

Honolulu Authority for Rapid Transportation

RESOLUTION NO. 2015-19

APPROVING NOTIFICATION TO THE CITY COUNCIL OF INTENTION TO ACQUIRE THE REAL PROPERTY IDENTIFIED AS TAX MAP KEY 1-5-007-024 BY EMINENT DOMAIN AND PUBLICATION OF A RESOLUTION AUTHORIZING ACQUISITION OF SAID PROPERTY BY EMINENT DOMAIN

WHEREAS, the Honolulu Authority for Rapid Transportation (HART) has been established pursuant to Article XVII of the Revised Charter of the City and County of Honolulu 1973, as amended (Charter); and

WHEREAS, Section 17-103.2(b) of the Charter empowers HART "to acquire by eminent domain ... all real property or any interest therein necessary for the construction, maintenance, repair, extension or operation of the fixed guideway system;" and

WHEREAS, prior to such acquisition the Charter directs HART to submit a list of real property to be acquired by eminent domain to the City Council; and

WHEREAS, the City Council may approve the acquisition by eminent domain or may object by adoption of a resolution within 45 days of the notification to acquire the real property; and

WHEREAS, the acquisition by eminent domain in fee simple of the real property identified as Tax Map Key (TMK) 1-5-007-024 and more particularly described in the attached legal description marked as Exhibit A, is necessary for the Honolulu Rail Transit Project fixed guideway system, a valid public use and purpose;

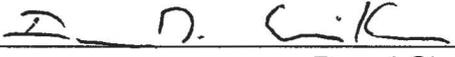
NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of HART as follows:

1. That written notification to the City Council is approved, for the acquisition by eminent domain in fee simple of the real property identified above; and
2. That in the event the City Council approves or does not object to the acquisition within 45 days of notification, then HART is authorized to publish in a daily newspaper at least three days prior to Board action, the attached resolution marked as Exhibit B, authorizing acquisition by eminent domain in fee simple of the above-identified real property.

ADOPTED by the Board of the Honolulu Authority for Rapid Transportation on JUN 25 2015.

Exhibit A – Legal description of TMK 1-5-007-024

Exhibit B – Resolution No. 2015__-__ Authorizing the Acquisition of the Real Property Identified as Tax Map Key 1-5-007-024 by Eminent Domain.



Board Chair

ATTEST:



Board Administrator

HONOLULU RAIL TRANSIT PROJECT

REMAINDER OF PARCEL 435

Being a portion of Lot 18 (Map 1) of
Land Court Consolidation 97

Situate at Kuwili, Honolulu, Oahu, Hawaii

Beginning at the North corner of this lot, being the West corner of Parcel 435 of Honolulu Rail Transit Project, the coordinates of said point of beginning referred to Government Survey Triangulation Station "PUNCHBOWL" being 1,859.76 feet North and 5,768.56 feet West thence running by azimuths measured clockwise from true South:

1. 324° 16' 64.07 feet along Parcel 435 of Honolulu Rail Transit Project;
2. 56° 59' 88.33 feet along Lot 17 (Map 1) of Land Court Consolidation 97;
3. 146° 59' 64.00 feet along Lot 2-B (Map 3) of Land Court Application 1815;
4. 236° 59' 85.29 feet along Lot 42 (Map 8) of Land Court Consolidation 97, to the point of beginning and containing an area of 5,556 Square Feet.



AUSTIN, TSUTSUMI & ASSOCIATES, INC.

Description Prepared By:

A handwritten signature in black ink, appearing to read "Erik S. Kaneshiro", with a date "6/16" written to the right.

ERIK S. KANESHIRO
Licensed Professional Land Surveyor
Certificate No. 9826

Honolulu, Hawaii
June 16, 2015

TMK: (1) 1-5-007: 024
Y:\2014\14-068\SURVEY\Descriptions\PARCEL 435 Remainder.docx



HONOLULU RAIL TRANSIT PROJECT

PARCEL 435

Being a portion of Lot 18 (Map 1) of Land Court Consolidation 97

Situate at Kuwili, Honolulu, Oahu, Hawaii

Beginning at the North corner of this lot, being the East corner of Lot 42 (Map 8) of Land Court Consolidation 97, being also along the Southwest side of Kaaahi Street, the coordinates of said point of beginning referred to Government Survey Triangulation Station "PUNCHBOWL" being 1,867.84 feet North and 5,756.12 feet West thence running by azimuths measured clockwise from true South:

