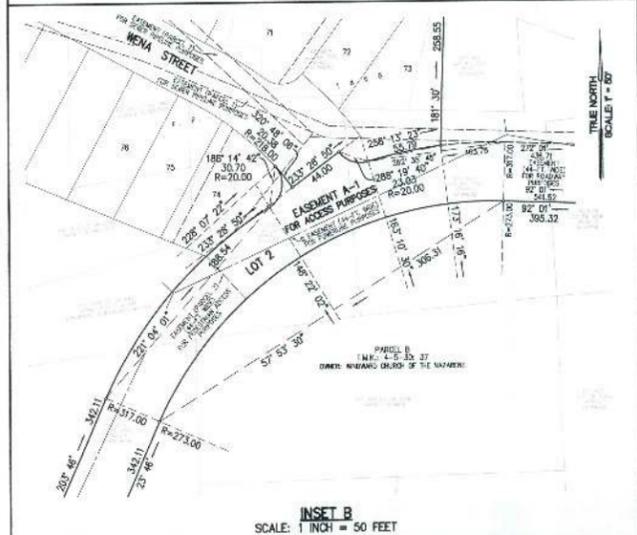
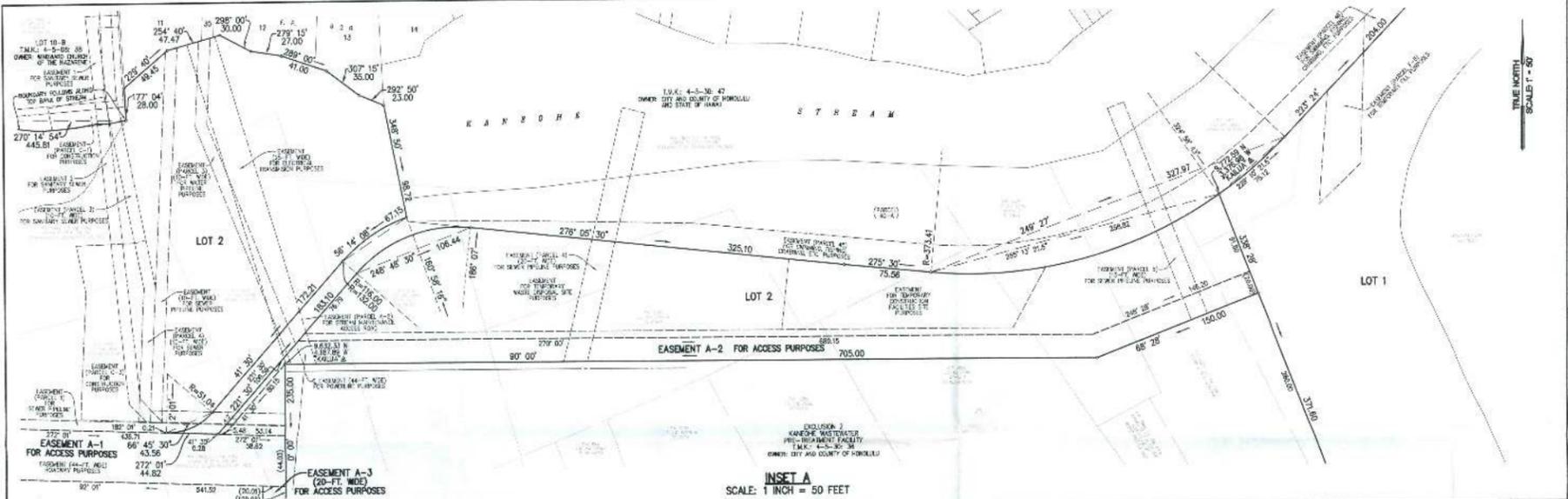


**PHOTO NO. 13:** Northwesterly view near the western boundary of the Subject Property.



**PHOTO NO. 14:** Older dwelling in poor condition.





- NOTES:**
1. ALTIMETRIC AND COORDINATE ARE REFERRED TO GOVERNMENT SURVEY STATION "KOLEKOLE".
  2. PROPERTY ADDRESS: 15-285 KANEHOE BAY DRIVE, KANEHOE, HAWAII 96744.
  3. OWNER: WINDWARD CHURCH OF THE NAZARENE, P.O. BOX 1633, KANEHOE, HAWAII 96744.
  4. TOTAL AREA OF SUBDIVISION = 62,433 ACES. LOT 1 = 17,113 ACES. LOT 2 = 45,320 ACES.
  5. LOT 1 IS A FISH POND LOT AND LOT 2 IS A GOULF COURSE LOT.
  6. CORNER F-1, F-2, F-3 AND F-4.
  7. FLOOD ZONE: AE, A1, X2 AND X.
  8. ALL URBAN AND CONDOMINIUM.
  9. EASEMENT A-1 FOR ACCESS PURPOSES AFFECTING LOT 2 AND IN FAVOR OF LOT 1 = 68,152 SQ. FT.
  10. EASEMENT A-2 FOR ACCESS PURPOSES AFFECTING LOT 2 AND IN FAVOR OF LOT 1 = 17,288 SQ. FT.
  11. EASEMENT A-3 (20-FT. WIDE) FOR ACCESS PURPOSES AFFECTING LOT 2 AND IN FAVOR OF LOT 1 = 36,885 SQ. FT.
  12. ACCESS FROM WAILUKU STREET (PUBLIC ROAD) TO LOT 1 IS OVER EASEMENTS A-1 TO A-3, INCLUSIVE, FOR ACCESS PURPOSES.

**"WAILUKU-LOKO FISH POND"**  
SUBDIVISION OF PARCEL A  
AS SHOWN ON DPP FILE NO. 97/SUB-4  
INTO LOTS 1 AND 2  
DESIGNATION OF EASEMENTS A-1 TO A-3, INCLUSIVE  
AFFECTING LOT 2  
AT KANEHOE, KOOLAUPOKO, OAHU, HAWAII



THIS WORK WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION

Laura H. E. Kaakua  
Hawaiian Islands Land Trust  
October 31, 2019

The property has good views across Kaneohe Bay to the peninsula which is the location of Kaneohe Bay Marine Corps Air Station and views of an island in the bay. There are also mountain views to the southeast, south, and southwest.

The property is comprised of fast land (6± acres) and submerged land (11± acres).

The fast land portion forms a general horseshoe shape with Waikalua Loko Fishpond at the center. A thin strip of fast land runs along the Kaneohe Bay frontage of the fishpond with a wood bridge across an inlet/outlet. The banks of the fishpond have been improved in recent years. There are a wide variety of fish in the fishpond, reportedly, the same fish as are found in Kaneohe Bay.

The smaller, sister fishpond is located at the northeast corner of the property, adjacent to the YWCA. This fishpond is overgrown with natural vegetation, including mature trees, and would require extensive work in order to be functional and attractive as a fishpond.

Kawa Stream is located between the two fishponds. The stream is reported to be one of the most degraded streams in the State due to runoff from urban mauka lands.

The northwest fast land portion of the property includes a gravel/dirt access road leading to an attractive grassy area extending to the bayfront. Much of the western, southern and eastern portions of the fast land (and the small sister fishpond) are overgrown with natural vegetation including a variety of mature trees, shrubs and grass.

There is no evidence of environmental issues on the property.

There is no evidence of mineral deposits.

**Improvements** – The subject property is improved with an older single story, wood frame dwelling in poor condition located at the western portion of the property along Waikalua Loko Fishpond and the access road.

## **RIGHTS APPRAISED**

The rights appraised involve the conservation easement as described herein.

## **HIGHEST AND BEST USE**

Highest and Best Use is the reasonably probable and legal use of vacant land or 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.

**Legally Permissible** – Legally permissible uses for land are typically set forth by the zoning code.

P-1, Preservation zoning, coupled with the State Conservation classification for portions of the property governs potential uses and permits, for the most part, relatively low intensity, open space type uses. However, one residence per lot of record is allowed with approval of the State.

P-2, Preservation zoning for the balance of the property allows for low intensity uses.

**Physically Possible** – The physical characteristics of the property (fishponds, large size adjacent to Kaneohe Bay) indicate that the land is well suited for low intensity preservation/recreational uses. The fast land portions of the property, zoned P-1, are well suited for residential use.

**Financially Feasible** – Residential use is financially feasible for a small portion of the subject land with collateral preservation/recreational use for the balance. The financial feasibility of residential use is demonstrated by the many Kaneohe Bay fronting residences in the area.

**Maximally Productive** – The highest and best use of the subject property, As If Vacant, is for low density residential use (likely one residence).

The highest and best use of the property, As Improved, is also for single family residential use. However, considering the poor condition of the existing dwelling, it is likely a potential buyer would consider redevelopment with a new, larger dwelling.

In the “after” condition, no house is allowed and the highest and best use is for open space, preservation and educational use for the entire property.

## **APPRAISAL METHODOLOGY**

The traditional “before and after” methodology was employed. The fee simple interest in the property was valued in the “before” condition, before imposition of the conservation easement. The fee simple interest in the property was then valued in the “after” condition, after imposition of the conservation easement. The difference in the two values represents the market value of the conservation easement.

The market comparison approach was used to value the property in the “before and after” conditions.

The cost and income approaches were not employed as these methodologies are not applicable to valuation of the subject property.

## **MARKET DATA**

Employing the market comparison approach, the appraiser researched and analyzed current listings and transactions involving properties having characteristics similar to the subject property. Geographically, the research focused on oceanfront house lots in the vicinity of Kaneohe. Timewise, the research included mid-2018 to present.

