STATE OF HAWAII DEPARTMENT OF LAND AND NATURAL RESOURCES Division of Forestry and Wildlife Honolulu, Hawaii

May 10, 2024

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

- SUBJECT: 1. APPROVE THE ACQUISITION OF APPROXIMATELY 256.903
 ACRES OF PRIVATE LAND AT POHAKEA, DISTRICT OF
 WAILUKU, ISLAND OF MAUI, TAX MAP KEY NUMBER (2) 3-6001:018;
 - 2. APPROVE POST-CLOSING ISSUANCE OF A MANAGEMENT RIGHT-OF-ENTRY TO THE DIVISION OF FORESTRY AND WILDLIFE, INCLUDING AUTHORIZATION FOR THE MAUI BRANCH MANAGER, DIVISION OF FORESTRY AND WILDLIFE, TO ISSUE PERMITS GOVERNING THE USE OF PUBLIC FACILITIES OR AREAS WITHIN THE PROPERTY, according to SECTION 13-221-5, HAWAII ADMINISTRATIVE RULES, THROUGH COORDINATION WITH THE MAUI DISTRICT LAND AGENT:

AND

3. AUTHORIZE THE DIVISION OF FORESTRY AND WILDLIFE TO CONDUCT A PUBLIC HEARING ON THE ISLAND OF MAUI FOR A PROPOSED ADDITION OF APPROXIMATELY 257.7 ACRES OF LAND AT POHAKEA, DISTRICT OF WAILUKU, ISLAND OF MAUI, TAX MAP KEY: (2) 3-6-001:018 TO THE WEST MAUI FOREST RESERVE.

APPLICANT AGENCY:

Division of Forestry and Wildlife ("Division")

PRIVATE LANDOWNER:

The Trust for Public Land (TPL), a non-profit 501(c) (3) organization ("Seller")

LEGAL REFERENCE:

Sections 107-10, 171-11, and 171-30, Hawaii Revised Statutes (HRS), as amended.

LOCATION:

The privately owned lands of Hope Builders, Inc., and WMC Holdings, LLC, situated on Maui, are identified by Tax Map Key Number (2) 3-6-001:018 (Property), as shown on the attached map labeled **Exhibit A**.

AREA:

256.903 acres, more or less

ZONING:

State Land Use District: Agriculture County of Maui: Agriculture

CURRENT USE:

Vacant and unencumbered.

CONSIDERATION:

The purchase price will be the lower of either 1) funds raised for the purchase or 2) the fair market value as established by an appraisal conducted by an independent appraiser contracted by the Hawaii State Department of Land and Natural Resources ("Department").

PURPOSE:

Forest reserve purposes.

CHAPTER 343 – ENVIRONMENTAL ASSESSMENT:

Pursuant to Section 323-5(a)(1), HRS, an environmental assessment ("EA") is not required where State or county funds are being used to acquire unimproved real property. As the subject lands are unimproved, an EA is not required. Inasmuch as the Chapter 343 environmental requirements apply to the Applicant's use of the lands, the Applicant shall be responsible for compliance with Chapter 343, HRS, as amended.

ACQUISITION REQUIREMENTS:

- 1) Obtain an appraisal to determine the value of the property to be acquired.
- 2) Provide survey maps and descriptions for the privately-owned property according to State Department of Accounting and General Services ("DAGS") standards.
- 3) Obtain a title report for the privately owned property subject to review and approval by the Department.
- 4) Conduct a Phase I Environmental Site Assessment and, if Phase I identifies the potential for hazardous materials release or the presence of hazardous material, conduct a Phase II environmental sampling and analysis plan and perform all remediation, abatement, and disposal as may be warranted and as satisfactory to the standards required by the Federal Environmental Protection Agency and/or the State Department of Health, all at no cost to the State and to the satisfaction of the Department;

BACKGROUND:

The Property comprises approximately 256.903 acres of the coastal plain in a scenic area at the base of the West Maui Mountains mauka of the Mā'alaea small boat harbor in South Maui (**Exhibit A**). The property purchase includes easements for three wells and a 750,000-gallon tank on the adjacent properties. These easements benefit the Property and allow water delivery across adjacent lands. These water resources will provide significant benefits for land management, including habitat restoration, construction of green/shaded fuel breaks, and reforestation to help prevent erosion that damages marine environments. The Property also contains the historic Lahaina Pali Trail, which will remain open and maintained for public recreational use.

The Property is adjacent to state-owned conservation lands (approximately 3,414 acres) approved by the Board for set aside to the Division in March 2023. The subject parcel and the 3,414 acres of unencumbered state land that lie mauka of the parcel are prone to cycles of hazardous wildfires followed by massive erosion events. The fires threaten public safety and properties in the nearby commercial and residential areas, cause closures of the only road available for emergency vehicles needing to get to urgent care services from Lahaina, and threaten the watersheds and cultural resources of the native ecosystems of Mauna Kahalawai. The erosion events smother nearshore coral reef ecosystems that support recreational, commercial, and subsistence activities, significantly damaging those ecosystems.

Protecting the coastal plain from development has been a community priority for decades. Acquisition of the parcel by the state will enable the Division to continue broad collaborative efforts with agencies, non-governmental organizations, and landowner partners to plan and implement land management solutions to break the fire and erosion cycles, restore habitats, and stop erosion that fouls marine and nearshore ecosystems in south and west Maui. Those plans include setting aside the subject parcel and the mauka state lands to forest reserve and incorporation into the Mauna Kahalawai Watershed Partnership, enabling the Division and partners to direct

additional operational resources to effective management. Key management objectives include constructing and maintaining fire breaks and green/shaded fuel breaks, habitat restoration to improve landscape resilience, installing dip tanks to improve fire suppression, and designing and constructing erosion control measures. Acquisition and management of the Property will also improve watershed function and habitat for native and endangered species and provide public access for recreational and resource use purposes.

REMARKS:

The Land Division and the Attorney General's Office assisted the Division in conducting due diligence for this acquisition. The Division obtained a title report for the Property dated January 16, 2024. The Land Division and the Attorney General's Office have reviewed this report, and no issues have been identified with the land title.

The adjacent properties include wells and waterline easements, which are included in this transaction and are critical for effective property management. Existing easements with the adjoining landowners for well and waterline access required mutual indemnification. After consulting with the Attorney General's office, staff recommended revised language for these easements, which will be recorded at closing. The revised easements will remove the indemnification requirement for the State, which is prohibited, but will provide coverage for damages caused by the State to the extent permitted by law.

