

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2016
or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number 001-06510
MAUI LAND & PINEAPPLE COMPANY, INC.
(Exact name of registrant as specified in its charter)

Hawaii
(State or other jurisdiction
of incorporation or organization)

99-0107542
(IRS Employer
Identification No.)

200 Village Road
Lahaina, Maui, Hawaii 96761
(Address of principal executive offices) (Zip Code)

(808) 877-3351
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Common Stock, without Par Value
(Title of each class)

NYSE
(Name of each exchange on which registered)

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell Company (as defined in Rule 12b-2 of the Exchange Act). Yes No

\$48,861,433
(Aggregate market value of common stock
held by non-affiliates of the company on June 30, 2016)

19,016,709
(Number of shares of common stock
outstanding at February 16, 2017)

**Portions of registrant's Proxy Statement for
the 2017 Annual Meeting of Shareholders are incorporated by reference into Part III, Items 10-14 of this Annual
Report on Form 10-K**
(Documents incorporated by reference)

FORWARD-LOOKING STATEMENTS

This annual report on Form 10-K, or annual report, filed by Maui Land & Pineapple Company, Inc. with the Securities and Exchange Commission, or SEC, contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, which statements are subject to considerable risks and uncertainties. Forward-looking statements include all statements that are not statements of historical facts contained in this annual report and can be identified by words such as “may,” “will,” “project,” “might,” “expect,” “believe,” “anticipate,” “intend,” “could,” “would,” “estimate,” “continue” or “pursue,” or the negative or other variations thereof or comparable terminology. In particular, forward-looking statements contained in this annual report relate to, among other things, our future events, future financial performance, results of operations, strategic plans and objectives, and recent accounting pronouncements. We caution you that the foregoing list may not include all of the forward-looking statements made in this annual report.

Although we believe that our opinions and expectations reflected in the forward-looking statements are reasonable as of the date of this annual report, we cannot guarantee future results, levels of activity, performance or achievements, and our actual results may differ substantially from the views and expectations set forth in this annual report. Thus, you should not place undue reliance on any forward-looking statements. New factors emerge from time to time, and it is not possible for us to predict which factors will arise. In addition, we cannot assess the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Further, any forward-looking statements speak only as of the date made and, except as required by law, we undertake no obligation to publicly revise our forward-looking statements to reflect events or circumstances that arise after the date of this annual report.

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PART I**Item 1. BUSINESS****Overview**

Maui Land & Pineapple Company, Inc. is a Hawaii corporation and the successor to a business organized in 1909. Depending upon the context, the terms the “Company,” “we,” “our,” and “us,” refer to either Maui Land & Pineapple Company, Inc. alone, or to Maui Land & Pineapple Company, Inc. and its subsidiaries collectively. The Company consists of a landholding and operating parent company, its principal subsidiary, Kapalua Land Company, Ltd. and certain other subsidiaries of the Company.

We own approximately 23,000 acres of land on Maui and develop, sell, and manage residential, resort, commercial, agricultural and industrial real estate through the following business segments:

- *Real Estate*—Our real estate operations consist of land planning and entitlement, development, and sales activities. This segment also includes the operations of Kapalua Realty Company, Ltd., a general brokerage real estate company located within the Kapalua Resort.
- *Leasing*—Our leasing operations include residential, resort, commercial, agricultural and industrial land and property leases, licensing of the Company’s registered trademarks and trade names, and stewardship and conservation efforts.
- *Utilities*—We own two publicly-regulated utility companies which provide potable and non-potable water and wastewater transmission services to the Kapalua Resort. In addition, we also own a network of several major non-potable water systems in West and Upcountry Maui.
- *Resort Amenities*—We manage the operations of the Kapalua Club, a private, non-equity club program providing our members special programs, access and other privileges at certain amenities at the Kapalua Resort.

Additional information and operating results pertaining to the above business segments can be found under the heading “Description of Business” in this Item 1 and in Note 9 to our financial statements set forth in Item 8 of this annual report.

Description of Business*Real Estate*

Our Real Estate segment includes all land planning, entitlement, development and sales activities of our landholdings on Maui. Our principal real estate development is the Kapalua Resort, a master-planned, destination resort and residential community located in West Maui encompassing approximately 3,000 acres. The following is a summary of our landholdings as of December 31, 2016:

	West Maui	Upcountry Maui	Total
Fully entitled urban	900	-	900
Agricultural zoned	10,800	2,100	12,900
Conservation/watershed	9,000	-	9,000
	<u>20,700</u>	<u>2,100</u>	<u>22,800</u>

Real Estate Planning and Entitlements – Appropriate entitlements must be obtained for land that is intended for development. Securing proper land entitlements is a process that requires obtaining county, state and federal approvals, which can take many years to complete and entails a variety of risks. The entitlement process requires that we satisfy all conditions and restrictions imposed in connection with such governmental approvals, including, among other things, construction of infrastructure improvements, payment of impact fees – for conditions such as schools, public parks and traffic mitigation – restrictions on permitted uses of the land, and provision of affordable housing. We actively work with the community, regulatory agencies, and legislative bodies at all levels of government in an effort to obtain necessary entitlements consistent with the needs of the community.

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We have approximately 1,200 acres of land in Maui that are in various stages of the development process. The following is a summary of our development projects as of December 31, 2016:

<u>Location</u>	<u>Approximate Number of Acres</u>	<u>Zoned for Planned Use</u>	<u>Anticipated Completion Dates</u>	<u>Deferred Development Costs (millions)</u>	<u>Projected Costs to Complete (millions)</u>
Kapalua Resort	900	Yes	2019-2039	\$ 7.0	\$500 - \$1,000
Hali`imaile Town	300	No	2029-2034	\$ 0.1	\$100 - \$200

We are engaged in planning, permitting and entitlement activities for our development projects, and we intend to proceed with construction and sales of the following projects, among others, when internal and external factors permit:

- *Kapalua Resort:* We began development of the Kapalua Resort in the early 1970's. Today, the Kapalua Resort is an internationally recognized world-class destination resort and residential community. We presently have entitlements to develop a variety of projects in the Kapalua Resort. Two that are currently planned include Kapalua Mauka and Kapalua Central Resort.

Kapalua Mauka is the long-planned expansion of the Kapalua Resort located directly upslope of the existing resort development. As presently planned, it encompasses 800 acres and includes up to 639 residential units with extensive amenities, including up to 27 additional holes of golf. State and County land use entitlements have been secured for this project.

Kapalua Central Resort is a commercial town center and residential community located in the core of the Kapalua Resort. It is comprised of 46 acres and is planned to include up to 61,000 square feet of commercial space and 188 condominium and multi-family residential units. State and County land use entitlements have been secured for this project.

- *Hali`imaile Town:* An expansion of an existing plantation town in Upcountry Maui, this project is contemplated to be a holistic traditional community with agriculture and sustainability as core design elements. The project includes 290 acres designated as urban "Small Town" in the County of Maui general plan. We are in the early stages of this project's development and securing State and County land use entitlements are expected to take several years.

Projected development costs are expected to be financed by debt financing, private investment, joint ventures with other development or construction companies, or a combination of these methods.

Real Estate Sales – Our wholly-owned subsidiary, Kapalua Realty Company, Ltd., provides general brokerage services for properties in the Kapalua Resort and surrounding areas.

Revenues from our Real Estate segment totaled \$37.1 million, or approximately 78% of our total operating revenues for the year ended December 31, 2016.

The price and market for luxury and other real estate in Maui are highly cyclical and influenced significantly by interest rates, the general real estate markets in the mainland United States and specifically the West Coast, the popularity of Hawaii as a vacation destination and second-home market, the general condition of the economy in the United States and Asia, and the relationship of the dollar to foreign currencies. Our Real Estate segment faces substantial competition from other land owners and developers on the island of Maui, as well as in other parts of Hawaii and the mainland United States.

Leasing

Our Leasing segment operations include residential, resort, commercial, agricultural and industrial land and property leases, licensing of the Company's registered trademarks and trade names, and stewardship and conservation efforts.

Commercial and Industrial Leases – We are the owner and lessor of approximately 240,000 square feet of commercial, retail and light industrial properties, including restaurants, retail outlets, office buildings, warehouses and Kapalua Resort activities. The following summarizes information related to our commercial and industrial leases as of December 31, 2016:

	Total Square Footage	Average Occupancy Percentage	Lease Expiration Dates
Kapalua Resort	75,249	96%	2017 - 2028
Other West Maui	39,877	95%	2017 - 2034
Upcountry Maui	122,795	90%	2017 - 2019

Agricultural Leases – We are the lessor of 1,900 acres of diversified agriculture land leases in West and Upcountry Maui.

Trademark and Trade Name Licensing – We currently have licensing agreements for the use of our registered Kapalua and other trademarks and trade names with several different companies, mainly in conjunction with our agricultural, commercial and industrial leases.

Stewardship and Conservation – We manage the conservation of a 9,000-acre nature and watershed preserve in West Maui. A portion of our stewardship and conservation efforts is subsidized by the State of Hawaii, the County of Maui and other organizations.

Revenues from our Leasing segment totaled \$5.3 million, or approximately 11% of our total operating revenues for the year ended December 31, 2016.

Our Leasing segment operations are highly sensitive to economic conditions including tourism and consumer spending levels. Our Leasing segment operations also face substantial competition from other property owners in Maui and Hawaii.

Utilities

Our Utilities segment includes the operations of our two Hawaii Public Utilities Commission-regulated subsidiaries, Kapalua Water Company, Ltd. and Kapalua Waste Treatment Company, Ltd. In addition, our Utilities segment includes the operations of several major non-potable irrigation water systems in West and Upcountry Maui.

Kapalua Water Company, Ltd. provides potable and non-potable water utility services to the Kapalua Resort, including its golf courses, hotels, residential subdivisions, commercial properties, and landscaped common areas.

Kapalua Waste Treatment Company, Ltd. provides sewage collection and transmission services for the Kapalua Resort. Waste water treatment is processed by the County of Maui's facility in neighboring Lahaina, Maui.

Non-Potable Irrigation Water Systems – We own and operate several non-potable wells, irrigation ditches, reservoirs and transmission systems serving the Kapalua Resort, the County of Maui, and agricultural users in West and Upcountry Maui.

Revenues from our Utilities segment totaled \$3.3 million, or approximately 7% of our total operating revenues for the year ended December 31, 2016.

Our Utilities segment operations are primarily affected by the amount of rainfall and the level of development and volume of visitors in the Kapalua Resort. Our water and sewage system infrastructure requires periodic and ongoing maintenance, which in some cases can involve significant capital expenditures. Due to the regulated nature surrounding water sources and transmission infrastructure on Maui, our Utilities segment does not face any substantial competition.

Resort Amenities

Our Resort Amenities segment includes the operations of the Kapalua Club, a private, non-equity club providing its members special programs, access and other privileges at certain of the amenities at the Kapalua Resort including a 30,000 square foot full-service spa and a private pool-side dining beach club.

Revenues from our Resort Amenities segment totaled \$1.6 million, or approximately 3% of our total operating revenues for the year ended December 31, 2016.

The viability of the Kapalua Club is principally dependent on the overall appeal and success of the Kapalua Resort. The resort faces competition from other resort destination communities on Maui and other parts of Hawaii.

Employees

As of December 31, 2016, we had 17 full-time employees, none of whom are members of a collective bargaining group.

Available Information

Our internet address is www.mauiland.com. Information about the Company is also available on www.kapalua.com. Reference in this annual report to these website addresses does not constitute incorporation by reference of the information contained on the websites. We make available free of charge on or through our website our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and other reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act, as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. We also make available through our website all filings of our executive officers and directors on Forms 3, 4 and 5 pursuant to Section 16 of the Exchange Act. These filings are also available on the SEC's website at www.sec.gov.

Item 1A. RISK FACTORS

The following is a summary of certain risks we face in our business. They are not the only risks we face. Additional risks that we do not yet know of or that we currently believe are immaterial may also impair our business operations. If any of the events or circumstances described in the following risks actually occurs, our business, financial condition or results of operations could suffer, and the trading price of our common stock could decline. In assessing these risks, investors should also refer to the other information contained or incorporated by reference in our other filings with the SEC.

Risks Related to our Business

Unstable macroeconomic market conditions could continue to materially and adversely affect our operating results.