A table summarizing the most pertinent market data disclosed by the research is included on a following page with an accompanying map. Details to the closed transactions are included in Exhibit 4 in the Addenda of this report. The market data is briefly described as follows.



LAND TRANSACTION MAP

LAND TRANSACTIONS & CURRENT LISTINGS  
Koolaupoko, Island of Oahu, Hawaii

Trans No	Location (Tax Map Key)	Land Area		Zoning	Transaction Type	Transaction Date	Transaction Price			Comments
		sq. ft.	acres				Total	Allocation to Improvements	Indicated Land Value	
							\$	\$	\$/sq. ft.	
A	47-031 Kamehameha Highway (4-7-19-18)	3,416	0.078	R-10	Current Listing		\$0	\$535,000	\$156.62	Vacant land. Sloping/terraced topography. Previously sold in August 2018 for \$382,000 (\$112/sq. ft.).
B	47-849 Kamehameha Highway (4-7-24-14)	14,192	0.326	R-10	Current Listing		\$250,000	\$1,100,000	\$77.51	\$1,350,000 list price with \$250,000 (\$81/sq. ft.) allocated to the 3,088 sq. ft. dwelling built in 1955. Flag lot with fairly level topography.
1	44-421 Kaneohe Bay Drive (4-4-06-18)	21,887	0.502	R-10	Deed	03/05/19	\$200,000	\$1,576,000	\$72.01	\$1,766,000 transaction price with \$200,000 (\$63/sq. ft.) allocated to the 3,200 sq. ft. dwelling built in 1941. Flag lot with fairly level topography
2	46-123 Lilipuna Road (4-6-01-19)	20,249	0.465	R-10	Deed	10/19/18	\$0	\$1,800,000	\$88.89	Vacant land. Sloping/terraced topography. Dredged channel for deep water access.
3	47-833A Kamehameha Highway (4-7-24-30 & 31)	12,596	0.289	R-10	Deed	09/05/18	\$0	\$900,000	\$71.45	Vacant land. Sloping/terraced topography.
4	46-133 Lilipuna Road (4-6-01-03)	21,121	0.485	R-10	Deed	06/22/18	\$200,000	\$1,588,000	\$75.19	\$1,788,000 transaction price with \$200,000 (\$84/sq. ft.) allocated to the 2,381 sq. ft. dwelling built in 1968. Vacant land. Sloping/terraced topography. Dredged channel for deep water access.

**Listing A** involves a 3,416 sq. ft. vacant lot listed for sale at \$535,000 (\$157 per sq. ft.). The property previously sold in August 2018 for \$382,000 (\$112 per sq. ft.).

**Listing B** involves a 14,192 sq. ft. lot improved with a 3,088 sq. ft. dwelling listed for sale at \$1,350,000. An allocation of \$250,000 to the building improvements indicates a land value of \$1,100,000 (\$78 per sq. ft.).

**Transaction No. 1** involves a 21,887 sq. ft. lot improved with a 3,200 sq. ft. dwelling that sold in March 2019 for \$1,776,000. An allocation of \$200,000 to the building improvements indicates a land value of \$1,576,000 (\$72 per sq. ft.).

**Transaction No. 2** involves a 20,249 sq. ft. vacant lot that sold in October 2018 for \$1,800,000 (\$89 per sq. ft.).

**Transaction No. 3** involves a 12,596 sq. ft. vacant lot that sold in September 2018 for \$900,000 (\$71 per sq. ft.).

**Transaction No. 4** involves a 21,121 sq. ft. lot improved with a 2,381 sq. ft. dwelling that sold in June 2018 for \$1,788,000. An allocation of \$200,000 to the building improvements indicates a land value of \$1,588,000 (\$75 per sq. ft.).

### **“BEFORE” VALUE ANALYSIS**

**Market Comparison Analysis** in the “before” condition is summarized on a table on a following page. For purposes of analysis, a unit rate of dollar per square foot of land area was employed. Before adjustment, the four transactions reflect a range of unit rate price of \$72 to \$89 per sq. ft. Adjustments made are discussed as follows.

**Financing** – The appraiser is not aware of any special financing terms that require adjustment.

**Conditions of Sale** – The appraiser is not aware of any sale conditions that require adjustment.

**Time** adjustments are made to account for changes in market conditions from the transaction date to the effective appraisal date. The transactions occurred between June 2018 and March 2019 and reasonably reflect prevailing market conditions as of the date of valuation. No time adjustments were made.

**Location** – The subject has a central location in Kaneohe, similar to Comparable Nos. 1, 2 and 4 which were not adjusted.

Comparable No. 3 has an outlying location in Kahaluu and was adjusted +25 percent.

**Access/Frontage/Shape** – The subject has adequate access and a reasonable shape considering its highest and best use.

Comparable Nos. 2, 3 and 4 are similar to the subject and were not adjusted.

LAND VALUE ANALYSIS [1]  
 TMK 4-5-30-por. 01 (First Division)  
 Koolaulupoko, Oahu, Hawaii

DESCRIPTION	Subject	Trans No 1	Trans No 2	Trans No 3	Trans No 4
<b>PROPERTY DATA</b>					
Tax Map Key	4-5-30-por. 01	4-4-06-18	4-6-01-19	4-7-24-30 & 31	4-6-01-03
Location	Off Kulauli Street	Kaneohe Bay Drive	Lilipuna Road	Kamehameha Highway	Lilipuna Road
Transaction Type	-	Deed	Deed	Deed	Deed
Transaction Date	-	03/05/19	10/19/18	09/05/18	06/22/18
Zoning (Height Limit)	P-1	R-10	R-10	R-10	R-10
Land Area (sq. ft.)	43,560 ±	21,887	20,249	12,596	21,121
Land Area (acres)	1.000 ±	0.502	0.465	0.289	0.485
<b>TRANSACTION ANALYSIS</b>					
Transaction Price		\$1,576,000	\$1,800,000	\$900,000	\$1,588,000
\$/sq. ft. of Land Area		\$72.01	\$88.89	\$71.45	\$75.19
<b>ADJUSTMENT FOR FINANCING</b>					
Financing Adjustment					
Adjusted Unit Rate (\$/sq. ft. of Land Area)		1.00	1.00	1.00	1.00
		\$72.01	\$88.89	\$71.45	\$75.19
<b>ADJUSTMENT FOR CONDITIONS OF SALE</b>					
Conditions of Sale Adjustment					
Adjusted Unit Rate (\$/sq. ft. of Land Area)		1.00	1.00	1.00	1.00
		\$72.01	\$88.89	\$71.45	\$75.19
<b>ADJUSTMENT FOR TIME</b>					
Time Adjustment					
Adjusted Unit Rate (\$/sq. ft. of Land Area)		1.00	1.00	1.00	1.00
		\$72.01	\$88.89	\$71.45	\$75.19
<b>OTHER ADJUSTMENTS</b>					
Location		0%	0%	30%	0%
Access/Frontage/Shape		5%	0%	0%	0%
Topography		0%	5%	5%	5%
View/Quality		0%	-5%	0%	-5%
Zoning		-25%	-25%	-25%	-25%
Fishponds/Surplus Land		20%	20%	20%	20%
Net Adjustments		\$0.00	(\$4.44)	\$21.44	(\$3.76)
Subtotal		\$72.01	\$84.45	\$92.89	\$71.43
Size Adjustment [2]		0.70	0.67	0.53	0.69
Adjusted Unit Rate Per Square Foot		\$50.41	\$56.58	\$49.23	\$49.29
<b>INDICATED SUBJECT VALUE</b>					
Weighting Factor:		\$2,195,860	\$2,464,625	\$2,144,459	\$2,147,072
		0.25	0.30	0.20	0.25
Weighted Average:		\$548,965	\$739,387	\$428,892	\$536,768
		\$2,254,012	\$2,250,000	\$51.65 /Sq. Ft. of Land Area (1.0± acre)	
<b>UNWEIGHTED SUMMARY</b>					
Range:		\$2,464,625	\$49.23	\$56.58	
Median:		\$2,171,466		\$49.85	
Average:		\$2,238,004		\$51.38	

[1] The effective date of this analysis is:

[2] Based on the Dilmore Size Adjustment Tables, 70% curve.

Comparable No. 1 involves a flag shaped lot whereby a portion of the property is used for access purposes only. An adjustment of +5 percent was made considering the amount of land lost to the access portion of the property.

**Topography** – The subject is fairly level, similar to Comparable No. 1 which was not adjusted. Comparable Nos. 2, 3 and 4 involve sloping/terraced topography which adversely affects their utility. Adjustments of +5 percent were made.

**View/Quality** – The subject property has a good Kaneohe Bay view, similar to Comparable Nos. 1, 2 and 5 which were not adjusted.

Comparable Nos. 2 and 4 have superior panoramic views due to their topography and site layout and were adjusted -5 percent.

**Zoning** – As discussed herein, the highest and best use of the subject property is for low density residential use, most likely one residence.

The subject is at a disadvantage to all of the comparables as Conservation zoning, requiring State approval for residential use, has less certainty than residential zoned property.

It is difficult to determine with certainty a percentage adjustment that would apply to the comparables for this factor. This is because, while obtaining development approval on Conservation land is not considered a tremendous obstacle, there is still uncertainty if approval could be obtained and what the approval would allow. As such, market participants and the appraiser's experience indicate that the adjustment is relatively large. For purposes of analysis herein, an adjustment of -25 percent was made to each comparable.

**Fishponds/Surplus Land** – The subject has the benefit of significant surplus land, much of which involves two fishponds.