The available funding for the acquisition is from grants from Maui County, the State Legacy Land Conservation Program (LLCP), and a substantial land value donation from the landowners, as noted in the table below. At its meeting on May 13, 2022, Item C-1, the Board approved the grant award from the Land Conservation Program for the fee acquisition of the Property.

| Contributing Partner | Amount | % of total |
|---|-------------|------------|
| Landowner Land Donation | \$1,020,000 | 12.41% |
| Maui County | \$6,200,000 | 75.43% |
| State of Hawaii Legacy Land Conservation Program/DLNR | \$1,000,000 | 12.17% |
| Total | \$8,220,000 | 100% |

As the funding programs require, the warranty deed shall include language that obligates the State to manage the Property in compliance with the respective grant program requirements. The deed language is included as **Exhibit B**. The Division will develop a comprehensive management plan, guided by community and stakeholder

input, that provides for thorough documentation (with maps and photos) of the resource values to be protected per the purposes of the grant award from the LLCP.

The Division contracted for an independent appraisal to determine the property's fair market value (FMV). The appraisal was completed per the Uniform Standards of Professional Appraisal Practice (USPAP) 2-2 (a). The purchase price agreed to by the Landowners, \$7,200,000, is below the FMV of \$8,220,000, as determined in the appraisal report.

The landowners provided a survey map and metes and bounds descriptions of the property. In consultation with the DAGS Survey Division, the map and descriptions were verified and approved as sufficient for preparing the *Copy of Survey Furnished* required for the future set aside and Executive Order.

A Phase I Environmental Site Assessment (ESA) was completed in April 2024 by Ford and Associates. A licensed environmental consulting firm identified and removed abandoned 55-gallon drums and vehicles following federal, state, and local regulations. No staining was observed in the area, but soil samples were taken to determine if hazardous chemicals were released. Petroleum and other volatile substances were detected at concentrations well below the Hawaii Department of Health environmental action level. The ESA found no historically recognized environmental condition (REC). The assessment was completed following ASTM E1527-21 standards with no RECs identified.

The Seller (TPL) has an agreement to buy the Property from the current landowners and will then convey it to the State. A draft final Warranty Deed (Exhibit B) and draft final Purchase and Sale Agreement between the State and the Seller (Exhibit C) were reviewed and accepted by the Seller and the State's deputy attorney general and are attached for the Board's review and approval.

In addition to approving the acquisition, the Board is requested to approve an immediate management right of entry and authorization for permitting to the Division. This will allow the Division to assume management of the Property upon acquisition, including permit issuance, rather than waiting until completion of the set-aside.

RECOMMENDATION: That the Board:

- 1. Authorize the acquisition of the subject Property under the terms and conditions cited above, which are by this reference incorporated herein and further subject to the following:
 - A. The terms and conditions of the attached warranty deed document, as may be amended;
 - B. Review and approval by the Department of the Attorney General; and

- C. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.
- 2. Authorize the issuance of a management right-of-entry permit to the Division of Forestry and Wildlife covering the Property under the terms and conditions cited above, effective immediately upon acquisition by the State, which is by this reference incorporated herein and further subject to the following:
 - A. The standard terms and conditions of the most current right-of-entry permit form, as may be amended from time to time; and
 - B. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State, including authorization for the Maui Branch Manager, Division of Forestry and Wildlife, to issue permits under section 13-221-5, Hawaii Administrative Rules, through coordination with the Maui District Land Agent.
- 3. Pursuant to Section 183-11, HRS, as amended, authorize the Division of Forestry and Wildlife to conduct a public hearing on the Island of Maui regarding the proposed addition of the Property to the Forest Reserve System. Further, under 183-12, HRS, authorize the Chairperson to:
 - A. Set the date, location, and time of the public hearing; and
 - B. Appoint a hearing master(s) for the public hearing.

Respectfully Submitted,

M6A

David G. Smith Administrator

APPROVED FOR SUBMITTAL:

Dawn N.S. Chang, Chairperson

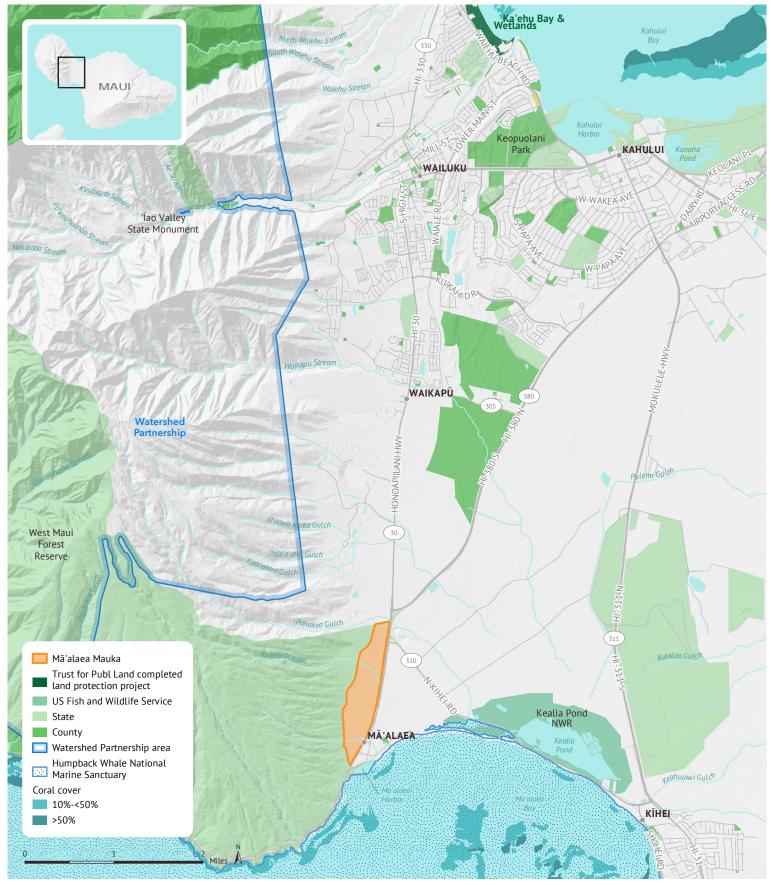
Attachments:

Exhibit A – Map of Property

Exhibit B – Draft Warranty Deed

Exhibit C – Draft Purchase and Sale Agreement

Exhibit A_Property Maps



Mā'alaea Mauka

ISLAND OF MAUI, HAWAI'I



Exhibit A_Property Maps Existing 40° wide roadway and utility easement 15' wide waterline easement Wailuku Moku Mā'alaea Mauka Watershed Partnership area (see inset) Well location Waterline Utility/waterline easement Humpback Whale National Marine Sanctuary M¦ĀĻĀĒĀ Moku boundary Mā'alaea ••• Lahaina Pali Trail Bay - - Lahaina Pali Trail (approximate)

Mā'alaea Mauka

ISLAND OF MAUI, HAWAI'I

State
Maui County



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Total Number of Pages:

LOD No. Tax Map Key No.