- 1. 326° 59' 64.00 feet along the Southwest side of Kaaahi Street;
- 2. 56° 59' 11.79 feet along Lot 17 (Map 1) of Land Court Consolidation 97;
- 3. 144° 16' 64.07 feet along Remainder of Parcel 435 of Honolulu Rail Transit Project;
- 4. 236° 59' 14.83 feet along Lot 42 (Map 8) of Land Court Consolidation 97, to the point of beginning and containing an area of 852 Square Feet.



AUSTIN, TSUTSUMI & ASSOCIATES, INC.

Description Prepared By:

Erik S. Kaneshiro

ERIK S. KANESHIRO
Licensed Professional Land Surveyor
Certificate No. 9826

Honolulu, Hawaii
June 16, 2015

TMK: (1) 1-5-007: 024
Y:\2014\14-068\SURVEY\Descriptions\PARCEL 428.docx



AUSTIN, TSUTSUMI & ASSOCIATES, INC.

Honolulu Authority for Rapid Transportation

RESOLUTION NO. 2015-

**AUTHORIZING THE ACQUISITION OF THE REAL PROPERTY IDENTIFIED
AS TAX MAP KEY 1-5-007-024 BY EMINENT DOMAIN**

WHEREAS, the Honolulu Authority for Rapid Transportation (HART) has been established pursuant to Article XVII of the Revised Charter of the City and County of Honolulu 1973, as amended (Charter); and

WHEREAS, Section 17-103.2(b) of the Charter empowers HART "to acquire by eminent domain. . . all real property or any interest therein necessary for the construction, maintenance, repair, extension or operation of the fixed guideway system;" and

WHEREAS, the City Council approved or did not object to the acquisition of the real property identified as Tax Map Key (TMK) 1-5-007-024 by eminent domain in fee simple after written notification by HART; and

WHEREAS, the acquisition by eminent domain in fee simple of the above-identified real property, which is more particularly described in the attached legal description marked as Exhibit A, is necessary for the Honolulu Rail Transit Project fixed guideway system, a valid public use and purpose;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of HART as follows:

1. That acquisition by eminent domain in fee simple of the real property identified as TMK 1-5-007-024 is hereby authorized and the Corporation Counsel of the City and County of Honolulu is empowered to institute eminent domain proceedings as provided by law for the acquisition thereof; and
2. That the acquisition of the above-identified property by eminent domain is determined and declared to be for a valid public use and purpose as aforesaid; and
3. That the acquisition of the above-identified property by eminent domain is determined and declared to be necessary for the aforesaid public use and purpose; and
4. That in the process of said proceedings in eminent domain, the Corporation Counsel is authorized and empowered to negotiate

terms of settlement, subject to the approval of HART and/or the Court before which such proceedings are commenced; and

- 5. That the Board Administrator be directed to transmit copies of this resolution to HART and the Department of the Corporation Counsel.

ADOPTED by the Board of the Honolulu Authority for Rapid Transportation on

_____.

Board Chair

ATTEST:

Board Administrator

Exhibit A – Legal Description of TMK 1-5-007-024

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HONOLULU RAIL TRANSIT PROJECT

PARCEL 435

Being a portion of Lot 18 (Map 1) of
Land Court Consolidation 97

Situate at Kuwili, Honolulu, Oahu, Hawaii

Beginning at the North corner of this lot, being the East corner of Lot 42 (Map 8) of Land Court Consolidation 97, being also along the Southwest side of Kaaahi Street, the coordinates of said point of beginning referred to Government Survey Triangulation Station "PUNCHBOWL" being 1,867.84 feet North and 5,756.12 feet West thence running by azimuths measured clockwise from true South:

- | | | | | |
|----|----------|-------|------|---|
| 1. | 326° 59' | 64.00 | feet | along the Southwest side of Kaaahi Street; |
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AUSTIN, TSUTSUMI & ASSOCIATES, INC.

Description Prepared By:

Erik S. Kaneshiro

ERIK S. KANESHIRO
Licensed Professional Land Surveyor
Certificate No. 9826

Honolulu, Hawaii
June 16, 2015

TMK: (1) 1-5-007: 024
Y:\2014\14-068\SURVEY\Descriptions\PARCEL 428.docx



AUSTIN, TSUTSUMI & ASSOCIATES, INC.

