

STATE OF HAWAI‘I  
DEPARTMENT OF HAWAIIAN HOME LANDS  
**HAWAIIAN HOMES COMMISSION MEETING/WORKSHOP AGENDA**

Hale Pono‘i, 91-5420 Kapolei Parkway, Kapolei, O‘ahu, 96707,  
and Zoom Meeting ID: 609 754 2925

Tuesday, January 16, 2024, at 9:30 a.m. to be continued, if necessary, on

Wednesday, January 17, 2024, at 9:30 a.m.

*Livestream available at [www.dhhl.hawaii.gov/live](http://www.dhhl.hawaii.gov/live)*

*Note: Commission Meeting Packets will be available at [dhhl.hawaii.gov](http://dhhl.hawaii.gov) by Thursday, January 11, 2024.*

**I. ORDER OF BUSINESS**

- A. Roll Call
- B. Approval of Agenda
- C. Approval of Minutes:
  - a. December 18 & 19, 2023 Regular Meeting
- D. Public Testimony on Agendized Items – see information below

Public testimony on any item **relevant to this agenda** may be taken at this time, or a testifier may wait to testify when the agenda item is called for discussion. Pursuant to section 92-3, Hawaii Revised Statutes, and section 10-2-11(c), Hawaii Administrative Rules, the Chair of the Commission has the authority to impose reasonable conditions to ensure an orderly and efficient meeting.

**II. ITEMS FOR DECISION MAKING**

**A. CONSENT AGENDA**

Homestead Services Division

- D-2 Approval of Consent to Mortgage (see exhibit)
- D-3 Ratification of Loan Approvals (see exhibit)
- D-4 Approval of Homestead Application Transfers / Cancellations (see exhibit)
- D-5 Approval to Certify Applications of Qualified Applicants for the Month of December 2023 (see exhibit)
- D-6 Commission Designation of Successors to Application Rights – Public Notice June 2023 (see exhibit)
- D-7 Approval of Assignment of Leasehold Interest (see exhibit)
- D-8 Approval of Amendment of Leasehold Interest (see exhibit)
- D-9 Approval to Issue Non-Exclusive Licenses for Rooftop Photovoltaic Systems for Certain Lessees (see exhibit)
- D-10 Request for Additional Partial Advancement of Net Proceeds – **ROBERT M. HA (Dec’d.)**, Agricultural Lot Lease No. 5110, Lot No. 9A and 9B, Pana‘ewa, Hilo, Hawaii
- D-11 Request for Partial Advancement of Net Proceeds – **ESTATE OF RANDALL KULIA FERNANDEZ**, Residential Lot Lease No. 4939, Lot No. 17, Waiakea, Hilo, Hawaii
- D-12 Commission Designation of Successor – **SHELBY E.E.O. HOOKAHI**, Residential Lease No. 7248, Lot No. 49, Kawaihae, Hawaii

## B. REGULAR AGENDA

### Office of the Chairman

- C-1 Approval to Acquire The Courtyards at Waipouli, Kapaa, Kauai, TMK (4) 4-3-01:14 and 21
- C-2 Approval of Lease Award Kauluokahai Increment B Residential Subdivision Vacant Lot, Ewa Beach, Oahu – Kakaina Residential Subdivision Vacant Lot, Waimanalo, Oahu (see exhibit)

### Land Management Division

- F-1 Approve Issuance for Two (2) separate Licenses to KNDI Radio 1270 AM and KREA Radio Seoul 1650 AM, DHHL Antenna Facility at Hart Street, Kapalama, Island of Oahu, TMK No. (1) 1-5-020:014
- F-2 Approval to Issue a Right of Entry Permit to City and County of Honolulu, Department of Design and Construction, TMK Nos.: (1) 4-6-015:014 (p) and 4-5-041:005, Kaneohe, Oahu and TMK No. : (1) 1-1-013:003, Moanalua, Oahu
- F-3 Approval to Issuance of License Agreement to Hawaii Electric Light Company, Inc., Humuula, Island of Hawaii, TMK Nos. (3) 3-8-001:007(por.) and :015(por.)
- F-4 Approval to Issue a Right of Entry Permit to Charter Communications Operating, LLC, Hoolehua, Island of Molokai, TMK No. (2) 5-2-015:053 (p)

### Planning Office

- G-1 Approval to enter into Purchase and Sale Agreement with Cannery Commercial LLC, for the Department's acquisition of approximately 127 acres for future DHHL well site, North Kona, Island of Hawai'i TMK No. (3)-7-5-014:001 and 011

## III. ITEMS FOR INFORMATION/DISCUSSION

### A. REGULAR ITEMS

#### Office of the Chairman

- C-3 For Information Only – Report and Updates from the Permitted Interaction Group, Appointed Pursuant to HRS § 92-2.5 and HAR § 10-2-16(b)(1), to Study, Evaluate, and Recommend Strategies Related to Geothermal Exploration, Feasibility, Extraction, and/or Use on Hawaiian Home Lands
- C-4 For Information Only – Report and Recommendations of the Permitted Interaction Group, Appointed Pursuant to HRS § 92-2.5 and HAR § 10-2-16(b)(1), to investigate, consider and recommend changes, if any, to the Act 279 strategic plan and budget.

#### Homestead Services Division

- D-1 HSD Status Reports
  - A.-Homestead Lease and Application Totals and Monthly Activity Reports
  - B.-Delinquency Reports
  - C.-DHHL Guarantees for FHA Construction Loans
- D-13 For Information Only – Pu'ukapu Pastoral Lot Subdivision – Recommendation to Amend Lease Commencement Date

Land Development Division

E-1 For Information Only – Act 279 Implementation Progress Report

**IV. ANNOUNCEMENTS AND RECESS**

1. No DHHL Community Meeting in January. The next DHHL Community Meeting is on Tuesday, February 20, 2024, at 6:30 p.m. Kapolei Middle School, 91-5335 Kapolei Pkwy, Kapolei, HI 96707

STATE OF HAWAII  
DEPARTMENT OF HAWAIIAN HOME LANDS  
**HAWAIIAN HOMES COMMISSION MEETING/WORKSHOP AGENDA**

Hale Pono'i, 91-5420 Kapolei Parkway, Kapolei, Oahu, 96707,  
and Zoom Meeting ID: 609 754 2925

Wednesday, January 17, 2024, at 9:30 a.m.

*Livestream available at [www.dhhl.hawaii.gov/live](http://www.dhhl.hawaii.gov/live)*

**I. ORDER OF BUSINESS**

- A. Roll Call
- B. Public Testimony on Agendized Items - see information below

Public testimony on any item **relevant to this agenda** may be taken at this time, or a testifier may wait to testify at the time the agenda item is called for discussion. Pursuant to section 92-3, Hawaii Revised Statutes, and section 10-2-11(c), Hawaii Administrative Rules, the Chair of the Commission has the authority to impose reasonable conditions to ensure an orderly and efficient meeting.

**II. ITEMS FOR INFORMATION/DISCUSSION**

**A. WORKSHOPS**

Office of the Chairman

- C-5 For Information Only – The Establishment of a Programmatic Agreement for the Statewide Expenditure of HUD-Provided Funds by the DHHL Pursuant to Section 106 of the National Historic Preservation Act (NH-22-010.02)

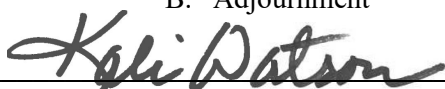
**B. GENERAL AGENDA**

Requests to Address the Commission

- J-1 Brittney Zimmerman – Panaewa Hawaiian Home Land Community Association
- J-2 Al Hee – Telecommunications
- J-3 Germaine Meyers – Various Concerns
- J-4 Sonny Del Toro – Kapolei Beneficiary Concerns
- J-5 Alohalani Smith – Maui Beneficiary Concerns
- J-6 Homelani Schaedel - Maluohai
- J-7 Patty Teruya Kahanamoku – Various Concerns
- J-8 De Mont Manaole – Various Concerns
- J-9 Randy Akau – Various Concerns
- J-10 Kekoa Enomoto – Pa‘upena Community Development Corporation
- J-11 Bo Kahui - La‘i ‘Opua
- J-12 Ainaaloha Ioane – Wastewater
- J-13 Princeslehuanani Kumaewakainakaleomomona – Waitlist and Kahikinui

**III. ANNOUNCEMENTS AND ADJOURNMENT**

- A. Next Regular HHC Meeting –February 20 & 21, 2024 (Tue. & Wed.) Kapolei, O‘ahu
- B. Adjournment

  
\_\_\_\_\_  
Kali Watson, Chairman  
Hawaiian Homes Commission

COMMISSION MEMBERS

Randy K. Awo, Maui  
Sanoë Marfil, O‘ahu  
Pauline N. Namu‘o, O‘ahu  
Michael L. Kaleikini, East Hawai‘i

Zachary Z. Helm, Moloka‘i  
Makai Freitas, West Hawai‘i  
Dennis L. Neves, Kaua‘i  
Walter Kaneakua, O‘ahu

If you need an auxiliary aid/service or other accommodation due to a disability, contact Michael Lowe at 620-9512 or michael.l.lowe@hawaii.gov as soon as possible, preferably by January 12, 2024. If a response is received after that, we will try to obtain the auxiliary aid/service or accommodation, but we cannot guarantee that the request will be fulfilled. Upon request, this notice is available in alternate formats.

**Public Testimony on Agendized Items** can be provided either as (1) in person at the meeting location by filling out a form at the reception table, (2) written testimony mailed to *Commission Testimony, P.O. Box 1879, Honolulu, HI, 96815*, or emailed to *DHHL.icro@hawaii.gov* by January 12, 2024, or (3) live, oral testimony online by joining the Zoom meeting and relabeling your profile to include the agenda item you wish to testify on. Please keep your computer muted and your camera off until you are called. You will need a computer with internet access, a video camera, and a microphone to participate.

**Disruption of Interactive Technology** – If all participating Commissioners cannot maintain audiovisual communication and a quorum is lost, the meeting will automatically be recessed for 30 minutes. During that time, an attempt to restore audiovisual communication will be made. If such an attempt to restore is unsuccessful within 30 minutes, all Commissioners, public members, staff, and other interested individuals shall log on again to the Zoom link on this Notice, whereby audio communication will be established for all participants, and the meeting will continue. If reconvening the meeting is impossible because audio and visual communication cannot be re-established, the meeting will be terminated.

**ITEM C-1 EXHIBIT**

APPROVAL OF LEASE AWARD KAULUOKAHAI INCREMENT B RESIDENTIAL SUBDIVISION  
VACANT LOT- EWA BEACH, OAHU

<b><u>NAME</u></b>	<b><u>APPL DATE</u></b>	<b><u>LOT NO</u></b>	<b><u>TAX MAP KEY</u></b>	<b><u>LEASE NO</u></b>
TEDDY KAMAI	08/20/1992	4	(1)9-1-017-110	13075
KEONE K. MAHOE	09/25/1992	46	(1)9-1-017-110	13076

APPROVAL OF LEASE AWARD KAKAINA RESIDENTIAL SUBDIVISION- VACANT LOT -  
WAIMANALO, OAHU

<b><u>NAME</u></b>	<b><u>APPL DATE</u></b>	<b><u>LOT NO</u></b>	<b><u>TAX MAP KEY</u></b>	<b><u>LEASE NO</u></b>
ANDREW M GLUSHENKO	11/01/1972	33	(1) 4-1-041-033	13077
HANA HINANO HO	02/18/1975	18	(1) 4-1-041-018	13078
RICHARD SETO-MOOK	11/10/1975	26	(1) 4-1-041-026	13079

**ITEM D-2 EXHIBIT**

APPROVAL OF CONSENT TO MORTGAGE

<b>LESSEE</b>	<b>LEASE NO.</b>	<b>AREA</b>
ANDUHA, Tracy L.	12610	Kanehili, Oahu
DAVID, Sheila D.	8175	Waimanalo, Oahu
ENRIQUE, JoWell Y. L.	12998	Anahola, Kauai
GUZMAN, Francine K.	3131	Nanakuli, Oahu
HOOPAI, Johanson L. K.	9469	Waiehu Kou 2 , Maui
KOMETANI, Lorna M. H.	12127	Kaupea, Oahu

**ITEM D-3 EXHIBIT**

RATIFICATION OF LOAN APPROVALS

<b>LESSEE</b>	<b>LEASE NO.</b>	<b>AREA</b>
ROSEHILL, Markham K., Sr.	13015	Kaumana, Hawaii

**ITEM D-4 EXHIBIT**

APPROVAL OF HOMESTEAD APPLICATION TRANSFER / CANCELLATIONS

<b>APPLICANT</b>	<b>AREA</b>
CHAI, Hilton Kamakani, Jr.	Hawaii IW Res
HEFFERNAN, Judah L.	Hawaii IW Res to Oahu IW Res
ISAACS, Tanya H.M.L.	Oahu IW Res
ISHIKAWA, Sally A.	Hawaii IW Res
KAHANAOI, Steven	Oahu IW Res
KAHELE, Stanyale L.	Oahu IW Res
KAINA, Auldine K.	Oahu IW Res to Hawaii IW Res
KEAHILIAU, Joey K.	Hawaii IW Agr
KEOMAKA, Lenora K.	Oahu IW Res to Molokai IW Res

PELEKAI, Janavi L.  
 PELEKAI, Janavi L.  
 SMITH, Harriet M.  
 SMITH, Whitney G.K.  
 WONG, Wallis K.

Maui IW Agr to Molokai IW Agr  
 Maui IW Res to Molokai IW Res  
 Kauai IW Res  
 Kauai IW Agr  
 Oahu IW Res

\* IW = Islandwide

**ITEM D-5 EXHIBIT**

**APPROVAL TO CERTIFY APPLICATIONS OF QUALIFIED APPLICANTS**

<b>APPLICANT</b>	<b>AREA</b>
AIONA, Deyvin M.K.	Hawaii IW Agr
AIONA, Deyvin M.K.	Hawaii IW Res
AKI, Robin L	Maui IW Res
AKI, Robin L.	Hawaii IW Agr
CARREIRA, Felicidad P.	Oahu IW Res
DANAO, Lynette M.	Oahu IW Res
DOIRON-MERSBERG, Kunane Leighton MKS	Kauai IW Pas
FUJINAGA, Dennis K.	Oahu IW Res
HIND, Lovely L.	Oahu IW Res
KAAHANUI, Makananui O.	Molokai IW Agr
KAAHANUI, Makananui O.	Molokai IW Res
KAAIALII, Chedean P.	Oahu IW Res
KAAIALII, Cheridean K.	Oahu IW Res
KAHAKU, Kemauka	Hawaii IW Agr
KAHAKU, Kemauka	Hawaii IW Res
KAHALEWAI, Richard N., Jr.	Oahu IW Res
KAHEIKI, Millicent	Hawaii IW Agr
KAHELE, Jewelyn L.	Maui IW Agr
KAHELE, Jewelyn L.	Maui IW Res
KAHOOHULI, John K., Jr.	Oahu IW Agr
KAHOOHULI, John K., Jr.	Oahu IW Res
KAIWI, Kalsey L.	Oahu IW Res
KAMALII, Davy H.	Hawaii IW Res
KAPOI, William K.M.	Maui IW Agr
KAPOI, William K.M.	Maui IW Res
KAULIA, Dane K.	Oahu IW Res
KAWEWEHI, Bronsen K.P.	Oahu IW Res
KAWEWEHI, Bronsen K.P.	Hawaii IW Agr
KELIIKULI, Michelle K.	Oahu IW Agr
KENNISON, Darlene K.	Hawaii IW Agr
KUPIHEA, Aleiah P.T.	Hawaii IW Agr
KUPIHEA, Aleiah P.T.	Hawaii IW Res
MAHUKA-KELIIKULI, Hokulii K.	Oahu IW Agr
MAHUKA-KELIIKULI, Hokulii K.	Oahu IW Res
MASUDA, Beverly H.N.	Maui IW Agr
MASUDA, Beverly H.N.	Maui IW Res

MOWAT, Megan J.	Maui IW Res
NAHAKU, Mary Ann N.	Oahu IW Res
NAMAUU, Nalani J.	Maui IW Agr
NAMAUU, Nalani J.	Maui IW Res
NAMAUU, Neil M.	Maui IW Agr
NAMAUU, Neil M.	Maui IW Res
NAMAUU, Noel M.B.	Maui IW Agr
NAMAUU, Noel M.B.	Maui IW Res
PARBO, Valerie A.H.	Kauai IW Res
PERREIRA, Kelsev Dee K.M.	Kauai IW Agr
PERREIRA, Kelsev Dee K.M.	Kauai IW Res
PIENA, Leina K.	Oahu IW Agr
PIENA, Leina K.	Oahu IW Res
POAIPUNI, Jordan K.	Molokai IW Res
POAIPUNI, Sheldine M.L.	Molokai IW Res
SASAKI, Deborah L.	Hawaii IW Agr
SASAKI, Deborah L.	Hawaii IW Res
SPINNEY, Lorna P.	Hawaii IW Agr
WATTS, Joshua K.C.	Oahu IW Agr
WATTS, Joshua K.C.	Oahu IW Res
WHITE, Robinette H.M.M.L.	Oahu IW Agr
WHITE, Robinette H.M.M.L.	Oahu IW Res
WHITNEY, Kainalu K.M.	Hawaii IW Agr
WHITNEY, Kainalu K.M.	Hawaii IW Res

**ITEM D-6 EXHIBIT**

COMMISSION DESIGNATION OF SUCCESSORS – PUBLIC NOTICE JUNE 2023

SMITH, Harriet M.	Kauai IW Res
-------------------	--------------

\* IW = Islandwide

**ITEM D-7 EXHIBIT**

APPROVAL OF ASSIGNMENT OF LEASEHOLD INTEREST

<b>LESSEE</b>	<b>LEASE NO.</b>	<b>AREA</b>
WATSON, James G., Jr.	7622	Waiohuli, Maui
GARCES, Evan K.	10594	Waiohuli, Maui

**ITEM D-8 EXHIBIT**

APPROVAL OF AMENDMENT OF LEASEHOLD INTEREST

<b>LESSEE</b>	<b>LEASE NO.</b>	<b>AREA</b>
KEKAULIKE, Simeon K., Jr.	2578	Kewalo, Oahu
WRIGHT, Emma L.	632	Papakolea, Oahu



**ITEM D-9 EXHIBIT**

**APPROVAL TO ISSUE A NON-EXCLUSIVE LICENSE FOR ROOFTOP PHOTOVOLTAIC SYSTEMS  
FOR CERTAIN LEASES**

<b>LESSEE</b>	<b>LEASE NO.</b>	<b>AREA</b>
AKAU, Raynette K.	1932	Kewalo, Oahu
AKAU, Alden K.	1932	Kewalo, Oahu
ALFICHE, Michael K.	1932	Kewalo, Oahu
BREDE, Clorinda	6471	Anahola, Kauai
BROWN, Rosalynn K.	5129	Nanakuli, Oahu
DIAMOND, Charles U., Jr.	12628	Kanehili, Oahu
HEW LEN, Aaron T.	12908	Kanehili, Oahu
IOANE, Irene K.	4564	Waianae, Oahu
ISHIKAWA, Melvin S.	8552	PKE, Oahu
JAKAHI, Jacqueline I. Y.	5627	Lualualei, Oahu
KAKALIA, David K., Sr.	4603	Waianae, Oahu
KALIKO, Zachary S. K., Sr.	8513	PKE, Oahu
KELEKOMA, Daniel P.	8875	Hanapepe, Kauai
KEONE, Kamaehu B.	12466	Kauluokahai, Oahu
KEOPUHIWA, Joseph P., III	8636	Nanakuli, Oahu
KO, Wanda Puanani	3528	Nanakuli, Oahu
KUALII, Kipukai L. P.	11011	Anahola, Kauai
MAKANEOLE, Franci	3928	Waimanalo, Oahu
MATHIAS, Elizabeth	12805	Maluohai, Oahu
MCFEELEY, Lillian K.	2926	Nanakuli, Oahu
NAIHE, Paul F. L. K.	8524	PKE, Oahu
ROBELLO, Josephine O.	5718	Nanakuli, Oahu
TOLI, Dember K. F.	8638	Nanakuli, Oahu
VAOVASA, Miu Lang P. M.	735	Waimanalo, Oahu

**HAWAIIAN HOMES COMMISSION  
JANUARY 16 & 17, 2024**

**C – ITEMS**

**OFFICE OF THE CHAIRMAN**

STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

January 16-17, 2024

To: Chairman and Members, Hawaiian Homes Commission

From: Lehua Kinilau-Cano, NAHASDA Government Relations Program Manager

Subject: Approval to Acquire The Courtyards at Waipolui, Kapaa, Kauai, TMK (4) 4-3-001-014 and 21

RECOMMENDED MOTION/ACTION

That the Hawaiian Homes Commission grants its approval to authorize the Chairman to do the following:

1. To authorize the Department to enter into a partnership with King Lunalilo Trust & Home or its non-profit affiliate (together, “Lunalilo”) to create a kupuna /transitional housing project for the DHHL Kauai Island Waitlist.
2. To allocate a minimum of twenty-five million dollars (\$25,000,000) in NAHASDA funds for the acquisition of the above-referenced properties on Kaua‘i, contingent upon receiving the HHFDC Award (as defined below) and subject to compliance with NAHASDA requirements.
3. To exercise the Department’s option to purchase the above-referenced properties and issue a general lease (the “Lease”) for the above-referenced properties to the limited partnership created to access HHFDC’s funding or allocation of low-income housing tax credits (the “HHFDC Award”) for the acquisition and rehabilitation of the above-referenced properties.
4. To negotiate the Management Agreement with Lunalilo to service and ensure programs are provided which will address kupuna and beneficiary needs and also prepare, if chosen, the transition to homestead awards and taking the participants off of DHHL’s Waitlist. Lunalilo will also provide services to ensure compliance of the tenants with the HHFDC and tax credit requirements.
5. To allocate funds for the actual costs of preparing and submitting the application to the Hawaii Housing and Finance Development Corporation (“HHFDC”) for Low-Income Housing Tax Credits and Rental Housing Revolving Funds (the “HHFDC Award”) for the acquisition and rehabilitation of the above-referenced properties (estimated at Two Million Four Hundred Thousand Dollars (\$2,400,000)), which will be reimbursed to DHHL upon closing from the Permanent Sources of Funds identified below.

DISCUSSION

## **Historic Alliance: Hawaiian Homes Commission and King Lunalilo Trust**

This project represents a historic collaboration between the Hawaiian Homes Commission and the King Lunalilo Trust, uniting two organizations with a shared commitment to the welfare of native Hawaiians. Both entities, rooted in serving the same beneficiaries, bring unique strengths to this partnership. The Hawaiian Homes Commission, focused on managing and administering land for native Hawaiians, and the King Lunalilo Trust, devoted to providing accommodation and care for elderly native Hawaiians, together symbolize a powerful alignment of objectives and values.

This collaboration is more than just a partnership; it is a symbol of a collective endeavor in addressing one of the most critical challenges facing the native Hawaiian community – providing safe, affordable housing. This proposed alliance stands as a testament of cooperative efforts and a shared vision for a better future for its common beneficiaries, marking this project as a significant milestone in the ongoing journey to support and uplift the native Hawaiian people.

### **Pōhaku Ala (Stepping Stone)**

According to the 2020 DHHL Beneficiary Study Applicant Report, the waitlist for a homestead lease includes approximately 28,692 individuals, with over 50% of these applicants being 62 years and older. This demographic is particularly significant, as it highlights the growing need for housing solutions that cater to the elder segment of the native Hawaiian community. Therefore, the proposed project is designed to give preference to these older applicants, acknowledging that they are often beyond their high-earning years and face unique challenges in securing affordable housing.

Additionally, the project recognizes the cultural and social importance of multi-generational living among Hawaiian families. The majority of Hawaiian families live in multi-generational households, a practice deeply rooted in Hawaiian culture and family values. This living arrangement not only strengthens family bonds but also provides practical solutions for caregiving and financial support within the family unit. Consequently, the project aims to prioritize these families, offering them a living solution that respects and accommodates their unique lifestyle.

The need for a multi-family type housing project becomes even more pertinent considering that many of those over 62 years old live with their children and grandchildren. With limited earning potential at this stage of life, elder members often rely on the support of their extended family. A housing project that can accommodate multi-generational families not only provides a practical living solution but also honors the Hawaiian tradition of ‘ohana. This “pōhaku ala” or stepping stone project is thus ideally suited as a transitional housing solution, providing a bridge for these families towards homeownership. By addressing the needs of both the elder population and multi-generational families, the project stands as a testament to a thoughtful, culturally sensitive approach to housing.

### **A Holistic Approach**

This project also stands as a significant step towards moving residents off the waitlist and into homeownership. Its approach is strategic, featuring affordable rent structures that alleviate financial pressures and empower future homeowners. This affordability aspect is crucial, as it allows residents to focus on saving and managing the financial responsibilities that come with owning a home.

Beyond just providing affordable housing, the project is unique in offering comprehensive, on-site services through the combined efforts of Lunalilo Trust and Hawaiian Community Assets. This holistic approach includes essential services such as financial education workshops, individualized counseling, and asset-building guidance, all aimed at equipping residents with the necessary skills and knowledge for

homeownership. The convenience of accessing these services within the housing project facilitates seamless integration of learning and preparation into daily life. This arrangement not only nurtures a supportive community environment but also ensures that residents are thoroughly prepared, both financially and practically, for homeownership when their opportunity to select a lot from the waitlist arises. This project, through its synergistic approach, exemplifies a holistic and effective pathway for transitioning waitlisters towards sustainable homeownership.

In addition, Lunalilo will be the property manager and offer wraparound services for residents of this project. Lunalilo staff are currently undergoing specialized training to adeptly manage affordable housing projects, focusing on leveraging Low-Income Housing Tax Credit (LIHTC) and Native American Housing Assistance and Self Determination Act (NAHASDA) funding. Lunalilo is also contracting with LIHTC and NAHASDA property management consultants to help ensure the success of this project. This training and these consultants represent a significant enhancement in Lunalilo's operational capabilities, equipping them with essential skills and knowledge to navigate the complexities of affordable housing development and management. A deep understanding of the regulatory requirements and financial intricacies associated with LIHTC and NAHASDA funding is crucial, ensuring that the projects not only comply with legal requirements but also effectively meet the community's needs. Importantly, the net revenue generated from these projects will be used to support the necessary programs to help residents transition off the waitlist, reflecting Lunalilo Trust's commitment to expanding its expertise beyond traditional care services and adapting to the evolving needs of the native Hawaiian community.

For over a century, Lunalilo Trust has been committed to its mission through the operation of Lunalilo Home, providing care and support to the elderly native Hawaiian population. Building upon this rich legacy, the Trust is expanding its scope to offer long-term support services across the islands, including adult day care services, in-home care services, and other social services. This expansion into affordable housing and long-term support services is a natural progression of the Trust's services, aligning with its core values of compassion and community service. By venturing into these new areas, Lunalilo Trust is not only diversifying its services but also strengthening its role as a pivotal organization in addressing the broader needs of the native Hawaiian community. This strategic expansion demonstrates the Trust's responsiveness to changing community dynamics and its unwavering dedication to serving native Hawaiians across various stages of life and living conditions.

### **NAHASDA Housing Plan and Funding**

The Hawaiian Homes Commission accepted the 2023-2024 Native Hawaiian Housing Block Grant (NHHBG) Annual Housing Plan in March 2023, which was subsequently found by HUD to be in compliance. One of the programs included in the Annual Housing Plan is Property Acquisition, which allows for the purchase of land or existing structure(s) to provide rental units to increase affordable housing inventory. A minimum of \$25,000,000 in NHHBG funds is expected to be used toward the acquisition of The Courtyards at Waipouli and other funds will be secured for this acquisition up to the appraised value of \$44,000,000. Attached as Exhibit A is the Appraisal for the Courtyards at Waipouli reflecting a range of value from \$43,000,000 - \$45,000,000 with a point estimate (midpoint) of \$44,000,000.

The total NHHBG available balance as of January 8, 2024 is \$50,535,156.76 and an additional \$21,300,000 is anticipated to be appropriated by Congress. Use of NHHBG funds and other funding sources are expected to limit the availability of these units to DHHL applicants whose income does not exceed 80% of the median income. Any requirements for the use of NHHBG or other funds will be followed as part of the acquisition of The Courtyards at Waipouli.

## **The Courtyards at Waipouli**

The Courtyards at Waipouli, initially developed in 2009 as affordable housing, comprises 10 buildings with a total of 82 units: 20 one-bedroom apartments, 42 two-bedroom apartments, and 20 three-bedroom apartments. In 2019, Kauai County ordered an appraisal, which valued the development at \$38,000,000. However, following the expiration of the county's affordability requirement that year, the property underwent renovations, including upgrades with higher-end finishes. The objective was to market the development to investors, primarily targeting visitor-focused accommodations. The outbreak of the COVID-19 pandemic in March 2020 disrupted any sales activities related to the property.

This project offers a unique opportunity to address the critical issue of housing affordability for native Hawaiians. It entails the removal of these units from the open market, thus ensuring they remain at an affordable level. Notably, the DHHL Kaua'i Island Plan from May 2004 had already identified the island as grappling with an affordable housing crisis. The plan highlighted median prices in 2003, which were \$410,000 for a single-family home and \$420,000 for a condominium. Furthermore, the plan revealed that HHCA beneficiaries had identified Wailua, Anahola, and Kapa'a as their top residential location preferences, each representing over 15% of those surveyed.

For the past 20 years, the demand for affordable housing for HHCA beneficiaries has continued to escalate. According to the Kauai Board of Realtors, as of the third quarter of 2023, median prices soared to \$1,300,000 for a single-family home and \$780,000 for a condominium. In addition, according to Census data compiled by the Economic Research Organization at the University of Hawaii ("UHERO"), median rent rose by 24% from 2011 to 2021, from \$1,228 to \$1,525. These staggering price increases underscore the urgent need to ensure that units at the Courtyards remain accessible and affordable for native Hawaiians. This project's significance in addressing this housing crisis cannot be overstated.

### **Financing**

#### ***Low-Income Tax Credit ("LIHTC") Funding Approach: Leveraging Resources***

The 9% Low-Income Housing Tax Credit ("LIHTC"), administered by the Hawai'i Housing Finance and Development Corporation ("HHFDC"), is an essential tool for the financing of affordable housing projects. This tax credit significantly benefits such projects by offering a substantial reduction in federal income tax liability for the creation and maintenance of affordable rental housing for low-income households. The 9% credit is particularly advantageous as it can cover up to 70% of the present value of eligible costs in a qualified low-income housing project.

DHHL is strategically leveraging its \$25 million contribution from the Native American Housing Assistance and Self Determination Act (NAHASDA) funds to amplify the financial impact of the project. This contribution is set to leverage an additional \$19 million in tax credit equity through the LIHTC program. The substantial investment from DHHL acts as a catalyst, attracting further financial support and maximizing the overall funding capacity for the affordable housing project. Additionally, DHHL's contribution helps secure approximately \$9.5 million in the form of a low-interest loan from the Rental Housing Revolving Fund ("RHRF"), further bolstering the project's financial foundation.

This strategic financial structuring leads to a significant reduction in the permanent debt required for the project. After accounting for the leveraged funds from LIHTC and the RHRF loan, the project is left with a relatively modest permanent debt of approximately \$5.9 million. This efficient use of funds demonstrates DHHL's commitment to maximizing the impact of its resources. The leveraging of NAHASDA funds in this manner not only amplifies the reach of the project but also underscores DHHL's innovative approach

in financing affordable housing solutions, ensuring long-term sustainability and affordability for the benefit of its beneficiaries.

The sources and uses statement below provides a comprehensive overview of the financial framework for the housing development project. It outlines in detailed estimates the various sources of funds and how these resources may be allocated.

<b><u>PERMANENT SOURCES OF FUNDS</u></b>	<b>Amount</b>	<b>%</b>
Permanent Bank Loan	\$5,999,000	10%
Tax Credit Equity	\$19,334,015	32%
NAHASDA	25,000,000	42%
RHRF	9,501,278	16%
<b>TOTAL PERMANENT SOURCES</b>	<b>\$59,834,293</b>	<b>100%</b>
<b><u>USES OF FUNDS</u></b>		
Acquisition	\$44,000,000	73.5%
Hard Costs	5,700,000	9.5%
Architectural	173,860	0.3%
Engineering	100,000	0.2%
Permanent Financing Fees	1,346,305	2.3%
Permanent Expenses at Completion	20,000	0.0%
Legal	120,000	0.2%
Reserves	386,143	0.6%
Contingencies	720,000	1.2%
Other Costs	4,344,985	7.3%
Developer Fee	2,750,000	4.6%
Syndication	173,000	0.3%
<b>TOTAL USES</b>	<b>\$59,834,293</b>	<b>100.0%</b>

#### **Pre-Development Costs:**

The pre-development costs for this project enable the acquisition and rehabilitation of the Courtyards at Waipouli to happen. These expenditures are essential as they encompass various activities required for financial closing. It is important to note that these costs are anticipated to be reimbursed from the financial closing, and hence DHHL will receive these pre-development funds back at the time of financial closing and construction commencement.

As one of the most complex financial transactions in the industry, LIHTC transactions require many reports, third party legal review, and consultants, to ensure compliance with numerous legal requirements. These pre-development costs, however, also reduce the risk to the various investors and funders in LIHTC projects. These costs are thus up-front strategic investments that get capitalized into the costs at financial closing. Below is a breakdown of the pre-development costs.

<b><u>PRE-DEVELOPMENT COSTS</u></b>	<b><u>Description</u></b>	<b><u>Amount</u></b>
<b>Acquisition</b>		<b><u>\$20,000</u></b>

	Development Agreement / Ground Lease	20,000
<b>Entitlements</b>		<b><u>\$115,000</u></b>
	Government Financial Consultant	100,000
	Community Engagement Consultants	15,000
<b>Architect &amp; Engineering</b>		<b><u>\$125,000</u></b>
	Architectural & Engineering Updates	125,000
<b>Due Diligence &amp; Reports</b>		<b><u>\$225,000</u></b>
	Phase I ESA	5,000
	Hazardous Material Consultation Services	30,000
	ALTA Survey	20,000
	Legal	120,000
	Noise Study	25,000
	Market Study & Appraisals	25,000
<b>Other Soft Costs</b>		<b><u>\$1,915,000</u></b>
	Permits/Tap Fees	125,000
	Survey/Title	50,000
	Capital Needs Assessment	10,000
	Legal Counsel	120,000
	Relocation Process and Moving Residents	950,000
	Consultant Support	250,000
	LEED Consultant	15,000
	Permit Expediter / 3rd Party Review	75,000
	ADA, Units Dispersion and Site	15,000
	LIHTC Fee & Deposit	205,000
	RHRF Fee & Origination	100,000
<b>Total Project Expenses to Financial Closing</b>		<b><u>\$2,400,000</u></b>

## Rent Structure

The rent structure for this housing project is designed to address the critical issue of housing affordability, particularly for native Hawaiian beneficiaries on the waitlist. These rental rates are set significantly below market rents, ensuring affordability and accessibility for our target demographic—those with incomes at or below 60% of the Area Median Income (AMI).

Notably, this initiative prioritizes individuals who typically find themselves bypassed. By offering these well below-market rents, our commitment is to provide affordable housing options while waiting for their opportunity for a lease award. This approach underscores our dedication to establishing a sustainable community where beneficiaries can secure safe and comfortable housing without the financial burdens often associated with housing costs. Through this rent structure, our goal is to promote the well-being and stability of local native Hawaiian beneficiaries, enabling them to secure a place to call home and fostering a sense of belonging within their community. This commitment to affordability, directed at those below 60% of AMI and targeted toward wait listers, aligns with our mission to address the housing crisis. The rental amounts are subject to adjustments of the AMI and may include rental assistance from NAHASDA or Section 8.



<b>RENT STRUCTURE</b>				
Income Restriction	Unit Type	# of Apts		Rent (in dollars)
30% of AMI				-
	1 Bdrm	2		554
	2 Bdrm	5		644
	3 Bdrm	2		726
40% of AMI				
	1 Bdrm	2		781
	2 Bdrm	5		916
	3 Bdrm	2		1,040
60% of AMI				
	1 Bdrm	16		1,233
	2 Bdrm	32		1,459
	3 Bdrm	14		1,667

**General Lease Terms**

1. The duration of the lease is set for 65 years. This period is in line with the strategic goals and long-term planning of both involved parties.
2. The lease shall be granted at a nominal rate of \$1 per year. This amount is a reflection of the unique aspects of this agreement and the mutual benefits expected.
3. An important stipulation is in relation to the period after the Low-Income Housing Tax Credit (LIHTC) compliance period, which is 15 years from the start of the lease. Upon the end of this period, Lunalilo Trust will be given the first right of refusal to purchase the project and retain the license/general lease. This right will be available for a nominal fee, highlighting the trust’s significant role and ongoing commitment in the project.

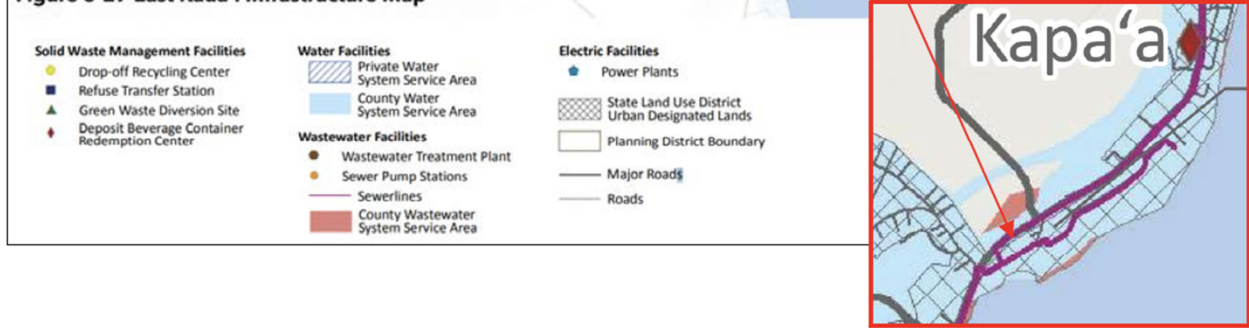
RECOMMENDATION

Staff respectfully requests approval of the recommended motions as stated.

## East Kau‘i Infrastructure Map



Figure 5-27 East Kau‘i Infrastructure Map



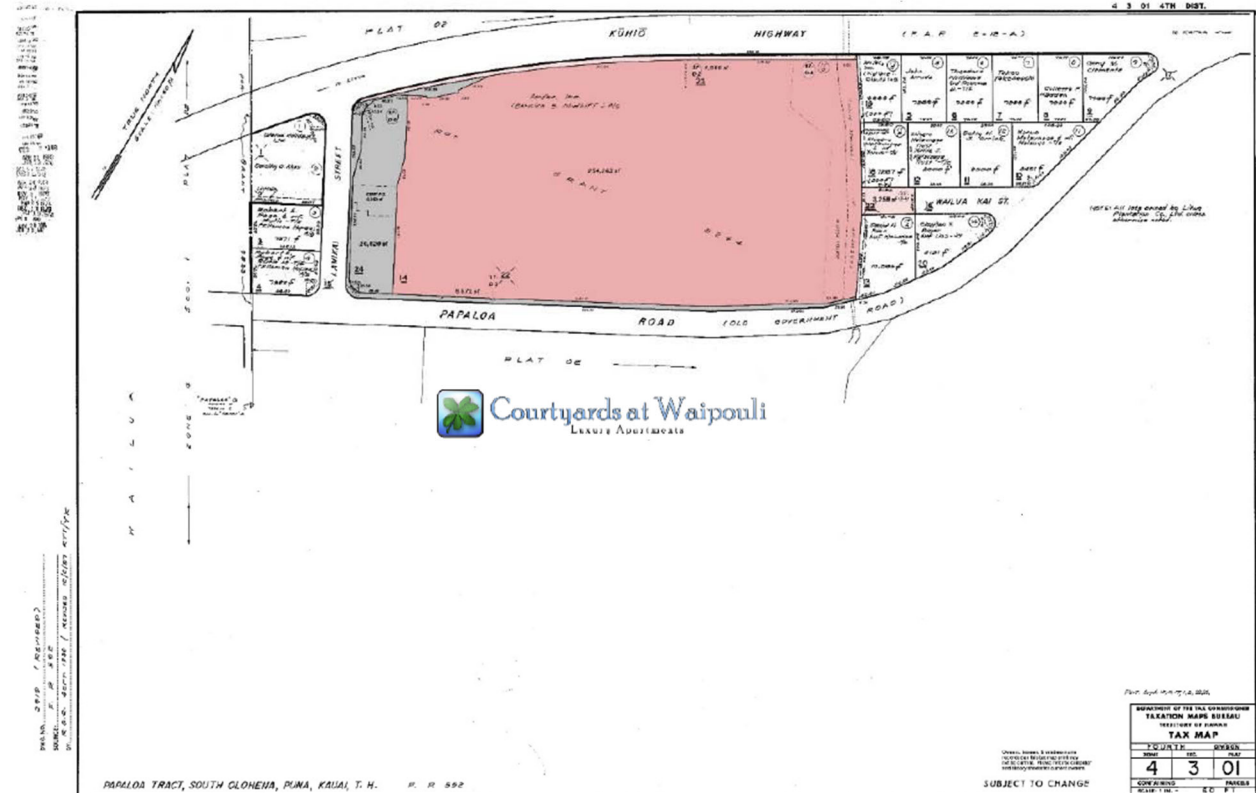
 **Courtyards at Waipouli**  
LUXURY APARTMENTS

## Satellite Image of Project

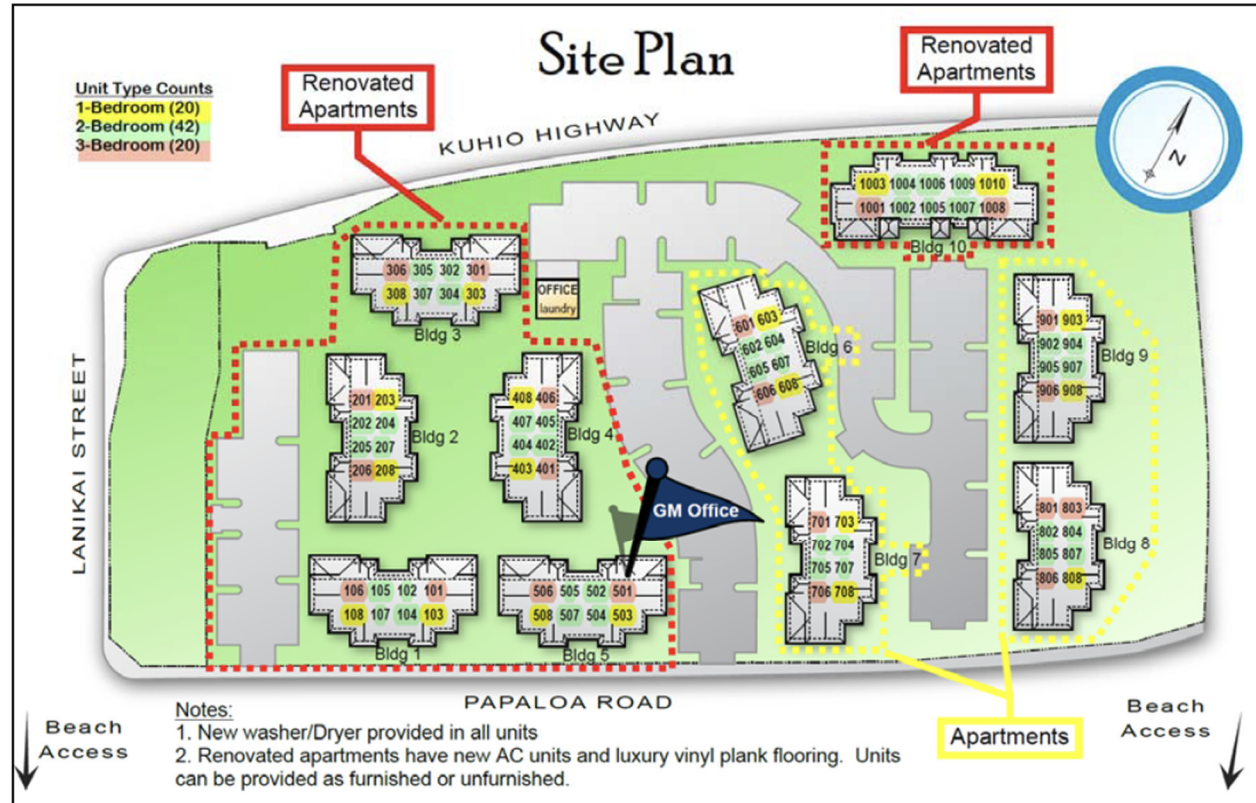


© All EagleView Technology Corporation

# Tax Map of Project



# Site Plan of Project



Photos of Project Exterior



## Project Floor Plans

**1-Bedroom Unit**  
RESIDENCE APPROX. 715SQ. FT.  
LANAI APPROX. 98SQ. FT.



**2-Bedroom Unit**  
RESIDENCE APPROX. 985SQ. FT.  
LANAI APPROX. 96SQ. FT.



**3-Bedroom Unit**  
RESIDENCE APPROX. 1121SQ. FT.  
LANAI APPROX. 98SQ. FT.



**Interior Photos (including pre-renovation and post-renovation)**



Example of renovated kitchen



Kitchen in unrenovated unit

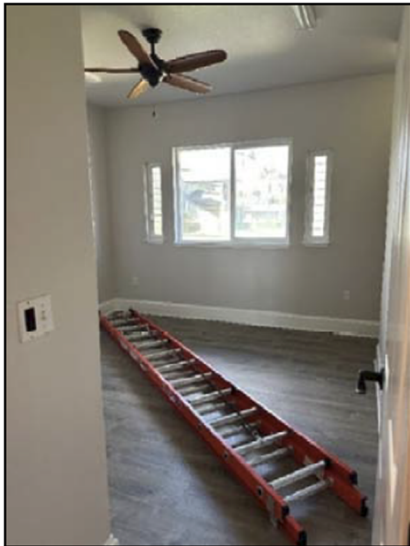


Newly renovated bath (tub not installed)



Unrenovated bath

**Interior Photos of Unit Undergoing Renovations**



Unit undergoing renovations

Appraisal Report to  
**Department of Hawaiian Home Lands  
(DHHL)**

Covering the

**MARKET VALUE OF THE  
COURTYARDS AT WAIPOULI**

401 Papaloa Road, Kapaa, Kauai  
Tax Map Key (4) 4-3-01:14

As of November 17, 2023







December 7, 2023

Karen Char, MAI, CRE  
Paul D. Cool, MAI, CRE  
Shelly H. Tanaka, MAI, AI-GRS  
Cooper Borge

Department of Hawaiian Home Lands  
c/o Ms. Nicole L. Kinilau-Cano  
PBR Hawaii & Associates, Inc.  
1001 Bishop Street, Suite 650  
Honolulu, Hawaii 96813

Dear Ms. Kinilau-Cano:

**Re: Appraisal of the Courtyards at Waipouli**

At your request, John Child & Company has estimated the market value of the 82-unit Courtyards at Waipouli project in Kapaa, Kauai. This letter summarizes the study background, key issues, and estimated market value. Information not contained in this report are available in our work file.

**STUDY BACKGROUND**

The Courtyards at Waipouli is an 82-unit rental apartment project located at 401 Papaloa Road, in the Waipouli neighborhood of Kapaa, Kauai.





The project includes a 5.84-acre, R-20 Residential zoned parcel on the makai (ocean side) of Kuhio Highway, one lot in from the ocean. Improvements consist of ten, two-story townhome buildings with a mix of one-, two-, and three-bedroom rental apartments that are currently about 93% occupied.

The project was developed by K D Waipouli LLC in 2009 under the Kauai Lagoons Affordable Housing Agreement. The agreement restricted 41 units to affordable housing for 10 years.

The agreement expired, and K D Waipouli LLC is offering the property for sale. DHHL is considering a purchase of the property and requires an estimate of the property's current market value for internal decision-making. You asked us to assist you in this regard.

### **STUDY OBJECTIVE**

The objective of our assistance is to estimate the current market value of the fee simple interest in the Courtyards at Waipouli.

### **INTENDED USE AND USER(S)**

Our assistance is intended to be used by DHHL (the Client) for internal information and decision-making in connection with the proposed acquisition.

In accepting this report, the Client specifically agrees that our assistance is not intended for any other purpose or users and is not to be relied upon by any third parties for any purpose, whatsoever.

### **EFFECTIVE DATE OF APPRAISAL**

I visited the property on November 17, 2023. The effective date of appraisal is November 17, 2023, the date of the property visit.

### **DEFINITION OF MARKET VALUE**

Market value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:



1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. [1]

Other terms used in this report are defined in Addendum 1.

## **REPORTING**

The report is for the Client's internal information and decision-making. Therefore, the valuation analyses and estimated market value is presented in a Restricted Appraisal Report format described in Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice (USPAP).

The report does not describe all of the data, reasoning, and analyses used to estimate the market value of the property. The opinions and conclusions in the report may not be understood properly without additional information contained in our workfile.

## **STUDY CONDITIONS**

This report is subject to the study conditions included in Addendum 2.

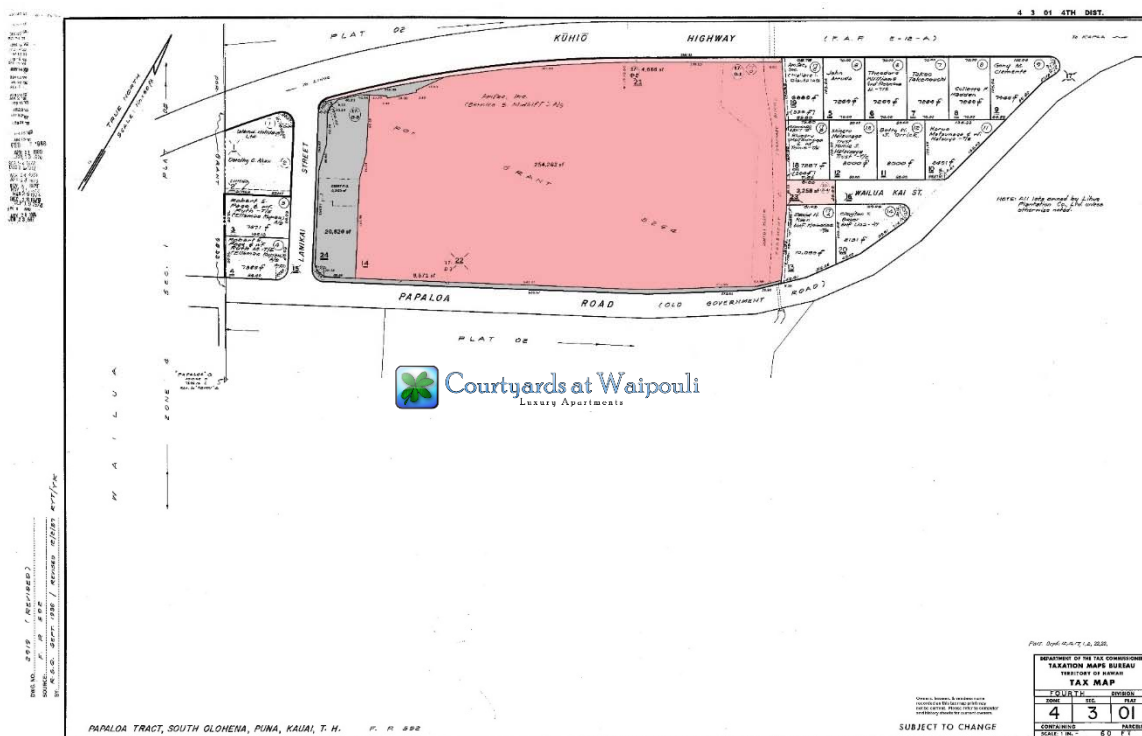
---

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



**PROPERTY IDENTIFICATION**

- Tax map keys (4) 4-3-01:14 and 21
- Legal description Refer to Exhibit C in the Preliminary Report dated April 4, 2023, included in Addendum 3
- Owner of record K D Waipouli LLC, a Hawaii limited liability company



Lot	Tax map key	Description	Sq. ft.	Acres
17-D-1	(4) 4-3-01:14	Project site [1]	254,263	5.8371
17-D-2	(4) 4-3-01:21	Roadway widening lot along Kuhio Hwy.	4,666	0.1071
Total			262,187	6.0190

[1] According to the Kauai County real property tax website, Parcel 14 includes the 3,258 sq. ft. Lot 17-D-4, formerly identified as tax map key (4) 4-3-01:23.



**SITE DESCRIPTION**

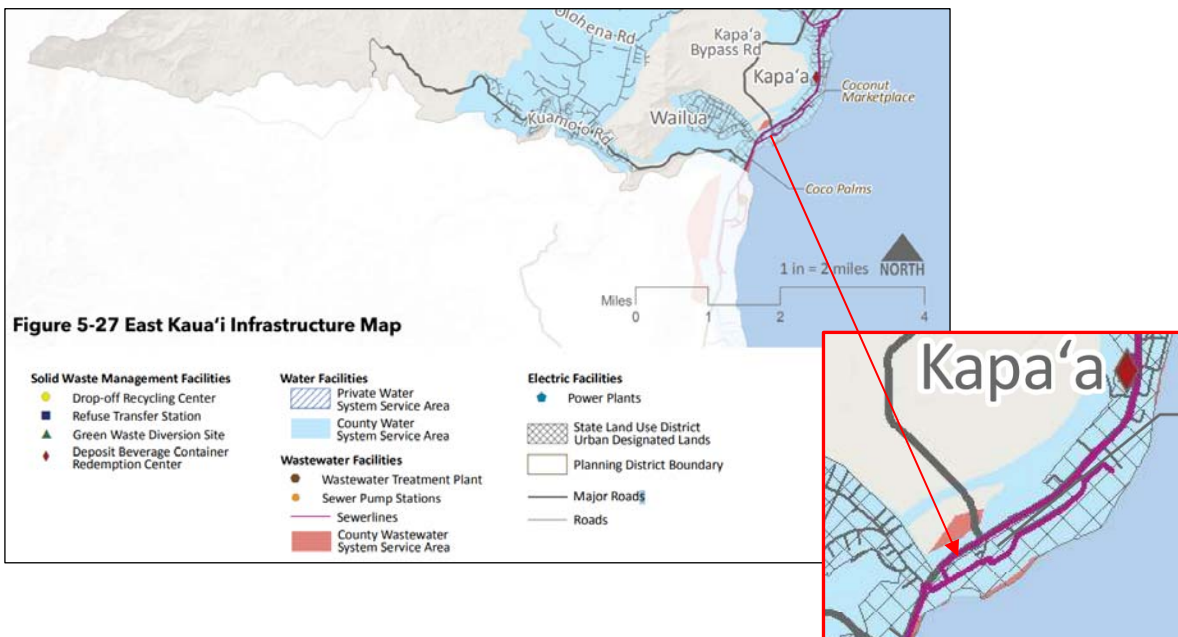
**Land area** 6.019 acres, including 4,666<sup>sq</sup>ft road widening parcel on Kuhio Highway

**Easements** The April 4, 2023 Preliminary Report included in Addendum 3 identifies various easements for utilities (Easement E-1), drainage ditch (Easement A), detention basin (Easement D-1), and roadway access.

These easements are not considered to have a significant impact on the utility and marketability of the property for continued residential use or potential short-term vacation rentals.

**Street frontage and access** The site is situated between Kuhio Highway and Papaloa Road. Two driveways are located on Papaloa Road. Access from Kuhio Highway is restricted.

**Utilities** The property is serviced by County water and sewer electricity, natural gas, and internet/cable. A lift station facilitates wastewater conveyance for Buildings 7, 8, 9 and 10; however, no odors were detected at the time of our site visit, and a review of the October 2023 rent roll shows rents in these buildings do not differ from other buildings in the complex. A representative for the property owner also confirmed no significant issues with its operation or maintenance.





Topography	<p>Topography is generally level, but slightly sloping along a west-east axis.</p> <p>Portions are improved with detention basin and swales; no drainage issues were reported or observed during our property visit.</p> <p>The property was recently developed in 2009, and soils are assumed to be adequate for continued use and any future redevelopment.</p>
Environmental/other externalities	<p>No hazardous environmental, soils, or archaeological conditions were reported. The valuation assumes there are none that would significantly impact continued use or redevelopment of the property in accordance with zoning and other land use and building regulations.</p>

#### **AFFORDABLE HOUSING AGREEMENT**

The property was built in 2009 to satisfy the developer's affordable housing requirement for the Kauai Lagoons Resort rezoning and development.

The amended Kauai Lagoons Affordable Housing Agreement with the County of Kauai (i.e., the Affordable Housing Agreement) required the Developer/Declarant (K D Waipouli LLC) to construct 82 affordable housing rental units to be rented to the intended target income groups for a period of 10 years from the last certificate of occupancy (i.e., the Affordability Period).

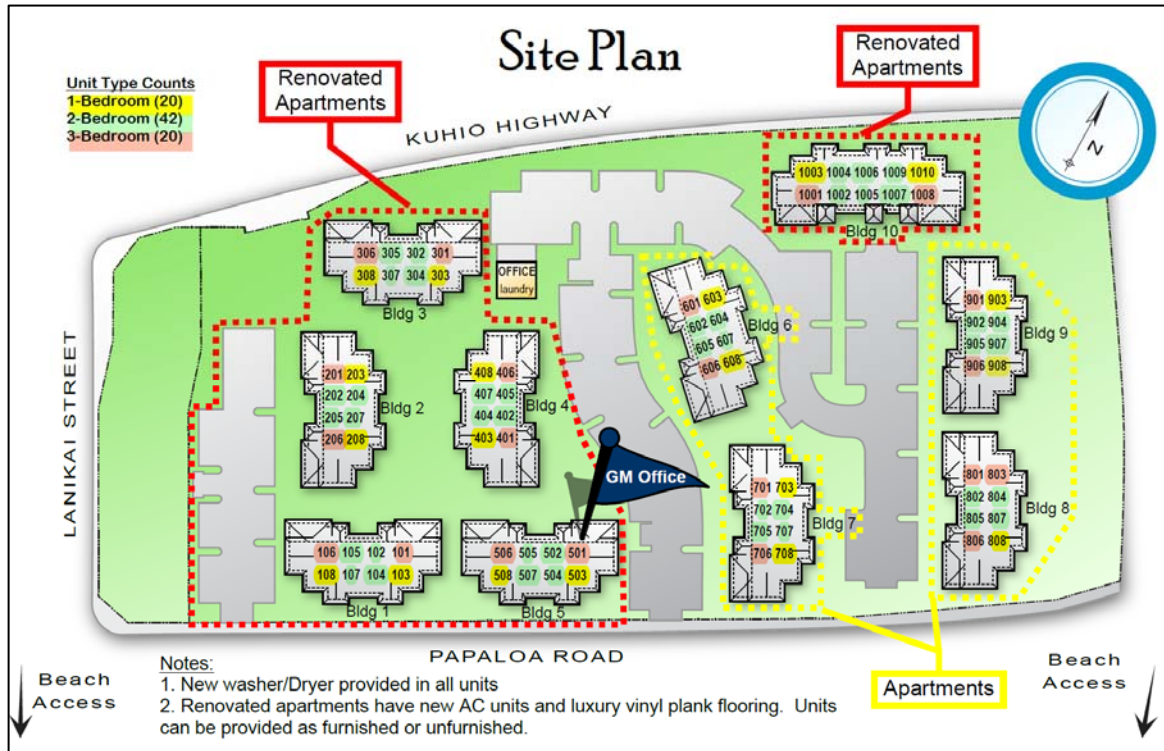
**1. Use of the Waipouli Parcel. For the period from the Effective Date until the end of the Affordability Period, the Waipouli Parcel shall be used only for the construction of the Units and related improvements and the rental of the Units to the intended target income groups as provided in the Affordable Housing Agreement. This Declaration shall run with the land as a burden on the Waipouli Parcel, but shall automatically terminate upon the expiration of the Affordability Period and in any event no later than February 18, 2020.**

The restrictions expired in 2019, and we confirmed with the Kauai County Housing Director, Adam Roversi, that there are no remaining obligations in connection with the Affordable Housing Agreement.



## IMPROVEMENTS

Improvements consist of 82 units in 10, two-story wood plantation-style townhomes (non-elevated). A freestanding building near Buildings and 4 houses the management office and community laundry facility building.



A survey map is included in Addendum 4.







There are a total of 82, one-, two- and three-bedroom units that range in size from about 715<sup>sq. ft.</sup> to 1,121<sup>sq. ft.</sup>. All units have a full kitchen, living room, and outdoor patio/lanai with outdoor storage closets.

One bedroom apartments have a full bathroom; two- and three-bedroom units have two full baths.

Living area	715 sf	985 sf*	1,121 sf**	
Lanai area	98 sf	96 sf	98 sf	
Building	1br/1ba	2br/2ba	3br/2ba	Total
1	2	4	2	
2	2	4	2	
3	2	4	2	
4	2	4	2	
5	2	4	2	
6	2	4	2	
7	2	4	2	
8	2	4	2	
9	2	4	2	
10	2	6	2	
Total	<u>20</u>	<u>42</u>	<u>20</u>	82
Total living area (sq.ft.)	14,300	41,370	22,420	78,090
*Rent roll shows 1,081 sf; however, valuation assumes 985 sf per floor plans.				
**Rent roll shows 1,175 sf; however, valuation assumes 1,121 sf per floor plans.				
Renovated unit (Buildings 1-5 and 10)				
No. of units	12	26	12	50
% of total	60%	62%	60%	61%



### 1-Bedroom Unit

RESIDENCE APPROX. 715SQ. FT.  
LANAI APPROX. 98SQ. FT.



### 2-Bedroom Unit

RESIDENCE APPROX. 985SQ. FT.  
LANAI APPROX. 96SQ. FT.



### 3-Bedroom Unit

RESIDENCE APPROX. 1121SQ. FT.  
LANAI APPROX. 98SQ. FT.





According to the owner, all units are individually metered for electricity and outfitted with split air-conditioning units, ceiling fans, and a stack washer/dryer, although the age and condition of the equipment varies.

About 50 units have been renovated (or are in the process of being renovated) with new paint and Lifeproof® vinyl plank flooring, upgraded windows and patio doors, new kitchen appliances, new bathroom fixtures and kitchen and bathroom countertops, subway tile backsplashes, and new floating wood shelves and cabinetry. Other details include interior transom windows, soffits and baseboard moldings, ceiling fans and recessed lighting.



Example of renovated kitchen



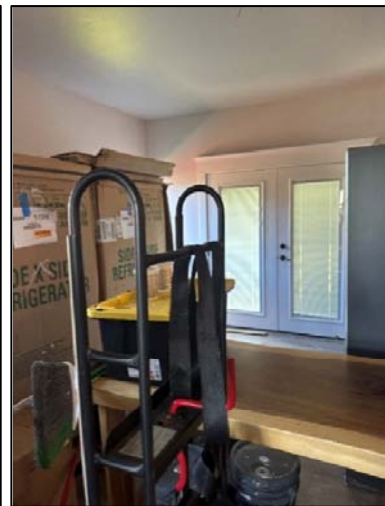
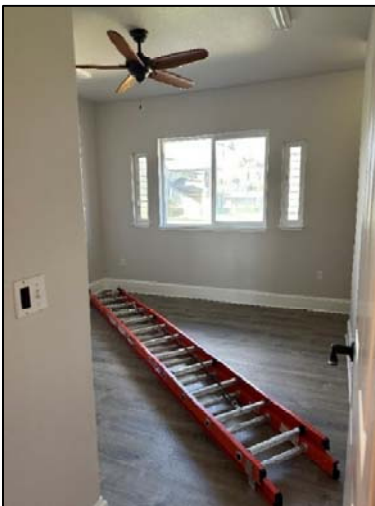
Kitchen in unrenovated unit



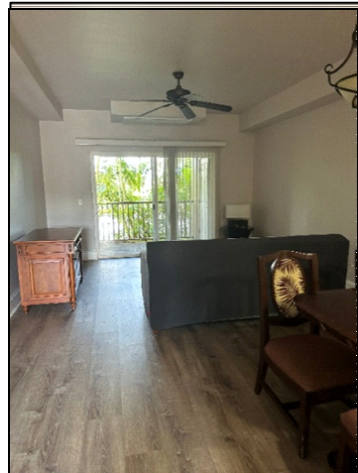
Newly renovated bath (tub not installed)



Unrenovated bath



Unit undergoing renovations



Unrenovated or partially renovated units



In unit stack laundry



Lanais



Lanai storage



The site is nicely landscaped with concrete walkways throughout. Other building and site improvements include an 853<sup>sq</sup> management office/community laundry room and three asphalt-concrete paved parking lots with 160 unreserved stalls (about 2 stalls per unit).



Community laundry



Management office



View from second floor stair landing.



There are no amenities other than the community laundry room and a BBQ area near the management office. However, two public beach access paths are located directly across the street on Papaloa Road.





## TAX ASSESSED VALUES

Real property in Hawaii is assessed at 100% of the fee simple market value using the cost and market approaches to value. Taxes are calculated based upon assessed values on October 1<sup>st</sup> of the prior year and current fiscal year tax rates.

For the 2024 tax assessment year, the Kauai County Real Property Tax Office estimates the market value of the land and improvements at \$32,883,800.

Year	Property Class	Total Market Value	Total Property Assessed Value	Total Property Exemption	Total Net Taxable Value
2024	NON-OWNER-OCCUPIED RESIDENTIAL	\$32,883,800	\$32,883,800	\$0	\$32,883,800
2023	RESIDENTIAL INVESTOR	\$28,091,900	\$28,091,900	\$0	\$28,091,900
2022	RESIDENTIAL INVESTOR	\$25,238,600	\$25,238,600	\$0	\$25,238,600
2021	RESIDENTIAL INVESTOR	\$23,077,100	\$23,077,100	\$0	\$23,077,100
2020	RESIDENTIAL INVESTOR	\$23,074,600	\$23,074,600	\$0	\$23,074,600
2019	RESIDENTIAL INVESTOR	\$23,300,200	\$23,300,200	\$11,650,100	\$11,650,100
2018	RESIDENTIAL INVESTOR	\$23,598,300	\$23,598,300	\$11,799,200	\$11,799,100
2017	RESIDENTIAL INVESTOR	\$20,391,100	\$20,391,100	\$10,195,600	\$10,195,500
2016	RESIDENTIAL INVESTOR	\$19,841,100	\$19,841,100	\$9,920,600	\$9,920,500
2015	RESIDENTIAL INVESTOR	\$19,164,400	\$19,164,400	\$9,582,200	\$9,582,200
2014	NON-OWNER-OCCUPIED RESIDENTIAL	\$19,164,400	\$19,164,400	\$9,582,200	\$9,582,200
2013	NON-OWNER-OCCUPIED RESIDENTIAL	\$100	\$100	\$0	\$100
2013	NON-OWNER-OCCUPIED RESIDENTIAL	\$19,164,400	\$19,164,400	\$9,582,200	\$9,582,200

The property is assessed as a Residential Investor property. The 2023 tax rate for the Residential Investor tax class was \$9.40 per \$1,000 of assessed value. The 2023 annual tax load was \$264,063.86.

The tax rate has been unchanged since 2020. Assuming the same tax rate, the total annual real property tax for 2024 would be about \$309,103.





## LAND USE CLASSIFICATIONS

Land classifications and ordinances that impact the use and development of the property are summarized as follows:

### State Land Use Classification

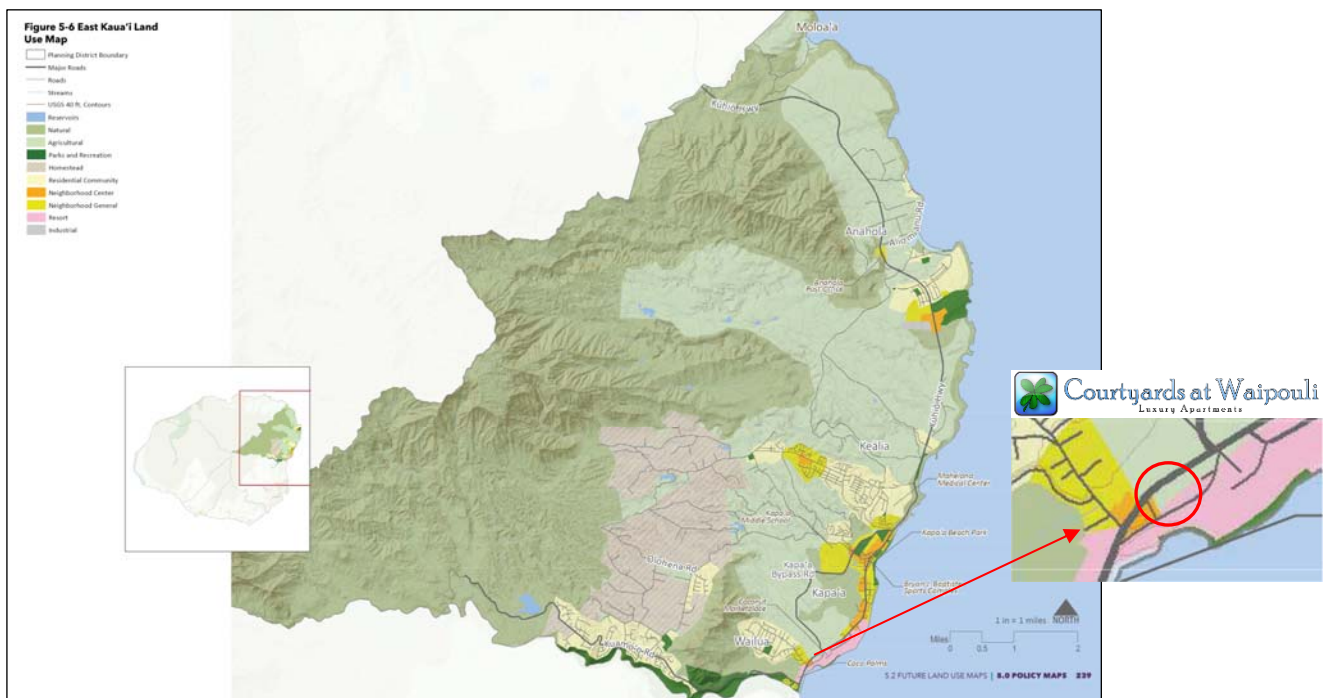
The State Land Use classifications under Chapter 205, Hawaii Revised Statutes, establish the basic planning and use parameters for all lands in the State of Hawaii. The four basic land use districts are: Urban, Rural, Agricultural and Conservation. Conservation classified lands are administered by the State Board of Land and Natural Resources. The primary use and development of the lands in the other districts are controlled by County regulations.

The Courtyards at Waipouli site and surrounding lands are in the Urban State Land Use district.

### County General Plan

The General Plan for the County of Kauai is intended to provide guidance for land use regulations, the location and character of new development and facilities, and planning for County facilities and services. The General Plan was adopted in 1971 and updated in 2018.

The General Plan land use map shows the property is designated both Agricultural and Resort.

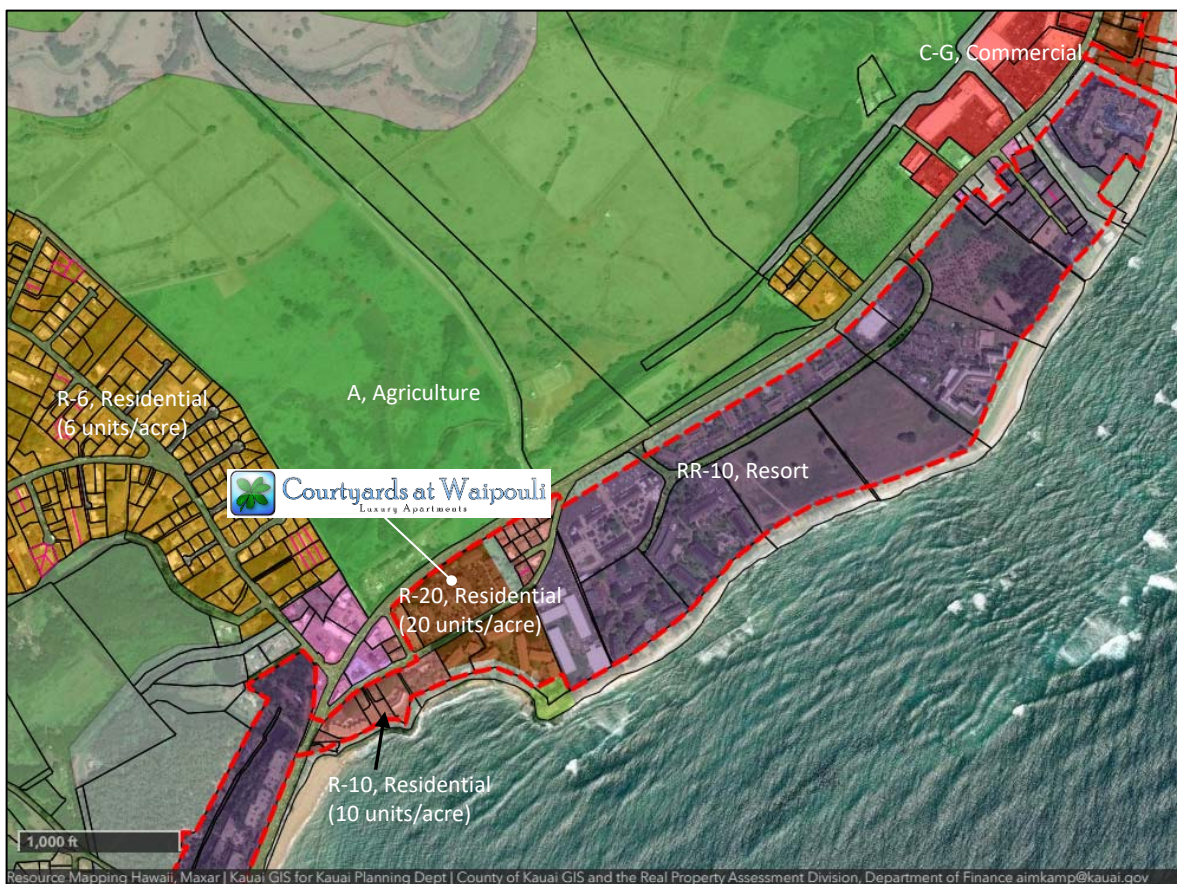




## County Zoning Ordinance

The Kauai County Comprehensive Zoning Ordinance (CZO) provides the regulations and standards for land development and the construction of buildings and other structures in the County of Kauai. The regulations and standards are intended to regulate development to ensure its compatibility with the overall character of the island.

The Courtyards at Waipouli site is in the Visitor Destination Area (VDA) and zoned R-20, Residential District with a maximum density of 20 units per acre.



Principal permitted uses in the R-20 district include single-family detached dwellings and accessory structures, such as one guest house per 9,000<sup>sq</sup>ft lot or parcel, and multiple family dwellings (including rental apartments and for-sale condominiums). Multi-family buildings in the Residential district shall not be more than 10 feet higher than any residential building located within 30 feet of the building, and no more than four stories (40 feet) from finished grade.



Hotels are not permitted. However, the property is in the Visitor Destination Area (VDA). The VDA permits timeshare and transient vacation units. Other VDA districts on Kauai include portions of Lihue, Poipu, and Princeville.

According to Mr. Kaaina Hull, Planning Director for the County of Kauai, ministerial approval only would be required to register the first 50 units for transient vacation rental use. Beyond 50 units, however, a Class IV Zoning Permit and Planning Commission review (with public hearing) would be required. Furthermore, full conversion of all of the residential units into vacation rental units could trigger the County's Housing Ordinance that would require an in-lieu fee or 30% affordable housing. Final determination of the applicability of the Housing Ordinance would be made by the Housing Director.

A limited number of non-residential uses such as retail shops and stores, day care centers, and churches or community centers, may be allowed with a Use Permit.

### **Housing Ordinance**

Development of 10 or more residential dwelling units or time share units would be subject to the County's Housing Ordinance that requires a 30% workforce housing requirement that may be satisfied by fee-simple sale of workforce housing units at prices affordable to households earning from 80% to 140% of Kauai's median household income. [1]

Subject to Housing Agency approval, the requirement may be satisfied in whole or in part by an in-lieu which, as of the 2020 Ordinance date, ranged from \$12,000 for units in the 140% AMI category to \$176,000 for units targeting 80% AMI households. [2]

Alternatively, the County may accept a dedication of land in-lieu. Subject to Housing Agency approval, rental units may also be substituted in place of for sale units, provided the units are restricted to rents consistent with workforce housing guidelines and remain affordable for a minimum period of forty (40) years.

---

[1] For residential developments consisting of 26 or more units, the workforce housing requirement is as follows: 20% of units priced to be affordable to householdings earning from 80% of Kauai's Median household income, 30% to 100% AMI (area median income), 30% to 120% AMI, and 20% to 140% AMI.

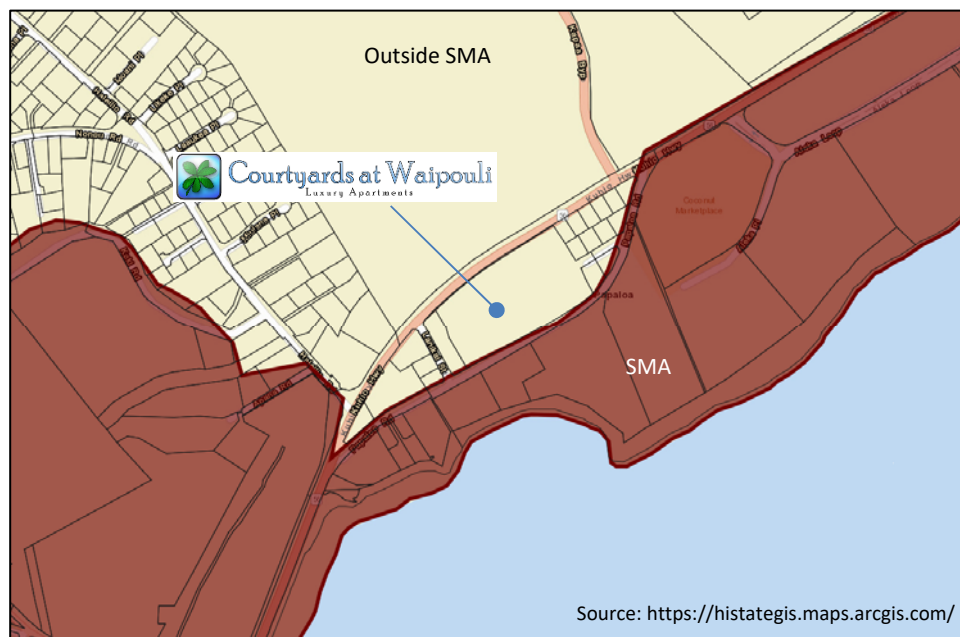
[2] The in-lieu fees are subject to annual adjustment based on the CPI index for Honolulu for all urban consumers.



### Special Management Area

The Special Management Area (SMA) on Kauai encompasses lands along or near the shoreline that are subject to additional permit requirements for renovation or construction. The SMA permit is discretionary. Major permits (i.e., for projects with a construction value of more than \$500,000) may require the preparation of an Environmental Assessment or Environmental Impact Statement. Public hearings are required.

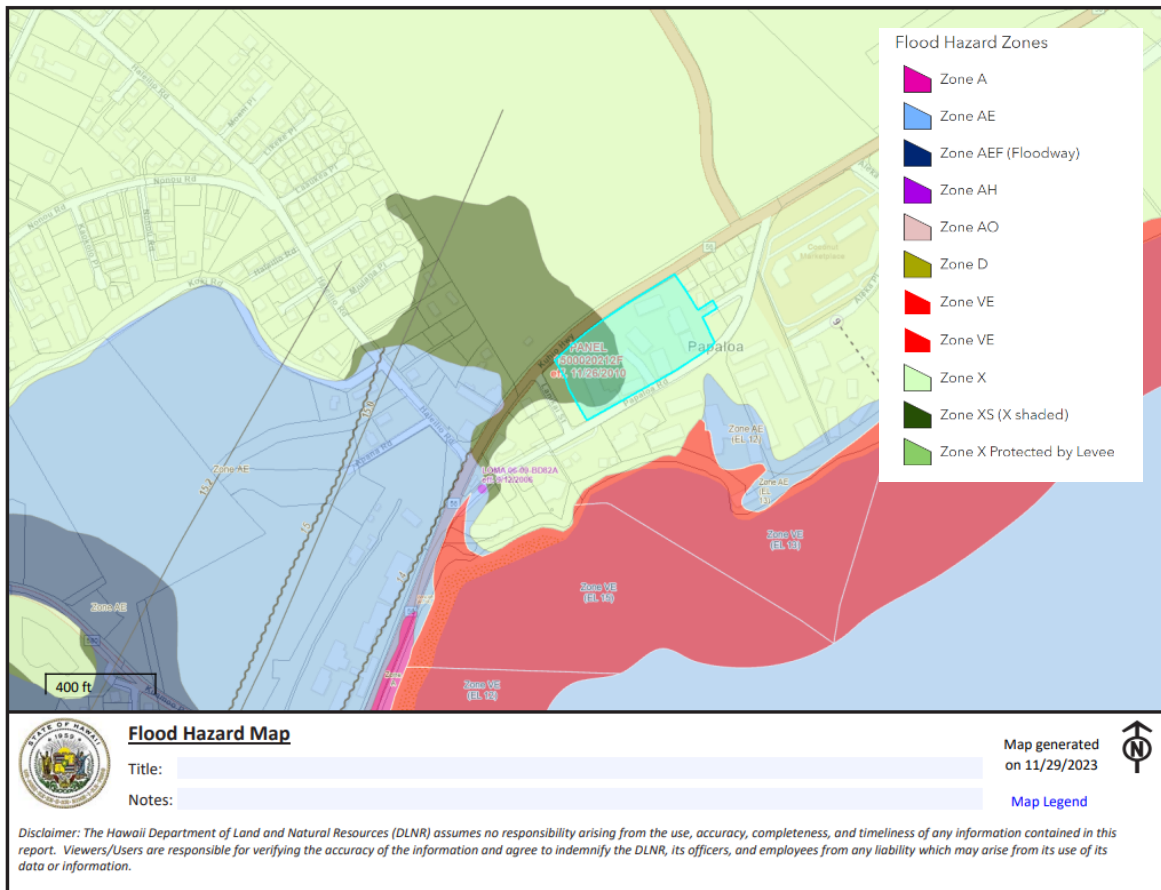
The Courtyards at Waipouli is not in the SMA, as shown on the following map:





### Flood Hazard Districts

Flood Hazard Districts with special development restrictions were established to protect life and property and reduce public costs for flood control and rescue relief efforts. According to FEMA Firm Panel 1500020212F (November 26, 2010), the Ninini Point site is within Zone X (unshaded) and XS (X shaded). These areas are “outside the 0.2% annual chance floodplain.” Flood insurance is not required.



### Other Hazard Zones

The site is not in an earthquake, lava hazard, or tsunami evacuation zone.



## CURRENT RENTAL OPERATIONS

The project is currently rented as long-term rentals; about 93% of the units are occupied. Monthly rents are being increased to market rent levels and currently range from \$2,050 to \$2,250 for the 20 one-bedroom apartments, \$2,350 to \$2,550 for the 42 two-bedroom apartments, and \$2,550 to \$2,750 for the three-bedroom apartments. Tenants pay General Excise Tax (GET) in addition. Several tenants rent furniture for an additional \$200 per month and/or pay an additional \$100 pet fee per month. Recent lease renewals have been for six month terms.

The trailing, 12-month net operating income (NOI) for the most recent calendar year ending December 31, 2022 was about \$1.3 million, as follows:

### Historical Income and Expenses for Courtyards at Waipouli: 2012-YTD October 2023

			Year to Date 10/31/2023		% of EGI		
	2021	2022	10 months	Annualized	2021	2022	Year to Date 10/31/2023
<b>Income</b>							
Rental Income	\$1,929,312.05	\$2,347,121.34	\$1,992,714.47	\$2,391,257.36	96.7%	97.9%	98.3%
Other income (laundry, pet fees, late charges, etc.)	66,630.78	51,322.51	34,786.18	41,743.42	3.3%	2.1%	1.7%
Effective gross income	<u>1,995,942.83</u>	<u>2,398,443.85</u>	<u>2,027,500.65</u>	<u>2,433,000.78</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
<b>Expenses</b>							
Renting expenses	12,805.98	993.67	8,765.01	10,518.01	0.6%	0.0%	0.4%
Management fees, including rent free unit	151,051.09	178,686.48	139,003.94	166,804.73	7.6%	7.5%	6.9%
Office services and expenses	105,777.26	100,236.79	103,985.76	124,782.91	5.3%	4.2%	5.1%
Legal and accounting services	60,342.11	44,848.09	30,039.86	36,047.83	3.0%	1.9%	1.5%
Model rent expense	-	-	-	-	0.0%	0.0%	0.0%
Bad debts/bank service charges	598.72	8,135.33	36,287.50	36,449.52	0.0%	0.3%	1.8%
Total administrative expenses	<u>317,769.18</u>	<u>331,906.69</u>	<u>309,317.06</u>	<u>364,084.99</u>	<u>15.9%</u>	<u>13.8%</u>	<u>15.3%</u>
Utilities	104,441.13	87,137.81	61,783.70	74,140.44	5.2%	3.6%	3.0%
Janitorial	11,928.68	2,616.57	476.35	571.62	0.6%	0.1%	0.0%
Pest control	6,301.37	7,106.10	5,085.73	6,102.88	0.3%	0.3%	0.3%
Trash/garbage removal	42,317.51	43,769.24	33,846.80	40,616.16	2.1%	1.8%	1.7%
Security services	1,120.94	867.54	-	-	0.1%	0.0%	0.0%
Grounds maintenance	120,879.20	105,403.87	94,185.19	113,022.23	6.1%	4.4%	4.6%
Repairs	134,439.53	91,776.02	207,261.44	215,661.25	6.7%	3.8%	10.2%
Other	4,290.94	5,465.32	7,584.73	9,101.68	0.2%	0.2%	0.4%
Total operating & maintenance expenses	<u>321,278.17</u>	<u>257,004.66</u>	<u>348,440.24</u>	<u>385,075.81</u>	<u>16.1%</u>	<u>10.7%</u>	<u>17.2%</u>
Real property taxes	224,423.53	234,606.10	190,368.29	228,441.95	11.2%	9.8%	9.4%
General excise tax	75,977.17	91,208.97	68,838.56	82,606.27	3.8%	3.8%	3.4%
Property insurance	71,571.12	76,819.92	61,298.94	73,558.73	3.6%	3.2%	3.0%
Other taxes and insurance	942.00	888.52	624.76	749.71	0.0%	0.0%	0.0%
Total taxes & insurance	<u>372,913.82</u>	<u>403,523.51</u>	<u>321,130.55</u>	<u>385,356.66</u>	<u>18.7%</u>	<u>16.8%</u>	<u>15.8%</u>
Total expenses	<u>1,129,208.28</u>	<u>1,080,566.34</u>	<u>1,049,436.56</u>	<u>1,219,175.91</u>	<u>56.6%</u>	<u>45.1%</u>	<u>51.8%</u>
Total net income	<u>\$866,734.55</u>	<u>\$1,317,877.51</u>	<u>\$978,064.09</u>	<u>\$1,213,824.87</u>	<u>43.4%</u>	<u>54.9%</u>	<u>48.2%</u>



## HIGHEST AND BEST USE

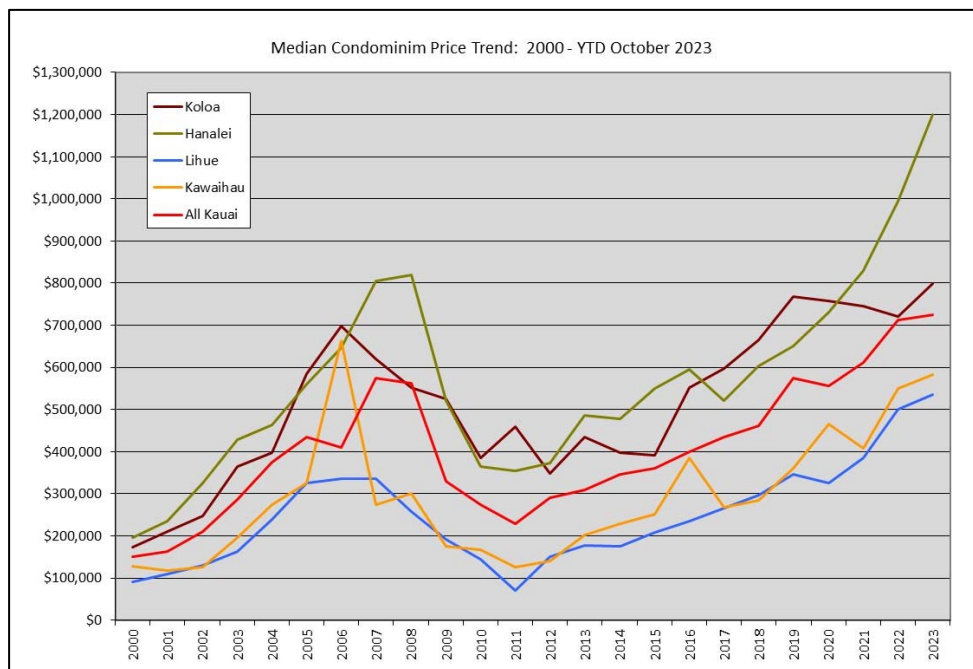
Highest and best use is defined as:

The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. [1]

The determination of the highest and best use of a property is key to the appraisal of the property. The highest and best use of the property determines the selection of comparable properties which are key factors in the various approaches to value.

### Highest and Best Use if Vacant

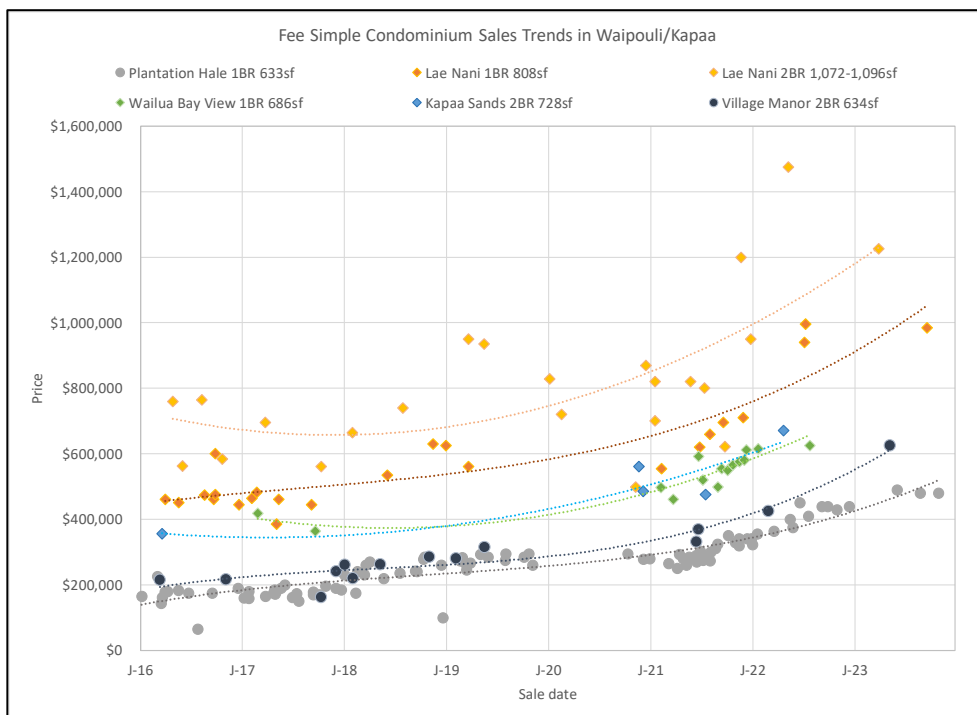
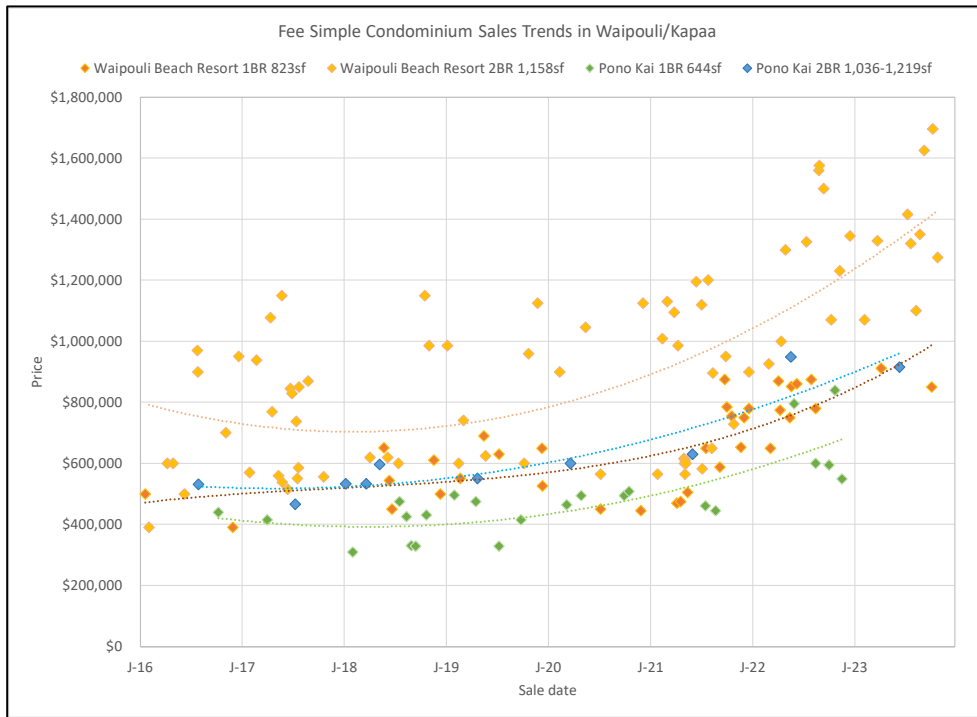
Current real estate market conditions on Kauai are strong. As of October 2023, the median year-to-date (YTD) condominium price on Kauai was \$725,000, well above the prior price peak in 2007-2008. In Kawaihau, which includes Waipouli/Kapaa, the median YTD price was \$582,000.



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



Condominium sales in other projects in the Waipouli / Kapaa neighborhoods show a similar upward trend, especially in the last two to three years:







Although high interest rates and prices caused a slowdown in sales activity statewide, brokers interviewed for this assignment report continued demand exists for condominiums on Kauai, particularly in the VDA, while the supply of properties remains extremely constrained. Demand in the VDA is supplemented by investors for short-term rental properties. While one- and two-bedroom condominiums are most prevalent in the Kapaa/Waipouli VDA, investors generally prefer three- and four-bedroom condominiums, which are in even shorter supply.

If vacant, the highest and best use of the Courtyards at Waipouli site would be for development of a multi-family residential development that maximizes the allowable density of 20 units per acre. Because the property is in the VDA, individual units could also be marketed and used for transient vacation rental purposes. Any new development, however, would be subject to the Kauai County Housing Ordinance. Depending on the number of units developed, a Class IV zoning permit with public hearing would also, likely, be required.

Because of the recent high interest rates, construction costs, and workforce housing exactions, there has been relatively little new market-rate development on Kauai or other neighbor islands including Maui. During the last two years, in particular, new development projects have largely included new affordable rental apartments or conversions that have utilized favorable loans, subsidies, and other financial benefits designed to encourage development of affordable housing. These benefits are available through traditional federal, state and non-profits sources that include:

- Federal Low Income Housing Tax Credits (LIHTC)
- Rental Housing Revolving Fund (HHFDC)
- Hula Mae Multi-Family Program tax-exempt revenue bonds
- State of Hawaii matching Low Income Housing Tax Credits (LIHTC).

With these benefits, a new affordable rental development could also be a financially feasible use of the property.

### **Highest and Best Use as Improved**

The property was built for affordable rental housing in satisfaction of the Kauai Lagoons housing requirement. However, the agreement extended only 10 years, and the units were designed to be suited for market-rate rentals and condominium conversion at the end of the restriction period.

Strong demand would exist for the units if converted for fee simple condominium sales. Such use would be compatible with other condominium projects nearby with individual vacation rentals, many professionally managed in rental pools.

As the historical financial statements indicate, continuation of the current rental apartment use would also be financially feasible. However, the income yield from a rental operation would not be sufficient to justify that use over condominium conversion. Thus, the highest and best use of the 82-unit Courtyards at Waipouli project is for condominium conversion and sales to individual homeowners or investors.



At least 50 of these units could be marketed to investors for transient vacation rentals. While it is uncertain whether units beyond this number could also be used for short-term rental, we believe sufficient owner-user (homeowner) demand would exist for the remaining 32 units even if transient vacation rentals were prohibited for these units.

## **VALUATION METHODS**

The market value of the Courtyards at Waipouli assumes the project is sold to an investor that would submit the property to the Condominium Property Regime and ready the units for individual sale.

The sales comparison approach is used to estimate the market value “as is” of the 82 apartments assuming individual sale. The income capitalization approach using discounted cash flow analysis is used to estimate the market value of the project based on the present value of the projected cash flows to the investor assuming an appropriate time to market and sell the individual units.

The cost approach is typically not used to evaluate residential condominiums, individually and in bulk, particularly when comparable sales are available for direct comparison. Therefore, the cost approach was not used.

## **ESTIMATED RETAIL VALUES OF THE 82 APARTMENTS ASSUMING CONDOMINIUM CONVERSION**

The retail values of the 82 units in the Courtyards at Waipouli are estimated by comparison to a benchmark one-, two-, and three-bedroom unit.

The retail values of the benchmark units are estimated by sales comparison to residential condominiums in comparable projects. Adjustments reflect variations between the comparables and the benchmark unit in terms of market conditions, financing terms and motivations of buyers and sellers, location, physical characteristics and other significant factors.

At least half of the units have been renovated, or are in the process of being renovated. We viewed only a sampling of units. For purposes of the benchmark valuation, we have assumed a unit that is in-between the range of conditions observed i.e., unrenovated, but with no significant deferred maintenance and appliances, AC, fixtures, etc. in good condition and working order.

The comparable properties, adjustments, and sales comparison analyses are presented on the following pages.