(2) 3-6-001:018

WARRANTY DEED

KNOW ALL MEN BY THESE PRESENTS:

THAT, effective as of the _____ day of ______, 2024 THE TRUST FOR PUBLIC LAND, a California nonprofit public benefit corporation, whose address is 23 Geary Street, Suite 1000, San Francisco, CA 94108, hereinafter referred to as the "Grantor," for and in consideration of the sum of ONE MILLION DOLLARS (\$1,000,000.00), paid by the STATE OF HAWAII, by its Board of Land and Natural Resources, whose address is 1151 Punchbowl Street, Honolulu, Hawaii 96813, hereinafter referred to as the "Grantee," the receipt whereof is hereby acknowledged, does hereby grant, bargain, sell and convey unto the Grantee, the Grantee's successors and assigns, those certain parcels of land situate along Honoapiilani Highway, Tax Map Key No. (2) 3-6-001:018, designated as "Maalaea Mauka," containing an area of 256.903 acres, more or less, more particularly described in Exhibit "A" and delineated on Exhibit "B," both attached hereto

and made parts hereof, (hereafter, the "Property"). Subject to the following:

- 1. Roadway, as shown on Land Patent Grant No. 9794;
- 2. Notice of Imposition of Conditions By the Land Use Commission, dated December 9, 1992, recorded in the Bureau of Conveyances, State of Hawaii ("Bureau"), as Document No. 92-200449;
- 3. Declaration of Conditions, dated January 25, 1993, recorded in the Bureau as Document No. 93-014788;
- 4. Utility Easement, dated November 1, 1995, recorded in the Bureau as Document No. 95-161279 thru 95-161280, amended by that Amendment of Easement dated July 1, 1998, recorded in the Bureau as Document No. 98-101152;
- 5. Agreement for Allocation of Future Subdivision Potential, dated January 3, 2002, recorded in the Bureau as Document No. 2003-059347;
- 6. Limited Warranty Deed, dated August 10, 2004, recorded in the Bureau as Document No. 2004-165726;
- 7. Declaration of Covenants, Conditions, Easements, Reservations and Restrictions, dated August 10, 2004, recorded in the Bureau as Document No. 2004-165727;
- 8. Grant of Easement for Waterline and Well Purposes, dated October 21, 2008, recorded in the Bureau as Document No. 2008-163634;
- 9. Access and Utility Easement, dated February 10, 2010, recorded in the Bureau as Document No. 2010-020512;
- 10. Waterline Easement, dated February 10, 2010, recorded in the Bureau as Document No. 2010-020513; and
- 11. Access and Utility Easement, dated February 10, 2010, recorded in the Bureau as Document No. 2010-020514.

AND the reversions, remainders, rents, income and profits thereof, and all of the estate, right, title, and interest of the Grantor, both at law and in equity, therein and thereto.

TO HAVE AND TO HOLD the same, together with all improvements, rights, easements, privileges, and appurtenances thereunto belonging or in anyways appertaining or held and enjoyed therewith in fee simple unto said Grantee, the Grantee's successors and assigns, forever, free and clear of all liens and encumbrances, except as noted herein.

The Grantor, for itself, its successors and assigns, does hereby covenant with the Grantee, its successors and assigns, that the Grantor is lawfully seised in fee simple and possessed of the above described Property, that it has a good and lawful right and title to sell and convey the same as aforesaid, that the same is free and clear of all liens and encumbrances, except as noted herein, and that it will and its successors and assigns, shall WARRANT AND DEFEND the same unto the Grantee, its successors and assigns, forever, against the claims and demands of all persons whomever.

AND, the Grantor warrants that if any lender or governmental agency shall ever require testing to ascertain whether or not there has been any release of hazardous materials by Grantor on or adjacent to the Property, as determined by Grantee in its sole discretion, then the Grantor shall be responsible for the reasonable costs thereof. In addition, Grantor shall execute affidavits, representations and the like from time to time at Grantee's request concerning Grantor's best knowledge and belief regarding the presence of hazardous materials on the Property placed or released by Grantor.

The Grantor agrees to release, indemnify, defend, and hold Grantee harmless, from any damages and claims resulting from the release of hazardous materials on or about the Property occurring while Grantor was in possession of the Property, or elsewhere if caused by Grantor or persons acting through or under Grantor.

For the purpose of this warranty deed "hazardous material" shall mean any pollutant, contaminant, toxic substance, hazardous waste, hazardous material, hazardous substance, or oil, as all of the above are defined in or pursuant to the Resource Conservation and Recovery Act, as amended, the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, the Federal Clean Water Act, as amended, Chapter 128D, Hawaii Revised Statutes, as amended, or any other federal, state, or local law, regulation, ordinance, rule, or bylaw, whether existing as of the date hereof, previously enforced, or subsequently enacted.

The Grantor shall be responsible for payment of all property taxes up to the date of execution of this Warranty Deed.

The following provisions shall be effective only upon recordation of this Warranty Deed and shall be binding upon the Grantee and its successors and assigns. The Grantor shall have no liability whatsoever under any of these provisions and the Grantee shall hold the Grantor harmless from any and all damages and claims resulting from the Grantee's and its successors' and assigns' failure to comply with all such provisions:

1. NOTICE OF STATE PARTICIPATION

The Property shall be managed consistently with the purposes for which it was awarded a Legacy Land Conservation Program grant and Chapter 173A, Hawaii Revised Statutes. Whenever the Property is sold, that portion of the net proceeds (sale price less actual expenses of sale) of such sale, equal to the proportion that the Legacy Land Conservation Program grant bears to the original cost of the Property, shall be paid to the State of Hawaii and redeposited in or credited to the Land Conservation Fund or its successor. In the event the Property is leased, rented, or otherwise disposed of, other than by sale, that portion of the gross proceeds of such disposition, equal to the proportion that the Legacy Land Conservation Program grant bears to the original cost of the Property, shall be paid to the State of Hawaii and redeposited in or credited to the Land Conservation Fund or its successor.