HONOLULU RAIL TRANSIT PROJECT

REMAINDER OF PARCEL 435

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AUSTIN, TSUTSUMI & ASSOCIATES, INC.

Description Prepared By:

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ERIK S. KANESHIRO
Licensed Professional Land Surveyor
Certificate No. 9826

Honolulu, Hawaii
June 16, 2015

TMK: (1) 1-5-007: 024
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Honolulu Authority for Rapid Transportation

STAFF SUMMARY

TITLE: RESOLUTION NO. 2015-19 APPROVING NOTIFICATION TO THE CITY COUNCIL OF INTENTION TO ACQUIRE THE REAL PROPERTY IDENTIFIED AS TAX MAP KEY 1-5-007-024 BY EMINENT DOMAIN AND PUBLICATION OF A RESOLUTION AUTHORIZING ACQUISITION OF SAID PROPERTY BY EMINENT DOMAIN	STAFF CONTACT: Elizabeth Scanlon Morris Atta	DATE: 6/25/2015
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Type:	Goal	Focus Area	Reference Notes
<input checked="" type="checkbox"/> Action/Approval	<input checked="" type="checkbox"/> Project Delivery	<input checked="" type="checkbox"/> Livability/Land Use	
<input type="checkbox"/> Information	<input type="checkbox"/> Service Delivery	<input type="checkbox"/> Partnerships	
<input type="checkbox"/> Follow-up	<input checked="" type="checkbox"/> Resource Stewardship	<input type="checkbox"/> Agency Admin.	

1. Purpose:

Review of Notification to City Council for condemnation of land for public use, identified as Tax Map Key 1-5-007-024, and situated at 525 Kaaahi Street, Honolulu, Hawaii, 96817, which is required for guideway purposes for the Honolulu Rail Transit Project (HRTTP). This property, for which a 6,408 square-foot full take is required, is on the critical path for successful completion of the City Center Section of the HRTTP. The property is owned by Bo Wah Investment, Inc.

HART recommends use of eminent domain to acquire the property.

2. Background/Justification

This property (Tax Map Key 1-5-007-024) was designated as a full take in the Final Environmental Impact Statement (FEIS). As required under the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA) and FTA C5010.1D, the Owners were notified of HART's intent to acquire the property. An appraisal was conducted following URA guidelines, which took into consideration all site conditions and potential impacts of the full take.

- Letter of Offer for full take, in fee, was presented to the Owner. The Owner presented a counteroffer requesting a partial acquisition that would include a demolition of a portion of his building and a partial, in fee, taking of his property. An administrative settlement has been reached with the Owner. The transaction is currently in escrow waiting for subdivision maps, Land Court and Department of Planning and Permitting to close escrow.

This parcel is being referred to eminent domain in order to adhere to the project construction timeline. Access to this parcel is needed as soon as possible in order to avoid costly delays to the project schedule and timing. Negotiations with the Owner will continue during the eminent domain process.

3. Procurement Background

N/A

4. Financial/Budget Impact

The project budget includes an estimated cost for legal action associated with the eminent domain of the property.

5. Policy Impact

There is no policy impact since this action conforms to the requirement of the URA, FTA 5010.1D and Article XVII of the Charter of the City and County of Honolulu.

6. Public Involvement

N/A

7. Alternatives

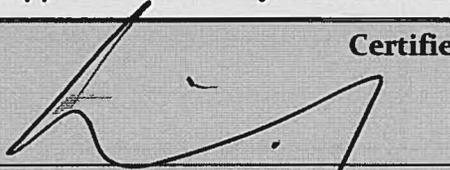
There is no feasible alternative to avoid the above-described impacts to the property.