The main fishpond is a very positive amenity for the property as it contributes to privacy, provides an attractive interior view and has recreational potential.

The smaller fishpond at the northeast corner of the property is overgrown and would be costly to restore. Therefore, in effect, it provides the benefit of a buffer between the subject and the adjacent YWCA property.

Additional surplus fast land involves the trail and adjacent land surrounding the main fishpond which provides open space and privacy.

All of these factors significantly differentiate the subject property from the comparables. According to market participants, the benefit of the fishponds/surplus land is somewhat mitigated by the negative issues previously discussed regarding zoning. In consideration of these factors, adjustments of +20 percent were made to all of the comparables for Fishponds/Surplus Land.

**Size** adjustments were made based on the concept that larger properties command lower unit rate prices. The Dilmore Curve, often used in Hawaii by market participants, was employed. The 70 percent curve best fits the market data and results in size adjustments ranging from -30 to -47 percent.

**“Before” Value Conclusion** - Weighted average analysis was completed. Greatest weight was placed on Transaction Nos. 2 as it involves the recent sale of a vacant lot. Less weight was placed on Transaction No. 3 as it involves a vacant lot in an outlying location. The analysis indicates a fee simple land value of the subject property in the “before” condition of \$2,250,000 reflecting \$51.65 per sq. ft. based on one acre of usable land. Considering the gross land area of 17.113 acres, this conclusion reflects a unit rate of \$3.02 per sq. ft.

### **“AFTER” VALUE ANALYSIS**

In the after condition, no house is allowed and the highest and best use is for open space, preservation and educational use for the entire property.

In order to determine the effect of the proposed Conservation Easement on value in the after condition, the appraiser researched and analyzed sales of properties where residential development was similarly restricted. The table on a following page summarizes 6 pairs of transactions comparing restricted use and non-restricted use value indicators. Timewise, the research involves the period from 2002 to the present, a relatively long time frame due to the scarcity of restricted use transactions.

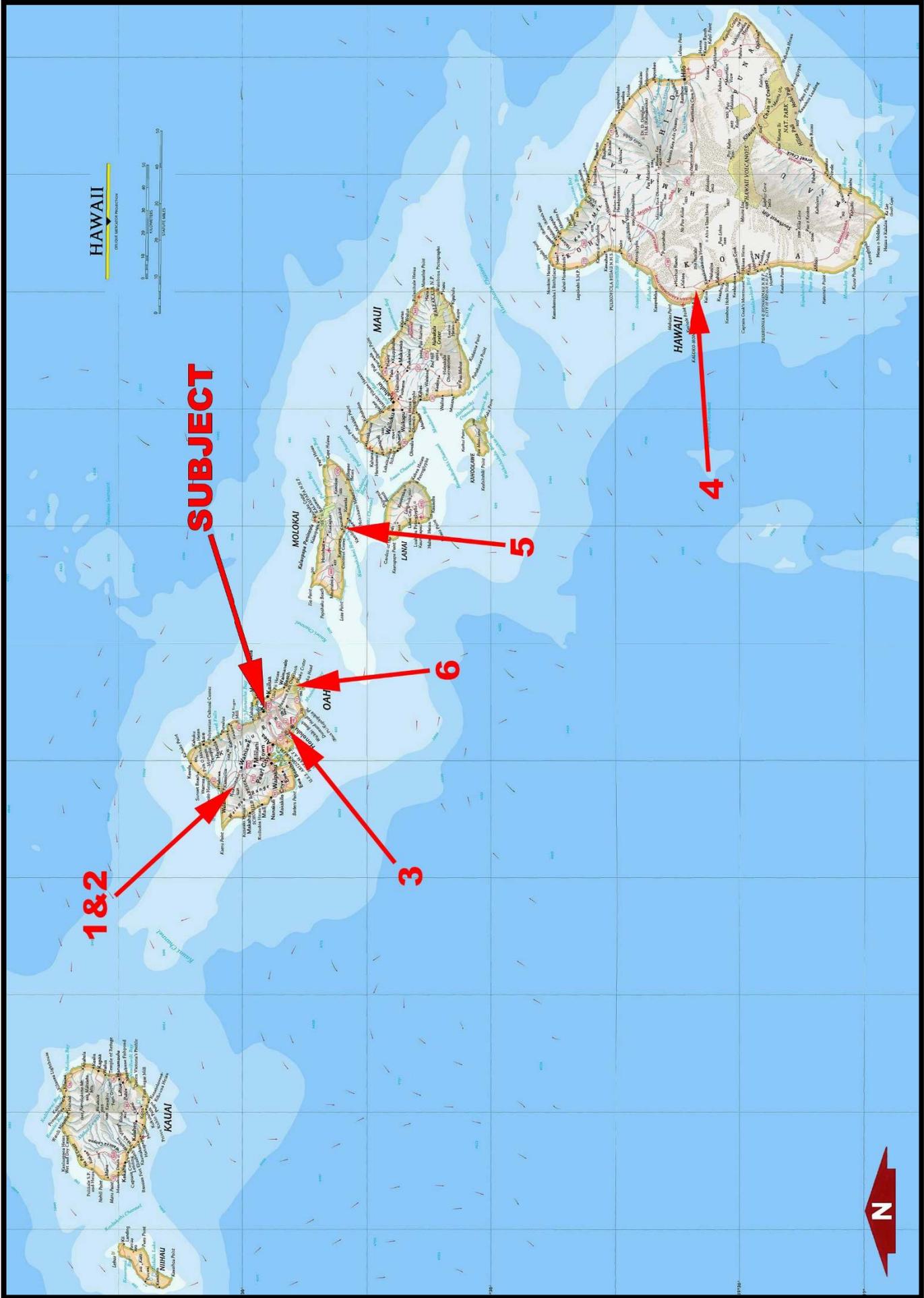
**Transaction No. 1** involves paired sales comparing two agricultural land condominium units at Kaukonahua, Island of Oahu. CPR 1 involves a 5.20 acre unit where construction of a dwelling is allowed that sold in October 2016 for \$965,000 (\$185,577 per acre). CPR 4 involves an 8.00 acre unit where use is restricted to pasture that sold in December 2015 for \$385,000 (\$48,125 per acre). Analysis of the paired sales indicates an adjustment of -74 percent due to the lack of residential use.

**Transaction No. 2** involves paired sales comparing two agricultural land condominium units at Kaukonahua, Island of Oahu. CPR 2 involves a 15.48 acre unit where construction of a dwelling is allowed that sold in February 2015 for \$1,003,333 (\$65,815 per acre). CPR 3 involves a 28.88 acre unit where use is restricted to pasture that sold in June 2015 for \$761,400 (\$26,364 per acre). Analysis of the paired sales indicates an adjustment of -59 percent due to the lack of residential use.

**Transaction No. 3** involves the sale of 11,772 sq. ft. of business zoned land at Kapalama, Island of Oahu. The land is encumbered by parking and open space use restrictions. The land sold to an adjacent property owner in February 2013 for \$220,000 (\$19 per sq. ft.) based on restricted use. Based on an appraisal of the non-restricted use land value completed at that time, the transaction reflects an adjustment of -85 percent due to the lack of development potential imposed by the restricted uses.

**Transaction No. 4** involves the sale of 0.6 acre of agricultural land at Kona Plantation Estates, Island of Hawaii. The land is encumbered by an archaeological easement. The land sold to an adjacent property owner in June 2007 for \$30,000 (\$50,000 per acre) based on restricted use. Based on an appraisal of the non-restricted use land value completed at that time, the transaction reflects an adjustment of -86 percent due to the restricted use which primarily involves the loss of residential use.

**Transaction No. 5** involves paired sales comparing two oceanfront sites at Kawela, Island of Molokai. Parcel 83 involves a 2.278 acre site acquired for development with a residence that sold in January 2004 for \$625,000 (\$274,363 per acre). Parcel 27 involves 11.44 acres of conservation land (site of native Hawaiian battle) where construction of a dwelling would be opposed due to cultural and environmental issues. Parcel 27 was purchased by the buyer of Parcel 83 during the same timeframe for \$220,000