2. NOTICE OF MAUI COUNTY PARTICIPATION

This Property has been acquired by the State of Hawaii with funds from the Maui County Open Space, Natural Resources, Cultural Resources, and Scenic Views Preservation Fund. The State of Hawaii is required to seek approval from the Maui County Council to convey the Property to any other entity, agency or organization, except for utility, County or other easements needed to facilitate the State of Hawaii's watershed management of the Property or the public's cultural, educational, and recreational uses.

The general public shall be allowed reasonable access to the Property, provided that access may be limited or controlled for cultural and environmental resource protection and public safety.

The Property shall not be sold, exchanged, divested or converted to other uses that are inconsistent with the conservation purposes without the prior approval of the Maui County Council by resolution.

The State of Hawaii shall not mortgage, hypothecate, or pledge the Property or any portion thereof without the prior approval of Maui County.

The State of Hawaii will submit to the Mayor of Maui County or the Mayor's designee annual reports for the first three years after the date of closing/recordation of this deed documenting progress toward implementation of a long-term management plan.

"Grantee," as and when used hereinabove or hereinbelow shall mean and include the masculine or feminine, the singular or plural number, individuals, associations, trustees, corporations, partnerships, or other entities and their and each of their respective successors in interest, heirs, executors, personal representatives, administrators and permitted assigns, according to the context thereof, and that if these presents shall be signed by two or more grantors, or by two or more grantees, all covenants of such parties shall be and for all purposes deemed to be their joint and several covenants.

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

[SIGNATURE PAGE FOLLOWS]

| IN WITNESS WHEREOR | · · |
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| | sed these presents to be executed, 202, and the STATE OF |
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| herein, has caused the seal Natural Resources to be here be executed this day | d and Natural Resources, the Grantee of the Department of Land and eunto affixed and these presents to of, 20, both ath, and year first above written. |
| | THE TRUST FOR PUBLIC LAND, a California non-profit corporation |
| | By: Name: Its: |

GRANTOR

| Approved by the Board of Land and Natural Resources at its meeting(s) held on | STATE OF HAWAII |
|---|---|
| · | Ву |
| APPROVED AS TO LEGALITY, FORM, EXCEPTIONS, AND RESERVATIONS: | DAWN N. S. CHANG Chairperson Board of Land and Natural Resources |
| | GRANTEE |
| TINA M. TSUCHIYAMA Deputy Attorney General | |
| Dated: | |

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EXHIBIT "A"

[TO BE INSERTED]

Description of Tax Map Key (2) 3-6-01:18

Land situated on the westerly side of Honoapiilani Highway (N.R.H. 13-C and F.A.P. 13-G) at Ukumehame, Waikapu, Wailuku, Maui, Hawaii

Being all of Grant S-131975 to Wailuku Sugar Company, Grant 11067 to Wailuku Sugar Company, Grant 10962 to Wailuku Sugar Company, Grant 10745 to Wailuku Sugar Company, Grant 10497 to Wailuku Sugar Company, Grant 10924 to Wailuku Sugar Company and Grant 9794 to Wailuku Sugar Company, and a portion of Grant 3152 to Henry Cornwell

Beginning at a point at the northeasterly corner of this parcel of land, the coordinates of said point of beginning referred to Government Survey Triangulation Station "LUKE" being 23,709.07 feet South and 3,760.16 feet West and running by azimuths measured clockwise from True South:

- 1. Thence along the westerly side of Honoapiilani Highway (F.A.P. 13-G) on a curve to the right, with the point of curvature azimuth from the radial point being:

 275° 52' 12.4" and the point of tangency azimuth from the radial point being:

 278° 14' 56", having a radius of 34,342.50 feet, the chord azimuth and distance being:

 7° 03' 34.2" 1,425.71 feet to a point;
- 2. 8° 14' 56" 1,823.79 feet along same to a point;
- 3. Thence along same on a curve to the right, having a radius of 34,342.50 feet, the chord azimuth and distance being: 9°22'41" 1,353.53 feet to a point;
- 4. 10° 30' 26" 504.25 feet along same to a point;
- 5. 14° 07' 22" 743.00 feet along the westerly side of Honoapiilani Highway (F.A.P. 13-G and N.R.H. 13-C) to a point;

- 6. 105° 46' 29" 10.00 feet along the westerly side of Honoapiilani Highway (N.R.H. 13-C) to a point;
- 7. Thence along same on a curve to the right, with the point of curvature azimuth from the radial point being:

 285° 46' 29" and the point of tangency azimuth from the radial point:

 296° 19' 59", having a radius of 5,647.97 feet, the chord azimuth and distance being:

 21° 03' 14" 1,039.32 feet to a point;
- 8. 296° 16' 56" 18.00 feet along same to a point;
- 9. Thence along same on a curve to the right, with the point of curvature azimuth from the radial point being:
 296 19' 59" and the point of tangency azimuth from the radial point being:
 297 44' 17", the chord azimuth and distance being:
 27 02' 08" 138.94 feet to a point;
- 10. 117' 47' 19" 18.00 feet along same to a point;
- 11. Thence along same on a curve to the right, with the point of curvature azimuth from the radial point being:

 297° 44' 17" and the point of tangency azimuth from the radial point being:

 299° 21' 03", having a radius of 5,647.97, the chord azimuth and distance being:

 28° 32' 40" 158.98 feet to a point;
- 12. 299' 18' 18.00 feet along same to a point;

| 13. | Thence | e alor | ng same | on a curve to | the right, with the point of curvature azimuth from the radial point being: 299°21'02" and the point of tangency azimuth from the radial point being: 301°05'41", having a radius of 5,665.97 feet, the chord azimuth and distance being: 30°13'21.5" 172.47 feet to a point; |
|-----|--------|-------------|--------------|---------------|---|
| 14. | 31° | 05' | 41" | 603.65 feet | along same to a point; |
| 15. | 121° | 05' | 41" | 15.00 feet | along same to a point; |
| 16. | 31° | 05' | 41" | 75.00 feet | along same to a point; |
| 17. | 301° | 05' | 41" | 15.00 feet | along same to a point; |
| 18. | 31° | 05' | 41" | 286.00 feet | along same to a point; |
| 19. | Thence | e alor | ng same | on a curve to | the left, with the point of curvature azimuth from the radial point being: 121° 05' 41" and the point of tangency azimuth from the radial point being: 118° 20' 52.6", having a radius of 11,539.55 feet, the chord azimuth and distance being: 29° 43' 16.8" 553.16 feet to a point; |
| 20. | 153° | 40' | 17" | 209.46 feet | along Portion of Government Land of Ukumehame to a point; |
| 21. | 169° | 48' | 47 '' | 376.44 feet | along same to a point; |
| 22. | 165° | 07 ' | 47" | 112.44 feet | along same to a point; |
| 23. | 167° | 31' | 47" | 394.87 feet | along same to a point; |
| 24. | 105° | 51' | 47" | 103.85 feet | along same to a point; |
| 25. | 184° | 08' | 47 '' | 400.00 feet | along same to a point; |
| 26. | 176° | 24' | 47" | 1,520.00 feet | t along same to a point; |
| 27. | 177° | 16' | 47" | 246.00 feet | t along same to a point; |