8. Exhibits

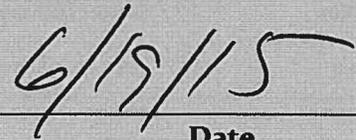
Exhibit 1 – Offer letter dated 8/6/2014

Exhibit 2 – Appraisal Summary from John Child & Company dated 7/2/2014

Certified and Recommended by:



Executive Director and CEO



Date

Hand
L 15 A



IN REPLY REFER TO:
CMS-APOOROW-00589

HONOLULU AUTHORITY for RAPID TRANSPORTATION

Daniel A. Grabauskas
EXECUTIVE DIRECTOR AND CEO

HAND-DELIVERED

BOARD OF DIRECTORS

August 6, 2014

Ivan M. Lui-Kwan, Esq.
CHAIR

Danny Au
Received
Print Name: *DANNY AU*
Date

Donald G. Horner
VICE CHAIR

Mr. Danny Au
Bo Wah Investment, Inc.
1037 Maunakea Street
Honolulu, Hawaii 96817

George I. Atta
Robert Bunda
Michael D. Formby
Ford N. Fuchigami
William "Buzz" Hong
Kestle W.K. Hul
Damien T.K. Kim
Carrie K.S. Okinaga, Esq.

Dear Mr. Au:

Subject: Honolulu Rail Transit Project (H RTP)
525 Kaaahi Street
Parcel 435: Tax Map Key 1-5-007-024
Letter of Offer

This is a follow-up to previous correspondence regarding the appraisal and acquisition of the subject property. An appraisal of your property has been completed. Based on our findings as contained in the enclosed Statement of Just Compensation, Honolulu Authority for Rapid Transportation (HART) offers to purchase your property, identified as Tax Map Key 1-5-007-024 (shown colored in yellow on the enclosed map), in fee simple, free and clear of all liens and encumbrances, for the total consideration of \$1,510,000 (One Million Five Hundred Ten Thousand Dollars and no cents).

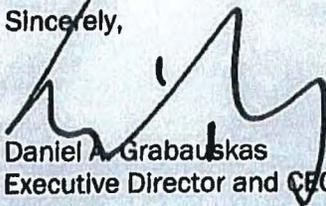
If this offer is acceptable, please sign the duplicate of this letter and the Consent to Enter and return them in the enclosed envelope by September 15, 2014. The remaining copies are for your files. Also enclosed for your information is the Appraisal Summary Statement and the General Acquisition & Relocation Information Brochure.

In accordance with federal regulations affecting real property transactions, we request your cooperation in providing us with your Taxpayer Identification Number. Please execute and return the enclosed IRS Form W-9 at the same time. The W-9 is required by our Department of Budget and Fiscal Services to release the check.

Mr. Danny Au
Page 2
August 6, 2014

Please call Mr. Alex Sutterer at (330) 217-5926 if you have any questions regarding this matter.

