

EXHIBIT "B"

Conditions of Zoning

1. That Honuaula Partners, LLC, its successors and permitted assigns, shall, at their own cost and expense, develop, maintain, and operate, or cause to be developed, maintained, and operated, a private water source, storage facilities, and transmission lines for the Wailea 670 project in accordance with Department of Water Supply standards and all applicable community plans. Honuaula Partners, LLC, its successors and permitted assigns, shall comply with all reporting requirements of the State Commission on Water Resource Management.

In addition, Honuaula Partners, LLC, its successors and permitted assigns, shall comply with applicable water ordinances that pertain to the supply and transmission of water from the island of Maui when such ordinances are enacted.

2. That Honuaula Partners, LLC, its successors and permitted assigns, shall implement the following traffic improvements:

Upgrade Piilani Highway, from Kilohana Drive to Wailea Ike Drive, to four lanes of traffic.

Extend Piilani Highway for two lanes of traffic from Wailea Ike Drive to Kaukahi Street. The improvement shall be constructed at or prior to the completion of 50 percent of the project. Said improvement shall be maintained by Honuaula Partners, LLC, its successors and permitted assigns.

Signalize the Piilani Highway/Okolani Drive/Mikioi Place intersection and provide an exclusive left-turn lane on Okolani Drive prior to occupancy of the first unit in Kihei-Makena Project District 9.

Modify the Piilani Highway/Wailea Ike Drive intersection into a signalized intersection and provide a free right-turn lane from Piilani Highway to Wailea Ike Drive and a second right-turn lane from Wailea Ike Drive to northbound Piilani Highway prior to occupancy of the first unit in Kihei-Makena Project District 9.

Modify the Wailea Alanui/Wailea Ike Drive intersection to add a signalized double right-turn movement from northbound to eastbound turning traffic and provide two left-turn lanes for southbound traffic from Wailea Ike Drive prior to occupancy of the first unit in Kihei-Makena Project District 9.

Modify the Piilani Highway/Kilohana Drive/Mapu Place intersection to provide an exclusive left-turn lane, and the southbound Piilani Highway

approach to provide an exclusive right-turn lane into Mapu Place prior to occupancy of the first unit in Kihei-Makena Project District 9.

Signalize the Wailea Ike Drive/Kalai Waa Street intersection in coordination with Wailea Resort and Makena Resort when warranted.

Signalize the Wailea Alanui/Kaukahi Drive/Kaukahi Street intersection in coordination with Wailea Resort and Makena Resort when warranted.

3. That, as represented, Honua' ula Partners, LLC, its successors and permitted assigns, shall make a contribution to the County for traffic improvements in an amount equal to \$5,000 per unit. The contribution shall be paid to the County prior to issuance of a building permit. Upon adoption of a traffic impact fee ordinance, Honuaula Partners, LLC, its successors and permitted assigns, shall comply with the ordinance in lieu of this voluntary contribution. Should a traffic impact fee ordinance be adopted prior to the collection of this contribution, the applicable amount shall be the greater of the two. Such contributions or fees shall not be a substitute for any other traffic infrastructure requirements related to the Change in Zoning.

4. That Honuaula Partners, LLC, its successors and permitted assigns, shall be responsible for all required infrastructural improvements for the project, including water source and system improvements for potable and nonpotable use and fire protection, drainage improvements, traffic-related improvements, wastewater system improvements and utility upgrades, as determined by the appropriate governmental agencies and public utility companies. Except as otherwise provided by more specific conditions of zoning, said improvements shall be constructed and implemented concurrently with the development of each phase of Kihei-Makena Project District 9, and shall be completed prior to issuance of any certificate of occupancy or final subdivision approval, unless improvements are bonded by Honuaula Partners, LLC, its successors and permitted assigns. Honuaula Partners, LLC shall execute appropriate agreements with governmental agencies regarding participation in improvements of infrastructure and public facilities as determined by the agencies.

5. That Honuaula Partners, LLC, its successors and permitted assigns, shall provide workforce housing in accordance with Chapter 2.96, Maui County Code (the "Residential Workforce Housing Policy"); provided that, 250 of the required workforce housing units shall be located at the Kaonoulu Light Industrial Subdivision and completed prior to any market-rate unit, that 125 of those workforce housing units shall be ownership units, and that 125 of those units shall be rental units. In addition, construction of those workforce housing units shall be commenced within two years, provided all necessary permits can be obtained within that timeframe. Honuaula Partners, LLC, its successors and permitted assigns, shall provide a minimum two-acre park at the Kaonoulu Light Industrial

Subdivision, which shall be credited toward the requirements of Section 18.16.320, Maui County Code, for that subdivision.