Our operations and performance depend significantly on worldwide economic conditions. Uncertainty about global economic conditions poses a risk to our business as consumers, tourists and real estate investors postpone or reduce spending in response to tighter credit markets, energy costs, negative financial news, reduced consumer confidence, and/or declines in income or asset values, which could have a material negative effect on the demand for our products and services. Other factors that could influence demand include increases in fuel costs, conditions in the residential real estate and mortgage markets, interest rates, labor costs, access to credit on reasonable terms, geopolitical issues, and other macroeconomic factors affecting consumer spending behavior. These and other economic factors could have a material adverse effect on demand for our products and services and on our financial condition and operating results.

In addition, in the event that current equity or credit market conditions deteriorate, or if our expenses increase unexpectedly, it may become necessary for us to raise additional capital in the form of a debt or equity financing, or a combination of the two. A downturn in industry, market or economic conditions could make debt or equity financing more difficult, more costly, and, in the case of an equity financing, more dilutive to our existing stockholders. Failure to secure any necessary financing in a timely manner and on favorable terms could have a material adverse effect on our ability to execute our current business strategy, as well as our financial performance and stock price.

Real estate investments are subject to numerous risks and we are negatively impacted by downturns in the real estate market.

We are subject to the risks that generally relate to investments in real property because we develop and sell real property, primarily for residential use. The market for real estate on Maui and in Hawaii generally tends to be highly cyclical and is typically affected by numerous changes in local, national and worldwide conditions, especially economic conditions, many of which are beyond our control, including the following:

- periods of economic uncertainty and weakness in Hawaii and in the United States generally;
- uncertainties and changes in U.S. social, political, regulatory and economic conditions or laws and policies resulting from recent changes in the U.S. presidential administration and concerns surrounding ongoing developments in the European Union and Middle East;

- high unemployment rates and low consumer confidence;
- the general availability of mortgage financing, including the effect of more stringent lending standards for mortgages and perceived or actual changes in interest rates;
- energy costs, including fuel costs, which could impact the cost and desirability of traveling to Hawaii;
- local, state and federal government regulation, including eminent domain laws, which may result in a taking for less compensation than what we believe our property is worth;
- the popularity of Maui in particular and Hawaii in general as a vacation destination or second home market;
- the relationship of the dollar to foreign currencies;
- tax law changes, including potential limits or elimination of the deductibility of certain mortgage interest expenses, the application of the alternative minimum tax, real property taxes and employee relocation expenses; and/or
- acts of God, such as tsunamis, hurricanes, earthquakes and other natural disasters.

Changes in any of the foregoing could have a material adverse effect on our business by causing a more significant general decline in the market for residential or luxury real estate, which, in turn, could adversely affect our development plans, revenues and profitability. During low periods of demand, real estate may remain on hand for much longer than expected or be sold at lower than expected returns, or even at a loss, which could impair our liquidity and ability to proceed with development projects and negatively affect our operating results. Sustained adverse changes to our development plans could result in impairment charges or write-offs of deferred development costs, which could have a material adverse impact on our financial condition and results of operations. In addition, in the current economic environment, equity real estate investments may be difficult to sell quickly and we may not be able to adjust our portfolio of properties quickly in response to economic or other conditions.

Because we are located in Hawaii and therefore apart from the mainland United States, our financial results are more sensitive to certain economic factors, such as spending on tourism and increased fuel and travel costs, which may adversely impact and materially affect our business, financial condition and results of operations.

Our businesses are dependent on attracting visitors to the Kapalua Resort, to Maui, and to the State of Hawaii as a whole. Economic factors that affect the number of visitors, their length of stay or expenditure levels will affect our financial performance. Factors such as the continuing worldwide economic uncertainty and weakness, the level of unemployment in Hawaii and the mainland United States, natural disasters, substantial increases in the cost of energy, including fuel costs, and events in the airline industry that may reduce passenger capacity or increase traveling costs could reduce the number of visitors to the Kapalua Resort and negatively affect a potential buyer's demand for our future property developments, each of which could have a material adverse impact on our business, financial condition and results of operations. In addition, the threat, or perceived threat, of heightened terrorist activity in the United States or other geopolitical events, or the spread of contagious diseases could negatively affect a potential visitor's choice of vacation destination or second home location and as a result, have a material adverse impact on our business, financial condition and results of operations.

We have previously been involved in joint ventures and may be subject to risks associated with future joint venture relationships.

We have previously been involved in partnerships, joint ventures and other joint business relationships, and may initiate future joint venture projects. A joint venture involves certain risks such as:

- our actual or potential lack of voting control over the joint venture;
- our ability to maintain good relationships with our joint venture partners;

- a venture partner at any time may have economic or business interests that are inconsistent with ours, especially in light of economic uncertainty and weakness;
- a venture partner may fail to fund its share of operations and development activities, or to fulfill its other commitments, including providing accurate and timely accounting and financial information to us; and
- a joint venture or venture partner could lose key personnel.

In connection with our joint venture projects, we may be asked to guarantee the joint venture's obligations, or to indemnify third parties in connection with a joint venture's contractual arrangements. If we were to become obligated under such arrangements or become subject to the risks associated with joint venture relationships, our business, financial condition and results of operations may be adversely affected.

If we are unable to complete land development projects within forecasted time and budget expectations, if at all, our financial results may be negatively affected.

We intend to develop resort and other properties as suitable opportunities arise, taking into consideration the general economic climate. New project developments have a number of risks, including risks associated with:

- construction delays or cost overruns that may increase project costs;
- receipt of zoning, occupancy and other required governmental permits and authorizations;
- development costs incurred for projects that are not pursued to completion;
- earthquakes, tsunamis, hurricanes, floods, fires or other natural disasters that could adversely impact a project;
- defects in design or construction that may result in additional costs to remedy or require all or a portion of a property to be closed during the period required to rectify the situation;
- ability to raise capital;
- impact of governmental assessments such as park fees or affordable housing requirements;
- governmental restrictions on the nature or size of a project or timing of completion; and
- the potential lack of adequate building/construction capacity for large development projects.

If any development project is not completed on time or within budget, this could have a material adverse effect on our financial results.

If we are unable to obtain required land use entitlements at reasonable costs, or at all, our operating results would be adversely affected.

The financial performance of our Real Estate segment is dependent upon our success in obtaining land use entitlements for proposed development projects. Obtaining all of the necessary entitlements to develop a parcel of land is often difficult, costly and may take several years, or more, to complete. In some situations, we may be unable to obtain the necessary entitlements to proceed with a real estate development or may be required to alter our plans for the development. Delays or failures to obtain these entitlements may have a material adverse effect on our financial results.

If we are unable to successfully compete with other developers of real estate in Maui, our financial results could be materially adversely affected.

Our real estate products face significant competition from other luxury resort real estate properties on Maui, and from other residential property in Hawaii and the mainland United States. In many cases, our competitors are larger than us and have greater access to capital. If we are unable to compete with these competitors, our financial results could be materially adversely affected.

We may be subject to certain environmental regulations under which we may have additional liability and experience additional costs for land development.

Various federal, state, and local environmental laws, ordinances and regulations regulate our properties and could make us liable for the costs of removing or cleaning up hazardous or toxic substances on, under, or in property we currently own or operate or that we previously owned or operated. These laws could impose liability without regard to whether we knew of, or were responsible for, the presence of hazardous or toxic substances. The presence of hazardous or toxic substances, or the failure to properly clean up such substances when present, could jeopardize our ability to develop, use, sell or rent our real property or to borrow using our real property as collateral. If we arrange for the disposal or treatment of hazardous or toxic wastes, we could be liable for the costs of removing or cleaning up wastes at the disposal or treatment facility, even if we never owned or operated that facility. Certain laws, ordinances and regulations, particularly those governing the management or preservation of wetlands, coastal zones and threatened or endangered species, could limit our ability to develop, use, sell or rent our real property.

Changes in weather conditions or natural disasters could adversely impact and materially affect our business, financial condition and results of operations.

Natural disasters could damage our resort and real estate holdings, resulting in substantial repair or replacement costs to the extent not covered by insurance, a reduction in property values, or a loss of revenue, each of which could have a material adverse impact on our business, financial condition and results of operations. Our competitors may be affected differently by such changes in weather conditions or natural disasters depending on the location of their assets or operations.

Unauthorized use of our trademarks could negatively impact our businesses.

We have several trademarks that we have registered in the United States and in several foreign countries. To the extent that our exclusive use of these trademarks is challenged, we intend to vigorously defend our rights. If we are not successful in defending our rights, our businesses could be adversely impacted.

Market volatility of asset values and interest rates affect the funded status of our defined benefit pension plans and could, under certain circumstances, have a material adverse effect on our financial condition.

We have two defined benefit pension plans which were frozen with respect to benefits and the addition of participants in 2011. The funded status and our ability to satisfy the future obligations of the plans are affected by, among other things, changes in interest rates, returns from plan asset investments, and actuarial assumptions including the life expectancies of the plans' participants. If we are unable to adequately fund or meet our future obligations with respect to the plans, our business, financial condition and results of operations may be adversely affected.

Risks Related to Indebtedness

We have entered into a credit agreement for a \$10.0 million revolving line of credit with a bank. The credit facility has a maturity date of December 31, 2019 and its terms include certain financial and operating covenants, which if we fail to satisfy, could accelerate our repayment obligations and adversely affect our operations and financial results.

The terms of our credit facility includes covenants requiring among other things, a minimum of \$0.5 million in liquidity (as defined), a maximum of \$45 million in total liabilities, and a limitation on new indebtedness. Our ability to continue to borrow under our credit facility to fund our business initiatives depends upon our ability to comply with these covenants.

Our business initiatives for the next twelve months include investing in our operating infrastructure and continued planning and entitlement efforts on our development projects. At times, this may require borrowing under our credit facility or other indebtedness, repayment of which may be dependent on selling of our real estate assets at acceptable prices in condensed timeframes.

Our indebtedness could have the effect of, among other things, increasing our exposure to general adverse economic and industry conditions, limiting our flexibility in planning for, or reacting to, changes in our business and industry, and limiting our ability to borrow additional funds.

Risks Relating to our Stock

Our stock price has been subject to significant volatility.

In 2016, the low and high share prices of our common stock ranged from \$4.73 to \$7.97. Our stock price has been, and may continue to be, subject to significant volatility. Among others, including the risks and uncertainties discussed in this annual report, the following factors, some of which are out of our control, may cause the market price of our common stock to continue to be volatile:

- our quarterly or annual earnings or those of other companies in our industry;
- actual or unanticipated fluctuations in our operating results;
- the relatively low volume of trading in our stock; and
- the lack of significant securities analysts coverage of our stock.

Fluctuations in the price of our common stock may also be exacerbated by economic and other conditions in Maui in particular, or conditions in the financial markets generally.

Share ownership by our affiliates make it more difficult for third parties to acquire us or effectuate a change of control that might be viewed favorably by other shareholders.

As of February 16, 2017, affiliates of our company owned, in the aggregate, approximately 65% of our outstanding shares. As a result, if these affiliates were to oppose a third party's acquisition proposal for, or a change in control of, the Company, these affiliates may have sufficient voting power to be able to block or at least delay such an acquisition or change in control from taking place, even if other shareholders would support such a sale or change of control.

Trading in our stock over the last twelve months has been limited, so investors may not be able to sell as much stock as they want at prevailing prices.

The average daily trading volume in our common stock for the year ended December 31, 2016 was approximately 6,700 shares. If limited trading in our stock continues, it may be difficult for investors to sell their shares in the public market at any given time at prevailing prices. Moreover, the market price for shares of our common stock may be made more volatile because of the relatively low volume of trading in our common stock. When trading volume is low, significant price movement can be caused by the trading in a relatively small number of shares. Volatility in our common stock could cause stockholders to incur substantial losses.

We do not anticipate declaring any cash dividends on our common stock.

We have not declared or paid regular cash dividends on our common stock and do not plan to pay any cash dividends in the near future. Our current policy is to retain all funds and any earnings for use in the operation and expansion of our business. The payment of cash dividends by us is restricted by our credit facility which contains covenants prohibiting us from paying any cash dividends without the lender's prior approval. If we do not pay dividends, our stock may be less valuable to you because a return on your investment will only occur if our stock price appreciates.

If we do not meet the continued listing requirements of the New York Stock Exchange (NYSE), our common stock may be delisted.

Our common stock is currently listed on the NYSE. If we are unable to maintain compliance with the NYSE's continued listing standards the NYSE may take action to delist our common stock. Delisting could negatively impact us by, among other things, reducing the liquidity and market price of our common stock, reducing the number of investors willing to hold or acquire our common stock, and limiting our ability to issue additional securities or obtain additional financing in the future, and might negatively impact our reputation and, as a consequence, our business. In addition, if our common stock is delisted, it would violate the covenants of our credit facility.