Sincerely,



Daniel A. Grabauskas
Executive Director and CFO

Enclosures

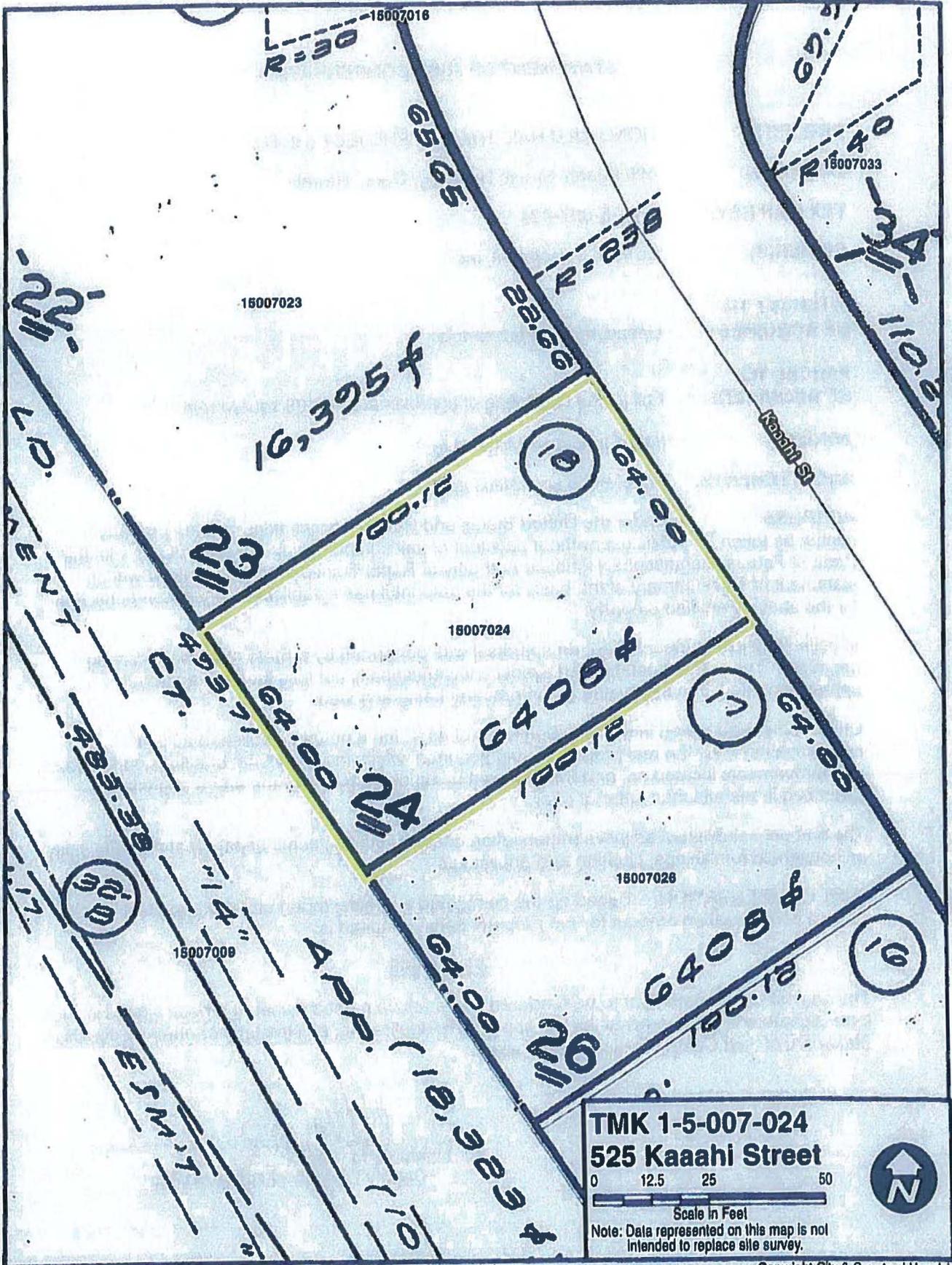
ACCEPTED:

BO WAH INVESTMENT, INC.
a Hawaii Corporation

By _____
Its

Print Name: _____

Dated: _____



TMK 1-5-007-024
525 Kaaahi Street

0 12.5 25 50
 Scale in Feet

Note: Data represented on this map is not intended to replace site survey.



Prepared by:

Date Prepared:

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 All Rights Reserved 2008

STATEMENT OF JUST COMPENSATION

PROJECT: HONOLULU RAIL TRANSIT PROJECT (H RTP)
LOCATION: 525 Kaaahi Street, Honolulu, Oahu, Hawaii
TAX MAP KEY: (1) 1-5-007-024
OWNER(S): Bo Wah Investment, Inc.
INTEREST TO BE ACQUIRED: Unencumbered fee simple
PARCEL TO BE ACQUIRED: Full taking consisting of approximately 6,408 square feet
ZONING: IMX-1 Industrial Mixed-Use
IMPROVEMENTS: Warehouse and Office space

PURPOSE: Under the United States and Hawaii Constitutions, private property cannot be taken for public use without payment of just compensation. In accordance with the Code of Federal Regulations, Honolulu Authority of Rapid Transportation submits a written statement of and summary of the basis for the amount it has established as just compensation for the above identified property.

In estimating just compensation, an appraisal was performed by a State of Hawaii licensed appraiser. The amount established as just compensation is not less than the approved appraisal of the fair market value of the property being acquired.

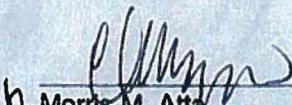
Unless otherwise stated in the attached letter of offer, the amount established as just compensation is for the real property being acquired, which includes land, buildings, structures, or improvements located on, or damaged as a result of the taking of the areas and interest described in the attached letter of offer.

The amount established as just compensation does not include items of personal property such as household furnishings, clothing and appliances.

JUST COMPENSATION: Based on the completed appraisal report and the appraisal review the just compensation amount for the property being acquired is:

\$1,510,000

The original of this statement to be tendered to the above named owner has been signed in ink. If the signature is not in original ink, as opposed to duplicating, electrostatic or other media, this Statement of Just Compensation is not valid.