**RESTRICTED/NON-RESTRICTED USE MAP**

RESTRICTED USE/NON-RESTRICTED USE LAND TRANSACTIONS

State of Hawaii

Paired Trans No	Location (Tax Map Key)	Land Area		Zoning	Transaction		Transaction Price		Comments
		acres	acres		Type	Date	\$	\$/acre	
1	Kaukonahua Unit No. 1, Oahu (1) 6-5-01-42 CPR 1	5.20	226,512	Ag-1	Deed	10/24/16	\$965,000	\$185,577	CPR 1 allows construction of a dwelling. CPR 4 restricted to pasture use.
		8.00	348,480	Ag-1	Deed	12/15/15	\$385,000	\$48,125	
	Kaukonahua Unit No. 4, Oahu (1) 6-5-01-42 CPR 4					Indicated Adjustment		<u>-74%</u>	
2	Kaukonahua Unit No. 2, Oahu (1) 6-5-01-42 CPR 2	15.48	674,309	Ag-1	Deed	02/17/15	\$1,003,333	\$64,815	CPR 2 allows construction of a dwelling. CPR 3 restricted to pasture use.
		28.88	1,258,013	Ag-1	Deed	06/10/15	\$761,400	\$26,364	
	Kaukonahua Unit No. 3, Oahu (1) 6-5-01-42 CPR 3					Indicated Adjustment		<u>-59%</u>	
3	Banyan Court Mall, Oahu (1) 1-7-31-49	0.270	11,772	BMX-3	Appraisal	2013	\$1,470,000	\$5,439,450	Land encumbered by parking and open space use restrictions acquired by adjacent property owner. Unencumbered land value based on appraisal completed at that time.
		0.270	11,772	BMX-3	Deed	02/06/13	\$220,000	\$814,067	
						Indicated Adjustment		<u>-85%</u>	
4	Kona Plantation Estates, Hawaii (3) 7-4-07-110	0.600	26,136	A-1a	Appraisal	2007	\$215,000	\$358,333	Land encumbered by archaeological easement acquired by adjacent landowner. Unencumbered land value based on appraisal completed at that time.
		0.600	26,136	A-1a	Deed	06/26/07	\$30,000	\$50,000	
						Indicated Adjustment		<u>-86%</u>	
5	Kawela Stream Oceanfront, Molokai (5-4-01-83)	2.278	99,230	Interim	Deed	01/08/04	\$625,000	\$274,363	Buyer purchased Parcel 83 for subsequent development with a residence and also purchased Parcel 27 for landbanking/conservation purposes.
		11.440	498,326	Cons	Deed	12/22/03	\$220,000	\$19,231	
	Kawela Stream Oceanfront Conservation Site, Molokai (5-4-01-27)					Indicated Adjustment		<u>-93%</u>	
6	Luna Kai Park, Oahu (1) 3-9-08-10	3.240	141,134	P-2	Appraisal	2002	\$1,370,000	\$422,840	Land restricted to park use acquired by adjacent property owner. Unencumbered land value based on appraisal completed at that time.
		3.240	141,134	P-2	Deed	12/13/02	\$68,500	\$21,142	
						Indicated Adjustment		<u>-95%</u>	

(\$19,231 per acre). Analysis of the paired sales indicates an adjustment of -93 percent due to cultural and environmental issues and the opposition to construction of a dwelling.

**Transaction No. 6** involves the sale of 3.24 acres of land at Hawaii Kai, Island of Oahu. The land was acquired for use as a private park by the AOA of the adjacent condominium project in December 2012 for \$68,500 (\$21,142 per acre) based on park use. Based on an appraisal of the non-restricted use land value completed at that time, the transaction reflects an adjustment of -95 percent due to the restricted park use which primarily involves the loss of residential use and the cost of maintaining the park.

The six transactions reflect a range of adjustments from -59 to -95 percent with a declining trend. The average of the six transactions is -82 percent. For purposes of analysis, a range from -80 percent to -85 percent was employed which reflects a range of value in the after condition from \$337,500 to \$450,000, as shown below.

"Before" Market Value	\$2,250,000	\$2,250,000
"After" Market Value Adjustment		
-%	<u>-85%</u>	<u>-80%</u>
-\$	<u>-\$1,912,500</u>	<u>-\$1,800,000</u>
"After" Market Value	<u>\$337,500</u>	<u>\$450,000</u>

The appraiser also considered the recent acquisition of the subject property for \$500,000 which closed in July 2019. Based on discussions with the buyer, the price paid was not based on the unencumbered fee simple value of the subject property and was below market as the seller understood that the buyer was acquiring the property for preservation of the fishpond and would not be putting the property to its highest and best use.

While the acquisition agreement was executed in September 2013, analysis herein indicates that oceanfront land values in the Kaneohe area have not changed significantly since that time. As such, it is reasonable to conclude that the price paid (\$500,000) reasonably reflects the market value of the subject property in the after condition.

**“After” Value Conclusion (Reconciliation)**

<u>Value Indicators</u>	
Restricted Use Adjustment	
-85% Adjustment	\$337,500
-80% Adjustment	\$450,000
Sale of Subject Property	\$500,000

Greater weight was placed on the value indicated by the sale of the subject property as it directly reflects the anticipated effects of the proposed conservation easement. Analyses involving restricted use adjustments tend to support the value indicated by the sale of the subject.

Laura H. E. Kaakua  
Hawaiian Islands Land Trust  
October 31, 2019

In consideration of these factors, the concluded fee simple land value in the after condition (subject to the Conservation Easement) is \$500,000 (\$29,218 per acre).

### **CONSERVATION EASEMENT MARKET VALUE CONCLUSION**

The subject conservation easement value has been estimated considering the difference between the “before” and “after” value conclusions as follows.

"Before" Market Value	\$2,250,000
"After" Market Value	<u>\$500,000</u>
Difference	<u>\$1,750,000</u>

**Based upon the research and analyses completed, subject to the Limiting Conditions and Assumptions stated in this report, we estimate that the market value of the subject conservation easement, as described herein, as of October 1, 2019, was:**

**ONE MILLION SEVEN HUNDRED FIFTY THOUSAND DOLLARS  
(\$1,750,000)**

**The estimated exposure and marketing times are 12 months.**

### **CERTIFICATION**

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the

Laura H. E. Kaakua  
Hawaiian Islands Land Trust  
October 31, 2019

amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- I have made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the persons signing this certification.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, Edward W. Becker, MAI has completed the continuing education program for Designated Members of the Appraisal Institute.
- This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.

We appreciate the opportunity of completing this assignment for you.

Sincerely,

Medusky & Co., Inc.



**Edward W. Becker, MAI**  
**Real Estate Appraiser**

Hawaii State Certified General Appraiser  
CGA-581  
Certificate Expires 12/31/19

A D D E N D A

## LIMITING CONDITIONS AND ASSUMPTIONS

The conduct of any study is necessarily guided by, and its results influenced by, the terms of the assignment and the assumptions forming the basis of the study. The following conditions and assumptions, together with other assumptions embodied in the study, constitute the framework of our analysis and conclusions.

### STANDARD LIMITING CONDITIONS AND ASSUMPTIONS

1. **The conclusions and opinions** are based upon the purchasing power of the dollar and economic conditions as of the effective appraisal date. This study expresses the opinion of the appraiser as of October 31, 2019 with an effective date of October 1, 2019 and in no way was contingent upon the reporting of specified conclusions.
2. **It is assumed that the subject property is free and clear** of any and all encumbrances, except for those noted herein; no responsibility is assumed for matters of a legal nature; nor is the report to be construed as rendering any opinion of title, which is assumed to be good and salable.
3. **Soil Conditions and Land Areas** – A soils report was not furnished to the appraisers. We assume soil conditions to be satisfactory for existing and potential development of the subject and assume no responsibility in this respect. Land areas are based on information provided by Tax Office records and other sources and are assumed to be correct.
4. **Relied Upon Information** – Information provided by informed local sources, such as governmental agencies, financial institutions, Realtors, buyers, sellers, property owners and others, was weighed in the light in which it was supplied and checked by secondary means when appropriate. It is believed that the information obtained from these and other sources is true and correct.
5. **Maps** – Any maps or plans reproduced and included in this report are intended only for the purpose of showing spatial relationships. They are not necessarily measured surveys or measured maps and we are not responsible for cartographic or surveying errors.
6. **Possession of this report**, or a copy thereof, does not carry with it the right of publication, and the report may not be used by any person or organization except the client without the previous written consent of the appraisers and then only in its entirety.
7. **The report does not imply** the right of court testimony on the part of the appraisers, without additional arrangements.
8. **Disclosure of the contents** of this study is governed by the By-Laws and Regulations of the Appraisal Institute. Neither all nor any part of the contents of this study (especially any conclusions as to value, the identity of the appraisers or the firm with which they are connected, or any reference to the Appraisal Institute or to the MAI designation) shall be disseminated to the public through advertising media, public relations media, news media, sales media or any other public means of communication, without the prior consent and approval of the appraisers.

9. **Disclosure to Institute** – The contents of this report are subject to the review, upon request of the Appraisal Institute, by duly constituted committees of the Institute or individual members thereof when such committees or members are acting within the scope of their authority under the By-Laws and Regulations of the Institute. This requirement was adopted by the Institute to facilitate the Institute's efforts to maintain the high standards of professional practice and ethical conduct that have been the hallmark of the Institute since its creation.
10. **Toxic Wastes and Hazardous Materials** – The existence of toxic wastes and/or other hazardous materials, which may or may not be present on the property, was not observed by the appraisers. The appraisers have no knowledge of the existence of such materials on or in the property. The appraisers, however, are not qualified to detect such substances. The presence of substances such as toxic wastes, asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The 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. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired. The value conclusions shown in this report assume that there are no toxic wastes and/or hazardous materials affecting the subject property.
11. **Partial Interest** – It is noted that analyses contained in this report involve a partial interest in the real estate involved. The value of this partial interest plus the value of all other partial interests may or may not equal the value of the entire fee simple interest considered as a whole.

#### **SPECIAL LIMITING CONDITION AND ASSUMPTION**

12. **Grant of Conservation Easement** – As of the date of this report, details of the Conservation Easement have not been finalized and the Conservation Easement has not been granted. Per instructions from the client, in the after condition, the Larger Parcel has been appraised assuming that the Conservation Easement, as described herein, has been granted and encumbers the property. If details of the Conservation Easement were to change significantly from that described herein, the market value of the Larger Parcel in the after condition may also change.