| 28. | 216° | 09' | 47" | 413.00 | feet | along same to a point; |
|-----|------|-------------|--------------|----------|------|---|
| 29. | 185° | 14' | 47 '' | 254.00 | feet | along same to a point; |
| 30. | 177° | 22' | 47" | 506.00 | feet | along same to a point; |
| 31. | 217° | 16' | 47" | 437.00 | feet | along same to a point; |
| 32. | 210° | 02' | 47" | 470.00 | feet | along same to a point; |
| 33. | 190° | 15' | 17" | 1,179.70 | feet | along same to a point; |
| 34. | 197° | 01' | 47" | 467.15 | feet | along same to a point; |
| 35. | 235° | 55 ' | 47" | 349.70 | feet | along same to a point; |
| 36. | 220° | 15' | 47" | 280.20 | feet | along same to a point; |
| 37. | 208° | 33' | 47" | 216.10 | feet | along same to a point; |
| 38. | 193° | 09' | 47" | 570.10 | feet | along same to a point; |
| 39. | 203° | 49' | 47" | 164.90 | feet | along same to a point; |
| 40. | 187° | 16' | 47" | 301.10 | feet | along same to a point; |
| 41. | 258° | 57' | 41" | 864.14 | feet | along Grant 3152 to Henry Cornwell and along the remainder of Grant 3152 to Henry Cornwell, being also along Lot 6 of Waikapu Hema Large Lot Subdivision to the point of beginning and containing an Area of 256.903 acres. |

SUBJECT, HOWEVER, to the following:

1. An existing Utility Easement "B" in favor of Maui Electric Company, Ltd.

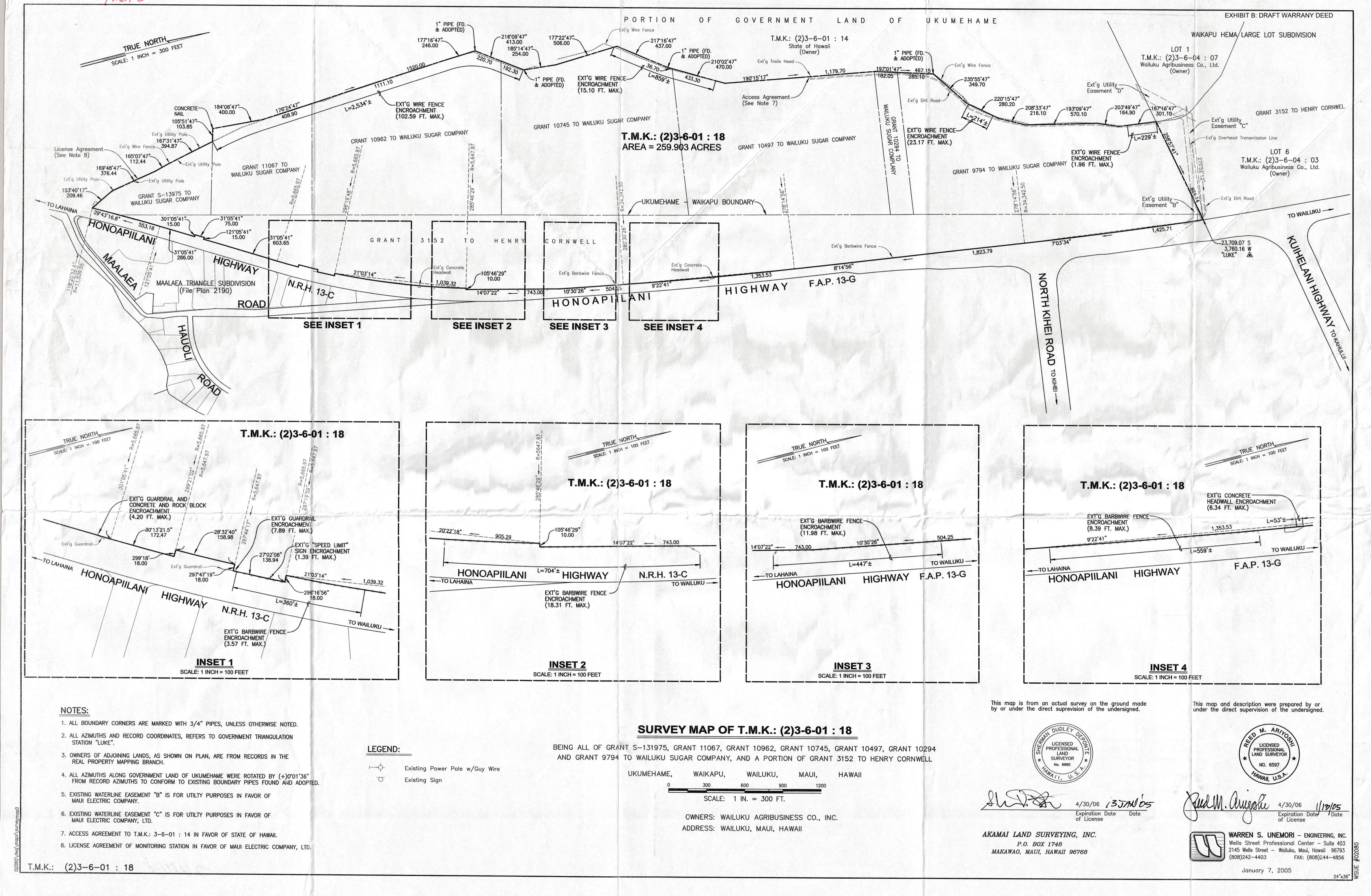
2. A portion of an existing Easement "C" in favor of Maui Electric Company, Ltd.