Morris M. Atta
Deputy Director of Right-of-Way

APPRAISAL SUMMARY STATEMENT

PROJECT: HONOLULU RAIL TRANSIT PROJECT (H RTP)
ADDRESS: 525 Kaaahi Street, Honolulu, Oahu, Hawaii
TAX MAP KEY: (1) 1-5-007-024
OWNER(S): BO WAH INVESTMENT, INC.

PARCEL AREA: 6,408 Square Feet
PROPERTY ACQUIRED: ALL: X PART: ___
INTEREST TO BE ACQUIRED: Unencumbered fee simple
ZONING: IMX-1 Industrial Mixed-Use
HIGHEST & BEST USE: Commercial

ASSESSED VALUE (2014):

Land	\$884,300
Improvements:	\$297,600
TOTAL	\$1,181,900

The Appraisal Estimate is: \$1,510,000

The value of the property being acquired is based upon an appraisal prepared in accordance with accepted appraisal practices. Full and careful consideration has been given to the highest and best use for development of the property and to all features inherent in your property in order that the highest valuation possible can be made. The Appraisal Estimate and appraisal were developed and reported in conformity with Federal regulations, State statutes, and City ordinances.

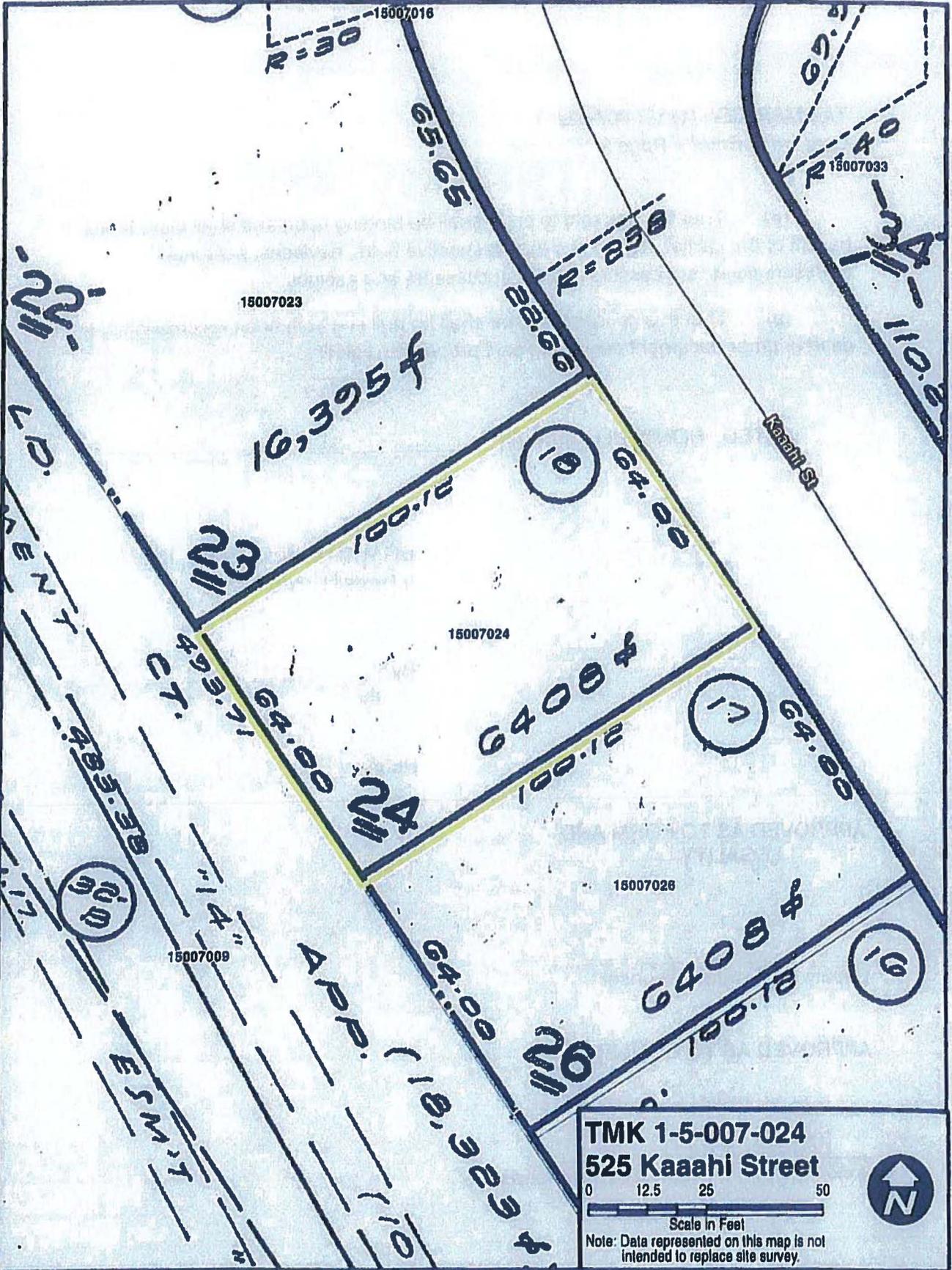
CONSENT TO ENTER

The undersigned, being the owner of that certain property bearing the tax map key listed herein below, hereby consents to the entry by the Honolulu Authority for Rapid Transportation ("HART"), a semi-autonomous agency of the City and County of Honolulu, and /or its representatives and consultants for the purpose stated:

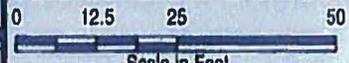
PROJECT: Honolulu Rail Transit Project (H RTP)
TAX MAP KEY: (1) 1-5-007-024
LOCATION: 525 Kaaahi Street, Honolulu, Oahu, Hawaii
PURPOSE: Construction Activities

It is understood that this consent to enter is granted upon the following terms:

- (1) That the area covered by this consent document is colored in yellow outlined on the attached map. That this consent includes the right of ingress to and egress from said consent to enter area over the land of the undersigned, adjacent thereto for all purposes in connection with this consent to enter.
- (2) That this consent to enter is granted for a **nominal** consideration of \$1.00.
- (3) That HART shall indemnify the undersigned against loss or damage to the property of the undersigned and from liability for injury to or death of persons in the manner provided by law when such loss, damage, injury or death is caused by the negligent use of said property by HART and/or its representatives and consultants, resulting from this consent to enter.