## EXHIBIT "A"

## "Waikalua-Loko Fish Pond"

## Lot 1

Real property situate at Kaneohe, Koolaupoko, Oahu, Hawaii

Beginning at the most northwesterly corner of this parcel of land, on the southeasterly edge of Kaneohe Stream, being a curve concave to the Northwest having a radius of 373.41 feet, its curve center bears:  $144^{\circ} 56' 43''$ , the coordinates of said point of beginning referred to Government Survey Triangulation Station "KAILUA" being 9,772.59 feet North and 3,376.98 feet West, thence running by azimuths measured clockwise from True South:

1. Along the southeasterly edge of Kaneohe Stream, on a curve to the left having a radius of 373.41 feet, the chord azimuth and distance being:  
 $229^{\circ} 10' 21.5''$  75.12 feet;
2.  $223^{\circ} 24'$  204.00 feet along the southeasterly edge of Kaneohe Stream;
3.  $133^{\circ} 24'$  10.00 feet along the southeasterly edge of Kaneohe Stream;
4.  $223^{\circ} 24'$  80.00 feet along the southeasterly edge of Kaneohe Stream;
5.  $277^{\circ} 52'$  43.01 feet along the southeasterly edge of Kaneohe Stream;
6.  $223^{\circ} 24'$  50.00 feet along the southeasterly edge of Kaneohe Stream;
7.  $168^{\circ} 56'$  43.01 feet along the southeasterly edge of Kaneohe Stream;
8.  $223^{\circ} 24'$  131.99 feet along the southeasterly edge of Kaneohe Stream;

Thence along the southerly edge of Kaneohe Bay for the next course, the direct azimuth and distance between points on said edge of bay being:

9. 277° 03' 1,231.42 feet;

Thence along the northwesterly edge of former Keana Fish Pond for the next five (5) courses, being also along Royal Patent 5583, Land Commission Award 2937, Apana 3, Part 10 to William Harbottle, the direct azimuths and distances between points on said edge of fish pond being:

10.	61°	47'	50.00 feet;
11.	46°	51'	72.10 feet;
12.	27°	17'	90.00 feet;
13.	15°	17'	120.00 feet;
14.	359°	17'	130.00 feet;
15.	108°	40'	251.39 feet along Lot 2;
16.	48°	20'	42.12 feet along Lot 2;
17.	76°	35'	23.58 feet along Lot 2;
18.	59°	10'	111.75 feet along Lot 2;
19.	60°	55'	97.33 feet along Lot 2;
20.	56°	55'	189.69 feet along Lot 2;
21.	51°	35'	47.51 feet along Lot 2;
22.	56°	20'	113.98 feet along Lot 2;
23.	57°	50'	151.08 feet along Lot 2;
24.	55°	05'	117.24 feet along Lot 2;
25.	68°	25'	49.20 feet along Lot 2;
26.	54°	25'	84.87 feet along Lot 2;

27. 55° 15' 14.76 feet along Lot 2;
28. 158° 28' 308.82 feet along Lot 2 and Exclusion 2;
29. 68° 28' 100.00 feet along Exclusion 2;
30. 158° 28' 371.60 feet along Exclusion 2 and Lot 2 to the point of beginning and containing an area of 17.113 acres, more or less.

Excepting any portion of the land created by accretion and also any portion lying below the shoreline as defined by Hawaii law and/or certified by the State of Hawaii Department of Land and Natural Resources.

Being a portion of the premises acquired by: DEED

Recorded February 1, 2018 in the Bureau as Document No. A-66060430, and in the Land Court as Document No. T-10258125

Grantor WINDWARD CHURCH OF THE NAZARENE

Grantee BAYVIEW KANEOHE GOLF PARK INC., a Hawaii corporation

Being a portion of the property described in and covered by Transfer Certificate of Title No. 1,151,147.

SUBJECT, HOWEVER, to the following:

- A. Title to all mineral and metallic mines reserved to the State of Hawaii.
- B. Rights of Native Tenants as reserved in Land Commission Award Nos. 4452, 6400 and 7587, and in Royal Patent No. 7984.
- C. All customary and traditional rights, of native Hawaiians as provided for by law, for subsistence, cultural and religious purposes, which rights may involve access to the subject property.
- D. Shoreline setback lines as they may be established by the State Land Use Commission or by the various Counties pursuant to the Hawaii Revised Statutes.

## E. Riparian rights

The rights of owners of lands on the banks of watercourses, relating to the water, its use, ownership or soil under the stream, accretions, etc.

F. The effects of Sections 205-31 to 205-37, and 205A 41 to 49, inclusive, Hawaii Revised Statutes, as now or hereafter amended pertaining to shoreline setbacks. Any adverse claim based upon (a) a conflict in the determination of the seaward boundary of the land, (b) a conflict in the location of such seaward boundary, or (c) the assertion that any portion of the land is submerged land or is land beneath tidal waters.

G. As to Apanas 1, 2, 3 and 4 of Land Commission Award No. 2937, Royal Patent No. 5583:

Piscary Reservations in Land Commission Award No. 2937 to William Harbottle "...Together with the right of taking one kind of fish in the adjoining sea, bounded as follows:  
...Reef extending from N. E. angle 16 chain in a line bearing N. 3 E. to outer edge of Reef and by Line N. 20 W. 13 chains from N.W. angle to outer edge of Reef" - agreeably with now existing laws respecting the Rights of Piscary.

H. Rights of others thereto entitled in and to the stream, crossing, abutting, forming the boundary of the land.

I. Rights of others thereto entitled in and to the Kawa stream crossing, abutting, forming the boundary of the land.

J. Effluent Force Main as shown on Tax Map.

J. Parcel 2 as shown on Tax Map.

K. Lack of recorded access to a public street or highway.

L. The terms and provisions contained in the Department of the Army Permit recorded October 04, 1974 as Book 10174 Page 545 of Official Records.

M. Terms, provisions, reservations, covenants, conditions and restrictions, but deleting any of the aforementioned indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, marital status, ancestry, source of income or disability, to the extent such covenants, conditions or restrictions violate Title 42,

Section 3604(c), of the United States Codes or Chapter 515 of the Hawaii Revised Statutes, as contained in the Declaration of Covenants recorded April 29, 1996 as Regular System Document No. 96-058900 of Official Records.

N. The terms and provisions contained in the Agreement for Issuance of Conditional Use Permit under Section 21-4.40-21 of the Land Use Ordinance (LUO) recorded January 27, 1997 as Regular System Document No. 97-02102 and Land Court Document No. 2362254 of Official Records.

O. A financing statement;

Debtor: Windward Church of the Nazarene

Secured Party: SPS Solar VII LLC

Recorded December 30, 2014 as Regular System Document No. A-54770711 of Official Records.

P. A mortgage to secure an original principal indebtedness of \$300,000.00 and any other amounts or obligations secured thereby.

Dated: March 27, 2018

Mortgagor: Dragon Pacific Investment Inc., a Hawaii Corporation, and Bayview Kaneohe Golf Park Inc., a Hawaii corporation

Mortgagee: Bank of Hawaii, a Hawaii corporation.

Recorded March 29, 2018 as Regular System Document No. A-66620363 of Official Records.

Q. The Assignment of Rents, as additional security for the payment of the indebtedness in the amount of \$300,000.00, which was recorded march 29, 2018 as Regular System Document No. A-66620364 of Official Records.

R. A financing statement;

Debtor: Bayview Kaneohe Golf Park Inc.

Secured Party: Bank of Hawaii

Recorded March 29, 2018 as Regular System Document No. A-66620365 of Official Records.

- S. The following matters, as shown on or disclosed by the map dated February 24, 2017; revised June 6, 2017 and January 17, 2019, prepared by Ross K. Tanaka Licensed Professional Land Surveyor Certificate No. 10744;

Easement (Parcel F-8) for Temporary Fill purposes.

Temporary Construction (Parcel C-1) (18-1-3-40).

Sewer Easement (Parcel 2) (18-1-3-40).

Sewer Easement (Parcel 4) (12-4-3-40).

60 ft. Shoreline Setbacks.

- T. Any and all easements, subleases and/or tenancy agreements, the rights thereunder and encumbrances thereto.

- U. Rights of parties in possession.

- V. Easement for rights of way and /or sewer purposes, in favor of the City and County of Honolulu, as acquired by Judgment and Final Order of Condemnation filed in the First Circuit Court of the State of Hawaii in Civil No. 42427 and also recorded February 21, 1975 in the Bureau in Book 10471, Page 98.

- W. Terms and provisions as contained in an instrument,

Entitled : UNILATERAL AGREEMENT AND DECLARATION FOR  
CONDITIONAL ZONING

Recorded : July 9, 1991 in the Bureau as Document No. 91-  
092236

- X. Notice of License and Notice of Assignment of License Agreement recorded March 31, 2017 as Regular System Document No. A-62990913A thru A-62990913B of Official Records.

Assignment of License Agreements recorded February 01, 2018 as Regular System Document No. A-66060432 of Official Records.

End of EXHIBIT "A"



**Board of Directors  
2019**

*Board Chair*  
Jonathan Scheuer

*Vice Chair*  
Mary Charles

*Treasurer*  
Keith Ogata

*Secretary*  
Jennifer Luck

*Past Chair*  
Matt Beall

Sarah Bakewell

Le'ahi Hall

Neil Hannahs

McD Philpotts

Clyde Sakamoto

Larry Stevens

William Swank

Tony Takitani

Lisa Grove

**President & CEO**  
Laura H. E. Kaakua

Edward Becker  
Medusky & Co, Inc  
Via email to medusky@meduskyandco.com

October 24, 2019

Aloha Ted,

Hawaiian Islands Land Trust and Pacific American Foundation are working together to permanently protect and restrict the entirety of TMK: (1)4-5-003:001 of approximately 17 acres, more or less. The property includes Waikalua Loko I'a (Waikalua Fishpond). Pacific American Foundation is the landowner, and has expressed that it wants to grant a conservation easement restricting the property to Hawaiian Islands Land Trust. Hawaiian Islands Land Trust is in the process of raising funds to purchase the conservation easement. Hawaiian Islands Land Trust plans to apply for City and County of Honolulu Clean Water and Natural Lands funds, and other sources. If the City decides that it wants to provide funds toward the conservation easement, the City may also decide that it wants to co-hold the conservation easement with Hawaiian Islands Land Trust.