6. That a Drainage Master Plan and Phasing Plan of improvements shall be submitted for review and approval during Project District Phase II processing. Said plan shall include the recommended drainage improvements as represented in the Preliminary Drainage Report. The County may require periodic updates of the Drainage Master Plan and Phasing Plan.

7. That Honuaula Partners, LLC, its successors and permitted assigns, shall prepare an animal management plan that shall be submitted during Project District Phase II processing and approved by the Department of Land and Natural Resources prior to submittal of Project District Phase III processing. Said plan shall include procedures for the management of animal intrusions including, but not limited to, construction of boundary or perimeter fencing, wildlife control permits, and rodent and feral cat control. Honuaula Partners, LLC, its successors and permitted assigns, shall implement the approved animal management plan. The Department of Land and Natural Resources may require periodic updates of the plan.

8. That Honuaula Partners, LLC, its successors and permitted assigns, shall inform owners within Kihei-Makena Project District 9 that the area is subject to the intrusion of mammals such as axis deer, pigs, and rodents, and the impacts and management plan associated with such intrusions.

9. That Honuaula Partners, LLC, its successors and permitted assigns, shall prepare an assessment of the owl (Pueo or Hawaiian Short-eared Owl) and the Hawaiian Hoary Bat in coordination with the Department of Land and Natural Resources, and, if appropriate, mitigative measures shall be incorporated into Kihei-Makena Project District 9. Said assessment shall be prepared prior to submittal of Project District Phase II processing.

10. That, in lieu of the dedication of a Little League Field and related amenities as originally specified in Ordinance No. 2171 (1992), Exhibit "B", Condition No.8, and based on current land and construction cost estimates for the Little League Field, not less than \$5,000,000 shall be paid to the County upon Project District Phase II approval for the development of the South Maui Community Park. Said amount shall not be credited against future park assessments.

11. That Honuaula Partners, LLC is proposing to develop 6 acres of private parks and 84 acres of open space within the development. Said private parks shall be open to the public and privately maintained. Furthermore, said private parks and open space shall not be used to satisfy the park assessment requirements under Section 18.16.320, Maui County Code, or for future credits under said subdivision ordinance. The Director of Parks and Recreation and Honuaula Partners, LLC agree that the park assessment shall be satisfied with an in-lieu cash contribution

for the entire project. The amounts and timing of payment of said in-lieu fees shall be subject to the provisions of Section 18.16.320, Maui County Code.

12. That, as represented by Honuauula Partners, LLC, the golf course shall be subject to the following conditions:

Honuauula Partners, LLC, its successors and permitted assigns, shall permit one nonprofit organization per quarter of the calendar year, other than Maui Junior Golf Association ("Maui Junior Golf"), the use of the golf course and the clubhouse for a fund-raising activity upon terms mutually agreed upon with said nonprofit organization.

Honuauula Partners, LLC, its successors and permitted assigns, shall:

(1) develop an organized instructional program for junior golfers at its facility from September to January each year; (2) permit Maui Junior Golf the use of the golf course in accordance with Honuauula Partners, LLC's instructional program; and (3) sponsor one Maui Junior Golf fund-raising tournament per year. The terms of the Junior Golf Program by Honuauula Partners, LLC shall be as follows:

The instructional program will be developed to teach youngsters ages 12 to 18 years of age the fundamentals of golf and how to play the game, while also providing quality instruction/training three days a week from September 1 through January 31, with some blackout dates. This program will support the overall efforts of Maui Junior Golf.

Private lessons will also be available at a discounted rate of 50 percent of the regular rate based on two lessons per junior golfer for a maximum of 50 lessons per month from February through August on a space-available basis.

For the annual fund-raising event for the Maui Junior Golf, the rate per player shall be 50 percent of the regular rate with the number of golfers limited to no more than 144 players per event.

Honuauula Partners, LLC, its successors and permitted assigns, shall permit the Maui Interscholastic League ("MIL") and the Hawaii High School Athletic Association ("HHSAA") to each use the golf course once per year for an official MIL golf tournament or an official HHSAA golf tournament if requested by the MIL or the HHSAA, or for regular season play-offs if requested by the MIL.