We may need additional funds which, if available, could result in significant dilution to our stockholders, have superior rights to our common stock and contain covenants that restrict our operations.

If unanticipated contingencies or other unforeseen circumstances arise, it may be necessary for us to raise additional capital either through public or private equity or debt financing. We cannot say with any certainty that we will be able to obtain the additional needed funds on reasonable terms, or at all. If we were to raise capital through the issuance of our common stock or securities convertible or exercisable into our common stock, our existing stockholders may suffer significant dilution. If we issued preferred equity or debt securities, these securities could have rights superior to holders of our common stock and could contain covenants that will restrict our operations. If additional funds are raised through a bank credit facility or the issuance of debt securities, the holder of such indebtedness would have rights senior to the rights of equity holders and the terms of such indebtedness could impose restrictions on our operations.

Item 1B. UNRESOLVED STAFF COMMENTS

None.

Item 2. PROPERTIES

Most of our land was acquired from 1911 to 1932 and, accordingly, has a relatively low cost basis. The following is a summary of our landholdings as of December 31, 2016:

	Acres
West Maui	20,700
Upcountry Maui	2,100
Total	22,800

Our West Maui landholdings are comprised of several, largely contiguous parcels that extend from the sea to the top of the second largest mountain on Maui, at an elevation of approximately 5,700 feet. It includes approximately 900 acres within the 3,000-acre Kapalua Resort. The remaining lands are mainly former pineapple fields, gulches, undeveloped coastal and forest areas, and our 9,000-acre conservation watershed preserve.

Our Upcountry Maui landholdings are situated at elevations between 1,000 and 2,000 feet above sea level on the slopes of Haleakala, a volcanic-formed mountain on the island that rises above 10,000 feet in elevation.

We have pledged certain of our real estate properties in the Kapalua Resort as security for borrowings under our credit facility.

We own our corporate office located in the Kapalua Resort. We believe our facilities are suitable and adequate for our business and have sufficient capacity for the purposes for which they are currently being used or intended to be used. Additional information regarding our real estate properties can be found under the heading "Business" in Item 1 of this annual report.

Item 3. LEGAL PROCEEDINGS

The Company has been named along with multiple parties in lawsuits filed by owners of units and fractional interests in the project formerly known as The Ritz-Carlton Club and Residences, Kapalua Bay. The lawsuits were filed in the Circuit Court of the Second Circuit, State of Hawaii on May 23, 2011, June 7, 2012, and June 19, 2013. The lawsuits allege deceptive acts, intentional misrepresentation, concealment, and negligent misrepresentation, among other allegations and seek unspecified damages, treble damages and other relief. The Company disagrees with the allegations and is defending itself. The Company is presently unable to estimate the amount, or range of amounts, of any probable liability, if any, related to this matter and no provision has been made in the accompanying financial statements.

From time to time, we are a party to various claims, complaints and other legal actions that have arisen in the normal course of our business activities. We believe the outcome of these pending legal proceedings, in the aggregate, is not likely to have a material adverse effect on our operations, financial position or cash flows.

Item 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II**Item 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES**

Our common stock is traded on the NYSE under the symbol "MLP." We did not declare any dividends in 2016 or 2015. Our ability to declare dividends is restricted by the terms of our credit agreement. We do not intend to pay any cash dividends on our common stock in the foreseeable future. As of February 16, 2017, there were 265 shareholders of record of our common stock.

The following chart reflects high and low sales prices during each of the quarters in 2016 and 2015:

		First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2016	High	\$ 6.23	\$ 7.62	\$ 7.97	\$ 7.30
	Low	4.73	5.23	6.23	6.36
2015	High	\$ 7.64	\$ 6.20	\$ 5.70	\$ 6.41
	Low	5.80	5.08	4.75	5.08

Unregistered Sales of Equity Securities

None.

Repurchases

None.

Securities Authorized For Issuance Under Equity Compensation Plans

The information regarding securities authorized for issuance under our equity compensation plans is set forth in Item 12 of this annual report.

Item 6. SELECTED FINANCIAL DATA

Because we are a smaller reporting company, as defined in Item 10(f)(1) of Regulation S-K, we are not required to provide the information required by this Item.

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with the forward-looking statements disclaimer set forth at the beginning of this annual report, the risk factors set forth in Item 1A of this annual report, and our financial statements and the notes to those statements set forth in Item 8 of this annual report.

RESULTS OF OPERATIONS

Comparison of Years Ended December 31, 2016 and 2015

CONSOLIDATED

	Year Ended December 31,	
	2016	2015
	(in thousands except share amounts)	
<i>Operating revenues</i>	\$ 47,364	\$ 22,786
<i>Operating costs and expenses</i>	(13,703)	(7,908)
<i>General and administrative</i>	(2,204)	(2,181)
<i>Share-based compensation</i>	(984)	(955)
<i>Depreciation</i>	(1,984)	(2,115)
<i>Pension and other postretirement expense</i>	(5,019)	(295)
<i>Operating Income</i>	23,470	9,332
<i>Interest Expense</i>	(1,656)	(2,519)
<i>Net Income</i>	\$ 21,814	\$ 6,813
<i>Net Income per Common Share</i>	\$ 1.15	\$ 0.36

REAL ESTATE

	Year Ended December 31,	
	2016	2015
	(in thousands)	
<i>Operating revenues</i>	\$ 37,116	\$ 12,501
<i>Operating costs and expenses</i>	(7,460)	(2,515)
<i>Operating income</i>	\$ 29,656	\$ 9,986

In December 2016, we sold a 3.4-acre property with an approximately 26,000 square foot building, commonly referred to as the Kapalua Village Center, for \$18.0 million to the owner of the Kapalua Plantation and Bay Golf Courses. The Kapalua Village Center, which served as the golf clubhouse for the former Kapalua Village Golf Course, was sold without any development entitlements. The sale resulted in a gain of \$12.9 million. Proceeds from the sale were used to pay down our First Hawaiian Bank credit facility.

In August 2016, we sold a five-acre, fully entitled 42-unit workforce housing project located in West Maui for \$3.0 million. As part of the transaction, the buyer agreed to provide us with 12 residential workforce housing credits by August 2021. The sale resulted in a gain of approximately \$2.8 million. Proceeds from the sale were used to pay down our First Hawaiian Bank credit facility.

In June 2016, the Company sold a 304-acre, fully entitled working-class community project located in West Maui, commonly referred to as Pulelehua, for \$15.0 million. The sale resulted in a gain of approximately \$14.3 million. Proceeds from the sale were used to pay down our former American AgCredit and Wells Fargo loans.

In September 2015, we sold the 25-acre Kapalua Golf Academy to the owner of the Kapalua Plantation and Bay Golf Courses for \$12.0 million. The property was sold without any development entitlements. The sale resulted in a gain of \$10.2 million. The majority of the proceeds from the sale were used to pay down our former American AgCredit and Wells Fargo loans.

Included in other operating revenues for our real estate segment are real estate sales commissions from resales of properties owned by private residents in the Kapalua Resort and surrounding areas by our wholly-owned subsidiary, Kapalua Realty Company, Ltd. Commission revenue totaled \$1.1 million and \$0.5 million for 2016 and 2015, respectively. The increase in real estate operating costs and expenses for the year ended December 31, 2016 was primarily due to costs of sales associated with the aforementioned real estate assets sold during 2016.

We did not have any significant real estate development expenditures in 2016 or 2015.

Real estate development and sales are cyclical and depend on a number of factors. Results for one period are therefore not necessarily indicative of future performance trends in this business segment.

LEASING

	Year Ended December 31,	
	2016	2015
	(in thousands)	
<i>Operating Revenues</i>	\$ 5,324	\$ 5,546
<i>Operating Costs and Expenses</i>	(2,971)	(2,208)
<i>Operating Income</i>	\$ 2,353	\$ 3,338
<i>Average Occupancy Rates:</i>		
<i>Kapalua Resort</i>	96%	86%
<i>Other West Maui</i>	95%	90%
<i>Upcountry Maui</i>	90%	37%

Leasing operating revenues for the year ended December 31, 2016 were comprised of \$4.5 million of leasing revenues and \$0.8 million of licensing fees as compared to \$5.1 million of leasing revenues and \$0.4 million of licensing fees for 2015. The decrease in Leasing operating income for the year ended December 31, 2016 compared to the year ended December 31, 2015 was primarily due to the write-off of approximately \$0.5 million of lease rent from an agricultural land and property tenant in Upcountry Maui and straight-line rent adjustments totaling approximately \$0.4 million.

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Our West Maui leased properties are mainly large-acre former pineapple field parcels and maintenance facilities.

Our leasing operations face substantial competition from other property owners in Maui and Hawaii.

UTILITIES

	Year Ended December 31,	
	2016	2015
	(in thousands)	
<i>Operating Revenues</i>	\$ 3,345	\$ 3,335
<i>Operating Costs and Expenses</i>	(2,325)	(2,260)
<i>Operating Income</i>	\$ 1,020	\$ 1,075
<i>Consumption (in million gallons):</i>		
<i>Potable</i>	134	148
<i>Non-potable/irrigation</i>	579	551

We have contracted a third-party water engineering and management company to manage the operations of our wholly-owned subsidiaries: Kapalua Water Company, Ltd. and Kapalua Waste Treatment Company, Ltd. We have contracted a third-party water maintenance company to manage our non-potable irrigation water systems in West and Upcountry Maui.

Our Utilities segment operations are primarily affected by the amount of rainfall and the level of development and volume of visitors in the Kapalua Resort. Rates charged by our Kapalua Water Company, Ltd. and Kapalua Waste Treatment Company, Ltd. subsidiaries are regulated by the Hawaii Public Utilities Commission. We did not incur any significant capital or maintenance expenditures related to our Utilities segment infrastructure in 2016 or 2015.

RESORT AMENITIES

	Year Ended December 31,	
	2016	2015
	(in thousands)	
<i>Operating Revenues</i>	\$ 1,579	\$ 1,404
<i>Operating Costs and Expenses</i>	(947)	(925)
<i>Operating Income</i>	\$ 632	\$ 479
<i>Kapalua Club Members</i>	504	506

Our Resort Amenities segment includes the operations of the Kapalua Club, a private, non-equity club providing its members special programs, access and other privileges at certain of the amenities at the Kapalua Resort including a 30,000 square foot full-service spa and a private pool-side dining beach club. The Kapalua Club does not operate any resort amenities and pays contracted fees to provide access for its members to the spa, beach club and other resort amenities. The increase in operating revenues for the year ended December 31, 2016 compared to the year ended December 31, 2015 was due to the recognition of approximately \$200,000 of club membership revenues previously deferred in connection with the Company's project formerly known as The Ritz-Carlton Club and Residences, Kapalua Bay, as a result of revised projections of the estimated life of club memberships.

INTEREST EXPENSE

Interest expense was \$1.7 million for 2016 compared to \$2.5 million for 2015. Our average interest rates on borrowings was 5.08% for 2016, compared to 5.16% for 2015, and average borrowings were \$30.0 million in 2016 compared to \$47.4 million in 2015.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

We had cash on hand of \$0.6 million and \$3.1 million of available credit under a \$10.0 million revolving line of credit facility with First Hawaiian Bank as of December 31, 2016.

On August 5, 2016, we refinanced our \$26.4 million of outstanding bank loans under a \$27.0 million revolving line of credit with First Hawaiian Bank. The credit facility matures on December 31, 2019 and provides for two optional one-year extension periods. Interest on borrowings was initially at LIBOR plus 3.75%. A significant portion of our real estate holdings were pledged as security for the credit facility. Net proceeds from the sale of any real estate assets pledged as collateral under the credit facility are required to be repaid toward outstanding borrowings and will permanently reduce the credit facility's revolving commitment amount.

The terms of the credit facility include various representations, warranties, affirmative, negative and financial covenants and events of default customary for financings of this type. Financial covenants include an initial minimum liquidity (as defined) of \$0.5 million beginning December 31, 2016, a maximum of \$45.0 million in total liabilities, and a limitation on new indebtedness. There are no commitment fees on the unused portion of the credit facility.

On December 30, 2016, we sold the Kapalua Village Center for \$18.0 million. The property was pledged as collateral under our credit facility and, accordingly, net proceeds from the sale of \$17.6 million were repaid toward our outstanding loans at closing. In connection with the repayment, our credit facility was modified to release certain real estate assets previously pledged as security for our credit facility, including 1,065 acres of Upcountry Maui land, buildings and improvements, our 46-acre Kapalua Central Resort project, and stock of our two publicly-regulated utility companies. In addition, the credit facility's revolving commitment amount was permanently reduced to \$10.0 million and the interest rate on borrowings was reduced to LIBOR plus 3.50%.