As we are still early in the process, and do not know if there will be a co-holder of the conservation easement, we have not drafted a Grant of Conservation Easement yet. However, Hawaiian Islands Land Trust and Pacific American Foundation have discussed the guiding terms of the conservation easement and are in agreement that the conservation easement will adhere to the following terms. The conservation easement will:

- Prohibit subdivision and condominium property regime (CPR).
- Prohibit structures except for one educational structure slated for the far mauka side of the fishpond.
- Restrict land use to fishpond restoration and care, aquaculture, agriculture and native planting that complements the fishpond ecosystem, Hawaiian cultural practice, and education.
- Require minimum managed public access, to include:
  - 1) Regular community volunteer workdays open to the public. The exact metrics for the community volunteer workdays will be decided after receiving input from funders. However, we anticipate the requirement will be 5-12 annually.
  - 2) Educational access, such as class field trips and place-based study by college and post-graduate students. The exact metrics for the educational access will be decided after receiving input from funders. Pacific American Foundation currently hosts frequent class field trips, and educates hundreds of students every year. We anticipate the requirement will be at least 500-700 students invited through their schools and teachers to be educated on site annually.

ph: 808.791.0729  
126 Queen St., Ste. 306  
Honolulu, Hawaii 96813  
www.hilt.org

Aloha,

Laura Kaakua, CEO, Hawaiian Islands Land Trust

TRANSACTION NO. 1

Aerial Photograph



Ground Photo



LAND TRANSACTIONSTransaction No. 1

## Property Data:

Tax Map Key: 4-4-06-18 (First Division)  
 Land Area: 21,887 sq. ft. (0.502 acres)  
 Location: 44-421 Kaneohe Bay Drive, Kaneohe, Koolaupoko, Oahu, Hawaii  
 Improvements: 3 bed/3 bath wood frame dwelling (3,200 sq. ft.) built in 1941 and renovated in 1988.

State Land Use: Urban District  
 Sustainable Communities Plan: Low Density Residential  
 County Zoning: R-10, Single Family Residential District

Flood Zone: Zone D

## Utilities:

Electricity: Overhead  
 Water: County  
 Wastewater: County

## Transaction Data:

Transaction Type: Warranty Deed  
 Transaction Date: March 5, 2019  
 Recorded: Doc. No. A-70130368  
 Grantor: Michael J. Gillan, Trustee  
 Grantee: John Warren McClennan and Jennifer Carver McClennan

Transaction Price: \$1,776,000 (cash to seller)  
 Allocation to Improvements: \$200,000  
 Indicated Land Value: \$1,576,000

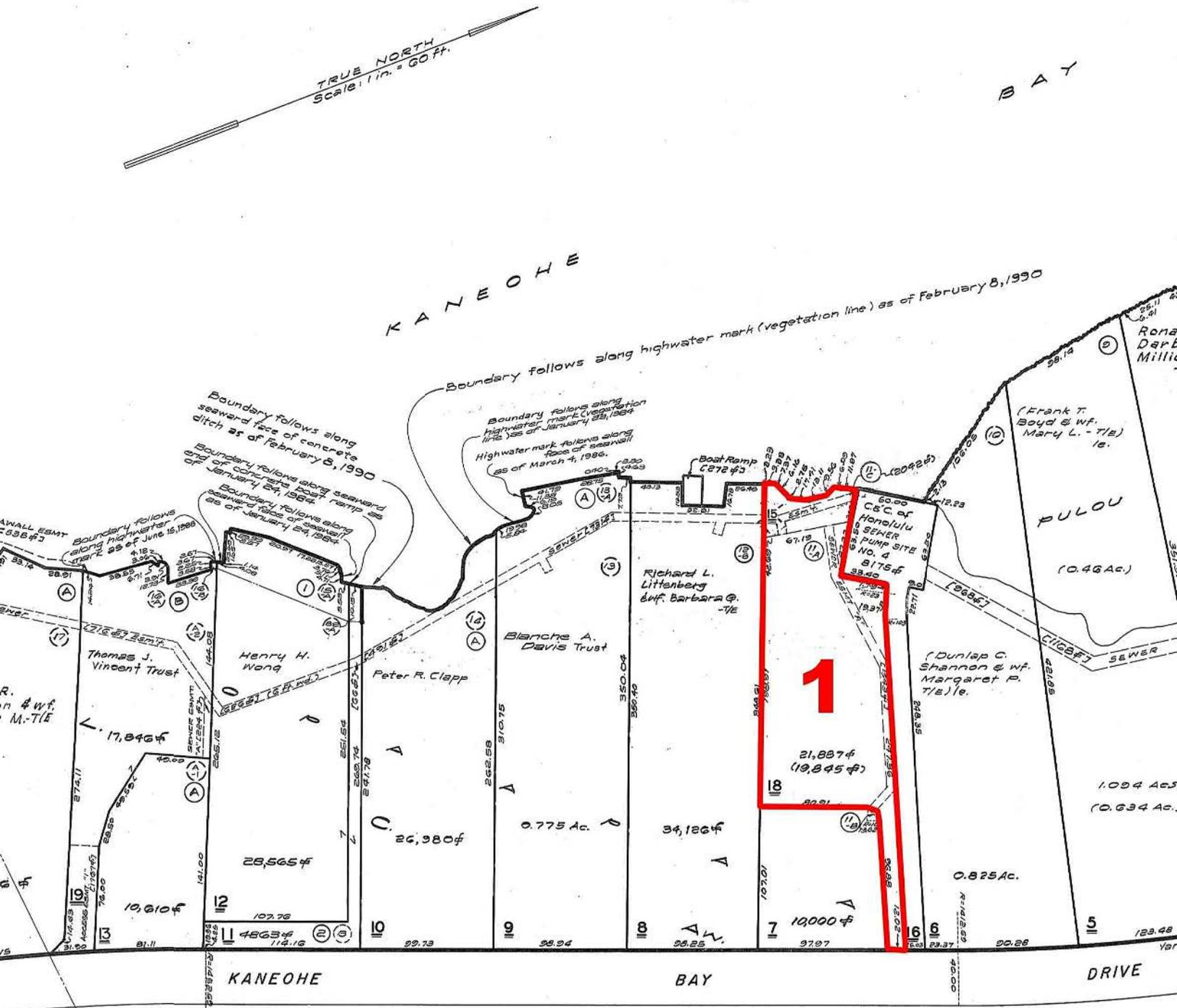
Indicated Unit Rate: \$72.01 per sq. ft.  
 ( \$1,576,000 ÷ 21,887 sq. ft.)

## Comments:

Details of this transaction were verified with Mark Guagliardo, the agent representing the seller. According to Mr. Guagliardo, this was an arm's length transaction involving cash to the seller for the fee simple interest in the property.

Topography is fairly level to gently sloping, below grade of the abutting roadway. Electrical and telephone lines are overhead.

15 State of Hawaii



PLAT 35  
 Yacht Club Hills Subdivision  
 Unit 1 F. P. 638

DEPARTMENT OF TAXATION		
TAXATION MAPS BUREAU		
STATE OF HAWAII		
TAX MAP		
FIRST TAXATION DIVISION		
ZONE	SEC.	PLAT
4	4	06

TRANSACTION NO. 2

Aerial Photograph



Ground Photo



Transaction No. 2

## Property Data:

Tax Map Key: 4-6-01-19 (First Division)  
 Land Area: 20,249 sq. ft. (0.465 acres)  
 Location: 46-123 Lilipuna Road, Kaneohe, Koolaupoko, Oahu, Hawaii  
 Improvements: Vacant

State Land Use: Urban District  
 Sustainable Communities Plan: Low Density Residential  
 County Zoning: R-10, Single Family Residential District

Flood Zone: Zone X

## Utilities:

Electricity: Overhead  
 Water: County  
 Wastewater: On-site system

## Transaction Data:

Transaction Type: Warranty Deed  
 Transaction Date: October 19, 2018  
 Recorded: LC Doc. No. T-10523183  
 Grantor: Nanaina O Pali Ku, LLC  
 Grantee: Dominic Henriques, Trustee et al.

