

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



WENDY GADY
EXECUTIVE DIRECTOR

STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION
HUI HO'OU LU AINA MAHIAI

Notice of Regular Meeting of the Board of Directors

Held via Teleconference with In-Person Viewing Location

DECEMBER 18, 2025
10:00 a.m.

Pursuant to section 92-3.7, *Hawaii Revised Statutes*, this meeting will be held using interactive conference technology (ICT). Board members, staff, people with business before the Board, and the public may participate remotely online using ICT, or may participate via the in-person meeting site which provides ICT.

Interested people may submit written testimony in advance of the meeting, which will be distributed to Board members prior to the meeting. If possible, we request that testimony be received by our office not less than seventy-two hours prior to the meeting to ensure that staff in time to disseminate it and that Board members have time to review it. Written testimony may be submitted electronically to dbedt.adc@hawaii.gov or sent via U.S. Postal Service, or delivered to:

Agribusiness Development Corporation
235 S. Beretania Street, Suite 205
Honolulu, Hawaii 96813

When testifying via ICT, via telephone, or in-person, you will be asked to identify yourself and the organization you represent, if any. Each testifier will be limited to two minutes of testimony per agenda item.

The public may participate in the meeting via:

ICT: <https://us06web.zoom.us/j/83929140084>

Telephone: (669) 900-6833, Webinar ID: 839 2914 0084

In-Person: Hawaii Foreign-Trade Zone No 9
521 Ala Moana Blvd
Honolulu, HI 96813
Homer A. Maxey International Trade Resource Center Conference Room

ICT ACCESS

To view the meeting and provide live oral testimony, please use the link above. You will be asked to enter your name in order to access the meeting as an attendee. The Board requests that you enter your full name, but you may use a pseudonym or other identifier if you wish to remain anonymous. You will also be asked for an email address. You may fill in this field with any entry in an email format, e.g., ****@****.com.

As an attendee, your microphone will be automatically muted. When the Chairperson asks for public testimony, you may click the Raise Hand button found on your Zoom screen to indicate that you wish to testify about that agenda item. The Chairperson or staff will individually enable each testifier to unmute their microphone. When recognized by the Chairperson, please unmute your microphone before speaking and mute your microphone after you have finished speaking.

For ICT, telephone, and in-person access, when testifying, you will be asked to identify yourself and the organization, if any, that you represent. Each testifier will be limited to two minutes of testimony per agenda item.

TELEPHONE ACCESS

If you do not have ICT access, you may get audio-only access by calling the Telephone Number listed above.

Board Meeting Agenda

December 18, 2025

Upon dialing the number, you will be prompted to enter the Meeting ID that is listed next to the Telephone Number above. After entering the Meeting ID, you will be asked to either enter your panelist number or wait to be admitted into the meeting. You will not have a panelist number. Please wait until you are admitted into the meeting.

When the Chairperson asks for public testimony, you may indicate you want to testify by entering “#” and then “9” on your telephone’s keypad. After entering “#” and then “9”, a voice prompt will let you know that the host of the meeting has been notified. When recognized by the Chairperson, you may unmute yourself by pressing “#” and then “6” on your telephone. A voice prompt will let you know that you are unmuted. Once you are finished speaking, please enter “#” and then “6” again to mute yourself.

For ICT, telephone, and in-person access, when testifying, you will be asked to identify yourself and the organization, if any, that you represent. Each testifier will be limited to two minutes of testimony per agenda item.

Instructions to attend State of Hawaii virtual board meetings may be found online at <https://cca.hawaii.gov/pvl/files/2020/08/State-of-Hawaii-Virtual-Board-Attendee-Instructions.pdf>.

IN-PERSON ACCESS

There will also be one meeting location, open to the public, which will have an audio-visual connection. That meeting will be held at:

Hawaii Foreign-Trade Zone No 9
521 Ala Moana Blvd
Honolulu, HI 96813
Homer A. Maxey International Trade Resource Center Conference Room

For ICT, telephone, and in-person access, when testifying, you will be asked to identify yourself and the organization, if any, that you represent. Each testifier will be limited to two minutes of testimony per agenda item.

LOSS OF CONNECTIVITY

In the event of a loss of ICT connectivity, the meeting will be recessed for a period not to exceed thirty minutes to restore connectivity with all board members and the public in-person access location noted above. In the event that audio connectivity is re-established within thirty minutes without video connectivity, interested participants can access the meeting via the telephone number and Meeting ID number noted above. In the further event that connectivity is unable to be restored within thirty minutes, the meeting will be automatically continued to a date and time to be posted on the ADC website at <https://dbedt.hawaii.gov/adc/> no later than close of business the next business day. New ICT, telephone, and in-person access information will be posted on the website no less than twenty-four hours prior to the continued meeting date. Alternatively, if a decision is made to terminate the meeting, the termination will be posted on the ADC website.

SPECIAL ASSISTANCE

If you require special assistance, accommodations, modifications, auxiliary aids, or services to participate in the public meeting process, including translation or interpretation services, please contact staff at (808) 586-0186 or by email at dbedt.adc@hawaii.gov.

Please allow sufficient time for ADC staff to meet requests for special assistance, accommodation, modifications, auxiliary aids, translation, or interpretation services.

NOTE: MATERIALS FOR THIS AGENDA WILL BE AVAILABLE FOR REVIEW IN THE ADC OFFICE, 235 S. BERETANIA STREET, SUITE 205, HONOLULU, HAWAII 96813 A MINIMUM OF THREE FULL BUSINESS DAYS (WEEKENDS AND STATE AND FEDERAL HOLIDAYS EXCLUDED) PRIOR TO THE MEETING.

Agribusiness Development Corporation Non-Discrimination Statement

The Agribusiness Development Corporation does not discriminate on the basis of race, color, sex, national origin, age, or disability, or any other class as protected under applicable federal or state law, in administration of its programs, or activities, and the Agribusiness Development Corporation does not intimidate or retaliate against any individual or group because they have exercised their rights to participate in actions protected by, or oppose action prohibited by, 40 C.F.R. Parts 5 and 7, or for the purpose of interfering with such rights.

If you have any questions about this notice or any of the Agribusiness Development Corporation’s non-discrimination programs, policies, or procedures, you may contact:

Mark Takemoto
Acting Title VI Non-Discrimination Coordinator
235 S. Beretania St., Ste 205 Honolulu, HI 96813
(808) 586-0186
dbedt.adc.titlevi@hawaii.gov

If you believe that you have been discriminated against with respect to an Agribusiness Development Corporation program or activity, you may contact the Acting Non-Discrimination Coordinator identified above.

AGENDA

- A. Call to Order & Roll Call
- B. Approval of Minutes
 - 1. Regular Meeting Minutes, Regular Session, August 25, 2025
 - 2. Regular Meeting Minutes, Regular Session, September 18, 2025
 - 3. Regular Meeting Minutes, Regular Session, September 25, 2025
 - 4. Regular Meeting Minutes, Regular Session, October 16, 2025
 - 5. Regular Meeting Minutes, Regular Session, November 20, 2025
- C. Chairperson's Report
 - 1. None
- D. Committee & Permitted Interaction Group Reports
 - 1. Administration Committee Report, November 21, 2025
- E. Action Items
 - 1. Request for approval to issue a right-of-entry to the State of Hawai'i, Department of Human Services to begin due diligence and clearing of approximately 5.118 gross acres of land for Kauhale project purposes in Wahiawā, District of Wahiawā, City & County of Honolulu, State of Hawai'i, Tax Map Key No. (1) 7-3-013:010.
 - 2. Request for approval to issue a new license agreement to Jatutong Jairuan and Buaon Jairuan for 10 gross acres, more or less, of PU-14 for diversified agricultural use in Wahiawā, O'ahu, State of Hawai'i, Tax Map Key No. (1) 6-4-003:portion of 016.
 - 3. Request for approval to issue a new license agreement to Samart Khotwongthong and Rungnapa Haoharn for 32.9 gross acres, more or less, of PU-15 for diversified agricultural use in Wahiawā, O'ahu, State of Hawai'i, Tax Map Key No. (1) 6-4-003:portion of 016.
 - 4. Request for approval to issue a new license agreement to Kiattisak Kulcharo for 64.5 gross acres, more or less, of PU-16 and PU-23 for diversified agricultural use

- in Wahiawā, O‘ahu, State of Hawai‘i, Tax Map Key No. (1) 6-4-003:portion of 016.
5. Request for approval to issue a new license agreement to Suriwong Chaiyachet for 73.7 gross acres, more or less, of PU-17 and PU-22 for diversified agricultural use in Wahiawā, O‘ahu, State of Hawai‘i, Tax Map Key No. (1) 6-4-003:portion of 016.
 6. Request for approval to issue a new license agreement to Jannarong Truatnok for 46.4 gross acres, more or less, of PU-18 for diversified agricultural use in Wahiawā, O‘ahu, State of Hawai‘i, Tax Map Key No. (1) 6-4-003:portion of 016.
 7. Request for approval to issue a new license agreement to Khajornsak Harnpromkitti for 25.1 gross acres, more or less, of PU-19 and PU-28 for diversified agricultural use in Wahiawā, O‘ahu, State of Hawai‘i, Tax Map Key No. (1) 6-4-003:portion of 016.
 8. Request for approval to issue a new license agreement to Thanongsak Champhang and Phanee Champhang for 84.1 gross acres, more or less, of PU-20 and PU-21 for diversified agricultural use in Wahiawā, O‘ahu, State of Hawai‘i, Tax Map Key No. (1) 6-4-003:portion of 016.
 9. Request for approval to issue a new license agreement to Lao Aquafarm LLC for 57.1 gross acres, more or less, of PU-24 for diversified agricultural use in Wahiawā, O‘ahu, State of Hawai‘i, Tax Map Key No. (1) 6-4-003:portion of 016.
 10. Request for approval to issue a new license agreement to KP Farm Group LLC for 21.7 gross acres, more or less, of PU-25 for diversified agricultural use in Wahiawā, O‘ahu, State of Hawai‘i, Tax Map Key No. (1) 6-4-003:portion of 016.
 11. Request for approval to issue a new license agreement to Sopha Nuanbunma for 16.7 gross acres, more or less, of PU-26 for diversified agricultural use in Wahiawā, O‘ahu, State of Hawai‘i, Tax Map Key No. (1) 6-4-003:portion of 016.
 12. Request for approval to issue a new license agreement to Sila Farm LLC for 59.2 gross acres, more or less, of PU-27 and PU-30 for diversified agricultural use in Wahiawā, O‘ahu, State of Hawai‘i, Tax Map Key No. (1) 6-4-003:portion of 016.
 13. Request for approval to issue a new license agreement to Suraphon Suwanna for 14.1 gross acres, more or less, of PU-29 for diversified agricultural use in Wahiawā, O‘ahu, State of Hawai‘i, Tax Map Key No. (1) 6-4-003:portion of 016.
 14. Request for approval to amend License Agreement No. LI-PU1807 issued to Margaret M. Bush to add Brad Kalilimoku as additional Licensee for property in Waialua, O‘ahu, Hawai‘i, Tax Map Key No. (1) 6-5-005:009 (portion).

15. Request for after-the-fact approval for the Hawaii Agricultural Research Center to permit construction of two high tunnel structures on land under that certain Grant of Conservation Easement for Agricultural Preservation recorded on October 2, 2009, Tax Map Key No. (1) 9-2-001:011 (portion).
16. Request to amend certain acreage details included in prior approval by the Board of Directors authorizing the executive director to execute binding instruments, negotiate and execute a purchase and sale agreement, and conduct due diligence to facilitate the purchase of the fee-simple interest in certain real property located east of Maalo Road at Hanamā‘ulu, Līhu‘e, County of Kaua‘i, State of Hawai‘i, Tax Map Key No. (4) 3-8-018:001 (portion).
17. Request for approval to issue a right-of-entry agreement to Real Heaven, Inc. for film production purposes on land under License Agreement No. LI-WM1505 issued to William H. Wise III dba Waihi Farms and Kalama Hardwood LLC, in Whitmore Village, District of Wahiawā, City and County of Honolulu, State of Hawai‘i, Tax Map Key No. (1) 7-1-002:004 (portion).
18. Request to establish a permitted interaction group to evaluate the performance of the executive director on a semi-annual and annual basis, pursuant to section 163D-3(f), Hawai‘i Revised Statutes.
19. Request for approval to authorize rent credits in the amount of \$45,354.00 under License Agreement LI-GA1601 issued to Kelena Farms, Inc. for agricultural infrastructure improvements at the Galbraith Agricultural Lands at Waialua, O‘ahu, State of Hawai‘i, Tax Map Key No. (1) 6-5-002:010 (portion).
20. Request for approval to dissolve a permitted interaction group, established at a meeting of the board of directors on January 16, 2025, to develop policies and guidelines for the establishment and implementation of an Agribusiness Development Corporation subsidiary related to the Entrepreneur Product Innovation Network Center project pursuant to section 163D-6, Hawai‘i Revised Statutes.
21. Request for approval to amend licensee’s utilization plan for license Agreement No. LI-K0804 issued to Wines of Kauai, LLC to property in Kekaha, Waimea, Kauai, Hawaii, Tax Map Key No. (4) 1-2-002:001 (portion)

F. Informational Items

1. Presentation by Danielle Bass, State Sustainability Coordinator with the Hawai‘i Office of Planning and Sustainable Development, regarding an overview of state climate and sustainability statutory mandates and a brief overview of the integrated land use study (Act187, Session Laws of Hawai‘i 2025).

2. Presentation by Dexter Kishida, Climate Resiliency Manager with the Hawai‘i Department of Transportation, regarding food distribution, logistics, and the role of Hawai‘i island transportation infrastructure in supporting agricultural markets.
3. Presentation by Wendy L. Gady, Executive Director, Agribusiness Development Corporation, on the East Kauai Irrigation and Water Distribution System, including ADC’s role, current status of the Right of Entry, interagency coordination, and key considerations related to potential acquisition, management responsibilities, operational and financial implications, risk and liability considerations, and operational continuity.
4. Staff presentation regarding the status of the Mililani Technology Park transfer from the Hawaii Technology Development Corporation to the Agribusiness Development Corporation. *The Board may go into executive session pursuant to section 92-4(3), Hawaii Revised Statutes to negotiate the acquisition of public property.*
5. Executive Director’s Report including an update on current agency projects. Please also see weekly reports available at <https://dbedt.hawaii.gov/adc/reports/>

G. Adjourn

The Board may go into executive session on any agenda item pursuant to the exceptions provided under section 92-5, Hawaii Revised Statutes.

AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Board of Directors Meeting held Virtually on August 25, 2025

Via Zoom Teleconference and/or In-Person at Kekaha Agricultural Processing Building, 7189-D Kaunualii Highway, Kekaha, Hawaii 96752

Pursuant to section 92-3.7, Hawaii Revised Statutes (HRS), this meeting was held remotely with Board members, Staff, Applicants, and the Public participating via Zoom meeting venue, and an In-Person meeting location available for public participation at the Kekaha Agricultural Processing Building, 7189-D Kaunualii Highway, Kekaha, Hawaii 96752.

Members Present, in person:

Jesse Cooke, City and County of Honolulu Member (Member Cooke)

David Hinazumi, Kauai County Member (Member Hinazumi)

Dean Okimoto, Member-At-Large (Member Okimoto)

Nathan Trump, Hawaii County (Member Trump)

Jayson Watts, Chair, Maui County Member

Members Present, virtually:

Earl Yamamoto, for Sharon Hurd, Ex-Officio Member for HBOA (Member Yamamoto)

Jason Okuhama, Vice-Chair, Member-At-Large (Member Okuhama)

Karen Seddon, Member-At-Large (Member Seddon)

Dane Wicker, Designee for DBEDT, Ex-Officio Member James Tokioka (Member Wicker)

Members excused:

Glenn Hong, Member-At-Large (Member Hong)

Ciara Kahahane, Designee for DLNR Ex-Officio Member Ms. Dawn Chang (Member Kahahane)

Counsel Present, virtually:

Jennifer Waihee-Polk, Deputy Attorney General

Staff Present, in person:

Wendy L. Gady, Executive Director (Ms. Gady)

Deo Rhoden, Water Systems Manager

Mark Takemoto, Sr. Executive Assistant (Mr. Takemoto)

Ken Nakamoto, Project Manager (Mr. Nakamoto)

Staff Present, virtually:

None.

Guests Present, virtually:

David Matsumiya

Kawika

FIN-JNakama

AAkana

Ryan Kagimoto

Kylie Wager Cruz

Kimi Makaiau

Fern Holland

Charlyn Ontai

Guests Present, physical location:

Mark Stoutemyer, Corteva

Thomas Nizo, HWTAC

Dexter Kishida, HDOT

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Jamie Barna, Wines of Kauai

J. Uyehara, KAA

Umi Martin, Umi's Farm

Kaniela Young, KWC

Janoah Young KWC

Taworn Panyamee, Taworn Farm

Thanawat Chak Ano, Ned Kauai Farm

Tristian Gongazlez, Goodfellow Bros.

Sam Vedder, Resident

Mike Faye, KAA

Arnold Bunao, Kalepa Koalition

A. Call to Order & Roll Call

Chair Watts called the meeting to order at 10:04 a.m.

Chair Watts conducted the roll call. Member Cooke, Member Hinazumi, Member Okimoto, Member Trump, and Member Watts acknowledged their presence physically at the meeting with others in attendance. Member Okuhama, Member Wicker, Member Seddon, and Member Yamamoto acknowledged their presence with no one over the age of 18 being present in the room with them. Members Hong and Member Kahahane were excused.

B. Approval of Minutes

1. Regular Session Minutes, July 18, 2025

Chair Watts: This item will be deferred to our September board meeting.

C. Chairperson's Report

1. Discussing the Public First Lawsuit (Pub. First L. Ctr. v. Def. Council; Jon N. Ikenaga; and Agribusiness Dev. Corp. Bd. of Dir., Civ. No. 1CCV-24-0000050 (Haw. Cir. Ct. January 10, 2024).

2. Discussing the Agribusiness Development Corporation Bylaws

3. Discussing the Kauai activities and projects

Chair Watts deferred the chairpersons report. (taken out of order)

D. Committee & Permitted Interaction Group Reports

1. None

AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Board of Directors Meeting held Virtually on August 25, 2025

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Chair Watts noted that for today's meeting, there will be a small procedural change taking the informational items before moving into the action items. Chair noted that these presentations are directly relevant to the decisions the board is being asked to make today and believes that receiving the information first will be of great help to make informed decisions.

Chair Watts asked if he needed a motion to take this action, he did not.

Chair Watts further noted that from the attorney general's office, that for the agenda items F1, F3, and F5, the presentations by Mark Corteva, by Joshua Uyehara, and Mike Faye of Kekaha Ag, and Les Milnes, that the board will be listening to their presentations, but there would be no board discussion at this time.

F. Informational Items

1. Presentation by Mark Stoutemyer of Corteva regarding recent activities and priorities for the future (presentation attached)

Chair Watts introduces Mark Stoutemyer from Corteva, providing background on the company spun out of Dow and DuPont.

Corteva focuses on providing high-quality seeds and solutions for farmers and consumers in a sustainable manner.

Corteva tackles global challenges like climate change, tariffs, and food security, with operations in Hawaii focusing on corn breeding and development.

Corteva has a long history in Hawaii, with 170 employees and integrated pest management operations across four locations.

Corteva has invested over \$15 million in modern shade houses and seeks to expand its footprint, requiring land for seed purity and quality.

Chair asked if anyone from the public wished to give testimony. There was none.

2. Presentation by Alec Sou of Aloun Kauai Farming LLC regarding their farming plans in Kekaha (presentation attached)

Alex Sou discusses the farming plans and challenges faced by Kauai Farming, highlighting the community support and infrastructure.

Kauai Farming started in summer 2022 with a handshake agreement and has since expanded to 2000 acres under lease.

The company faces logistical challenges in shipping, with a limit of 10 containers per week due to transportation issues.

AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Board of Directors Meeting held Virtually on August 25, 2025

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Kauai Farming recently acquired Kauai Shrimp, adding 360 acres of land, and is exploring new crops and partnerships with the University of Hawaii.

The company emphasizes the need for reliable infrastructure and logistics to support its growth and food production.

Chair asked if anyone from the public wished to give testimony. There was none.

3. Presentation by Josh Uyehara and Mike Faye of Kekaha Agriculture Association regarding recent activities and priorities

Joshua Uyehara and Mike Faye provide an overview of the Kekaha Agriculture Association (KAA) and its history.

KAA was formed in 2003 to manage the infrastructure left by the Kekaha Sugar Company, including irrigation, roads, and electrical systems.

The association has invested over \$70 million in capital improvements and operates on a public-private partnership model.

KAA has identified priority projects, including upgrading the irrigation system, building an agricultural processing facility, and addressing fire risk.

The association is working with state and federal partners to secure funding and support for these projects.

Chair asked if anyone from the public wished to give testimony. There was none.

4. Presentation by Dexter Kishida, Climate Resiliency Manager of Hawaii Department of Transportation regarding Port Allen and the Short-, Medium-, and Long-Term Plans for Shipping within Hawaii (presentation attached)

Dexter Kishida from the Hawaii Department of Transportation discusses the transportation needs of the agricultural sector in Kauai.

The department aims to build a resilient, effective, and secure ag transportation network to support local farmers and ranchers.

Key issues include limited inner-island shipping capacity, high transportation costs, and the need for refrigerated facilities near and at ports.

Short-term plans include building temporary aggregation points near the harbor, expanding the island ag discount program, and piloting shared logistics co-loading.

AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Board of Directors Meeting held Virtually on August 25, 2025

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Mid-term plans include building permanent agricultural cargo hub, integrate port and airport operations with digital scheduling, develop a Kauai based processing facilities, and expanding maritime and air cargo capacity.

Long-term plans include building permanent agricultural cargo hubs, integrating port and airport operations, and developing disaster-resilient transportation corridors.

Chair Watts stated that he's asked Mr. Kishida to "piggyback" and follow the board of directors throughout the next few months as the board travels to Maui and the Big Island and give similar presentations on infrastructure issues on other island and let the board know what the Department of Transportation is thinking about.

Chair Watts further stated that there's a lot of federal grants out there that the Department of Transportation is looking at and that everyone can work together to figure out who would be best to apply for these grants... that there's a lot of synergy here.

Chair Watts continued stating that the state can help meet Young Brothers halfway on this matter; that it's critical to the small farmer who is already operating on a razor-thin margin, and he believes that the realities of the cold chain are critical.

Chair further stated that he thinks that a lot of our harbors lack the electrical infrastructure to support these containers; make sure they're plugged in, and then the DOE and the farmer school rule, how that fits into all of this and the disaster resilience kind of playing. That looking at cold storage on the school level, getting fresh product into schools being critical too, if you want to provide local fresh to the disaster situation.

Chair asked if there was any board discussion.

Member Okimoto: one of the things is I'm thinking about, the space that you have as important thing, because there's got to be some kind of coordination with the farmers as far as what they're growing. If you're going to consolidate at the port different products, like, limes and lemons don't have to be refrigerated to the point of lettuce, so they're gonna have to be going in different containers. To make this thing work, you need to fill a container, and send. All this stuff has to be coordinated, and I guess that's gonna fall on the ADC more than anybody else and that's a lot of coordination.

AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Board of Directors Meeting held Virtually on August 25, 2025

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Mr. Kishida: that's what we're hoping to do with ADC.

Chair Watts: From what I gather, what I'm hearing is a lot of those conversations are happening all over the place. I mean one thing in having him come is to kind of try to start to bring all that, to consolidate that. Yeah, I think we're all thinking along those lines, Dexter's an ag guy, but I think, like, you know, as HDOA considers what they're doing, and DOT considers what they're doing, kind of who's the best person to be doing what.

Mr. Kishida: I mean, we do manage the ports, so on the infrastructure and near and around the ports, that's why we/I'm glad Director Sniffin created this position to really focus on it, knowing that it's a key issue for our state. And so, we can't help to consolidate and coordinate these discussions and that movement forward, so we're organized, and the 12 of us aren't doing 12 different things. There's just not enough resources.

Chair asked if there was any further board discussion.

Member Trump: Thanks, Dexter, for the presentation. I was just curious, kind of within the existing footprint of these ports, is there room for additional infrastructure or aggregation facilities, or is that within, like, the DOT area that they manage? And my second question, is, in discussions with Young Brothers on this, what's kind of been their reaction and their willingness to step forward and help find a solution for these issues?

Mr. Kishida: So far, Young Brothers has been pretty aligned in the thoughts that I've highlighted. To go back to the first question, though, that's where they wouldn't be aligned, because there's just not enough room on our ports itself. So, a lot of this aggregation, or the consolidation to containers, really needs to happen off-port. That's the safest, most efficient. If you've been to Sand Island Young Brothers Terminal in the morning, we had to change some things, because the line would just go down the street, and people are sitting there for hours waiting to drop or pick up, because there's not enough space, so for efficiency's sake, we've got to move it. As Mr. Sou explained, even here, to get from here to Nawiliwili, really, during peak times is just irresponsible, right? The time spent is money spent for all of our ag businesses, as Chair said, on razor-thin margins, we know that we've got to maximize every minute. And so, how do we move it near, but off-board to get these containers full dropped in an area quickly, so Young Brothers then could pick up and load, while keeping temp and everything else. So yeah, it's definitely a puzzle, but we have some great minds on it, so I think we'll figure this out it just won't be on our ports.

Chair Watts: I think that's critical, what Board Member Trump is talking about, because as the FPINS (Food and Product Innovation Networks), you got a lot of cold storage

AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Board of Directors Meeting held Virtually on August 25, 2025

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requirements, you know, a lot of moving pieces. And so how we place those things, and where we place them going forward, it's critical.

Member Trump: And as long as you can get, I guess, enough product for a full container, it doesn't necessarily have to be, like, you know, at the port. It could be anywhere, and that's pretty easy for, you know, any of the YB or I guess Matson in some cases, to handle local.

Mr. Kishida: Absolutely, absolutely. One of the other pieces of the conversation, I always thought, we need to build this huge, refrigerated facility, near our ports. And I think what's really coming up is the conversation of just power. Being able to plug in refrigerated containers at the port and having more refrigerated containers in the state will be actually more efficient than loading, unloading, loading, unloading near our ports especially for our larger farmers who can fill a 20 or 40-foot container, why not just drop it, plug it in, so YB (Young Brothers) has time, and then we could maybe look at drops later in the evening, or off times, not within that expanded, but still pretty tight window that we're looking at. And then in some cases, for export, we do know unloading is actually going to be more efficient, because of the requirements through USDA, or even Customs. It's easier if the container's unloaded, and so having that kind of modular unit where it would be unloaded for them to inspect and then loaded may be actually the better option. So, the conversations with our federal partners are also have been ongoing and are key as we think about what the needs are for our ag industry.

Chair Watts: Earl?

Member Yamamoto: Yes. Hey, Dexter, long time.

Mr. Kishida: Hey, Earl.

Member Yamamoto: I have a question in front of me. That has to do with, the short-term DOT anticipated actions. Is there any infrastructure upgrades proposed during that, now to two-year period for, Nawiliwili or, Port Allen?

Mr. Kishida: That will be the planning phase, so getting the data that's necessary to justify what this looks like, to activate Port Allen, or to have the necessary, a revitalization of Port Allen is going to be significant, so we need to have a strong justification on what's going to be moving through there. Not to say that a few boat charters aren't enough, but it's not. 10 containers, not enough. We're looking at needing to ship at least, like, 100 containers per sailing, so 200 a week or so. That's kind of minimum, is the rough estimate, but we've got to sharpen our pencils on that as well. And it's not saying that it all has to come from ag, right? This is a port that everybody can use. And so, to do the necessary upgrades, which

AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Board of Directors Meeting held Virtually on August 25, 2025

Via Zoom Teleconference and/or In-Person at Kekaha Agricultural Processing Building, 7189-D Kaunualii Highway, Kekaha, Hawaii 96752

means really just redoing the port, and that's, it's also going to take it offline for a decent amount of time.

Member Yamamoto: Okay. Okay.

Mr. Kishida: I'm sorry, Earl, another piece, for Nawiliwili Airports, and Port Allen is power. Our power infrastructure at the ports are not able to easily include the refrigeration or do we install and upgrade the availability of power at ports. Which is probably somewhere around, like, photovoltaics or other types of renewable energy generation. We also want to meet our energy security goals. That are still open for comment if anybody would like to go to our website.

Member Yamamoto: Okay, okay.

Member Okimoto: Excellent. What you're basically saying, though, is if you gotta do the data collection first before you guys even move we're not looking at 2 years, right?

Mr. Kishida: We're looking 2 years down the road. Correct. But we need to start now to justify this so we can get this going.

Chair Watts: Are there other places throughout the state that maybe have a quicker timeline that you guys may already have some data for?

Mr. Kishida: Oh, there, there are. Actually, on Maui, it might be a good example of how in looking at the increases of what's being produced and coming off island, Hawaii Island also, we can get some data. So that's why I think the acres to containers, and of course it depends what I mean, there's a lot of fine detail, but we can get some approximate numbers, and we've started to aggregate them but because ADC has the unique ability, kind of, not only being landowner, but also being able to create value-add opportunities, et cetera, et cetera. I think the conversation is going to be really rich on West Kauai because we can get to a level of detail that is a little harder when we're trying to get this from 200 private farmers.

Member Okimoto: So what you're saying is, I gotta gear up really fast.

Mr. Kishida: We're at least needing, the real projections, of 2, 5, 10 years to make sure that we're growing half a step ahead of working on.

Chair Watts: Which I guess kind of aligns with, I think he's kind of not ready right now.

AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Board of Directors Meeting held Virtually on August 25, 2025

Via Zoom Teleconference and/or In-Person at Kekaha Agricultural Processing Building, 7189-D Kaumualii Highway, Kekaha, Hawaii 96752

Mr. Kishida: Correct. So that's why now's the time. Now's the time to plan.

Mr. Sou: Could I offer a comment on Port Allen?

Mr. Kishida: Sure.

Mr. Sou: I mean, we've been looking at it for a while. You've got an airbase there that's hardly used. The state owns literally over 200 acres.

Mr. Kishida: On the other side, yeah.

Mr. Sou: Yes, that infrastructure, I think you've been built from scratch at top notch. And if you sit down with Bruce Robinson, he has a 7.5-megawatt system - ties your power. You might want to strike a deal with, somehow between photovoltaic on this side of the island, it's a no-brainer, and sit down with, Bruce Robinson, was control all the ground in that area, they can be very creative. So, you're talking private partner with, public? That's one family, you need to bring them in. Because not only that, their ground, beautiful irrigation system, 8,000 acres, all gravity fed. Where can you find that? And they have, unfortunately, Chair, they have more money than you guys are fighting for. Something to think about.

Chair Watts: Alright, any other questions from board members, the public? There was none.

5. Presentation by Les Milnes, President of Kalepa Koalition regarding the Koalition's current operations and challenges

Chair Watts deferred this item and asked if there was any public testimony. There was one.

Fern Holland: Aloha, I was actually trying to testify on one of the first two items, but it didn't appear that a pause was given to do that. I asked in the question and answer, but nobody responded.

Ken Nakamoto: Hmm, we didn't see any hands raised. Did you have a specific question on which one?

Fern Holland: I actually would like to provide testimony. The first item would have been fine, or I could have done it to the second. I mean, I can make it applicable to almost anything, but it's really relevant to the first two items, mostly.

Ken Nakamoto: okay, go ahead.

AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Board of Directors Meeting held Virtually on August 25, 2025

Via Zoom Teleconference and/or In-Person at Kekaha Agricultural Processing Building, 7189-D Kaumualii Highway, Kekaha, Hawaii 96752

Fern Holland: Thank you very much. I really, appreciate you all. I'm sorry I couldn't be there in person today. I wanted to speak a little bit to the ADC board and staff, really about the kuleana of what our state lands are meant, to produce, food for our people. I'm very concerned, and I continue to be concerned, about some of the former License's use, particularly Hartung, formerly Syngenta, the use of a lot of those soils, and Westside agricultural lands, because really, I believe that that land needs to be remediated. I think that there should be requirements that are placed on those that are leasing our state lands, that they return the land in at least as good, if not better condition, than they received it. And we've seen this issue for over 100 years now on, really, the largely utilized land almost in liquidation for the benefit of certain agricultural uses and I believe that, you know, I personally have concerns that Aloun Farms is now going to take over land that has never been properly remediated from experimental pesticide use. You know, we've seen decades of experimental use happening with genetically engineered crops and restricted-use pesticides on that land without really any remediation. We've had this incredible toxic cycle out there. You know, resulting in depleted soils and waters. And I'm just asking that the ADC consider having stricter requirements for the use of these pesticides. And that they really look at, the long-term vision for what this is for, and, you know, I'm very grateful to start to see that we're seeing food production with Aloun Farms coming in, producing food, rather than just experimental research that we've seen out there for decades. But we really need to have a bolder vision, I guess, of what that land could do and provide, and really appropriate crops and the use of agricultural techniques that Hawaii has been compatible with could result in less pesticide use and a regenerative land treatment and management of our lands out there. That would actually be really important for fire and disaster management, because we would address the concerns with flooding and fire if we return these indigenous crops and wetland systems as a part of that, and so I'm just really asking that you guys understand the research behind the concerns that have happened on West Kauai, and also be very bold about the expectations that you have for the people that are leasing our state lands. There's liability lawsuits happening across the United States right now with attempts to basically, big corporations like Corteva, are fighting to not have liability in association with pesticide lawsuits, and who does that liability then land back on? Is it the ADC, and is it our Kuleana to be ensuring that we aren't liable for the impacts of these pesticides? So I would ask that the things that are banned in Europe and much of European Union are not used on West Kauai, and that you guys just really think about some of these long-term uses, and I appreciate it, and again, I really wish that I could have been there in person today, but I appreciate all of you, and we really do need to focus on the food security aspect, because if those ships don't come, and like we went through COVID, we deal with these emergency situations. We need to be having food growing here that we can actually consume, that'll feed our people. Not just stuff that is, not used. And if we don't have those chemicals coming in, we need to be growing things that aren't dependent on them. So, I really appreciate your time, everybody. Creep up the great work. Thank you.

AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Board of Directors Meeting held Virtually on August 25, 2025

Via Zoom Teleconference and/or In-Person at Kekaha Agricultural Processing Building, 7189-D Kaunualii Highway, Kekaha, Hawaii 96752

Chair Watts: Thank you, Fern. Any other testimony from the public?

Ken Nakamoto: Chair, I just had a couple questions that was in the Q&A and, was from Kylie Wagner-Cruz, and she asked, can ADC make all hard copy materials provided in these presentations available by sending them to the ADC email list and posting them on the ADC's meeting website?

Chair Watts: Yes, correct. Once we get back, the Executive Director will make all of the hard copies received today available to the public.

6. Presentation by Alec Sou of Aloun Kauai Farming LLC and Josh Uyehara of Hartung Brothers Hawaii LLC regarding the anticipated transfer of equity from Hartung Brothers Hawaii LLC to Aloun Kauai Farming LLC

Chair Watts: As members, we are able to engage in questioning.

Ms. Waihee-Polk: Chair, but we would probably take public testimony before discussion by the board.

Chair Watts: Sure.

Mr. Uyehara: So yeah, just very briefly, basically, with the change in, some of the contracts already lost some of the long-term contracts that have been you know, key for the Hartung Brothers operation going forward. Really, it was incumbent on us to try to figure out what would be the next steps, for the property that we had been licensing. And, as we know here on West Kauai if the lands are left fallow for any period of time, they've overgrown very quickly and become very expensive with getting back in production. I was trying to estimate, like, because I was, you know, involved at the time. Originally clearing the land from being overgrown with hale koa, sugarcane, kitty grass. That was a severe fire hazard risk for the entire time leading up to that was many millions of dollars, actually, to do third this land from the state we started with. The idea is, trying to figure out a way to avoid having that revert to that kind of state, and, you know, making it prohibitively expensive to get back into production. Thankfully, you know, the timing has worked out. Alec mentioned, been working for a number of years on trying to figure out, how to bring some scale agricultural production to West Kauai that was actually tied to food production. And so, he's in the best position of anyone, potentially, to do this now. We haven't, you know, finalized all of our agreements and things, but given the advanced stages of our discussion, we wanted to put this to the board's attention, just to let everyone know what we're talking about.

Alec Sou: I'll defer, I mean, like Josh said, we're still working on the details of the transaction. We are exploring a combination of long-term permanent crop versus

AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Board of Directors Meeting held Virtually on August 25, 2025

Via Zoom Teleconference and/or In-Person at Kekaha Agricultural Processing Building, 7189-D Kaunualii Highway, Kekaha, Hawaii 96752

row crop. But I've had many meetings with, both DBEDT and Senate, working with the Department of Education. We've been working with DOE for many years now, trying to figure out this how do you move it, almost we're at ground zero trying to provide food lunch, school lunches for, you know, thousands of kids, every day. And there's a whole infrastructure of science, ag, you know, post-harvest, not just the farming itself, but post-harvest handling, processing that needs to go on. So, we're exploring a lot of different things. It's still in early stages. We have some pretty good idea of crop. Port Allen infrastructure and logistics are key move in the next 3 to 5 years. If our investment will have to be curtailed based around that. A lot of moving parts, but at least it's getting started, and the details, you know, we gotta work things out still.

Chair Watts: Any, testimony from the public?

Ken Nakamoto: No hands raised chair.

Chair Watts: Board members, are they questions? Seeing none, thank you for the update. I also would just offer that, you know, thank you for both you and Grove Farm too, it's helping to keep the farm-to-school movement going. I know it hasn't been easy, the infrastructure's not there, but whenever the DOEs tries to look at local food on their menus, it will always try to step up for them, so thank you for that.

Ken Nakamoto: Members, at this point, does anybody need a break, or keep going? Okay, we'll take a 5-minute break, if that's okay. Five minute recess.

Recess: 11:29 a.m. – 11:34 a.m.

7. Executive Director's Report- Please see weekly reports available at <https://dbedt.hawaii.gov/adc/reports>

C. Chairperson's Report

1. Discussing the Public First Lawsuit (Pub. First L. Ctr. v. Def. Council; Jon N. Ikenaga; and Agribusiness Dev. Corp. Bd. of Dir., Civ. No. 1CCV-24-0000050 (Haw. Cir. Ct. January 10, 2024).

Ms. Waihee-Polk: I will see if I can get the Attorney General on.

Chair Watts: Okay.

AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Board of Directors Meeting held Virtually on August 25, 2025

Via Zoom Teleconference and/or In-Person at Kekaha Agricultural Processing Building, 7189-D Kaunualii Highway, Kekaha, Hawaii 96752

Jennifer Waihee-Polk: I'll just see.

Chair Watts: Okay.

Jennifer Waihee-Polk: Sorry, I can't, but that's okay, you can move forward. We'll just save anything for another meeting if we have legal questions.

Chair Watts: Okay.

Chair Watts: The chair and the executive director have met with the director of the Office of Information Practices to determine the best way forward, and it is the clear intent of the chair that the ADC will fully comply with the Court's decision. Accordingly, all members of this board will undergo Sunshine Law training at the earliest convenience. OIP will give us some advice as to how and when that occurs, to ensure that we get the proper support, as we move forward, I'm also, directing that all the ADC staff, undertake Sunshine Law training as well, so the corporation's operations are aligned with both the letter and the spirit of the law, and the OIP director will get back to Wendy as to when and how that occurs. We want to get that done as soon as possible.

2. Discussing the Agribusiness Development Corporation Bylaws

Chair Watts: And then with respect to, item C2, that'll take us, into the action items. Just a quick comment that, you know, I intend to ensure that we comply with the bylaws of this corporation, and with the concerns raised previously by the state auditor, regarding the failure of the ADCs to appoint members to our standing committees, in today's action item, you will see that we will be addressing, that, going forward.

Chair Watts: So, moving to action items. We'll take something out of order here, but I know they got to...

Jennifer Waihee-Polk: Did you get public testimony?

Chair Watts: Oh, sorry. Any members of the public have any comments?

Jennifer Waihee-Polk: Sorry, Chair, I'm so sorry, you're good, I might have missed this, so did we, are we, putting the Executive Director's report later, or?

Chair Watts: We referenced it.

AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Board of Directors Meeting held Virtually on August 25, 2025

Via Zoom Teleconference and/or In-Person at Kekaha Agricultural Processing Building, 7189-D Kaunualii Highway, Kekaha, Hawaii 96752

Jennifer Waihee-Polk: Okay, did we get public testimony- just check if there's public testimony?

Chair Watts: Do we have public testimony on the executive director's reports?

Ken Nakamoto: No hands raised chair.

Jennifer Waihee-Polk: Okay, sorry, thank you.

Chair Watts: Is there any public testimony regarding item C1?

Ken Nakamoto: No hands raised chair.

Chair Watts: C2?

Ken Nakamoto: No hands raised.

Chair Watts: And if there's no objection from the members, we'll take one of the action items out of sequence here, because I know they've got to run to another meeting. I'd like to take, item, action item E3.

3. Request for approval to amend License Agreement No. L-08202 issued to Hartung Brothers, Inc. to withdraw Field 117 in Kekaha, District of Waimea, County of Kauai, State of Hawaii, Tax Map Key No. (4) 1-2-002:003 (portion) (taken out of order)

Member Trump: I move to approve to amend the license agreement.

Member Cooke: Second.

Chair Watts: Motion by, Board Member Trump, seconded by Jesse Cooke. Any objections from the members?

Chair Watts: If not, so approved (Unanimously approved: 9-0).

653

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Ken Nakamoto: Oh, sorry chair, we have one hand.

Ken Nakamoto: Go ahead, Fern.

Fern Holland: Thank you again, guys. I just want to emphasize one more time, the importance of when these lands are abandoned, that some sort of testing, independent testing is done of remediation for the soil. So, testing for what may

AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Board of Directors Meeting held Virtually on August 25, 2025

Via Zoom Teleconference and/or In-Person at Kekaha Agricultural Processing Building, 7189-D Kaumualii Highway, Kekaha, Hawaii 96752

be left and how we can remediate, there needs to be some sort of environmental control on the abandonment of these lands. Thank you very much.

Chair Watts: Thank you, Fern.

4. Discussing the Kauai activities and projects

Chair Watts: This matter is deferred indefinitely.

E. Action Items

1. Appointment of members to the standing Administration Committee, the standing Technical Assistance Committee, and the standing Marketing/Communications Committee

Chair Watts: Colleagues, pursuant to the bylaws of the ADC as chair after careful consideration, I am assigning each active member to a committee in a way that balances expertise, efficiency, and representation. Before I announce the announcements, I do want to note that, Board Member Glenn Hong is, currently experiencing some personal difficulty with attending our board meetings, and so, he's not being included, but as his time becomes available, we'll make that availability happen for him in a responsible way, to meet quorum requirements, etc. So out of respect for a situation, he would not be formally assigned to a committee at this time. Also, to keep in mind for the board members that, you know, the ADC staff is currently managing a significant number of projects, high-dollar projects, throughout the state, and it's imperative that we keep a regular schedule and keep these committees moving so that we don't become any kind of impediment to that progress, so as we do that, please keep in mind, these are my initial recommendations. If any board members have any issues, please reach out, and we can see if we can adjust those. But for the administration committee, purview to review and make recommendations on personnel, fiscal, and administrative matters.

Chair Watts announces the appointment of Dave Hinazumi, Ciara Kahahane, Dane Wicker, and himself for the Administration Committee. The committee's purview includes reviewing and making recommendations on personnel, fiscal and administrative matters.

Members Nathan Trump, Karen Seddon, Jason Okuhama, Dean Okimoto, and Jesse Cooke are appointed to the Technical Assistance Committee. The committee's purview includes reviewing and making recommendations on matters

AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Board of Directors Meeting held Virtually on August 25, 2025

Via Zoom Teleconference and/or In-Person at Kekaha Agricultural Processing Building, 7189-D Kaunualii Highway, Kekaha, Hawaii 96752

that relate to technical assistance to agriculture enterprises, including all ADC projects.

Members Sharon Hurd, Dane Wicker, Jesse Cooke, Nathan Trump, and Chair Watts are appointed to the Marketing Committee. The Marketing Committee's purview is to review and make recommendations on the marketing of agricultural products and services consistent with ADC initiatives and the state of Hawaii agribusiness priorities.

Chair Watts: Hopefully this can provide a fair distribution of work, maintain some balance across everyone's subject matter expertise, and ensure our community is operating efficiently and effectively. So, I thank you, all of you, for your willingness to serve, and if you have any concerns, please reach out and we can try to make some adjustments. Next item.

Jennifer Waihee-Polk: Oh, Chair, did you take public testimony?

Chair Watts: Nope. Sorry about that. Any public testimony?

Ken Nakamoto: No hands raised, Chair.

Chair Watts: No hands raised.

2. Request for approval to establish a permitted interaction group to review the draft strategic plan, recommendations, feedback, and any necessary changes and provide the Board of Directors with an update at the September 2025 ADC Board of Director's Meeting, a full report at the October 2025 ADC Board of Director's Meeting, for a discussion and vote at the November 2025 ADC Board of Director's Meeting

Chair Watts: This timelines keeps us in line with the law and at this time, I'd like to appoint.

Jennifer Waihee-Polk: You have to form the meeting for, you have to form the group. That the board has to form the group.

Chair Watts: Is there a motion?

Member Cooke: Motion.

Member Okimoto: Second.

Chair Watts: Second. Okay, we have a motion by Board Member Cooke and a second by Board Member Okimoto. Any objections?

AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Board of Directors Meeting held Virtually on August 25, 2025

Via Zoom Teleconference and/or In-Person at Kekaha Agricultural Processing Building, 7189-D Kaumualii Highway, Kekaha, Hawaii 96752

Jennifer Waihee-Polk: Public testimony.

Chair Watts: Public testimony?

Ken Nakamoto: No hands raised chair.

Chair Watts: No hands raised.

Jennifer Waihee-Polk: And so, discussion and vote.

Chair Watts: Any discussion, members?

There was none.

Chair Watts: Any objections?

There was none.

Chair Watts: Seeing none, the measure is adopted. (Unanimously 9-0)

Chair Watts: I will be appointing Sharon Hurd HDOA Chair, Jesse Cooke, Dane Wicker, Ciara Kahahane, and myself to the strategic planning PIG. I just have to keep in mind, members, for all the committee assignments that have been just done, each committee would have to elect its own chair, and I think work with Wendy's office to ensure that they are staffed properly and noticed properly.

3. Request for approval to amend License Agreement No. L-08202 issued to Hartung Brothers, Inc. to withdraw Field 117 in Kekaha, District of Waimea, County of Kauai, State of Hawaii, Tax Map Key No. (4) 1-2-002:003 (portion) – this was taken out of order earlier in the meeting
4. Request for approval to issue a license agreement to Taworn Panyamee and Thanawat Chak Ano for 58.81 gross acres, more or less of Field 117 for agriculture use in Kekaha, District of Waimea, County of Kauai, State of Hawaii, Tax Map Key No. (4) 1-2-002:001 (portion)

Member Okimoto: Motion.

Member Trump: Second.

Chair Watts: A motion by Board Member Okimoto, seconded by Board Member Trump.

Chair Watts: Is there any discussion?

AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Board of Directors Meeting held Virtually on August 25, 2025

Via Zoom Teleconference and/or In-Person at Kekaha Agricultural Processing Building, 7189-D Kaumualii Highway, Kekaha, Hawaii 96752

Jennifer Waihee-Polk: public testimony first.

Chair Watts: Public testimony?