Real estate assets currently pledged as security for our credit facility include our 800-acre Kapalua Mauka project and approximately 30,000 square feet of commercial leased space in the Kapalua Resort.

As of December 31, 2016, we were in compliance with the covenants under our First Hawaiian Bank credit facility.

Cash Flows

Net cash flow provided by our operating activities totaled \$33.9 million for the year ended December 31, 2016. Net proceeds from sales of real estate assets totaled \$35.6 million, which were used principally to reduce our long-term debt by \$33.7 million during the year ended December 31, 2016.

Interest payments on our long-term debt totaled \$1.7 million for the year ended December 31, 2016.

We were not required to make any minimum funding contributions to our defined benefit pension plans during 2016 and we do not expect to be required to make any contributions for 2017.

Future Cash Inflows and Outflows

Our business initiatives for the next twelve months include investing in our operating infrastructure and continued planning and entitlement efforts on our development projects. At times, this may require borrowing under our credit facility or other indebtedness, repayment of which may be dependent on selling of our real estate assets at acceptable prices in condensed timeframes.

Our indebtedness could have the effect of, among other things, increasing our exposure to general adverse economic and industry conditions, limiting our flexibility in planning for, or reacting to, changes in our business and industry, and limiting our ability to borrow additional funds.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our accounting policies are described in “Summary of Significant Accounting Policies,” Note 1 to our financial statements set forth in Item 8 of this annual report. The preparation of financial statements in conformity with generally accepted accounting principles requires the use of accounting estimates. Some of these estimates and assumptions involve a high level of subjectivity and judgment and therefore the impact of a change in these estimates and assumptions could materially affect the amounts reported in our financial statements. The accounting policies and estimates that we have identified as being critical to our financial statements are as follows:

- Our long-lived assets are reviewed for impairment if events or circumstances indicate that the carrying amount of the long-lived asset may not be recoverable. These asset impairment loss analyses contain uncertainties because they require management to make assumptions and apply considerable judgments to, among others, estimates of the timing and amount of future cash flows, expected useful lives of the assets, uncertainty about future events, including changes in economic conditions, changes in operating performance, changes in the use of the assets, and ongoing costs of maintenance and improvements of the assets; thus, the accounting estimates may change from period to period. If management uses different assumptions or if different conditions occur in future periods, our financial condition or future operating results could be materially impacted.
- Deferred development costs, principally predevelopment costs and offsite development costs related to various projects in the planning stages by our Real Estate segment, totaled \$8.8 million at December 31, 2016. Based on our future development plans for the Kapalua Resort and other properties, and the estimated value of these future projects, management has concluded that these deferred costs will be recoverable from future development projects. The volatility of this assumption arises because of the long-term nature of our development plans and the uncertainty of when or if certain parcels will be developed.
- Assets are classified as held for sale when management approves and commits to a plan to sell the property; the property is available for immediate sale in its present condition, subject only to terms that are usual and customary; an active program to locate a buyer and other actions required to complete the plan to sell have been initiated; the sale of the property is probable and is expected to be completed within one year; the property is being actively marketed for sale at a price that is reasonable in relation to its current fair value; and actions necessary to complete the plan of sale indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. Assets held for sale are stated at the lower of net book value or estimated fair value less cost to sell.
- Sales of real estate assets that are considered central to our ongoing major operations are classified as real estate sales revenue, along with any associated cost of sales, in our consolidated statements of income and comprehensive income. Sales of real estate assets that are considered peripheral or incidental transactions to our ongoing major or central operations are reflected as net gains or losses in our consolidated statements of income and comprehensive income.
- If the sale of a real estate asset represents a strategic shift that has, or will have, a major effect on our operations, such as the discontinuance of a business segment, then the operations of the property, including any interest expense directly attributable to it, are classified as discontinued operations, and amounts for all prior periods presented are reclassified from continuing operations to discontinued operations. The disposal of an individual property generally will not represent a strategic shift and, therefore, will typically not meet the criteria for classification as discontinued operations.
- Determining pension expense and obligations for our two defined benefit pension plans utilizes actuarial estimates of participants’ age at retirement, life span, the long-term rate of return on investments and other factors. In addition, pension expense is sensitive to the discount rate utilized to value the pension obligation. These assumptions are subject to the risk of change as they require significant judgment and have inherent uncertainties that management or its consulting actuaries may not control or anticipate. A detailed discussion of our defined benefit pension plans is contained in Note 6 to our financial statements set forth in Item 8 of this annual report.
- Management calculates the income tax provision, current and deferred income taxes along with the valuation allowance based upon various complex estimates and interpretations of income tax laws and regulations. Deferred tax assets are reduced by a valuation allowance to the extent that it is more likely than not that they will not be realized. To the extent we begin to generate taxable income in future years, and it is determined the valuation allowance is no longer required, the tax benefit for the remaining deferred tax assets will be recognized at such time. A detailed discussion of our income taxes is contained in Note 8 to our financial statements set forth in Item 8 of this annual report.
- Our results of operations could be affected by significant litigation or contingencies adverse to the Company, including, but not limited to, liability claims, environmental matters, and contract terminations. We record accruals for legal matters when the information available indicates that it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. We make adjustments to these accruals to reflect the impact and status of negotiations, settlements, rulings, advice of legal counsel and other information and events that may pertain to a particular matter. Predicting the outcome of claims and lawsuits and estimating related costs and exposure involves substantial uncertainties that could cause actual costs to vary materially from those estimates. In making determinations of likely outcomes of litigation matters, we consider many factors. These factors include, but are not limited to, the nature of specific claims, our experience with similar types of claims, the jurisdiction in which the matter is filed, input from outside legal counsel, the likelihood of resolving the matter through alternative dispute resolution mechanisms and the matter’s current status. A detailed discussion of significant litigation matters and contingencies is contained in Note 11 to our financial statements set forth in Item 8 of this annual report.

IMPACT OF INFLATION AND CHANGING PRICES

Most of the land we own was acquired from 1911 to 1932 and is carried at cost. At the Kapalua Resort, some of the fixed assets were constructed and placed in service in the mid-to-late 1970's. Depreciation expense would be considerably higher if fixed assets were stated at current replacement cost.

OFF-BALANCE SHEET ARRANGEMENTS

As of December 31, 2016, we did not have any significant off-balance sheet arrangements, as defined in Item 303(a)(4)(ii) of SEC Regulation S-K.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Because we are a smaller reporting company, as defined in Item 10(f)(1) of SEC Regulation S-K, we are not required to provide the information required by this Item.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Maui Land & Pineapple Company, Inc.
Lahaina, Hawaii

We have audited the accompanying consolidated balance sheets of Maui Land & Pineapple Company, Inc. and its subsidiaries (the “Company”) as of December 31, 2016 and 2015, and the related consolidated statements of income and comprehensive income, stockholders’ equity (deficiency), and cash flows for each of the years in the two-year period ended December 31, 2016. The Company’s management is responsible for these financial statements. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2016 and 2015, and the results of its operations and its cash flows for each of the two-year period ended December 31, 2016 in conformity with accounting principles generally accepted in the United States of America.

/s/ ACCUTY LLP

Honolulu, Hawaii
February 24, 2017

MAUI LAND & PINEAPPLE COMPANY, INC. & SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	December 31,	
	2016	2015
(in thousands except share data)		
ASSETS		
CURRENT ASSETS		
Cash	\$ 602	\$ 1,087
Accounts receivable, less allowance of \$57 and \$319 for doubtful accounts	1,503	1,528
Prepaid expenses and other assets	190	208
Assets held for sale	459	262
Total Current Assets	2,754	3,085
PROPERTY		
Land	5,059	5,133
Land improvements	18,051	19,687
Buildings	24,884	32,589
Machinery and equipment	10,965	11,717
Total property	58,959	69,126
Less accumulated depreciation	33,215	36,608
Net Property	25,744	32,518
OTHER ASSETS		
Deferred development costs	8,843	9,310
Other noncurrent assets	1,542	1,686
Total Other Assets	10,385	10,996
TOTAL ASSETS	\$ 38,883	\$ 46,599
LIABILITIES & STOCKHOLDERS' EQUITY (DEFICIENCY)		
CURRENT LIABILITIES		
Current portion of long-term debt	\$ -	\$ 40,565
Accounts payable	569	675
Payroll and employee benefits	607	396
Current portion of accrued retirement benefits	175	378
Income taxes payable	443	473
Accrued interest	-	645
Other current liabilities	604	727
Total Current Liabilities	2,398	43,859
LONG-TERM LIABILITIES		
Long-term debt	6,857	-
Accrued retirement benefits	9,059	10,252
Deposits	2,378	2,400
Deferred revenue	409	811
Other noncurrent liabilities	40	216
Total Long-Term Liabilities	18,743	13,679
COMMITMENTS & CONTINGENCIES (Note 11)		
STOCKHOLDERS' EQUITY (DEFICIENCY)		
Common stock--no par value, 43,000,000 shares authorized; 18,958,018 and 18,867,768 shares issued and outstanding	78,123	77,628
Additional paid in capital	9,246	9,246
Accumulated deficit	(47,332)	(69,146)
Accumulated other comprehensive loss	(22,295)	(28,667)
Total Stockholders' Equity (Deficiency)	17,742	(10,939)
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY (DEFICIENCY)	\$ 38,883	\$ 46,599

See Notes to Financial Statements

MAU LAND & PINEAPPLE COMPANY, INC. & SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
AND COMPREHENSIVE INCOME

	Years Ended December 31,	
	2016	2015
	(in thousands except per share amounts)	
OPERATING REVENUES		
Real estate		
Sales	\$ 36,000	\$ 12,000
Commissions	1,116	501
Leasing	5,324	5,546
Utilities	3,345	3,335
Resort amenities and other	1,579	1,404
Total Operating Revenues	<u>47,364</u>	<u>22,786</u>
OPERATING COSTS AND EXPENSES		
Real estate		
Cost of sales	6,188	1,759
Other	1,272	756
Leasing	2,971	2,208
Utilities	2,325	2,260
Resort amenities and other	947	925
General and administrative	2,204	2,181
Share-based compensation	984	955
Depreciation	1,984	2,115
Pension and other post-retirement expenses	5,019	295
Total Operating Costs and Expenses	<u>23,894</u>	<u>13,454</u>
OPERATING INCOME	23,470	9,332
Interest expense	(1,656)	(2,519)
NET INCOME	21,814	6,813
Pension, net of income taxes of \$0	6,372	(3,093)
COMPREHENSIVE INCOME	<u>\$ 28,186</u>	<u>\$ 3,720</u>
NET INCOME PER COMMON SHARE --BASIC AND DILUTED	\$ 1.15	\$ 0.36

See Notes to Financial Statements

MAUI LAND & PINEAPPLE COMPANY, INC. & SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIENCY)
For the Years Ended December 31, 2016 and 2015

(in thousands)

	Common Stock		Additional Paid in Capital	Acumulated Deficit	Accumulated Other Comprehensive Loss	Total
	Shares	Amount				
Balance, January 1, 2015	18,785	\$ 77,105	\$ 9,246	\$ (75,959)	\$ (25,574)	\$ (15,182)
Share-based compensation expense			187			187
Issuance of shares for incentive plan	104	645				645
Vested restricted stock issued	29	187	(187)			-
Shares cancelled to pay tax liability	(50)	(309)				(309)
Other comprehensive loss-pension (Note 6)					(3,093)	(3,093)
Net income				6,813		6,813
Balance, December 31, 2015	<u>18,868</u>	<u>\$ 77,628</u>	<u>\$ 9,246</u>	<u>\$ (69,146)</u>	<u>\$ (28,667)</u>	<u>\$ (10,939)</u>
Share-based compensation expense			315			315
Issuance of shares for incentive plan	99	504				504
Vested restricted stock issued	50	315	(315)			-
Shares cancelled to pay tax liability	(59)	(324)				(324)
Other comprehensive gain-pension (Note 6)					6,372	6,372
Net income				21,814		21,814
Balance, December 31, 2016	<u>18,958</u>	<u>\$ 78,123</u>	<u>\$ 9,246</u>	<u>\$ (47,332)</u>	<u>\$ (22,295)</u>	<u>\$ 17,742</u>

See Notes to Financial Statements

MAULLAND & PINEAPPLE COMPANY, INC. & SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31,	
	2016	2015
	(in thousands)	
OPERATING ACTIVITIES		
Cash receipts from operations, net	1,777	2,863
Cash receipts from real estate sales, net	35,570	11,618
Cash paid for payroll and taxes	(1,221)	(1,701)
Cash paid for interest	(2,219)	(2,000)
Cash paid for income taxes	(30)	(159)
NET CASH PROVIDED BY OPERATING ACTIVITIES	33,877	10,621
INVESTING ACTIVITIES		
Purchases of property	(268)	-
Proceeds from disposals of property	-	52
Payments for other assets	(63)	(9)
NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES	(331)	43
FINANCING ACTIVITIES		
Proceeds from long-term debt	27,500	600
Payments of long-term debt	(61,208)	(10,211)
Debt and common stock issuance costs and other	(323)	(381)
NET CASH USED IN FINANCING ACTIVITIES	(34,031)	(9,992)
NET (DECREASE) INCREASE IN CASH	(485)	672
CASH AT BEGINNING OF YEAR	1,087	415
CASH AT END OF YEAR	\$ 602	\$ 1,087
SUPPLEMENTAL INFORMATION:		
Net income	\$ 21,814	\$ 6,813
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	2,990	2,308
Share based compensation	315	187
Loss on property disposals	12	1,324
Changes in operating assets and liabilities:		
Accounts receivable	25	(256)
Change in retirement liabilities	4,976	253
Trade accounts payable	(106)	(293)
Income taxes payable	(30)	(93)
Other operating assets and liabilities	3,881	378
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 33,877	\$ 10,621

SUPPLEMENTAL NON-CASH INVESTING AND FINANCING ACTIVITIES:

- Common stock issued to certain members of the Company's management totaled \$504,000 and \$645,000 at December 31, 2016 and 2015, respectively.