- (4) That the entire cost of the work proposed to be done and all other expenses incidental thereto will be borne by HART.
- (5) That HART will, in its discretion, determine the extent of the work to be done.
- (6) That this consent to enter is granted for a period of thirty-six (36) months commencing from the date of actual entry and terminating at the end of the period or upon completion of work, whichever is sooner.
- (7) That HART or its representative will provide the undersigned written notification at least two weeks prior to the entry into said property by HART's contractor.



TMK 1-5-007-024
525 Kaaahi Street



Note: Data represented on this map is not intended to replace site survey.

Prepared by:

Date Prepared:

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TAX MAP KEY: (1) 1-5-007-024
Consent to Enter – Page 2

(8) That this consent to enter shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, devisees, personal representatives, successors in trust, successors and assigns.

(9) That this consent to enter shall be null and void upon recordation of the deed or other document conveying said property to HART.

DATED: HONOLULU, HAWAII _____.

BO WAH INVESTMENT, INC.
a Hawaii Corporation

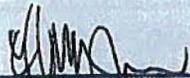
By _____
Its

Phone _____

APPROVED AS TO FORM AND
LEGALITY

Deputy Corporation Counsel

APPROVED AS TO CONTENTS



Honolulu Authority for Rapid Transportation



JOHN CHILD & COMPANY
APPRAISERS & CONSULTANTS

July 2, 2014

Karen Char, MAI, CRE
Paul D. Cool, MAI, CRE
Shelly H. Tanaka, MAI
Sunny Agsen

City and County of Honolulu
Honolulu Authority for Rapid Transportation
c/o Mr. Todd A. Salvatore
Paragon Partners Ltd.
5762 Bolsa Avenue, Suite 201
Huntington Beach, California 92649

Dear Mr. Salvatore:

**Re: Acquisition of the Bo Wah Kaaahi Street Property at 525 Kaaahi Street, Tax Map Key
(1) 1-5-007:024; PDQ Parcel 435**

STUDY BACKGROUND

The Bo Wah Kaaahi Street Property is an improved industrial warehouse property at 525 Kaaahi Street, Iwilei, Oahu, Hawaii. The property consists of a 6,408^{sq}ft, industrial-commercial mixed use zoned parcel identified as Tax Map Key 1-5-007:024 of the First Taxation Division. The parcel is improved with a 6,556^{sq}ft storage warehouse built in 1967 and occupied by the property owner, Bo Wah Investment, Inc.