Ken Nakamoto: No hands raised chair.

Chair Watts: Any discussion? Board members?

Member Okimoto: Yes, I'd like to make some comments. I admit, I've been to the two farms that, that, are referencing there, and then you know, they have established, fields of fruit growing, Asian fruit mostly and I will tell you that it's a shame that they have to move, because they're just beginning to fruit so, I'm all for them going over there. Plus, you know, Ned, when I went to the farmer's market on Saturday, I saw this pancake thing, I knew, he did some value-added things with his fruits and stuff. And so, I wanted to go up, and so I went up and I started to order, and I said, oh, how long is it going to take? Because there's a lot of people standing around. So, oh, at least half an hour to 45 minutes. My jaw dropped and it must be really good, she goes, yeah, and then all the people over there are going, yeah, it's really good. I'm basically saying is, you know, he's not only growing the fruit, but he teaches people, how to use them and stuff like that, and, they're fruits that are, Hawaii and I highly recommend that they get their land and move on and become established farmers in the Kauai community.

Chair Watts: Thank you. Any other board discussion?

Wendy Gady: Chair I just wanted the board to know that both of these farmers have been not only grafting trees, but also planting and potted trees to move to ADC land for quite a few months. Exciting.

Chair Watts: Yeah, it is, for sure. And again, I'd like to thank, Loon and, and, and, Joshua, for, for agreeing to Give up this parcel for them, so any other discussion?

Chair Watts: Earl?

Earl Yamamoto: Yes. Let's see, this proposed license agreement is to suit two separate farmers, but they're sharing the, a single parcel.

AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Board of Directors Meeting held Virtually on August 25, 2025

Via Zoom Teleconference and/or In-Person at Kekaha Agricultural Processing Building, 7189-D Kaunualii Highway, Kekaha, Hawaii 96752

Earl Yamamoto: Is there a precedent for that, or is there a potential problem with that? This unspecified relationship between the two entities on the same ADC parcel?

Chair Watts: Executive Director what are the standards.

Wendy Gady: I don't know, Chair and board members, that we have a written policy or procedure. It is not something that the board or the individual ADC staff requested. It was requested by the farmers who felt that it would also provide some backup, if one person's on vacation, the other person can watch their crop.

Earl Yamamoto: Okay.

Member Okimoto: Sure. I'd like to make a comment about splitting, up that parcel for these people, I think it might be advantageous. Alec can probably help them marketing. Hopefully, you can expand this pancake operation to Oahu, so I can try it. You know, so I think it might be synergistic. Useful.

Chair Watts: Thank you. Did you have a follow-up, Earl?

Earl Yamamoto: Yes, I was just wondering for the sake of, well clarity in case there's a problem, which I cannot imagine, you know, I'm not a land manager or anything like that, but in, in case there's something that I cannot, envision right now, because I don't have the background with, with ADC and its, land management, expectations, I guess, of its licensees. I just raised it just out of, you know, in, in reading the submittal, looking for that, more formal, you know, some kind of, some kind of partnership or something like that between the two, the two entities, being considered. That's all.

Chair Watts: Thank you, Earl.

Earl Yamamoto: Yeah.

Chair Watts: Any objections from the members moving forward?

There was none.

Chair Watts: Any testimony from the public?

AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Board of Directors Meeting held Virtually on August 25, 2025

Via Zoom Teleconference and/or In-Person at Kekaha Agricultural Processing Building, 7189-D Kaunualii Highway, Kekaha, Hawaii 96752

Ken Nakamoto: No hands raised chair.

Chair Watts: Alright, great. No objections. Seeing none, measure is adopted.
(Unanimously approved 9-0).

5. Request for approval to issue a request for proposal to operate and maintain a high-pressure processing facility at the Central Oahu Food and Agriculture Hub, Whitmore Village, District of Wahiawa, City & County of Honolulu, State of Hawaii, Tax Map Key No. (1) 7-1-002:001 (portion)

Chair Watts: Is there a motion to proceed?

Member Cooke: Motion.

Member Hinazumi: Second.

Chair Watts: It's a motion by Board Member Cook, seconded by Board Member Hinazumi.

Jennifer Waihee-Polk: There is the motion to approve.

Chair Watts: Yes.

Jennifer Waihee-Polk: The request? Okay, sorry, thank you.

Chair Watts: Any public testimony?

Ken Nakamoto: One.

Chair Watts: Sure.

Ken Nakamoto: Go ahead Fern.

Fern Holland: Hi guys, thanks so much. I'm sorry to be the only one testifying, but I just want to say strong support for this. This is really important, and I really hope Kauai can get something like this as well. I'm super excited about what that Central Ag Oahu facility is doing, and I'm really hoping that we got one. Thank you.

Chair Watts: Thank you, Fern.

AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Board of Directors Meeting held Virtually on August 25, 2025

Via Zoom Teleconference and/or In-Person at Kekaha Agricultural Processing Building, 7189-D Kaunualii Highway, Kekaha, Hawaii 96752

Chair Watts: Any board discussion? If not, is there any objections to moving forward?

Chair Watts: If not, measures adopted. (Unanimously approved: 9-0)

F. Adjourn

Chair Watts: This concludes our agenda for this meeting.

Chair Watts: Motion to adjourn?

Member Cooke: Motion.

Member Trump: Second.

Chair Watts: Motion to adjourn by Board Member Cooke, seconded by Board Member Trump. If there's no objections.

Chair Watts: Any comments from the public?

Ken Nakamoto: Seeing none chair.

Ken Nakamoto: Board, this meeting is adjourned (at 11:58 a.m.). Board members, thank you for your time.

The Board may go into executive session on any agenda item pursuant to the exceptions provided under section §92-5, Hawaii Revised Statutes.

AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Special Board of Directors Meeting held Virtually on September 25, 2025

Via Zoom Teleconference and/or In-Person at 235 S. Beretania St., Suite 205, Honolulu, HI 96813

Pursuant to section 92-3.7, Hawaii Revised Statutes (HRS), this meeting was held remotely with Board members, Staff, Applicants, and the Public participating via Zoom meeting venue, and an In-Person meeting location available for public participation at the State of Hawai‘i, Leiopapa A Kamehameha, State Office Tower Building, 235 S. Beretania St., Suite 205, Honolulu, HI 96813.

Members Present, virtually:

Jesse Cooke, City and County of Honolulu Member (Member Cooke)
Glenn Hong, Member-At-Large (Member Hong)
Earl Yamamoto, for Sharon Hurd, Ex-Officio Member for HBOA (Member Yamamoto)
Dean Okimoto, Member-At-Large (Member Okimoto)
Nathan Trump, Hawaii County (Member Trump)
Jayson Watts, Maui County Member
Karen Seddon, Member-At-Large (Member Seddon) arrived at 9:07am

Members absent:

David Hinazumi, Kauai County Member
Ciara Kahahane, Designee for DLNR Ex-Officio Member Ms. Dawn Chang (Member Kahahane)
Jason Okuhama, Member-At-Large (Member Okuhama)
Dane Wicker, Designee for DBEDT, Ex-Officio Member James Tokioka (Member Wicker)

Counsel Present, virtually:

Jennifer Waihee-Polk, Deputy Attorney General

Staff Present, virtually:

Wendy L. Gady, Executive Director (Ms. Gady)
Ingrid Hisatake, Executive Secretary

Guests Present, virtually:

Mark Ladao

Guests Present, physical location:

None

A. Call to Order & Roll Call

Chair Watts called the meeting to order at 9:03 a.m.

Chair Watts conducted the roll call. Member Cooke, Member Hong, Member Yamamoto, Member Okimoto, Member Trump, and Member Watts, Member Seddon, acknowledged their presence with no one over the age of 18 being present in the room with them. Member Hinazumi, Member Kahahane, Member Okuhama, and Member Wicker were excused.

B. Approval of Minutes

1. None

C. Chairperson’s Report

AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Special Board of Directors Meeting held Virtually on September 25, 2025

Via Zoom Teleconference and/or In-Person at 235 S. Beretania St., Suite 205, Honolulu, HI 96813

1. None

D. Committee & Permitted Interaction Group Reports

1. None

E. Action Items

1. Request for approval to establish a permitted interaction group of the Board of Directors for the purpose of traveling to Colorado from September 28–30, 2025, to tour a centralized kitchen and slaughterhouse, pursuant to Section 92-2.5(e), Hawai‘i Revised Statutes; and to appoint members thereto.

Chair stated that the reason for this is just out of an abundance of caution, just randomly and in their individual capacities, these board members were asked by the Hawaii State Senate to join the Senate Ways and Means Committee on their tour of a centralized kitchen in Colorado. Board member Okimoto was invited in his role as chair of the Hawaii ad Foundation Board of Directors. Board Member Cooke was invited in his role as a senior VP at Ulupono, and board member Deputy Director Wicker is going in his role as the deputy.

He also stated that there are two staff persons attending, Anela, our EMPF Director, and Wendy Gady, the executive director. Because they're attending something that might have some discussion about a project within the ADC, just to be safe.

The permitted interaction group shall present a report to the full board at the regularly scheduled meeting on October 18, 2025.

Chair called for a motion to approve.

Motion by Member Cooke; second by Member Trump.

Chair asked if anyone from the public wished to give testimony. There was none.

Chair asked if there was any board discussion. There was none.

Chair called for the vote. Hearing no objections or abstentions, the motion was unanimously approved: 6-0.

F. Informational Items

1. None

G. Adjourn

Having no further business before the board, Chair called for a motion to adjourn.

Motion by Member Cooke; second by Member Okimoto.

Member Seddon arrived at 9:07 a.m.

AGRIBUSINESS DEVELOPMENT CORPORATION

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Chair called for the vote. Hearing no objections or abstentions, the motion was unanimously approved: 7-0.

The meeting was adjourned at 9:08 a.m.

The Board may go into executive session on any agenda item pursuant to the exceptions provided under section 92-5, Hawaii Revised Statutes.

DRAFT

STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION

E-2

STAFF SUBMITTAL TO THE BOARD OF DIRECTORS
November 20, 2025

Subject: Request for approval to issue a new license agreement to JATUTONG JAIRUAN and BUAON JAIRUN for 10 gross acres, more or less, of PU-14 for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016.

Applicant: JATUTONG JAIRUAN and BUAON JAIRUAN, husband and wife as tenants by entirety (Applicant)

Authority: 163D-4(a)(5), Hawaii Revised Statutes.

Area: Total area of parcel 016 is 511 acres.
Licensed area (PU-14): 10 gross acres (9.15 tillable and 0.85 non-tillable), more or less.

Field No(s): PU-14 (Premises) (Exhibit "A").

Tax Map Keys: (1) 6-4-003:por of 016. (Property).

Land Status: Acquired in fee by the Agribusiness Development Corporation in 2020.

Trust Land Status: Section 5(b) lands of the Hawaii Admission Act
Yes ☐ No ☒
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution?
Yes ☒ No ☐

Zoning: SLUD: Agricultural CZO: Agriculture

Character of Use: Diversified Agriculture

Land Doc. Type: License

Term: 35 years

Rental Rate: \$1800 per tillable acre per year: 9.15 ac x \$1,800= \$16,470.00
\$1 per non-tillable acre per year: 0.85 ac x \$1= \$0.85
Total rent: \$16,470.85 per year (\$1,372.57 per month)

BACKGROUND:

The Agribusiness Development Corporation (ADC) published a request for land applications in early 2024 and Applicants submitted their application. JATUTONG JAIRUAN's and BUAON JAIRUAN's application scored sufficiently high and the ADC Board of Directors (Board) voted to accept them as an awardee at their meeting on November 1, 2024. Together, the Applicants have over 25 years combined farming experience.

OPERATIONAL PLAN: See Exhibit "B"

Request for approval to issue a new license agreement to JATUTONG JAIRUAN and BUAON JAIRUAN for 10 gross acres, more or less, of PU-14 for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

CONSERVATION PLAN/NPDES/BMP CONSIDERATIONS:

The Applicant will be required to develop a conservation plan and seek approval from the appropriate conservation district.

CHAPTER 343:

Under section 343-5(a), Hawaii Revised Statutes, an environmental assessment shall be required for actions, that propose, among other things, the “(1) use of state land or county lands, or the use of state or county funds[.]” In this case, the project is exempt, subject to the Comprehensive Exemption Type 1, Part 1, Item 5: *“Operation, repair and maintenance of existing crop production (fruits, vegetables, flowers, foliage, crops for bioenergy and forage) facilities, including but not limited to equipment storage/maintenance”*.

DISCUSSION:

The Premises the Applicant will utilize consists of consists of 10 gross acres, but only 9.15 acres is tillable and the remaining 0.85 acres is non-tillable. The Property has several abandoned vehicles on site, as well as debris and rubbish. The land is overgrown with grass and tall trees. The land will require clearing before any agricultural activities can begin.

Staff notes that a substantial financial investment by the Applicant will be necessary to clear and prepare the Premises for planting since the Premises has been vacant for a while and the land is overgrown. The Applicant will also incur significant costs due to lack of a reliable water source. As such, we recommend a one-time rent credit not to exceed the equivalent of six (6) months of full- rate base rent, as reimbursement for verified costs incurred for land preparation, debris removal, and installation of a water storage system if the tenant can produce receipts. All approved improvements shall be deemed permanent improvements to State property and shall become the property of ADC upon completion, without further obligation for reimbursement. This credit shall be one-time only, and shall not establish any precedent or continuing obligation for future credits, offsets, or reimbursements unless approved in writing by ADC.

The rent shall be at a rate of \$1800/acre/year for the tillable acres and \$1.00/acre/year for the non-tillable acres, with a rental reopening to occur on years 10, 20 and 30 of the license. Rent will be determined by an independent appraisal establishing fair market rent, subject to review and approval by the Executive Director. The fair market rental shall be determined by an appraiser whose services shall have been contracted for by the Licensor; provided that should the Licensee fail to agree to such fair market rental, Licensee may appoint its own appraiser who, together with the Licensor's appraiser, shall promptly appoint a third appraiser and the fair market rental shall be determined by arbitration as provided by Section 658-1, Hawaii Revised Statutes. The Licensee shall pay for the services of its own appraiser and the cost for the services of the third appraiser shall be borne equally by the Licensor and Licensee.

At full rate, the license is currently valued at \$16,470.85 per year (\$1,372.57 per month) to ADC rental income.

Staff are asking that the security deposit requirement for the license shall be an amount equal to six months of full-rate license fees as a security deposit for the faithful performance of all of these terms and conditions. Due to the large initial investment that is necessary for the applicant to begin operations on the land, staff recommend that the deposit be payable in 3 equal monthly payments with the initial installment beginning upon execution of the lease. The deposit will be returned to LICENSEE upon termination of the License, but only after all of the terms and conditions of this License agreement have been observed and performed.

Request for approval to issue a new license agreement to JATUTONG JAIRUAN and BUAON JAIRUAN for 10 gross acres, more or less, of PU-14 for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

There currently is no water source provided by ADC on this property. A possible water source is an irrigation ditch running on the northern end of the property: Water is currently being provided by Dole Plantation until the irrigation system is transferred to ADC and common area maintenance (CAM) fees and water usage rates are established. Until such time, a Water Infrastructure User Agreement will serve as an addendum to the License. See attached "Exhibit C". The attached addendum is based on a Water Facility Agreement contracted between Dole and ADC for an initial user rate of \$0.60 per thousand gallons of ditch water; and \$0.80 per thousand gallons of pumped water, to be billed monthly. The price is subject to adjustment every January 1st.

Licensee shall be required to provide Licensor with a Good Agricultural Practice certificate within two years from execution date.

The draft License Agreement is attached as "Exhibit D".

RECOMMENDATION:

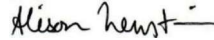
Based on the foregoing, staff recommends that the Board:

1. Approve the Request, subject to the following conditions:
 - a. The license term shall be for 35 years;
 - b. The license rents shall be \$1800/acre/year for tillable land and \$1/acre/year for non-tillable land for the first 10 years with a rental reopening to occur on years 10, 20 and 30 of the license. Rent to be determined by an independent appraisal establishing fair market rent, under the terms and conditions cited above;
 - c. The security deposit requirement for the license shall be an amount equal to six months of full-rate license fees payable in 3 equal monthly payments, with the initial installment beginning upon execution of the lease, as a security deposit for the faithful performance of all of these terms and conditions. The deposit will be returned to LICENSEE upon termination of the License, but only after all of the terms and conditions of this License agreement have been observed and performed;
 - d. Licensees will be required to develop a conservation plan and seek approval from the appropriate conservation district;
 - e. The Licensee may be eligible for a one-time rent credit not to exceed the equivalent of six (6) months of full- rate base rent, as reimbursement for verified costs incurred for land preparation, debris removal, and installation of a water storage system (collectively, the "Approved Improvements"). The credit shall be subject to the following conditions:
 - 1) Licensee shall submit to Licensor itemized invoices, receipts, and photographic documentation of all work completed;
 - 2) The total rent credit shall be based on verified costs and shall not exceed six (6) months of full-rate base rent under this License;
 - 3) All Approved Improvements shall be deemed permanent improvements to State property and shall become the property of the Licensor upon completion, without further obligation for reimbursement;
 - 4) Except for the one-time rent credit authorized under this section, the Licensor shall not be responsible for any future costs associated with land preparation, debris removal, maintenance, or replacement of the Approved Improvements; and
 - 5) This credit shall be one-time only, and shall not establish any precedent or continuing obligation for future credits, offsets, or reimbursements unless approved in writing by the Licensor.

Request for approval to issue a new license agreement to JATUTONG JAIRUAN and BUAON JAIRUAN for 10 gross acres, more or less, of PU-14 for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

- f. Water will be provided by Dole Plantation until ADC acquires the irrigation system and establishes the CAM and water usage rates. Until such time, the license shall include the above referenced Water Infrastructure User Agreement labelled "Exhibit C"; and
 - g. Licensee shall be required to provide Licensor with a Good Agricultural Practice certificate within two years from execution date.
2. Declare that, pursuant to ADC's Comprehensive Exemption List dated October 23, 2025, the proposed disposition is a de minimis action that will probably have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment, pursuant to Chapter 343, Hawaii Revised Statutes.

Respectfully Submitted,



ALISON NEUSTEIN

Acting Oahu Property Manager

Approved for Submittal:



Wendy Gady
Executive Director

Request for approval to issue a new license agreement to JATUTONG JAIRUAN and BUAON JAIRUAN for 10 gross acres, more or less, of PU-14 for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

EXHIBIT A

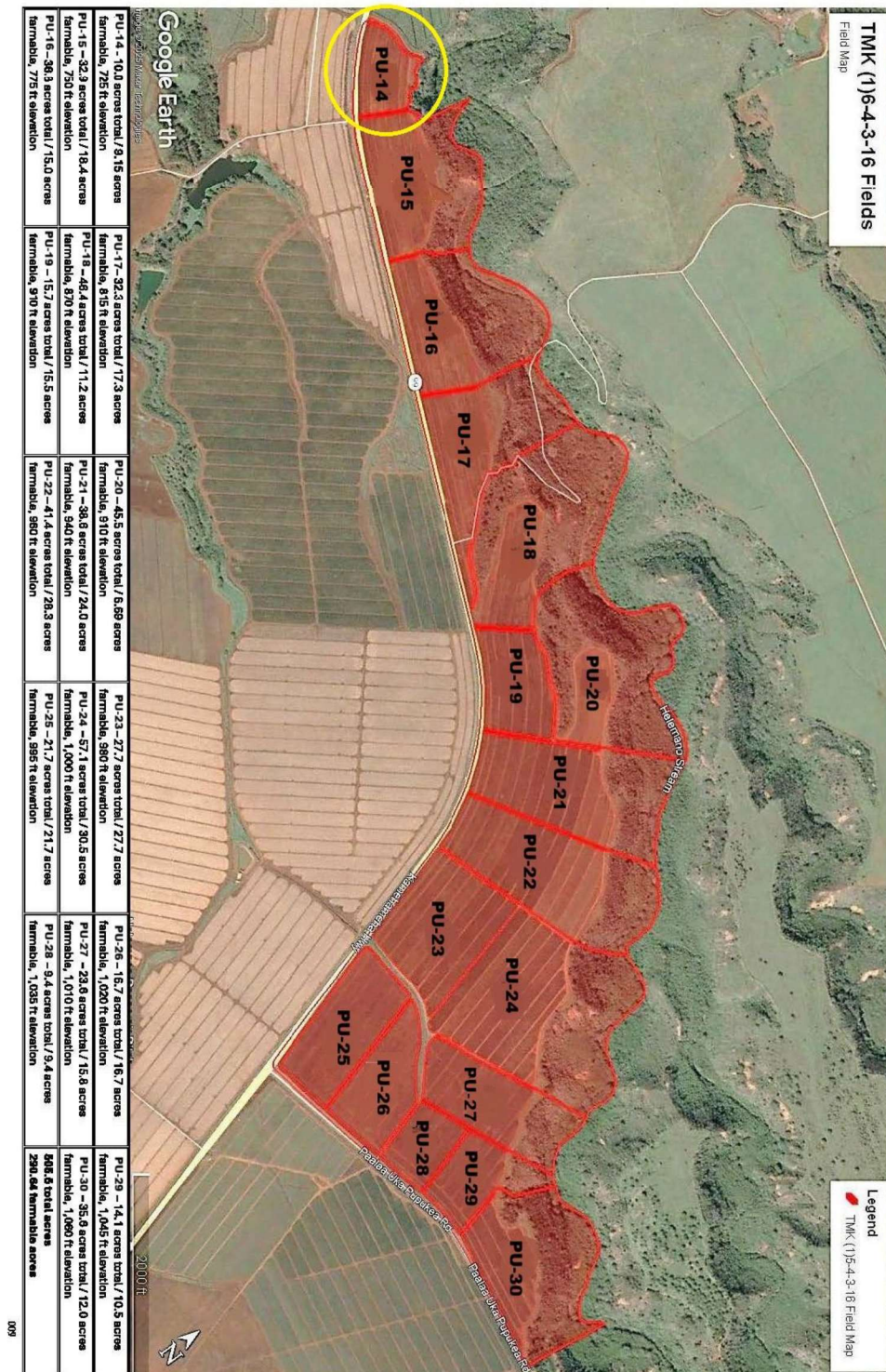


EXHIBIT B

Jaturong Jairuan

Lot # 1, 9.15 acre all cleared

* 1/2 acre Sweet Pepper @ $3^{\infty} - 7^{\infty}/lb$

can harvest in 2 mths - Harvest period 2 mths

15 Bags x 30 lbs = 450 lbs/week

* 1/2 acre Cherry Tomatoes @ $1^{\infty} - 2^{\infty}/lb$

can harvest in 2 mths - Harvest period 2 mths

225 Boxes x 50 = 11,250 lbs/wk

* 1/2 acre Chili Pepper $10^{\infty} - 15^{\infty}$

61 lbs/Day x 7 = 427 lbs/wk

can harvest in 2 mth, last for 3 mths harvest

* 1/2 acre long Beans @ $1.50 - 2.00/lb$

can harvest 1,250 lbs per week

can harvest in 2 mths and last for 2 mths harvest

* We Rotate the land used and start same crops again - Around our 5 acres parcel we will plant Fruit trees -

Request for approval to issue a new license agreement to JATUTONG JAIRUAN and BUAON JAIRUAN for 10 gross acres, more or less, of PU-14 for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

Addendum to License Agreement LI-PU-25-_____ **EXHIBIT C**

Water Infrastructure User Agreement

This Addendum to License Agreement LI-PU-25-_____ is entered into between the State of Hawai‘i, Agribusiness Development Corporation (“ADC”), whose address is 235 S. Beretania Street, Suite 205, Honolulu, Hawai‘i 96813, and _____ (“USER”) whose address is _____, each a “Party” and collectively “Parties”

Whereas the USER desires to use water delivered through irrigation infrastructure owned by Dole Food Company, Inc. (“Dole”). USER hereby enters into this Water Infrastructure User Agreement (“Agreement”) and agrees to comply with the terms of this Agreement as an addendum to License Agreement LI-PU-25-_____ (“License”), and pursuant to Chapter 174C, *Hawaii Revised Statutes*, and other applicable state and federal laws, rules, regulations, and City and County of Honolulu ordinances, now or hereafter in effect.

To that end, the Parties agree to the following terms:

1. Term: This Agreement shall be effective and coterminous with the License, when USER quits the property covered by the License, or upon the earlier termination of this Agreement or the License at ADC’s discretion, whichever shall first occur.
2. Availability: Dole agrees to allow the USER to draw water excess to Dole’s requirements but does not intend to become obligated to provide water to the USER in a minimum or unlimited quantity and does not intend to dedicate its facilities to public use or become a public utility. USER expressly acknowledges that ADC does not guarantee the availability of water.
3. Character of Use: Water delivered by Dole shall be used only for agriculture-related purposes, in accordance with the terms of USER’S License and conservation plan.
4. Potability: USER acknowledges that water obtained from Dole is not potable. USER is solely responsible for their use of water.
5. Fees and Schedule: USER agrees to pay Dole’s rate per gallon of water as metered, based on current rates in the Water Facility Agreement between ADC and Dole effective May 1, 2024, plus applicable taxes. USER also agrees to pay the cost of acquisition and installation of water meters of an appropriate type, size and capability as a condition of water delivery. ADC shall invoice USER on or around the 15th of every month for the previous month of service for the volume of water delivered and all other incidental costs

such as the cost of the water meter, and a monthly ADC service fee of \$0.00 for clerical and other costs, commencing from the effective date of this Agreement. Payment shall be due on the 15th of the month after the date of invoice. ADC reserves the right to assess a monthly late fee of 5% on USER's past-due balance for each month of delinquency. ADC reserves the right to adjust future water rates, commencing on January 1st of each year thereafter, payment terms, policies, and time and place of payment, from time to time, as determined by ADC's Board of Directors, and subject to the costs associated with operating and maintaining the well and delivery systems. USER expressly acknowledges that ADC is only providing infrastructure for the delivery of water and is not selling water.

6. Operation: The meter and main valve shall be part of the property, and under the sole control of ADC. USER is expressly prohibited from manipulating or adjusting valves, meters, or flow under ADC's control. Violations of this term shall constitute grounds for both the immediate termination of this Agreement and termination of water. USER agrees to promptly report any meter or system issues to ADC, or their contracted system operator. USER is prohibited from tampering with, adjusting, desecrating, or intruding upon any portion of the water system, prior to and including, the meter, or any other point of the water system that exists upstream of the meter.
7. Infrastructure: All water delivery infrastructure from the water source, up to and including the main meter, is the property of Dole. ADC shall install, at the USER'S expense, a meter to monitor USER's water use. ADC, or their contracted system operator, shall be solely responsible for monitoring and maintaining the meter, and reserves the right to repair or replace the meter, as necessary, and bill associated costs to the USER. USER shall be responsible for the installation, management, maintenance, and repair of all infrastructure from the meter to the various distribution points in their fields.
8. Improvements: USER agrees to provide ADC with drawings and schematics of all irrigation lines in relation to the Premises, including meters, valves, junctions, backflow preventers, connections, boosters, etc., and to update those drawings and schematics as USER's system is modified or improved.
9. Water Storage: USER shall maintain and repair, at USER's sole cost, any reservoir or other water storage facilities (collectively "Water Storage") on the licensed Premises to a condition acceptable to ADC. ADC shall have no obligation whatsoever to construct, maintain, or repair the Water Storage. Any improvements made to the Water Storage must be approved by ADC in accordance with the License. Any damage to ADC's Water Storage or to any third party as a result of misuse or negligence by User shall be User's responsibility.
10. Contamination: USER shall maintain either a minimum three-foot airgap between the termination of any Water Storage feed line and the surface of the water at all times, OR a back-flow preventer, so positioned between the meter and the Water Storage, to prevent back-flow contamination of Dole's irrigation main line.

11. Hold Harmless: USER agrees to hold ADC harmless from any damages, including loss of crops due to availability, quantity, potability, or suitability of the water ADC provides. This paragraph shall survive the termination of this Agreement.
12. Indemnity: USER shall indemnify, defend, and hold harmless the State of Hawai‘i, ADC, and their officers, employees, and agents from and against any claim or demand for loss, liability, damage, cost, expense, and attorneys’ fees, including claims for property damage, personal injury, or wrongful death, arising out of any act or omission of USER, and from and against all actions, suits, damages, and claims by whomsoever brought or made by reason of the non-observance or non-performance of any of the terms, covenants, and conditions herein or the laws, ordinances, rules, and regulations of the federal, state, or county governments now or hereafter in effect. This paragraph shall survive the termination of this Agreement.
13. Force Majeure: ADC shall not be liable for any failure of or delay in the performance of this Agreement for the period, provided that such failure or delay is beyond the reasonable control of the parties, materially affects the performance of any of its obligations under this Agreement, and could not have been reasonably foreseen or provided against.
14. Governance: USER agrees to comply with and be bound by any bylaws, rules, and policies of ADC, and the laws, ordinances, rules, and regulations of the federal, state, or county governments, now or hereafter in effect. It is expressly agreed that this Agreement shall be governed by the laws of the State of Hawai‘i, and that any lawsuit or disagreement shall be brought in a court of the State of Hawai‘i.
15. Severability: Should any provision of this Agreement be declared void or unenforceable, all remaining provisions shall remain in full force and effect.
16. Default: In the event the USER shall default on any provision of this Agreement that is not delinquency-related, by refusing or failing, without just cause, to utilize the water delivery system in a manner as set forth in this Agreement, ADC may issue a Letter of Default with an itemized list of corrective actions. USER shall have thirty-days from the date of the letter to satisfactorily address the list of corrective actions, after which ADC reserves the right to sever USER’s water connection until all corrective actions have been satisfactorily made. ADC may restore the water connection upon written request from USER. For defaults involving non-payment or partial-payment, ADC reserves the right to shut off water immediately at such time that delinquency occurs, as determined by the invoice due date. Reconnection shall occur only after full payment has been made, and upon written request from the USER.
17. This Agreement sets forth all of the contracts, agreements, conditions, understandings, promises, warranties and representations between the ADC and this USER regarding the use of Dole’s irrigation infrastructure for delivery of water from Dole to this USER. This Agreement supersedes all prior contracts, agreements, conditions, understandings,

Request for approval to issue a new license agreement to JATUTONG JAIRUAN and BUAON JAIRUAN for 10 gross acres, more or less, of PU-14 for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

promises, warranties, and representations oral or written, express or implied, between ADC and this USER other than as set forth or as referred to herein.

[Signature page follows.]

Request for approval to issue a new license agreement to JATUTONG JAIRUAN and BUAON JAIRUAN for 10 gross acres, more or less, of PU-14 for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on this ____ day of _____, 2025.

LICENSOR:

State of Hawai'i

Agribusiness Development Corporation

By:

Wendy L. Gady

Its: Executive Director

Date: _____

APPROVED AS TO FORM:

Deputy Attorney General

LICENSEE:

JATUTONG JAIRUAN and BUAON JAIRUAN,
husband and wife

By:

JATUTONG JAIRUAN

Date: _____

By:

BUAON JAIRUAN

Date: _____

STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION

E-3

STAFF SUBMITTAL TO THE BOARD OF DIRECTORS
December 18, 2025

Subject: Request for approval to issue a new license agreement to SAMART KHOTWONGTHONG and RUNGNAPA HAOHARN for 32.9 gross acres, more or less, of PU-15, for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016.

Applicant: SAMART KHOTWONGTHONG and RUNGNAPA HAOHARN, tenants in common, (Applicant)

Authority: 163D-4(a)(5), Hawaii Revised Statutes.

Area: Total area of parcel 016 is 511 acres.
Licensed area (PU-15): 32.9 gross acres (18.4 tillable acres and 14.5 non-tillable acres), more or less.

Field No(s): PU-15, (Premises) (Exhibit "A").

Tax Map Keys: (1) 6-4-003:por of 016. (Property).

Land Status: Acquired in fee by the Agribusiness Development Corporation in 2020.

Trust Land Status: Section 5(b) lands of the Hawaii Admission Act
Yes ☐ No ☒
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution?
Yes ☒ No ☐

Zoning: SLUD: Agricultural CZO: Agriculture

Character of Use: Diversified Agriculture

Land Doc. Type: License

Term: 35 years

\$1800 per tillable acre per year: 18.4 ac x \$1,800= \$33,120.00
\$1 per non-tillable acre per year: 14.5 ac x \$1= \$14.50
Total rent per year: \$33,134.50 (\$2,761.21 per month)

BACKGROUND:

The Agribusiness Development Corporation (ADC) published a request for land applications in early 2024 and Applicants submitted their application. SAMART KHOTWONGTHONG's and RUNGNAPA HAOHARN's applications were scored sufficiently high and the ADC Board of Directors (Board) voted to accept them as an awardee at their meeting on November 1, 2024. The Applicants have over 25 years of combined farming experience.

OPERATIONAL PLAN: See Exhibit "B"

Request for approval to issue a new license agreement to SAMART KHOTWONGTHONG and RUNGNAPA HAOHARN for 32.9 gross acres, more or less, of PU-15, for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

CONSERVATION PLAN/NPDES/BMP CONSIDERATIONS:

The Applicant will be required to develop a conservation plan and seek approval from the appropriate conservation district.

CHAPTER 343:

Under section 343-5(a), Hawaii Revised Statutes, an environmental assessment shall be required for actions, that propose, among other things, the “(1) use of state land or county lands, or the use of state or county funds[.]” In this case, the project is exempt, subject to the Comprehensive Exemption Type 1, Part 1, Item 5: *“Operation, repair and maintenance of existing crop production (fruits, vegetables, flowers, foliage, crops for bioenergy and forage) facilities, including but not limited to equipment storage/maintenance”*.

DISCUSSION:

The Premises the Applicant will utilize consists of 32.9 gross acres, approximately 18.4 is tillable and the remaining 14.5 acres is non-tillable. The Property has several abandoned vehicles on site, as well as debris and rubbish. The land is overgrown with grass and tall trees. The land will require clearing before any agricultural activities can begin.

Staff notes that a substantial financial investment by the Applicants will be necessary to clear and prepare the Premises for planting since the Premises has been vacant for a while and the land is overgrown. The Applicants will also incur significant costs due to lack of a reliable water source. As such, we recommend a one-time rent credit not to exceed the equivalent of six (6) months of full- rate base rent, as reimbursement for verified costs incurred for land preparation, debris removal, and installation of a water storage system if the tenant can produce receipts. All approved improvements shall be deemed permanent improvements to State property and shall become the property of ADC upon completion, without further obligation for reimbursement. This credit shall be one-time only, and shall not establish any precedent or continuing obligation for future credits, offsets, or reimbursements unless approved in writing by ADC.

The rent shall be at a rate of \$1800/acre/year for the tillable acres and \$1.00/acre/year for the non-tillable acres, with a rental reopening to occur on years 10, 20 and 30 of the license. Rent will be determined by an independent appraisal establishing fair market rent, subject to review and approval by the Executive Director. The fair market rental shall be determined by an appraiser whose services shall have been contracted for by the Licensor; provided that should the Licensee fail to agree to such fair market rental, Licensee may appoint its own appraiser who, together with the Licensor's appraiser, shall promptly appoint a third appraiser and the fair market rental shall be determined by arbitration as provided by Section 658-1, Hawaii Revised Statutes. The Licensee shall pay for the services of its own appraiser and the cost for the services of the third appraiser shall be borne equally by the Licensor and Licensee.

At full rate, the license is currently valued at \$33,134.50 per year (\$2,761.21 per month) to ADC rental income.

Staff are asking that the security deposit requirement for the license shall be an amount equal to six months of full-rate license fees as a security deposit for the faithful performance of all of these terms and conditions. The deposit will be returned to LICENSEE upon termination of the License, but only after all of the terms and conditions of this License agreement have been observed and performed.

Request for approval to issue a new license agreement to SAMART KHOTWONGTHONG and RUNGNAPA HAOHARN for 32.9 gross acres, more or less, of PU-15, for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

There currently is no water source provided by ADC on this property. A possible water source is an irrigation ditch running on the northern end of the property: Water is currently being provided by Dole Plantation until the irrigation system is transferred to ADC and common area maintenance fees (CAM) and water usage rates are established. Until such time, a Water Infrastructure User Agreement will serve as an addendum to the License. See attached “Exhibit C”. The attached addendum is based on a Water Facility Agreement contracted between Dole and ADC for an initial user rate of \$0.60 per thousand gallons of ditch water; and \$0.80 per thousand gallons of pumped water, to be billed monthly. The price is subject to adjustment every January 1st.

Licensee shall be required to provide Licensor with a Good Agricultural Practice certificate within two years from execution date.

The draft License Agreement is attached as “Exhibit D”.

RECOMMENDATION:

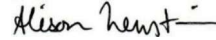
Based on the foregoing, staff recommends that the Board:

1. Approve the Request, subject to the following conditions:
 - a. The license term shall be for 35 years;
 - b. The license rents shall be \$1800/acre/year for tillable land and \$1/acre/year for non-tillable land for the first 10 years with a rental reopening to occur on years 10, 20 and 30 of the license. Rent to be determined by an independent appraisal establishing fair market rent, under the terms and conditions cited above;
 - c. The security deposit requirement for the license shall be an amount equal to six months of full-rate license fees payable in 3 equal monthly payments, with the initial installment beginning upon execution of the lease, as a security deposit for the faithful performance of all of these terms and conditions. The deposit will be returned to LICENSEE upon termination of the License, but only after all of the terms and conditions of this License agreement have been observed and performed;
 - d. Licensees will be required to develop a conservation plan and seek approval from the appropriate conservation district;
 - e. The Licensee may be eligible for a one-time rent credit not to exceed the equivalent of six (6) months of full- rate base rent, as reimbursement for verified costs incurred for land preparation, debris removal, and installation of a water storage system (collectively, the “Approved Improvements”). The credit shall be subject to the following conditions:
 - 1) Licensee shall submit to Licensor itemized invoices, receipts, and photographic documentation of all work completed;
 - 2) The total rent credit shall be based on verified costs and shall not exceed six (6) months of full-rate base rent under this License;
 - 3) All Approved Improvements shall be deemed permanent improvements to State property and shall become the property of the Licensor upon completion, without further obligation for reimbursement;
 - 4) Except for the one-time rent credit authorized under this section, the Licensor shall not be responsible for any future costs associated with land preparation, debris removal, maintenance, or replacement of the Approved Improvements; and
 - 5) This credit shall be one-time only, and shall not establish any precedent or continuing obligation for future credits, offsets, or reimbursements unless approved in writing by the Licensor.

Request for approval to issue a new license agreement to SAMART KHOTWONGTHONG and RUNGNAPA HAOHARN for 32.9 gross acres, more or less, of PU-15, for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

- f. Water will be provided by Dole Plantation until ADC acquires the irrigation system and establishes the CAM and water usage rates. Until such time, the license shall include the above referenced Water Infrastructure User Agreement labelled "Exhibit C"; and
 - g. Licensee shall be required to provide Licensor with a Good Agricultural Practice certificate within two years from execution date.
2. Declare that, pursuant to ADC's Comprehensive Exemption List dated October 23, 2025, the proposed disposition is a de minimis action that will probably have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment, pursuant to Chapter 343, Hawaii Revised Statutes.

Respectfully Submitted,



ALISON NEUSTEIN

Acting Oahu Property Manager

Approved for Submittal:



Wendy Gady
Executive Director

Request for approval to issue a new license agreement to SMART KHOTWONGTHONG and RUNGNAPA HAOHARN for 32.9 gross acres, more or less, of PU-15, for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

EXHIBIT A

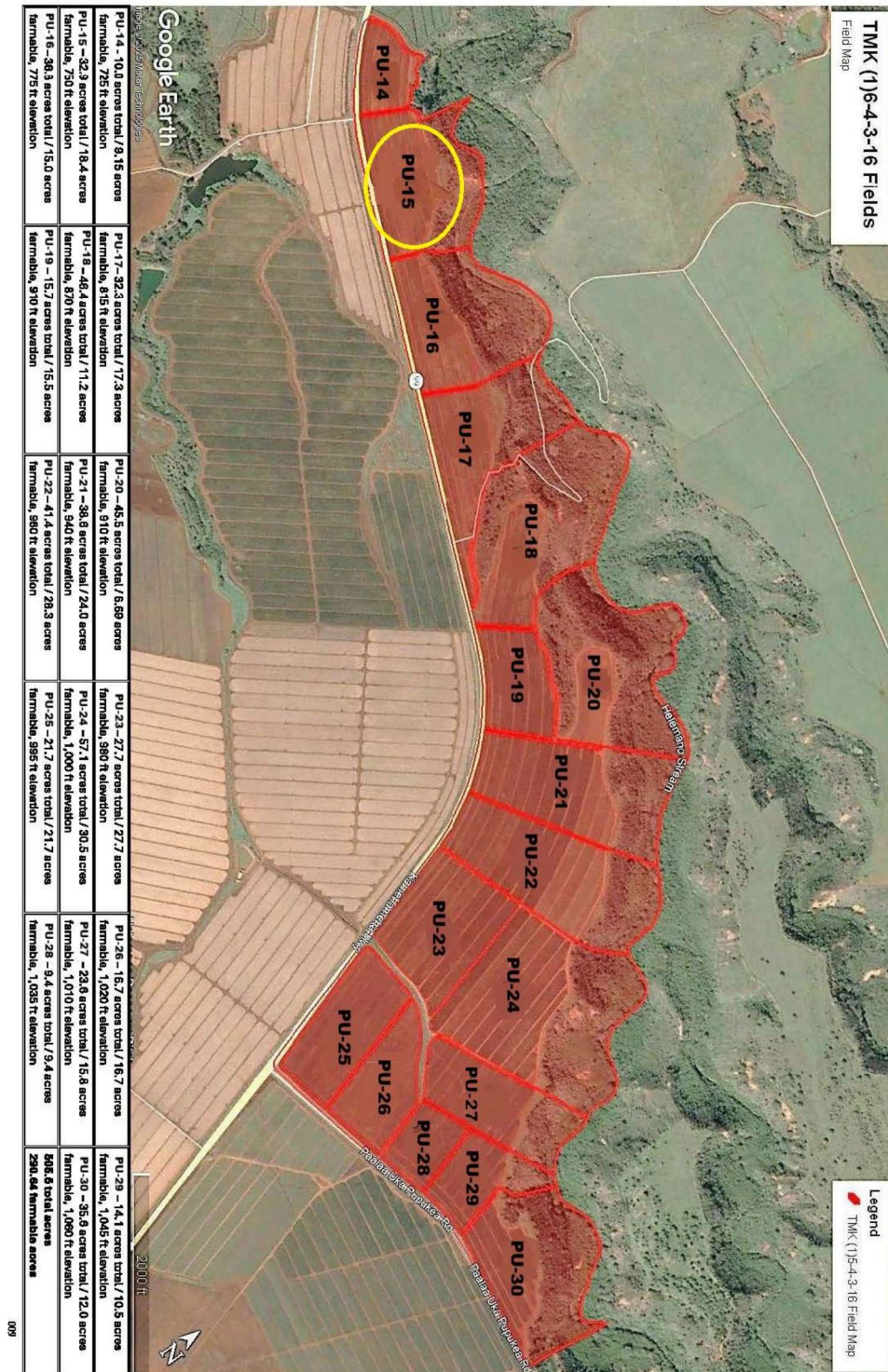


EXHIBIT B

Samart Khotwongthong
lot # 2, 18.4 acre
Note: I will take over the whole parcel since Rungnapa
Haoharn won't be able to farm her share -
She has some family issue in Thailand that needs
to take care off - She will be in and out of
USA - She agrees to leave her 9.2 acre to me -
Please issue lot # 2 under my name only -
my parents will help me on the farm and my
wife will come soon to join me from Thailand -
my plan on this property is

1 acre Cucumber - @ 1.00 - 1.50 per lb.
Harvest in 6 weeks, last for 1 mth
16,000 lbs / mth

1 acre Cherry Tomatoes @ 1.50 / lb
can harvest in 2 months, last for 2 mths
45,000 lbs / mth

1 acre long Eggplant @ 1.50 - 2.00 per pound
can harvest in 2 months, last for 3 mths
28,000 lbs / month
* I will start the same crops over again - All year
round planting + harvesting because I have Buyers

EXHIBIT C

Water Infrastructure User Agreement

This Addendum to License Agreement LI-PU-25-_____ is entered into between the State of Hawai‘i, Agribusiness Development Corporation (“ADC”), whose address is 235 S. Beretania Street, Suite 205, Honolulu, Hawai‘i 96813, and _____ (“USER”) whose address is _____, each a “Party” and collectively “Parties”.

Whereas the USER desires to use water delivered through irrigation infrastructure owned by Dole Food Company, Inc. (“Dole”). USER hereby enters into this Water Infrastructure User Agreement (“Agreement”) and agrees to comply with the terms of this Agreement as an addendum to License Agreement LI-PU-25-_____ (“License”), and pursuant to Chapter 174C, *Hawaii Revised Statutes*, and other applicable state and federal laws, rules, regulations, and City and County of Honolulu ordinances, now or hereafter in effect.

To that end, the Parties agree to the following terms:

1. Term: This Agreement shall be effective and coterminous with the License, when USER quits the property covered by the License, or upon the earlier termination of this Agreement or the License at ADC’s discretion, whichever shall first occur.
2. Availability: Dole agrees to allow the USER to draw water excess to Dole’s requirements but does not intend to become obligated to provide water to the USER in a minimum or unlimited quantity and does not intend to dedicate its facilities to public use or become a public utility. USER expressly acknowledges that ADC does not guarantee the availability of water.
3. Character of Use: Water delivered by Dole shall be used only for agriculture-related purposes, in accordance with the terms of USER’S License and conservation plan.
4. Potability: USER acknowledges that water obtained from Dole is not potable. USER is solely responsible for their use of water.
5. Fees and Schedule: USER agrees to pay Dole’s rate per gallon of water as metered, based on current rates in the Water Facility Agreement between ADC and Dole effective May 1, 2024, plus applicable taxes. USER also agrees to pay the cost of acquisition and installation of water meters of an appropriate type, size and capability as a condition of water delivery. ADC shall invoice USER on or around the 15th of every month for the previous month of service for the volume of water delivered and all other incidental costs such as the cost of the water meter, and a monthly ADC service fee of \$0.00 for clerical and other costs, commencing from the effective date of this Agreement. Payment shall be

due on the 15th of the month after the date of invoice. ADC reserves the right to assess a monthly late fee of 5% on USER's past-due balance for each month of delinquency. ADC reserves the right to adjust future water rates, commencing on January 1st of each year thereafter, payment terms, policies, and time and place of payment, from time to time, as determined by ADC's Board of Directors, and subject to the costs associated with operating and maintaining the well and delivery systems. USER expressly acknowledges that ADC is only providing infrastructure for the delivery of water and is not selling water.