See Notes to Financial Statements

MAULAND & PINEAPPLE COMPANY, INC. & SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

CONSOLIDATION

The financial statements include the accounts of Maui Land & Pineapple Company, Inc. and its principal subsidiary Kapalua Land Company, Ltd. and other subsidiaries (collectively, the “Company”). The Company’s principal operations include the development, sale and leasing of real estate, water and waste transmission services, and the management of a private club membership program at the Kapalua Resort. Significant intercompany balances and transactions have been eliminated.

COMPREHENSIVE INCOME

Comprehensive income includes all changes in stockholders’ deficiency, except those resulting from capital stock transactions. Comprehensive income includes adjustments to the Company’s defined benefit pension plan obligations.

ALLOWANCE FOR DOUBTFUL ACCOUNTS

Receivables are recorded net of an allowance for doubtful accounts. The Company estimates future write-offs based on delinquencies, credit ratings, aging trends, and historical experience. The Company believes the allowance for doubtful accounts is adequate to cover anticipated losses; however, significant deterioration in any of the aforementioned factors or in general economic conditions could change these expectations, and accordingly, the Company’s financial condition and/or its future operating results could be materially impacted. Credit is extended after evaluating creditworthiness and no collateral is generally required from customers.

ASSETS HELD FOR SALE

Assets are classified as held for sale when management approves and commits to a plan to sell the property; the property is available for immediate sale in its present condition, subject only to terms that are usual and customary; an active program to locate a buyer and other actions required to complete the plan to sell have been initiated; the sale of the property is probable and is expected to be completed within one year; the property is being actively marketed for sale at a price that is reasonable in relation to its current fair value; and actions necessary to complete the plan of sale indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. Assets held for sale are stated at the lower of net book value or estimated fair value less cost to sell.

DEFERRED DEVELOPMENT COSTS

Deferred development costs consist primarily of design, entitlement and permitting fees and real estate development costs related to various planned projects. Deferred development costs are written off if management decides that it is no longer probable that the Company will proceed with the related development project. There were no impairments in deferred development costs in 2016 or 2015.

PROPERTY AND DEPRECIATION

Property is stated at cost. Major replacements, renewals and betterments are capitalized while maintenance and repairs that do not improve or extend the life of an asset are charged to expense as incurred. When property is retired or otherwise disposed of, the cost of the property and the related accumulated depreciation are written off and the resulting gains or losses are included in income. Depreciation is provided over the estimated useful lives of the respective assets using the straight-line method generally over three to 40 years.

LONG-LIVED ASSETS

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. When such events or changes occur, an estimate of the future cash flows expected to result from the use of the assets and their eventual disposition is made. If the sum of such expected future cash flows (undiscounted and without interest charges) is less than the carrying amount of the asset, an impairment loss is recognized in an amount by which the assets’ net book values exceed their fair value. These asset impairment loss analyses require management to make assumptions and apply considerable judgments regarding, among others, estimates of the timing and amount of future cash flows, expected useful lives of the assets, uncertainty about future events, including changes in economic conditions, changes in operating performance, changes in the use of the assets, and ongoing cost of maintenance and improvements of the assets, and thus, the accounting estimates may change from period to period. If management uses different assumptions or if different conditions occur in future periods, the Company’s financial condition or its future operating results could be materially impacted. There were no impairment charges recorded in 2016 or 2015.

ACCRUED RETIREMENT BENEFITS

The Company's policy is to fund retirement benefit costs at a level at least equal to the minimum amount required under federal law, but not more than the maximum amount deductible for federal income tax purposes.

The under-funded status of the Company's defined benefit pension plans is recorded as a liability in its balance sheet and changes in the funded status of the plans are recorded in the year in which the changes occur, through comprehensive income. A pension asset or liability is recognized for the difference between the fair value of plan assets and the projected benefit obligation as of year-end.

Deferred compensation plans for certain former management employees provide for specified payments after retirement. A liability has been recognized based on the present value of estimated payments to be made.

REVENUE RECOGNITION

Real estate revenues are recognized in the period in which sufficient cash has been received, collection of the balance is reasonably assured and risks of ownership have passed to the buyer.

Sales of real estate assets that are considered central to the Company's ongoing major operations are classified as real estate sales revenue, along with any associated cost of sales, in the Company's consolidated statements of income and comprehensive income. Sales of real estate assets that are considered peripheral or incidental transactions to the Company's ongoing major or central operations are reflected as net gains or losses in the Company's consolidated statements of income and comprehensive income.

If the sale of a real estate asset represents a strategic shift that has, or will have, a major effect on the Company's operations, such as the discontinuance of a business segment, then the operations of the property, including any interest expense directly attributable to it, are classified as discontinued operations, and amounts for all prior periods presented are reclassified from continuing operations to discontinued operations. The disposal of an individual property generally will not represent a strategic shift and, therefore, will typically not meet the criteria for classification as discontinued operations.

Lease revenues are recognized on a straight-line basis over the terms of the leases. Also included in lease income are certain percentage rents determined in accordance with the terms of the leases. Lease income arising from tenant rents that are contingent upon the sales of the tenant exceeding a defined threshold are recognized only after the defined sales thresholds are achieved.

Other revenues are recognized when delivery has occurred or services have been rendered, the sales price is fixed or determinable, and collectability is reasonably assured.

OPERATING COSTS AND EXPENSES

Real estate, leasing, utilities, resort amenities, and general and administrative costs and expenses are reflected exclusive of depreciation and pension and other post-retirement expenses.

INCOME TAXES

The Company accounts for uncertain tax positions in accordance with the provisions of Financial Accounting Standard Board (FASB) Accounting Standards Codification (ASC) Topic 740. This interpretation prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return (Note 8).

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The Company's provision for income taxes is calculated using the liability method. Deferred income taxes are provided for all temporary differences between the financial statement and income tax bases of assets and liabilities using tax rates enacted by law or regulation. A valuation allowance is established for deferred income tax assets if management believes that it is more likely than not that some portion or all of the asset will not be realized through future taxable income.

The Company recognizes accrued interest related to unrecognized tax benefits as interest expense and penalties in general and administrative expenses in its consolidated statements of income and comprehensive income and such amounts are included in income taxes payable on the Company's consolidated balance sheets.

SHARE-BASED COMPENSATION PLANS

The Company accounts for share-based compensation, including grants of shares of common stock, as compensation expense over the service period (generally the vesting period) in the financial statements based on their fair values. The impact of forfeitures that may occur prior to vesting is estimated and considered in the amount recognized.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Future actual amounts could differ from these estimates.

RISKS AND UNCERTAINTIES

Factors that could adversely impact the Company's future operations or financial results include, but are not limited to the following: periods of economic weakness and uncertainty in Hawaii and the mainland United States; high unemployment rates and low consumer confidence; uncertainties and changes in U.S. social, political, regulatory and economic conditions or laws and policies resulting from recent changes in the U.S. presidential administration and concerns surrounding ongoing developments in the European Union and Middle East; the general availability of mortgage financing, including the effect of more stringent lending standards for mortgages and perceived or actual changes in interest rates; risks related to the Company's investments in real property, the value and salability of which could be impacted by the economic factors discussed above or other factors; the popularity of Maui in particular and Hawaii in general as a vacation destination or second-home market; increased energy costs, including fuel costs, which affect tourism on Maui and Hawaii generally; untimely completion of land development projects within forecasted time and budget expectations; inability to obtain land use entitlements at a reasonable cost or in a timely manner; unfavorable legislative decisions by state and local governmental agencies; the cyclical market demand for luxury real estate on Maui and in Hawaii generally; increased competition from other luxury real estate developers on Maui and in Hawaii generally; failure of future joint venture partners to perform in accordance with their contractual agreements; environmental regulations; acts of God, such as tsunamis, hurricanes, earthquakes and other natural disasters; the Company's location apart from the mainland United States, which results in the Company's financial performance being more sensitive to the aforementioned economic risks; failure to comply with restrictive financial covenants in the Company's credit arrangements; and an inability to achieve the Company's short and long-term goals and cash flow requirements.

NEW ACCOUNTING PRONOUNCEMENTS

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This ASU supersedes the previous revenue recognition guidance in ASC Topic 606, Revenue Recognition, and requires that an entity use the defined five step process to recognize revenue. The ASU also requires additional disclosures and is effective for annual periods beginning after December 15, 2016, including interim periods within that reporting period. Early implementation is not permitted. Upon adoption, the Company will have the option of retrospectively applying the guidance to each reporting period presented with certain practical expedients or retrospectively reporting the cumulative effect of initially applying the ASU at the date of initial application with additional disclosure requirements. While we are still in the process of evaluating the effect of adoption on our consolidated financial statements and are currently assessing our contracts with customers, we do not currently expect a material impact on our results of operations, cash flows or financial position. We anticipate we will expand our consolidated financial statement disclosures in order to comply with the new ASU.

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In August 2015, FASB issued ASU No. 2015-14, Revenue from Contracts with Customers. This ASU defers the effective date of the guidance in ASU 2014-09 by one year. As such, public business entities, certain not-for-profit entities, and certain employee benefit plans should apply the guidance to annual reporting periods beginning after December 15, 2017. The Company is in the process of assessing the impact of ASU No. 2014-09 on its financial statements.

In February 2016, FASB issued ASU No. 2016-02, Leases. This ASU affects the recognition of lease assets and lease liabilities by lessees for leases classified as operating leases under GAAP. This ASU will be effective for annual reporting periods beginning after December 15, 2018 for public entities, not-for-profit entities that have issued securities that are traded, listed or quoted on an exchange, and for employee benefit plans that file financial statements with the SEC. The adoption of this guidance will not have a material impact on the Company's financial statements.

In March 2016, FASB issued ASU No. 2016-08, Revenue from Contracts with Customers. This ASU clarifies the implementation guidance on principal versus agent considerations. This ASU will be effective for annual reporting periods beginning after December 15, 2017 for public business entities, certain not-for-profit entities, and certain employee benefit plans. The Company is in the process of assessing the impact of ASU No. 2016-08 on its financial statements.

In March 2016, FASB issued ASU No. 2016-09, Compensation-Stock Compensation. This ASU simplifies the accounting for share-based payment transactions, including income taxes, classification of awards, and classification on the statement of cash flows. This ASU will be effective for annual reporting periods beginning after December 15, 2016 for public business entities and after December 15, 2017 for all other entities. The Company is in the process of assessing the impact of ASU No. 2016-09 on its financial statements.

In April 2016, FASB issued ASU No. 2016-10, Revenue from Contracts with Customers. This ASU clarifies the guidance on identifying performance obligations and licensing. This ASU will be effective for annual reporting periods beginning after December 15, 2017 for public business entities, certain not-for-profit entities, and certain employee benefit plans. The Company is in the process of assessing the impact of ASU No. 2016-10 on its financial statements.