### Comparable Condominium Sales





Comparables Used to Estimated Retail Value of the Benchmark One-Bedroom Apartment

	Courtyards at Waipouli	Lae Nani Unit 111	Pono Kai Unit H108	Pono Kai Unit H105	Lae Nani Unit 338	Lae Nani Unit 523	Plantation Hale Unit D3
Project	Courtyards at Waipouli	Lae Nani 111	Pono Kai H108	Pono Kai H105	Lae Nani 338	Lae Nani 523	Plantation Hale D3
Apartment	Typical 1-bedroom						
Street address	401 Papaloa Road	410 Papaloa Road	4-1250 Kuhio Highway	4-1250 Kuhio Highway	410 Papaloa Road	410 Papaloa Road	525 Aleka Loop
Tax map key	4-4-3-1-14	4-4-3-2-10-1	4-4-5-7-2-181	4-4-5-7-2-178	4-4-3-2-10-47	4-4-3-2-10-74	4-4-3-2-17-51
Project description							
Building type / stories	Low-Rise / 2 stories	Low-Rise / 3 stories	Low-Rise / 3 stories	Low-Rise / 3 stories	Low-Rise / 3 stories	Low-Rise / 3 stories	Low Rise / 2 stories
Total residential units (excl. mgr.)	82	79	19	19	79	79	160
Year built	2009	1978 / 1989	1978 / 1989	1978 / 1989	1978 / 1989	1978 / 1989	1972
Zoning	R-20 - Multi-Family Res.	R-20	RR-20	RR-20	R-20	R-20	RR-20
Visitor Destination Area	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Unit description							
Floor	1 or 2	1	1	1	3	2	1
Apartment position	Corner or Interior	Corner	Corner	Interior	Corner	Interior	Interior
Views	Garden	Ocean	Garden	Garden	Ocean	Ocean / Mountain	Garden
Number of bedrooms and baths	1/1	1/1.5	1/1	1/1	1/1.5	1/1.5	1/1
Unit size (square feet)							
- living area	715	808	644	644	808	808	633
- lanai area	98	150	96	96	150	150	143
- gross area	813	958	740	740	958	958	776
Air-conditioning	Split AC	Split AC	Split AC	Split AC	No	No	Split AC
Renovated	Partial	Kitchen	No	No	Flooring, Counters	Paint, Kitchen	Kitchen
Furnishings	Partial	Furnished	Furnished	Furnished	Furnished	Furnished	Furnished
Parking stalls	Unassigned	Unassigned	Unassigned	Unassigned	Unassigned	Unassigned	Unassigned
Maintenance fees							
Monthly	---	\$1,359.87	\$832.18	\$832.18	\$1,262.31	\$1,262.91	\$1,200.00
Per sq. ft. living	---	\$1.68	\$1.29	\$1.29	\$1.56	\$1.56	\$1.90
Transaction							
Contract date	---	9/16/2023	9/29/2022	8/10/2022	7/3/2022	6/23/2022	10/27/2023
Recordation date	---	9/21/2023	10/7/2022	8/18/2022	7/12/2022	7/8/2022	11/1/2023
Instrument	---	Warranty Apartment Deed	Apartment Deed	Apartment Deed	Exchange Warranty Apartment Deed	Apartment Deed	Warranty Apartment Deed
Financing	---	Cash	Conventional	Cash	Cash	Conventional	Conventional
Days on market	---	4	2	1	10	5	38
Sales price	---	\$985,000	\$595,000	\$599,000	\$996,000	\$940,000	\$480,000
Price/sf (net living area)	---	\$1,219	\$924	\$930	\$1,233	\$1,163	\$758



Adjustments to Comparable Sales and Estimated Retail Value for the One-Bedroom Benchmark

Project name	Lae Nani	Pono Kai	Pono Kai	Lae Nani	Lae Nani	Plantation Hale
Apartment number/type	111	H108	H105	338	523	Unit D3
Unadjusted sales price	\$985,000	\$595,000	\$599,000	\$996,000	\$940,000	\$480,000
Property rights adjustment	0%	0%	0%	0%	0%	0%
Assume fee simple	Same	Same	Same	Same	Same	Same
Property rights adjusted price	985,000	595,000	599,000	996,000	940,000	480,000
Conditions of sale	0%	0%	0%	0%	0%	0%
Assume typical motivations and cash equivalency	Same	Same	Same	Same	Same	Same
Conditions of sale adjusted price	985,000	595,000	599,000	996,000	940,000	480,000
Market conditions (time) adjustment	0%	0%	0%	0%	0%	0%
11/17/2023 Date of valuation	9/21/2023	10/7/2022	8/18/2022	7/12/2022	7/8/2022	11/1/2023
Market conditions adjusted price	985,000	595,000	599,000	996,000	940,000	480,000
Location & view	-35%	-20%	-20%	-35%	-35%	5%
ASF ocean	Oceanfront, ocean view	Oceanfront, garden view	Oceanfront, garden view	Oceanfront, ocean view	Oceanfront, ocean view	ASF ocean, inferior access
Living area	-6%	6%	6%	-6%	-6%	6%
715	808	644	644	808	808	633
Lanai	-1%	0%	0%	-1%	-1%	-1%
98	150	96	96	150	150	143
Unit type (beds/baths)	-2.5%	0%	0%	-2.5%	-2.5%	0%
1/1	1/1.5	1/1	1/1	1/1.5	1/1.5	1/1
Unit position	0%	0%	0%	0%	0%	0%
Interior	Corner	Corner	Interior	Corner	Interior	Interior
Apartment finish and quality	-5%	0%	0%	-5%	-5%	0%
Good	Superior	Similar	Similar	Superior	Superior	Similar
Building age, condition and amenities	10%	15%	15%	10%	10%	20%
Built 2009, no pool	Built 1978	Built 1978	Built 1978	Built 1978	Built 1978	Built 1972
Parking	0%	0%	0%	0%	0%	0%
Unassigned	Unassigned	Unassigned	Unassigned	Unassigned	Unassigned	Unassigned
Furnishings/other	-1%	0%	0%	0%	1%	0%
Split AC	Fully furnished, Split AC	Fully furnished, Split AC	Fully furnished, Split AC	Fully furnished, No AC	Fully furnished, No AC	Fully furnished, Split AC
Net adjustments	-41%	1%	1%	-40%	-39%	30%
Adjusted price	\$586,000	\$601,000	\$605,000	\$603,000	\$578,000	\$624,000
Reliability weighting	10%	25%	25%	10%	10%	20%
Range	\$578,000	\$624,000				
Median	602,000					
Average	599,500					
Weighted average	603,000					
Point estimate	600,000	839				



Comparables Used to Estimated Retail Value of the Benchmark Two-Bedroom Apartment

	Courtyards at Waipouli	Waipouli Beach Resort Unit E103	Waipouli Beach Resort Unit F102	Lae Nani Unit 335	Kauai Kailani Unit 118
Project	Courtyards at Waipouli	Waipouli Beach Resort E103	Waipouli Beach Resort F102	Lae Nani 335	Kauai Kailani 118
Apartment	Typical 2-bedroom				
Street address	401 Papaloa Road	4-820 Kuhio Highway	4-820 Kuhio Highway	410 Papaloa Road	4-856 Kuhio Highway
Tax map key	4-4-3-1-14	4-4-3-8-1-108	4-4-3-8-1-128	4-4-3-2-10-44	4-4-3-9-41-15
Project description					
Building type / stories	Low-Rise / 2 stories	Low Rise / 4 stories	Low Rise / 4 stories	Low-Rise / 3 stories	Mid-Rise / 5 stories
Total residential units (excl. mgr.)	82	151 / 42	151 / 42	79	57
Year built	2009	2005 / 2007	2005 / 2007	1978 / 1989	1972 / 1993
Zoning	R-20 - Multi-Family Res.	RR-20	RR-20	R-20	RR-20
Visitor Destination Area	Yes	Yes	Yes	Yes	Yes
Unit description					
Floor	1 or 2	1	1	3	1
Apartment position	Corner or Interior	Interior	Corner	Interior	Interior
Views	Garden	Mountain / Garden	Garden	Ocean	Garden
Number of bedrooms and baths	2/2	2/3	2/3	2/2	2/1
Unit size (square feet)					
- living area	985	1,158	1,158	1,096	590
- lanai area	96	154	154	222	153
- gross area	1,081	1,312	1,312	1,318	743
Air-conditioning	Split AC	Central AC	Central AC	No	Split AC
Renovated	Partial	No	No	Kitchen	N/A
Furnishings	Partial	Furnished	Furnished	Furnished	Furnished
Parking stalls	Unassigned	Unassigned	Unassigned	Unassigned	Unassigned
Maintenance fees					
Monthly	---	\$1,670.05	\$1,670.05	\$1,742.08	\$1,022.90
Per sq. ft. living	---	\$1.44	\$1.44	\$1.59	\$1.73
Transaction					
Contract date	---	10/25/2023	7/7/2023	3/16/2023	3/25/2023
Recordation date	---	10/31/2023	7/27/2023	3/31/2023	4/6/2023
Instrument	---	Apartment Deed	Apartment Deed	Apartment Deed	Warranty Apartment Deed
Financing	---	Conventional	1031	Cash	Cash
Days on market	---	3	30	129	56
Sales price	---	\$1,275,000	\$1,320,000	\$1,225,000	\$575,000
Price/sf (net living area)	---	\$1,101	\$1,140	\$1,118	\$975



Adjustments to Comparable Sales and Estimated Retail Value for the Two-Bedroom Benchmark

Project name	Waipouli Beach Resort	Waipouli Beach Resort	Lae Nani	Kauai Kailani
Apartment number/type	E103	F102	335	118
Unadjusted sales price	\$1,275,000	\$1,320,000	\$1,225,000	\$575,000
Property rights adjustment	0%	0%	0%	0%
Assume fee simple	Same	Same	Same	Same
Property rights adjusted price	1,275,000	1,320,000	1,225,000	575,000
Conditions of sale	0%	0%	0%	0%
Assume typical motivations and cash equivalency	Same	Same	Same	Same
Conditions of sale adjusted price	1,275,000	1,320,000	1,225,000	575,000
Market conditions (time) adjustment	0%	0%	0.0%	0.0%
11/17/2023 Date of valuation	10/31/2023	7/27/2023	3/31/2023	4/6/2023
Market conditions adjusted price	1,275,000	1,320,000	1,225,000	575,000
Location & view	-20%	-20%	-35%	-20%
ASF ocean	Oceanfront, garden view	Oceanfront, garden view	Oceanfront, ocean view	Oceanfront, garden view
Living area	-7%	-7%	-5%	33%
985	1,158	1,158	1,096	590
Lanai	0%	0%	-2%	-1%
96	154	154	222	153
Unit type (beds/baths)	-5%	-5%	0%	5%
2/2	2/3	2/3	2/2	2/1
Unit position	0%	0%	0%	0%
Interior	Interior	Corner	Interior	Interior
Apartment finish and quality	-10%	-10%	-5%	0%
Good	Superior	Superior	Superior	Similar
Building age, condition and amenities	0%	0%	10%	15%
Built 2009	Built 2005	Built 2005	Built 1978	Built 1972
Parking	0%	0%	0%	0%
Unassigned	Unassigned	Unassigned	Unassigned	Unassigned
Furnishings/other	-1%	-1%	1%	0%
Split AC	Fully furnished, Central	Fully furnished, Central	Fully furnished, No AC	Fully furnished, split AC
Net adjustments	-43%	-43%	-36%	32%
Adjusted price	\$727,000	\$752,000	\$784,000	\$759,000
Reliability weighting	25%	25%	25%	25%
Range	\$727,000	\$784,000		
Median	755,500			
Average	755,500			
Weighted average	756,000			
<b>Point estimate</b>	<b>750,000</b>	761		



Comparables Used to Estimated Retail Value of the Benchmark Three-Bedroom Apartment

	Courtyards at Waipouli	Waipouli Beach Resort Unit E103	Waipouli Beach Resort Unit F102	Lae Nani Unit 335	Kauai Kailani Unit 310
Project	Courtyards at Waipouli	Waipouli Beach Resort	Waipouli Beach Resort	Lae Nani	Kauai Kailani
Apartment	Typical 3-bedroom	E103	F102	335	310
Street address	401 Papaloa Road	4-820 Kuhio Highway	4-820 Kuhio Highway	410 Papaloa Road	4-8560 Kuhio Highway
Tax map key	4-4-3-001-014	4-4-3-8-1-108	4-4-3-8-1-128	4-4-3-2-10-44	4-4-3-9-41-47
Project description					
Building type / stories	Low-Rise / 2 stories	Low Rise / 4 stories	Low Rise / 4 stories	Low-Rise / 3 stories	Mid-Rise / 5 stories
Total residential units (excl. mgr.)	82	151 / 42	151 / 42	79	57
Year built	2009	2005 / 2007	2005 / 2007	1978 / 1989	1972 / 1993
Zoning	R-20 - Multi-Family Res.	RR-20	RR-20	R-20	RR-20
Visitor Destination Area	Yes	Yes	Yes	Yes	Yes
Unit description					
Floor	1 or 2	1	1	3	2
Apartment position	Corner or Interior	Interior	Corner	Interior	Interior
Views	Garden	Mountain / Garden	Garden	Ocean	Ocean
Number of bedrooms and baths	3/2	2/3	2/3	2/2	3/2.5
Unit size (square feet)					
- living area	1,121	1,158	1,158	1,096	929
- lanai area	98	154	154	222	131
- gross area	1,219	1,312	1,312	1,318	1,060
Air-conditioning	Split AC	Central AC	Central AC	No	Split AC
Renovated	Partial	No	No	Kitchen	Remodeled
Furnishings	Partial	Furnished	Furnished	Furnished	Furnished
Parking stalls	Unassigned	Unassigned	Unassigned	Unassigned	Unassigned
Maintenance fees					
Monthly	---	\$1,670.05	\$1,670.05	\$1,742.08	\$1,403.92
Per sq. ft. living	---	\$1.44	\$1.44	\$1.59	\$1.51
Transaction					
Contract date	---	10/25/2023	7/7/2023	3/16/2023	12/17/2021
Recordation date	---	10/31/2023	7/27/2023	3/31/2023	12/23/2021
Instrument	---	Apartment Deed	Apartment Deed	Apartment Deed	Apartment Deed
Financing	---	Conventional	1031	Cash	Conventional
Days on market	---	3	30	129	12
Sales price	---	\$1,275,000	\$1,320,000	\$1,225,000	\$650,000
Price/sf (net living area)	---	\$1,101	\$1,140	\$1,118	\$700





Adjustments to Comparable Sales and Estimated Retail Value for the Three-Bedroom Benchmark

Project name	Waipouli Beach Resort	Waipouli Beach Resort	Lae Nani	Kauai Kailani
Apartment number/type	E103	F102	335	310
Unadjusted sales price	\$1,275,000	\$1,320,000	\$1,225,000	\$650,000
Property rights adjustment	0%	0%	0%	0%
Assume fee simple	Same	Same	Same	Same
Property rights adjusted price	1,275,000	1,320,000	1,225,000	650,000
Conditions of sale	0%	0%	0%	0%
Assume typical motivations and cash equivalency	Same	Same	Same	Same
Conditions of sale adjusted price	1,275,000	1,320,000	1,225,000	650,000
Market conditions (time) adjustment	0%	0%	0.0%	30.0%
11/17/2023 Date of valuation	10/31/2023	7/27/2023	3/31/2023	12/23/2021
Market conditions adjusted price	1,275,000	1,320,000	1,225,000	845,000
Location & view	-20%	-20%	-35%	-20%
ASF ocean	Oceanfront, garden view	Oceanfront, garden view	Oceanfront, ocean view	Oceanfront, garden view
Living area	-2%	-2%	-1%	10%
1,121	1,158	1,158	1,096	929
Lanai	0%	0%	-2%	-1%
98	154	154	222	131
Unit type (beds/baths)	-5%	-5%	0%	-2.5%
3/2	2/3	2/3	2/2	3/2.5
Unit position	0%	0%	0%	0%
Interior	Interior	Corner	Interior	Interior
Apartment finish and quality	-10%	-10%	-5%	0%
Average	Superior	Superior	Superior	Similar
Building age, condition and amenities	5%	5%	15%	20%
Built 2009	Built 2005	Built 2005	Built 1978	Built 1972
Parking	0%	0%	0%	0%
Unassigned	Unassigned	Unassigned	Unassigned	Unassigned
Furnishings/other	-1%	-1%	1%	0%
Split AC	Fully furnished, Central	Fully furnished, Central	Fully furnished, No AC	Fully furnished, Split
Net adjustments	-33%	-33%	-27%	7%
Adjusted price	\$854,000	\$884,000	\$894,000	\$900,000
Reliability weighting	25%	25%	25%	25%
Range	\$854,000	\$894,000		
Median	889,000			
Average	883,000			
Weighted average	883,000			
<b>Point estimate</b>	<b>880,000</b>	785		



**Estimated Retail Values for the Remaining Units**

The benchmark values assumed a condition average for the project, in between the unrenovated and renovated units that were observed.

The remaining units are similar in size and layout to the benchmarks. Any price differences that could be due to location, privacy/views, interior vs. corner, and floor height (1<sup>st</sup> or 2<sup>nd</sup> floor) are judged nominal overall. Therefore, the estimated benchmark values are applied to the remaining units, as follows:

	<u>Benchmark value</u>	<u>No. of units</u>	<u>Aggregate of retail values</u>
One-bedroom	\$600,000	20	\$12,000,000
Two-bedroom	750,000	42	31,500,000
Three-bedroom	880,000	20	<u>17,600,000</u>
Potential gross sales proceeds			<u><u>\$61,100,000</u></u>

**VALUE INDICATOR BY DISCOUNTED CASH FLOW ANALYSIS**

The discounted cash flow analysis estimates the sale value based on the projected net profit from the sale of the 82 units over the projected marketing and sales period. The analysis assumes that a single investor would purchase the inventory at the completion of construction with the intent of marketing and selling the individual units.

The projected net sales revenue is discounted into a present value estimate using rates reflecting the associated risk and opportunities related to ownership of the property. The total of the periodic discounted cash flows represents an estimate of the value to a single investor.

The value indicator by the discounted cash flow analysis is presented under the following subheadings.

**Projected Absorption**

The analysis assumes the individual units would be marketed and sold over time. The projected presales and absorption considered sales absorption rates for other condominium projects on Kauai, including the Nihilani at Princeville and Pili Mai at Poipu, summarized as follows:



Sales Absorption for Other Condominium Projects on Kauai

Year	Nihilani at Princeville Resort		Pili Mai at Poipu	
	Units	% sold	Units	% sold
2006	63	62%		
2007	14	14%		
2008	6	6%		
2009	6	6%		
2010	8	8%		
2011	2	2%		
2012	0	0%		
2013	0	0%		
2014	2	2%		
2015	1	1%	5	3%
2016			24	13%
2017			41	22%
2018			45	24%
2019			50	26%
2020			25	13%
2021				
2022				
Total	102	100%	190	100%
Average per year	10		32	
Average, 1st 3 years	28		34	
% sold 1st 3 years	81%		53%	

The Nihilani at Princeville is in the Princeville VDA. The plantation-style townhomes were originally marketed and sold during the last market run-up that culminated in about three-fourths of the 102 units being sold within two years, from 2006 to 2007. The newer Pili Mai at Poipu condominium in Kiahuna was absorbed at a slightly slower sales pace between 2016 and 2020.

The 82 units in the Courtyards at Waipouli would be appealing to investors because of its more affordable price point (relative to e.g., Princeville), and the ability (for at least 50 units) to be used for short-term vacation rental. Since 2016, at least 60 to 80 condominium units per year have been sold in other Kapaa/Waipouli projects, including the Islander on the Beach, Plantation Hale, and Waipouli Beach Resort. The Courtyards at Waipouli units would be superior in size, layout, age and condition to



most of these projects and could be expected to attract new buyers or capture a significant share of the existing market demand as a result.

Furthermore, at least 93% of the units are already rented, many to long-time tenants that also contribute to the potential buyer pool. Investors would also be attracted to these units for the stable income return.

Considering the projected demand for the subject units, a three-year absorption period to sell all 82 units is judged reasonable.

### **Projected Sales Revenue**

Individual condominium prices are projected to remain relatively stable during the 36-month sales period.

Net sales revenues are projected after sales commissions and marketing expense, estimated at 8% of the sales prices, and closing costs that include escrow fees, conveyance tax, and documents, estimated at about \$13,000 per unit.

### **Other Expenses**

Costs to convert the property for condominium sales are estimated at about \$25,000 per unit, or about \$2.05 million. These costs include documentation and legal expenses, and estimated costs to renovate/refresh about one-half of the units to prepare them for sale.

Various carrying costs, marketing and sales expenses would be incurred during the marketing period. The expenses are identified as follows:

- Real property taxes are included for unsold units, estimated to range from about \$500/month for the one-bedroom units to about \$700/month for the three-bedroom units based on the average retail values and current real property tax rates.
- Monthly maintenance fees are also included for the unsold units, estimated at \$1.50/ŕ of living area, based on monthly maintenance fees for the comparable projects.
- Administrative/overhead expenses that include a stipend for the sales manager, office manager, and office occupancy expenses. An average annual monthly expense of \$20,000 is deducted throughout the sales period.

The projected sales revenues and expenses are summarized on the following page.



Projected Absorption, Sales Revenue, and Expenses  
 (Discounted Sell-Out Method Assuming Condominium Conversion)

	Presales	Year 1	Year 2	Year 3	Total
<b>One-bedroom units:</b>					
Beginning of period	20	18	12	6	
Units sold	<u>2</u>	<u>6</u>	<u>6</u>	<u>6</u>	20
End of period	<u><u>18</u></u>	<u><u>12</u></u>	<u><u>6</u></u>	<u><u>0</u></u>	
<b>Two-bedroom units:</b>					
Beginning of period	42	38	24	12	
Units sold	<u>4</u>	<u>14</u>	<u>12</u>	<u>12</u>	42
End of period	<u><u>38</u></u>	<u><u>24</u></u>	<u><u>12</u></u>	<u><u>0</u></u>	
<b>Three-bedroom units:</b>					
Beginning of period	20	18	12	6	
Units sold	<u>2</u>	<u>6</u>	<u>6</u>	<u>6</u>	20
End of period	<u><u>18</u></u>	<u><u>12</u></u>	<u><u>6</u></u>	<u><u>0</u></u>	
Gross sales revenue	\$5,960,000	\$19,380,000	\$17,880,000	\$17,880,000	\$61,100,000
<b>Expenses:</b>					
Conversion costs	2,050,000				2,050,000
Real property taxes	0	377,400	225,900	75,700	679,000
Maintenance fees	0	1,004,200	591,400	180,000	1,775,600
Administrative expense	<u>0</u>	<u>240,000</u>	<u>240,000</u>	<u>240,000</u>	<u>720,000</u>
Subtotal	<u>2,050,000</u>	<u>1,621,600</u>	<u>1,057,300</u>	<u>495,700</u>	<u>5,224,600</u>
<b>Marketing</b>					
Closing	104,000	338,000	312,000	312,000	1,066,000
Sales commission	298,000	969,000	894,000	894,000	3,055,000
Advertising	<u>119,200</u>	<u>387,600</u>	<u>357,600</u>	<u>357,600</u>	<u>1,222,000</u>
Subtotal	<u>521,200</u>	<u>1,694,600</u>	<u>1,563,600</u>	<u>1,563,600</u>	<u>5,343,000</u>
Total expenses	<u>2,571,200</u>	<u>3,316,200</u>	<u>2,620,900</u>	<u>2,059,300</u>	<u>10,567,600</u>
Net sales revenue	<u><u>\$3,388,800</u></u>	<u><u>\$16,063,800</u></u>	<u><u>\$15,259,100</u></u>	<u><u>\$15,820,700</u></u>	<u><u>\$50,532,400</u></u>



## Selection of Appropriate Discount Rates

The discount rate appropriate for converting the projected net cash flows into a present value estimate considers the risk associated with the investment, including:

- Durability of the income stream
- Safety of the investment
- Potential for appreciation
- Value as collateral
- Certainty of yield
- Management burden
- Marketability.

The real estate investment return expectations of large institutional investors in the United States also provide a meaningful basis of comparison. The quarterly real estate investment surveys prepared by PwC summarize return expectations, property selection criteria, and investment outlook of a representative sampling of investors nationwide. The most recent PwC survey was conducted in the third quarter of 2023.

Mortgage rates and alternative investments yields increased sharply over the last couple of years. Increased borrowing costs, a pullback in capital availability, and high real estate prices lead to a contraction in commercial real estate activity in many markets. PwC reports the average yield rate (IRR) for all markets surveyed (i.e., including office, industrial, apartment, hotels, development land, self-storage and student housing) increased by about 100 basis points over the past year, to about 8.4% in the third quarter of 2023, compared to 7.4% one year ago.

YIELD COMPARISON								
July 1, 2023								
	2018 AVERAGE	2019 AVERAGE	2020 AVERAGE	2021 AVERAGE	2022 AVERAGE	2023 JANUARY	2023 APRIL	2023 JULY
PwC Yield Indicator (PYI) <sup>a</sup>	7.58%	7.47%	7.56%	7.51%	7.43%	7.91%	8.13%	8.39%
Long-Term Mortgages <sup>b</sup>	4.95%	4.71%	3.95%	4.53%	5.61%	6.57%	7.56%	7.39%
10-Year Treasuries <sup>c</sup>	2.79%	2.21%	0.97%	1.40%	2.64%	3.79%	3.43%	3.86%
Consumer Price Index Change <sup>d</sup>	2.50%	1.76%	1.19%	6.09%	7.54%	1.55%	5.61%	3.07%
<b>SPREAD TO PYI (Basis Points)</b>								
Long-Term Mortgages	263	276	361	298	182	134	57	100
10-Year Treasuries	479	526	659	611	479	412	470	453
Consumer Price Index Change	508	571	755	142	(11)	636	252	532

a. A composite IRR average of all markets surveyed (excluding hotels, development land, self storage, and student housing).  
 b. Source: Survey; Select Commercial Funding; Commercial Loan Direct; conventional funding, 60% to 80% LTV loans; fixed rates; 6- to 30-year terms.  
 c. Source: Federal Reserve; the annual average change is the mean of the four corresponding quarters.  
 d. Source: U.S. Department of Labor; quarterly changes are annualized based on the index change from the prior quarter; the annual average change is the mean of the four corresponding quarters.

Source: PwC Korpacz Real Estate Investor Survey, 3Q2023.

Industrial and multi-family markets continue to fare relatively well compared to the office, retail and hotel sectors. As of the third quarter, investor return requirements ranged from about 5.75% to 10% with an average of about 6.6% for Pacific Region warehouses, and 7.2% for apartments.



Department of Hawaiian Home Lands  
c/o Nicole L. Kinilau-Cano  
December 7, 2023  
Page 39

Pessimistic views about the economy, geopolitical conflicts abroad, and fundamental changes in the way people work, shop and travel continue to pose additional risks for the office, retail and resort sectors. Yield rates for these properties have tended to be at least 100 to 400 basis points higher on average, or about 7.6% to 10.1% on average.

Yields for non-income producing development land investments are even higher, ranging from 12% to 30% and averaging 19.2%, as follows:

Property type	Discount Rate (IRR, unleveraged)		Market Rent Change (Initial)		
	Range	Average	Range	Average	
Warehouses (Pacific Region)	5.75% - 8.00%	6.63%	0.00% - 9.00%		3.10%
Apartments (Pacific Region)	6.00% - 9.00%	7.22%	2.00% - 4.00%		3.31%
Net lease properties	6.00% - 10.00%	7.75%	-5.00% - 3.00%		0.67%
Regional malls	6.00% - 13.00%	8.40%	-10.00% - 3.00%		-0.13%
CBD Office	6.50% - 10.00%	7.63%	0.00% - 3.00%		1.38%
Full-service hotels [1]	7.50% - 12.00%	10.10%	3.00% - 25.00%		6.20%
Development land [2]	12.00% - 30.00%	19.20%	-----Not applicable-----		

[1] As of First Quarter 2023.  
[2] As of Second Quarter 2023.

Source: PwC Korpacz Real Estate Investor Survey, 3Q2023.

The estimated return a hypothetical investor would require for the 82 units in Courtyards at Waipouli considers:

- immediate return associated with projected presales
- relatively short investment horizon thereafter based on the projected three-year absorption period
- minimal carrying costs
- upside potential for condominium price appreciation over the sales period that has not been factored into the net cash flows
- short-term rental income potential of unsold inventory.



Considering these factors, discount rates of 8% to 12% are considered appropriate for the projected net cash flows. The range is at or above the average rates for income-producing warehouse, apartment, net lease and office properties, but below the average yield rate for much riskier development land.

### Value Indicators by the Discounted Cash Flow Analysis

At a discount rate of 10%, the present value of the net sales revenue is estimated to be about \$44.1 million. Using the range of 8% to 12%, the present value indicator is estimated to range from about \$43 to \$45.3 million.

Range of Value Indicators at Varying Discount Rate Assumptions

<u>Discount rate</u>	<u>Value indicators</u>	
6%	\$46,500,000	} Warehouse, apartments Office, net leased, malls
7%	45,900,000	
8%	45,300,000	
9%	44,700,000	} Full-service hotels
10%	44,100,000	
11%	43,600,000	
12%	43,000,000	} Development land
15%	41,400,000	
...		
20%	38,900,000	
...		
30%	34,600,000	





Department of Hawaiian Home Lands  
 c/o Nicole L. Kinilau-Cano  
 December 7, 2023  
 Page 41

### Discounted Cash Flow Analysis Using 10.0% Discount Rate

	Presales	Year 1	Year 2	Year 3	Total
<b>One-bedroom units:</b>					
Beginning of period	20	18	12	6	
Units sold	2	6	6	6	20
End of period	<u>18</u>	<u>12</u>	<u>6</u>	<u>0</u>	
<b>Two-bedroom units:</b>					
Beginning of period	42	38	24	12	
Units sold	4	14	12	12	42
End of period	<u>38</u>	<u>24</u>	<u>12</u>	<u>0</u>	
<b>Three-bedroom units:</b>					
Beginning of period	20	18	12	6	
Units sold	2	6	6	6	20
End of period	<u>18</u>	<u>12</u>	<u>6</u>	<u>0</u>	
Gross sales revenue	\$5,960,000	\$19,380,000	\$17,880,000	\$17,880,000	\$61,100,000
<b>Expenses:</b>					
Conversion costs	2,050,000				2,050,000
Real property taxes	0	377,400	225,900	75,700	679,000
Maintenance fees	0	1,004,200	591,400	180,000	1,775,600
Administrative expense	0	240,000	240,000	240,000	720,000
Subtotal	<u>2,050,000</u>	<u>1,621,600</u>	<u>1,057,300</u>	<u>495,700</u>	<u>5,224,600</u>
<b>Marketing</b>					
Closing	104,000	338,000	312,000	312,000	1,066,000
Sales commission	298,000	969,000	894,000	894,000	3,055,000
Advertising	<u>119,200</u>	<u>387,600</u>	<u>357,600</u>	<u>357,600</u>	<u>1,222,000</u>
Subtotal	<u>521,200</u>	<u>1,694,600</u>	<u>1,563,600</u>	<u>1,563,600</u>	<u>5,343,000</u>
Total expenses	<u>2,571,200</u>	<u>3,316,200</u>	<u>2,620,900</u>	<u>2,059,300</u>	<u>10,567,600</u>
Net sales revenue	3,388,800	16,063,800	15,259,100	15,820,700	50,532,400
Deferral factor at 10%	<u>1.0000</u>	<u>0.9530</u>	<u>0.8597</u>	<u>0.7782</u>	
Present value of the net sales revenue, rounded	<u>\$3,389,000</u>	<u>\$15,308,000</u>	<u>\$13,119,000</u>	<u>\$12,312,000</u>	<u>\$44,100,000</u>
Aggregate of retail values (gross sales revenue)					\$61,100,000
Bulk sale value (present value of the net sales revenue)					<u>44,100,000</u>
Implied bulk sale discount					<u>-27.8%</u>



Department of Hawaiian Home Lands  
c/o Nicole L. Kinilau-Cano  
December 7, 2023  
Page 42

### **Collateral Analysis: Bulk Sale Discounts**

The implied bulk sale discount (i.e., discount from \$61.1 million aggregate retail value) ranges from about 25% to 30%.

Recent bulk purchases of similar portfolios of resort condominiums or homes were not available for comparison. However, historical sales of unsold condominiums or single-family lots in Hawaii show bulk sale discounts have been negotiated. These discounts have ranged from about -13% to nearly -50% of the aggregate retail values.

The comparable bulk sales involved the unsold inventory of vacant condominiums or undeveloped lots that were not generating income at the time. In this regard, the bulk sale discount primarily reflects the anticipated carrying costs and risks associated with the development and/or resale of the individual units/lots. In addition, the bulk sale discounts reflect generally weaker market conditions at the time these sales occurred.

In comparison, the current Kauai real estate market is strong, despite the recent headwinds. The potential to rent these units as short-term vacation homes offsets sales and marketing expenses and holding period costs and helps to mitigate absorption risk that would otherwise warrant a larger bulk sale discount.

Based on the historical range of discounts, the implied bulk sale discount of -25% to -30% is estimated to be appropriate.

### **MARKET VALUE OF THE COURTYARDS AT WAIPOULI PROJECT**

Based on the valuation analyses, the market value of the fee simple interest in the Courtyards at Waipouli, as encumbered by short-term tenant rental agreements, is estimated as follows:

**Range of Value**  
**\$43,000,000 - \$45,000,000**

**Point Estimate (Midpoint)**  
**\$44,000,000.**

The market value estimate presumes a reasonable exposure period of 9 to 15 months would have been expected to sell the property at the estimated market value as of the effective date of transaction.

\* \* \* \* \*



Department of Hawaiian Home Lands  
c/o Nicole L. Kinilau-Cano  
December 7, 2023  
Page 43

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

Sincerely,

JOHN CHILD & COMPANY, INC.

Shelly H. Tanaka, MAI, AI-GRS  
Vice President  
Certified General Appraiser License No. 648  
State of Hawaii  
Expires December 31, 2023

## CERTIFICATION

---



We certify, to the best of our knowledge and belief:

- Reported statements of fact are true and correct.
- Reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our unbiased professional analyses, opinions, and conclusions.
- We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest or bias with respect to the parties involved.
- Within the past three years, we have not provided real estate appraisal and/or appraisal review services relating to an ownership interest in the property that is the subject of this report.
- Our engagement was not contingent upon developing or reporting predetermined results.
- Our compensation is not contingent on the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event and is not contingent on an action or event resulting from the analyses, opinions or conclusions in, or use of, this report.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice and the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, Shelly Tanaka, MAI, AI-GRS has completed the continuing education program for Designated Members of the Appraisal Institute.
- Shelly Tanaka personally visited the real estate that is the subject of this report. Cooper Borge did not visit the real estate.
- Cooper Borge provided significant professional assistance, including researching and confirming condominium comparables, analyzing time trends, and estimating adjustments that were used in the sales comparison analysis.

JOHN CHILD & COMPANY, INC.

Shelly H. Tanaka, MAI, AI-GRS

Vice President

Certified General Appraiser License No. 648

State of Hawaii

Expires December 31, 2023

Cooper Borge

Real Estate Analyst



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

### **Market Value**

Market value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. [1]

### **Fee Simple Interest**

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

### **Exposure Time**

Exposure time means:

1. The time a property remains on the market.
2. An opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.

---

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

---

**Highest and Best Use**

The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.

**Hypothetical Condition**

A hypothetical condition is a condition that is presumed to be true when it is known to be false. A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

**Extraordinary Assumption**

An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. Uncertain information might include physical, legal, or economic characteristics of the subject property; such as market conditions or trends, or about the integrity of data used in an analysis.

**Aggregate of Retail Values**

The sum of separate and distinct market value opinions for each of the units in a condominium, subdivision development, or portfolio of properties, as of the date of valuation. The aggregate of retail values does not represent the value of all the units as though sold together in a single transaction; it is simply the total of the individual market value conclusions.

Note: An appraisal has an effective date, but summing the sale prices of multiple units over an extended period of time will not be the value on that one day unless the prices are discounted to make the value equivalent to what another developer or investor would pay for the bulk purchase of the units.

**Bulk Value**

The value of multiple units, subdivided plots, or properties in a portfolio as though sold together in a single transaction.

---



The study conditions that are the basis of the analyses, opinions, and conclusions of this report are as follows:

**Prior Assignment Disclosure**

Within the past three years, we have not provided real estate appraisal and/or appraisal review services relating to an ownership interest in the property that is the subject of this appraisal.

**Extraordinary Assumptions and Hypothetical Conditions**

The report does not rely on any extraordinary assumptions or hypothetical conditions.

**Reporting**

The appraisal is for internal information and decision-making only. Therefore, the appraisal assignment is presented in a letter report with exhibits intended to comply with the reporting requirements for a Restricted Appraisal Report, as described in Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice (USPAP).

The report may not present all of the data, reasoning, and analyses used in the appraisal process to develop the estimates of value. Supporting documentation will be available in our workfile. The rationale for the opinions and conclusions set forth in this report may not be properly understood without additional information in our workfile. The format of this Restricted Appraisal Report is specific to the needs of the Client and for the intended use stated in this report.

**Basis of Analyses, Opinions and Conclusions**

The analyses, opinions, and conclusions of this report rely on data and information provided by others. The information is believed to be reliable; however, no responsibility is assumed for the accuracy of information provided by others.

The analyses, opinions, and conclusions assume:

1. No hidden or unapparent surface or subsurface conditions of the property, structures, soils, subsoils, geological formations, ground water, or drainage conditions exist that would render the property more or less valuable.
  2. Existing improvements comply with all applicable public and private zoning codes, regulations and covenants, unless stated otherwise.
-



3. The client has provided us with all significant, relevant information covering the subject of this report.

No responsibility is assumed for matters legal in nature affecting the property or its title, which is assumed to be good and merchantable.

Properties in Hawaii typically include a reservation in favor of the State of Hawaii of all mineral and metallic mines. Our analyses, opinions, and conclusions assume these reservations do not have an impact on the value or use of the property.

Any drawings, maps, photographs, and similar exhibits accompanying this report are included to assist the reader in visualizing the property. No responsibility is assumed for the accuracy of these exhibits.

### **Hazardous Substances**

Unless otherwise stated, the existence of hazardous substances (actual, alleged or threatened discharge, disposal, seepage, migration, release, growth, infestation, spread or escape of molds, mildews, fungi and/or spores, or any materials, goods or products containing, harboring or nurturing these substances) that could be present on the property, or other environmental conditions that could impact the property, were not brought to the attention of the appraisers nor observed during the site visit.

The appraisers are not trained or qualified to detect hazardous substances or conditions even if these hazards, or evidence of potential presence of these hazards, are visible on the property.

Therefore, this report assumes no hazardous substance or condition exists that would impact the analyses, opinions or conclusions. If a hazardous substance or condition exists, it could have a negative effect on the value of the property.

### **Archaeological or Historically Significant Conditions**

The appraisers are not trained or qualified to recognize archaeological or historically significant conditions, even if these conditions are visible on the property.

Unless otherwise stated, archaeological or historically significant conditions that could be present on the property were not identified nor observed during the site visit. The report assumes no archaeological or historically significant condition exists that would impact the analyses, opinions or conclusions of this report. If an archaeological or historically significant condition exists, it could impact the use or value of the property and affect the results of this assignment.

---



**Endangered Species**

The appraisers are not trained or qualified to recognize endangered flora or fauna qualified for protection under the Endangered Species Act of 1973, even if visible on the property.

Unless otherwise stated, the presence of endangered flora or fauna was not identified, and the report assumes no endangered species are present on the property. The presence of endangered species could impact the value of the property.

**Terms of Assignment**

We have no obligation to update our report because of events and transactions occurring subsequent to the effective date of the report.

Neither our fees nor payment were contingent upon the results of the report.

**Use of Report**

This report is valid only if presented in whole, with the letter of transmittal and signed certification.

This report or any portion of this report may not be reproduced or published without the prior written consent of John Child & Company, and then only with proper qualification.

The contents of this report or portions of this report, the identity of the appraisers or any reference to John Child & Company, the Appraisal Institute, or to their respective designations may not be disseminated to the public through advertising media, public relations media, news media, sales media, or any other public means of communication.

**Limitation on Liability**

John Child & Company shall not be liable to Client or to any third party (including without limitation lenders and other persons to whom Client may show this report for the purposes of obtaining credit, insurance or any other benefit or promise) in the event that the use or value of the subject property is or becomes different from the use or value estimates, analyses, opinions or conclusions in this report unless it is established by clear and convincing evidence that John Child & Company acted in bad faith or willfully and recklessly failed to exercise an appropriate standard of care in the community while performing this assignment. In any event, John Child & Company's liability to Client or to any third party shall be limited to the amount of the fees to complete this assignment.

This report may not be shown to any third party without our consent and without receiving a written acknowledgement from any person to whom it is shown that such person has read, understands and agrees to be bound by the limitation of liability in this paragraph.

---



**PRELIMINARY REPORT DATED APRIL 4, 2023**

---

**PRELIMINARY REPORT**  
(No Liability Hereunder)

This report (and any revisions thereto) is issued solely for the convenience of the titleholder, the titleholder's agent, counsel, purchaser or mortgagee, or the person ordering it for the purpose of facilitating the issuance of a policy of title insurance by Title Guaranty of Hawaii, LLC and no liability will arise under this report.

-----  
**SCHEDULE A**

Title Guaranty of Hawaii, LLC (the "Company") hereby reports that, subject to those matters set forth in Schedule "B" hereof, the title to the estate or interest to the land described in Schedule "C" hereof is vested in:

K D WAIPOULI LLC,  
a Hawaii limited liability company,  
as Fee Owner

This report is dated as of April 04, 2023 at 8:00 a.m.

**Inquiries concerning this report should be directed to:**

Title Officer - Jade Oda; Office: 808-533-5667

Email: joda@tghawaii.com

Please reference Title Order No. 7311411502.

**SCHEDULE B  
EXCEPTIONS**

1. Real Property Taxes, if any, that may be due and owing.  
Parcel First is(are) covered by Tax Key: (4) 4-3-001-014.  
Parcel Second is(are) covered by Tax Key: (4) 4-3-001-021.
  
2. Mineral and water rights of any nature.
  
3. EASEMENT "A" in favor of the Lihue Plantation Company, Limited, its successors and assigns, for the maintenance of a drainage ditch, as shown on File Plan No. 592.
  
4. SETBACK (20 feet wide)  
  
PURPOSE : building  
CONTAINED : in DEED dated September 26, 1973, recorded in Liber 9524 at Page 468
  
5. The terms and provisions contained in the following:  
  
INSTRUMENT : DEED  
  
DATED : September 26, 1973  
RECORDED : Liber 9524 Page 468
  
6. The terms and provisions contained in the following:  
  
INSTRUMENT : DECLARATION OF RESTRICTIONS  
  
DATED : August 10, 2007  
RECORDED : Document No. 2007-144036
  
7. The terms and provisions contained in the following:

SCHEDULE B CONTINUED

INSTRUMENT : WAIVER, RELEASE AND INDEMNITY AGREEMENT FOR TMK:  
(4) 4-3-001-014 (COURTYARDS AT WAIPOULI)

DATED : August 13, 2007  
RECORDED : Document No. 2007-151397  
PARTIES : KD WAIPOULI LLC, a Hawaii limited liability  
company, "Owner", COUNTY OF KAUAI, the BOARD OF  
WATER SUPPLY of the County of Kauai, and the  
DEPARTMENT OF WATER of the County of Kauai,  
"County"

8. The terms and provisions contained in the following:

INSTRUMENT : WAIVER, RELEASE AND INDEMNITY AGREEMENT FOR TMK:  
(4) 4-3-001:014 (COURTYARDS AT WAIPOULI)

DATED : November 27, 2007  
RECORDED : Document No. 2007-210368  
PARTIES : KD WAIPOULI LLC, a Hawaii limited liability  
company, "Applicant", and DEPARTMENT OF WATER,  
COUNTY OF KAUAI, "Department of Water"

9. REAL PROPERTY MORTGAGE AND FINANCING STATEMENT

MORTGAGOR : K D WAIPOULI LLC, a Hawaii limited liability  
company  
MORTGAGEE : FIRST HAWAIIAN BANK, a Hawaii corporation  
DATED : as of December 24, 2007  
RECORDED : Document No. 2007-220546  
AMOUNT : \$15,750,000.00 - (covers the land described herein,  
besides other land)

PARTIAL RELEASE OF MORTGAGE

DATED : March 9, 2011  
RECORDED : Document No. 2011-052428

SCHEDULE B CONTINUED

BY : FIRST HAWAIIAN BANK, a Hawaii corporation  
RELEASING : LOT 17-D-5 from the above Mortgage

AMENDMENT TO AND CONFIRMATION OF MORTGAGE AND ASSIGNMENT OF RENT dated as of December 30, 2020, recorded as Document No. [A-76690257](#), by and between FIRST HAWAIIAN BANK, a Hawaii corporation, and K D WAIPOULI LLC, a Hawaii limited liability company.

PARTIAL RELEASE OF MORTGAGE

DATED : December 21, 2020  
RECORDED : Document No. [A-76690258A](#)  
BY : FIRST HAWAIIAN BANK, a Hawaii corporation  
RELEASING : LOTS 17-D-3 and 17-D-4 from the above Mortgage

10. The terms and provisions contained in the following:

INSTRUMENT : ABSOLUTE ASSIGNMENT OF RENTALS AND LESSOR'S INTEREST IN LEASE

DATED : December 24, 2007  
RECORDED : Document No. [2007-220547](#)  
PARTIES : K D WAIPOULI LLC, a Hawaii limited liability company, "Assignor", and FIRST HAWAIIAN BANK, a Hawaii corporation, "Assignee"  
RE : loan in the principal sum of \$15,750,000.00 - (covers the land described herein, besides other land)

PARTIAL REASSIGNMENT OF RENTALS AND LESSORS INTEREST IN LEASE

DATED : March 11, 2011  
RECORDED : Document No. [2011-052429](#)  
BY : FIRST HAWAIIAN BANK, a Hawaii corporation  
RELEASING : LOT 17-D-5 from the above Mortgage

AMENDMENT TO AND CONFIRMATION OF MORTGAGE AND ASSIGNMENT OF RENT dated as of December 30, 2020, recorded as Document No. [A-76690257](#), by and between FIRST HAWAIIAN BANK, a Hawaii corporation, and K D WAIPOULI LLC, a Hawaii limited liability company.

SCHEDULE B CONTINUED

PARTIAL REASSIGNMENT OF RENTALS AND LESSOR'S INTEREST IN LEASE

DATED : December 21, 2020  
RECORDED : Document No. [A-76690258B](#)  
BY : FIRST HAWAIIAN BANK, a Hawaii corporation  
RELEASING : LOTS 17-D-3 and 17-D-4 from the above Mortgage

11. FINANCING STATEMENT

DEBTOR : K D WAIPOULI LLC  
  
SECURED  
PARTY : FIRST HAWAIIAN BANK

RECORDED : Document No. [2007-220548](#)  
RECORDED ON: December 24, 2007

AMENDMENT recorded as Document No. [2011-052430](#) on March 31, 2011.

CONTINUATION recorded as Document No. [A-46850676](#) on October 29, 2012.

CONTINUATION recorded as Document No. [A-65050855](#) on October 23, 2017.

CONTINUATION recorded as Document No. [A-83340462](#) on October 26, 2022.

UCC FINANCING STATEMENT AMENDMENT recorded on December 30, 2020 as Document No. [A-76690259](#); re: releasing LOTS 17-D-3 AND 17-D-4 from the above Financing Statement.

12. -AS TO PARCEL FIRST:-

(A) DESIGNATION OF EASEMENT "D-1"

REFERENCED : on subdivision map prepared by Wayne T. Wada, Land Surveyor with Esaki Surveying & Mapping, Inc., dated May 12, 2009, approved by the

SCHEDULE B CONTINUED

Planning Department, County of Kauai, on June  
23, 2009

(B) RESTRICTION OF VEHICULAR ACCESS RIGHTS

ALONG : Lot 17-D-4  
REFERENCED : on map prepared by Wayne T. Wada, Land  
Surveyor, with Esaki Surveying & Mapping,  
Inc., dated May 12, 2009, approved by the  
Planning Department, County of Kauai, on June  
23, 2009

(C) The terms and provisions contained in the following:

INSTRUMENT : DETENTION BASIN AGREEMENT (COURTYARDS AT  
WAIPOULI)  
  
DATED : July 1, 2009  
RECORDED : Document No. [2009-118683](#)  
PARTIES : KD WAIPOULI LLC, a Hawaii limited liability  
company ("Owner"), and the COUNTY OF KAUAI, a  
political subdivision of the State of Hawaii  
("County")

(D) GRANT

TO : KAUAI ISLAND UTILITY COOPERATIVE, a  
cooperative association formed pursuant to the  
provision of Chapter 421C of the Hawaii  
Revised Statutes  
  
DATED : January 20, 2011  
RECORDED : Document No. [2011-045873](#)  
GRANTING : a right and easement for utility purposes  
over, under, upon, across and through Easement  
"E-1" more particularly described therein and  
shown on the map attached thereto

13. CONVEYANCE OF WATER FACILITY FOR TMK: (4) 4-3-01-014 dated May 8,  
2009, recorded as Document No. [2009-126485](#).



SCHEDULE B CONTINUED

14. The terms and provisions contained in the following:

INSTRUMENT : NOTICE OF ORDINANCES AND HOUSING AGREEMENTS

DATED : --/--/2011 (acknowledged on October 21, 2011)

RECORDED : Document No. [2011-185242](#)

PARTIES : COUNTY OF KAUAI, a political subdivision of the  
State of Hawai'i

15. Any unrecorded leases and matters arising from or affecting the same.

16. Discrepancies, conflicts in boundary lines, shortage in area, encroachments or any other matters which a correct survey or archaeological study would disclose.

17. K D WAIPOULI LLC, a Hawaii limited liability company has not yet submitted proper information to the applicable state and/or country agency for Good Standing status.

18. This transaction may be subject to a FinCEN Geographic Targeting Order issued pursuant to the Bank Secrecy Act. Information necessary to comply with the order must be provided prior to closing. This transaction will not be insured until this information is submitted, reviewed and found to be complete.

**END OF SCHEDULE B**

## SCHEDULE C

-PARCEL FIRST:-

All of that certain parcel of land (being portion(s) of the land(s) described in and covered by Land Patent Grant Number 5264 to Rufus P. Spalding and portion of Government Remnant 15 conveyed by the Territory of Hawaii to the Lihue Plantation Company, Limited, by Exchange Deed dated December 4, 1934, recorded in Liber 1259 at Page 336, Land Office Deed 5052) situate, lying and being at South Oloheua, Puna, Island and County of Kauai, State of Hawaii, being LOT 17-D-1, and thus bounded and described, as per survey dated December 2020, to-wit:

Beginning at the north corner of this parcel of land on the southeast side of Road Widening Lot 17-D-2, the coordinates of said point of beginning referred to Government Survey Triangulation Station "NONOU" being 2,580.91 feet South and 8,118.95 feet East, thence running by azimuths measured clockwise from true South:

- |    |      |     |        |  |
|----|------|-----|--------|--|
| 1. | 325° | 59' | 97.95  | feet along the remainder of L.P. Grant 5264 to Rufus P. Spalding (Lot 17-C);                           |
| 2. | 327° | 30' | 140.03 | feet along the remainder of L.P. Grant 5264 to Rufus P. Spalding (Lots 17-B and 17-D-4);               |
| 3. | 332° | 51' | 123.26 | feet along the remainder of L.P. Grant 5264 to Rufus P. Spalding and Government Remnant 15 (Lot 17-A); |
| 4. | 45°  | 55' | 52.58  | feet along the remainder of Government Remnant 15 (Lot 17-D-3);  |
| 5. | 56°  | 40' | 173.95 | feet along the remainder of Government Remnant 15 (Lot 17-D-3);  |
| 6. | 61°  | 02' | 492.27 | feet along the remainder of Government Remnant 15 (Lot 17-D-3);  |
| 7. | 151° | 02' | 165.48 | feet along the remainder of Grant 5264 to Rufus P. Spalding and Government Remnant 15 (Lot 17-D-5);    |

SCHEDULE C CONTINUED

8.	163°	24'	45"	46.64	feet along the remainder of L.P. Grant 5264 to Rufus P. Spalding (Lot 17-D-5);
9.	151°	02'	42"	94.18	feet along the remainder of L.P. Grant 5264 to Rufus P. Spalding (Lot 17-D-5);
10.	241°	19'	35"	35.20	feet along the remainder of L.P. Grant 5264 to Rufus P. Spalding (Lot 17-D-3);
11.	317°	49'	50"	3.89	feet along the remainder of L.P. Grant 5264 to Rufus P. Spalding (Lot 17-D-3);
12.	227°	49'	50"	50.00	feet along the remainder of L.P. Grant 5264 to Rufus P. Spalding (Lot 17-D-3);
13.	137°	49'	50"	3.89	feet along the remainder of L.P. Grant 5264 to Rufus P. Spalding (Lot 17-D-3);
14.	214°	20'	05"	54.65	feet along the remainder of L.P. Grant 5264 to Rufus P. Spalding (Lot 17-D-3);

thence along the remainder of L.P. Grant 5264 to Rufus P. Spalding (Lot 17-D-2) on a curve to the right with a radius of 1,964.00 feet, the chord azimuth and distance being:

15.	234°	15'		303.06	feet;
16.	238°	40'	30"	259.69	feet along the remainder of L.P. Grant 5264 to Rufus P. Spalding (Lot 17-D-2) to the point of beginning and containing an area of 254,263 square feet, more or less.

-PARCEL SECOND:-

All of that certain parcel of land (being portion(s) of the land(s) described in and covered by Land Patent Grant Number 5264 to Rufus P. Spalding) situate, lying and being at South Olohena, Kawaihau, Island and County of Kauai, State of Hawaii, being LOT 17-D-2, and thus bounded and described as per survey dated July 2009:

SCHEDULE C CONTINUED

Beginning at the east corner of this parcel of land, the coordinates of said point of beginning referred to Government Survey Triangulation Station "NONOU" being 2,580.91 feet south and 8,118.95 feet east, thence running by azimuths measured clockwise from true South:

1. 58° 40' 30" 259.69 feet along the remainder of L.P. Grant 5264 to Rufus P. Spalding (Lot 17-D-1);

Thence along the remainder of L.P. Grant 5264 to Rufus P. Spalding (Lot 17-D-1 and Lot 17-D-3) on a curve to the left with a radius of 1,964.00 feet, the chord azimuth and distance being:

2. 51° 03' 46.3" 520.33 feet;

Thence along the intersection of Lanikai Street and Kuhio Highway on a curve to the right with a radius of 20.00 feet, the chord azimuth and distance being:

3. 200° 58' 39.5" 15.56 feet;

Thence along Kuhio Highway on a curve to the right with a radius of 1,970.00 feet, the chord azimuth and distance being:

4. 231° 16' 19" 507.66 feet;
5. 238° 40' 30" 259.41 feet along Kuhio Highway;
6. 325° 59' 6.01 feet along the remainder of L.P. Grant 5264 to Rufus P. Spalding (Lot 17-C) to the point of beginning and containing an area of 4,666 square feet, more or less.

BEING THE PREMISES ACQUIRED BY LIMITED WARRANTY DEED

GRANTOR : MIRAMAR HOTEL (HAWAII) INC., a Hawaii corporation

GRANTEE : K D WAIPOULI LLC, a Hawaii limited liability company

DATED : May 24, 2005

RECORDED : Document No. [2005-106408](#)

**END OF SCHEDULE C**

SCHEDULE C CONTINUED

## GENERAL NOTES

1. There is hereby omitted from any covenants, conditions and reservations contained herein any covenant or restriction based on race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, or source of income, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law. Lawful restrictions under state or federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

## GUIDELINES FOR THE ISSUANCE OF INSURANCE

- A. Taxes shown in Schedule B are as of the date such information is available from the taxing authority. Evidence of payment of all taxes and assessments subsequent to such date must be provided prior to recordation.
- B. Evidence of authority regarding the execution of all documents pertaining to the transaction is required prior to recordation. This includes corporate resolutions, copies of partnership agreements, powers of attorney and trust instruments.
- C. If an entity (corporation, partnership, limited liability company, etc.) is not registered in Hawaii, evidence of its formation and existence under the laws where such entity is formed must be presented prior to recordation.
- D. If the transaction involves a construction loan, the following is required:
  - (1) a letter confirming that there is no construction prior to recordation; or
  - (2) if there is such construction, appropriate indemnity agreements, financial statements and other relevant information from the owner, developer, general contractor and major sub-contractors must be submitted to the Company for approval at least one week prior to the anticipated date of recordation.

Forms are available upon request from the Company.

- E. Chapter 669, Hawaii Revised Statutes, sets forth acceptable tolerances for discrepancies in structures or improvements relative to private property boundaries for various classes of real property. If your survey map shows a position discrepancy that falls within the tolerances of Chapter 669, call your title officer as affirmative coverage may be available to insured lenders.
- F. The right is reserved to make additional exceptions and/or requirements upon examination of all documents submitted in connection with this transaction.
- G. If a policy of title insurance is issued, it will exclude from coverage all matters set forth in Schedule B of this report and in the printed Exclusions from Coverage contained in an ALTA policy or in the Hawaii Standard Owner's Policy, as applicable. Different forms may have different exclusions and should be reviewed. Copies of the policy forms are available upon request from the Company or on our website at [www.tghawaii.com](http://www.tghawaii.com).
- H. Please be aware that due to the conflict between federal and state laws concerning the cultivation, distribution, manufacture or sale of marijuana, the Company is not able to close or insure any transaction involving Land that is associated with these activities.

DATE PRINTED: 04/10/2023

STATEMENT OF ASSESSED VALUES AND REAL PROPERTY TAXES DUE

TAX MAP KEY

DIVISION ZONE SECTION PLAT PARCEL HPR NO.  
(4) 4 3 001 014 0000

CLASS: RESIDENTIAL INVESTOR AREA ASSESSED: 254,264  
SF

ASSESSED VALUES FOR CURRENT YEAR TAXES: 2022

The records of this division show the assessed values and taxes on the property designated by Tax Key shown above are as follows:

BUILDING	\$	25,238,600
EXEMPTION	\$	0
NET VALUE	\$	25,238,600
LAND	\$	0
EXEMPTION	\$	0
NET VALUE	\$	0
TOTAL EXEMPTION	\$	0
TOTAL ASSESSED	\$	25,238,600
TOTAL NET VALUE	\$	25,238,600

Installment (1 - due 8/20; 2 - due 2/20) Tax Info As Of - 08/20/2022

Tax Year	Installment	Tax Amount	Penalty Amount	Interest Amount	Other Amount	Total Amount	
2022	2	118,621.42				118,621.42	PENDING
2022	1	118,621.42				118,621.42	PAID
2021	2	108,462.37				108,462.37	PAID
2021	1	108,462.37				108,462.37	PAID

Total Amount Due: 118,621.42

Penalty and Interest Computed to: 08/20/2022

The real property tax information provided is based on information furnished by the respective counties, is deemed reliable but not guaranteed, and no warranties are given express or implied. Billing and tax collection details may have changed. Please refer to the appropriate county real property tax offices for any further information or updates for the subject property.





**SURVEY MAP**

---





### SCOPE OF PROFESSIONAL SERVICES

#### Background

John Child & Company is a professional corporation that specializes in real estate appraisal and consulting and business valuation. It is the only company in Hawaii with expertise and professional designations in both real estate appraisals and business valuations.

John Child & Company was established by John F. Child, Jr. in 1937. The Company was the first firm to specialize in market research in Hawaii. Since 1937, the Company has provided critical knowledge of real estate market conditions and trends gained from the strength of its market research. As a result, its clients have confidence that John Child & Company real estate appraisal and business valuation assignments are based on competent analysis and careful documentation, and its consulting assignments focus on the key issues and provide sound alternatives.

The Company's professional team members' past and current local, regional, and national leadership positions in their professional organizations help to establish and promote the highest standards of professional practice and ethics for the industry.

#### Real Estate Appraisal and Consulting

The Company's real estate consulting and appraisal practice includes a range of specialized services covering real estate in Hawaii and the Pacific area. Professional services include:

- Valuation of real estate
- Litigation support
- Arbitration
- Market rent analysis
- Highest and best use studies
- Market and financial feasibility analyses
- Economic and fiscal impact assessments
- Purchase price allocation.

Its assignments include all types of real estate interests such as fee simple, leasehold, leased fee, and other partial rights and fractional interests. Its assignments cover a variety of land uses and property types such as:

- Office buildings and commercial property
- Industrial property
- Telecommunications facilities
- Hotels and resort properties
- Agricultural, conservation, and vacant land
- Conservation easements
- Shopping centers and retail facilities
- Residential developments (single family, multifamily, and condominium)



- Master-planned and mixed-use projects
- Golf courses
- Healthcare facilities
- Redevelopment projects
- Special-purpose property
- Timeshare properties.

### **Business Valuation**

The Company's business valuation practice focuses on the valuation of closely-held businesses, including controlling and minority interests in corporations, partnerships, limited liability companies, and family limited partnerships. Its business valuation practice provides assistance in:

- Estate planning
- Tax reporting
- Mergers, acquisitions, and sales
- Stock transfers and redemptions
- Financial reporting
- Internal accounting
- Litigation support.

### **REPRESENTATIVE ASSIGNMENTS**

The Company has provided real estate appraisal and consulting and business valuations for more than 80 years.

#### **Real Estate Appraisal and Consulting**

The Company's real estate appraisal and consulting practice covers a variety of properties and property interests. Real estate interests include fee simple, leasehold, leased fee, and other partial rights and fractional interests. Representative projects are listed as follows:

#### **Redevelopment**

Aloha Tower  
Honolulu Waterfront  
Master Development  
Plan

Kakaako Redevelopment Plan  
Kakaako Waterfront Park  
Kapalama Development  
Complex

Pawaa Redevelopment  
Masterplan  
Puck's Alley/Moiliili Gateway

#### **Resorts**

Hualalai  
Ka'anapali North Beach  
Kapalua  
Kauai Lagoons  
Ka'upulehu

Kiahuna Plantation  
Ko Olina  
Makena  
Manini'owali  
Mauna Kea

Princeville  
Turtle Bay  
Waikoloa Beach Resort  
Wailea Resort



**Hotels**

Embassy Suites Ka'anapali	Hyatt Regency Waikiki Kahala Hilton	Maui Prince Princeville Hotel
Four Seasons Resort Hualalai	Kea Lani Hotel Koa Kea Hotel	Sheraton Kauai Resort Sheraton Waikiki
Halekulani Hotel Hilton Hawaiian Village	King Kamehameha Kona Beach Hotel	W Hotel Wailea Beach Resort
Hotel Hana Maui Hyatt Regency Maui	Kona Village Maui Marriott	Waikiki Resort Hotel

**Shopping Centers**

Ala Moana Aloha Tower Marketplace	Kahala Mall Center Kamehameha Shopping Center	Pearl City Pearl City Shops Pearl Kai Center
Coconut Grove Downtown Kihei (proposed)	Keauhou Shopping Center Keeaumoku Shopping Center	Piilani Shopping Center Princeville
Ewa Pointe Marketplace Hawaii Kai Shopping Center	King's Village Koko Marina	Royal Hawaiian Wailea Shopping Village
Hawaii Kai Towne Center	Kukui Mall Lanihau Center	Windward City Windward Mall
	Mililani Nimitz Business Center	

**Golf Courses**

Asahi Kanko Olomana Course	Ko Olina Mid-Pac Country Club	Waikele Golf Course Waikoloa (Kings)
Dunes at Maui Lani Hawaii Country Club	Pearl Country Club Princeville (Makai and Prince)	Waikoloa Village (two proposed)
Hawaii Kai Golf Course Ka'anapali	Sandalwood Golf Course Swordsmen Golf Course	Wailea (Blue, Emerald, and Gold)
Kauai Lagoons (Kiele and Lagoons)	Waikapu Country Club	

**Office Buildings**

1164 Bishop Aina Haina Professional Building	Castle Professional Center Commerce Tower	James Campbell Building Kailua Professional Center I and II
Ala Moana Building Ala Moana Pacific Center	Davies Pacific Center Financial Plaza of the Pacific	Leilehua Building Pan Am Building
Amfac Towers ANA Kalakaua Center	Grosvenor Center Harbor Court	Waialae Building Waikiki Bank of Hawaii Building
Arcade Building C. Brewer Building	Hawaii National Bank Hawaiian Life Building HMSA Building	Waikiki Trade Center



**Industrial Properties**

Airport Industrial Subdivision	Halawa Industrial Subdivision	Mapunapuna
Airport Trade Center	Hawaii Business Center	Mill Town
Barbers Point	Honokohau Harbor	Panasonic/Technics Center
Bougainville	Iwilei & Iwilei Business Center	Pier 38 Domestic Commercial
Bougainville Commercial Center	Kalaeloa	Fishing Village
Campbell Industrial Park	Kapolei Business Park	Sand Island Business Park
Ewa Drum & Varona Village	Kona Industrial Subdivision	Waiau
Halawa Center	La Tour Plaza	Waikele Storage Park
	Lihue Industrial Park	Waipahu
	Makalapua Business Center	Waipio Business Center
	Manana	

**Residential**

Discovery Bay	Makakilo	The Kalia, Inc.
Ewa by Gentry	Maui Eldorado	Uplands at Mauna Kea
Harbor Court	Mawaena Kai	Victoria Tower
Honolulu Park Place	Mililani	Village Park
Imperial Plaza	Napili Kai	Vineyard Court
Kalele Kai	Nauru Tower	Wailea Golf Vistas
Kamaole Heights	One Archer Lane	Wailea Pualani Estate
Kamehame Ridge	Royal Capitol Plaza	Yacht Harbor Tower
Ko Olina Fairways	Royal Kuhio	
Lahaina Residential	The Kahala Beach	

**Healthcare**

Adventist Health	Kahuku Medical Center	Roselani Place
Arcadia Retirement Residence	Kapiolani Medical Center for Women and Children	St. Francis Healthcare Systems
Castle Medical Center	Kauai Care Center	Straub Hospital & Clinic
Clinical Laboratories of Hawaii	Pali Momi Medical Center	Waianae Coast Comprehensive Health Care Center
Diagnostic Laboratories Services	Palolo Chinese Home	Wilcox
Hale Mahaolu	Ponds at Punalu'u	
Hawaii Health Care Systems Corporation	Queen's Health Systems	
	Regency at Hualalai	

**Agricultural, Conservation, and Conservation Easements**

Campbell Palehua and Kahe Ranch	Kealia Pond	Paradise Park
Dunbar Ranch	Kona Forest Unit Access	Ponoholo Ranch
Galbraith Trust Lands	Kuamo'o Point	Pupukea Property Conservation Easement
Hana Ranch	Kukaiiau Ranch Conservation Easement	Pu'u O Hoku Ranch
Honouliuli Forest Reserve	Lipoa Point	Turtle Bay
Kainalu Ranch	Maka'alae Conservation Easement	Ulupalakua Ranch Conservation Easements
Kalauao Valley	May's Landing	Waikapuna
Kanepuu Conservation Easement	McCandless Ranch Conservation Easement	Waimea Valley
Kaupo Ranch Wai'u and Nu'u Lands	Moanalua Valley	Wao Kele O Puna
	Palmyra Atoll	



### Special Purpose

Cemeteries/Memorial Parks	Hawaii Newspaper Agency Building	Outrigger Canoe Club Quarries
Chinese Cultural Plaza	Hawaiian Home Land Claims	Schools
Churches	Kapaa Land Fill	State of Hawaii Airports
Convents	Kaunapali Harbor	Telecommunications sites
Condominium and Residential	NAS Barbers Point Electrical Distribution System	Tokai University
Lease-to-Fee Conversions	Oahu Club	Visitor attractions
		Wedding chapels

### Business Valuation

The Company's business valuation practice focuses on closely-held businesses in Hawaii. Business valuation assignments typically estimate the market value of controlling and minority interests in closely-held corporations, limited liability companies, and partnerships.

These assignments are prepared to assist in estate planning and estate and gift tax reporting to the Internal Revenue Service, litigation, mergers, stock repurchase/redemptions, and acquisitions.

Valuations of closely-held businesses include:

### Corporations

Aala Produce, Inc.	Loyalty Development Company, Inc.
Advanced Fresh Concepts Food Service	Loyalty Enterprises, Ltd.
Dowling Company, Inc.	Palani Ranch Company, Inc.
Finance Investment, Ltd.	Ponoholo Ranch Limited
Gay & Robinson, Inc.	Royal Phoenix Corporation
Industrial Investors, Inc.	Sen Plex Corporation
Jas W. Glover Holding Company, Ltd.	SSFM Engineers
K. Inouye Properties, Inc.	

### Limited Partnerships and Limited Liability Companies

Aaron Properties Partners of Hilo	Leong Brothers
Baruch Bakar and Beth-El	Livingston Family Limited Partnership
BFFP Incorporated	Loyalty Associates
Caroline J. Robinson LLC	Loyalty Investments
CGB Partners	Maui Quest, LLC
Fernandez Properties	MLB Inc.
Hawaii Aina Management	Pawaa Court LLC
Honolulu Open Medical Imaging, LLC	Pohaku Koloa
J.L.P. Robinson LLC	Robinson Kunia Land LLC
K.J.L. Associates	Royal Phoenix
KSM Associates LLC	SCF Limited Partnership
KVH Partners	Second City
Kaha Kai LLC	Taihook Associates
Kamali'i Family Limited Partnership	Taira Family Limited Partnership
Lanikai Properties LLC	The Mark A. Robinson Trusts



### CLIENTS

The Company provides professional services to a range of clients representing private, non-profit, and public interests. Selected clients in private industry, non-profit organizations, and public agencies are listed.

### PRIVATE INDUSTRY

#### Attorneys

Ashford & Wriston	Law Offices of Thomas Watts
Bendet Fidell	Lung Rose Voss Wagnild
Cades Schutte	MacDonald Rudy O'Neill & Yamauchi
Carsmith Ball	McCorriston Miller Mukai McKinnon
Case & Lynch	Ning, Lily & Jones
Case Lombardi & Pettit	Oshia Chuh Fong & Chung
Chun Kerr	Price Okamoto Himeno & Lum
Cox Wooten Lerner Griffin & Hansen	Rush Moore
Crockett & Nakamura	Schneider Tanaka Radovich Andrew & Tanaka
Damon Key Leong Kupchack Hastert	Settle Law
Dentons	Starn O'Toole Marcus & Fisher
Ekimoto & Morris	Tom Petrus & Miller
Goodsill Anderson Quinn & Stifel	Torkildson Katz Moore Hetherington & Harris
Huilin Dong, Attorney at Law	Tsugawa Biehl Lau & Muzzi
Imanaka Asato	Van Buren & Shimizu
Ing Horikawa & Jorgensen	Wagner Choi Verbrugge
Kobayashi Sugita & Goda	Watanabe Ing

#### Banks/Lenders

American Savings Bank	Hawaii National Bank
Bank of Hawaii	The Chuo Mitsui Trust & Banking Co., Ltd.
Central Pacific Bank	The Industrial Bank of Japan, Ltd.
Citibank, N.A.	The Long-Term Credit Bank of Japan, Ltd.
First Hawaiian Bank	Wells Fargo Bank

#### Closely Held Corporations/Limited Partnerships/Family Trusts

Baruch Bakar and Beth-el Associate	Lanihau Properties, LLC
BFFP Incorporated	Leong Brothers
Caroline J. Robinson LLC	Livingston Family Limited Partnership
Gay & Robinson	Loyalty Development
Hawaii Aina Management Co. LL	Loyalty Investments
Jas. W. Glover Holding Company, Ltd.	Maui Quest LLC
J.L.P. Robinson LLC	MLB, Inc.
Kaha Kai LLC	Norman & Amy Hirohata-Goto LLC
Kamalii Family Limited Partnership	Nua Family Limited Partnership
K.J.L. Associates	Palani Ranch
KVH Partners and CGB Partners	Pawaa Court LLC
Knudsen Trusts	Pohaku Koloa LLC





**Closely Held Corporations/Limited Partnerships/Family Trusts, Continued**

Ponoholo Ranch, Limited	Sheridan Ing Marital Trust
Royal Phoenix Corporation	Taira Family Limited Partnership
SCF Limited Partnership	The Mark A. Robinson Trusts
Second City Property Management Inc.	WBL, Inc.
Sen Plex Corp.	

**Developers/Landowners**

A&B Properties, Inc.	Hemmeter/Tokyu Waterfront Joint Venture
Aloha Tower Associates	James Campbell Company
Bedford Properties, Inc.	Kaneohe Ranch
(fka Kaiser National Housing Corporation Development Company)	Kapolei Property Development, LLC
Cuzco Development U.S.A. LLC	Krausz Properties
Dowling Company, Inc.	McCandless Land & Cattle Company
Elleair Hawaii, Inc.	MW Group, Ltd.
Finance Realty	Niu Pia Farms
Gentry Companies	Pauahi Management Corp.
Hana Ranch Partners	Queen Emma Land Company
Hanalei Land Company	Sam Koo Pacific, LLC
Haseko (Hawaii), Inc.	Tesoro Hawaii Corporation
	Ulupalakua Ranch Inc.

**Resort Operators/Owners**

Alpha U.S.A., Inc.	Princeville Development Company
Kapalua Land Company, Ltd.	Shinwa International
Kaupulehu Makai Venture (Hualalai Resort)	Turtle Bay Resort
Namalu LLC (Makena Resort)	Wailea Resort Company, Inc.

**Retailers**

7-Eleven (Hawaii), Inc.	Safeway, Inc.
Kyotaru International	Sears Holding Corporation
McDonald's Restaurants of Hawaii	

**Trust Companies and Trusts**

Bank of Hawaii Trust Department	Knudsen Trusts
First Hawaiian Trust	Lili'uokalani Trust
Hawaiian Trust Co., Ltd.	Mark A. Robinson Trusts

**NON-PROFIT ORGANIZATIONS**

Adventist Health	Hawaii Pacific Health
Bobby Benson Center	Hawaii Pacific University
Castle Medical Center	Honolulu Community Action Program, Inc. (HCAP)
Chaminade College	Iolani School
Hawaii Health Systems Corporation	Japan Association of Real Estate Appraisers
Hawaii Opera Theatre	



**NON-PROFIT ORGANIZATIONS, Continued**

Kahuku Medical Center	Segull Schools, Inc.
Kamehameha Schools	The Fathers of the Sacred Hearts
KCAA Pre-Schools of Hawaii	The Sisters of the Sacred Hearts
Manoa Valley Theatre	St. Francis Healthcare Systems of Hawaii
Maui Coastal Land Trust	The Nature Conservancy
National Tropical Botanical Garden	The Trust for Public Land
Pacific Buddhist Academy	Young Women's Christian Association
Punahou School	(YWCA)
Queen's Health Systems	

**PUBLIC AGENCIES**

**Bank Regulatory Agencies**

Federal Depository Insurance Corporation (FDIC)	Federal Home Loan Bank Board (FHLBB)
---	--------------------------------------

**City & County of Honolulu**

Honolulu Authority for Rapid Transportation	Department of Design and Construction
Honolulu Public Transit Authority	Department of the Corporation Counsel
Department of Housing and Community Development	

**County of Hawaii**

Department of Finance	Department of Public Works
-----------------------	----------------------------

**County of Kauai**

Department of Water	
---------------------	--

**Federal Agencies**

Internal Revenue Service	U.S. Department of Agriculture, Natural Resource Conservation Service
National Business Center, Appraisal Services Directorate	U.S. Department of the Army
U.S. Attorney General	U.S. Department of the Navy
U.S. Department of Agriculture, Forest Service	U.S. Department of Interior, Fish & Wildlife Service

**Utilities**

Aloha Solar Energy Fund	Eurus Energy America Corporation
Citizens Utilities Company - Kauai Electric	Hawaiian Electric Industries (HEI, Inc.)
D.R. Fortress	Pacific Resources, Inc.



### **State of Hawaii**

Attorney General  
Department of Hawaiian Home Lands  
Department of Land & Natural Resources  
Department of Transportation

Hawaii Community Development Authority  
Hawaii Housing Finance and Development  
Corporation  
Office of Hawaiian Affairs

### **PROFESSIONAL TEAM QUALIFICATIONS**

The professional team has a wide range of real estate experience gained through a variety of field experience, professional accomplishments, training, and education. Team members have earned their reputation for quality work and professional service.

#### **Professional Designations**

Team members hold designations earned from the major professional organizations. Team members have earned the MAI designation from the Appraisal Institute, the CRE (Counselor of Real Estate) from The Counselors of Real Estate, and ASA (Accredited Senior Appraiser) from the American Society of Appraisers.

#### **State Certification**

Members of the professional team are Certified General Appraisers under the State of Hawaii license and certification program.

#### **Other Qualifications and Training**

Professional team members are qualified as expert witnesses in the courts of Hawaii; actively participate in and serve as arbitrators and review appraisers; and continue to attend courses, seminars and workshops to strengthen their own specialized appraisal skills and education.

#### **Professional Team Members**

Professional team members include:

- Karen Char, MAI, CRE, ASA, President
- Paul D. Cool, MAI, CRE, Vice President
- Shelly H. Tanaka, MAI, AI-GRS, Vice President
- Cooper Borge, Real Estate Analyst.

The education and professional experiences of team members are outlined in their accompanying resumes.

## QUALIFICATIONS OF JOHN CHILD & COMPANY

---



**SHELLY H. TANAKA, MAI, AI-GRS**

**Vice President**

Shelly estimates the value of closely-held businesses and real estate in Hawaii. Because of her expertise in both real property and business valuation, she is able to effectively assist clients with their estate planning and gifting decisions, tax reporting, acquisitions and mergers, stock transfers and redemptions, and purchase price allocations.

Shelly's real estate valuations include resort, commercial, industrial, residential, agricultural, and conservation properties on Oahu, Maui, Kauai, and Hawaii. Assignments have included appraisals of conservation and right-of-way easements, hospitals, and other complex or limited-market properties, as well as market assessments, feasibility analyses, and fiscal and economic impact studies for a variety of projects including senior living facilities, hotels, shopping centers, residential subdivisions, and two master-planned communities on Oahu and Maui. She serves as an arbitrator and expert witness, and has worked on several class-action lawsuits providing complex and timely analysis to assist in trial preparation and settlement negotiations.

### **Education**

- Master of Business Administration, University of Hawaii at Manoa, 1998
- Bachelor of Arts, Psychology, University of California at Los Angeles, 1994
- Iolani School, 1990
  
- Various courses, workshops and seminars including:
  - Appraisal Institute, Uniform Appraisal Standards for Federal Land Acquisitions, 2017
  - Appraisal Institute, General Review Theory, 2014
  - Appraisal Institute, Complex Litigation Appraisal Case Studies, 2014
  - Appraisal Institute, Fundamentals of Separating Real Property, Personal Property, and Intangible Business Assets, 2012

### **Professional Designations**

The Appraisal Institute conducts voluntary programs of continuing education for its designated members.

The MAI Membership designation is held by professionals who can provide a wide range of services relating to all types of real property, such as providing opinions of value, evaluations, review, consulting and advice regarding investment decisions, among others.

The AI-GRS Review designation is conferred upon professionals who have demonstrated the knowledge and skills needed to provide appraisal reviews for a wide range of property types in order to satisfy issues related to due diligence and risk management.

Shelly H. Tanaka, MAI, AI-GRS is designated under both programs.

### **State Certification**

- Certified General Appraiser, State of Hawaii, License Number CGA-648, expiring December 31, 2023.
-



**Court Testimony**

- Qualified as an expert witness in the valuation of real property and business valuation in the Courts of the State of Hawaii.

**Professional Associations**

- Appraisal Institute
  - National Board of Directors, 2017 – 2020
  - National Finance Committee, 2018 – 2021
  - Women’s Initiative Committee, member, 2020
  - Region VII Finance Chair, 2014 – 2015
  - President, Hawaii Chapter, 2014
- Appraisal Institute Education and Relief Foundation
  - Chair of the Board of Directors, 2019 – 2021
  - Director, 2022
- Appraisal Institute Education Trust, Trustee and Vice Chair, 2017 - 2018

**Other Service**

- The Appraisal Foundation, Board of Trustees, 2022 – 2024
    - Audit Chair, Executive Committee, 2023
  - Real Estate Appraiser Advisory Committee, Professional & Vocational Licensing Division, Department of Commerce and Consumer Affairs, State of Hawaii
    - Chair, 2021 – 2023
    - Vice Chair, 2019 – 2020
    - Member, 2016 – 2018
  - Hawaii Appleseed Center for Law and Economic Justice, Board of Directors, 2019-2021
-

## **QUALIFICATIONS OF JOHN CHILD & COMPANY**

---



### **COOPER BORGE**

Real Estate Analyst

Cooper provides data research and analysis for various real estate assignments. His valuation assignments have covered industrial land and warehouses, agricultural lands, apartment projects, single-family lots and condominium apartments, and utility easements on Hawaii island and Oahu. He has also assisted with market rent surveys for limited-market properties including hospital specialist space and preschools.

#### **Education**

- Bachelor of Science, Kinesiology and Rehabilitation Sciences, University of Hawaii at Manoa, 2016
- Moanalua High School, 2011
- Appraisal Institute, Basic Appraisal Principles, 2022

#### **Professional Experience**

- Analyst, John Child and Company, Inc., 2023 – present
  - Service Account Manager, Heide & Cook, 2020 – 2023
-

STATE OF HAWAII  
DEPARTMENT OF HAWAIIAN HOME LANDS

January 16, 2024

TO: Chairman and Members, Hawaiian Homes Commission

THROUGH: Paula Aila, Acting Administrator,  
Contact & Awards Division



FROM: Michelle Hitzeman, HALE Manager /Project Lead  
Moana Freitas, Case Management Specialist  
Contact & Awards Division

SUBJECT: Approval of Lease Award

RECOMMENDED MOTION/ACTION

Approve the awards of Department of Hawaiian Home Lands Residence Lot Leases to the applicants listed below for ninety-nine (99) years, subject to the purchase of the existing improvements on the lot by way of a loan or cash.

DISCUSSION

Ka‘uluokaha‘i Increment B Residential Subdivision –Vacant Lot, Ewa Beach, Oahu

<u>NAME</u>	<u>APPL DATE</u>	<u>LOT NO</u>	<u>TAX MAP KEY</u>	<u>LEASE NO</u>
TEDDY KAMAI	08/20/1992	4	(1) 9-1-017-110	13075
KEONE K. MAHOE	09/25/1992	46	(1) 9-1-017-110	13076

Kakaina Residential Subdivision – Vacant Lot, Waimanalo, Oahu

<u>NAME</u>	<u>APPL DATE</u>	<u>LOT NO</u>	<u>TAX MAP KEY</u>	<u>LEASE NO</u>
ANDREW M GLUSHENKO	11/01/1972	33	(1) 4-1-041-033	13077
HANA HINANO HO	02/18/1975	18	(1) 4-1-041-018	13078
RICHARD SETO-MOOK	11/10/1975	26	(1) 4-1-041-026	13079

STATE OF HAWAII  
DEPARTMENT OF HAWAIIAN HOME LANDS

January 16, 2024

TO: Members, Hawaiian Homes Commission  
FROM: Makai Freitas, Acting Chair, Geothermal Permitted Interaction Group  
SUBJECT: Status Report from the Geothermal Permitted Interaction Group

RECOMMENDED MOTION/ACTION

None. This report is for information only.

DISCUSSION:

Per its report to the full Commission in August 2023, the Geothermal PIG has remained active and continues to collaborate with DHHL staff and our engaged consultant to “Study, Evaluate, and Recommend Strategies Related to Geothermal Exploration, Feasibility, Extraction, and or Use on Hawaiian Home Lands”. The Geothermal PIG has met a total of four times since August 2023. Guests and participants who have made presentations to or been briefed by the Geothermal PIG include:

- The Hawaii State Senate Ways and Means Committee
- Mark Glick, Hawaii State Energy Office, Chief Energy Officer
- Robbie Cabral (Principal, WAIKA CONSULTING LLC);
- Ryan Matsumoto (WAIKA CONSULTING LLC); and
- Gavin Murphy (New Zealand Geothermal Consultant).

On November 7, 2023, the Hawai`i State Senate Ways and Means Committee, under the leadership of Senator Donovan De La Cruz, convened a meeting in Hilo to receive an update on the status of energy in the State. Chief Energy Officer Mark Glick provided a Statewide update to the WAM Committee. The WAM Committee was specifically interested in the status of the geothermal studies that have been undertaken to date on Hawai`i Island. Ryan Matsumoto provided an update of the studies performed for DHHL to date under the direction of WAIKA CONSULTING LLC. Russell Kaupu and Mike Kaleikini provided updates on the PIG’s involvement. Mike Kaleikini shared that DHHL will be submitting a legislative funding request of \$6 million to fund the next steps. Mike went on to explain the proposed use of the \$6 million.

On December 14, 2023, Robbie Cabral, Ryan Matsumoto and Gavin Murphy participated in a Zoom conference call with DHHL staff and the PIG to review the final results of the studies that WAIKA CONSULTING LLC oversaw. Gavin Murphy, a longtime, well-respected consultant with vast geothermal operations and development experience in New Zealand, took the lead in



reviewing the final report with DHHL staff and the PIG members. A copy of the Final Report Presentation is attached hereto. Highlights of the final report received by DHHL are as follows:

- This first phase of studies performed indicate that there is potential for the existence of geothermal resources under DHHL lands.
- Further studies, in the form of geophysical techniques are required, to increase the understanding of the potential geothermal resource on DHHL lands.
- Future studies need to consider using the Hawaii Groundwater and Geothermal Resource Center as a resource and perhaps participant in future studies.

RECOMMENDED NEXT STEPS:

As part of the 2024 Legislative Priorities, DHHL submitted a request for General Funds in the amount of \$6 million. The purpose of this request is to help facilitate the next steps in proving the viability of geothermal resources under DHHL lands. The \$6 million funding would be used for the following:

- To hire geothermal consultants to support and help navigate DHHL and the PIG's efforts to prove the viability of geothermal resources on DHHL lands (similar to how we use consultants to help support and navigate discussions and negotiations with Solar developers).
- To perform geophysics studies, primarily the magnetotelluric (MT) method which collects resistivity data of the subsurface areas being studied. The magnitude of the resistivity data would be used to determine the presence of water and or elevated temperatures.
  - The WAIKA Report placed MT survey priorities at Humu`ula, Kawaihae and Waimea, respectively.
  - The PIG is recommending that the MT surveys be performed on all Hawaii Island lands that can be readily accessed, including the Ka`u area.
- Based on the geophysics studies, to determine the best options for conducting slim hole drilling to collect water and temperature profiles. This activity would provide a high degree of understanding on whether a viable geothermal resource exists or not. Slim holes could also be used to deliver water for the future drilling of full-sized geothermal wells.

In addition to providing legislative support for the \$6M request, the PIG will engage in further discussion and consideration of DHHL's role in geothermal development. Specifically, consideration for private public partnerships, straight ground lease with other compensation (royalties, etc.) and proper community outreach (beneficiary consultation, etc.).



# FINAL REPORT PRESENTATION

GEOHERMAL EXPLORATION  
HAWAII ISLAND  
DEPARTMENT OF HAWAIIAN HOME LANDS

PROFESSIONAL SERVICES CONTRACT #71388



**KALI WATSON**  
CHAIRMAN, HAWAIIAN HOMES COMMISSION

© **WAIKA CONSULTING**  
DECEMBER 2023

CONFIDENTIAL

# WAIKA CONSORTIUM

- Kawehi Correa - *President*
- Robbie Cabral - *Project Team Lead*
- Ryan Matsumoto - *Project Manager*
- Geothermal Scientific Investigations Ltd - *Geoscience*
- Luca Ltd - *Engineering & Commercial Geothermal Development*
- *Consultants:*
  - Millilani Trask, Esq. - *Trustee, Office of Hawaiian Affairs*
  - Malama Solomon, PhD. - *former State Senator (State of Hawaii)*
  - Neal Abercrombie, PhD. - *former Governor (State of Hawaii)*

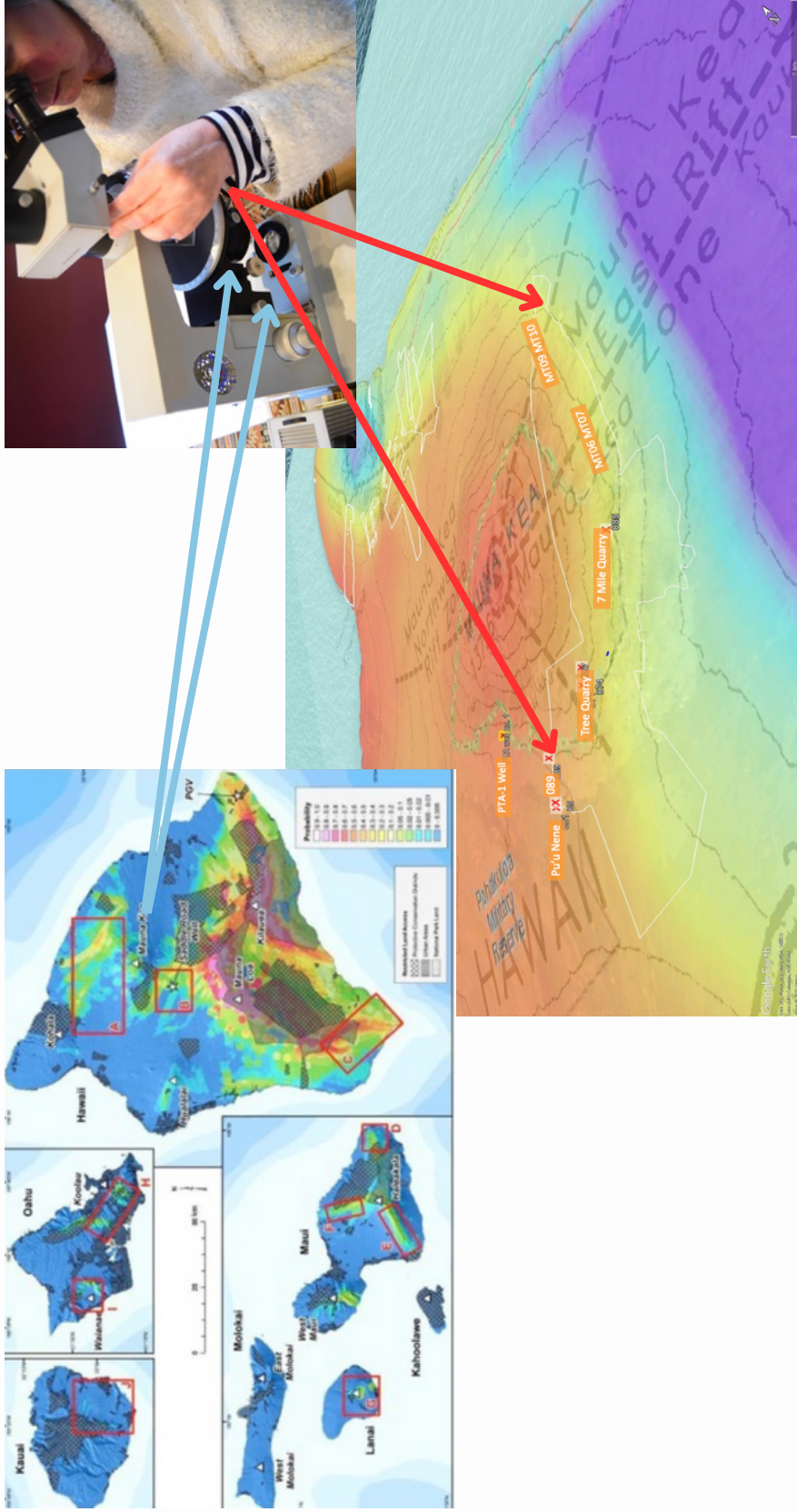
# CONTRACT TIMELINE

PROFESSIONAL SERVICES CONTRACT #71388

- **Jun 7, 2023:** Contract Executed between Waika & DHHL
- **Jun 25, 2023:** Desktop Literature Review Completed
- **Jun 30 - July 13, 2023:** On-site Field Survey Work Conducted
- **Jul 7, 2023:** Waika Receive Notice to Proceed from DHHL
- **Aug 7, 2023:** Field Survey Report Completed
- **Sep 23, 2023:** Raw Data Lab Analysis Completed
- **Nov 7, 2023:** Presentation to Senate Ways & Means Committee
- **Nov 22, 2023:** Final Report Completed & Submitted to DHHL

# INITIAL ACTIVITIES

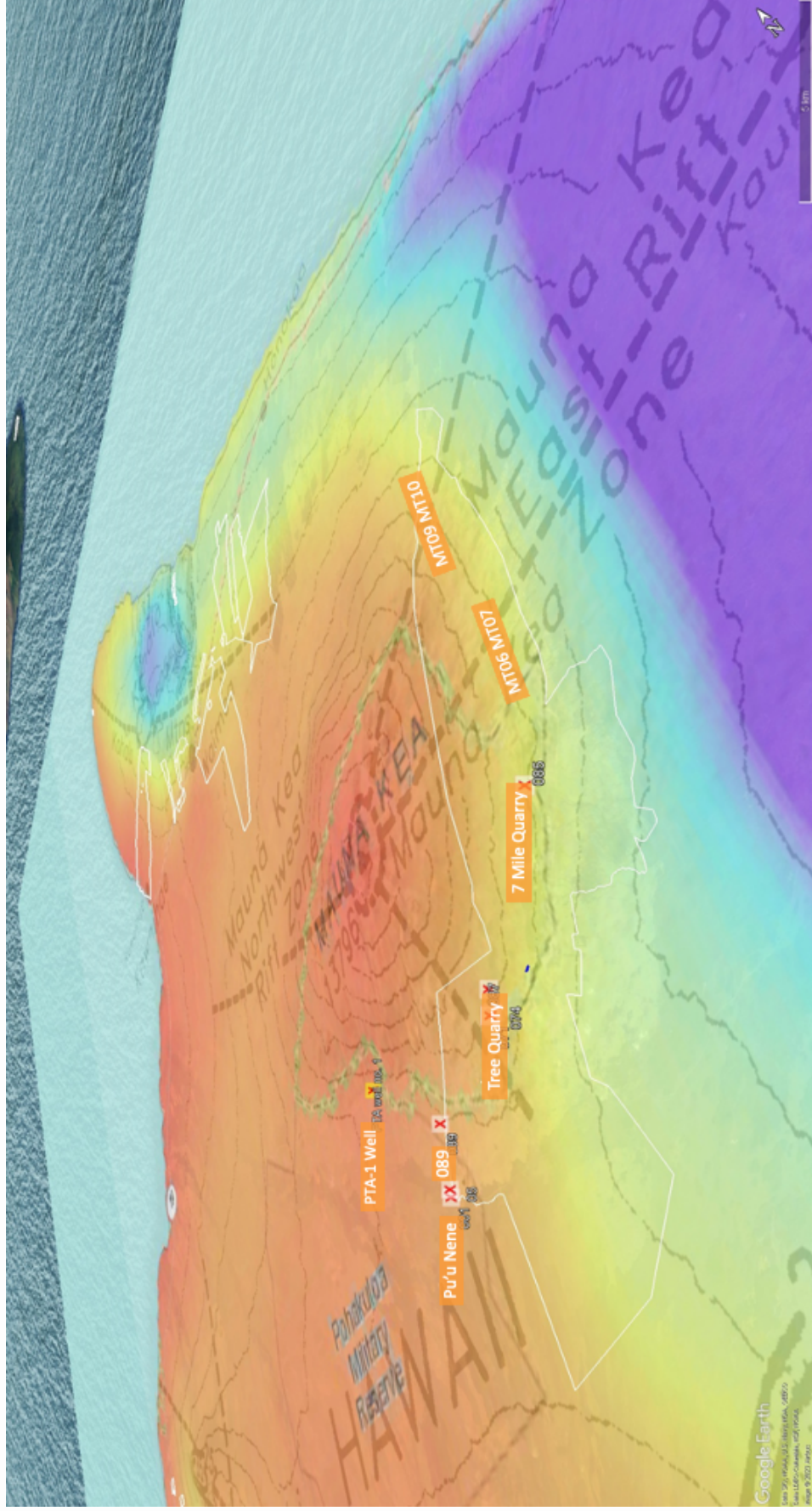
**STEP 1:** Previous Geothermal Exploration work was consolidated by “Play Fairways” project. This assigned island-wide mathematical geothermal probability weighting to generalized, broad areas.



**STEP 2:** Geothermal specialists examined data specific to DHHL lands at Humu'ula, Kawihāe, and Waimea and physically investigated the sites.

# KEY HIGHLIGHTS

DHHL Land Map at Humu'u'ula overlaid to Heat Signature Map developed from Waika Analysis.