Honolulu Authority for Rapid Transportation (HART), a semi-autonomous public transit authority, has retained Paragon Partners Ltd. as its consultant for the Honolulu Rail Transit Project (H RTP). The H RTP requires a full take of the property for the Iwilei Transit Station. In this regard, you have asked us to assist you.

STUDY OBJECTIVE

The objective of our assistance is to estimate the fair market value of the fee simple interest in the Bo Wah Kaaahi Street Property to be acquired by HART.

INTENDED USE AND USERS

Our assistance is intended to be used by HART, Paragon Partners Ltd. (Paragon Partners), and the U.S. Department of Transportation Federal Transit Administration (FTA) in connection with the H RTP.

As a result, our assistance is intended for the sole and exclusive use of HART (Client), Paragon Partners, and the FTA. The Client has agreed that our assistance is not intended for any other purpose or users and is not to be relied upon by any third parties for any purpose, whatsoever.

Honolulu Authority for Rapid Transportation
Paragon Partners Ltd.
July 2, 2014
Page 2



DATE OF PROPERTY VISIT

The property was visited on June 23, 2014. The property owner, Mr. Danny Au, accompanied the appraisers.

EFFECTIVE DATE OF APPRAISAL

The effective date of appraisal is June 23, 2014.

DATE OF REPORT

The date of this report is July 2, 2014.

DEFINITIONS OF TERMS

Terms used in this report are defined in the Appraisal Institute's, **The Dictionary of Real Estate Appraisal**, Fifth Edition, unless otherwise footnoted.

Fair Market Value

"Fair market value" has the same meaning as "market value."

Market value means the amount in cash, or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of the appraisal, after a reasonable exposure time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the property at the time of the appraisal. [1]

Fee Simple Interest

"Fee simple interest" is the same as "fee simple estate."

[1] Interagency Land Acquisition Conference, **Uniform Appraisal Standards for Federal Land Acquisitions**, 2000.



Fee simple estate is defined as absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

ASSUMPTION OF A HYPOTHETICAL CONDITION

A hypothetical condition is that which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of the data used in an analysis. [1]

Section 24.103(b) of the Code of Federal Regulation (CFR) states:

“The appraiser shall disregard any decrease or increase in the market value of the real property caused by the project for which the property is to be acquired, or by the likelihood that the property would be acquired for the project, other than that due to physical deterioration within the reasonable control of the owner.”

Therefore, the estimated market value of the property is based on the hypothetical condition that the property is not impacted by the rail project as of the date of valuation.

The assumption of this hypothetical condition could have an effect on the value of the property.

STUDY CONDITIONS

This report is subject to the study conditions included in Section I.

ESTIMATED FAIR MARKET VALUE

Based on the valuation assumptions and analyses, the fair market value of the fee simple interest in the Bo Wah Kaaahi Street Property is estimated to be:

ONE MILLION FIVE HUNDRED TEN THOUSAND DOLLARS
\$1,510,000.

[1] Appraisal Institute, **The Dictionary of Real Estate Appraisal**, Fifth Edition, 2010.

Honolulu Authority for Rapid Transportation
Paragon Partners Ltd.
July 2, 2014
Page 4



The estimated fair market value is the value of the real estate only. Personal property observed during the site visit includes portable wall-mounted air-conditioning units and a walk-in refrigerator that the owner brought in after acquiring the property in 2009. An inventory of the realty and personal items is included in Addendum 4.

* * * * *

We appreciate the opportunity to assist you on this interesting assignment. Please contact us if you have questions.

Sincerely,

JOHN CHILD & COMPANY, INC.

Paul D. Cool, MAI, CRE
Vice President
Certified General Appraiser License No. 71
State of Hawaii
Expires December 31, 2015

Shelly H. Tanaka, MAI
Senior Appraiser
Certified General Appraiser License No. 648
State of Hawaii
Expires December 31, 2015