Honuauula Partners, LLC, its successors and permitted assigns, shall permit Maui residents to play at the golf course on Tuesday of each week. The charge for Maui residents for green fees, including golf cart rental fees, shall not exceed 40 percent of the average market rate for green fees

and golf cart rental fees in South Maui, and shall exclude all membership fees.

13. That Honuaula Partners, LLC, its successors and permitted assigns, shall prepare a Cultural Resources Preservation Plan ("CRPP"), in consultation with: Na Kupuna O Maui; lineal descendents of the area; other Native Hawaiian groups; the Maui County Cultural Resources Commission; the Maui/Lanai Island Burial Council; the Office of Hawaiian Affairs; the State Historic Preservation Division, Department of Land and Natural Resources; the Maui County Council; Na Ala Hele; and all other interested parties. Prior to initiating this consultation process, Honuaula Partners, LLC, its successors and permitted assigns, shall publish a single public notice in a Maui newspaper and a State-wide newspaper that are published weekly. The CRPP shall consider access to specific sites to be preserved, the manner and method of preservation of sites, the appropriate protocol for visitation to cultural sites, and recognition of public access in accordance with the Constitution of the State of Hawaii, the Hawaii Revised Statutes, and other laws, in Kihei-Makena Project District 9.

Upon completion of the CRPP, Honuaula Partners, LLC, its successors and permitted assigns, shall submit the plan to the State Historic Preservation Division, Department of Land and Natural Resources, and the Office of Hawaiian Affairs for review and recommendations prior to Project District Phase II approval. Upon receipt of the above agencies' comments and recommendations, the CRPP shall be forwarded to the Maui County Cultural Resources Commission for its review and adoption prior to Project District Phase II approval.

14. That a nonpotable water supply system shall be utilized for all irrigation purposes.

15. That, during construction, all dust control shall utilize nonpotable water or effluent, which may be obtained from the Kihei Wastewater Reclamation Facility when available.

16. That Honuaula Partners, LLC, its successors and permitted assigns, shall provide a Sewage Disposal Analysis that has been reviewed and commented on by the State Department of Health, the State Department of Land and Natural Resources, the County Department of Environmental Management, and the County Department of Water Supply prior to Project District Phase II approval. The Sewage Disposal Analysis, along with reviews and comments, shall be submitted to the Maui County Council for review and the project shall be subject to additional conditions or amendments by the Maui County Council if warranted by the Sewage Disposal Analysis.

17. That Honuaula Partners, LLC, its successors and permitted assigns, shall construct, maintain, and/or participate in the operation of a private wastewater treatment facility and system that accommodate the needs of the entire Kihei-Makena Project District 9.

18. That Honuauia Partners, LLC, its successors and permitted assigns, shall address in their Project District Phase II application the following:

Condition 1 of the Department of Health's "Twelve Conditions Applicable To All New Golf Course Development" ("12 Conditions") relating to an approved sampling plan, establishment of the baseline groundwater/vadose zone water quality, and if appropriate, nearshore water quality, has been met to the satisfaction of the Director of Health;

Conditions 2 and 3 of the Department of Health's "12 Conditions" relating to groundwater monitoring have been satisfied by the Director of Health;

Condition 4 relating to the preliminary proposal of the individual treatment system meets the requirements of the Department of Health, and final design shall be approved at the time of Project District Phase III;

Condition 5 of the Department of Health's "12 Conditions" relating to use of effluent has been satisfied;

Condition 6 of the Department of Health's "12 Conditions" relating to golf carts and storage of petroleum has been addressed and incorporated in the design and layout of the buildings;

Conditions 7, 8, and 11 of the Department of Health's "12 Conditions" relating to fertilizers, biocides, and pesticides and the Integrated Golf Course Management Plan have been reviewed, and comments from the Department of Agriculture and the Department of Health have been incorporated in the design and layout of the golf courses;

Condition 9 of the Department of Health's "12 Conditions" relating to noise from maintenance facilities has been addressed through the location and design of the maintenance activities and facilities;

Condition 10 of the Department of Health's "12 Conditions" and the County Department of Environmental Management's concerns and recommendations relating to solid waste disposal management activities and facilities are identified and designed;

1. Condition 12 of the Department of Health's "12 Conditions" relating to soil runoff during construction and concerns of the State Department of Transportation; the County Department of Public Works; the State Department of Health; and the Natural Resources Conservation Service of the United States Department of Agriculture relating to drainage are addressed and incorporated in the design and layout of the plans, and a

preliminary erosion control and drainage report is included in the application;

J. Confirmation from Maui Electric Company, Ltd. ("MECO") that the proposal to relocate and/or landscape MECO facilities is incorporated in the application and site plan; and

k. Roadway improvements to the satisfaction of the State Department of Transportation and the County Department of Public Works and proposed agreements are incorporated in the application and site plan and finalized as part of Project District Phase II approval.