# EVIDENCE FINDINGS

**Evidence found at Humu'ula, Mauna Kea & Kawaihae demonstrated all of the individual components that are required to support a Hydrothermal process.**

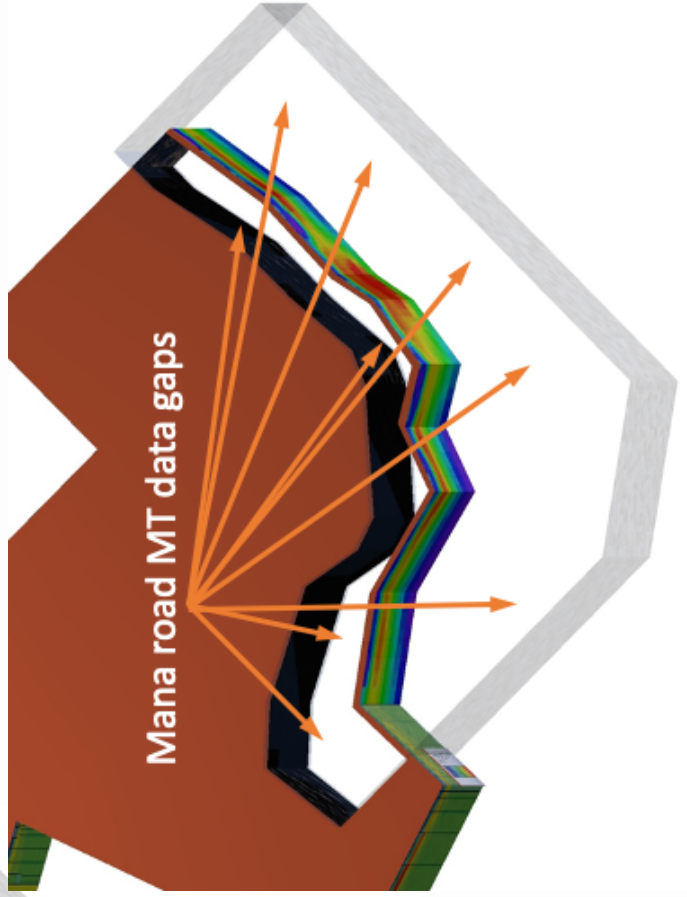
Recommend	Source	Heat Source	Permeability	Thermal Fluid	Capping Mechanism	Recharge	Magnetotellurics
Yes	PTA 1 PTA 1 PTA 1 PTA 1 MT literature Literature Literature Literature Field survey KMA1 Literature Field survey Lake Waiau study	140 deg C < 200 deg C minerals Temp gradient 165 / km Intrusive rocks Young cinder cones Intrusive magmatics Volcanic < 4000 yrs. Low temp minerals	Aquifers Fracture zone > 10 / 200 mm (ft.) Intrusive rocks Rift Zones Normal faults Basalt permeability variation Springs	Dilute thermal Minerals: Fluid Temp. In equilibrium	Perched aquifers Smectite clays Intrusive rocks Intrusive rocks Basalt permeability variation Clay rich ash layers Ash	Aquifers Intrusive rocks Rainfall 1 to 2.3 m / yr Rift Zones Normal faults Catchment area	Values typical of hydrothermal activity Western boundary Pu'u Nene Tree Quarry Mama road Pu'u Lauiamā 7 mile Quarry MT 06-07 MT09 to MT30
Next step 1	These factors are all essential to have a geothermal resource. The presence of these gives confidence a system will exist. The enthalpy of the resource cannot be predicted from this information						
Next step 2	Further MT required to create 3D MT model						

Slim-line exploration drilling

- The quantity, combination and interaction of these individual components to form and maintain a hydrothermal process is complex.
- Additional Magnetotelluric (MT) Surveys will be needed to create three dimensional (3D) MT models along Mana road. This will allow subsurface structures to be imaged. This in turn locates drilling targets of interest.
- The presence of a hydrothermal resource will not be physically confirmed at any given location, until the completion exploration drilling

# SINGLE MT PROFILE LIMITS

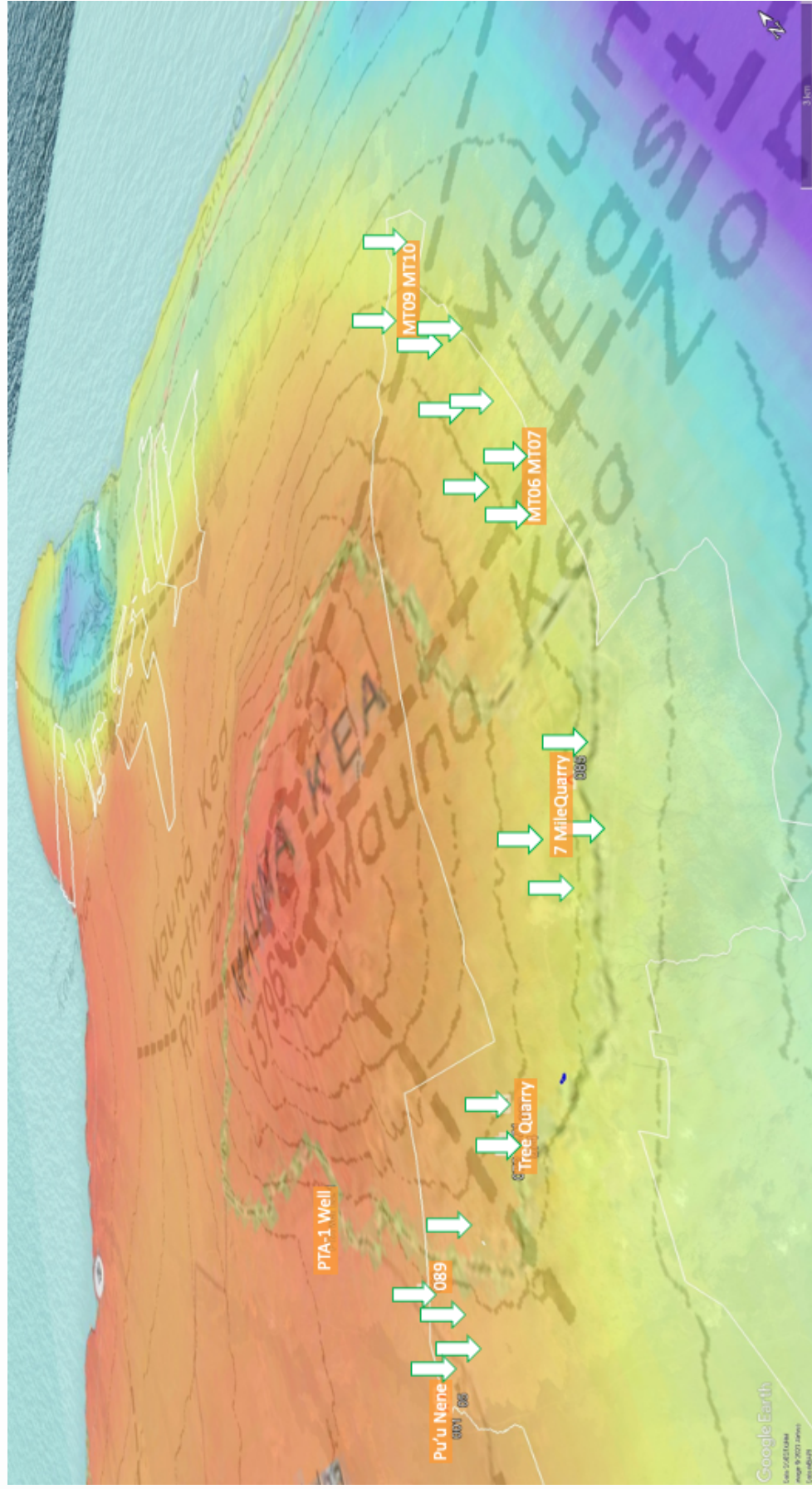
**Mana Road single MT profile currently available but with data gaps in areas of interest.**





# RECOMMENDED AREAS OF EXPLORATION

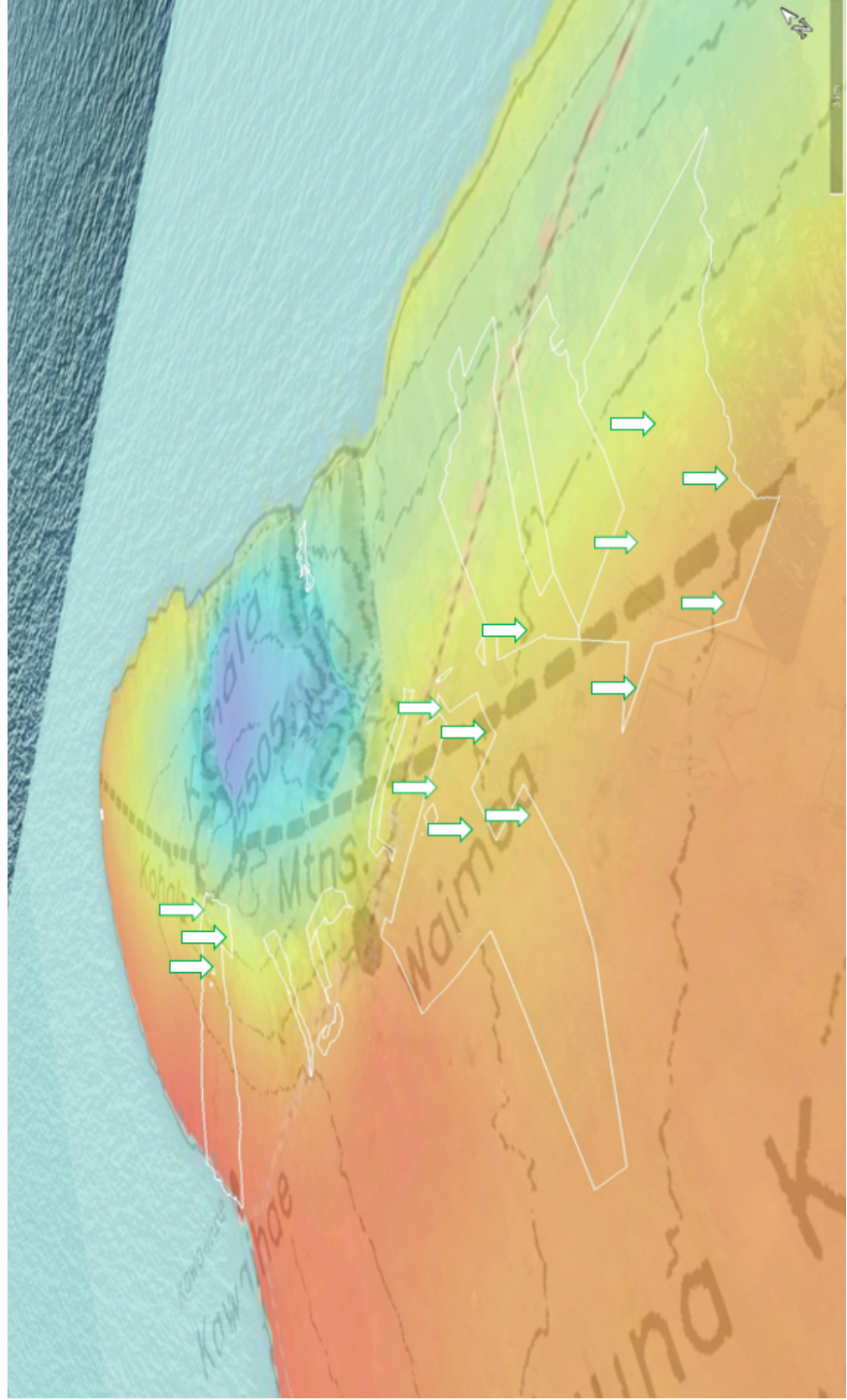
## MT Survey Area Priority Area #1 (Humu'ula)



ITEM C-3

# RECOMMENDED AREAS OF EXPLORATION

## MT Survey Area Priority Area #2 (Kawaihae) and Area #3 (Waimea)



ITEM C-3

# RECOMMENDED NEXT STEPS

- Execute Surface Geophysical Surveys (MT & TDEM) for all Sites of Interest
- Determine & Resolve any Site Access Issues
- Commission an early Development Economic Model & Risk Register in parallel with a Site Specific Development Program
- Begin work on geothermal resource permitting, community outreach, landowner agreements, exploration drilling, and exploration for grid connections & power purchase agreements



# MAHALO NUI LOA

© WAIKA CONSULTING  
DECEMBER 2023

STATE OF HAWAII  
DEPARTMENT OF HAWAIIAN HOME LANDS  
January 8, 2024

To: Members, Hawaiian Homes Commission (“HHC”)  
From: Members of the Permitted Interaction Group  
Subject: Report and Recommendations from the Act 279 Acquisition Permitted Interaction Group

**For Information Only**

**BACKGROUND INFORMATION/SUMMARY**

The purpose of this informational item is to brief the Hawaiian Homes Commission (HHC) on the proposed changes to the Act 279 budget, list of projects, both for development and land acquisition. The opportunities for acquisition of various projects received through a third request for proposal issued last year.

**DISCUSSION**

On November 20, 2023, Chairman Kali Watson established a Permitted Interaction Group pursuant to HRS Section 92-2.5 and HAR Section 10-2-16(b)(1) to “investigate, consider and recommend changes, if any, to the Act 279 strategic plan and budget after given due consideration to evolving opportunities as the Department moves forward in executing on the intent of Act 279, which is to reduce the number of applicants on DHHL's waitlist.” The appointed members of the Committee include Chairman Watson and Commissioners Makai Freitas, Walter Kaneakua, and Sanoe Marfil. HHC Kaneakua served as Chair of the Committee.

The Committee was established to evaluate the changing landscape of identified projects with newly developed opportunities previously not available. Phasing planned projects allows staff to creatively identify projects that could further expedite and reduce the number of applicants on DHHL’s waitlist. These recommendations optimize and leverage Act 279 Departmental funding. DHHL staff issued three Requests for Proposals (RFPs) to explore opportunities for innovative development blended with existing DHHL property.

The Committee focused on the following criteria in examining the various projects that will expedite beneficiary awards:

1. Benefits of increased economy of scale in larger unit concentration that reduces beneficiary costs of building a home.
2. Benefits of available increased, suitable infrastructure (Water, Sewer, Drainage and Electrical).
3. Benefits of lowered cost-per-unit for infrastructure.
4. Beneficiary access to ready social infrastructure, including health care, schools, community centers, and jobs.

5. Sufficient beneficiary interest to acquire/develop the homes.
6. Benefits by selecting locations minimizing adverse costs of flood zones and areas with more challenging construction costs (i.e. excessive rock and/or soil conditions.)

The Committee considered opportunities which could produce more expeditious beneficiary awards and homes, compared with approved projects identified in the current Strategic Plan. Projects facing major cost impediments that would cause substantial delays in the delivery of homes were deferred or divided into phases in favor of projects that could provide faster delivery at reduced per unit cost. The Committee's careful deliberation results in an *updated* Strategic Plan providing an additional 6,000 lots for beneficiary awards. Select projects were divided into two phases where in the first phase, Act 279 was used to acquire new lands and develop lot infrastructure allowing expedited lease awards. The remaining balance of lots would be completed in Phase 2, subject to obtaining additional funding from the legislature supplemented by other sources. The entire funding under Act 279 is or will be encumbered within the deadline imposed by the legislature. To complete Phase 2 will require additional funding of over \$600 million.

DEPARTMENT OF HAWAIIAN HOME LANDS													
ACT 279 IMPLEMENTATION													
Project Status as of: January 8, 2024 4:15pm													
							Act 279 Implementation Budget (Strategic)		Encumbrance Status as of Nov. 30, 2023				Status
Island	FY23 Subdivision/Project	Lots	Phase I	Phase II	Activity	FY 2023	FY 2024	Encumbered FY23	Projected Encumbrance FY24 per approved Strategic Plan	Proposed Encumbrance FY24 new PIG Amended Strategic Plan	Projected Deferral FY25 Subject to Leg Funding		
<b>HAWAII COUNTY</b>													
1	Hawaii	Laiopua Villages 1 and 2, 4, and N. Kona Water Development (doesn't include Village 4 infrastructure, which should be done by Feb 2024)	580	380	200	Acq/ Dev Agrmt	\$ 4,000,000	\$ 63,000,000			\$ 42,000,000	\$ 25,000,000	Chair directs RFP/RFQ development agreement to include Villages 1 and 2, house construction in Village 4 Hema. Village 5 vacant lots (55) handled under separate RFQ. Revisit Leg appropriation Act 88, SLH 2021; proviso for \$12.2M for water development and subdivision improvements "Encumbered" Well site appraisal in progress. LDD preparing RFQ for November posting. Request release of funds in 3rd Quarter FY24. **Do Village 1 as future phase. Need to adjust \$67m. Keep water, but infrastructure for Village 2 (4 already covered elsewhere). Move Village 1 infrastructure to FY25. Phase 1 Villages 2&4=325 units. Phase 2 (Village 1) is 200 units
2	Hawaii	Honomu Subsistence Ag Lots, Phase 2	40		40	Site Design/ Construction		\$ 6,000,000				\$ 6,000,000	Designs in process (paid for with Trust Funds); IFB scheduled for 2nd Quarter 2024
3	Hawaii	Kaumana (Avalon Development)	168		168	Acq			\$ 2,000,000				Proposal acceptable for acquisition only. Sale closed 3/31/23; transaction completed. Act 279 funds encumbered.
	Hawaii	Honokaa Homesteads/Lehua Villages Land Acquisition (~296 SF units)								\$ 8,750,000			RFP#2 Honokaa Homesteads (mauka of Hawaii Belt Road) and adjacent Lehua Villages (makai of Hawaii Belt Road). 296 units to be built when additional funding is obtained. Potential future phases providing additional ~700 units on adjacent parcels pending additional funding. \$8,750,000 for land acquisition.
4	Hawaii	Honokaa Homesteads/Lehua Villages EIS/AIS/Infrastructure/Phase 1 (150 of 296 SF units)	296		296	Dev Agrmt				\$ 1,258,000	\$ 59,113,200		EIS/AIS required. Will concurrently seek Planned Unit Development to allow 5,000sf lots. Push all development costs to FY25 pending additional funding. Note: DHHL lands located close proximity. Adjacent to HPHA lot next to hospital which could develop Kupuna Hsg. Also adjacent to Kamehameha Schools lands which could be part of a DHHL/KS land exchange.
5	Hawaii	Kuu Papaikou	220							\$ 1,000,000			RFP#2 Providing \$1m Act 279 funds for due diligence investigation. Acquisition: \$10.5m. Conceptual plan calls for 220 units (84 LIHTC SF homes 60% AMI or below, 40 kupuna housing units, 136 SF homes, 5 buildings 4,000sf each commercial center, 80 glamping sites and cultural center). Use NAHASDA for kupuna housing and commercial and cultural components.
6	Hawaii	Palamanui (Nan Inc. Master Development)	40	40						\$ 7,000,000			RFP#3 Nan inc. donated 18 acres of 725-acre entitled mixed use-development across Kona Airport to DHHL. Also developing 26 kupuna housing and 64 multi-family transitional rental units for DHHL using LIHTC and \$15.75 million in NAHASDA funding. \$10 million water system installed with 50% of capacity going to DHHL portion. EIS, AIS, TIAR completed. Master plan community also includes more residential units, business park, open space, Dry Forest Preserve, "University Village Town Center" with retail shopping and commercial amenities and a regional park. Infrastructure cost is \$175k per unit
7	Hawaii	Panaewa Residential Lots - Elama Road (DHHL owns land)	600		600					\$ 1,000,000	\$ 147,000,000		DHHL already owns land. Ph1 150units, Ph2 150units, Ph3 150units, Ph4 150units all 10,000sf lots. Costs based on Rough Order of Magnitude estimate from Kelbert dated 12/15/2023. Seeking federal funding for sewer improvements. Budget initial phase 1 only for first 150 units and backbone infrastructure for FY24. Budget \$90m for remaining 450 units in FY25. Funding for soft costs.
<b>MAUI COUNTY</b>													
8	Lanai	Lanai Residence Lots Offsite Infrastructure	75		75	Planning and Design	\$ 2,000,000			\$ 2,000,000			Contract with Bowers+Kubota executed. Request to Release Act 279 funds submitted to B&F and Gov in September 2023. Allotment approved on Nov. 8, 2023. Contract in process for certification. Considering partnering with Maui County - adjacent project
9	Molokai	Hoolehua Scattered Lots	20		20	Site Construction		\$ 3,500,000				\$ 3,500,000	Draft EA in process for 1st Quarter 2024 (paid for wih CIP funds)
10	Molokai	Naiwa Ag Subdivision	16			Site Construction		\$ 6,000,000				\$ 6,000,000	FONSI and Final EA October 2023. Designs in process; bid scheduled for 1st Quarter 2024. FONSI and Final EA scheduled HHC approval November 2023. Construction requires approximately \$20M for 50 awarded Naiwa Ag lots \$20m will lapse June 30, 2024. 16 lots to be awarded, scattered amongst awarded lots.
11	Maui	Pu'uhona Homestead Subdivision	161	161		Site Construction	\$ 17,500,000		\$ 17,171,944				Construction Contract Awarded to Maui Kupono Builders; \$17,171,944. Notice to proceed effective May 15, 2023. Groundbreaking May 24, 2023. Chair directing developer to provide LITHC financed single-family rentals with optn to purchase, turnkey lots, Habitat, owner/builder lots. Community initiative to amend name of subdivision from Pu'unani Homestead to Pu'uhona Homestead. Anticipate developer requesting interim home construction financing. Processing archaeological monitoring since found old drainage ditch, which may increase costs.
	Maui	Pu'uhona Homestead Subdivision (Offsite Water Tank)				Design/ Site Construction			\$ 5,509,000				Developer preparing plans and specifications for IFB in Fall 2023, subject to County DWS approval of construction plans and storage agreements. Proposed change from concrete tank to stainless steel tank will save construction cost.Expect savings from this project.
12	Maui	Honokowai Subsistence Ag Ph. 1	50		50	Design/Site Construction		\$ 5,000,000	\$ 1,470,000			\$ 3,530,000	Survey and design in process. Continuing design work on R-1 water easements and engineering. Amending scope of work to include access from Honoapiilani Highway, and establishment of sewer manholes at Honokowai makai boundary.

DEPARTMENT OF HAWAIIAN HOME LANDS							ACT 279 IMPLEMENTATION				Project Status as of: January 8, 2024 4:15pm	
							Act 279 Implementation Budget (Strategic)		Encumbrance Status as of Nov. 30, 2023			Status
Island	FY23 Subdivision/Project	Lots	Phase I	Phase II	Activity	FY 2023	FY 2024	Encumbered FY23	Projected Encumbrance FY24 per approved Strategic Plan	Proposed Encumbrance FY24 new PIG Amended Strategic Plan	Projected Deferral FY25 Subject to Leg Funding	
Maui	Leialii 1B Offsite Water				Site Construction	\$ 15,000,000			\$ 15,000,000			Offsite water tank, booster pump and transmission needed to provide potable water and fire protection to Leialii 1B Increment 2; 95 single family lots. Cost is exclusive of \$9,000,000 CIP appropriation for highway improvements and HHFDC DURF funding \$10,000,000 for Honokowai Water Well development. RFQ went out Dec 2023, responses due next month. <b>**Andrew to submit application to CWRM**</b>
13	Maui Leialii 1B - Subdivision	181	181		Dev Agrmt		\$ 68,000,000		\$ 68,000,000			181 single family lots in lieu of 86 single family and 167 multi-family units. LDD proposes to prepare RFQ to wrap around Leialii Offsite water, highway improvements and Leialii 1B subdivision. Initial focus on construction of 86 single family lots in Leialii 1B, Increment 1. FONSI and Final EA approved by HHC on October 16, 2023. Request release of funds in 4th Quarter FY24.
14	Maui Wailuku (DDC2 LLC)	207	207		Acq/ Dev Agrmt			\$ 45,038,800				Acquisition: \$5,200,000 Source: Act 279 Development: \$39,838,800 Source: Act 279
15	Maui Waiehu Mauka (DDC3 LLC)	311	161	150	Acq/ Dev Agrmt			\$ 93,868,417				Acquisition: \$12,240,000 Source: Act 279 Development: \$81,628,417 Source: Act 279
	Maui Kamalani Land Acquisition (~400 SF units)									\$ 10,500,000		RFP#2 Kamalani 2/3.
16	Maui Kamalani Infrastructure/Phase 1 (150 of 400 SF units)	400	150	250	Dev Agrmt					\$ 35,122,129	\$ 33,972,696	Kamalani Predevelopment, grading, fill, water tank/transmission, roadway and utilities. Homes to be built in two phases. 150 units in Ph1, 250 units in Ph2. Backbone infrastructure to be built in Phase 1. Initial 150 single-family units (60 LIHTC units). Remaining 250 units (60 LIHTC) to be built in future pending funding.
CITY AND COUNTY OF HONOLULU												
Oahu	Kaupea, Phase 2				Acq	\$ 8,250,000		\$ 8,250,000				Acquisition completed.
17	Oahu Kaupea, Phase 2	60	60		Dev Agrmt		\$ 14,750,000			\$ 13,691,321		Development Agreement awarded to Mark Development. Negotiations in progress; amount subject to change. Request to Release Act 279 funds submitted to B&F and Gov in September 2023. Allotment approved on Nov. 8, 2023. Anticipate developer requesting interim home construction financing from Act 279 funds. Final DA = \$13,691,221 (includes traffic signal and small playground/open space community requested). <b>** Change to \$5m, adjust DA to be 100% LIHTC Rent to Own HHFDC award to cover infrastructure costs. Give Mark Dev site control. May substitute \$5m with NAHASDA funds.</b>
18	Oahu East Kapolei IIA	300		300	Dev Agrmt	\$ 14,000,000				\$ 1,000,000		<b>**Do conceptual planning for site. Plans Pacific had done conceptual plans previously. Multi-family homesteads, potentially LIHTC, kupuna/transitional housing to be run by Lunalilo. Issuance of Request for Proposals (RFP) planned.</b>
19	Oahu East Kapolei II Master-planned Community (Backbone Infrastructure)	700	450	250	Design offsite imp, IID, IIE, IIF onsite, II-C house construction	\$ 24,000,000	\$ 88,000,000	\$ 33,080		\$ 144,513,000	\$ 60,000,000	RFQ issued 8/7/23 incorporating backbone infrastructure, East Kapolei II-C, II-D, II-E, and II-F. Responses due 9/8/23. Responses received; undergoing internal review for recommendation to Chair. Request to release Act 279 funds submitted to B&F and Gov in September 2023. Allotment approved on Nov. 8, 2023. Anticipate developer requesting interim home construction financing from Act 279 funds. <b>New Developed lots increase from 421 to 573. II-C house construction on 127 lots. Final DA = \$204,513,000. Defer infrastructure construction for IIF (~250 units to be designed/phased) estimated at \$60m**</b>
20	Oahu Maili Development	280		280	Dev Agrmt		\$ 60,000,000				\$ 60,000,000	FONSI and Final EA October 2023. Designs in process; bid scheduled for 1st Quarter 2024. Need to elevate site for sewer/drainage-those increased site costs made development prohibitive.
21	Oahu Ewa Beach (former NOAA site)	600		600	Dev Agrmt		\$ 48,000,000				\$ 48,000,000	RFQ. Access, sewer, drainage and traffic issues. Addressing Sea Level Rise and other issues will increase construction costs significantly from original estimate and significantly reduce useable area.
22	Oahu Ewa Villages (Haseko) Pilina Homes (142 units)				Acq/ Dev Agrmt							Acquisition: \$17,646,772 Source: NAHASDA Development: \$26,504,000 Source: Act 279
23	Oahu Waialua (Mill Camp Development Group, LLC)	108	108		Acq/ Dev Agrmt					\$ 24,240,700		Acquisition: \$1,990,000 Source: Act 279 Development: \$12,368,633 Source: Act 279
24	Oahu KS Marina Lot 10A Land Acquisition	25		25						\$ 2,500,000		RFP#3 2.88 acres. Potential for 20-25 SF condo homes. (\$1.5m acquisition, \$1m for grading). Check sewer capacity. <b>Requesting release of \$1million funds which lapse June 30, 2024.</b>
KAUAI COUNTY												



DEPARTMENT OF HAWAIIAN HOME LANDS														
ACT 279 IMPLEMENTATION														
Project Status as of: January 8, 2024 4:15pm														
							Act 279 Implementation Budget (Strategic)				Encumbrance Status as of Nov. 30, 2023			Status
	Island	FY23 Subdivision/Project	Lots	Phase I	Phase II	Activity	FY 2023	FY 2024	Encumbered FY23	Projected Encumbrance FY24 per approved Strategic Plan	Propoosed Encumbrance FY24 new PIG Amended Strategic Plan	Projected Deferral FY25 Subject to Leg Funding		
25	Kauai	Hanapepe Residence Lots, Phase 2	82	82		Site Construction	\$ 23,000,000		\$ 17,800,126				Bids open on 12/21/22. Contract awarded to Hawaiian Dredging on 12/29/22. Groundbreaking August 23. Supply chain issues; start in 1st Quarter 2024. Issue RFP for design, construction, financing and marketing of 82 houses. RFQ let on October 6, 2023. Pre-submittal conference on October 13, 2023. Submittal of Qualifications due Nov. 3, 2023. Reviewed developer qualifications. Awarded developer Mark Development in December 2023. Act 279 funds used for \$17,800,126 site work for 82 lots. LIHTC Rent to Own Project. May provide \$5 million in NAHASDA funds to increase viability of HHFDC application.	
26	Kauai	Anahola Kuleana Phase 1 Pastoral	115		115	Site Construction		\$ 5,000,000				\$ 5,000,000	Designs in process. Preliminary road and drainage network by end of 2024.	
	Kauai	Grove Farm Isenberg parcel Land Acquisition									\$ 20,684,160		RFP#3 295.488 Acres with 1000 SF units and 200 SA planned in 5 phases	
27	Kauai	Grove Farm Isenberg parcel Phase 1 Development (200 Sf & 40 SA of 1200 units)	240		240	Dev Agrmt						\$ 71,042,400	RFP#3 Predevelopment/backbone infrastructure and Phase 2 of 200 SF units and 40 SA lots. Phase 3 will be 800 SF units and 160 SA units. This will be built based on available infrastructure completion and additional funding. Expand existing water plant, transmission lines and tank. Package sewer sytem for 1st phase of housing.	
	Statewide	Land/Project Acquisition				Professional Services			\$ 1,500,000				Project management contract with Bowers+Kubota.	
28	Statewide	Scattered Lots	200	200							\$ 2,000,000		Scattered unawarded lots in various existing homesteads for award. Dev Agrmt being processed.	
	Statewide	Land/Project Acquisition				Acq/ Dev Agrmt	\$ 35,000,000						RFP let in November 2022. Eight offers received. Details of five accepted offers below, subject to DA negotiation.	
	Statewide	Project Contingencies				various				\$ 5,000,000			Project contingency amounts for encumbered projects in FY 23.Request to Release Act 279 funds submitted to B&F and Gov in September 2023. Allotment approved on Nov.8, 2023	
	Statewide	Project Financing/Partnerships (Public/Public; Public/Private)				Vertical construction	\$ 30,000,000					\$ 100,000,000	Interim house construction financing in order to reduce house pricing. Developers are in process of submitting requests for interim house construction financing. NAHASDA funds may be used to support LIHTC funded Rent with Option to Purchase programs.	
	Statewide	Individual Assistance				Applicant financing					\$ 2,000,000		Leveraging funds with CDFIs funding awards to help individual leasees with loans.	
		<b>TOTAL</b>	<b>6,075</b>	<b>2,180</b>	<b>3,659</b>		<b>\$ 172,750,000</b>	<b>\$ 367,250,000</b>	<b>\$ 192,641,367</b>	<b>\$ 90,000,000</b>	<b>\$ 317,259,310</b>	<b>\$ 628,158,296</b>	11/17/22 \$172.75M Allotment released by Governor. 6/27/23 \$21.0M Allotment released by Governor.	
		<b>Total Estimated Running Encumbrances</b>							<b>\$ 192,641,367</b>	<b>\$ 282,641,367</b>	<b>\$ 599,900,677</b>	<b>\$ 1,228,058,973</b>		
											<b>\$ (99,323)</b>	<b>\$ 628,058,973</b>	<b>Budget Shortfall if all projects encumbered beyond FY24</b>	
											<b>FY24 balance</b>			



HAWAIIAN HOME LANDS

HAWAIIAN HOMES COMMISSION • DEPARTMENT OF HAWAIIAN HOME LANDS

# **HHC Act 279 Strategic Plan Update**

## **Permitted Interaction Group Mtg#2**

January 8, 2024

ITEM C-4



# Implementation Budget

Encumbrance Status as of Nov. 30, 2023										
Island	FY23 Subdivision/Project	Lots	Phase I	Phase II	Activity	Act 279 Implementation Budget (Strategic			Encumbrance Status as of Nov. 30, 2023	
						FY 2023	FY 2024	Encumbered FY23	Projected Encumbrance FY24 per approved Strategic Plan	Proposed Encumbrance FY24 new PIG Amended Strategic Plan
	<b>HAWAII COUNTY</b>									
1	Hawaii Laiopua Villages 1 and 2, 4, and N. Kona Water Development (doesn't include Village 4 infrastructure, which should be done by Feb 2024)	580	380	200	Acq/ Dev Agrmt	\$ 4,000,000	\$ 63,000,000		\$ 42,000,000	\$ 25,000,000
2	Hawaii Honomu Subsistence Ag Lots, Phase 2	40		40	Site Design/ Construction		\$ 6,000,000			\$ 6,000,000
3	Hawaii Kaumana (Avalon Development)	168		168	Acq			\$ 2,000,000		
	<b>HAWAII COUNTY</b>									
	Hawaii Honokaa Homesteads/Lehua Villages Land Acquisition (~296 SF units)								\$ 8,750,000	
4	Hawaii Honokaa Homesteads/Lehua Villages EIS/AIS/Infrastructure/Phase 1 (150 of 296 SF units)	296		296	Dev Agrmt				\$ 1,258,000	\$ 59,113,200
5	Hawaii Kuu Papaikou	220							\$ 1,000,000	
6	Hawaii Palamanui (Nan Inc. Master Development)	40	40						\$ 7,000,000	
7	Hawaii Panaewa Residential Lots - Eliama Road (DHL owns land)	600		600					\$ 1,000,000	\$ 147,000,000
	<b>MAUI COUNTY</b>									
8	Lanai Lanai Residence Lots Offsite Infrastructure	75		75	Planning and Design	\$ 2,000,000			\$ 2,000,000	
9	Molokai Hoolihua Scattered Lots	20		20	Site Construction		\$ 3,500,000			\$ 3,500,000
10	Molokai Naiwa Ag Subdivision	16			Site Construction		\$ 6,000,000			\$ 6,000,000



# Implementation Budget

Encumbrance Status as of Nov. 30, 2023											
Act 279 Implementation Budget (Strategic)											
Island	FY23 Subdivision/Project	Lots	Phase I	Phase II	Activity	FY 2023	FY 2024	Encumbered FY23	Projected Encumbrance FY24 per approved Strategic Plan	Proposed Encumbrance FY24 new PIG Amended Strategic Plan	Projected Deferral FY25 Subject to Leg Funding
11	Maui Pu'uuhona Homestead Subdivision	161	161		Site Construction	\$ 17,500,000		\$ 17,171,944			
	Maui Pu'uuhona Homestead Subdivision (Offsite Water Tank)				Design/ Site Construction			\$ 5,509,000			
12	Maui Honokowai Subsistence Ag Ph. 1	50		50	Design/Site Construction		\$ 5,000,000	\$ 1,470,000			\$ 3,530,000
	Maui Leialii 1B Offsite Water				Site Construction	\$ 15,000,000			\$ 15,000,000		
13	Maui Leialii 1B - Subdivision	181	181		Dev Agrmt		\$ 68,000,000		\$ 68,000,000		
14	Maui Wailuku (DDC2 LLC)	207	207		Acq/ Dev Agrmt			\$ 45,038,800			
15	Maui Waiehu Mauka (DDC3 LLC)	311	161	150	Acq/ Dev Agrmt			\$ 93,868,417			
	Maui Kamalani Land Acquisition (~400 SF units)									\$ 10,500,000	
16	Maui Kamalani Infrastructure/Phase 1 (150 of 400 SF units)	400	150	250	Dev Agrmt					\$ 35,122,129	\$ 33,972,696
	<b>CITY AND COUNTY OF HONOLULU</b>										
	Oahu Kaupea, Phase 2				Acq	\$ 8,250,000		\$ 8,250,000			
17	Oahu Kaupea, Phase 2	60	60		Dev Agrmt		\$ 14,750,000			\$ 13,691,321	
18	Oahu East Kapolei IIA	300		300	Dev Agrmt	\$ 14,000,000				\$ 1,000,000	
19	Oahu East Kapolei II Master-planned Community (Backbone Infrastructure)	700	450	250	Design offsite imp, IID, IIE, IIF onsite, II-C house construction	\$ 24,000,000	\$ 88,000,000	\$ 33,080		\$ 144,513,000	\$ 60,000,000
											ITEM C-4



# Implementation Budget

Encumbrance Status as of Nov. 30, 2023												
Island	FY23 Subdivision/Project	Lots	Phase I	Phase II	Activity	Act 279 Implementation Budget (Strategic				Projected Deferral FY25 Subject to Leg Funding		
						FY 2023	FY 2024	Encumbered FY23	Projected Encumbrance FY24 per approved Strategic Plan		Proposed Encumbrance FY24 new PIG Amended Strategic Plan	
20	Oahu	Mauii Development	280	280	Dev Agrmt	\$	\$ 60,000,000			\$	60,000,000	
21	Oahu	Ewa Beach (former NOAA site)	600	600	Dev Agrmt	\$	\$ 48,000,000			\$	48,000,000	
22	Oahu	Ewa Villages (Haseko) Piliina Homes (142 units)			Acq/ Dev Agrmt							
23	Oahu	Waialua (Milli Camp Development Group, LLC)	108	108	Acq/ Dev Agrmt				\$	24,240,700		
24	Oahu	KS Marina Lot 10A Land Acquisition	25	25					\$	2,500,000		
25	Kauai	Hanapepe Residence Lots, Phase 2	82	82	Site Construction	\$	23,000,000	\$	17,800,126			
26	Kauai	Anahola Kuleana Phase 1 Pastoral	115	115	Site Construction	\$	5,000,000				\$	5,000,000
	Kauai	Grove Farm Isenberg parcel Land Acquisition									\$	20,684,160
27	Kauai	Grove Farm Isenberg parcel Phase 1 Development (200 Sf & 40 SA of 1200 units)	240	240	Dev Agrmt						\$	71,042,400
	Statewide	Land/Project Acquisition			Professional Services			\$	1,500,000			
28	Statewide	Scattered Lots	200	200						\$	2,000,000	
	Statewide	Land/Project Acquisition			Acq/ Dev Agrmt	\$	35,000,000					
	Statewide	Project Contingencies			various			\$	5,000,000			
	Statewide	Project Financing/Partnerships (Public/Public; Public/Private)			Vertical construction	\$	30,000,000				\$	100,000,000



# Implementation Budget

		Act 279 Implementation Budget (Strategic)					Encumbrance Status as of Nov. 30, 2023				
Island	FY23 Subdivision/Project	Lots	Phase I	Phase II	Activity	FY 2023	FY 2024	Encumbered FY23	Projected Encumbrance FY24 per approved Strategic Plan	Proposed Encumbrance FY24 new PIG Amended Strategic Plan	Projected Deferral FY25 Subject to Leg Funding
Statewide	Individual Assistance				Applicant financing					\$ 2,000,000	
	<b>TOTAL</b>	<b>6,075</b>	<b>2,180</b>	<b>3,659</b>		<b>\$ 172,750,000</b>	<b>\$ 367,250,000</b>	<b>\$ 192,641,367</b>	<b>\$ 90,000,000</b>	<b>\$ 317,259,310</b>	<b>\$ 628,158,296</b>
	<b>Total Estimated Running Encumbrances</b>							<b>\$ 192,641,367</b>	<b>\$ 282,641,367</b>	<b>\$ 599,900,677</b>	<b>\$ 1,228,058,973</b>
										<b>\$ (99,323)</b>	<b>\$ 628,058,973</b>
										<b>FY24 balance</b>	<b>Budget Shortfall if all projects encumbered</b>



# La'i 'Ōpua, Hawai'i Island

## La'i 'Ōpua

### 580 Single Family Homes

#### Phase 1 (Villages 2, 4 & 5)

- 380 lots
- \$42,000,000

#### Phase 2 (Village 1)\*

- 200 lots
- \$25,000,000

\*Subject to Leg funding



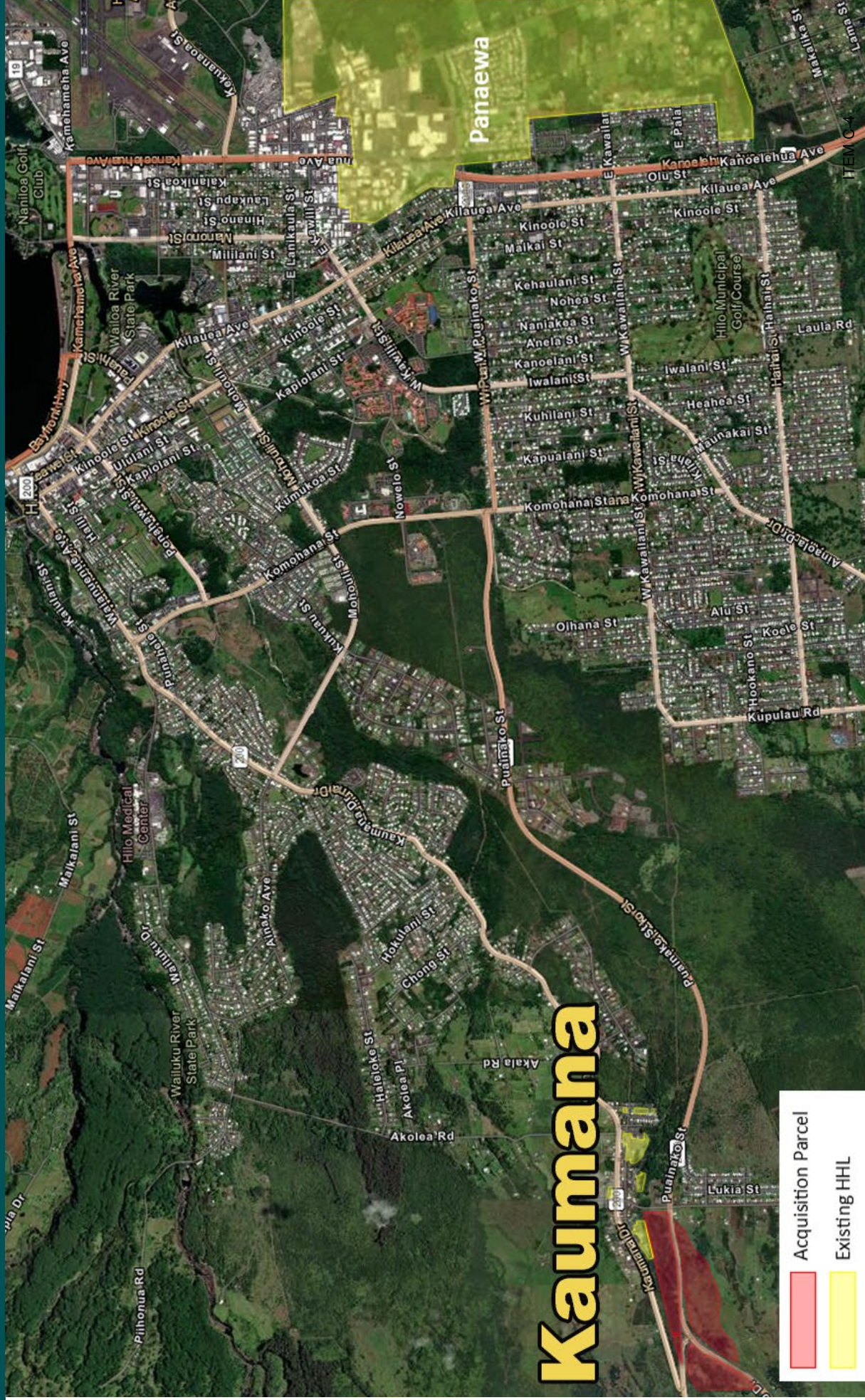


# Kaumana, Hawai'i Island

**Kaumana**

**168 Lots**

**Acquisition:  
\$2,000,000**







# Honoka'a, Hawai'i Island

## Honoka'a Homesteads/Lehua Villages

**~296 Single Family Homes**

**Acquisition: \$8,750,000**

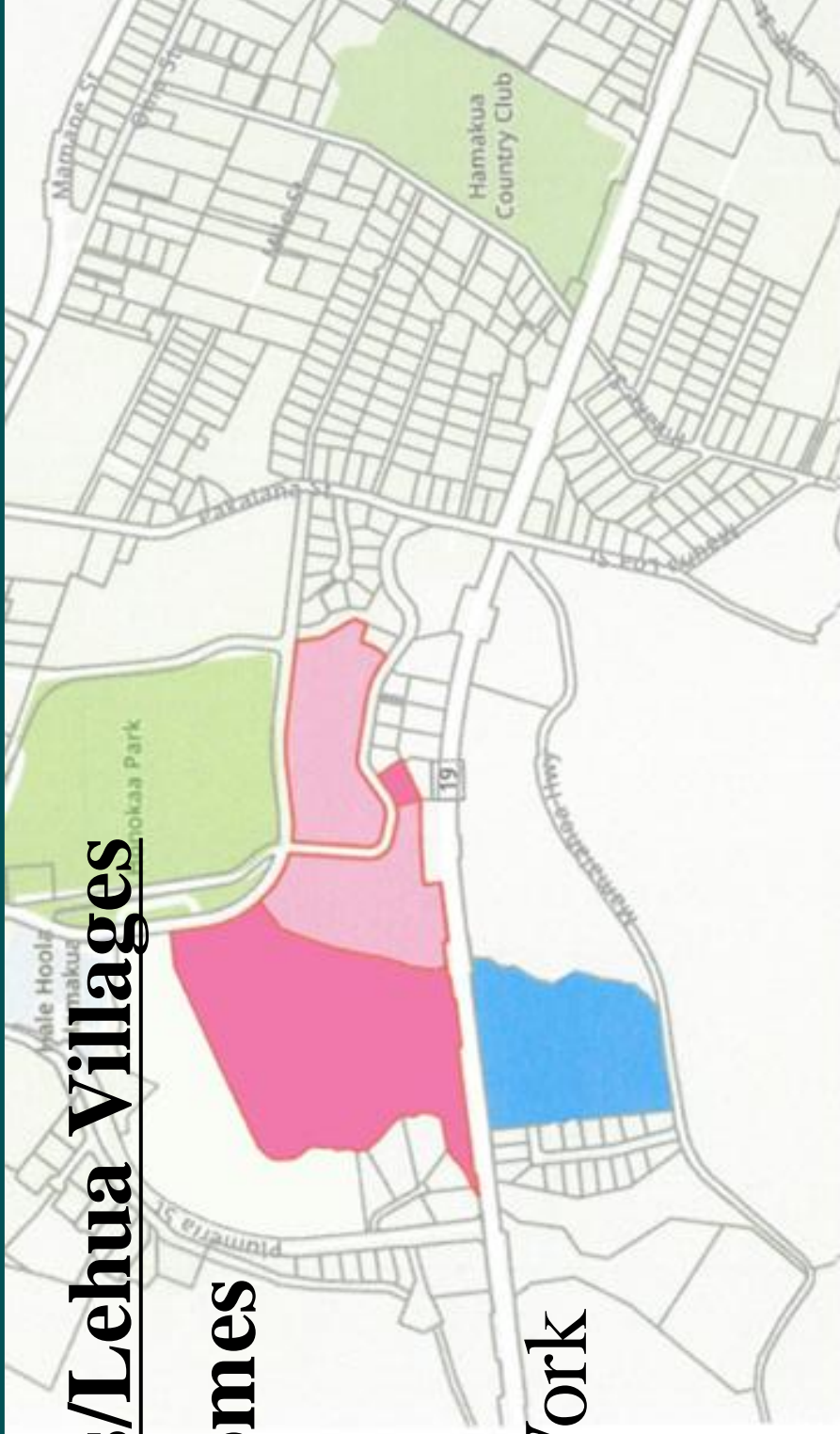
**Phase 1**

- Pre-development Work
- \$1,258,000




**Phase 2\***

- 296 lots
- \$57,113,200

\*Subject to Leg funding



**LEGEND**

	Lehua Village Partners LLC RS-15
	Honoka'a Plantation Cottages LLC RS-10
	Walter J. Larson RS-10



# Ku'u Pāpa'ikou, Hawai'i Island

## Ku'u Pāpa'ikou

### 220 Single Family Homes

Due Diligence: \$1,000,000

- 84 LIHTC Single Family Homes (60% AMI)
- 136 Single Family Homes
- 40 Kupuna Housing
- Commercial Center
- Cultural Center

Figure 1-1 Regional Location Map



## Project Details





# Palamanui, Hawai'i Island

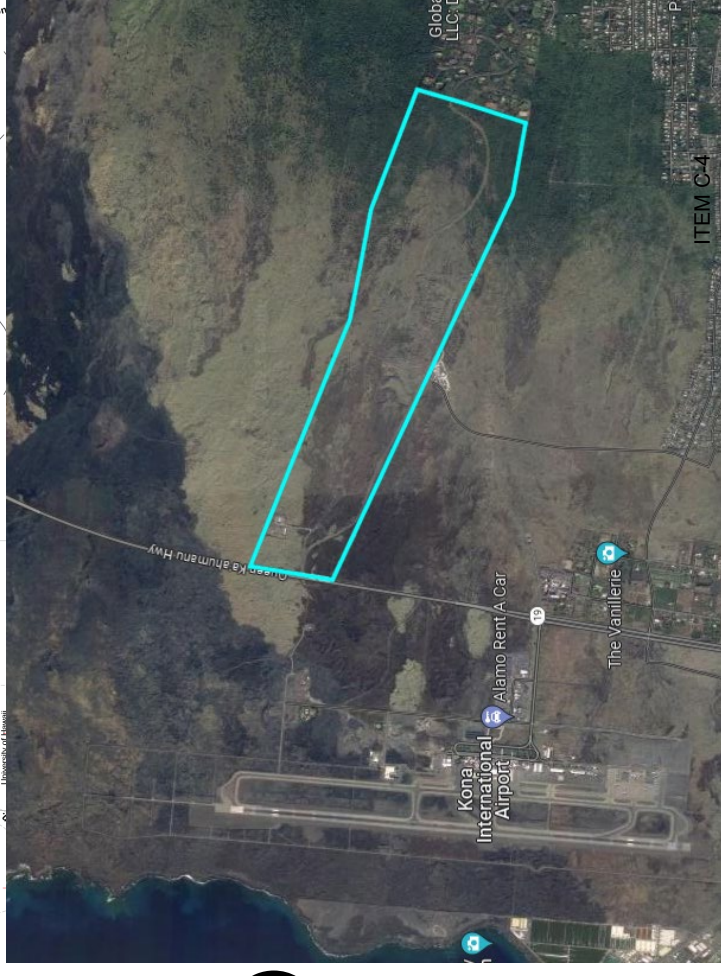
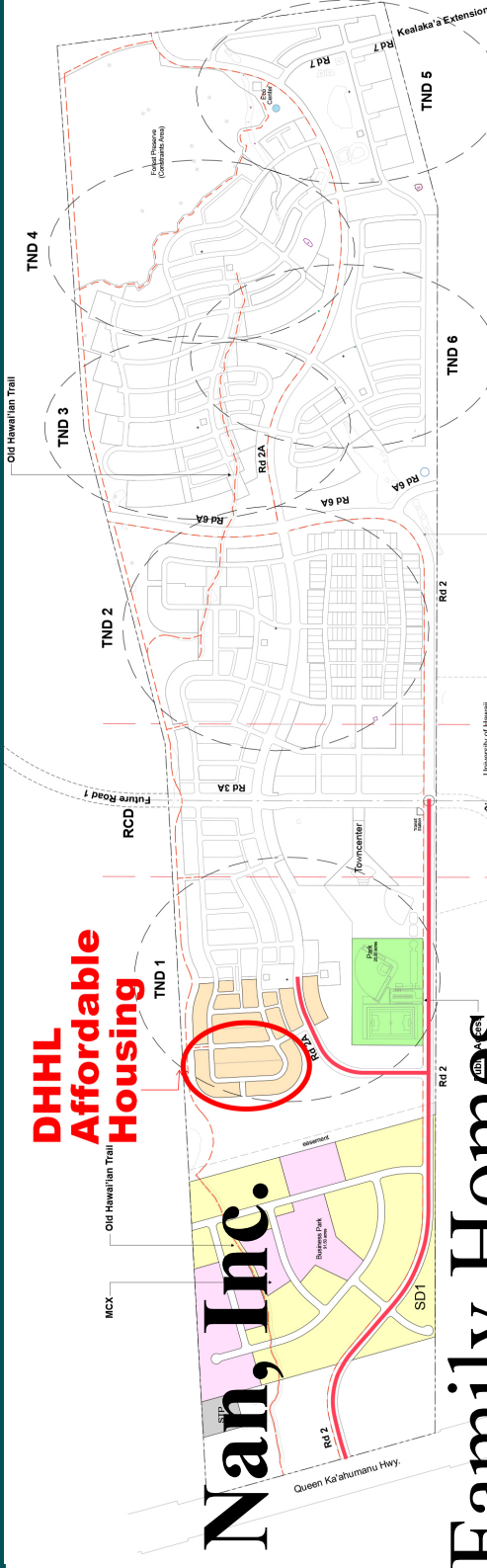
## Palamanui

### 18-Acre Donation by Nan, Inc.

#### Phase 1

- 40 LIHTC Single Family Homes
- 26 Kupuna Housing (60% AMI)
- 64 Multi-Family rentals (60% AMI)
- \$7,000,000

18 acres of 720-acre Master Plan Development off Queen Ka'ahumanu Hwy. mauka of Kona International Airport. Next to planned Hawai'i Community College-Palamanui.





# Pana'ewa—Elama Road, Hawai'i Island

## Pana'ewa Residential Lots

### ~600 Single Family Homes

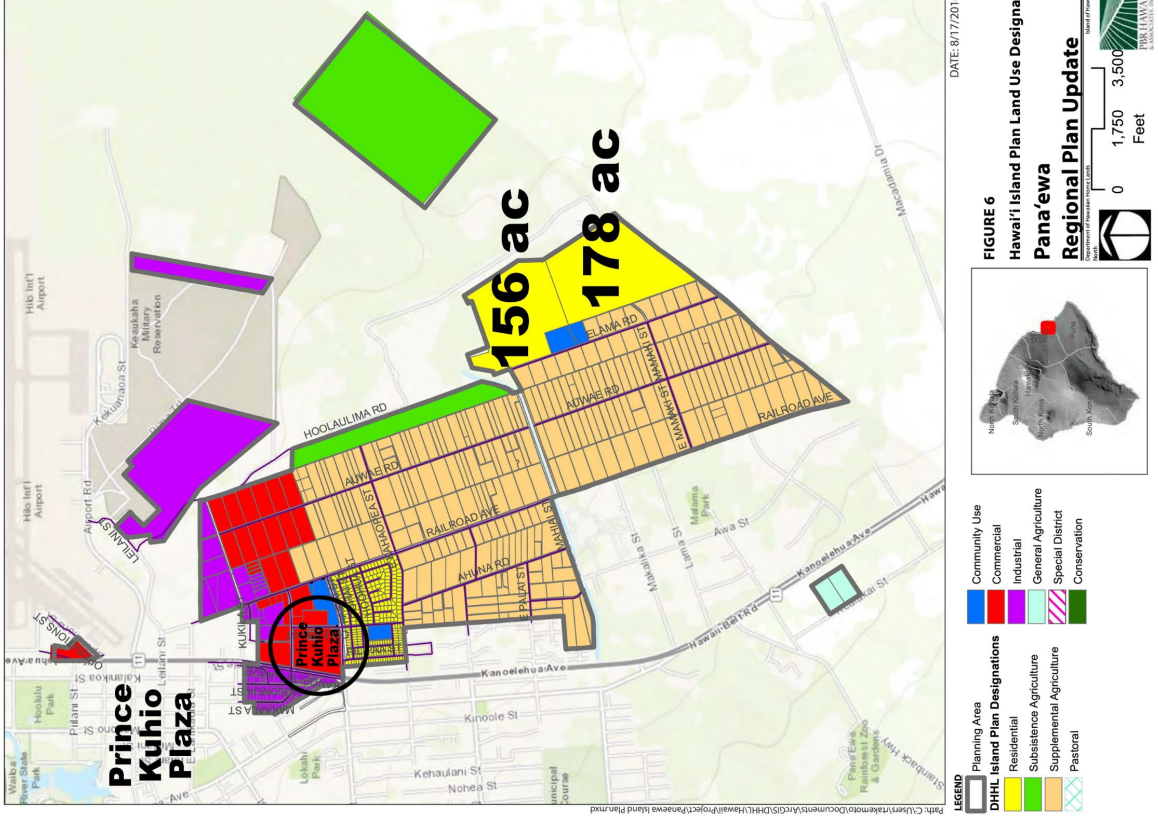
#### Phase 1

- Entitlements
- \$1,000,000

#### Phase 2\*

- 600 lots
- \$147,000,000

\*Subject to Leg funding



Disclaimer: This graphic has been prepared for general planning purposes only and should not be used for boundary interpretations or other spatial analysis.



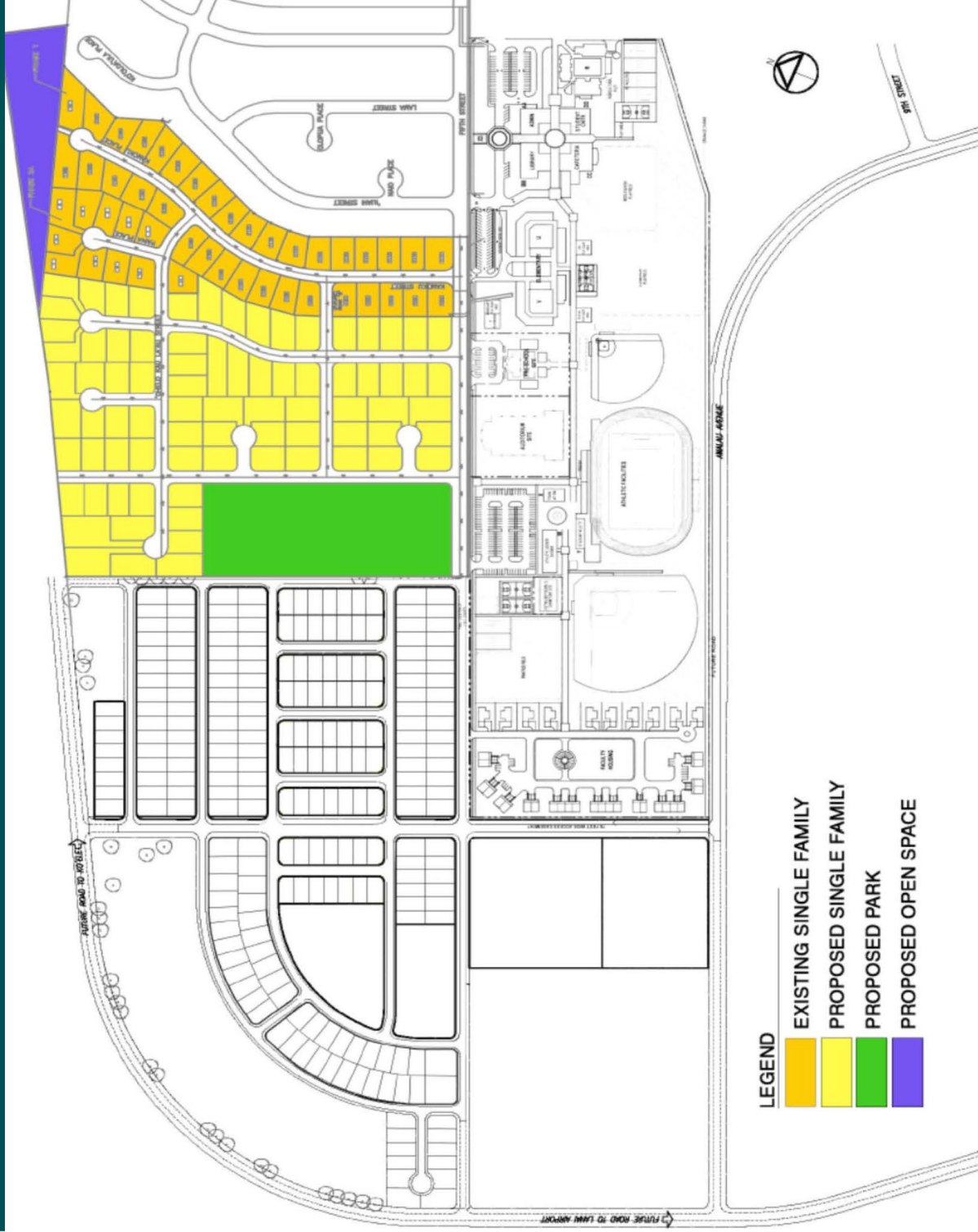
# Lānaʻi Residence Lots, Maui County

Offsite infrastructure  
planning and design  
for 75 new Single  
Family Homes

Design: \$2,000,000

Potential Joint-Venture  
with County Developer

ITEM C-4





# Pu'uhona Homestead Subdivision, Maui

## Pu'uhona

## 161 Single Family Homes

- Construction Contract Awarded to Maui Kupono Builders
- \$17,171,944

## PU'UHONA HOMESTEAD SUBDIVISION

TMK: (2) 3-5-002-002 Wailuku, Maui





# Honokowai, Maui

## Honokowai

### 50 Sub Ag Lots

#### Phase 1

- Survey and Design

- \$1,470,000

#### Phase 2\*

- \$3,530,000

\*Subject to Leg funding

### Honokowai Beneficiary Community Master Plan



#### Legend

- Homestead Residential: Single Fa
- Homestead Sub-Ag: 1 to 2 acre lot
- Homestead Residential: Multi-Farr
- Homestead Supplemental Agriculture
- Community Use: Agriculture
- Community Use: Parks
- Community Use: Commercial
- Conservation: Gulches and Buffers
- Industrial
- DOT's Proposed Lahaina Bypass
- County Facilities
- Walking Pathways
- Future Access Easement
- Cultural Sites
- Non-DHHL Lands
- Roadways
- Access Point



# Villages of Leialī'i 1B, Maui

## Leialī'i 1B

**181 Single Family Homes**

**FY24: \$68,000,000**









# Waiehu Mauka, Maui

## Waiehu Mauka

### 311 Single Family Homes

Phase 1

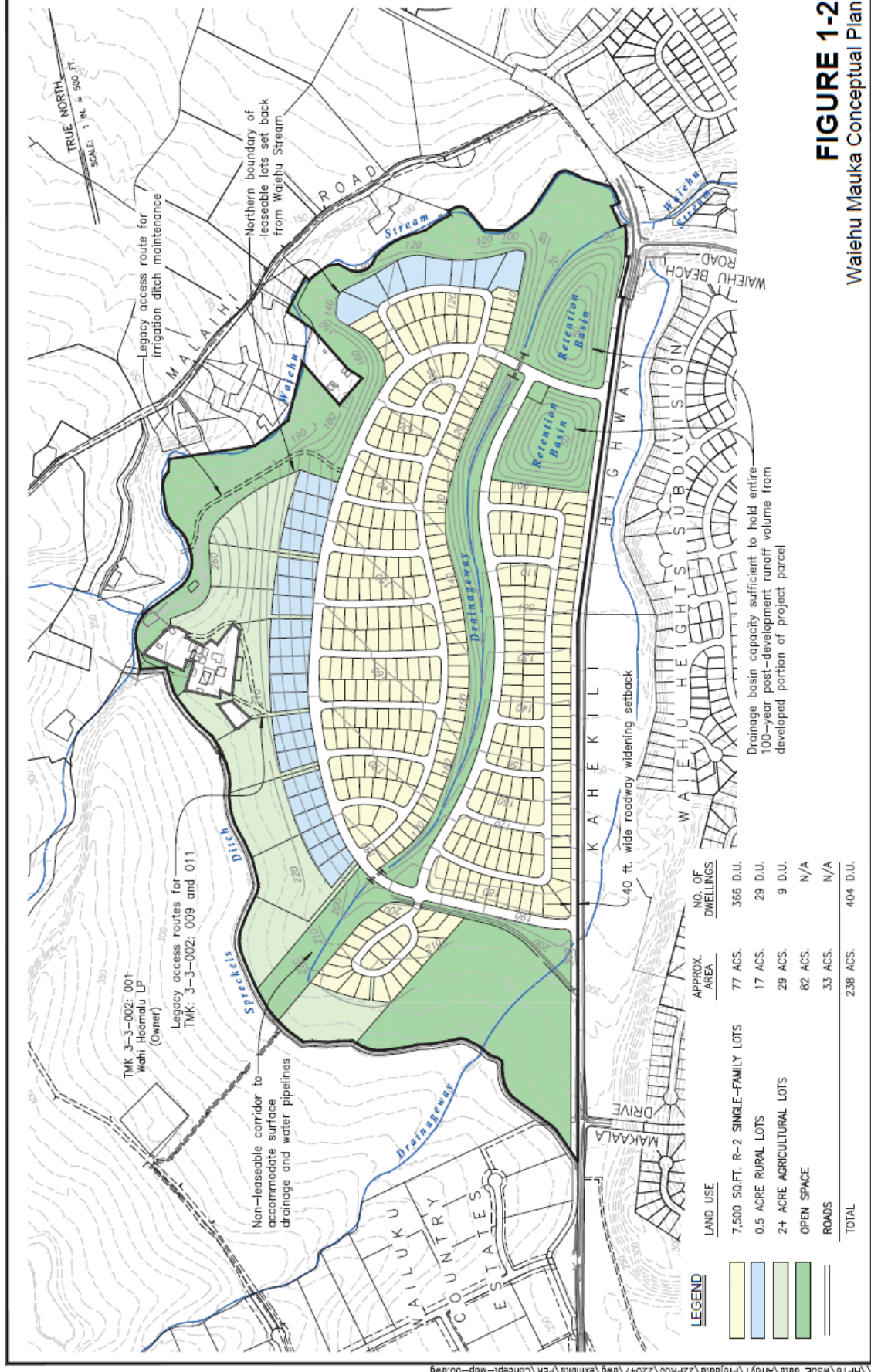
- 161 lots

Phase 2

- 150 lots

- FY23

## \$93,868,417



**FIGURE 1-2**  
Waiehu Mauka Conceptual Plan  
ITEM C-4



# Kamalani Increment 2 & 3, Maui

## Kamalani

### 400 Single Family Homes

Acquisition: \$10,500,000

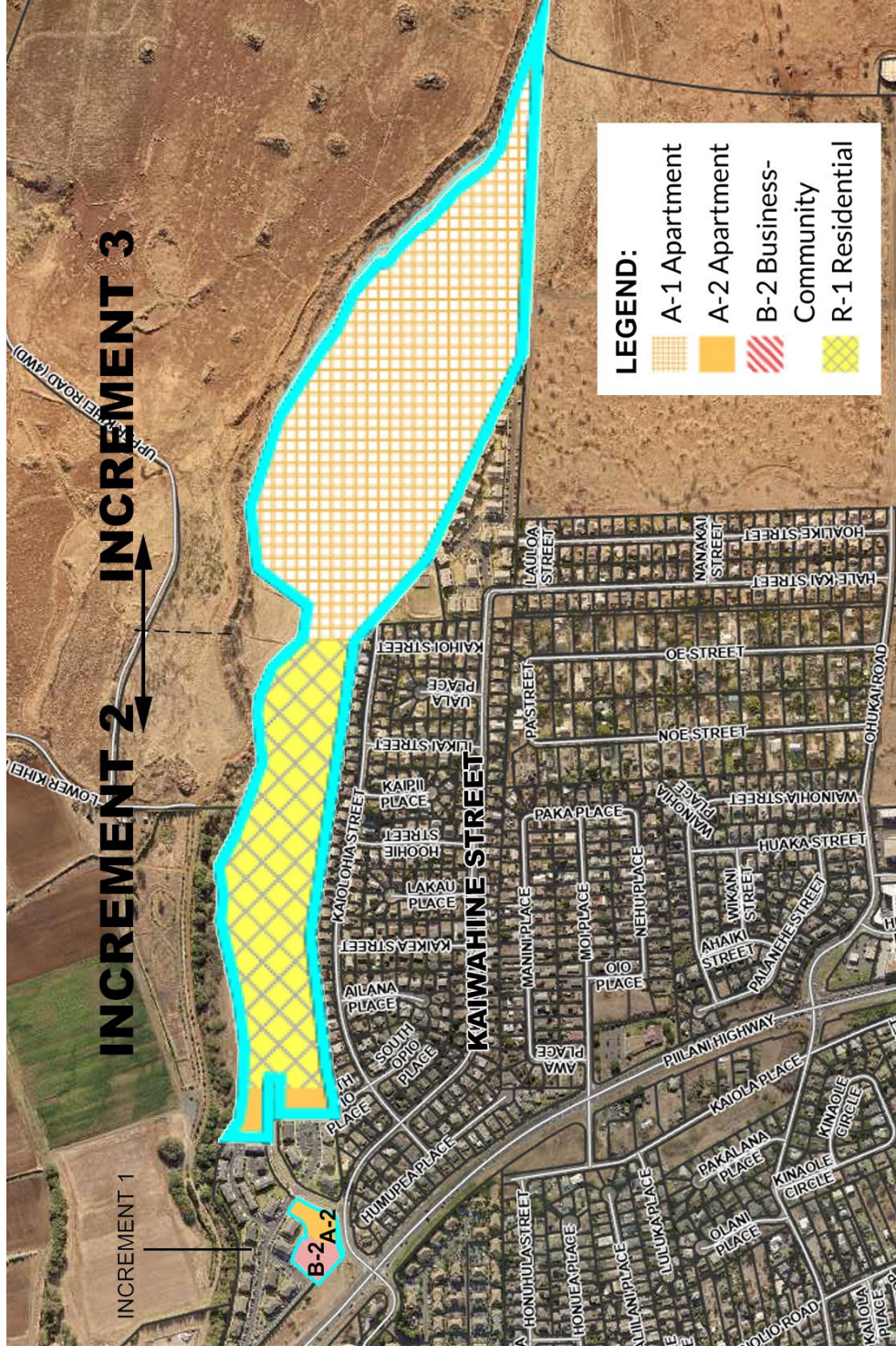
#### Phase 1

- 150 lots
- \$35,122,129

#### Phase 2\*

- 250 lots
- \$33,972,696

\*Subject to Leg funding





# Kaupe'a, Phase 2, O'ahu

## Kaupe'a, Phase 2

### 60 Single Family Homes

- Single Family Homes
- \$13,691,321



ITEM C-4



# Kauluokahai, East Kapolei IIA, O'ahu

## East Kapolei IIA

### 300 Single Family Homes

- Conceptual Site Planning
- Mix of Multifamily
- Homesteads, LIHTC, Kupuna/Transitional Housing, Commercial
- \$1,000,000



ITEM C-4



# Kauluokahai Master-Planned Community

## Kauluokahai, East Kapolei

**700 Single Family Homes  
Backbone Infrastructure for IIC,  
IID, IIE & IIF**

### **Phase 1**

- 450 lots
- \$144,513,000

### **Phase 2\***

- 250 lots
- \$60,000,000

\*Subject to Leg funding



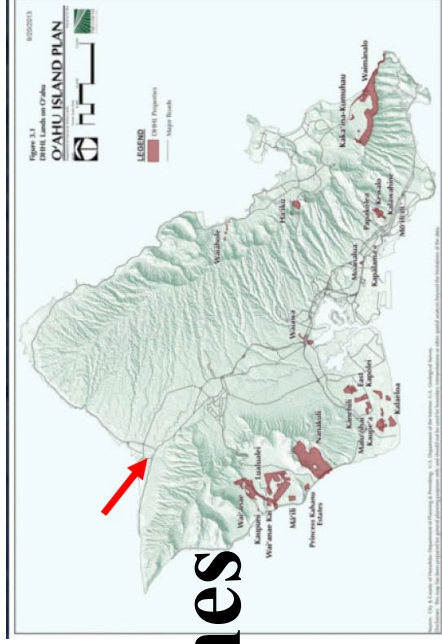


# Waialua Mill Camp, O'ahu

## Waialua Mill Camp

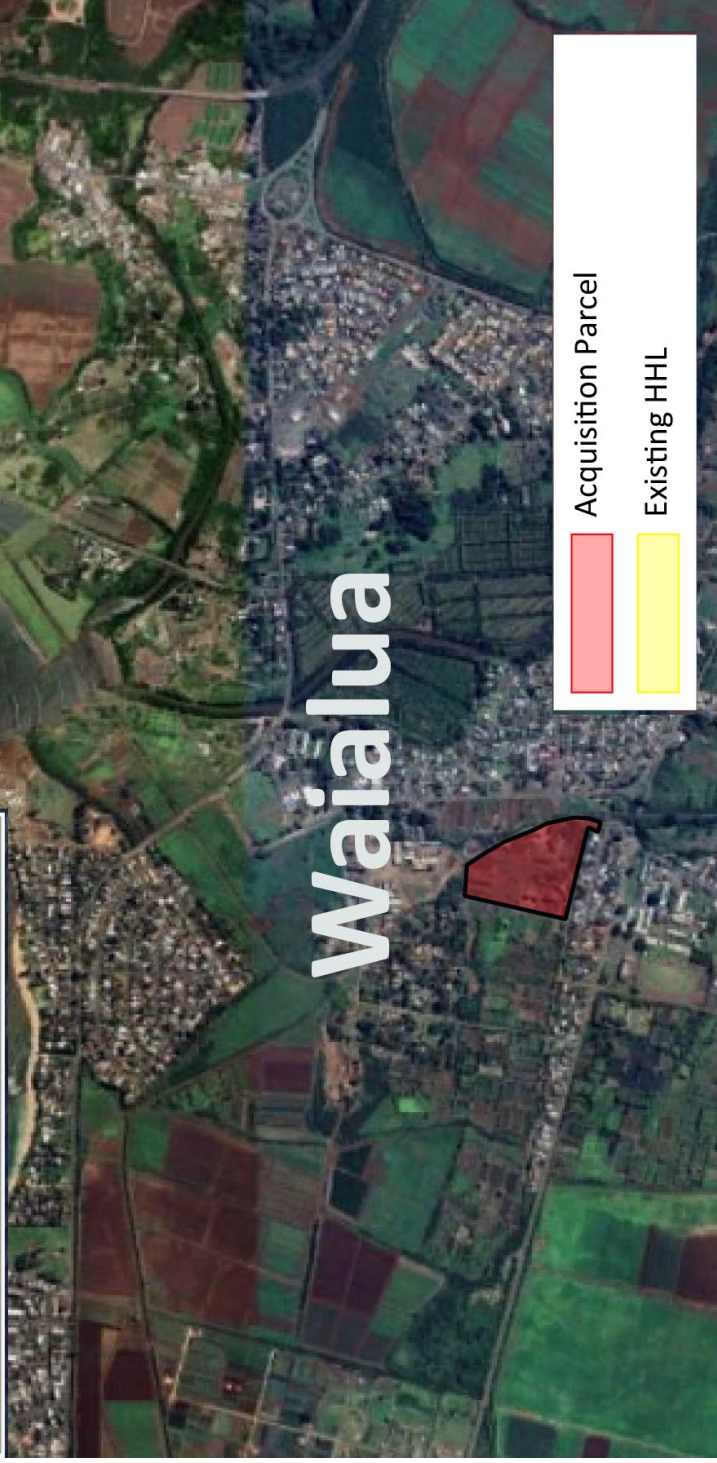
### 108 Single Family Homes

- LIHTC
- \$24,240,700



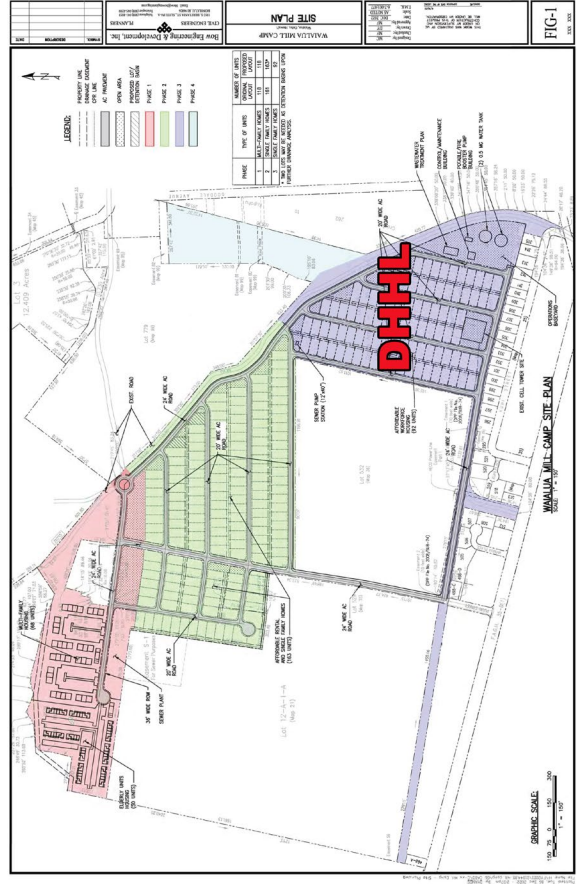
# Haleiwa

# Waialua



Acquisition Parcel

Existing HHL



ITEM C-4



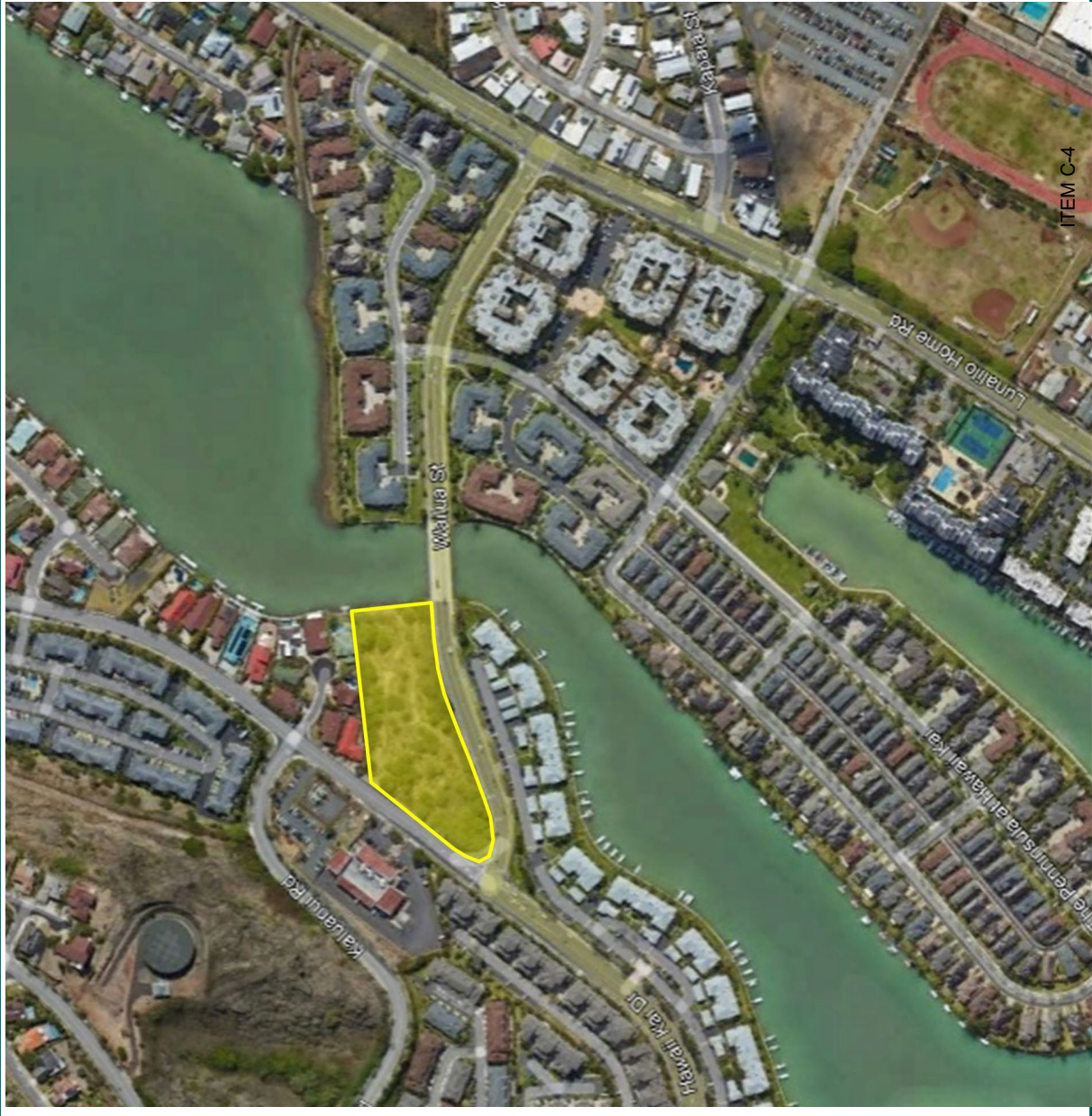
# Kamehameha Schools Marina Lot 10A, O'ahu

## Kamehameha Schools

### Marina Lot 10A

#### ~25 Multi-Family Homes

- Hawai'i Kai Location
- Acquisition and Grading
- MF Condo Homes
- \$2,500,000





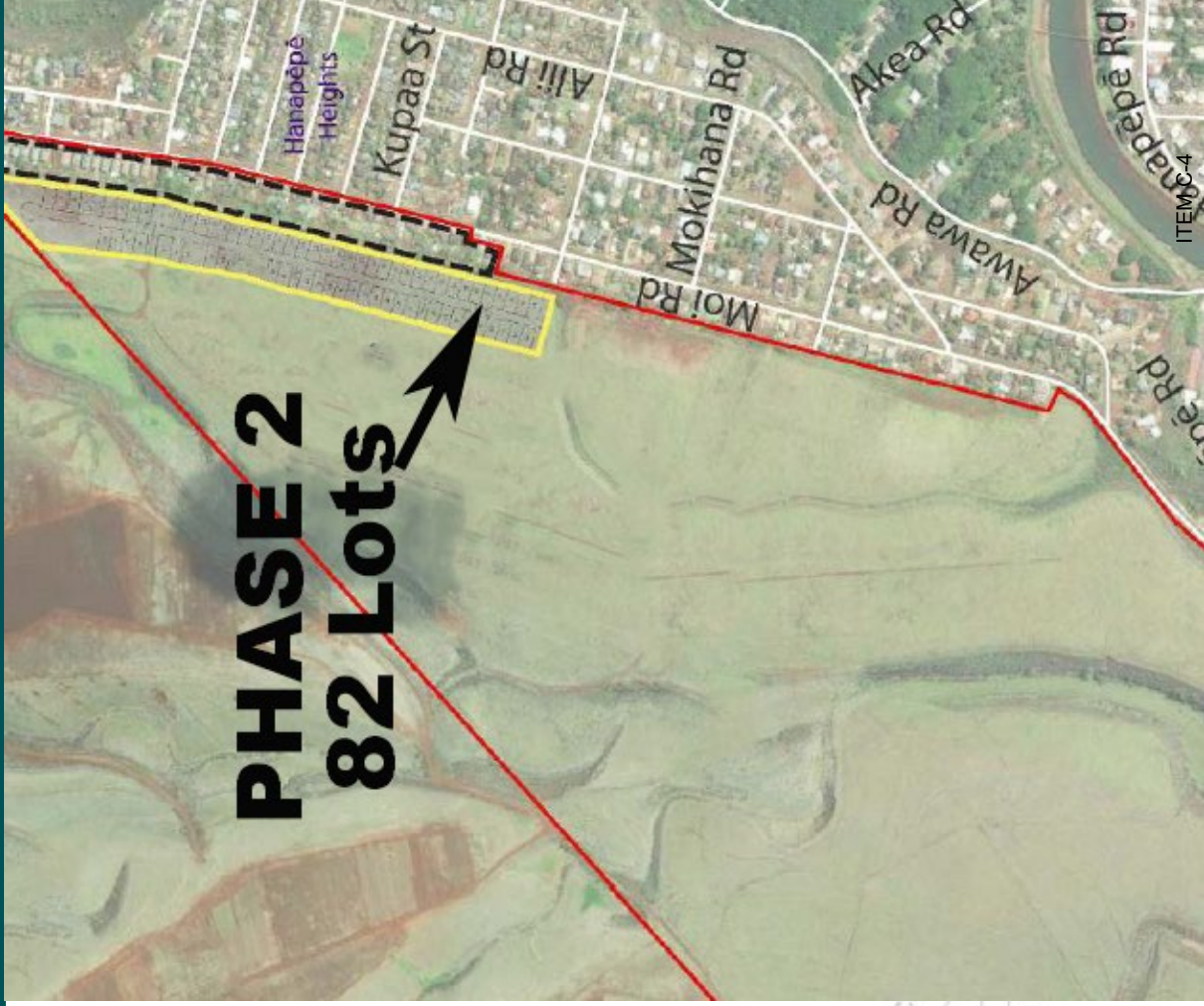
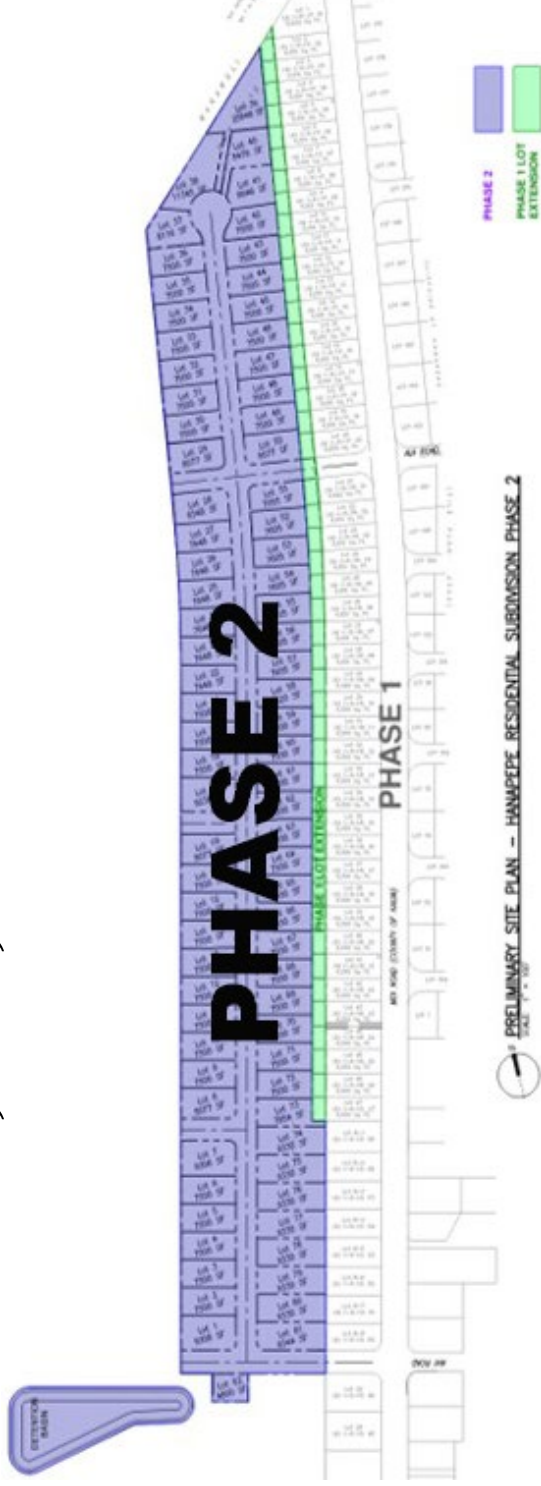


# Hanapepe Residential Phase 2, Kaua'i

## Hanapepe Residence Lots, Phase 2

~82 Single Family Homes

- Site work for LIHTC Single Family Homes
- \$17,800,126





# Grove Farm Isenberg Parcel, Kaua'i

## Isenberg Parcel in Lihue

**1,000 Single Family Homes**  
**200 Subsistence Ag Lots**

**Acquisition Price:**  
**\$20,684,160**

**Phase 2\***

- 240 Lots
- \$71,042,400

\*Subject to Leg funding





# Other Budget Items

Land/Project Acquisition:      FY23: \$1,500,000 Professional Services  
Scattered Lots: 200 lots      FY24: \$2,000,000  
Project Contingencies:      FY24: \$5,000,000  
Project Financing/Partnerships:  
FY25\*: \$100,000,000  
Individual Assistance (Applicant financing):  
FY24: \$2,000,000

\*Subject to Leg funding

# Mahalo



DEPARTMENT OF HAWAIIAN HOME LANDS

[www.dhhl.hawaii.gov](http://www.dhhl.hawaii.gov)

STATE OF HAWAII  
DEPARTMENT OF HAWAIIAN HOME LANDS

January 16-17, 2024

To: Chairman and Members, Hawaiian Homes Commission  
Thru: N. Lehua Kinilau-Cano, NAHASDA Government Relations Program Manager  
From: Malia M. Cox, NAHASDA Compliance Specialist  
Subject: For Information Only – The Establishment of a Programmatic Agreement for the Statewide Expenditure of HUD-Provided Funds by the DHHL Pursuant to Section 106 of the National Historic Preservation Act (NH-22-010.02)

**RECOMMENDED ACTIONS**

For information only

**DISCUSSION**

HUD provides grants to DHHL to carry out affordable housing activities as described in the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA). The program activities identified in the 2023 Annual Housing Plan prepared in accordance with NAHASDA requirements includes assistance to beneficiaries requiring home rehabilitation and construction of new housing units.

The aforementioned activities and funding play a critical role in the basic upkeep of a home, ensuring residences are in a habitable condition, and that eligible DHHL beneficiaries maintain their quality of life. Currently, every DHHL beneficiary eligible for NAHASDA or other similar HUD programs must have their home/lot individually reviewed under Section 106 of the National Historic Preservation Act (NHPA) of 1966, Public Law No. 89-665, as amended Public Law No. 96-515 (Title 54 of the U.S.C) and its implementing regulations (36 C.F.R. §800).

Historically it has been determined by DHHL in consultation with the State Historic Preservation Officer (SHPO) within the Department of Land and Natural Resources and Native Hawaiian Organizations (NHO) that many HUD-funded activities have minimal or no potential to adversely affect historic properties. Thus, to expedite the Section 106 review process, and improve efficiencies for both the DHHL and the SHPO, a programmatic agreement (PA) has been developed. DHHL and SHPO have agreed to the terms of the PA (attachment 1) which has been made available to NHOs through direct notification (attachment 2) and publication in the December 23, 2023, *The Environmental Notice* (<https://planning.hawaii.gov/erp/environmental-notice/>). Interested individuals/organizations are given the opportunity to provide feedback

regarding the PA prior to submission to and approval by the Advisory Council on Historic Preservation (ACHP)<sup>1</sup>.

Generally, the PA

1. identifies and categorizes HUD-funded activities that have limited potential to affect historic properties from those that have the potential to affect historic properties;
2. includes procedures that will foster consistency and efficiency in the review of those activities unlikely to cause adverse effects and allow more time for consideration of undertakings with a potential for adverse effects; and
3. includes process and procedures to identify historic properties within the DHHL communities across the State of Hawai‘i and assess the significance of the identified historic properties listed in or eligible for listing in the National Register of Historic Places (NRHP)

This PA cannot be applied to all DHHL Section 106 consultations/undertakings. Given the nature and scope of the proposed activities, the DHHL has determined that projects throughout the state could potentially fall under the PA agreement. However, the following DHHL ‘entitlement communities’ Kalama‘ula, Keaukaha, Nānākuli, Kawaihae, Papakōlea-Kewalo, Waimānalo, Pana‘ewa, Anahola, Kekaha, and Paukūkalo, have been prioritized as older homestead areas and are included within Appendix A of the PA. In addition, eligible undertakings must meet the previously agreed upon stipulations outlined within the agreement document and its associated reports, and must follow all agreed upon identification and reporting requirements as outlined in the stipulations of the PA.

---

<sup>1</sup> The ACHP is an independent federal agency comprised of 24 statutorily designated members from federal agencies, preservation organizations, Indian tribes, and expert private citizens. It administers the requirements of the National Historic Preservation Act (including Section 106 requirements) as well as addressing critical issues raised by Indian tribes and Native Hawaiian organizations.

# Attachment 1- Programmatic Agreement

DHHL NAHASDA PA  
HICRIS No. 2023PR00909

December 2023

**PROGRAMMATIC AGREEMENT  
AMONG  
THE DEPARTMENT OF HAWAIIAN HOME LANDS (DHHL),  
THE HAWAI'I STATE HISTORIC PRESERVATION OFFICER (SHPO)  
AND  
THE ADVISORY COUNCIL ON HISTORIC PRESERVATION (ACHP)  
FOR THE  
EXPENDITURE OF HUD-PROVIDED FUNDS UNDER THE NATIVE AMERICAN  
HOUSING ASSISTANCE AND SELF-DETERMINATION ACT (NAHASDA)**

WHEREAS, the DHHL has and continues to administer and fund projects, programs, and grants in its Entitlement Communities [defined as DHHL communities over 45 years old as identified in Appendix A] located across the State of Hawai'i with monies from the U.S. Department of Housing and Urban Development (HUD) through the Native American Housing Assistance and Self-Determination Act (NAHASDA) of 1996, as amended 2000; and

WHEREAS, the DHHL, and the HUD, administer additional HUD grant programs that include, but are not limited to the Native Hawaiian Housing Block Grant Program (NHHBG) and HOME Investment Partnership (HOME) funds; and,

WHEREAS, the DHHL and HUD have determined that the administration and funding of projects, programs, and grants funded in-whole or in-part by HUD, through NAHASDA or any of the grant programs identified above are Undertakings as defined in 36 CFR § 800.16(y); and

WHEREAS, Environmental review responsibility for projects funded through NAHASDA is conferred to DHHL by HUD as described in the Code of Federal Regulations (CFR) 24 CFR Subtitle B, Chapter IX, Section 1006.350(a); and HUD regulations at 24 CFR § 58 implement statutory authorities that permit certain entities to assume HUD's environmental responsibilities for various HUD programs; and included among the statutory authorities under which this responsibility is assumed in compliance with Section 106 of the National Historic Preservation Act of 1966 (NHPA), as amended Public Law No. 89-665, and Public Law No. 96-515 (Title 54 of the USC) (Section 106); and

WHEREAS, the DHHL has determined that implementation of the HUD programs may have an effect on historic properties, as defined at 36 CFR § 800.16(1); and,

WHEREAS, the DHHL and the SHPO share a common desire to develop a programmatic approach for expeditiously implementing certain projects subject to Section 106 of the NHPA that will satisfactorily take into account the effects of certain HUD-funded activities on historic properties, provide for consultation with the appropriate parties, and minimize redundant documentation of certain routine activities when historic properties will not be affected or when agreed upon protocols and treatments can be applied, pursuant to 36 CFR § 800.14(b)(1-2); and

WHEREAS, such effects are similar and repetitive and such undertakings consist of routine management activities undertaken at locations under the management of DHHL, in accordance with 36 CFR § 800.14(b)(1); and,

WHEREAS, in June of 2022, DHHL prepared and delivered five letters of invitation ("Invitation") to consult in the development of a Programmatic Agreement and accompanying background materials describing the proposed undertaking to organizations and individuals with a potential interest in the proposed undertaking and its potential to affect historic properties including the Office of Hawaiian Affairs (OHA), the Historic Hawai'i Foundation (HHF), the National Trust for Historic Preservation (NTHP), and the Advisory Council on Historic Preservation (ACHP); and

WHEREAS, HHF accepted the invitation to participate in consultation as a consulting party; and

WHEREAS, DHHL consulted with HHF regarding the effects of the undertaking on historic properties and has invited them to sign this Programmatic Agreement as a Concurring Party; and

WHEREAS, in accordance with 36 CFR § 800.6(a)(1), DHHL has notified the ACHP of the decision to prepare a Programmatic Agreement, and ACHP has chosen to participate in the consultation pursuant to 36 CFR § 800.6(a)(1)(iii) and to sign this Agreement as a Signatory.

NOW, THEREFORE, the DHHL, SHPO, and ACHP agree that certain actions funded by the HUD programs shall be administered in accordance with this Programmatic Agreement (PA) with all the stipulations herein to satisfy the Section 106 responsibilities of the DHHL that is party to this agreement. In the event that DHHL utilizes other funds under federal entities other than HUD, those entities will have the option to sign on to this agreement via an amendment to apply the terms of this PA in a similar manner. Alternatively, a separate PA with parallel parameters can be set up for use with other federal entities.

### STIPULATIONS

The DHHL assures that the following stipulations will be carried out.

#### I. APPLICABILITY AND PROFESSIONAL QUALIFICATION STANDARDS

A. The DHHL shall apply this PA only to Entitlement Communities when:

1. DHHL has submitted a historic properties identification package(s) as outlined in section II.B. to the SHPO and consulting parties, which include historic properties survey(s) and identification efforts for the Entitlement Community, and have received concurrence with their findings pursuant to Stipulation II of this PA.
2. DHHL shall employ staff person(s) or contract with consultant(s) who are identified as Secretary of the Interior (SOI) qualified professionals and meet the Secretary of the Interior's Historic Preservation Professional Qualification Standards (36 CFR § 800.2(a)(1)) for archaeology and either architectural history, historic architecture, or architecture (pursuant to Federal Register, volume 48, no. 190, pg. 44738-44739). Such qualified staff will be responsible for administering those terms of this PA that require this particular expertise and may assist the DHHL with coordinating consultation with appropriate agencies and parties.
  - a. SOI Qualified Professionals in archaeology may only identify historic properties and assess effects associated with archaeological resources.
  - b. SOI Qualified Professionals in architectural history, historic architecture, or architecture may only identify historic properties and assess effects associated with the built environment (architecture, engineering, landscape architecture, etc.).

#### II. IDENTIFICATION AND TREATMENT OF HISTORIC PROPERTIES

A. Prior to the expenditure of any NAHASDA, or other HUD funds, for undertakings within a particular Entitlement Community, the DHHL shall prepare or contract a qualified consultant (pursuant to Stipulation I(A)(1), above) to prepare a Historic Properties Identification and Context Study (HPI&C Study or STUDY) for the Entitlement Community.

B. The STUDY will include any survey(s) and research completed to identify historic properties within the Entitlement Community.

1. The STUDY must include historic properties assessments made by an SOI Qualified Professional(s) that determine if there are historic properties within the Entitlement Community that:
  - a. are listed in the Hawaii and/or National Registers of Historic Places; and/or,
  - b. have been determined eligible for listing in the Hawaii and/or National Registers of Historic Places (individually, as a contributing resource to a historic district or multi-property designation, or as a Traditional Cultural Property).



2. The STUDY will also provide an archaeological/historical context sufficient to assess the significance of any identified resources, will provide significance and integrity evaluations where applicable, and will provide recommendations that may be implemented by the DHHL to prevent or mitigate impacts to any identified and inadvertently discovered potential historic properties that result from undertakings for which this PA may be applied.
- C. DHHL will submit the STUDY to all concurring parties for review and to SHPO for review and concurrence.
  1. The SHPO shall submit comments and/or concurrence in writing within thirty (30) calendar days, for each STUDY submitted.
  2. The DHHL shall consider all input received from consulting parties during the review period for the STUDY.
  3. If the DHHL does not receive concurrence from the SHPO on the STUDY, DHHL shall consult with all interested consulting parties to resolve the dispute, pursuant to Stipulation IX.
    - a. This PA will not apply to any Entitlement Community for which SHPO has not concurred with the findings of the STUDY and prescribed treatment measures.

**III. NAHASDA Undertakings Exempt from further Section 106 Consultation**

- A. The DHHL shall proceed with any Entitlement Community undertaking, without further consultation, that involves residential buildings less than 50 years of age at the time of the proposed undertaking.
- B. The DHHL shall proceed with any undertaking within any Entitlement Community for which a STUDY has been concurred upon with the SHPO (in accordance with Stipulation II(C), above) without further consultation so long as the DHHL determines that the undertaking will result in “*no historic properties affected*” or “*no adverse effect*,” as identified and informed by the Entitlement Community’s STUDY, which following the requirements of Stipulation I (A)(2), was prepared by SOI Qualified Professional(s).
- C. The DHHL shall proceed with financing activities for projects within the State to assist homebuyers to purchase existing dwellings as well as acquisition (including leasing) of existing buildings and facilities or refinancing of dwellings, buildings and facilities that do not include physical changes to land or structures throughout the State.
- D. Any undertaking that is determined to be exempt from further Section 106 Consultation will be documented to reflect: the project TMK(s), the findings of the historic properties assessment as contained in the associated Entitlement Community STUDY, the project scope of work, name and qualifications of the SOI Qualified Professional who made the historic properties assessment, and determination of effect, as well as the date the determination was made and date the undertaking was completed.
  1. This documentation will be included within DHHL’s annual report, with information on which undertaking took place as outlined in Appendix C and submitted to the SHPO and consulting parties for review in accordance with Stipulation V, below.
- E. For undertakings that are otherwise exempt from further Section 106 consultation as described above, but involve actions or activities that have the potential to affect as of yet unidentified archaeological historic properties, the following identification measures will apply:
  1. Archaeological Monitoring will be conducted for:
    - a. Replacement of cesspools with individual wastewater systems.
    - b. Replacement of cesspools with connection to public sewer lines.

- c. Home demolition and replacement with a home with a larger footprint, or greater floor area.
2. Archaeological Inventory will be conducted for:
  - a. New residential construction on a previously undeveloped parcel.
- F. The actions and activities identified above may be carried out only if the specified identification measures are implemented. If potential historic properties are identified the SHPO will be immediately contacted to develop a course of action in compliance with both state and federal rules and regulations. Activities and actions that result in negative findings with respect to historic properties will simply be documented in the DHHL annual report to the SHPO.

**IV. NAHASDA Undertakings Not-Exempt from further Section 106 Consultation**

- B. In those instances where the DHHL SOI Qualified Professional determines that the proposed undertaking has the potential to adversely affect historic properties identified in an Entitlement Community STUDY, the DHHL may not apply this PA. Instead, DHHL will initiate the Section 106 process in accordance with 36 CFR § 800.3 and complete the four-step Section 106 consultation process; as identified in 36 CFR § 800.

**V. Reporting**

- A. During the first year of implementation, DHHL shall prepare a bi-annual report to include the information outlined in Section V(B) (see below) for a preliminary review of implementation and to determine if any adjustments may be necessary prior to the annual review.
- B. After the first year of implementation, DHHL shall prepare an annual report (See Appendix A and C) of all Section 106 undertakings implemented under this PA at the end of every calendar year. The report will include:
  1. a list of all undertakings funded during the calendar year including the TMK number of each;
  2. the name of the Entitlement Community within which the project area is located;
  3. the findings of the historic properties assessment, cited in the associated Entitlement Community Historic Properties Identification Package;
  4. the project scope of work;
  5. stipulation of PA exemption;
  6. status and completed/estimated completion date of each Entitlement Community STUDY; and
  7. a determination of effect.

DHHL will submit the annual report to SHPO for review and comment. All annual reports will be submitted to the SHPO through the SHPD HICRIS database as a project supplement for HICRIS Project Number 2023PR00909.