Consideration: \$1,800,000 (cash to seller)

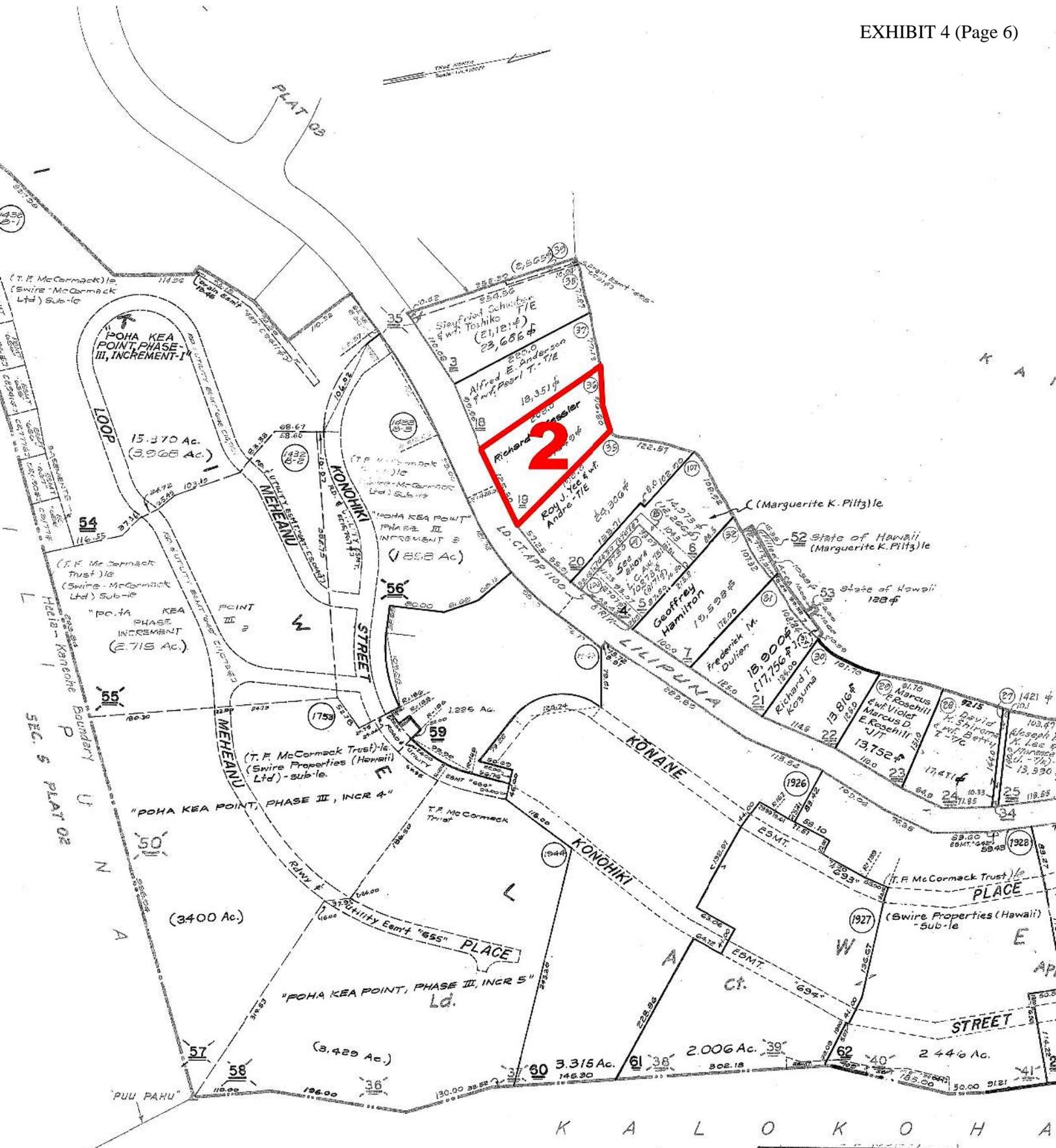
Indicated Unit Rate: \$88.89 per sq. ft.  
 ( \$1,800,000 ÷ 20,249 sq. ft.)

## Comments:

Details of this transaction were verified with Scott Carvill, the agent representing the seller. According to Mr. Carvill, this was an arm's length transaction involving cash to the seller for the fee simple interest in the property.

Topography is fairly level to sloping, with terraced portions, below grade of the abutting roadway. Electrical and telephone lines are overhead. There is a dredged waterway channel the provides deep water access for the property.

The property previously sold in March 2007 for \$1,825,000 (\$90.13/sq. ft.).



K A L O K O H A

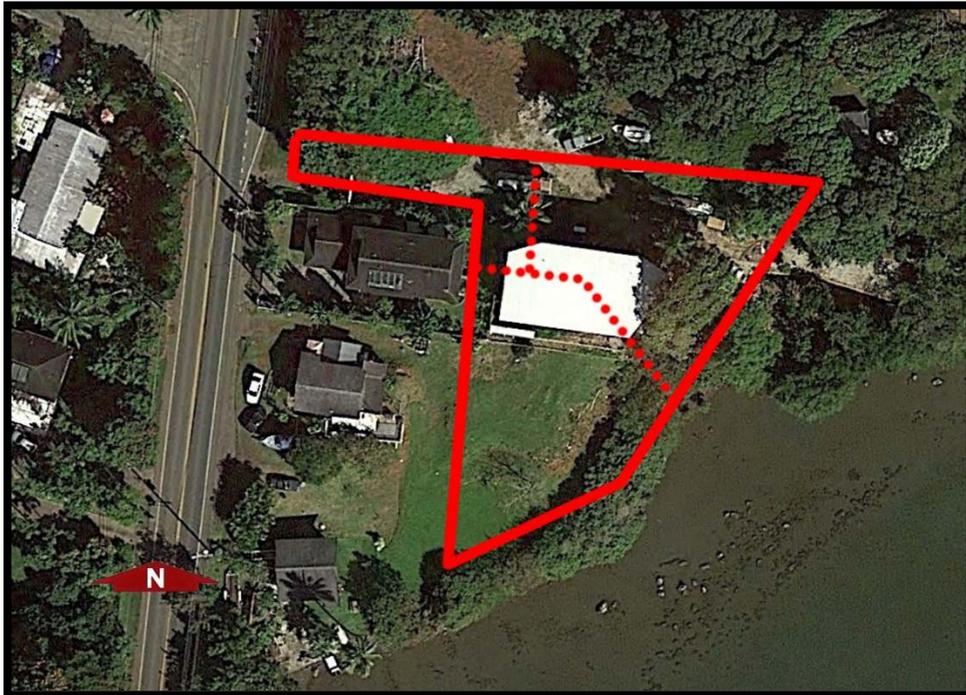
Ld. TAXATION MAPS BUREAU TERRITORY OF HAWAII App. AT 01

**TAX MAP**

FIRST DIVISION		
ZONE	SEC.	PLAT
4	6	01
CONTAINING PARCELS		

TRANSACTION NO. 3

Aerial Photograph



Ground Photo



Transaction No. 3

## Property Data:

Tax Map Key: 4-7-24-30 & 31 (First Division)  
 Land Area: 12,596 sq. ft. (0.289 acres)  
 Location: 47-833A Kamehameha Highway, Kaalaea, Koolaupoko, Oahu, Hawaii  
 Improvements: Vacant

State Land Use: Urban District  
 Sustainable Communities Plan: Low Density Residential  
 County Zoning: R-10, Single Family Residential District

Flood Zone: Zone X

## Utilities:

Electricity: Overhead  
 Water: County  
 Wastewater: On-site system

## Transaction Data:

Transaction Type: Warranty Deed  
 Transaction Date: September 5, 2018  
 Recorded: LC Doc. No. T-10479033  
 Grantor: William Godfrey Affonso et al.  
 Grantee: Samuel K.G. Lee and Nori W. Lee, Trustees

Transaction Price: \$900,000 (cash to seller)

Indicated Unit Rate: \$71.45 per sq. ft.  
 ( \$900,000 ÷ 12,596 sq. ft.)

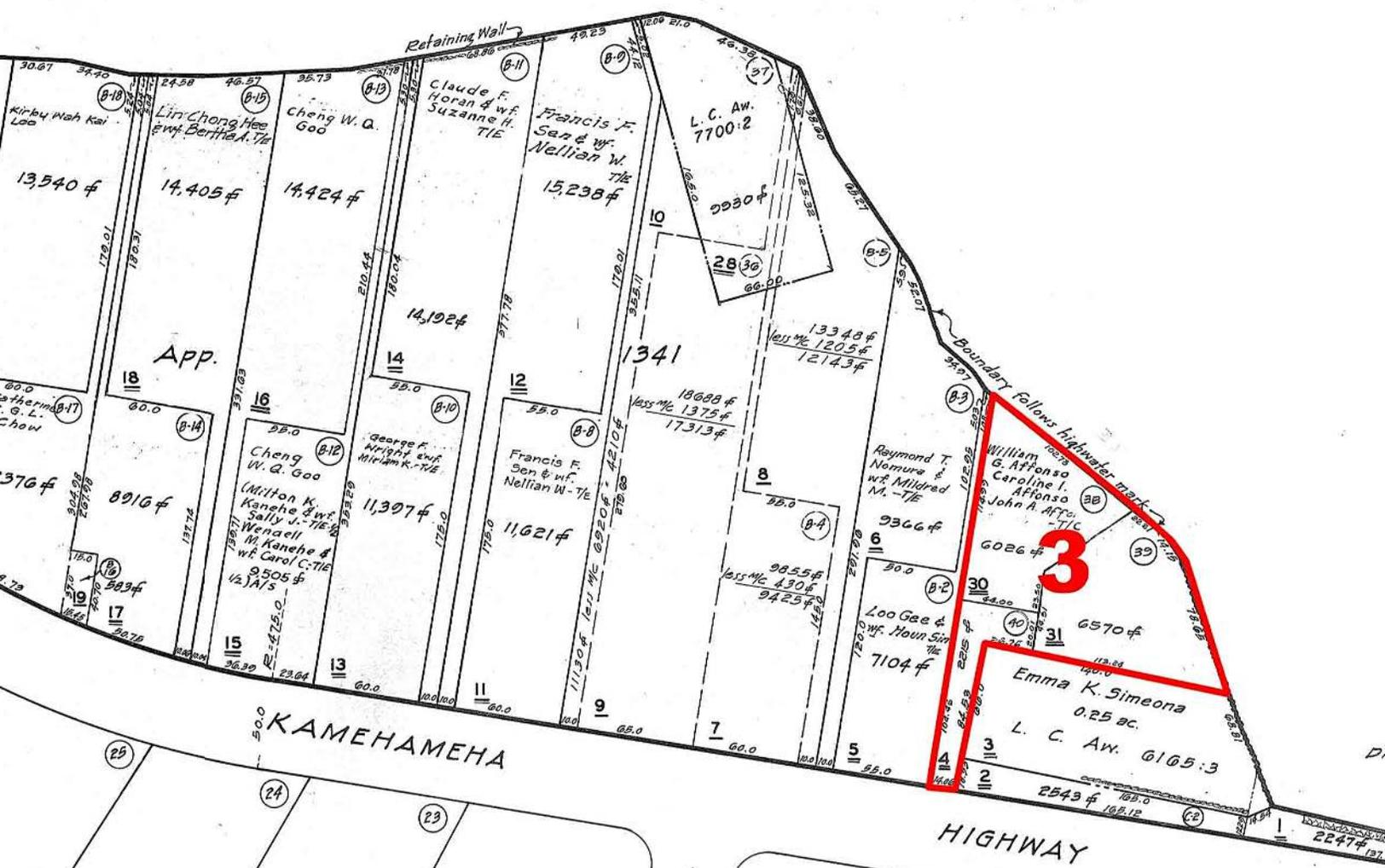
## Comments:

Details of this transaction were verified with Baron Graham, the agent representing the seller. According to Mr. Graham, this was an arm's length transaction involving cash to the seller for the fee simple interest in the property.