In May 2016, FASB issued ASU No. 2016-12, Revenue from Contracts with Customers. This ASU aims to reduce the potential for diversity in practice at initial application and to reduce the cost and complexity of applying the guidance both at transition and on an ongoing basis. This ASU will be effective for annual reporting periods beginning after December 15, 2017 for public business entities, certain not-for-profit entities, and certain employee benefit plans. The Company is in the process of assessing the impact of ASU No. 2016-12 on its financial statements.

In June 2016, FASB issued ASU No. 2016-13, Financial Instruments-Credit Losses. This ASU replaces the incurred loss impairment methodology in current GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of information to inform credit loss estimates. This ASU will be effective for annual reporting periods beginning after December 15, 2019 for public business entities that are SEC filers. The Company is in the process of assessing the impact of ASU No. 2016-13 on its financial statements.

In August 2016, FASB issued ASU No. 2016-15, Statement of Cash Flows. This ASU aims to reduce the existing diversity in practice in how certain cash receipts and cash payments are presented and classified in the statement of cash flows. This ASU will be effective for public business entities for annual reporting periods beginning after December 15, 2017. The Company is in the process of assessing the impact of ASU No. 2016-15 on its financial statements.

In October 2016, FASB issued ASU No. 2016-16, Income Taxes. This ASU simplifies the recognition of intra-entity income tax consequences when an asset other than inventory is transferred. This ASU will be effective for annual reporting periods beginning after December 15, 2017 for public business entities. The Company is in the process of assessing the impact of ASU No. 2016-16 on its financial statements.

In November 2016, FASB issued ASU No. 2016-18, Statement of Cash Flows-Restricted Cash. This ASU addresses the diversity in the classification and presentation of changes in restricted cash on the statement of cash flows. This ASU will be effective for annual reporting periods beginning on December 15, 2017 for public business entities. The Company is in the process of assessing the impact of ASU No. 2016-18 on its financial statements.

In December 2016, FASB issued ASU No. 2016-20, Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers. This ASU summarizes the various amendments that serve to clarify the Codification or to correct unintended application of guidance. This ASU will be effective for annual reporting periods beginning after December 15, 2017. The Company is in the process of assessing the impact of ASU No. 2016-19 on its financial statements.

In January 2017, FASB issued ASU No. 2017-03, Accounting Changes and Error Corrections. This ASU clarifies the SEC staff's view of the disclosures of impact that recently issued accounting standards will have on the financial statements when standards are adopted in a future period.

NET INCOME PER COMMON SHARE

Basic net income per common share is computed by dividing net income by the weighted-average number of common shares outstanding. Diluted net income per common share is computed similar to basic net income per common share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the dilutive potential common shares from share-based compensation arrangements had been issued.

Potentially dilutive shares arise from non-qualified stock options to purchase common stock and non-vested restricted stock. The treasury stock method is applied to determine the number of potentially dilutive shares for non-vested restricted stock and stock options assuming that the shares of non-vested restricted stock are issued for an amount based on the grant date market price of the shares and that the outstanding stock options are exercised.

	Year Ended December 31,	
	2016	2015
Basic and diluted	18,923,622	18,839,206
Potentially dilutive	26,822	20,997

2. ASSETS HELD FOR SALE AND REAL ESTATE SALES

At December 31, 2016 and 2015 assets held for sale consisted of the following:

	December 31,	
	2016	2015
	(in thousands)	
Upcountry Maui, 630-acre parcel of agricultural land	\$ 156	\$ 147
Upcountry Maui, 80-acre parcel of agricultural land and wastewater treatment facility	56	45
Kapalua Resort, 15-acre golf practice course	247	-
West Maui, 5-acre fully entitled, 42-unit workforce housing project	-	70
Assets held for sale	<u>\$ 459</u>	<u>\$ 262</u>

None of the above assets held for sale have been pledged as collateral under the Company's credit facility.

In December 2016, the Company sold a 3.4-acre property with an approximately 26,000 square foot building, commonly referred to as the Kapalua Village Center, for \$18.0 million to the owner of the Kapalua Plantation and Bay Golf Courses. The Kapalua Village Center, which served as the golf clubhouse for the former Kapalua Village Golf Course, was sold without any development entitlements. The sale resulted in a gain of \$12.9 million. Proceeds from the sale were used to pay down the Company's long-term debt.

In August 2016, the Company sold a five-acre, fully entitled 42-unit workforce housing project located in West Maui for \$3.0 million. As part of the transaction, the buyer agreed to provide the Company with 12 residential workforce housing credits by August 2021. The sale resulted in a gain of approximately \$2.8 million. Proceeds from the sale were used to pay down the Company's long-term debt.

In June 2016, the Company sold a 304-acre, fully entitled working-class community project located in West Maui, commonly referred to as Pulelehua, for \$15.0 million. The sale resulted in a gain of approximately \$14.3 million. Proceeds from the sale were used to pay down the Company's long-term debt.

In September 2015, we sold the 25-acre Kapalua Golf Academy to the owner of the Kapalua Plantation and Bay Golf Courses for \$12.0 million. The property was sold without any development entitlements. The sale resulted in a gain of \$10.2 million. The majority of the proceeds from the sale were used to pay down the Company's long-term debt.

3. PROPERTY

Land

Most of the Company's 23,000 acres of land were acquired between 1911 and 1932 and is carried in its balance sheets at cost. Approximately 21,000 acres of land are located in West Maui and comprise a largely contiguous parcel that extends from the sea to an elevation of approximately 5,700 feet. This parcel includes approximately 900 acres within the Kapalua Resort's 3,000 acres. The Company's remaining 2,000 acres of land are located in Upcountry Maui in an area commonly known as Hali'imaile and are mainly comprised of leased agricultural fields, including processing and maintenance facilities.

Land Improvements

Land improvements are comprised primarily of roads, utilities, and landscaping infrastructure improvements at the Kapalua Resort. Also included is the Company's potable and non-potable water system in West Maui. The majority of the Company's land improvements were constructed and placed in service in the mid-to-late 1970's. Depreciation expense would be considerably higher if these assets were stated at current replacement cost.

Buildings

Buildings are comprised of restaurant, retail and light industrial spaces located at the Kapalua Resort and Hali'imaile which are used in the Company's leasing operations. The majority of the buildings were constructed and placed in service in the mid-to-late 1970's. Depreciation expense would be considerably higher if these assets were stated at current replacement cost.

Machinery and Equipment

Machinery and equipment are mainly comprised of zipline course equipment installed in 2008 at the Kapalua Resort and used in the Company's leasing operations. Also included are machinery and equipment used in the Company's utilities operations.

4. LONG-TERM DEBT

Long-term debt at December 31, 2016 and 2015 consisted of the following:

	<u>2016</u>	<u>2015</u>
	(in thousands)	
First Hawaiian Bank, revolving line of credit, 4.37%	\$ 6,857	\$ -
American AgCredit term loan, 7.00%	-	14,697
Wells Fargo revolving loans, 4.00%	-	25,868
Total	6,857	40,565
Less current portion	-	40,565
Long-term debt	<u>\$ 6,857</u>	<u>\$ -</u>

FIRST HAWAIIAN BANK

On August 5, 2016, the Company refinanced its \$26.4 million of outstanding bank loans under a \$27.0 million revolving line of credit with First Hawaiian Bank. The credit facility matures on December 31, 2019 and provides for two optional one-year extension periods. Interest on borrowings was initially at LIBOR plus 3.75%. A significant portion of the Company's real estate holdings were pledged as security for the credit facility. Net proceeds from the sale of any real estate assets pledged as collateral under the credit facility are required to be repaid toward outstanding borrowings and will permanently reduce the credit facility's revolving commitment amount.

The terms of the credit facility include various representations, warranties, affirmative, negative and financial covenants and events of default customary for financings of this type. Financial covenants include an initial minimum liquidity (as defined) of \$0.5 million beginning December 31, 2016, a maximum of \$45.0 million in total liabilities, and a limitation on new indebtedness. There are no commitment fees on the unused portion of the credit facility.

On December 30, 2016, the Company sold the Kapalua Village Center for \$18.0 million. The property was pledged as collateral under the credit facility and, accordingly, net proceeds from the sale of \$17.6 million were repaid toward the Company's outstanding loans at closing. In connection with the repayment, the credit facility was modified to release certain real estate assets previously pledged as security for the credit facility including, 1,065 acres of Upcountry Maui land, buildings and improvements, the Company's 46-acre Kapalua Central Resort project, and stock of the Company's two publicly-regulated utility companies. In addition, the credit facility's revolving commitment amount was permanently reduced to \$10.0 million and the interest rate on borrowings was reduced to LIBOR plus 3.50%.

At December 31, 2016, real estate assets pledged as security for the credit facility include the Company's 800-acre Kapalua Mauka project and approximately 30,000 square feet of commercial leased space in the Kapalua Resort.

The Company believes that it is in compliance with the covenants under the credit facility as of December 31, 2016.

5. LEASING ARRANGEMENTS

The Company leases land primarily to agriculture operators and space in commercial buildings, primarily to restaurant and retail tenants through 2034. These operating leases generally provide for minimum rents and, in some cases, licensing fees and percentage rentals based on tenant revenues. In addition, the leases generally provide for reimbursement of common area maintenance and other expenses. Total rental income under these operating leases was as follows:

	2016	2015
	(in thousands)	
Minimum rentals	\$ 2,458	\$ 3,161
Percentage rentals	1,172	862
Licensing fees	814	405
Other (primarily common area recoveries)	880	1,118
Total	\$ 5,324	\$ 5,546

Property at December 31, 2016 and 2015 includes leased property of \$29.3 million and \$38.9 million, respectively (before accumulated depreciation of \$15.0 million and \$18.5 million, respectively).

Future minimum rental income receivable during the next five years and thereafter is as follows:

	(in thousands)
2017	\$ 1,421
2018	1,157
2019	928
2020	933
2021	944
Thereafter	2,578

6. ACCRUED RETIREMENT BENEFITS

Accrued Retirement Benefits at December 31, 2016 and 2015 consisted of the following:

	2016	2015
	(in thousands)	
Defined benefit pension plans	\$ 7,560	\$ 6,264
Non-qualified retirement plans	1,674	4,366
Total	9,234	10,630
Less current portion	(175)	(378)
Non-current portion of accrued retirement benefits	<u>\$ 9,059</u>	<u>\$ 10,252</u>

The Company has two defined benefit pension plans which cover substantially all of its former bargaining and non-bargaining full-time, part-time and intermittent employees. In 2011, pension benefits under both plans were frozen. The Company also has unfunded non-qualified retirement plans covering twelve of its former executives. The non-qualified retirement plans were frozen in 2009 and future vesting of additional benefits was discontinued.

During the fourth quarter of 2016, participants who had terminated employment and had not started to collect their pension benefits were offered a limited-time opportunity to take their benefits as a one-time lump sum payment. The offer was extended to approximately 500 participants of which 325 participants elected to take the one-time lump sum payment. In total, approximately \$9.3 million lump sum payments were paid out of the trust for the defined benefit pension plan settlements.

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The measurement date for the Company's benefit plan disclosures is December 31st of each year. The changes in benefit obligations and plan assets for 2016 and 2015, and the funded status of the plans, and assumptions used to determine benefit information at December 31, 2016 and 2015 were as follows:

	<u>2016</u>	<u>2015</u>
	(in thousands)	
Change in benefit obligations:		
Benefit obligations at beginning of year	\$ 66,852	\$ 71,349
Interest cost	2,804	2,753
Actuarial loss (gain)	1,042	(2,783)
Benefits paid	(4,217)	(4,467)
Lump sum payments	(10,103)	-
Benefit obligations at end of year	<u>56,378</u>	<u>66,852</u>
Change in plan assets:		
Fair value of plan assets at beginning of year	56,434	64,341
Actual return on plan assets	5,188	(3,463)
Employer reimbursement for retirement benefits	(1,054)	(271)
Employer contributions	928	294
Benefits paid	(4,217)	(4,467)
Lump sum payments	(10,103)	-
Fair value of plan assets at end of year	<u>47,176</u>	<u>56,434</u>
Funded status	<u>\$ (9,202)</u>	<u>\$ (10,418)</u>
Accumulated benefit obligations	<u>\$ 56,378</u>	<u>\$ 66,852</u>
Weighted average assumptions used to determine benefit obligations at December 31:		
Discount rate	4.07% - 4.14%	4.30% - 4.44%
Expected long-term return on plan assets	5.00%	7.00%
Rate of compensation increase	n/a	n/a

Accumulated other comprehensive loss of \$22.3 million and \$28.7 million at December 31, 2016 and 2015, respectively, represent the net actuarial loss which has not yet been recognized as a component of pension expense. In 2017, \$0.8 million of net actuarial loss is expected to be recognized as a component of net pension expense.