6. Operation: The meter and main valve shall be part of the property, and under the sole control of ADC. USER is expressly prohibited from manipulating or adjusting valves, meters, or flow under ADC's control. Violations of this term shall constitute grounds for both the immediate termination of this Agreement and termination of water. USER agrees to promptly report any meter or system issues to ADC, or their contracted system operator. USER is prohibited from tampering with, adjusting, desecrating, or intruding upon any portion of the water system, prior to and including, the meter, or any other point of the water system that exists upstream of the meter.
7. Infrastructure: All water delivery infrastructure from the water source, up to and including the main meter, is the property of Dole. ADC shall install, at the USER'S expense, a meter to monitor USER's water use. ADC, or their contracted system operator, shall be solely responsible for monitoring and maintaining the meter, and reserves the right to repair or replace the meter, as necessary, and bill associated costs to the USER. USER shall be responsible for the installation, management, maintenance, and repair of all infrastructure from the meter to the various distribution points in their fields.
8. Improvements: USER agrees to provide ADC with drawings and schematics of all irrigation lines in relation to the Premises, including meters, valves, junctions, backflow preventers, connections, boosters, etc., and to update those drawings and schematics as USER's system is modified or improved.
9. Water Storage: USER shall maintain and repair, at USER's sole cost, any reservoir or other water storage facilities (collectively "Water Storage") on the licensed Premises to a condition acceptable to ADC. ADC shall have no obligation whatsoever to construct, maintain, or repair the Water Storage. Any improvements made to the Water Storage must be approved by ADC in accordance with the License. Any damage to ADC's Water Storage or to any third party as a result of misuse or negligence by User shall be User's responsibility.
10. Contamination: USER shall maintain either a minimum three-foot airgap between the termination of any Water Storage feed line and the surface of the water at all times, OR a back-flow preventer, so positioned between the meter and the Water Storage, to prevent back-flow contamination of Dole's irrigation main line.

11. Hold Harmless: USER agrees to hold ADC harmless from any damages, including loss of crops due to availability, quantity, potability, or suitability of the water ADC provides. This paragraph shall survive the termination of this Agreement.
12. Indemnity: USER shall indemnify, defend, and hold harmless the State of Hawai‘i, ADC, and their officers, employees, and agents from and against any claim or demand for loss, liability, damage, cost, expense, and attorneys’ fees, including claims for property damage, personal injury, or wrongful death, arising out of any act or omission of USER, and from and against all actions, suits, damages, and claims by whomsoever brought or made by reason of the non-observance or non-performance of any of the terms, covenants, and conditions herein or the laws, ordinances, rules, and regulations of the federal, state, or county governments now or hereafter in effect. This paragraph shall survive the termination of this Agreement.
13. Force Majeure: ADC shall not be liable for any failure of or delay in the performance of this Agreement for the period, provided that such failure or delay is beyond the reasonable control of the parties, materially affects the performance of any of its obligations under this Agreement, and could not have been reasonably foreseen or provided against.
14. Governance: USER agrees to comply with and be bound by any bylaws, rules, and policies of ADC, and the laws, ordinances, rules, and regulations of the federal, state, or county governments, now or hereafter in effect. It is expressly agreed that this Agreement shall be governed by the laws of the State of Hawai‘i, and that any lawsuit or disagreement shall be brought in a court of the State of Hawai‘i.
15. Severability: Should any provision of this Agreement be declared void or unenforceable, all remaining provisions shall remain in full force and effect.
16. Default: In the event the USER shall default on any provision of this Agreement that is not delinquency-related, by refusing or failing, without just cause, to utilize the water delivery system in a manner as set forth in this Agreement, ADC may issue a Letter of Default with an itemized list of corrective actions. USER shall have thirty-days from the date of the letter to satisfactorily address the list of corrective actions, after which ADC reserves the right to sever USER’s water connection until all corrective actions have been satisfactorily made. ADC may restore the water connection upon written request from USER. For defaults involving non-payment or partial-payment, ADC reserves the right to shut off water immediately at such time that delinquency occurs, as determined by the invoice due date. Reconnection shall occur only after full payment has been made, and upon written request from the USER.
17. This Agreement sets forth all of the contracts, agreements, conditions, understandings, promises, warranties and representations between the ADC and this USER regarding the use of Dole’s irrigation infrastructure for delivery of water from Dole to this USER. This Agreement supersedes all prior contracts, agreements, conditions, understandings,

Request for approval to issue a new license agreement to SAMART KHOTWONGTHONG and RUNGNAPA HAOHARN for 32.9 gross acres, more or less, of PU-15, for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

promises, warranties, and representations oral or written, express or implied, between ADC and this USER other than as set forth or as referred to herein.

[Signature page follows.]

Request for approval to issue a new license agreement to SAMART KHOTWONGTHONG and RUNGNAPA HAOHARN for 32.9 gross acres, more or less, of PU-15, for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on this ____ day of _____, 2025.

LICENSOR:

State of Hawai'i

Agribusiness Development Corporation

By:

Wendy L. Gady

Its: Executive Director

Date:

APPROVED AS TO FORM:

Deputy Attorney General

LICENSEE:

SAMART KHOTWONGTHONG and RUNGNAPA
HAOHARN, tenants in common

By:

SAMART KHOTWONGTHONG

Date:

By:

RUNGNAPA HAOHARN

Date:

STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION

E-4

STAFF SUBMITTAL TO THE BOARD OF DIRECTORS
December 18, 2025

Subject: Request for approval to issue a new license agreement to KIATTISAK KULCHARO for 64.5 gross acres, more or less, of PU-16 and PU-23 for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016.

Applicant: KIATTISAK KULCHARO, an individual (Applicant)

Authority: 163D-4(a)(5), Hawaii Revised Statutes.

Area: Total area of parcel 016 is 511 acres.
PU-16: 36.8 gross acres (15 tillable and 23.8 non-tillable acres), more or less.
PU-23: 27.7 gross tillable acres, more or less.
Total: 64.5 gross acres (42.7 tillable and 21.8 non-tillable acres), more or less.

Field No(s): PU-16 and PU-23 (Premises) (Exhibit "A").

Tax Map Keys: (1) 6-4-003:por of 016. (Property).

Land Status: Acquired in fee by the Agribusiness Development Corporation in 2020.

Trust Land Status: Section 5(b) lands of the Hawaii Admission Act
Yes ☐ No ☒
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution?
Yes ☒ No ☐

Zoning: SLUD: Agricultural CZO: Agriculture

Character of Use: Diversified Agriculture

Land Doc. Type: License

Term: 35 years

Rental Rate: \$1800 per tillable acre per year: 42.7 ac x \$1,800= \$76,860.00
\$1 per non-tillable acre per year: 21.8 ac x \$1= \$21.80
Total rent per year: \$76,881.80 (\$6,406.82 per month).

BACKGROUND:

The Agribusiness Development Corporation (ADC) published a request for land applications in early 2024 and Applicants submitted their application. KIATTISAK KULCHARO's application was scored sufficiently high and the ADC Board of Directors (Board) voted to accept them as an awardee at their meeting on November 1, 2024. The Applicant has been farming for over 10 years in Waialua, Hawaii.

OPERATIONAL PLAN: See Exhibit "B"

CONSERVATION PLAN/NPDES/BMP CONSIDERATIONS:

Request for approval to issue a new license agreement to KIATTISAK KULCHARO for 64.5 gross acres, more or less, of PU-16 and PU-23 for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

The Applicant will be required to develop a conservation plan and seek approval from the appropriate conservation district.

CHAPTER 343:

Under section 343-5(a), Hawaii Revised Statutes, an environmental assessment shall be required for actions, that propose, among other things, the “(1) use of state land or county lands, or the use of state or county funds[.]” In this case, the project is exempt, subject to the Comprehensive Exemption Type 1, Part 1, Item 5: *“Operation, repair and maintenance of existing crop production (fruits, vegetables, flowers, foliage, crops for bioenergy and forage) facilities, including but not limited to equipment storage/maintenance”*.

DISCUSSION:

The Premises the Applicant will utilize consists of 64.5 gross acres, approximately 42.7 is tillable and usable for diversified farming and 21.8 is non-tillable, more or less. The Property has several abandoned vehicles on site, as well as debris and rubbish. The land is overgrown with grass and tall trees. The land will require clearing before any agricultural activities can begin.

Staff notes that a substantial financial investment by the Applicant will be necessary to clear and prepare the Premises for planting since the Premises has been vacant for a while and the land is overgrown. The Applicant will also incur significant costs due to lack of a reliable water source. As such, we recommend a one-time rent credit not to exceed the equivalent of six (6) months of full- rate base rent, as reimbursement for verified costs incurred for land preparation, debris removal, and installation of a water storage system if the tenant can produce receipts. All approved improvements shall be deemed permanent improvements to State property and shall become the property of ADC upon completion, without further obligation for reimbursement. This credit shall be one-time only, and shall not establish any precedent or continuing obligation for future credits, offsets, or reimbursements unless approved in writing by ADC.

The rent shall be at a rate of \$1800/acre/year for the tillable acres and \$1.00/acre/year for the non-tillable acres, with a rental reopening to occur on years 10, 20 and 30 of the license. Rent will be determined by an independent appraisal establishing fair market rent, subject to review and approval by the Executive Director. The fair market rental shall be determined by an appraiser whose services shall have been contracted for by the Licensor; provided that should the Licensee fail to agree to such fair market rental, Licensee may appoint its own appraiser who, together with the Licensor's appraiser, shall promptly appoint a third appraiser and the fair market rental shall be determined by arbitration as provided by Section 658-1, Hawaii Revised Statutes. The Licensee shall pay for the services of its own appraiser and the cost for the services of the third appraiser shall be borne equally by the Licensor and Licensee.

At full rate, the license is currently valued at \$76,881.80 per year (\$6,406.82 per month) to ADC rental income.

Staff are asking that the security deposit requirement for the license shall be an amount equal to six months of full-rate license fees as a security deposit for the faithful performance of all of these terms and conditions. Due to the large initial investment that is necessary for the applicant to begin operations on the land, staff recommend that the deposit be payable in 3 equal monthly payments with the initial installment beginning upon execution of the lease. The deposit will be returned to LICENSEE upon termination of the License, but only after all of the terms and conditions of this License agreement have been observed and performed.

There currently is no water source provided by ADC on this property. A possible water source is an

Request for approval to issue a new license agreement to KIATTISAK KULCHARO for 64.5 gross acres, more or less, of PU-16 and PU-23 for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

irrigation ditch running on the northern end of the property: Water is currently being provided by Dole Plantation until the irrigation system is transferred to ADC and common area maintenance fees (CAM) and water usage rates are established. Until such time, a Water Infrastructure User Agreement will serve as an addendum to the License. See attached "Exhibit C". The attached addendum is based on a Water Facility Agreement contracted between Dole and ADC for an initial user rate of \$0.60 per thousand gallons of ditch water; and \$0.80 per thousand gallons of pumped water, to be billed monthly. The price is subject to adjustment every January 1st.

Licensee shall be required to provide Licensor with a Good Agricultural Practice certificate within two years from execution date.

The draft License Agreement is attached as "Exhibit D".

RECOMMENDATION:

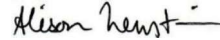
Based on the foregoing, staff recommends that the Board:

1. Approve the Request, subject to the following conditions:
 - a. The license term shall be for 35 years;
 - b. The license rents shall be \$1800/acre/year for tillable land and \$1/acre/year for non-tillable land for the first 10 years with a rental reopening to occur on years 10, 20 and 30 of the license. Rent to be determined by an independent appraisal establishing fair market rent, under the terms and conditions cited above;
 - c. The security deposit requirement for the license shall be an amount equal to six months of full-rate license fees payable in 3 equal monthly payments, with the initial installment beginning upon execution of the lease, as a security deposit for the faithful performance of all of these terms and conditions. The deposit will be returned to LICENSEE upon termination of the License, but only after all of the terms and conditions of this License agreement have been observed and performed;
 - d. Licensees will be required to develop a conservation plan and seek approval from the appropriate conservation district;
 - e. The Licensee may be eligible for a one-time rent credit not to exceed the equivalent of six (6) months of full- rate base rent, as reimbursement for verified costs incurred for land preparation, debris removal, and installation of a water storage system (collectively, the "Approved Improvements"). The credit shall be subject to the following conditions:
 - 1) Licensee shall submit to Licensor itemized invoices, receipts, and photographic documentation of all work completed;
 - 2) The total rent credit shall be based on verified costs and shall not exceed six (6) months of full-rate base rent under this License;
 - 3) All Approved Improvements shall be deemed permanent improvements to State property and shall become the property of the Licensor upon completion, without further obligation for reimbursement;
 - 4) Except for the one-time rent credit authorized under this section, the Licensor shall not be responsible for any future costs associated with land preparation, debris removal, maintenance, or replacement of the Approved Improvements; and
 - 5) This credit shall be one-time only, and shall not establish any precedent or continuing obligation for future credits, offsets, or reimbursements unless approved in writing by the Licensor.

Request for approval to issue a new license agreement to KIATTISAK KULCHARO for 64.5 gross acres, more or less, of PU-16 and PU-23 for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

- f. Water will be provided by Dole Plantation until ADC acquires the irrigation system and establishes the CAM and water usage rates. Until such time, the license shall include the above referenced Water Infrastructure User Agreement labelled "Exhibit C"; and
 - g. Licensee shall be required to provide Licensor with a Good Agricultural Practice certificate within two years from execution date.
2. Declare that, pursuant to ADC's Comprehensive Exemption List dated October 23, 2025, the proposed disposition is a de minimis action that will probably have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment, pursuant to Chapter 343, Hawaii Revised Statutes.

Respectfully Submitted,



ALISON NEUSTEIN

Acting Oahu Property Manager

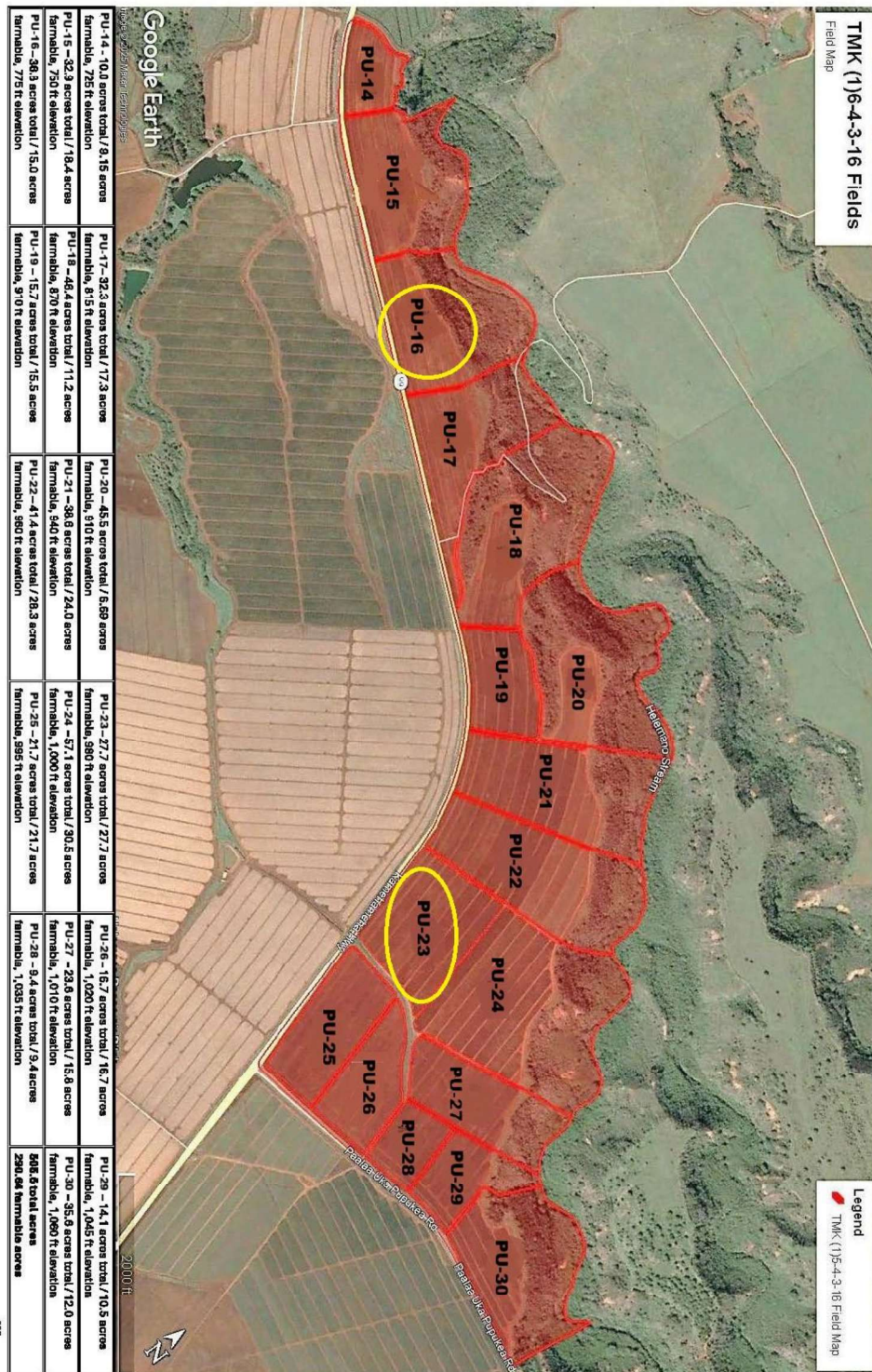
Approved for Submittal:



Wendy Gady
Executive Director

Request for approval to issue a new license agreement to KIATTISAK KULCHARO for 64.5 gross acres, more or less, of PU-16 and PU-23 for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

EXHIBIT A



Request for approval to issue a new license agreement to KIATTISAK KULCHARO for 64.5 gross acres, more or less, of PU-16 and PU-23 for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

EXHIBIT B

Kiattisak Kulcharo
Lot #10 and #3 = 42.7 acres
All cleared.

1 acre - Japanese Cucumber @ \$1.00 - \$2.00/lb
Harvest in 6 weeks
Can harvest 60 Boxes x 40 lbs = 2,400 lbs/day
2,400 lbs x 7 = 16,800 lbs/WK
Can harvest 1 month

1 acre of Big Bitter Melon @ \$3.50 - \$7.00/lb
In 2 mth can harvest 60 Boxes x 35 lbs = 2,100 lbs/day
2,100 lbs x 3 day = 6,300 lbs/WK
Can harvest for 3 months

1 acre - Tomatoes @ \$1.00 - \$1.50/lb
- Can harvest in 2 mth -
20 Box x 50 lbs = 1,000 lbs/Day
1,000 x 5 = 5,000/week
Can harvest for 3 months

Will be replanted as needed - New crops will
add on as we go and by the Demand of
our markets.

Addendum to License Agreement LI-PU-25-_____ **EXHIBIT C**

Water Infrastructure User Agreement

This Addendum to License Agreement LI-PU-25-_____ is entered into between the State of Hawai‘i, Agribusiness Development Corporation (“ADC”), whose address is 235 S. Beretania Street, Suite 205, Honolulu, Hawai‘i 96813, and _____ (“USER”) whose address is _____, each a “Party” and collectively “Parties”.

Whereas the USER desires to use water delivered through irrigation infrastructure owned by Dole Food Company, Inc. (“Dole”). USER hereby enters into this Water Infrastructure User Agreement (“Agreement”) and agrees to comply with the terms of this Agreement as an addendum to License Agreement LI-PU-25-_____ (“License”), and pursuant to Chapter 174C, *Hawaii Revised Statutes*, and other applicable state and federal laws, rules, regulations, and City and County of Honolulu ordinances, now or hereafter in effect.

To that end, the Parties agree to the following terms:

1. Term: This Agreement shall be effective and coterminous with the License, when USER quits the property covered by the License, or upon the earlier termination of this Agreement or the License at ADC’s discretion, whichever shall first occur.
2. Availability: Dole agrees to allow the USER to draw water excess to Dole’s requirements but does not intend to become obligated to provide water to the USER in a minimum or unlimited quantity and does not intend to dedicate its facilities to public use or become a public utility. USER expressly acknowledges that ADC does not guarantee the availability of water.
3. Character of Use: Water delivered by Dole shall be used only for agriculture-related purposes, in accordance with the terms of USER’S License and conservation plan.
4. Potability: USER acknowledges that water obtained from Dole is not potable. USER is solely responsible for their use of water.
5. Fees and Schedule: USER agrees to pay Dole’s rate per gallon of water as metered, based on current rates in the Water Facility Agreement between ADC and Dole effective May 1, 2024, plus applicable taxes. USER also agrees to pay the cost of acquisition and installation of water meters of an appropriate type, size and capability as a condition of water delivery. ADC shall invoice USER on or around the 15th of every month for the previous month of service for the volume of water delivered and all other incidental costs such as the cost of the water meter, and a monthly ADC service fee of \$0.00 for clerical and other costs, commencing from the effective date of this Agreement. Payment shall be due on the 15th of the month after the date of invoice. ADC reserves the right to assess a

monthly late fee of 5% on USER's past-due balance for each month of delinquency. ADC reserves the right to adjust future water rates, commencing on January 1st of each year thereafter, payment terms, policies, and time and place of payment, from time to time, as determined by ADC's Board of Directors, and subject to the costs associated with operating and maintaining the well and delivery systems. USER expressly acknowledges that ADC is only providing infrastructure for the delivery of water and is not selling water.

6. Operation: The meter and main valve shall be part of the property, and under the sole control of ADC. USER is expressly prohibited from manipulating or adjusting valves, meters, or flow under ADC's control. Violations of this term shall constitute grounds for both the immediate termination of this Agreement and termination of water. USER agrees to promptly report any meter or system issues to ADC, or their contracted system operator. USER is prohibited from tampering with, adjusting, desecrating, or intruding upon any portion of the water system, prior to and including, the meter, or any other point of the water system that exists upstream of the meter.
7. Infrastructure: All water delivery infrastructure from the water source, up to and including the main meter, is the property of Dole. ADC shall install, at the USER'S expense, a meter to monitor USER's water use. ADC, or their contracted system operator, shall be solely responsible for monitoring and maintaining the meter, and reserves the right to repair or replace the meter, as necessary, and bill associated costs to the USER. USER shall be responsible for the installation, management, maintenance, and repair of all infrastructure from the meter to the various distribution points in their fields.
8. Improvements: USER agrees to provide ADC with drawings and schematics of all irrigation lines in relation to the Premises, including meters, valves, junctions, backflow preventers, connections, boosters, etc., and to update those drawings and schematics as USER's system is modified or improved.
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10. Contamination: USER shall maintain either a minimum three-foot airgap between the termination of any Water Storage feed line and the surface of the water at all times, OR a back-flow preventer, so positioned between the meter and the Water Storage, to prevent back-flow contamination of Dole's irrigation main line.
11. Hold Harmless: USER agrees to hold ADC harmless from any damages, including loss of crops due to availability, quantity, potability, or suitability of the water ADC provides. This paragraph shall survive the termination of this Agreement.

12. Indemnity: USER shall indemnify, defend, and hold harmless the State of Hawai‘i, ADC, and their officers, employees, and agents from and against any claim or demand for loss, liability, damage, cost, expense, and attorneys’ fees, including claims for property damage, personal injury, or wrongful death, arising out of any act or omission of USER, and from and against all actions, suits, damages, and claims by whomsoever brought or made by reason of the non-observance or non-performance of any of the terms, covenants, and conditions herein or the laws, ordinances, rules, and regulations of the federal, state, or county governments now or hereafter in effect. This paragraph shall survive the termination of this Agreement.
13. Force Majeure: ADC shall not be liable for any failure of or delay in the performance of this Agreement for the period, provided that such failure or delay is beyond the reasonable control of the parties, materially affects the performance of any of its obligations under this Agreement, and could not have been reasonably foreseen or provided against.
14. Governance: USER agrees to comply with and be bound by any bylaws, rules, and policies of ADC, and the laws, ordinances, rules, and regulations of the federal, state, or county governments, now or hereafter in effect. It is expressly agreed that this Agreement shall be governed by the laws of the State of Hawai‘i, and that any lawsuit or disagreement shall be brought in a court of the State of Hawai‘i.
15. Severability: Should any provision of this Agreement be declared void or unenforceable, all remaining provisions shall remain in full force and effect.
16. Default: In the event the USER shall default on any provision of this Agreement that is not delinquency-related, by refusing or failing, without just cause, to utilize the water delivery system in a manner as set forth in this Agreement, ADC may issue a Letter of Default with an itemized list of corrective actions. USER shall have thirty-days from the date of the letter to satisfactorily address the list of corrective actions, after which ADC reserves the right to sever USER’s water connection until all corrective actions have been satisfactorily made. ADC may restore the water connection upon written request from USER. For defaults involving non-payment or partial-payment, ADC reserves the right to shut off water immediately at such time that delinquency occurs, as determined by the invoice due date. Reconnection shall occur only after full payment has been made, and upon written request from the USER.
17. This Agreement sets forth all of the contracts, agreements, conditions, understandings, promises, warranties and representations between the ADC and this USER regarding the use of Dole’s irrigation infrastructure for delivery of water from Dole to this USER. This Agreement supersedes all prior contracts, agreements, conditions, understandings, promises, warranties, and representations oral or written, express or implied, between ADC and this USER other than as set forth or as referred to herein.

[Signature page follows.]

Request for approval to issue a new license agreement to KIATTISAK KULCHARO for 64.5 gross acres, more or less, of PU-16 and PU-23 for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on this ____ day of _____, 2025.

LICENSOR:

State of Hawai'i

Agribusiness Development Corporation

By:

Wendy L. Gady

Its: Executive Director

Date: _____

APPROVED AS TO FORM:

Deputy Attorney General

LICENSEE:

KIATTISAK KULCHARO, an individual

By:

KIATTISAK KULCHARO

Date: _____

STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION

E-5

STAFF SUBMITTAL TO THE BOARD OF DIRECTORS
December 18, 2025

Subject: Request for approval to issue a new license agreement to SURIWONG CHAIYACHET for 73.7 gross acres, more or less, of PU-17 and PU-22, for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003;por of 016.

Applicant: SURIWONG CHAIYACHET, an individual (Applicant)

Authority: 163D-4(a)(5), Hawaii Revised Statutes.

Area: Total area of parcel 016 is 511 acres.
PU-17: 32.3 gross acres (17.3 tillable and 15 non-tillable acres), more or less.
PU-22: 41.4 gross acres (28.3 tillable and 13.1 non-tillable acres), more or less.
Total: 73.7 gross acres (45.6 tillable and 28.1 non-tillable acres), more or less.

Field No(s): PU-17 and PU-22, (Premises) (Exhibit "A").

Tax Map Keys: (1) 6-4-003: por of 016 (Property).

Land Status: Acquired in fee by the Agribusiness Development Corporation in 2020.

Trust Land Status: Section 5(b) lands of the Hawaii Admission Act
Yes ☐ No ☒
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution?
Yes ☒ No ☐

Zoning: SLUD: Agricultural CZO: Agriculture

Character of Use: Diversified Agriculture

Land Doc. Type: License

Term: 35 years

Rental Rate: \$1800 per tillable acre per year: 45.6 ac x \$1,800= \$82,080
\$1 per non-tillable acre per year: 28.1 ac x \$1= \$28.10
Total rent: \$82,108.10 per year (\$6,842.34 per month)

BACKGROUND:

The Agribusiness Development Corporation (ADC) published a request for land applications in early 2024 and Applicants submitted their application. SURIWONG CHAIYACHET's application was scored sufficiently high and the ADC Board of Directors (Board) voted to accept them as an awardee at their meeting on November 1, 2024. The Applicant has been farming for over 10 years in Hawaii.

OPERATIONAL PLAN: See Exhibit "B"

CONSERVATION PLAN/NPDES/BMP CONSIDERATIONS:

Request for approval to issue a new license agreement to SURIWONG CHAIYACHET for 73.7 gross acres, more or less, of PU-17 and PU-22, for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

The Applicant will be required to develop a conservation plan and seek approval from the appropriate conservation district.

CHAPTER 343:

Under section 343-5(a), Hawaii Revised Statutes, an environmental assessment shall be required for actions, that propose, among other things, the “(1) use of state land or county lands, or the use of state or county funds[.]” In this case, the project is exempt, subject to the Comprehensive Exemption Type 1, Part 1, Item 5: “*Operation, repair and maintenance of existing crop production (fruits, vegetables, flowers, foliage, crops for bioenergy and forage) facilities, including but not limited to equipment storage/maintenance*”.

DISCUSSION:

The Premises the applicant will utilize consists of 73.7 gross acres, but only 45.6 acres is tillable and usable for diversified farming. The Property has several abandoned vehicles on site, as well as debris and rubbish. The land is overgrown with grass and tall trees. The land will require clearing before any agricultural activities can begin.

Staff notes that a substantial financial investment by the Applicant will be necessary to clear and prepare the Premises for planting since the Premises has been vacant for a while and the land is overgrown. The Applicant will also incur significant costs due to lack of a reliable water source. As such, we recommend a one-time rent credit not to exceed the equivalent of six (6) months of full- rate base rent, as reimbursement for verified costs incurred for land preparation, debris removal, and installation of a water storage system if the tenant can produce receipts. All approved improvements shall be deemed permanent improvements to State property and shall become the property of ADC upon completion, without further obligation for reimbursement. This credit shall be one-time only and shall not establish any precedent or continuing obligation for future credits, offsets, or reimbursements unless approved in writing by ADC..

The rent shall be at a rate of \$1800/acre/year for the tillable acres and \$1.00/acre/year for the non-tillable acres, with a rental reopening to occur on years 10, 20 and 30 of the license. Rent will be determined by an independent appraisal establishing fair market rent, subject to review and approval by the Executive Director. The fair market rental shall be determined by an appraiser whose services shall have been contracted for by the Licensor; provided that should the Licensee fail to agree to such fair market rental, Licensee may appoint its own appraiser who, together with the Licensor's appraiser, shall promptly appoint a third appraiser and the fair market rental shall be determined by arbitration as provided by Section 658-1, Hawaii Revised Statutes. The Licensee shall pay for the services of its own appraiser and the cost for the services of the third appraiser shall be borne equally by the Licensor and Licensee.

At full rate, the license is currently valued at \$82,108.10 per year (\$6,842.34 per month) to ADC rental income.

Staff are asking that the security deposit requirement for the license shall be an amount equal to six months of full-rate license fees as a security deposit for the faithful performance of all of these terms and conditions. Due to the large initial investment that is necessary for the applicant to begin operations on the land, staff recommend that the deposit be payable in 3 equal monthly payments with the initial installment beginning upon execution of the lease. The deposit will be returned to LICENSEE upon termination of the License, but only after all of the terms and conditions of this License agreement have been observed and performed.

There currently is no water source provided by ADC on this property. A possible water source is an

Request for approval to issue a new license agreement to SURIWONG CHAIYACHET for 73.7 gross acres, more or less, of PU-17 and PU-22, for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

irrigation ditch running on the northern end of the property: Water is currently being provided by Dole Plantation until the irrigation system is transferred to ADC and common area maintenance fees (CAM) and water usage rates are established. Until such time, a Water Infrastructure User Agreement will serve as an addendum to the License. See attached “Exhibit C”. The attached addendum is based on a Water Facility Agreement contracted between Dole and ADC for an initial user rate of \$0.60 per thousand gallons of ditch water; and \$0.80 per thousand gallons of pumped water, to be billed monthly. The price is subject to adjustment every January 1st.

Licensee shall be required to provide Licensor with a Good Agricultural Practice certificate within two years from execution date.

The draft License Agreement is attached as “Exhibit D”.

RECOMMENDATION:

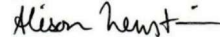
Based on the foregoing, staff recommends that the Board:

1. Approve the Request, subject to the following conditions:
 - a. The license term shall be for 35 years;
 - b. The license rents shall be \$1800/acre/year for tillable land and \$1/acre/year for non-tillable land for the first 10 years with a rental reopening to occur on years 10, 20 and 30 of the license. Rent to be determined by an independent appraisal establishing fair market rent, under the terms and conditions cited above;
 - c. The security deposit requirement for the license shall be an amount equal to six months of full-rate license fees payable in 3 equal monthly payments, with the initial installment beginning upon execution of the lease, as a security deposit for the faithful performance of all of these terms and conditions. The deposit will be returned to LICENSEE upon termination of the License, but only after all of the terms and conditions of this License agreement have been observed and performed;
 - d. Licensees will be required to develop a conservation plan and seek approval from the appropriate conservation district;
 - e. The Licensee may be eligible for a one-time rent credit not to exceed the equivalent of six (6) months of full- rate base rent, as reimbursement for verified costs incurred for land preparation, debris removal, and installation of a water storage system (collectively, the “Approved Improvements”). The credit shall be subject to the following conditions:
 - 1) Licensee shall submit to Licensor itemized invoices, receipts, and photographic documentation of all work completed;
 - 2) The total rent credit shall be based on verified costs and shall not exceed six (6) months of full-rate base rent under this License;
 - 3) All Approved Improvements shall be deemed permanent improvements to State property and shall become the property of the Licensor upon completion, without further obligation for reimbursement;
 - 4) Except for the one-time rent credit authorized under this section, the Licensor shall not be responsible for any future costs associated with land preparation, debris removal, maintenance, or replacement of the Approved Improvements; and
 - 5) This credit shall be one-time only, and shall not establish any precedent or continuing obligation for future credits, offsets, or reimbursements unless approved in writing by the Licensor.

Request for approval to issue a new license agreement to SURIWONG CHAIYACHET for 73.7 gross acres, more or less, of PU-17 and PU-22, for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

- f. Water will be provided by Dole Plantation until ADC acquires the irrigation system and establishes the CAM and water usage rates. Until such time, the license shall include the above referenced Water Infrastructure User Agreement labelled "Exhibit C"; and
 - g. Licensee shall be required to provide Licensor with a Good Agricultural Practice certificate within two years from execution date.
2. Declare that, pursuant to ADC's Comprehensive Exemption List dated October 23, 2025, the proposed disposition is a de minimis action that will probably have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment, pursuant to Chapter 343, Hawaii Revised Statutes.

Respectfully Submitted,



ALISON NEUSTEIN

Acting Oahu Property Manager

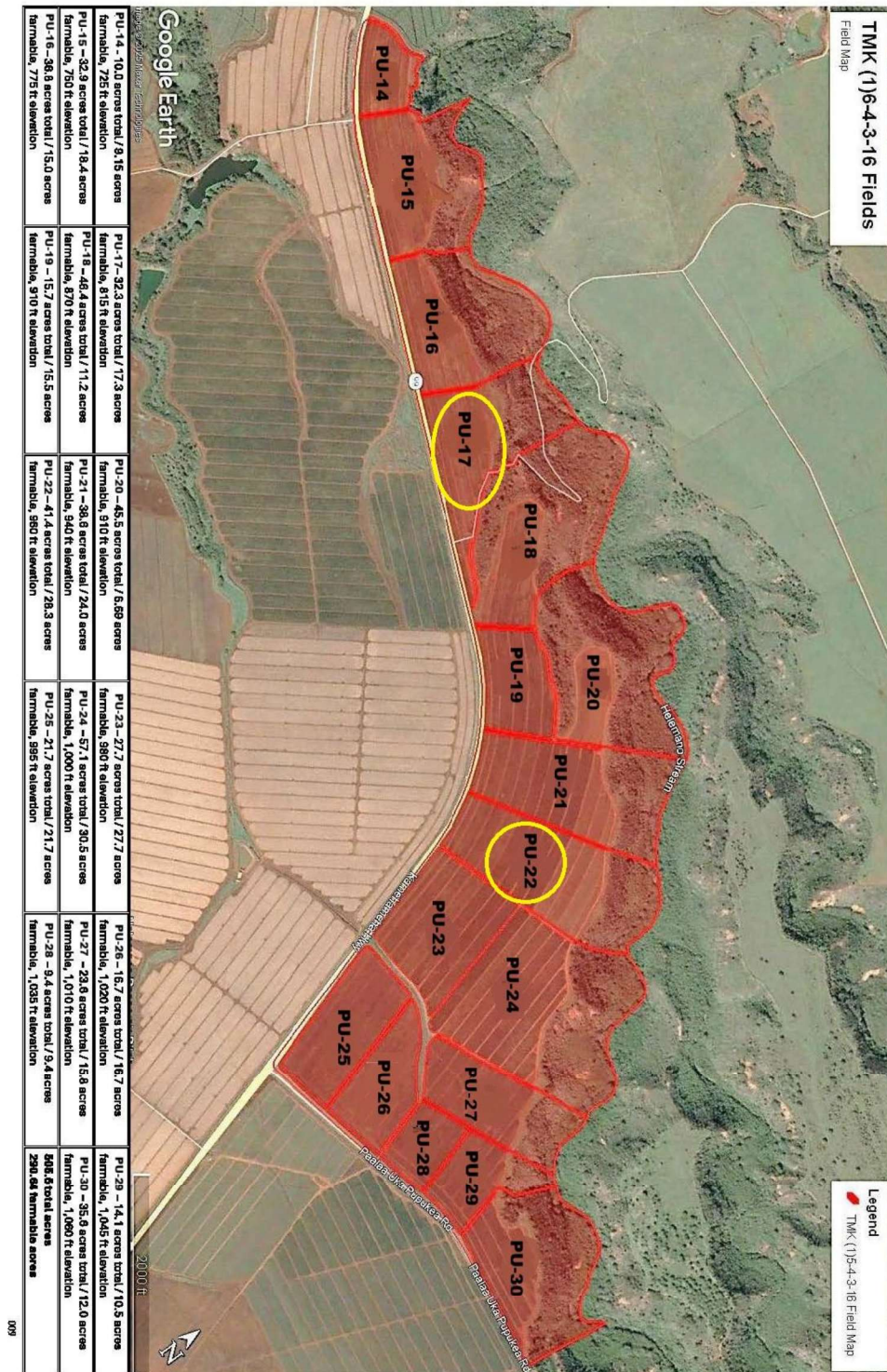
Approved for Submittal:



Wendy Gady
Executive Director

Request for approval to issue a new license agreement to SURIWONG CHAIYACHET for 73.7 gross acres, more or less, of PU-17 and PU-22, for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

EXHIBIT A



Request for approval to issue a new license agreement to SURIWONG CHAIYACHET for 73.7 gross acres, more or less, of PU-17 and PU-22, for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

EXHIBIT B

Suriwong Chaiyachet 10 acres cleared					Lot 4 + 4 = 28.3 + 17.3 = 45.6 acres 3 families	
1st year	Weekly	lb/s/ak	Price	Months	1 year	
1 acre Cucumber 45 days Harvest 3-4 weeks	200 Boxes	39,000	\$1.50	48,000		
1 acre Okra 60 days Harvest 3 months	30 Boxes	1,200	\$4.00	19,200		
3 acres Thai Apple Banana 1 year Harvest continue						45 Boxes/week @ 1.20/lb
2 acre Pumpkin 60 days 2 months	30 Boxes	1,500	\$1.50	9,000		
1 acre Long Bean 60 days Harvest 1-2 mths	35 Boxes	1,225	\$2.00	9,800		
1 acre Cherry Tomato 70 days Harvest 2-3 months	50 Boxes	2,500	\$1.50	15,000		
1 acre Big Bitter melon 60 days Harvest 2 mths	45 Boxes	1,800	\$4.00	28,000		

Note - and year will clear the rest of land 35.6 acres
will double up the above Production
will add 10 acres of Chinese Taro

Request for approval to issue a new license agreement to SURIWONG CHAIYACHET for 73.7 gross acres, more or less, of PU-17 and PU-22, for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

Addendum to License Agreement LI-PU-25-_____

EXHIBIT C

Water Infrastructure User Agreement

This Addendum to License Agreement LI-PU-25-_____ is entered into between the State of Hawai‘i, Agribusiness Development Corporation (“ADC”), whose address is 235 S. Beretania Street, Suite 205, Honolulu, Hawai‘i 96813, and _____ (“USER”) whose address is _____, each a “Party” and collectively “Parties”.

Whereas the USER desires to use water delivered through irrigation infrastructure owned by Dole Food Company, Inc. (“Dole”). USER hereby enters into this Water Infrastructure User Agreement (“Agreement”) and agrees to comply with the terms of this Agreement as an addendum to License Agreement LI-PU-25-_____ (“License”), and pursuant to Chapter 174C, *Hawaii Revised Statutes*, and other applicable state and federal laws, rules, regulations, and City and County of Honolulu ordinances, now or hereafter in effect.

To that end, the Parties agree to the following terms:

1. Term: This Agreement shall be effective and coterminous with the License, when USER quits the property covered by the License, or upon the earlier termination of this Agreement or the License at ADC’s discretion, whichever shall first occur.
2. Availability: Dole agrees to allow the USER to draw water excess to Dole’s requirements but does not intend to become obligated to provide water to the USER in a minimum or unlimited quantity and does not intend to dedicate its facilities to public use or become a public utility. USER expressly acknowledges that ADC does not guarantee the availability of water.
3. Character of Use: Water delivered by Dole shall be used only for agriculture-related purposes, in accordance with the terms of USER’S License and conservation plan.
4. Potability: USER acknowledges that water obtained from Dole is not potable. USER is solely responsible for their use of water.
5. Fees and Schedule: USER agrees to pay Dole’s rate per gallon of water as metered, based on current rates in the Water Facility Agreement between ADC and Dole effective May 1, 2024, plus applicable taxes. USER also agrees to pay the cost of acquisition and installation of water meters of an appropriate type, size and capability as a condition of water delivery. ADC shall invoice USER on or around the 15th of every month for the

previous month of service for the volume of water delivered and all other incidental costs such as the cost of the water meter, and a monthly ADC service fee of \$0.00 for clerical and other costs, commencing from the effective date of this Agreement. Payment shall be due on the 15th of the month after the date of invoice. ADC reserves the right to assess a monthly late fee of 5% on USER's past-due balance for each month of delinquency. ADC reserves the right to adjust future water rates, commencing on January 1st of each year thereafter, payment terms, policies, and time and place of payment, from time to time, as determined by ADC's Board of Directors, and subject to the costs associated with operating and maintaining the well and delivery systems. USER expressly acknowledges that ADC is only providing infrastructure for the delivery of water and is not selling water.

6. Operation: The meter and main valve shall be part of the property, and under the sole control of ADC. USER is expressly prohibited from manipulating or adjusting valves, meters, or flow under ADC's control. Violations of this term shall constitute grounds for both the immediate termination of this Agreement and termination of water. USER agrees to promptly report any meter or system issues to ADC, or their contracted system operator. USER is prohibited from tampering with, adjusting, desecrating, or intruding upon any portion of the water system, prior to and including, the meter, or any other point of the water system that exists upstream of the meter.
7. Infrastructure: All water delivery infrastructure from the water source, up to and including the main meter, is the property of Dole. ADC shall install, at the USER'S expense, a meter to monitor USER's water use. ADC, or their contracted system operator, shall be solely responsible for monitoring and maintaining the meter, and reserves the right to repair or replace the meter, as necessary, and bill associated costs to the USER. USER shall be responsible for the installation, management, maintenance, and repair of all infrastructure from the meter to the various distribution points in their fields.
8. Improvements: USER agrees to provide ADC with drawings and schematics of all irrigation lines in relation to the Premises, including meters, valves, junctions, backflow preventers, connections, boosters, etc., and to update those drawings and schematics as USER's system is modified or improved.
9. Water Storage: USER shall maintain and repair, at USER's sole cost, any reservoir or other water storage facilities (collectively "Water Storage") on the licensed Premises to a condition acceptable to ADC. ADC shall have no obligation whatsoever to construct, maintain, or repair the Water Storage. Any improvements made to the Water Storage must be approved by ADC in accordance with the License. Any damage to ADC's Water Storage or to any third party as a result of misuse or negligence by User shall be User's responsibility.
10. Contamination: USER shall maintain either a minimum three-foot airgap between the termination of any Water Storage feed line and the surface of the water at all times, OR a back-flow preventer, so positioned between the meter and the Water Storage, to prevent back-flow contamination of Dole's irrigation main line.

11. Hold Harmless: USER agrees to hold ADC harmless from any damages, including loss of crops due to availability, quantity, potability, or suitability of the water ADC provides. This paragraph shall survive the termination of this Agreement.
12. Indemnity: USER shall indemnify, defend, and hold harmless the State of Hawai‘i, ADC, and their officers, employees, and agents from and against any claim or demand for loss, liability, damage, cost, expense, and attorneys’ fees, including claims for property damage, personal injury, or wrongful death, arising out of any act or omission of USER, and from and against all actions, suits, damages, and claims by whomsoever brought or made by reason of the non-observance or non-performance of any of the terms, covenants, and conditions herein or the laws, ordinances, rules, and regulations of the federal, state, or county governments now or hereafter in effect. This paragraph shall survive the termination of this Agreement.
13. Force Majeure: ADC shall not be liable for any failure of or delay in the performance of this Agreement for the period, provided that such failure or delay is beyond the reasonable control of the parties, materially affects the performance of any of its obligations under this Agreement, and could not have been reasonably foreseen or provided against.
14. Governance: USER agrees to comply with and be bound by any bylaws, rules, and policies of ADC, and the laws, ordinances, rules, and regulations of the federal, state, or county governments, now or hereafter in effect. It is expressly agreed that this Agreement shall be governed by the laws of the State of Hawai‘i, and that any lawsuit or disagreement shall be brought in a court of the State of Hawai‘i.
15. Severability: Should any provision of this Agreement be declared void or unenforceable, all remaining provisions shall remain in full force and effect.
16. Default: In the event the USER shall default on any provision of this Agreement that is not delinquency-related, by refusing or failing, without just cause, to utilize the water delivery system in a manner as set forth in this Agreement, ADC may issue a Letter of Default with an itemized list of corrective actions. USER shall have thirty-days from the date of the letter to satisfactorily address the list of corrective actions, after which ADC reserves the right to sever USER’s water connection until all corrective actions have been satisfactorily made. ADC may restore the water connection upon written request from USER. For defaults involving non-payment or partial-payment, ADC reserves the right to shut off water immediately at such time that delinquency occurs, as determined by the invoice due date. Reconnection shall occur only after full payment has been made, and upon written request from the USER.
17. This Agreement sets forth all of the contracts, agreements, conditions, understandings, promises, warranties and representations between the ADC and this USER regarding the use of Dole’s irrigation infrastructure for delivery of water from Dole to this USER. This Agreement supersedes all prior contracts, agreements, conditions, understandings,

Request for approval to issue a new license agreement to SURIWONG CHAIYACHET for 73.7 gross acres, more or less, of PU-17 and PU-22, for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

promises, warranties, and representations oral or written, express or implied, between ADC and this USER other than as set forth or as referred to herein.

[Signature page follows.]

Request for approval to issue a new license agreement to SURIWONG CHAIYACHET for 73.7 gross acres, more or less, of PU-17 and PU-22, for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on this ____ day of _____, 2025.

LICENSOR:

State of Hawai'i

Agribusiness Development Corporation

By:

Wendy L. Gady

Its: Executive Director

Date:

APPROVED AS TO FORM:

Deputy Attorney General

LICENSEE:

SURIWONG CHAIYACHET, an individual

By:

SURIWONG CHAIYACHET

Date:

STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION

E-6

STAFF SUBMITTAL TO THE BOARD OF DIRECTORS
December 18, 2025

Subject: Request for approval to issue a new license agreement to JANNARONG TRUATNOK for 46.4 gross acres, more or less, of PU-18, for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016.

Applicant: JANNARONG TRUATNOK, an individual (Applicant).

Authority: 163D-4(a)(5), Hawaii Revised Statutes.

Area: Total area of parcel 016 is 511 acres.
Licensed area (PU-18): 46.4 gross acres (11.2 tillable and 35.2 non-tillable acres), more or less.

Field No(s): PU-18(Premises) (Exhibit "A").

Tax Map Keys: (1) 6-4-003:por of 016. (Property).

Land Status: Acquired in fee by the Agribusiness Development Corporation in 2020.