V:\PROJDATA\02proj\02080\Survey\Description of Tax Map Key (2) 3-6-01-18.wpd

EXHIBIT "B"

[TO BE INSERTED]



AGREEMENT OF SALE

| This is an Agreement of Sale ("Agreement") dated | , 2024, between The |
|--|----------------------------|
| Trust for Public Land, a California nonprofit public benefit corp | oration, authorized to do |
| business in the State of Hawaii ("Seller" or "TPL"), and the State | of Hawaii, by its Board of |
| Land and Natural Resources ("Buyer"). | |

RECITALS

A. The address and telephone numbers of the parties to this Agreement are as follows (telephone numbers are included for information only):

SELLER: BUYER:

The Trust for Public Land 23 Geary St., Ste. 1000 San Francisco, CA 94104

Attn: Tily Shue tily.shue@tpl.org Tel: (415) 800-5308

Copies of any notices to Seller should also be

The Trust for Public Land 1164 Bishop St. Ste. 1512 Honolulu, Hawaii 96813

Attn: Lea Hong lea.hong@tpl.org

Tel: (808)

sent to:

State of Hawaii

Board of Land and Natural Resources

P.O. Box 621

Honolulu, Hawaii 96809-0621 Attn: Dawn Chang, Chairperson dawn.chang@hawaii.gov

Tel: (808) 587-0401 FAX: (808) 587-0390

Copies of any notices to Buyer should also be

sent to:

State of Hawaii

Dept. of Land and Natural Resources Division of Forestry and Wildlife 1151 Punchbowl Street, Room 325

Honolulu, Hawaii 96813 Attn: Tanya Rubenstein tanya.rubenstein@hawaii.gov

Tel: (808) 333-6803 FAX: (808) 587-0160

B. Before the Deed Recordation, the parties expect that Seller will purchase certain real property, located in the District of Wailuku, Maui County, State of Hawaii, Tax Map Key Nos. (2) 3-6-001:018, described in Exhibit A and depicted in Exhibit B, both attached to this Agreement and incorporated herein by this reference, together with such real property owner's interest in all improvements, fixtures, timber, water, oil, gas and mineral and metallic mines of every kind or description, if any, and all rights appurtenant to the property, including but not limited to timber rights, water rights, grazing rights, access rights, and geothermal rights, if any, all of which will be referred to collectively in this Agreement as the "Property."

- C. Seller has entered into an option agreement with Hope Builders, Inc., and WMC Holdings, LLC (together, the "Landowners"), regarding TPL's desired acquisition of the Property which is owned by the Landowners ("TPL Option Agreement"). Under the TPL Option Agreement, TPL has the right, subject to certain conditions, to acquire the Property from the Landowners.
- D. Buyer desires to purchase the Property from Seller on the terms and conditions set forth in the Agreement.

THE PARTIES AGREE AS FOLLOWS:

- 1. <u>Purchase and Sale.</u> Seller agrees to sell the Property to Buyer and Buyer agrees to buy the Property from Seller on the terms and conditions set forth herein.
- 2. <u>Purchase Price</u>. The total purchase price for the Property is \$7,200,000 (the "Purchase Price"). The Purchase Price shall be allocated as follows: Seller shall credit to Buyer the amount of \$6,200,000, which is the amount of the grant Seller is receiving from the County of Maui to fund the acquisition, and Buyer shall deposit to Escrow the balance of the Purchase Price in the amount of \$1,000,000 in immediately available funds.
- 3. <u>Effective Date</u>. This Agreement will be effective on the date that it is signed by both parties hereto and approved as to form, legality, exceptions and reservations by the Attorney General on behalf of Buyer, as shown on the signature pages to this Agreement (the "Effective Date").
- 4. <u>Conditions Precedent to Closing</u>. The parties' respective obligations to close the purchase and sale of the Property are conditioned upon all of the following happening at least one (1) business day before the Closing (as defined in Section 7(a) below):
 - (a) Seller receives approval of the transaction which is the subject of this Agreement by the Seller's Board of Directors which approval is subject to said Board's sole discretion;
 - (b) Buyer has approved the title, physical, and structural condition of the Property not later than May 10, 2024 (the "Review Deadline");
 - (c) Buyer has approved the environmental condition of the Property by the Review Deadline;
 - (d) Buyer receives approval by the State of Hawaii, Board of Land and Natural Resources ("BLNR") to enter into this Agreement and to acquire the Property, which approval is subject to the Board's sole discretion;
 - (e) Buyer receives all sources of grant funding which are to be used together to purchase the Property;

- (f) Seller has provided Buyer with copies of the Property Information (as defined in <u>Section 5(a)(ii)</u> below). To the best of Seller's knowledge, the Property Information contains all encumbrances, restrictions, and obligations, both recorded and unrecorded, pertaining to the Property;
- (g) At least two (2) business days before Deed Recordation, Buyer executes and delivers to Escrow, amendments of the following documents: (1) Grant of Easement for Waterline and Well Purposes, dated October 21, 2008, recorded as Document No. 2008-163634 with the State of Hawaii Bureau of Conveyances ("Bureau"); (2) Access and Utility Easement dated February 10, 2010, and recorded as Document No. 2010-020512 with the Bureau; (3) Waterline Easement dated February 10, 2010 and recorded as Document No. 2010-020513 with the Bureau; and (4) Access and Utility Easement dated February 10, 2010, and recorded as Document No. 2010-020514 with the Bureau (together, the "Waterline Easements") amending the Grantee's indemnification and insurance requirements and signed by the respective landowners of each of the burdened parcels of the Waterline Easements.
- (h) At least two (2) business days before Deed Recordation, Seller delivers to Escrow, the Waterline Easements countersigned by the respective landowners of each of the burdened parcels of the Waterline Easements.
- (i) At Closing, or shortly thereafter, as agreed to by the parties, Seller delivers, or causes to be delivered, to Buyer an executed counterpart of State of Hawaii Commission of Water Resource Management's Form of Notification of Transfer of Well Ownership, sufficient to report the transfer to Buyer via the Deed of the three improved wells with castings and existing fixtures: Pohakea Wells 2 and 3 (Well Nos. 4930-02 and 03), located on TMK No. (2) 3-6-004:003, and Pohakea Well 1 located on TMK No. (2) 3-6-004:008.
- (j) Landowners submit notice of their intent to transfer the Property to the State Land Use Commission pursuant to conditions set forth in Declaration of Conditions, dated January 25, 1993, recorded in the Bureau as Document No. 93-014788, in LUC Docket No. A91-672.
- (k) Satisfaction of all obligations stated in this Agreement by both Buyer and Seller, within the periods provided in this Agreement (if any).

If any condition precedent is not satisfied or waived by the benefited party, Seller or Buyer may terminate this Agreement by written notice to the other party and to the Escrow Holder; in which event the Parties will have no further obligation to each other under this Agreement and Buyer will not be liable for any damages.