- a. Be made available to interested NHO, local governments, and the public upon request.
- b. The SHPO shall submit comments and concurrence in writing within thirty (30) calendar days of submission of the annual report.
- c. The DHHL shall consider all input received from SHPO during the review period for the annual report.
- d. If the DHHL does not receive concurrence from the SHPO on the annual report, DHHL shall consult with SHPO to resolve the dispute, pursuant to Stipulation IX.
- e. If, as the body of HPI&C Studies (STUDY) for the Entitlement Communities specified under this agreement grows, the method of preparation and review of the annual report becomes impractical for any of the signatory parties; the process and requirements specified here may be

revisited and revised as necessary through consultation and agreement between the signatory parties.

**VI. DISCOVERIES AND UNFORESEEN EFFECTS**

Should the DHHL in the process of carrying out any action under this PA, find that such action has the potential to affect a previously unknown Historic Property that may be eligible for listing in the NRHP or that the action will affect a known Historic Property in an unanticipated manner, the DHHL will assume its responsibilities pursuant to 36 CFR § 800.13(b).

**VII. OVERSIGHT**

The SHPO may oversee the program activities carried out pursuant to this PA from a procedural standpoint, and the DHHL will coordinate access as needed for the SHPO to carry out such oversight.

**VIII. AMENDMENT**

If any party to this PA believes an amendment is necessary, that party shall request the consulting parties to consider an amendment to the PA pursuant to 36 CFR § 800.14. No amendment to the PA will be implemented without the concurrence of the signatories and invited signatories, and without providing all consulting parties the opportunity to comment on such amendments for a minimum of 30 days.

**VII. ADOPTABILITY**

In the event that a Federal agency, not initially a party to or subject to this Agreement, receives an application for financial assistance, permits, licenses, or approvals for the Project as described in this Agreement, such Federal agency may become a Signatory to this Agreement as a means of complying with its Section 106 responsibilities for its Undertaking. To become a Signatory to this Agreement, the agency official must provide written notice to the Signatories that the agency agrees to the terms of the Agreement, specifying the extent of the agency's intent to participate in the Agreement, and identifying the lead Federal agency for the Undertaking. The participation of the agency is subject to approval by the Signatories. Upon approval, the agency must execute a signature page to this Agreement, file the signature with the ACHP, and implement the terms of this Agreement, as applicable.

**VIII. TERMINATION**

Any signatory to this PA may terminate it by providing thirty (30) days' notice to the signatories in writing by certified physical mail and electronic mail, provided that the signatories will consult during the period prior to termination to seek agreement on amendments or other actions that would avoid termination. In the event of termination, the DHHL will comply with 36 CFR Parts 800.3 through 800.7 with regard to individual Undertaking actions covered by this Agreement.

**IX. DISPUTE RESOLUTION**

Should the SHPO object within thirty (30) days to any documents or actions as set forth in this PA, the DHHL as appropriate shall consult with the SHPO to resolve the objection. If the DHHL determines that the objection cannot be resolved, the DHHL shall request the recommendations of the ACHP.

Any ACHP recommendation provided in response to such a request will be taken into account by the DHHL in accordance with 36 CFR § 800.6(c)(2) with reference only to the subject of the dispute; the DHHL's responsibility to carry out all actions under this PA that are not subjects of the dispute will remain unchanged.

**X. DURATION**

This PA will continue in full force and effect for a period of ten (10) years from execution of this PA. Prior to such time, the DHHL may consult with other signatories to reconsider the terms of the PA, and the agreement may be extended as written, or amended, in accordance with Stipulation VII above, provided all signatories concur.

**SIGNATORY PARTIES**

Signed:

**DEPARTMENT OF HAWAIIAN HOME LANDS**

By *Kali Watson* Date Dec 4, 2023

Printed Name: Kali Watson Title Chairman, Hawaiian Homes Commission

**SIGNATORY PARTIES**

Signed

**HAWAII STATE HISTORIC PRESERVATION OFFICER**

By Alan Downer Date Dec 4, 2023  
Alan Downer (Dec 4, 2023 12:10 HST)

Printed Name: Alan Downer Title Historic Preservation Administrator

**SIGNATORY PARTIES**

Signed:

**ADVISORY COUNCIL ON HISTORIC PRESERVATION**

By \_\_\_\_\_ Date \_\_\_\_\_

Printed Name: \_\_\_\_\_ Title \_\_\_\_\_

**CONCURRING PARTIES**

Signed:

**HISTORIC HAWAI'I FOUNDATION**

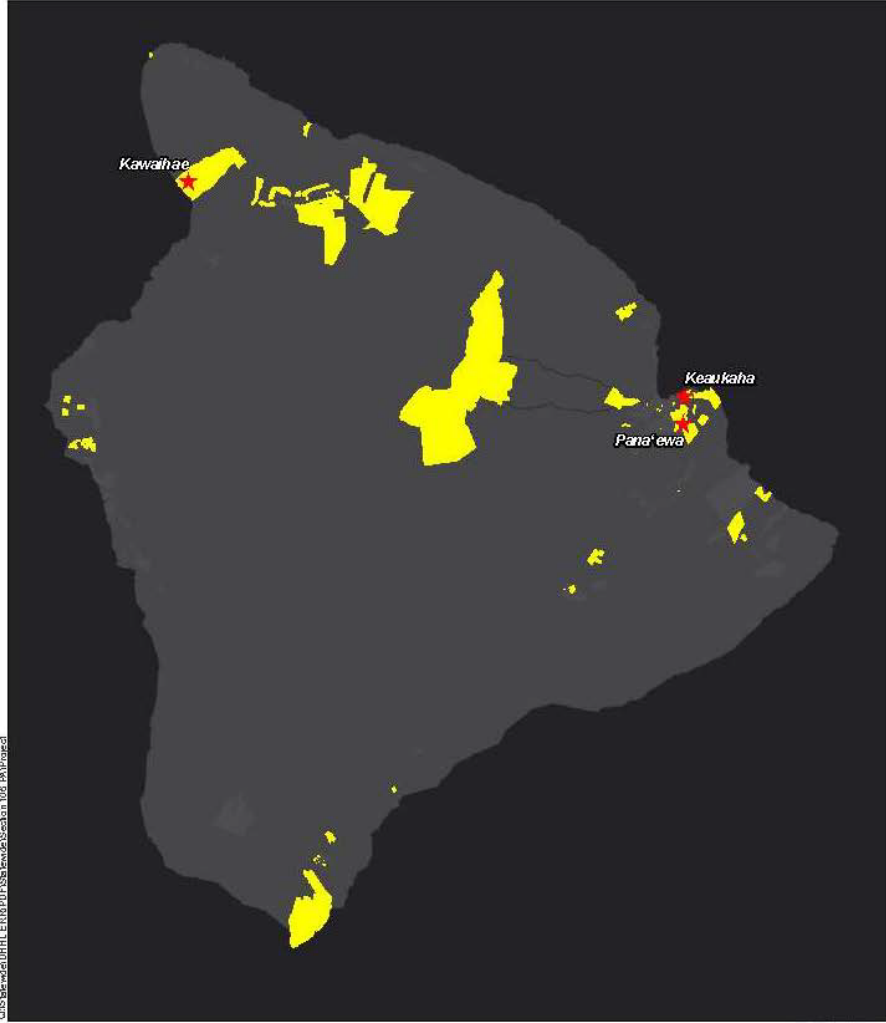
By \_\_\_\_\_ Date \_\_\_\_\_

Printed Name: \_\_\_\_\_ Title \_\_\_\_\_

**APPENDIX A: Entitlement Communities**

Name	STUDY Status (In Process/Under Review/Approved)	STUDY Completion/ Target Date	SHPD Review Completion Date	SOI Professional	Notes
Keaukaha					
Nānākuli					
Kawaihae					
Waimānalo					
Papakōlea (combined- Papakōlea & Kewalo)					
Pana'ewa					
Anahola					
Paukūkalo					
Kalama'ula					
Kekaha					





DATE: 8/8/2023

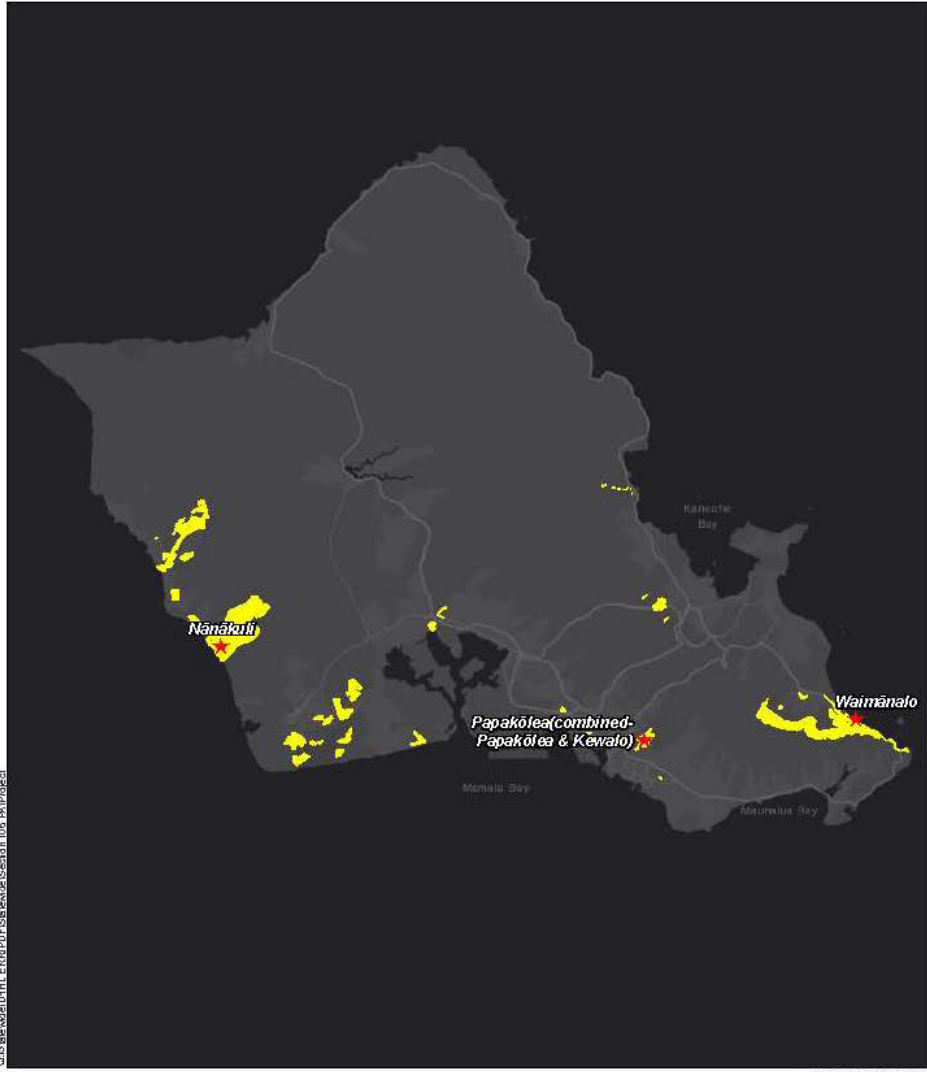
**LEGEND**

- ★ Entitlement Communities in Hawai'i County
- DHHL Lands

**Entitlement Communities:  
Hawai'i County  
DHHL NAHASDA  
Section 106 PA**



Source: County of Hawaii, 2023. ESRI Online Database.  
Disclaimer: This graphic has been prepared for general planning purposes only and should not be used for boundary interpretations or other spatial analysis.

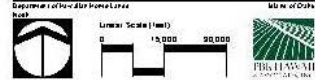


DATE: 11/14/2023

**LEGEND**

- ★ Entitlement Communities in Honolulu County
- DHHL Lands

**Entitlement Communities:  
 Honolulu County  
 DHHL NAHASDA  
 Section 106 PA**



Source: County of Honolulu, 2022, GIS Online Database.  
 Disclaimer: This graphic has been prepared for general planning purposes only and should not be used for boundary interpretations or other applications.



GIS based on DHHL ERB/POB/BS/Entitlement Section 106 PA Project

DATE: 8/8/2023

**LEGEND**

- ★ Entitlement Communities in Maui County
- DHHL Lands

**Entitlement Communities:  
Maui County  
DHHL NAHASDA  
Section 106 PA**

Department of Natural Resources | Bureau of Land Management

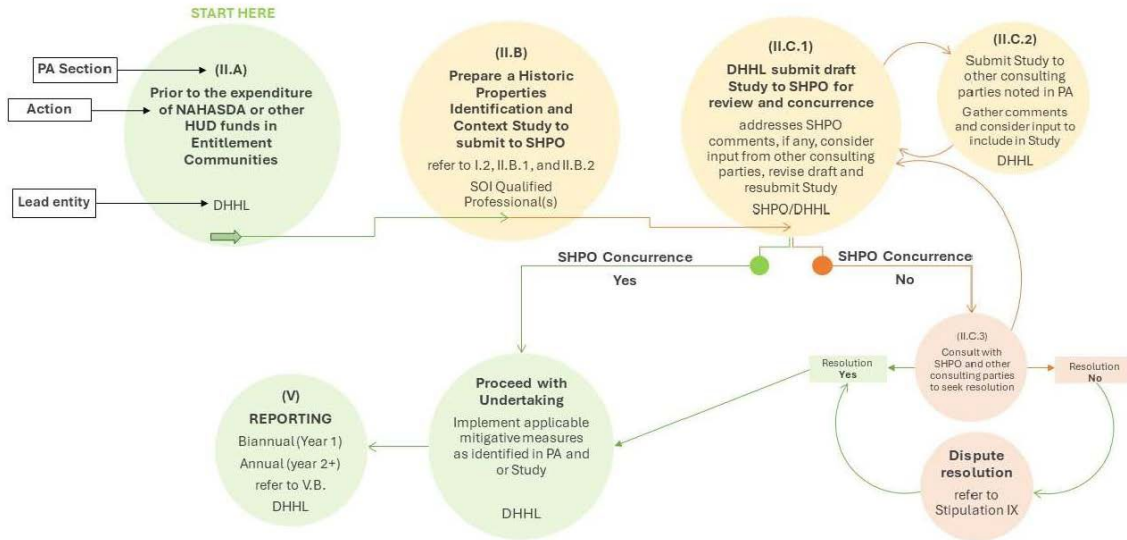
Linear Scale (feet)  
0 25,000 50,000

Source: County of Maui, 2022, GIS/Online Database.  
Disclaimer: This graphic has been prepared for general planning purposes only and should not be used for boundary interpretations or other spatial analysis.



APPENDIX B: FLOW CHART

## Programmatic Agreement Flowchart





**APPENDIX D: FORM TO DETERMINE PROJECT EXEMPTION STATUS, FOR USE  
IN HUD TIERED REVIEWS**

<b>Historic Preservation</b> National Historic Preservation Act of 1966, particularly sections 106 and 110; 36 CFR Part 800
<p>1. Does the undertaking include activities that have the potential to effect historic properties OR does the Undertaking include properties eligible for listing in the Hawaii or National Register of Historic Places?</p> <p><input type="checkbox"/> No, because the undertaking consists solely of actions that have no potential to effect historic properties as listed within this Programmatic Agreement (PA) signed by the Department of Hawaiian Home Lands (DHHL) and the State Historic Preservation Officer (SHPO), OR because this undertaking solely consists of actions that are located within one of the Entitlement Communities listed under this signed PA where no potentially eligible historic properties were found to be present during the course of preparing the associated historic resources identification package. The PA determined that such parcels have 'No Potential to Cause Effects' [36 CFR 800.3(a)(1)]. <b>Continue to Step 4, below.</b></p> <p><input type="checkbox"/> Yes, the undertaking includes actions that have the potential to effect historic properties OR includes actions located within Entitlement Communities listed under this PA signed by the DHHL and the SHPO where potentially eligible historic properties were found to be present during the course of preparing the associated Historic Properties Context and Identification Study. <b>Continue to Step 2, below.</b></p> <p>2. Is further Section 106 review required for the undertaking?</p> <p><input type="checkbox"/> No, because the undertaking is limited to exempt activities as specified in III. of the PA that would not impact any historic properties. Thus, the DHHL will document a determination that the undertaking will have no potential to cause effects to historic properties. <b>Continue to Step 4, below.</b></p> <p><input type="checkbox"/> Yes, because the undertaking includes actions with the potential to affect (direct or indirect) eligible historic properties as identified in the Entitlement Community's Historic Properties Context and Identification Study. <b>Continue to Step 3, below.</b></p> <p>3. Is there an adverse effect on historic properties? An analysis of the potential effect on the historic property(ies) will be conducted by individuals meeting the SOI Qualified Professional for their respective disciplines (Archaeology and Architectural History). Through an analysis of effect, was it determined that the undertaking will adversely affect historic properties?</p> <p><input type="checkbox"/> No. Through an analysis of effect, it has been determined that the undertaking <b>will not</b> adversely affect historic properties. The DHHL will document a determination of no historic properties affected. <b>Continue to Step 4, below.</b></p> <p><input type="checkbox"/> Yes. Through an analysis of effect, it has been determined that the undertaking <b>will</b> adversely affect historic property(ies). The DHHL will either a) modify the undertaking sufficiently to render a determination of no historic properties affected, b) revert to a four-step consultation process for undertakings that fall outside of the scope of the PA, or c) render a determination of adverse effect and enter into a Memorandum of Agreement with consulting parties to resolve said effects.</p> <p>4. Choose one of the findings below to recommend to the RE.</p>

Please note: this is a recommendation only. It is not the official finding, which will be made by the RE, but only your suggestion as a Partner entity.

No Historic Properties Affected

***Document reason for finding of No Historic Properties Affected:***

No historic properties were found to be present in the historic properties identification package associated with the project's Entitlement Community.

Historic properties were found to be present, but the undertaking is exempt as per III. of the PA.

No Adverse Effect

***Document reason for finding and provide any comments below, which may include recommendations for mitigation, monitoring, a plan for unanticipated discoveries, etc.***

Adverse Effect

***Document reason for finding:***

[Add applicable Criteria into text box with summary and justification under Criteria of Adverse Effect: 36 CFR 800.5]

***Provide any comments below, which may include recommendations for avoidance, minimization, and/or mitigation.***

[Enter text here]

\*Remember to provide all documentation (including a copy or citation of the historic properties identification package associated with the Entitlement Community and concurred with by SHPD) that justifies your National Register Status determination and recommendations along with this worksheet.

**Post-review Discoveries.**

If historic properties are discovered during the demolition of structures or unanticipated effects on historic properties are found, the DHHL shall consult with the SHPO in developing a strategy for investigation and evaluation of the resource, as outlined in IV of the PA.





**JOHN GREEN, M.D.**  
 Director  
 Department of Health  
 200 W. Waiʻanae Blvd.  
 Honolulu, HI 96818  
 Phone: (808) 586-2500  
 Fax: (808) 586-2500  
 Email: [john.green@hawaii.gov](mailto:john.green@hawaii.gov)

**STATE OF HAWAII**  
**DEPARTMENT OF HAWAIIAN HOME LANDS**  
*Ka Ohana Ana Iho opanalapa Hawaii*

P. O. BOX 1879  
 HONOLULU, HAWAII 96805

December 26, 2023

**SUBJECT: CONSULTATION PURSUANT TO SECTION 106 OF THE NATIONAL HISTORIC PRESERVATION ACT, FOR THE ESTABLISHMENT OF A PROGRAMMATIC AGREEMENT FOR THE STATEWIDE EXPENDITURE OF HUD-PROVIDED FUNDS BY THE DHHL (HICRS NO. 2023PR0909), DHHL NO. NH-22-010.01)**

The Department of Hawaiian Home Lands (DHHL) invites you to contribute feedback on the proposed undertaking described below, pursuant to Section 106 of the National Historic Preservation Act (NHPA). The purpose of NHPA Section 106 is to take into account the effects that Federal agency actions (including use of Federal funds) may have on historic properties.

You are receiving this letter either because you represent a Native Hawaiian Organization (NHO) currently listed with the U.S. Department of the Interior, Office of Native Hawaiian Relations, or because you are a non-listed NHO, or other stakeholder that may wish to be involved based on your organization's area of interest.

Project Description:

**Name of Project:** Programmatic Agreement for the DHHL Expenditure of HUD Provided Funds

**Location:** Statewide **Island:** All **District:** Statewide

**Tax Map Keys:** Various

**Proposed Undertaking:** The proposed undertaking is the establishment of a programmatic agreement (PA) that is designed to improve efficiencies for both the Department of Hawaiian Home Lands (DHHL) and the State Historic Preservation Officer (SHPO) within the Department of Land and Natural Resources. It will apply to DHHL entitlement communities that meet the requirements outlined in the stipulations of the PA.

This PA cannot be applied to all DHHL Section 106 consultations/undertakings. Eligible undertakings must meet the previously agreed upon stipulations outlined within the agreement document and its associated reports, and must follow all agreed upon identification and reporting requirements as outlined in the stipulations of the PA. Any comments relating to the PA must be received by DHHL within 30 days of the date of this letter. Comments may be mailed to DHHL, attn: Malia Cox at P.O. Box 1879, Honolulu, Hawaii 96805 or hand-delivered to DHHL at 91-5420 Kapolei Parkway, Kapolei, Hawaii 96707.

**Area of Potential Effect (APE):**

Given the nature and scope of the proposed activities, the DHHL has determined that projects throughout the state could potentially fall under the PA agreement. However, the following DHHL "entitlement communities": Kekaha, Anahola, Nānākūli, Pāpākoia-Kewalo, Waimānalo, Kalaheo, Kapaemāhū, Paukūhala, Kawaihae, Keaukaha, and Panu'ewa have been prioritized for this undertaking in Appendix A of the PA document (see a copy of PA at the Environmental Notice publication website at:

CONSULTATION PURSUANT TO SECTION 106 OF THE NATIONAL HISTORIC PRESERVATION ACT, FOR THE ESTABLISHMENT OF A PROGRAMMATIC AGREEMENT FOR THE STATEWIDE EXPENDITURE OF HUD-PROVIDED FUNDS BY THE DHHL  
 Page 2 of 2

<https://planning.hawaii.gov/erp/environmental-notice/>

**Identified Historic Properties:**

The PA describes a process for identifying Historic Properties that involves conducting a Historic Properties Identification and Context Study (STUDY) for each of the prioritized entitlement communities before the PA can be applied to that community. Prior to SHPO concurrence with the findings of the STUDY, Hawaiian Organizations (NHO) and other stakeholders (as deemed appropriate) will be consulted with on *historic or potential historic properties, historic or potential historic districts, the entitlement community's area of potential effect, the name of these potential effects* and are also encouraged to identify other NHOs or stakeholders that may wish to participate in the Section 106 consultation process.

**Please provide comments relating to the PA within 30 days of the date of this letter and include a full name and mailing address.** Please reference "Section 106- Programmatic Agreement Consultation" in your subject heading.

**Responsible Entity:** Department of Hawaiian Home Lands  
 ATTN: Malia Cox, NAHASDA Compliance Specialist  
 PO Box 1879  
 Honolulu, Hawaii 96805  
 Phone: (808) 620-9500  
 Fax: (808) 620-9579  
 Email: [malia.m.cox@hawaii.gov](mailto:malia.m.cox@hawaii.gov)

**Consultant:** PBR HAWAII & Associates, Inc.  
 ATTN: Natalie Hanson, Planner  
 1001 Bishop Street, Suite 650  
 Honolulu, Hawaii 96813  
 Phone: (808) 521-5631  
 Fax: (808) 521-1402  
 Email: [nhanson@pbrhawaii.com](mailto:nhanson@pbrhawaii.com)

**Please send comments to the Consultant and/or the Responsible Entity.**

Thank you for participating in the environmental review process.

Cc: PBR HAWAII & Associates, Inc.  
 State Historic Preservation Division

NHO listed on the U.S. Department of Interior's NHO Notification List that specified the Moku in which the entitlement community is located with be invited to participate




**HAWAIIAN HOMES COMMISSION  
JANUARY 16 & 17, 2024**

**D – ITEMS**

**HOMESTEAD SERVICES DIVISION**

STATE OF HAWAII  
DEPARTMENT OF HAWAIIAN HOME LANDS

January 16, 2024

TO: Chairman and Members, Hawaiian Homes Commission  
From: Juan Garcia, HSD Administrator   
SUBJECT: **Homestead Services Division Status Reports**

RECOMMENDED MOTION/ACTION

NONE

DISCUSSION

The following reports are for information only:

- Exhibit A: Homestead Lease & Application Totals and Monthly Activity Reports
- Exhibit B: Delinquency Report
- Exhibit C: DHHL Guarantees for FHA Construction Loans

January 17, 2024

SUBJECT: Homestead Lease and Application Totals and Monthly Activity Reports

LEASE ACTIVITY REPORT

Month through December 31, 2023

	As of 11/30/23	Add	Cancel	As of 12/31/23
Residential	8,498	5	0	8,503
Agricultural	1,104	0	0	1,104
Pastoral	414	0	0	414
<b>Total</b>	<b>10,016</b>	<b>5</b>	<b>0</b>	<b>10,021</b>

The cumulative number of Converted Undivided Interest Lessees represents an increase of 563 families moving into homes. Their Undivided Interest lease was converted to a regular homestead lease.

	As of 11/30/23	Converted	Rescinded/ Surrendered/ Cancelled	As of 12/31/23
Undivided	749	4	0	745

Balance as of 12/31/2023

Awarded	1,434
Relocated to UNDV	7
Rescinded	123
Surrendered	6
Cancelled	4
Converted	<u>563</u>
Balance to Convert	745

Lease Report For the Month Ending December 31, 2023

	----- RESIDENCE -----			----- AGRICULTURE -----			----- PASTURE -----			----- TOTAL LEASES -----		
	Last Month	Add	Cancel	TOTAL	Last Month	Add	Cancel	TOTAL	Last Month	Add	Cancel	TOTAL
<b>OAHU</b>												
Kakaina	37	0	0	37	0	0	0	0	0	0	0	37
Kalahahine	90	0	0	90	0	0	0	0	0	0	0	90
Kanehili	400	0	0	400	0	0	0	0	0	0	0	400
Kapolei	173	0	0	173	0	0	0	0	0	0	0	173
Kauluokahai	152	2	0	154	0	0	0	0	0	0	0	154
Kaupea	323	0	0	323	0	0	0	0	0	0	0	323
Kaupuni	19	0	0	19	0	0	0	0	0	0	0	19
Kewalo	248	0	0	248	0	0	0	0	0	0	0	248
Kumuohau	50	0	0	50	0	0	0	0	0	0	0	50
Lualualei	149	0	0	149	30	0	0	30	0	0	0	179
Malu'ohai	225	0	0	225	0	0	0	0	0	0	0	225
Nanakuli	1,044	1	0	1,045	0	0	0	0	0	0	0	1,045
Papakolea	64	0	0	64	0	0	0	0	0	0	0	64
Princess Kahanu Estates	268	0	0	268	0	0	0	0	0	0	0	268
Waiahole	0	0	0	0	17	0	0	17	0	0	0	17
Waianae	420	0	0	420	12	0	0	12	0	0	0	432
Waimanalo	714	0	0	714	2	0	0	2	0	0	0	716
<b>TOTAL</b>	<b>4,376</b>	<b>3</b>	<b>0</b>	<b>4,379</b>	<b>61</b>	<b>0</b>	<b>0</b>	<b>61</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,440</b>
<b>MAUI</b>												
Hikina	31	0	0	31	0	0	0	0	0	0	0	31
Kahikinui	0	0	0	0	0	0	0	0	75	0	0	75
Keokea	0	0	0	0	64	0	0	64	0	0	0	64
Leialii	103	0	0	103	0	0	0	0	0	0	0	103
Paukukalo	178	0	0	178	0	0	0	0	0	0	0	178
Waiehu 1	39	0	0	39	0	0	0	0	0	0	0	39
Waiehu 2	109	0	0	109	0	0	0	0	0	0	0	109
Waiehu 3	113	0	0	113	0	0	0	0	0	0	0	113
Waiehu 4	98	0	0	98	0	0	0	0	0	0	0	98
Waiohuli	590	0	0	590	0	0	0	0	0	0	0	590
<b>TOTAL</b>	<b>1,261</b>	<b>0</b>	<b>0</b>	<b>1,261</b>	<b>64</b>	<b>0</b>	<b>0</b>	<b>64</b>	<b>75</b>	<b>0</b>	<b>0</b>	<b>1,400</b>
<b>EAST HAWAII</b>												
Discovery Harbour	3	0	0	3	0	0	0	0	0	0	0	3
Kamoa	0	0	0	0	0	0	0	0	25	0	0	25
Kaunana	46	1	0	47	0	0	0	0	0	0	0	47
Keaukaha	472	0	0	472	0	0	0	0	0	0	0	472
Kurtistown	3	0	0	3	0	0	0	0	0	0	0	3
Makuu	0	0	0	0	120	0	0	120	0	0	0	120
Panaewa	13	0	0	13	275	0	0	275	0	0	0	288
Piihonua	17	0	0	17	0	0	0	0	0	0	0	17
Puueo	0	0	0	0	11	0	0	11	0	0	0	11
University Heights	4	0	0	4	0	0	0	0	0	0	0	4
Waiakea	284	0	0	284	0	0	0	0	0	0	0	284
<b>TOTAL</b>	<b>842</b>	<b>1</b>	<b>0</b>	<b>843</b>	<b>406</b>	<b>0</b>	<b>0</b>	<b>406</b>	<b>25</b>	<b>0</b>	<b>0</b>	<b>1,274</b>
<b>WEST HAWAII</b>												
Honokaia	0	0	0	0	0	0	0	0	24	0	0	24
Humuula	0	0	0	0	0	0	0	0	5	0	0	5
Kamoku	0	0	0	0	0	0	0	0	17	0	0	17
Kanihale	224	0	0	224	0	0	0	0	0	0	0	224
Kawaihae	192	0	0	192	0	0	0	0	1	0	0	193
Laiopua	274	0	0	274	0	0	0	0	0	0	0	274
Lalamilo	30	0	0	30	0	0	0	0	0	0	0	30
Nienie	0	0	0	0	0	0	0	0	21	0	0	21
Puukapu/Waimea/Kuhio VII	118	0	0	118	110	0	0	110	218	0	0	446
Puupulehu	33	0	0	33	0	0	0	0	0	0	0	33
<b>TOTAL</b>	<b>871</b>	<b>0</b>	<b>0</b>	<b>871</b>	<b>110</b>	<b>0</b>	<b>0</b>	<b>110</b>	<b>286</b>	<b>0</b>	<b>0</b>	<b>1,267</b>
<b>KAUAI</b>												
Anahola	547	1	0	548	46	0	0	46	0	0	0	594
Hanapepe	47	0	0	47	0	0	0	0	0	0	0	47
Kekaha	117	0	0	117	0	0	0	0	0	0	0	117
Puu Opae	0	0	0	0	0	0	0	0	1	0	0	1
<b>TOTAL</b>	<b>711</b>	<b>1</b>	<b>0</b>	<b>712</b>	<b>46</b>	<b>0</b>	<b>0</b>	<b>46</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>759</b>
<b>MOLOKAI</b>												
Hoolehua	152	0	0	152	345	0	0	345	21	0	0	518
Kalamaula	167	0	0	167	69	0	0	69	3	0	0	239
Kapaaakea	47	0	0	47	0	0	0	0	3	0	0	50
Moomomi	0	0	0	0	3	0	0	3	0	0	0	3
One Alii	27	0	0	27	0	0	0	0	0	0	0	27
<b>TOTAL</b>	<b>393</b>	<b>0</b>	<b>0</b>	<b>393</b>	<b>417</b>	<b>0</b>	<b>0</b>	<b>417</b>	<b>27</b>	<b>0</b>	<b>0</b>	<b>837</b>
<b>LANAI</b>												
Lanai	44	0	0	44	0	0	0	0	0	0	0	44
<b>TOTAL</b>	<b>44</b>	<b>0</b>	<b>0</b>	<b>44</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>44</b>
<b>STATEWIDE TOTAL</b>	<b>8,498</b>	<b>5</b>	<b>0</b>	<b>8,503</b>	<b>1,104</b>	<b>0</b>	<b>0</b>	<b>1,104</b>	<b>414</b>	<b>0</b>	<b>0</b>	<b>10,021</b>

	12/01/23 Totals	Adds	Deletes	01/01/24 Totals
<b>OAHU</b>				
113 NANAKULI (RES)	153	0	0	153
123 PAPA KOLEA/KEWALO (RES)	64	0	0	64
133 WAIMANALO (RES)	520	0	0	520
143 WAIANA E (RES)	135	0	0	135
191 OAHU ISLAND-WIDE (AG)	4,136	6	3	4,139
193 OAHU ISLAND-WIDE (RES)	10,584	14	29	10,569
	=====	=====	=====	=====
TOTAL FOR OAHU	15,592	20	32	15,580
<b>MAUI</b>				
213 PAUKUKALO (RES)	50	0	0	50
221 KULA (AG)	4	0	0	4
222 KULA (PAS)	5	0	0	5
291 MAUI ISLAND-WIDE (AG)	4,802	7	1	4,808
292 MAUI ISLAND-WIDE (PAS)	644	1	1	644
293 MAUI ISLAND-WIDE (RES)	3,899	11	3	3,907
	=====	=====	=====	=====
TOTAL FOR MAUI	9,404	19	5	9,418
<b>HAWAII</b>				
313 KEAUKAHA/WAIAKEA (RES)	65	0	0	65
321 PANA EWA (AG)	13	0	0	13
333 KAWAIHAE (RES)	16	0	0	16
341 WAIMEA (AG)	11	0	0	11
342 WAIMEA (PAS)	46	0	0	46
343 WAIMEA (RES)	44	0	0	44
391 HAWAII ISLAND-WIDE (AG)	7,370	7	6	7,371
392 HAWAII ISLAND-WIDE (PAS)	1,984	0	7	1,977
393 HAWAII ISLAND-WIDE (RES)	5,922	5	7	5,920
	=====	=====	=====	=====
TOTAL FOR HAWAII	15,471	12	20	15,463
<b>KAUAI</b>				
511 ANAHOLA (AG)	3	0	0	3
512 ANAHOLA (PAS)	20	0	0	20
513 ANAHOLA (RES)	40	0	0	40
523 KEKAHA (RES)	8	0	0	8
532 PUU OPAE (PAS)	7	0	0	7
591 KAUAI ISLAND-WIDE (AG)	2,309	4	1	2,312
592 KAUAI ISLAND-WIDE (PAS)	313	1	0	314
593 KAUAI ISLAND-WIDE (RES)	1,684	5	2	1,687
	=====	=====	=====	=====
TOTAL FOR KAUAI	4,384	10	3	4,391
<b>MOLOKAI</b>				
613 KALAMAULA (RES)	3	1	1	3
621 HOOLEHUA (AG)	17	0	0	17
622 HOOLEHUA (PAS)	1	0	0	1
623 HOOLEHUA (RES)	7	0	0	7
633 KAPA AKEA (RES)	6	0	0	6
643 ONE ALII (RES)	1	0	0	1
691 MOLOKAI ISLAND-WIDE (AG)	1,120	1	1	1,120
692 MOLOKAI ISLAND-WIDE (PAS)	201	0	0	201
693 MOLOKAI ISLAND-WIDE (RES)	799	1	2	798
	=====	=====	=====	=====
TOTAL FOR MOLOKAI	2,155	3	4	2,154
<b>LANAI</b>				
713 LANAI (RES)	69	0	0	69
	=====	=====	=====	=====
TOTAL FOR LANAI	69	0	0	69
<b>GRAND TOTAL</b>				
	=====	=====	=====	=====
	47,075	64	64	47,075
	=====	=====	=====	=====

DELINQUENCY REPORT - STATEWIDE

January 16, 2024

(\$Thousands)

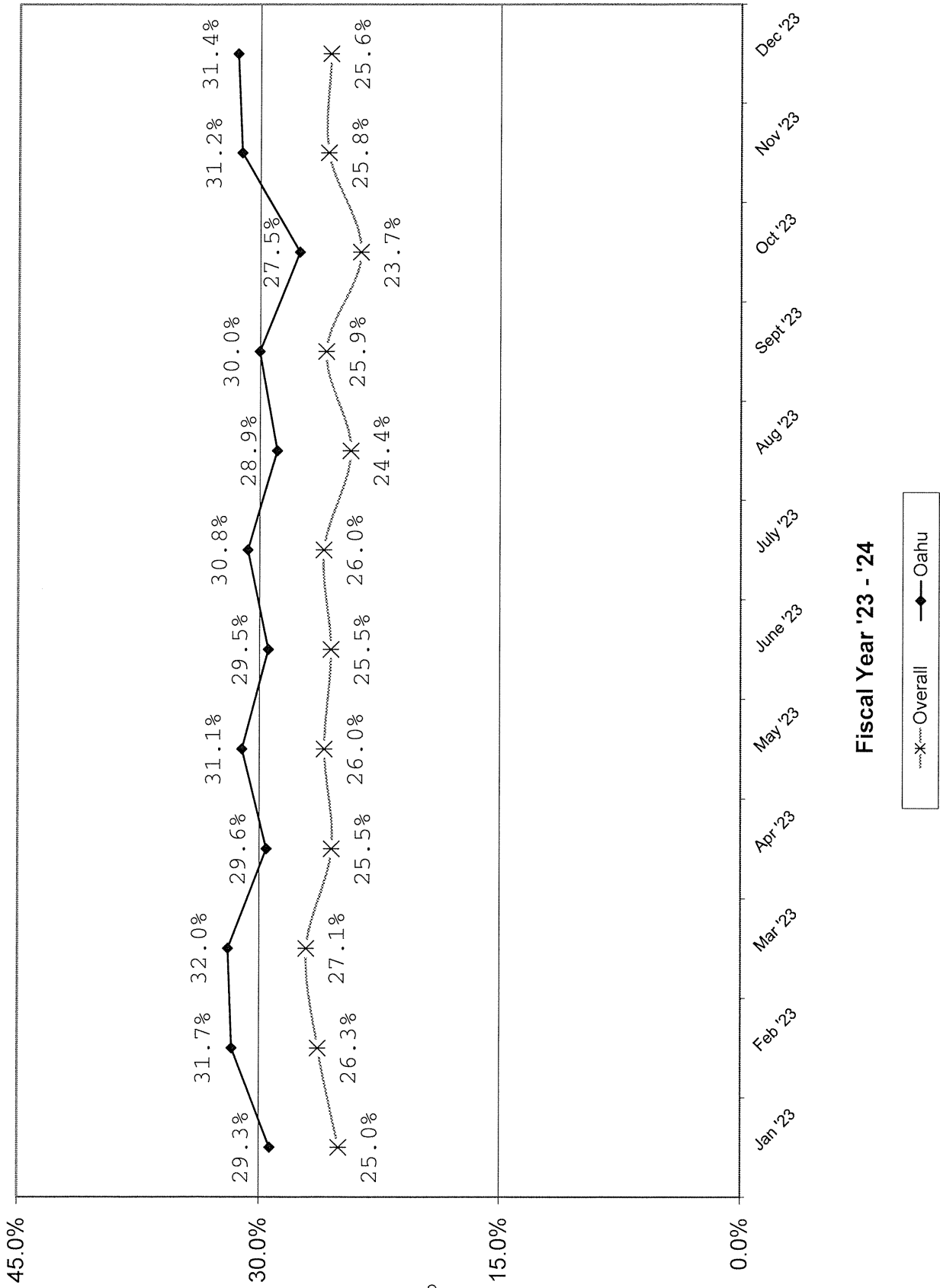
DIRECT LOANS	Total Outstanding		Total Delinquency		30 Days (low)		60 Days (Medium)		90 Days (High)		180 Days (Severe)		% of Totals 9/30/2023	
	No.	Amt. (000s)	No.	Amt. (000s)	No.	Amt. (000s)	No.	Amt. (000s)	No.	Amt. (000s)	No.	Amt. (000s)	No.	\$
OAHU	370	36,227	114	11,385	22	2,192	15	1,473	15	1,506	62	6,214	30.8%	31.4%
EAST HAWAII	191	11,247	57	3,968	8	279	4	409	4	198	41	3,083	29.8%	35.3%
WEST HAWAII	76	7,961	11	1,279	4	543	3	334	1	123	3	279	14.5%	16.1%
MOLOKAI	79	6,766	19	842	4	95	3	274	2	41	10	433	24.1%	12.4%
KAUAI	90	7,019	11	649	4	129	1	116	1	59	5	345	12.2%	9.3%
MAUI	111	15,192	30	3,501	7	562	1	218	8	943	14	1,778	27.0%	23.0%
TOTAL DIRECT	917	84,413	242	21,624	49	3,799	27	2,823	31	2,871	135	12,131	26.4%	25.6%
	100.0%	100.0%	26.4%	25.6%	5.3%	4.5%	2.9%	3.3%	3.4%	3.4%	14.7%	14.4%		
Advances (including RPT)	243	5,785	243	5,785	0	0	0	0	243	5,785			100%	100%
DHHL LOANS & Advances	1,160	90,198	485	27,409	49	3,799	27	2,823	274	8,656	135	12,131	41.8%	30.4%
<u>LOAN GUARANTEES as of June 30, 2023</u>														
SBA	2	67	0	0	0	0	0	0	0	0	0	0	0.0%	0.0%
USDA-RD	274	35,831	43	6,613	0	0	0	0	43	6,613			15.7%	18.5%
Habitat for Humanity	32	893	16	429	0	0	0	0	16	429			50.0%	48.0%
Maui County	5	74	0	0	0	0	0	0	0	0			0.0%	0.0%
Nanakuli NHS	1	7	1	7	0	0	0	0	1	7			100.0%	100.0%
City & County	10	204	10	204	0	0	0	0	10	204			100.0%	100.0%
FHA Interim	6	1,366	0	0	0	0	0	0	0	0			0.0%	0.0%
OHA	1	6	1	6	0	0	0	0	1	6			100.0%	100.0%
TOTAL GUARANTEE	331	38,448	71	7,259	0	0	0	0	71	7,259			21.5%	18.9%
PMI Loans	119	15,970	5	758	2	244	2	234	1	280			4.2%	4.7%
HUD REASSIGNED for Recovery	121	12,321	95	10,631	0	0	2	7	5	436	88	10,189	78.5%	86.3%
FHA Insured Loans	2,937	537,684	204	33,310	0	0	0	0	204	33,310			6.9%	6.2%
TOTAL INS. LOANS	3,177	565,975	304	44,699	2	244	4	241	210	34,026	88	10,189	9.6%	7.9%
OVERALL TOTALS(EXC Adv/RP)	4,425	688,836	617	73,582	51	4,043	31	3,064	312	44,155	223	22,320	13.9%	10.7%
ADJUSTED TOTALS	4,668	694,621	860	79,367	51	4,043	31	3,064	555	49,940	223	22,320		11.4%

Note: HUD 184A loan program has 666 loans, with a total outstanding principal balance of \$128,639,724 as of June 30, 2023. 53 Loans, totaling \$5,837,337 are delinquent.

The deferred interest for 452 loans comes out to \$1,978,619.60 as of 12/31/2023.



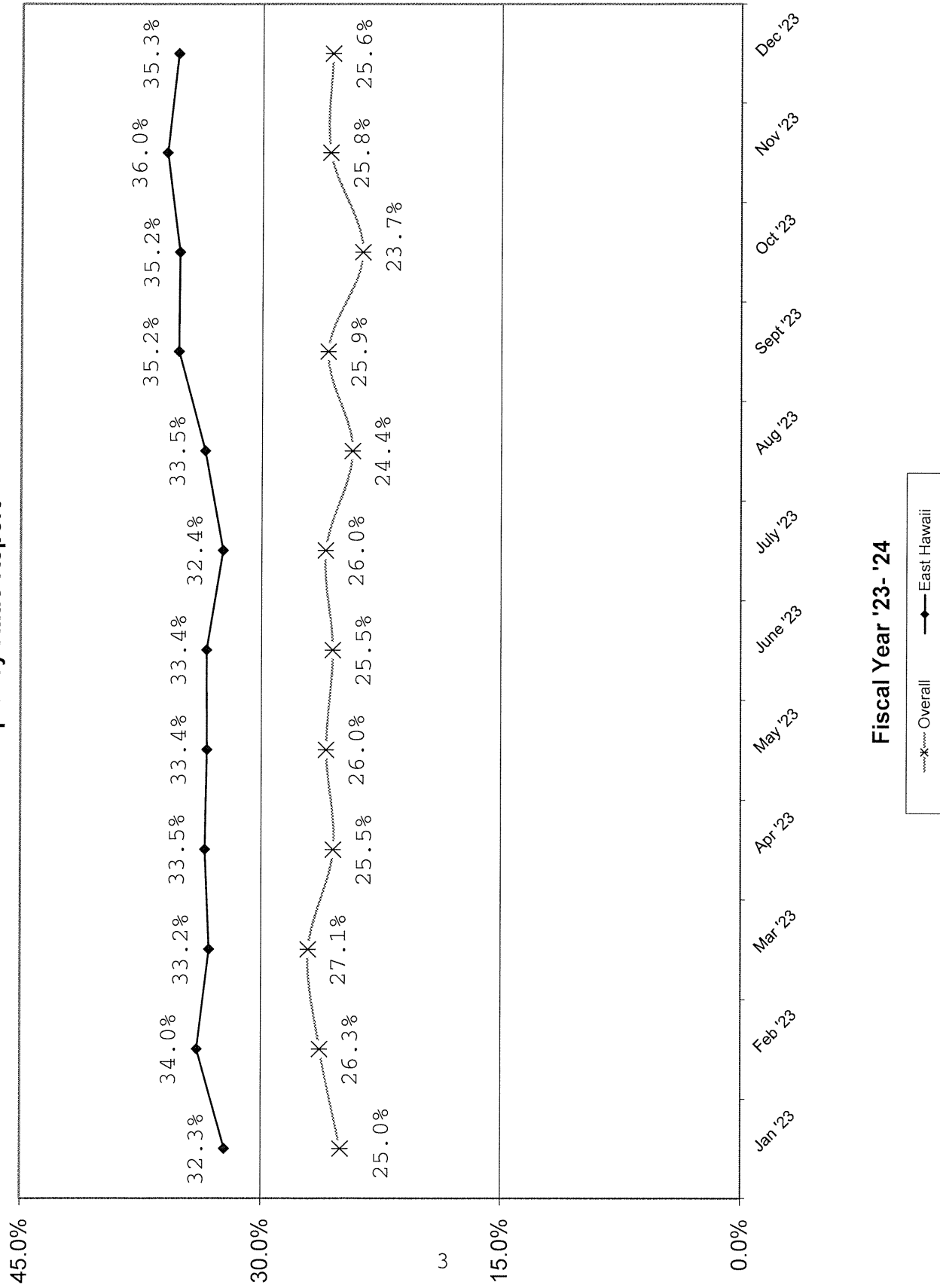
OAHU  
Direct Loans  
Delinquency Ratio Report



Fiscal Year '23 - '24

-----\*----- Overall      —◆— Oahu

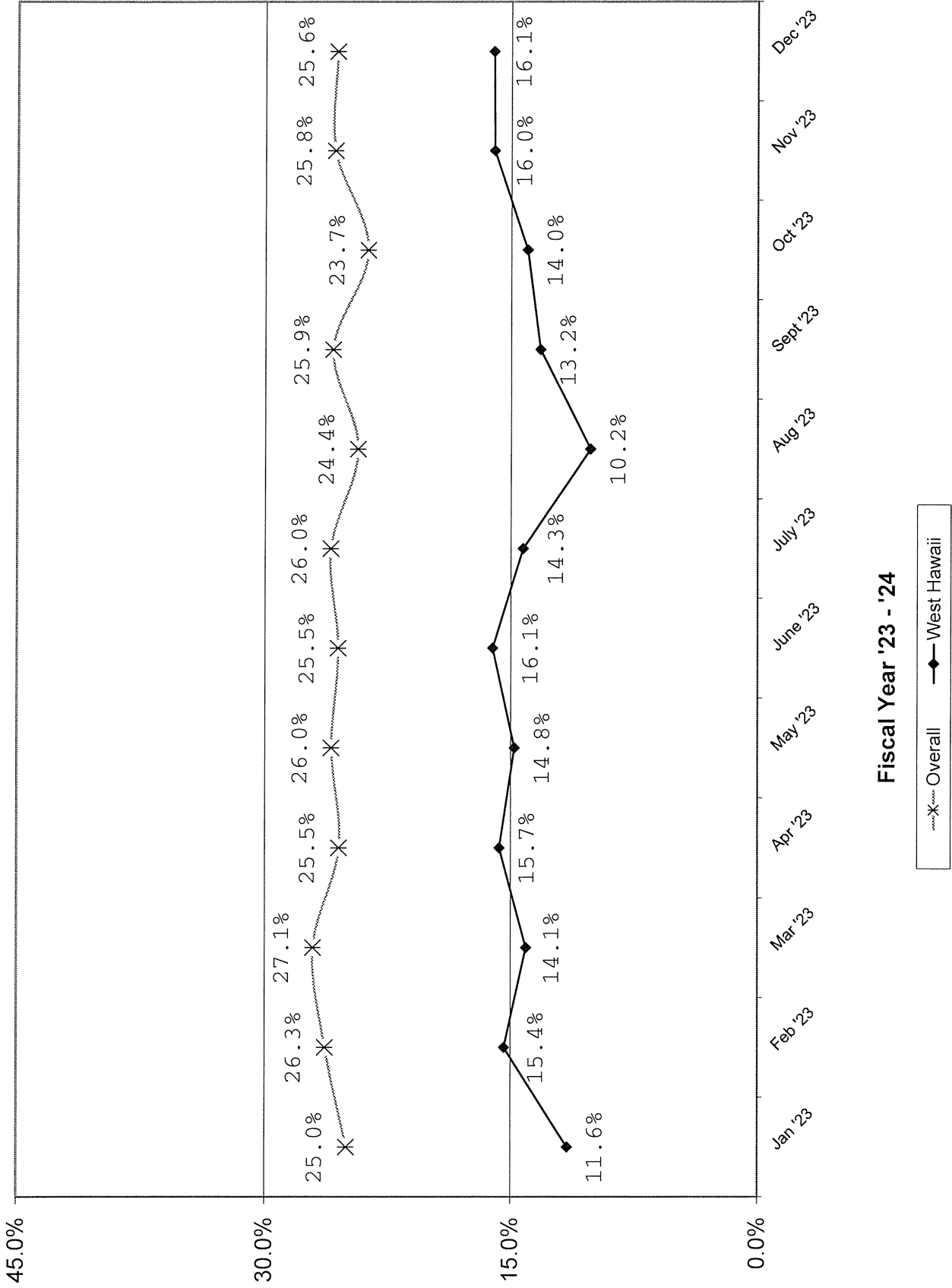
**EAST HAWAII  
Direct Loans  
Delinquency Ratio Report**



**Fiscal Year '23- '24**

.....x..... Overall      —◆— East Hawaii

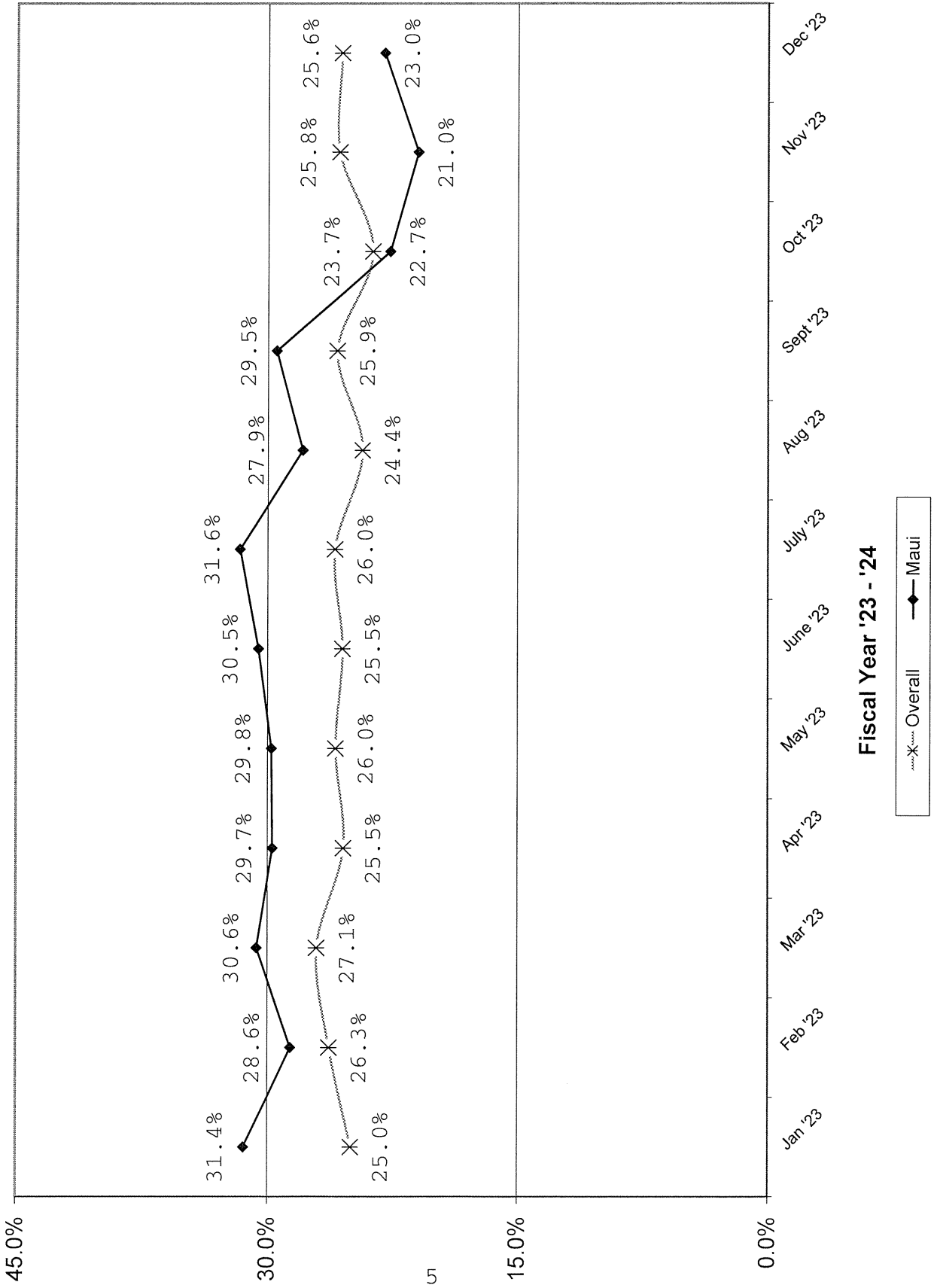
**WEST HAWAII  
Direct Loans  
Delinquency Ratio Report**



**Fiscal Year '23 - '24**

---x--- Overall    —◆— West Hawaii

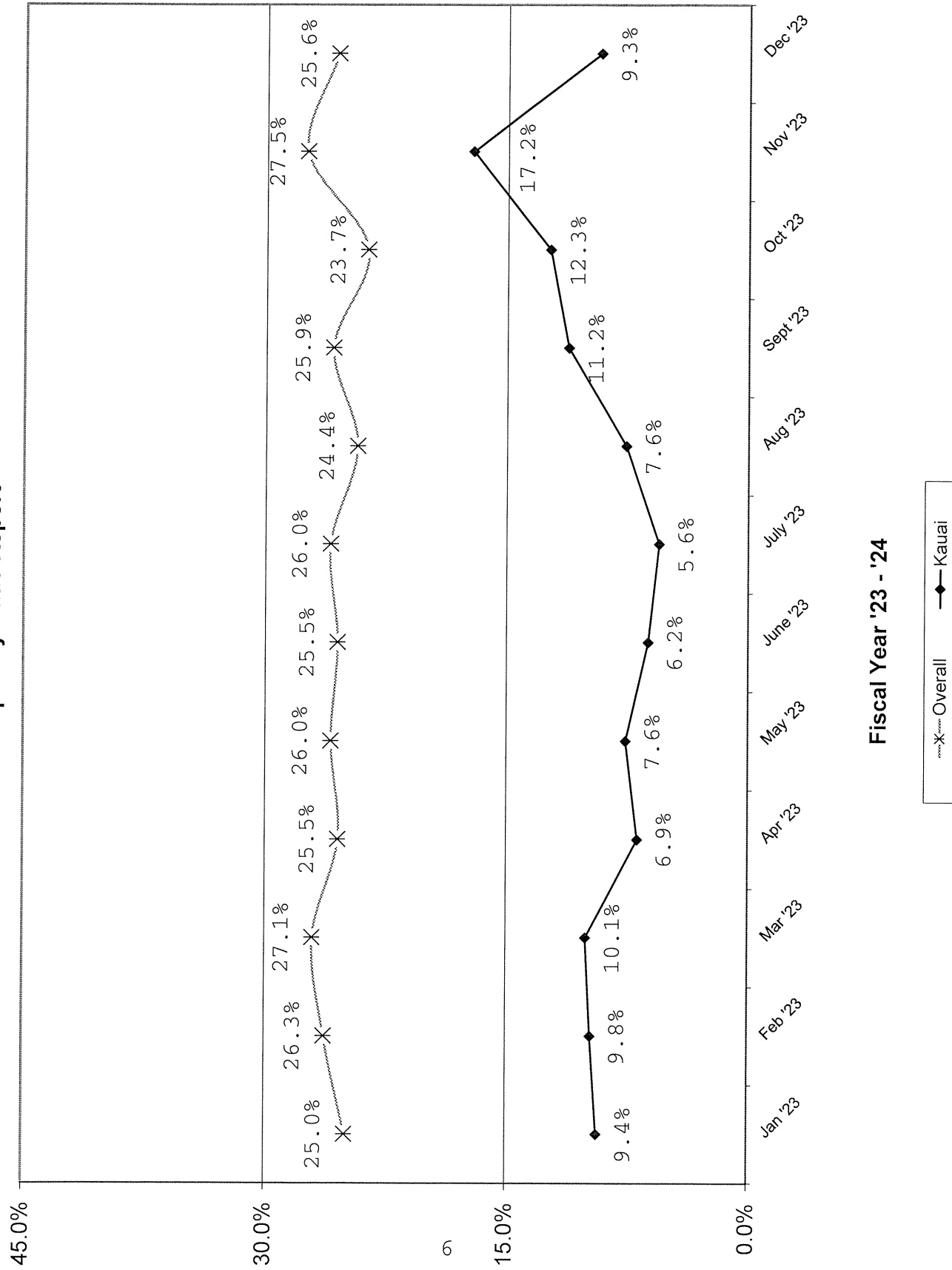
**MAUI  
Direct Loans  
Delinquency Ratio Report**



**Fiscal Year '23 - '24**

.....\*..... Overall      —◆— Maui

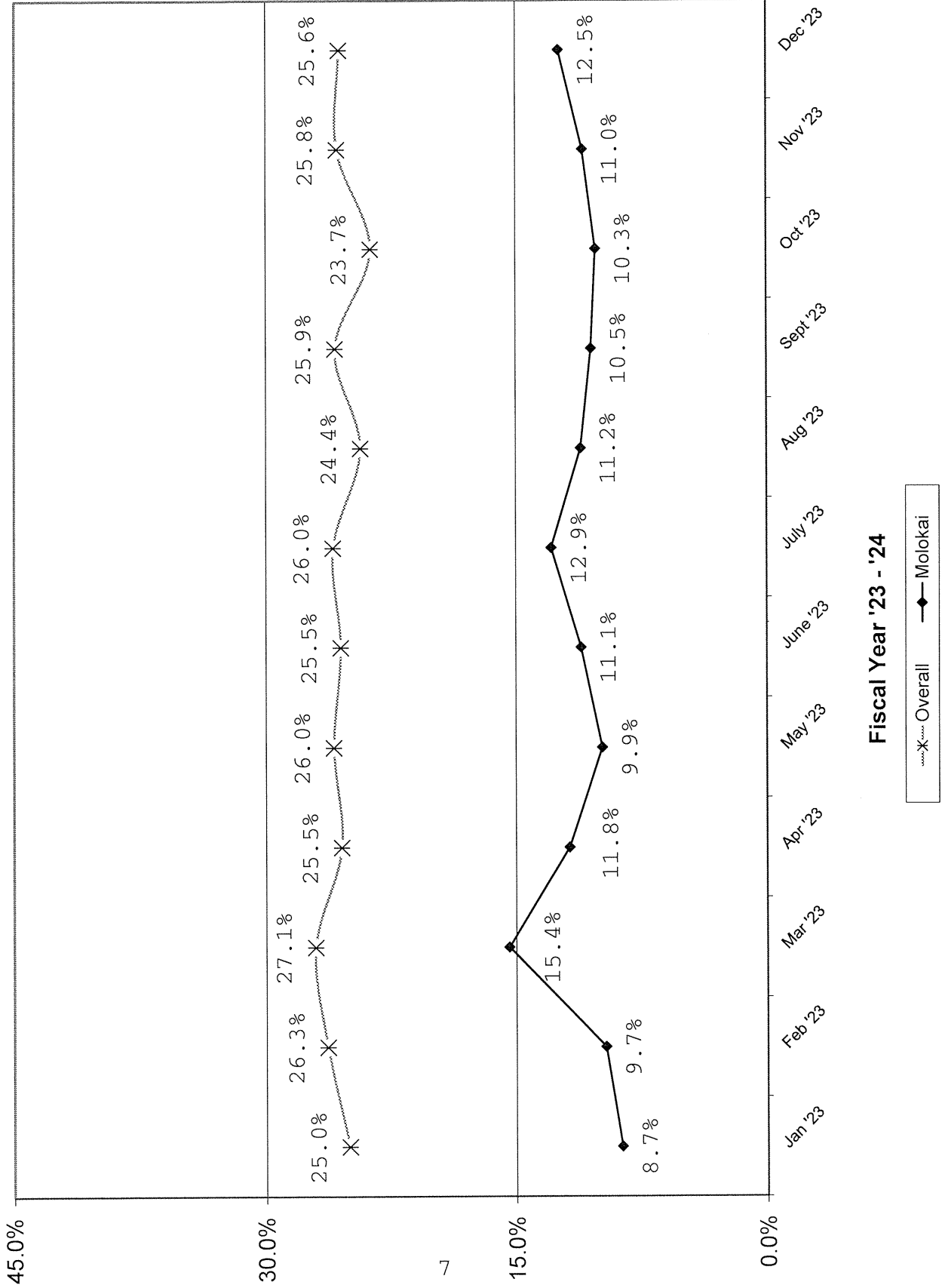
**KAUAI  
Direct Loans  
Delinquency Ratio Report**



**Fiscal Year '23 - '24**

Overall      Kauai

**MOLOKAI**  
**Direct Loans**  
**Delinquency Ratio Report**



January 16, 2024

SUBJECT: **DHHL Guarantees for FHA Construction Loans**

DISCUSSION: The Department issues guarantees to FHA lenders during the construction period of a home, as FHA does not insure the loan until the home is completed. The loan term for these loans do not exceed fifteen (15) months from the date of loan signing. The following FHA Interim Construction loans were issued guarantees:

\*Note: FHA loans are insured by the U.S. Department of Housing and Urban Development (HUD) and do not impact the State's guaranty ceiling.

<u>LEASE NO.</u>	<u>AREA</u>	<u>LESSEE</u>	<u>Loan Amount</u>	<u>Date Approved</u>
681	Nanakuli	Palakiko, Leslie A.	\$385,250	12/8/23

	<u>No.</u>	<u>Balance</u>
FY Ending 6/30/23	5	\$ 1,681,571
Previous Months	2	\$ 671,000
This Month	<u>1</u>	<u>385,250</u>
FY '23-'24 to date	3	\$ 1,056,250

STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

January 16, 2024

TO: Chairman and Members, Hawaiian Homes Commission  
THROUGH: Juan Garcia, HSD Administrator  
Homestead Services Division  
FROM: Dean Oshiro, Loan Services Manager  
SUBJECT: **Approval of Consent to Mortgage**

RECOMMENDED MOTION/ACTION

To approve the following consents to mortgages for Federal Housing Administration (FHA) insured loans, Department of Veterans Affairs (VA) loans, United States Department of Agriculture, Rural Development (USDA, RD) guaranteed loans, United States Housing and Urban Development (HUD 184A) guaranteed loans and Conventional (CON) loans insured by private mortgage insurers.

DISCUSSION

<u>PROPERTY</u>	<u>LESSEE</u>	<u>LENDER</u>	<u>LOAN AMOUNT</u>
<u>OAHU</u>			
Waimanalo Lease No. 8175 TMK: 1-4-1-037:023	DAVID, Sheila D. (Cash-out Refi) FHA	HomeStreet Bank	\$ 311,400
Kanehili Lease No. 12610 TMK: 1-9-1-152:074	ANDUHA, Tracy L. (Cash-out Refi) FHA	Hightechlen- ding Inc.	\$ 661,725
Kaupea Lease No. 12127 TMK: 1-9-1-140:053	KOMETANI, Lorna M. H. (Assumption) FHA	HomeStreet Bank	\$ 158,353



OAHU

Nanakuli  
Lease No. 3131  
TMK: 1-8-9-004:123

GUZMAN,  
Francine K. (Cash-  
out Refi) HUD 184A

American           \$ 448,995  
Savings Bank

MAUI

Waiehu Kou 2  
Lease No. 9469  
TMK: 2-3-2-022:031

HOOPAI,  
Johanson L. K.  
(Cash-out Refi) HUD  
184A

American           \$ 294,920  
Savings Bank

KAUAI

Anahola  
Lease No. 12998  
TMK: 4-4-8-022:137

ENRIQUE,  
JoWell Y. L.  
(Construction) HUD  
184A

Click n'           \$ 267,650  
Close, Inc.



<u>RECAP</u>	<u>NO.</u>	<u>FHA</u> <u>AMOUNT</u>	<u>NO.</u>	<u>VA</u> <u>AMOUNT</u>
FY Ending 6/30/23	167	\$ 58,188,156	9	\$ 2,325,526
Prior Months	51	\$ 16,915,024	13	\$ 2,797,130
This Month	3	1,131,478	0	0
Total FY '23-'24	<u>54</u>	<u>\$ 18,046,505</u>	<u>13</u>	<u>\$ 2,797,130</u>
		<u>HUD 184A</u> <u>AMOUNT</u>		<u>USDA-RD</u> <u>AMOUNT</u>
FY Ending 6/30/23	23	\$ 8,018,714	3	\$ 1,081,858
Prior Months	3	\$ 1,149,436	1	\$ 202,000
This Month	3	1,011,565	0	0
Total FY '23-'24	<u>6</u>	<u>\$ 2,161,001</u>	<u>1</u>	<u>\$ 202,000</u>

ITEM NO. D-2

STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

January 16, 2024

TO: Chairman and Members, Hawaiian Homes Commission  
THROUGH: Juan Garcia, HSD Administrator   
Homestead Services Division  
FROM: Dean Oshiro, Loan Services Branch Manager   
SUBJECT: **Ratification of Loan Approvals**

RECOMMENDED MOTION/ACTION

To ratify the approval of the following loan previously approved by the Chairman, pursuant to section 10-2-17, Ratification of Chairman's action, of the Department of Hawaiian Home Lands Administrative Rules.

<u>LESSEE</u>	<u>LEASE NO. &amp; AREA</u>	<u>LOAN TERMS</u>
Rosehill, Markham K., Sr.	13015, Kaumana	Loan #1: NTE \$258,750 @4% interest per annum, interest only payments, 1-year term.  Loan #2: NTE \$258,750 @4% interest per annum, \$1,236 monthly, repayable over 30 years.

Loan Purpose: Loan #1: Interim construction loan to build a new 3 bed/3 bath home.  
Loan #2: Permanent take out loan to fully amortize Loan #1.

-----

<u>REFINANCE</u>	<u>NO.</u>	<u>LOAN AMOUNT</u>
FY Ending 6/30/23	14	\$ 1,732,825
Prior Months	4	242,300
This Month	<u>0</u>	<u>-0-</u>
Total FY '23-'24	4	\$ 242,300

<u>REPAIR</u>	<u>NO.</u>	<u>LOAN AMOUNT</u>
FY Ending 6/30/23	0	\$ -0-
Prior Months	0	-0-
This Month	<u>0</u>	<u>-0-</u>
Total FY '23-'24	0	\$ -0-

<u>HOME CONSTRUCTION</u>	<u>NO.</u>	<u>LOAN AMOUNT</u>
FY Ending 6/30/23	3	\$ 1,028,750
Prior Months	2	947,075
This Month	<u>1</u>	<u>258,750</u>
Total FY '23-'24	3	\$ 1,205,825

<u>FARM</u>	<u>NO.</u>	<u>LOAN AMOUNT</u>
FY Ending 6/30/23	0	\$ -0-
Prior Months	0	-0-
This Month	<u>0</u>	<u>-0-</u>
Total FY '23-'24	0	\$ -0-

<u>TRANSFER WITH LOAN</u>	<u>NO.</u>	<u>LOAN AMOUNT</u>
FY Ending 6/30/23	1	\$ 143,000
Prior Months	0	-0-
This Month	<u>0</u>	<u>-0-</u>
Total FY '23-'24	0	\$ -0-

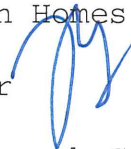

<u>AWARD</u>	<u>NO.</u>	<u>LOAN AMOUNT</u>
FY Ending 6/30/23	3	\$ 524,500
Prior Months	2	409,000
This Month	<u>0</u>	<u>-0-</u>
Total FY '23-'24	2	\$ 409,000

<u>OTHER</u>	<u>NO.</u>	<u>LOAN AMOUNT</u>
FY Ending 6/30/23	0	\$ -0-
Prior Months	0	-0-
This Month	<u>0</u>	<u>-0-</u>
Total FY '23-'24	0	\$ -0-

STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

January 16, 2024

TO: Chairman and Members, Hawaiian Homes Commission  
THROUGH: Juan Garcia, HSD Administrator   
FROM: Nicole F. Bell, Application Branch Supervisor   
Homestead Services Division  
SUBJECT: **Approval of Homestead Application Transfers/Cancellations**

RECOMMENDED MOTION/ACTION

To approve the transfers and cancellations of applications from the Application Waiting Lists for reasons described below:

DISCUSSION

1. Requests of Applicants to Transfer

OAHU ISLANDWIDE RESIDENTIAL LEASE LIST

KAINA, Auldine K.	09/23/2010	HAWAII	RES	08/08/2023
KEOMAKA, Lenora K.	03/12/2015	MOLOKAI	RES	08/11/2023

MAUI ISLANDWIDE AGRICULTURAL LEASE LIST

PELEKAI, Janavi L.	04/19/2005	MOLOKAI	AGR	09/29/2023
--------------------	------------	---------	-----	------------

MAUI ISLANDWIDE RESIDENTIAL LEASE LIST

PELEKAI, Janavi L.	04/19/2005	MOLOKAI	RES	09/29/2023
--------------------	------------	---------	-----	------------

HAWAII ISLANDWIDE RESIDENTIAL LEASE LIST

HEFFERNAN, Judah L.	09/07/1999	OAHU	RES	10/12/2023
---------------------	------------	------	-----	------------

## 2. Deceased Applicants

SMITH, Whitney G.K.                      Applicant did not designate a successor. Therefore, the Department published a notice in June 2023 pursuant to the HAR section 10-3-8 to allow qualified successors to submit a successorship claim. No claim was received. Remove application dated 01/07/1987.

## 3. Awards of Leases

### OAHU ISLANDWIDE RESIDENTIAL LEASE LIST

---

ISAACS, Tanya H.M.L.                      Assigned Residential Lease #4726, Lot 102 in Waianae, Oahu dated 03/03/2022. Remove application dated 03/16/2012.

KAHANAOI, Steven                          Assigned Residential Lease #4442, Lot 95 in Waianae, Oahu dated 04/18/2022. Remove application dated 10/25/2018.

KAHELE, Stanyale L.                      Assigned Residential Lease #5314, Lot 63 in Waianae, Oahu dated 03/21/2022. Remove application dated 11/13/2019.

WONG, Wallis K.                            Assigned Residential Lease #4441, Lot 21 in Waianae, Oahu dated 04/18/2022. Remove application dated 06/07/2021.

HAWAII ISLANDWIDE AGRICULTURAL LEASE LIST

---

KEAHILIHOU, Joey K. Assigned Residential Lease #6970,  
Lot 26 in Makuu, Hawaii dated  
02/17/2021. Remove application  
dated 04/28/1986.

HAWAII ISLANDWIDE RESIDENTIAL LEASE LIST

---

ISHIKAWA, Sally A. Assigned Residential Lease #13048,  
Lot 3 in Kaumana, Hawaii dated  
12/15/2023. Remove application  
dated 09/11/1987.

4. Native Hawaiian Qualification

NONE FOR SUBMITTAL

5. Voluntary Cancellation

NONE FOR SUBMITTAL

6. Successorship

HAWAII ISLANDWIDE RESIDENTIAL LEASE LIST

---

CHAI, Hilton Kamakani Jr. Succeeded to Oahu Islandwide  
Residential application of  
Parent, Hilton K. Chai dated  
02/14/1984. Remove application  
dated 06/18/2007.

KAUAI ISLANDWIDE RESIDENTIAL LEASE LIST

---

SMITH, Harriet M. Succeeded to Kauai Islandwide  
Residential application of  
Parent, Whitney G.K. Smith dated  
01/07/1987. Remove application  
dated 01/13/1987.

7. Additional Acreage

NONE FOR SUBMITTAL

8. HHC Adjustments

NONE FOR SUBMITTAL



Last Month's Transaction Total	17
Last Month's Cumulative FY 2023-2024 Transaction Total	270
Transfers from Island to Island	5
Deceased	1
Cancellations:	
Awards of Leases	6
NHQ	0
Voluntary Cancellations	0
Successorship	1
Additional Acreage	0
HHC Adjustments	0
This Month's Transaction Total	13
<b>This Month's Cumulative FY 2023-2024 Transaction Total</b>	<b>283</b>



STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

January 16, 2024

TO: Chairman and Members, Hawaiian Homes Commission  
THROUGH: Juan Garcia, HSD Administrator   
FROM: Nicole F. Bell, Application Branch Supervisor   
Homestead Services Division  
SUBJECT: **Approval to Certify Applications of Qualified Applicants for the month of December 2023**

RECOMMENDED MOTION/ACTION

To approve the certification of applications of qualified applicants for the month of December 2023. The Department has verified the native Hawaiian blood quantum requirement of each applicant according to section 10-3-2 of the Hawaii Administrative Rules.

DISCUSSION

At its October 2020 regular meeting, the Hawaii Homes Commission adopted the recommendation of the HHC Investigative Committee on the Native Hawaiian Qualification Process to recall to the HHC, pursuant to Hawaii Administrative Rules § 10-2-16(a), the authority to accept the Native Hawaiian Quantum (NHQ) determination for an individuals as a function requiring the exercise of judgement or discretion. The recommendation included a process to implement the Commission's review and acceptance of NHQ determinations. These applicants have been deemed by the Department to have met the native Hawaiian blood quantum requirement through the kumu 'ohana process.

OAHU ISLANDWIDE AGRICULTURAL LEASE LIST

WATTS, Joshua K.C.	06/26/2023
KAHOOHULI, John K., Jr.	06/28/2023
PIENA, Leina K.	08/30/2023

WHITE, Robinette H.M.M.L.	09/21/2023
KELIIKULI, Michelle K.	10/04/2023
MAHUKA-KELIIKULI, Hokulii K.	10/04/2023

OAHU ISLANDWIDE RESIDENTIAL LEASE LIST

WATTS, Joshua K.C.	06/26/2023
NAHAKU, Mary Ann N.	06/26/2023
KAIWI, Kalsey L.	06/28/2023
KAHOOHULI, John K., Jr.	06/28/2023
DANAO, Lynette M.	06/28/2023
KAAIALII, Cheridean K.	06/29/2023
KAAIALII, Chedean P.	06/29/2023
HIND, Lovely L.	08/25/2023
PIENA, Leina K.	08/30/2023
KAHALEWAI, Richard N., Jr.	08/31/2023
WHITE, Robinette H.M.M.L.	09/21/2023
KAULIA, Dane K.	10/03/2023
KAWEWEHI, Bronsen K.P.	10/03/2023
MAHUKA-KELIIKULI, Hokulii K.	10/04/2023
CARREIRA, Felicidad P.	10/17/2023
FUJINAGA, Dennis K.	10/30/2023

MAUI ISLANDWIDE AGRICULTURAL LEASE LIST

KAHELE, Jewelyn L.	07/05/2023
KAPOI, William K.M.	07/06/2023
NAMAUU, Nalani J.	08/28/2023

NAMAUU, Noel M.B.	08/31/2023
NAMAUU, Neil M.	08/31/2023
MASUDA, Beverly H.N.	10/16/2023

MAUI ISLANDWIDE RESIDENTIAL LEASE LIST

KAHELE, Jewelyn L.	07/05/2023
KAPOI, William K.M.	07/06/2023
NAMAUU, Nalani J.	08/28/2023
NAMAUU, Noel M.B.	08/31/2023
NAMAUU, Neil M.	08/31/2023
MOWAT, Megan J.	09/18/2023
AKI, Robin L.	09/29/2023
MASUDA, Beverly H.N.	10/16/2023

HAWAII ISLANDWIDE AGRICULTURAL LEASE LIST

KAHAKU, Kemauka	08/25/2023
KAHEIKI, Millicent	08/25/2023
WHITNEY, Kainalu K.M.	09/14/2023
SASAKI, Deborah L.	09/19/2023
AKI, Robin L.	09/29/2023
KAWEWEHI, Bronsen K.P.	10/03/2023
AIONA, Deyvin M.K.	10/17/2023
KUPIHEA, Aleiah P.T.	10/17/2023
KENNISON, Darlene K.	10/17/2023
SPINNEY, Lorna P.	10/30/2023

HAWAII ISLANDWIDE RESIDENTIAL LEASE LIST

KAHAKU, Kemauka	08/25/2023
KAMALII, Davy H.	09/11/2023
WHITNEY, Kainalu K.M.	09/14/2023
SASAKI, Deborah L.	09/19/2023
AIONA, Deyvin M.K.	10/17/2023
KUPIHEA, Aleiah P.T.	10/17/2023

KAUAI ISLANDWIDE AGRICULTURAL LEASE LIST

PERREIRA, Kelsey Dee K.M.	09/15/2023
---------------------------	------------

KAUAI ISLANDWIDE PASTORAL LEASE LIST

DOIRON-MERSBERG, Kunane Leighton MKS	07/07/2023
--------------------------------------	------------

KAUAI ISLANDWIDE RESIDENTIAL LEASE LIST

PARBO, Valerie A.H.	09/15/2023
PERREIRA, Kelsey Dee K.M.	09/15/2023

MOLOKAI ISLANDWIDE AGRICULTURAL LEASE LIST

KAAHANUI, Makananui O.	08/23/2023
------------------------	------------

MOLOKAI ISLANDWIDE RESIDENTIAL LEASE LIST

POAIPUNI, Sheldine M.L.	08/10/2023
POAIPUNI, Jordan K.	08/10/2023
KAAHANUI, Makananui O.	08/23/2023


Previous Cumulative Total for Current FY	225
Current Month's Total	60
<b>Fiscal Year Total: July 2023-June 2024</b>	<b>285</b>


STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

January 16, 2024

TO: Chairman and Members, Hawaiian Homes Commission

THROUGH: Juan Garcia, HSD Administrator 

FROM: Nicole F. Bell, Application Branch Supervisor   
Homestead Services Division

SUBJECT: **Commission Designation of Successors to Application Rights - Public Notice June 2023**

RECOMMENDED MOTION/ACTION

1. To designate the following individuals as successors to the application rights of deceased applicants who did not name a qualified successor.

2. To approve the certification of applications to successorship rights of qualified successors. The Department has verified the native Hawaiian blood quantum requirement of each prospective successor according to section 10-3-2 of the Hawaii Administrative Rules.

DISCUSSION

The following qualified applicants passed away on or after October 26, 1998, without naming qualified successors. Pursuant to 10-3-8(c) of the *Hawaii Administrative Rules*, a public notice listing the names of deceased applicants and calling for possible successors to their application rights was published in the Honolulu Star-Advertiser, The Maui News, Hawaii Tribune Herald, West Hawaii Today, and The Garden Island on the last two consecutive Sundays of November for the year the Department received notification. Requests to succeed to the decedents' application rights were submitted within the required 180 days following the last date of publication. Prospective successors were the sole respondents and are deemed by the Department to have met the requirements of successorship according to section 10-3-8(b) of the *Hawaii Administrative Rules*. HSD recommends approval of the following designees:

1. Deceased Applicant: Whitney G.K. Smith  
 Date of death: April 17, 2023  
 Successor to app rights: Harriet M. Smith  
 Relationship to decedent: Parent  
 Island: Kauai  
 Type: Islandwide Residential  
 Date of Application: January 7, 1987  
 Date of Public Notice: June 2023

Previous Cumulative Total for Current FY	44
Current Month's Total	1
<b>Fiscal Year Total: July 2023-June 2024</b>	<b>45</b>

STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

January 16, 2024

TO: Chairman and Members, Hawaiian Homes Commission

THROUGH: Juan Garcia, Administrator  
Homestead Services Division



FROM: Ross K. Kapeliela, Acting ODO Supervisor  
Homestead Services Division



SUBJECT: **Approval of Assignment of Leasehold Interest**

RECOMMENDED MOTION/ACTION

1. To approve the assignment of the leasehold interest, pursuant to Section 208, Hawaiian Homes Commission Act, 1920, as amended, and subject to any applicable terms and conditions of the assignment, including but not limited to the approval of a loan.

2. To approve and accept that the transferees are of no less than the required 25% or 50% Hawaiian ancestry as appropriate pursuant to Section 208, Hawaiian Homes Commission Act, 1920, as amended.

DISCUSSION

Two (2) assignments of lease.

1. Lessee Name: James G. Watson, Jr.  
Res. Lease No. 7622, Lot No. 152  
Lease Date: 2/7/2002  
Area: Waiohuli, Maui  
Property Sold & Amount: Yes, \$158,000.00  
Improvements: 3 bedroom, 3 bath dwelling

Transferee Name: Ashley N. F. W. Keung  
Relationship: Daughter  
Loan Assumption: No  
Applicant: No

Reason for Transfer: "Giving lease to relative." Special Conditions: Transferee to obtain funds to pay purchase price.



2. Lessee Name: Evan K. Garces  
Res. Lease No. 10594, Lot No. UNDV297  
Lease Date: 6/18/2005  
Area: Waiohuli, Maui  
Property Sold & Amount: No, N/A  
Improvements: None

Transferee Name: Petronilo M. Garces  
Relationship: Father  
Loan Assumption: No  
Applicant: Yes, Molokai IW Res., 5/25/2017

Reason for Transfer: "Medical reasons."

Assignments for the Month of January `24	2
Previous FY '23 - '24 balance	<u>46</u>
FY '23 - '24 total to date	48
Assignments for FY '22 - '23	179

STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

January 16, 2024

TO: Chairman and Members, Hawaiian Homes Commission

THROUGH: Juan Garcia, Administrator  
Homestead Services Division



FROM: Ross K. Kapeliela, Acting ODO Supervisor  
Homestead Services Division



SUBJECT: **Approval of Amendment of Leasehold Interest**

RECOMMENDED MOTION/ACTION

To approve the amendment of the leasehold interest listed below.

DISCUSSION

Two (2) amendments of lease.

1. Lessee: Simeon K. Kekaulike, Jr.  
Res. Lease No.: 2578  
Lot No., Area, Island: 65, Kewalo, Oahu  
Amendment: To amend the lease title and lessor's name, to update the property description, to incorporate the currently used terms, conditions, and covenants to the lease, and to extend the lease term to an aggregate term of 199 years. (Transfer Through Successorship)

2. Lessee: Emma L. Wright  
 Res. Lease No.: 632  
 Lot No., Area, Island: 34, Papakolea, Oahu  
 Amendment: To amend the lease title and lessor's name, to incorporate the currently used terms, conditions, and covenants to the lease, and to extend the lease term to an aggregate term of 199 years.  
 (Transfer Through Successorship)


Amendments for the Month of January '24	2
Previous FY '23 - '24 balance	<u>32</u>
FY '23 - '24 total to date	34
Amendments for FY '22 - '23	88


STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

January 16, 2024

TO: Chairman and Members, Hawaiian Homes Commission

THROUGH: Juan Garcia, Administrator   
Homestead Services Division

FROM: Ross K. Kapeliela, Acting ODO Supervisor   
Homestead Services Division

SUBJECT: **Approval to Issue a Non-Exclusive License for Rooftop Photovoltaic Systems for Certain Lessees**

RECOMMENDED MOTION/ACTION

To approve the issuance of a non-exclusive license to allow the Permittee to provide adequate services related to the installation, maintenance, and operation of a photovoltaic system on the premises leased by the respective Lessees.

The non-exclusive license is necessary as the Lessee can not issue his/her own licenses.

DISCUSSION

Twenty-two (22) non-exclusive licenses.

1. Lessee: Raynette K. Akau, Alden K. Akau & Michael K. Alfiche  
Res. Lease No.: 1932  
Lot No., Area, Island: 1, Kewalo, Oahu  
Permittee: Sunrun Installation Services
  
2. Lessee: Clorinda Brede  
Res. Lease No.: 6471  
Lot No., Area, Island: 27, Anahola, Kauai  
Permittee: Sunrun Installation Services

3. Lessee: Rosalynn K. Brown  
Res. Lease No.: 5129  
Lot No., Area, Island: 14, Nanakuli, Oahu  
Permittee: Sunrun Installation Services
4. Lessee: Charles U. Diamond, Jr.  
Res. Lease No.: 12628  
Lot No., Area, Island: 18325, Kanehili, Oahu  
Permittee: Malama Solar LLC
5. Lessee: Aaron T. Hew Len  
Res. Lease No.: 12908  
Lot No., Area, Island: 18542, Kanehili, Oahu  
Permittee: Malama Solar LLC
6. Lessee: Irene K. Ioane  
Res. Lease No.: 4564  
Lot No., Area, Island: 70, Waianae, Oahu  
Permittee: Sunrun Installation Services
7. Lessee: Melvin S. Ishikawa  
Res. Lease No.: 8552  
Lot No., Area, Island: 262, PKE, Oahu  
Permittee: Sunco
8. Lessee: Jacqueline I. Y. Jakahi  
Res. Lease No.: 5627  
Lot No., Area, Island: 56, Lualualei, Oahu  
Permittee: Sunrun Installation Services
9. Lessee: David K. Kakalia, Sr.  
Res. Lease No.: 4603  
Lot No., Area, Island: 59, Waianae, Oahu  
Permittee: Sunrun Installation Services
10. Lessee: Zachary S. K. Kaliko, Sr.  
Res. Lease No.: 8513  
Lot No., Area, Island: 223, PKE, Oahu  
Permittee: Sunrun Installation Services

11. Lessee: Daniel P. Kelekoma  
 Res. Lease No.: 8875  
 Lot No., Area, Island: 34, Hanapepe, Kauai  
 Permittee: Sunrun Installation Services
12. Lessee: Kamaehu B. Keone  
 Res. Lease No.: 12466  
 Lot No., Area, Island: 28, Kauluokahai, Oahu  
 Permittee: Malama Solar LLC
13. Lessee: Joseph P. Keopuhiwa, III  
 Res. Lease No.: 8636  
 Lot No., Area, Island: 48, Nanakuli, Oahu  
 Permittee: Malama Solar LLC
14. Lessee: Wanda Puanani Ko  
 Res. Lease No.: 3528  
 Lot No., Area, Island: 3, Nanakuli, Oahu  
 Permittee: Sunrun Installation Services
15. Lessee: Kipukai L. P. Kualii  
 Res. Lease No.: 11011  
 Lot No., Area, Island: 7, Anahola, Kauai  
 Permittee: Sunrun Installation Services
16. Lessee: Franci Makaneole  
 Res. Lease No.: 3928  
 Lot No., Area, Island: 59, Waimanalo, Oahu  
 Permittee: Sunrun Installation Services
17. Lessee: Elizabeth Mathias  
 Res. Lease No.: 12805  
 Lot No., Area, Island: 13774, Maluohai, Oahu  
 Permittee: Sunrun Installation Services
18. Lessee: Lillian K. McFeeley  
 Res. Lease No.: 2926  
 Lot No., Area, Island: 384, Nanakuli, Oahu  
 Permittee: Sunrun Installation Services


19. Lessee: Paul F. L. K. Naihe  
 Res. Lease No.: 8524  
 Lot No., Area, Island: 234, PKE, Oahu  
 Permittee: Sunrun Installation Services
20. Lessee: Josephine O. Robello  
 Res. Lease No.: 5718  
 Lot No., Area, Island: 98, Nanakuli, Oahu  
 Permittee: Sunrun Installation Services
21. Lessee: Dember K. F. Toli  
 Res. Lease No.: 8638  
 Lot No., Area, Island: 149, Nanakuli, Oahu  
 Permittee: Sunrun Installation Services
22. Lessee: Miu Lang P. M. Vaovasa  
 Res. Lease No.: 735  
 Lot No., Area, Island: 29, Waimanalo, Oahu  
 Permittee: Hawaii Unified Industries LLC

Non-Exclusive License for the Month of January '24	22
Previous FY '23 - '24 balance	<u>125</u>
FY '23 - '24 total to date	147
Non-Exclusive License for FY '22 - '23	102


STATE OF HAWAII  
DEPARTMENT OF HAWAIIAN HOME LANDS

January 16, 2024

TO: Chairman and Members, Hawaiian Homes Commission

THROUGH: Juan Garcia, Administrator   
Homestead Services Division

THROUGH: Olinda L. Fisher, EHDO District Supervisor  
Homestead Services Division

FROM: Darlene Fernandez, Homestead Lease Coordinator   
Homestead Services Division

SUBJECT: **Request for Additional Advancement of Net Proceeds  
Robert M. Ha (decedent), Agricultural Lot Lease No. 5110, Lot No. 9A and  
9B, Pana'ewa, Hilo, Hawai'i**

RECOMMENDED MOTION/ACTION

To approve an additional advance payment of net proceeds to Roanne Ha (decedent's spouse), in the amount of \$200,000, from the General Home Loan Fund.

DISCUSSION

On August 16, 2021, the Hawaiian Homes Commission approved Roanne Ha's initial request for a partial advance payment of net proceeds in the amount of \$135,000 to be used towards the purchase of another home (Exhibit A).

By way of a letter dated November 17, 2023, Roanne is requesting an additional advance payment of net proceeds in the amount of \$200,000 to be used towards much needed repairs for her new home (Exhibit B).

As of January 1, 2024, the estimated remaining net proceeds payable to Roanne is \$236,000. If this request for an additional advance payment is approved, the estimated remaining net proceeds of \$36,000 will be paid to the estate after a new lessee is found and upon commencement of a new lease.

The Department requests approval of its recommendation.




STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

August 16, 2021

TO: Chairman and Members, Hawaiian Homes Commission

THROUGH: Juan Garcia, Homestead Services Division Administrator 

FROM: Olinda L. Fisher, East Hawaii District Office  
Homestead District Assistant Supervisor

SUBJECT: **Request for Partial Advancement of Net Proceeds -  
ROANNE HA from ROBERT M. HA,  
Agricultural Lease No. 5110,  
Lot Nos. 9-A and 9-B, Pana'ewa, Hawai'i**

RECOMMENDED MOTION/ACTION

To approve a partial advance payment of net proceeds to Roxanne Ha, in the amount of \$135,000, from the General Home Loan Fund, subject to her vacating Lot No. 9-A and Lot No. 9-B, 30 calendar days following her receipt of the advance payment.

DISCUSSION

On April 1, 1990, Robert M. Ha (Robert) received Lease No. 5110, Lot Nos. 9-A and 9-B, Panaewa, Hawaii, by way of Transfer through Successorship (Lease).

On October 24, 2013, Robert passed away.

Robert designated, Roanne Ha (Roanne), his non-Hawaiian spouse, to receive the appraise value of the improvements less any indebtedness to the Department and other costs. Pursuant to Hawaii Administrative Rule 10-3-65 (c), Roanne was informed that any net proceeds are generally paid only after a property has been re-awarded.

On June 15, 2018, an appraisal report by Valley Isle Appraisal Company valued the improvements on Lot No. 9-A, consisting of a 3-bedroom and 1-1/2 bath house at \$244,000 and Lot No. 9-B, consisting of a 1-bedroom and 1-1/2 bath house at \$135,000.

ITEM NO. D-12

ITEM NO. D-10  
EXHIBIT A

There is no mortgage on the improvements and lease rent is paid current. The County real property taxes are paid current.

By letter dated January 30, 2019, Roanne requested to receive an advance payment in the amount of \$135,000 to be used towards the purchase of another home.

By letter dated May 18, 2019, Roanne advised the Department of her intentions to have certain unpermitted improvements on Lot No. 9-B, including 1/2-bath, two porches, and a storage room, to be properly permitted by the County for the purpose of increasing the value of the structure.

By Department letter dated August 17, 2020, Roanne was notified to provide the Department with a report on or before August 31, 2020, with the status of her attempt to have the unpermitted improvements properly permitted by the County.

Roanne did not provide the Department with a report.

By Department letter dated June 10, 2021, Roanne was advised to vacate the premises by July 31, 2021.

Roanne continues to occupy the home located on Lot No. 9-A, but Lot No. 9-B is unoccupied.

The Department requests the approval of its recommendation.

Roanne L. Ha

November 17, 2023

Kali Watson  
Chairman  
Department of Hawaiian Homes Land  
PO Box 1879  
Honolulu, Hawaii 96805

Dear Kali Watson:

My name is Roanne Ha and I am the wife of, Robert M. Ha, who was the owner of 449 and 465 Auwae Road prior to his passing in 2013. 449 and 465 Auwae Road was awarded as a ten-acre lot and had two homes on it when it was relinquished to DHHL. On October 15, 2018 Hawaiian Home Commission approved termination of the lease and net proceeds to be paid to me. The smaller home passed back to DHHL first and second home passed back to DHHL possession in October 2021. I was paid \$135,000 for the smaller house on September 30, 2021, with the remaining \$242,428.42 to be paid when the lot transferred the lot to a new beneficiary.

At the time of the transfer back to DHHL, I was told that the home/property would be transferred to another benefactor, and I would be paid fairly quickly. It has been two years since I have handed back complete possession of 465 Auwae Road. It has recently been brought to my attention by the DHHL Hilo branch that DHHL is in the process of accessing whether or not to subdivide the lot. I was told that this will not be a short process.

My home I am currently in was built in the 1970s and in need of a lot of significant repairs. I am requesting an additional \$200,000 of my net proceeds which will allow me to do much needed repairs to my current home. Also, as I am approaching retirement, I would like to have these funds to get my affairs in order.

The Auwae Road property was my home for decades and I am struggling with being able to afford the upkeep of my "new" home. I humbly ask you to please consider my request since it is unknown what is happening with the Auwae property as it sits unoccupied, or how long it will take to subdivide or transfer ownership. I really appreciate your consideration in this matter.

Sincerely,



Roanne Ha

STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

January 16, 2024

TO: Chairman and Members, Hawaiian Homes Commission

THROUGH: Juan Garcia, Administrator  
Homestead Services Division



THROUGH: Olinda L. Fisher, EHDO District Supervisor  
Homestead Services Division

FROM: Darlene Fernandez, Homestead Lease Coordinator  
Homestead Services Division



SUBJECT: **Request for Partial Advancement of Net Proceeds  
Estate of Randall Kulia Fernandez, Residential Lot Lease No. 4939,  
Lot No. 17, Waiākea, Hilo, Hawai'i**

RECOMMENDED MOTION/ACTION

To approve a partial advance payment of net proceeds to the Estate of Randall Kulia Fernandez (decedent), in the amount of \$75,000, from the General Home Loan Fund.

DISCUSSION

Randall Kulia Fernandez was designated by his mother, Faith Evalani Fernandez, to receive the net proceeds (Exhibit A).

On December 4, 2023, the Department received a letter from Lilia Fernandez, widow, and Personal Representative of the Estate of the decedent, requesting a partial advancement of net proceeds to be used towards living expenses for herself and children.

As of January 1, 2024, the estimated remaining net proceeds payable is \$145,000. If this request for a partial advancement of net proceeds is approved, the estimated remaining net proceeds in the amount of \$70,000 will be paid to the estate after a new lessee is found and upon commencement of a new lease.


The Department requests approval of its recommendation.

STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

April 19, 2021

TO: Chairman and Members, Hawaiian Homes Commission

THRU: Juan Garcia, Administrator   
Homestead Services Division

FROM: Olinda L. Fisher, EHDO District Supervisor  
Homestead Services Division

SUBJECT: **Commission Designation of Successor -  
Faith Evalani Fernandez, Residential Lease No. 4939,  
Lot No. 17, Waiakea, Hawaii**

RECOMMENDED MOTION/ACTION

1. To approve the selection of Shane Kaua ("Shane") to succeed to the interest of Faith Evalani Fernandez ("Decedent") in Residential Lease No. 4939, Lot No. 17, Waiakea, Hawaii (Lease) for the remaining term of the Lease, subject to the payment of the appraised value of the improvements, in the amount of \$161,500, to the Department within 90 days from the execution of the documents noted below;

2. To stipulate that Shane's right and interest in the Lease does not vest until Shane has signed that: (i) Transfer Through Successorship of Lease; (ii) Lease Addendum; and such necessary and appropriate instruments; and that if Shane does not sign all such documents on or before **June 30, 2021** (the Deadline) that the Commission's selection of Shane as a successor is automatically revoked;

3. To authorize the Department to extend the Deadline up to 30 days for good cause; and

4. To declare that if Shane's selection as a successor is revoked; then under Section 209 (a) of the Hawaiian Homes Commission Act, as amended, "the lease shall resume its status as unleased Hawaiian home lands the department is authorized to lease the land to a native Hawaiian as provided by the Act;"

5. To amend the Lease document to reflect the new lease title and Lessor's name, to incorporate the currently used conditions, covenants and terms.

ITEM NO. D-12

ITEM NO. D-11  
EXHIBIT A

DISCUSSION

Decedent received the Lease by way of the Department of Hawaiian Home Lands Assignment of Lease and Consent to Lease No. 4939, dated August 24, 1978.

On August 24, 1978, Decedent designated her son, Randall Kulia Fernandez (Randall), to receive the appraise value of the improvements less any outstanding debts attached to the Lease.

The Decedent passed away On July 13, 2018 and the department received a death certificate on November 1, 2018.

The Department also received Randall's death certificate on December 24, 2019, confirming his passing death on August 10, 2019.

In compliance with Section 10-3-63 of the Hawaii Administrative Rules, the Department published legal notices in the Honolulu Star Advertiser, the Garden Isle, the Hawaii Tribune Herald, West Hawaii today, and The Maui News on December 1, 8, 15, 22, and 29, 2019, to notify all interested, eligible and qualified heirs of the Decedent, to submit their successorship claims to the lease.

The Department received a successorship claim from decedent's grandson, Joshua F. Fernandez, who has been determined to be less than 25% Hawaiian ancestry and therefore ineligible to succeed to the Lease

The Department also received a successorship claim from the Decedent's nephew, Shane Kaua, who is deemed eligible as he meets the 50% Hawaiian ancestry requirement to succeed to the lease.