19. That Honuaula Partners, LLC, its successors and permitted assigns, shall execute appropriate agreements with the State of Hawaii and County of Maui agencies regarding participation in improvements of infrastructure and public facilities where such improvements are reasonably related to Honuaula Partners, LLC 's project.

20. That marine monitoring programs shall be conducted which include monitoring and assessment of coastal water resources (groundwater and surface water) that receive surface water or groundwater discharges from the hydrologic unit where the project is located. Monitoring programs shall include both water quality and ecological monitoring.

Water Quality Monitoring shall provide water quality data adequate to assess compliance with applicable State water quality standards at Hawaii Administrative Rules Chapter 11-54. Assessment procedures shall be in accordance with the current Hawaii Department of Health ("HIDOH") methodology for Clean Water Act Section 305(b) water quality assessment, including use of approved analytical methods and quality control/quality assurance measures. The water quality data shall be submitted annually to HIDOH for use in the State's Integrated Report of Assessed Waters prepared under Clean Water Act Sections 303(d) and 305(b). If this report lists the receiving waters as impaired and requiring a Total Maximum Daily Load ("TMDL") study, then the monitoring program shall be amended to evaluate land-based pollutants, including: (1) monitoring of surface water and groundwater quality for the pollutants identified as the source of the impairment; and (2) providing estimates of total mass discharge of those pollutants on a daily and annual basis from all sources, including infiltration, injection, and runoff. The results of the land-based pollution water quality monitoring and loading estimate shall be submitted to the HIDOH Environmental Planning Office, TMDL Program.

The ecological monitoring shall include ecological assessment in accordance with the Coral Reef Assessment and Monitoring Program protocols used by the Department of Land and Natural Resources. The initial assessment shall use the

full protocol. Subsequent annual assessments can use the Rapid Assessment Techniques. Results shall be reported annually to the Aquatic Resources Division, Department of Land and Natural Resources.

21. That all exterior lighting shall be shielded from adjacent residential properties and near shore waters. Lighting requirements in force at the time of building permit application shall be applied.

22. That Honuaula Partners, LLC, its successors and permitted assigns, shall pay the Department of Education \$3,000 per dwelling unit upon issuance of each building permit to be used, to the extent possible, for schools serving the Kihei-Makena Community Plan area; provided that, should the State pass legislation imposing school impact fees that apply to Kihei-Makena Project District 9, Honuaula Partners, LLC, its successors and permitted assigns, shall from that point forward comply with the State requirements, or contribute \$3,000 per dwelling unit, whichever is greater.

23. That Honuaula Partners, LLC, its successors and permitted assigns, shall fund and construct adequate civil defense measures as determined by the State and County of Maui civil defense agencies.

24. That Honuaula Partners, LLC, its successors and permitted assigns, shall provide to the County two acres of land with direct access to the Piilani Highway extension for the development of fire control facilities within the village mixed-use sub-district at the time 50 percent of the total unit/lot count has received either a certificate of occupancy or final subdivision approval. The acreage provided shall have roadway and full utility services provided to the parcel.

That Honuaula Partners, LLC, its successors and permitted assigns, shall contribute \$550,000 to the County for the development of a police station in South Maui, to be paid at the time a contract is entered into for the construction of that police station.

25. That no transient vacation rentals or time shares shall be allowed within Kihei-Makena Project District 9; and further, no special use permit or conditional permit for such accommodations shall be accepted by the Department of Planning.

26. That Honuaula Partners, LLC, its successors and permitted assigns, shall provide a preservation/mitigation plan pursuant to Chapter 6E, Hawaii Revised Statutes, that has been approved by the State Historic Preservation Division, Department of Land and Natural Resources, and the Office of Hawaiian Affairs prior to Project District Phase II approval.