5. Condition of the Property.

(a) Buyer and Seller agree that, before the Review Deadline, as defined in Section 4(b) above:

- (i) Buyer will have had the opportunity to study all aspects or circumstances of the Property which Buyer deems material or relevant;
- (ii) Buyer will have received from Seller the documents described in <u>Exhibit C</u> attached hereto and incorporated by this reference, which sets forth Property-related information (the "Property Information");
 - (iii) Buyer will have had access to the Property; and
- (iv) Buyer will have had the opportunity to make all inspections and verifications which Buyer deems necessary for the completion of Buyer's due diligence review for the transaction covered by this Agreement.
- (b) Except as otherwise expressly provided in this Agreement, Buyer hereby acknowledges and agrees that the sale of the Property hereunder is and will be made on an "as is, where is" basis and that neither Seller, nor any attorney, representative, agent, or employee of Seller has made, or will make, and except for Seller's representations and express warranties set forth in this Agreement, Seller specifically negates and disclaims, any representations, warranties, or guaranties of any kind or character whatsoever, whether express or implied, oral or written, past, present, future, or otherwise, of, as to, concerning or with respect to the Property.
- 6. <u>Due Diligence</u>. Seller has provided to Buyer the Property Information and the opportunity to investigate and review a preliminary title report, the Property Information, and the physical condition of the Property, which investigation and review must be completed on or before the Review Deadline. If Buyer determines that it is dissatisfied with the condition of the Property, then Buyer may terminate this Agreement by delivering written notice to Seller on or before the Review Deadline. If Buyer fails to deliver any such written termination notice to Seller on or before the Review Deadline, then Buyer will be deemed to have elected to proceed to close escrow and acquire the Property.

7. **Escrow and Closing**.

(a) Seller shall open an escrow (the "Escrow") Old Republic Title & Escrow Company of Hawaii, ATTN: Lynette Aipa, email: LAipa,@ortc.com (the "Escrow Holder") for the purpose of consummating the purchase and sale of the Property (the "Closing"). Buyer and Seller will approve and submit joint escrow closing instructions. "Deed Recordation" which is defined as the date on which the Warranty Deed is recorded and the Purchase Price paid will occur on or before June 14, 2024, unless extended by agreement of the parties; the parties agree that if, despite their best efforts, any funding source

has not deposited its funds into escrow by June 14, 2024, the Closing will be extended for up to thirty (30) days to accommodate the late deposit of such funds.

- (b) Buyer and Seller must deliver (or cause to be delivered) all final, fully executed documents and all funds into Escrow at least two (2) business days before the Deed Recordation.
- (c) Seller will pay 100% of any documentary tax or real property transfer tax arising out of the conveyance of the Property. Any other closing expenses, fees, and charges will be borne by the Seller.
- 8. <u>Title</u>. Seller will cause the Property to be conveyed to Buyer by a Warranty Deed in the form attached hereto as <u>Exhibit D</u>, incorporated herein by this reference (the "Deed"), a fee simple interest in the Property, free and clear of all monetary liens and encumbrances, except as shown in Exhibit "C" to the Deed.

Seller will pay or cause to be paid all property taxes up to the date of recordation of the Deed.

- 9. <u>Title Insurance</u>. Seller will provide an ALTA standard coverage, owner's policy of title insurance, with regional exceptions, in the full amount of the Purchase Price, insuring that title to the Property is vested in Buyer upon Deed Recordation subject only to the exceptions noted in <u>Section 8</u>, above. Seller will pay for the cost of standard coverage. If Buyer elects to obtain any endorsements and/or an extended coverage policy, Buyer will pay the difference between ALTA standard coverage and the increased premium for the endorsements and/or extended coverage. If Buyer or the Title Company requires a survey, the cost of the survey will be at Buyer's expense and such survey must be completed at least two (2) business days before the Deed Recordation.
- 10. <u>Seller's Promise not to Further Encumber</u>. Seller may not, without the prior written consent of the Buyer, make any leases, contracts, options, or agreements whatsoever affecting the Property that would in any manner impede Seller's ability to perform hereunder and deliver title as agreed herein.
 - 11. **Seller's Representations**. Seller represents and warrants that:
 - (a) Subject to Seller's acquisition of the Property, prior to the Close of Escrow, Seller will own and will have the power to sell the Property to Buyer, or to direct Landowner to convey the Property directly to Buyer.
 - (b) To Seller's actual knowledge, there is no action, suit, litigation, arbitration, or other proceeding pending or threatened that in any manner affects the Property;
 - (c) Subject to the conditions precedent set forth in <u>Section 4</u>, Seller has full power and authority to execute and deliver this Agreement and to consummate the transactions provided herein. The persons

- signing this Agreement for Seller have full power and authority to sign for Seller and to bind it to this Agreement;
- (d) Seller has no actual knowledge of any violations of any law, order, ordinance, or regulation affecting the Property;
- (e) Seller has not received notice and has no knowledge of, any pending or threatened condemnation of all or part of the Property;
- (f) This Agreement and the other documents to be executed by Seller hereunder, upon execution and delivery thereof by Seller, will have been duly entered into by Seller, and will constitute legal, valid and binding obligations of Seller, subject to the conditions precedent set forth in Section 4, and subject to applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws or equitable principles affecting or limiting the rights of contracting parties generally. Neither this Agreement nor anything provided to be done under this Agreement violates or will violate any contract, document, understanding, agreement, or instrument to which Seller is a party or by which it is bound;
- (g) Seller has no actual knowledge of any unrecorded agreements affecting the Property that will extend beyond the Closing;
- (h) Seller represents and warrants that it is not a "foreign person" as defined in Section 1445 of the Internal Revenue Code. Seller's United States Taxpayer Identification Number is 23-722233;
- (i) Seller represents and warrants that it is a nonprofit public benefit corporation duly organized, validly existing and in good standing under the laws of the State of California;
- (j) Seller represents and warrants, to Seller's actual knowledge, that the Property is not subject to any investigation by any governmental authority or any judicial or administrative proceedings alleging the material violation of or liability under any hazardous materials law, or any outstanding written order or agreement with any governmental authority or private party relating to any hazardous materials laws or hazardous materials claims;
- (k) Seller agrees to disclose to Buyer all material findings regarding the condition of the Property that Seller may discover and are not contained in the preliminary title report delivered to Buyer.
- 12. <u>Buyer's Representation</u>. Buyer represents and warrants that subject to approval by the BLNR, which approval is at its sole discretion, Buyer has all the requisite

power and authority to enter into this Agreement and to consummate the transactions contemplated hereby.