Pursuant to Section 209 of the Hawaiian Homes Commission Act of 1920, as amended (Act), when a lessee designates an ineligible successor, the commission is authorized to terminate this lease or to continue the lease by designating a successor. Section 209 states in part that the department may select from only the following qualified relatives of the decedent:

1. Husband or wife; or
2. If there is no husband or wife, then the children;  
or

ITEM NO. D-12

3. If there is no husband, wife, or child, then the grandchildren; or
4. If there is no husband, wife, child, or grandchild, then the brothers or sisters; or
5. If there is no husband, wife, child, grandchild, brother, or sister, then from the following relatives of the lessee who are native Hawaiian: father and mother, widows or widowers of the children, widows or widowers of the brothers and sisters, or nieces and nephews.

An appraisal report dated February 26, 2021, by Valley Isle Appraisals, valued the improvements at \$161,500. Improvements to the homestead lot consist of a 3-bedroom and 2-bath single family dwelling, which was constructed in 1979.

There are no outstanding mortgage loans and the lease rent and real property tax are current.


The net proceeds shall be paid to Randall's estate.

The Department requests approval of its recommendation.

ITEM NO. D-12

STATE OF HAWAII  
DEPARTMENT OF HAWAIIAN HOME LANDS

January 16, 2024

TO: Chairman and Members, Hawaiian Homes Commission  
THRU: Juan Garcia, Administrator   
Homestead Services Division  
FROM: James W. DuPont, WHDO District Supervisor  
Homestead Services Division  
SUBJECT: **Commission Designation of Successor – SHELBY E.E.O. HOOKAHI,  
Residential Lease No. 7248, Lot No. 49, Kawaihae, Hawaii**

RECOMMENDED MOTION/ACTION

1. To approve the designation of Andrew A.M. Bento, Jr (Andrew), as successor, to Residential Lease No. 7248, Lot No. 49, Kawaihae, Hawaii (Lease), for the remaining term of the Lease.
2. To approve and accept that Andrew, is no less than the required 25% Hawaiian ancestry and therefore is a qualified successor pursuant to Section 209 of the Hawaiian Homes Commission Act of 1920, as amended.
3. To stipulate that Andrew's right and interest in the Lease does not vest until Andrew has signed that: (i) Transfer Through Successorship of Lease, (ii) Lease Addendum; and such necessary and appropriate instruments; and that if Andrew does not sign all such documents on or before **March 31, 2024** (the Deadline) that the Commission's selection of Andrew as a successor is automatically revoked;
4. To authorize the Department to extend the Deadline up to 60 days for good cause;
5. To declare that if Andrew's selection as a successor is revoked; then under Section 209 (a) of the Hawaiian Homes Commission Act, as amended, "the lease shall resume its status as unleased Hawaiian Home Lands the department is authorized to lease the land to a native Hawaiian as provided by the Act.



## DISCUSSION

Shelby E.E. O. Ho'okahi (Decedent) was awarded the Lease by way of a Transfer Through Successorship and Amendment to Lease commencing on September 1, 2017.

On November 19, 2019, the Decedent passed away without designating a successor to her leasehold interest.

In compliance with the Administrative Rule 10-3-63, the Department published legal ads in the Honolulu Star Advertiser, Hawaii Tribune Herald, West Hawaii Today, Maui New, and The Garden Island newspapers on December 2, 9, 16, 23, 2020 to notify all interested, eligible and qualified heirs of the Decedent, to submit their successorship claim to the Lease.

The Department received a successorship claim from the Decedent's brother, Andrew A.M. Bento, Jr., dated March 6, 2021 and officially received on March 30, 2021. Andrew has been determined to be at least of 25% Hawaiian ancestry and eligible for successorship to the Lease.

Pursuant to Section 209 of the Hawaiian Homes Commission Act of 1920, as amended (Act), when a lessee designates an ineligible successor, the commission is authorized to terminate this lease or to continue the lease by designating a successor. Section 209 states in part that the department may select from only the following qualified relatives of the decedent:

1. Husband or wife; or
2. If there is no husband or wife, then the children; or
3. If there is no husband, wife, or child, then the grandchildren; or
4. If there is no husband, wife, child, or grandchild, then the brothers or sisters; or
5. If there is no husband, wife, child, grandchild, brother, or sister, then from the following relatives of the lessee who are native Hawaiian: father and mother, widows or widowers of the children, widows or widowers of the brothers and sisters, or nieces and nephews.

There are no improvements on the residential homestead lot and there is no outstanding loan attached to lease.

The Lease rent is current. The real property taxes are delinquent in the amount of \$1,102.20. Andrew has begun discussions with the Department of Finance to negotiate a repayment plan. He has agreed to pay a minimum of \$100 per month until the delinquency is repaid in full.

The Department requests approval of its recommendation.

STATE OF HAWAII  
DEPARTMENT OF HAWAIIAN HOME LANDS

January 16, 2024

TO: Chairman and Members, Hawaiian Homes Commission

THRU: Juan Garcia, Administrator  
Homestead Services Division

FROM: James W. DuPont, WHDO District Supervisor  
Homestead Services Division

SUBJECT: For Information Only – Pu'ukapu Pastoral Lot Subdivision –  
Recommendation to Amend Lease Commencement Date

DISCUSSION

The main purpose of the recommendation is to allow the department to complete the County of Hawaii Route Slip for the Pu'ukapu Pastoral Lot Subdivision. Information on the form would include lessee's names and addresses, lot sizes, lot numbers, lease numbers, tax map key numbers (parcel), effective date and, most importantly, the lease commencement date.

The Department of Finance, Real Property Tax Division (RPT) will be able to update their records to identify lessees assigned to individual parcels created because of subdivision approval in August 2009. The majority of the one hundred and eighty-four (184) lots are currently listed under Hawaiian Home Lands.

The department offered one hundred and eighty-four (184) lots in 1990 to applicants on the Waimea Area and Hawaii Islandwide Pastoral Wait List. One hundred and eighty-three (183) lots were awarded. The awards were based on a paper subdivision with minor improvements to the area and lots. A commitment was made to provide access roads and water in the future. Access roads were completed in 1998 and the water system was constructed in 2013.

When leases were signed by selectees, a lease commencement date of February 1, 1991, was listed. The Lease Addendum attached to the lease stated that the lease commencement date would be amended in the future based on roads built to acceptable standards (Exhibit A).

New leases are eligible for a seven (7) year real property tax exemption. The seven-year period is determined by the lease commencement date.

The main issue with using February 1, 1991, as the commencement date would be that real property taxes would have been assessed after the seven-year anniversary. This would create an accounting dilemma for the RPTD in 2024. More importantly, this would place an unfair and severe financial burden on lessees.

The department's engineering consultant, R. M. Towill, submitted a report regarding the conditions of the roadways in 2012. They recommended physical and signage improvements. The findings were based on the national standard **Guidelines for Geometric Design of Very Low Volume Roads**.

The department has made improvements to the road system over the past twenty years. Regular weekly maintenance is on-going. Additional improvements will continue.

The department's Land Development Division (LDD) submitted a recommendation to the Chairman to approve the acceptance of the roads in Pu'ukapu in a memo dated November 29, 2023. This recommendation was based on a report from R. M. Towill related to the most recent road improvements that were completed in November 2022. The memo was signed and approved by the Chairman (Exhibit B).

# PU'UKAPU PASTORAL ACCELERATION PROGRAM

- Pu'ukapu Pastoral  
Subdivision -- lots  
awarded in 1990.
- Lease Signing &  
Commencement  
Date: February 1991.
- Lease Addendum --  
No. 1 Term.

## LEASE ADDENDUM

This lease is subject to the following conditions:

1. Term. Notwithstanding the commencement date specified in the lease, the department will amend the lease to a future date to coincide with the completion of access roads constructed to standards acceptable to the department.
2. Time Frame for Occupancy of Use. Notwithstanding paragraph number 21 in the lease, the department will require the lessee to fence and commence to use the pastoral lot within one year from the amended commencement of the lease (see Paragraph 1 above). However, a lessee of a lot with an existing fenceline, subject to the agreement between the department and Parker Ranch as stipulated in the Lot Selection/Acceptance Agreement, is required to maintain the existing fenceline beginning February 1, 1991.
3. Administrative Rules. Lessee acknowledges that lessee has received copies of the Department's Administrative Rules 10-3-24, 10-3-25, 10-3-26, and 10-3-27 which concern pasture leases and are on file with the Department of Hawaiian Home Lands.

ACKNOWLEDGED:

Signature of Lessee \_\_\_\_\_

Date 1-12-91

JOSH GREEN, M.D.  
GOVERNOR  
STATE OF HAWAII  
*Ke Kio 'āina o ka Moku 'āina  
'o Hawai'i*

SYLVIA J. LUKE  
LT. GOVERNOR  
STATE OF HAWAII  
*Ka Hope Kio 'āina o ka Moku 'āina  
'o Hawai'i*



KALI WATSON  
CHAIRMAN, HHC  
*Ka Luna Ho'ohole*


KATIE L. DUCATT  
DEPUTY TO THE CHAIRMAN  
*Ka Hope Luna Ho'ohole*


STATE OF HAWAII  
DEPARTMENT OF HAWAIIAN HOME LANDS  
*Ka 'Oihana 'Āina Ho'opulapula Hawai'i*

P. O. BOX 1879  
HONOLULU, HAWAII 96805

November 29, 2023

MEMORANDUM

TO: Kali Watson, Chairman   
Hawaiian Homes Commission

From: Stewart Matsunaga, Administrator   
Land Development Division

Subject: Acceptance of Pastoral Roadways in Pu'ukapu Pastoral Lots Subdivision,  
Pu'ukapu, Kamuela, Hawai'i

In 1990, 183 pastoral leases were awarded to applicants of the Waimea Area and Hawai'i Islandwide Pastoral Wait List. As a condition of the leases, the commencement date of the pastoral leases would be amended to when pastoral roadways were deemed to be constructed to standards acceptable to the Department of Hawaiian Home Lands (DHHL). Please see the Pu'ukapu Pastoral Lot Subdivision map, enclosed herewith.

At the time of award of the Pu'ukapu Pastoral Lots subdivision, dirt roadways were developed for access to the 184 pastoral lots, which ranged in size from 10 acres to 200 acres. Throughout the decades, the West Hawai'i District Office has been maintaining the pastoral lot roadways by laying gravel and minor grading.

Beginning in 2013, the Land Development Division (LDD) caused the planning, design and construction of road improvements geared to pastoral traffic access and road safety, including site distance improvements and drainage improvements. In 2015, Isemoto Contracting (ICC) completed the road improvements in several critical areas, addressing the concerns of the pastoral community.

As a matter of information, ICC has completed the additional planned improvements to widen sections of the roadway and improve the line of sight for three sections on Mealani Alanui, Kiiana Alanui and Makahalau Alanui in November 2022. DHHL had also collaborated with the County of Hawai'i for road improvement work done on Mealani Alanui and Mana Road.

An inspection report prepared by R.M. Towill Corporation, design consultant, on October 26, 2022, states that the last increment of Additional Road Improvements in the Pu'ukapu Pastoral

ITEM NO. D-13  
EXHIBIT B

Kali Watson, Chairman  
November 29, 2023  
Page 2

Lot Subdivision has been addressed by contractor Isemoto Contracting Company (ICC). R.M. Towill's inspection report is enclosed herewith.

RECOMMENDATION:

Based on the subject inspection report and inspections by LDD project engineers and managers, the current road conditions in the Pu'ukapu Pastoral Lots Subdivision are deemed to be of an acceptable standard for the safe ingress and egress of lessees and public through the Pu'ukapu Pastoral Subdivision, in compliance with the posted speed limits of 25 mph.

LDD recommends establishing a date no earlier than February 1, 2024, to signify that the Pu'ukapu Roads shown on the map enclosed have been constructed to standards acceptable to the Department.

LDD stands ready to assist HSD and WHDO with the implementation of lease amendments and to speak with the Pu'ukapu Pastoral Lots community on the matter of road improvements.

Should you have any questions, please call Stewart Matsunaga, Administrator, Land Development Division at (808) 620-9283.

APPROVED:



Kali Watson, Chairman  
Hawaiian Homes Commission

11/29/23  
Date

c: HSD/ODO  
WHDO  
Deputy Attorney General  
Makai Freitas, HHC Commissioner

ITEM NO. D-13  
EXHIBIT B



# HAWAIIAN HOME LANDS

HAWAIIAN HOMES COMMISSION • DEPARTMENT OF HAWAIIAN HOME LANDS

# **Pu'ukapu Pastoral Subdivision Commencement Date Amendment**

January 11, 2024





# OVERVIEW

- In 1983 a Federal-State Task Force on the Hawaiian Homes Commission Act issued a report which concluded that the award of homestead leases should be accelerated even though site improvements were not provided (Acceleration Program).
- 1984 Department contacts Agricultural Wait List applicants to determine their needs for commercial or subsistence size lots; preference identified as subsistence size lots.
- March 1984 - 1952 Waimaea Area Pastoral Wait List reinstated.



# OVERVIEW

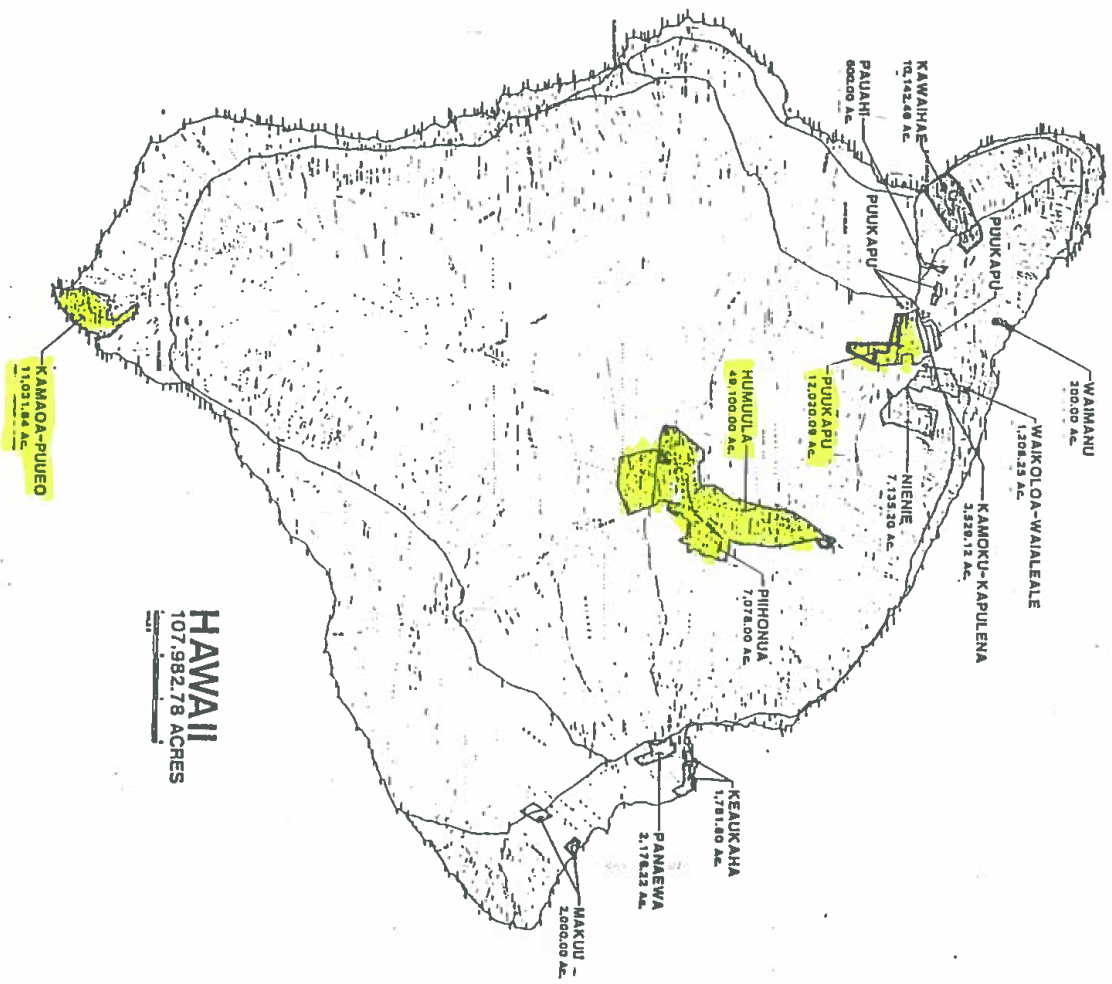
- Department initiated Acceleration Program in 1985 by notifying applicants on the residential and agricultural Wait Lists on all islands; residential and agricultural leases awarded during this period.
- Acceleration Program for West Hawaii – Kawaihae (Makai & Unit 1 Residential Lots), Pu’u Pulehu Residential Lots and Pu’ukapu (Agricultural and Pastoral Lots).
- Actual use and occupancy of the lots was conditional upon the availability of adequate access roads and water, estimated at that time to take about 5 years to develop.



# **ACCELERATED AWARDS 1985-86**

## **Residential and Agricultural**

	<b>Year Awarded</b>	<b>Infrastructure Finished</b>	<b>Amendment</b>
<b>Kawaihae Makai Lots</b>	1985	1996	1996
<b>Kawaihae Unit 1 Lots</b>	1985	1998	1999
<b>Pu'u Pulehu Lots</b>	1986	1996	1996
<b>Pu'ukapu Ag Lots</b>	1985-86	1998	1998



**HAWAII**  
107,982.78 ACRES





# IMPORTANT DATES

- December 1988 - Hawaiian Homes Commission adopts guidelines for pastoral homestead development.
- December 1989 - Court order cancels Pu'ukapu Pastoral Awards meeting.
  - Applicants notified of cancellation of pasture awards meeting, court order, and Commission decision to complete rule-making process.
- March 1990 - Public Hearings for amendments to Chp. 10-3, Titles 10 (development of pastoral homestead lots).



# IMPORTANT DATES

Jul 23 9 12 AM '90

## DEPARTMENT OF HAWAIIAN HOME LANDS

### AMENDMENT TO CHAPTER 10-3, HAWAII ADMINISTRATIVE RULES

- June 1990 - Amendment to Admin Rule 10-3-29; considerations for pastoral homestead development added.

1. Section 10-3-29, Hawaii Administrative Rules, is added and is to read as follows:

"§10-3-29 Considerations for pastoral homestead development. In developing pastoral lots for homestead award, the department shall consider the following:

- 1) That the awarding of pastoral homestead lots is to provide opportunities for a lifestyle which includes allowing for production of livestock to satisfy family needs and supplement family income.
- 2) That the needs of applicants on the entire pastoral waiting list will be considered in the awarding of pastoral homestead leases.
- 3) That there are competing demands for pastoral homestead development, including demands for residential and agricultural homesteads as well as land for commercial ranching uses.
- 4) That basic infrastructure improvements for pastoral homestead lots such as suitable access, water, and utilities should be available.
- 5) That the cost per lot for infrastructure improvements for pastoral homestead lots will be comparable with that of residential and agricultural homestead lots. On-going maintenance costs are a factor in this cost per lot equation.
- 6) That a minimum pastoral homestead lot size will be based on the land's natural carrying-capacity to support a minimum of two animal units of beef livestock.
- 7) That the regional character of communities is important in defining the type and size

of homestead lease as similar types of development in the region offer models of what can be done with land for development.

- 8) That the determination of pastoral homestead lot size be based on the land's natural carrying-capacity for beef animals, infrastructure development costs, regional character and beneficiary demand identified through the waiting list.

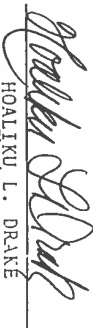
- 9) That opportunities for native Hawaiians to develop commercial ranching operations need to be provided.

- 10) That the homestead lease in its current form presents difficulties in financing for commercial ranching operations. [Eff. ] (Auth: HHC Act §222) (Imp: HHC Act §207(a))

2. New material is underscored.

3. This amendment to Title 10, Hawaii Administrative Rules, shall take effect ten days after filing with the Office of the Lieutenant Governor.

I hereby certify that the foregoing are copies of the rules, drafted in the Ramseyer format pursuant to the requirements of section 91-4.1, Hawaii Revised Statutes, which were adopted on \_\_\_\_\_ and filed with the office of the Lieutenant Governor.

  
HOALIKU L. DRAKE  
Chairman  
Hawaiian Homes Commission

APPROVED AS TO FORM:

  
Deputy Attorney General



# IMPORTANT DATES

- September 1990 - Lot selection and awards for Pu'ukapu, Humu'ula and Kamaoa-Pu'ueo held in Waima.

**NOTES:** Planned Infrastructure:

- Roadway, drainage, water and utility improvements to County standards are planned for the areas between 1994-1998, subject to the availability of funds.





# ACCELERATION PROGRAM

- In 1990, DHHL prepared a “paper subdivision” of approximately 4,600 acres at Pu’ukapu into 184 lots and awarded homesteads:
  - 97 leases at 10 acres
  - 54 leases at 15 acres
  - 17 leases at 20 acres
  - 8 leases at 100 acres
  - 8 leases at 200 acres
- Awards 1990
- Lease Signing & Commencement Date: February 1991



- Pu'ukapu Pastoral subdivision – lots awarded in 1990
- Lease signing and commencement – February 1991
- Lease Addendum – No. 1 Term

LEASE ADDENDUM

This lease is subject to the following conditions:

1. Term. Notwithstanding the commencement date specified in the lease, the department will amend the lease to a future date to coincide with the completion of access roads constructed to standards acceptable to the department.
2. Time Frame for Occupancy or Use. Notwithstanding paragraph number 21 in the lease, the department will require the lessee to fence and commence to use the pastoral lot within one year from the amended commencement of the lease (see Paragraph 1 above). However, a lessee of a lot with an existing fenceline, subject to the agreement between the department and Parker Ranch as stipulated in the Lot Selection/Acceptance Agreement, is required to maintain the existing fenceline beginning February 1, 1991.
3. Administrative Rules. Lessee acknowledges that lessee has received copies of the department's Administrative Rules 10-3-24, 10-3-25, 10-3-26, and 10-3-27 which concern pasture leases and are on file with the Department of Hawaiian Home Lands.

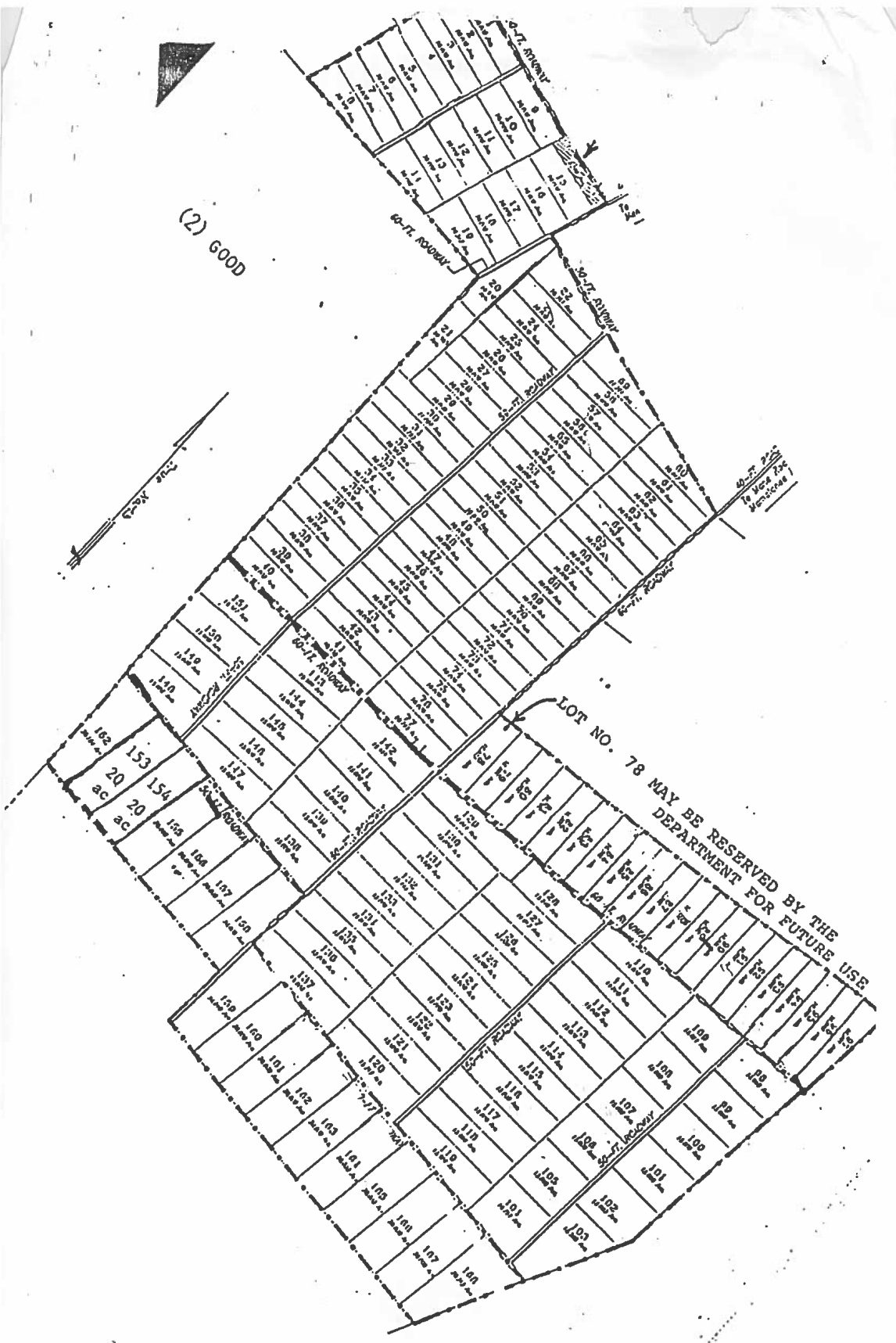
ACKNOWLEDGED:

  
Signature of Lessee

1-12-91  
Date



# 1990 AWARDS 1-A



*Mauna Kea*

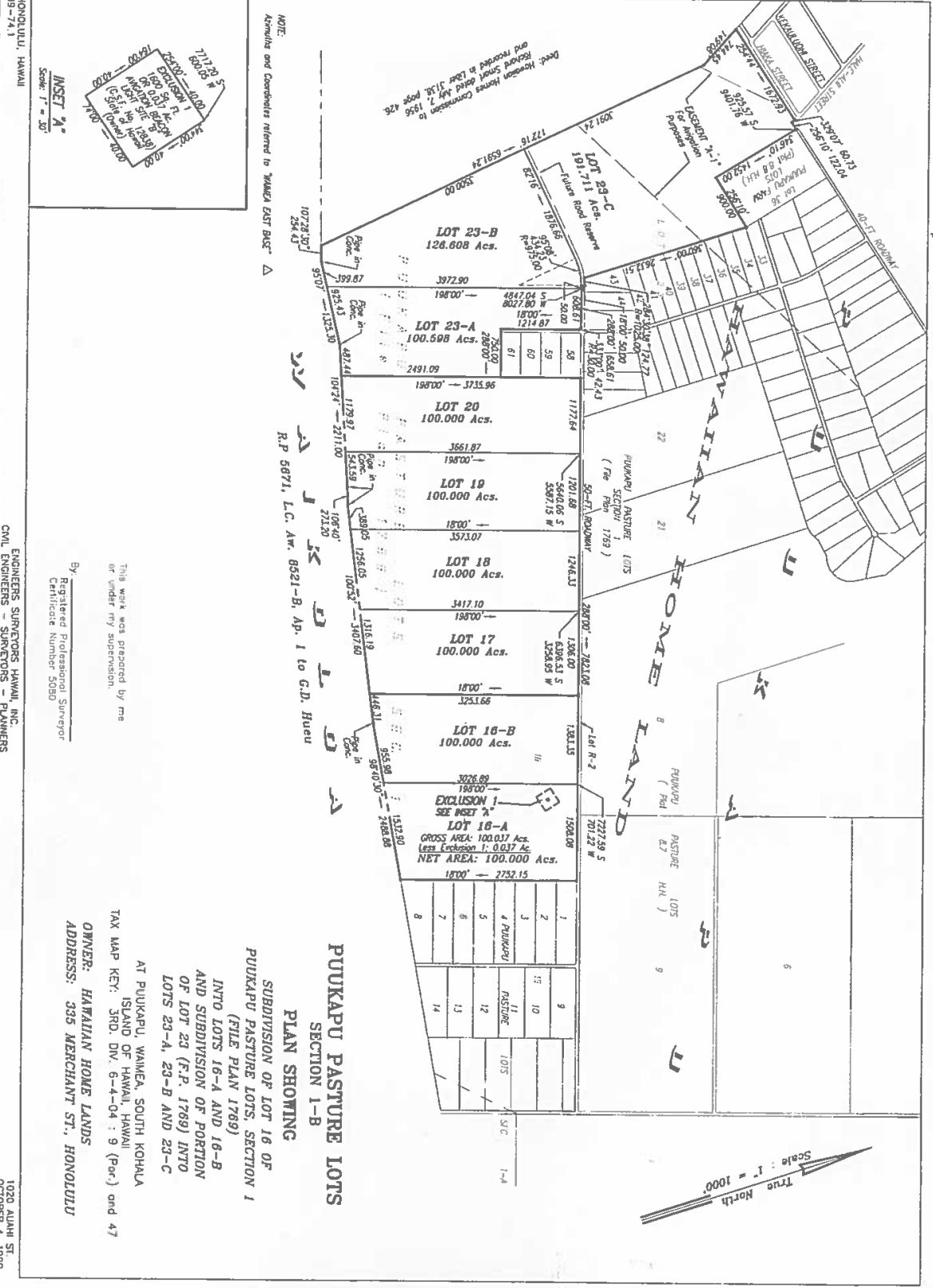
## PUUKAPU PASTURE LOT SECTION 1-A

AT PUUKAPU, WAIPA COUNTY DISTRICT



# 1990 AWARDS 1-B

\\esh-1\esh\Engineering\Projects\1989\89-074 Puukapu\1-B.DWG, Model, 3/16/2005 3:15:08 PM,  
1:1000 89-74.1 DSK 2 Puukapu P.R.E. 1-B.dwg



ENGINEERS SURVEYORS HAWAII, INC.  
CIVIL ENGINEERS - SURVEYORS - PLANNERS

HONOLULU, HAWAII  
89-74.1





# ACCELERATION PROGRAM

- 1992 -1998 - WHDO instructed to complete road construction to provide vehicular access to all 184 awarded lots.
- Roads constructed using cinder or gravel.
- 1998 - WHDO informed District Operations Supervisor that the project was completed.
- Based on lease addendum a recommendation was made to amend the lease commencement date; this coincided with four pastoral lots receiving infrastructure improvements as part of the Pu'ukapu Agricultural Subdivision; recommendation not acted upon.



# PU'UKAPU PASTORAL SUBDIVISION

- 2000 - WHDO staff met with County of Hawai'i (COH) Planning Department to request consideration of subdivision approval for 184 lots.
- Planning Office preliminarily approved paper subdivision of Pu'ukapu Pastoral Subdivision.
- No conditions were set by county for completion of infrastructure or county standard roads.
- Recommendation made to District Operations Supervisor; no action taken.



# PU'UKAPU PASTORAL SUBDIVISION

- 2006 – 2009 DHHL begins work with COH Planning Office on subdivision approval
- August 2009 - COH approves Pu'ukapu Pastoral Lot Subdivision for 184 lots
- New county plat maps created & individual tax map key numbers assigned to 184 lots of record and other lots in the area not included in the subdivision





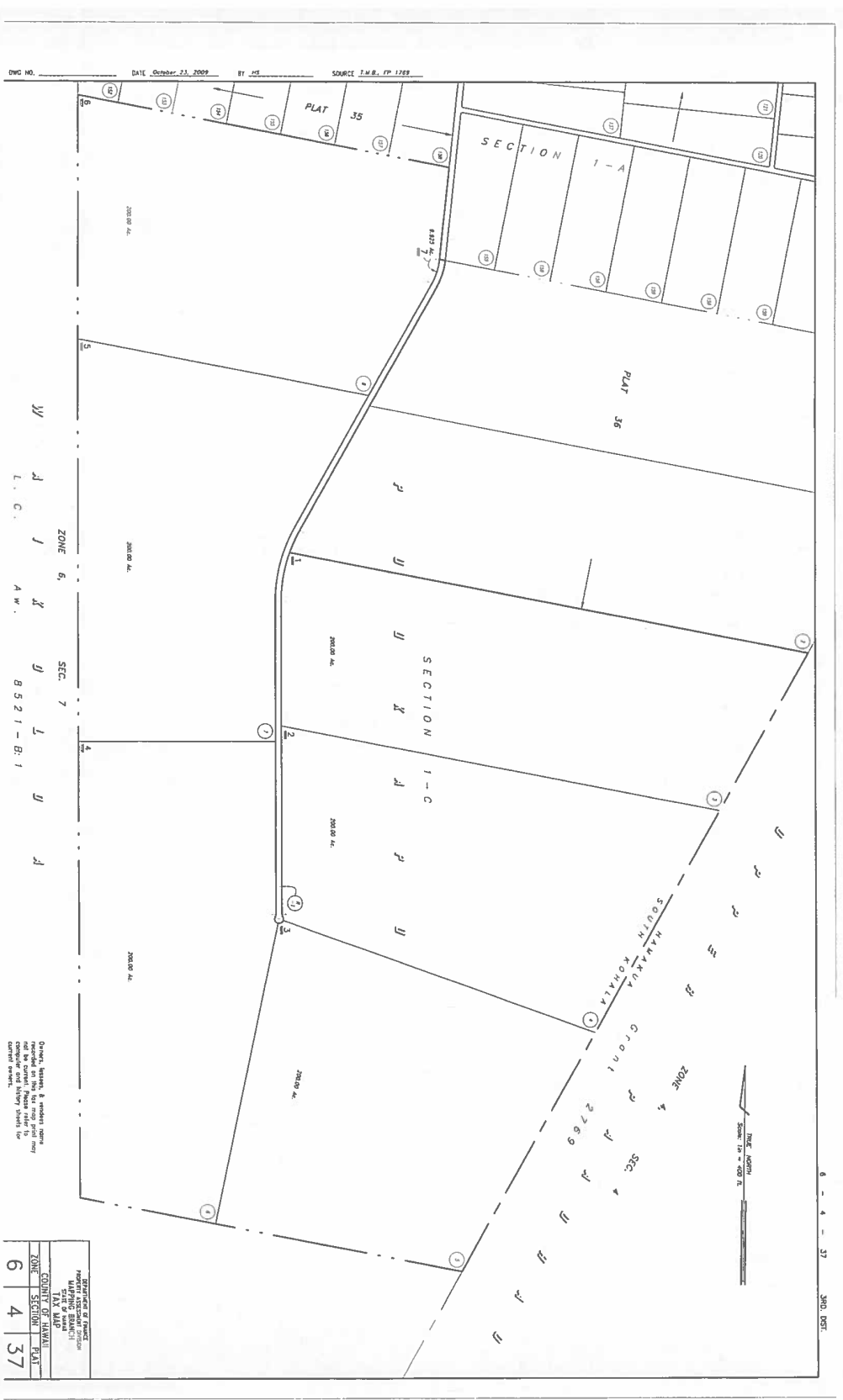




# PU'UKAPU PASTORAL SUBDIVISION

- Plat maps show respective lots – no names assigned.

2009 County Tax Maps with assigned TMK (1-C)







# PU'UKAPU PASTORAL SUBDIVISION

- Lessees are provided 7-year tax exemption for new awards.
- The county bases tax exemptions on lease commencement date.
- If Pu'ukapu pastoral subdivision lessees assigned lease commencement date of 1991, taxes would be due on improvements beginning 1999.
  - Creates hardship for lessees to pay back taxes that would have to be calculated by county; no infrastructure completed other than access roads.
- Not the best or preferred option.



# PU'UKAPU PASTORAL SUBDIVISION

- Lessees wanting to obtain building permits are having difficulty with county Planning Office and Building Division.
- County can't issue building permits without Route Slip from DHHL identifying lessee by name and address, respective parcel number and lease commencement date.
- Solution: Commencement Date amended to from February 1, 1991, to February 1, 2024, to give lessees benefit of 7-year real property tax exemption allowance.



<b>Recent Sales In Area</b>	<b>Previous Parcel</b>	<b>Next Parcel</b>	<b>Return to Main Search Page</b>	<b>Hawaii Home</b>	<b>Real Property Home</b>
<b>Owner and Parcel Information</b>					
Owner Name	HAWAIIAN HOME LANDS Fee Owner	Today's Date	February 12, 2018		
Mailing Address		Parcel Number	640350010000		
Location Address		Project Name			
Property Class	AGRICULTURAL	Parcel Map	<a href="#">Show Parcel Map</a>	<a href="#">Parcel (TMK) Maps</a>	
Neighborhood Code	6442-5	Land Area (acres)	10		
Legal Information	FROM: 6404-9 10,000 AC NEW PARCEL	Land Area (approximate sq ft)	435,600		

<b>Assessment Information</b>										
<b>Show Historical Assessments</b>										
Year	Property Class	Market Land Value	Dedicated Use Value	Land Exemption	Net Taxable Land Value	Market Building Value	Assessed Building Value	Building Exemption	Net Taxable Building Value	Total Taxable Value
2017	AGRICULTURAL	\$ 576,800	\$ 0	\$ 576,800	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

<b>Appeal Information</b>		
No appeal information on parcel.		
<b>Land Information</b>		
Property Class	Square Footage	Acreage
	435,600	10
<b>Improvement Information</b>		
No improvement information available for this parcel.		

<b>Other Building and Yard Improvements</b>				
Description	Quantity	Year Built	Area	Gross Building Value
No information associated with this parcel.				

<b>Permit Information</b>		
Date	Permit Number	Reason
No permit information associated with this parcel.		

<b>Dept of Public Works Bldg Division Permit and Inspections Information</b>							
Permit Date	Permit Type	Permit Number	Permit Description	Permit Reason	Estimated Cost	Inspection Date	Inspection Status
No permit and inspections information associated with this parcel.							

As a courtesy to the public, we provide building permit data as supplied by the Department of Public Works. As such, no warranties, expressed or implied, are provided for the data herein, its use or its interpretation, and accuracy.

<b>Sales Information</b>										
Sale Date	Sale Amount	Instrument #	Instrument Type	Instrument Description	Date of Recording	Land Court Document Number	Cert #	Book/Page	Conveyance Tax	Document Type
10/28/2009	\$ 0		OTHER	Mapping Change						Mapping Change

<b>Current Tax Bill Information</b>									
<b>2017 Tax Payments</b>					<b>Show Historical Taxes</b>				
Tax Period	Description	Original Due Date	Taxes Assessment	Tax Credits	Net Tax	Penalty	Interest	Other	Amount Due
									\$ 0.00

No Tax Information available on this parcel.

<b>Recent Sales In Area</b>	<b>Previous Parcel</b>	<b>Next Parcel</b>	<b>Return to Main Search Page</b>	<b>Hawaii Home</b>	<b>Real Property Home</b>
-----------------------------	------------------------	--------------------	-----------------------------------	--------------------	---------------------------

The Hawaii County Tax Assessor's Office makes every effort to produce the most accurate information possible. No warranties, expressed or implied, are provided for the data herein, its use or interpretation. Website Updated: February 9, 2018

© 2013 by County of Hawaii Real Property Tax Office | Website design by [Eubank Inc](#)



2/12/2018

nl\_nawai\_display.nim33.nim



[Recent Sales In Area](#)   [Previous Parcel](#)   [Next Parcel](#)   [Return to Main Search Page](#)   [Hawaii Home](#)   [Real Property Home](#)

**Owner and Parcel Information**

<b>Owner Name</b>	HAWAIIAN HOME LANDS Fee Owner	<b>Today's Date</b>	February 12, 2018
<b>Mailing Address</b>		<b>Parcel Number</b>	640350010000
<b>Location Address</b>		<b>Project Name</b>	
<b>Property Class</b>	AGRICULTURAL	<b>Parcel Map</b>	<a href="#">Show Parcel Map</a> <a href="#">Plat (TMK) Maps</a>
<b>Neighborhood Code</b>	6442-5	<b>Land Area (acres)</b>	10
<b>Legal Information</b>	FROM: 6404-9 10,000 AC NEW PARCEL	<b>Land Area (approximate sq ft)</b>	435,600

[Assessment Information](#)   [Show Historical Assessments](#)





<b>Recent Sales In Area</b>	<b>Previous Parcel</b>	<b>Next Parcel</b>	<b>Return to Main Search Page</b>	<b>Hawaii Home</b>	<b>Real Property Home</b>
<b>Owner and Parcel Information</b>					
Owner Name	HAWAIIAN HOME LANDS Fee Owner	Today's Date	February 12, 2018	Parcel Number	64036010000
Mailing Address		Project Name		Parcel Map	<a href="#">Show Parcel Map</a>   <a href="#">Plot (TMK) Maps</a>
Location Address		Neighborhood Code	6442-5	Land Area (acres)	10.803
Property Class	AGRICULTURAL	Legal Information	FROM: 6404-9-10.803 AC NEW PARCEL	Land Area (approximate sq ft)	470,579

Assessment Information		Show Historical Assessments							
Year	Property Class	Market Value	Dedicated Use Value	Land Exemption Value	Net Taxable Building Value	Assessed Building Value	Building Exemption	Net Taxable Building Value	Total Taxable Value
2017	AGRICULTURAL	\$ 579,000	\$ 0	\$ 579,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

<b>Appeal Information</b>		No appeal information on parcel.	
<b>Land Information</b>		Square Footage	470,579
Property Class		Acres	10.803
		Use	Agricultural Usage

<b>Improvement Information</b>		No improvement information available for this parcel.	
<b>Other Building and Yard Improvements</b>		No information associated with this parcel.	
Description	Quantity	Year Built	Area
			Gross Building Value

<b>Permit Information</b>		Date	06/17/2010	Permit Number	B2010-0512K	Reason	WATER TANK	Permit Amount	\$ 52,484
---------------------------	--	------	------------	---------------	-------------	--------	------------	---------------	-----------

**Dept of Public Works Bldg Division Permit and Inspections Information**

Permit Date	Permit Type	Permit Reason	Permit Description	Estimated Cost	Inspection Date	Inspection Status
06/17/2010	Building	NEW	CONSTRUCTION OF STEEL WATER STORAGE TANK 14' 3" 58800 GALLONS, 27 FEET DIAMETER, BOOSTER PUMP STATION, DISTRIBUTION WATER MAINS, SITE WORK AND RELATED ELECTRICAL WORK.	\$ 52,484		

As a courtesy to the public, we provide building permit data as supplied by the Department of Public Works. As such, no warranties, expressed or implied, are provided for the data herein, its use or its interpretation, and accuracy.

<b>Sales Information</b>		Sale Date	10/26/2009	Sale Amount	\$ 0	Instrument #		Instrument Type	OTHER	Mapping Change	
--------------------------	--	-----------	------------	-------------	------	--------------	--	-----------------	-------	----------------	--

<b>Current Tax Bill Information</b>		2017 Tax Payments		Show Historical Taxes					
Tax Period	Description	Original Due Date	Taxes	Credits	Net Tax	Penalty	Interest	Other	Amount Due
									\$ 0.00

No Tax Information available on this parcel.

**Recent Sales In Area** | [Previous Parcel](#) | [Next Parcel](#) | [Return to Main Search Page](#) | [Hawaii Home](#) | [Real Property Home](#)

The Hawaii County Tax Assessor's Office makes every effort to produce the most accurate information possible. No warranties, expressed or implied, are provided for the data herein, its use or interpretation. Website Updated: February 9, 2018

© 2013 by County of Hawaii Real Property Tax Office | Website design by gbluhart



[Recent Sales in Area](#)   [Previous Parcel](#)   [Next Parcel](#)   [Return to Main Search Page](#)   [Hawaii Home](#)   [Real Property Home](#)

<b>Owner Name</b>	HAWAIIAN HOME LANDS Fee Owner	<b>Owner and Parcel Information</b>	<b>Today's Date</b>	February 12, 2018
<b>Mailing Address</b>		<b>Parcel Number</b>	640370010000	
<b>Location Address</b>		<b>Project Name</b>		
<b>Property Class</b>	AGRICULTURAL	<b>Parcel Map</b>	<a href="#">Show Parcel Map</a>   <a href="#">Plat (TMK) Maps</a>	
<b>Neighborhood Code</b>	LG000-5	<b>Land Area (acres)</b>	200	
<b>Legal Information</b>	FROM: 6404-9-200-000 AC NEW PARCEL	<b>Land Area (approximate sq ft)</b>	8,712,000	

Assessment Information		Show Historical Assessments								
Year	Property Class	Market Land Value	Dedicated Land Use Value	Land Exemption	Net Taxable Building Value	Market Building Value	Assessed Building Value	Building Exemption	Net Taxable Building Value	Total Taxable Value
2017	AGRICULTURAL	\$ 824,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

<b>Appeal Information</b>		No appeal information on parcel.	
<b>Land Information</b>		<b>Square Footage</b>	8,712,000
<b>Property Class</b>		<b>Acres</b>	200
		<b>Usage</b>	Agricultural Usage

<b>Improvement Information</b>		No improvement information available for this parcel.	
<b>Other Building and Yard Improvements</b>		<b>Year Built</b>	
<b>Description</b>		<b>Area</b>	
		<b>Gross Building Value</b>	

<b>Permit Information</b>		<b>Permit Number</b>		<b>Reason</b>		<b>Permit Amount</b>	
		No permit information associated with this parcel.					

<b>Dept of Public Works Bldg Division Permit and Inspections Information</b>							
<b>Permit Date</b>	<b>Permit Type</b>	<b>Permit Number</b>	<b>Permit Reason</b>	<b>Permit Description</b>	<b>Estimated Cost</b>	<b>Inspection Date</b>	<b>Inspection Status</b>
No permit and inspections information associated with this parcel.							

As a courtesy to the public, we provide building permit data as supplied by the Department of Public Works. As such, no warranties, expressed or implied, are provided for the data herein, its use or its interpretation, and accuracy.

<b>Sales Information</b>										
<b>Sale Date</b>	<b>Sale Amount</b>	<b>Instrument #</b>	<b>Instrument Type</b>	<b>Instrument Description</b>	<b>Date of Recording</b>	<b>Land Court Document Number</b>	<b>Cert #</b>	<b>Book/Page</b>	<b>Conveyance Tax</b>	<b>Document Type</b>
10/28/2009	\$ 0		OTHER	Mapping Change						Mapping Change

<b>Current Tax Bill Information</b>									
<b>Tax Period</b>	<b>Description</b>	<b>Original Due Date</b>	<b>Taxes Assessment</b>	<b>Tax Credits</b>	<b>Net Tax</b>	<b>Penalty</b>	<b>Interest</b>	<b>Other</b>	<b>Amount Due</b>
									\$ 0.00

No Tax Information available on this parcel.

[Recent Sales in Area](#)   [Previous Parcel](#)   [Next Parcel](#)   [Return to Main Search Page](#)   [Hawaii Home](#)   [Real Property Home](#)

The Hawaii County Tax Assessor's Office makes every effort to produce the most accurate information possible. No warranties, expressed or implied, are provided for the data herein, its use or interpretation. Website Updated: February 9, 2018

© 2013 by County of Hawaii Real Property Tax Office | Website design by [globeinc.net](#)



<b>Recent Sales in Area</b>	<b>Previous Parcel</b>	<b>Next Parcel</b>	<b>Return to Main Search Page</b>	<b>Hawaii Home</b>	<b>Real Property Home</b>
<b>Owner Name</b>	HAWAIIAN HOME LANDS Fee Owner	<b>Owner and Parcel Information</b>	<b>Today's Date</b>	February 12, 2018	
<b>Mailing Address</b>	64-557 POLLAHU ALANUI	<b>Parcel Number</b>	640380010000		
<b>Location Address</b>	AGRICULTURAL	<b>Project Name</b>			
<b>Property Class</b>	LG000-5	<b>Parcel Map</b>	<a href="#">SHOW Parcel Map</a>	<a href="#">DIR (TMS) Maps</a>	
<b>Neighborhood Code</b>	FR00K: 6404-9 100,000 AC NEW PARCEL	<b>Land Area (acres)</b>	100		
<b>Legal Information</b>		<b>Land Area (approximate sq ft)</b>	4,356,000		

Assessment Information		Show Historical Assessments							
Year	Property Class	Market Land Value	Dedicated Land Use Value	Net Taxable Land Value	Market Building Value	Assessed Building Value	Building Exemption	Net Taxable Building Value	Total Taxable Value
2017	AGRICULTURAL	\$ 618,000	\$ 12,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

<b>Appeal Information</b>		No appeal information on parcel.	
<b>Land Information</b>		<b>Square Footage</b>	4,356,000
<b>Property Class</b>	AGRICULTURAL	<b>Acres</b>	100
<b>Yes</b>		<b>Agricultural Usage</b>	Yes

<b>Agricultural Assessment Information</b>		<b>Agricultural Type</b>	Soils Use:H	<b>Agricultural Value</b>	\$12,000
<b>Acres in Production</b>	100	This parcel has land in agricultural usage and therefore agricultural usage assessments have been made.			

**Improvement Information**  
No improvement information available for this parcel.

<b>Other Building and Yard Improvements</b>			
<b>Description</b>	<b>Quantity</b>	<b>Year Built</b>	<b>Area</b>
No information associated with this parcel.			
<b>Gross Building Value</b>			

<b>Permit Information</b>			
<b>Date</b>	<b>Permit Number</b>	<b>Reason</b>	<b>Permit Amount</b>
No permit information associated with this parcel.			

**Dept of Public Works Bldg Division Permit and Inspections Information**  
No permit and inspections information associated with this parcel.  
As a courtesy to the public, we provide building permit data as supplied by the Department of Public Works. As such, no warranties, expressed or implied, are provided for the data herein, its use or its interpretation, and accuracy.

<b>Sales Information</b>					
<b>Sale Date</b>	<b>Sale Amount</b>	<b>Instrument #</b>	<b>Instrument Type</b>	<b>Instrument Description</b>	<b>Date of Recording</b>
10/28/2009	\$ 0		OTHER	Mapping Change	

<b>Current Tax Bill Information</b>					
<b>Tax Period</b>	<b>Description</b>	<b>Original Due Date</b>	<b>Taxes Assessment</b>	<b>Tax Credits</b>	<b>Net Tax</b>
					\$ 0.00
No tax information available on this parcel.					

**Recent Sales in Area**   [Previous Parcel](#)   [Next Parcel](#)   [Return to Main Search Page](#)   [Hawaii Home](#)   [Real Property Home](#)  
The Hawaii County Tax Assessor's Office makes every effort to produce the most accurate information possible. No warranties, expressed or implied, are provided for the data herein, its use or interpretation. Website Updated: February 9, 2018



# **Pu'ukapu Pastoral Subdivision**

## **Commencement Date Amendment**

**January 11, 2024**

**Mahalo**



DEPARTMENT OF HAWAIIAN HOME LANDS

[www.dhhl.hawaii.gov](http://www.dhhl.hawaii.gov)

**HAWAIIAN HOMES COMMISSION  
JANUARY 16 & 17, 2024**


**E – ITEMS**

**LAND DEVELOPMENT DIVISION**

STATE OF HAWAII  
DEPARTMENT OF HAWAIIAN HOME LANDS

January 16-17, 2024

To: Chairman and Members, Hawaiian Homes Commission

From: Stewart Matsunaga, Administrator  
Land Development Division 

Subject: For Information Only  
Implementation Progress Report for Act 279, Session Laws of Hawaii 2022, as of  
January 9, 2024

RECOMMENDED MOTION/ACTION

None, for information only.

BACKGROUND

Act 279 enacted in Regular Session of 2022 of the 31<sup>st</sup> Legislature appropriated \$600,000,000 in general funds to provide a multi-pronged approach to reducing the Department of Hawaiian Home Lands (DHHL) waitlist. The \$600,000,000 will address the needs of those on the waitlist and those beneficiaries still waiting. (Excerpt from “Strategic Plan to Implement Act 279 of 2022 dated November 2022)

On August 16, 2022, the Hawaiian Homes Commission (HHC) approved the Strategic Approach to Implement Act 279 - August 2022. Further, on November 22, 2022, the HHC approved the Strategic Plan to Implement Act 279 of 2022.

Pursuant to Section 4(c), Act 279, DHHL shall submit the strategic plan, including findings, recommendations, and any proposed legislation, to the Legislature, no later than December 10, 2022. On December 6, 2022, copies of the Strategic Plan to Implement Act 279, SLH 2022 was transmitted to the Senate President and members of the Senate and President of the House and members of the House of Representatives, pursuant to Section 4(c), Act 279.

Procurement and implementation of approved Strategic Plan projects using State funds are authorized under:

- a. Section 220.5(a) using the Request for Proposals (RFP) procurement method, or competitive sealed proposals when project specifics are pre-determined, or
- b. Section 220.5(b) using the Request for Qualifications (RFQ) procurement method, similar to Professional Services, to procure a qualified developer for a project when projects specifics are not pre-determined.

An example of Section 220.5(a) would be the posting of an RFP for Kaupe‘a 2, in which DHHL determined a minimum of 60 single family homes and construction of a traffic signal.

Interested developers would provide Sealed Proposals to DHHL for evaluation by an internal Review/Selection Committee. In the RFP process, the lowest cost of infrastructure provided by the developer would result in the highest scoring. The award of the development agreement contract would be based on competitive scoring pre-established criteria.

An example of Section 220.5(b) would be the posting of an RFQ for Ka‘uluokaha‘i Master-planned Community involving the full infrastructure development and house construction of unplanned East Kapolei Parcels II-D, II-E, and II-F, along with house construction of East Kapolei II-C. In this process, the DHHL review committee evaluates the developers’ past like-experience, development team strength, and current capacity and financial ability to complete developments. The developer describes its project approach and solutions to implement the homestead development project. After qualified developers are ranked, the Chair authorizes the Selection Committee to negotiate project infrastructure costs, housing components, and schedule for development. Should negotiations fail with the first ranked developer, then the Selection Committee is authorized to negotiate with the next ranked developer.

RFQ responses for Villages of La‘i ‘Ōpua and Villages of Leiali‘i due in January 2024.

SUMMARY OF ACT 279 GENERAL FUND ALLOTMENTS:

Allotment #1 =	\$172,750,000 (Released 11/17/22)
Allotment #2 =	\$ 21,000,000 (Released 6/27/23)
Allotment #3 =	\$175,000,000 (Released 11/8/23)
Allotment #4 =	\$176,000,000 (Proposed for 2 RFQs)
Total =	\$588,847,828

SUMMARY OF PROJECT ENCUMBRANCES, APPROVED STRATEGIC PLAN:

Total Encumbered in FY 2023:	\$192,641,367
Projected Encumbrance 3 <sup>rd</sup> Quarter FY24:	\$178,959,000
Projected Encumbrance 4 <sup>th</sup> Quarter FY 24:	\$150,000,000

(RFQs for Villages of La‘i ‘Ōpua and Villages of Leiali‘i)

TOTAL ENCUMBERED/PLANNED TO FY 24: \$521,600,367\*

\*Balance of \$78,399,637 subject to Amended Strategic Plan and Project Deferral to FY 2025.



New Project Status:

Island	Subdivision/ Project	Lots	Phase	Estimated Encumbrances	Status
Oahu	Kaupe‘a, Phase 2	60	Dev Agreement	\$ 13,692,000	Awarded to Mark Development Negotiating Development Agreement for 30 turnkey lots and 30 LIHTC lots. AG review.
Oahu	East Kapolei II Master Developer	450	Dev Agreement	\$ 144,513,000 (Phase 1)	RFQ released 8/7/23; Awarded to Gentry.  Negotiating Development Agreement. Project to be phased. Phase 1 450 lots includes EK II-C (125 lots) house construction, EK II-D and EK II-E (325 lots and houses) and backbone utility and roadway infrastructure.  Phase 2 subject to Strategic Plan amendment and pending additional appropriation of \$60,000,000 for 250 lots in EK II-F. AG review
<b>Land/Project Acquisition RFP 1</b>					
Oahu	Waialua (Mill Camp)	92	Dev Agreement	\$ 20,754,000	Awarded to Mark Development Draft Development Agreement; AG review.
Oahu	Ewa Villages Pilina Homes	142	Dev Agreement	0	Developer drafting purchase agreement; Negotiating infrastructure fees. Fee structure not acceptable. Project offer reject letter being drafted.
Statewide	RFP#2		Acquisition/Dev Agreement		5 offers under consideration.  Potential \$59 million acquisition  Requires Amendment to Act 279 Strategic Plan and Budget
	<b>TOTAL</b>			<b>\$ 178,959,000</b>	<b>\$175,000,000 A-19 Allotment approved 11/8/23. Additional \$6M allotment required.</b>

Act 279 Implementation Status as of January 9, 2024, is attached as “Exhibit A”.

Land Acquisition and Development Project offers from second Request for Proposals is under review and will be submitted to HHC in the coming months.

Request for Proposals for new land and project acquisition proposed subject to HHC approval of Permitted Interaction Group recommendations.

RECOMMENDED MOTION/ACTION:

None—for information only.

DEPARTMENT OF HAWAIIAN HOME LANDS										
ACT 279 IMPLEMENTATION										
Project Status as of January 9, 2024										
				Act 279 Implementation Budget (Strategic Plan2022)		Encumbrance Status as of Jan. 9, 2024				
Island	FY23 Subdivision/Project	Lots	Phase	FY 2023	FY 2024	Encumbered FY23	Encumbered FY24 to date	Projected Encumbrance FY24	Projected Encumbrance FY25	Status
Hawaii	Laiopua Villages 1 and 2, and N. Kona Water Development	400	Acq/ Dev Agrmt	\$ 4,000,000	\$ 63,000,000			\$ 67,000,000		Chair directs Request for Qualifications development agreement to include Villages 1 and 2 (400 lots), house construction in Village 4 Hema (125 homes). Village 5 unencumbered lots (55 lots) to be offered with homes in early 2024. Leg appropriation Act 88, SLH 2021 proviso for \$12.2M for water development and subdivision improvements "Encumbered" site appraisal and acquisition in progress. Developer Qualifications deadline is January 5, 2024. <b>One Developer Submittal received.</b>
Hawaii	Honomu Subsistence Ag Lots, Phase 2	40	Design/		\$ 6,000,000				\$ 6,000,000	Designs in process; IFB scheduled for <b>April 2024.</b>
Lanai	Lanai Residence Lots Offsite Infrastructure	75	Design	\$ 2,000,000			\$ 2,000,000			Contract with Bowers+Kubota executed, awaiting release of funds for contract certification. Schedule meeting with B+K and Pulama Lana, upon contract certification. Request to Release Act 279 funds submitted to B&F and Gov in September 2023. On October 19, 2023, Gov released \$65M and \$110M in Act 279 funds for 2nd and 3rd Quarters FY24, respectively. Discuss project collaboration with Pulama Lanai and County of Maui. <b>Contract certified on Dec. 1, 2023.</b>
Molokai	Hoolehua Scattered Lots	20	Construction		\$ 3,500,000				\$ 3,500,000	Draft EA in process, Cultural Impact Analysis in process. <b>IFB scheduled for April 2024.</b>
Molokai	Naiwa Ag Subdivision	16	Construction		\$ 6,000,000				\$ 6,000,000	FONSI approval and Final EA publication rescheduled to November or December 2023. Designs in process for 66 lots; construction bid scheduled for 1st Quarter 2024. 16 new subsistence agriculture lots qualify for Act 279 funding for infrastructure. Requires amending FY25 Sufficient Sums Purpose 1 budget request by \$25M for construction of site improvements for 50 existing agriculture lots awarded in the mid-1980's. <b>IFB scheduled for April 2024.</b>
Maui	Pu'unani Homestead Subdivision	161	Construction	\$ 17,500,000		\$ 17,171,944				Construction Contract Awarded to Maui Kupono Builders; \$17,171,944. Notice to proceed effective May 15, 2023. Groundbreaking May 24, 2023. Site work in progress. <b>House construction tentatively starting in Summer 2024.</b>
Maui	Pu'unani Homestead Subdivision (Offsite Water Tank)		Design/ Construction			\$ 5,509,000				Developer preparing plans and specifications for IFB in Fall 2023, subject to County DWS approval of construction plans and storage agreements. New estimate for construction = \$6.5M, due to changes in site plan improvements. Seek Stainless Steel tank as alternative construction method to reduce cost.
Maui	Leialii 1B Offsite Water (includes new DHHL Honokowai Well)		Construction	\$ 15,000,000				\$ 15,000,000		Honokowai Water Draft EA pending resolution of SHPD issues and Cultural Impact Analysis. On Dec. 8, 2023, LDD posts RFQ to include Leialii Offsite water, highway improvements and Leialii 1B subdivision, total 181 single family lots. Existing County of Maui's Offsite water tank services lots under 130' elevation. A booster pump, transmission and new offsite water tank needed to provide potable water and fire protection to Leialii 1B Inc. 2; 95 single family lots. In addition to Act 279 funding, Cost is exclusive of \$9,000,000 CIP appropriation for Honoapiilani highway improvements, for which SMA is in process and HHFDC DURF funding \$10,000,000 for Honokowai Water Well development. <b>Responses to RFQ on Jan. 16, 2024.</b>
Maui	Leialii 1B - Subdivision	181	Dev Agrmt		\$ 68,000,000			\$ 68,000,000		FONSI approved by HHC on October 16, 2023 and Final EA to be published in November 2023. On Dec. 8, 2023, LDD posts RFQ to include Leialii Offsite water, highway improvements and Leialii 1B subdivision, total 181 single family lots. Existing County of Maui's Wahikuli water tank services lots under 130' elevation and can provide potable water to 86 lots in Village 1B, Inc. 1. A booster pump, transmission and new offsite water tank needed to provide potable water and fire protection to Leialii 1B Inc. 2; 95 single family lots. In addition to Act 279 funding, construction cost is exclusive of \$9,000,000 CIP appropriation for Honoapiilani highway improvements, for which SMA is in process. Leialii 1B Increment 1 (86 single family lots) designs in process; coordinate Lahaina Civic Center booster pump and Wahikuli tank operations with County of Maui. <b>Responses to RFQ on Jan. 16, 2024.</b>
Maui	Honokowai Subsistence Ag Ph. 1	50	Design		\$ 5,000,000	\$ 1,470,000			\$ 3,530,000	Survey and design in process. Continuing design work on R-1 water easements and engineering. Amending scope of work to include access from Honoapiilani Highway, and establishment of sewer manholes at Honokowai makai boundary.
Oahu	Kaupea, Phase 2		Acq	\$ 8,250,000		\$ 8,250,000				Acquisition completed.





**HAWAIIAN HOMES COMMISSION  
JANUARY 16 & 17, 2024**

**F – ITEMS**

**LAND MANAGEMENT DIVISION**

STATE OF HAWAII  
DEPARTMENT OF HAWAIIAN HOME LANDS

January 16-17, 2024

TO: Chairman and Members, Hawaiian Homes Commission

THRU: Kali Watson, Chairman *KW*

FROM: Peter "Kahana" Albinio, Jr., General Professional  
Land Management Division *KA*

SUBJECT: Approve Issuance for Two (2) separate Licenses to KNDI Radio 1270 AM and  
KREA Radio Seoul 1650 AM, DHHL Antenna Facility at Hart Street, Kapalama,  
Island of Oahu, TMK No. (1) 1-5-020:014

RECOMMENDED ACTION/MOTION

That the Hawaiian Homes Commission (HHC) approve the following:

1. Issuance of Two (2) separate licenses to the following entities to operate a standard broadcast station:
  - a. KNDI Radio 1270 AM
  - b. KREA Radio Seoul 1650 AM
2. Basic terms & conditions of the two (2) licenses:
  - a. Term: No more than five (5) years, effective 2/1/2024
  - b. License Fee: \$3,100.00 per month for the period 2/1-12/31/2024
  - c. Annual increase at 3% for the term of the license
  - d. Licensee shall procure and keep in effect a Comprehensive General Liability Insurance covering the demised premises and naming the Department of Hawaiian Home Lands as additional insured
  - e. Licensee shall pay a pro-rata share of the cost of all operating expenses
  - f. License shall be responsible for utilities services required for their operation
  - g. No alteration or improvement shall be performed without prior approval
  - h. No sublicensing without prior DHHL approval.
3. Other terms and conditions deemed appropriate by the Hawaiian Homes Commission.

BACKGROUND INFORMATION

Through a letter dated October 12, 2023, Ms. Susan K. Eichor, Manager of Blow Up, LLC, dba ESPN Honolulu ("Licensee") submitted a request for early termination of License No. 725 (See Exhibit "A").

Pertinent information on License No. 725:

January 16-17, 2024

Licensee:	Blow Up, LLC dba ESPN Honolulu
Location:	Kapalama, Island of Oahu (See Exhibit "B")
TMK No.	(1) 1-5-020:014
Land Area:	5,950 square feet
Term:	20 years; 3/1/2009-2/28/2029
Annual License Fee:	\$39,600.00
Sublicense Participation	\$36,000.00 (2 sub-licensees)

Licensee indicated that ESPN will be able to consolidate all their operations to a new antenna since HART relocated their other antenna to a new location. They anticipate this will happen before December 31, 2023. Licensee will surrender the ownership of the radio broadcasting tower and all ancillary improvements constructed on the property in "as-is, where-is" condition with no warranties or representations to the department. A Bill of Sale will convey the ownership of the antenna tower and all ancillary improvements to the department.

There are currently 2 sublicensees on the antenna tower, KREA and KNDI, with their sublicense agreements expiring on December 31, 2023. Each sublicensee pays \$3,000.00 per month plus pro-rata operating expenses. Each sublicensee has its own electric meter with HECO. The existing agreement with Licensee is that DHHL will take 50% of the fee paid by each sublicensee (\$1,500 per sublicense for a total of \$3,000 per month).

DHHL has been in discussion with the two radio operators for a longer-term license agreement. In reviewing the past agreements the two sublicensees have with Licensee, the monthly license fee has gone up about \$100 every year. Anticipate the new monthly license fee beginning February 2024, if approved for the license, will be \$3,100.00. Since this will be a direct agreement with DHHL, the entire amount \$3,100.00 (\$6,200.00 total for 2 radio stations) will be paid to DHHL. Two (2) separate limited right-of-entry permits have been issued to the two operators for the month of January pending HHC approval.

Instead of doing an appraisal to determine the annual license fee, LMD is recommending that the license fee be increase at 3% per year for the term of the license.

This facility is only one of several radio towers left in the urban Honolulu area. This location is vital to the radio operators. According to ESPN, the tower can handle up to 5 users. Our ability to add on more users will generate more revenue for DHHL. DHHL has been approached by a potential tenant for the antenna facility and if terms are agreeable, will present that request for the Commission's review and approval.

Licensee has noted in the request that the relocation of ESPN to the new facility is still subject to final approval from FCC and the final installation of equipment on the new tower. If there is any delay, the request is to allow them to stay on month-to-month basis until such approval and completion of installation is done. ESPN has already notified DHHL that they are not able to vacate as intended and has asked for a month-to-month continued use. A limited right-of-entry has been issued for the month of January 2024 in the amount of \$3,300.00.



January 16-17, 2024

AUTHORIZATION

Sections 10-4-1 & 10-4-21 of the Department’s Administrative Rules, as amended  
Section 207(c)(1) of the Hawaiian Homes Commission Act, as amended

CHAPTER 343 – ENVIRONMENTAL ASSESSMENT:

In accordance with the updated Comprehensive Exemption List for the State of Hawaii, Department of Hawaiian Home Lands, as Approved by the Environmental Council as of April 6, 2021, the subject request is exempt from the preparation of an environmental assessment pursuant to Type 1 under Part I, titled De Minimis Activities, “Operations, repairs or maintenance of existing structures, facilities, equipment or topographical features, involving negligible or no expansion or change of use beyond that previously existing.”

RECOMMENDATION

Land Management Division respectfully requests approval of the motion as stated.

In the event of such delay, the transfer of the radio broadcasting tower and all ancillary improvements and the termination of the license agreement shall be delayed until the date Licensee informs Licensor that the events set forth in paragraphs 3.a. and 3.b. have been completed.

Should the above terms and conditions be acceptable to you, please acknowledge your approval and acceptance below. Your signature shall constitute a binding legal agreement between Licensor and Licensee.

Very truly yours,  
Blow Up, LLC



By: Susan K. Eichor  
Its: Manager

Agreed and Accepted to all of the foregoing this \_\_\_ day of October, 2023  
State of Hawaii  
Department of Hawaiian Home Lands

By: \_\_\_\_\_  
Its: \_\_\_\_\_

Blow Up, LLC  
1000 Bishop Street Suite 202  
Honolulu, HI 96813

October 12, 2023

State of Hawaii  
Department of Hawaiian Home Lands  
91-5420 Kapolei Parkway  
Kapolei, Hawaii 96707  
Attn: Linda Chinn

RE: Radio Broadcasting Tower License Agreement No. 725

Ladies and Gentlemen:

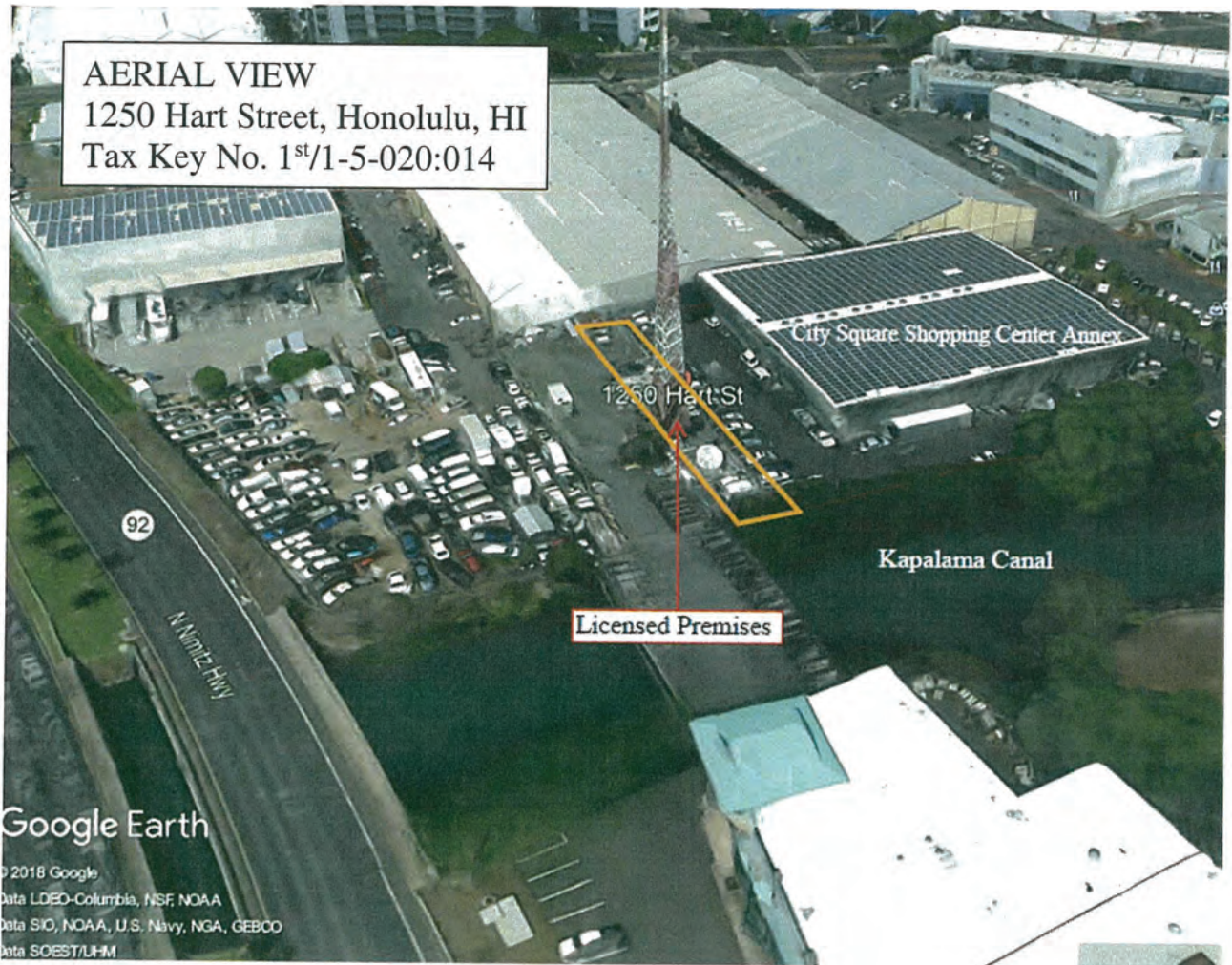
We are writing to you in reference to License Agreement No. 725 dated June 25, 2010 (the "license agreement"), by and between the State of Hawaii by its Department of Hawaiian Home Lands (Licensor) and Blow Up, LLC dba ESPN Honolulu (Licensee) for the use of Hawaiian home lands located at Kapalama, Oahu and identified as a portion of TWKH (1) 1-5-020:014, containing approximately 5,950 square feet of land (the Property).

The Licensor requests early termination of the license agreement and the transfer of ownership of the radio broadcasting tower and all ancillary improvements constructed on the Property to Licensor, effective December 31, 2023.

With said early termination and transfer of ownership of existing improvements, Licensor and Licensee agree that:

1. There are two subleases for the use of transmitter space and antenna facilities on the radio broadcasting tower. Said subleases, which are attached as exhibits to this letter, are to KREA and KNDI and each with the license fee of \$3,000 per month plus pro-rata operating expenses until December 31, 2023. Said subleases automatically expire by its terms on December 31, 2023, and Licensee shall not seek to extend the term of said subleases;
2. The radio broadcasting tower and all ancillary improvements to the extent owned by Licensee shall be transferred by Licensee to Licensor effective as of December 31, 2023 in "as-is, where-is" condition and with no warranties or representations; and
3. The license agreement shall terminate effective as of December 31, 2023, provided that Licensor shall allow Licensee to continue operating and transmitting from the radio broadcast tower beyond December 31, 2023 and for a period of time as required by Licensee in the event of delay in Licensee's:
  - a. purchase, receipt and installation of new equipment on its new radio tower; and/or
  - b. receipt of final approval from the FCC to operate at said new radio tower.

RECEIVED  
LAND MANAGEMENT  
DIVISION  
2023 OCT 13 AM 8:10



## Exhibit "B"

**ITEM NO. F-1**

STATE OF HAWAII  
DEPARTMENT OF HAWAIIAN HOME LANDS

January 16-17, 2024

To: Chairman and Members, Hawaiian Homes Commission

Through: Kali Watson, Chairman *KW*  
Hawaiian Homes Commission

Kalei Young, Supervising Land Agent *KY*  
Land Management Division

From: Shelly Carreira, Land Agent *SC*  
Land Management Division

Subject: Approval to Issue a Right of Entry Permit to City & County of Honolulu, Department of Design and Construction, TMK Nos.: (1) 4-6-015:014 (p), 4-5-041:005, Kāneʻohe, Oʻahu and TMK No.: (1) 1-1-013:003, Moanalua, Oahu

RECOMMENDED MOTION/ACTION:

That the Hawaiian Homes Commission (HHC) authorize the issuance of a Right of Entry (ROE) permit to City & County of Honolulu, Department of Design and Construction for access to Hawaiian home lands TMK Nos.: (1) 4-6-015:014 (p), 4-5-041:005 located in Kāneʻohe, Oʻahu, and TMK No.: (1) 1-1-013:003 located in Moanalua, Oahu for construction access, staging and base yard purposes, and removal of stair modules situated on Hawaiian home lands.

Authorize the issuance of a ROE to City & County of Honolulu, Department of Design and Construction (Permittee) covering the subject areas under terms and conditions cited below, which are by this reference incorporated herein and further subject to the following:

1. The standard terms and conditions of the most current right of entry permit form, as may be amended from time to time;
2. The term of the Right-of-Entry permit shall be month to month, up to twelve months commencing on February 1, 2024;
3. At PERMITTOR's request, PERMITTEE perform in-kind services in lieu of monthly fee cash payments for use of the Premises. In-kind services shall be determined by the PERMITTOR and shall consist of the following: (1) filling potholes at roadways beyond the two DHHL access gates; (2) trim back trees that are encroaching into the roadway beginning at the access entry point; (3) cut down to base hazardous albizzia trees which could impact adjacent roadways and dispose of all resulting debris onsite at a mutually agreed upon location; and (4) clear vegetation back five feet from roadways located beyond the two access gates;
4. PERMITTEE shall pay the non-refundable processing and documentation fee of \$175.00;

5. No sub-rental or other uses shall be permitted without the prior written consent of PERMITTOR, in PERMITTOR's sole discretion;
6. Access to the portion of TMK No.:(1) 4-6-015:014 under easement to the State of Hawaii, Department of Transportation (DOT) is subject DOT consent;
7. PERMITTEE agrees to coordinate roadway access with the Ke Kula o Samuel M. Kamakau Charter School to avoid roadway congestion during peak school drop off and pick up hours;
8. PERMITTEES agrees to access the Premises during reasonable daylight hours, Mondays through Fridays only;
9. PERMITTEE's contractor(s) and sub-contractor(s) shall provide proof of a commercial general liability insurance policy of no less than \$1,000,000.00 for each occurrence, naming the Department of Hawaiian Home Lands and the State of Hawai'i as additionally insured;
10. PERMITTEE shall release, defend, indemnify, and hold harmless the Department of Hawaiian Home Lands and the State of Hawai'i, its officers, employees, contractors, representatives, and agents from and against all liability, loss, costs, and expenses, including all attorneys' fees, and all claims, suits, and demands therefore, arising out of or resulting from the acts or omissions of PERMITTEE and PERMITTEE's officers, employees, agents, representatives, or contractors occurring during or in connection with the exercise of the approved ROE;
11. The weight limit of the access bridge is unknown. Therefore, PERMITTEE shall determine the access bridge weight limit and not exceed the determined capacity. PERMITTEE shall take appropriate action necessary to protect and preserve the access bridge;
12. PERMITTEE and its contractor(s) and sub-contractor(s) shall comply with all applicable governmental laws, rules, regulations, and procedures relating to the operation and activities under the ROE;
13. Upon termination of the ROE, PERMITTEE shall be responsible for environmental testing and subsequent clean-up of any contamination or hazardous materials found on the site that may have been caused by PERMITTEE's use;
14. PERMITTEE agrees to accept the Premises in "as is" condition and shall maintain the Premises in a neat and clean condition, including trimming overgrown vegetation and disposing of trash on a regular basis;
15. PERMITTEE shall be responsible for clearing vegetation and trees to accommodate access adjacent to the Omega station;
16. All hazardous and/or toxic materials, including trucks and equipment containing hazardous and toxic materials that could cause contamination of the soil or ground water must be stored in accordance with all federal, state and local laws and regulations on impermeable surface, such as concrete or asphalt pavement. Such surface must be maintained in good repair and approved by PERMITTEE prior to PERMITTEE occupying the Premises. No major equipment repair or servicing shall not be allowed;
17. PERMITTEE shall take reasonable measures in preventing any hazardous materials from leaching on the Premises. Proper storage of any oil or gasoline is required;

18. PERMITTEE agrees to pay for all the costs of establishing utility services to the property and pay for all consumption of utilities on the Premises, should PERMITTEE's use require such utility services;
19. PERMITTEE shall be solely responsible for the security of all items stored on the Premises. PERMITTEE shall be allowed to install a security fencing, however, if PERMITTEE intends to install other types of security systems, PERMITTEE must first request and obtain PERMITTOR's written approval;
20. No residential use shall be permitted, including temporary overnight camping. However, PERMITTEE shall be allowed to provide a shelter for security personnel, if such persons are hired for security purposes;
21. No new construction shall be allowed without PERMITTOR's prior approval. No major alteration or addition of any kind shall be made to the Premises unless plans are first submitted and approved by PERMITTOR;
22. Prior to vacating the Premises, PERMITTEE shall remove, at PERMITTEE's expense, all equipment, constructed improvements, trash, goods and materials and restore the area to a condition similar or better than that which existed prior to PERMITTEE's use. PERMITTEE shall also notify PERMITTOR to do a site inspection when PERMITTEE has completed removal;
23. The ROE shall be subject to review and approval of the Department of the Attorney General; and
24. Such other terms and conditions as may be prescribed by the Hawaiian Homes Commission to best serve the interest of the Hawaiian Home Lands Trust.

LOCATION:

Portion of Hawaiian home lands situated in Kāneʻohe and Moanalua, Island of Oʻahu, identified as Tax Map Key Nos.: (1) 4-6-015:014 (p), 4-5-041:005, 1-1-013:003 (Exhibit "A")

BACKGROUND DISCUSSION

The City & County of Honolulu, Department of Design and Construction (DDC) submits its request for use of Hawaiian home lands located in Kāneʻohe and Moanalua, island of Oʻahu, for construction access, staging and base yard purposes, helicopter landing site, and removal of portions of stair modules situated on portions of Hawaiian home lands (see Exhibit "B").

The DDC's proposed use consist of accessing two summit ridge parcels for stair module removal affecting TMK Nos.: 4-5-041:005 and 1-1-013:003; roadways, helicopter landing zone with base yard staging adjacent to the Omega station, and a construction pathway affecting portions of TMK No.: 4-6-015:014. Since the construction pathway is in an area under easement to DOT, access is subject to DOT approval.

The DDC amended its request for use of TMK: 4-5-015:014 located at the base of Haʻikū valley due to overlaps with Right of Entry Permit No. 730 (ROE 730), which grants non-exclusive access to the Koʻolau Foundation for the purpose of conducting due diligence activities related to developing a cultural preserve. The Koʻolau Foundation, DDC, and its contractor are negotiating a Memorandum of Agreement to address the needs of all parties. Through the attached letter shown as Exhibit "C", the

January 16-17, 2024

Ko'olau Foundation confirms they are working with the DDC and its contractor to coordinate access. The proposed fee stated in section no. 3 above, would provide a benefit the Hawaiian Home Lands Trust through cost savings and satisfy concerns addressed by the Ko'olau Foundation.

On August 8, 2023 a complaint for declaratory and injunctive relief was filed against the City & County of Honolulu for the removal of Ha'ikū Stairs. The Court determined that the City's 2020 Final Environmental Impact Statement (FEIS) set forth sufficient information to enable the City to fully consider the environmental factors involved before electing to move forward with the alternative to remove the stairs. The Court granted the City's motion for summary judgment. While the Plaintiffs are expected to file an appeal of the Court's order, there are no injunctions or stays requested or issued that delay the City's expected plan to remove the stairs. The City's FEIS identifies Hawaiian home lands TMK Nos: 4-5-041:005 and 1-1-013:003. See attached Exhibit "D" for cover page and weblink addresses to the City's Final Environmental Impact Statement.

The attached Exhibit "E" details preliminary terms and conditions that have been accepted by the DDC. The accepted terms and conditions are also incorporated as provisions in this submittal.

Approval of the requested motion will allow base yard and construction access necessary for DDC to remove Ha'ikū Stairs.

HRS Chapter 343 – Environmental Assessment:

In accordance with the Department of Hawaiian Home Lands Comprehensive Exemption List as Reviewed and Concurred Upon by the Environmental Council on March 3, 2021, the subject request is considered a de minimis activity under Section 11-200.1-16, Hawaii Revised Statutes and is exempt from the preparation of an environmental assessment pursuant to Exemption Class #4, which states "Minor alteration in the conditions of land, water, or vegetation." (Sub-class #4. Minor vegetation clearing and management, including mowing, pruning, and trimming. Work under this exemption shall be performed by the Department or its contractor. Work shall involve cutting and removal of brush, grass, and small trees or bushes. Vegetation shall be hauled by truck to an approved sanitary landfill site or allowed to remain onsite where feasible for use as compost or mulch.)

AUTHORITY

Section 171-55, HRS

RECOMMENDATION

Land Management Division respectfully recommends approval of the requested motion/action, as stated.





DEPARTMENT OF DESIGN AND CONSTRUCTION  
KA 'OIHANA HAKULAU A ME KE KĀPILI  
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET, 11TH FLOOR • HONOLULU, HAWAII 96813  
PHONE: (808) 768-8480 • FAX: (808) 768-4567 • WEB SITE: www.honolulu.gov

RICK BLANGIARDI  
MAYOR  
MEIA



HAKU MILLES, P.E.  
DIRECTOR  
PO'O

BRYAN GALLAGHER, P.E.  
DEPUTY DIRECTOR  
HOPE PO'O

903177

August 23, 2023

Mr. Kali Watson  
Chairman of the Hawaiian Homes Commission  
Department of Hawaiian Home Lands  
State of Hawaii  
91-5420 Kapolei Parkway  
Kapolei, Hawaii 96707

Dear Mr. Watson:

Subject: Haiku Valley Nature Preserve  
Removal of Haiku and Moanalua Saddle Stairs  
Tax Map Key Nos: 1-1-013-014, 4-5-041-005 and 4-6-015-014

The City and County of Honolulu (City) requests authority to access Hawaiian home lands in Haiku Valley, island of Oahu, as shown on the enclosed map marked Exhibit "A" and identified as Tax Map Key Nos: 1-1-013-003, 4-5-041-005 and 4-6-015-014. The purpose of the right of entry is to allow the City and its contractors, agents and subcontractors to enter upon and use portions of the Hawaiian home lands in conjunction with the removal of the stair modules commonly referred to Haiku Stairs and Moanalua Saddle Stairs ("Stairway to Heaven").

The term of the request shall be for an initial period of twelve (12) months commencing on January 1, 2024. We request that the agreement be renewable on a yearly basis for a term of 4 years.

The City intends to use the Hawaiian home lands for the conditions as follows:

1. Access onto the existing paved roadways on the premises.
2. Access onto the paved areas within two sites consisting of the Omega Station and the storage building.
3. An area of approximately 25,000 square feet (100 ft. x 250 ft.) at each site as shown on Exhibit "A" for storing construction material, equipment, and construction debris and for helicopter landings and take offs.

2023 AUG 28 PM 2:20  
RECEIVED  
LAND MANAGEMENT  
DIVISION


**ITEM NO. F-2**  
**EXHIBIT "B"**

Mr. Kali Watson  
August 23, 2023  
Page 2

4. Authorization to land a helicopter on Hawaiian home lands.
5. Construct a temporary construction access pathway for construction workers from the former H-3 construction access road to the start of the stairs.

If there are any questions, please contact Harold Mau of the Facilities Division at 808-768-8405.

Sincerely,

  
~~for~~ Haku Milles, P.E., LEED AP  
Director

HM:ln

Enclosure



*Ko'olau Foundation*  
P. O. Box 4749  
Kane'ohe, HI 96744  
[koolaufoundation@gmail.com](mailto:koolaufoundation@gmail.com)

RECEIVED  
LAND MANAGEMENT  
DIVISION

2024 JAN -8 AM 7:04

January 2, 2023

Mr. Kali Watson, Chair  
Hawaiian Homes Commission  
91-5420 Kapolei Parkway  
Kapolei, HI 96707

Re: City & County of Honolulu Request to Utilize Haiku Valley  
Omega Station for Staging Removal of Haiku Stairs - Concurrence

Aloha Chair Watson:

After meeting recently with the Honolulu Department of Design and Construction, the Ko'olau Foundation has agreed to allow the City & County of Honolulu's contractor, Nakoa Companies, to use a small area in Haiku valley for staging their removal of the Haiku Stairs.

The area in question is the parking lot adjacent to the large transmitter building, formerly part of the Coast Guard's OMEGA station facilities. This area will be used for helicopter landings and discharging modules of the stairs into rolloffs that will be placed along the loop road near the building, later to be removed by truck.

Our organization is currently working with the City on a draft memorandum of agreement to ensure that our access to the valley's cultural areas will be guaranteed throughout the removal period. According to the contractor, the anticipated timeline – weather permitting – is between January 2024 and no later than January 2025. They plan to work from 8 a.m. until 3 p.m. weekdays, excluding holidays.

Although we had previously informed your staff that we opposed use of the DHHJ parcels for this removal project, we have since been assured that the City's vendor will accommodate our requests for vegetation clearing and some road stabilization as part of their work.

Please let us know if you have any further questions regarding this adjustment in our position regarding the removal work.

Me ke aloha pumehana,

AARON D. MAHI  
President

cc: Haku Milles, DDC; CM Kiaaina

**ITEM NO. F-2  
EXHIBIT "C"**

# HA'IKŪ STAIRS STUDY

## FINAL ENVIRONMENTAL IMPACT STATEMENT VOLUME I

HE'EIA, KO'OLAUPOKO, ISLAND OF O'AHU



APPLICANT:



Board of Water Supply

PREPARED BY:



JAN. 2020

**ITEM NO. F-2**  
**EXHIBIT "D"**

The Final Environmental Impact Statement for the Ha'ikū Stairs Study is divided into six separate files, available at the following six URLs:

1. [http://oeqc2.doh.hawaii.gov/EA\\_EIS\\_Library/2020-01-23-OA-FEIS-Haiku-Stairs-Study-Part-1-\(Vol-1+2\).pdf](http://oeqc2.doh.hawaii.gov/EA_EIS_Library/2020-01-23-OA-FEIS-Haiku-Stairs-Study-Part-1-(Vol-1+2).pdf)
2. [http://oeqc2.doh.hawaii.gov/EA\\_EIS\\_Library/2020-01-23-OA-FEIS-Haiku-Stairs-Study-Part-2-\(Vol-3A\).pdf](http://oeqc2.doh.hawaii.gov/EA_EIS_Library/2020-01-23-OA-FEIS-Haiku-Stairs-Study-Part-2-(Vol-3A).pdf)
3. [http://oeqc2.doh.hawaii.gov/EA\\_EIS\\_Library/2020-01-23-OA-FEIS-Haiku-Stairs-Study-Part-3-\(Vol-3B\).pdf](http://oeqc2.doh.hawaii.gov/EA_EIS_Library/2020-01-23-OA-FEIS-Haiku-Stairs-Study-Part-3-(Vol-3B).pdf)
4. [http://oeqc2.doh.hawaii.gov/EA\\_EIS\\_Library/2020-01-23-OA-FEIS-Haiku-Stairs-Study-Part-4-\(Vol-4A\).pdf](http://oeqc2.doh.hawaii.gov/EA_EIS_Library/2020-01-23-OA-FEIS-Haiku-Stairs-Study-Part-4-(Vol-4A).pdf)
5. [http://oeqc2.doh.hawaii.gov/EA\\_EIS\\_Library/2020-01-23-OA-FEIS-Haiku-Stairs-Study-Part-5-\(Vol-4B\).pdf](http://oeqc2.doh.hawaii.gov/EA_EIS_Library/2020-01-23-OA-FEIS-Haiku-Stairs-Study-Part-5-(Vol-4B).pdf)
6. [http://oeqc2.doh.hawaii.gov/EA\\_EIS\\_Library/2020-01-23-OA-FEIS-Haiku-Stairs-Study-Part-6-\(Vol-5+6+7\).pdf](http://oeqc2.doh.hawaii.gov/EA_EIS_Library/2020-01-23-OA-FEIS-Haiku-Stairs-Study-Part-6-(Vol-5+6+7).pdf)

JOSH GREEN, M.D.  
GOVERNOR  
STATE OF HAWAII  
*Ka Ika 'Āina o ka Moku 'Āina o  
Hawaii*

SYLVIA J. LUKE  
LT. GOVERNOR  
STATE OF HAWAII  
*Ka Hope Ika 'Āina o ka  
Moku 'Āina o Hawaii*



KALI WATSON  
CHAIRMAN, HHC  
*Ko Luna Ho 'ākele*

KATIE L. DUCATT  
DEPUTY TO THE CHAIRMAN  
*Ka Hope Luna Ho 'ākele*

STATE OF HAWAII  
DEPARTMENT OF HAWAIIAN HOME LANDS  
*Ka 'Oihana 'Āina Ho 'opulapula Hawaii*  
P. O. BOX 1879  
HONOLULU, HAWAII 96805

January 2, 2024

Mr. Dominic Haku Milles, Director  
City and County of Honolulu  
Department of Design and Construction  
650 South King Street, 11<sup>th</sup> Floor  
Honolulu, Hawaii 96813

Dear Mr. Milles:

Subject: Request to Use Hawaiian Home Lands  
TMKS: (1) 4-6-015:014 (p), (1) 4-5-041:005 (p), Kaneohe, Oahu, and TMK:(1)1-1-013:003 (p), Moanalua, Oahu (The Premises)

The Department of Hawaiian Home Lands (DHHL) Land Management Division desires to take the initial steps in reaching a preliminary month-to-month agreement with the City and County of Honolulu (County) for the proposed use of the Premises located on Hawaiian home lands, delineated more specifically by the red crosshatched areas on the proposed map.

Prior to seeking the approval for your request from the Hawaiian Homes Commission, a preliminary agreement on the terms and conditions is required. The following is our understanding of your request:

1. TMK: (1) 4-6-015:014 portion adjacent to the Omega Station shall be used for roadway access, storing construction materials, equipment, and construction debris and for helicopter landings and take offs.
2. TMK: (1) 4-6-015:014 portion located under the H-3 Interstate Highway shall be used only for access purposes and is subject to the County obtaining written consent from the State of Hawaii, Department of Transportation.
3. TMK: (1)1-1-013:003 and 4-5-041:005 portions shall only be used for removal of stair modules.
4. **No sub-rental or other uses shall be permitted without the prior written consent of DHHL, in DHHL's sole discretion;**
5. County shall perform in-kind services in lieu of monthly fee cash payments for use of the Premises. In-kind services shall consist of the following: (1) filling potholes at roadways beyond the two access gates; (2) trim back trees that are encroaching into the access roadways beginning from DHHL's entry point; (3) cut down to base hazardous albizia trees which could impact adjacent roadways and dispose of all resulting debris onsite at a mutually agreed upon location; and (4) clear vegetation back 5' from roadways located beyond the two access gates.
6. County shall be required to pay a non-refundable processing and documentation fee of \$175.00.
7. County's contractor(s) and sub-contractor(s) shall provide proof of a commercial general liability insurance policy of no less than \$1,000,000.00 for each occurrence, naming the DHHL as additional insured;

**ITEM NO. F-2**  
**EXHIBIT "E"**

8. County shall release, defend, indemnify and hold harmless DHHL, its officers, employees, contractors, representatives, and agents from and against all liability, loss, damage, costs, and expenses, including all attorneys' fees, and all claims, suits, and demands therefor, arising out of or resulting from the acts or omissions of County and/or County's officers, employees, agents, representatives, or contractors occurring during or in connection with the exercise of the approved Right of Entry (ROE).
9. The weight limit of the access bridge is unknown. Therefore, County shall determine the access bridge weight limit and not exceed the determined capacity. County shall take appropriate action necessary to protect and preserve the access bridge.
10. County and its contractor(s) and sub-contractor(s) shall comply with all applicable governmental laws, rules, regulations, and procedures relating to the operation and activities under this permit.
11. County agrees to coordinate roadway access with the Ke Kula o Samuel M. Kamakau Charter School to avoid roadway congestion during peak school drop off and pick up times.
12. County agrees to access the Premises during reasonable daylight hours, Mondays through Fridays only.
13. Upon termination of this Permit, County shall be responsible for environmental testing and subsequent clean-up of any contamination or hazardous materials found on the site that may have been caused by County's use;
14. County agrees to accept the Premises in "as is" condition and shall maintain the Premises in a neat and clean condition, including trimming overgrown vegetation and disposing of trash on a regular basis. No new construction shall be allowed without prior approval of DHHL. No major alteration or addition of any kind shall be made to the Premises unless plans are first submitted and approved by DHHL;
15. County shall be responsible for clearing vegetation and trees to accommodate access adjacent to the Omega station.
16. All hazardous and/or toxic materials, including trucks and equipment containing hazardous and/toxic materials, that could cause contamination of the soil or ground water must be stored in accordance with all federal, state and local laws and regulations on impermeable surface, such as concrete or asphalt pavement. Such surface must be maintained in good repair and approved by County prior to County occupying the Premises. Major equipment repair or servicing shall not be allowed;
17. County may be required to remove and dispose of all surface material, including asphalt paving and concrete slab that becomes contaminated beyond the allowable Department of Health limits due to County's use.
18. County shall take reasonable measures in preventing any hazardous materials from leaching on the Premises. Proper storage of any oil or gasoline is required;
19. County agrees to pay for all the costs of establishing utility services to the property and pay for all consumption of utilities on the Premises, should County's use require such utility services;
20. County shall be solely responsible for the security of all items stored on the Premises. County shall be allowed to install a security fencing, however, if County intends to install other types of security systems, County must first request and obtain DHHL's written approval;

Mr. Milles, Director  
January 2, 2024  
Page 3

21. No residential use shall be permitted, including temporary overnight camping. However, County shall be allowed to provide a shelter for security personnel, if such persons are hired for security purposes;
22. No new construction shall be allowed without prior DHHL approval. No major alteration or addition of any kind shall be made to the Premises unless plans are first submitted and approved by DHHL;
23. Prior to vacating the Premises, County shall remove, at County's expense, all of the county's equipment, constructed improvements, trash, goods and materials and restore the area to a condition same or better than that which existed prior to County's use. County shall also notify DHHL to do a site inspection when County has completed removal;
24. Other standard terms and conditions of similar permits issued by DHHL.
25. The ROE shall be subject to the review and approval of the Department of the Attorney General; and
26. Other terms and conditions deemed prudent by the the Hawaiian Homes Commission may be added, and/or amended.

If the terms and conditions contained herein are acceptable, please sign, date and return a copy of this letter. Although your return of the signed letter is not binding on either party, it will be used as a basis for drafting a request for an ROE that would be submitted and presented to the Hawaiian Homes Commission for final review and approval.

Should you have any questions or need further clarification, please contact Shelly Carreira, Land Agent at 808.620.9459 or email [shelly.p.carreira@hawaii.gov](mailto:shelly.p.carreira@hawaii.gov).

Aloha,



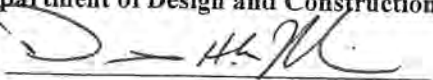
Kali Watson, Chairman  
Hawaiian Homes Commission

Enc.

**AGREED AND ACCEPTED:**

City and County of Honolulu  
Department of Design and Construction

By



Date

1/3/24

Print Name:

HAKU MILLES

Title:

DIRECTOR





STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

January 16-17, 2024

To: Chairman and Members, Hawaiian Homes Commission

Through: Kali Watson, Chairman *KW*  
Hawaiian Homes Commission

From: Brigida Ayson, Land Agent *BA*  
Land Management Division

Subject: Approval to Issuance of License Agreement to Hawaii Electric Light Company, Inc., Humuula, Island of Hawaii, Tax Map Key Nos. (3) 3-8-001:007 (por.) and 015 (por.)

RECOMMENDED MOTION/ACTION

That the Hawaiian Homes Commission (“HHC”) grant its approval to the issuance of a non-exclusive license agreement to Hawaii Electric Light Company, Inc. (HELCO), a Hawaii corporation, to utilize its existing mobile-radio relay station and electric pole lines (hereinafter “Improvement”) located on that certain parcel of Hawaiian home lands in Humuula, Island of Hawaii, identified as portions of Tax Map Key Nos. (3) 3-8-001:007 & 015, containing an area of approximately 528 square feet for its internal voice, data and communication facility, and 3.550 acres for its 20-foot wide electric pole-line easement, together with a 30-foot wide non-exclusive road easement, covering 2.713 acres of land, described in and outlined in red on Exhibit “A” & “B” attached hereto and incorporated herein by reference (the “easement areas”).