Trust Land Status: Section 5(b) lands of the Hawaii Admission Act
Yes ☐ No ☒
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution?
Yes ☒ No ☐

Zoning: SLUD: Agricultural CZO: Agriculture

Character of Use: Diversified Agriculture

Land Doc. Type: License

Term: 35 years

Rental Rate: \$1800 per tillable acre per year: $11.2 \times \$1,800 = \$20,160.00$
\$1 per non-tillable acre per year: $35.20 \times \$1 = \35.20
Total rent: \$20,195.20 per year (\$1,682.93 per month)

BACKGROUND:

The Agribusiness Development Corporation (ADC) published a request for land applications in early 2024 and applicants submitted their application. JANNARONG TRUATNOK's application was scored sufficiently high and the ADC Board of Directors (Board) voted to accept them as an awardee at their meeting on November 1, 2024. The Applicant has been farming for almost 10 years in Hawaii.

OPERATIONAL PLAN: See Exhibit "B"

CONSERVATION PLAN/NPDES/BMP CONSIDERATIONS:

Request for approval to issue a new license agreement to JANNARONG TRUATNOK for 46.4 gross acres, more or less, of PU-18, for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

The applicant will be required to develop a conservation plan and seek approval from the appropriate conservation district.

CHAPTER 343:

Under section 343-5(a), Hawaii Revised Statutes, an environmental assessment shall be required for actions, that propose, among other things, the “(1) use of state land or county lands, or the use of state or county funds[.]” In this case, the project is exempt, subject to the Comprehensive Exemption Type 1, Part 1, Item 5: *“Operation, repair and maintenance of existing crop production (fruits, vegetables, flowers, foliage, crops for bioenergy and forage) facilities, including but not limited to equipment storage/maintenance”*.

DISCUSSION:

Premises the Applicant will utilize consists of 46.4 1 total acres, 11.2 of which is tillable. The Property has several abandoned vehicles on site, as well as debris and rubbish. The land is overgrown with grass and tall trees. The land will require clearing before any agricultural activities can begin.

Staff notes that a substantial financial investment by the Applicant will be necessary to clear and prepare the Premises for planting since the premises has been vacant for a while and the land is overgrown. The applicant will also incur significant costs due to lack of a reliable water source. As such, we recommend a one-time rent credit not to exceed the equivalent of six (6) months of full- rate base rent, as reimbursement for verified costs incurred for land preparation, debris removal, and installation of a water storage system if the tenant can produce receipts. All approved improvements shall be deemed permanent improvements to State property and shall become the property of ADC upon completion, without further obligation for reimbursement. This credit shall be one-time only and shall not establish any precedent or continuing obligation for future credits, offsets, or reimbursements unless approved in writing by ADC.

The rent shall be at a rate of \$1800/acre/year for the tillable acres and \$1.00/acre/year for the non-tillable acres, with a rental reopening to occur on years 10, 20 and 30 of the license. Rent will be determined by an independent appraisal establishing fair market rent, subject to review and approval by the Executive Director. The fair market rental shall be determined by an appraiser whose services shall have been contracted for by the Licensor; provided that should the Licensee fail to agree to such fair market rental, Licensee may appoint its own appraiser who, together with the Licensor's appraiser, shall promptly appoint a third appraiser and the fair market rental shall be determined by arbitration as provided by Section 658-1, Hawaii Revised Statutes. The Licensee shall pay for the services of its own appraiser and the cost for the services of the third appraiser shall be borne equally by the Licensor and Licensee.

At full rate, the license is currently valued at \$20,195.20 per year (\$1,682.93 per month) to ADC rental income.

Staff are asking that the security deposit requirement for the license shall be an amount equal to six months of full-rate license fees as a security deposit for the faithful performance of all of these terms and conditions. Due to the large initial investment that is necessary for the applicant to begin operations on the land, staff recommend that the deposit be payable in 3 equal monthly payments with the initial installment beginning upon execution of the lease. The deposit will be returned to LICENSEE upon termination of the License, but only after all of the terms and conditions of this License agreement have been observed and performed.

There currently is no water source provided by ADC on this property. A possible water source is an

Request for approval to issue a new license agreement to JANNARONG TRUATNOK for 46.4 gross acres, more or less, of PU-18, for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

irrigation ditch running on the northern end of the property: Water is currently being provided by Dole Plantation until the irrigation system is transferred to ADC and common area maintenance fees (CAM) and water usage rates are established. Until such time, a Water Infrastructure User Agreement will serve as an addendum to the License. See attached “Exhibit C”. The attached addendum is based on a Water Facility Agreement contracted between Dole and ADC for an initial user rate of \$0.60 per thousand gallons of ditch water; and \$0.80 per thousand gallons of pumped water, to be billed monthly. The price is subject to adjustment every January 1st.

Licensee shall be required to provide Licensor with a Good Agricultural Practice certificate within two years from execution date.

The draft License Agreement is attached as “Exhibit D”

RECOMMENDATION:

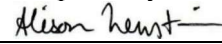
Based on the foregoing, staff recommends that the Board:

1. Approve the Request, subject to the following conditions:
 - a. The license term shall be for 35 years;
 - b. The license rents shall be \$1800/acre/year for tillable land and \$1/acre/year for non-tillable land for the first 10 years with a rental reopening to occur on years 10, 20 and 30 of the license. Rent to be determined by an independent appraisal establishing fair market rent, under the terms and conditions cited above;
 - c. The security deposit requirement for the license shall be an amount equal to six months of full-rate license fees payable in 3 equal monthly payments, with the initial installment beginning upon execution of the lease, as a security deposit for the faithful performance of all of these terms and conditions. The deposit will be returned to LICENSEE upon termination of the License, but only after all of the terms and conditions of this License agreement have been observed and performed;
 - d. Licensees will be required to develop a conservation plan and seek approval from the appropriate conservation district;
 - e. The Licensee may be eligible for a one-time rent credit not to exceed the equivalent of six (6) months of full- rate base rent, as reimbursement for verified costs incurred for land preparation, debris removal, and installation of a water storage system (collectively, the “Approved Improvements”). The credit shall be subject to the following conditions:
 - 1) Licensee shall submit to Licensor itemized invoices, receipts, and photographic documentation of all work completed;
 - 2) The total rent credit shall be based on verified costs and shall not exceed six (6) months of full-rate base rent under this License;
 - 3) All Approved Improvements shall be deemed permanent improvements to State property and shall become the property of the Licensor upon completion, without further obligation for reimbursement;
 - 4) Except for the one-time rent credit authorized under this section, the Licensor shall not be responsible for any future costs associated with land preparation, debris removal, maintenance, or replacement of the Approved Improvements; and
 - 5) This credit shall be one-time only, and shall not establish any precedent or continuing obligation for future credits, offsets, or reimbursements unless approved in writing by the Licensor.
 - f. Water will be provided by Dole Plantation until ADC acquires the irrigation system and establishes the CAM and water usage rates. Until such time, the license shall include the above referenced Water Infrastructure User Agreement labelled “Exhibit C”; and

Request for approval to issue a new license agreement to JANNARONG TRUATNOK for 46.4 gross acres, more or less, of PU-18, for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

- g. Licensee shall be required to provide Licensor with a Good Agricultural Practice certificate within two years from execution date.
2. Declare that, pursuant to ADC's Comprehensive Exemption List dated October 23, 2025, the proposed disposition is a de minimis action that will probably have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment, pursuant to Chapter 343, Hawaii Revised Statutes.

Respectfully Submitted,



ALISON NEUSTEIN

Acting Oahu Property Manager

Approved for Submittal:



Wendy Gady

Executive Director

Request for approval to issue a new license agreement to JANNARONG TRUATNOK for 46.4 gross acres, more or less, of PU-18, for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

EXHIBIT A

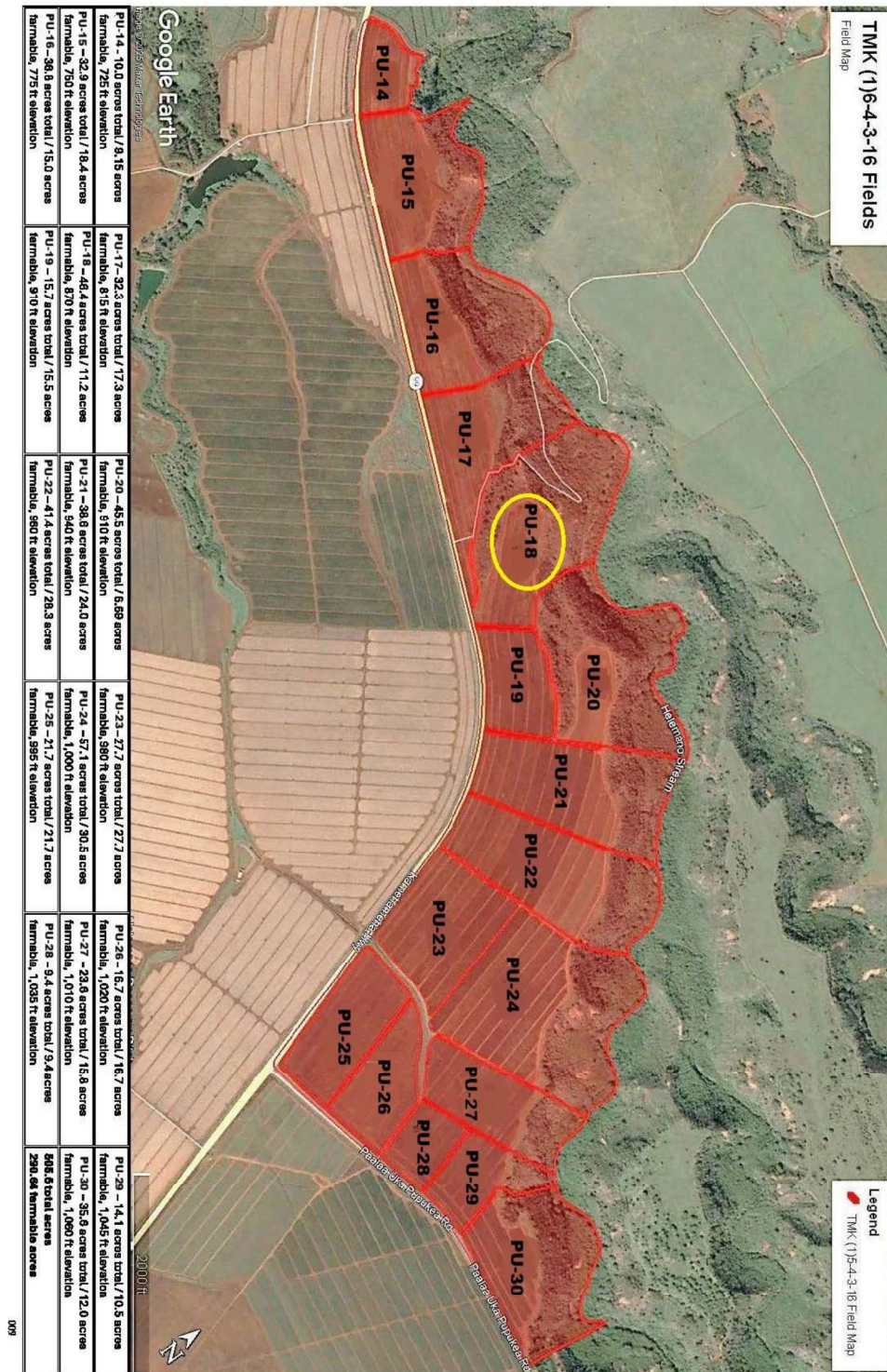


EXHIBIT B

Jannarong's Farm
15 acres
Cucumber \$1.50 per pound
Plant $\frac{3}{4}$ acres 45 days ready to harvest
(20,000 pounds a month) a month 3-4 weeks harvesting.

Long Bean \$1.50 - 2.00 per pound
Plant 1 acres 60 days ready to harvest
(5000 pounds a month) 1-2 months harvesting.

Tomatoes \$1.00 - 1.50 per pound
Plant 1 acres 70 days ready to harvest
(13,000 pounds a month) 2-3 months harvesting.

Long Eggplant \$1.00 - 2.00 per pound
Plant $\frac{3}{4}$ acres 70 days ready to harvest
(6,000 pounds a month) 3-4 months harvesting

Addendum to License Agreement LI-PU-25-_____ **EXHIBIT C**

Water Infrastructure User Agreement

To that end, the Parties agree to the following terms:

1. Term: This Agreement shall be effective and coterminous with the License, when USER quits the property covered by the License, or upon the earlier termination of this Agreement or the License at ADC's discretion, whichever shall first occur.
2. Availability: Dole agrees to allow the USER to draw water excess to Dole's requirements but does not intend to become obligated to provide water to the USER in a minimum or unlimited quantity and does not intend to dedicate its facilities to public use or become a public utility. USER expressly acknowledges that ADC does not guarantee the availability of water.
3. Character of Use: Water delivered by Dole shall be used only for agriculture-related purposes, in accordance with the terms of USER'S License and conservation plan.
4. Potability: USER acknowledges that water obtained from Dole is not potable. USER is solely responsible for their use of water.
5. Fees and Schedule: USER agrees to pay Dole's rate per gallon of water as metered, based on current rates in the Water Facility Agreement between ADC and Dole effective May 1, 2024, plus applicable taxes. USER also agrees to pay the cost of acquisition and installation of water meters of an appropriate type, size and capability as a condition of water delivery. ADC shall invoice USER on or around the 15th of every month for the previous month of service for the volume of water delivered and all other incidental costs such as the cost of the water meter, and a monthly ADC service fee of \$0.00 for clerical and other costs, commencing from the effective date of this Agreement. Payment shall be due on the 15th of the month after the date of invoice. ADC reserves the right to assess a monthly late fee of 5% on USER's past-due balance for each month of delinquency. ADC reserves the right to adjust future water rates, commencing on January 1st of each year thereafter, payment terms, policies, and time and place of payment, from time to time, as determined by ADC's Board of Directors, and subject to the costs associated with operating and maintaining the well and delivery systems. USER expressly acknowledges that ADC is only providing infrastructure for the delivery of water and is not selling water.
6. Operation: The meter and main valve shall be part of the property, and under the sole control of ADC. USER is expressly prohibited from manipulating or adjusting valves, meters, or flow under ADC's control. Violations of this term shall constitute grounds for

both the immediate termination of this Agreement and termination of water. USER agrees to promptly report any meter or system issues to ADC, or their contracted system operator. USER is prohibited from tampering with, adjusting, desecrating, or intruding upon any portion of the water system, prior to and including, the meter, or any other point of the water system that exists upstream of the meter.

7. Infrastructure: All water delivery infrastructure from the water source, up to and including the main meter, is the property of Dole. ADC shall install, at the USER'S expense, a meter to monitor USER's water use. ADC, or their contracted system operator, shall be solely responsible for monitoring and maintaining the meter, and reserves the right to repair or replace the meter, as necessary, and bill associated costs to the USER. USER shall be responsible for the installation, management, maintenance, and repair of all infrastructure from the meter to the various distribution points in their fields.
8. Improvements: USER agrees to provide ADC with drawings and schematics of all irrigation lines in relation to the premises, including meters, valves, junctions, backflow preventers, connections, boosters, etc., and to update those drawings and schematics as USER's system is modified or improved.
9. Water Storage: USER shall maintain and repair, at USER's sole cost, any reservoir or other water storage facilities (collectively "Water Storage") on the licensed premises to a condition acceptable to ADC. ADC shall have no obligation whatsoever to construct, maintain, or repair the Water Storage. Any improvements made to the Water Storage must be approved by ADC in accordance with the License. Any damage to ADC's Water Storage or to any third party as a result of misuse or negligence by User shall be User's responsibility.
10. Contamination: USER shall maintain either a minimum three-foot airgap between the termination of any Water Storage feed line and the surface of the water at all times, OR a back-flow preventer, so positioned between the meter and the Water Storage, to prevent back-flow contamination of Dole's irrigation main line.
11. Hold Harmless: USER agrees to hold ADC harmless from any damages, including loss of crops due to availability, quantity, potability, or suitability of the water ADC provides. This paragraph shall survive the termination of this Agreement.
12. Indemnity: USER shall indemnify, defend, and hold harmless the State of Hawai'i, ADC, and their officers, employees, and agents from and against any claim or demand for loss, liability, damage, cost, expense, and attorneys' fees, including claims for property damage, personal injury, or wrongful death, arising out of any act or omission of USER, and from and against all actions, suits, damages, and claims by whomsoever brought or made by reason of the non-observance or non-performance of any of the terms, covenants, and conditions herein or the laws, ordinances, rules, and regulations of the federal, state, or county governments now or hereafter in effect. This paragraph shall survive the termination of this Agreement.

13. Force Majeure: ADC shall not be liable for any failure of or delay in the performance of this Agreement for the period, provided that such failure or delay is beyond the reasonable control of the parties, materially affects the performance of any of its obligations under this Agreement, and could not have been reasonably foreseen or provided against.
14. Governance: USER agrees to comply with and be bound by any bylaws, rules, and policies of ADC, and the laws, ordinances, rules, and regulations of the federal, state, or county governments, now or hereafter in effect. It is expressly agreed that this Agreement shall be governed by the laws of the State of Hawai‘i, and that any lawsuit or disagreement shall be brought in a court of the State of Hawai‘i.
15. Severability: Should any provision of this Agreement be declared void or unenforceable, all remaining provisions shall remain in full force and effect.
16. Default: In the event the USER shall default on any provision of this Agreement that is not delinquency-related, by refusing or failing, without just cause, to utilize the water delivery system in a manner as set forth in this Agreement, ADC may issue a Letter of Default with an itemized list of corrective actions. USER shall have thirty-days from the date of the letter to satisfactorily address the list of corrective actions, after which ADC reserves the right to sever USER’s water connection until all corrective actions have been satisfactorily made. ADC may restore the water connection upon written request from USER. For defaults involving non-payment or partial-payment, ADC reserves the right to shut off water immediately at such time that delinquency occurs, as determined by the invoice due date. Reconnection shall occur only after full payment has been made, and upon written request from the USER.
17. This Agreement sets forth all of the contracts, agreements, conditions, understandings, promises, warranties and representations between the ADC and this USER regarding the use of Dole’s irrigation infrastructure for delivery of water from Dole to this USER. This Agreement supersedes all prior contracts, agreements, conditions, understandings, promises, warranties, and representations oral or written, express or implied, between ADC and this USER other than as set forth or as referred to herein.

[Signature page follows.]

Request for approval to issue a new license agreement to JANNARONG TRUATNOK for 46.4 gross acres, more or less, of PU-18, for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on this ____ day of _____, 2025.

LICENSOR:

State of Hawai'i

Agribusiness Development Corporation

By:

Wendy L. Gady

Its: Executive Director

Date:

APPROVED AS TO FORM:

Deputy Attorney General

LICENSEE:

JANNARONG TRUATNOK, an individual

By:

JANNARONG TRUATNOK

Date:

STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION

E-7

STAFF SUBMITTAL TO THE BOARD OF DIRECTORS
December 18, 2025

Subject: Request for approval to issue a new license agreement to KHAJORNSAK HARNPROMKITTI for 25.1 gross acres, more or less, of PU-19 and PU-28, for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016.

Applicant: KHAJORNSAK HARNPROMKITTI, an individual, (Applicant)

Authority: 163D-4(a)(5), Hawaii Revised Statutes.

Area: Total area of parcel 016 is 511 acres.
PU-19: 15.7 gross tillable acres, more or less.
PU-28: 9.4 gross tillable acres, more or less.
25.1 gross tillable acres, more or less.

Field No(s): PU-19 and PU-28 (Premises) (Exhibit "A").

Tax Map Keys: (1) 6-4-003:por of 016 (Property).

Land Status: Acquired in fee by the Agribusiness Development Corporation in 2020.

Trust Land Status: Section 5(b) lands of the Hawaii Admission Act
Yes ☐ No ☒
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution?
Yes ☒ No ☐

Zoning: SLUD: Agricultural CZO: Agriculture

Character of Use: Diversified Agriculture

Land Doc. Type: License

Term: 35 years

Rental Rate: \$1800 per tillable acre per year: 25.1 ac x \$1,800= \$45,180.00
\$1 per non-tillable acre per year: N/A

BACKGROUND:

The Agribusiness Development Corporation (ADC) published a request for land applications in early 2024 and Applicants submitted their application. to KHAJORNSAK HARNPROMKITTI's application was scored sufficiently high and the ADC Board of Directors (Board) voted to accept them as an awardee at their meeting on November 1, 2024. The Applicant has been farming in Hawaii for almost 10 years.

OPERATIONAL PLAN: See Exhibit "B"

CONSERVATION PLAN/NPDES/BMP CONSIDERATIONS:

Request for approval to issue a new license agreement to KHAJORNSAK HARNPROMKITTI for 25.1 gross acres, more or less, of PU-19 and PU-28, for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003: por of 016. December 18, 2025

The Applicant will be required to develop a conservation plan and seek approval from the appropriate conservation district.

CHAPTER 343:

Under section 343-5(a), Hawaii Revised Statutes, an environmental assessment shall be required for actions, that propose, among other things, the “(1) use of state land or county lands, or the use of state or county funds[.]” In this case, the project is exempt, subject to the Comprehensive Exemption Type 1, Part 1, Item 5: “*Operation, repair and maintenance of existing crop production (fruits, vegetables, flowers, foliage, crops for bioenergy and forage) facilities, including but not limited to equipment storage/maintenance*”.

DISCUSSION:

The Premises the Applicant will utilize consists of 25.1 gross acres, all of which is usable for diversified farming. The Property has several abandoned vehicles on site, as well as debris and rubbish. The land is overgrown with grass and tall trees. The land will require clearing before any agricultural activities can begin.

Staff notes that a substantial financial investment by the Applicant will be necessary to clear and prepare the Premises for planting since the Premises has been vacant for a while and the land is overgrown. The Applicant will also incur significant costs due to lack of a reliable water source. As such, we recommend a one-time rent credit not to exceed the equivalent of six (6) months of full- rate base rent, as reimbursement for verified costs incurred for land preparation, debris removal, and installation of a water storage system if the tenant can produce receipts. All approved improvements shall be deemed permanent improvements to State property and shall become the property of ADC upon completion, without further obligation for reimbursement. This credit shall be one-time only, and shall not establish any precedent or continuing obligation for future credits, offsets, or reimbursements unless approved in writing by ADC.

The rent shall be at a rate of \$1800/acre/year for the tillable acres and \$1.00/acre/year for the non-tillable acres, with a rental reopening to occur on years 10, 20 and 30 of the license. Rent will be determined by an independent appraisal establishing fair market rent, subject to review and approval by the Executive Director. The fair market rental shall be determined by an appraiser whose services shall have been contracted for by the Licensor; provided that should the Licensee fail to agree to such fair market rental, Licensee may appoint its own appraiser who, together with the Licensor's appraiser, shall promptly appoint a third appraiser and the fair market rental shall be determined by arbitration as provided by Section 658-1, Hawaii Revised Statutes. The Licensee shall pay for the services of its own appraiser and the cost for the services of the third appraiser shall be borne equally by the Licensor and Licensee.

At full rate, the license is currently valued at \$45,180.00 per year (\$3765.00 per month) to ADC rental income.

Staff are asking that the security deposit requirement for the license shall be an amount equal to six months of full-rate license fees as a security deposit for the faithful performance of all of these terms and conditions. Due to the large initial investment that is necessary for the applicant to begin operations on the land, staff recommend that the deposit be payable in 3 equal monthly payments with the initial installment beginning upon execution of the lease. The deposit will be returned to LICENSEE upon termination of the License, but only after all of the terms and conditions of this License agreement have been observed and performed.

There currently is no water source provided by ADC on this property. A possible water source is an

Request for approval to issue a new license agreement to KHAJORNSAK HARNPROMKITTI for 25.1 gross acres, more or less, of PU-19 and PU-28, for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003: por of 016. December 18, 2025

irrigation ditch running on the northern end of the property: Water is currently being provided by Dole Plantation until the irrigation system is transferred to ADC and common area maintenance fees (CAM) and water usage rates are established. Until such time, a Water Infrastructure User Agreement will serve as an addendum to the License. See attached “Exhibit C”. The attached addendum is based on a Water Facility Agreement contracted between Dole and ADC for an initial user rate of \$0.60 per thousand gallons of ditch water; and \$0.80 per thousand gallons of pumped water, to be billed monthly. The price is subject to adjustment every January 1st.

Licensee shall be required to provide Licensor with a Good Agricultural Practice certificate within two years from execution date.

The draft License Agreement is attached as “Exhibit D”

RECOMMENDATION:

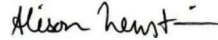
Based on the foregoing, staff recommends that the Board:

1. Approve the Request, subject to the following conditions:
 - a. The license term shall be for 35 years;
 - b. The license rents shall be \$1800/acre/year for tillable land and \$1/acre/year for non-tillable land for the first 10 years with a rental reopening to occur on years 10, 20 and 30 of the license. Rent to be determined by an independent appraisal establishing fair market rent, under the terms and conditions cited above;
 - c. The security deposit requirement for the license shall be an amount equal to six months of full-rate license fees payable in 3 equal monthly payments, with the initial installment beginning upon execution of the lease, as a security deposit for the faithful performance of all of these terms and conditions. The deposit will be returned to LICENSEE upon termination of the License, but only after all of the terms and conditions of this License agreement have been observed and performed;
 - d. Licensees will be required to develop a conservation plan and seek approval from the appropriate conservation district;
 - e. The Licensee may be eligible for a one-time rent credit not to exceed the equivalent of six (6) months of full- rate base rent, as reimbursement for verified costs incurred for land preparation, debris removal, and installation of a water storage system (collectively, the “Approved Improvements”). The credit shall be subject to the following conditions:
 - 1) Licensee shall submit to Licensor itemized invoices, receipts, and photographic documentation of all work completed;
 - 2) The total rent credit shall be based on verified costs and shall not exceed six (6) months of full-rate base rent under this License;
 - 3) All Approved Improvements shall be deemed permanent improvements to State property and shall become the property of the Licensor upon completion, without further obligation for reimbursement;
 - 4) Except for the one-time rent credit authorized under this section, the Licensor shall not be responsible for any future costs associated with land preparation, debris removal, maintenance, or replacement of the Approved Improvements; and
 - 5) This credit shall be one-time only, and shall not establish any precedent or continuing obligation for future credits, offsets, or reimbursements unless approved in writing by the Licensor.

Request for approval to issue a new license agreement to KHAJORNSAK HARNPROMKITTI for 25.1 gross acres, more or less, of PU-19 and PU-28, for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003: por of 016. December 18, 2025

- f. Water will be provided by Dole Plantation until ADC acquires the irrigation system and establishes the CAM and water usage rates. Until such time, the license shall include the above referenced Water Infrastructure User Agreement labelled "Exhibit C"; and
 - g. Licensee shall be required to provide Licensor with a Good Agricultural Practice certificate within two years from execution date.
2. Declare that, pursuant to ADC's Comprehensive Exemption List dated October 23, 2025, the proposed disposition is a de minimis action that will probably have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment, pursuant to Chapter 343, Hawaii Revised Statutes.

Respectfully Submitted,



ALISON NEUSTEIN

Acting Oahu Property Manager

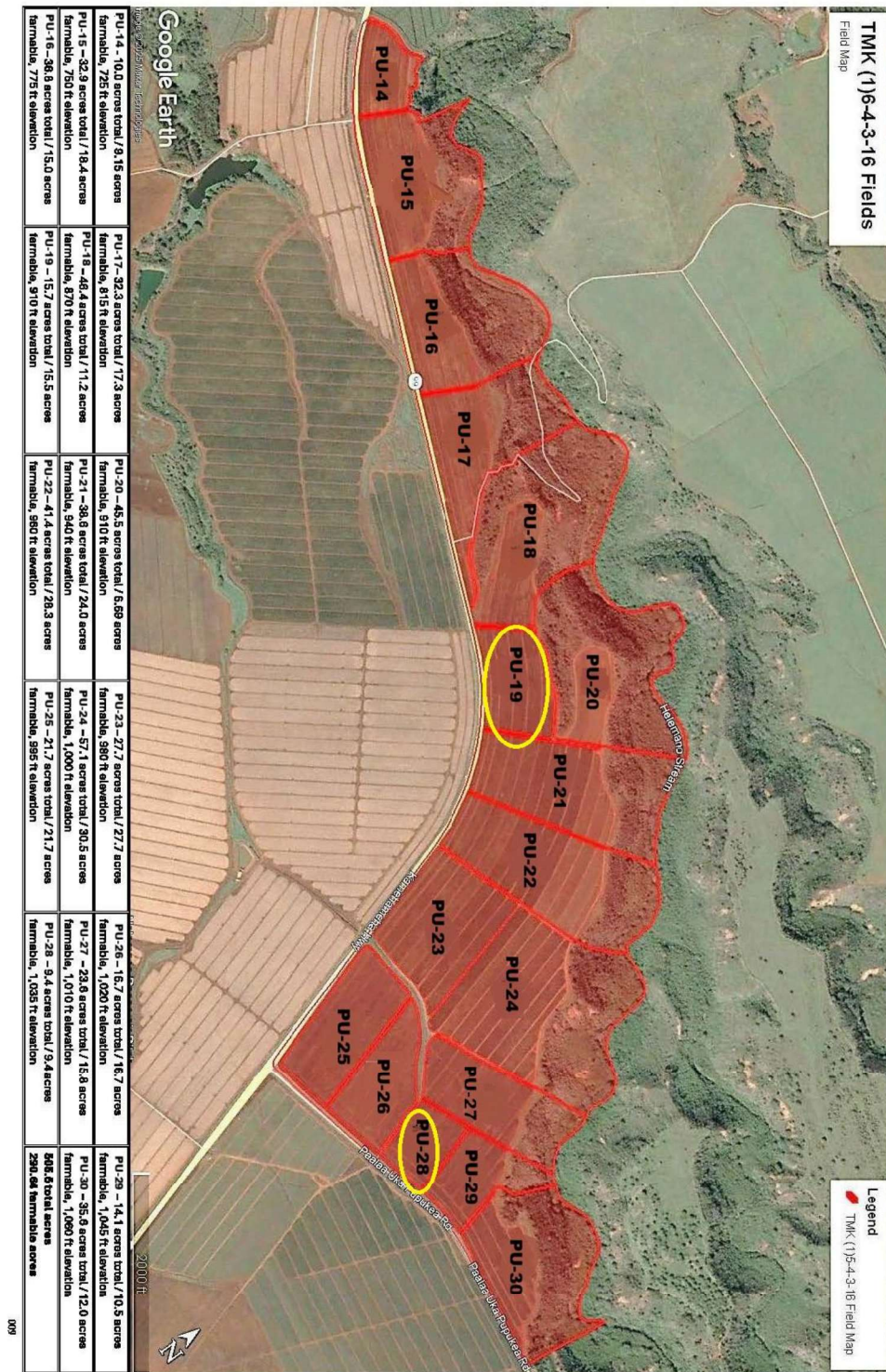
Approved for Submittal:



Wendy Gady
Executive Director

Request for approval to issue a new license agreement to KHAJORNSAK HARNPROMKITTI for 25.1 gross acres, more or less, of PU-19 and PU-28, for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003: por of 016. December 18, 2025

EXHIBIT A



Request for approval to issue a new license agreement to KHAJORNSAK HARNPROMKITTI for 25.1 gross acres, more or less, of PU-19 and PU-28, for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003: por of 016. December 18, 2025

EXHIBIT B

khajornsak's Farm
20 acres

Cucumber \$ 1.50 Per Pound
Plant $3/4$ acres 45 day ready to harvest.
(25,000 lbs a month) 3-4 weeks harvesting

Tomatoes \$ 1.00 - 1.50 Per Pound
Plant 2 acres 70 days ready to harvest.
(10,000 lbs a month) 2-3 month harvesting

Long eggplants \$ 1.00 - 2.00 Per Pound
Plant 2 acres 70 day ready to harvest
(13,000 lbs a month) 3-4 month harvesting

Bitter melon \$ 2.00 - 4.00 Per Pound
Plant 2 acres 60 day ready to harvest
(15,000 lbs a month) 2 month harvesting

Request for approval to issue a new license agreement to KHAJORNSAK HARNPROMKITTI for 25.1 gross acres, more or less, of PU-19 and PU-28, for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003: por of 016. December 18, 2025

Addendum to License Agreement LI-PU-25-_____ **EXHIBIT C**

Water Infrastructure User Agreement

This Addendum to License Agreement LI-PU-25-_____ is entered into between the State of Hawai‘i, Agribusiness Development Corporation (“ADC”), whose address is 235 S. Beretania Street, Suite 205, Honolulu, Hawai‘i 96813, and KHAJORNSAK HARNPROMKITTI (“USER”) whose address is P. O. Box 254, Kunia, Hawaii, 96759, each a “Party” and collectively “Parties”.

Whereas the USER desires to use water delivered through irrigation infrastructure owned by Dole Food Company, Inc. (“Dole”). USER hereby enters into this Water Infrastructure User Agreement (“Agreement”) and agrees to comply with the terms of this Agreement as an addendum to License Agreement LI-PU-25-_____ (“License”), and pursuant to Chapter 174C, *Hawaii Revised Statutes*, and other applicable state and federal laws, rules, regulations, and City and County of Honolulu ordinances, now or hereafter in effect.

To that end, the Parties agree to the following terms:

1. Term: This Agreement shall be effective and coterminous with the License, when USER quits the property covered by the License, or upon the earlier termination of this Agreement or the License at ADC’s discretion, whichever shall first occur.
2. Availability: Dole agrees to allow the USER to draw water excess to Dole’s requirements but does not intend to become obligated to provide water to the USER in a minimum or unlimited quantity and does not intend to dedicate its facilities to public use or become a public utility. USER expressly acknowledges that ADC does not guarantee the availability of water.
3. Character of Use: Water delivered by Dole shall be used only for agriculture-related purposes, in accordance with the terms of USER’S License and conservation plan.
4. Potability: USER acknowledges that water obtained from Dole is not potable. USER is solely responsible for their use of water.
5. Fees and Schedule: USER agrees to pay Dole’s rate per gallon of water as metered, based on current rates in the Water Facility Agreement between ADC and Dole effective May 1, 2024, plus applicable taxes. USER also agrees to pay the cost of acquisition and installation of water meters of an appropriate type, size and capability as a condition of water delivery. ADC shall invoice USER on or around the 15th of every month for the previous month of service for the volume of water delivered and all other incidental costs

such as the cost of the water meter, and a monthly ADC service fee of \$0.00 for clerical and other costs, commencing from the effective date of this Agreement. Payment shall be due on the 15th of the month after the date of invoice. ADC reserves the right to assess a monthly late fee of 5% on USER's past-due balance for each month of delinquency. ADC reserves the right to adjust future water rates, commencing on January 1st of each year thereafter, payment terms, policies, and time and place of payment, from time to time, as determined by ADC's Board of Directors, and subject to the costs associated with operating and maintaining the well and delivery systems. USER expressly acknowledges that ADC is only providing infrastructure for the delivery of water and is not selling water.

6. Operation: The meter and main valve shall be part of the property, and under the sole control of ADC. USER is expressly prohibited from manipulating or adjusting valves, meters, or flow under ADC's control. Violations of this term shall constitute grounds for both the immediate termination of this Agreement and termination of water. USER agrees to promptly report any meter or system issues to ADC, or their contracted system operator. USER is prohibited from tampering with, adjusting, desecrating, or intruding upon any portion of the water system, prior to and including, the meter, or any other point of the water system that exists upstream of the meter.
7. Infrastructure: All water delivery infrastructure from the water source, up to and including the main meter, is the property of Dole. ADC shall install, at the USER'S expense, a meter to monitor USER's water use. ADC, or their contracted system operator, shall be solely responsible for monitoring and maintaining the meter, and reserves the right to repair or replace the meter, as necessary, and bill associated costs to the USER. USER shall be responsible for the installation, management, maintenance, and repair of all infrastructure from the meter to the various distribution points in their fields.
8. Improvements: USER agrees to provide ADC with drawings and schematics of all irrigation lines in relation to the Premises, including meters, valves, junctions, backflow preventers, connections, boosters, etc., and to update those drawings and schematics as USER's system is modified or improved.
9. Water Storage: USER shall maintain and repair, at USER's sole cost, any reservoir or other water storage facilities (collectively "Water Storage") on the licensed Premises to a condition acceptable to ADC. ADC shall have no obligation whatsoever to construct, maintain, or repair the Water Storage. Any improvements made to the Water Storage must be approved by ADC in accordance with the License. Any damage to ADC's Water Storage or to any third party as a result of misuse or negligence by User shall be User's responsibility.
10. Contamination: USER shall maintain either a minimum three-foot airgap between the termination of any Water Storage feed line and the surface of the water at all times, OR a back-flow preventer, so positioned between the meter and the Water Storage, to prevent back-flow contamination of Dole's irrigation main line.

Request for approval to issue a new license agreement to KHAJORNSAK HARNPROMKITTI for 25.1 gross acres, more or less, of PU-19 and PU-28, for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003: por of 016. December 18, 2025

11. Hold Harmless: USER agrees to hold ADC harmless from any damages, including loss of crops due to availability, quantity, potability, or suitability of the water ADC provides. This paragraph shall survive the termination of this Agreement.
12. Indemnity: USER shall indemnify, defend, and hold harmless the State of Hawai‘i, ADC, and their officers, employees, and agents from and against any claim or demand for loss, liability, damage, cost, expense, and attorneys’ fees, including claims for property damage, personal injury, or wrongful death, arising out of any act or omission of USER, and from and against all actions, suits, damages, and claims by whomsoever brought or made by reason of the non-observance or non-performance of any of the terms, covenants, and conditions herein or the laws, ordinances, rules, and regulations of the federal, state, or county governments now or hereafter in effect. This paragraph shall survive the termination of this Agreement.
13. Force Majeure: ADC shall not be liable for any failure of or delay in the performance of this Agreement for the period, provided that such failure or delay is beyond the reasonable control of the parties, materially affects the performance of any of its obligations under this Agreement, and could not have been reasonably foreseen or provided against.
14. Governance: USER agrees to comply with and be bound by any bylaws, rules, and policies of ADC, and the laws, ordinances, rules, and regulations of the federal, state, or county governments, now or hereafter in effect. It is expressly agreed that this Agreement shall be governed by the laws of the State of Hawai‘i, and that any lawsuit or disagreement shall be brought in a court of the State of Hawai‘i.
15. Severability: Should any provision of this Agreement be declared void or unenforceable, all remaining provisions shall remain in full force and effect.
16. Default: In the event the USER shall default on any provision of this Agreement that is not delinquency-related, by refusing or failing, without just cause, to utilize the water delivery system in a manner as set forth in this Agreement, ADC may issue a Letter of Default with an itemized list of corrective actions. USER shall have thirty-days from the date of the letter to satisfactorily address the list of corrective actions, after which ADC reserves the right to sever USER’s water connection until all corrective actions have been satisfactorily made. ADC may restore the water connection upon written request from USER. For defaults involving non-payment or partial-payment, ADC reserves the right to shut off water immediately at such time that delinquency occurs, as determined by the invoice due date. Reconnection shall occur only after full payment has been made, and upon written request from the USER.
17. This Agreement sets forth all of the contracts, agreements, conditions, understandings, promises, warranties and representations between the ADC and this USER regarding the use of Dole’s irrigation infrastructure for delivery of water from Dole to this USER. This Agreement supersedes all prior contracts, agreements, conditions, understandings,

Request for approval to issue a new license agreement to KHAJORNSAK HARNPROMKITTI for 25.1 gross acres, more or less, of PU-19 and PU-28, for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003: por of 016. December 18, 2025

promises, warranties, and representations oral or written, express or implied, between ADC and this USER other than as set forth or as referred to herein.

[Signature page follows.]

Request for approval to issue a new license agreement to KHAJORNSAK HARNPROMKITTI for 25.1 gross acres, more or less, of PU-19 and PU-28, for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003: por of 016. December 18, 2025

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on this ____ day of _____, 2025.

LICENSOR:

State of Hawai'i

Agribusiness Development Corporation

By:

Wendy L. Gady

Its: Executive Director

Date:

APPROVED AS TO FORM:

Deputy Attorney General

LICENSEE:

KHAJORNSAK HARNPROMKITTI, an individual

By:

KHAJORNSAK HARNPROMKITTI

Date:

STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION

E-8

STAFF SUBMITTAL TO THE BOARD OF DIRECTORS
December 18, 2025

Subject: Request for approval to issue a new license agreement to THANONGSAK CHAMPHANG and PHANEE CHAMPHANG for 84.1 gross acres, more or less, of PU-20 and PU-21 for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016.

Applicant: THANONGSAK CHAMPHANG and PHANEE CHAMPHANG, husband and wife as Tenants by Entirety, (Applicant)

Authority: 163D-4(a)(5), Hawaii Revised Statutes.

Area: Total area of parcel 016 is 511 acres.
PU-20: 45.5 gross acres (6.69 tillable and 38.81 non-tillable acres), more or less.
PU-21: 38.6 gross acres (24 tillable and 14.6 non-tillable acres), more or less.
84.1 gross acres (30.69 tillable and 53.41 non-tillable acres), more or less.

Field No(s): PU-20 and PU-21 (Premises) (Exhibit "A").

Tax Map Keys: (1) 6-4-003:por of 016 (Property).

Land Status: Acquired in fee by the Agribusiness Development Corporation in 2020.

Trust Land Status: Section 5(b) lands of the Hawaii Admission Act
Yes ☐ No ☒
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution?
Yes ☒ No ☐

Zoning: SLUD: Agricultural CZO: Agriculture

Character of Use: Diversified Agriculture

Land Doc. Type: License

Term: 35 years

Rental Rate: \$1800 per tillable acre per year: 30.69 ac x \$1,800= \$55,242.00
\$1 per non-tillable acre per year: 53.41 ac x \$1= \$53.41
Total rent: \$55,295.41 per year (\$4,607.95 per month)

BACKGROUND:

The Agribusiness Development Corporation (ADC) published a request for land applications in early 2024 and Applicants submitted their application. THANONGSAK and PHANEE CHAMPHANG's application was scored sufficiently high and the ADC Board of Directors (Board) voted to accept them as an awardee at their meeting on November 1, 2024. The Applicants have been farming for over 13 years in Hawaii.

OPERATIONAL PLAN: See Exhibit "B"

Request for approval to issue a new license agreement to THANONGSAK CHAMPHANG and PHANEE CHAMPHANG for 84.1 gross acres, more or less, of PU-20 and PU-21 for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

CONSERVATION PLAN/NPDES/BMP CONSIDERATIONS:

The Applicant will be required to develop a conservation plan and seek approval from the appropriate conservation district.

CHAPTER 343:

Under section 343-5(a), Hawaii Revised Statutes, an environmental assessment shall be required for actions, that propose, among other things, the “(1) use of state land or county lands, or the use of state or county funds[.]” In this case, the project is exempt, subject to the Comprehensive Exemption Type 1, Part 1, Item 5: *“Operation, repair and maintenance of existing crop production (fruits, vegetables, flowers, foliage, crops for bioenergy and forage) facilities, including but not limited to equipment storage/maintenance”*.

DISCUSSION:

The Premises the Applicant will utilize consists of 84.1 gross acres, approximately 30.69 is usable for diversified farming. The Property has several abandoned vehicles on site, as well as debris and rubbish. The land is overgrown with grass and tall trees. The land will require clearing before any agricultural activities can begin.

Staff notes that a substantial financial investment by the Applicant will be necessary to clear and prepare the Premises for planting since the Premises has been vacant for a while and the land is overgrown. The Applicant will also incur significant costs due to lack of a reliable water source. As such, we recommend a one-time rent credit not to exceed the equivalent of six (6) months of full- rate base rent, as reimbursement for verified costs incurred for land preparation, debris removal, and installation of a water storage system if the tenant can produce receipts. All approved improvements shall be deemed permanent improvements to State property and shall become the property of ADC upon completion, without further obligation for reimbursement. This credit shall be one-time only, and shall not establish any precedent or continuing obligation for future credits, offsets, or reimbursements unless approved in writing by ADC.

The rent shall be at a rate of \$1800/acre/year for the tillable acres and \$1.00/acre/year for the non-tillable acres, with a rental reopening to occur on years 10, 20 and 30 of the license. Rent will be determined by an independent appraisal establishing fair market rent, subject to review and approval by the Executive Director. The fair market rental shall be determined by an appraiser whose services shall have been contracted for by the Licensor; provided that should the Licensee fail to agree to such fair market rental, Licensee may appoint its own appraiser who, together with the Licensor's appraiser, shall promptly appoint a third appraiser and the fair market rental shall be determined by arbitration as provided by Section 658-1, Hawaii Revised Statutes. The Licensee shall pay for the services of its own appraiser and the cost for the services of the third appraiser shall be borne equally by the Licensor and Licensee.

At full rate, the license is currently valued at \$55,295.41 per year (\$4,607.95 per month) to ADC rental income.

Staff are asking that the security deposit requirement for the license shall be an amount equal to six months of full-rate license fees as a security deposit for the faithful performance of all of these terms and conditions. Due to the large initial investment that is necessary for the applicant to begin operations on the land, staff recommend that the deposit be payable in 3 equal monthly payments with the initial installment beginning upon execution of the lease. The deposit will be returned to LICENSEE upon termination of the License, but only after all of the terms and conditions of this License agreement have been observed and performed.

Request for approval to issue a new license agreement to THANONGSAK CHAMPHANG and PHANEE CHAMPHANG for 84.1 gross acres, more or less, of PU-20 and PU-21 for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

There currently is no water source provided by ADC on this property. A possible water source is an irrigation ditch running on the northern end of the property: Water is currently being provided by Dole Plantation until the irrigation system is transferred to ADC and common area maintenance fees (CAM) and water usage rates are established. Until such time, a Water Infrastructure User Agreement will serve as an addendum to the License. See attached "Exhibit C". The attached addendum is based on a Water Facility Agreement contracted between Dole and ADC for an initial user rate of \$0.60 per thousand gallons of ditch water; and \$0.80 per thousand gallons of pumped water, to be billed monthly. The price is subject to adjustment every January 1st.

Licensee shall be required to provide Licensor with a Good Agricultural Practice certificate within two years from execution date.

The draft License Agreement is attached as "Exhibit D"

RECOMMENDATION:

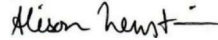
Based on the foregoing, staff recommends that the Board:

1. Approve the Request, subject to the following conditions:
 - a. The license term shall be for 35 years;
 - b. The license rents shall be \$1800/acre/year for tillable land and \$1/acre/year for non-tillable land for the first 10 years with a rental reopening to occur on years 10, 20 and 30 of the license. Rent to be determined by an independent appraisal establishing fair market rent, under the terms and conditions cited above;
 - c. The security deposit requirement for the license shall be an amount equal to six months of full-rate license fees payable in 3 equal monthly payments, with the initial installment beginning upon execution of the lease, as a security deposit for the faithful performance of all of these terms and conditions. The deposit will be returned to LICENSEE upon termination of the License, but only after all of the terms and conditions of this License agreement have been observed and performed;
 - d. Licensees will be required to develop a conservation plan and seek approval from the appropriate conservation district;
 - e. The Licensee may be eligible for a one-time rent credit not to exceed the equivalent of six (6) months of full- rate base rent, as reimbursement for verified costs incurred for land preparation, debris removal, and installation of a water storage system (collectively, the "Approved Improvements"). The credit shall be subject to the following conditions:
 - 1) Licensee shall submit to Licensor itemized invoices, receipts, and photographic documentation of all work completed;
 - 2) The total rent credit shall be based on verified costs and shall not exceed six (6) months of full-rate base rent under this License;
 - 3) All Approved Improvements shall be deemed permanent improvements to State property and shall become the property of the Licensor upon completion, without further obligation for reimbursement;
 - 4) Except for the one-time rent credit authorized under this section, the Licensor shall not be responsible for any future costs associated with land preparation, debris removal, maintenance, or replacement of the Approved Improvements; and
 - 5) This credit shall be one-time only, and shall not establish any precedent or continuing obligation for future credits, offsets, or reimbursements unless approved in writing by the Licensor.