Components of net periodic benefit cost and other amounts recognized in comprehensive income were as follows:

	<u>2016</u>	<u>2015</u>
	(in thousands)	
Pension and other benefits:		
Interest cost	\$ 2,804	\$ 2,753
Expected return on plan assets	(2,713)	(3,306)
Recognized net actuarial loss	1,030	843
Settlement/Curtailment Expense	3,958	-
Pension expense	<u>\$ 5,079</u>	<u>\$ 290</u>
Other changes in plan assets and benefit obligations recognized in comprehensive income:		
Net (gain) loss	\$ (1,384)	\$ 3,986
Recognized loss	(4,988)	(893)
Total recognized (gain) loss in comprehensive income	<u>\$ (6,372)</u>	<u>\$ 3,093</u>

Weighted average assumptions used to determine net periodic benefit cost:	2016		2015	
Pension benefits:				
Discount rate	4.30%	- 4.44%	3.96%	- 4.07%
Expected long-term return on plan assets	5.00%		5.32%	
Rate of compensation increase		n/a		n/a

The expected long-term rate of return on plan assets was based on a building-block approach. Historical markets are studied and long-term historical relationships between equities and fixed income are presumed consistent with the widely accepted capital market principle that assets with higher volatility generate a greater return over the long run. Current market factors, such as inflation and interest rates, are evaluated before long-term capital markets are determined. Diversification and rebalancing of plan assets are properly considered as part of establishing long-term portfolio returns.

The fair values of the Company's pension plan assets at December 31, 2016 and 2015, by asset category, were as follows:

	2016 Fair Value Measurements (in thousands)		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Total
AHGT pooled equity funds	\$ -	\$ 7,177	\$ 7,177
AHGT pooled fixed income funds	-	39,025	39,025
Cash management funds	-	974	974
	<u>\$ -</u>	<u>\$ 47,176</u>	<u>\$ 47,176</u>

	2015 Fair Value Measurements (in thousands)		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Total
AHGT pooled equity funds	\$ -	\$ 8,120	\$ 8,120
AHGT pooled fixed income funds	-	46,069	46,069
Cash management funds	-	2,245	2,245
	<u>\$ -</u>	<u>\$ 56,434</u>	<u>\$ 56,434</u>

Aon Hewitt Group Trust (AHGT) pooled equity and fixed income funds: Pooled equity and fixed income funds consist of various AHGT Funds offered through private placements. The units are valued daily using net asset values (NAV). NAV are based on the fair value of each fund's underlying investments. Level 1 assets are priced using quotes for trades occurring in active markets for the identical asset. Level 2 assets are priced using observable inputs for the asset (for example, interest rates and yield curves observable at commonly quoted intervals, volatilities, prepayment speeds, loss severities, credit risks, and default rates) or inputs that are derived principally from or corroborated by observable market data by correlation or other means (market-corroborated inputs).

An administrative committee consisting of certain senior management employees administers the Company's defined benefit pension plans. The pension plan assets are allocated among approved asset types based on the plans current funded status and other characteristics set by the administrative committee, and subject to liquidity requirements of the plans.

Estimated future benefit payments are as follows (in thousands):

2017	\$	4,283
2018		4,180
2019		4,123
2020		4,084
2021		3,995
2022-2026		18,332

In 2012, the Company's cessation of its golf operations and corresponding reduction in active participant counts triggered the requirement that the Company provide security to the Pension Benefits Guaranty Corporation (PBGC) of approximately \$18.7 million to support the unfunded liabilities of its pension plans at the time or make contributions to the plans in excess of the minimum required amounts. In 2012, the Company pledged a total of 6,800 acres of former agricultural lands in West Maui to the PBGC for five years in satisfaction of the requirement. No formal appraisal or determination of the fair value of the pledged properties was performed by the Company or the PBGC.

The Company does not expect to be required to make minimum contributions to its pension plans in 2017. No required minimum contributions were made in 2016 or 2015.

7. SHARE-BASED COMPENSATION

The Company's non-employee directors, officers and certain members of management receive a portion of their compensation in shares of the Company's common stock granted under the Maui Land & Pineapple Company, Inc. 2006 Equity and Incentive Award Plan (2006 Plan). Share-based compensation is valued based on the average of the high and low share price on the date of grant. Shares are issued upon execution of agreements reflecting the grantee's acceptance of the respective shares subject to the terms and conditions of the 2006 Plan. Restricted shares issued under the 2006 Plan vest quarterly and have voting and regular dividend rights but cannot be disposed of until such time as they are vested. All unvested restricted shares are forfeited upon the grantee's termination of directorship or employment from the Company.

Each of the Company's non-employee directors receive restricted shares of common stock upon their annual appointment to the Company's board of directors. Share-based compensation totaled \$169,000 and \$125,000 for 2016 and 2015, respectively, for vesting of restricted shares granted to the Company's non-employee directors.

The Company's officers and certain members of management receive share-based compensation based on their achievement of certain predefined performance goals and objectives under an incentive compensation plan. Such share-based compensation is comprised of an annual incentive paid in shares of common stock and a long-term incentive paid in restricted shares vesting quarterly over a period of three years. Share-based compensation totaled \$984,000 and \$955,000 for 2016 and 2015, respectively, for shares issued and the vesting of restricted shares granted to the Company's officers and certain members of management.

8. INCOME TAXES

GAAP prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return.

Reconciliations between the total income tax benefit and the amount computed using the statutory federal rate of 35% for the years ended December 31, 2016 and 2015 were as follows:

	2016	2015
	(in thousands)	
Federal income tax expense (benefit) at statutory rate	\$ 7,635	\$ 2,385
Adjusted for:		
Valuation allowance	(7,603)	(2,390)
Permanent differences and other	(32)	5
Income tax benefit - continuing operations	\$ -	\$ -

Deferred tax assets were comprised of the following temporary differences as of December 31, 2016 and 2015:

	2016	2015
	(in thousands)	
Net operating loss and tax credit carryforwards	\$ 38,915	\$ 47,640
Joint venture and other investments	18	183
Accrued retirement benefits	3,924	3,608
Property net book value	2,801	3,275
Deferred revenue	953	1,101
Stock compensation	22	22
Reserves and other	404	408
Total deferred tax assets	47,037	56,237
Valuation allowance	(47,037)	(56,237)
Net deferred tax assets	\$ -	\$ -

Valuation allowances have been established to reduce future tax benefits not expected to be realized. The change in the deferred tax asset related to accrued retirement benefits and the valuation allowance includes the pension adjustment included in accumulated other comprehensive loss, which is not included in the current provision. The Company had \$82.6 million in federal net operating loss carry forwards at December 31, 2016, that expire from 2028 through 2033. The Company had \$97.4 million in state net operating loss carry forwards at December 31, 2016, that expire from 2028 through 2033.

9. SEGMENT INFORMATION

The Company's presentation of its reportable operating segments is consistent with how the Company's chief operating decision maker determines the allocation of resources. Reportable segments are as follows:

- Real Estate includes the development and sale of real estate inventory and the operations of Kapalua Realty Company, a general brokerage real estate company located within the Kapalua Resort.
- Leasing primarily includes revenues and expenses from real property leasing activities, license fees and royalties for the use of certain of the Company's trademarks and brand names by third parties, and the cost of maintaining the Company's real estate assets, including conservation activities.
- Utilities primarily include the operations of Kapalua Water Company and Kapalua Waste Treatment Company, the Company's water and sewage transmission services (regulated by the Hawaii Public Utilities Commission) for the Kapalua Resort. The operating segment also includes the management of ditch, reservoir and well systems that provide non-potable irrigation water to West and Upcountry Maui areas.
- Resort Amenities include a membership program that provides certain benefits and privileges within the Kapalua Resort for its members.

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Condensed financial information for each of the Company's reportable segments for the years ended December 31, 2016 and 2015 were as follows:

	Real Estate	Leasing	Utilities	Resort Amenities	Other (2)	Consolidated
2016						
Operating revenues (1)	\$ 37,116	\$ 5,324	\$ 3,345	\$ 1,487	\$ 92	\$ 47,364
Operating costs and expenses	(7,460)	(2,971)	(2,325)	(897)	(50)	(13,703)
Depreciation expense	-	(1,524)	(394)		(66)	(1,984)
General and administrative and other expenses	(829)	(626)	(271)	(385)	(6,096)	(8,207)
Operating income (loss)	28,827	203	355	205	(6,120)	23,470
Interest expense						(1,656)
Income from continuing operations						\$ 21,814
Capital expenditures (3)	\$ 123	\$ -	\$ -	\$ -	\$ -	\$ 123
Assets (4)	\$ 11,634	\$ 19,721	\$ 3,604	\$ 1,476	\$ 2,448	\$ 38,883

	Real Estate	Leasing	Utilities	Resort Amenities	Other (2)	Consolidated
2015						
Operating revenues (1)	\$ 12,501	\$ 5,546	\$ 3,335	\$ 1,263	\$ 141	\$ 22,786
Operating costs and expenses	(2,515)	(2,208)	(2,260)	(872)	(53)	(7,908)
Depreciation expense	-	(1,646)	(397)	-	(72)	(2,115)
General and administrative and other expenses	(819)	(619)	(256)	(380)	(1,357)	(3,431)
Operating income (loss)	9,167	1,073	422	11	(1,341)	9,332
Interest expense						(2,519)
Income from continuing operations						\$ 6,813
Capital expenditures (3)	\$ 20	\$ -	\$ -	\$ -	\$ -	\$ 20
Assets (4)	\$ 12,104	\$ 27,060	\$ 4,003	\$ 1,309	\$ 2,123	\$ 46,599

- (1) Amounts are principally revenues from external customers and exclude equity in earnings of affiliates. Intersegment revenues were insignificant.
- (2) Consists primarily of miscellaneous transactions and unallocated general and administrative, and pension and other post-retirement expenses.
- (3) Primarily includes expenditures for property and deferred costs.
- (4) Segment assets are located in the United States.

10. RESERVES

Allowance for doubtful accounts for 2016 and 2015 were as follows:

Description	Balance at Beginning of Year	Increase	Decrease	Balance at End of Year
(in thousands)				
Allowance for Doubtful Accounts				
2016	\$ 319	\$ 578	\$ (840)	\$ 57
2015	\$ 194	\$ 125	\$ -	\$ 319

11. COMMITMENTS AND CONTINGENCIES

The Company has been named along with multiple parties in lawsuits filed by owners of units and fractional interests in the project formerly known as The Ritz-Carlton Club and Residences, Kapalua Bay. The lawsuits were filed in the Circuit Court of the Second Circuit, State of Hawaii on May 23, 2011, June 7, 2012, and June 19, 2013. The lawsuits allege deceptive acts, intentional misrepresentation, concealment, and negligent misrepresentation, among other allegations and seek unspecified damages, treble damages and other relief. The Company disagrees with the allegations and is defending itself. The Company is presently unable to estimate the amount, or range of amounts, of any probable liability, if any, related to this matter and no provision has been made in the accompanying financial statements.

In addition to the matters noted above, there are various other claims and legal actions pending against the Company. In the opinion of management, after consultation with legal counsel, the resolution of these other matters is not expected to have a material adverse effect on the Company's financial position or results of operations.

12. FAIR VALUE MEASUREMENTS

GAAP establishes a framework for measuring fair value, and requires certain disclosures about fair value measurements to enable the reader of the financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. GAAP requires that financial assets and liabilities be classified and disclosed in one of the following three categories:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

The Company considers all cash on hand to be unrestricted cash for the purposes of the consolidated balance sheets and consolidated statements of cash flows. The fair value of receivables and payables approximate their carrying value due to the short-term nature of the instruments. The valuation is based on settlements of similar financial instruments all of which are short-term in nature and are generally settled at or near cost. The fair value of debt was estimated based on borrowing rates currently available to the Company for debt with similar terms and maturities. The carrying amount of debt at December 31, 2016 and 2015 was \$6,857,000 and \$40,565,000, respectively, which approximated fair value. The fair value of debt was measured using the level 2 inputs, noted above. See Note 6 for the classification of the fair value of pension assets.