The approval of this license agreement shall be subject to the following conditions:

1. The term of this license shall be twenty-one (21) years, retroactively commencing on January 19, 2014, up to and including January 18, 2035, unless sooner cancelled or terminated;
2. The rent schedule for this license shall be as follows:

Year 1-3	\$15,320.18
Year 4-6	\$16,239.39
Year 7-9	\$17,213.75
Year 10-12	\$18,246.57
Year 13-15	\$19,341.36
Year 16-18	\$20,501.84
Year 19-21	\$21,731.95

The rent shall be payable quarterly in advance in four equal installments on or before the nineteenth (19<sup>th</sup>) day of January, April, July, and October, provided however that if the initial period for which the rent is due and payable is less than a full quarter period, the rent shall be appropriately prorated to reflect the amount due and payable for such shorter initial period;

3. The Licensee shall remit a non-refundable processing fee of \$200.00 and documentation fee of \$75.00;
4. During the term of this License, Licensee shall pay, when due, its pro-rata share of all real property taxes and any other assessments against and upon the easement areas, and the improvements of Licensee, but not upon the land through which the easement area crosses, whether assessed to or payable by either Licensor or Licensee. This section shall survive the expiration, cancellation, or termination of this License;
5. Licensee shall use due care and diligence in the maintenance, repair, modification, operation, and removal, if necessary, of the existing Improvement or portions thereof, and shall keep the Improvement in good and safe condition and repair. Licensor and its employees, agents, and representatives may at all reasonable times and with reasonable notice to Licensee, access and inspect the Improvement, provided Licensor shall not unreasonably interfere with or disrupt Licensee's operations or use of the Improvement;
6. Licensee shall, to the extent permitted by law, indemnify and hold harmless the Licensor from any and all claims and demands against Licensor for any loss, damage, injury or death to persons or property that shall or may arise by reason of the installation, construction, modification, repair, maintenance, operation, or removal of any radio transmitter related equipment not caused by the negligence of Licensor, its agents, servants or employees acting within the scope of their employment, and from and against all damages costs, counsel fees, expenses of liabilities incurred or resulting from any such claim or demand or any action or proceeding brought thereon;
7. Licensee shall comply with all applicable Federal, State, or County governmental laws or regulations relating to the construction, operation, repair, renewal, maintenance, and removal of their appliances, equipment, and other improvements, including but not limited to, building permits and applicable FCC and PUC licenses. All such construction, operation, repair, renewal, maintenance, and removal shall be completed in good workmanlike manner, in accordance with all governmental laws or regulations, free and clear of any liens or claims for work, labor or services;
8. If at any time the easement area across which this License extends, or any part thereof, shall be condemned or taken for any public project by any governmental authority, Licensee shall have the right to claim and recover from the condemning authority, but not from Licensor, such compensation as is payable for the License and easement rights and for the Licensee's equipment used in connection with this License, which shall be payable to Licensee as its interest appear;

9. In the event the easement area and the Improvement thereon, hereby granted, shall be abandoned or shall remain unused for a continuous period of one (1) year, all rights granted hereunder shall terminate, and Licensee shall remove its appliances, equipment and personal improvements and restore the Premises as nearly as is reasonably possible to the condition existing immediately prior to the commencement of this License, the Licensor hereby consenting and agreeing to such removal. Failure of Licensee to remove its appliances, equipment, and personal improvements and/or restore the Premises within 90 days after notification to do same from Licensor by certified mail at Licensee's last known address will constitute a breach and Licensor may thereafter remove Licensee's appliances, equipment and personal improvements and/or restore the Premises to a condition similar to that existing immediately prior to the commencement of this License and Licensee will reimburse Licensor for all reasonable costs in connection with such removal and/or restoration;
10. If Licensor shall determine that the continued exercise of the easement rights granted constitutes an undue interference with a subdivision or development of the land over which the granted easement crosses, Licensor shall have the right to terminate the easement granted to the extent necessary to eliminate such interference; provided that it shall grant to Licensee a substitute easement within the reasonable vicinity to permit Licensee to effect relocation of any facility or portion thereof, which substitute easement shall be subject to the same terms and conditions as contained in this License. The cost of any such relocation shall be borne by Licensor;
11. If Licensee shall fail to observe or perform any of the covenants, terms, or conditions herein contained, and on its part to be observed and performed, Licensor shall deliver written notice of the breach or default by service as provided in Section 634-35 or 634-36 of the Hawaii Revised Statutes or by registered mail or certified mail to Licensee at its last known address, making demand upon Licensee to cure or remedy the breach or default within the time period provided herein or within such additional period as Licensor may allow for good cause, Licensor may terminate this License without prejudice to any other remedy or right of action;
12. Licensor or the County, and the agents or representatives thereof, shall have the right to enter and cross any portion of said easement area for the purpose of performing any public or official duties, provided, that in the exercise of such rights, Licensor or the County shall not interfere unreasonably with Licensee or Licensee's use and enjoyment of the easement area;
13. Notwithstanding any provision contained herein to the contrary, wherever applicable, Licensor may for good cause shown, allow additional time beyond the time or times specified herein to Licensee, in which to comply with, observe and perform any of the terms, conditions and covenants contained herein;
14. If Licensee is unable to obtain or maintain required governmental approvals or permits to operate its voice, data and communications control facility in Hawaii, Licensee may, by notice to Licensor, terminate this License without penalty and thereafter neither party shall

have further liability hereunder. Licensee shall have the further right to terminate this License, without penalty, by written notice to Licensor if the easement areas are deemed at any time to be unsuitable for such purposes as determined by Licensee's engineer or if the easement areas at any time become unacceptable for receiving and/or transmitting radio frequencies in accordance with the standards, requirements, and conditions then established by the FCC or other Federal, State, or local government authorities having jurisdiction over Licensee or easement areas. In the event of such termination, neither Licensor nor Licensee shall thereafter have any liability hereunder except for liabilities and obligations then accrued.

In the event of any such termination, Licensee shall, within ninety (90) days after notification to terminate from Licensor, remove all of the equipment and any other of its improvements from the easement areas and restore the easement areas to a condition similar to that existing immediately prior to the signing of this License;

15. Whenever possible, each provision of this License shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this License should be prohibited, or invalidated under applicable law, such provisions shall be ineffective to the extent of such prohibition or invalidity without invalidating the remaining provisions of this License;
16. The singular or plural depends on its appropriate use;
17. This agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal successors and approved assigns;
18. SPECIAL CONDITIONS.
  - a. Licensee shall use the site strictly for its internal voice, data and control communication facility; no external sale of services permitted;
  - b. Licensee's equipment shall not in any way interfere with the operation of any of the other communication equipment located adjacent to or near its equipment. Should Licensee's equipment interfere in any way whatsoever with any of the other adjacent communications equipment, Licensee shall correct and resolve the problem within sixty (60) days of Licensor's written notice, or this agreement shall be immediately terminated;
  - c. Any dispute between Licensee and operators of other adjacent communications equipment for any reason whatsoever shall be reasonably resolved by Licensor;
  - d. Before Licensee makes any modification to any of its equipment, Licensee shall submit its plans and designs to Licensor, at least sixty (60) days prior to commencement of such modifications, for review and prior written approval;

- e. Licensee is to secure a liability insurance policy in an amount acceptable to Licensor naming Licensor as an additional insured;
- f. Should Licensor elect to terminate this License pursuant to paragraph 10 herein, Licensor shall provide Licensee at least 180 days written notice;
- g. At the natural expiration of this License, Licensee shall quit the easement areas and peaceably deliver unto Licensor the easement areas and all the improvements thereon, except for Licensee's equipment. Licensor reserves the option to require Licensee to remove all equipment from the easement areas prior to the expiration of this License. Such expiration shall be exercised not less than 60 days prior to the natural expiration of this License. Should Licensor exercise this option, Licensee shall remove all equip and restore the easement areas to a condition similar to the condition they were in prior to the commencement of this License;
- h. This License is not assignable or transferable, except with respect to a successor in interest to Licensee;

19. The License document shall be subject to the review and approval of the State of Hawaii Department of the Attorney General; and

20. The Chairman of the Hawaiian Homes Commission may set forth other terms and conditions deemed prudent and necessary.

LOCATION:

Portion of Hawaiian home lands in Humuula, Island of Hawaii, identified by Tax Map Key Nos. (3) 3-8-001:007 (por.) and 15 (por.) (See Exhibits "A" and "B"), containing an area of approximately 130 square feet, together with a 30-foot wide, non-exclusive road easement, covering 2.713 acres of land.

DISCUSSION:

Through the attached email marked as Exhibit "C", Hawaii Electric Company, Inc. (HELCO) is seeking DHHL's approval to obtain a new license agreement which will allow HELCO to continue to use, operate, manage, maintain and repair its existing mobile-radio relay station (0.275 acre) and electric pole-line easement (3.550 acres) on top of a cinder puu in Humuula, Island of Hawaii. This site was licensed to HELCO for nineteen (19) years on January 20, 1995, up to and including January 19, 2014, under License Agreement No. 407 (Exhibit "D").

The license area is a portion of Tax Map Key Nos. (3) 3-8-001:007 and 15. Because of its strategic location, the relay site has become very valuable to telecommunication companies. There are currently eleven (11) users up that location (See Exhibit "E"):

1. License Agreement No. 245 to State of Hawaii, Board of Land and Natural Resources

2. **License Agreement No. 407 to Hawaii Electric Light Company**
3. License Agreement No. 715 to Hawaiian Telcom
4. License Agreement No. 715-A to Sprint Nextel
5. License Agreement No. 716 to County of Hawaii, Hawaii Fire Department
6. License Agreement No. 607 to Mahalo Broadcasting LLC
7. License Agreement No. 282 to Hawaii Electric Light Company and GTE H-TEL
8. License Agreement No. 282-A to Hawaii Electric Light Company
9. License Agreement No. 602 to Insite Wireless Group, LLC
10. License Agreement No. 676 to State of Hawaii, Department of Transportation
11. License Agreement No. 762 to Time Warner Cable, Inc.

HELCO's rent for the last three (3) years, from 2011-2014, was \$14,453.00 per annum, showing six (6) percent increase every 3 years, based on comparable users at the time. HELCO continued to make timely payments and maintain its facility to date.

Allowing HELCO to continue use of the land and its existing facility under a new license agreement will benefit the department, its beneficiaries, and other licensees on the puu as these licensees are able to tap into the electrical line servicing the HELCO facility, and as such, the department is able to generate rents from these other licensees, which the department primarily use in providing services to its beneficiaries.

Once the issuance of a new license agreement to HELCO is approved by the Hawaiian Homes Commission, Licensee will be notified to pay the newly established rent schedule, as well as pay the difference between the old rent and the new rent starting from the expiration of their license agreement period to date.

#### AUTHORITY

Pursuant to the authority granted to the Department of Hawaiian Home Lands by Section 207 (c)(1)(A) of the Hawaiian Homes Commission Act, 1920, as amended (hereinafter called "Act"), LICENSOR is authorized to grant licenses to public utility companies as easements for electrical power and communication facilities.

Section 10-4-22 of the Department Administrative Rules, as amended, permits the Department of Hawaiian Home Lands, subject to the approval of the commission, to negotiate and consummate the rental rate (or license value) of a license, when prudent management does not dictate that the rental rate be established by a formal and independent appraisal.

#### CHAPTER 343 – ENVIRONMENTAL ASSESSMENT:

In accordance with the updated Comprehensive Exemption List for the State of Hawaii, Department of Hawaiian Home Lands, as Approved by the Environmental Council as of April 6, 2021, the subject request is exempt from the preparation of an environmental assessment pursuant to Type 1 under Part I, titled De Minimis Activities, "Operations, repairs or maintenance of existing structures, facilities, equipment or topographical features, involving negligible or no expansion or change of use beyond that previously existing."

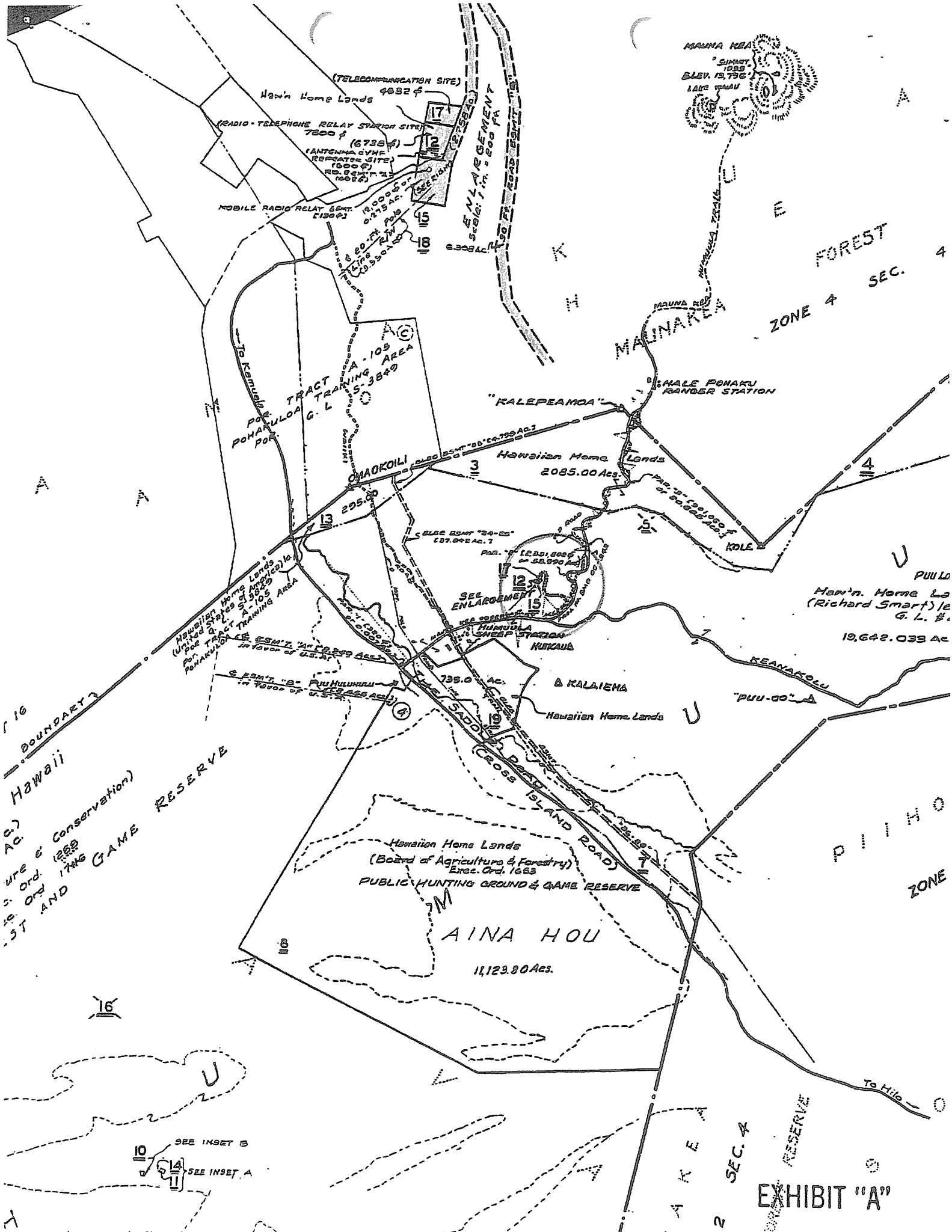
January 16-17, 2024

RECOMMENDATION

Land Management Division respectfully recommends approval of the requested motion/action as stated.



# EXHIBIT A



16  
 BOUNDARY  
 Hawaii  
 (U.S. Ord. 1288)  
 GAME RESERVE

10  
 SEE INSET B  
 SEE INSET A

EXHIBIT "A"

# EXHIBIT B

EXHIBIT "B"  
EXISTING ROAD EASEMENT B (C.S.F. NO. 20,926)  
(30-FT. WIDE)  
AFFECTING A PORTION OF THE GOVERNMENT (CROWN) LAND OF HUMUULA  
DESIGNATED AS HAWAIIAN HOME LAND UNDER SECTION  
203 OF THE HAWAIIAN HOMES COMMISSION ACT, 1920

Land situated on the Westerly side of Mauna Kea Observatory Access Road (Project No. BMD 66-343) at Humuula, North Hilo, Island and County of Hawaii, State of Hawaii.

Being a portion of:

Government (Crown) Land of Humuula designated as Hawaiian Home Land under Section 203 of the Hawaiian Homes Commission Act, 1920.

Beginning at the Westerly end of the centerline of this 30-Ft. Wide Easement, being also a point on the Northerly boundary of Mobile Radio Relay Station Site (C.S.F. No. 13,153), said point of beginning bearing 255° 11' 15.21 feet from the Southeasterly corner of Antenna and VHF Repeater Site (C.S.F. No. 15,818), the coordinates of said point of beginning referred to Government Survey Triangulation Station "OMAOKOILI" being 2,316.30 feet North and 14,632.05 feet East and running by azimuths measured clockwise from True South:

Thence, for the next sixteen (16) courses following along the centerline of this 30-Ft. Wide Easement and along the remainder of the Government (Crown) Land of Humuula designated as Hawaiian Home Land under Section 203 of the Hawaiian Homes Commission Act, 1920:

1. 174° 45' 187.84 feet to a point;

- 2. 155° 02' 30" 139.85 feet to a point;
- 3. 144° 46' 131.10 feet to a point;

Thence, following on a curve to the right with a radius of 20.00 feet, the chord azimuth and distance being:

- 4. 223° 15' 15" 39.20 feet to a point;
- 5. 301° 44' 30" 144.70 feet to a point;
- 6. 324° 55' 188.10 feet to a point;
- 7. 337° 01' 30" 209.60 feet to a point;
- 8. 343° 09' 193.00 feet to a point;
- 9. 326° 57' 122.60 feet to a point;
- 10. 301° 13' 334.90 feet to a point;
- 11. 288° 27' 311.60 feet to a point;
- 12. 254° 09' 30" 501.50 feet to a point;
- 13. 240° 37' 374.60 feet to a point;
- 14. 251° 56' 30" 238.90 feet to a point;
- 15. 276° 31' 30" 658.30 feet to a point;

16. 295° 48'

147.77 feet to the Easterly end of the centerline of this 30-Ft. Wide Easement, being also a point on the Westerly side of Mauna Kea Observatory Access Road (Project No. BMD 66-343) and containing an area of 2.713 Acres.

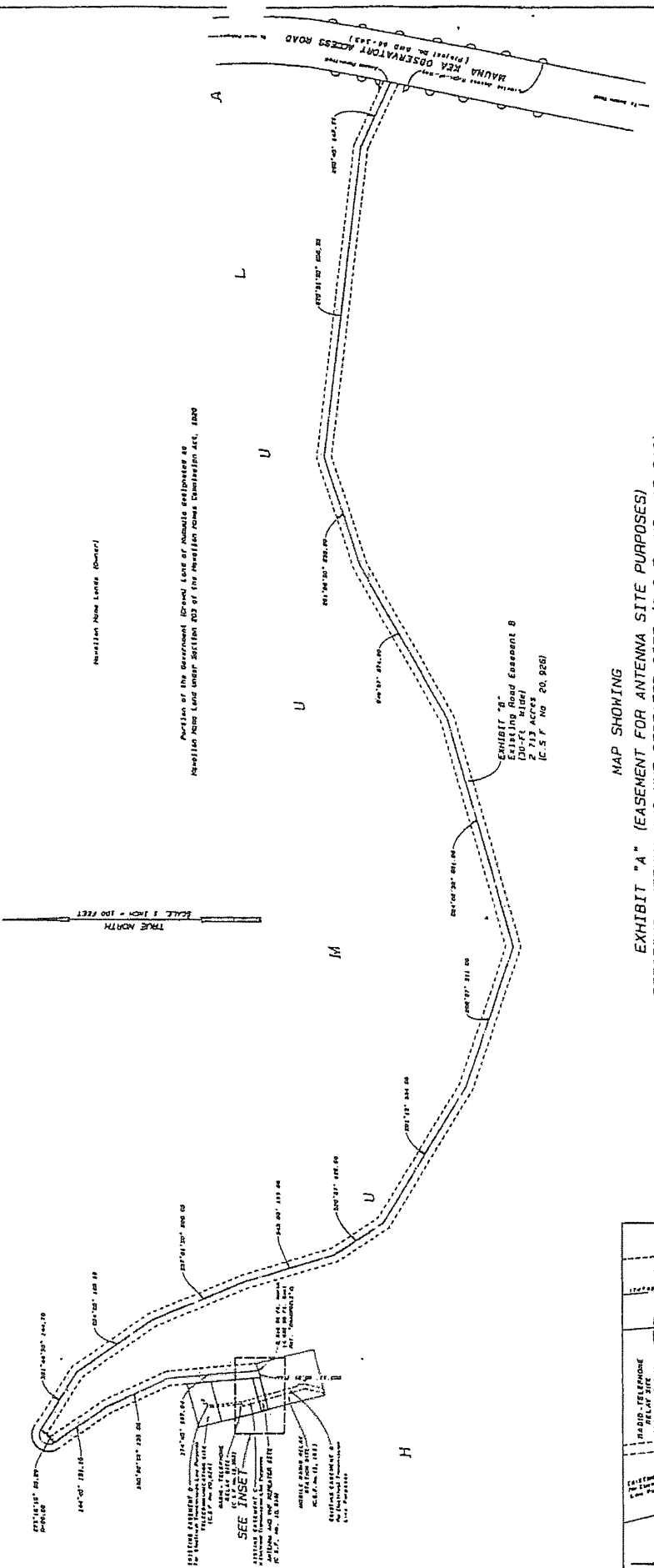
Note: This description was prepared from Road Easement B as shown on and described by State of Hawaii, Survey Division, Department of Accounting and General Services C.S.F. No. 20,926 and dated April 12, 1989.



75-5722 Kalawa Street  
Kailua-Kona, Hawaii 96740-1818  
TMK: 3-8-01: Portion 07 (3rd Division)  
October 27, 1993

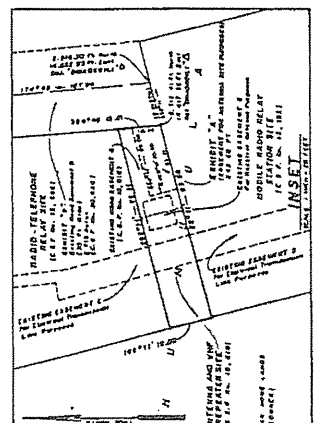
WES THOMAS & ASSOCIATES, INC.

*Chrystal Thomas Yamasaki*  
Chrystal Thomas Yamasaki  
Registered Professional Land Surveyor  
State of Hawaii Certificate No. LS4331



MAP SHOWING  
**EXHIBIT "A" (EASEMENT FOR ANTENNA SITE PURPOSES)**  
**AFFECTING ANTENNA AND VHF REPEATER SITE (C.S.F. NO. 15, B18)**  
**AND EXHIBIT "B" (EXISTING ROAD EASEMENT B)**

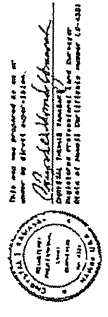
Being Portions of  
 Government (Crown) Land or Humuulia designated as Hawaiian Home Land  
 under Section 203 of the Hawaiian Homes Commission Act, 1920  
 At Humuulia, North Hilo, Island and County of Hawaii



**THIS IS A REDUCED MAP**

Hawaiian Home Lands (Owner)

Portions of the Government (Crown) Land of Humuulia designated as  
 Hawaiian Home Land under Section 203 of the Hawaiian Homes Commission Act, 1920



This map was prepared as an  
 engineering project under the  
 supervision of the undersigned  
 Professional Engineer, State of Hawaii  
 License No. 10000

Prepared For:  
 ONE HAWAIIAN  
 733 BLISS ST. HAWAII, HAWAII 96701

Prepared By:  
 KES THOMAS & ASSOCIATES, INC.  
 75-3328 ALIPIKA STREET  
 KAILUA-KONA, HAWAII 96740-1608

PROJECT NO. 1500  
 DATE WITHIN 18 INCH  
 (1988) 0001 1987

# EXHIBIT C



## Ayson, Brigida

---

**From:** Ayson, Brigida  
**Sent:** Friday, January 5, 2024 2:00 PM  
**To:** Ayson, Brigida  
**Subject:** RE HELCO - Humu'ula License Agreement No. 407

**From:** Kelson, Pohai <pohai.kelson@hawaiianelectric.com>  
**Sent:** Tuesday, November 28, 2023 8:20 AM  
**To:** Ayson, Brigida <brigida.v.ayson@hawaii.gov>  
**Cc:** Beals, Leila <leila.beals@hawaiianelectric.com>  
**Subject:** [EXTERNAL] FW: HELCO - Humu'ula License Agreement No. 407  
**Importance:** High

Aloha Brigida,

Hope you had a wonderful Thanksgiving. I wanted to follow-up on the Humu'ula renewal application. If there are any updates that are needed, please let me know. Mahalo.

**PŌHAI KELSON**  
Land Agent, Land Department

O: 808.969.0262 | F: 808.969.0256  
[pohai.kelson@hawaiianelectric.com](mailto:pohai.kelson@hawaiianelectric.com)

**Hawaiian Electric**  
PO Box 1027, Hilo, HI 96721



**From:** Yim, Mark K <[mark.k.yim@hawaii.gov](mailto:mark.k.yim@hawaii.gov)>  
**Sent:** Thursday, May 13, 2021 9:22 AM  
**To:** Kelson, Pohai <[pohai.kelson@hawaiianelectriclight.com](mailto:pohai.kelson@hawaiianelectriclight.com)>  
**Cc:** Beals, Leila <[leila.beals@hawaiianelectric.com](mailto:leila.beals@hawaiianelectric.com)>  
**Subject:** RE: HELCO - Humu'ula License Agreement No. 407  
**Importance:** High

Aloha Pohai,

I have received your email and 2013 application. I will proceed on its renewal with Kahana Albinio, my Administrator, asap. Mahalo for reaching out. DHHL does not have a current application, so this one will suffice. It was great to speak with you too. I'll be in touch soonest.

Aloha, Mark

Mark K. Yim

Land Agent, Land Management Division

Department of Hawaiian Home Lands

Phone 808-620-9453

Cell 808-518-5159



NOTICE: This information and attachments are intended only for the use of the individual or entity to which it is addressed, and may contain information that is privileged and/or confidential. If the reader of this message is not the intended recipient, any dissemination, distribution or copying of this communication is strictly prohibited and may be punishable under state and federal law. If you have received this communication and/or attachments in error, please notify the sender via email immediately and destroy all electronic and paper copies of the original message.

**From:** Kelson, Pohai <[pohai.kelson@hawaiielectriclight.com](mailto:pohai.kelson@hawaiielectriclight.com)>  
**Sent:** Thursday, May 13, 2021 8:07 AM  
**To:** Yim, Mark K <[mark.k.yim@hawaii.gov](mailto:mark.k.yim@hawaii.gov)>  
**Cc:** Beals, Leila <[leila.beals@hawaiianelectric.com](mailto:leila.beals@hawaiianelectric.com)>  
**Subject:** [EXTERNAL] RE: HELCO - Humu'ula License Agreement No. 407  
**Importance:** High

Aloha Mark,

My apologies, I did not attach the application in the original email. Please find the 2013 filing attached above with the License Agreement. Mahalo.

**Pōhai Kelson**

Land Agent

**Hawaiian Electric**

54 Halekauila St. Hilo, HI 96720

P. O. Box 1027 Hilo, HI 96721-1027

O: 808.969.0262

F: 808.969.0256

E: [pohai.kelson@hawaiianelectric.com](mailto:pohai.kelson@hawaiianelectric.com)



CONFIDENTIALITY NOTICE: This e-mail message, including any attachments, is for the sole use of the intended recipient(s) and may contain confidential and/or privileged information. Any unauthorized review, use, copying, disclosure or distribution is prohibited. If you are not the intended recipient, please contact the sender immediately by reply e-mail and destroy the original message and all copies.

**From:** Kelson, Pohai  
**Sent:** Wednesday, May 12, 2021 4:10 PM  
**To:** Mark Yim ([mark.k.yim@hawaii.gov](mailto:mark.k.yim@hawaii.gov)) <[mark.k.yim@hawaii.gov](mailto:mark.k.yim@hawaii.gov)>  
**Cc:** Beals, Leila <[leila.beals@hawaiielectriclight.com](mailto:leila.beals@hawaiielectriclight.com)>  
**Subject:** HELCO - Humu'ula License Agreement No. 407  
**Importance:** High

Aloha Mark,

It was such a pleasure speaking to you. Per our conversation, I have attached the our 2013 filing of the Request Form for Non-Homesteading Land Use Purposes application. In addition to the application, License Agreement No. 407 is also attached for your convenience. May you please provide us with the most current application, if necessary? Please do not hesitate to contact me if any further information is needed. I look forward to working with you in the near future. Mahalo.

**Pōhai Kelson**

Land Agent

**Hawaiian Electric**

54 Halekauila St. Hilo, HI 96720

P. O. Box 1027 Hilo, HI 96721-1027

O: 808.969.0262

F: 808.969.0256



STATE OF HAWAII  
DEPARTMENT OF HAWAIIAN HOME LANDS  
P O BOX 18  
HONOLULU HAWAII 96805

**REQUEST FORM FOR NON-HOMESTEADING LAND USE PURPOSES**

**PART I: APPLICANT INFORMATION**

Name: see below

Address: \_\_\_\_\_

Phone No.: \_\_\_\_\_ Cell: \_\_\_\_\_ email: \_\_\_\_\_

If Corporation/Organization/Company/LLC/Non-Profit:

Name: HAWAII ELECTRIC LIGHT COMPANY, INC.

Address: PO BOX 1027 HILO HI 96721-1027

Phone No.: c/o (808) 969-0261 Cell: 808-315-5189 email: barney.elders@helcohi.com

Requesting Organization is a Non-Profit

Type of Non-Profit:

- Private Nonprofit – governed by self appointed board
- Member Nonprofit – governed by voting members
- Homestead Organization – governed by HHCA beneficiary members

Requesting Organization is For Profit - Individual or Business

- Individual
- Corporation
- Sole Proprietorship
- Limited Liability Corporation
- Partnership
- Other

Is an Individual HHCA Beneficiary or is Owned by an HHCA Beneficiary  Yes  No

Requesting Organization is a Government Agency

- Federal
- State
- County

Officers and/or Principal Representatives: Jay M. Ignacio, President; please address communications to: Barney Elders HHL-SL, Land Administrator, PO Box 1027, Hilo HI 96721-1027, 808-969-0261

Mission of Organization: To provide secure, clean energy for Hawaii

Date Incorporated: 1894 State of Incorporation: Hawaii

Federal Tax ID#: 99-0041070 State Tax ID#: W20269046-01

**PART 2: NON-HOMESTEADING LAND USE REQUEST**

Describe proposed non-homesteading land use envisioned under this request as submitted Preserve applicant's rights in TMK (3) 3-8-001-007 (por) and 015 (por) and related rights by, among other things, extending or re-newing License 407 currently held by applicant for the maximum feasible period; and, pending such action, provide for a hold over rent and continuation of applicant's use and occupancy. See copy of License Agreement 407 and related materials attached.

\*Please attach additional information if necessary: SEE page 4 License Agreement 407 para. 11 which allows extensions and hold overs.

Land Area requested: Acreage/Sq.Ft. see attachments

Term: max feasible (eg perpetual)

Island: HAWAII

Tax Map Key No.: TMK (3) 3-8-001-007 (por) and 015 (por)

Indicate Character of Use:

- Agricultural       Commercial       Church       Other radio station and related equipment  
 Pastoral       Industrial       Community Facility

Does applicant have any existing land disposition issued by Hawaiian home lands for non-homesteading use purposes?  Yes  No

If yes, under what type of use and disposition: multiple land dispositions used for the distribution of electricity across applicant's electric grid including the land and structures related to this application which is under license at least until 1/19/2014

Describe how proposed land use request will have direct or significant indirect benefit to the Trust and/or its Beneficiaries (Applicants & Lessees): Applicant's use of DHHL Land will result in an income stream to DHHL which will support providing services to DHHL beneficiaries; and will provide electric power to beneficiaries.

The following authorized representative submits this request for use of Hawaiian home lands under non-homesteading purposes and acknowledges that:


1. This is an application process that will be subject to further review, evaluation and consideration by DHHL and may require additional information to be submitted;
2. This request does not constitute any form of DHHL approval to this non-homesteading land use request as submitted;
3. In the best interest of the trust, DHHL reserves the right to exercise its prudent authority pursuant to and in accordance with the Hawaiian Homes Commission Act (Section III, Section 204(a)(2), Section 220.5, Section 207(c), Hawaii Revised Statutes, Chapter 171, as amended and the Hawaii Administrative Rules, Title 10;
4. Once the application is deemed complete, the non-homesteading land use request will be posted for a 30 day review period on the DHHL website for beneficiary and public comment;
5. Additional Island or Regional Specific Beneficiary Consultation will be required per the DHHL Beneficiary Consultation Policy;
6. All input/comments received will be provided to the Hawaiian Homes Commission if/when approval for disposition is considered by the HHC;
7. Associated non-refundable processing and documentation fees shall be assessed for each respective disposition request as follows:

Revocable Permit - \$100.00	License - \$200.00	General Lease Cost	Documentation (all) - \$75.00
-----------------------------	--------------------	--------------------	-------------------------------

HAWAII ELECTRIC LIGHT COMPANY, INC.  
Print Individual or Organization Name

SEPTEMBER 9, 2013  
Date

RHEA R. LEE, ASST. SECRETARY  
Authorized Representative Name & Title

  
Signature

# EXHIBIT D

STATE OF HAWAII  
DEPARTMENT OF HAWAIIAN HOME LANDS

LICENSE AGREEMENT NO. 407  
(Non-Exclusive Right)  
(Utility Company - Non Benefit [NB])

THIS LICENSE made and issued this 19<sup>th</sup> day of February, 1997, by the State of Hawaii, DEPARTMENT OF HAWAIIAN HOME LANDS, whose place of business is 335 Merchant Street, Honolulu, Hawaii, and whose mailing address is P.O. Box 1879, Honolulu, Hawaii, 96805, hereinafter called "LICENSOR", to HAWAII ELECTRIC LIGHT COMPANY, INC., a Hawaii corporation, whose principal place of business and mailing address is P. O. Box 1027, Hilo, Hawaii 96721-1027, hereinafter called "LICENSEE".

WITNESSETH THAT

LICENSOR, pursuant to the authority granted it by Section 207(c)(1) of the Hawaiian Homes Commission Act, 1920, as amended (HHCA) is authorized to grant licenses as easements for railroads, telephone lines, electric power and light lines, gas mains and the like.

LICENSOR has determined that the license as easements established herein are not detrimental to LICENSOR and/or its beneficiaries.

NOW THEREFORE, LICENSOR, in consideration of the rent to be paid and the terms, covenants and conditions herein to be kept, observed and performed on the part of LICENSEE, hereby grants and conveys unto LICENSEE, its successors and approved assigns, a non-exclusive right and privilege to build, construct, reconstruct, rebuild, repair, maintain, operate and remove towers, antennae, buildings, poles, wires, pole lines and/or underground lines, appliances and/or equipment for its internal voice, data and control communication facility, on an area covering approximately 528 square feet, outlined in red on Exhibit "A" and identified by Tax Map Key No. 3-8-01:15 (por), and a 20-foot wide electric pole-line easement, covering an area of 3.550 acres, together with a non-exclusive 30-foot wide road easement, covering 2.713 acres of land described in and outlined in red on Exhibit "B" and identified by Tax Map Key No. 3-8-01:07 (por), all attached hereto and incorporated herein by reference (the "easement areas").

TO HAVE AND TO HOLD the same unto LICENSEE, its successors and approved assigns, for a term of NINETEEN (19) years, commencing January 20, 1995, unless sooner terminated as hereinafter provided.

AND LICENSEE hereby covenants with LICENSOR, that:

1. RENT. The rent schedule for the license agreement shall be as follows:

Year 1	\$ 667.00
Year 2-4	\$10,800.00
Year 5-7	\$11,448.00
Year 8-10	\$12,135.00
Year 11-13	\$12,863.00
Year 14-16	\$13,635.00
Year 17-19	\$14,453.00

Rent is payable quarterly in advance in four equal installments on or before the twentieth day of January, April, July and October. Provided however, that if the initial period for which the rent is due and payable is less than a full quarter period, the rent shall be appropriately prorated to reflect the amount due and payable for such shorter initial period.

2. TAXES. During the term of this License LICENSEE shall pay when due its pro-rata share of all real property taxes and any other assessments against and upon the easement areas, and the improvements of LICENSEE, but not upon the land through which the easement area crosses, whether assessed to or payable by either LICENSOR or LICENSEE.

3. DUE CARE AND DILIGENCE. LICENSEE shall use due care and diligence in the construction, operation, repair, renewal, maintenance and removal of their improvements and shall keep their appliances, equipment and improvements in good and safe condition and repair, and should the appliances, equipment or improvements cause any damage or nuisance or waste or spoil the easement area, LICENSEES shall repair and restore the easement area in the most expeditious manner or within a reasonable time period agreeable to LICENSOR.

4. INDEMNITY. LICENSEE shall, to the extent permitted by law, indemnify and hold harmless LICENSOR from any and all claims and demands against LICENSOR for any loss or damage or injury or death to persons or property that shall or may arise by reason of the construction, operation, repair, renewal, maintenance and removal of their appliances, equipment or improvements not caused by the negligence of LICENSOR, its agents, servants or employees acting within the scope of their

employment, and from and against all damages, costs, counsel fees, expenses or liabilities incurred or resulting from any such claim or demand or any action of proceeding brought thereon.

5. IMPROVEMENTS. LICENSEE shall comply with all applicable Federal, State, or County governmental laws or regulations relating to the construction, operation, repair, renewal, maintenance and removal of their appliances, equipment and other improvements, including, but not limited to, building permits and applicable FCC and PUC licenses. All such construction, operation, repair, renewal, maintenance and removal shall be completed in good workmanlike manner, in accordance with all governmental laws or regulations, free and clear of any liens or claims for work, labor or services.

6. CONDEMNATION. If at any time the easement area across which this License extends, or any part thereof, shall be condemned or taken for any public project by any governmental authority, LICENSEE shall have the right to claim and recover from the condemning authority, but not from LICENSOR, such compensation as is then payable for the License and for LICENSEE'S improvements used in connection with this License, which shall be payable to LICENSEE as its interest appears.

7. ABANDONMENT. In the event the easement area, hereby granted, shall be abandoned or shall remain unused for the purpose granted for a continuous period of one year, all rights granted hereunder shall terminate, and LICENSEES will remove their appliances, equipment, and improvements and restore the land as nearly as is reasonably possible to the condition existing immediately prior to the time of installation or construction of their improvements, LICENSOR hereby consenting and agreeing to such removal. Failure of LICENSEES to remove their appliances, equipment and improvements and/or to restore the land within 90 days after notification to do same from LICENSOR by certified mail at LICENSEES' last known address, will constitute a breach and LICENSOR may remove LICENSEES' appliances, equipment and improvements and/or restore the land to a condition similar to that existing immediately prior to the time of installation and LICENSEES will reimburse LICENSOR for all reasonable costs in connection with the removal and/or restoration.

8. RELOCATION. If LICENSOR shall determine that the continued exercise of the easement rights granted herein constitutes an undue interference with a subdivision or development of the land over which the granted easement crosses, LICENSOR shall have the right to terminate the easement to the extent necessary to eliminate such interference, provided that LICENSOR shall use its reasonable efforts to grant to LICENSEE, without payment of any monetary consideration, a substitute



easement within the vicinity, to permit LICENSEE to relocate any facility or portion thereof, which substitute easement shall be subject to the same terms and conditions contained in this License. The cost of any such relocation shall be borne by LICENSEE.

9. BREACH. If LICENSEE shall fail to observe or perform any of the covenants, terms, or conditions herein contained, LICENSOR shall deliver written notice of the breach or default, as provided in Section 634-35 or 634-36, Hawaii Revised Statutes, by registered or certified mail to LICENSEE at its last known address, making demand upon LICENSEE to cure or remedy the breach or default within sixty (60) days from the date of receipt of the notice. Upon failure of LICENSEE to cure or remedy the breach or default within the time period provided herein or within such additional period as LICENSOR might allow for good cause, LICENSOR may terminate this License without prejudice to any other remedy or right of action for arrears of rent or for any preceding or other breach of contract.

10. RIGHT TO ENTER. LICENSOR or the County, and the agents or representatives thereof, shall have the right to enter and cross any portion of the easement area for the purpose of performing any public or official duties, provided, that in the exercise of such rights, LICENSOR or the County shall not interfere unreasonably with LICENSEES or LICENSEES' use and enjoyment of the easement area.

11. EXTENSION OF TIME. That notwithstanding any provision contained herein to the contrary, wherever applicable, LICENSOR may for good cause shown, allow additional time beyond the time or times specified herein to LICENSEES, in which to comply, observe and perform any of the terms, conditions and covenants contained herein.

12. RIGHT TO TERMINATE LICENSE. If LICENSEE is unable to obtain or maintain required governmental approvals or permits to operate its voice, data and communications control facility in Hawaii, LICENSEE may, by notice to LICENSOR, terminate this License without penalty and thereafter neither party shall have further liability hereunder. LICENSEE shall have the further right to terminate this License, without penalty, by written notice to LICENSOR if the easement areas are deemed at any time to be unsuitable for such purposes as determined by LICENSEE'S engineer or if the easement areas at any time become unacceptable for receiving and/or transmitting radio frequencies in accordance with the standards, requirements and conditions then established by the FCC or other Federal, State or local government authorities having jurisdiction over LICENSEE or easement areas. In the event of such termination, neither LICENSOR nor LICENSEE shall thereafter have any liability hereunder except for liabilities and obligations then accrued.

In the event of any such termination, LICENSEE shall, within ninety (90) days after notification to terminate from LICENSOR, remove all of the equipment and any other of its improvements from the easement areas and restore the easement areas to a condition similar to that existing immediately prior to the signing of this License.

13. SEVERABILITY. Whenever possible each provision of this License shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this License should be prohibited or invalidated under applicable law, such provision shall not invalidate the remaining provisions of this License.

14. SINGULAR/PLURAL. The singular or plural depends on its appropriate use.

15. AGREEMENT. This agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal successors and approved assigns.

16. SPECIAL CONDITIONS.

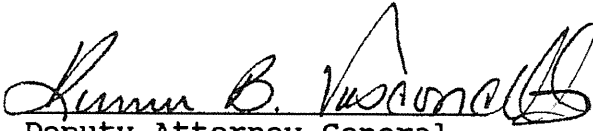
- a. LICENSEE shall use the site strictly for its internal voice, data and control communication facility; no external sale of services permitted.
- b. LICENSEE'S equipment shall not in any way interfere with the operation of any of the other communications equipment located adjacent to or near its equipment. Should LICENSEE'S equipment interfere in any way whatsoever with any of the other adjacent communications equipment, LICENSEE shall correct and resolve the problem within sixty (60) days of LICENSOR'S written notice or this agreement shall be immediately terminated.
- c. Any dispute between LICENSEE and operators of other adjacent communications equipment for any reason whatsoever shall be reasonably resolved by LICENSOR.
- d. Before LICENSEE makes any modification to any of its equipment, LICENSEE shall submit its plans and designs to LICENSOR, at least 60 days prior to commencement of such modifications, for review and prior written approval.

- e. LICENSEE is to secure a liability insurance policy in an amount acceptable to LICENSOR naming LICENSOR as an additional insured.
- f. Should LICENSOR elect to terminate this License pursuant to Paragraph 8 herein, LICENSOR shall provide LICENSEE at least 180 days written notice.
- g. At the natural expiration of this License, LICENSEE shall quit the easement areas and peaceably deliver unto LICENSOR the easement areas and all improvements thereon, except for LICENSEE'S equipment. LICENSOR reserves the option to require LICENSEE to remove all equipment from the easement areas prior to the expiration of this License. Such option shall be exercised not less than 60 days prior to the natural expiration of this License. Should LICENSOR exercise this option, LICENSEE shall remove all equipment and restore the easement areas to a condition similar to the condition they were in prior to the commencement of this License.
- h. This License is not assignable or transferable, except with respect to a successor in interest to LICENSEE.

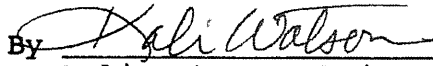
IN WITNESS WHEREOF, the parties hereto have caused these presents to be duly executed the day and year first above written.

Approved by the HHC  
at its meeting held on  
December 17, 1996

APPROVED AS TO FORM  
AND LEGALITY:

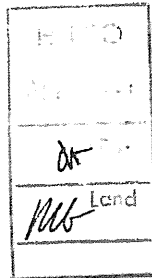
  
Deputy Attorney General  
State of Hawaii

State of Hawaii  
DEPARTMENT OF HAWAIIAN HOME LANDS

By   
Kali Watson, Chairman  
Hawaiian Homes Commission

LICENSOR

HAWAII ELECTRIC LIGHT COMPANY,  
INC., a Hawaii corporation



By   
Its Assistant Treasurer

By   
Its Assistant Secretary

LICENSEE

STATE OF HAWAII

COUNTY OF HAWAII

)  
) SS  
)

On this 5th day of February, 1997,  
before me appeared Deona L. Ikeda  
and William J. Stormont to me  
personally known, who, being by me duly sworn, did say that they  
are the Assistant Treasurer and Assistant Secretary of  
HAWAII ELECTRIC LIGHT COMPANY, INC., a Hawaii corporation, and  
that the seal affixed to the foregoing instrument is the seal of  
the corporation, and that the instrument was signed and sealed  
on behalf of the corporation by authority of its Board of  
Directors, and the Deona L. Ikeda and  
William J. Stormont acknowledged that they executed the  
instruments as the free act and deed of the corporation.

L.S.

*Mark K. Gusleit*  
Notary Public,  
State of Hawaii

My commission expires: 2/4/2001

TRUE NORTH  
Scale 1" = 20 FT

ROAD EASEMENT (90 Feet Wide)  
2.73 Acres

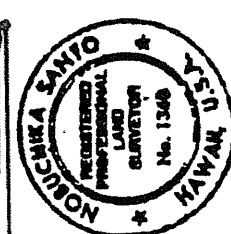
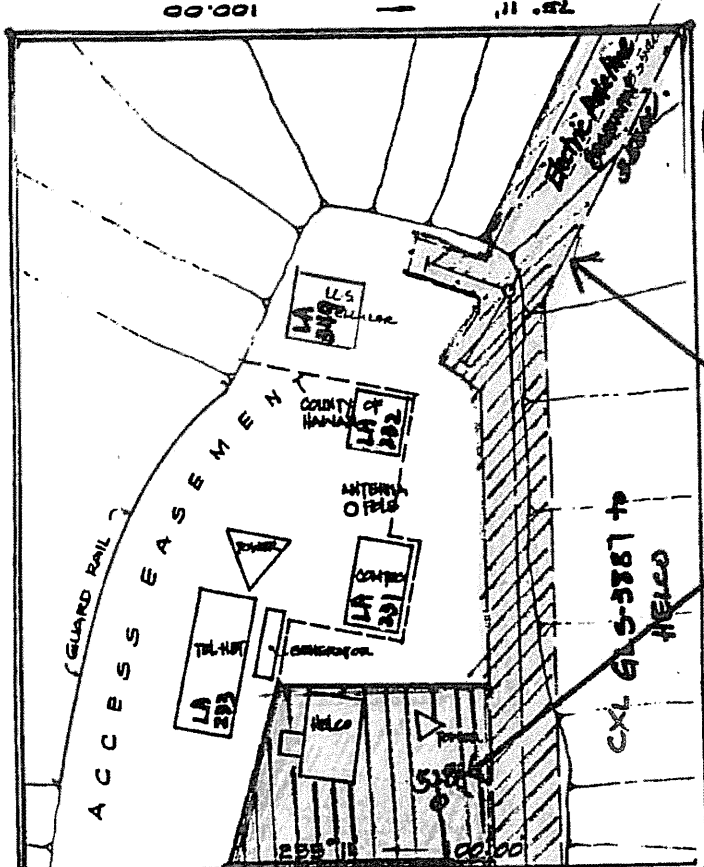
HANALEI 101.41  
192.72 HOME

LA 245  
LA 246  
LA 247  
LA 248  
LA 249  
LA 250  
LA 251  
LA 252  
LA 253  
LA 254  
LA 255  
LA 256  
LA 257  
LA 258  
LA 259  
LA 260  
LA 261  
LA 262  
LA 263  
LA 264  
LA 265  
LA 266  
LA 267  
LA 268  
LA 269  
LA 270  
LA 271  
LA 272  
LA 273  
LA 274  
LA 275  
LA 276  
LA 277  
LA 278  
LA 279  
LA 280  
LA 281  
LA 282  
LA 283  
LA 284  
LA 285  
LA 286  
LA 287  
LA 288  
LA 289  
LA 290  
LA 291  
LA 292  
LA 293  
LA 294  
LA 295  
LA 296  
LA 297  
LA 298  
LA 299  
LA 300  
LA 301  
LA 302  
LA 303  
LA 304  
LA 305  
LA 306  
LA 307  
LA 308  
LA 309  
LA 310  
LA 311  
LA 312  
LA 313  
LA 314  
LA 315  
LA 316  
LA 317  
LA 318  
LA 319  
LA 320  
LA 321  
LA 322  
LA 323  
LA 324  
LA 325  
LA 326  
LA 327  
LA 328  
LA 329  
LA 330  
LA 331  
LA 332  
LA 333  
LA 334  
LA 335  
LA 336  
LA 337  
LA 338  
LA 339  
LA 340  
LA 341  
LA 342  
LA 343  
LA 344  
LA 345  
LA 346  
LA 347  
LA 348  
LA 349  
LA 350  
LA 351  
LA 352  
LA 353  
LA 354  
LA 355  
LA 356  
LA 357  
LA 358  
LA 359  
LA 360  
LA 361  
LA 362  
LA 363  
LA 364  
LA 365  
LA 366  
LA 367  
LA 368  
LA 369  
LA 370  
LA 371  
LA 372  
LA 373  
LA 374  
LA 375  
LA 376  
LA 377  
LA 378  
LA 379  
LA 380  
LA 381  
LA 382  
LA 383  
LA 384  
LA 385  
LA 386  
LA 387  
LA 388  
LA 389  
LA 390  
LA 391  
LA 392  
LA 393  
LA 394  
LA 395  
LA 396  
LA 397  
LA 398  
LA 399  
LA 400  
LA 401  
LA 402  
LA 403  
LA 404  
LA 405  
LA 406  
LA 407  
LA 408  
LA 409  
LA 410  
LA 411  
LA 412  
LA 413  
LA 414  
LA 415  
LA 416  
LA 417  
LA 418  
LA 419  
LA 420  
LA 421  
LA 422  
LA 423  
LA 424  
LA 425  
LA 426  
LA 427  
LA 428  
LA 429  
LA 430  
LA 431  
LA 432  
LA 433  
LA 434  
LA 435  
LA 436  
LA 437  
LA 438  
LA 439  
LA 440  
LA 441  
LA 442  
LA 443  
LA 444  
LA 445  
LA 446  
LA 447  
LA 448  
LA 449  
LA 450  
LA 451  
LA 452  
LA 453  
LA 454  
LA 455  
LA 456  
LA 457  
LA 458  
LA 459  
LA 460  
LA 461  
LA 462  
LA 463  
LA 464  
LA 465  
LA 466  
LA 467  
LA 468  
LA 469  
LA 470  
LA 471  
LA 472  
LA 473  
LA 474  
LA 475  
LA 476  
LA 477  
LA 478  
LA 479  
LA 480  
LA 481  
LA 482  
LA 483  
LA 484  
LA 485  
LA 486  
LA 487  
LA 488  
LA 489  
LA 490  
LA 491  
LA 492  
LA 493  
LA 494  
LA 495  
LA 496  
LA 497  
LA 498  
LA 499  
LA 500  
LA 501  
LA 502  
LA 503  
LA 504  
LA 505  
LA 506  
LA 507  
LA 508  
LA 509  
LA 510  
LA 511  
LA 512  
LA 513  
LA 514  
LA 515  
LA 516  
LA 517  
LA 518  
LA 519  
LA 520  
LA 521  
LA 522  
LA 523  
LA 524  
LA 525  
LA 526  
LA 527  
LA 528  
LA 529  
LA 530  
LA 531  
LA 532  
LA 533  
LA 534  
LA 535  
LA 536  
LA 537  
LA 538  
LA 539  
LA 540  
LA 541  
LA 542  
LA 543  
LA 544  
LA 545  
LA 546  
LA 547  
LA 548  
LA 549  
LA 550  
LA 551  
LA 552  
LA 553  
LA 554  
LA 555  
LA 556  
LA 557  
LA 558  
LA 559  
LA 560  
LA 561  
LA 562  
LA 563  
LA 564  
LA 565  
LA 566  
LA 567  
LA 568  
LA 569  
LA 570  
LA 571  
LA 572  
LA 573  
LA 574  
LA 575  
LA 576  
LA 577  
LA 578  
LA 579  
LA 580  
LA 581  
LA 582  
LA 583  
LA 584  
LA 585  
LA 586  
LA 587  
LA 588  
LA 589  
LA 590  
LA 591  
LA 592  
LA 593  
LA 594  
LA 595  
LA 596  
LA 597  
LA 598  
LA 599  
LA 600  
LA 601  
LA 602  
LA 603  
LA 604  
LA 605  
LA 606  
LA 607  
LA 608  
LA 609  
LA 610  
LA 611  
LA 612  
LA 613  
LA 614  
LA 615  
LA 616  
LA 617  
LA 618  
LA 619  
LA 620  
LA 621  
LA 622  
LA 623  
LA 624  
LA 625  
LA 626  
LA 627  
LA 628  
LA 629  
LA 630  
LA 631  
LA 632  
LA 633  
LA 634  
LA 635  
LA 636  
LA 637  
LA 638  
LA 639  
LA 640  
LA 641  
LA 642  
LA 643  
LA 644  
LA 645  
LA 646  
LA 647  
LA 648  
LA 649  
LA 650  
LA 651  
LA 652  
LA 653  
LA 654  
LA 655  
LA 656  
LA 657  
LA 658  
LA 659  
LA 660  
LA 661  
LA 662  
LA 663  
LA 664  
LA 665  
LA 666  
LA 667  
LA 668  
LA 669  
LA 670  
LA 671  
LA 672  
LA 673  
LA 674  
LA 675  
LA 676  
LA 677  
LA 678  
LA 679  
LA 680  
LA 681  
LA 682  
LA 683  
LA 684  
LA 685  
LA 686  
LA 687  
LA 688  
LA 689  
LA 690  
LA 691  
LA 692  
LA 693  
LA 694  
LA 695  
LA 696  
LA 697  
LA 698  
LA 699  
LA 700  
LA 701  
LA 702  
LA 703  
LA 704  
LA 705  
LA 706  
LA 707  
LA 708  
LA 709  
LA 710  
LA 711  
LA 712  
LA 713  
LA 714  
LA 715  
LA 716  
LA 717  
LA 718  
LA 719  
LA 720  
LA 721  
LA 722  
LA 723  
LA 724  
LA 725  
LA 726  
LA 727  
LA 728  
LA 729  
LA 730  
LA 731  
LA 732  
LA 733  
LA 734  
LA 735  
LA 736  
LA 737  
LA 738  
LA 739  
LA 740  
LA 741  
LA 742  
LA 743  
LA 744  
LA 745  
LA 746  
LA 747  
LA 748  
LA 749  
LA 750  
LA 751  
LA 752  
LA 753  
LA 754  
LA 755  
LA 756  
LA 757  
LA 758  
LA 759  
LA 760  
LA 761  
LA 762  
LA 763  
LA 764  
LA 765  
LA 766  
LA 767  
LA 768  
LA 769  
LA 770  
LA 771  
LA 772  
LA 773  
LA 774  
LA 775  
LA 776  
LA 777  
LA 778  
LA 779  
LA 780  
LA 781  
LA 782  
LA 783  
LA 784  
LA 785  
LA 786  
LA 787  
LA 788  
LA 789  
LA 790  
LA 791  
LA 792  
LA 793  
LA 794  
LA 795  
LA 796  
LA 797  
LA 798  
LA 799  
LA 800  
LA 801  
LA 802  
LA 803  
LA 804  
LA 805  
LA 806  
LA 807  
LA 808  
LA 809  
LA 810  
LA 811  
LA 812  
LA 813  
LA 814  
LA 815  
LA 816  
LA 817  
LA 818  
LA 819  
LA 820  
LA 821  
LA 822  
LA 823  
LA 824  
LA 825  
LA 826  
LA 827  
LA 828  
LA 829  
LA 830  
LA 831  
LA 832  
LA 833  
LA 834  
LA 835  
LA 836  
LA 837  
LA 838  
LA 839  
LA 840  
LA 841  
LA 842  
LA 843  
LA 844  
LA 845  
LA 846  
LA 847  
LA 848  
LA 849  
LA 850  
LA 851  
LA 852  
LA 853  
LA 854  
LA 855  
LA 856  
LA 857  
LA 858  
LA 859  
LA 860  
LA 861  
LA 862  
LA 863  
LA 864  
LA 865  
LA 866  
LA 867  
LA 868  
LA 869  
LA 870  
LA 871  
LA 872  
LA 873  
LA 874  
LA 875  
LA 876  
LA 877  
LA 878  
LA 879  
LA 880  
LA 881  
LA 882  
LA 883  
LA 884  
LA 885  
LA 886  
LA 887  
LA 888  
LA 889  
LA 890  
LA 891  
LA 892  
LA 893  
LA 894  
LA 895  
LA 896  
LA 897  
LA 898  
LA 899  
LA 900  
LA 901  
LA 902  
LA 903  
LA 904  
LA 905  
LA 906  
LA 907  
LA 908  
LA 909  
LA 910  
LA 911  
LA 912  
LA 913  
LA 914  
LA 915  
LA 916  
LA 917  
LA 918  
LA 919  
LA 920  
LA 921  
LA 922  
LA 923  
LA 924  
LA 925  
LA 926  
LA 927  
LA 928  
LA 929  
LA 930  
LA 931  
LA 932  
LA 933  
LA 934  
LA 935  
LA 936  
LA 937  
LA 938  
LA 939  
LA 940  
LA 941  
LA 942  
LA 943  
LA 944  
LA 945  
LA 946  
LA 947  
LA 948  
LA 949  
LA 950  
LA 951  
LA 952  
LA 953  
LA 954  
LA 955  
LA 956  
LA 957  
LA 958  
LA 959  
LA 960  
LA 961  
LA 962  
LA 963  
LA 964  
LA 965  
LA 966  
LA 967  
LA 968  
LA 969  
LA 970  
LA 971  
LA 972  
LA 973  
LA 974  
LA 975  
LA 976  
LA 977  
LA 978  
LA 979  
LA 980  
LA 981  
LA 982  
LA 983  
LA 984  
LA 985  
LA 986  
LA 987  
LA 988  
LA 989  
LA 990  
LA 991  
LA 992  
LA 993  
LA 994  
LA 995  
LA 996  
LA 997  
LA 998  
LA 999  
LA 1000

BASEMENT C  
(757 59 FT)

LA 161 to  
ATE HAWAII  
100.00

LA 245 to  
BLAR  
50.00



*Noluchka Sanjo*  
Survey and Map by:  
Island Survey, Inc.

Proposed  
licenselover

PLAN SHOWING  
DESIGNATION OF EASEMENTS B TO D, INCLUSIVE  
(FOR POWERLINE AND FORMER FOLS ANCHOR PURPOSES)  
OVER, ACROSS AND UNDER THE HAWAIIAN HOME LAND OF HAWAII  
HAWAII, NORTH HILO, ISLAND OF HAWAII, HAWAII



EXHIBIT "B"  
EXISTING ROAD EASEMENT B (C.S.F. NO. 20,926)  
(30-FT. WIDE)  
AFFECTING A PORTION OF THE GOVERNMENT (CROWN) LAND OF HUMUULA  
DESIGNATED AS HAWAIIAN HOME LAND UNDER SECTION  
203 OF THE HAWAIIAN HOMES COMMISSION ACT, 1920

Land situated on the Westerly side of Mauna Kea Observatory Access Road (Project No. BMD 66-343) at Humuula, North Hilo, Island and County of Hawaii, State of Hawaii.

Being a portion of:

Government (Crown) Land of Humuula designated as Hawaiian Home Land under Section 203 of the Hawaiian Homes Commission Act, 1920.

Beginning at the Westerly end of the centerline of this 30-Ft. Wide Easement, being also a point on the Northerly boundary of Mobile Radio Relay Station Site (C.S.F. No. 13,153), said point of beginning bearing 255° 11' 15.21 feet from the Southeasterly corner of Antenna and VHF Repeater Site (C.S.F. No. 15,818), the coordinates of said point of beginning referred to Government Survey Triangulation Station "OMAOKOILI" being 2,316.30 feet North and 14,632.05 feet East and running by azimuths measured clockwise from True South:

Thence, for the next sixteen (16) courses following along the centerline of this 30-Ft. Wide Easement and along the remainder of the Government (Crown) Land of Humuula designated as Hawaiian Home Land under Section 203 of the Hawaiian Homes Commission Act, 1920:

1. 174° 45' 187.84 feet to a point;



2. 155° 02' 30" 139.85 feet to a point;

3. 144° 46' 131.10 feet to a point;

Thence, following on a curve to the right with a radius of 20.00 feet, the chord azimuth and distance being:

4. 223° 15' 15" 39.20 feet to a point;

5. 301° 44' 30" 144.70 feet to a point;

6. 324° 55' 188.10 feet to a point;

7. 337° 01' 30" 209.60 feet to a point;

8. 343° 09' 193.00 feet to a point;

9. 326° 57' 122.60 feet to a point;

10. 301° 13' 334.90 feet to a point;

11. 288° 27' 311.60 feet to a point;

12. 254° 09' 30" 501.50 feet to a point;

13. 240° 37' 374.60 feet to a point;

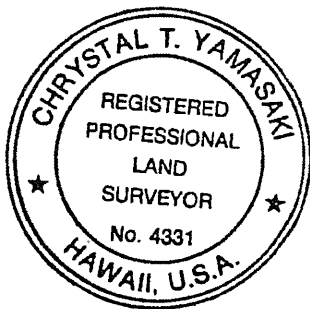
14. 251° 56' 30" 238.90 feet to a point;

15. 276° 31' 30" 658.30 feet to a point;

16. 295° 48'

147.77 feet to the Easterly end of the centerline of this 30-Ft. Wide Easement, being also a point on the Westerly side of Mauna Kea Observatory Access Road (Project No. BMD 66-343) and containing an area of 2.713 Acres.

Note: This description was prepared from Road Easement B as shown on and described by State of Hawaii, Survey Division, Department of Accounting and General Services C.S.F. No. 20,926 and dated April 12, 1989.



75-5722 Kalawa Street  
Kailua-Kona, Hawaii 96740-1818  
TMK: 3-8-01: Portion 07 (3rd Division)  
October 27, 1993

WES THOMAS & ASSOCIATES, INC.

A handwritten signature in black ink, appearing to read "Chrystal Thomas Yamasaki".

Chrystal Thomas Yamasaki  
Registered Professional Land Surveyor  
State of Hawaii Certificate No. LS4331

# EXHIBIT E

**EXHIBIT "E"**  
**USERS OF SUBJECT LOCATION IN HUMUULA**  
Source: DHHL 2022 Annual Report

License Agreement No.	TMK	Use	Name of Licensee	Term	Dates	Acre	Annual Lease Rent
1. LI 245	(3) 3-8-001:007 (p) (3) 3-8-001:012 (p) (3) 3-8-001:015 (p)	Easement	State of Hawaii, Board of Land and Natural Resources	21 Years	6/1/1992-5/31/2013	2.869	\$0 (One time consideration fee of \$19,100.00; Radio Relay Site & Access)
2. LI 407	(3) 3-8-001:007 (p) (3) 3-8-001:015 (p)	Telecomm	<b>Hawaii Electric Light Company</b>	19 Years	1/20/1995-1/19/2014	6.32	\$14,453.00 (Telecomm site – extension pending)
3. LI 715	(3) 3-8-001:007 (p) (3) 3-8-001:015 (p)	Telecomm	Hawaiian Telcom	21 Years	8/1/2008-7/31/2029	2.72	\$16,855.00
4. LI 715-A	(3) 3-8-001:007 (p) (3) 3-8-001:015 (p)	Telecomm	Sprint Nextel	21 Years	8/1/2008-7/31/2029	2.72	\$12,000.00
5. LI 716	(3) 3-8-001:007 (p) (3) 3-8-001:015 (p)	Telecomm	County of Hawaii, Hawaii Fire Department		8/1/2008-7/31/2029	2.175	\$12,636.00
6. LI 607	(3) 3-8-001:007 (p) (3) 3-8-001:015 (p)	Telecomm	Mahalo Broadcasting LLC	21 Years	4/1/2004-3/31/2025	0.10	\$12,000.00
7. LI 282	(3) 3-8-001:007 (p) (3) 3-8-001:013 (p)	Easement	Hawaii Electric Light Company and GTE H-TEL	Perpetual	5/4/1993	130.68	\$0 (One time consideration fee of \$16,800.00; Utilities)
8. LI 282-A	(3) 3-8-001:007 (p) (3) 3-8-001:008 (p) (3) 3-8-001:013 (p)	Easement	Hawaii Electric Light Company	Perpetual	5/1/1993	45.62	\$0 (One time consideration fee of \$20,400.00; Poles and Power Lines)
9. LI 602	(3) 3-8-001:007 (p) (3) 3-8-001:012 (p)	Telecomm	Insite Wireless Group, LLC	20 Years	1/26/2004-1/25/2024	0.155	\$6,631.00
10. LI 676	(3) 3-8-001:007 (p), 013,019,021,022 (p)	Easement	State of Hawaii, Department of Transportation	Perpetual	5/29/2007	49.016	\$0 (One time consideration fee of \$31,941.00; Roadway)
11. LI 762	(3) 3-8-001:007 (p) (3) 3-8-001:019 (p) (3) 3-8-001:022 (p)	Easement	Time Warner Cable, Inc.	Perpetual	8/7/2012	22	\$0 (One time consideration fee of \$11,728.00; For fiber optic cables installation and maintenance)

STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

January 16-17, 2024

To: Chairman and Members, Hawaiian Homes Commission

Through: Kali Watson, Chairman   
Hawaiian Homes Commission

Kalei Young, Supervising Land Agent  
Land Management Division

Stewart Matsunaga, Administrator   
Land Development Division

From: Shelly Carreira, Land Agent   
Land Management Division

Subject: Approval to Issue a Right of Entry Permit to Charter Communications Operating, LLC,  
Hoolehua, Island of Molokai, TMK No.: (2) 5-2-015:053 (por.)

APPLICANT:

Charter Communications Operating, LLC "PERMITTEE"

RECOMMENDED MOTION/ACTION:

That the Hawaiian Homes Commission (HHC) approve the issuance of a non-exclusive Right of Entry (ROE) permit to Charter Communication Operating, LLC for the purpose of accessing Hawaiian home lands parcel situated in Hoolehua, Island of Molokai, identified more specifically by TMK No.: (2) 5-2-015:053 (p) as delineated on Exhibit "A" for the purpose of installing and maintaining telecommunication equipment, appurtenances, and subsequent service.

Approval and issuance of this ROE is subject, but not limited to the following conditions:

- A. Authorize the issuance of a Right of Entry (ROE) permit to Charter Communication Operating, LLC covering the subject area under the terms and conditions cited below, which are by this reference incorporated herein and further subject to the following:
1. The standard terms and conditions of the most current right of entry permit form, as may be amended from time to time;
  2. The term of the Right of Entry permit shall be month to month, up to twelve (12) months with the option to extend for four (4) additional twelve (12) month periods, commencing upon full execution of the Right of Entry document;
  3. The fee for the term shall be gratis;
  4. PERMITTEE shall at its sole expense, install the equipment in accordance with industry standards, applicable laws and regulations;
  5. PERMITTEE shall maintain at its sole cost and expense, commercial general liability insurance limits set forth in the ROE document;

6. PERMITTOR and PERMITTEE may mutually agree to assign the ROE. Assignment is subject to consent from the Chairman of the Hawaiian Homes Commission;
7. PERMITTEE shall pay the non-refundable processing and documentation fee, \$175.00;
8. The Right of Entry document shall be subject to the review and approval of the Department of the Attorney General; and
9. Such other terms and conditions as may be prescribed by the Hawaiian Homes Commission to best serve the interest of the Hawaiian Home Lands Trusts.

LOCATION:

Portion of Hawaiian home lands situated in Hoolehua, Island of Molokai, identified as Tax Map Key: (2) 5-2-015:053 (por.) (See Exhibit “A”)

BACKGROUND/DISCUSSION

Pursuant to Act 53 of the Twenty-Ninth State Legislature Session Laws, Regular Session of 2018, under item no. 29.05, titled Molokai Veterans Center, Molokai, the legislature provided \$4 million dollars in funding to the Department of Hawaiian Home Lands for “plans, design, construction and equipment for parking lot portable facility and installation of septic tank and photovoltaic system; ground and site improvements; equipment and appurtenances in Hoolehua to provide services to veterans and homestead residents...”

The Department of Hawaiian Home Lands (DHHL) Land Development Division (LDD) is under contract for the construction of the Hoolehua Veterans and Homestead Residents’ Community Center (Center). The project has been procured as a design build construction project and was contract awarded to Diede Construction. The design build includes installation and connection of all utility services, including telecommunication.

Three telecommunication providers were considered for this project. Charter Communications was determined to be the most cost-effective and within budget constraints and therefore selected as the provider for telecommunication installation and service to the building and throughout the building. Charter Communications requires a right of entry for the purpose of accessing the subject parcel for conduit and trenching inspection, installation of equipment and appurtenances, and subsequent service. LDD plans to issue a Limited Right of Entry to allow Charter Communications to inspect the conduits that were installed under the design build contract. The inspection is necessary for closing conduit trenching.

The HHC approval on this ROE will allow installation necessary for closing the design build construction contract.

HRS CHAPTER 343 – ENVIRONMENTAL ASSESSMENT

Hoolehua Veterans and Homestead Residents’ Community Center, Final Environmental Assessment, prepared for Department of Hawaiian Home lands by G70, dated November 2018

AUTHORITY

Hawaii Revised Statues §171-55 Permits.

RECOMMENDATION

Land Management Division recommends approval of the requested motion/action as stated.



**HAWAIIAN HOMES COMMISSION  
JANUARY 16 & 17, 2024**

**G – ITEMS  
PLANNING OFFICE**



STATE OF HAWAI`I

DEPARTMENT OF HAWAIIAN HOME LANDS

January 16-17, 2024

To: Chairperson and Members, Hawaiian Homes Commission  
(HHC)

Thru: Andrew H. Choy, Planning Program Manager AC

From: Lilliane Makaila, Planner

Subject: Approval to enter into Purchase and Sale Agreement with Cannery Commercial LLC, for the Department's acquisition of approximately 127 acres for future DHHL well site, North Kona, Island of Hawai'i TMK No. (3)-7-5-014:001 and 011

I. RECOMMENDED MOTION/ACTION

The recommended motion is that the Hawaiian Homes Commission provide its approval to enter into Purchase and Sale Agreement with Cannery Commercial LLC, for the Department's acquisition of approximately 127 acres for future DHHL well site, North Kona, Island of Hawai'i TMK No. (3)-7-5-014:001 and 011

II. BACKGROUND AND CONTEXT

In both the 2009 and 2020 Regional Plans for Kealakehe/La'i 'Ōpua, water source development to support water supply for DHHL lands in North Kona was identified as a priority project for the region. These regional plans were developed through a regional planning process with beneficiaries and the plans were approved by the Hawaiian Homes Commission. The priority project, called "North Kona Water Source Development and Storage" focuses on working collaboratively with various stakeholders in the region to develop additional water sources in order to meet the needs of the Department to provide water for development of its lands in the region.

Currently, DHHL has approximately 1,400 acres in the North Kona Region. After the completion of La'i 'Ōpua Village 4 Phases I and II, DHHL will not have any more water credits (equivalent units) on the County DWS water system to provide potable water for any future development in the region. This lack of water

credits prevents DHHL from proceeding with any development that requires water infrastructure in North Kona, including the construction of homesteads, community spaces, the expansion of existing community uses, etc. The unmet water demand for DHHL in North Kona is estimated to be 3.398 million gallons per day (MGD). In 2015, the Commission on Water Resource Management (CWRM) approved a water reservation for this need, 3.398 MGD, for North Kona. This water reservation is a kapu of water for DHHL's use, but does not mean immediate access to "wet water" to supply development.

The County DWS has advised DHHL that in order to access this water reservation, DHHL must develop additional groundwater well sources. These sources would supply potable water for any future DHHL development after Village 4 is completed. It will likely take 3-4 groundwater wells with a capacity of 1MGD to supply the necessary water needed to fully develop the Department's lands in North Kona. County DWS has verbally told DHHL that it would give DHHL the "full amount" of water from groundwater well sources developed in the region. A groundwater well that has the capacity to pump 1MGD will pump that amount over the course of the 24-hour period. Best practices are to "rest" a well for an 8-hour period, or one-third of the pumping time. The County water credit allocation formula for a 1MGD well is as follows:

- 1,000,000 gallons x two-thirds = 666,666 gallons per day (this assumes that the well will not be pumping 24-hours, but will rest for 8-hours)
- 666,666 gallons per day/one water credit or 600 gallons per day = 1,111 water credits
- 1 water credit = 1 housing unit = 1 residential homestead

Therefore, a 1MGD well source can potentially supply 1,111 residential homesteads.

DHHL's existing lands in North Kona do not overly a reliable water source, and the lands that are located mauka of the Kāloko-Honokōhau National Park are located within the National Park Service's area of concern for water source development. This area of concern is described as the four ahupua'a in the vicinity of the park where studies indicate that groundwater well development will negatively impact the park resources and the traditional and customary native practices that rely on the groundwater sources in this area (See Figure 1 below). For these reasons, DHHL has had to look for potential groundwater well sites off DHHL lands.

Figure 1



### NORTH KONA WATER POTENTIAL SOURCE DEVELOPMENT SITES

#### LEGEND

- DHHL Lands
- Ahupua'a
- Gianulias Site
- Kāloko-Honokōhau National Historical Park
- KS Well Site



DHHL has identified two potential groundwater well locations in the Kona region that could supply the necessary potable water needed (See Figure 1). One site is currently owned by the Kamehameha Schools Bishop Estate and located in Keauhou. The second site is referred to as the Gianulias property, and is currently owned by Cannery Commercial, LLC and AKT Kona Investors, LLC and leased to Cancino Family Farms, LLC for use as a commercial coffee farm in Hōlualoa. This recommended action is regarding the proposed acquisition of the Gianlulias property by DHHL for water source development.

The Gianulias property is approximately 130 acres and is located off of Māmalahoa Highway. It is located at the same elevation as an existing County DWS well, and has been identified as a good location to site a potential groundwater well. The current land use on the property is coffee farming, and the appraised value for the property according to an appraisal completed in September 2022 is \$10.5M (Exhibit B).

Negotiations for the acquisition of this parcel have been on-going since 2018. Beneficiaries in the Kona Region have encouraged the Department to move forward with land acquisition and water source development of this property throughout the on-going negotiations with the current landowners. Here is a table of the major milestones in the acquisition process:

<b>Action</b>	<b>Date</b>
Letter of Intent signed	June 2023
Due diligence studies	On-going
Purchase and Sales Agreement	In progress
Projected closing	TBD; depending upon completion of HRS Chapter 343 compliance and Ka Pa'akai Framework

### III. PURCHASE AND SALES AGREEMENT

The purchase and sales agreement is a legally binding document between the current landowners of the Gianulias property as the potential sellers and DHHL as the potential buyer. This document outlines the terms and conditions that will guide the sale of the property. Below is a summary of the major components of the Purchase and Sale Agreement. The Agreement can be found in its entirety in Exhibit A.

- The agreement is between the Sellers, Cannery Commercial, LLC and AKT Kona Investors, LLC and the Buyer, the State of Hawai'i through its Department of Hawaiian Home Lands.
- The agreement may be signed by an authorized signatory of each of the entities comprising the Sellers and by Kali Watson, Chairman of the Hawaiian Homes Commission on behalf of DHHL.
- The total sale price for the property is \$9,350,000.
- The purchase and sale agreement includes both the property and the existing agricultural lease. The agricultural lease is effective until 2030 with the Cancino Family Farm, LLC for commercial coffee operations and includes a monthly lease rent of \$10,000.
- Escrow will commence within five (5) days of the effective date of the Purchase and Sale Agreement.
- An initial deposit of \$100,000 shall be deposited within five (5) business days of the opening of escrow. This deposit shall be fully refundable during the Due Diligence Period and until the Buyer provides the Seller with a Notice to Proceed, or a written notice of the Buyer's election to proceed with the purchase of the property.
- An additional deposit of \$900,000 shall be deposited with escrow on the date the Buyer provides the Notice to Proceed to the Seller.
- The remainder of the purchase price shall be deposited at least three (3) days before the Closing date, totaling \$8,350,000.
- The Due Diligence Period shall be sixty (60) days from the effective date of the Purchase and Sale agreement, and may be extended for an additional thirty (30) days upon written request from the Buyer.
  - Buyer shall complete a Phase I Environmental Site Assessment (ESA) prior to the end of the Due Diligence Period. The ESA is currently underway and a draft should be available in January 2024.
  - HRS Chapter 343 process shall commence. If completion and approval of the HRS Chapter 343 is not completed during the Due Diligence Period, the process shall be a condition of the closing of the transaction.
- If DHHL wishes to proceed with purchase, a written Notice to Proceed must be provided to the Seller before 4:30PM HST on the last day of the Due Diligence Period.
- If DHHL does not wish to proceed, the agreement will terminate and the Initial Deposit will be returned to DHHL.

- Following a written Notice to Proceed and deposit of the Additional Deposit amount, if DHHL chooses not to fulfil the purchase of the property, the Seller shall keep the total deposit amount of \$1M.
- The Closing date shall be not less than thirty (30) days after DHHL has obtained final approval of HRS 343 compliance documents including an appeal period, however the Closing shall not be later than June 30, 2025.

It should be noted that Act 279 funding is not being utilized for this recommended acquisition. The Legislature made an appropriation to DHHL in 2021 for "La'i 'Ōpua Villages Water Development and Subdivision Improvements." The source of funds for this recommended acquisition is from this 2021 Legislative appropriation to DHHL.

Once the Purchase and Sales Agreement is executed, should all terms and conditions be met and the Department closes on the purchase of the property, DHHL may move forward with the necessary steps for water source development on the property. An area of approximately five (5) acres adjacent to Māmalahoa Highway has been identified as the preferred site for development of a groundwater well. This five (5) acre area will be the extent of the project area for groundwater well development. The remaining approximately 125-acres shall be added to the DHHL land trust and may be suitable for other uses following the end of the existing agricultural lease. These lands, based on their current use, may be suitable for agricultural homesteading and will need to be assigned a land use designation based on the DHHL land use designation categories updated in the 2022 DHHL General Plan.

Here are the anticipated next-steps for water source development following acquisition of the property:

- Complete due diligence studies for water source development on site
- HHC approvals for the Environmental Assessment and Ka Pa'akai Analysis
- Design & construct test well
- Confirm test well results & proceed with well development
- Obtain CWRM well construction and pump installation permit
- HHC approval of the County water credit agreement
- County BWS approval of the County water credit agreement
- Design & construct production well, storage and transmission improvements required by the County

- License improvements to the County for long-term operation and maintenance

#### IV. RECOMMENDED MOTION ACTION

Staff respectfully asks for HHC consideration for its approval to enter into Purchase and Sale Agreement with Cannery Commercial LLC, for the Department's acquisition of approximately 127 acres for future DHHL well site, North Kona, Island of Hawai'i TMK No. (3)-7-5-014:001 and 011

**PURCHASE AND SALE AGREEMENT**

This Purchase and Sale Agreement (hereinafter referred to as the “Agreement”) is made as of the \_\_\_\_ day of \_\_\_\_\_, 2024 (“Effective Date”), by and between The State of Hawaii through its Department of Hawaiian Home Lands, whose address is 91-5420 Kapolei Parkway, Kapolei, Hawaii 96707, c/o Mr. Kali Watson, Chairman, Hawaiian Homes Commission, State of Hawaii (“Buyer”), and Cannery Commercial LLC, a Hawaii limited liability company, whose address is 2264 Fair Oaks Boulevard, Suite 100, Sacramento, California 95825 and AKT Kona Investors, LLC, a California limited liability company, whose address is 7919 Folsom Boulevard, Suite 300, Sacramento, California 95826 (Cannery Commercial LLC and AKT Kona Investors, LLC shall be collectively referred to herein as “Seller”).

**RECITALS**

A. Seller is the owner in fee simple of certain lands on the Island of Hawaii, State of Hawaii, identified as TMK No. (3) 7-5-014:001, comprised of approximately 129.127 acres of land, and TMK No. (3) 7-5-014-011, comprised of approximately 0.555 acres of land, located at 75-5763 Mamalahoa Highway, Holualoa, Hawaii, and as are further described in **Exhibit A**, attached hereto and made a part hereof (collectively the “Real Property”), which lands are subject to that certain Agricultural Lease (the “Agricultural Lease”) dated August 1, 2020, between Sellers and Rainoldo Cancino and CFF, LLC, dba Cancino Family Farm, whose mailing address is 84-4970 Mamalahoa Highway, Captain Cook, Hawaii 96704, and that certain Rental Agreement dated July 14, 2022, between Kevin Hibbard and Cherise Hibbard, whose mailing address is 75-5731 Mamalahoa Highway, Kailua Kona, Hawaii 96740 (the “Residential Lease” and collectively with the Agricultural Lease, the “Leases”). Seller is also the owner of certain personal property, used in connection with the operation of the Real Property. A list of the personal property will be provided by Seller to Buyer no later than twenty (20) days prior to the end of the Due Diligence Period. The Real Property and the personal property, are referred to herein collectively as the “Property”.

B. Buyer desires to purchase all of Seller’s right, title, and interest in the Property, together with an assignment of the Agricultural Lease from Seller to Buyer as further



provided herein. Seller is willing to sell and convey all such right, title and interest in and to such Property to Buyer, upon the terms, covenants, and conditions set forth below.

AGREEMENT

For and in consideration of the above recitals and the terms and conditions stated below, and for other good and valuable consideration, receipt of which is acknowledged, Buyer and Seller agree as follows:

1. Purchase and Sale. Buyer agrees to purchase and Seller agrees to sell the Property. The total price for the Property is Nine Million Three Hundred Fifty Thousand Dollars (\$9,350,000.00 US) (the “Purchase Price”).

a. Escrow. Within five (5) days after the Effective Date, Escrow for this transaction shall be opened with Title Guaranty Escrow Services, Inc., a Hawaii corporation, 235 Queen Street, Honolulu, Hawaii 96813, Attention: Jeremy Trueblood (jtrueblood@tghawaii.com) (“Escrow”). Escrow shall be deemed “opened” when a fully executed version of this Agreement is delivered to Escrow.

b. Initial Deposit. Within five (5) business days following the opening of Escrow, Buyer shall deposit the amount of One Hundred Thousand Dollars (\$100,000.00 US) (the “Initial Deposit”) with Escrow. The Initial Deposit shall be fully refundable during the Due Diligence Period and until Buyer provides Seller with a Notice to Proceed (as defined in paragraph 6c below).

2. Additional Deposit. Buyer shall deposit the amount of Nine Hundred Thousand Dollars (\$900,000.00 US) (the “Additional Deposit”) with Escrow on the date that the Buyer provides to the Seller the Notice to Proceed. Pursuant to Section 6(d), the Initial Deposit and the Additional Deposit shall become non-refundable after delivery of the Initial Deposit and Additional Deposit to Escrow unless the transaction is to close and Seller fails to comply with Section 8.2.1 of this Agreement.

3. Remainder of Purchase Price. Buyer shall deposit the remainder of amount of Eight Million Three Hundred and Fifty Thousand Dollars (\$8,350,000.00 US) (the “Remainder of the Purchase Price”) with Escrow at least three (3) business days before the “Closing Date” as provided in paragraph 8 below.

4. Interest on Initial and Additional Deposit. The Initial Deposit and Additional Deposit shall be held by Escrow in an interest-bearing account as directed by Buyer and Seller, and subject to the right of the Seller to receive the Initial Deposit and Additional Deposit from Escrow pursuant to Sections 6 (c) and (d). All interest on such funds while held in Escrow shall be applied toward the Purchase Price at Closing.

5. Title.

a. Status Title Report. Seller within ten (10) business days after the opening of escrow will transmit to Buyer a current preliminary title report or reports covering the Property (hereinafter referred to as the "Title Report"). Seller shall request that the Title Report include electronic links to copies of each of the documents described therein. The Title Report shall be provided to Buyer by Seller upon receipt by Seller.

b. Permitted Exceptions. Within twenty ( 20 ) days after the receipt of the Title Report, Buyer shall notify Seller in writing of those matters, if any, disclosed by the Title Report of which it disapproves. Seller shall have until ten (10) calendar days before the end of the "Due Diligence Period" defined in Paragraph 6 below to remove from title such matters of which Buyer has disapproved. If Seller is not willing or is unable to removed such matters from title before the end of the Due Diligence Period, then Seller shall notify Buyer of the same and Buyer shall have the right either to terminate this Agreement or to accept title to the Property subject to such matters. Notwithstanding the foregoing, Seller shall remove any and all monetary liens, materialman's liens, and financing liens (other than non-delinquent real property taxes) appearing on the Title Report prior to or at the Closing. Seller shall not be obligated to release the Agricultural Lease from the Property; Buyer shall be assigned the Agricultural Lease at Closing. Seller shall be obligated to terminate the Residential Lease on the Property prior to Closing. The exceptions to title approved or accepted by Buyer (including those which the Seller elects to not remove or which Buyer accepts) are the "Permitted Exceptions".

c. If, prior to Buyer's Notice to Proceed under Section 6(c), Buyer elects to terminate this Agreement for failure of Seller to remove title matters that Buyer has disapproved, the Initial Deposit if made, together with any interest earned thereon, shall be released by Escrow to Buyer (less Buyer's share of any escrow fees); and neither party shall have any further liability under this Agreement.

d. Limited Warranty Deed/Bill of Sale. Title to the Property, subject only to the Permitted Exceptions, shall be conveyed to Buyer by limited warranty deed (the “Limited Warranty Deed”). A Bill of Sale shall be executed by Seller at Closing to transfer personal property to be conveyed to Buyer at Closing.

e. Title to Property other than Real Property and Improvements. Seller shall convey title to the Property in “AS IS, WHERE IS” condition, “WITH ALL FAULTS” and without any representation or warranty as to fitness for use or fitness for purpose.

f. Survey. Buyer, at Buyer’s discretion and at Buyer’s cost, may obtain a survey on the Property during the Due Diligence Period. If the survey is not completed by the end of the Due Diligence Period, Buyer may request Seller in writing that the survey and its acceptance by the Buyer be a condition of the Closing of the transaction.

6. Due Diligence. The Due Diligence Period shall be sixty (60) days from the Effective Date. Seller shall, no later than five (5) days after the Effective Date, make available to Buyer documents requested in writing by Buyer, including all reports and studies concerning the Property. Buyer has commenced its Due Diligence concerning the Property and has obtained significant information concerning the Property. The Due Diligence Period may be extended for an additional thirty (30) days upon written request by Buyer to Seller, explaining the need for the additional period and upon written consent and approval of the Seller, which written consent shall not be unreasonably withheld.

a. Buyer shall conduct and complete a Phase I Environmental Site Assessment (ESA) prior to the end of the Due Diligence Period. If the results of the Phase I ESA recommends the completion of a Phase 2 ESA, Buyer shall notify Seller in writing of the Phase I results. If Buyer determines that it wishes to conduct a Phase 2 ESA, Buyer shall provide a written notice to Seller identifying the period of time that it will conduct the Phase 2 ESA and request the Seller that the completion of the Phase 2 ESA be a condition of Buyer’s obligation to close the transaction.

b. During Buyer's Due Diligence Period, Buyer shall provide for the filing for its requirements under HRS Chapter 343. Buyer and Seller agree that if the HRS Chapter 343 process has not been completed during the Due Diligence Period, Buyer will provide written notice of same to Seller, and if the Property is otherwise acceptable to Buyer at

the end of the Due Diligence Period, Buyer will provide written acceptance of the Property and shall make its Additional Deposit. Buyer and Seller agree that if the HRS Chapter 343 process is not completed during the Due Diligence Period that the completion and approval of the HRS Chapter 343 process shall be a condition to closing the transaction.

c. If, during the Due Diligence Period, Buyer, in Buyer's sole discretion, elects to proceed with the purchase of the Property on the terms specified herein, then Buyer shall provide Seller with written notice of Buyer's election to proceed ("Notice to Proceed") before 4:30 p.m. Hawaiian Standard Time on the last day of the Due Diligence Period. If Buyer does not deliver the Notice to Proceed before 4:30 p.m. Hawaiian Standard Time on the last day of the Due Diligence Period, this Agreement shall terminate and the Initial Deposit, together with any interest earned thereon, shall be returned to Buyer (less Buyer's share of any escrow fees), and neither Buyer nor Seller shall have any further liability under this Agreement. If Buyer delivers a Notice to Proceed to Seller before 4:30 p.m. Hawaiian Standard Time on the last day of the Due Diligence Period, then the Initial Deposit and Additional Deposit, together with all interest earned thereon, shall be non-refundable (except as otherwise expressly provided in this Agreement); and the Initial Deposit and Additional Deposit, together with any interest earned thereon, shall be paid to Seller by Escrow as provided in Subparagraph 6(d) below, and credited against the Purchase Price.

d. If Buyer delivers a Notice to Proceed to Seller and tenders the Additional Deposit to Escrow, the Initial Deposit and the Additional Deposit, together with any interest earned thereon, shall be paid to Seller by Escrow within three (3) business days after the Additional Deposit is tendered to Escrow by Buyer.

e. Buyer's Notice to Proceed shall contain a written affirmation that Buyer agrees to accept the Assignment of Agricultural Lease at Closing and that Buyer authorizes the payment by Escrow to Seller of the Initial Deposit and Additional Deposit, subject to the provisions of Section 2, above.

f. Buyer and Seller agree that Seller shall assign and transfer to Buyer all rights and title to the Agricultural Lease and the Buyer shall accept the Assignment and shall assume and agree to be bound by the terms of the Agricultural Lease from the effective date of the Assignment as an obligation of Buyer and Buyer shall release and defend Seller from any

liability under the Agricultural Lease, except for claims arising prior to Closing and/or due to Seller's negligence or misconduct.

BUYER'S CHOICES AT THE END OF THE DUE DILIGENCE PERIOD ARE LIMITED TO (1) TERMINATING THIS AGREEMENT, OR (2) PROCEEDING WITH THE CLOSING ON THE TERMS AND CONDITIONS OF THIS AGREEMENT.

AT THE END OF THE DUE DILIGENCE PERIOD, IF BUYER PROVIDES THE NOTICE TO PROCEED TO SELLER, BUYER SHALL HAVE NO RIGHT TO CLAIM THAT THE BUYER IS NOT SATISFIED WITH THE PROPERTY OR THAT SELLER IS REQUIRED TO CONVEY THE PROPERTY TO BUYER ON BETTER OR DIFFERENT TERMS OR CONDITIONS THAN THOSE SET FORTH IN THIS AGREEMENT AND AT SUCH TIME BUYER SHALL HAVE NO CLAIM TO THE INITIAL DEPOSIT AND ADDITIONAL DEPOSIT UNLESS SELLER FAILS TO COMPLY WITH CLOSING OBLIGATIONS UNDER SECTION 8.2.1.

7. Grant of Right of Entry. Subject to Seller's written notice to and approval by Tenants, Seller grants Buyer, its agents, employees and independent contractors, upon twenty-four (24) hours' prior written notice to Seller, full right of entry to go onto the Property to make or cause to be made, such soil tests, hydrological tests, percolation tests, engineering studies, tests and surveys for Hazardous Substances, and such other investigations ("Investigations") as Buyer deems reasonably necessary to familiarize itself with the Property; provided, however, that (a) such Investigations shall not cause irreparable damage to the Property, and shall be made during reasonable business hours, (b) upon such entry, Buyer, its agents, employees or independent contractors if required by Seller shall be accompanied by a representative, agent or employee of Seller, and (c) Buyer shall provide proof of insurance for liability and damages arising from the Investigations in commercially reasonable amounts and Buyer shall be legally responsible for any liability and/or damages arising from the Investigations as determined by a court and to the extent that funds have been authorized and appropriated by the Legislature for such and the funds have been allocated by the executive budget, or otherwise agreed to by the Buyer. If any of the Investigations require further testing or studies, Buyer is permitted to perform sampling, boring, drilling or other physically intrusive testing into the Property, including, without limitation, any Phase 2 ESA by (i) submitting to Seller the scope and specifications for such testing; and (ii)

obtaining the prior written consent of Seller for such testing, which consent shall not be unreasonably withheld.

If Buyer does not approve of any matter regarding the Property contained in the Investigations, Buyer may terminate this Agreement by giving written notice thereof to Seller on or before the end of the Due Diligence Period. If Buyer elects to terminate this Agreement as provided above, the Initial Deposit, together with any interest earned thereon, shall be released by Escrow to Buyer (less Buyer's share of any escrow fees); and neither Buyer nor Seller shall have any further liability under this Agreement. Until title to the Property is conveyed to Buyer, Buyer shall not permit any lien or other charge of any kind whatsoever to be placed on the Property or any portion thereof by any engineer, surveyor or other person hired by Buyer for the purpose of examining, inspecting or surveying the Property. If any such lien or other charge of any kind is placed on the Property, Buyer shall promptly discharge it by paying the amount claimed or posting a bond in an amount sufficient to remove the lien from the Property, and if Buyer fails to so do, Seller shall be entitled to direct Escrow to use all or any portion of the Initial Deposit to post a bond in an amount sufficient to remove the lien from the Property, Buyer irrevocably instructing Escrow to release such portion of the Initial Deposit from Escrow for such purpose and Buyer shall immediately deposit with Escrow such additional funds as may be necessary to restore the amount of the Initial Deposit so used by Escrow.

8. Closing Date.

The closing date ("Closing Date") shall be not less than thirty (30) days after Buyer has obtained final approval of the HRS 343 Environmental Assessment or Environmental Impact Statement, including an appeal period for the same, provided, however, Closing shall not be later than June 30, 2025 and if Closing does not occur prior to July 1, 2025, the transaction shall terminate on July 1, 2025. Pre-closing shall occur at the offices of Escrow three (3) business days prior to the Closing Date ("Pre-Closing Date") at which time the Parties shall deposit with Escrow all funds, instruments and documents necessary to close the sale in accordance with this Agreement, including those set forth herein.

8.1 Conditions to Closing Obligations.

8.1.1 Seller's Conditions.

The obligation of Seller to close the transaction described in this Agreement shall be subject to satisfaction in full of the following conditions (“Seller’s Conditions”):

a. Buyer shall not be in default of its obligations under this Agreement.

b. On or before three (3) business days prior to the Closing Date, Buyer shall have deposited the balance of the Purchase Price and all other sums required to be paid by Buyer under this Agreement.

8.1.2 Waiver of Seller’s Conditions. Seller’s Conditions are solely for the benefit of Seller and may be waived only by the Seller. Any such waiver or waivers shall be in writing and shall be delivered to Buyer. Seller shall not act or fail to act for the purpose of permitting or causing any of Seller’s Conditions to fail. If any of Seller’s Conditions are not satisfied or have not been so waived by notice to Buyer prior to the Closing Date, Seller may give written notice to Buyer describing the condition or conditions that have not been satisfied or waived.

8.1.3 Buyer’s Conditions.

The obligation of Buyer to close the transaction described in this Agreement shall be subject to satisfaction in full of the following conditions (“Buyer’s Conditions”):

a. Seller shall have performed on or before the Pre-Closing Date its obligations under this Agreement (including all deliveries required herein) required to be performed by it on or before the Pre-Closing Date.

b. Seller shall not be in default of its obligations under this Agreement.

c. Buyer shall have received binding commitments for issuance of a title insurance policy and endorsements as required by Buyer.

8.1.4 Waiver of Buyer’s Conditions.

Buyer’s Conditions are solely for

the benefit of the Buyer and may be waived only by the Buyer. Any such waiver or waivers shall be in writing and shall be delivered to Seller. Buyer shall not act or fail to act for the purpose of permitting or causing any of Buyer's Conditions to fail. If any of Buyer's Conditions are not satisfied or have not been so waived by notice to Seller prior to the Closing Date, Buyer may give written notice to Seller describing the condition or conditions that have not been satisfied or waived. If closing shall not occur due to a failure of any of Buyer's Conditions, then Buyer may (i) waive such condition and proceed to closing or (ii) terminate this Agreement.

## 8.2 Deliveries by Parties.

### 8.2.1 Seller's Deliveries.

On or before the Pre-Closing Date, Seller shall deliver the following items, appropriately executed and notarized, as applicable, to Escrow:

a. Three (3) originals of the Limited Warranty Deed (the form of which is attached hereto as **Exhibit B**), Conveyance Tax Certificate, Bill of Sale (the form of which is attached hereto as **Exhibit C**) and Assignment of Agricultural Lease and Other Agreements (the form of which is attached hereto as **Exhibit D**) duly executed and acknowledged by Seller.

b. An affidavit duly executed and acknowledged by Seller to the effect that Seller is not a foreign person for purposes of the withholding provision of Section 1445 of the Internal Revenue Code of 1986 and a "HARPTA" certificate duly executed and acknowledged by Seller certifying that Seller is a Hawaii resident as such term is used in Section 235-68, Hawaii Revised Statutes, or, to the extent withholding is required, instructions as to the required withholding.

c. A written certificate by a duly authorized representative of Seller, together with appropriate resolutions and/or such other evidence as may be reasonably acceptable to Buyer, to establish Seller's capacity, right, power and authority to execute, deliver and perform this Agreement, including a current Certificate of Good Standing for each Seller entity.

d. Written authorization for Escrow to deduct from the Purchase Price to be paid to Seller, all sums required to be paid by Seller to Escrow.



e. All such ordinary and customary documents, including, without limitation, escrow instructions, as may be reasonably required of Seller to close the sale in accordance with this Agreement.

f. Seller shall file a Report of Bulk Sale or Transfer (State of Hawaii Department of Taxation (“DoTax”) (Form G-8A) (“Bulk Sales Report”) together with a Tax Clearance (Form A-6) with the DoTax, prior to Closing, and the issuance of DoTax’s certification of the Bulk Sales Report indicating that all taxes, penalties and interest owed by Seller as of the date of the certification have been paid in full (the “Bulk Sales Certification”) shall be a condition to Buyer’s obligation to proceed with the Closing. The Bulk Sales Certification and Tax Clearance shall be dated no earlier than thirty (30) days prior to the Closing Date. Seller shall pay any and all taxes that are due in connection with the filing of the Bulk Sales Report and obtaining the Bulk Sales Certification.

g. Prior to Pre-Closing, Buyer and Seller shall confer and agree on a written notice to Escrow that all conditions of Closing have been satisfied and to provide written notice to Escrow that Escrow is authorized to close the transaction. At such time, the Buyer and Seller shall resolve any outstanding issues with regard to the Seller’s deliveries of the, (a) Limited Warranty Deed, (b) Seller’s Bill of Sale and (c) the Assignment of Agricultural Lease, as well as any issues involving the HRS 343 approval, Escrow’s Closing Statements and the delivery of any other documents as Buyer and Seller may reasonably request to close the transaction.