- 13. **Risk of Loss**. All risk of loss will remain with Seller until Deed Recordation. If the Property is destroyed or damaged after the Effective Date of this Agreement and before Deed Recordation, then Buyer or Seller may, at their option elect to terminate this Agreement with no damages accountable to Buyer.
- 14. <u>Notices</u>. All notices pertaining to this Agreement will be in writing delivered to the parties hereto by facsimile or email transmission, personally by hand, courier service or Express Mail, or by first class mail, postage prepared, at the addresses set forth in <u>Recital A</u>. All notices will be deemed given: (a) if sent by mail, when deposited in the mail, first class postage prepared, addressed to the party to be notified; (b) if delivered by hand, courier service or Express Mail, when delivered; or (c) if transmitted by email or facsimile, when transmitted; provided the sender receives no indication the transmittal was unsuccessful. The parties may, by notice as provided above, designate a different address for notices.
- 15. **Remedies Upon Default.** If Buyer or Seller defaults in the performance of any of their respective obligations under this Agreement, then the non-defaulting party will, in addition to any and all other remedies provided in this Agreement or by law or equity, have the right of specific performance against the defaulting party.
- 16. No Broker's Commission. Each party represents to the other that it has not used a real estate broker in connection with this Agreement or the transaction contemplated by this Agreement. Each party further represents that it has not and will not pay or receive a broker's commission or finders' fee for this transaction. If any person asserts a claim for a broker's commission or finder's fee against one of the parties to this Agreement, then the party on account of whose conduct the claim is asserted will hold the other party harmless from said claim.
- 17. <u>Time of the Essence</u>; <u>Dates</u>. Time is of the essence to this Agreement. If any date specified in this Agreement falls on Saturday, Sunday or a public holiday, then such date will be deemed to be the succeeding day on which the public agencies and major banks are open for business.
- 18. <u>Binding on Successors</u>. Subject to approval by the BLNR and the Seller's Board of Directors, which approvals are at each Board's sole discretion, this Agreement will be binding not only upon the parties but also upon their heirs, personal representatives, assigns, and other successors in interest.
- 19. <u>Additional Documents</u>. Seller and Buyer agree to execute such additional documents, including escrow instructions, as may be reasonable and necessary to carry out the provisions of this Agreement.
- 20. <u>Additional Documents to be Provided by Seller to Buyer</u>. Seller agrees to provide to Buyer or Escrow Holder before the Deed Recordation a resolution of the Board of Directors of Seller authorizing the transaction contemplated by this Agreement,

the execution, delivery, and performance of this Agreement, any other obligation of Seller contemplated by this Agreement, and authorizing the person who will sign this Agreement to do so on behalf of Seller.

- 21. <u>Assignment</u>. Buyer may not assign its interests under this Agreement without the written consent of Seller.
- 22. Entire Agreement; Modification; Waiver. This Agreement constitutes the entire agreement between Buyer and Seller pertaining to the subject matter contained in it and supersedes all prior and contemporaneous agreements, representations, and understandings. No supplement, modification, or amendment of this Agreement will be binding unless executed in writing by all parties. No waiver of any of the provisions of this Agreement will be deemed or will constitute a waiver of any other provision, whether or not similar, nor will any waiver constitute a continuing waiver. No waiver will be binding unless executed in writing by the party making the waiver and agreeable to both parties.
- 23. <u>Counterparts</u>. This Agreement may be executed in counterparts; each of which will be deemed an original and which together will constitute one and the same agreement.
- 24. <u>Severability</u>. Each provision of this Agreement is severable from any and all other provisions of this Agreement. Should any provision(s) of this Agreement be for any reason unenforceable, the balance will nonetheless be of full force and effect.
- 25. <u>Governing Law</u>. This Agreement will be governed by and construed in accordance with the laws of the State of Hawai'i.
- 26. <u>Survival of Close of Escrow</u>. All representations, warranties, covenants, conditions, agreements, and other obligations set forth in this Agreement will survive the Closing and Deed Recordation and will not merge therein unless specifically stated otherwise in this Agreement.

EXHIBIT C: AGREEMENT OF SALE

| IN WITNESS of the foregoing provisions the parties | s have signed this Agreement below: |
|--|--|
| SELLER: | BUYER: |
| THE TRUST FOR PUBLIC LAND, a California nonprofit public benefit corporation | STATE OF HAWAII |
| By: Gilman Miller Senior Counsel Date:, 2024 | By: |
| , 202 · | Approved by the Board of Land and Natural Resources at its meeting held on May 10, 2024. |
| | APPROVED AS TO FORM, LEGALITY, EXCEPTIONS, AND RESERVATIONS: |
| | Name: TINA M. TSUCHIYAMA Deputy Attorney General |

EXHIBIT C: AGREEMENT OF SALE

Exhibit A

Legal Description

Exhibit B

Map of Property

Exhibit C

Property Information (Incorporated by Reference)

Exhibit D

Warranty Deed

Exhibit C: Property Information

1. Tax Map Key Number

• (2) 3-6-001:018

2. Preliminary Title Reports (Old Republic Title and Escrow of Hawaii)

Preliminary Title Report dated Jan 16, 2024

3. Survey Maps for Warranty Deed

 Prepared by Akamai Land Surveying Inc., and Warren S. Unemori Engineering Inc. dated 4/30/06

4. Metes and Bounds Descriptions for Warranty Deed

 Prepared by Reid M. Ariyoshi of Warren S. Unemori Engineering Inc., dated 1/11/05.

5. Well Information

- Well ID Nos. 6-4930-001, 6-4930-002, and 6-4930-003, referred to as Well 1, Well 2, and Well 3, respectively. Wells 2 and 3 are located at TMK: (2) 3-6-004: Parcel 003, and Well 1 is located at TMK: (2) 3-6-004:Parcel 008.
- State of Hawaii Commission on Water Resource (CWRM) well usage reports (10/1/2004 – 12/01/2023)
- CWRM notification of new well ownership, May 10, 2022\
- Memorandum, Subject: Adequacy of Water Supply for the Proposed Maalaea Plantation Rural Subdivision in Maalaea, Maui, prepared by Tom Nance Water Resource Engineering, dated May 8, 2014
- Draft Results of Concurrent Pump Testing of Pohakea Wells 1, 2, and 3, Prepared by: Tom Nance Water Resource Engineering, February 2013
- Bill of Sale for Pohakea Wells, October 3, 2008
- CWRM Well completion reports part II (pump installation), 12/17/08 for Pohakea wells 1 (8/30/04), 2 (12/17/08) and 3 (12/17/08)

6. Phase I Environmental Site Assessment Report

Prepared by Ford and Associates, Inc. April 24, 2024

7. Appraisal

Prepared by Benavente Group, LLC, effective date April 8, 2024