Request for approval to issue a new license agreement to THANONGSAK CHAMPHANG and PHANEE CHAMPHANG for 84.1 gross acres, more or less, of PU-20 and PU-21 for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

- f. Water will be provided by Dole Plantation until ADC acquires the irrigation system and establishes the CAM and water usage rates. Until such time, the license shall include the above referenced Water Infrastructure User Agreement labelled "Exhibit C"; and
 - g. Licensee shall be required to provide Licensor with a Good Agricultural Practice certificate within two years from execution date.
2. Declare that, pursuant to ADC's Comprehensive Exemption List dated October 23, 2025, the proposed disposition is a de minimis action that will probably have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment, pursuant to Chapter 343, Hawaii Revised Statutes.

Respectfully Submitted,



ALISON NEUSTEIN

Acting Oahu Property Manager

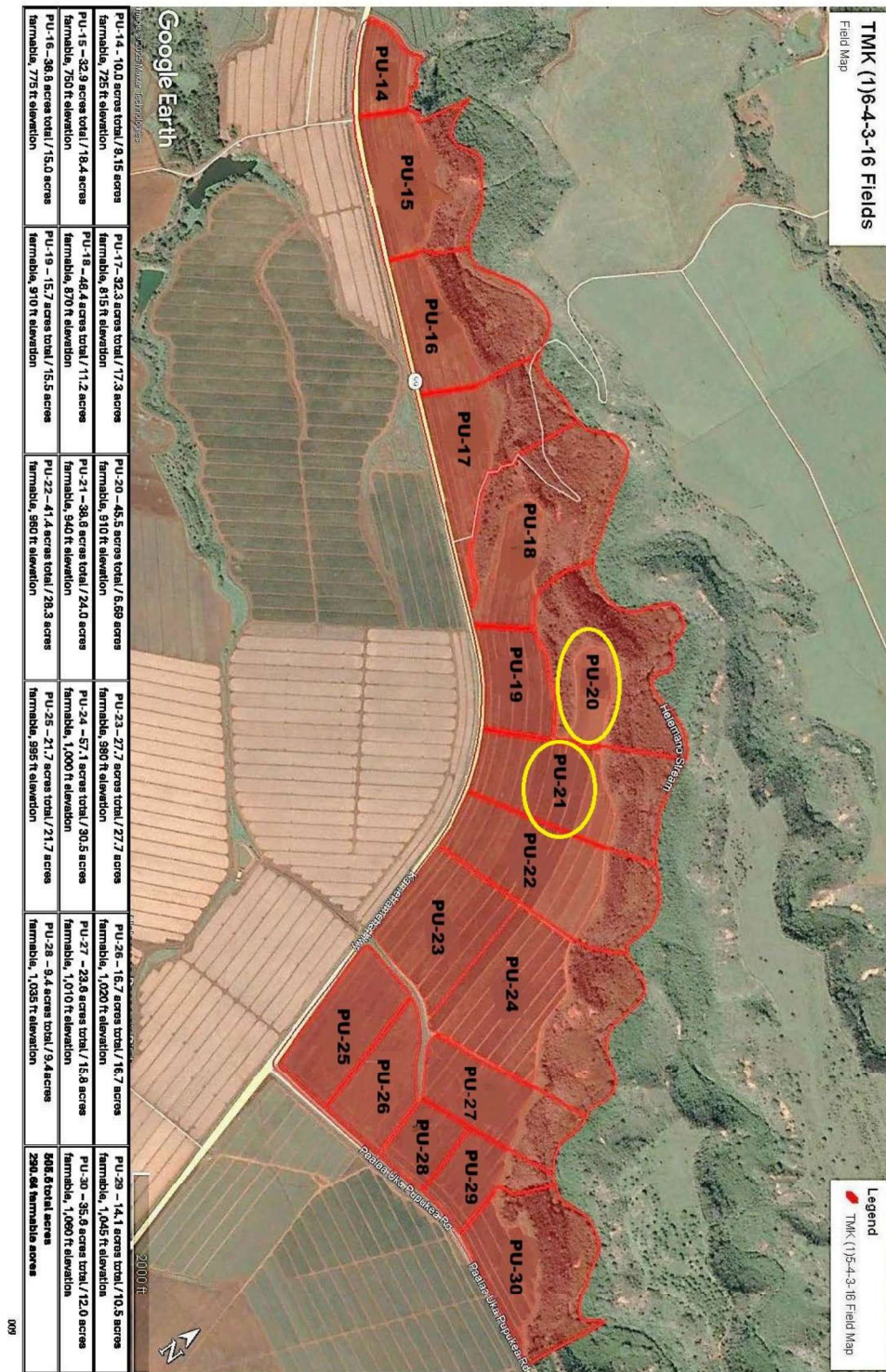
Approved for Submittal:



Wendy Gady
Executive Director

Request for approval to issue a new license agreement to THANONGSAK CHAMPHANG and PHANEE CHAMPHANG for 84.1 gross acres, more or less, of PU-20 and PU-21 for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

EXHIBIT A



Request for approval to issue a new license agreement to THANONGSAK CHAMPHANG and PHANEE CHAMPHANG for 84.1 gross acres, more or less, of PU-20 and PU-21 for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

EXHIBIT B

Thanongsak Champhang
Lot 8+7 = 24.0 ac + 6.65 ac = 30.65 ac
All cleared 30.65 ac
As soon as we get water, we will start with -
1 acre - Japanese Cucumber @ \$1.00 - \$1.50 per pound
Harvest in 6 weeks
16,000 lbs/month
Can harvest for 1 month
1 acre - Long Eggplant @ \$1.50 - \$2.00 per pound
Harvest in 2 months
800 Boxes x 35# = 28,000 lbs/month
Can harvest for 3 months
1 acre - Long Squash @ \$1.00/lb
Harvest in 2 months
450 Boxes x 30 lbs = 13,500 lbs
Can harvest for 3 months
1 acre - Cherry Tomatoes @ \$1.50/lb
Can harvest in 2 months
900 Boxes x 50# = 45,000 lbs/month
Can harvest for 2 months

Request for approval to issue a new license agreement to THANONGSAK CHAMPHANG and PHANEE CHAMPHANG for 84.1 gross acres, more or less, of PU-20 and PU-21 for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

Addendum to License Agreement LI-PU-25-_____ **EXHIBIT C**

Water Infrastructure User Agreement

This Addendum to License Agreement LI-PU-25-_____ is entered into between the State of Hawai‘i, Agribusiness Development Corporation (“ADC”), whose address is 235 S. Beretania Street, Suite 205, Honolulu, Hawai‘i 96813, and THANONGSAK CHAMPHANG and PHANEE CHAMPHONG, husband and wife as Tenants by Entirety (“USER”) whose address is P. O. Box 206, Kunia, Hawai‘i 96759, each a “Party” and collectively “Parties”

Whereas the USER desires to use water delivered through irrigation infrastructure owned by Dole Food Company, Inc. (“Dole”). USER hereby enters into this Water Infrastructure User Agreement (“Agreement”) and agrees to comply with the terms of this Agreement as an addendum to License Agreement LI-PU-25-_____ (“License”), and pursuant to Chapter 174C, *Hawaii Revised Statutes*, and other applicable state and federal laws, rules, regulations, and City and County of Honolulu ordinances, now or hereafter in effect.

To that end, the Parties agree to the following terms:

1. Term: This Agreement shall be effective and coterminous with the License, when USER quits the property covered by the License, or upon the earlier termination of this Agreement or the License at ADC’s discretion, whichever shall first occur.
2. Availability: Dole agrees to allow the USER to draw water excess to Dole’s requirements but does not intend to become obligated to provide water to the USER in a minimum or unlimited quantity and does not intend to dedicate its facilities to public use or become a public utility. USER expressly acknowledges that ADC does not guarantee the availability of water.
3. Character of Use: Water delivered by Dole shall be used only for agriculture-related purposes, in accordance with the terms of USER’S License and conservation plan.
4. Potability: USER acknowledges that water obtained from Dole is not potable. USER is solely responsible for their use of water.
5. Fees and Schedule: USER agrees to pay Dole’s rate per gallon of water as metered, based on current rates in the Water Facility Agreement between ADC and Dole effective May 1, 2024, plus applicable taxes. USER also agrees to pay the cost of acquisition and installation of water meters of an appropriate type, size and capability as a condition of water delivery. ADC shall invoice USER on or around the 15th of every month for the previous month of service for the volume of water delivered and all other incidental costs such as the cost of the water meter, and a monthly ADC service fee of \$0.00 for clerical and other costs, commencing from the effective date of this Agreement. Payment shall be

due on the 15th of the month after the date of invoice. ADC reserves the right to assess a monthly late fee of 5% on USER's past-due balance for each month of delinquency. ADC reserves the right to adjust future water rates, commencing on January 1st of each year thereafter, payment terms, policies, and time and place of payment, from time to time, as determined by ADC's Board of Directors, and subject to the costs associated with operating and maintaining the well and delivery systems. USER expressly acknowledges that ADC is only providing infrastructure for the delivery of water and is not selling water.

6. Operation: The meter and main valve shall be part of the property, and under the sole control of ADC. USER is expressly prohibited from manipulating or adjusting valves, meters, or flow under ADC's control. Violations of this term shall constitute grounds for both the immediate termination of this Agreement and termination of water. USER agrees to promptly report any meter or system issues to ADC, or their contracted system operator. USER is prohibited from tampering with, adjusting, desecrating, or intruding upon any portion of the water system, prior to and including, the meter, or any other point of the water system that exists upstream of the meter.
7. Infrastructure: All water delivery infrastructure from the water source, up to and including the main meter, is the property of Dole. ADC shall install, at the USER'S expense, a meter to monitor USER's water use. ADC, or their contracted system operator, shall be solely responsible for monitoring and maintaining the meter, and reserves the right to repair or replace the meter, as necessary, and bill associated costs to the USER. USER shall be responsible for the installation, management, maintenance, and repair of all infrastructure from the meter to the various distribution points in their fields.
8. Improvements: USER agrees to provide ADC with drawings and schematics of all irrigation lines in relation to the Premises, including meters, valves, junctions, backflow preventers, connections, boosters, etc., and to update those drawings and schematics as USER's system is modified or improved.
9. Water Storage: USER shall maintain and repair, at USER's sole cost, any reservoir or other water storage facilities (collectively "Water Storage") on the licensed Premises to a condition acceptable to ADC. ADC shall have no obligation whatsoever to construct, maintain, or repair the Water Storage. Any improvements made to the Water Storage must be approved by ADC in accordance with the License. Any damage to ADC's Water Storage or to any third party as a result of misuse or negligence by User shall be User's responsibility.
10. Contamination: USER shall maintain either a minimum three-foot airgap between the termination of any Water Storage feed line and the surface of the water at all times, OR a back-flow preventer, so positioned between the meter and the Water Storage, to prevent back-flow contamination of Dole's irrigation main line.

11. Hold Harmless: USER agrees to hold ADC harmless from any damages, including loss of crops due to availability, quantity, potability, or suitability of the water ADC provides. This paragraph shall survive the termination of this Agreement.
12. Indemnity: USER shall indemnify, defend, and hold harmless the State of Hawai‘i, ADC, and their officers, employees, and agents from and against any claim or demand for loss, liability, damage, cost, expense, and attorneys’ fees, including claims for property damage, personal injury, or wrongful death, arising out of any act or omission of USER, and from and against all actions, suits, damages, and claims by whomsoever brought or made by reason of the non-observance or non-performance of any of the terms, covenants, and conditions herein or the laws, ordinances, rules, and regulations of the federal, state, or county governments now or hereafter in effect. This paragraph shall survive the termination of this Agreement.
13. Force Majeure: ADC shall not be liable for any failure of or delay in the performance of this Agreement for the period, provided that such failure or delay is beyond the reasonable control of the parties, materially affects the performance of any of its obligations under this Agreement, and could not have been reasonably foreseen or provided against.
14. Governance: USER agrees to comply with and be bound by any bylaws, rules, and policies of ADC, and the laws, ordinances, rules, and regulations of the federal, state, or county governments, now or hereafter in effect. It is expressly agreed that this Agreement shall be governed by the laws of the State of Hawai‘i, and that any lawsuit or disagreement shall be brought in a court of the State of Hawai‘i.
15. Severability: Should any provision of this Agreement be declared void or unenforceable, all remaining provisions shall remain in full force and effect.
16. Default: In the event the USER shall default on any provision of this Agreement that is not delinquency-related, by refusing or failing, without just cause, to utilize the water delivery system in a manner as set forth in this Agreement, ADC may issue a Letter of Default with an itemized list of corrective actions. USER shall have thirty-days from the date of the letter to satisfactorily address the list of corrective actions, after which ADC reserves the right to sever USER’s water connection until all corrective actions have been satisfactorily made. ADC may restore the water connection upon written request from USER. For defaults involving non-payment or partial-payment, ADC reserves the right to shut off water immediately at such time that delinquency occurs, as determined by the invoice due date. Reconnection shall occur only after full payment has been made, and upon written request from the USER.
17. This Agreement sets forth all of the contracts, agreements, conditions, understandings, promises, warranties and representations between the ADC and this USER regarding the use of Dole’s irrigation infrastructure for delivery of water from Dole to this USER. This Agreement supersedes all prior contracts, agreements, conditions, understandings,

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promises, warranties, and representations oral or written, express or implied, between ADC and this USER other than as set forth or as referred to herein.

[Signature page follows.]

Request for approval to issue a new license agreement to THANONGSAK CHAMPHANG and PHANEE CHAMPHANG for 84.1 gross acres, more or less, of PU-20 and PU-21 for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on this ____ day of _____, 2025.

LICENSOR:

State of Hawai'i

Agribusiness Development Corporation

By:

Wendy L. Gady

Its: Executive Director

Date:

APPROVED AS TO FORM:

Deputy Attorney General

LICENSEE:

THANONGSAK and PHANEE CHAMPHANG

By:

THANONGSAK CHAMPHANG

Date:

By:

PHANEE CHAMPHANG

Date:

STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION

E-9

STAFF SUBMITTAL TO THE BOARD OF DIRECTORS
December 18, 2025

Subject: Request for approval to issue a new license agreement to LAO AQUAFARM LLC for 57.1 gross acres, more or less, of PU-24 for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016.

Applicant: LAO AQUAFARM LLC (Applicant), A Hawaii Limited Liability Company

Authority: 163D-4(a)(5), Hawaii Revised Statutes.

Area: Total area of parcel 016 is 511 acres.
Licensed area (Lot PU-24): 57.1 gross acres (30.5 tillable acres and 26.6 non-tillable acres), more or less.

Field No(s): PU-24 (Premises) (Exhibit "A").

Tax Map Keys: (1) 6-4-003:por of 016 (Property).

Land Status: Acquired in fee by the Agribusiness Development Corporation in 2020.

Trust Land Status: Section 5(b) lands of the Hawaii Admission Act
Yes ☐ No ☒
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution?
Yes ☒ = No ☐

Zoning: SLUD: Agricultural CZO: Agriculture

Character of Use: Diversified Agriculture

Land Doc. Type: License

Term: 35 years

Rental Rate: \$1800 per tillable acre per year: $30.5 \times 1,800 = \$54,900.00$
\$1 per non-tillable acre per year: $26.6 \times 1 = \$26.10$
Total rent: \$54,926.10 per year (\$4,577.18 per month)

BACKGROUND:

The Agribusiness Development Corporation (ADC) published a request for land applications in early 2024 and applicants submitted their application. LAO AQUAFARM LLC's application was scored sufficiently high and the ADC Board of Directors (Board) voted to accept them as an awardee at their meeting on November 1, 2024. The Applicant has been farming for over 26 years in Hawaii.

OPERATIONAL PLAN: See Exhibit "B"

CONSERVATION PLAN/NPDES/BMP CONSIDERATIONS:

The applicant will be required to develop a conservation plan and seek approval from the appropriate conservation district.

Request for approval to issue a new license agreement to LAO AQUAFARM LLC for 57.1 gross acres, more or less, of PU-24, for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

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Under section 343-5(a), Hawaii Revised Statutes, an environmental assessment shall be required for actions, that propose, among other things, the “(1) use of state land or county lands, or the use of state or county funds[.]” In this case, the project is exempt, subject to the Comprehensive Exemption Type 1, Part 1, Item 5: “*Operation, repair and maintenance of existing crop production (fruits, vegetables, flowers, foliage, crops for bioenergy and forage) facilities, including but not limited to equipment storage/maintenance*”.

DISCUSSION:

The Premises the Applicant will utilize consists of 57.1 total acres of which 30.5 acres are tillable, and 26.6 acres are non-tillable. The property has several abandoned vehicles on site, as well as debris and rubbish. The land is overgrown with grass and tall trees. The land will require clearing before any agricultural activities can begin.

Staff notes that a substantial financial investment by the Applicant will be necessary to clear and prepare the premises for planting since the premises has been vacant for a while and the land is overgrown. The applicant will also incur significant costs due to lack of a reliable water source. As such, we recommend a one-time rent credit not to exceed the equivalent of six (6) months of full- rate base rent, as reimbursement for verified costs incurred for land preparation, debris removal, and installation of a water storage system if the tenant can produce receipts. All approved improvements shall be deemed permanent improvements to State property and shall become the property of ADC upon completion, without further obligation for reimbursement. This credit shall be one-time only and shall not establish any precedent or continuing obligation for future credits, offsets, or reimbursements unless approved in writing by ADC.

The rent shall be at a rate of \$1800/acre/year for the tillable acres and \$1.00/acre/year for the non-tillable acres., with a rental reopening to occur on years 10, 20 and 30 of the license. Rent will be determined by an independent appraisal establishing fair market rent, subject to review and approval by the Executive Director. The fair market rental shall be determined by an appraiser whose services shall have been contracted for by the Licensor; provided that should the Licensee fail to agree to such fair market rental, Licensee may appoint its own appraiser who, together with the Licensor's appraiser. shall promptly appoint a third appraiser and the fair market rental shall be determined by arbitration as provided by Section 658-1, Hawaii Revised Statutes. The Licensee shall pay for the services of its own appraiser and the cost for the services of the third appraiser shall be borne equally by the Licensor and Licensee.

At full rate, the license is currently valued at \$54,926.10 per year (\$4,577.18 per month) to ADC rental income.

Staff are asking that the security deposit requirement for the license shall be an amount equal to six months of full-rate license fees as a security deposit for the faithful performance of all License terms and conditions. Due to the large initial investment that is necessary for the applicant to begin operations on the land, staff recommend that the deposit be payable in 3 equal monthly payments with the initial installment beginning upon execution of the lease. The deposit will be returned to LICENSEE upon termination of the License, but only after all of the terms and conditions of the License agreement have been observed and performed.

There currently is no water source provided by ADC on this property. A possible water source is an irrigation ditch running on the northern end of the property. Water is currently being provided by Dole Plantation until the irrigation system is transferred to ADC and common area maintenance fees (CAM) and water usage rates are established. Until such time, a Water Infrastructure User Agreement will serve

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as an addendum to the License. See attached “Exhibit C”. The attached addendum is based on a Water Facility Agreement contracted between Dole and ADC for an initial user rate of \$0.60 per thousand gallons of ditch water; and \$0.80 per thousand gallons of pumped water, to be billed monthly. The price is subject to adjustment every January 1st.

Licensee shall be required to provide Licensor with a Good Agricultural Practice certificate within two years from execution date.

The draft License Agreement is attached as “Exhibit D”.

RECOMMENDATION:

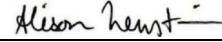
Based on the foregoing, staff recommends that the Board:

1. Approve the Request, subject to the following conditions:
 - a. The license term shall be for 35 years;
 - b. The license rents shall be \$1800/acre/year for tillable land and \$1/acre/year for non-tillable land for the first 10 years with a rental reopening to occur on years 10, 20 and 30 of the license. Rent to be determined by an independent appraisal establishing fair market rent, under the terms and conditions cited above;
 - c. The security deposit requirement for the license shall be an amount equal to six months of full-rate license fees payable in 3 equal monthly payments, with the initial installment beginning upon execution of the lease, as a security deposit for the faithful performance of all of these terms and conditions. The deposit will be returned to LICENSEE upon termination of the License, but only after all of the terms and conditions of this License agreement have been observed and performed;
 - d. Licensees will be required to develop a conservation plan and seek approval from the appropriate conservation district;
 - e. The Licensee may be eligible for a one-time rent credit not to exceed the equivalent of six (6) months of full- rate base rent, as reimbursement for verified costs incurred for land preparation, debris removal, and installation of a water storage system (collectively, the “Approved Improvements”). The credit shall be subject to the following conditions:
 - 1) Licensee shall submit to Licensor itemized invoices, receipts, and photographic documentation of all work completed;
 - 2) The total rent credit shall be based on verified costs and shall not exceed six (6) months of full-rate base rent under this License;
 - 3) All Approved Improvements shall be deemed permanent improvements to State property and shall become the property of the Licensor upon completion, without further obligation for reimbursement;
 - 4) Except for the one-time rent credit authorized under this section, the Licensor shall not be responsible for any future costs associated with land preparation, debris removal, maintenance, or replacement of the Approved Improvements; and
 - 5) This credit shall be one-time only, and shall not establish any precedent or continuing obligation for future credits, offsets, or reimbursements unless approved in writing by the Licensor.
 - f. Water will be provided by Dole Plantation until ADC acquires the irrigation system and establishes the CAM and water usage rates. Until such time, the license shall include the above referenced Water Infrastructure User Agreement labelled “Exhibit C”; and

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- g. Licensee shall be required to provide Licensor with a Good Agricultural Practice certificate within two years from execution date.
2. Declare that, pursuant to ADC's Comprehensive Exemption List dated October 23, 2025, the proposed disposition is a de minimis action that will probably have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment, pursuant to Chapter 343, Hawaii Revised Statutes.

Respectfully Submitted,



ALISON NEUSTEIN

Acting Oahu Property Manager

Approved for Submittal:

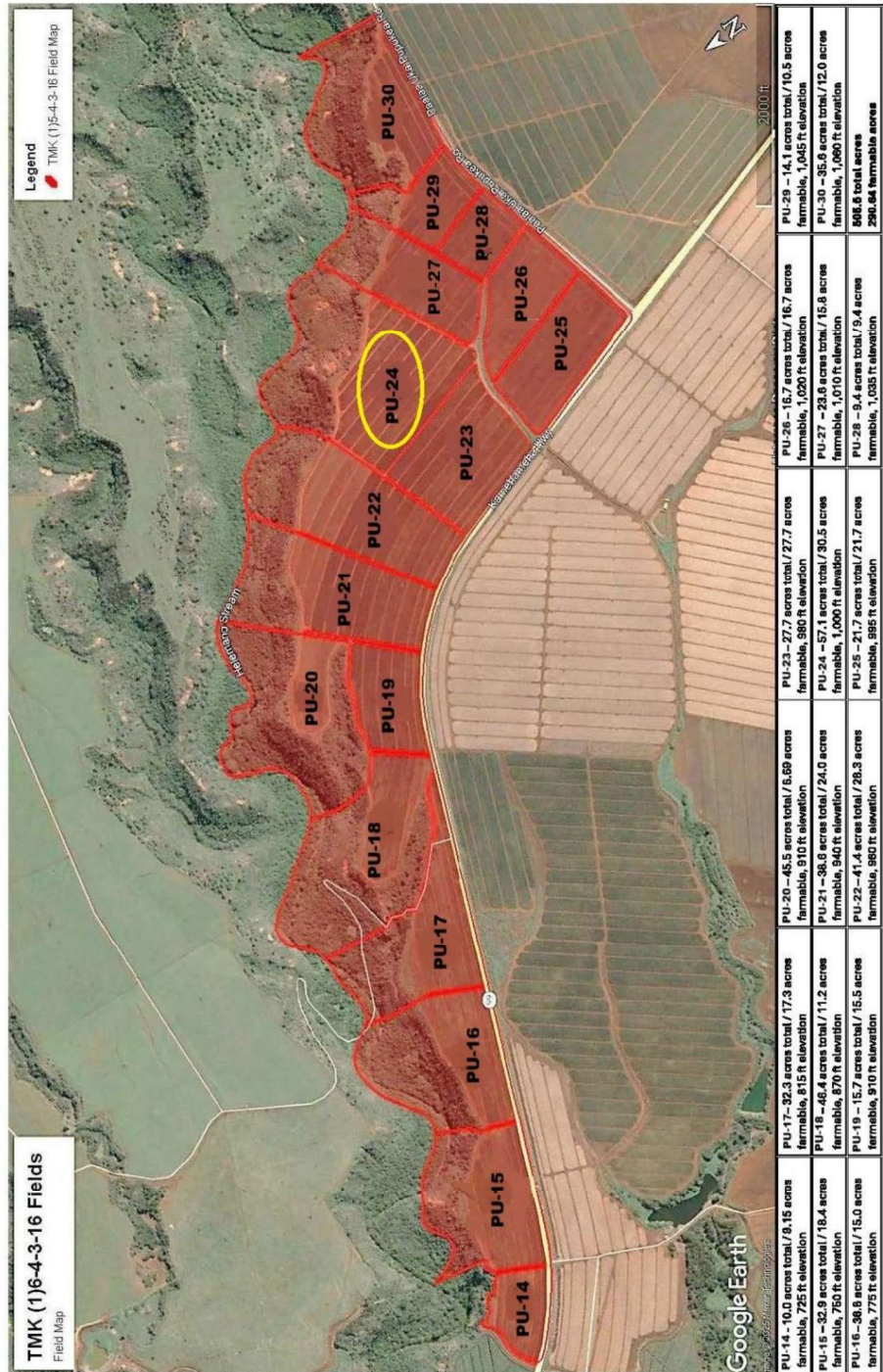


Wendy Gady

Executive Director

Request for approval to issue a new license agreement to LAO AQUAFARM LLC for 57.1 gross acres, more or less, of PU-24, for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

EXHIBIT A



Request for approval to issue a new license agreement to LAO AQUAFARM LLC for 57.1 gross acres, more or less, of PU-24, for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

EXHIBIT B

Business plan

Lao Aqua Farm

Lot #11 – 30 ares

Year one:


We cleared our land 15 acres in July 2025, we started our food safety training and obtain our soil conservation within 90 days of our ROE time line.

We are now waiting for our water in order to start our production. We also completely moved out from Kunia farm since September 30, 2025.

The vegetables and fruits that are in my chart are needed to participate in our 3 days open market of Hawaii Farm Bureau because they are rare not every farmers will grow for their markets.

I have included 2 pages of crops for the next 2 years:

Clearing the land we already cleared 15 acres in 2025 and will do the rest by end of 2026 depends on water.


Nora Sisounthone

Request for approval to issue a new license agreement to LAO AQUAFARM LLC for 57.1 gross acres, more or less, of PU-24, for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

		Lao Aquafarm		
		1st Year - Cleared Land 15 acres		
		3 mth	6 mth	1 Year
5 acres	Hydroponic - Romanesco lettuce			
	6 ⁰⁰ /lb - Ong choi	6 weeks	100 pound	weekly ongoing -
	- choi sum	6 weeks	100 pound	weekly ongoing -
	Asparagus 6 ⁰⁰ /lb	2 mths	200 pound/week	ongoing planting
	Thai Basil 8 ⁰⁰ /lb	6 weeks	100 pound/week	ongoing planting
	String Beans 8 ⁰⁰ /lb	2 mths	400 pound/week	ongoing planting
	Lemon grass 6 ⁰⁰ /lb	6 mths	100 pound/week	ongoing planting
	Okra 8 ⁰⁰ /lb	2 mths	400 pound/week	ongoing planting
	Galanga 8 ⁰⁰ /lb	3 mths	100 pound/week	ongoing planting
	Wing Beans 7 ⁰⁰ /lb	2 mths	100 pound/week	ongoing planting
5 acres	Holy Basil 10 ⁰⁰ /lb	6 weeks	100 pound/week	ongoing planting
	Thai Egg Plant 3 ⁰⁰ /lb	2 mths	200 pound/week	ongoing planting
	Fruit Trees			
	100 White guava 6 ⁰⁰ /lb		1 year	1,000 lbs/week
	100 Strawberry guava 6 ⁰⁰ /lb		1 year	1,000 lbs/week
	100 Liki - Passion Fruit 3 ⁰⁰ /lb		1 year	1,000 lbs/week
	100 Green Papaya For Papaya kit 7 ⁰⁰ /lb	6 mths	1,000 lbs/week	
5 acres	100 Ripe Papaya 2 ⁵⁰ /Box	6 mths	1,000 lbs/week	
	100 Seedless lime 2 ⁰⁰ /lb	1 year	1,000 lbs/week	
	100 Curry leaves 4 ⁰⁰ /lb	1 year	500 lbs/week	
	100 Avocado Fruits 2 ⁰⁰ /lb	1 year	1,000 lbs/week	
	Flowers			
	Orchid 500 Plants For leis - 20 ⁰⁰ /lei			
	Cigar Flower/leis For leis 20 ⁰⁰ /lei		50 Rows	
	Crown Flower/leis For leis 15 ⁰⁰ /lei		50 Plants	
	Tropical Cut Flowers (cut) 8 ⁰⁰ /Bunch		100 Rows	
	Pikake/leis (3 string/lei) 15 ⁰⁰ /string		(one string)	
			50 Rows	

Addendum to License Agreement LI-PU-25-03 **EXHIBIT C**

Water Infrastructure User Agreement

This Addendum to License Agreement LI-PU-25-03 is entered into between the State of Hawai‘i, Agribusiness Development Corporation (“ADC”), whose address is 235 S. Beretania Street, Suite 205, Honolulu, Hawai‘i 96813, and LAO AQUAFARM LLC (“USER”) whose address is 94-505 Hahana Place, Waipahu, Hawai‘i 96797, each a “Party” and collectively “Parties”.

Whereas the USER desires to use water delivered through irrigation infrastructure owned by Dole Food Company, Inc. (“Dole”). USER hereby enters into this Water Infrastructure User Agreement (“Agreement”) and agrees to comply with the terms of this Agreement as an addendum to License Agreement LI-PU-25-03 (“License”), and pursuant to Chapter 174C, *Hawaii Revised Statutes*, and other applicable state and federal laws, rules, regulations, and City and County of Honolulu ordinances, now or hereafter in effect.

To that end, the Parties agree to the following terms:

1. Term: This Agreement shall be effective and coterminous with the License, when USER quits the property covered by the License, or upon the earlier termination of this Agreement or the License at ADC’s discretion, whichever shall first occur.
2. Availability: Dole agrees to allow the USER to draw water excess to Dole’s requirements but does not intend to become obligated to provide water to the USER in a minimum or unlimited quantity and does not intend to dedicate its facilities to public use or become a public utility. USER expressly acknowledges that ADC does not guarantee the availability of water.
3. Character of Use: Water delivered by Dole shall be used only for agriculture-related purposes, in accordance with the terms of USER’S License and conservation plan.
4. Potability: USER acknowledges that water obtained from Dole is not potable. USER is solely responsible for their use of water.
5. Fees and Schedule: USER agrees to pay Dole’s rate per gallon of water as metered, based on current rates in the Water Facility Agreement between ADC and Dole effective May 1, 2024, plus applicable taxes. USER also agrees to pay the cost of acquisition and installation of water meters of an appropriate type, size and capability as a condition of water delivery. ADC shall invoice USER on or around the 15th of every month for the previous month of service for the volume of water delivered and all other incidental costs

such as the cost of the water meter, and a monthly ADC service fee of \$0.00 for clerical and other costs, commencing from the effective date of this Agreement. Payment shall be due on the 15th of the month after the date of invoice. ADC reserves the right to assess a monthly late fee of 5% on USER's past-due balance for each month of delinquency. ADC reserves the right to adjust future water rates, commencing on January 1st of each year thereafter, payment terms, policies, and time and place of payment, from time to time, as determined by ADC's Board of Directors, and subject to the costs associated with operating and maintaining the well and delivery systems. USER expressly acknowledges that ADC is only providing infrastructure for the delivery of water and is not selling water.

6. Operation: The meter and main valve shall be part of the property, and under the sole control of ADC. USER is expressly prohibited from manipulating or adjusting valves, meters, or flow under ADC's control. Violations of this term shall constitute grounds for both the immediate termination of this Agreement and termination of water. USER agrees to promptly report any meter or system issues to ADC, or their contracted system operator. USER is prohibited from tampering with, adjusting, desecrating, or intruding upon any portion of the water system, prior to and including, the meter, or any other point of the water system that exists upstream of the meter.
7. Infrastructure: All water delivery infrastructure from the water source, up to and including the main meter, is the property of Dole. ADC shall install, at the USER'S expense, a meter to monitor USER's water use. ADC, or their contracted system operator, shall be solely responsible for monitoring and maintaining the meter, and reserves the right to repair or replace the meter, as necessary, and bill associated costs to the USER. USER shall be responsible for the installation, management, maintenance, and repair of all infrastructure from the meter to the various distribution points in their fields.
8. Improvements: USER agrees to provide ADC with drawings and schematics of all irrigation lines in relation to the premises, including meters, valves, junctions, backflow preventers, connections, boosters, etc., and to update those drawings and schematics as USER's system is modified or improved.
9. Water Storage: USER shall maintain and repair, at USER's sole cost, any reservoir or other water storage facilities (collectively "Water Storage") on the licensed premises to a condition acceptable to ADC. ADC shall have no obligation whatsoever to construct, maintain, or repair the Water Storage. Any improvements made to the Water Storage must be approved by ADC in accordance with the License. Any damage to ADC's Water Storage or to any third party as a result of misuse or negligence by User shall be User's responsibility.
10. Contamination: USER shall maintain either a minimum three-foot airgap between the termination of any Water Storage feed line and the surface of the water at all times, OR a back-flow preventer, so positioned between the meter and the Water Storage, to prevent back-flow contamination of Dole's irrigation main line.

11. Hold Harmless: USER agrees to hold ADC harmless from any damages, including loss of crops due to availability, quantity, potability, or suitability of the water ADC provides. This paragraph shall survive the termination of this Agreement.
12. Indemnity: USER shall indemnify, defend, and hold harmless the State of Hawai‘i, ADC, and their officers, employees, and agents from and against any claim or demand for loss, liability, damage, cost, expense, and attorneys’ fees, including claims for property damage, personal injury, or wrongful death, arising out of any act or omission of USER, and from and against all actions, suits, damages, and claims by whomsoever brought or made by reason of the non-observance or non-performance of any of the terms, covenants, and conditions herein or the laws, ordinances, rules, and regulations of the federal, state, or county governments now or hereafter in effect. This paragraph shall survive the termination of this Agreement.
13. Force Majeure: ADC shall not be liable for any failure of or delay in the performance of this Agreement for the period, provided that such failure or delay is beyond the reasonable control of the parties, materially affects the performance of any of its obligations under this Agreement, and could not have been reasonably foreseen or provided against.
14. Governance: USER agrees to comply with and be bound by any bylaws, rules, and policies of ADC, and the laws, ordinances, rules, and regulations of the federal, state, or county governments, now or hereafter in effect. It is expressly agreed that this Agreement shall be governed by the laws of the State of Hawai‘i, and that any lawsuit or disagreement shall be brought in a court of the State of Hawai‘i.
15. Severability: Should any provision of this Agreement be declared void or unenforceable, all remaining provisions shall remain in full force and effect.
16. Default: In the event the USER shall default on any provision of this Agreement that is not delinquency-related, by refusing or failing, without just cause, to utilize the water delivery system in a manner as set forth in this Agreement, ADC may issue a Letter of Default with an itemized list of corrective actions. USER shall have thirty-days from the date of the letter to satisfactorily address the list of corrective actions, after which ADC reserves the right to sever USER’s water connection until all corrective actions have been satisfactorily made. ADC may restore the water connection upon written request from USER. For defaults involving non-payment or partial-payment, ADC reserves the right to shut off water immediately at such time that delinquency occurs, as determined by the invoice due date. Reconnection shall occur only after full payment has been made, and upon written request from the USER.
17. This Agreement sets forth all of the contracts, agreements, conditions, understandings, promises, warranties and representations between the ADC and this USER regarding the use of Dole’s irrigation infrastructure for delivery of water from Dole to this USER. This Agreement supersedes all prior contracts, agreements, conditions, understandings,

Request for approval to issue a new license agreement to LAO AQUAFARM LLC for 57.1 gross acres, more or less, of PU-24, for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

promises, warranties, and representations oral or written, express or implied, between ADC and this USER other than as set forth or as referred to herein.

[Signature page follows.]

Request for approval to issue a new license agreement to LAO AQUAFARM LLC for 57.1 gross acres, more or less, of PU-24, for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on this ____ day of _____, 2025.

LICENSOR:

State of Hawai'i

Agribusiness Development Corporation

By:

Wendy L. Gady

Its: Executive Director

Date: _____

APPROVED AS TO FORM:

Deputy Attorney General

LICENSEE:

Lao Aquafarm LLC

By:

Nora Sisounthone

Its: _____

Date: _____

STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION

E-10

STAFF SUBMITTAL TO THE BOARD OF DIRECTORS
December 18, 2025

Subject: Request for approval to issue a new license agreement to KP FARM GROUP LLC for 21.7 gross acres, more or less, of PU-25 for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016.

Applicant: KP FARM GROUP LLC, a Hawaii Limited Liability Company (Applicant).

Authority: 163D-4(a)(5), Hawaii Revised Statutes.

Area: Total area of parcel 016 is 511 acres.
PU-25= 21.7 gross acres, more or less

Field No(s): PU-25 (Premises) (Exhibit "A").

Tax Map Keys: (1) 6-4-003:por of 016. (Property).

Land Status: Acquired in fee by the Agribusiness Development Corporation in 2020.

Trust Land Status: Section 5(b) lands of the Hawaii Admission Act
Yes ☐ No ☒
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution?
Yes ☒ No ☐

Zoning: SLUD: Agricultural CZO: Agriculture

Character of Use: Diversified Agriculture

Land Doc. Type: License

Term: 35 years

Rental Rate: \$1800 per tillable acre per year: 21.7 ac x \$1,800= \$39,060.00
\$1 per non-tillable acre per year: N/A
Total rent: \$39,060.00 per year (\$3,255.00 per month)

BACKGROUND:

The Agribusiness Development Corporation (ADC) published a request for land applications in early 2024 and Applicants submitted their application. KP FARM GROUP LLC's application was scored sufficiently high and the ADC Board of Directors (Board) voted to accept them as an awardee at their meeting on November 1, 2024. KP FARM GROUP LLC has been in business for over 4 years, but the owners have over 10 years' farming experience in Hawaii.

OPERATIONAL PLAN: See Exhibit "B"

CONSERVATION PLAN/NPDES/BMP CONSIDERATIONS:

The Applicant will be required to develop a conservation plan and seek approval from the appropriate conservation district.

Request for approval to issue a new license agreement KP FARM GROUP LLC for 21.7 gross acres, more or less, of PU-25 for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

CHAPTER 343:

Under section 343-5(a), Hawaii Revised Statutes, an environmental assessment shall be required for actions, that propose, among other things, the “(1) use of state land or county lands, or the use of state or county funds[.]” In this case, the project is exempt, subject to the Comprehensive Exemption Type 1, Class 1, Item 7: *“Operation, repair and maintenance of existing crop production (fruits, vegetables, flowers, foliage, crops for bioenergy and forage) facilities, including but not limited to equipment storage/maintenance”*.

DISCUSSION:

The Premises the applicant will utilize consists of 21.7 gross acres, all of which is usable for diversified farming. The Property has several abandoned vehicles on site, as well as debris and rubbish. The land is overgrown with grass and tall trees. The land will require clearing before any agricultural activities can begin.

Staff notes that a substantial financial investment by the Applicant will be necessary to clear and prepare the Premises for planting since the Premises has been vacant for a while and the land is overgrown. The Applicant will also incur significant costs due to lack of a reliable water source. As such, we recommend a one-time rent credit not to exceed the equivalent of six (6) months of full- rate base rent, as reimbursement for verified costs incurred for land preparation, debris removal, and installation of a water storage system if the tenant can produce receipts. All approved improvements shall be deemed permanent improvements to State property and shall become the property of ADC upon completion, without further obligation for reimbursement. This credit shall be one-time only and shall not establish any precedent or continuing obligation for future credits, offsets, or reimbursements unless approved in writing by ADC.

The rent shall be at a rate of \$1800/acre/year for the tillable acres and \$1.00/acre/year for the non-tillable acres, with a rental reopening to occur on years 10, 20 and 30 of the license. Rent will be determined by an independent appraisal establishing fair market rent, subject to review and approval by the Executive Director. The fair market rental shall be determined by an appraiser whose services shall have been contracted for by the Licensor; provided that should the Licensee fail to agree to such fair market rental, Licensee may appoint its own appraiser who, together with the Licensor's appraiser, shall promptly appoint a third appraiser and the fair market rental shall be determined by arbitration as provided by Section 658-1, Hawaii Revised Statutes. The Licensee shall pay for the services of its own appraiser and the cost for the services of the third appraiser shall be borne equally by the Licensor and Licensee.

At full rate, the license is currently valued at \$39,060.00 per year (\$3,255.00 per month) to ADC rental income.

Staff are asking that the security deposit requirement for the license shall be an amount equal to six months of full-rate license fees as a security deposit for the faithful performance of all of these terms and conditions. Due to the large initial investment that is necessary for the applicant to begin operations on the land, staff recommend that the deposit be payable in 3 equal monthly payments with the initial installment beginning upon execution of the lease. The deposit will be returned to LICENSEE upon termination of the License, but only after all of the terms and conditions of this License agreement have been observed and performed.

There currently is no water source provided by ADC on this property. A possible water source is an irrigation ditch running on the northern end of the property: Water is currently being provided by Dole Plantation until the irrigation system is transferred to ADC and common area maintenance fees (CAM)

Request for approval to issue a new license agreement KP FARM GROUP LLC for 21.7 gross acres, more or less, of PU-25 for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

and water usage rates are established. Until such time, a Water Infrastructure User Agreement will serve as an addendum to the License. See attached "Exhibit C". The attached addendum is based on a Water Facility Agreement contracted between Dole and ADC for an initial user rate of \$0.60 per thousand gallons of ditch water; and \$0.80 per thousand gallons of pumped water, to be billed monthly. The price is subject to adjustment every January 1st.

Licensee shall be required to provide Licensors with a Good Agricultural Practice certificate within two years from execution date.

Draft License is attached as "Exhibit D".

RECOMMENDATION:

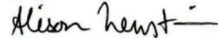
Based on the foregoing, staff recommends that the Board:

1. Approve the Request, subject to the following conditions:
 - a. The license term shall be for 35 years;
 - b. The license rents shall be \$1800/acre/year for tillable land and \$1/acre/year for non-tillable land for the first 10 years with a rental reopening to occur on years 10, 20 and 30 of the license. Rent to be determined by an independent appraisal establishing fair market rent, under the terms and conditions cited above;
 - c. The security deposit requirement for the license shall be an amount equal to six months of full-rate license fees payable in 3 equal monthly payments, with the initial installment beginning upon execution of the lease, as a security deposit for the faithful performance of all of these terms and conditions. The deposit will be returned to LICENSEE upon termination of the License, but only after all of the terms and conditions of this License agreement have been observed and performed;
 - d. Licensees will be required to develop a conservation plan and seek approval from the appropriate conservation district;
 - e. The Licensee may be eligible for a one-time rent credit not to exceed the equivalent of six (6) months of full- rate base rent, as reimbursement for verified costs incurred for land preparation, debris removal, and installation of a water storage system (collectively, the "Approved Improvements"). The credit shall be subject to the following conditions:
 - 1) Licensee shall submit to Licensors itemized invoices, receipts, and photographic documentation of all work completed;
 - 2) The total rent credit shall be based on verified costs and shall not exceed six (6) months of full-rate base rent under this License;
 - 3) All Approved Improvements shall be deemed permanent improvements to State property and shall become the property of the Licensors upon completion, without further obligation for reimbursement;
 - 4) Except for the one-time rent credit authorized under this section, the Licensors shall not be responsible for any future costs associated with land preparation, debris removal, maintenance, or replacement of the Approved Improvements; and
 - 5) This credit shall be one-time only, and shall not establish any precedent or continuing obligation for future credits, offsets, or reimbursements unless approved in writing by the Licensors.

Request for approval to issue a new license agreement KP FARM GROUP LLC for 21.7 gross acres, more or less, of PU-25 for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

- f. Water will be provided by Dole Plantation until ADC acquires the irrigation system and establishes the CAM and water usage rates. Until such time, the license shall include the above referenced Water Infrastructure User Agreement labelled "Exhibit C"; and
 - g. Licensee shall be required to provide Licensor with a Good Agricultural Practice certificate within two years from execution date.
2. Declare that, pursuant to ADC's Comprehensive Exemption List dated October 23, 2025, the proposed disposition is a de minimis action that will probably have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment, pursuant to Chapter 343, Hawaii Revised Statutes.

Respectfully Submitted,



ALISON NEUSTEIN

Acting Oahu Property Manager

Approved for Submittal:



Wendy Gady
Executive Director

Request for approval to issue a new license agreement KP FARM GROUP LLC for 21.7 gross acres, more or less, of PU-25 for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

EXHIBIT A

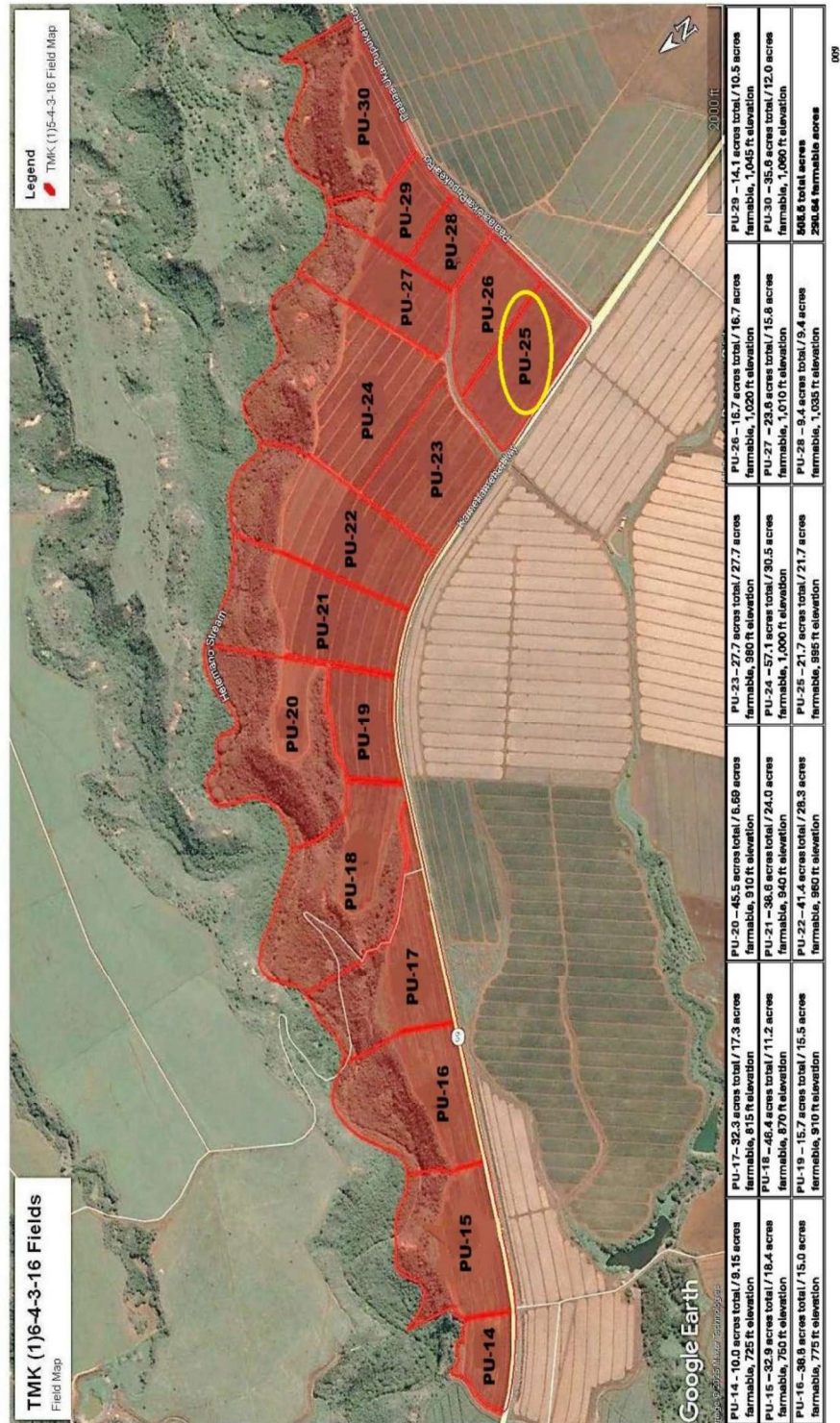


EXHIBIT B

Preliminary Plan of Utilization and Development Exterior Boundaries of the Land

The 21.7 acres of land is situated in Hawaii, with clear boundary markings to delineate its perimeter. Boundaries will be demarcated using durable fencing or natural landmarks to ensure proper land management and prevent encroachment.