On or before the Pre-Closing Date, Seller shall deliver the following items, appropriately executed and notarized, as applicable, to Buyer:

h. An estoppel certificate in favor of Buyer from the tenant under the Agricultural Lease in a form reasonably acceptable to Buyer.

i. Evidence of the termination of the Residential Lease and the portion of the Real Property demised by the Residential Lease shall be delivered free and clear of all tenants at Closing.

j. Evidence of an Amendment to the Agricultural Lease (i) extending the term of the lease for a period agreed upon between Seller, Buyer and Tenant, (ii) excluding from the Agricultural Lease, as of the Closing Date, those certain premises as shown on

Exhibit E, and (iii) the extended term as well as other terms of the Agricultural Lease shall be agreed upon between Buyer and Seller no later than twenty (20) days prior to the end of the Due Diligence Period.

j. Evidence of the termination of the Right of First Offer under Paragraph 27 of the Agricultural Lease.

8.2.2 Buyer's Deliveries. On or before the Pre-Closing Date, Buyer shall deliver the following items, appropriately executed and notarized, as applicable, to Escrow:

a. The balance of the Purchase Price, plus or minus the adjustments and prorations called for in this Agreement.

b. All such other ordinary and customary documents, including, without limitation, escrow instructions, as may be reasonably required of Buyer to close the sale in accordance with this Agreement.

c. A written certificate by a duly authorized representative of Buyer, together with appropriate corporate resolutions and such other evidence as may be reasonably acceptable to Seller, to establish Buyer's capacity, right, power and authority to execute, deliver and perform this Agreement.

d. Buyer's final determination of the HRS 343 application and the Phase 2 ESA, if applicable.

e. Three (3) originals of the Conveyance Tax Certificate and Assignment of Agricultural Lease and Other Agreements duly executed and acknowledged by Seller.

9. Closing Costs.

a. Seller's Responsibilities.

At Closing, Seller shall pay: (1) one-half (1/2) of the Escrow fee, (2) the commission due to any broker pursuant to any commission agreement with Seller, (3) Seller's legal fees, (4) recording costs, (5) the cost of drafting the Limited Warranty Deed, Bill of Sale and Assignment of Agricultural Lease, (6) one-half (1/2) of the premium for a Standard Owner's Policy in the amount of the Purchase Price and (7) any other costs required to be paid by Seller under this Agreement.

b. Buyer's Responsibilities.

At Closing, Buyer shall pay, (1) one-half (1/2) of the premium for a Standard Owner's Policy in the amount of the Purchase Price, (2) the additional cost for an Extended / ALTA Policy and for any and all endorsements to any title insurance obtained by Buyer, (3) the conveyance tax, (4) one-half (1/2) of the Escrow fee, and (5) any other costs required to be paid by Buyer under this Agreement.

10. Prorations.

Real property taxes, assessments and any other costs and expenses associated with the ownership of the Property, shall be prorated as of the Closing Date.

11. Possession.

Buyer shall be entitled to possession of the Property on the Closing Date.

12. Opportunity to Cure Claims.

Buyer and Seller agree that if at any time after the Effective Date that either the Buyer or Seller maintain that the other party is in breach of the Agreement and that the party maintaining that a breach has occurred believes it maintains a claim against the breaching party, such party shall give written notice of the claim and shall identify the action requested of the breaching party to cure such breach. The notice shall provide a reasonable period of time for the breaching party to cure the breach. The Section shall survive the Closing to the extent a breach of this Agreement is actionable.

13. Default.

13.1 By Seller. If Seller defaults in its obligations under this Agreement, Buyer shall be entitled to all remedies provided by law and equity, including, but not limited to, refund of its Initial Deposit, its Additional Deposit, and/or demand specific performance of Seller.

13.2 By Buyer. In the event Buyer defaults in its obligation to complete the purchase of the Property as provided in this Agreement, Seller shall retain the Initial Deposit and the Additional Deposits, (or any portion thereof Seller desires), as Seller's sole and exclusive remedy. As further provided in Section 19, the parties agree that it will be difficult to calculate the damage that Seller shall have suffered as the result of such default by the Buyer; so the parties agree that in the event of such default the damage suffered by the Seller shall be equal to the amount of the Initial Deposit and Additional Deposit, and no more.

14. Utilities.

Buyer is aware of and accepts that Seller is conveying the Property without representation or warranty as to the availability of water, electric, telephone or waste disposal services.

15. Use and Development of Property by Buyer.

Buyer shall be responsible for obtaining, at its sole cost and expense, all Permits which may from time to time be required for Buyer's use or development of the Property, including the payment or other satisfaction of all fees, costs, charges, exactions and other impositions in connection with such Permits, and for compliance, at its cost and expense, with all laws which may from time to time relate or apply to Buyer's use or development of the Property.

16. Representations of Seller. Seller represents and warrants to Buyer, with the understanding that each such representation, warranty and covenant (i) is material and being relied upon by Buyer, (ii) is made as an inducement to Buyer to enter into this Agreement and consummate the transaction contemplated hereby, and (iii) is true in all respects as of the date of this Agreement, and (iv) shall be confirmed in writing by Seller as true in all respects on the Closing Date or Seller shall provide a written explanation of any changes to the same, that:

a. Cannery Commercial LLC is and as of the Closing will be a limited liability company duly organized, validly existing and in good standing under the laws of the State of Hawaii, and duly authorized to own property and conduct business in Hawaii. AKT Kona Investors, LLC is and as of the Closing will be a limited liability company duly organized, validly existing and in good standing under the laws of the State of California. Seller has all requisite power and authority to own Seller's interest in the Property.

b. As of the Closing, Seller will have the authority to execute and deliver this Agreement and all documents now or hereafter to be delivered by it pursuant to this Agreement, to perform all obligations arising under this Agreement. As of the Closing, this Agreement has been duly executed and delivered by Seller and constitutes a valid, binding and enforceable obligation of Seller, subject to bankruptcy and other debtor relief laws and principles of equity. The compliance with or fulfillment of the terms and conditions hereof will not conflict with, or result in a breach of, the terms, conditions or

provisions of, or constitute a default under, any contract to which Seller is a party or by which Seller is otherwise bound, which conflict, breach or default would have a material adverse effect on Seller's ability to consummate the transaction contemplated by this Agreement or on the Property.

c. There is no right of first refusal or repurchase option, related to the Property, held by any third-party.

d. There is no material suit, claim in writing, action, or proceeding pending as of the Effective Date against Seller involving the Property, or any portion thereof.

e. All taxes for the fiscal year in which the Closing occurs and all prior fiscal years have been paid in full or will be paid in full or prorated at Closing; provided, however, that if any taxes are payable in installments, such representation and warranty shall apply only to such installments which would be delinquent if unpaid at Closing, (ii) Seller has not received any written notice for an audit of any taxes that has not been resolved or completed, (iii) Seller is not currently contesting any taxes, (iv) there are no pending applications or proceedings filed by Seller or any agent on behalf of Seller seeking the abatement of any taxes (including real property taxes assessed against the Property or any portion thereof, and (v) Seller has not received written notice of any special assessments or taxes against the Property from any governmental authority which relate to any planned public improvements immediately adjacent to the Property.

f. Neither Seller nor, to Seller's knowledge, its direct or indirect managers, members, partners, shareholders, and owners, or any of their respective directors, officers or affiliates (with Seller, each, a "Seller Party", and, collectively, "Seller Parties") has commenced, suffered or consented to (i) any proceeding for relief under any bankruptcy, insolvency or debtor relief law, (ii) an assignment for the benefit of creditors, or (iii) oversight or administration by a receiver, trustee, administrator, conservator, liquidator or similar official (collectively, "Bankruptcy Proceeding"), which such Bankruptcy Proceeding has not been dismissed.

g. No portion of the Property has flooded during Seller's ownership thereof. Seller has not received any notices or claims from nearby property owners alleging that they have experienced damage as a result of water draining off the Property.

h. To Seller's Knowledge (defined below), there are no condemnation or eminent domain proceedings pending or contemplated against the Property or any part thereof, and the Seller has received no notice of the desire of any public authority to take or use the Property or any part thereof.

i. Seller has received no written notice of a violation of any law, regulation, ordinance, order or judgment affecting the Property and/or Seller's ability to convey the Property to Buyer.

j. To Seller's Knowledge, there are no unrecorded easements, restrictions or encumbrances affecting all or any part of the Property.

k. To Seller's Knowledge, there are no agreements, waivers or other arrangements providing for any extension of time with respect to the assessment of any type of tax or deficiency against Seller in respect of the Property, nor are there any actions, suits, proceedings, investigations or claims for additional taxes and assessments asserted by any taxing authority. Seller is not delinquent in the payment of taxes to any taxing authority (federal, state or municipal).

l. To Seller's Knowledge, there are no other licenses, management, maintenance, operating, service, commission or similar contracts related to the use, ownership or operation of the Property which would be binding upon Buyer after the Closing.

m. Seller is not, and will not be, a person or entity with whom Buyer is restricted from doing business with under the USA Patriot Act and Executive Order Number 13224 on Terrorism Financing, effective September 24, 2001 and regulations promulgated pursuant thereto (collectively, "Anti-Terrorism Laws"), including, without limitation, persons and entities named on the Office of Foreign Asset Control Specially Designated Nationals and Blocked Persons List.

n. Seller is not a "foreign person," as that term is used and defined in the Internal Revenue Code, Section 1445, as amended.

o. Seller will execute and deliver on or before the Closing Date a certification to that effect to comply with said Section 235-68 (the "HARPTA Certificate"), such HARPTA Certificate being Form N-289 as distributed by the Department of Taxation

of the State of Hawaii or if unable to give the HARPTA Certificate, then will make the withholding as required by law.

p. Seller has no knowledge of any enforcement, cleanup, remedial, removal or other governmental or regulatory actions instituted, in connection with the Property pursuant to any Hazardous Materials Laws (as hereinafter defined), and Seller will immediately notify Purchaser in writing of the institution, completion or threat of any such governmental or regulatory actions of which Seller obtains knowledge. Further, Seller has not received any notice of and does not otherwise have any knowledge, that the Property has ever been used by previous owners, operators, tenants and/or by Seller to generate, manufacture, refine, transport, treat, store, handle, use or dispose of Hazardous Materials or is, or has ever been, the subject of any release, spill, leak, emission, pumping, pouring, dumping or other Contamination by any Hazardous Materials. Seller agrees that it will not dispose of or release, or permit the disposal or release of, Hazardous Materials on the Property from the Effective Date hereof through the Closing Date. Seller has not obtained any permits, licenses, or similar authorizations to occupy, operate or use the Property by reason of any laws dealing with Hazardous Materials. As used in this Agreement, the term “Hazardous Materials Laws” means and includes any and all Federal, State and local laws, ordinances and regulations relating to environmental conditions, industrial hygiene or hazardous materials on, under or about the Property, including without limitation the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Clean Water Act, 33 U.S.C. Section 1251, et seq., the Clean Air Act, 42 U.S.C. Section 7401, et seq., the Toxic Substance Control Act, 15 U.S.C. Section 2601 through 2629, the Safe Drinking Water Act, 42 U.S.C. Sections 300f through 300j, and Hawaii Revised Statutes Chapters 342B, 342D, 342F, 342H, 342I, 342J, 342L and 342N, as amended. As used in this Agreement, the term “Hazardous Materials” means any flammable or explosive material, oil, petroleum or petroleum products or by-products, natural gas or synthetic gas usable for fuel, radioactive materials, asbestos, asbestos containing materials, polychlorinated biphenyl components (including, without limitation, those used in hydraulic

oils, electric transformers or other equipment), heavy metals, hazardous wastes or substances or toxic wastes or substances, or any other substance the presence of which on the Property is regulated or prohibited by any Hazardous Materials Laws. As used in this Agreement, the term “Contamination” means and includes the presence, existence or threat of Hazardous Materials in, on, under or at the Property (including, without limitation, in building materials used on the Property) and/or any actual, alleged or perceived health issues applicable to the Property.

q. There is no pending or, to the knowledge of Seller, threatened litigation or administrative proceeding which, if determined adversely, would restrain the consummation of any of the transactions referred to herein, or materially and adversely impact the Property.

r. Other than as accepted by Buyer via written acceptance, including Buyer’s acceptance and assignment of the Agricultural Lease, no person is or shall be in possession of the Property, or any portion thereof, and the Property shall be delivered by the Seller to the Buyer for Buyer’s immediate possession.

s. All references to “Seller’s Knowledge”, or variations thereof, shall mean the present, actual knowledge, without any duty of inquiry or the imputation of constructive knowledge, of James Gianulias, who is the most knowledgeable about the Property, without any personal liability of any kind hereunder for any matter, including an incorrect representation of this Section 16.

If, at any time prior to Closing, Seller has actual knowledge of any facts or circumstances which would render any of the foregoing representations and warranties untrue in any material respect, then Seller shall promptly notify Buyer of all such facts or circumstances.

Seller agrees that the representations, covenants and warranties set forth in this Section 16 and elsewhere in this Agreement shall remain continuously in full force and effect through the Closing or Seller shall provide a written explanation of any changes to the same. Subject to Section 12, above, Seller’s obligation to indemnify Buyer in connection with any breach of the representations, covenants and warranties contained herein, shall and thereafter survive for a period of one (1) year after the Closing.



17. Confidentiality.

Unless otherwise agreed upon in writing, all matters relating to this transaction shall remain strictly confidential and shall not be disclosed to any person or entity (other than Buyer's agents, consultants, professionals and potential investors) without the written consent of the other party. Each party agrees to maintain confidentiality of all information received from the other party pertaining to the sale of the Property, the Property itself, and any information received about the other party. Each party's obligation to maintain confidentiality will survive the termination of this Agreement and the Closing. Buyer shall return or destroy all due diligence documents to Seller if Buyer does not accept the Property and close the transaction. Seller shall return or destroy any materials received from Buyer, if any, in connection with the transaction. Each party shall return to the other party, or certify the destruction of, such documents within five (5) business days after the Agreement is terminated. Notwithstanding any of the foregoing and to the contrary, the Seller acknowledges and understands that the Buyer is subject to open record laws, such as State of Hawaii Uniform Information Practice Act, codified as HRS Chapter 92F, with all such open record laws collectively, the "Open Record Laws". Under the Open Record Laws, there is a presumption that all government records are subject to disclosure, unless and to the extent one of the statutory disclosure exemptions are deemed to apply. Consequently, the Buyer may not and cannot promise to provide assurance that in all cases it will be able to preserve the confidentiality of this paragraph, provided, however, the Buyer will provide to Seller written notice of any third-party request for matters concerning this transaction.

18. No Joint Venture.

It is hereby acknowledged by Buyer and Seller that any relationship between them created hereby is not intended to be and shall not in any way be construed to be that of a partnership, joint venture, or principal and agent. It is hereby further acknowledged that any rights reserved herein by Seller with respect to the Property or any documents or matters related thereto is solely for the purpose of either securing Seller's interest in this transaction or protecting Seller's property interests and values. Any approvals or other action by Seller pursuant to this Agreement, or any document related thereto, is solely for Seller's benefit and no person or entity may rely upon Seller's approvals or actions hereunder for any other purpose.

19. Liquidated Damages.

Buyer and Seller agree that the extended Closing Date requested by Buyer will cause damages to the Seller by having the Closing proceeds unavailable for prolonged period of time. The prolonged period has created an inability for Seller to market the Property for the period of time that the Buyer and Seller have engaged in this transaction, which time is in excess of two (2) years. In the event of default by Buyer that results in Seller's retention of the Initial Deposit and Additional Deposit, Buyer and Seller agree that the release and delivery of the Initial Deposit and Additional Deposit does not constitute a penalty. Buyer and Seller agree that actual damages would be impractical or extremely difficult to fix and therefore agree that the Initial Deposit and Additional Deposit shall be retained by the Seller, as Seller's sole remedy and as provided herein. Buyer and Seller agree that the Initial Deposit and Additional Deposit are a reasonable estimate of the damages that would occur to the Seller in order for the Seller to agree to a Closing Date no later than June 30, 2025.

20. No Party Deemed to be Draftsman.

Seller and Buyer have each had the assistance of their own counsel in the drafting of this Agreement. If an ambiguity should appear in this Agreement, such ambiguity shall not be resolved by interpreting the Agreement against either party as the draftsman. The language of this Agreement shall be interpreted simply according to the fair meaning.

21. Commissions.

Seller shall pay to JVG Capital, Inc. a one and one-half percent (1.5%) commission from the Closing Proceeds due to Seller. Seller shall indemnify and hold-harmless Buyer from paying any commissions in connection with this Agreement and the sale of the Property.

22. Time is of the Essence.

Time is of the essence of this Agreement, and the time specified for the performance of any act (including without limitation the delivery of any instrument or the payment of any money), whether as a condition or as a promise, shall not be extended, and shall be strictly observed. Any failure on the part of either party to perform an act at the time and day specified therefor shall constitute a material breach of this Agreement and in that event the other party, at its election, shall be discharged from its obligations under this Agreement. The

foregoing provisions of this Section notwithstanding, in the event that either party hereto is unable to Close the transaction described in this Agreement by the Closing Date, then, upon written notice to the other party, each party hereto shall have a one-time right to extend the Closing Date for a period not to extend ten (10) calendar days.

23. Further Assurances.

Whenever requested to do so by the other party, Seller or Buyer promptly and expeditiously shall execute, acknowledge and deliver any and all such conveyances, assignments, confirmations, satisfactions, releases, instruments of assurance, approvals, consents and any and all further instruments and documents as may be reasonably necessary, expedient, or proper in order to complete any and all conveyances, transfers, sales, and assignments herein provided, and to do any and all other reasonable acts and to execute, acknowledge and deliver any and all documents as so reasonably requested in order to carry out the intent and purpose of this Agreement.

24. Miscellaneous.

a. Entire Agreement. This Agreement constitutes the entire agreement between the parties and supersedes any and all prior agreements or understandings, whether verbal or written, concerning the sale of the Property.

b. Modification. This Agreement may be modified or amended only by a writing signed by Seller and the Buyer.

c. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the respective successors and assigns of the parties.

d. Choice of Laws. This Agreement shall be governed by the laws of the State of Hawaii.

e. Miscellaneous Interpretations and Construction. The headings and marginal notations of this Agreement are for convenience only, and if there be any conflict, the text of this Agreement shall control. The use of any gender shall include all genders. Whenever any words are used herein in the singular, they shall be construed as though they were used in the plural in all cases where they would so apply, and vice versa. Any reference in this Agreement to money or to payments to be made in money shall mean legal tender of the United States.

f. Attorneys' Fees and Costs. In the event of any claim or dispute

arising out of this Agreement, the party that prevails shall be awarded by a court, in addition to all other relief, all reasonable attorney fees and all other reasonable costs and expenses incurred in connection with such claim or dispute, including without limitation those fees, costs and expenses incurred, provided, however, in the case of Buyer, to the extent that funds have been authorized and appropriated by the Legislature for such and the funds have been allocated by the executive budget, or otherwise agreed to by the Buyer.

g. Notices. All or communications of any kind which may be required or permitted to be given under this Agreement shall be in writing and personally delivered, or mailed via USPS certified mail, return receipt requested, or via FedEx or other overnight private delivery service, recognizing that "next day" service to and from Hawaii may ultimately be second or third day delivery or by electronic transmission (i.e., e-mail, fax, etc.) followed by a confirming "hard copy" via one of the other prescribed methods set forth above to the addresses of the parties provided below. All notices or communications which are delivered in person shall be deemed given upon receipt and if by mail shall be deemed to be given at the expiration of the third (3rd) business day after the date of mailing and, in case of notice by electronic transmission, one day after such electronic transmission. The addresses to which notices or communications shall be delivered or mailed may be changed from time to time by giving written notice of the change to the other party.

SELLER:

Cannery Commercial LLC  
c/o Jon Gianulias  
2264 Fair Oaks Boulevard, Suite 100  
Sacramento, California 95825

AKT Kona Investors, LLC  
c/o Angelo K. Tsakopoulos  
7919 Folsom Boulevard, Suite 300  
Sacramento, California 95826

with a copy to:

Paul R. Mancini, Esq.  
Mancini Welch & Geiger LLP  
305 E. Wakea Avenue, Suite 200  
Kahului, Hawaii 96732

BUYER :

Department of Hawaiian Home Lands  
c/o Mr. Kali Watson, Chairman,  
Hawaiian Homes Commission, State of Hawaii  
91-5420 Kapolei Parkway  
Kapolei, Hawaii 96707  
with a copy to:

Alana L. Bryant, Esq.  
Department of the Attorney General  
State of Hawaii  
425 Queen Street  
Honolulu, Hawaii 96813

with a copy to:

Starn O'Toole Marcus & Fisher  
Pacific Guardian Center, Makai Tower  
733 Bishop Street, Suite 1900  
Honolulu, Hawaii 96813  
Attn: Christina Ohira

25. Facsimiles.

It is agreed by all parties that facsimile copies and e-signatures of this executed Agreement and related documents shall be fully binding and in full effect for all purposes consistent with the expressed intent of the parties hereto. Original documents shall be executed within a reasonable time after the facsimile or e-signatures and sent to the other party by mail. Documents which are to be recorded (e.g., deeds, assignments of leases, mortgages, etc.) must be fully executed by all parties to those documents with original ink signatures.

26. Counterparts.

This Agreement may be executed in any number of counterparts, and each such counterpart shall be deemed to be an original instrument, but all such

counterparts together shall constitute a single agreement. A signature delivered via facsimile, email, or attachment to email shall be equally as effective as an original signature delivered in-person, via mail, or via any other means.

*[The remainder of this page is intentionally left blank. Signature page follows.]*

CANNERY COMMERCIAL, LLC  
a Hawaii limited liability company

By: LCM, Inc., a Hawaii corporation

Manager:

By: \_\_\_\_\_

Name: Jon Gianulias

Its: \_\_\_\_\_

Date: \_\_\_\_\_

AKT KONA INVESTORS, LLC  
a California limited liability company

By: AKT Investments, Inc., a  
California corporation

Manager:

By: \_\_\_\_\_

Name: Angelo K. Tsakopoulos

Its: Chairman

Date: \_\_\_\_\_

“SELLER”

DEPARTMENT OF HAWAIIAN  
HOME LANDS

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: Chairman

Date: \_\_\_\_\_

“BUYER”

APPROVED AS TO FORM:

By: \_\_\_\_\_

\_\_\_\_\_  
Deputy Attorney General State of Hawaii

**EXHIBIT A**  
**LEGAL DESCRIPTION**

**[TO BE INSERTED]**



**EXHIBIT B**

**LIMITED WARRANTY DEED**

**[TO BE INSERTED]**

**EXHIBIT C**

**BILL OF SALE**

**CANNERY COMMERCIAL LLC**, a Hawaii limited liability company, whose address is 2264 Fair Oaks Boulevard, Suite 100, Sacramento, California 95825 and **AKT KONA INVESTORS, LLC**, a California limited liability company, whose address is 7919 Folsom Boulevard, Suite 300, Sacramento, California 95826 (hereinafter collectively referred to as "**Seller**"), in consideration of Ten (\$10.00) Dollars in hand paid by **THE STATE OF HAWAII THROUGH ITS DEPARTMENT OF HAWAIIAN HOME LANDS**, whose address is 91-5420 Kapolei Parkway, Kapolei, Hawaii 96707, c/o Mr. Kali Watson, Chairman, Hawaiian Homes Commission, State of Hawaii (hereinafter referred to as "**Buyer**"), the receipt and sufficiency of which is hereby acknowledged, does hereby sell, grant, assign, convey, transfer, set over, and quit-claim unto Buyer, its successors and assigns, all of Seller's right, title and interest in and to the Additional Property, including any fixtures, chattels and articles of personal property that are used in connection with the operation of the Real Property and/or attached to or located in or upon the Real Property and the buildings and other improvements located thereon, or any portion thereof, including, but not limited to, the furniture, fixtures and equipment, supplies, the inventories (all of the property and interests hereinbefore described are hereinafter referred to as the "**Personal Property**").

TO HAVE AND TO HOLD the Personal Property unto Buyer, its successors and assigns forever.

This Bill of Sale is made without warranty or representation, express or implied, by, or recourse against, Seller of any kind or nature whatsoever except as expressly provided in the Purchase and Sale Agreement dated as [REDACTED] between Seller and Buyer (as amended, the "**Purchase Agreement**"). Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Purchase Agreement.

This Bill of Sale has been duly executed by Seller as of the [REDACTED] day of [REDACTED], 20[REDACTED].

CANNERY COMMERCIAL, LLC  
a Hawaii limited liability company

By: LCM, Inc., a Hawaii corporation

Manager:

By: \_\_\_\_\_

Name: Jon Gianulias

Its: \_\_\_\_\_

AKT KONA INVESTORS, LLC  
a California limited liability company

By: AKT Investments, Inc., a  
California corporation

Manager:

By: \_\_\_\_\_

Name: Angelo K. Tsakopoulos

Its: Chairman

**EXHIBIT D**

**ASSIGNMENT AND ASSUMPTION OF AGRICULTURAL LEASE  
AND OTHER AGREEMENTS**

**TO BE INSERTED.**

**EXHIBIT E**

**EXCLUDED AREA**

**[TO BE INSERTED.]**

# **DRAFT**

Appraisal Report to

**Department of Hawaiian Home Lands  
(DHHL)**

Covering the

**MARKET VALUE OF THE  
75-5763 MAMALAHOA HIGHWAY PROPERTY**

Kahului 1 and 2 and Waiaha 2, Holualoa, North Kona,  
Island and State of Hawaii  
Tax Map Keys (3) 7-5-14:01 and 11

As of September 23, 2022





**JOHN CHILD & COMPANY**  
APPRAISERS & CONSULTANTS

October 13, 2022

**DRAFT**

Karen Char, MAI, CRE  
Paul D. Cool, MAI, CRE  
Shelly H. Tanaka, MAI, AI-GRS

Department of Hawaiian Home Lands  
c/o Catie Cullison, Vice President  
PBR Hawaii & Associates, Inc.  
1001 Bishop Street, Suite 650  
Honolulu, Hawaii 96813

Dear Ms. Cullison:

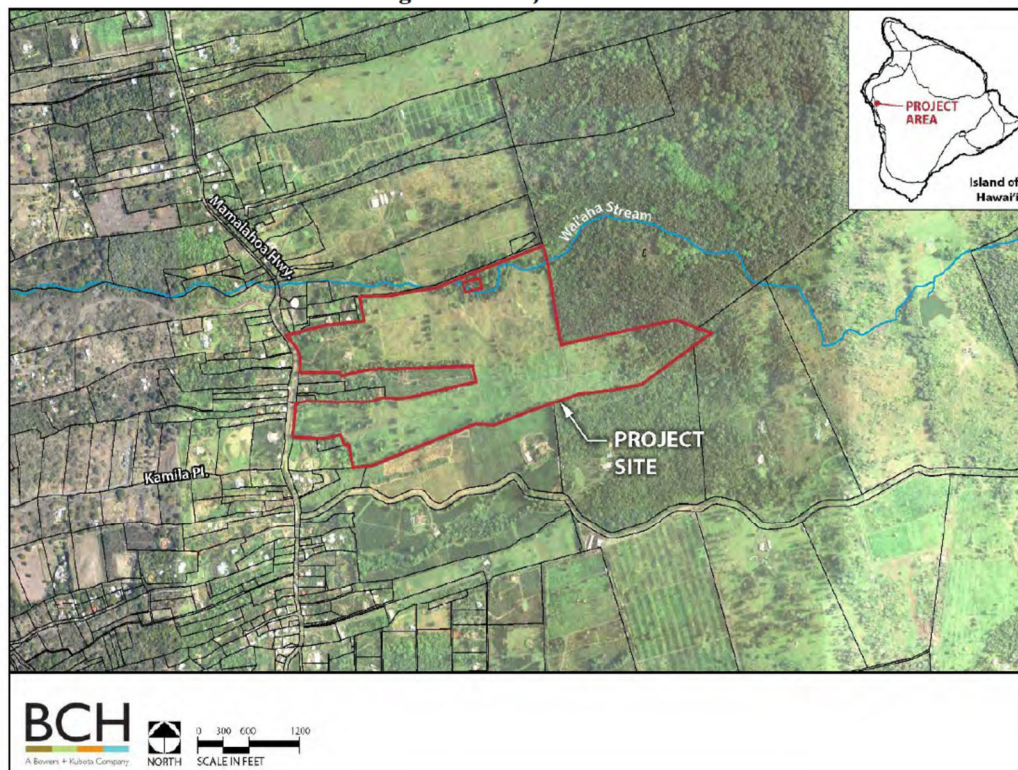
**Re: Appraisal of the 75-5763 Mamalahoa Highway Property**

At your request, John Child & Company has estimated the market value of the 75-5763 Mamalahoa Highway Property. This letter summarizes the study background, key issues, and estimated market value. Information not contained in this report are available in our work file.

**STUDY BACKGROUND**

The 75-5763 Mamalahoa Highway Property includes 129.682 acres in the ahupua`a of Kahului 1 and 2 and Waiaha 2, in Holualoa, North Kona, on the island of Hawaii.

**Figure 1-1 Project Site Location**









Department of Hawaiian Home Lands  
c/o Catie Cullison  
October 13, 2022  
Page 3

The property is owned by AKT Kona Investors, LLC and Cannery Commercial, LLC and leased to Cancino Family Farms, LLC for \$10,000/month (net) through December 31, 2027. Since 2021, CFF has replanted about 48,000 coffee trees throughout the property.

A four-bedroom single-family home built in 2003 is also located on the property. The home is leased on a month-to-month basis to Kevin and Cherise Hibbard for \$3,500/month.

The Department of Hawaiian Home Lands (DHHL) is considering a purchase of the property and requires an estimate of its current market value. On behalf of DHHL, you asked us to assist you in this regard.

## **STUDY OBJECTIVE**

The objective of our assistance is to estimate the current market value of the fee simple interest in the 75-5763 Mamalahoa Highway Property, as encumbered by existing leases.

## **INTENDED USE AND USER(S)**

Our assistance is intended to be used by DHHL (the Client) for internal information and decision-making in connection with the proposed acquisition.

In accepting this report, the Client specifically agrees that our assistance is not intended for any other purpose or users and is not to be relied upon by any third parties for any purpose, whatsoever.

## **DEFINITION OF MARKET VALUE**

Market value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and



Department of Hawaiian Home Lands  
c/o Catie Cullison  
October 13, 2022  
Page 4

5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. [1]

Other terms used in this report are defined in Addendum 1.

## **DATE OF PROPERTY VISIT AND EFFECTIVE DATE OF APPRAISAL**

The effective date of appraisal is September 23, 2022, the date the property was visited.

## **EXTRAORDINARY ASSUMPTION**

An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. Uncertain information might include physical, legal, or economic characteristics of the subject property; such as market conditions or trends, or about the integrity of data used in an analysis. [2]

The valuation is based on the following Extraordinary Assumption:

- Tax map key parcel (3) 7-5-14:11 is a 24,176<sup>sq</sup>ft kuleana identified as R.P. 7815, L.C. Aw. 7913, Apana 3 to Kaanehe. A prior listing of the property, included in Exhibit A, states "TMK: 3-7-5-14-11 zoned A-5A has some title issues and water to the property." A title report was not provided. However, according to the landowner, the title issues were resolved. The valuation assumes the property is owned free and clear, subject only to the lease encumbrances that will be described in the report.

The Client understands the use of this Extraordinary Assumption may have an effect on the assignment results.

## **STUDY CONDITIONS**

This report is also subject to the study conditions described in Addendum 2.

---

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

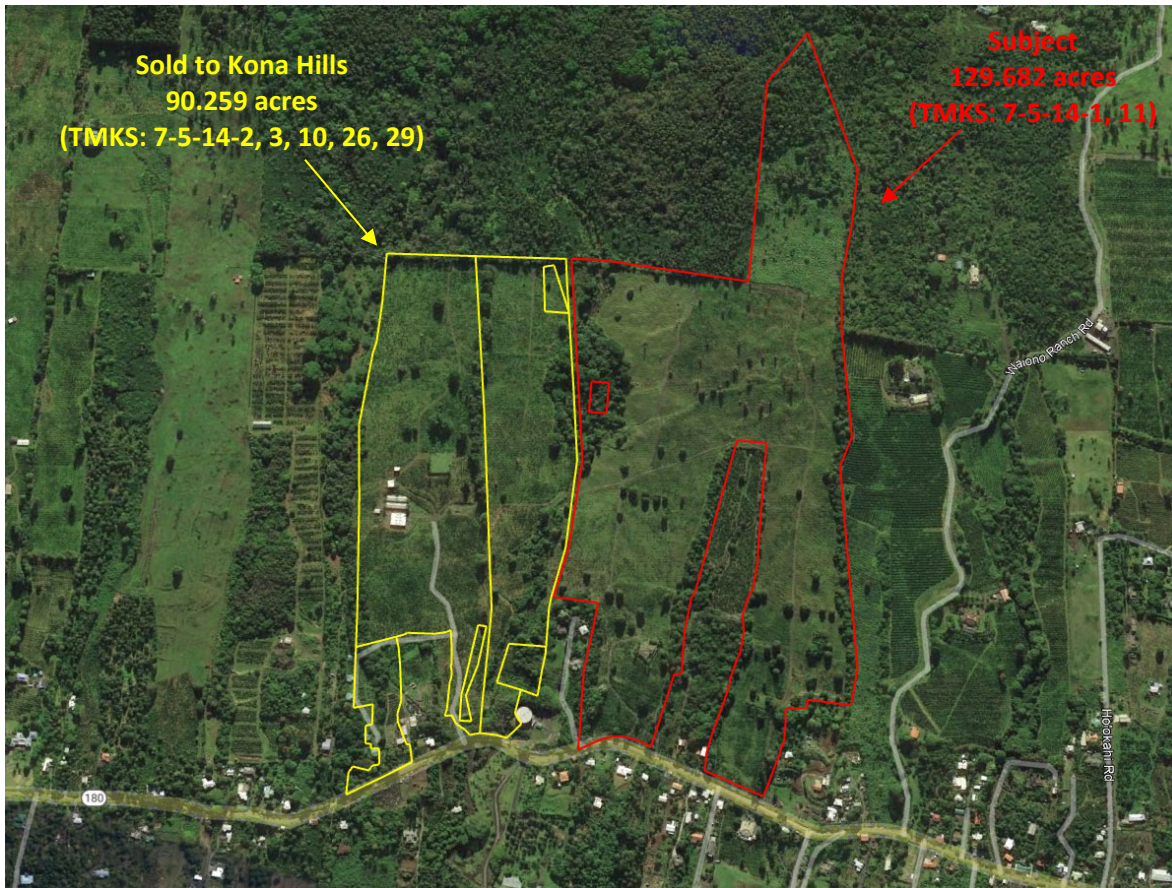
[2] Appraisal Institute, **The Dictionary of Real Estate Appraisal**, Seventh Edition.



Department of Hawaiian Home Lands  
c/o Catie Cullison  
October 13, 2022  
Page 5

**PROPERTY OWNERSHIP HISTORY**

Prior to 2006, the property was owned by Skip Dahlen. Mr. Dahlen sold the property, together with the adjacent 90 acres to the north shown in yellow below, to CGH, LLC, a California limited liability company.



Source: Google Earth and Hawaii County Real Property Tax office website.

Note that boundaries are slightly off; for example, the northern boundary of the 90-acre assemblage should encompass three homes shown just north of the yellow line.



Department of Hawaiian Home Lands  
 c/o Catie Cullison  
 October 13, 2022  
 Page 6

The MLS listing is included in Exhibit B. The \$30 million sale price equates to \$136,400 per acre for the 219-acre assemblage, identified by tax map key parcel number, as follows:

Properties Sold in 2006

Tax map key	Net land area (acres)	
(3) 7-5-14:01	129.127	Subject Property; listed for sale in 2012 for \$10.75 million (\$82,895/acre)
(3) 7-5-14:11	0.555	
Subtotal	129.682	
(3) 7-5-14:02, 10, 26	36.386	Subsequently sold to Kona Hills in January 2022 for \$6.0 million (\$66,475/acre)
(3) 7-5-14:03	50.060	
(3) 7-5-14:29	3.813	
Subtotal	90.259	
Total	219.941	
January 30, 2006 sale price for 219.941-acre assemblage:		
Total	\$30,000,000	
Per acre	136,400	

The January 30, 2006 Warranty Deed (2006-018346) shows Gus Gianulias was a partner in CGH, LLC.

According to a source familiar with the transaction, Mr. Dahlen financed a substantial portion of the \$30 million price. By 2008, CGH, LLC defaulted on its loan from Mr. Dahlen. A 2008 Warranty Deed shows Mr. Dahlen took back the 90-acre assemblage in lieu of foreclosure.

CGH, LLC continued to own the subject parcels and listed the property for sale in 2012, as previously shown in Exhibit A. In 2015, CGH, LLC transferred the parcels to AKT Kona Investors, LLC (80%) and Cannery Commercial, LLC (20%). Both companies are owned, at least in part, by Gus Gianulias.



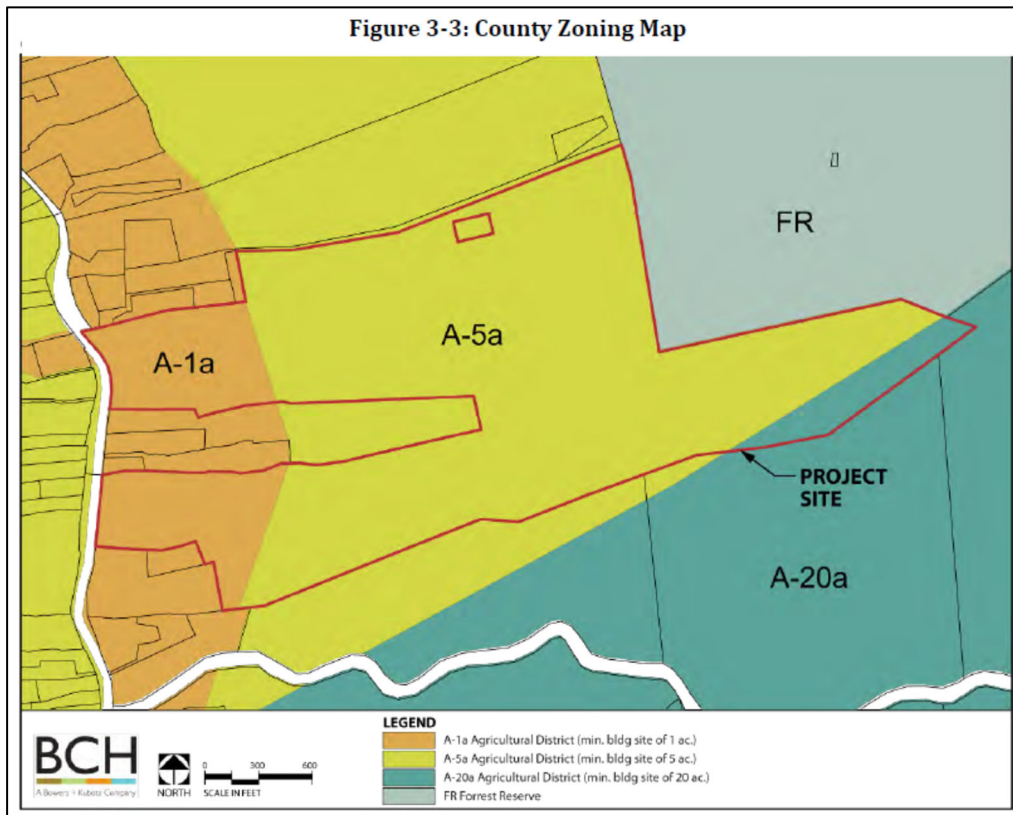
Department of Hawaiian Home Lands  
c/o Catie Cullison  
October 13, 2022  
Page 7

In January 2022, Skip Dahlen’s estate sold the 90-acre assemblage to Kona Hills, LLC. Kona Hills owns other coffee farms in South Kona. The purchase price for the 90 acres was \$6.0 million, or about \$66,475 per acre. The sale included the land and improvements, which included five dwellings and a coffee mill, described in the MLS listing included in Exhibit C.

The subject parcels continue to be owned by AKT Kona Investors, LLC and Cannery Commercial, LLC. Other than the inter-party transfers and tenant leases that will be described in the next section, we are not aware of any sales or transfers of any interest in the subject parcels since they were acquired in 2006.

### PROPERTY CHARACTERISTICS

The subject parcels are in the Agricultural State Land Use district. Portions of Parcel 1 are zoned A-1a and A-20a; the remainder is in the A-5a, Agricultural zoning district, as follows:





Department of Hawaiian Home Lands  
c/o Catie Cullison  
October 13, 2022  
Page 8

The upland topography features gentle to moderate slopes beginning at about the 1,500 – 1,600-foot elevation along Mamalahoa Highway. Soils consist primarily of Honuauulu extremely rocky silty clay loam, 12 to 20% slope (HVD), well-drained silty clay loams used mostly for coffee and pasture. Soils, rainfall conditions, and other characteristics are similar to other properties in the immediate vicinity and Kona’s coffee belt region, in general.

Although irregularly shaped, a 30’ (+/-) foot paved roadway extends through the property and provides convenient access throughout. The roadway also provided access to the 90-acre assemblage purchased by Kona Hills; however, we are not aware of any easements or other access agreements that permit continued access to that property.



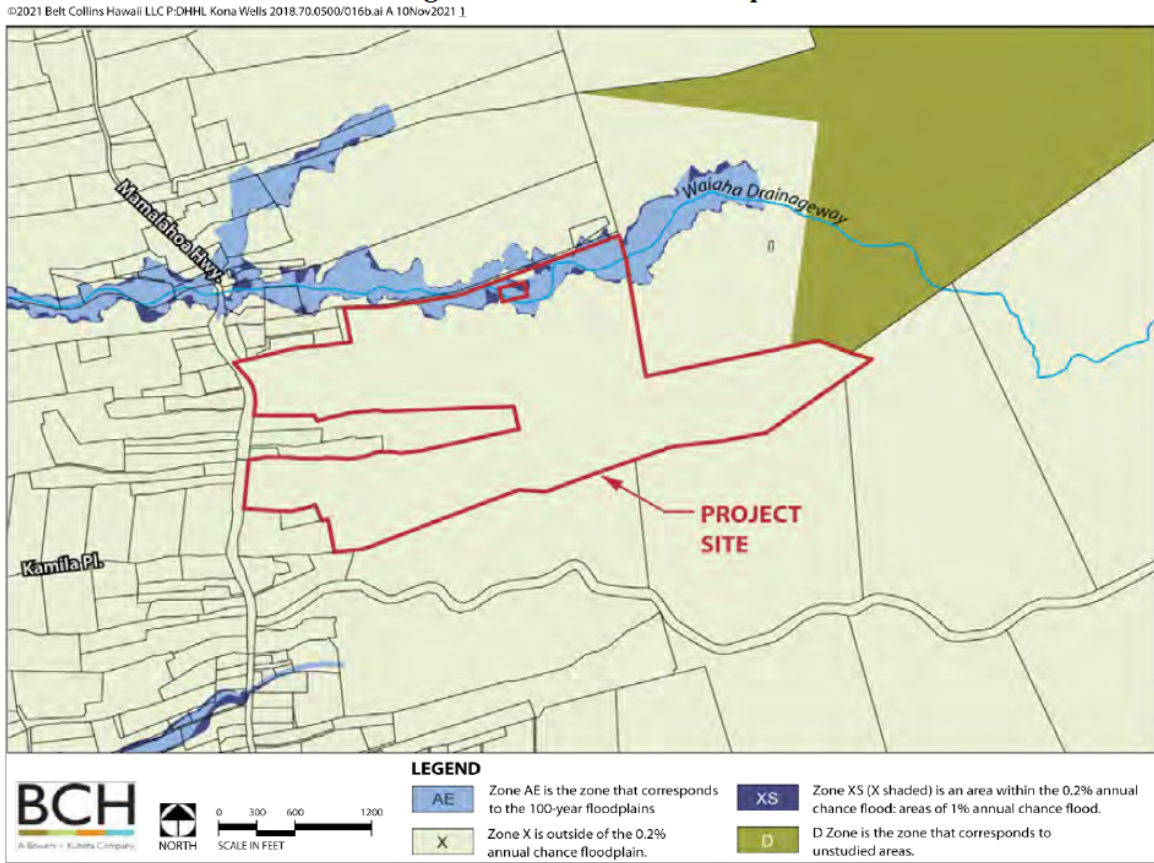
Paved roadway through property



Department of Hawaiian Home Lands  
c/o Catie Cullison  
October 13, 2022  
Page 9

Portions of the north boundary are in Waiaha Stream and designate Flood Zone AE; the rest of the property is located outside the flood hazard zone.

Figure 3-22: FEMA Firm Map



The property has access to County water, electricity, internet, cable, and phone service. Wastewater is handled by individual septic system.

Several archaeological sites were identified on the southwest portion of the property near Mamalahoa Highway, as shown on the following pages. To our knowledge, site conditions including archaeology, drainage conditions, and soil types have not been significant impediments to the historical coffee farming operations and residential use.



Department of Hawaiian Home Lands  
c/o Catie Cullison  
October 13, 2022  
Page 10

Cultural Surveys Hawai'i Job Code: PUA 5

Background Research

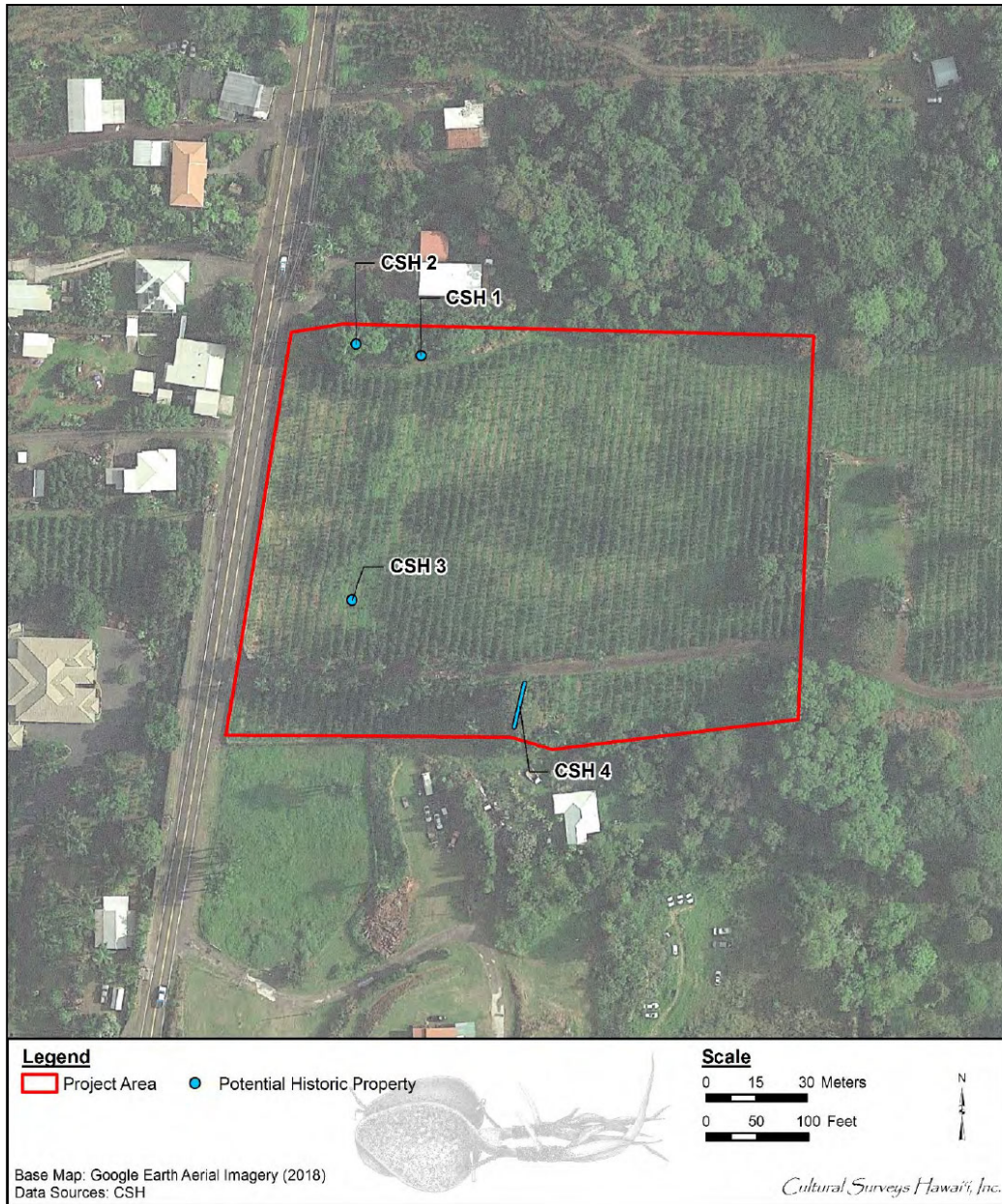


Figure 15. Aerial photograph of the project area (Google Earth 2018) showing the locations of potential historic properties (CSH 1 through 4) identified during the LRFI (Bautista et al. 2019)





Department of Hawaiian Home Lands  
c/o Catie Cullison  
October 13, 2022  
Page 11

Cultural Surveys Hawai'i Job Code: PUA A 5

Results of Fieldwork



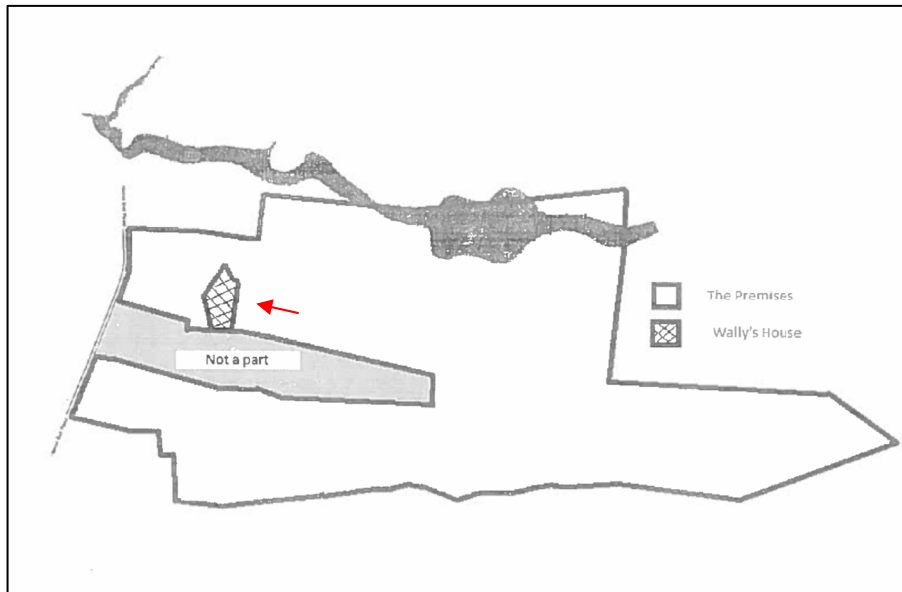
Figure 17. Aerial photo of the project area (Google Earth 2018) showing the approximate locations of newly documented historic properties



Department of Hawaiian Home Lands  
c/o Catie Cullison  
October 13, 2022  
Page 12

### Single-Family Home

About an acre is improved with a single-family ranch home built in 2003 (identified as “Wally’s house” on the following map:



Garage



Front of house



Department of Hawaiian Home Lands  
c/o Catie Cullison  
October 13, 2022  
Page 13

The home includes four bedrooms, four baths, a den/office area, formal dining room, laundry room, and living/great room with a separate entertainment area towards the back of the house featuring wall-to-ceiling windows that overlook the Kona coast. Tax office records identify 2,699<sup>sq</sup> of living area under roof.

The home is rented to Kevin and Cherise Hibbard for \$3,500 per month, on a month-to-month terminable basis. A copy of the tenant rental agreement is included in Addendum 3.

The property was well-maintained, although the tenant reported recent settlement caused cracks in the garage foundation and rock walls surrounding the house.



Living room areas



Department of Hawaiian Home Lands  
c/o Catie Cullison  
October 13, 2022  
Page 14



Kitchen



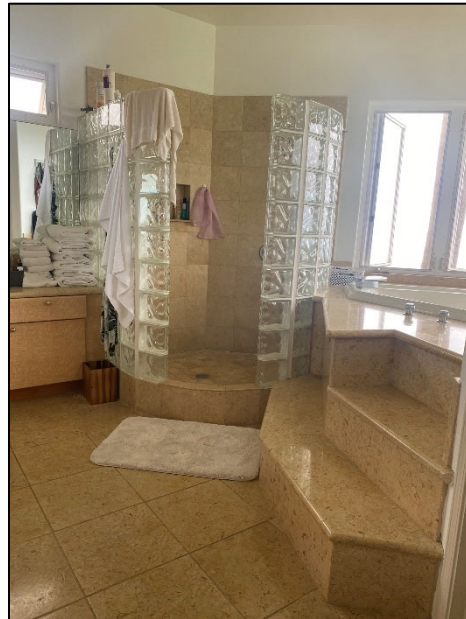
Dining room



Office / laundry room / hallway



Department of Hawaiian Home Lands  
c/o Catie Cullison  
October 13, 2022  
Page 15



Primary bedroom and bathroom



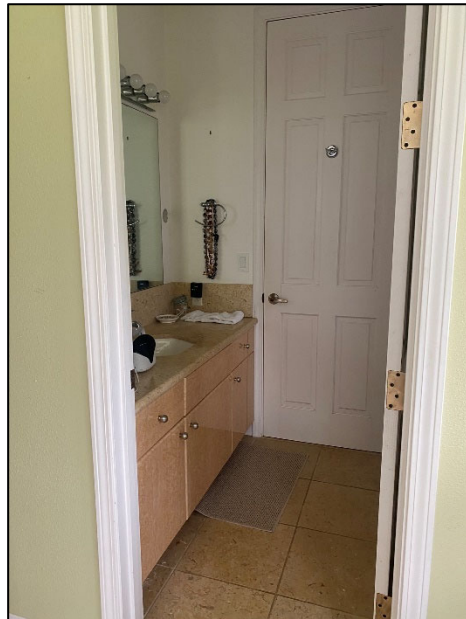
Second bedroom and bathroom



Department of Hawaiian Home Lands  
c/o Catie Cullison  
October 13, 2022  
Page 16



Third and fourth bedrooms and baths





Department of Hawaiian Home Lands  
c/o Catie Cullison  
October 13, 2022  
Page 17



Driveway to and from house



Foundation crack in garage; tenant reports rock walls along homesite have also sustained damage as a result of settlement



Department of Hawaiian Home Lands  
c/o Catie Cullison  
October 13, 2022  
Page 18



Building rear view and example of views overlooking Kona coastline







Department of Hawaiian Home Lands  
c/o Catie Cullison  
October 13, 2022  
Page 19

**Agricultural Lease**

The property is leased to Rainaldo Cancino and CFF, LLC dba Cancino Family Farms (Cancino) for growing and harvesting coffee trees. The lease is included in Addendum 4.

The 7.5-year lease began August 1, 2020 and extends to December 31, 2027. Cancino pays a fixed monthly rent of \$10,000 plus all expenses.

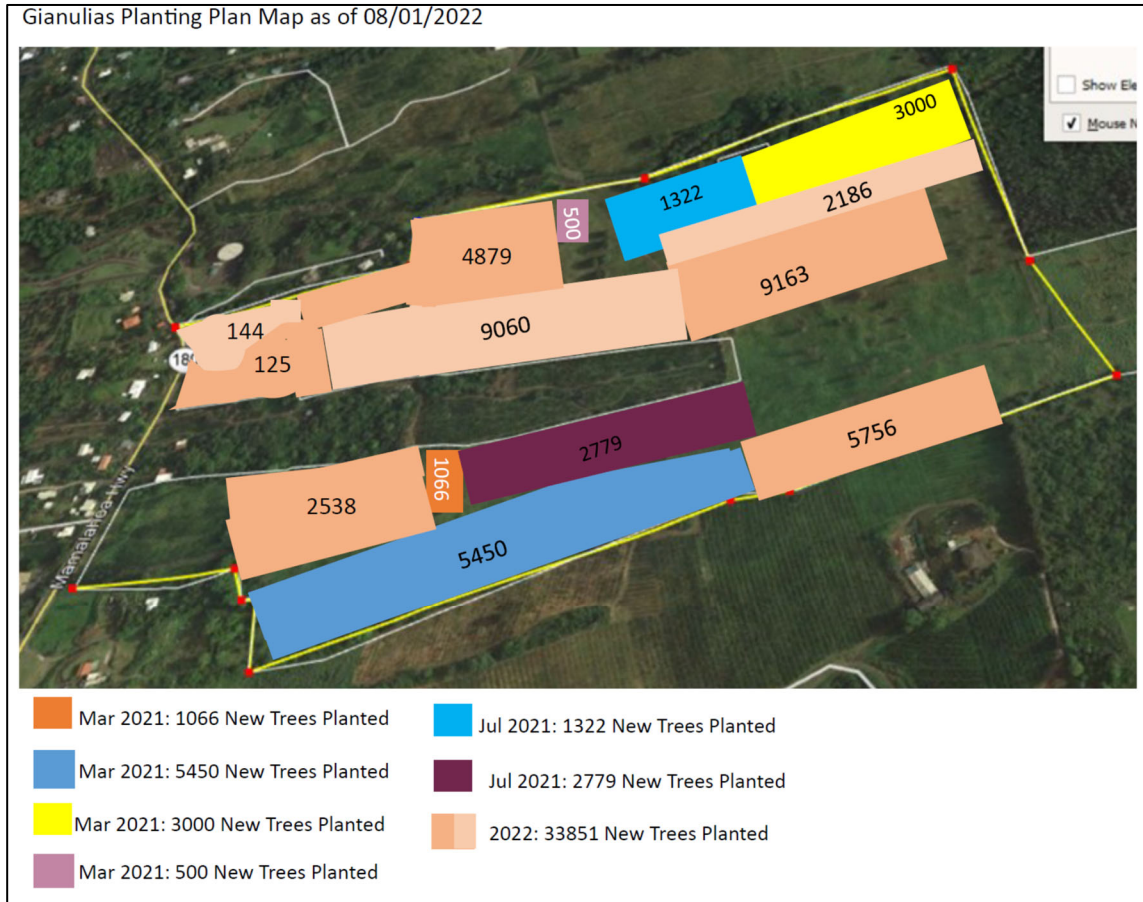
The Lease may be terminated prior to December 31, 2027. However, Cancino has a right of first refusal to purchase the property (Paragraph 27. Right of First Offer), or be reimbursed for the newly grafted trees, as follows:

<p>16. <b>Landlord's Termination Rights.</b> Subject to Tenant's right of first offer to purchase the Premises, in the event Landlord elects to sell the Premises at any time during the Lease term, Landlord shall be entitled to terminate this Lease by delivering to Tenant a minimum of ninety (90) days' advance written notice of termination. In the event Landlord terminates the Lease as set forth herein, Tenant shall be entitled to harvest the current year crops through the normal seasonal harvest date, or Landlord shall pay Tenant the value of the crop harvest based on the then current market value of that year's harvest. In addition, provided the Premises is sold to a third party and not any party with whom Tenant is associated, Landlord will reimburse Tenant for the cost of the newly grafted trees per the following scheduled:</p>	
Year 1 (2021):	100% of the Reimbursement Cost per grafted tree planted.
Year 2:	\$26.00 per grafted tree planted.
Year 3:	\$18.20 per grafted tree planted.
Year 4:	\$10.40 per grafted tree planted.
Year 5:	\$5.20 per grafted tree planted.
Year 6:	\$2.60 per grafted tree planted
Year 7:	No charge



Department of Hawaiian Home Lands  
c/o Catie Cullison  
October 13, 2022  
Page 20

Since 2021, Cancino has replanted about 48,000 newly grafted coffee trees at a cost (before labor and other expenses) of about \$10 per tree.



If the property were sold today, the Year 2 reimbursement rate of \$26.00 per tree would apply. According to Mr. Cancino, the per tree price was based on the actual cost of the tree, plus his estimate of the labor, fertilizer, and other expenses required to grow and maintain the trees over an approximately two-year holding period. The per tree reimbursement rate declines each year thereafter as more berries can be harvested to offset the rate.

As shown on the aerial above, about 20+/- acres near the top of the property have not been replanted. Another 20 +/- acres above that has never been planted and will need to be terraced. About 5+/- acres along Mamalahoa Highway are also uncultivated. DHHL is considering the lower 5+/- acres for a new water well.



Department of Hawaiian Home Lands  
c/o Catie Cullison  
October 13, 2022  
Page 21





Department of Hawaiian Home Lands  
 c/o Catie Cullison  
 October 13, 2022  
 Page 22

### Tax Assessed Values

The 129.127-acre Parcel 1 is assessed as an Agricultural land use property. The 0.555-acre Parcel 11 is classified Residential for tax purposes.

For the tax year 2022, the County of Hawaii Real Property Tax Office estimated the market value of the land to be only \$1,462,100. The value of the building improvements was estimated at \$806,300 based on the assessor's estimate of depreciated replacement cost, as follows:

Parcel	2022 Tax Assessed Values		
	Land	Building	Total
1	\$1,180,200	806,300	1,986,500
11	281,900	0	281,900
Total	<u>\$1,462,100</u>	<u>806,300</u>	<u>2,268,400</u>

The assessments are below-market.

### DHHL PLANS

The property is located within the Waiaha Watershed; the Waiaha Springs State Forest Reserve abuts the mauka edge of the property.

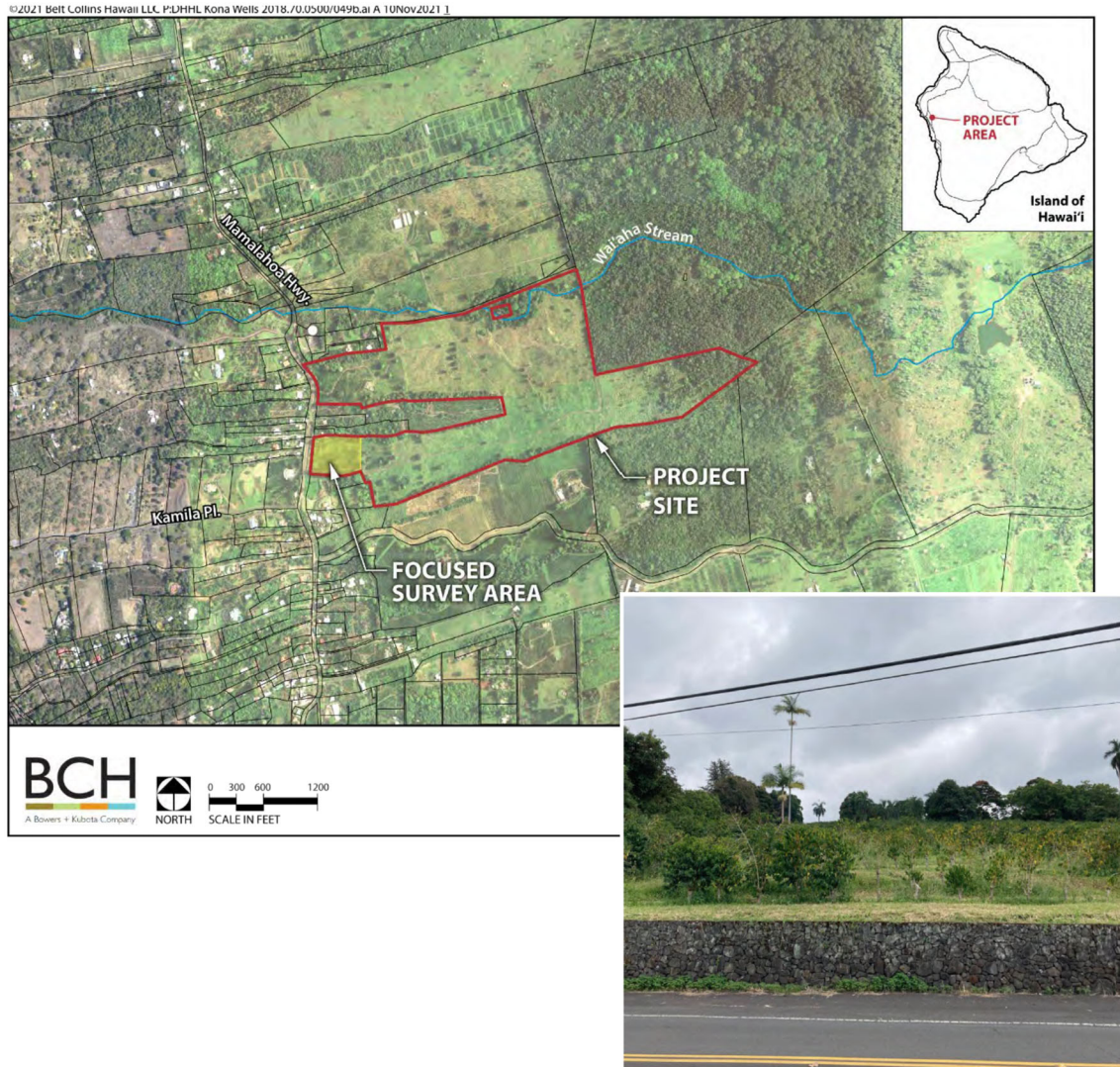
DHHL is interested in acquiring the property to install two new production wells and appurtenant site improvements, including a two (2) million-gallon reinforced concrete storage tank, pump control building, electrical lines and lighting, access road improvements, chain-link fencing, and water transmission lines.

Current plans focus on the approximately three-acre (+/-) site on Mamalahoa Highway, highlighted in yellow on the following page:



Department of Hawaiian Home Lands  
c/o Catie Cullison  
October 13, 2022  
Page 23

Figure 3-13: Focused Survey Area for LRFI / AIS



Mauka view of the proposed tank location from the Mamalahoa Highway

### HIGHEST AND BEST USE

The highest and best use of the subject property is for continued coffee farming and single-family use, with the potential for new water source development on a portion of the property near Mamalahoa Highway. Hawaii County rules permit parcel consolidation and re-subdivision that would allow the owner to create a separate well site with the balance of the property for continued coffee farming and single-family estate use.



Department of Hawaiian Home Lands  
c/o Catie Cullison  
October 13, 2022  
Page 24

## VALUATION METHOD AND ANALYSES

The market value of the 75-5763 Mamalahoa Highway is estimated by sales comparison to comparable agricultural-zoned lands.

The sales comparison approach assumes that the value of a property relates directly to the prices of comparable, competitive properties. It assumes that the value of a property tends to be set by the price that would be paid to acquire a substitute property of equal utility and desirability.

The approach focuses on identifying and analyzing sales of comparable properties and adjustments for differences in sales price. These differences include property rights, market conditions, location, physical and legal characteristics, and sales terms and motivations of the buyers and sellers. Adjustments will also consider the contributory value of the dwelling and existing coffee trees.

The income and cost approaches are less reliable for valuing land or single-family estates, and neither were used.

### Comparable Data

Sales of other agricultural-zoned sites sharing a similar highest and best use were researched. The comparable data includes:

- The adjacent 90-acre property recently acquired by Kona Hills, LLC in January 2022 for \$6.0 million, or about \$66,475 per acre
- A 35-acre assemblage, also in Holualoa and makai of Mamalahoa Highway, acquired in March 2022 for \$2.2 million, or about \$62,371 per acre
- A 129-acre property acquired in 2019 specifically for new water well development and agricultural estate lot development for \$5.25 million, or \$40,597 per acre. [1]

The comparable properties are shown on the map included in Exhibit D. The properties and transactions are described in Exhibit E.

---

[1] Price reported by buyer; included cost to buyout existing partners and pay off debt.



Department of Hawaiian Home Lands  
 c/o Catie Cullison  
 October 13, 2022  
 Page 25

**Relevant Unit of Comparison and Basis for Adjustments**

Price per acre is the relevant unit of comparison and the basis for comparative analysis.

The comparable transactions and other market activity were reviewed and analyzed to identify factors that account for differences in the comparable prices. Positive adjustments (i.e., adjustment factors > 1.0) are made if the subject property was judged to be superior in relation to the comparable. Negative adjustments (factors < 1.0) are made if the comparable was considered to be superior.

The adjustments are summarized in Exhibit F and discussed under the following subheadings.

***Property Rights, Sales Conditions and Financing Terms***

The subject property is encumbered by two leases. However, both leases can be terminated with prior written notice. [1] Therefore, the valuation is based on the fee simple, unencumbered interest.

All of the transactions involved fee simple property rights and reflect prices negotiated at arm’s length between typically motivated parties. The reported price for Comparable 3 is an “all-in” cost that includes amounts paid to the sellers, plus the amount to extinguish existing debt on the property. A portion of the price was seller financed; however, the buyer considered the \$5.25 million “price” reflective of cash or cash equivalent terms. The other two comparables were also acquired for cash or cash equivalent terms.

Therefore, no adjustments were required for property rights, sales conditions, or financing.

---

[1] If the property is not sold to the Lessee, the agricultural lease requires the landowner reimburse the Lessee for the trees planted, at a Year 2 rate of \$26.00 per tree, or \$1,240,148, as follows:

Trees planted as of effective date	47,698
Per tree reimbursement	\$26.00
Reimbursement	<u>\$1,240,148</u>

An adjustment will be made to account for the contributory value of the coffee trees, and the adjustment will consider, in part, the value attributed to the trees per the Lease. The reimbursement would be paid by the Lessor (seller).



Department of Hawaiian Home Lands  
 c/o Catie Cullison  
 October 13, 2022  
 Page 26

***Market Conditions (Time)***

Comparables 1 and 2 were acquired earlier this year, in 2022. Comparable 3 was purchased in 2019. Real estate prices throughout the State, and in Hawaii County in particular, were appreciating during this time.

Median single-family home prices on the island increased by about 32% since 2019; although the rate of increase was greater for land, the data is skewed by lower-priced lots in the Puna district that are prone to more speculation.

The number of sales and rate of appreciation has slowed this year due to the run up in interest rates; however, the year-to-date median home price is still about 6% higher than in 2021:

Median Price Trends: Hawaii County  
 2019 – YTD September 2022  
 (Source: Hawaii Island Board of Realtors)

Year	Single Family		Land	
	Sales	Median price	Sales	Median price
2019	2,434	\$378,420	1,643	\$30,000
2020	2,662	410,000	2,042	26,275
2021	3,214	476,500	3,236	40,000
YTD September:				
2021	2,433	470,000	2,535	39,000
2022	2,098	500,000	2,191	46,000
2019 - 2021		26%	33%	
2019 - YTD 2022		32%	53%	
YTD 9/21 - YTD 9/22		6%	18%	

Comparables 1 and 2, which occurred earlier this year, are adjusted +5% (1.05) for the estimated appreciation since then. A +35% adjustment (1.35) is made to Comparable 3 that occurred in 2019.





Department of Hawaiian Home Lands  
 c/o Catie Cullison  
 October 13, 2022  
 Page 27

***Location and Access***

The comparable properties are within a two- to three-mile radius of the subject. No adjustment is made to Comparable 1 that is next door.

A +10% adjustment is made to Comparable 2 that is accessed via a half-mile long driveway.

Comparable 3 has better access and frontage from Queen Kaahumanu Highway and Hiona Street; however, its access is offset by its lower elevation views. No adjustment is made.

***Site and Building Improvements***

The subject property is improved with a newer home and about 48,000 coffee trees recently planted in the last couple of years. Adjustments are made to reflect the contributory value of the building improvements, sitework, and trees.

**Site Improvements (Coffee Trees)**

As previously described, the agricultural lease to Cancino Family Farms will require a reimbursement to the Lessee of \$1.24 million for the trees that were planted over the last two years. The reimbursement rate was based on the lessee’s estimate of the cost incurred to replant and maintain the trees during this time.

Based on the estimated land area that was replanted, the contributory value of the new plantings is estimated to be at least \$13,000 to \$15,000 per acre of cultivated land, as follows:

Estimated replacement cost for 47,698 new trees		\$1,240,148
Divided by total acreage		129.682
Cost per acre	-	<u>\$9,563</u>
Estimated replacement cost for 47,698 new trees	\$1,240,148	1,240,148
Divided by estimated acreage replanted [1]	<u>90</u>	- <u>80</u>
Cost per acre	<u>\$13,779</u>	- <u>15,502</u>
[1] 129 acres, less about 40 to 50 acres that are not cultivated or need to be replanted.		



Department of Hawaiian Home Lands  
 c/o Catie Cullison  
 October 13, 2022  
 Page 28

An interview with another real estate investor that has owned and operated coffee farms over the years indicated a cost per acre including sitework to engineer and prepare raw land for planting could be as much as \$30,000 per acre.

Comparable 1 was previously graded and planted with coffee; however, the coffee trees were not maintained, and the buyer replanted the entire site. The adjustment to reflect the value of the subject's coffee trees and sitework relative to Comparable 1 is estimated based on a per acre value of \$20,000. The adjustment is +30% (1.30).

A slightly lower adjustment of +25% (1.25) is made to Comparable 2. The adjustment considers about 10% of the comparable acreage was already planted with coffee trees and other fruit trees.

Comparable 3 is raw land at a lower elevation that was purchased for water well development and agricultural estate lot subdivision. Although not suitable for coffee farming, the property is judged to have superior potential for subdivision development because of its location and access. These characteristics are considered offsetting. Therefore, an adjustment of +30% (1.30) was considered reasonable to reflect the contributory value of the sitework and coffee trees on the subject property.

**Building Improvements**

The adjustment for the subject's dwelling is estimated based on the estimated contributory building derived for comparable estate lots that have sold recently. The following table summarizes sales of newer, similar-sized homes on agricultural-zoned lots in the vicinity of the subject property.

Estimated Contributory Value of Single-Family Improvements on Agricultural Estate Lots

Taxkey	Subdivision	Lot size (SF)	Beds/baths	Year Built	Total living area (SF)	Sale date	Price	Less: vacant lot price [1]	Residual building value	Per SF living area
3-7-5-12-85	OHAI ESTATES	43,560	3/3	2000	2,164	11/12/2021	\$1,530,000	(\$325,000)	\$1,205,000	\$557
3-7-5-16-84	PUAPUAANUI - WAIAHA 1ST	76,317	2/2	2002	2,196	9/2/2021	1,700,000	(375,000)	1,325,000	603
3-7-5-12-78	OHAI ESTATES	44,693	4/4	2002	3,455	5/13/2021	2,050,000	(325,000)	1,725,000	499
3-7-5-24-14	KEOPU HEIGHTS	53,361	4/3	2002	2,128	7/30/2021	1,400,000	(500,000)	900,000	423
3-7-5-12-81	OHAI ESTATES	43,560	4/3	2005	2,358	4/8/2022	2,059,000	(325,000)	1,734,000	735
3-7-5-16-66	PUAPUAANUI - WAIAHA 1ST	43,560	3/2	2006	2,376	2/24/2021	1,645,000	(375,000)	1,270,000	535
3-7-4-26-3	KONA VIEW ESTATES	43,560	3/3	2010	3,981	10/28/2021	2,200,000	(475,000)	1,725,000	433
3-7-4-26-23	KONA VIEW ESTATES	43,560	3/3	2018	2,569	9/24/2021	1,980,000	(380,000)	1,600,000	623
3-7-5-1-151	KONA UPLANDS	222,504	4/2	2019	2,646	7/12/2022	2,250,000	(550,000)	1,700,000	642
3-7-5-1-137	KONA UPLANDS	217,844	3/2	2020	2,149	1/24/2022	1,490,000	(540,000)	950,000	442
3-7-4-26-14	KONA VIEW ESTATES	43,996	3/1	2021	2,484	8/17/2022	1,950,000	(575,000)	1,375,000	554
3-7-4-26-19	KONA VIEW ESTATES	43,560	4/1	2022	3,053	7/27/2022	2,334,000	(475,000)	1,859,000	609
Average		76,673		2011	2,630		1,882,333	(435,000)	1,447,333	555
Median		43,778		2008	2,430		1,965,000	(427,500)	1,487,500	555

[1] Estimated based on sales of similar lots in the same subdivision.



Department of Hawaiian Home Lands  
c/o Catie Cullison  
October 13, 2022  
Page 29

Sale price ranges from \$1.4 million to about \$2.3 million. The value of the land component for each of these sales could be estimated based on sales of vacant lots in the same subdivision.

An estimate of the vacant lot price is subtracted. The residual value represents the contributory value of the building improvements, estimated to range from about \$900,000 to about \$1.8 million for the comparables, or about \$1.4 to \$1.5 million on average.

The subject building is slightly older and smaller than the comparable data set, on average. A contributory value of \$1.4 million is estimated for the subject's improvements. Based on this estimate, adjustments of +45% (1.45) and +15% (1.15) are made to Comparables 2 and 3 that were unimproved. [1]

Comparable 1 was improved with two duplexes (4 units total), three single-family dwellings, and a wet and dry mill. The dwellings were rented for \$2,500 each, and the buyer (Kona Hills LLC) will keep the rentals for employee housing. The contributory value of these improvements is estimated to offset the contributory value of the newer home on the subject property, and no adjustment is made.

### *Other*

Variations in e.g., zoning and topography were also considered but did not warrant an adjustment.

### *Size*

After adjustments for market conditions (time), location and access, and site and building improvements, the per acre price indicators range from about \$82,000 to \$130,000 and are inversely related to size (land area), as shown on Exhibit F, page 2.

Based on the "best fit" power curve shown ( $y = 469805x^{-0.361}$ ), size adjustments of -10% to -40% are made to Comparables 1 and 2 that are smaller than the subject. No adjustment was required for Comparable 3 that is similar in size.

---

[1] The Multiple Listing Service listing for Comparable 2 states the property had a greenhouse; however, nominal value is presumed.



Department of Hawaiian Home Lands  
c/o Catie Cullison  
October 13, 2022  
Page 30

**Adjusted Price Indicators**

After adjustments, the comparable per acre indicators range from about \$78,200 to \$82,200. Applying this range to the subject land area results in value indicators

Value range (\$/acre)	\$78,200 -	82,200
Subject land area (acres)	<u>129.682</u>	<u>129.682</u>
Indicated value, rounded	<u>\$10,140,000</u> -	<u>10,660,000</u>

Weightings are assigned to the comparable transactions based on the reliability of the transaction and support for adjustments.

- Comparable 1 was improved and is most similar in location; a reliability weighting of 35% is assigned.
- Comparable 3 was acquired for its water source development potential and is most similar in size. The comparable is also weighted 35%.
- A slightly lower weighting of 30% is assigned to Comparable 2.

The weighted value indicator is \$10.5 million (rounded).

**ESTIMATED MARKET VALUE**

Based on the valuation analyses, the market value of the 75-5763 Mamalahoa Highway Property is estimated to be about:

**TEN MILLION FIVE HUNDRED THOUSAND DOLLARS**  
**\$10,500,000.**

The reasonable exposure time to effectuate a sale of the property at the estimated market value is estimated to have been about 6 to 12 months.

\* \* \* \* \*

**DRAFT**



Department of Hawaiian Home Lands  
c/o Catie Cullison  
October 13, 2022  
Page 31

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

Sincerely,

JOHN CHILD & COMPANY, INC.

**DRAFT**

Shelly H. Tanaka, MAI, AI-GRS  
Vice President  
Certified General Appraiser License No. 648  
State of Hawaii  
Expires December 31, 2023

## CERTIFICATION

---



I certify, to the best of our knowledge and belief:

- Reported statements of fact are true and correct.
- Reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- Within the past three years, I have not provided real estate appraisal and/or appraisal review services relating to an ownership interest in the properties that are the subject of this report, and I informed the client prior to acceptance of this assignment.
- My engagement was not contingent upon developing or reporting predetermined results.
- My compensation is not contingent on the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event and is not contingent on an action or event resulting from the analyses, opinions or conclusions in, or use of, this report.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice and the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, I have completed the continuing education program for Designated Members of the Appraisal Institute.
- I personally visited the real estate that is the subject of this report.

JOHN CHILD & COMPANY, INC.

# DRAFT

Shelly H. Tanaka, MAI, AI-GRS

Vice President

Certified General Appraiser License No. 648

State of Hawaii

Expires December 31, 2023

---



**DEFINITIONS**

---



---

**DEFINITIONS OF TERMS**

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

**Market Value**

Market value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. [1]

**Fee Simple Interest**

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

**Exposure Time**

Exposure time means:

1. The time a property remains on the market.
2. An opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.

---

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

---



**Highest and Best Use**

The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.

**Hypothetical Condition**

A hypothetical condition is a condition that is presumed to be true when it is known to be false. A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

**Extraordinary Assumption**

An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. Uncertain information might include physical, legal, or economic characteristics of the subject property; such as market conditions or trends, or about the integrity of data used in an analysis.

**Assemblage**

1. The combining of two or more parcels, usually but not necessarily contiguous, into one ownership or use; the process that may create plottage value.
  2. The combining of separate properties into units, sets, or groups, i.e., integration or combination under unified ownership
-



**STUDY CONDITIONS**

---



The study conditions that are the basis of the analyses, opinions, and conclusions of this report are as follows:

**Prior Assignment Disclosure**

Within the past three years, we have not provided real estate appraisal and/or appraisal review services relating to an ownership interest in the property that is the subject of this appraisal.

**Extraordinary Assumptions**

The valuation relies on the following Extraordinary Assumptions:

An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. Uncertain information might include physical, legal, or economic characteristics of the subject property; such as market conditions or trends, or about the integrity of data used in an analysis. [1]

The valuation is based on the following Extraordinary Assumption:

- Tax map key parcel (3) 7-5-14:11 is a 24,176<sup>sq</sup> ft kuleana identified as R.P. 7815, L.C. Aw. 7913, Apana 3 to Kaanehe. A prior listing of the property, included in Exhibit A, states "TMK: 3-7-5-14-11 zoned A-5A has some title issues and water to the property." A title report was not provided. However, according to the landowner, the title issues were resolved. The valuation assumes the property is owned free and clear, subject only to the lease encumbrances that will be described in the report.

The Client understands the use of this Extraordinary Assumption may have an effect on the assignment results.

**Hypothetical Conditions**

This report does not rely on any hypothetical conditions.

**Reporting**

The appraisal is for internal information and decision-making only. Therefore, the appraisal assignment is presented in a letter report with exhibits intended to comply with the reporting

---

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

---



requirements for a Restricted Appraisal Report, as described in Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice (USPAP).

The report may not present all of the data, reasoning, and analyses used in the appraisal process to develop the estimates of value. Supporting documentation will be available in our workfile. The rationale for the opinions and conclusions set forth in this report may not be properly understood without additional information in our workfile. The format of this Restricted Appraisal Report is specific to the needs of the Client and for the intended use stated in this report.

### **Basis of Analyses, Opinions and Conclusions**

The analyses, opinions, and conclusions of this report rely on data and information provided by others. The information is believed to be reliable; however, no responsibility is assumed for the accuracy of information provided by others.

The analyses, opinions, and conclusions assume:

1. No hidden or unapparent surface or subsurface conditions of the property, structures, soils, subsoils, geological formations, ground water, or drainage conditions exist that would render the property more or less valuable.
2. Existing improvements comply with all applicable public and private zoning codes, regulations and covenants, unless stated otherwise.
3. The client has provided us with all significant, relevant information covering the subject of this report.

No responsibility is assumed for matters legal in nature affecting the property or its title, which is assumed to be good and merchantable.

Properties in Hawaii typically include a reservation in favor of the State of Hawaii of all mineral and metallic mines. Our analyses, opinions, and conclusions assume these reservations do not have an impact on the value or use of the property.

Any drawings, maps, photographs, and similar exhibits accompanying this report are included to assist the reader in visualizing the property. No responsibility is assumed for the accuracy of these exhibits.

### **Hazardous Substances**

Unless otherwise stated, the existence of hazardous substances (actual, alleged or threatened discharge, disposal, seepage, migration, release, growth, infestation, spread or escape of molds, mildews, fungi and/or spores, or any materials, goods or products containing, harboring or nurturing these substances) that could be present on the property, or other environmental conditions that could

---



impact the property, were not brought to the attention of the appraisers nor observed during the site visit.

The appraisers are not trained or qualified to detect hazardous substances or conditions even if these hazards, or evidence of potential presence of these hazards, are visible on the property.

Therefore, this report assumes no hazardous substance or condition exists that would impact the analyses, opinions or conclusions. If a hazardous substance or condition exists, it could have a negative effect on the value of the property.

### **Archaeological or Historically Significant Conditions**

The appraisers are not trained or qualified to recognize archaeological or historically significant conditions, even if these conditions are visible on the property.

Unless otherwise stated, archaeological or historically significant conditions that could be present on the property were not identified nor observed during the site visit. The report assumes no archaeological or historically significant condition exists that would impact the analyses, opinions or conclusions of this report. If an archaeological or historically significant condition exists, it could impact the use or value of the property and affect the results of this assignment.

### **Endangered Species**

The appraisers are not trained or qualified to recognize endangered flora or fauna qualified for protection under the Endangered Species Act of 1973, even if visible on the property.

Unless otherwise stated, the presence of endangered flora or fauna was not identified, and the report assumes no endangered species are present on the property. The presence of endangered species could impact the value of the property.

### **Terms of Assignment**

We have no obligation to update our report because of events and transactions occurring subsequent to the effective date of the report.

Neither our fees nor payment were contingent upon the results of the report.

### **Use of Report**

This report is valid only if presented in whole, with the letter of transmittal and signed certification.

This report or any portion of this report may not be reproduced or published without the prior written consent of John Child & Company, and then only with proper qualification.

---



The contents of this report or portions of this report, the identity of the appraisers or any reference to John Child & Company, the Appraisal Institute, or to their respective designations may not be disseminated to the public through advertising media, public relations media, news media, sales media, or any other public means of communication.

**Limitation on Liability**

John Child & Company shall not be liable to Client or to any third party (including without limitation lenders and other persons to whom Client may show this report for the purposes of obtaining credit, insurance or any other benefit or promise) in the event that the use or value of the subject property is or becomes different from the use or value estimates, analyses, opinions or conclusions in this report unless it is established by clear and convincing evidence that John Child & Company acted in bad faith or willfully and recklessly failed to exercise an appropriate standard of care in the community while performing this assignment. In any event, John Child & Company's liability to Client or to any third party shall be limited to the amount of the fees to complete this assignment.

This report may not be shown to any third party without our consent and without receiving a written acknowledgement from any person to whom it is shown that such person has read, understands and agrees to be bound by the limitation of liability in this paragraph.

---

**DRAFT**

Addendum 3

---



**RENTAL AGREEMENT  
AUGUST 2022**

---



**RENTAL AGREEMENT**  
Hawaii Association of REALTORS® Standard Form  
Revised 10/21 For Release 12/21



COPYRIGHT AND TRADEMARK NOTICE: THIS COPYRIGHTED HAWAII ASSOCIATION OF REALTORS® STANDARD FORM IS LICENSED FOR USE UNDER TERMS OF THE HAWAII ASSOCIATION OF REALTORS® STANDARD FORM LICENSE AGREEMENT LOCATED AT <http://www.hawaiiassociationofrealtors.com/standard-form-agreement>. The use of this form is not intended to identify the real estate licensee as a REALTOR®. REALTOR® is a registered collective membership mark which may be used only by real estate licensees who are members of the National Association of REALTORS® and who subscribe to its Code of Ethics.

Represented by: \_\_\_\_\_  
Name of Principal Broker/Broker-in-Charge Signature Brokerage Firm

LANDLORD may not discriminate due to RACE, SEX, INCLUDING GENDER IDENTITY OR EXPRESSION, SOCIAL ORIENTATION, COLOR, RELIGION, MARITAL STATUS, FAMILIAL STATUS, ANCESTRY, DISABILITY, HANDICAP, AGE, OR HUMAN IMMUNODEFICIENCY VIRUS INFECTION. LANDLORD means the Owner and Owner's Agent/Brokerage Firm, one of which must reside on the island where the Unit is located. (RNT) means the Premises, as defined in the Real Estate Landlord-Tenant Code that TENANT is renting from LANDLORD. As used in this Rental Agreement, the term "day" shall mean a calendar day and the phrase "business day" shall mean Monday through Friday, not including a holiday as designated in Section B 4 of the Hawaii Revised Statutes.

**THIS IS A LEGALLY BINDING CONTRACT. READ IT CAREFULLY. IF THERE IS A CONFLICT BETWEEN PROVISIONS, HANDWRITTEN OR TYPED PROVISIONS SHALL SUPERSEDE ANY PRINTED PROVISIONS. FILL IN ALL BLANKS. WRITE "NA" IF NOT APPLICABLE. SECTIONS AND PARAGRAPHS WITH CHECK-OFF BOXES ARE OPTIONAL. ALL OTHERS ARE STANDARD PROVISIONS.**

1. DATE \_\_\_\_\_ File No. \_\_\_\_\_  
Property Reference or Address: 75-5763 Mammalahoa Highway, Hilo, Hawaii 96725

DESCRIPTION: \_\_\_\_\_

2. TENANTS: Name (print) Phone E-Mail  
Kevin Hibbard (808) 947-4781  
Cherise Hibbard

Preferred Mailing Address: \_\_\_\_\_  
Occupants (minors and others not responsible for paying rent) Fletcher Hibbard

3. RENTAL TERM: This Rental Agreement will begin on \_\_\_\_\_ and will be for:  either (a) or (b):

(a)  Fixed Rental Agreement which, unless otherwise agreed to in writing, will end on \_\_\_\_\_

Rental Extension: This Fixed Rental Agreement will automatically convert to a Month-to-Month Rental Agreement, unless TENANT or LANDLORD receives written notice from the other party at least thirty (30) days prior to the end of the fixed term that this Rental Agreement will not automatically convert to a month-to-month term.

(b)  Month-to-Month Rental Agreement. If TENANT is on a Month-to-Month Rental Agreement, TENANT must give written notice at least twenty-eight (28) days in advance to terminate and TENANT must pay rent for the twenty-eight (28) days. LANDLORD must give TENANT written notice at least forty-five (45) days in advance to terminate. TENANT may move at any time during the forty-five (45) days and shall notify LANDLORD of TENANT'S vacate date and pay a prorated rent "unit" TENANT vacates the unit and satisfies the conditions of Standard Term D-2.  
\$2,500.00- July, 2022; \$3,000.00- August, 2022.

4. RENT: The rent is \$ \$3,500.00- September, 2022 (U.S. Dollars) per  Month or  Week or  Day, PAYABLE IN ADVANCE, without notice, demand, or deduction. Payment is due by \_\_\_\_\_  am  pm on the \_\_\_\_\_<sup>th</sup> day of each  Month or  Week, BEGINNING ON July 3, 2022 (date). If occupancy begins other than the first month, rent shall be payable as follows:

Full rent due at move in.  
 Prorated rent amount of \$ \_\_\_\_\_ due for the month of \_\_\_\_\_

TENANT must pay to LANDLORD, AKT Kona Investors, LLC and Cannon Commercial, LLC at this address: 2261 Fair Oaks Blvd, Suite 100, Sacramento, California 95825. LANDLORD will give TENANT a receipt for rents paid in cash and, upon request, for rents paid by checks.

KH + CH 7/4/22  
TENANT'S INITIALS & DATE

[Signature] 8/10/22  
LANDLORD'S INITIALS & DATE





5. **LATE CHARGE AND OTHER CHARGES:** TENANT shall pay a Late Charge of 3% of the rent amount due, which does not exceed eight percent (8%) of the Rent amount due, for each rental payment LANDLORD does not receive by:  date payment is due OR  a grace period of \_\_\_\_\_ day(s) after payment is due. In addition, interest at 3 % (no more than 12% per year) will be charged on all rent and other sums TENANT does not pay to LANDLORD on time. There will be a charge for all returned checks.

6. **SECURITY DEPOSIT:** TENANT must pay \$ \_\_\_\_\_ IN ADVANCE as a security deposit. By law, this deposit may not be more than one month's rent. TENANT MAY NOT USE THIS DEPOSIT AS TENANT'S LAST MONTH'S RENT. If a servicemember, see Standard Term M, Army interest earned on the security deposit shall accrue to the benefit of the LANDLORD.

TENANT'S security deposit will be held by \_\_\_\_\_

7. **UTILITIES AND SERVICES:** If they are checked, TENANT must be responsible for the arrangement and payment of the following items from the date this Rental Agreement begins until it ends:

- |  |  |  |   |
|--|--|--|---|
| <input checked="" type="checkbox"/> Alarm Service            | <input checked="" type="checkbox"/> Internet   | <input checked="" type="checkbox"/> Refuse           | <input checked="" type="checkbox"/> TV cable (add-on) |
| <input checked="" type="checkbox"/> Sump/pool/septic pumping | <input checked="" type="checkbox"/> Pest Control Service   | <input checked="" type="checkbox"/> Sewer            | <input checked="" type="checkbox"/> Water             |
| <input checked="" type="checkbox"/> Electricity              | <input checked="" type="checkbox"/> Photovoltaic lease or energy expense (see Renewable Energy Act Addendum) | <input checked="" type="checkbox"/> Telephone        | <input checked="" type="checkbox"/> Yard Service      |
| <input checked="" type="checkbox"/> Gas                      | <input checked="" type="checkbox"/> Pool Service   | <input checked="" type="checkbox"/> TV cable (basic) |   |
| <input type="checkbox"/> Other _____                         |  |  |   |

8. **KEYS, CARDS AND LOCKS:** LANDLORD is giving TENANT the unit entry keys, security keys, key fobs, parking cards, garage door openers, locks, mail box keys, etc. listed below. TENANT may not have additional keys or cards made or have locks changed or added without prior written approval of LANDLORD. TENANT is responsible for replacement costs of items listed below that are not returned, not in working order, or are damaged.

Item	Number Given to Tenant	Item	Number Given to Tenant
_____	_____	_____	_____
_____	_____	_____	_____

9. **PETS:**

       PETS NOT ALLOWED: Pets are not allowed to occupy or to visit the UNIT unless LANDLORD gives TENANT prior written approval. If TENANT brings any pet onto the UNIT without LANDLORD'S prior written approval, LANDLORD may fine tenant and/or terminate this Rental Agreement. Knowing misrepresentation of an animal as a Service Animal may result in civil fines. If TENANT knowingly misrepresents an animal as a Service Animal, LANDLORD may terminate this Rental Agreement. Fine shall be \$ \_\_\_\_\_ plus an additional \$ \_\_\_\_\_ per day until the animal is removed.

       PETS ALLOWED: The following pet(s) are permitted in the UNIT \_\_\_\_\_

PET DEPOSIT: TENANT must pay LANDLORD an additional security deposit amount of \$ \_\_\_\_\_ (not to exceed one month's rent), an amount agreed upon by LANDLORD and TENANT to compensate LANDLORD for any damages caused by said pet(s) allowed to reside in the UNIT. LANDLORD and TENANT acknowledge and agree that said Pet Deposit is not for a Service and/or Support Animal that is a reasonable accommodation for a tenant with a disability.

10. **SMOKING:**  Allowed  Not allowed. This includes cigarettes, cigars, pipes, e-cigarettes and all other forms of smoking.

11. **SPECIAL TERMS:** (Please Number)

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

  KH & CH     7/14/22    
 TENANT'S INITIALS & DATE

  [Signature]     8/10/22    
 LANDLORD'S INITIALS & DATE

12. RECEIPT BY TENANT: Receipt of the following, if checked, is acknowledged by TENANT:

- Fair Housing Information  Other \_\_\_\_\_
- House Rules  Other \_\_\_\_\_
- Lead-Based Paint Pamphlet (required by law for pre-1978 housing)  Other \_\_\_\_\_

13. ADDENDA: The following, if checked, are attached to and made a part of this Rental Agreement:

- Inventory  Renewable Energy Addendum
- Lead-Based Paint Addendum (required by law for pre-1978 housing)  Service and/or Support Animal Addendum
- Pet Addendum  Vacating Instructions
- Property Condition Form  Other: \_\_\_\_\_

14. DISCLOSURE OF REAL ESTATE LICENSING STATUS: Hawaii law requires that licensees disclose that they hold a real estate license in any transaction in which they, as a principal, are renting or offering to rent real property, or in which they are renting or offering to rent for themselves, immediate relatives, or an entity in which they have an ownership interest. If applicable, the licensee(s) in this transaction disclose the following:

15. NATIONAL ASSOCIATION OF REALTORS® (NAR) MEMBERSHIP: Check all that apply:

- Owner  Agent/Brokerage Firm  TENANT hold(s) membership in the NAR and subscribe(s) to its Code of Ethics

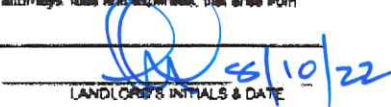
16. STANDARD TERMS:

A. AGENCY: Agent/Brokerage Firm represents OWNER. Agent/Brokerage Firm does not represent TENANT.

B. TENANT'S RESPONSIBILITIES:

1. Alterations. TENANT will not (a) change, add to, or paint the UNIT, (b) bore or make holes by drilling, nailing, or fastening any item to the Unit through use of nails, screws, adhesives, or like items without LANDLORD'S prior written consent. In accordance with federal and state laws, if TENANT has a disability, TENANT is permitted to make reasonable modifications to the Unit at TENANT'S expense, if such modifications are necessary to enable TENANT to use and enjoy the Unit, provided, however, that TENANT submits a request for the modification to LANDLORD for approval. TENANT'S request shall state, with specificity and in detail, the nature of the modification, and TENANT'S reason for needing to make such a modification. LANDLORD shall not unreasonably withhold or delay LANDLORD'S consent to TENANT'S request. It may also be necessary to seek the approval of applicable homeowner's associations and/or condominium association ADOA. Upon the termination of this Rental Agreement, TENANT is required to return the Unit to its original condition at no cost or expense to LANDLORD.
2. Compliance with Rules. TENANT agrees to comply with all rules that apply to the Unit and to TENANT'S use of the Unit including, but not limited to: (a) by-laws, house rules, and other rules; (b) any federal, state, and county laws; and (c) any covenants, conditions and restrictions. Notice is hereby given that TENANT is responsible for paying any fines, penalties, or other assessments charged by any governmental agency, homeowner's association, and/or condominium association because of TENANT'S failure to comply with any of the terms of this Rental Agreement.
3. Hazardous Waste and Toxic Substances. TENANT shall not bring or permit hazardous substances in, on, or under the Unit and shall be liable for any costs to remediate or remove such materials.
4. Disturbances. TENANT will not disturb others, or keep them from enjoying their premises or any common facilities at any time. TENANT will not play loud music, or cause any loud or offensive sounds.
5. Insurance. TENANT understands that LANDLORD'S insurance does not cover TENANT'S belongings or damage caused by TENANT. TENANT agrees that LANDLORD is not responsible for any loss or damage during the term of this Rental Agreement. TENANT is advised to carry insurance covering all of TENANT'S property located in the Unit. In any event TENANT shall have full responsibility for any loss or damage to TENANT'S property including any loss or damage from fire, water, theft, or any other cause.
6. Maintenance. TENANT agrees to maintain and properly use and operate all electrical, gas, plumbing and other fixtures and appliances supplied. TENANT is responsible for ordinary maintenance, including replacing light bulbs, air conditioning filters, and if applicable, lawn or yard care. TENANT is responsible for the repair of any stoppage in plumbing fixtures or lines, and any damage caused by TENANT, members of TENANT'S family, guests or others. TENANT shall replace batteries in the smoke alarm as needed. Smoke alarms are to be kept in working order at ALL times. Should any smoke alarm(s) become defective TENANT must notify LANDLORD IMMEDIATELY.
7. Notice of Absence. TENANT must notify LANDLORD in writing if TENANT will be absent from the Unit for five (5) days or more. If TENANT does not give LANDLORD such notice, TENANT will be responsible for any damage that results from TENANT'S absence.
8. Notice of Defects. If TENANT notices any defects in the Unit which are NOT TENANT'S duty to fix, TENANT must notify LANDLORD immediately upon discovery of defect. Any damage caused by TENANT'S failure to report any defect is TENANT'S financial responsibility.
9. Residential Use Only. TENANT may only use the UNIT as a private residence for TENANT and any OCCUPANT, as each of those terms are defined in Section 2 of this Rental Agreement. Guests may not stay longer than fourteen (14) days without LANDLORD'S written approval.
10. Short-Term Rental Prohibited. UNIT may not be used or advertised by the TENANT for use as a short-term rental, as defined by the relevant county jurisdiction. TENANT hereby agrees to indemnify, defend, and hold LANDLORD harmless from and against any and all losses, liabilities, obligations, penalties, claims, fines, demands, litigation, defense, costs, judgments, suits, administrative actions, proceedings, actual damages, disbursements, or expenses of any kind or nature, including, without limitation, attorneys' fees and expenses, that arise from TENANT'S use or advertisement of the UNIT as a short-term rental.