27. That Honuaula Partners, LLC, its successors and permitted assigns, shall provide the report "Remnant Wiliwili Forest Habitat at Wailea 670, Maui, Hawaii by Lee Altenberg, Ph.D.", along with a preservation/mitigation plan, to the State Department of Land and Natural Resources, the United States Fish and Wildlife Service, and the United States Corps of Engineers for review and recommendations prior to Project District Phase II approval. The Maui Planning Commission shall consider adoption of the plan prior to Project District Phase II approval.

Such plan shall include a minimum preservation standard as follows: That Honuaula Partners, LLC, its successors and permitted assigns, shall establish in perpetuity (1) an 18-acre Conservation Easement (the "Easement"), entitled "Native Plant Preservation Area", for the conservation of native Hawaiian plants and significant cultural sites, (2) an additional 23 acres, entitled "Native Plant Management/Enhancement Area" (the "Enhancement Area"), for the preservation of and cultivation of native Hawaiian plants, and (3) an Interpretive Trail System of about 2 acres (the "Trail") (collectively with the Easement and the Enhancement Area, the "Botanical Habitat Preserves") in Kihei-Makena Project District 9 as shown on the attached map.

The scope of the Botanical Habitat Preserves shall be set forth in an agreement between Honuaula Partners, LLC and the County that shall include:

A commitment from Honuaula Partners, LLC, its successors and permitted assigns, to protect and preserve the Botanical Habitat Preserves for the protection of native Hawaiian plants and significant cultural sites worthy of preservation, restoration, and interpretation for public education and enrichment consistent with a Conservation Plan for the Easement developed by Honuaula Partners, LLC and approved by the State Department of Land and Natural Resources, the United States Geological Survey, and the United States Fish and Wildlife Service; and with a Cultural Resource Preservation Plan, which includes the management and maintenance of the Easement area, the Enhancement Area and the Trail, developed by Honuaula Partners, LLC and approved by the State Department of Land and Natural Resources (collectively, the "Conservation/Preservation Plans").

That Honuaula Partners, LLC, its successors and permitted assigns, shall agree to confine use of the Botanical Habitat Preserves to activities consistent with the purpose and intent of the Easement, the Enhancement Area, and the Trail, respectively.

That Honuaula Partners, LLC, its successors and permitted assigns, shall be prohibited from development in the Easement other than erecting fences, enhancing trails, and constructing structures for the maintenance

needed for the area, in accordance with the Conservation/Preservation Plans.

That title of the Botanical Habitat Preserves shall be held by Honuaula Partners, LLC, its successors and permitted assigns. Access to the Botanical Habitat Preserves shall be permitted pursuant to an established schedule specified in the Conservation/Preservation Plans to organizations on Maui dedicated to the preservation of native plants, to help restore and perpetuate native species and to engage in needed research activities. These organizations may enter the Botanical Habitat Preserves at reasonable times for cultural and educational purposes only.

Honuaula Partners, LLC, its successors and permitted assigns, shall be allowed to receive all tax benefits allowable under tax laws applicable to the 18-acre Easement of the Botanical Habitat Preserves at the time that said Easement is established in Kihei-Makena Project District 9, which will be evidenced by the recordation of the Easement in the Bureau of Conveyances, State of Hawaii.

28. That, prior to the commencement of any construction activity, Honuaula Partners, LLC, its successors and permitted assigns, shall develop and submit a Transportation Management Plan ("TMP"), to be reviewed and approved by the State Department of Transportation, the County Department of Public Works, and the County Department of Transportation. The purpose of the TMP shall be to reduce traffic generated by construction activity related to the Kaonoulu Light Industrial Subdivision and Kihei-Makena Project District 9, including traffic generated by the improvements to Piilani Highway between Kilohana Drive and Wailea Ike Drive. The TMP shall provide for programs such as park and ride, shuttles, and/or restrictions on worker access to ongoing construction activity during peak hour traffic. Upon approval, project contractors shall implement the TMP during construction activities. Honuaula Partners, LLC, its successors and permitted assigns, shall submit an annual report to the State Department of Transportation, the County Department of Public Works, the County Department of Transportation, and the Maui County Council to document the success of the TMP in meeting its benchmarks of reducing traffic during project construction.

That as part of the Project District Phase II application, Honuaula Partners, LLC, its successors and permitted assigns, shall submit a TMP to reduce the dependency on individual vehicular transportation modes. The TMP shall be reviewed and approved by the State Department of Transportation, the County Department of Public Works, and the County Department of Transportation prior to Project District Phase II approval.