Type of Crop: Each crop selected for cultivation has been carefully chosen based on factors such as soil suitability, climate conditions, market demand, and crop rotation principles. Banana and papaya are chosen for their suitability to tropical climates and high market demand in local and regional markets. Long beans, okra, tomato, and potato offer crop diversity and market versatility, appealing to a wide range of consumers and culinary preferences.

Cultivable Acres: The 21.7 acres allocated for cultivation will be meticulously planned to optimize space utilization and crop productivity. Crop allocation will be based on crop rotation principles, soil fertility assessments, and water availability, ensuring efficient land use and sustainable farming practices. The remaining acre will be designated for waste areas, field roads, equipment storage, and buffer zones to minimize environmental impact and enhance farm efficiency.

Field Roads and Ditches: Field roads will be constructed to provide access to different sections of the farm, allowing for efficient transportation of personnel, equipment, and produce. Ditches will be strategically dug to facilitate proper drainage, preventing water logging and soil erosion during heavy rainfall events. Proper maintenance of field roads and ditches will be prioritized to ensure uninterrupted farm operations and optimal land management.

Irrigation Systems: Drip irrigation systems will be installed throughout the farm to deliver water directly to the root zone of crops, reducing water waste and maximizing efficiency. Water sources will be identified and utilized efficiently, with consideration given to rainwater harvesting and water conservation practices. Irrigation scheduling will be optimized based on crop water requirements, soil moisture levels, and weather conditions to ensure optimal plant growth and yield.

Timeframes for Utilization and Development

First Year (Year 1): During the initial two months, our focus will be on preparing the land and establishing the irrigation system, thereby delaying any farming activities. In the first month, we aim to clear approximately 10-20 acres of land. Following this, we will designate the 27.1 acres for planting a variety of crops including tomatoes, eggplants, sweet peppers, long beans, and winged beans. Each of these crops has a growth cycle of approximately 1-2 months before they are ready for harvest. These crops are known for their rapid growth, making them ideal for turning a profit quickly. With our current farming setup, we already possess all the necessary seeds and young plants for planting. This means we don't need to allocate any additional funds towards

Request for approval to issue a new license agreement KP FARM GROUP LLC for 21.7 gross acres, more or less, of PU-25 for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

purchasing new plants or seeds. As a result, we can save more money to invest in other ventures.

Here's a breakdown of the projected yearly earnings based on wholesale prices:

- 2-4 acres Eggplants: expect to produce 2,000 pounds(\$2 per pound) \$12,000 if 2 acres and \$24,000 if 4 acres
- 2-4 acres Tomatoes: expect to produce 1,600 pounds(\$2 per pound) \$6,400 if 2 acres and \$12,800 if 4 acres
- 2-4 acres Sweet peppers: expect to produce 2,000 pounds(\$5 per pound) \$50,000 if 2 acres and \$100,000 if 4 acres
- 2-4 acres Long beans: expect to produce 1,000 pounds(\$3 per pound) \$6,000 if 2 acres and \$12,000 if 4 acres
- 2-4 acres Winged beans: expect to produce 2,000 pounds(\$3 per pound) \$60,000 if 2 acres and \$120,000 if 4 acres

This totals to an estimated annual income of \$134,400 to \$268,800. However, it's important to note that these figures are based solely on wholesale prices. And it's important to note that certain plants may not meet our target yield due to factors like plant diseases and the high cost of pesticide products.

Regarding expenses, the primary cost will be for the land itself, amounting to \$16,000-\$32,000 per year at a rate of \$1,333-\$2,666 per month. Additionally, we estimate water expenses at \$4000 annually, drawing from previous land water costs. Expenses related to land cleaning, fuel, insurance , and farming supplies are projected to be approximately \$55,085. This leaves us with a profit of \$79,315-\$158,630 for the first year. It's worth mentioning that many of these supply expenses may be mitigated as we already possess usable resources from previous and current operations.

Second Year (Year 2): In the second year, we're building on the success of our initial endeavors. Expanding our operations, we are set to cultivate the same crops as the previous year, while also broadening our reach. This time around, we'll dedicate some acres for cultivation, allowing for the planting of 10-20 more banana trees alongside 2-4 acres each of sweet peppers, Thai chilis, and winged beans. Our decision to increase banana production stems from recognizing a market shortage, aligning with our export focus as KP Farm Groups. Drawing from our past experience, we're confident in seizing this opportunity.

We're optimistic that the upcoming year will yield even greater profits, building on the success of our initial venture. As we enter our second year, we're implementing new strategies to enhance revenue streams, including the launch of a company website. This digital platform will enable us to attract new customers and streamline order processing, ultimately driving increased profitability.

Years 3-35: Our focus remains on maintaining profitability while continuing to optimize our crop selection and operational efficiency. Building upon the success of previous years, we're refining our strategies to ensure sustained growth and resilience in the agricultural sector.

Addendum to License Agreement LI-PU-25-_____ **EXHIBIT C**

Water Infrastructure User Agreement

This Addendum to License Agreement LI-PU-25-_____ is entered into between the State of Hawai‘i, Agribusiness Development Corporation (“ADC”), whose address is 235 S. Beretania Street, Suite 205, Honolulu, Hawai‘i 96813, and _____ (“USER”) whose address is _____, each a “Party” and collectively “Parties”.

Whereas the USER desires to use water delivered through irrigation infrastructure owned by Dole Food Company, Inc. (“Dole”). USER hereby enters into this Water Infrastructure User Agreement (“Agreement”) and agrees to comply with the terms of this Agreement as an addendum to License Agreement LI-PU-25-_____ (“License”), and pursuant to Chapter 174C, *Hawaii Revised Statutes*, and other applicable state and federal laws, rules, regulations, and City and County of Honolulu ordinances, now or hereafter in effect.

To that end, the Parties agree to the following terms:

1. Term: This Agreement shall be effective and coterminous with the License, when USER quits the property covered by the License, or upon the earlier termination of this Agreement or the License at ADC’s discretion, whichever shall first occur.
2. Availability: Dole agrees to allow the USER to draw water excess to Dole’s requirements but does not intend to become obligated to provide water to the USER in a minimum or unlimited quantity and does not intend to dedicate its facilities to public use or become a public utility. USER expressly acknowledges that ADC does not guarantee the availability of water.
3. Character of Use: Water delivered by Dole shall be used only for agriculture-related purposes, in accordance with the terms of USER’S License and conservation plan.
4. Potability: USER acknowledges that water obtained from Dole is not potable. USER is solely responsible for their use of water.
5. Fees and Schedule: USER agrees to pay Dole’s rate per gallon of water as metered, based on current rates in the Water Facility Agreement between ADC and Dole effective May 1, 2024, plus applicable taxes. USER also agrees to pay the cost of acquisition and installation of water meters of an appropriate type, size and capability as a condition of water delivery. ADC shall invoice USER on or around the 15th of every month for the previous month of service for the volume of water delivered and all other incidental costs

such as the cost of the water meter, and a monthly ADC service fee of \$0.00 for clerical and other costs, commencing from the effective date of this Agreement. Payment shall be due on the 15th of the month after the date of invoice. ADC reserves the right to assess a monthly late fee of 5% on USER's past-due balance for each month of delinquency. ADC reserves the right to adjust future water rates, commencing on January 1st of each year thereafter, payment terms, policies, and time and place of payment, from time to time, as determined by ADC's Board of Directors, and subject to the costs associated with operating and maintaining the well and delivery systems. USER expressly acknowledges that ADC is only providing infrastructure for the delivery of water and is not selling water.

6. Operation: The meter and main valve shall be part of the property, and under the sole control of ADC. USER is expressly prohibited from manipulating or adjusting valves, meters, or flow under ADC's control. Violations of this term shall constitute grounds for both the immediate termination of this Agreement and termination of water. USER agrees to promptly report any meter or system issues to ADC, or their contracted system operator. USER is prohibited from tampering with, adjusting, desecrating, or intruding upon any portion of the water system, prior to and including, the meter, or any other point of the water system that exists upstream of the meter.
7. Infrastructure: All water delivery infrastructure from the water source, up to and including the main meter, is the property of Dole. ADC shall install, at the USER'S expense, a meter to monitor USER's water use. ADC, or their contracted system operator, shall be solely responsible for monitoring and maintaining the meter, and reserves the right to repair or replace the meter, as necessary, and bill associated costs to the USER. USER shall be responsible for the installation, management, maintenance, and repair of all infrastructure from the meter to the various distribution points in their fields.
8. Improvements: USER agrees to provide ADC with drawings and schematics of all irrigation lines in relation to the Premises, including meters, valves, junctions, backflow preventers, connections, boosters, etc., and to update those drawings and schematics as USER's system is modified or improved.
9. Water Storage: USER shall maintain and repair, at USER's sole cost, any reservoir or other water storage facilities (collectively "Water Storage") on the licensed Premises to a condition acceptable to ADC. ADC shall have no obligation whatsoever to construct, maintain, or repair the Water Storage. Any improvements made to the Water Storage must be approved by ADC in accordance with the License. Any damage to ADC's Water Storage or to any third party as a result of misuse or negligence by User shall be User's responsibility.
10. Contamination: USER shall maintain either a minimum three-foot airgap between the termination of any Water Storage feed line and the surface of the water at all times, OR a back-flow preventer, so positioned between the meter and the Water Storage, to prevent back-flow contamination of Dole's irrigation main line.

11. Hold Harmless: USER agrees to hold ADC harmless from any damages, including loss of crops due to availability, quantity, potability, or suitability of the water ADC provides. This paragraph shall survive the termination of this Agreement.
12. Indemnity: USER shall indemnify, defend, and hold harmless the State of Hawai‘i, ADC, and their officers, employees, and agents from and against any claim or demand for loss, liability, damage, cost, expense, and attorneys’ fees, including claims for property damage, personal injury, or wrongful death, arising out of any act or omission of USER, and from and against all actions, suits, damages, and claims by whomsoever brought or made by reason of the non-observance or non-performance of any of the terms, covenants, and conditions herein or the laws, ordinances, rules, and regulations of the federal, state, or county governments now or hereafter in effect. This paragraph shall survive the termination of this Agreement.
13. Force Majeure: ADC shall not be liable for any failure of or delay in the performance of this Agreement for the period, provided that such failure or delay is beyond the reasonable control of the parties, materially affects the performance of any of its obligations under this Agreement, and could not have been reasonably foreseen or provided against.
14. Governance: USER agrees to comply with and be bound by any bylaws, rules, and policies of ADC, and the laws, ordinances, rules, and regulations of the federal, state, or county governments, now or hereafter in effect. It is expressly agreed that this Agreement shall be governed by the laws of the State of Hawai‘i, and that any lawsuit or disagreement shall be brought in a court of the State of Hawai‘i.
15. Severability: Should any provision of this Agreement be declared void or unenforceable, all remaining provisions shall remain in full force and effect.
16. Default: In the event the USER shall default on any provision of this Agreement that is not delinquency-related, by refusing or failing, without just cause, to utilize the water delivery system in a manner as set forth in this Agreement, ADC may issue a Letter of Default with an itemized list of corrective actions. USER shall have thirty-days from the date of the letter to satisfactorily address the list of corrective actions, after which ADC reserves the right to sever USER’s water connection until all corrective actions have been satisfactorily made. ADC may restore the water connection upon written request from USER. For defaults involving non-payment or partial-payment, ADC reserves the right to shut off water immediately at such time that delinquency occurs, as determined by the invoice due date. Reconnection shall occur only after full payment has been made, and upon written request from the USER.
17. This Agreement sets forth all of the contracts, agreements, conditions, understandings, promises, warranties and representations between the ADC and this USER regarding the use of Dole’s irrigation infrastructure for delivery of water from Dole to this USER. This Agreement supersedes all prior contracts, agreements, conditions, understandings,

Request for approval to issue a new license agreement KP FARM GROUP LLC for 21.7 gross acres, more or less, of PU-25 for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

promises, warranties, and representations oral or written, express or implied, between ADC and this USER other than as set forth or as referred to herein.

[Signature page follows.]

Request for approval to issue a new license agreement KP FARM GROUP LLC for 21.7 gross acres, more or less, of PU-25 for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on this ____ day of _____, 2025.

LICENSOR:

State of Hawai'i

Agribusiness Development Corporation

By:

Wendy L. Gady

Its: Executive Director

Date:

APPROVED AS TO FORM:

Deputy Attorney General

LICENSEE:

KP FARM GROUP LLC

a Hawai'i Limited Liability Company

By:

Phen Khaephutcha

Its: Managing Member

Date:

STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION

E-11

STAFF SUBMITTAL TO THE BOARD OF DIRECTORS
December 18, 2025

Subject: Request for approval to issue a new license agreement to SOPHA NUANBUNMA for 16.7 gross acres, more or less, of PU-26, for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016.

Applicant: SOPHA NUANBUNMA, an individual, (Applicant)

Authority: 163D-4(a)(5), Hawaii Revised Statutes.

Area: Total area of parcel 016 is 511 acres.
Licensed area (Lot 13): 16.7 tillable gross acres, more or less.

Field No(s): PU-26, (Premises) (Exhibit "A").

Tax Map Keys: (1) 6-4-003:por of 016. (Property).

Land Status: Acquired in fee by the Agribusiness Development Corporation in 2020.

Trust Land Status: Section 5(b) lands of the Hawaii Admission Act
Yes ☐ No ☒
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution?
Yes ☒ No ☐

Zoning: SLUD: Agricultural CZO: Agriculture

Character of Use: Diversified Agriculture

Land Doc. Type: License

Term: 35 years

Rental Rate: \$1800 per tillable acre per year: 16.7 ac x \$1,800= \$30,060.00
\$1 per non-tillable acre per year: N/A
Total rent: \$30,060.00 per year (\$2,505.00 per month).

BACKGROUND:

The Agribusiness Development Corporation (ADC) published a request for land applications in early 2024 and Applicant submitted their application. SOPHA NUANBUNMA's application scored sufficiently high, and the ADC Board of Directors (Board) voted to accept them as an awardee at their meeting on November 1, 2024. The Applicant has over 10 years of farming experience.

OPERATIONAL PLAN: See Exhibit "B"

CONSERVATION PLAN/NPDES/BMP CONSIDERATIONS:

The Applicant will be required to develop a conservation plan and seek approval from the appropriate conservation district.

Request for approval to issue a new license agreement SOPHA NUANBUNMA for 16.7 gross acres, more or less, of PU-26, for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

CHAPTER 343:

Under section 343-5(a), Hawaii Revised Statutes, an environmental assessment shall be required for actions, that propose, among other things, the “(1) use of state land or county lands, or the use of state or county funds[.]” In this case, the project is exempt, subject to the Comprehensive Exemption Type 1, Part 1, Item 5: *“Operation, repair and maintenance of existing crop production (fruits, vegetables, flowers, foliage, crops for bioenergy and forage) facilities, including but not limited to equipment storage/maintenance”*.

DISCUSSION:

The Premises the Applicant will utilize consists of 16.7 gross acres, all of which is tillable and usable for diversified farming. The property has several abandoned vehicles on site, as well as debris and rubbish. The land is overgrown with grass and tall trees. The land will require clearing before any agricultural activities can begin.

Staff notes that a substantial financial investment by the Applicants will be necessary to clear and prepare the Premises for planting since the Premises has been vacant for a while and the land is overgrown. The Applicants will also incur significant costs due to lack of a reliable water source. As such, we recommend a one-time rent credit not to exceed the equivalent of six (6) months of full- rate base rent, as reimbursement for verified costs incurred for land preparation, debris removal, and installation of a water storage system if the tenant can produce receipts. All approved improvements shall be deemed permanent improvements to State property and shall become the property of ADC upon completion, without further obligation for reimbursement. This credit shall be one-time only, and shall not establish any precedent or continuing obligation for future credits, offsets, or reimbursements unless approved in writing by ADC.

The rent shall be at a rate of \$1800/acre/year for the tillable acres and \$1.00/acre/year for the non-tillable acres, with a rental reopening to occur on years 10, 20 and 30 of the license. Rent will be determined by an independent appraisal establishing fair market rent, subject to review and approval by the Executive Director. The fair market rental shall be determined by an appraiser whose services shall have been contracted for by the Licensor; provided that should the Licensee fail to agree to such fair market rental, Licensee may appoint its own appraiser who, together with the Licensor's appraiser, shall promptly appoint a third appraiser and the fair market rental shall be determined by arbitration as provided by Section 658-1, Hawaii Revised Statutes. The Licensee shall pay for the services of its own appraiser and the cost for the services of the third appraiser shall be borne equally by the Licensor and Licensee.

At full rate, the license is currently valued at \$30,060.00 per year (\$2,505.00 per month) to ADC rental income.

Staff are asking that the security deposit requirement for the license shall be an amount equal to six months of full-rate license fees as a security deposit for the faithful performance of all of these terms and conditions. Due to the large initial investment that is necessary for the applicant to begin operations on the land, staff recommend that the deposit be payable in 3 equal monthly payments with the initial installment beginning upon execution of the lease. The deposit will be returned to LICENSEE upon termination of the License, but only after all of the terms and conditions of this License agreement have been observed and performed.

There currently is no water source provided by ADC on this property. A possible water source is an irrigation ditch running on the northern end of the property: Water is currently being provided by Dole Plantation until the irrigation system is transferred to ADC and common area maintenance fees (CAM) and water usage rates are established. Until such time, a Water Infrastructure User Agreement will serve

Request for approval to issue a new license agreement SOPHA NUANBUNMA for 16.7 gross acres, more or less, of PU-26, for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

as an addendum to the License. See attached “Exhibit C”. The attached addendum is based on a Water Facility Agreement contracted between Dole and ADC for an initial user rate of \$0.60 per thousand gallons of ditch water; and \$0.80 per thousand gallons of pumped water, to be billed monthly. The price is subject to adjustment every January 1st.

Licensee shall be required to provide Licensor with a Good Agricultural Practice certificate within two years from execution date.

The draft License Agreement is attached as “Exhibit D”

RECOMMENDATION:

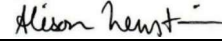
Based on the foregoing, staff recommends that the Board:

1. Approve the Request, subject to the following conditions:
 - a. The license term shall be for 35 years;
 - b. The license rents shall be \$1800/acre/year for tillable land and \$1/acre/year for non-tillable land for the first 10 years with a rental reopening to occur on years 10, 20 and 30 of the license. Rent to be determined by an independent appraisal establishing fair market rent, under the terms and conditions cited above;
 - c. The security deposit requirement for the license shall be an amount equal to six months of full-rate license fees payable in 3 equal monthly payments, with the initial installment beginning upon execution of the lease, as a security deposit for the faithful performance of all of these terms and conditions. The deposit will be returned to LICENSEE upon termination of the License, but only after all of the terms and conditions of this License agreement have been observed and performed;
 - d. Licensees will be required to develop a conservation plan and seek approval from the appropriate conservation district;
 - e. The Licensee may be eligible for a one-time rent credit not to exceed the equivalent of six (6) months of full- rate base rent, as reimbursement for verified costs incurred for land preparation, debris removal, and installation of a water storage system (collectively, the “Approved Improvements”). The credit shall be subject to the following conditions:
 - 1) Licensee shall submit to Licensor itemized invoices, receipts, and photographic documentation of all work completed;
 - 2) The total rent credit shall be based on verified costs and shall not exceed six (6) months of full-rate base rent under this License;
 - 3) All Approved Improvements shall be deemed permanent improvements to State property and shall become the property of the Licensor upon completion, without further obligation for reimbursement;
 - 4) Except for the one-time rent credit authorized under this section, the Licensor shall not be responsible for any future costs associated with land preparation, debris removal, maintenance, or replacement of the Approved Improvements; and
 - 5) This credit shall be one-time only, and shall not establish any precedent or continuing obligation for future credits, offsets, or reimbursements unless approved in writing by the Licensor.
 - f. Water will be provided by Dole Plantation until ADC acquires the irrigation system and establishes the CAM and water usage rates. Until such time, the license shall include the above referenced Water Infrastructure User Agreement labelled “Exhibit C”; and

Request for approval to issue a new license agreement SOPHA NUANBUNMA for 16.7 gross acres, more or less, of PU-26, for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

- g. Licensee shall be required to provide Licensor with a Good Agricultural Practice certificate within two years from execution date.
2. Declare that, pursuant to ADC's Comprehensive Exemption List dated October 23, 2025, the proposed disposition is a de minimis action that will probably have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment, pursuant to Chapter 343, Hawaii Revised Statutes.

Respectfully Submitted,



ALISON NEUSTEIN

Acting Oahu Property Manager

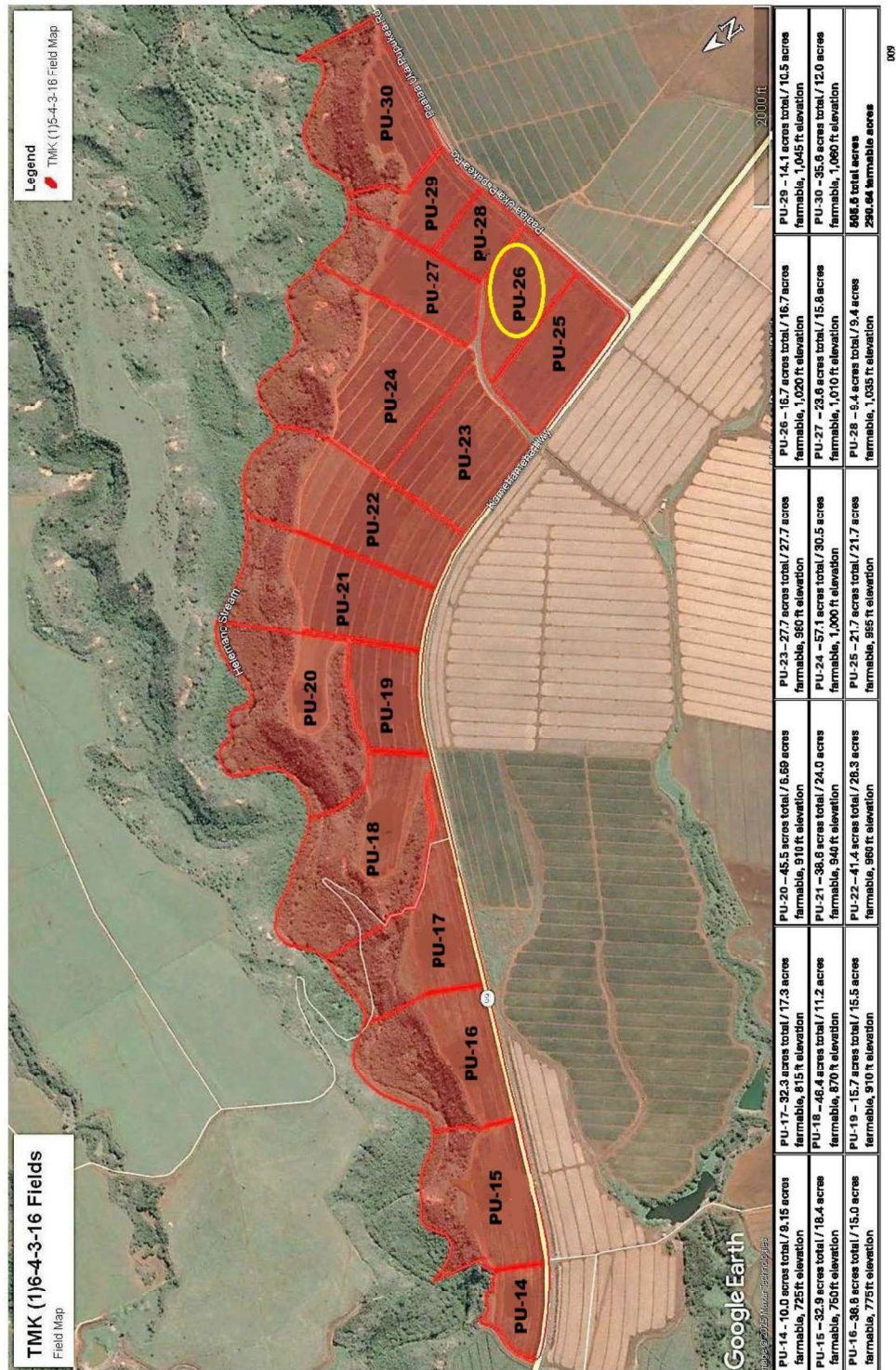
Approved for Submittal:



Wendy Gady
Executive Director

Request for approval to issue a new license agreement SOPHA NUANBUNMA for 16.7 gross acres, more or less, of PU-26, for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

EXHIBIT A



Request for approval to issue a new license agreement SOPHA NUANBUNMA for 16.7 gross acres, more or less, of PU-26, for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

EXHIBIT B

Sopha Nuanbunma
Lot 13 = 16.7 acres
All cleared

1 acre - Sweet Pepper/shinshuto @ \$3.00 - \$7.00
can harvest in 2 mths
30 Bags x 30 lbs = 900 lbs/week
can harvest for 2 mths

1 acre - Japanese Cucumber \$1.00 - \$2.00
can harvest in 6 weeks
30 Boxes x 40 = 1,200 / Day
1,200 lbs x 3 day/wk = 3,600 lbs/wk
can harvest for 1 mth

1 acre - Tomatoes \$1.00 - \$2.00
can harvest in 2 mths
60 Boxes x 50 lbs = 3,000 lbs/day
3,000 x 7 = 21,000 lbs/Week
can harvest for 2 mths

1 acre - Bra Bitter Melon @ \$3.50 - \$5.00/lb
can harvest in 2 months
20 Boxes x 35 lbs = 700 lbs/day
700 lbs x 3 days = 2,100 lbs/wk
can harvest for 3 mths

Addendum to License Agreement LI-PU-25-_____ **EXHIBIT C**

Water Infrastructure User Agreement

This Addendum to License Agreement LI-PU-25-_____ is entered into between the State of Hawai‘i, Agribusiness Development Corporation (“ADC”), whose address is 235 S. Beretania Street, Suite 205, Honolulu, Hawai‘i 96813, and _____ (“USER”) whose address is _____, each a “Party” and collectively “Parties”.

Whereas the USER desires to use water delivered through irrigation infrastructure owned by Dole Food Company, Inc. (“Dole”). USER hereby enters into this Water Infrastructure User Agreement (“Agreement”) and agrees to comply with the terms of this Agreement as an addendum to License Agreement LI-PU-25-_____ (“License”), and pursuant to Chapter 174C, *Hawaii Revised Statutes*, and other applicable state and federal laws, rules, regulations, and City and County of Honolulu ordinances, now or hereafter in effect.

To that end, the Parties agree to the following terms:

1. Term: This Agreement shall be effective and coterminous with the License, when USER quits the property covered by the License, or upon the earlier termination of this Agreement or the License at ADC’s discretion, whichever shall first occur.
2. Availability: Dole agrees to allow the USER to draw water excess to Dole’s requirements but does not intend to become obligated to provide water to the USER in a minimum or unlimited quantity and does not intend to dedicate its facilities to public use or become a public utility. USER expressly acknowledges that ADC does not guarantee the availability of water.
3. Character of Use: Water delivered by Dole shall be used only for agriculture-related purposes, in accordance with the terms of USER’S License and conservation plan.
4. Potability: USER acknowledges that water obtained from Dole is not potable. USER is solely responsible for their use of water.
5. Fees and Schedule: USER agrees to pay Dole’s rate per gallon of water as metered, based on current rates in the Water Facility Agreement between ADC and Dole effective May 1, 2024, plus applicable taxes. USER also agrees to pay the cost of acquisition and installation of water meters of an appropriate type, size and capability as a condition of water delivery. ADC shall invoice USER on or around the 15th of every month for the previous month of service for the volume of water delivered and all other incidental costs such as the cost of the water meter, and a monthly ADC service fee of \$0.00 for clerical and other costs, commencing from the effective date of this Agreement. Payment shall be

due on the 15th of the month after the date of invoice. ADC reserves the right to assess a monthly late fee of 5% on USER's past-due balance for each month of delinquency. ADC reserves the right to adjust future water rates, commencing on January 1st of each year thereafter, payment terms, policies, and time and place of payment, from time to time, as determined by ADC's Board of Directors, and subject to the costs associated with operating and maintaining the well and delivery systems. USER expressly acknowledges that ADC is only providing infrastructure for the delivery of water and is not selling water.

6. Operation: The meter and main valve shall be part of the property, and under the sole control of ADC. USER is expressly prohibited from manipulating or adjusting valves, meters, or flow under ADC's control. Violations of this term shall constitute grounds for both the immediate termination of this Agreement and termination of water. USER agrees to promptly report any meter or system issues to ADC, or their contracted system operator. USER is prohibited from tampering with, adjusting, desecrating, or intruding upon any portion of the water system, prior to and including, the meter, or any other point of the water system that exists upstream of the meter.
7. Infrastructure: All water delivery infrastructure from the water source, up to and including the main meter, is the property of Dole. ADC shall install, at the USER'S expense, a meter to monitor USER's water use. ADC, or their contracted system operator, shall be solely responsible for monitoring and maintaining the meter, and reserves the right to repair or replace the meter, as necessary, and bill associated costs to the USER. USER shall be responsible for the installation, management, maintenance, and repair of all infrastructure from the meter to the various distribution points in their fields.
8. Improvements: USER agrees to provide ADC with drawings and schematics of all irrigation lines in relation to the Premises, including meters, valves, junctions, backflow preventers, connections, boosters, etc., and to update those drawings and schematics as USER's system is modified or improved.
9. Water Storage: USER shall maintain and repair, at USER's sole cost, any reservoir or other water storage facilities (collectively "Water Storage") on the licensed Premises to a condition acceptable to ADC. ADC shall have no obligation whatsoever to construct, maintain, or repair the Water Storage. Any improvements made to the Water Storage must be approved by ADC in accordance with the License. Any damage to ADC's Water Storage or to any third party as a result of misuse or negligence by User shall be User's responsibility.
10. Contamination: USER shall maintain either a minimum three-foot airgap between the termination of any Water Storage feed line and the surface of the water at all times, OR a back-flow preventer, so positioned between the meter and the Water Storage, to prevent back-flow contamination of Dole's irrigation main line.

11. Hold Harmless: USER agrees to hold ADC harmless from any damages, including loss of crops due to availability, quantity, potability, or suitability of the water ADC provides. This paragraph shall survive the termination of this Agreement.
12. Indemnity: USER shall indemnify, defend, and hold harmless the State of Hawai‘i, ADC, and their officers, employees, and agents from and against any claim or demand for loss, liability, damage, cost, expense, and attorneys’ fees, including claims for property damage, personal injury, or wrongful death, arising out of any act or omission of USER, and from and against all actions, suits, damages, and claims by whomsoever brought or made by reason of the non-observance or non-performance of any of the terms, covenants, and conditions herein or the laws, ordinances, rules, and regulations of the federal, state, or county governments now or hereafter in effect. This paragraph shall survive the termination of this Agreement.
13. Force Majeure: ADC shall not be liable for any failure of or delay in the performance of this Agreement for the period, provided that such failure or delay is beyond the reasonable control of the parties, materially affects the performance of any of its obligations under this Agreement, and could not have been reasonably foreseen or provided against.
14. Governance: USER agrees to comply with and be bound by any bylaws, rules, and policies of ADC, and the laws, ordinances, rules, and regulations of the federal, state, or county governments, now or hereafter in effect. It is expressly agreed that this Agreement shall be governed by the laws of the State of Hawai‘i, and that any lawsuit or disagreement shall be brought in a court of the State of Hawai‘i.
15. Severability: Should any provision of this Agreement be declared void or unenforceable, all remaining provisions shall remain in full force and effect.
16. Default: In the event the USER shall default on any provision of this Agreement that is not delinquency-related, by refusing or failing, without just cause, to utilize the water delivery system in a manner as set forth in this Agreement, ADC may issue a Letter of Default with an itemized list of corrective actions. USER shall have thirty-days from the date of the letter to satisfactorily address the list of corrective actions, after which ADC reserves the right to sever USER’s water connection until all corrective actions have been satisfactorily made. ADC may restore the water connection upon written request from USER. For defaults involving non-payment or partial-payment, ADC reserves the right to shut off water immediately at such time that delinquency occurs, as determined by the invoice due date. Reconnection shall occur only after full payment has been made, and upon written request from the USER.
17. This Agreement sets forth all of the contracts, agreements, conditions, understandings, promises, warranties and representations between the ADC and this USER regarding the use of Dole’s irrigation infrastructure for delivery of water from Dole to this USER. This Agreement supersedes all prior contracts, agreements, conditions, understandings,

Request for approval to issue a new license agreement SOPHA NUANBUNMA for 16.7 gross acres, more or less, of PU-26, for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

promises, warranties, and representations oral or written, express or implied, between ADC and this USER other than as set forth or as referred to herein.

[Signature page follows.]

Request for approval to issue a new license agreement SOPHA NUANBUNMA for 16.7 gross acres, more or less, of PU-26, for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on this ____ day of _____, 2025.

LICENSOR:

State of Hawai'i

Agribusiness Development Corporation

By:

Wendy L. Gady

Its: Executive Director

Date:

APPROVED AS TO FORM:

Deputy Attorney General

LICENSEE:

SOPHA NUANBUNMA an individual

By:

SOPHA NUANBUNMA

Date:

STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION

E-12

STAFF SUBMITTAL TO THE BOARD OF DIRECTORS
December 18, 2025

Subject: Request for approval to issue a new license agreement to SILA FARM LLC for 59.2 gross acres, more or less, of PU-27 and PU-30, for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016.

Applicant: SILA FARM LLC, a Hawaii Limited Liability Company (Applicant).

Authority: 163D-4(a)(5), Hawaii Revised Statutes.

Area: Total area of parcel 016 is 511 acres. PU-27: 23.6 gross acres (15.8 tillable and 7.8 non-tillable acres), more or less.
PU-30: 35.6 gross acres (12.0 tillable and 13.6 non-tillable acres), more or less.
Total: 59.2 gross acres (27.8 tillable and 31.4 non-tillable acres), more or less.

Field No(s): PU-27 and PU-30 (Premises) (Exhibit "A").

Tax Map Keys: (1) 6-4-003:por of 016 (Property).

Land Status: Acquired in fee by the Agribusiness Development Corporation in 2020.

Trust Land Status: Section 5(b) lands of the Hawaii Admission Act
Yes ☐ No ☒
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution?
Yes ☒ No ☐

Zoning: SLUD: Agricultural CZO: Agriculture

Character of Use: Diversified Agriculture

Land Doc. Type: License

Term: 35 years

Rental Rate: \$1800 per tillable acre per year: 27.8 ac x \$1,800= \$50,040.00
\$1 per non-tillable acre per year: 31.4 x \$1= \$31.40
Total rent: \$50,071.40 per year (\$4,172.62 per month)

BACKGROUND:

The Agribusiness Development Corporation (ADC) published a request for land applications in early 2024 and applicants submitted their application. SILA FARMS LLC's application scored sufficiently high, and the ADC Board of Directors (Board) voted to accept them as an awardee at their meeting on November 1, 2024. SILA FARMS has been in business in Hawaii for over 20 years.

OPERATIONAL PLAN: See Exhibit "B"

CONSERVATION PLAN/NPDES/BMP CONSIDERATIONS:

Request for approval to issue a new license agreement to SILA FARMS LLC for 59.2 gross acres of PU-27 and PU-30, for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

The applicant will be required to develop a conservation plan and seek approval from the appropriate conservation district.

CHAPTER 343:

Under section 343-5(a), Hawaii Revised Statutes, an environmental assessment shall be required for actions, that propose, among other things, the “(1) use of state land or county lands, or the use of state or county funds[.]” In this case, the project is exempt, subject to the Comprehensive Exemption Type 1, Part 1, Item 5: “*Operation, repair and maintenance of existing crop production (fruits, vegetables, flowers, foliage, crops for bioenergy and forage) facilities, including but not limited to equipment storage/maintenance*”.

DISCUSSION:

The Premises the Applicant will utilize consists of 59.2 gross acres, and 27.8 acres are tillable and usable for diversified farming. The Property has several abandoned vehicles on site, as well as debris and rubbish. The land is overgrown with grass and tall trees. The land will require clearing before any agricultural activities can begin.

Staff notes that a substantial financial investment by the Applicant will be necessary to clear and prepare the Premises for planting since the Premises has been vacant for a while and the land is overgrown. The applicant will also incur significant costs due to lack of a reliable water source. As such, we recommend a one-time rent credit not to exceed the equivalent of six (6) months of full- rate base rent, as reimbursement for verified costs incurred for land preparation, debris removal, and installation of a water storage system if the tenant can produce receipts. All approved improvements shall be deemed permanent improvements to State property and shall become the property of ADC upon completion, without further obligation for reimbursement. This credit shall be one-time only and shall not establish any precedent or continuing obligation for future credits, offsets, or reimbursements unless approved in writing by ADC.

The rent shall be at a rate of \$1800/acre/year for the tillable acres and \$1.00/acre/year for the non-tillable acres, with a rental reopening to occur on years 10, 20 and 30 of the license. Rent will be determined by an independent appraisal establishing fair market rent, subject to review and approval by the Executive Director. The fair market rental shall be determined by an appraiser whose services shall have been contracted for by the Licensor; provided that should the Licensee fail to agree to such fair market rental, Licensee may appoint its own appraiser who, together with the Licensor's appraiser, shall promptly appoint a third appraiser and the fair market rental shall be determined by arbitration as provided by Section 658-1, Hawaii Revised Statutes. The Licensee shall pay for the services of its own appraiser and the cost for the services of the third appraiser shall be borne equally by the Licensor and Licensee.

At full rate, the license is currently valued at \$50,071.40 per year (\$4,172.62 per month) to ADC rental income.

Staff are asking that the security deposit requirement for the license shall be an amount equal to six months of full-rate license fees as a security deposit for the faithful performance of all of these terms and conditions. Due to the large initial investment that is necessary for the applicant to begin operations on the land, staff recommend that the deposit be payable in 3 equal monthly payments with the initial installment beginning upon execution of the lease. The deposit will be returned to LICENSEE upon termination of the License, but only after all of the terms and conditions of this License agreement have been observed and performed.

Request for approval to issue a new license agreement to SILA FARMS LLC for 59.2 gross acres of PU-27 and PU-30, for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

There currently is no water source provided by ADC on this property. A possible water source is an irrigation ditch running on the northern end of the property: Water is currently being provided by Dole Plantation until the irrigation system is transferred to ADC and common area maintenance fees (CAM) and water usage rates are established. Until such time, a Water Infrastructure User Agreement will serve as an addendum to the License. See attached "Exhibit C". The attached addendum is based on a Water Facility Agreement contracted between Dole and ADC for an initial user rate of \$0.60 per thousand gallons of ditch water; and \$0.80 per thousand gallons of pumped water, to be billed monthly. The price is subject to adjustment every January 1st.

Licensee shall be required to provide Licensor with a Good Agricultural Practice certificate within two years from execution date.

The draft License Agreement is attached as "Exhibit D"

RECOMMENDATION:

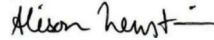
Based on the foregoing, staff recommends that the Board:

1. Approve the Request, subject to the following conditions:
 - a. The license term shall be for 35 years;
 - b. The license rents shall be \$1800/acre/year for tillable land and \$1/acre/year for non-tillable land for the first 10 years with a rental reopening to occur on years 10, 20 and 30 of the license. Rent to be determined by an independent appraisal establishing fair market rent, under the terms and conditions cited above;
 - c. The security deposit requirement for the license shall be an amount equal to six months of full-rate license fees payable in 3 equal monthly payments, with the initial installment beginning upon execution of the lease, as a security deposit for the faithful performance of all of these terms and conditions. The deposit will be returned to LICENSEE upon termination of the License, but only after all of the terms and conditions of this License agreement have been observed and performed;
 - d. Licensees will be required to develop a conservation plan and seek approval from the appropriate conservation district;
 - e. The Licensee may be eligible for a one-time rent credit not to exceed the equivalent of six (6) months of full- rate base rent, as reimbursement for verified costs incurred for land preparation, debris removal, and installation of a water storage system (collectively, the "Approved Improvements"). The credit shall be subject to the following conditions:
 - 1) Licensee shall submit to Licensor itemized invoices, receipts, and photographic documentation of all work completed;
 - 2) The total rent credit shall be based on verified costs and shall not exceed six (6) months of full-rate base rent under this License;
 - 3) All Approved Improvements shall be deemed permanent improvements to State property and shall become the property of the Licensor upon completion, without further obligation for reimbursement;
 - 4) Except for the one-time rent credit authorized under this section, the Licensor shall not be responsible for any future costs associated with land preparation, debris removal, maintenance, or replacement of the Approved Improvements; and
 - 5) This credit shall be one-time only, and shall not establish any precedent or continuing obligation for future credits, offsets, or reimbursements unless approved in writing by the Licensor.

Request for approval to issue a new license agreement to SILA FARMS LLC for 59.2 gross acres of PU-27 and PU-30, for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

- f. Water will be provided by Dole Plantation until ADC acquires the irrigation system and establishes the CAM and water usage rates. Until such time, the license shall include the above referenced Water Infrastructure User Agreement labelled "Exhibit C"; and
 - g. Licensee shall be required to provide Licensor with a Good Agricultural Practice certificate within two years from execution date.
2. Declare that, pursuant to ADC's Comprehensive Exemption List dated October 23, 2025, the proposed disposition is a de minimis action that will probably have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment, pursuant to Chapter 343, Hawaii Revised Statutes.

Respectfully Submitted,



ALISON NEUSTEIN

Acting Oahu Property Manager

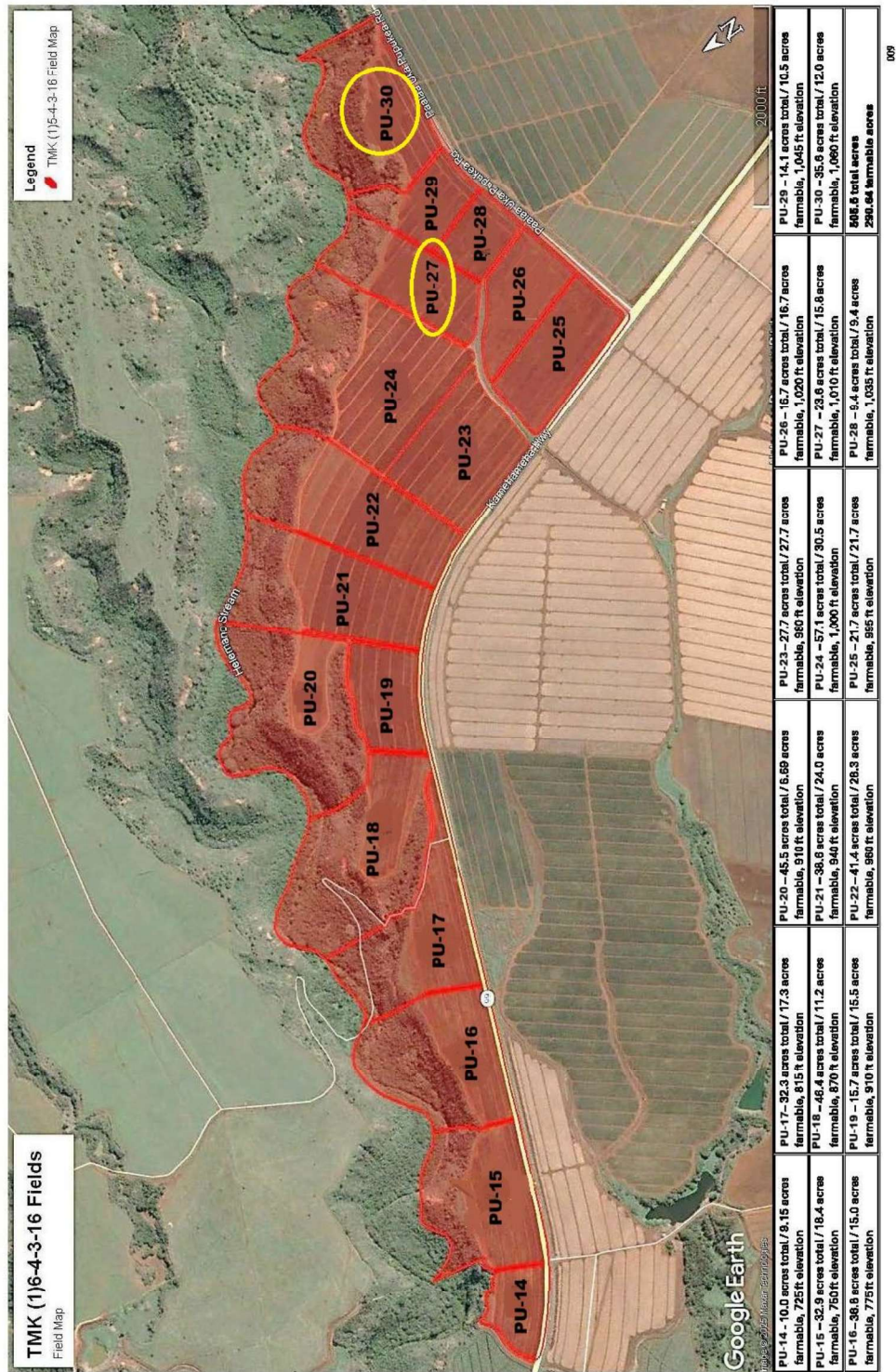
Approved for Submittal:



Wendy Gady
Executive Director

Request for approval to issue a new license agreement to SILA FARMS LLC for 59.2 gross acres of PU-27 and PU-30, for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

EXHIBIT A



Request for approval to issue a new license agreement to SILA FARMS LLC for 59.2 gross acres of PU-27 and PU-30, for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

EXHIBIT B

Business Plan on behalf of:

Uthen Sila
Sila Farms, LLC

REQUEST FOR LAND APPLICATION

Prepared For:

State of Hawaii – AGRIBUSINESS DEVELOPMENT CORPORATION

Uthen Sila is a bona fide farmer and has been farming in Oahu in various capacities since 2005. Sila Farm LLC in its' current capacity was formed and registered with the state on February 5, 2020. We have an active Hawaii General Excise Tax license. Our most recent annual filing was received by the state on March 31, 2024. Currently our farm is located 68-670 Farrington Highway in Mokuleia, Oahu. It is a 10 acre plot. As of this writing our current crops include Japanese cucumber, long bean, tomato, pumpkin, and banana. Prior to our current location, we have operated our farm out of Kunia off of Kunia road

We have consistently grown the following crops over the years:

Papaya
Long Bean
Thai Chili
Korean Cucumber
Japanese Cucumber
Tomato
Pumpkin
Squash
Long Bean
Banana
Plantain
Eggplant
Sweet Pepper

The crops we currently grow are in great demand in our area. There have been very few times where we have had surplus that does not sell immediately. We fulfill orders approximately three times a week to three main customers, and also several individual customers. We are a cornerstone in our community, especially to other Thai farmers here on Oahu.