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

Item 9A. CONTROLS AND PROCEDURES

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

Our management, with the participation of our principal executive officer and principal financial officer, evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of December 31, 2016. We maintain disclosure controls and procedures that are designed to provide reasonable assurance that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow for timely decisions regarding required disclosure. Our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on the evaluation of our disclosure controls and procedures as of December 31, 2016, our principal executive officer and principal financial officer concluded that, as of such date, our disclosure controls and procedures were effective.

MANAGEMENT'S ANNUAL REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Our management has the responsibility for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act, as a process designed by, or under the supervision of, the Company's principal executive and principal financial officer and effected by our Board of Directors, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America. Our internal controls over financial reporting include those policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures of the Company are being made only in accordance with authorizations of our management and directors; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting only provides reasonable assurance with respect to financial statement presentation and preparation. Projections of any evaluation of effectiveness to future periods are subject to the risks that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2016. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control—Integrated Framework (2013)*. Based on its assessments, management believes that, as of December 31, 2016, the Company's internal control over financial reporting is effective.

CHANGES IN INTERNAL CONTROLS OVER FINANCIAL REPORTING

There have been no changes in the Company's internal controls over financial reporting (as such term is defined in Rules 13a-15(f) under the Exchange Act) during the fiscal fourth quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting.

Item 9B. OTHER INFORMATION

None.

PART III

Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information set forth under "Section 16(a) Beneficial Ownership Reporting Compliance" and "Election of Directors" in the Maui Land & Pineapple Company, Inc. Proxy Statement, to be filed no later than 120 days after the close of our fiscal year ended December 31, 2016, is incorporated herein by reference.

Executive Officers

The names, ages and certain biographical information about our executive officers, as of February 1, 2017, are provided below.

Warren H. Haruki (64)	Mr. Haruki has been Chief Executive Officer of the Company since May 2011 and Executive Chairman of our Board since January 2009. He has been a director on our Board since 2006. Mr. Haruki has served as President and Chief Executive Officer of Grove Farm Company, Inc., a land development company located on Kauai, Hawaii since February 2005. He was President of GTE Hawaiian Tel and Verizon Hawaii, communications providers, from 1991 to 2003. Mr. Haruki serves on the Board of First Hawaiian Bank, and on the boards of several privately-held companies.
Tim T. Esaki (54)	Mr. Esaki has served as Chief Financial Officer of the Company since May 2010. Mr. Esaki was appointed as the Deputy Director of the Department of Public Works for the County of Hawaii from 2009 to April 2010. From 2003 to 2009, he was Senior Vice President of Finance and Accounting for 1250 Oceanside Partners, the developer and operator of a 1,500-acre, master-planned, residential golf and country club community in Kona, Hawaii. Mr. Esaki was an Audit Senior Manager at Ernst & Young LLP, where he worked from 1986 to 1999.

Code of Ethics

Our Board of Directors approved the Company's Code of Business Conduct and Ethics (Code of Ethics) in March 2008. The Code of Ethics is applicable to our principal executive officer, principal financial officer, principal accounting officer and all other employees of the Company. The Code of Ethics is intended to qualify as a "code of ethics" for purposes of Item 406(b) of Regulation S-K. The Code of Ethics is posted on our website at <http://mauland.com/investor.shtml>. We will satisfy the disclosure requirement under Item 5.05 of Form 8-K regarding any amendment to, or waiver from, any applicable provision (related to elements listed under Item 406(b) of Regulation S-K) of the Code of Ethics by posting such information on our website.

Item 11. EXECUTIVE COMPENSATION

The information set forth under "Executive Compensation," and "Director Compensation" in the Maui Land & Pineapple Company, Inc. Proxy Statement, to be filed no later than 120 days after the close of our fiscal year ended December 31, 2016, is incorporated herein by reference.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information set forth under “Security Ownership of Certain Beneficial Owners” in the Maui Land & Pineapple Company, Inc. Proxy Statement, to be filed no later than 120 days after the close of our fiscal year ended December 31, 2016, is incorporated herein by reference.

Securities Authorized For Issuance Under Equity Compensation Plans

The following table provides summary information as of December 31, 2016, for our equity compensation plans:

<u>Plan Category</u>	<u>Number of securities to be issued upon exercise of outstanding options, warrants and rights</u> (a)	<u>Weighted-average exercise price of outstanding options, warrants and rights</u>	<u>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</u>
Equity compensation plans approved by security holders	27,500	\$ 7.48	307,622

With the exception of the information regarding securities authorized for issuance under our equity compensation plans set forth above, the information required by this Item 12 is incorporated herein by reference to the Maui Land & Pineapple Company, Inc. Proxy Statement, to be filed no later than 120 days after the close of our fiscal year ended December 31, 2016.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information set forth under “Certain Relationship and Related Transactions,” and “Director Independence” in the Maui Land & Pineapple Company, Inc. Proxy Statement, to be filed no later than 120 days after the close of our fiscal year ended December 31, 2016, is incorporated herein by reference.

Item 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Information set forth under “Independent Registered Public Accounting Firm” in the Maui Land & Pineapple Company, Inc. Proxy Statement, to be filed no later than 120 days after the close of our fiscal year ended December 31, 2016, is incorporated herein by reference.

PART IV

Item 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a)1. Financial Statements

The following Financial Statements of Maui Land & Pineapple Company, Inc. and subsidiaries and Report of Independent Registered Public Accounting Firm are included in Item 8 of this annual report:

Consolidated Balance Sheets as of December 31, 2016 and 2015
Consolidated Statements of Income and Comprehensive Income for the Years Ended December 31, 2016 and 2015
Consolidated Statements of Stockholders’ Equity (Deficiency) for the Years Ended December 31, 2016 and 2015
Consolidated Statements of Cash Flows for the Years Ended December 31, 2016 and 2015
Notes to Financial Statements

(a)3. Exhibits

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
3.1	Restated Articles of Associated, as currently in effect	10-Q	001-06510	3.1	8/4/2010	
3.2	Amended Bylaws, as currently in effect	10-K	001-06510	3.2	3/2/2012	
10.11#	The Company's 2006 Equity and Incentive Award Plan	DEF 14A	001-06510	Appendix B	3/27/2006	
10.12#	Form of Stock Option Grant Notice and Form of Stock Option Agreement (2006 Equity and Incentive Award Plan)	10-Q	001-06510	10.9	8/8/2006	
10.13#	Form of Restricted Stock Award Grant Notice and Form of Restricted Stock Award Agreement (2006 Equity and Incentive Award Plan)	10-Q	001-06510	10.1	8/8/2006	
10.18	Settlement Agreement, by and between the Company and the Pension Benefit Guaranty corporation, dated November 19, 2012	10-K	001-06510	10.25	3/1/2013	
10.22	Loan Agreement, by and among the Company and first Hawaiian Bank, dated June 6, 2016	8-K	001-06510	10.1	6/11/2014	
10.24	Credit Agreement, by and between the Company and First Hawaiian Bank, dated August 5, 2016	10-Q	001-06510	10.1	8/11/2016	
21.1	Subsidiaries of the Company					X
23.1*	Consent of Accuity LLP, Independent Registered Public Accounting Firm, dated February 24, 2017					X
24.1	Power of Attorney (included on the signature page of this report)					X
31.1*	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) promulgated under the Securities Exchange Act of 1934, as amended.					X
31.2*	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) promulgated under the Securities Exchange Act of 1934, as amended.					X
32.1*	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
32.2*	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
101.INS	XBRL Instance Document					X
101.SCH	XBRL Taxonomy Extension Schema Document					X
101.CAL	XBRL Taxonomy Extension Calculation document					X
101.DEF	XBRL Taxonomy Extension Definition Linkbase					X
101.LAB	XBRL Taxonomy Extension labels Linkbase Document					X
101.PRE	XBRL Taxonomy Extension Presentation Link Document					X

* This certification shall not be deemed to be “filed” for the purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section, nor shall it be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference.

** This certification shall not be deemed to be “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section, nor shall it be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that the registrant specifically incorporates it by reference.

Indicates a management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on February 24, 2017.

MAUI LAND & PINEAPPLE COMPANY, INC.

By: /s/ Warren H. Haruki

Warren H. Haruki
Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each individual whose signature appears below hereby constitutes and appoints Warren H. Haruki and Tim T. Esaki, and each or either of them, acting individually, as his or her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments to this annual report, and to file the same, with all exhibits thereto and other documents in connection therewith, with the SEC, granting unto said attorney-in-fact and agent, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully for all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or any of them, or their or his or her substitutes, may lawfully do or cause to be done or by virtue hereof.

Pursuant to the requirements of the Exchange Act, as amended, this annual report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By	<u>/s/ Warren H. Haruki</u> Warren H. Haruki, Chairman of the Board Chief Executive Officer (Principal Executive Officer)	Date February 24, 2017
By	<u>/s/ Stephen M. Case</u> Stephen M. Case, Director	Date February 24, 2017
By	<u>/s/ Anthony P. Takitani</u> Anthony P. Takitani, Director	Date February 24, 2017
By	<u>/s/ Duncan MacNaughton</u> Duncan MacNaughton, Director	Date February 24, 2017
By	<u>/s/ Arthur C. Tokin</u> Arthur C. Tokin, Director	Date February 24, 2017
By	<u>/s/ Tim T. Esaki</u> Tim T. Esaki, Chief Financial Officer (Principal Financial Officer)	Date February 24, 2017
By	<u>/s/ Mika Miyamoto</u> Mika Miyamoto, Controller (Principal Accounting Officer)	Date February 24, 2017

Maui Land & Pineapple Company, Inc.—Subsidiaries
As of December 31, 2016

<u>Name</u>	<u>State of Incorporation</u>	<u>Percentage of Ownership</u>
Maui Pineapple Company, Ltd.	Hawaii	100
Kapalua Land Company, Ltd.	Hawaii	100
Kapalua Realty Company, Ltd.	Hawaii	100
Kapalua Advertising Company, Ltd.	Hawaii	100
Kapalua Water Company, Ltd.	Hawaii	100
Kapalua Waste Treatment Company, Ltd.	Hawaii	100
Kapalua Bay Holdings, LLC	Delaware	51
Kapalua Bay, LLC	Delaware	100

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statements No. 333-133898 and No. 333-112932 on Form S-8, and Registration Statement No. 333-150244 on Form S-3 of our report dated February 24, 2017, relating to the consolidated financial statements of Maui Land & Pineapple Company, Inc. and subsidiaries (which report expresses an unqualified opinion), appearing in this Annual Report on Form 10-K of Maui Land & Pineapple Company, Inc. for the years ended December 31, 2016 and 2015.

/s/ ACCUITY LLP

Honolulu, Hawaii
February 24, 2017

CERTIFICATION

I, Warren H. Haruki, certify that:

1. I have reviewed this Annual Report on Form 10-K of Maui Land & Pineapple Company, Inc. (the "Registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: February 24, 2017

By:

/s/ WARREN H. HARUKI
Warren H. Haruki
*Chairman of the Board &
Chief Executive Officer
Maui Land & Pineapple Company, Inc.*

CERTIFICATION

I, Tim T. Esaki, certify that:

1. I have reviewed this Annual Report on Form 10-K of Maui Land & Pineapple Company, Inc. (the "Registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: February 24, 2017

By:

/s/ TIM T. ESAKI
Tim T. Esaki
Chief Financial Officer
Maui Land & Pineapple Company, Inc.

CERTIFICATION

In connection with the Annual Report of Maui Land & Pineapple Company, Inc. (the "Company") on Form 10-K for the fiscal year ended December 31, 2016, as filed with the Securities and Exchange Commission on February 24, 2017 (the "Report"), I, Warren H. Haruki, Chairman of the Board and Chief Executive Officer of the Company, certify, pursuant to Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 780(d)) and 18 U.S.C. Section 1350, that to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By:

/s/ WARREN H. HARUKI
Warren H. Haruki
Chairman of the Board
Chief Executive Officer

February 24, 2017

This certification accompanies this Report pursuant to Rule 13a-14(b) or Rule 15d-14(b) under the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934.

CERTIFICATION

In connection with the Annual Report of Maui Land & Pineapple Company, Inc. (the "Company") on Form 10-K for the fiscal year ended December 31, 2016, as filed with the Securities and Exchange Commission on February 24, 2017 (the "Report"), I, Tim T. Esaki, Chief Financial Officer of the Company, certify, pursuant to Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)) and 18 U.S.C. Section 1350, that to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By:

/s/ TIM T. ESAKI
Tim T. Esaki
Chief Financial Officer

February 24, 2017

This certification accompanies this Report pursuant to Rule 13a-14(b) or Rule 15d-14(b) under the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934.