Topography is fairly level to gently sloping, below grade of the abutting roadway. Electrical and telephone lines are overhead.

TRUE NORTH  
Scale: 1 in. = 50 ft

S E A



TAXATION MAPS BUREAU		
TERRITORY OF HAWAII		
TAX MAP		
FIRST DIVISION		
ZONE	SEC.	PLAT
4	7	24
CONTAINING PARCELS		

Note: All lots owned by Francis B. S. Yee - 1/2, Hung Wo Ching & wife Elizabeth L. 1/2 unless otherwise noted.

TRANSACTION NO. 4

Aerial Photograph



Ground Photo



Transaction No. 4

## Property Data:

Tax Map Key: 4-6-01-03 (First Division)  
 Land Area: 23,656 sq. ft. (0.543 acres)  
 Location: 46-133 Lilipuna Road, Kaneohe, Koolaupoko, Oahu, Hawaii  
 Improvements: 5 bed/3.5 bath wood frame dwelling (2,381 sq. ft.) built in 1968 and renovated in 1992.

State Land Use: Urban District  
 Sustainable Communities Plan: Low Density Residential  
 County Zoning: R-10, Single Family Residential District

Flood Zone: Zone X

## Utilities:

Electricity: Overhead  
 Water: County  
 Wastewater: On-site system

## Transaction Data:

Transaction Type: Warranty Deed  
 Transaction Date: June 22, 2018  
 Recorded: LC Doc. No. T-10406149  
 Grantor: Toshiko Schuster  
 Grantee: Peter Brian Tingstrom and Gina Gatanis Tingstrom

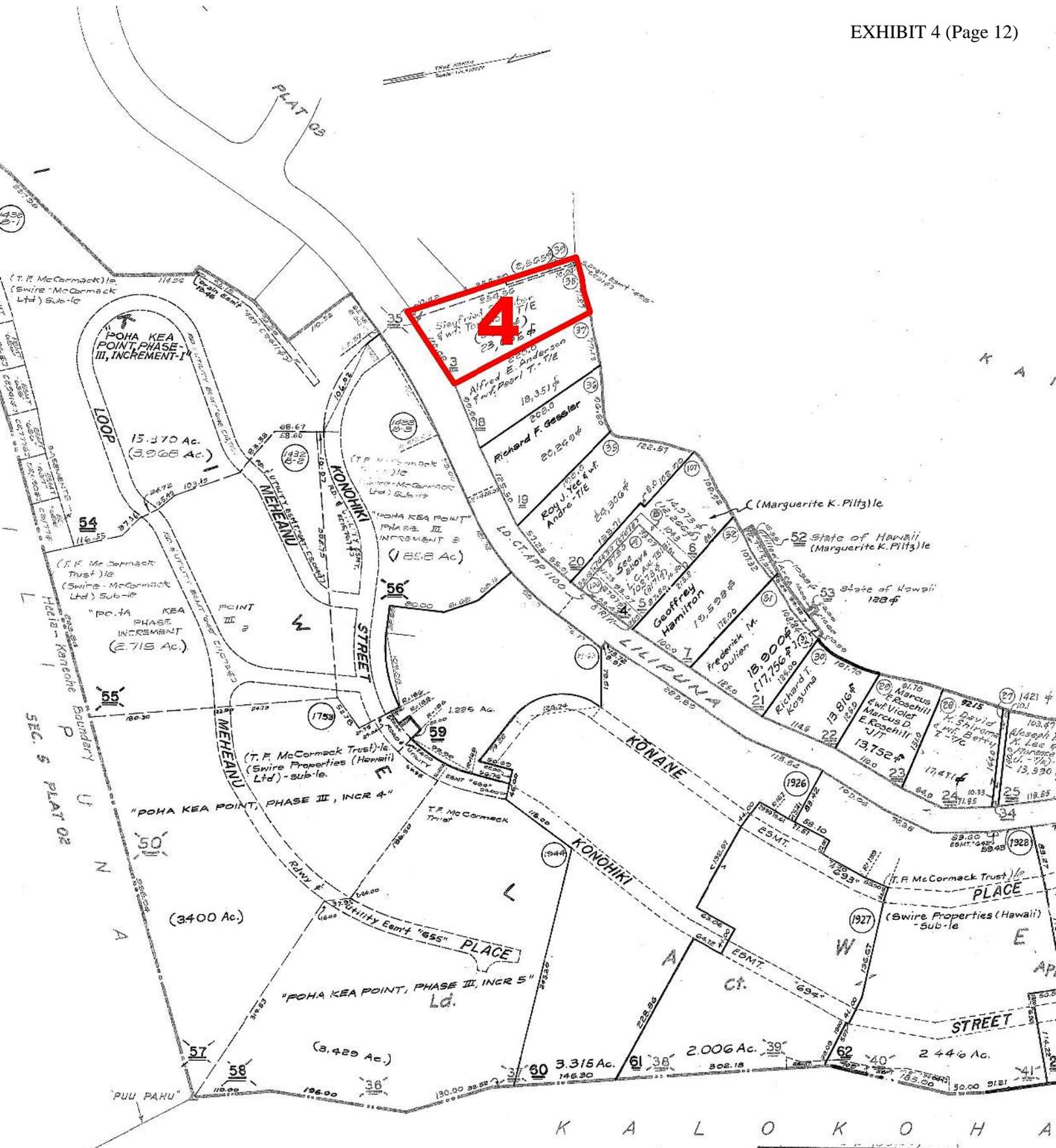
Transaction Price: \$1,788,000 (cash to seller)  
 Allocation to Improvements: \$200,000  
 Indicated Land Value: \$1,588,000

Indicated Unit Rate: \$67.13 per sq. ft.  
 ( \$1,588,000 ÷ 23,656 sq. ft.)

## Comments:

Details of this transaction were verified with Iku Honda, the agent representing the seller. According to Ms. Honda, this was an arm's length transaction involving cash to the seller for the fee simple interest in the property.

Topography is fairly level to gently sloping, below grade of the abutting roadway. Electrical and telephone lines are overhead. There is a dredged waterway channel the provides deep water access for the property.



K A L O K O H A

Ld. TAXATION MAPS BUREAU TERRITORY OF HAWAII TAX MAP App. AT 01

FIRST DIVISION		
ZONE	SEC.	PLAT
4	6	01
CONTAINING PARCELS		

## QUALIFICATIONS OF EDWARD W. BECKER, MAI

Real Estate Appraiser, Medusky & Co., Inc., Real Estate Consultants  
Queen's Court, Suite 405, 800 Bethel Street, Honolulu, Hawaii

### EDUCATION

Bachelor of Arts Degree  
University of Hawaii at Manoa, Honolulu, Hawaii  
Political Science Major

### SPECIAL COURSES

#### State Certification Courses

Appraising the Single Family Residence  
Foundations of Real Estate Appraisal  
Real Estate Appraisal Methods  
Uniform Standards of Professional Appraisal Practice

#### Appraisal Institute Courses

550 – Advanced Applications  
540 – Report Writing and Valuation Analysis  
530 – Advanced Sales Comparison and Cost Approaches  
520 – Highest & Best Use and Market Analysis  
510 – Advanced Income Capitalization  
430 – Standards of Professional Practice, Part C  
420 – Standards of Professional Practice, Part B  
410 – Standards of Professional Practice, Part A

#### Appraisal Institute Seminars/Programs

An Introduction to Valuing Commercial Green Buildings  
Business Practices and Ethics  
Eminent Domain and Condemnation Appraising  
Feasibility, Market Value, Investment Timing: Option Value  
FHA and the Appraisal Process  
New Industrial Valuation  
Review Theory – General  
Site Use and Valuation Analysis  
Small Hotel/Motel Valuation  
The Appraiser as an Expert Witness: Preparation and Testimony  
Uniform Appraisal Standards for Federal Land Acquisitions

University of Hawaii at Manoa, Small Business Management Program, Real Estate Licensing Course

### EXPERIENCE

Engaged in real estate consultation and valuation since 1993. Geographic areas covered include the four counties of the State of Hawaii, the Republic of the Marshall Islands, Republic of Korea and American Samoa. Property types include agricultural, industrial, office, preservation, residential, resort, shopping center, subdivision and various other property types.