Request for approval to issue a new license agreement to SILA FARMS LLC for 59.2 gross acres of PU-27 and PU-30, for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

Good Agricultural Practices (GAP) Certification

Attaining GAP Certification is being actively pursued. We have been in contact with Lisa Rhoden at GroupGAP, a sub-group of the North Shore Economic Vitality Partnership. We will be participating in the next GroupGAP Farmer Training Course. The next course is scheduled to take place in early 2025. Typical certification takes about 6 months to complete, depending on different crops that are grown. They have training courses in Thai language, and have access to interpreters when needed for on-site visits and trainings. We look forward to gaining this certification, as it will open up many new sales avenues. Many commercial operations on Oahu only purchase from GAP certified farms. When we attain certification we will be able to sell to commercial entities such as Foodland, Armstrong, Chef Zone, and the state school system among many others.

Cost for GAP certification is about \$800 a year. We understand that it is an annual process and that standards and practices must be maintained year after year. The GroupGAP program will provide all the necessary training including accurate record-keeping that is necessary to maintain certification. North Shore EVP will assist us and our farm in the development of individual farm food safety plans, provides food safety training, and will conduct farm audits two times per year at each of our farms. Upon successful completion of the internal audit our farm becomes Harmonized GAP certified. We are confident that the expanded sales channels opened by GAP certification will justify our request and need for more farmland through the State of Hawaii's Agribusiness Development Corporation.

We respectfully request a 30 acre plot of land located near Helemano Military Reservation located off of Kamehameha Highway. The area is shown in a map below that was screen-grabbed from the Agribusiness Development Corporation website and is circled in yellow.



On this land we will use 15 acres for planting our regular assortment of crops. The remaining 15 acres will be used to plant fruit trees such as Mango tree, avocado tree, longan tree, and lychee. The fruiting time for these trees is multiple years, so we know this will be an investment that will take a bit of time before we can sell the fruit that grows from the trees.

Addendum to License Agreement LI-PU-25-_____ **EXHIBIT C**

Water Infrastructure User Agreement

This Addendum to License Agreement LI-PU-25-_____ is entered into between the State of Hawai‘i, Agribusiness Development Corporation (“ADC”), whose address is 235 S. Beretania Street, Suite 205, Honolulu, Hawai‘i 96813, and _____ (“USER”) whose address is _____, each a “Party” and collectively “Parties”.

Whereas the USER desires to use water delivered through irrigation infrastructure owned by Dole Food Company, Inc. (“Dole”). USER hereby enters into this Water Infrastructure User Agreement (“Agreement”) and agrees to comply with the terms of this Agreement as an addendum to License Agreement LI-PU-25-_____ (“License”), and pursuant to Chapter 174C, *Hawaii Revised Statutes*, and other applicable state and federal laws, rules, regulations, and City and County of Honolulu ordinances, now or hereafter in effect.

To that end, the Parties agree to the following terms:

1. Term: This Agreement shall be effective and coterminous with the License, when USER quits the property covered by the License, or upon the earlier termination of this Agreement or the License at ADC’s discretion, whichever shall first occur.
2. Availability: Dole agrees to allow the USER to draw water excess to Dole’s requirements but does not intend to become obligated to provide water to the USER in a minimum or unlimited quantity and does not intend to dedicate its facilities to public use or become a public utility. USER expressly acknowledges that ADC does not guarantee the availability of water.
3. Character of Use: Water delivered by Dole shall be used only for agriculture-related purposes, in accordance with the terms of USER’S License and conservation plan.
4. Potability: USER acknowledges that water obtained from Dole is not potable. USER is solely responsible for their use of water.
5. Fees and Schedule: USER agrees to pay Dole’s rate per gallon of water as metered, based on current rates in the Water Facility Agreement between ADC and Dole effective May 1, 2024, plus applicable taxes. USER also agrees to pay the cost of acquisition and installation of water meters of an appropriate type, size and capability as a condition of water delivery. ADC shall invoice USER on or around the 15th of every month for the previous month of service for the volume of water delivered and all other incidental costs

such as the cost of the water meter, and a monthly ADC service fee of \$0.00 for clerical and other costs, commencing from the effective date of this Agreement. Payment shall be due on the 15th of the month after the date of invoice. ADC reserves the right to assess a monthly late fee of 5% on USER's past-due balance for each month of delinquency. ADC reserves the right to adjust future water rates, commencing on January 1st of each year thereafter, payment terms, policies, and time and place of payment, from time to time, as determined by ADC's Board of Directors, and subject to the costs associated with operating and maintaining the well and delivery systems. USER expressly acknowledges that ADC is only providing infrastructure for the delivery of water and is not selling water.

6. Operation: The meter and main valve shall be part of the property, and under the sole control of ADC. USER is expressly prohibited from manipulating or adjusting valves, meters, or flow under ADC's control. Violations of this term shall constitute grounds for both the immediate termination of this Agreement and termination of water. USER agrees to promptly report any meter or system issues to ADC, or their contracted system operator. USER is prohibited from tampering with, adjusting, desecrating, or intruding upon any portion of the water system, prior to and including, the meter, or any other point of the water system that exists upstream of the meter.
7. Infrastructure: All water delivery infrastructure from the water source, up to and including the main meter, is the property of Dole. ADC shall install, at the USER'S expense, a meter to monitor USER's water use. ADC, or their contracted system operator, shall be solely responsible for monitoring and maintaining the meter, and reserves the right to repair or replace the meter, as necessary, and bill associated costs to the USER. USER shall be responsible for the installation, management, maintenance, and repair of all infrastructure from the meter to the various distribution points in their fields.
8. Improvements: USER agrees to provide ADC with drawings and schematics of all irrigation lines in relation to the Premises, including meters, valves, junctions, backflow preventers, connections, boosters, etc., and to update those drawings and schematics as USER's system is modified or improved.
9. Water Storage: USER shall maintain and repair, at USER's sole cost, any reservoir or other water storage facilities (collectively "Water Storage") on the licensed Premises to a condition acceptable to ADC. ADC shall have no obligation whatsoever to construct, maintain, or repair the Water Storage. Any improvements made to the Water Storage must be approved by ADC in accordance with the License. Any damage to ADC's Water Storage or to any third party as a result of misuse or negligence by User shall be User's responsibility.
10. Contamination: USER shall maintain either a minimum three-foot airgap between the termination of any Water Storage feed line and the surface of the water at all times, OR a back-flow preventer, so positioned between the meter and the Water Storage, to prevent back-flow contamination of Dole's irrigation main line.

11. Hold Harmless: USER agrees to hold ADC harmless from any damages, including loss of crops due to availability, quantity, potability, or suitability of the water ADC provides. This paragraph shall survive the termination of this Agreement.
12. Indemnity: USER shall indemnify, defend, and hold harmless the State of Hawai‘i, ADC, and their officers, employees, and agents from and against any claim or demand for loss, liability, damage, cost, expense, and attorneys’ fees, including claims for property damage, personal injury, or wrongful death, arising out of any act or omission of USER, and from and against all actions, suits, damages, and claims by whomsoever brought or made by reason of the non-observance or non-performance of any of the terms, covenants, and conditions herein or the laws, ordinances, rules, and regulations of the federal, state, or county governments now or hereafter in effect. This paragraph shall survive the termination of this Agreement.
13. Force Majeure: ADC shall not be liable for any failure of or delay in the performance of this Agreement for the period, provided that such failure or delay is beyond the reasonable control of the parties, materially affects the performance of any of its obligations under this Agreement, and could not have been reasonably foreseen or provided against.
14. Governance: USER agrees to comply with and be bound by any bylaws, rules, and policies of ADC, and the laws, ordinances, rules, and regulations of the federal, state, or county governments, now or hereafter in effect. It is expressly agreed that this Agreement shall be governed by the laws of the State of Hawai‘i, and that any lawsuit or disagreement shall be brought in a court of the State of Hawai‘i.
15. Severability: Should any provision of this Agreement be declared void or unenforceable, all remaining provisions shall remain in full force and effect.
16. Default: In the event the USER shall default on any provision of this Agreement that is not delinquency-related, by refusing or failing, without just cause, to utilize the water delivery system in a manner as set forth in this Agreement, ADC may issue a Letter of Default with an itemized list of corrective actions. USER shall have thirty-days from the date of the letter to satisfactorily address the list of corrective actions, after which ADC reserves the right to sever USER’s water connection until all corrective actions have been satisfactorily made. ADC may restore the water connection upon written request from USER. For defaults involving non-payment or partial-payment, ADC reserves the right to shut off water immediately at such time that delinquency occurs, as determined by the invoice due date. Reconnection shall occur only after full payment has been made, and upon written request from the USER.
17. This Agreement sets forth all of the contracts, agreements, conditions, understandings, promises, warranties and representations between the ADC and this USER regarding the use of Dole’s irrigation infrastructure for delivery of water from Dole to this USER. This Agreement supersedes all prior contracts, agreements, conditions, understandings,

Request for approval to issue a new license agreement to SILA FARMS LLC for 59.2 gross acres of PU-27 and PU-30, for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

promises, warranties, and representations oral or written, express or implied, between ADC and this USER other than as set forth or as referred to herein.

[Signature page follows.]

Request for approval to issue a new license agreement to SILA FARMS LLC for 59.2 gross acres of PU-27 and PU-30, for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on this ____ day of _____, 2025.

LICENSOR:

State of Hawai'i

Agribusiness Development Corporation

By:

Wendy L. Gady

Its: Executive Director

Date:

APPROVED AS TO FORM:

Deputy Attorney General

LICENSEE:

SILA FARMS LLC

a Hawai'i Limited Liability Company

By:

Uthen Sila

Its: Managing Member

Date:

STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION

E-13

STAFF SUBMITTAL TO THE BOARD OF DIRECTORS
December 18, 2025

Subject: Request for approval to issue a new license agreement to SURAPHON SUWANNA for 14.1 gross acres, more or less, of PU-29 for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016.

Applicant: SURAPHON SUWANNA, an individual, (Applicant)

Authority: 163D-4(a)(5), Hawaii Revised Statutes.

Area: Total area of parcel 016 is 511 acres.
Licensed area (Lot PU-29): 14.1 gross acres (10.5 tillable acres and 3.6 non-tillable acres), more or less.

Field No(s): PU-29, (Premises) (Exhibit "A").

Tax Map Keys: (1) 6-4-003:por of 016 (Property).

Land Status: Acquired in fee by the Agribusiness Development Corporation in 2020.

Trust Land Status: Section 5(b) lands of the Hawaii Admission Act
Yes ☐ No ☒
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution?
Yes ☒ No ☐

Zoning: SLUD: Agricultural CZO: Agriculture

Character of Use: Diversified Agriculture

Land Doc. Type: License

Term: 35 years

Rental Rate: \$1800 per tillable acre per year: 10.5 ac x \$1,800= \$18,900.00
\$1 per non-tillable acre per year: 3.6 ac x \$1= \$3.60
Total rent per year: \$18,903.60 (\$1,575.25 per month)

BACKGROUND:

The Agribusiness Development Corporation (ADC) published a request for land applications in early 2024 and Applicants submitted their application. SURAPHON SUWANNA's application scored sufficiently high and the ADC Board of Directors (Board) voted to accept them as an awardee at their meeting on November 1, 2024. The Applicant has been farming for over 10 years in Hawaii.

OPERATIONAL PLAN: See Exhibit "B"

CONSERVATION PLAN/NPDES/BMP CONSIDERATIONS:

The Applicant will be required to develop a conservation plan and seek approval from the appropriate conservation district.

Request for approval to issue a new license agreement to SURAPHON SUWANNA for 14.1 gross acres, more or less, of PU-29, for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

CHAPTER 343:

Under section 343-5(a), Hawaii Revised Statutes, an environmental assessment shall be required for actions, that propose, among other things, the “(1) use of state land or county lands, or the use of state or county funds[.]” In this case, the project is exempt, subject to the Comprehensive Exemption Type 1, Part 1, Item 5: “*Operation, repair and maintenance of existing crop production (fruits, vegetables, flowers, foliage, crops for bioenergy and forage) facilities, including but not limited to equipment storage/maintenance*”.

DISCUSSION:

The Premises the Applicant will utilize consists of 14.1 gross acres, approximately 10.5 is tillable and usable for diversified farming and the remaining 3.6 acres is non-tillable. The property has several abandoned vehicles on site, as well as debris and rubbish. The land is overgrown with grass and tall trees. The land will require clearing before any agricultural activities can begin.

Staff notes that a substantial financial investment by the Applicant will be necessary to clear and prepare the Premises for planting since the Premises has been vacant for a while and the land is overgrown. The Applicant will also incur significant costs due to lack of a reliable water source. As such, we recommend a one-time rent credit not to exceed the equivalent of six (6) months of full- rate base rent, as reimbursement for verified costs incurred for land preparation, debris removal, and installation of a water storage system if the tenant can produce receipts. All approved improvements shall be deemed permanent improvements to State property and shall become the property of ADC upon completion, without further obligation for reimbursement. This credit shall be one-time only and shall not establish any precedent or continuing obligation for future credits, offsets, or reimbursements unless approved in writing by ADC.

The rent shall be at a rate of \$1800/acre/year for the tillable acres and \$1.00/acre/year for the non-tillable acres, with a rental reopening to occur on years 10, 20 and 30 of the license. Rent will be determined by an independent appraisal establishing fair market rent, subject to review and approval by the Executive Director. The fair market rental shall be determined by an appraiser whose services shall have been contracted for by the Licensor; provided that should the Licensee fail to agree to such fair market rental, Licensee may appoint its own appraiser who, together with the Licensor's appraiser, shall promptly appoint a third appraiser and the fair market rental shall be determined by arbitration as provided by Section 658-1, Hawaii Revised Statutes. The Licensee shall pay for the services of its own appraiser and the cost for the services of the third appraiser shall be borne equally by the Licensor and Licensee.

At full rate, the license is currently valued at \$18,903.60 per year to ADC rental income (\$1,575.25 per month).

Staff are asking that the security deposit requirement for the license shall be an amount equal to six months of full-rate license fees as a security deposit for the faithful performance of all of these terms and conditions. Due to the large initial investment that is necessary for the applicant to begin operations on the land, staff recommend that the deposit be payable in 3 equal monthly payments with the initial installment beginning upon execution of the lease. The deposit will be returned to LICENSEE upon termination of the License, but only after all of the terms and conditions of this License agreement have been observed and performed.

There currently is no water source provided by ADC on this property. A possible water source is an irrigation ditch running on the northern end of the property: Water is currently being provided by Dole Plantation until the irrigation system is transferred to ADC and common area maintenance fees (CAM)

Request for approval to issue a new license agreement to SURAPHON SUWANNA for 14.1 gross acres, more or less, of PU-29, for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

and water usage rates are established. Until such time, a Water Infrastructure User Agreement will serve as an addendum to the License. See attached “Exhibit C”. The attached addendum is based on a Water Facility Agreement contracted between Dole and ADC for an initial user rate of \$0.60 per thousand gallons of ditch water; and \$0.80 per thousand gallons of pumped water, to be billed monthly. The price is subject to adjustment every January 1st.

Licensee shall be required to provide Licensor with a Good Agricultural Practice certificate within two years from execution date.

The draft License Agreement is attached as “Exhibit D”.

RECOMMENDATION:

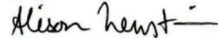
Based on the foregoing, staff recommends that the Board:

1. Approve the Request, subject to the following conditions:
 - a. The license term shall be for 35 years;
 - b. The license rents shall be \$1800/acre/year for tillable land and \$1/acre/year for non-tillable land for the first 10 years with a rental reopening to occur on years 10, 20 and 30 of the license. Rent to be determined by an independent appraisal establishing fair market rent, under the terms and conditions cited above;
 - c. The security deposit requirement for the license shall be an amount equal to six months of full-rate license fees payable in 3 equal monthly payments, with the initial installment beginning upon execution of the lease, as a security deposit for the faithful performance of all of these terms and conditions. The deposit will be returned to LICENSEE upon termination of the License, but only after all of the terms and conditions of this License agreement have been observed and performed;
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 - 1) Licensee shall submit to Licensor itemized invoices, receipts, and photographic documentation of all work completed;
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 - 3) All Approved Improvements shall be deemed permanent improvements to State property and shall become the property of the Licensor upon completion, without further obligation for reimbursement;
 - 4) Except for the one-time rent credit authorized under this section, the Licensor shall not be responsible for any future costs associated with land preparation, debris removal, maintenance, or replacement of the Approved Improvements; and
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- f. Water will be provided by Dole Plantation until ADC acquires the irrigation system and establishes the CAM and water usage rates. Until such time, the license shall include the above referenced Water Infrastructure User Agreement labelled "Exhibit C"; and
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2. Declare that, pursuant to ADC's Comprehensive Exemption List dated October 23, 2025, the proposed disposition is a de minimis action that will probably have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment, pursuant to Chapter 343, Hawaii Revised Statutes.

Respectfully Submitted,



ALISON NEUSTEIN

Acting Oahu Property Manager

Approved for Submittal:



Wendy Gady
Executive Director

Request for approval to issue a new license agreement to SURAPHON SUWANNA for 14.1 gross acres, more or less, of PU-29, for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

EXHIBIT A



Request for approval to issue a new license agreement to SURAPHON SUWANNA for 14.1 gross acres, more or less, of PU-29, for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

EXHIBIT B

Business plan

Suraphon Suwanna

Lot #16, 10.5 acres

We purchased our farm liability insurance, cleared our land in July, attend food safety training and obtain soil conservation within 90 days of our ROE.

We are now waiting for water in order to produce and derive our projected income.

We are now helping our farmer friends as needed on call to earn our daily expenses such as house rental, utilities, car payment, food, gas etc....

Here are our plan and we already have buyers that are waiting for our production.

*In one acre Long bean, harvest in 60 days, estimate 5,000 pounds per month at \$1.50 to \$2.00 per pound, can harvest for 2 months

*In one acre Cherry tomatoes, harvest in 70 days, estimate 13,000 pounds per month at \$1.00 to \$1.50 per pound, can harvest for 3 month.

*In one acre Long eggplant, harvest in 70 days, estimate 6,000 pounds per month at \$1.50 to \$2.00 per pound, can harvest for 3 to 4 months.

*Our farm cycle will repeat every 2 months and rotation of our land use.

*****Note: Without water our dream won't happen!**

EXHIBIT C

Addendum to License Agreement LI-PU-25-04

Water Infrastructure User Agreement

This Addendum to License Agreement LI-PU-25-04 is entered into between the State of Hawai‘i, Agribusiness Development Corporation (“ADC”), whose address is 235 S. Beretania Street, Suite 205, Honolulu, Hawai‘i 96813, and SURAPHON SUWANNA (“USER”) whose address is P. O. Box 148, Kunia, Hawaii 96759, each a “Party” and collectively “Parties”.

Whereas the USER desires to use water delivered through irrigation infrastructure owned by Dole Food Company, Inc. (“Dole”). USER hereby enters into this Water Infrastructure User Agreement (“Agreement”) and agrees to comply with the terms of this Agreement as an addendum to License Agreement LI-PU-25-04 (“License”), and pursuant to Chapter 174C, *Hawaii Revised Statutes*, and other applicable state and federal laws, rules, regulations, and City and County of Honolulu ordinances, now or hereafter in effect.

To that end, the Parties agree to the following terms:

1. Term: This Agreement shall be effective and coterminous with the License, when USER quits the property covered by the License, or upon the earlier termination of this Agreement or the License at ADC’s discretion, whichever shall first occur.
2. Availability: Dole agrees to allow the USER to draw water excess to Dole’s requirements but does not intend to become obligated to provide water to the USER in a minimum or unlimited quantity and does not intend to dedicate its facilities to public use or become a public utility. USER expressly acknowledges that ADC does not guarantee the availability of water.
3. Character of Use: Water delivered by Dole shall be used only for agriculture-related purposes, in accordance with the terms of USER’S License and conservation plan.
4. Potability: USER acknowledges that water obtained from Dole is not potable. USER is solely responsible for their use of water.
5. Fees and Schedule: USER agrees to pay Dole’s rate per gallon of water as metered, based on current rates in the Water Facility Agreement between ADC and Dole effective May 1, 2024, plus applicable taxes. USER also agrees to pay the cost of acquisition and installation of water meters of an appropriate type, size and capability as a condition of water delivery. ADC shall invoice USER on or around the 15th of every month for the previous month of service for the volume of water delivered and all other incidental costs such as the cost of the water meter, and a monthly ADC service fee of \$0.00 for clerical and other costs, commencing from the effective date of this Agreement. Payment shall be due on the 15th of the month after the date of invoice. ADC reserves the right to assess a

monthly late fee of 5% on USER's past-due balance for each month of delinquency. ADC reserves the right to adjust future water rates, commencing on January 1st of each year thereafter, payment terms, policies, and time and place of payment, from time to time, as determined by ADC's Board of Directors, and subject to the costs associated with operating and maintaining the well and delivery systems. USER expressly acknowledges that ADC is only providing infrastructure for the delivery of water and is not selling water.

6. Operation: The meter and main valve shall be part of the property, and under the sole control of ADC. USER is expressly prohibited from manipulating or adjusting valves, meters, or flow under ADC's control. Violations of this term shall constitute grounds for both the immediate termination of this Agreement and termination of water. USER agrees to promptly report any meter or system issues to ADC, or their contracted system operator. USER is prohibited from tampering with, adjusting, desecrating, or intruding upon any portion of the water system, prior to and including, the meter, or any other point of the water system that exists upstream of the meter.
7. Infrastructure: All water delivery infrastructure from the water source, up to and including the main meter, is the property of Dole. ADC shall install, at the USER'S expense, a meter to monitor USER's water use. ADC, or their contracted system operator, shall be solely responsible for monitoring and maintaining the meter, and reserves the right to repair or replace the meter, as necessary, and bill associated costs to the USER. USER shall be responsible for the installation, management, maintenance, and repair of all infrastructure from the meter to the various distribution points in their fields.
8. Improvements: USER agrees to provide ADC with drawings and schematics of all irrigation lines in relation to the Premises, including meters, valves, junctions, backflow preventers, connections, boosters, etc., and to update those drawings and schematics as USER's system is modified or improved.
9. Water Storage: USER shall maintain and repair, at USER's sole cost, any reservoir or other water storage facilities (collectively "Water Storage") on the licensed Premises to a condition acceptable to ADC. ADC shall have no obligation whatsoever to construct, maintain, or repair the Water Storage. Any improvements made to the Water Storage must be approved by ADC in accordance with the License. Any damage to ADC's Water Storage or to any third party as a result of misuse or negligence by User shall be User's responsibility.
10. Contamination: USER shall maintain either a minimum three-foot airgap between the termination of any Water Storage feed line and the surface of the water at all times, OR a back-flow preventer, so positioned between the meter and the Water Storage, to prevent back-flow contamination of Dole's irrigation main line.
11. Hold Harmless: USER agrees to hold ADC harmless from any damages, including loss of crops due to availability, quantity, potability, or suitability of the water ADC provides. This paragraph shall survive the termination of this Agreement.

12. Indemnity: USER shall indemnify, defend, and hold harmless the State of Hawai‘i, ADC, and their officers, employees, and agents from and against any claim or demand for loss, liability, damage, cost, expense, and attorneys’ fees, including claims for property damage, personal injury, or wrongful death, arising out of any act or omission of USER, and from and against all actions, suits, damages, and claims by whomsoever brought or made by reason of the non-observance or non-performance of any of the terms, covenants, and conditions herein or the laws, ordinances, rules, and regulations of the federal, state, or county governments now or hereafter in effect. This paragraph shall survive the termination of this Agreement.
13. Force Majeure: ADC shall not be liable for any failure of or delay in the performance of this Agreement for the period, provided that such failure or delay is beyond the reasonable control of the parties, materially affects the performance of any of its obligations under this Agreement, and could not have been reasonably foreseen or provided against.
14. Governance: USER agrees to comply with and be bound by any bylaws, rules, and policies of ADC, and the laws, ordinances, rules, and regulations of the federal, state, or county governments, now or hereafter in effect. It is expressly agreed that this Agreement shall be governed by the laws of the State of Hawai‘i, and that any lawsuit or disagreement shall be brought in a court of the State of Hawai‘i.
15. Severability: Should any provision of this Agreement be declared void or unenforceable, all remaining provisions shall remain in full force and effect.
16. Default: In the event the USER shall default on any provision of this Agreement that is not delinquency-related, by refusing or failing, without just cause, to utilize the water delivery system in a manner as set forth in this Agreement, ADC may issue a Letter of Default with an itemized list of corrective actions. USER shall have thirty-days from the date of the letter to satisfactorily address the list of corrective actions, after which ADC reserves the right to sever USER’s water connection until all corrective actions have been satisfactorily made. ADC may restore the water connection upon written request from USER. For defaults involving non-payment or partial-payment, ADC reserves the right to shut off water immediately at such time that delinquency occurs, as determined by the invoice due date. Reconnection shall occur only after full payment has been made, and upon written request from the USER.
17. This Agreement sets forth all of the contracts, agreements, conditions, understandings, promises, warranties and representations between the ADC and this USER regarding the use of Dole’s irrigation infrastructure for delivery of water from Dole to this USER. This Agreement supersedes all prior contracts, agreements, conditions, understandings, promises, warranties, and representations oral or written, express or implied, between ADC and this USER other than as set forth or as referred to herein.

[Signature page follows.]

Request for approval to issue a new license agreement to SURAPHON SUWANNA for 14.1 gross acres, more or less, of PU-29, for diversified agricultural use in Wahiawa, Oahu, State of Hawaii, Tax Map Key No. (1) 6-4-003:por of 016. December 18, 2025

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on this ____ day of _____, 2025.

LICENSOR:

State of Hawai'i

Agribusiness Development Corporation

By:

Wendy L. Gady

Its: Executive Director

Date:

APPROVED AS TO FORM:

Deputy Attorney General

LICENSEE:

SURAPHON SUWANNA, an individual

By:

SURAPHON SUWANNA

Date:

STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION

E-14

STAFF SUBMITTAL TO THE BOARD OF DIRECTORS
December 18, 2025

Subject: Request for approval to amend License Agreement No. LI-PU1807 issued to Margaret M. Bush to add Brad Kalilimoku as additional Licensee for property in Waialua, Oahu, Hawaii, Tax Map Key No. (1) 6-5-005:009 (por.).

Licensee: Margaret M. Bush, (Licensee).

Authority: 163D-4(a)(5), Hawaii Revised Statutes.

Area: 19.75 gross acres, more or less.

Tax Map Key: 1-6-5-005:009 (por.)

Land Status: Acquired in fee by the Agribusiness Development Corporation in 2017.

Trust Land Status: Section 5(b) lands of the Hawaii Admission Act?
Yes ☐ No ☒
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution?
Yes ☐ No ☒

Zoning: SLUD: Agricultural CZO: Agriculture

Character of Use: Agricultural

Land Doc. Type: License

Term: Current license term runs from August 16, 2018 through August 15, 2028.

Rental Rate: \$1,481.25 per acre per year.

BACKGROUND:

The Agribusiness Development Corporation (ADC) acquired 434.188 acres of real property located at Waialua, Oahu in 2017 which included a 19.75-acre portion of land on which has been boarding and training horses under a land license that originated with Dole Food Company (Dole) in 1997. Following the purchase of the property from Dole, ADC issued License Agreement No. LI-PU1807 to George Rapoza effective August 16, 2018 (License) for a ten-year term.

At their meeting on November 10, 2021, The ADC Board of Directors (Board) approved a request to amend the License to include George Rapoza and Margaret M. Bush, which amendment was effective December 1, 2021. Ms. Bush was Mr. Rapoza's ranch manager.

At their meeting on November 2, 2022, The ADC Board of Directors (Board) approved a request for a second amendment to the License to remove George Rapoza, leaving Margaret M. Bush as the sole Licensee.

Request for approval to amend License Agreement No. LI-PU1807 issued to Margaret M. Bush to add Brad Kalilimoku as additional Licensee for property in Waialua, Oahu, Hawaii, Tax Map Key No. (1) 6-5-005:009 (por.).

December 18, 2025

LAND REQUEST: Licensee requests that the License be amended by adding Brad Kalilimoku to the license, making Margaret M. Bush and Brad Kalilimoku as tenants in common (Exhibit B).

CHAPTER 343:

Under section 343-5(a), Hawaii Revised Statutes, an environmental assessment shall be required for actions, that propose, among other things, the “(1) use of state land or county lands, or the use of state or county funds[.]” In this case, the project is exempt, subject to the Comprehensive Exemption Type 8, Part 1, Item 12: *“Permits, licenses, registrations and rights-of-entry issued by ADC that are routine in nature, involving negligible impacts beyond that previously existing”*.

DISCUSSION:

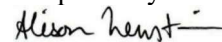
Margaret M. Bush has requested that her nephew, Brad Kalilimoku be added to the License in order to assist with the management of the ranch. This request is budget neutral and will have no effect on ADC’s rental income.

RECOMMENDATION:

Based on the foregoing, staff recommends that the Board:

1. Approve the Request to add Brad Kalilimoku to the license, making Margaret M. Bush and Brad Kalilimoku as tenants in common.
2. Declare that, pursuant to ADC’s Comprehensive Exemption List dated October 23, 2025, the proposed disposition is a de minimis action that will probably have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment, pursuant to Chapter 343, Hawaii Revised Statutes.

Respectfully Submitted,



ALISON NEUSTEIN

Kauai Property Manager

Approved for Submittal:



Wendy Gady
Executive Director

Request for approval to amend License Agreement No. LI-PU1807 issued to Margaret M. Bush to add Brad Kalilimoku as additional Licensee for property in Waialua, Oahu, Hawaii, Tax Map Key No. (1) 6-5-005:009 (por.).

December 18, 2025

EXHIBIT A



Request for approval to amend License Agreement No. LI-PU1807 issued to Margaret M. Bush to add Brad Kalilimoku as additional Licensee for property in Waialua, Oahu, Hawaii, Tax Map Key No. (1) 6-5-005:009 (por.).
December 18, 2025

EXHIBIT B

Mrs. Margaret Bush
3075 Kāhili St Apt 8
Honolulu, Hawaii 96819
Ph: 808-457-7650
Email: margaretbush008@gmail.com
ADC Property: Kamananui Rd #5
Tax Map Key: (1) 6-5-005:02 (por)

JUN 9, 2025

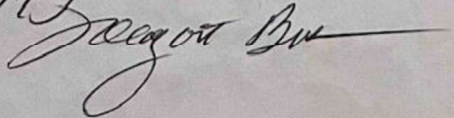
ATTN TO: State of Hawaii Agribusiness Development Corporation
235 S. Beretania St. Ste 205
Honolulu, Hawaii 96813
[ADC BOARD OF DIRECTORS]

Dear Mr. Clemente Roger [ADC Property Manager]
AND ADC BOARD OF DIRECTORS

I am writing formally requesting to addition of
[Brad Kalilimoku] added to the lease agreement for the property
located Kāukōnāhū Rd. and Kāheka Rd [Map No. (1) 65005002]
Name of person added to lease: Mr Brad Kalilimoku
Relationship: Nephew

Throughout our time together I have see his vision
for the property not just seeing it a grazing property bring
it to its full potential planting and teaching of ōlelo
I have always been impressed by professionalis and
dedication and strong work ethic and is reliable
and trustworthy. I would very much appreciate your
consideration for the request to add [Mr Brad Kalilimoku]
to my lease agreement

Please advise on next steps to adding
[Mr Brad Kalilimoku]

Thank you for your time and consideration.
Sincerely, Margaret Bush (Lease)


STATE OF HAWAII
**AGRIBUSINESS DEVELOPMENT
CORPORATION**

E-15

STAFF SUBMITTAL TO THE BOARD OF DIRECTORS
December 18, 2025

Subject: Request for after-the-fact approval for the Hawaii Agricultural Research Center to permit construction of two high tunnel structures on land under that certain Grant of Conservation Easement for Agricultural Preservation recorded on October 2, 2009, Tax Map Key No. (1) 9-2-001:011 (portion).

Applicant: Hawaii Agricultural Research Center (Applicant)

Authority: Section 163D-4(a)(5), Hawaii Revised Statutes

Area: 108.221 gross acres

Field No(s): :0021 (Premises)

Tax Map Key: (1) 9-2-001:011 (Property)

Land Status: Owned in fee by the Hawaii Agricultural Research Center, et. al, as tenants-in-common.

Trust Land Status: Section ____ lands of the Hawaii Admission Act
Yes ☐ No ☒
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution?
Yes ☐ No ☒

Zoning: SLUD: Agricultural
CZO: AG-1

Character of Use: Agricultural, Agricultural Research

Land Doc. Type: Conservation Easement

Term: Perpetual – runs with the land

Request for after-the-fact approval for the Hawaii Agricultural Research Center to permit construction of two high tunnel structures on land under that certain Grant of Conservation Easement for Agricultural Preservation recorded on October 2, 2009, Tax Map Key No. (1) 9-2-001:011 (portion).
December 18, 2025

BACKGROUND:

The Agribusiness Development Corporation (ADC), along with United States Department of Agriculture, Natural Resources Conservation Service (NRCS) are the Holders of that certain *Grant of Conservation Easement (For Agricultural Preservation)* (CE) (Exhibit “C”) recorded on October 2, 2009 which protects the agricultural value of the Premises which are a portion of the Property owned by Hawaii Agricultural Research Center (HARC), et. al. The CE limits the development of the land to certain agricultural practices and activities. As the local holder, ADC is responsible to work with HARC to contract a third party to conduct annual monitoring inspections of the Property pursuant to the terms of the CE.

Immediately prior to the October 2025 monitoring inspections, HARC self-reported two potential violations including i) an allowed, but un-approved, high tunnel system installed in the farming area, and ii) the placement of a non-allowed storage container (also an impervious surface) located in the farming area. HARC is currently working to have the container moved to within one of the two building envelopes.

Following receipt of the self-reported violation from HARC, ADC reached out to NRCS to confirm that high tunnel systems were an allowable conservation practice and thus allowed with local holder’s approval within the farming area. NRCS confirmed the high tunnel systems are an allowable conservation practice and permitted with local holder’s approval, and provided concurrence allowing the high tunnel structures within the farming area (see Exhibit “B”).

The draft annual monitoring inspection for fiscal year 2026 was conducted on October 21, 2025 by representatives from the O’ahu Resource Conservation & Development Council and noted the two issues as *areas of concern*.

REQUEST:

HARC requests after-the-fact approval for the construction and installation of an NRCS-funded high tunnel structure, pursuant to section F of the CE, “Activities and Uses Requiring Local Holder’s Approval: Farm Structures within the Farming Area (Request).

OPERATIONAL PLAN:

Construction of the high tunnel was funded through an NRCS grant to a HARC Go-Farm tenant. The structures will be used to grow row crops in a protected environment, reducing both pest pressure and the use of pesticides.

CONSERVATION PLAN:

N/A

CHAPTER 343 – ENVIRONMENTAL ASSESSMENT COMPLIANCE:

N/A

REMARKS & DISCUSSION:

HARC has experienced several high-profile retirements in the past year, including their executive director and assistant executive director, both of whom were intimately familiar with

Request for after-the-fact approval for the Hawaii Agricultural Research Center to permit construction of two high tunnel structures on land under that certain Grant of Conservation Easement for Agricultural Preservation recorded on October 2, 2009, Tax Map Key No. (1) 9-2-001:011 (portion).
December 18, 2025

the terms and conditions of the CE. Current staff have been very responsive and proactive in correcting these issues. Approval of this request will have no fiscal impact to ADC.

RECOMMENDATION:

Based on the foregoing, it is recommended that the Board:

1. Approve the Request.

Respectfully Submitted,

/s/ LYLE ROE

Asset Manager

Approved for Submittal:



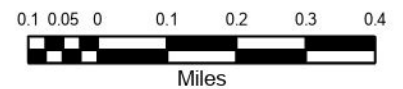
Wendy Gady
Executive Director

Attachments

Exhibit A	Map
Exhibit B	NRCS Concurrence Letter
Exhibit C	Grant of Easement

TMK No. (1) 9-2-001:011

92001011



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Pacific Islands Area State Office
P.O. Box 50004 Rm. 4-118
Honolulu HI 96850-0050

November 20, 2025

LYLE ROE
AGRIBUSINESS DEVELOPMENT CORPORATION
235 S. BERETANIA STREET, RM 205
HONOLULU, HI 96813

Dear Mr. Roe

NRCS has reviewed the request from the Hawaii Agriculture Research Center (HARC) for an after the fact approval of the installation of two High Tunnels on the farming area of the HARC easement. NRCS does not have any concerns about the permissibility of these structures according to the easement deed terms. High Tunnels are a verified NRCS practice code in our Field Office Technical Guide (FOTG). The following sections of the Conservation Easement Provisions (CE) were reviewed for compliance and the following NRCS responses are provided.

CE Reference: F. Activities and Uses Requiring Local Holder's Approval

1. Farm Structures within the Farming Area

NRCS Response: The high tunnel meets the definition of a structure that is directly used for agricultural activities. Furthermore, these high tunnels were planned with technical assistance from NRCS and we are directly aware of their pending installation.

CE Reference: G. Prohibitions and Other Restrictions.

1. Impervious Surfaces

NRCS Response: The high tunnels are a legitimate NRCS conservation practice that is listed in our FOTG and as such excepted from the aggregate impervious surface percentage.

Upon review of the request, NRCS concurs with the request for approval and does not have any concerns about the High Tunnel structures within the Farming Area. If you have any additional questions, please don't hesitate to contact me at Nicholas.saumweber@usda.gov or 808-927-4902.

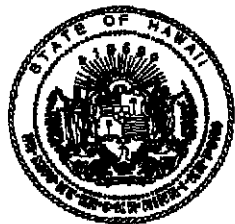
Sincerely,

A handwritten signature in blue ink that reads "Nicholas Saumweber".

Nicholas Saumweber

Assistant Director for Programs, NRCS PIA State Office

Cc (via e-mail): Michael Kaufmann, Assistant Director, Facilities HARC



L-335 STATE OF HAWAII
OFFICE OF ASSISTANT REGISTRAR
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on Cert(s) 827,075



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/s/ NICKI ANN THOMPSON
ASSISTANT REGISTRAR

KA

LAND COURT SYSTEM

REGULAR SYSTEM

Return by Mail (X) Pickup () To:

Tom Pierce
Attorney at Law
A Limited Liability Law Corporation
P.O. Box 798
Makawao, HI 96768

TG: 200912655-s
TGE: A91013175 40
BARBARA PAULO

TMK: (1) 9-2-1-11

Total No. of Pages: 38

**GRANT OF CONSERVATION EASEMENT
(For Agricultural Preservation)**

This Grant of Conservation Easement (For Agricultural Preservation)
("Easement") is made by and between the following parties and relates to the following
Property:

Owners:	Hawaii Agriculture Research Center ("HARC") (a Hawaii nonprofit corporation) P.O. Box 100, Kunia, HI 96759-0100 Pioneer Hi-Bred International, Inc. ("Pioneer") (an Iowa corporation) P.O. Box 1000, Johnston, IA 50131-1000	(hereinafter HARC and Pioneer are collectively referred to as "Owner")
Holders:	State of Hawaii Agribusiness Development Corporation ("Local Holder") 235 South Beretania Street, Room 205, Honolulu, HI 96813 United States of America, acting by and through the United States Department of Agriculture, Natural Resources Conservation Service on behalf of the Commodity Credit Corp. ("United States") 300 Ala Moana Blvd., Honolulu, HI 96850	(Local Holder & United States are collectively referred to as "Holders")
Affected Land:	Portion of Lot 16246, Map 1276, Land Court Application No. 1069, TCT No. 827,075, situate Honouliuli, Ewa, City and County of Honolulu, State of Hawaii	

RECITALS

I. Identification of the Property and the Ownership Interests of HARC and Pioneer

- A. HARC and Pioneer are tenants in common, each with undivided interests in Lot 16246, shown on Map 1276, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 1069 of the Trustees under the Will and of the Estate of James Campbell, Deceased, and noted in Land Court Certificate of Title No. 827,075, situate at Honouliuli, Ewa, City and County of Honolulu, State of Hawaii, consisting of 389.768 acres, more or less, and bearing tax key designation (1) 9-2-1-11 ("Lot 16246").
- B. Pursuant to a co-tenancy agreement, HARC controls and possesses a portion of Lot 16246, which consists of approximately 108.221 acres of land, which shall be encumbered by this Easement ("the Property").
- C. HARC and Pioneer are participating in subdividing their interests in Lot 16246 so that the Property will become owned solely and exclusively by HARC. However, final subdivision approval has not occurred at the time of the granting of this Easement.
- D. Pioneer has agreed to be a co-grantor of this Easement for the purpose of encumbering the Property with the covenants, restrictions and prohibitions set forth herein.
- E. To prepare for execution and recording of this Easement and to meet requirements of the City and County of Honolulu, Department of Planning and Permitting, HARC and Pioneer applied for and received, on April 24, 2008, as amended on September 3, 2008, subdivision approval for the conveyance of this Easement.
- F. On July 22, 2009, the Land Court of the State of Hawaii, through Land Court Order No. 179663, authorized and approved the designation of this Easement as Easement Number 10143 as shown on Map 1276 filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, and said Easement Number 10143 as shown on said Map 1276 was noted on Certificate of Title No. 827,075. A true and correct copy of the map is attached hereto as **Exhibit A** and incorporated herein by reference.

II. Description of the Property and Surroundings

- A. *NRCS Agricultural Lands of Importance.* As determined by a soil survey conducted by the U.S. Department of Agriculture Natural Resources Conservation Service ("NRCS"), which survey is part of the "Baseline Documents" (defined in Section A of this Easement), a majority of the 108-acre Property is considered to be either "Prime Farmland" or "Unique Farmland" (both defined in Section A).
- B. *Property Location.* The Property is located in an area commonly referred to as Kunia in the south central portion of Oahu, approximately 22 miles driving distance from Honolulu. Royal Kunia and Waipahu are to the east and southeast

of the Property and Ewa and Kapolei are to the south and southwest. Makakilo is to the west and central Oahu is to the north.

- C. *General Property Description.* The topography of the Property is predominantly gently sloping in a *makai* (ocean), or southerly direction, but with some steeply sloping portions. Elevation ranges from approximately 225 feet to 335 feet above sea level. There are more than 85 acres of Prime and Unique Farmlands as identified by the NRCS in the soil survey, referred to above. The Property is irrigated by surface water from a ditch system managed by Local Holder, a quasi-state organization formed to facilitate the conversion of lands formerly in large scale corporate farming to smaller diversified operations. Current crops in these fields include papaya, coffee, cacao, corn and sugarcane. Some land of lesser soil quality (located predominantly in the center of the Property) provides natural drainage for the Property or is the site of existing improvements and structures including: irrigation lines; a multipurpose agricultural building for minor sorting, processing, and other agriculturally related activities, including engineering and testing; equipment, tool and vehicle storage and maintenance sheds, chemical storage and workshop sheds; a farm house and field office; and dirt or paved roads used to access the fields and improvements. The structures all lie within "Farm Building Envelope Two," shown in **Exhibit B** attached hereto and incorporated herein by reference.
- D. *History of Land Uses on the Property and Surrounding Areas.* Until recently, Campbell Estate was the owner of this Property as well as several thousand acres of adjacent farm lands in the Kunia plain. These lands were used historically for sugar cane and pineapple cultivation but more recently for vegetable production and seed crops.
- E. *Activities and Mission of HARC.* HARC is a 112 year old private organization that is engaged in the production of coffee, cacao, vegetable crops, tropical fruits, sugarcane, hardwoods and many other diversified crops. Its mission is to maintain, improve, and advance agricultural production and to support the development of a diverse agricultural sector in general.
- F. *Nearby Properties and Development.* The Property, which is bordered by two major thoroughfares (H-1 Freeway and Kunia Road) is on the fringe of urban development to the southwest, south, and southeast. Directly east of the property across Kunia Road is Village Park, one of the first residential subdivisions built above the H-1 freeway on former sugarcane land. It has almost 2,800 homes and approximately 9,600 residents. A major 3,750-home development called Royal Kunia is underway directly northeast of the Property. Further to the south and southeast is Waipahu Town, which is a former sugar mill town but now a census-designated place and designated for revitalization. There are approximately 8,000 homes and 33,000 people in this older community. Village Park, Royal Kunia and Waipahu town are all included in the Central Oahu Sustainable Communities Plan which sets an urban/agricultural boundary. The Property demarks the end of the urban fringe and the beginning of the agricultural designated lands. The land to the south and southwest is part of the Ewa Development Plan which also recognizes this urban growth boundary. The

Ewa Plan includes the designated Secondary Urban Center for Oahu, Kapolei which is undergoing tremendous growth. Kapolei is a 32,000 acre development that already has about 26,000 homes and 84,000 residents and is continuing to grow.

III. Land Use, Environmental and Right-to-Farm Policies and Laws

- A. *Hawaii State Land Use District.* The Property is located within the "Agricultural" State Land Use District, as defined by Hawaii Revised Statutes ("HRS") Chapter 205. HRS Section 205-4.5 (2008) delineates uses on Agricultural lands based on the Hawaii Land Study Bureau's Detailed Land Classification, which provides "overall (master) productivity rating" for soils ranging from class A or B (best soils) to soils classified as C, D, E, or U. Uses permitted *of right* (without requiring discretionary approval) *for class A or B soils include the following generalized uses:* (1) cultivation of various crops, including orchards, forage, and timber; (2) game and fish propagation; (3) raising of various kinds of livestock; (4) farm structures, such as farm dwellings, employee housing, and farm buildings; (5) public buildings necessary for agriculture; (6) public and private open area types of recreational uses, but not including dragstrips, airports, drive-in theaters, golf courses, golf driving ranges, country clubs, and overnight camps; (7) public and private utility lines and roadways, transformer stations, communications equipment buildings, solid waste transfer stations, major water storage tanks and related water infrastructure; (8) retention and maintenance of historic buildings and sites; (9) roadside stands for the sale of agricultural products grown on the premises; (10) buildings and uses that are considered directly accessory to the above uses, including mills, storage, and processing facilities, maintenance facilities, vehicle and equipment storage areas; (11) agricultural parks; (12) agricultural tourism conducted on a working farm or farming operation; and (13) wind energy facilities and associated improvements, provided it is compatible with agriculture uses and causes minimal adverse impact on the agricultural land. HRS Chapter 205 also permits Agricultural lands to be subdivided into one-acre lots, unless county zoning is more restrictive.
- B. *Hawaii Coastal Zone Management Act.* The Property is not located within the Special Management Area, as defined by the Hawaii Coastal Zone Management Act ("CZMA"), HRS Chapter 205A.
- C. *County of Oahu General Plan.* The Oahu General Plan establishes the objective of maintaining the viability of agriculture on Oahu. The Plan identifies eight policies to carry out the objective: (1) Assist the agricultural industry to ensure the continuation of agriculture as an important source of income and employment; (2) support agricultural diversification in all agricultural areas on Oahu; (3) support the development of markets for local products, particularly those with the potential for economic growth; (4) provide sufficient agricultural land in Ewa, Central Oahu, and the North Shore to encourage the continuation of sugar and pineapple as viable industries; (5) maintain agricultural land along the Windward, North Shore, and Waianae coasts for truck farming, flower growing, aquaculture, livestock production, and other types of diversified agriculture; (6) encourage the more intensive use of productive agricultural land; (7) encourage the use of more

efficient production practices by agriculture, including the efficient use of water; and (8) encourage the more efficient use of non-potable water for agricultural use.