KH & CH 7.14.22  
TENANT'S INITIALS & DATE

  
LANDLORD'S INITIALS & DATE

11. **Assignment and Subletting.** TENANT shall not assign or sublet TENANT's interest in the UNIT without the prior written consent of LANDLORD, which may be unreasonably withheld. An assignment or subletting by TENANT without LANDLORD's prior written consent shall be voidable at LANDLORD's election, and shall be cause to terminate this Rental Agreement.

**C. LANDLORD'S REMEDIES:**

1. **Failure to Pay Rent.** Certain rights and obligations may apply to the parties during the COVID Relief Period. The "COVID Relief Period" shall be defined as the period from June 16, 2021, and shall end on the ~~earliest of~~ (i) December 31, 2022 or (ii) one (1) year after the expiration of the Governor's Final Eviction Moratorium. If TENANT does not pay the rent or other sums due to LANDLORD, LANDLORD may give TENANT written notice demanding payment. If the rent is not paid within the time specified in the notice (which shall be (i) NOT LESS THAN FIFTEEN (15) CALENDAR DAYS during the COVID Relief Period or (ii) NOT LESS THAN FIVE (5) BUSINESS DAYS after the expiration of the COVID Relief Period), after receipt of that notice, LANDLORD may terminate this Rental Agreement. If LANDLORD employs an attorney or collection agency, TENANT must pay for attorney's fees (not more than twenty-five percent (25%) of the unpaid rent) and costs, regardless of whether or not a lawsuit is filed. If TENANT remains in default, the LANDLORD may bring a summary proceeding for possession of the Unit or any other proper proceeding, action or suit for possession in compliance with Hawaii law. During the COVID Relief Period, such action brought by LANDLORD against TENANT may be limited by the amount of rent due and subject to special conditions and procedures such as specific notice requirements and mandatory mediation. The parties are strongly encouraged to refer to 2021 Haw. Act 57 (H.B. 1376) for guidance.
2. **Failure to Comply with this Rental Agreement.** If TENANT fails to comply with any of the terms of this Rental Agreement, including damaging the Unit or violating any of the house rules, laws, or other restrictions, LANDLORD will give TENANT written notice of the violation. If the damage is not repaired or the violation is not corrected within the time specified (NOT LESS THAN TEN (10) DAYS) from receipt of such notice, LANDLORD may correct such damage or violation and charge the cost to TENANT and terminate this Rental Agreement subject to additional rights and obligations that may apply during the COVID Relief Period.
3. **Illegal Activity.** TENANT may not use the Unit for any unlawful, improper, offensive purpose, or illegal activity. LANDLORD may terminate this Rental Agreement immediately if there is any illegal use of the Unit. TENANT understands that reasonable attorneys' fees and costs may be awarded to the prevailing party.
4. **Abandonment/Abandoned Possessions.** If TENANT is absent from the Unit for twenty (20) continuous days or more, without written notice, and has not paid the rent, LANDLORD shall consider the Unit abandoned. If TENANT wrongfully quits, abandons or otherwise moves out of the Unit and leaves any personal property, which LANDLORD determines to be of value, LANDLORD may store, sell, or donate said personal property, but LANDLORD must first make reasonable efforts to notify TENANT of the identity and location of, and LANDLORD's intent to sell or donate said personal property, by mailing notice to TENANT's forwarding address, an address TENANT designated for the purpose of notification, or, if neither of those means are available, to TENANT's previous known address. After fifteen (15) days, LANDLORD may advertise the items for sale or may donate the items to a charitable organization. Any proceeds from a sale, after deduction of accrued rent and costs for storage and sale (including advertising costs), will be held for thirty (30) days and afterwards will be forfeited to LANDLORD. If LANDLORD determines the abandoned personal property is of no value, LANDLORD may dispose of said personal property without further notice or liability.
5. **Holdover Tenancy.** If TENANT stays in the Unit after this Rental Agreement's term expires, TENANT will be a HOLDOVER TENANT, and may be liable for twice the monthly rent under this Rental Agreement, on a prorated daily basis, for the first sixty (60) days that TENANT is a HOLDOVER TENANT. Staying in the Unit after this Rental Agreement, includes, but is not limited to, TENANT's failure or refusal to do the following BY THE DAY TENANT'S TENANCY ENDS: to return all the keys to the Unit to LANDLORD, to complete all repairs, to remove all of TENANT's personal items, and to clean the Unit. LANDLORD may also go to court to obtain possession of the Unit at any time during the first sixty (60) days of TENANT'S holdover. If LANDLORD does not go to court during the first sixty (60) days of TENANT'S holdover and does not enter into a new Rental Agreement at the end of that period, TENANT will be a MONTH-TO-MONTH TENANT and TENANT must pay LANDLORD the monthly rent under the prior Rental Agreement beginning at the end of the first sixty (60) days of holdover.

**D. INVENTORY & CONDITION:**

1. **When TENANT Moves In.** LANDLORD will inspect and inventory the Unit and the items in it (including fixtures, furnishings, appliances, and other personal property). LANDLORD will prepare a written PROPERTY CONDITION FORM detailing the condition of the property and any items in the Unit when TENANT moves in. TENANT and LANDLORD will both sign the form.
2. **When TENANT Moves Out.** TENANT must remove all TENANT'S personal items. If TENANT leaves any personal items behind, TENANT must pay for any storage and other costs, including advertising costs, involved in selling or disposing them. TENANT must leave the Unit in the same condition as when TENANT moved in. It is TENANT'S duty to have the Unit in clean and proper condition ON THE DAY TENANT'S TENANCY ENDS, NOT ON ANY LATER DAY. TENANT must have the same items in the Unit that were present when TENANT moved in, and TENANT must leave these items in the same condition, except for normal wear and tear. If there is any disagreement, the signed PROPERTY CONDITION FORM will be treated as correct. Rent is still due in accordance with this Rental Agreement, even if it is only a prorated amount. Tenant will be charged rent until all repairs/replacements/cleaning are completed and utilities must be on during this time. Tenant will return all keys and cards (including storage and mailbox). Failure to return the keys will result in LANDLORD re-keying the locks and replacing the keys at TENANT'S expense.

**E. LANDLORD'S RESPONSIBILITIES:**

1. **Possession.** LANDLORD will give TENANT possession of the Unit in its accepted condition at the beginning of the rental term. Any services and appliances supplied by LANDLORD, LANDLORD will maintain. LANDLORD will not be liable for any interruption in these services or appliances which are beyond LANDLORD'S control. TENANT may not end this Rental Agreement because services or appliances are interrupted.
2. **Right to Enter.** LANDLORD will give TENANT at least two (2) days notice before entering the Unit; and enter only during reasonable hours, except in case of emergency. LANDLORD may enter the Unit in order to inspect, make needed or agreed upon repairs, decorate, change or improve the Unit, supply services as agreed, and show it to anyone who may want to buy, rent, or finance it. LANDLORD will not abuse this right or use it to harass TENANT. TENANT shall not unreasonably withhold TENANT'S consent. LANDLORD has no other right of entry, except by court order, or if it appears that TENANT has abandoned the Unit.

AH & CH 7/14/22  
TENANT'S INITIALS & DATE

  
LANDLORD'S INITIALS & DATE 5/10/22

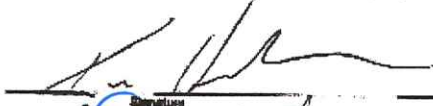


3. **Refund of Security Deposit.** LANDLORD must return TENANT'S deposit, MINUS DEDUCTIONS, not later than fourteen (14) calendar days after the termination of this Rental Agreement. LANDLORD must give TENANT a written statement at that time explaining any deductions. Deductions can be made in accordance with Paragraph D2 above and can pay for LANDLORD'S damages caused by TENANT quitting the Unit wrongfully.
  4. **Rent Increase.** If TENANT is on a Fixed Rental Agreement, LANDLORD may not increase the rent prior to the ending date. If TENANT is on a Month-to-Month Rental Agreement, LANDLORD must give TENANT written notice forty-five (45) days prior to any rent increase; TENANT must pay the increased rent or give a twenty-eight (28) day written notice to terminate.
  5. **Service of Notices.** If LANDLORD must give any notice to TENANT, LANDLORD can serve it on any TENANT. By serving one of the TENANTS, LANDLORD has given notice to all of the TENANTS. If LANDLORD cannot deliver a notice to TENANT, LANDLORD may post the notice in a conspicuous place on the Unit.
  6. **Rental Conversion.** If the Unit is to be demolished, converted to a condominium, LANDLORD must give TENANT written notice at least one hundred twenty (120) days in advance to terminate. TENANT may move at any time during the last one hundred twenty (120) days and shall notify LANDLORD of TENANT'S vacate date and pay a prorated rent until TENANT vacates the UNIT and satisfies the conditions of Standard Term D-7.
- F. **RENTAL HISTORY:** TENANT gives LANDLORD permission to provide rental history to other prospective Landlords.
- G. **DAILY RATE:** Daily rent is calculated using a thirty (30) day proration.
- H. **MILITARY TENANTS:** If TENANT receives military orders after execution of this Rental Agreement that require (i) TENANT'S change of permanent station (PCS) from a location on an island within Hawaii to any location off-island or outside Hawaii, or (ii) TENANT to deploy with a military unit or as an individual in support of a military operation for a period of not less than ninety (90) days, TENANT may end TENANT'S obligations under this Rental Agreement. To terminate this Rental Agreement, said military TENANT must deliver by hand, private business carrier, or mail with return receipt requested, written notice with a copy of the official orders to the LANDLORD. Oral notice is not sufficient. In the case of a fixed-term or a month-to-month term requiring monthly rents, the earliest termination date is thirty (30) days after the first date on which the next rental payment is due, following proper notification of termination of the Rental Agreement. For example, if rents are due on the first day of every month, and TENANT properly notifies LANDLORD on July 20<sup>th</sup> that TENANT wishes to terminate the Rental Agreement, the earliest termination date is September 1<sup>st</sup> (thirty (30) days after August 1<sup>st</sup> when the next rental payment was due after notice). In the case of all other term of lease, the termination of the Rental Agreement is effective on the last day of the month following the month in which proper notice is delivered to LANDLORD. The parties should refer to the Service Members Civil Relief Act for further guidance. Additionally, under Hawaii Law, a servicemember TENANT who is ordered military duty for a period of ninety (90) days or more may terminate this Rental Agreement without an early termination penalty or liability for future rents if TENANT receives orders requiring vacating from civilian housing and move into on-post government quarters provided that: (1) the failure to move into on-post government quarters will result in a forfeiture of the TENANT'S housing allowance, (2) TENANT'S request to maintain their housing allowances is denied by their commanding officer, AND (3) for Rental Agreements of a term of one year or less TENANT submits at least thirty (30) days written notice or for a month-to-month term TENANT submits at least fifteen (15) days written notice to LANDLORD, along with the required evidentiary documents. Additionally, in the event a servicemember Tenant dies during active duty, TENANT'S family may be afforded certain relief from the Rental Agreement as provided under Hawaii law. The parties are strongly encouraged to refer to 2021 Haw. Act 57 (H.B. 1375) for further guidance. A servicemember TENANT who terminates this Rental Agreement before the expiration of its term shall receive a prorated portion of the Security Deposit after proper notice and termination under 2021 Haw. Act 19 (H.B. 391).
- I. **DISCLOSURE:**
1. **Lead-Based Paint Disclosure.** If the Unit was constructed prior to 1978, a Lead-Based Paint Addendum must be attached to this Rental Agreement. Disclosure forms are available on the Environmental Protection Agency (EPA) website.
  2. **Asbestos Disclosure.** TENANT is aware that asbestos materials are hazardous to one's health, particularly if asbestos fibers are released into the air and inhaled. In the past (before 1979, but possibly since) asbestos was a commonly used insulation material in heating facilities and in certain types of floor and ceiling materials, shingles, plaster products, cement, and other building materials. TENANT is aware that TENANT should make appropriate inquiry into the possible existence of asbestos in the Unit. Structures having "popcorn" or "orange cheese" type ceilings may contain asbestos fibers or asbestos-containing material. Such ceilings should not be disturbed since it could release asbestos fibers in the air. Any disturbance should be done only by licensed abatement contractors.
  3. **Mold Disclosure.** TENANT is aware that mold and/or other microscopic organisms may exist in the Unit. Molds are simple, microscopic organisms, present everywhere. Mold spores may cause health problems. Mold will grow and multiply whenever sufficient moisture, temperature, and organic material are present. LANDLORD is not qualified to inspect the Unit for mold or to make recommendations or determinations concerning possible health or safety issues.
  4. **Hawaii Residential Landlord Tenant Code ("the Landlord Tenant Code").** The Landlord Tenant Code is Chapter 521 of the Hawaii Revised Statutes. Both LANDLORD and TENANT should check the Landlord Tenant Code to learn what duties, rights and remedies they have in addition to what is contained in this Rental Agreement. Certain additional rights and obligations may apply during the COVID Relief Period.
  5. **Conflict with the Landlord Tenant Code and Other Laws.** If it is found that any part of this Rental Agreement or its terms conflict with the Landlord Tenant Code or any other Federal, State or County laws governing LANDLORD TENANT relations, public health and safety, etc., then those laws will control; however, all other terms and conditions will still be valid and must be observed.
  6. **Sex Offender Registration ("Megan's Law").** Hawaii has enacted a law requiring sex offenders to register with the Attorney General's office. LANDLORD makes no representations as to whether or not the public has access to this information. Neither LANDLORD, OWNER, AGENT, nor BROKERAGE FIRM is required to obtain information regarding sex offenders.
- J. **Electronic (Digital or Fax) Signatures.** Electronically executed copies of this Rental Agreement and any related documents shall be fully binding and effective for all purposes.
- K. **TENANTS JOINTLY AND SEVERALLY RESPONSIBLE:** BY SIGNING THIS RENTAL AGREEMENT EACH TENANT SHALL BE JOINTLY AND SEVERALLY (COLLECTIVELY AND INDIVIDUALLY) RESPONSIBLE FOR COMPLIANCE WITH ALL ITS TERMS AND CONDITIONS, INCLUDING THE PAYMENT OF RENT IN FULL. EACH TENANT IS RESPONSIBLE FOR OTHER OCCUPANTS AND GUESTS AND SHALL ENSURE THEY COMPLY WITH THE TERMS AND CONDITIONS OF THIS RENTAL AGREEMENT.

KH & CH 7/14/22  
 TENANT'S INITIALS & DATE

LANDLORD'S INITIALS & DATE

**ACCEPTANCE OF RENTAL AGREEMENT:** By signing below, the parties agree to the foregoing and acknowledge they have been provided a copy of this Rental Agreement.

**TENANT(S) SIGNATURES:**

<u>7.14.22</u> Date		Kevin Hibbard Name (print or type)
<u>7.14.22</u> Date		Cherise Hibbard Name (print or type)
<u>5/10/22</u> Date		 Name (print or type)
 Date	 Signature	 Name (print or type)

**LANDLORD(S) SIGNATURES AND INFORMATION:**

PURSUANT TO CHAPTER 221-43(P) OF THE HAWAII REVISED STATUTES, OFF-ISLAND OWNERS AND LANDLORDS MUST HAVE AN ON-ISLAND DESIGNATED AGENT TO ACT ON THEIR BEHALF. UNLICENSED AGENTS MAY NOT WORK FOR MORE THAN ONE OWNER.

Designated Agent \_\_\_\_\_ is a  Licensed Brokerage  Unlicensed Agent

Date _____	Signature _____ Representative of Cannery Commercial, LLC Title _____	Name (print or type) _____
Date _____	Signature _____ Title _____	Name (print or type) _____
Date _____	Signature _____ Title _____	Name (print or type) _____

**On-island LANDLORD, Owner, or Designated Agent contact information:**

Address Joseph I Agundez, III, Esq., Konaul aw, Kulauni Tower, 74 5777 Kulauni Highway, Suite 101B, Kulaue-kona, Hawaii 96740  
Telephone (808) 326-9831 Emergency Phone # \_\_\_\_\_ E-Mail joe@konalaw.com

**RECEIPT:** The sum of \$ \_\_\_\_\_ in the form of \_\_\_\_\_ has been received from TENANT, and is to be applied as follows:

\_\_\_\_\_

\_\_\_\_\_

Date: \_\_\_\_\_ Received by: \_\_\_\_\_

NOTE: THERE IS NO WARRANTY ON PLAIN LANGUAGE. An effort has been made to put this agreement into plain language, but there is no promise that it is in plain language. In legal terms, THERE IS NO WARRANTY, EXPRESSED OR IMPLIED, THAT THIS AGREEMENT COMPLES WITH CHAPTER 487A OF THE HAWAII REVISED STATUTES. This means that the Hawaii Association of REALTORS® is not liable to any Landlord, or other person who uses this form for any damages or penalty because of any violation of Chapter 487A. People are cautioned to consult with their own attorneys about Chapter 487A (and other laws that may apply).

AH & CH 7.14.22  
TENANT'S INITIALS & DATE

  
5/10/22  
LANDLORD'S INITIALS & DATE



**AGRICULTURAL LEASE  
AUGUST 2020**

---

## AGRICULTURAL LEASE

This AGRICULTURAL LEASE ("Lease") is dated for reference purposes only August 1, 2020, and is entered into by and between **CANNERY COMMERCIAL, LLC**, a Hawaii limited liability company, whose mailing address is 2264 Fair Oaks Boulevard, Suite 100, Sacramento, California 95825 ("**Cannery**") and **AKT KONA INVESTORS, LCC**, a California limited liability company, whose mailing address is 7700 College Town Drive, Suite 101, Sacramento, California 95825 ("**AKT**") (collectively "**Landlord**"), and **RAINOLDO CANCINO**, an individual, and **CFF, LLC, dba Cancino Family Farm**, (collectively "**Tenant**"), whose mailing address is 84-4970 Mamalahoa Highway, Captain Cook, Hawaii 96704.

### RECITALS

A. Landlord owns the real property described in Paragraph 1, below. Tenant currently uses the property for the purpose of growing and harvesting coffee trees.

B. Landlord and Tenant now desire to establish a long-term lease to permit Tenant to conduct its commercial agricultural operation on the Premises described below.

Now, therefore in consideration of the foregoing and the mutual agreement of the parties hereto, to the terms and conditions hereinafter contained the parties agree as follows:

### AGREEMENT

1. **Description of Premises.** Landlord leases to Tenant and Tenant hires from Landlord, on the terms and conditions set forth in this Lease, the Premises with the appurtenances and any existing improvements located thereon, described as a portion of that certain real property located in Holualoa, Hawaii identified as TMK No. (3)7-5-014-001, outlined in red on Exhibit A attached hereto and forming a part of this Lease, and comprising approximately 129 acres of land located at 75-5763 Mamalahoa Highway, Holualoa, Hawaii 96725 ("**Premises**"), excepting therefrom the portion of the property outlined in blue which portion includes a dwelling located thereon referenced as "Wally's House" as shown on Exhibit A.

2. **Use.** Throughout the Term of this Lease, Tenant shall use the Premises solely for growing and harvesting coffee trees and Tenant shall not use any portion of the Premises for any other purpose or use, without Landlord's prior written consent, which consent may be withheld in Landlord's sole and absolute discretion. Such agricultural endeavors shall be conducted in practices and in compliance with all laws. There are no known wells located on the property.

3. **Term.** The term of this Lease shall be seven (7) years and 5 months ("**Term**"). The term of this Lease shall commence on August 1, 2020, ("**Commencement Date**"), and shall terminate on December 31, 2027, unless terminated sooner pursuant to the terms of this Lease. Tenant shall vacate the Premises at the expiration of the Lease Term. Unless Landlord and Tenant have extended the Lease Term in writing, the continued possession of the Premises by Tenant shall not extend the Term, and any provision of law to the contrary is hereby waived by Tenant.

4. **Utilities and Other Expenses.** Tenant shall be responsible for arranging all utility services and shall pay directly to the service provider, prior to delinquency, all of the utility charges and other expenses associated with Tenant's operations at the Premises, including, without limitation, gas, heat, electricity, water (including all water transported to the Premises), telephone services, sewer and all other services supplied to the Premises. Landlord shall not be liable to Tenant for damages or otherwise if any utility service is disrupted or becomes unavailable from any public or private utility company, public authority, or any other person or entity supplying or distributing such utility. Any such interruption or unavailability shall not constitute a termination of this Lease, or an eviction of Tenant, or give Tenant the right to reduce or abate rent.

5. **Rent.**

A. "Rent" shall be payable at the rate of Ten Thousand and No/100ths Dollars (\$10,000.00) per month, plus the amount of any Hawaii general excise tax (which as the date of this Lease is 4.160%, but is subject to change) and shall be payable on or before the first day of each calendar month during the Term. Payment shall be made to Landlord in advance in lawful money of the United States without offset, deduction, withholding, abatement, prior notice or demand. Rent shall be prorated on a daily basis for any partial month at the expiration of the Term.

B. Tenant acknowledges that the late payment to Landlord by Tenant of Rent, or other charges due under this Lease, will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and personnel costs. Accordingly, if any installment of Rent due from Tenant is not received within five (5) days following the due date, Tenant shall pay to Landlord a late charge equal to five percent (5%) of such overdue amount. Landlord and Tenant agree that such late charge represents a fair and reasonable estimate of the cost Landlord shall incur by reason of late payment by Tenant. Acceptance of such late charge by Landlord shall in no event constitute a waiver of Tenant's default with respect to such overdue amount, nor prevent Landlord from exercising any of the other rights and remedies granted hereunder.

C. "Additional Rent" shall mean all monetary sums payable by Tenant to Landlord, other than Rent.

6. **Disclaimer of Warranty.** Landlord makes no warranty, express or implied, concerning the condition of the Premises, the state of repair, water sources, water quality, the suitability of the Premises for farming or agricultural purposes, or any other aspect of the Premises. Tenant accepts the Premises in its currently existing "AS IS" condition, with all faults. Tenant hereby acknowledges that it is already conducting commercial agricultural farming on the Premises and thus Tenant is well aware of the condition of the soil, water, fences, climate, irrigation, utility services, zoning, and all other conditions concerning the Premises and its use by Tenant.

7. **Lease Subject to Existing Rights of Others.** This Lease is subject to: (a) all existing easements, servitudes, restrictive covenants, licenses and rights-of-way for canals,



ditches, levees, roads, highways and telegraph, telephone and electric power lines, railroads, gas and water pipelines and other purposes, whether recorded or not; (b) the use of the dwellings located on certain portions of the property by a third party or parties; and (c) the rights of Landlord under any existing or future water, oil, gas, or mineral rights affecting any portion of the Premises, whether recorded or not. Tenant hereby acknowledges the existence of certain dwellings located on the property and the dwellings are not included in the definition of the Premises. Tenant agrees that Tenant shall not interfere with the use of the dwellings by any owner, tenant or invitee, or any agent or contractor of either, and Tenant further recognizes and approves of all ingress, egress and other access rights of such parties.

8. **Entry By Owner.** Landlord and its agents, employees, contractors and assigns, shall have the right, at all reasonable times, to enter the Premises and to use the roads established on the Premises now or in the future, for the purposes of inspection, compliance with the terms of this Lease or the exercise of all rights under this Lease, posting notices and all other lawful purposes. Tenant shall supply Landlord with keys and other instruments required to affect entry onto the Premises for use by Landlord and Landlord's agents, employees, contractors and assigns.

9. **Condition of Premises Upon Termination.** Tenant accepts the Premises in its present "AS-IS" condition as acknowledged in Paragraph 6 above; and Tenant agrees, on the Expiration Date or on any earlier termination of this Lease, to surrender the Premises and the appurtenances to Landlord in the same condition as when received, reasonable use, wear and damage by fire, acts of God, or the elements excepted, and to remove all of Tenant's personal property and trade fixtures from the Premises.

10. **Abandonment.** Tenant shall not vacate or abandon the Premises at any time during the Term. If Tenant does abandon, vacate or surrender the Premises, or if Tenant is dispossessed by process of law or otherwise, any personal property belonging to Tenant and left on the Premises shall be kept for a reasonable time by Landlord, but in no event longer than fifteen (15) days after Landlord gives Tenant written notice to remove that property from the Premises, after which time, if any such personal property has not been reclaimed by Tenant, it shall thereafter be deemed to be the property of Landlord as if conveyed to Landlord by bill of sale, without any liability to Landlord for disposal thereof.

11. **Reimbursement of Landlord's Expenses.** If Tenant fails to maintain the Premises as required herein, Landlord shall have the option to declare a default or, after giving seventy-two (72) hours' notice to Tenant, to take necessary remedial measures at Tenant's expense for which Tenant shall reimburse Landlord on demand. Within ten (10) days of receipt of an invoice from Landlord, Tenant shall reimburse Landlord for all expenses incurred by Landlord that are associated with the Premises, including, but not limited to, land maintenance, mowing, flood control, tree trimming, or any other expenses reasonably related to the Premises pertaining to remedial measures which Landlord is required to perform. Upon written request from Landlord, Tenant shall pay any regularly recurring costs directly to the provider or billing entity on Landlord's behalf. Tenant shall provide Landlord with proof of payment of all such sums paid directly to a provider on Landlord's behalf. In the event Landlord elects to terminate the Lease, no refund of any portion of the Rent paid by Tenant shall be due Tenant. Tenant solely shall be responsible for protecting Tenant's property, including, but not limited to

equipment, tools, vehicles, machinery and crops from all risks of loss of any nature or kind. Landlord shall not be liable to Tenant for any type of damage to any of Tenant's property, including, but not limited to crops, seed, materials, fixtures, equipment, supplies or to Tenant's business, including business interruption damages and any form of business loss. Tenant shall procure insurance to protect Tenant from losses or Tenant may self-insure for all risks of loss.

12. **Taxes.** All real property taxes applicable to the Premises shall be paid by Landlord. All personal property taxes, assessments, license fees, and other charges that are levied and assessed on Tenant's personal property shall be paid by Tenant prior to delinquency. In addition, Tenant shall pay to Landlord monthly, together with each payment of Rent and all other charges payable by Tenant to Landlord pursuant to the terms of this Lease, all taxes, including, but not limited to the State of Hawaii general exercise tax on gross income, as the same may be amended, and all other similar taxes imposed upon Landlord with respect to fees, Rent or other payments, plus any other taxes or assessments in the nature of a gross receipts tax, sales tax, privilege tax or any other tax imposed on Landlord, excluding federal or state net income taxes, whether any such tax is imposed by the United States of America, the State of Hawaii or the County of Hawaii.

13. **Insurance Hazards.** Tenant shall not use the Premises, nor permit others to use the Premises, nor do or permit any acts on or at the Premises that will increase the existing rates of insurance on the structures, trees, or other fixtures on the Premises, or cause a cancellation of any insurance policy covering, in whole or in part, the structures, trees and fixtures on the Premises, nor shall Tenant sell, or permit to be kept, used or sold, in or about the Premises, any article that is prohibited by the standard forms of property or commercial general liability insurance policies. Tenant shall, at Tenant's expense, comply with all requirements of any insurance organization or insurance company underwriters or loss control representatives deemed necessary for the maintenance of reasonable property and commercial general liability insurance covering any portion of the Premises.

14. **Tenant's Operational Obligations.** As part of the consideration by Tenant to Landlord for the execution of this Lease by Landlord on the terms set forth herein, Tenant expressly covenants and agrees as follows:

A. To comply with all federal, state and county laws, statutes and ordinances, and all orders, rules and regulations of other governmental agencies, applicable or pertaining to the Premises and the business and operations of Tenant at the Premises.

B. To pay when due all debts and expenses incurred by Tenant, the nonpayment of which would result in an attachment, lien or charge against the leased Premises, or Tenant's interest therein. Tenant shall maintain the Premises free and clear of all labor liens, mechanics' and material suppliers' liens, or other clouds, encumbrances and charges occurring by reason of Tenant's operations at the Premises. Tenant shall not suffer or permit a lien to be placed upon or against the Premises or any portion thereof, or upon Tenant's leasehold interest therein, irrespective of whether the same shall arise from an asserted obligation of Tenant to pay for labor, services rendered, materials furnished, or for taxes, assessments, or charges claimed to be due or delinquent as against Tenant, or as a result of any act done, suffered or omitted, nor for any other liability or claim asserted against Tenant. In addition to Landlord's right to

terminate this Lease for breach of said covenants, Landlord may, at its option, pay any sum or amount necessary to release any such lien, charge or encumbrance, and Tenant is and shall remain obligated to promptly reimburse Landlord for all amounts so paid, together with interest at the rate of ten percent (10%) per annum from the date of each such payment until Landlord is fully reimbursed by Tenant.

C. To maintain the Premises in good order and repair, including any and all fences, roads and other improvements located on the Premises. Tenant shall keep the Premises clear of weeds, brush, guava, lantana and other noxious growth.

D. Tenant shall take all necessary precautions to prevent erosion and washout and shall not commit, permit, suffer, or allow any unnecessary depreciation, waste, detriment, or damage to occur on the Premises. but at all times to keep and maintain the same in good and proper condition and in full accord with Tenant's obligations hereunder.

E. Tenant shall not permit dumping of any rubbish or other waste materials of any kind on the Premises, including any gulches or areas adjoining the Premises. Tenant may compost waste in an orderly and professional manner.

F. Tenant shall prepare a soil conservation plan at Tenant's expense, if required by any governmental body.

G. Tenant shall take all reasonable efforts to minimize the emission of noise, dust, particulates, smoke, odors and other nuisances that may affect other persons or properties consistent with sound agricultural management practices

H. Tenant shall not construct any alterations or improvements on the Premises or materially change the grade of the Premises (which could change the drainage flow to or from the Premises) without Landlord's prior written consent. As a condition of Landlord's consent, Tenant may be required to provide adequate assurances to Landlord that all work will be done and completed promptly and in compliance with all laws, and free of liens, and at no cost to Landlord.

I. All irrigation shall be performed at Tenant's sole cost. Tenant shall acquire, operate, maintain and replace all irrigation facilities required for Tenant's operations at the Premises. All pipes may be laid on the surface of the land or, if buried, the pipes shall be buried a minimum of 2 feet below the surface of the ground if using a pipe that is 6 inches or less wide, or 30 inches deep if over 6 inches wide. Tenant shall deliver "as built" irrigation plans to Landlord.

J. During the initial three (3) years of the Lease Term, Tenant shall plant in the areas designated on Exhibit B attached to and forming a part of this Lease, a minimum of 60,000 newly grafted coffee trees. By the fifteenth (15<sup>th</sup>) day of each calendar quarter, Tenant shall provide Landlord with copies of all paid invoices related to the procurement of the new trees planted during the prior calendar quarter, as trees are purchased from time to time, along with a map showing where the trees were planted.

15. **Environmental Matters.**

A. Compliance with Environmental Requirements. Tenant expressly agrees, at all times and in all respects, to comply with and to cause its agents, employees, contractors, assignees or sublessees to comply with all federal, state and local laws, regulations, standards, decisions of courts, ordinances, rules, codes, orders, decrees, directives, guidelines, permits, or permit conditions, currently existing and as amended, enacted, issued or adopted in the future that are or become applicable to Tenant and the Premises, which are designed to protect public health and safety, worker health and safety, or the environment, including but not limited to, management of hazardous materials and/or hazardous waste (collectively referred to hereinafter as "Environmental Requirements"). For this purpose, "management" includes, but is not limited to, use, storage, handling and transportation of any hazardous materials or hazardous waste, or any products which contain any hazardous materials or waste. Tenant expressly agrees not to store hazardous materials or waste on the Premises, treat any portion of the Premises with hazardous materials or waste, except to the extent required for proper agricultural purposes, or dispose of, or bury any waste, including hazardous materials or waste, on the Premises. The term "hazardous materials" or "hazardous waste," as used herein, shall mean and refer to any chemical, substance, material, controlled substance, object, condition, waste, living organism, or combination thereof that is or may be hazardous to human health or safety or to the environment due to any radioactive, flammable, corrosive, explosive, toxic, carcinogenic, phytotoxicity, infectious, or other harmful or potentially harmful properties or effects, including, without limitation, tobacco smoke, petroleum and petroleum products, asbestos, radon, polychlorinated biphenyls (PCBs), and all of those chemicals, substances, materials, controlled substances, objects, conditions, wastes, living organisms, or combinations thereof that are now or become in the future listed, defined or regulated in any manner by any Environmental Requirements. Tenant shall promptly notify Landlord in writing of any known violation of any Environmental Requirements. Landlord shall have the right to enter and inspect the Premises and to perform tests, monitoring, and investigations, provided that the conduct of any such tests, monitoring and investigations shall not unreasonably interfere with the conduct of Tenant's operations at the Premises. If such tests indicate the presence of any environmental condition caused or exacerbated by Tenant or that occurred during the Term of this Lease that is in violation of any Environmental Requirement, Tenant shall reimburse Landlord for the cost of conducting such tests. The term "environmental condition" shall mean any adverse condition relating to any hazardous materials or the environment, including surface water, groundwater, drinking water supply, land, surface or subsurface strata, or the ambient air, and includes air, land and water pollutants, noise, vibration, light and odors in violation of any Environmental Requirements. In the event of any such environmental condition in violation of any Environmental Requirements, Tenant shall promptly take all steps necessary to rectify the same so as to comply with applicable Environmental Requirements or the requirements of any governmental agency with proper jurisdiction.

B. Handling of Pesticides and Fertilizer. Tenant expressly agrees to use and handle pesticides and fertilizers in compliance with all Environmental Requirements which are designed to regulate pesticides and fertilizers. No pesticide or agricultural chemical shall be used by Tenant if it results in a plant-back restriction or other provision which would place any limitation on the use of the Premises which extends beyond the Term of the Lease, without the prior written consent of Landlord, which consent can be withheld in Landlord's sole and absolute discretion. If, at any time during the term of this lease, any "Pesticide Permit" be

required under any state or federal law, Tenant shall provide Landlord a copy of Tenant's "Pesticide Permit" prior to the use of any pesticide'

C. Contamination. Tenant expressly agrees, at all times and in all respects, to comply with Environmental Requirements which concern any contamination, release, pollution, nuisance or waste, whether toxic or nontoxic, chemical or biological, which may result from Tenant's operations at and use of the Premises during the Term of this Lease, whether created or maintained by Tenant, its agents, servants, contractors or employees, or whether Tenant assists in the creation or maintenance thereof.

D. Environmental Indemnification. Tenant shall indemnify, protect, defend (by counsel reasonably acceptable to Landlord), and hold harmless Landlord, Landlord's affiliated entities, and each of their respective members, managers, partners, directors, officers, property managers, employees, shareholders, lenders, agents, contractors, successors and assigns, from and against all claims, judgments, causes of action, damages, penalties, fines, taxes, costs, liabilities, losses and expenses arising at any time during or after the Term as a result (directly or indirectly) of or in connection with a breach by Tenant of the any provision of subsections A through C, above. This indemnity shall include, without limitation, attorneys' fees and expert witness fees and costs, costs of litigation, government oversight costs, the costs of any required or necessary repair, cleanup, or detoxification, and the preparation and implementation of any closure, monitoring, or other required plans, whether such action is required or necessary before or after the termination or expiration of the Term. Neither the written consent by Landlord of the presence of hazardous materials on, under or about the Premises, nor the strict compliance by Tenant with all Environmental Requirements, shall excuse Tenant from Tenant's obligation of indemnification pursuant to this Lease. Tenant's obligations pursuant to the foregoing indemnity shall survive the termination or expiration of this Lease.

16. Landlord's Termination Rights. Subject to Tenant's right of first offer to purchase the Premises, in the event Landlord elects to sell the Premises at any time during the Lease term, Landlord shall be entitled to terminate this Lease by delivering to Tenant a minimum of ninety (90) days' advance written notice of termination. In the event Landlord terminates the Lease as set forth herein, Tenant shall be entitled to harvest the current year crops through the normal seasonal harvest date, or Landlord shall pay Tenant the value of the crop harvest based on the then current market value of that year's harvest. In addition, provided the Premises is sold to a third party and not any party with whom Tenant is associated, Landlord will reimburse Tenant for the cost of the newly grafted trees per the following scheduled:

- Year 1 (2021): 100% of the Reimbursement Cost per grafted tree planted.
- Year 2: \$26.00 per grafted tree planted.
- Year 3: \$18.20 per grafted tree planted.
- Year 4: \$10.40 per grafted tree planted.
- Year 5: \$5.20 per grafted tree planted.

Year 6: \$2.60 per grafted tree planted

Year 7: No charge

Landlord shall deliver payment to Tenant within thirty days after the date Tenant vacates the Premises. The required vacation date will be set forth in Landlord's written notice to Tenant.

17. **Drainage; Flood Protection.** Tenant expressly agrees, at all times and in all respects, to comply with all federal, state and local water agency laws, regulations, ordinances, and applicable water quality objectives and other requirements, permits and orders issued in relation thereto, which concern all drainage or releases on, at or from the Premises. Tenant shall provide and maintain all ditches and levees required for flood or levee protection to protect the Premises from flooding during the Term.

18. **Oil, Gas, Water and Mineral Rights.** All rights in all minerals, oil, gas, water and other hydrocarbons located on or under the Premises are reserved to Landlord and are not a part of the Lease of the Premises. Landlord expressly reserves for itself and any and all lessees of any oil, gas, water and mineral rights, and to Landlord's agents and licensees, a right of entry and a right-of-way for ingress and egress in and to, over and on, the Premises during the Term of this Lease for the exploration, drilling and mining of minerals, oil, gas, and other hydrocarbons on the Premises; provided that Landlord shall reimburse Tenant for any damage that Tenant sustains as a result of any interference with the agricultural operations conducted on the Premises under the terms of this Lease arising from exploration, drilling or mining operations.

19. **Condemnation.** If a part of the Premises is condemned for a public use and Tenant determines, in its commercially reasonable judgment, that it is economically feasible to occupy the remaining part of the Premises, this Lease shall terminate as to the part taken, on the date title vests in the condemnor. The Rent payable under this Lease shall be equitably adjusted so that Tenant shall be required to pay for the remainder of the Term only the portion of the Rent that the value of the part remaining after the condemnation bears to the value of the entire Premises at the date of valuation for condemnation purposes; but, in this event, Landlord shall have the option to terminate this Lease in its entirety as of the date that title vests in the condemnor. All expenses necessary to restore fences and to replace access roads lost by the condemnation shall be borne by Landlord. If the entire Premises or a substantial part of the Premises is taken or condemned so that the remaining portion is not reasonably useable by Tenant, this Lease shall terminate on the date title vests in the condemnor.

In the event of any condemnation, all compensation awarded for condemnation shall go to Landlord. Tenant irrevocably assigns and transfers to Landlord any right to compensation or damages to which Tenant may become entitled during the Term of this Lease resulting from the condemnation of the entire or a part of the Premises. However, provided any such claim does not diminish the amount of any award payable to Landlord, Tenant may claim and recover from the condemning authority, but not from Landlord, such compensation and damages as may be separately awarded on account of any damage to Lessee's business, the cost of removing Tenant's personal property.

20. **Alterations.** Tenant shall not make, or permit to be made, alterations, additions or improvements to the Premises, including without limitation, the installation of fences, gates and irrigation or road improvements, without first obtaining Landlord's written consent. All alterations, additions or improvements shall be made in good and workmanlike manner and in accordance with all applicable laws and, once commenced, shall be diligently pursued to completion. Tenant shall provide Landlord with not less than ten (10) days' prior written notice prior to the commencement of any work to permit Landlord and opportunity to post any appropriate notices of non-responsibility. Additions to, or alterations of, the Premises, except for trade fixtures, shall become at once a part of the Premises and belong to Landlord.

21. **Compliance With Law.** Tenant shall comply with all requirements of all governmental authorities, in force either now or in the future, affecting the Premises and Tenant's operations at the Premises. Tenant shall faithfully observe in Tenant's use of the Premises all laws, rules and regulations of these authorities, in force either now or in the future. Tenant shall secure all licenses, permits, consents and authorizations required for Tenant's operations at the Premises. The judgment of a court of competent jurisdiction, or Tenant's admission in an action or proceeding against Tenant, whether Landlord be a party to it or not, that Tenant has violated any law, rule or regulation in Tenant's use of the Premises shall be considered conclusive evidence of that fact as between Landlord and Tenant.

22. **Tenant's Indemnification Obligations.** Tenant shall indemnify, protect, defend and hold the Premises, Landlord and the officers, directors, members, managers, employees and representatives of Landlord, harmless of and from any and all claims, liability, losses, costs, damages, injury or expenses (including costs and expenses for experts, consultants, and attorneys' fees and litigation costs) arising out of or in any way related to or resulting directly or indirectly from the condition, use or occupancy of the Premises by Tenant, the operations and activities of Tenant, its agents, employees, contractors or invitees in or about the Premises, and any default or breach by Tenant in the performance of any obligation of Tenant under this Lease, including, without limitation, the flooding of county roads or neighboring lands because of improper or inadequate drainage or escaping waters, during the Term or arising out of Tenant's occupancy or use of the Premises. The indemnity obligations of this paragraph shall survive the expiration or earlier termination of the Lease.

23. **Tenant's Insurance Obligations.** Tenant, at Tenant's sole cost, shall maintain commercial general liability insurance with a limit of liability in an amount not less than \$1,000,000 per occurrence and with an aggregate limit of \$2,000,000 insuring against all liability of Tenant and Tenant's authorized representatives arising out of or in connection with Tenant's use or occupancy of the Premises and all operations of Tenant. All such insurance shall insure performance by Tenant of Tenant's indemnity obligations hereunder. Landlord shall be named as an additional insured and such coverage shall be primary to any coverage maintained by Landlord and shall contain cross-liability endorsements. Tenant shall also maintain automobile liability insurance with a minimum combined single limit of liability of \$1,000,000 per occurrence. All policies of insurance shall be issued by companies qualified to do business in the State of Hawaii. Prior to entry onto the Premises and at all times thereafter Tenant shall provide to Landlord a Certificate of Insurance (ACORD 27 or equivalent) and the additional insured endorsement confirming compliance with the insurance requirements set forth herein and that such insurance shall not be cancelled without providing Landlord with

twenty (20) days advance written notice. In the event Tenant hires any employees, Tenant shall also maintain workers compensation insurance as required by law. Tenant hereby waives and shall require its insurance carriers to waive any right of recovery by way of subrogation against Landlord in connection with any damage or injury.

24. **Default.**

A. **Event of Default by Tenant.** The occurrence of any of the following shall constitute an "Event of Default" by Tenant:

(i) Tenant fails to make any payment of Rent, Additional Rent or other financial obligation to Landlord within five (5) days after the date such payment is due and such failure continues after five (5) days' written notice of the default;

(ii) Tenant abandons the Premises;

(iii) Tenant fails to maintain the insurance required pursuant to Section 24, or fails to deliver such evidence of insurance to Landlord within five (5) days of written request and notice of the default;

(iv) If Tenant assigns or subleases any portion of the Premises without Landlord's prior written consent and fails to cure such default within fifteen (15) days following written notice from Landlord;

(v) Tenant ceases doing business as a going concern; makes an assignment for the benefit of creditors; is adjudicated an insolvent, files a petition (or files an answer admitting the material allegations of a petition) seeking relief under any state or federal bankruptcy or other statute, law or regulation affecting creditors' rights; all or substantially all of Tenant's assets are subject to judicial seizure or attachment and are not released within thirty (30) days, or Tenant consents to or acquiesces in the appointment of a trustee, receiver or liquidator for Tenant or for all or any substantial part of Tenant's assets;

(vi) Tenant fails, within ninety (90) days after the commencement of any proceedings against Tenant seeking relief under any state or federal bankruptcy or other statute, law or regulation affecting creditors rights, to have such proceedings dismissed, or Tenant fails, within ninety (90) days after an appointment, without Tenant's consent or acquiescence, of any trustee, receiver or liquidator for Tenant or for all or any substantial part of Tenant's assets, to have such appointment vacated; or

(vii) Tenant fails to perform or comply with any provision of this Lease other than those described in (i) through (vi) above, and does not fully cure such failure within fifteen (15) days after notice to Tenant or, if such failure cannot be cured within such fifteen (15)-day period, Tenant fails within such fifteen (15)-day period to commence, and thereafter diligently proceed with, all actions necessary to cure such failure as soon as reasonably possible but in all events within sixty (60) days of such notice; provided, however, that if Landlord in Landlord's reasonable judgment determines that such failure cannot or will not be cured by Tenant within such sixty (60) days, then such failure shall constitute an Event of Default immediately upon such notice to Tenant.



B. **Remedies Upon Default.** Upon the occurrence of an Event of Default, Landlord shall be entitled to pursue all remedies and damages available under the laws of Hawaii.

25. **Attorneys' Fees on Default.** In the event any action or proceeding is instituted by either party to enforce this Lease or any provision thereof, the prevailing party shall be entitled to all costs incurred and to reasonable attorneys' fees. The "prevailing party" shall mean the party receiving substantially the relief desired, whether by settlement, summary judgment, judgment or otherwise. Further, Landlord shall be entitled to all costs and attorneys' fees incurred due to any insolvency or bankruptcy proceeding by or against Tenant.

26. **Action of Receiver.** If, in an action against Tenant, Landlord has a receiver appointed to take possession of the Premises, or to collect the rents or profits derived from the Premises, or both, the receiver has the right, if it is necessary or convenient in order to collect rents or profits, to conduct the business of Tenant then being carried on the Premises and to take possession of any personal property belonging to Tenant and used in the conduct of the business, and to use the personal property in conducting the business on the Premises. Neither the application for the appointment of the receiver, nor the appointment of the receiver shall be construed as an election by Landlord to terminate this Lease unless a written notice of such intention is given to Tenant. All costs of the receiver shall be reimbursed, upon demand, by Tenant to Landlord.

27. **Right of First Offer.** In the event Landlord elects to place the Premises on the market for sale, Tenant will have a one-time right of first offer to purchase the property. Landlord will offer the property to Tenant prior to placing it on the market. Landlord will deliver a written notice to Tenant specifying the terms and conditions upon which Landlord will sell the property to Tenant (the "Purchase Offer"), which shall include, at a minimum the purchase price and closing date. Tenant shall have ten (10) business days after receipt of the Purchase Offer to accept the Purchase Offer by delivering written notice of acceptance to Landlord. If Tenant elects to purchase the property, the parties shall open escrow and escrow must close by the closing date stated in the Purchase Offer. If Tenant fails to timely accept the Purchase Offer on the stated terms, or if escrow fails to close within the period of time stated in the Purchase Offer, Landlord may sell the property to any other party at a sales price that is at least ninety percent (90%) of the sales price specified in the Purchase Offer and on other financial terms not materially better than set forth in the Purchase Offer, and Tenant shall have no further rights to purchase the property from Landlord. Landlord may not sell the property to any other party at a price less than ninety percent (90%) of the price offered to Tenant without first making another Purchase Offer to Tenant pursuant to the procedures set forth in this Paragraph 27.

28. **Surrender of Lease Not Merger.** The voluntary or other surrender by Tenant, or a mutual cancellation of this Lease shall not work a merger, and shall, at Landlord's option, terminate all existing subleases and subtenancies, or may, at Landlord's option, operate as an assignment to Landlord of any or all subleases or subtenancies.

29. **Assignment or Subletting.** Tenant shall not assign this Lease, or any rights under it, and shall not sublet the entire or any part of the Premises, or any right or privilege

appurtenant to the Premises, or permit any other person (the agents, employees and servants of Tenant excepted) to occupy or use any portion of the Premises, without first obtaining Landlord's prior written consent, which consent may be given or withheld in Landlord's sole and absolute discretion. Consent to any assignment, subletting, occupation or use by another person or entity is not a consent to a future assignment, subletting, occupation or use by another person or entity. An assignment or a subletting without Landlord's consent shall be void, and shall, at Landlord's option, terminate this Lease. No interest of Tenant in this Lease shall be assignable by operation of law without Landlord's written consent.

30. **Subordination.** This Lease automatically shall be subordinate to any mortgages or deeds of trust that may subsequently be placed on the Premises, to all advances made under them, to the interest on all obligations secured by them, and to all renewals, replacements and extensions of time, provided the mortgagee or beneficiary in those mortgages or deeds of trust recognizes the Lease of Tenant in the event of foreclosure, but only if Tenant is not in default under the terms of this Lease. If any mortgagee or beneficiary elects to have this Lease superior to its mortgage or deed of trust and gives notice of its election to Tenant, then this Lease shall be superior to the lien of the mortgage or deed of trust, whether this Lease is dated or recorded before or after the mortgage or deed of trust.

31. **Waiver.** No covenant, term or condition or the breach thereof shall be deemed waived, except by written consent of the party against whom the waiver is claimed, and any waiver of a breach of any term, covenant or condition shall not be treated as a waiver of any other term, covenant or condition, or as a waiver of a future breach of the same or any other term, covenant or condition contained in this Lease. The acceptance of Rent by Landlord or any other performance by Tenant shall not be treated as a waiver of a previous breach by Tenant of any term, covenant or condition of this Lease, other than the failure of Tenant to pay the particular rental so accepted, regardless of Landlord's knowledge of a previous breach at the time of acceptance of rent.

32. **Notices.** Any notice to be given to either party by the other shall be in writing and shall be served either personally, which includes overnight delivery for FedEx or similar delivery service requiring proof of delivery, or by registered or certified mail addressed as follows:

Landlord:	Cannery Commercial, LLC 2264 Fair Oaks Boulevard, Suite 100 Sacramento, California 95825-5535 Telephone: (916) 614-7900
Tenant:	Rainoldo Cancino and CFF, LLC. 84-4970 Mamalahoa Highway Captain Cook, Hawaii 96704 Telephone: (808) 328-9480

33. **Legal Effect.** This Lease shall be construed as though the covenants of Tenant are independent and not dependent and Tenant hereby expressly waives the benefit of any statute to the contrary if Landlord fails to perform its obligations set forth herein. The

provisions of this Lease shall, subject to the provisions on assignment, apply to and bind the heirs, successors, executors, administrators and permitted assigns of all parties to this Lease; and all parties to this Lease shall be jointly and severally liable under it. This Lease contains the entire agreement between the parties concerning this Lease and this Lease can be amended only by a writing signed by both Landlord and Tenant. This Lease supersedes and cancel any and all previous negotiations, arrangements, agreements or representations and understandings, if any between the parties hereto. The titles or headings to the paragraphs of this Lease are not a part of the Lease and shall have no effect on the construction or interpretation of any part of this Lease. The provisions of this Lease shall be construed in accordance with the fair meaning of the language used and shall not be construed against either party.

34. **Governing Law.** All rights and remedies of Landlord and Tenant under this Lease shall be construed and enforced according to the laws of the State of Hawaii.

35. **Waiver of Jury Trial and Counterclaims.** To the fullest extent permitted by law, the parties hereto waive trial by jury in any action or proceeding arising out of or relating to this Lease, the relationship of Landlord and Tenant, Tenant's use or occupancy of the Leased Premises, any claim for damages or injury, or the enforcement of remedy under any statute or otherwise, and the right to file therein any cross-complaints, counterclaims or cross-claims against the other party, other than those which may be compulsory.

36. **Waiver of Relief from Forfeiture.** Tenant hereby waives any right of redemption or relief from forfeiture under the law of the governing jurisdiction, or any other present or future law, in the event Tenant is evicted or Landlord takes possession of the Leased Premises by reason of any default by Tenant hereunder

37. **Accord and Satisfaction.** No payment by Tenant or receipt by Landlord of a lesser amount of the Rent or Additional Rent herein stipulated shall be deemed to be other than on account of the Rent or Additional Rent, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as Rent or Additional Rent be deemed an accord and satisfaction. Landlord may accept any check or payment without prejudice to Landlord's right to recover the balance of such Rent or Additional Rent or pursue any other remedy provided in this Lease. No endorsement on any check nor any letter accompanying any check or payment of Rent or Additional Rent or partial payment thereof shall prevent Landlord from treating such payment as on account of the earliest delinquent sum owed Landlord and Tenant waives the benefit of any contrary statute or court decision.

38. **Authority.** Landlord and Tenant represent and warrant to each other that they have full right, power and authority to enter into this Lease without the consent or approval of any other entity or person and make these representations knowing that the other party will rely thereon. The signatory on behalf of Landlord and Tenant further represent and warrant that they have full right, power and authority to act for and on behalf of Landlord and Tenant in entering into this Lease.

[Signatures on Next Page]

IN WITNESS WHEREOF, this Lease is executed on the date and year set forth below.

**LANDLORD:**

**TENANT:**

**CANNERY COMMERCIAL, LLC,**  
a Hawaii limited liability company

**RAINOLDO CANCINO**

By: LCM, Inc., a Hawaii corporation,  
Manager



By: [Handwritten Signature]

**RAINOLDO CANCINO**

Name: Chris Panoulas

Its: Managing Member

Date: 6/24/2020

**CFF, LLC, a Hawaii Limited Liability  
Company**



By: [Handwritten Signature]

Name: Rainoldo Cancino

Its: Managing Member

Date: 7/15/2020

**AKT KONA INVESTORS, LLC, a  
California limited liability company**

By: AKT Investments, Inc., a California  
corporation. Manager

By: [Handwritten Signature]

Name: ANGELO K. TSAKPOULOS

Its: CHAIRMAN

Date: 8-14-20

IN WITNESS WHEREOF, this Lease is executed on the date and year set forth below.

**LANDLORD:**

**TENANT:**

**CANNERY COMMERCIAL, LLC,**  
a Hawaii limited liability company


**RAINOLDO CANCINO**

By: LCM, Inc., a Hawaii corporation,  
Manager

  
\_\_\_\_\_  
**RAINOLDO CANCINO**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

**CFF, LLC, a Hawaii Limited Liability  
Company**

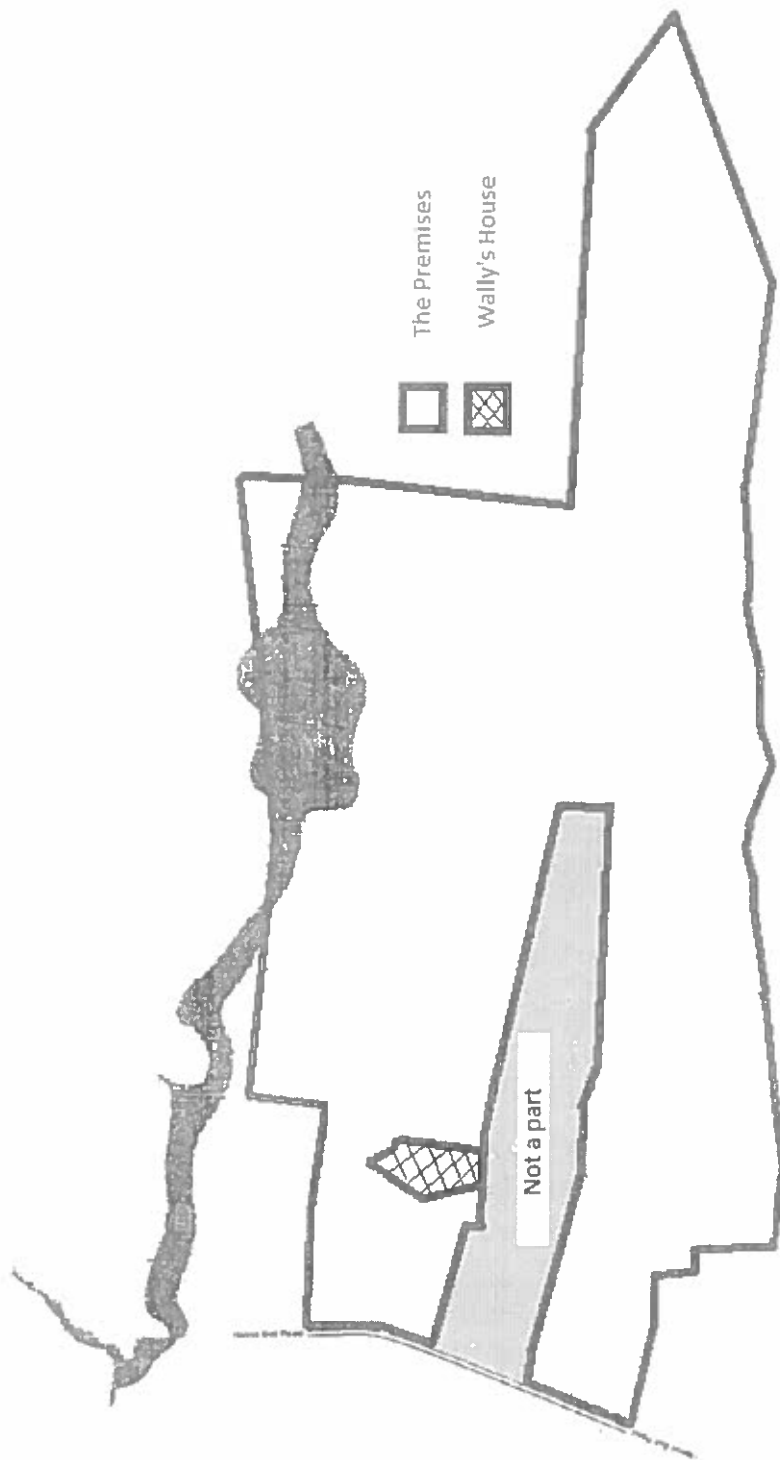
  
By: \_\_\_\_\_  
Name: Rainoldo Cancino  
Its: Managing Member  
Date: 7/15/2020

**AKT KONA INVESTORS, LLC, a  
California limited liability company**

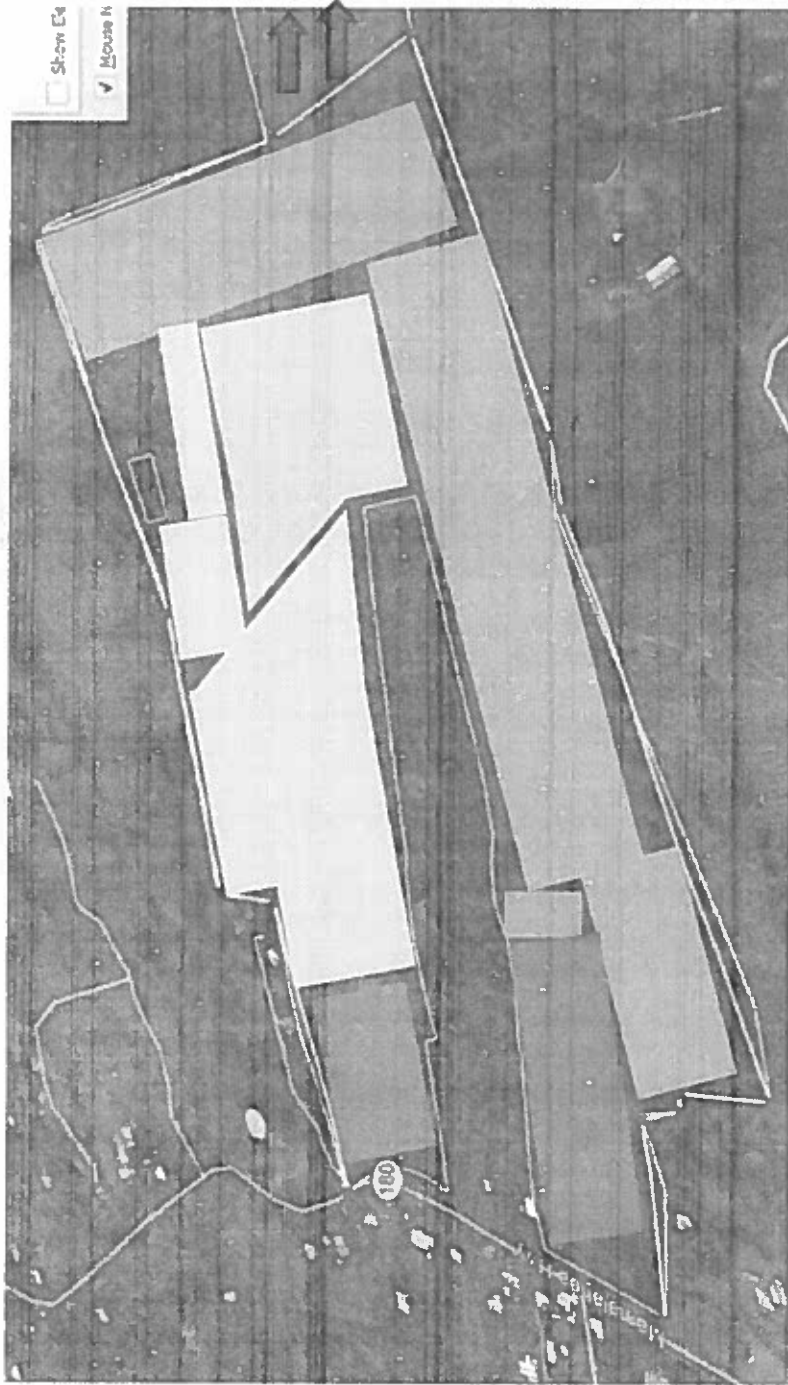
By: AKT Investments, Inc., a California  
corporation, Manager

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

Exhibit A



**Exhibit B**



- 08/2017 Replanted with 1.3k Grafted Coffee Trees
- 10/2016 Replanted with 5.6k Grafted Coffee Trees
- 2020 To be Replanted with 24.75k Grafted Coffee Trees
- 2021 To be Replanted with 28k Grafted Coffee Trees
- 2022 To be Replanted with 13k Grafted Coffee Trees
- 2022 Fill in Missing 20% Trees with 2k Grafted Coffee Trees
- Approx 20 acres unprepped land, planting TBD



### SCOPE OF PROFESSIONAL SERVICES

#### Background

John Child & Company is a professional corporation that specializes in real estate appraisal and consulting and business valuation. It is the only company in Hawaii with expertise and professional designations in both real estate appraisals and business valuations.

John Child & Company was established by John F. Child, Jr. in 1937. The Company was the first firm to specialize in market research in Hawaii. Since 1937, the Company has provided critical knowledge of real estate market conditions and trends gained from the strength of its market research. As a result, its clients have confidence that John Child & Company real estate appraisal and business valuation assignments are based on competent analysis and careful documentation, and its consulting assignments focus on the key issues and provide sound alternatives.

The Company's professional team members' past and current local, regional, and national leadership positions in their professional organizations help to establish and promote the highest standards of professional practice and ethics for the industry.

#### Real Estate Appraisal and Consulting

The Company's real estate consulting and appraisal practice includes a range of specialized services covering real estate in Hawaii and the Pacific area. Professional services include:

- Valuation of real estate
- Litigation support
- Arbitration
- Market rent analysis
- Highest and best use studies
- Market and financial feasibility analyses
- Economic and fiscal impact assessments
- Purchase price allocation.

Its assignments include all types of real estate interests such as fee simple, leasehold, leased fee, and other partial rights and fractional interests. Its assignments cover a variety of land uses and property types such as:

- Office buildings and commercial property
- Industrial property
- Telecommunications facilities
- Hotels and resort properties
- Agricultural, conservation, and vacant land
- Conservation easements
- Shopping centers and retail facilities
- Residential developments (single family, multifamily, and condominium)





- Master-planned and mixed-use projects
- Golf courses
- Healthcare facilities
- Redevelopment projects
- Special-purpose property
- Timeshare properties.

### **Business Valuation**

The Company's business valuation practice focuses on the valuation of closely-held businesses, including controlling and minority interests in corporations, partnerships, limited liability companies, and family limited partnerships. Its business valuation practice provides assistance in:

- Estate planning
- Tax reporting
- Mergers, acquisitions, and sales
- Stock transfers and redemptions
- Financial reporting
- Internal accounting
- Litigation support.

### **REPRESENTATIVE ASSIGNMENTS**

The Company has provided real estate appraisal and consulting and business valuations for more than 80 years.

### **Real Estate Appraisal and Consulting**

The Company's real estate appraisal and consulting practice covers a variety of properties and property interests. Real estate interests include fee simple, leasehold, leased fee, and other partial rights and fractional interests. Representative projects are listed as follows:

#### **Redevelopment**

Aloha Tower  
Honolulu Waterfront  
Master Development  
Plan

Kakaako Redevelopment Plan  
Kakaako Waterfront Park  
Kapalama Development  
Complex

Pawaa Redevelopment  
Masterplan  
Puck's Alley/Moiliili Gateway

#### **Resorts**

Hualalai  
Ka'anapali North Beach  
Kapalua  
Kauai Lagoons  
Ka'upulehu

Kiahuna Plantation  
Ko Olina  
Makena  
Manini'owali  
Mauna Kea

Princeville  
Turtle Bay  
Waikoloa Beach Resort  
Wailea Resort



**Hotels**

Embassy Suites Ka'anapali	Hyatt Regency Waikiki Kahala Hilton	Maui Prince Princeville Hotel
Four Seasons Resort Hualalai	Kea Lani Hotel Koa Kea Hotel	Sheraton Kauai Resort Sheraton Waikiki
Halekulani Hotel Hilton Hawaiian Village	King Kamehameha Kona Beach Hotel	W Hotel Wailea Beach Resort
Hotel Hana Maui Hyatt Regency Maui	Kona Village Maui Marriott	Waikiki Resort Hotel

**Shopping Centers**

Ala Moana Aloha Tower Marketplace	Kahala Mall Center Kamehameha Shopping Center	Pearl City Pearl City Shops Pearl Kai Center
Coconut Grove Downtown Kihei (proposed)	Keauhou Shopping Center Keeaumoku Shopping Center	Piilani Shopping Center Princeville
Ewa Pointe Marketplace Hawaii Kai Shopping Center	King's Village Koko Marina	Royal Hawaiian Wailea Shopping Village
Hawaii Kai Towne Center	Kukui Mall Lanihau Center	Windward City Windward Mall
	Mililani Nimitz Business Center	

**Golf Courses**

Asahi Kanko Olomana Course	Ko Olina Mid-Pac Country Club	Waikele Golf Course Waikoloa (Kings)
Dunes at Maui Lani Hawaii Country Club	Pearl Country Club Princeville (Makai and Prince)	Waikoloa Village (two proposed)
Hawaii Kai Golf Course Ka'anapali	Sandalwood Golf Course Swordsmen Golf Course	Wailea (Blue, Emerald, and Gold)
Kauai Lagoons (Kiele and Lagoons)	Waikapu Country Club	

**Office Buildings**

1164 Bishop Aina Haina Professional Building	Castle Professional Center Commerce Tower	James Campbell Building Kailua Professional Center I and II
Ala Moana Building Ala Moana Pacific Center	Davies Pacific Center Financial Plaza of the Pacific	Leilehua Building Pan Am Building
Amfac Towers ANA Kalakaua Center	Grosvenor Center Harbor Court	Waialae Building Waikiki Bank of Hawaii Building
Arcade Building C. Brewer Building	Hawaii National Bank Hawaiian Life Building HMSA Building	Waikiki Trade Center



**Industrial Properties**

Airport Industrial Subdivision	Halawa Industrial Subdivision	Mapunapuna
Airport Trade Center	Hawaii Business Center	Mill Town
Barbers Point	Honokohau Harbor	Panasonic/Technics Center
Bougainville	Iwilei & Iwilei Business Center	Pier 38 Domestic Commercial
Bougainville Commercial Center	Kalaeloa	Fishing Village
Campbell Industrial Park	Kapolei Business Park	Sand Island Business Park
Ewa Drum & Varona Village	Kona Industrial Subdivision	Waiau
Halawa Center	La Tour Plaza	Waikele Storage Park
	Lihue Industrial Park	Waipahu
	Makalapua Business Center	Waipio Business Center
	Manana	

**Residential**

Discovery Bay	Makakilo	The Kalia, Inc.
Ewa by Gentry	Maui Eldorado	Uplands at Mauna Kea
Harbor Court	Mawaena Kai	Victoria Tower
Honolulu Park Place	Mililani	Village Park
Imperial Plaza	Napili Kai	Vineyard Court
Kalele Kai	Nauru Tower	Wailea Golf Vistas
Kamaole Heights	One Archer Lane	Wailea Pualani Estate
Kamehame Ridge	Royal Capitol Plaza	Yacht Harbor Tower
Ko Olina Fairways	Royal Kuhio	
Lahaina Residential	The Kahala Beach	

**Healthcare**

Adventist Health	Kahuku Medical Center	Roselani Place
Arcadia Retirement Residence	Kapiolani Medical Center for Women and Children	St. Francis Healthcare Systems
Castle Medical Center	Kauai Care Center	Straub Hospital & Clinic
Clinical Laboratories of Hawaii	Pali Momi Medical Center	Waianae Coast Comprehensive Health Care Center
Diagnostic Laboratories Services	Palolo Chinese Home	Wilcox
Hale Mahaolu	Ponds at Punalu'u	
Hawaii Health Care Systems Corporation	Queen's Health Systems	
	Regency at Hualalai	

**Agricultural, Conservation, and Conservation Easements**

Campbell Palehua and Kahe Ranch	Kealia Pond	Paradise Park
Dunbar Ranch	Kona Forest Unit Access	Ponoholo Ranch
Galbraith Trust Lands	Kuamo'o Point	Pupukea Property Conservation Easement
Hana Ranch	Kukaiiau Ranch Conservation Easement	Pu'u O Hoku Ranch
Honouliuli Forest Reserve	Lipoa Point	Turtle Bay
Kainalu Ranch	Maka'alae Conservation Easement	Ulupalakua Ranch Conservation Easements
Kalauao Valley	May's Landing	Waikapuna
Kanepuu Conservation Easement	McCandless Ranch Conservation Easement	Waimea Valley
Kaupo Ranch Wai'u and Nu'u Lands	Moanalua Valley	Wao Kele O Puna
	Palmyra Atoll	



### Special Purpose

Cemeteries/Memorial Parks	Hawaii Newspaper Agency Building	Outrigger Canoe Club Quarries
Chinese Cultural Plaza	Hawaiian Home Land Claims	Schools
Churches	Kapaa Land Fill	State of Hawaii Airports
Convents	Kaunapali Harbor	Telecommunications sites
Condominium and Residential	NAS Barbers Point Electrical Distribution System	Tokai University
Lease-to-Fee Conversions	Oahu Club	Visitor attractions
		Wedding chapels

### Business Valuation

The Company's business valuation practice focuses on closely-held businesses in Hawaii. Business valuation assignments typically estimate the market value of controlling and minority interests in closely-held corporations, limited liability companies, and partnerships.

These assignments are prepared to assist in estate planning and estate and gift tax reporting to the Internal Revenue Service, litigation, mergers, stock repurchase/redemptions, and acquisitions.

Valuations of closely-held businesses include:

### Corporations

Aala Produce, Inc.	Loyalty Development Company, Inc.
Advanced Fresh Concepts Food Service	Loyalty Enterprises, Ltd.
Dowling Company, Inc.	Palani Ranch Company, Inc.
Finance Investment, Ltd.	Ponoholo Ranch Limited
Gay & Robinson, Inc.	Royal Phoenix Corporation
Industrial Investors, Inc.	Sen Plex Corporation
Jas W. Glover Holding Company, Ltd.	SSFM Engineers
K. Inouye Properties, Inc.	

### Limited Partnerships and Limited Liability Companies

Aaron Properties Partners of Hilo	Leong Brothers
Baruch Bakar and Beth-El	Livingston Family Limited Partnership
BFFP Incorporated	Loyalty Associates
Caroline J. Robinson LLC	Loyalty Investments
CGB Partners	Maui Quest, LLC
Fernandez Properties	MLB Inc.
Hawaii Aina Management	Pawaa Court LLC
Honolulu Open Medical Imaging, LLC	Pohaku Koloa
J.L.P. Robinson LLC	Robinson Kunia Land LLC
K.J.L. Associates	Royal Phoenix
KSM Associates LLC	SCF Limited Partnership
KVH Partners	Second City
Kaha Kai LLC	Taihook Associates
Kamali'i Family Limited Partnership	Taira Family Limited Partnership
Lanikai Properties LLC	The Mark A. Robinson Trusts



### CLIENTS

The Company provides professional services to a range of clients representing private, non-profit, and public interests. Selected clients in private industry, non-profit organizations, and public agencies are listed.

### PRIVATE INDUSTRY

#### Attorneys

Ashford & Wriston	Law Offices of Thomas Watts
Bendet Fidell	Lung Rose Voss Wagnild
Cades Schutte	MacDonald Rudy O'Neill & Yamauchi
Carsmith Ball	McCorriston Miller Mukai McKinnon
Case & Lynch	Ning, Lily & Jones
Case Lombardi & Pettit	Oshia Chuh Fong & Chung
Chun Kerr	Price Okamoto Himeno & Lum
Cox Wooten Lerner Griffin & Hansen	Rush Moore
Crockett & Nakamura	Schneider Tanaka Radovich Andrew & Tanaka
Damon Key Leong Kupchack Hastert	Settle Law
Dentons	Starn O'Toole Marcus & Fisher
Ekimoto & Morris	Tom Petrus & Miller
Goodsill Anderson Quinn & Stifel	Torkildson Katz Moore Hetherington & Harris
Huilin Dong, Attorney at Law	Tsugawa Biehl Lau & Muzzi
Imanaka Asato	Van Buren & Shimizu
Ing Horikawa & Jorgensen	Wagner Choi Verbrugge
Kobayashi Sugita & Goda	Watanabe Ing

#### Banks/Lenders

American Savings Bank	Hawaii National Bank
Bank of Hawaii	The Chuo Mitsui Trust & Banking Co., Ltd.
Central Pacific Bank	The Industrial Bank of Japan, Ltd.
Citibank, N.A.	The Long-Term Credit Bank of Japan, Ltd.
First Hawaiian Bank	Wells Fargo Bank

#### Closely Held Corporations/Limited Partnerships/Family Trusts

Baruch Bakar and Beth-el Associate	Lanihau Properties, LLC
BFFP Incorporated	Leong Brothers
Caroline J. Robinson LLC	Livingston Family Limited Partnership
Gay & Robinson	Loyalty Development
Hawaii Aina Management Co. LL	Loyalty Investments
Jas. W. Glover Holding Company, Ltd.	Maui Quest LLC
J.L.P. Robinson LLC	MLB, Inc.
Kaha Kai LLC	Norman & Amy Hirohata-Goto LLC
Kamalii Family Limited Partnership	Nua Family Limited Partnership
K.J.L. Associates	Palani Ranch
KVH Partners and CGB Partners	Pawaa Court LLC
Knudsen Trusts	Pohaku Koloa LLC



**Closely Held Corporations/Limited Partnerships/Family Trusts, Continued**

Ponoholo Ranch, Limited	Sheridan Ing Marital Trust
Royal Phoenix Corporation	Taira Family Limited Partnership
SCF Limited Partnership	The Mark A. Robinson Trusts
Second City Property Management Inc.	WBL, Inc.
Sen Plex Corp.	

**Developers/Landowners**

A&B Properties, Inc.	Hemmeter/Tokyu Waterfront Joint Venture
Aloha Tower Associates	James Campbell Company
Bedford Properties, Inc.	Kaneohe Ranch
(fka Kaiser National Housing Corporation Development Company)	Kapolei Property Development, LLC
Cuzco Development U.S.A. LLC	Krausz Properties
Dowling Company, Inc.	McCandless Land & Cattle Company
Elleair Hawaii, Inc.	MW Group, Ltd.
Finance Realty	Niu Pia Farms
Gentry Companies	Pauahi Management Corp.
Hana Ranch Partners	Queen Emma Land Company
Hanalei Land Company	Sam Koo Pacific, LLC
Haseko (Hawaii), Inc.	Tesoro Hawaii Corporation
	Ulupalakua Ranch Inc.

**Resort Operators/Owners**

Alpha U.S.A., Inc.	Princeville Development Company
Kapalua Land Company, Ltd.	Shinwa International
Kaupulehu Makai Venture (Hualalai Resort)	Turtle Bay Resort
Namalu LLC (Makena Resort)	Wailea Resort Company, Inc.

**Retailers**

7-Eleven (Hawaii), Inc.	Safeway, Inc.
Kyotaru International	Sears Holding Corporation
McDonald's Restaurants of Hawaii	

**Trust Companies and Trusts**

Bank of Hawaii Trust Department	Knudsen Trusts
First Hawaiian Trust	Lili'uokalani Trust
Hawaiian Trust Co., Ltd.	Mark A. Robinson Trusts

**NON-PROFIT ORGANIZATIONS**

Adventist Health	Hawaii Pacific Health
Bobby Benson Center	Hawaii Pacific University
Castle Medical Center	Honolulu Community Action Program, Inc. (HCAP)
Chaminade College	Iolani School
Hawaii Health Systems Corporation	Japan Association of Real Estate Appraisers
Hawaii Opera Theatre	



**NON-PROFIT ORGANIZATIONS, Continued**

Kahuku Medical Center	Segull Schools, Inc.
Kamehameha Schools	The Fathers of the Sacred Hearts
KCAA Pre-Schools of Hawaii	The Sisters of the Sacred Hearts
Manoa Valley Theatre	St. Francis Healthcare Systems of Hawaii
Maui Coastal Land Trust	The Nature Conservancy
National Tropical Botanical Garden	The Trust for Public Land
Pacific Buddhist Academy	Young Women's Christian Association (YWCA)
Punahou School	
Queen's Health Systems	

**PUBLIC AGENCIES**

**Bank Regulatory Agencies**

Federal Depository Insurance Corporation (FDIC)	Federal Home Loan Bank Board (FHLBB)
--	--------------------------------------

**City & County of Honolulu**

Honolulu Authority for Rapid Transportation	Department of Design and Construction
Honolulu Public Transit Authority	Department of the Corporation Counsel
Department of Housing and Community Development	

**County of Hawaii**

Department of Finance	Department of Public Works
-----------------------	----------------------------

**County of Kauai**

Department of Water	
---------------------	--

**Federal Agencies**

Internal Revenue Service	U.S. Department of Agriculture, Natural Resource Conservation Service
National Business Center, Appraisal Services Directorate	U.S. Department of the Army
U.S. Attorney General	U.S. Department of the Navy
U.S. Department of Agriculture, Forest Service	U.S. Department of Interior, Fish & Wildlife Service

**Utilities**

Aloha Solar Energy Fund	Eurus Energy America Corporation
Citizens Utilities Company - Kauai Electric	Hawaiian Electric Industries (HEI, Inc.)
D.R. Fortress	Pacific Resources, Inc.



### **State of Hawaii**

Attorney General  
Department of Hawaiian Home Lands  
Department of Land & Natural Resources  
Department of Transportation

Hawaii Community Development Authority  
Hawaii Housing Finance and Development  
Corporation  
Office of Hawaiian Affairs

### **PROFESSIONAL TEAM QUALIFICATIONS**

The professional team has a wide range of real estate experience gained through a variety of field experience, professional accomplishments, training, and education. Team members have earned their reputation for quality work and professional service.

#### **Professional Designations**

Team members hold designations earned from the major professional organizations. Team members have earned the MAI designation from the Appraisal Institute, the CRE (Counselor of Real Estate) from The Counselors of Real Estate, and ASA (Accredited Senior Appraiser) from the American Society of Appraisers.

#### **State Certification**

Members of the professional team are Certified General Appraisers under the State of Hawaii license and certification program.

#### **Other Qualifications and Training**

Professional team members are qualified as expert witnesses in the courts of Hawaii; actively participate in and serve as arbitrators and review appraisers; and continue to attend courses, seminars and workshops to strengthen their own specialized appraisal skills and education.

#### **Professional Team Members**

Professional team members include:

- Karen Char, MAI, CRE, ASA, President
- Paul D. Cool, MAI, CRE, Vice President
- Shelly H. Tanaka, MAI, AI-GRS, Vice President.

The education and professional experiences of team members are outlined in their accompanying resumes.



## QUALIFICATIONS OF JOHN CHILD & COMPANY

---



**SHELLY H. TANAKA, MAI, AI-GRS**

**Vice President**

Shelly estimates the value of closely-held businesses and real estate in Hawaii. Because of her expertise in both real property and business valuation, she is able to effectively assist clients with their estate planning and gifting decisions, tax reporting, acquisitions and mergers, stock transfers and redemptions, and purchase price allocations.

Shelly's real estate valuations include resort, commercial, industrial, residential, agricultural, and conservation properties on Oahu, Maui, Kauai, and Hawaii. Assignments have included appraisals of conservation and right-of-way easements, hospitals, and other complex or limited-market properties, as well as market assessments, feasibility analyses, and fiscal and economic impact studies for a variety of projects including senior living facilities, hotels, shopping centers, residential subdivisions, and two master-planned communities on Oahu and Maui. She also serves as an arbitrator, expert witness, and has worked on several class-action lawsuits providing complex and timely analysis to assist in trial preparation and settlement negotiations.

### **Education**

- Master of Business Administration, University of Hawaii at Manoa, 1998
- Bachelor of Arts, Psychology, University of California at Los Angeles, 1994
- Iolani School, 1990
  
- Various courses, workshops and seminars including:
  - Appraisal Institute, Uniform Appraisal Standards for Federal Land Acquisitions, 2017
  - Appraisal Institute, General Review Theory, 2014
  - Appraisal Institute, Complex Litigation Appraisal Case Studies, 2014
  - Appraisal Institute, Fundamentals of Separating Real Property, Personal Property, and Intangible Business Assets, 2012

### **Professional Designations**

The Appraisal Institute conducts voluntary programs of continuing education for its designated members.

The MAI Membership designation is held by professionals who can provide a wide range of services relating to all types of real property, such as providing opinions of value, evaluations, review, consulting and advice regarding investment decisions, among others.

The AI-GRS Review designation is conferred upon professionals who have demonstrated the knowledge and skills needed to provide appraisal reviews for a wide range of property types in order to satisfy issues related to due diligence and risk management.

Shelly H. Tanaka, MAI, AI-GRS is designated under both programs.

### **State Certification**

- Certified General Appraiser, State of Hawaii, License Number CGA-648, expiring December 31, 2023.
-



**Court Testimony**

- Qualified as an expert witness in the valuation of real property and business valuation in the Courts of the State of Hawaii.

**Professional Associations**

- The Appraisal Foundation, Board of Trustees (2022-2024)
- Appraisal Institute
  - National Board of Directors, 2017 – 2020
  - National Finance Committee, 2018 – 2021 (Vice Chair, 2019 – 2020)
  - Women’s Initiative Committee, member, 2020
  - Region VII Finance Chair (Hawaii, Southern California, San Diego, Arizona, Las Vegas), 2014 – 2015
  - President, Hawaii Chapter, 2014
- Appraisal Institute Education Trust, Trustee and Vice-Chair, 2017 - 2018
- Appraisal Institute Education and Relief Foundation
  - Chair of the Board of Directors, 2019 – 2021
  - Director, 2022

**Other Service**

- Real Estate Appraiser Advisory Committee, Professional & Vocational Licensing Division, Department of Commerce and Consumer Affairs, State of Hawaii
    - Member, 2016 - 2018
    - Vice-Chair, 2019 – 2020
    - Chair, 2021 – 2022
  - Board of Directors, Hawaii Appleseed Center for Law and Economic Justice (2019-2021)
-

**HAWAIIAN HOMES COMMISSION  
JANUARY 16 & 17, 2024**

**J – ITEMS  
REQUESTS TO ADDRESS THE  
COMMISSION**

# Hawaiian Homes Commission Meeting

## J Agenda

January 17, 2024

### Requests to Address the Commission

J-1 Brittney Zimmerman – Panaewa Hawaiian Home Land  
Community Association

J-2 Al Hee – Telecommunications

J-3 Germaine Meyers – Various Concerns

J-4 Sonny Del Toro – Kapolei Beneficiary Concerns

J-5 Alohalani Smith – Maui Beneficiary Concerns

J-6 Homelani Schaedel - Maluohai

J-7 Patty Teruya Kahanamoku – Various Concerns

J-8 De Mont Manaole – Various Concerns

J-9 Randy Akau – Various Concerns

J-10 Kekoa Enomoto – Paupena Community Development  
Corporation

J-11 Bo Kahui - Lai Opu

J-12 Ainaaloha Ioane – Wastewater

J-13 Princeslehuanani Kumaewakainakaleomomona – Waitlist  
and Kahikinui

**Burrows-Nuuanu, Leatrice W**

---

**Subject:** FW: [EXTERNAL] Tuesday "J" agenda

-----Original Message-----

From: Kaulani Almeida <kumukaulani@gmail.com>

Please defer Brittney and me and place us on January list. It is my hope that we can be placed a lot sooner than later.

Mahalo.

Sent from my iPhone

**From:** [alhee@waimana.com](mailto:alhee@waimana.com)  
**To:** [Burrows-Nuuanu, Leatrice W](#)  
**Subject:** [EXTERNAL] Mele Kalikimaka  
**Date:** Tuesday, December 19, 2023 4:44:12 PM

---

Aloha e Leah,

Since I won't be seeing you before next month,

Please put me on the J agenda. Do you need me to submit the handouts again?

Mahalo,  
al

---

This message is the property of Waimana Enterprises Incorporated and any attachments are confidential to the intended recipient at the e-mail address to which it has been addressed. If you are not the intended recipient, you may not copy, forward, disclose or use any part of this message or its attachments. If you received this transmission in error please notify the sender immediately by e-mail or contact Waimana Enterprises Incorporated at 808-599-4441 and then delete this message from your system.

**From:** [Germaine Meyers](#)  
**To:** [Burrows-Nuuanu, Leatrice W](#)  
**Subject:** [EXTERNAL] January 2024 J-Agenda  
**Date:** Tuesday, December 19, 2023 3:54:12 PM

---

Hi Leah,

I kindly request to address the Commissioners on the J-Agenda at January 2024's HHC meeting please, on various beneficiary issues.

I decided to defer this month since 4 Commissioners were absent. Since my J Agenda is a follow up to last month's J Agenda presentation, I prefer to have all (or majority) present.

Ke Akua pu,  
Germaine Meyers

**From:** [dhhl.icro1@hawaii.gov](mailto:dhhl.icro1@hawaii.gov)  
**To:** [Burrows-Nuuanu, Leatrice W](#)  
**Subject:** HCC Contact:  
**Date:** Tuesday, December 26, 2023 2:30:44 PM

---

**First Name**

Sonny

**Last Name**

W. Del Toro

**Email**[1nanabrdodi@gmail.com](mailto:1nanabrdodi@gmail.com)**Email**[1nanabrdodi@gmail.com](mailto:1nanabrdodi@gmail.com)**Subject**

To Commission Secretary

**Message**

Tuesday Dec 26 2023 (2:24p)

Following up on request to be on the J-agenda for January 2024. On 22 Dec 2023 (Friday afternoon), I had put initial request in person. [Use an orange card and passed to someone] because electronic means seems not to work. Return email from Staceylynn Eli and David Hoke.

- We are asking to address concerns brought up at Townhall meeting with local leaders of the Waianae Coast and the Honouliuli Ahupua'a on Crime enforcement and DHHL enforcement. Attachment #1 and #2
- We understand probable refinement on legal actions are required to make our homesteads more robust in countering crime.
- A tool we need to employ more often with focused intention is the use of contested cases. When I sat on the Kanehili Board we lost an opportunity to change poor and illegal behavior against a homesteader who had not paid the monthly fair share to support the community's growth.
- We want to use the tool available, however we need the commission to support us.
- A clear and defined process for using the courts effectively, including a strong recommendation through the attorney general's office to align our efforts with courts positive rulings that enforcement on both DHHL and community level bring to the courts.
- We would ask for a rapid response (NLT 15 February 2024)
- To rid our communities of unlawful activities by homeowners with priority to 1. Gaming houses, 2. All unlawful trafficking, 4. TRO and spouse or family member abuse 5. Stealing from establishments operating on or near an active homestead, (How is Ho'omaka /KCDC) helping? 6. Stop homeless encroachment and attraction at Ho'omaka Marketplace, we need support and heightened use of security patrols and lessening attractions for the gathering for unauthorized use in Ho'omaka gas pump and parking areas. 7. Use of Contested Court Cases to recover unpaid maintenance fees equaling \$350.00 or more owed to the respective homestead community associations.
- We are working for another ahupua'a meeting on Thursday, January 11th 2024 from 6p to 8p at Kapolei middle school to explore and verify plans and expectations from the DHHL Enforcement unit and Honouliuli Hawaiian homesteads community associations to encourage rapid support by the Hawaiian Homes Commissioners through testimony and presentation on Wednesday January 17th. 2024, with final support to refined and strongest Contested Court support to protect our homestead communities NLT 10 Feb 2024. More to follow,
- Please send an email to [1nanabrdodi@gmail.com](mailto:1nanabrdodi@gmail.com) to verify I (Sonny Del Toro and David Hoke are on the J agenda for January 2024.



**From:** [Jade Smith](#)  
**To:** [Burrows-Nuuanu, Leatrice W](#)  
**Subject:** Re: [EXTERNAL] J Agenda  
**Date:** Mo

---

Yes, can you sign me up for the next Meeting for J Agenda? Can put it for Various Concerns.

Mahalo. Enjoy your trip me off during this time and your Holiday with Family and Friends.

J. Alohalani Smith  
Interim Secretary  
Website: [Wakiu.org](#)  
Email: [Wakiucdc@gmail.com](mailto:Wakiucdc@gmail.com)  
PEmail: [kaukaulani@gmail.com](mailto:kaukaulani@gmail.com)  
iPhone: 808-870-2820

**From:** [homeschaedel@hawaii.rr.com](mailto:homeschaedel@hawaii.rr.com)  
**To:** [Burrows-Nuuanu, Leatrice W](#)  
**Subject:** [EXTERNAL] 12-19-23 HHC Meeting J Agenda  
**Date:** Wednesday, November 29, 2023 12:02:14 PM

---

Aloha e Leah,

I looked for the J Agenda Request form on DHHL website, but it said ...sorry form no longer available?

I'm requesting to please place me on the J Agenda on 12-19-23 to address various issues.

Mahalo,  
Aunty Home Schaedel  
Malu'ohai

**From:** [Burrows-Nuuanu, Leatrice W](#)  
**To:** [Patty](#)  
**Subject:** RE: [EXTERNAL] Happy New Year 2024!  
**Date:** Tuesday, December 26, 2023 9:37:00 AM  
**Attachments:** [image002.png](#)

---

**From:** Patty <pattyteruya@gmail.com>  
**Sent:** Sunday, December 24, 2023 7:30 PM  
**To:** Burrows-Nuuanu, Leatrice W <leatrice.w.burrows-nuuanu@hawaii.gov>  
**Subject:** [EXTERNAL] Happy New Year 2024!

Aloha e, Ms. Leah,

Can I be on the January 2024 HHC meeting with various concerns.

Mahalo piha,  
Patty Kahanamoku Teruya  
PO Box 2308  
Waianae, Hawaii  
96792

---

Phone: 808 723-9161

**From:** [hoomanaponollc96792@gmail.com](mailto:hoomanaponollc96792@gmail.com)  
**To:** [Burrows-Nuuanu, Leatrice W](#)  
**Subject:** [EXTERNAL] Request for J Agenda in January 2024  
**Date:** Monday, December 18, 2023 1:58:07 PM

---

Aloha Leah! I'm requesting to be placed on the J Agenda for January 2024.

Mahalo,

De Mont

[Yahoo Mail: Search, Organize, Conquer](#)

**From:** [K D](#)  
**To:** [Burrows-Nuuanu, Leatrice W](#)  
**Cc:** [Eli, Stacelynn K](#)  
**Subject:** Re: [EXTERNAL] Re: J Agenda, HHC Meeting 11/21/23  
**Date:** Thursday, December 07, 2023 1:30:34 PM  
**Attachments:** [image002.png](#)

---

Aloha Leah,

Yes, please sign me up on the "J" agenda for the HHC meetings, on January 18-19, 2024.

Mahalo and Happy Holidays!

Randy Akau  
Lessee, Kanehili

On Wed, Dec 6, 2023 at 4:31 PM Burrows-Nuuanu, Leatrice W <[leatrice.w.burrows-nuuanu@hawaii.gov](mailto:leatrice.w.burrows-nuuanu@hawaii.gov)> wrote:

Aloha e Randy,

E kala mai! The deadline for J Agenda requests was yesterday at 4:30 p.m. Unfortunately, I've already turned away a number of folks who also missed the deadline.

Please refer to the deadlines at <https://dhhl.hawaii.gov/hhc/testimony>.

You can testify on the public testimony on agendized items at the start of the meeting if you can find something on the agenda to link it to.

Next month's J Agenda deadline is January 10th. I can sign you up now if you like. Let me know.

Mahalo,



Leah Burrows-Nuuanu

Hawaiian Homes Commission

Department of Hawaiian Home Lands

91-5420 Kapolei Parkway

Kapolei, HI 96707

**From:** [Burrows-Nuuanu, Leatrice W](#)  
**To:** [Kekoa Enomoto](#)  
**Subject:** RE: [EXTERNAL] J Agenda RSVP  
**Date:** Friday, December 22, 2023 11:16:00 AM

---

Aloha e Anake,  
Mahalo for your email. I will add you to the January list. Mele Kalikimaka me Hauoli Makahiki Hou!!

Leah Burrows-Nuuanu  
Hawaiian Homes Commission  
Department of Hawaiian Home Lands  
91-5420 Kapolei Parkway  
Kapolei, HI 96707  
Phone: 808 620 9503/ Fax: 808 620 9529  
Email: [Leatrice.W.Burrows-Nuuanu@hawaii.gov](mailto:Leatrice.W.Burrows-Nuuanu@hawaii.gov)

-----Original Message-----

From: Kekoa Enomoto <[paupena.kekoa@gmail.com](mailto:paupena.kekoa@gmail.com)>  
Sent: Friday, December 22, 2023 10:15 AM  
To: Burrows-Nuuanu, Leatrice W <[leatrice.w.burrows-nuuanu@hawaii.gov](mailto:leatrice.w.burrows-nuuanu@hawaii.gov)>  
Cc: Abner Nakihei Jr. LEALI'I <[abnerandjoanna@gmail.com](mailto:abnerandjoanna@gmail.com)>; Ornellas, Daniel L <[daniel.l.ornellas@hawaii.gov](mailto:daniel.l.ornellas@hawaii.gov)>; Kainoa Lei MacDonald CREDIT EDGE <[808divergentgroup@gmail.com](mailto:808divergentgroup@gmail.com)>; Robin Leihuanani Keali'inohomoku WAIT <[leihuanani@gmail.com](mailto:leihuanani@gmail.com)>; Kealapono (Donna) Sterling <[dhelekunihi@yahoo.com](mailto:dhelekunihi@yahoo.com)>  
Subject: [EXTERNAL] J Agenda RSVP

Aloha mai kua e Leah,  
May I RSVP to present advocacy on behalf of Pa'upena Community Development Inc., on the J Agenda at the 1/24/24 Hawaiian Homes Commission meeting?  
I w/advocate for commission approval of Pa'upena's request for a 20-year long-term license to 127 Keokea-Waiohuli Hawaiian Homes acres, for six or more reasons, as follows:

- . Sustainable management of Hawaiian Homes Commission Act trust lands via beneficiary-driven, community-based initiatives.
- . Farming/ranching-related training of beneficiary 'opio and 'ohana.
- . Agroforestry cultivating native kukui, mai'a, mamaki, 'ulu, koa, koai'a, 'iliahi and 'a'ali'i.
- . To deploy three water meters prospectively attained using DHHL water credits.
- . To malama/implement the management plan for a 102-acre cultural preserve.
- . To adaptively reuse major (among more than 100) archaeological sites and features, including agricultural terraces and livestock pens, to grow native edibles.

Mahalo a me ke Aloha Kalikimaka,  
-'Anake Kekoa

Kekoa Enomoto  
Chairwoman of the board,  
Pa'upena Community Development Inc.  
(808) 276-2713

**From:** [Craig Bo Kahui](#)  
**To:** [Burrows-Nuuanu, Leatrice W](#)  
**Cc:** [Craig Bo Kahui](#); [Dora Aio](#); [Sharleen Kahumoku](#); [Sam Walker](#); [Rudy Ai](#); [Makai Freitas](#); [makai.freitas@hawaii.gov](mailto:makai.freitas@hawaii.gov)  
**Subject:** Re: [EXTERNAL] Laiopua CDC request to be placed on the J agenda  
**Date:** Wednesday, January 03, 2024 8:53:18 AM  
**Attachments:** [image002.png](#)  
[image003.png](#)

---

Aloha Lea,  
Appreciate your receipt and confirmation  
Mahalo Nui  
Bo Kahui

---



Virus-free. [www.avast.com](http://www.avast.com)

On Tue, Jan 2, 2024 at 2:08 PM Burrows-Nuuanu, Leatrice W <[leatrice.w.burrows-nuuanu@hawaii.gov](mailto:leatrice.w.burrows-nuuanu@hawaii.gov)> wrote:

Aloha e Bo,

Hau'oli Makahiki Hou! Confirmed. January 17, 2024.

Mahalo,

Leah Burrows-Nuuanu

Hawaiian Homes Commission

Department of Hawaiian Home Lands

91-5420 Kapolei Parkway

Kapolei, HI 96707

Phone: 808 620 9503/ Fax: 808 620 9529

Email: [Leatrice.W.Burrows-Nuuanu@hawaii.gov](mailto:Leatrice.W.Burrows-Nuuanu@hawaii.gov)

---

**From:** Craig Bo Kahui <[bokahui65@gmail.com](mailto:bokahui65@gmail.com)>  
**Sent:** Tuesday, January 02, 2024 1:17 PM  
**To:** Burrows-Nuuanu, Leatrice W <[leatrice.w.burrows-nuuanu@hawaii.gov](mailto:leatrice.w.burrows-nuuanu@hawaii.gov)>  
**Subject:** Re: [EXTERNAL] Laiopua CDC request to be placed on the J agenda

**From:** [Ainaaloha Ioane](#)  
**To:** [Burrows-Nuuanu, Leatrice W](#)  
**Subject:** [EXTERNAL] J-agenda  
**Date:** Wednesday, January 03, 2024 9:52:07 AM

---

Aloha Leatrice,

Can I request a 10 minutes J-Agenda for myself please. The topic is “waste treatment “

Mahalo nui  
Ainaaloha Ioane

Sent from my iPhone



**From:** [Princeslehuanani Kumaewakainakaleomomona](#)  
**To:** [Burrows-Nuuanu, Leatrice W](#); [Princeslehuanani Kumaewakainakaleomomona](#)  
**Subject:** [EXTERNAL] Re: New submission from Submit J-Agenda Testimony  
**Date:** Thursday, December 28, 2023 4:19:49 PM  
**Attachments:** [image002.png](#)

---

Dec. 28, 2023

Aloha Leah,

Just checking to see if I am still on for Jan. DHHL meeting.  
For update with Mount Kahikinui, share ideas as a Waitlister

Mahalo

Princeslehuanani

[Sent from Yahoo Mail for iPad](#)

On Friday, October 27, 2023, 11:58 AM, Princeslehuanani Kumaewakainakaleomomona <[kupunasociety@yahoo.com](mailto:kupunasociety@yahoo.com)> wrote:

Oct. 27, 2023

Aloha Leah,

Always good to hear from you.  
Thank you for all you do, I appreciate....