- D. **Community Plans.** The Conservation Property lies within the Ewa Community Plan but also abuts the Central Oahu Community Plan. Kunia road acts as the boundary between the two plans. Both refer to the importance of this property for agriculture. Section 2.2.1 of the Ewa Community Plan explains that "The Urban Growth Boundary for Ewa was drawn to give long-range protection from urbanization for over 3,000 acres of prime agricultural land and for preservation of open space while providing adequate land for urban development in Ewa for the foreseeable future. . . . The same section explains that "The Urban Growth Boundary protects prime agricultural lands along Kunia Road from urban development for the foreseeable future, providing an incentive for land owner to give long term leases to farmers. No proposals for urban uses will be considered outside the Urban Growth Boundary." Section 2.2.2 of the Ewa Community Plan ("Retention Of Agricultural Lands") describes not only the importance of the agricultural lands along Kunia road but also their vulnerability to development:

The closure of the Oahu Sugar Company in 1995 raised serious questions about how thousands of acres of former sugar lands in Ewa should be used in the future. The Ewa Development Plan protects the highest value prime agricultural lands in Ewa from urban development. . . . State agencies indicated that these prime agricultural lands should have the highest priority for retention of all the prime agricultural lands in Ewa. *These 3,000 acres have been rated, in the most authoritative studies, as potentially among the most productive lands for diversified agriculture in the State.* The State Department of Agriculture's November 1977 study, *Agricultural Lands of Importance to the State of Hawaii (Revised)*, indicates that the Kunia lands and a portion of the Magazine lands *are "prime" agricultural lands which generally produce the largest yields and the best quality crops for the least expenditure of energy.* The University of Hawaii Land Study Bureau's December 1972 bulletin, *Detailed Land Classification -Island of Oahu*, rated productive capacity of the Kunia lands as either A or B and the Magazine lands as B or C (An A rating was given to the highest productivity lands and E was given to the lowest.) These prime agricultural lands have unique advantages in weather, soil productivity, infrastructure, water availability from the Waiahole Ditch, and access to the local markets of Honolulu and to export markets through Honolulu International Airport. Successful agricultural operations are currently being pursued on the former sugar lands in the Kunia area, including vegetables, melons, and other truck crops. *In addition, the [HARC] research facility at the corner of H-1 and Kunia Road is conducting studies on vegetable crops and forage to help diversified agricultural activities in the area. . . .*

- E. **County Zoning.** The Property is zoned "AG-1" "Agriculture Restricted" under the Honolulu Land Use Ordinance ("LUO"). Section 21-3.50 of the LUO provides: "The purpose of the [Honolulu] agricultural districts is to maintain a strong agricultural economic base, to prevent unnecessary conflicts among incompatible

uses, to minimize the cost of providing public improvements and services and to manage the rate and location of physical development consistent with the city's adopted land use policies. To promote the viability and economic feasibility of an existing agricultural operation, accessory agribusiness activities may be permitted on the same site as an adjunct to agricultural uses. These accessory activities must be compatible with the on-site agricultural operation and surrounding land uses." Section 21-3.50(b) of the LUO, which addresses uses on lands zoned A-1, provides: "The intent of the AG-1 restricted agricultural district is to conserve and protect important agricultural lands for the performance of agricultural functions by permitting only those uses which perpetuate the retention of these lands in the production of food, feed, forage, fiber crops and horticultural plants. Only accessory agribusiness activities which meet the above intent shall be permitted in this district." The Master Use Table of the LUO provides for the following permitted uses in the AG-1 districts: aquaculture, crop production, forestry, open land, livestock grazing, minor livestock production, livestock veterinary services, and public uses and structures. Subject to meeting specific use development standards, set forth in the LUO, other uses are permitted in the AG-1 district, including the following: minor agricultural products processing, centralized storage of agriculture products, minor composting, agricultural machinery sales and service, sawmills, seed, feed and fertilizer storage, major livestock production, farm dwellings, and certain utility installations. Upon meeting certain requirements, Section 21-3.50-1, 2 and 3 of the LUO permits the clustering of farm dwellings, including detached, duplex or multifamily farm dwellings to "promote economy of services and utilities and the most efficient use of the remainder area for agricultural pursuits."

IV. Intent to Protect Agricultural Values of Property

- A. The Property possesses significant values worthy of being conserved, specifically productive agricultural lands (including Prime Farmland and Unique Farmland) (collectively, the "Agricultural Values"). A more specific description of the Agricultural Values is included in the Baseline Documents.
- B. The land use, environmental and farming policies and laws designations referenced above in the Recitals are not sufficiently restrictive to protect the Agricultural Values of the Property, including the above policies and laws do not prohibit subdivision of the land and construction of dwellings or other non-agricultural use structures. An appraisal of the Property conducted in 2006 states that in its unrestricted state, the Property's highest and best use is not traditional agriculture but instead as an agricultural estate or for urban uses.
- C. Owner believes that with the intelligent and careful use of a conservation easement, the agricultural resources and other Agricultural Values of the Property can be protected in a manner that also permits continuing private ownership of land and the continued use and enjoyment of the Property by Owner.
- D. Owner and Holders have applied for and been awarded funding to pay for all or a portion of the fair market value of this Easement. Matching funding was awarded

to Owner and Local Holder by the Hawaii Department of Land and Natural Resources ("DLNR") from the Legacy Land Conservation Program, Hawaii Revised Statutes 173A. This program provides funding for unique and fragile places and resources in the State of Hawaii, including, among other things, agricultural production areas. In addition, Owner and Local Holder have been awarded matching funding under the Farm and Ranch Lands Protection Program ("FRPP"), 16 U.S.C. 3838h-3838i. The purpose of the FRPP is to purchase conservation easements on land with prime, unique, or other productive soil for the purpose of protecting topsoil from conversion to nonagricultural uses. FRPP is administered by the United States Department of Agriculture, Natural Resources Conservation Service on behalf of the Commodity Credit Corporation.

- E. Owner intends to convey to Holders the right to preserve and protect the Agricultural Values of the Property in perpetuity and represents that the Property is free and clear of all encumbrances except those identified in a title report which is part of the Baseline Documents.
- F. HRS Chapter 198 provides that public bodies, such as Local Holder and the United States, may acquire and hold conservation easements by purchase, agreement, donation, devise, or bequest.
- G. Owner and Holders recognize the agricultural and special character of the Property, and have the common purpose of the conservation and protection in perpetuity of the Property through the use of restrictions on the Property, including transfer from Owner to Holders of affirmative rights for the protection of the Agricultural Values of the Property.

NOW, THEREFORE, in consideration of TWO MILLION SIX HUNDRED THOUSAND AND NO/100 DOLLARS (\$2,600,000.00) the receipt and sufficiency of which is acknowledged by the Owner, and the mutual covenants, terms, conditions, and restrictions contained herein, and pursuant to the laws of the State of Hawaii, including HRS 198, Owner hereby voluntarily grants and conveys to Holders and their successors and permitted assigns this Easement in perpetuity over the Property of the nature and character and to the extent hereinafter set forth. Owner declares that the Property shall be held, mortgaged, encumbered, transferred, sold, conveyed, used, and occupied subject to the covenants, conditions, restrictions, and easements hereinafter set forth, which covenants, conditions, restrictions, and easements shall be deemed to run with the land in perpetuity and to burden the Property in perpetuity.

COVENANTS AND RESTRICTIONS

A. Definitions

The definitions below shall have the same meaning as the reference source, where provided, and in all other cases, shall be given their natural, commonly accepted definitions. Some definitions for other terms used in this Easement are set forth in other parts of the Easement, including within the Recitals.

1. *"Agriculture Facilities Lease"* means a lease for agriculture-related activities of a structure or a portion of a structure located within Farm Building Envelope One or Two.
2. *"Agriculture Land Lease"* means a lease of a portion of the Farming Area where (a) the principal use of the leased land is agriculture, and (b) no permanent or temporary dwellings or farm dwellings, including trailers and campers, are constructed on the leased area; however, this restriction shall not prohibit the construction of other farm structures appropriate to the agricultural activity carried on within the leased premises, if otherwise permitted in this Easement.
3. *"Agricultural Values"* means the values of the Property to be preserved in perpetuity, which values are identified in Section IV.A of the Recitals.
4. *"Approval by Local Holder"* is required prior to some Owner actions, as identified in this Easement. The Approval process is set forth in Section I.1.
5. *"Baseline Documents"* means the documents, including maps, photographs and assessments of the agricultural resources, which documents provide an accurate description of the condition of the Property and its agricultural resources on the Effective Date of this Easement, a copy of which documents are on file with the Local Holder and with Owner.
6. *"CFR"* means the Code of Federal Regulations.
7. *"The Code"* means the Internal Revenue Code of 1986, as now enacted or hereinafter amended, and the regulations thereunder.
8. *"Conservation Plan"* means a plan prepared by NRCS in partnership with the Owner to establish agriculture management protocols for the Property.
9. *"County"* means the City and County of Honolulu.
10. *"Environmental Law" or "Environmental Laws"* means any and all federal, state, local or municipal laws, rules, orders, regulations, statutes, ordinances, codes, guidelines, policies or requirements of any governmental authority regulating or imposing standards of liability or standards of conduct (including common law) concerning air, water, solid waste, hazardous materials, worker and community right-to-know, hazard communication, noise, radioactive material, resource protection, subdivision, inland wetlands and watercourses, health protection and similar environmental health, safety, building and land use as may now or at any time hereafter be in effect.

11. *"Family"* means one or more persons, all related by blood, adoption or marriage, occupying a Farm Dwelling. A family also includes no more than two unrelated persons living together as a single housekeeping unit.
12. *"Farming Area"* means all portions of the Property which are not part of Farm Building Envelopes One or Two.
13. *"Farm Building Envelope One"* means the area of approximately 2.442 acres in size, identified in **Exhibit B**, within which dwellings are prohibited but other farm structures are permitted, subject to the provisions set forth in Section E.
14. *"Farm Building Envelope Two"* means the area of approximately 2.211 acres in size, identified in **Exhibit B**, within which certain farm dwellings and other farm structures are permitted, subject to the provisions in Section E.
15. *Farm Dwelling* means a room or rooms connected together, constituting an independent housekeeping unit for a Family and containing a single kitchen, and the dwelling is used in connection with farm activities on the Property, and the farm activities provide full-time, non-seasonal, employment to at least one of the adult residents of the Farm Dwelling.
16. *"Floor area"* means the same as the definition set forth in Section 21-10.1 of the LUO on the Effective Date of this Easement, namely, the area of all floors of a structure excluding unroofed areas, measured from the exterior faces of the exterior walls or from the center line of party walls dividing a structure. The floor area of a structure, or portion thereof, which is not enclosed by exterior walls shall be the area under the covering, roof or floor above which is supported by posts, columns, partial walls, or similar structural members which define the wall line.
17. *"FOTG"* means the Field Office Technical Guide, the official document for NRCS guidelines, criteria, and standards for planning and applying conservation treatments and conservation management systems. The FOTG contains detailed information on the conservation of soil, water, air, plant and animal resources applicable to the local area for which it is prepared.
18. *"Holders,"* and any pronouns used in its place, means the holder or holders of this Easement, *i.e.*, Local Holder, its representatives, successors and assigns, and, the United States, its representatives, successors and assigns, subject to the assignment and succession limitations set forth in Section L of this Easement.
19. *Hazardous Materials* means any petroleum, petroleum products, fuel oil, waste oils, explosives, reactive materials, ignitable materials, corrosive materials, hazardous chemicals, hazardous wastes, hazardous substances, extremely hazardous substances, toxic substances, toxic chemicals, radioactive materials, infectious materials and any other element, compound, mixture, solution or substance which may pose a present or potential hazard to human health or the environment.
20. *"HRS"* means Hawaii Revised Statutes.

21. "*HRS Chapter 198*" means the Hawaii law governing conservation easements in Hawaii, currently codified at Chapter 198 of the HRS, or as hereinafter amended, or any successor provision(s) hereinafter applicable.
22. "*Impervious Surfaces*" means the area of the Property covered by non-seasonal, permanent roof tops, concrete or asphalt, including residential buildings, agricultural buildings (with and without flooring), and paved areas both within and without Farm Building Envelope One or Two (NRCS Guidance Manual § 519.64(H)).
23. "*LUO*" means the Land Use Ordinance for the City and County of Honolulu in effect on the Effective Date of this Easement.
24. "*NRCS*" means the Natural Resources Conservation Service, an agency of the U.S. Department of Agriculture delegated the task of managing the provisions of the FRPP on behalf of the Commodity Credit Corporation or such other agency delegated that duty in the future.
25. "*Owner*," and any pronouns used in its place, means the person or persons who hold legal title to the Property. As of the date of execution hereof, HARC and Pioneer are collectively the Owner.
26. "*Prime Farmland*" means land that has the best combination of physical and chemical characteristics for producing food, feed, fiber, forage, oilseed, and other agricultural crops with minimum inputs of fuel, fertilizer, pesticides, and labor, without intolerable soil erosion (7 CFR § 1491.3).
27. "*Purpose*" means the purpose of this Easement as defined in Section B of these Covenants and Restrictions.
28. "*State*" means the State of Hawaii.
29. "*Unique Farmland*" means land other than prime farmland that is used for the production of specific high-value food and fiber crops. It has the special combination of soil quality, location, growing season, and moisture supply needed to economically produce sustained high quality or high yields of specific crops when treated and managed according to acceptable farming methods (7 CFR § 1491.3).
30. "*Water Rights*" means and includes any and all water and water rights, ditches and ditch rights, springs and spring rights, reservoir and storage rights, wells and groundwater rights, and other rights in and to the use of water historically used on or otherwise appurtenant to the Property.

B. Purpose

The Purpose of this Easement is to protect the agricultural soils, agricultural viability, and agricultural productivity of the Property, and the other Agricultural Values identified in Section IV.A of the Recitals in perpetuity. No activity which significantly impairs the actual or potential use of the Property for agricultural production shall be permitted, and protection and preservation of agricultural production shall be given first priority in this Easement. To the extent that the preservation and protection of the other Agricultural Values of the Property referenced above may be accomplished without

impairing the primary purpose of protecting the agricultural soils, agricultural viability, and agricultural productivity of the Property in perpetuity, it is also the purpose of this Easement to protect those other Agricultural Values of the Property, and to such extent, no activity which shall significantly impair those additional Agricultural Values of the Property shall be permitted.

C. Rights of Owner

Except as prohibited or restricted by the provisions in Sections D, E, F and G, Owner reserves all customary rights and privileges of ownership, not granted to Holders including, but not limited to, the following:

1. **Alienation.** The right to sell, lease, and devise the Property; and also the right to lease less than all of the Property, as long as such lease constitutes an Agriculture Land Lease or Agriculture Facilities Lease;
2. **Privacy and Quiet Enjoyment.** The right of privacy and the right to deny access to other persons, except as provided by law or as expressly permitted to Holders in this Easement;
3. **Guests and Invitees.** The right to permit or invite others to engage in, any use of, or activity on, the Property permitted by this Easement and not inconsistent with the Purpose of this Easement;
4. **Agricultural Use.** Except as expressly prohibited or restricted by the provisions in Sections D, E, F or G, the right to use the Property for all Agricultural Activities and Agricultural Production that comply with federal, state and local regulations and do not significantly impact or degrade the Agricultural Values of the Property;
5. **Utility Services and Septic Systems.** Wires, lines, pipes, cables or other facilities providing electrical, gas, water, sewer, communications, or other utility services to the improvements permitted herein may be installed, maintained, repaired, removed, relocated and replaced, and, subject to the restrictions in F.3, Owner may grant easements over and under the Property for such purposes. Septic or other underground sanitary systems serving the improvements permitted herein may be installed, maintained, repaired or improved.
6. **Other Rights.** Any other rights consistent with the Statement of Purpose set forth in Section B above and not specifically prohibited or limited by this Easement.
7. **Access.** No right of access to any portion of the Property is conveyed by this Easement, except where expressly provided herein.
8. **Affirmative Obligations.** Unless otherwise specified below, nothing in this Easement shall require Owner to take any action to restore the condition of the Property after any act of God or other event over which Owner had no control or no ability to foresee.

D. Permitted Agricultural Activities Subject to Conditions

The following agricultural activities and uses are permitted within the Farming Area and Farm Building Envelope One or Two on the Property and do not require Approval by Holders. No notice to Holders is required regarding initiating or conducting any reserved rights identified below:

1. Cultivation. Cultivation, harvesting and rotation of crops, including but not limited to silviculture, horticulture, forestry and other types of agricultural crop cultivation; provided a Conservation Plan is currently in effect for the Property and Owner's current agricultural activities are consistent with this Conservation Plan. Prior to conducting any change in the current farming activities on the Property, Owner shall consult with NRCS to determine whether a new or revised Conservation Plan is necessary. Owner's agricultural activities shall be conducted consistent with any Conservation Plan in effect for the Property.
2. Animal Husbandry. Propagation of, raising of, and grazing of, livestock, including but not limited to game, poultry, bees, fish, or other animal or aquatic life that are propagated for economic or personal use, provided such activities are conducted pursuant to and consistent with a Conservation Plan approved by NRCS.
3. Fences and Irrigation Systems. The right to construct and maintain fences and irrigation transmission systems, including pipes, filtration systems, and related irrigation components (however, not including reservoirs or water tanks with footprints greater than 200 square feet, which require approval pursuant to Section F.1), within the Farming Area; provided that their design and location shall not impair the Agricultural Values of the Property or be contrary to the Purpose of this Easement.
4. Access to Farming Activities and Farm Building Envelopes. Subject to the Impervious Surfaces limitations set forth in Section G.1, and as required by the County, but not for the purpose of Subdivision, which is prohibited by this Easement, the right to establish reasonable rights-of-way, including providing roadway and utility access, to permitted farm dwellings or farm structures, and crops or growing areas on the Property, and to cut trees, grass, and other vegetation to provide such access and rights-of-way. Roadway or utility improvements made under the provisions of this provision shall be done in a manner so as to create the least possible disturbance to the Agricultural Values of the Property (for example, by creating access along unpaved roads), and in no event shall such improvements be greater than those imposed by governmental requirements and/or consents.
5. Maintenance and Improvement of Water Sources. The right to use and maintain, and subject to approval by NRCS, the right to establish, construct, and improve -- water sources, water courses and water bodies within the Property for the uses permitted by this Easement. However, the construction of reservoirs shall be permitted only with the Approval of Local Holder (see Section F.4).

6. **Chemical Applications.** Subject to all applicable labeling requirements and laws, agricultural chemicals may be applied to the Property for bona fide agricultural purposes provided that the application of such chemicals does not significantly impact or degrade the Agricultural Values of the Property.
7. **Education and Recreation.** The right to undertake educational activities and related recreational activities, such as inviting groups to the Property for interpretive walks, provided that such activities do not require the construction of structures and are conducted in a manner and intensity that does not adversely impact the Agricultural Values of the Property and the Purpose of this Easement or otherwise impact any protected soils.
8. **Motorized Recreational Vehicles.** Motorized recreational vehicles, such as motorcycles and all terrain vehicles are permitted within the Farming Area; provided they are used to conduct the agricultural activities permitted by this Easement, and the use of such vehicles will not significantly impact any of the Agricultural Values of the Property. Motorized recreational vehicle use within the Farming Area for other purposes is prohibited.

E. Permitted Uses within Farm Building Envelopes Subject to Conditions

The following activities and uses, which do not require Approval by Holders, are permitted within Farm Building Envelope One and Two, subject to the limitations in this Section. No notice to Holders is required regarding initiating or conducting activities within either of the Farm Building Envelopes with respect to the reserved rights identified below:

1. **Farm Structures.** Subject to the Impervious Surfaces limitations set forth in Section G.1, the right to construct, repair, remodel, maintain, and use in Farm Building Envelope One or Two structures that are in furtherance of, and reasonably necessary in connection with, the agricultural activities on the Property including, but not limited to: ponds; water and fuel tanks; water transmission lines; irrigation systems; barns; vehicle, tool and equipment storage areas; workshops; stables; greenhouses; hothouses; shadehouses; storage, processing, product development and engineering facilities and related supporting offices and meeting rooms; mills; and maintenance facilities, but excluding Farm Dwellings or any other type of dwelling, which are discussed separately immediately below.
2. **Farm Dwellings.** Subject to the restrictions set forth in this subsection, and the definition for Farm Dwellings set forth at Section A.15, and the Impervious Surfaces limitations set forth in Section G.1, and state and county law, the right to construct, repair, remodel, maintain, and use in Farm Building Envelope Two not more than four (4) Farm Dwellings, subject to the following terms:
 - a. The Farm Dwellings may be detached from each other or may be built as duplexes or triplexes, or as one quadraplex.
 - b. No Farm Dwelling (whether single, detached, or as part of a multi-unit structure) shall have a Floor Area greater than 1,400 square feet.

3. **Farm Dorm.** Subject to the conditions and restrictions set forth in this subsection, the Impervious Surfaces limitations set forth in Section G.1, and state and county law, the right to construct, repair, remodel, maintain, and use in Farm Building Envelope Two one (1) farm dorm, subject to the following terms:
 - a. Similar to the agricultural use limitations for Farm Dwellings (see definition at Section A.15), the dorm shall be connected to the farm activities on the Property and shall provide rooms for not more than ten (10) farm workers who shall be employed full-time in non-seasonal work from the farm activities on the Property;
 - b. Subject to state or county law, one or several kitchen or bathrooms may be shared in common among the farm dorm residents.
4. **Accessory Structures and Improvements.** Subject to the Impervious Surfaces limitations set forth in Section G.1, the right to construct, repair, remodel, maintain, and use in Farm Building Envelope One or Two accessory structures and improvements that are customarily appurtenant to comparable farm dwellings or farm utility structures on the island of Oahu, including, but not limited to, personal, non-commercial recreational facilities, garages, barns, stables, paddocks, storage sheds, catchments systems, septic tanks and leach fields, wind towers, transmitter towers; solar panels, and other buildings and facilities ordinarily associated with the uses permitted under this Easement, and also including, to the extent permitted by law.

F. Activities and Uses Requiring Local Holder's Approval

The following agricultural activities and uses are permitted on the Property only upon receiving Approval by Local Holder pursuant to the approval procedures set forth in Section I.1:

1. **Farm Structures within the Farming Area.** Subject to Approval by Local Holder pursuant to Section I.1, and subject to the impervious surface limits set forth in Section G.1, Owner may construct, maintain and use in the Farming Area structures directly needed for agricultural activities, such as water tanks for cattle or irrigation purposes, greenhouses and shadehouses. Excepted from approval are those structures, such as fences and irrigation transmission systems, identified in Section D.3 of this Easement.
2. **Supplemental Activities.** Upon Approval by Local Holder pursuant to Section I.1, and subject to the Impervious Surfaces limitations in G.1, other activities and uses, which are secondary to the cultivation and animal husbandry activities identified in Sections D.1 and D.2 of this Easement, but which afford Owner supplemental financial or other opportunities, and which may assist in assuring the economic viability of the primary cultivation and animal husbandry activities, may be permitted, or which further the agricultural mission of the Property.
3. **Easements and Dedications.** Upon Approval by Local Holder pursuant to Section I.1, Owner may grant or convey easements or make dedications of land as set forth below, and grant the right to improve and maintain such easements,

including, subject to the Impervious Surfaces limitations set forth in Section G.1, grant the right to harden or permit the hardening of surface areas:

- a. Easements to governmental agencies or utility providers for the installation, maintenance, repair and replacement of underground utility services;
 - b. Dedication of portions of the Property fronting the existing Kunia Road to the State or County as may be required by law;
 - c. Easements to adjoining lands for drainage easements which may be required by the County.
4. Miscellaneous. Subject to Approval by Local Holder pursuant to I.1, the following are permitted:
- a. Ponds and reservoirs; however, for the purposes of this Easement, ponds and reservoirs shall be subject to the Impervious Surface limitations set forth in Section G.1;
 - b. Feedlots, upon first obtaining approval by NRCS to a comprehensive nutrient management plan for the proposed feedlots.

G. Prohibitions and Other Restrictions

The following activities and uses are prohibited or restricted unless an exception is expressly provided:

1. Impervious Surfaces. The aggregate Impervious Surfaces (see definitions Section A.22) on the Property shall not exceed six percent (6%) of the Property area, except that conservation practices listed in the FOTG and approved by NRCS are exempt from this impervious cover limitation.
2. Subdivision. The legal or "de facto" division, subdivision or partitioning of any of the Property; provided, Owner may lease portions of the Property if the lease constitutes an Agriculture Land Lease or Agriculture Facilities Lease, as defined in Section A.1; and provided further, HARC and Pioneer may subdivide the Property in its entirety as shown in **Exhibit A** from the remainder Lot 16246.
3. Dwellings. The construction of any type of dwelling or use of a structure as a dwelling, except those dwellings and dwelling uses expressly permitted in Section E of this Easement.
4. Uses and Activities Inconsistent with the Purpose of the Easement. Any use of, or activity on, the Property inconsistent with the Purpose of this Easement is prohibited, and Owner acknowledges and agrees that it will not conduct, engage in, or permit any such use or activity. Without limiting the generality of the foregoing, the following uses of, or activities on, the Property, though not an exhaustive list of inconsistent uses or activities, are inconsistent with the purposes of this Easement and shall be prohibited, except where expressly reserved as unconditional or conditional rights of Owner, as established in Sections C, D, E and F of this Easement:
 - a. Alteration of Land. The alteration of the surface of the land, including, without limitation, the excavation or removal of soil, sand, gravel, rock, peat, or sod,

except for the alteration of land to carry out the construction or maintenance of permitted structures or improvements within the Farming Area or either Farm Building Envelope One or Two, or agricultural activities permitted by this Easement or otherwise conducted pursuant to a Conservation Plan;

- b. *Erosion or Water Pollution.* Any use or activity that causes or is likely to cause significant soil degradation or erosion or significant pollution of any surface or subsurface waters;
- c. *Waste Disposal.* The disposal or storage of rubbish, garbage, debris, unregistered vehicles, abandoned equipment, parts thereof, or other unsightly, offensive, or hazardous waste or material on the Property;
- d. *Mining.* The exploration for, or development and extraction of, minerals and hydrocarbons on, below or through the surface of the Property; and
- e. *Water Rights.* Owner shall not transfer, encumber, sell, lease or otherwise separate any Water Rights for the Property or change the historic use of the Water Rights without the Approval by Local Holder. Owner shall not abandon or allow the abandonment of, by action or inaction, any of the Water Rights without Approval by Local Holder pursuant to Section I.1.

H. Affirmative Rights Conveyed to Holders

To accomplish the Purpose of this Easement the following rights are conveyed to Holders. These rights are to be carried out by Local Holder as the primary party charged with the responsibility to monitor and enforce this Easement, and any separate or independent action by the United States is expressly limited by the restrictions set forth in Section H.8.

- 1. *Protection.* Holders have the right to preserve and protect in perpetuity, to prevent any use of, or activity on, the Property that will significantly impair or interfere with the Agricultural Values of the Property, and to enhance by mutual agreement the Agricultural Values of the Property.
- 2. *Access.* Holders or their agents have the right to enter the Property at least annually, or more frequently if a violation is suspected, at a reasonable time and upon prior notice to Owner, for the purpose of making inspections to monitor compliance with this Easement and for enforcement purposes as set forth below:
 - a. *Annual Monitoring.* Holders or their agents shall have the right to enter the Property at least once annually to inspect the Property for consistency with this Easement. Holders shall make reasonable efforts to establish a mutually agreeable time for the annual monitoring visit but under no circumstances shall Holders provide less than forty-eight hours notice of their intent to inspect the Property for annual monitoring purposes. Such entry shall not in any case unreasonably interfere with Owner's allowed uses and quiet enjoyment of the Property.
 - b. *Emergency Entry.* If Holders, in their sole discretion, determine that circumstances require immediate action to prevent or mitigate significant

damage to the Agricultural Values of the Property, Holders may enter the Property for the purpose of inspection, without prior notice to Owner or without waiting for the period provided for cure to expire; provided, that Holders shall first make a reasonable attempt under the circumstances to give verbal/telephone notice to Owner of the violation and proposed action.

3. **Enforcement.** Holders have the right to enforce this Easement and the covenants and restrictions herein, including, but not limited to, the right to enjoin any use of, or activity on, the Property that is inconsistent with the Purpose of this Easement, and to require the restoration of such areas or features of the Property as may be damaged by uses or activities inconsistent with the provisions of this Easement. Holders at their sole discretion may also engage in alternative dispute resolution methods with Owner, such as mediation, subject to the parties' agreement on the terms of such alternative dispute resolution methods.
 - a. *Notice of Violation, Corrective Action.* If Local Holder determines that the Owner is in violation of the terms of this Easement or that a violation is threatened, Local Holder shall give written notice to Owner of such violation and demand corrective action sufficient to cure the violation and, where the violation involves injury to the Property resulting from any use or activity inconsistent with the Purpose of this Easement, to restore the portion of the Property so injured to its prior condition in accordance with a plan approved by Holders.
 - b. *Owner's Failure to Respond.* Holders may bring an action as provided in this Section H.3 if Owner:
 - i. Fails to cure the violation within thirty (30) days after receipt of notice thereof from Holders;
 - ii. Under circumstances where the violation cannot reasonably be cured within the thirty (30) day period, fails to begin curing such violation within the thirty (30) day period and fails to continue diligently to cure such violation until finally cured.

4. **Remedies; Damages**

Holders' rights and remedies identified in this Section apply equally in the event of either actual or threatened violations of the terms of this Easement and shall be cumulative and shall be in addition to all remedies now or hereafter existing at law or in equity.

- a. *Injunctive Relief.* Holders may bring an action at law or in equity to enforce the terms of this Easement:
 - i. To enjoin the violation, ex parte as necessary, by temporary or permanent injunction; and
 - ii. To require the restoration of the Property to the condition that existed prior to any such injury.

- b. *Damages.* Holders shall be entitled to recover damages for violation of the terms of this Easement or injury to any Agricultural Value protected by this Easement to the extent such damages may be ascertained. Without limiting Owner's liability in any way, Holders, in their sole discretion, may apply any damages recovered to the cost of undertaking corrective or restoration action on the Property. Owner is barred from using this provision regarding damages as an affirmative defense against Holders' rights to injunctive relief.
 - c. *No Bond Required.* Any action for injunctive relief or damages may be taken without Holders being required to post bond or provide other security.
 - d. *Costs of Enforcement.* All reasonable costs incurred by Holders in enforcing the terms of this Easement against Owner, including, without limitation, costs and expenses of suit and reasonable attorneys' fees, and any costs of restoration necessitated by Owner's violation of the terms of this Easement, shall be borne by Owner; provided, however, that if Owner prevails in a judicial enforcement action, each party shall bear its own costs.
5. *Holders' Forbearance.* Forbearance by Holders to exercise their rights under this Easement in the event of any breach of any terms of this Easement by Owner, its agents, employees, contractors, invitees or licensees shall not be deemed or construed to be a waiver by Holders of such term or any Holders' rights under this Easement. No delay or omission by Holders in the exercise of any right or remedy upon any breach by Owner shall impair such right or remedy or be construed as a waiver. Notwithstanding the foregoing, where one of the Holders has asserted a right under this Section H, the other Holder does not have a separate or independent right to assert such right based on this subsection H.5.
6. *Waiver of Certain Defenses.* Owner acknowledges that it has carefully reviewed this Easement and has consulted with and been advised by counsel of its terms and requirements. In full knowledge of the provisions of this Easement, Owner hereby waives any claim or defense it may have against Holders in interest under or pertaining to this Easement based upon waiver, laches, estoppel, or prescription.
7. *Acts Beyond Owner's Control; Emergency Conditions.* Nothing contained in this Easement shall be construed to entitle Holders to bring any action against Owner to abate, correct, or restore any condition on the Property or to recover damages for any injury to or change in the Property resulting from causes beyond Owner's control, including, without limitation, fire, flood, storm, and earth movement, or for acts of trespassers, that Owner could not reasonably have anticipated or prevented, or from any prudent action taken by Owner under emergency conditions to prevent, abate, or mitigate significant injury to the Property resulting from such causes or to protect bona fide public health or safety in an emergency situation.
8. *Rights of the United States.* Under this Easement, the same rights are granted to the United States that are granted to Local Holder. However, the Secretary of the United States Department of Agriculture (the Secretary), on behalf of the

United States, will only exercise these rights under the following circumstances: In the event that Local Holder fails to enforce any of the terms of this Easement, as determined in the sole discretion of the Secretary, the Secretary and his or her successors or assigns may exercise the United States' rights to enforce the terms of this Easement through any and all authorities available under federal or state law. In the event that Local Holder attempts to terminate, transfer or otherwise divest itself of any rights, title, or interests in this Easement without the prior consent of the Secretary and, if applicable, payment of consideration to the United States, then, at the option of the Secretary, all right, title, and interest in this Easement shall become vested solely in the United States of America.

I. Approval; Breach; Compliance Certificates

1. Approval by Holders. Prior to pursuing or engaging in the activities identified in Section F of this Easement, Owner shall follow the procedures set forth in this Section I.1. Owner shall have no duty to seek approval from the United States, and the United States shall have no right, with the exception of through a court order, to overturn (or otherwise attempt to deny) an approval made by Local Holder upon which Owner has in good faith relied upon to Owner's detriment.
 - a. Approval Procedures. Owner shall request approval from Local Holder in writing. The request for approval shall describe the nature, scope, location, timetable, identify its conformity with this Easement, and, when applicable, evidence conformity with existing land use regulations, and any other material aspect of the proposed activity. Delivery of the request for approval shall be as required by Section I.4. Local Holder shall have thirty (30) days from receipt of the request in which to approve, disapprove, or approve subject to modification, the request. In the case of withholding of approval, Local Holder shall notify Owner in writing with reasonable specificity of the reasons for withholding of approval, and the conditions, if any, on which approval might otherwise be given.
 - b. Standard of Approval. Local Holder shall not unreasonably withhold approval of a proposed use or activity requiring approval under Section F where the proposed activity or use will not significantly impact the Agricultural Values and the proposed activity or use is consistent with the Purpose of this Easement. With respect to considering whether a proposed use is consistent with this Easement, Local Holder shall include in its consideration the uses permitted under HRS Section 205-4.5 and LUO Section 21-3.50, as they may be amended from time to time, or any corollary provisions that are enacted. (Abbreviated descriptions of the current permitted uses under HRS § 205-4.5 and under LUO § 21-3.50 are provided respectively in Section III.A and III.E of this Easement's Recitals.) In addition, Local Holder should usually permit or approve of proposed activities that are permitted by NRCS or that are consistent with the FOTG.
2. Breach of Approval Provisions. Failure to obtain Approval as required in this Section I and its subsections shall be a material breach of this Easement and shall entitle Local Holder to such rights or remedies as may be available under

Section H of this Easement. Notwithstanding the foregoing, Local Holder may, at its sole option, permit Owner to cure the breach by submitting after-the-fact communications and documents showing the conformity of such activity with this Easement and with any relevant federal, state or county laws, or by showing despite lack of conformity with this Easement or the laws, that the action was justified because of an emergency.

3. Compliance Certificates. Local Holder shall, within thirty (30) days of a request by Owner, execute and deliver to Owner, or to any party designated by Owner, any document, including an estoppel certificate, that certifies, to the best of Local Holder's knowledge, Owner's compliance or lack thereof with any obligation of Owner contained in this Easement and otherwise evidences the status of this Easement. Such certification shall be limited to the condition of the Property as of Local Holder's most recent inspection. Owner and all third parties may rely upon a compliance certificate issued by Local Holder as if it were issued by both Holders. If Owner requests more current documentation, Local Holder shall conduct an inspection, at Owner's expense, within thirty (30) days of receipt of Owner's written request.
4. Addresses for Notices and Responses. Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other shall be in writing either served personally or sent by certified mail, return receipt requested, postage prepaid, addressed to as follows:

To HARC:

Hawaii Agriculture Research Center
P.O. Box 100, Kunia, HI 96759-0100

With a copy to:

Tom Pierce
Attorney at Law, A Limited Liability Law Corporation
P.O. Box 798, Makawao, HI 96768

To Holders:

Agribusiness Development Corp.
235 South Beretania Street, Room 205, Honolulu, HI 96813
State Conservationist
U.S. Dept. of Agriculture, Natural Resources Conservation Service
300 Ala Moana Blvd., Honolulu, HI 96850

or to such other address as any of the parties from time to time shall designate by written notices to the other.

5. Time Computation for Receipt of Notice. With respect to any provision of this Easement requiring notice, demand, request, consent, approval, or communication by a date certain, "Receipt of Notice" shall be considered to have occurred upon two days after mailing by first class mail.

J. Costs, Liabilities and Insurance, Taxes, Environmental Compliance and Indemnification.

1. **Costs, Legal Requirements, Liabilities and Insurance.** Owner retains all responsibilities and shall bear all costs and liabilities of any kind related to the ownership, operation, upkeep, and maintenance of the Property, including the maintenance of any insurance coverage desired by Owner. Owner and Holders release and relieve the other, and waive their entire right to recover for loss or damage to the extent that the loss or damage is covered by proceeds of the injured party's insurance. This waiver applies whether or not the loss is due to the negligent acts or omissions of Owner or Holders. Owner remains solely responsible for obtaining any applicable governmental permits and approval for any activity or use permitted by this Easement, and any such activity or use shall be undertaken in accordance with all applicable federal, state, and local laws, regulations, and requirements.
2. **Taxes.** Owner shall pay before delinquency all taxes, assessments, fees, and charges of whatever description levied on or assessed against the Property by competent authority (collectively "Taxes"), including any taxes imposed upon, or incurred as a result of, this Easement, and shall furnish Local Holder with satisfactory evidence of payment upon request. If Owner fails to pay any Taxes when due, Local Holder is authorized, but in no event obligated, to make or advance such payment of Taxes upon three (3) days prior written notice to Owner, in accordance with any bill, statement, or estimate procured from the appropriate authority, without inquiry into the validity of the Taxes or the accuracy of the bill, statement or estimate, and the obligation created by such payment shall bear interest until paid by Owner at the maximum rate allowed by law.
3. **Environmental Warranty and Remediation.**
 - a. Owner warrants that it is in compliance with and shall remain in compliance with, all applicable Environmental Laws. Owner warrants that there are no notices by any governmental authority of any violation or alleged violation of, non-compliance or alleged non-compliance with or any liability under any Environmental Law relating to the operations or conditions of the Property. Owner warrants that it has no actual knowledge of a release or threatened release of any Hazardous Materials on, at, beneath or from the Property exceeding regulatory limits.
 - b. Owner promises to indemnify and hold harmless Holders against all costs, claims, demands, penalties and damages, including reasonable attorneys' fees, arising from or connected with the release or threatened release of any Hazardous Materials on, at, beneath or from the Property, or arising from or connected with a violation of any Environmental Laws by Owner or any other prior owner of the Property. Owner's indemnification obligation shall not be affected by any authorizations provided by Holders to Owner with respect to the Property or any restoration activities carried out by Holders at the

Property; provided, however, that Holders shall be responsible for any Hazardous Materials contributed after this date to the Property by Holders.

- c. If at any time, there occurs, or has occurred, a release in or on the Property of a Hazardous Material, Owner agrees to take all steps necessary to assure its containment and remediation, including any cleanup that may be required, unless the release was caused by Holders.
4. Control. Nothing in this Easement shall be construed as giving rise, in the absence of a judicial decree, to any right or ability in Holders to exercise physical or managerial control over the day-to-day operations of the Property, of any of Owner's activities on the Property, or otherwise to become an "operator" with respect to the Property within the meaning of the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended ("CERCLA") or the environmental laws of the State.
5. General Indemnification. Owner shall indemnify and hold harmless Holders, their employees, agents, and assigns, for any and all liabilities, claims, demands, losses, expenses, damages, fines, fees, penalties, suits, proceedings, actions and causes of action or sanctions asserted by or on behalf of any person or governmental authority, and other liabilities (whether legal or equitable in nature and including, without limitation, court costs, and reasonable attorneys' fees and attorneys' fees on appeal) to which Holders may be subject or incur relating to the Property, which may arise from, but are not limited to, Owner's negligent acts or omissions or Owner's breach of any representation, warranty, covenant, agreements contained in this Deed, or violations of any federal, state or local laws, including all environmental laws.

K. Transfer; Amendment; Extinguishment

1. Transfer of Property. Owner agrees to incorporate by reference the terms of this Easement in any deed or other legal instrument by which Owner transfers any interest in all or a portion of the Property, including, without limitation, a leasehold interest. Owner further agrees to give written notice to Holders of the proposed transfer of any such interest at least ten (10) days prior to the date of such transfer. The failure of Owner to perform any act required by this paragraph shall not impair the validity of this Easement or limit its enforceability in any way, nor shall such failure in any way be interpreted to void or make voidable the conveyance of any such interest.
2. Limitations on Amendment. If circumstances arise under which an amendment to or modification of this Easement would be appropriate, Owner and Holders may by written agreement jointly amend this Easement; provided that no amendment shall be made that will adversely affect the qualification of this Easement or the status of Holders under any applicable laws, including Sections 170(h) and 501(c)(3) of the Code and HRS Chapter 198. Any such amendment shall be consistent with the purpose of this Easement, shall not affect its perpetual duration, shall not permit any residences on the Property other than those expressly reserved in this Easement, and shall not permit any impairment of the significant Agricultural Values of the Property. Any such amendment shall

be signed and executed by Owner and Holders and filed in the State of Hawaii Bureau of Conveyances (if Regular System) or with the Assistant Registrar of the Land Court of the State of Hawaii (if Land Court System). Nothing in this paragraph shall require Owner or Holders to agree to any amendment or to consult or negotiate regarding any amendment of this Easement.

3. **Limitations on Extinguishment.** If circumstances arise in the future that render the Purpose of this Easement impossible to accomplish, this Easement can only be terminated or extinguished, whether with respect to all or part of the Property, by judicial proceedings in a court of competent jurisdiction. Unless otherwise required by applicable law at the time, in the event of any sale of all or a portion of the Property (or any other property received in connection with an exchange or involuntary conversion of the Property) after such termination or extinguishment, and after the satisfaction of prior claims and net of any costs or expenses associated with such sale, Owner and Holders shall divide the proceeds from such sale in accordance with their respective percentage interests in the fair market value of the Property, as such percentage interests are determined under the provisions of Section K.4, adjusted, if necessary, to reflect a partial termination or extinguishment of this Easement.
4. **Percentage Interests.** This Easement constitutes a real property interest immediately vested in the Holders, which, for purposes of this Section K.4, the parties stipulate to have a value determined by multiplying (a) the fair market value of the Property ("FMV") unencumbered by the Easement (minus any increase in value after the date of this grant attributable to improvements) by (b) the ratio of the value of the Easement at the time of this grant to the FMV of the Property unencumbered by this Easement at the time of this grant (the "Easement/FMV Ratio"). The parties agree that the Easement/FMV Ratio at the time of this Easement is sixty percent (60%). The parties agree that the United States' contribution toward the purchase of the Easement is fifty percent (50%) of the appraisal of the value of this Easement, effective January 9, 2009, prepared by Medusky & Co., Inc. approved by NRCS and DLNR (the "Approved Easement Appraisal"); that Local Holder's contribution toward the purchase of the Easement is thirty-six and eighty-seven hundredths percent (36.87%) of the Approved Easement Appraisal; and that Owner's contribution towards the easement value is thirteen and thirteen hundredths percent (13.13%) of the Approved Easement Appraisal. For the purpose of this Section K.4, the Easement/FMV Ratio shall remain constant at all times in the future, regardless of the change in FMV of the Property or other factors.
5. **Condemnation.** If all or any part of the Property is proposed to be taken under the power of eminent domain, Owner and Holders shall join in appropriate proceedings at the time of such proposed taking to recover the full value of the interests in the Property subject to the taking and all incidental or direct damages resulting from the taking. All expenses reasonably incurred by the parties to this Easement in connection with such taking shall be paid out of the recovered proceeds. Owner and Holders shall be respectively entitled to compensation from the balance of the recovered proceeds in conformity with the

provisions of paragraphs K.3 and K.4 (with respect to the allocation of proceeds). The rights of Owner and Holders set forth in this Section K.5 shall be in addition to, and not in limitation of, any rights they may have at common law. Because of the federal interest in this Easement the United States must consent to any eminent domain or condemnation action.

L. Assignment and Succession

1. **Assignment.** Subject to the following conditions and with the advance written approval of the United States, the Local Holder may assign its rights and obligations under this Easement to a qualified organization, as described below:
 - a. Local Holder may assign this Easement only to an organization that is at the time of the assignment a qualified organization under Section 170(h) of the Code, and is, in addition, authorized to acquire and hold conservation easements under HRS Chapter 198;
 - b. The assignment shall be subject to the terms of succession referenced in Section L.2 below;
 - c. Local Holder assigning its rights shall require the transferee to exercise its rights under the assignment consistent with the Purpose of this Easement;
 - d. Local Holder assigning its rights shall obtain Owner's approval of the transferee organization, which approval shall not be unreasonably withheld by Owner.
2. **Succession.** If at any time it becomes impossible for Local Holder to ensure compliance with the covenants, terms, conditions and restrictions contained in this Easement and Local Holder has not named a successor organization, or if Local Holder shall cease to exist or to be a qualified organization under Section 170(h) of the Code or to be authorized to acquire and hold conservation easements under HRS Chapter 198, and if the United States does not exercise its rights under Section H.8 of this Easement, then Local Holder's rights and obligations under this Easement shall vest in such organization as a court having jurisdiction shall direct, pursuant to the applicable Hawaii law and the Code, and with due regard to the purposes of this Easement.

M. Provisions Required by the Board of Land and Natural Resources

Local Holder and the State of Hawaii Board of Land and Natural Resources have entered into an agreement relating to this Easement, identified as "State of Hawaii Legacy Land Conservation Program Grant Agreement," dated _____ 2009 ("LLCP Agreement"). Section 3 of Attachment 1 of the LLCP Agreement requires Local Holder to include the following additional terms in this Easement, which are by incorporation below are made a part hereof:

"This agricultural easement has been acquired with funds from a grant by the State of Hawaii, Department of Land and Natural Resources, Legacy Land Conservation Program ("LLCP") through grant agreement number _____, dated _____, and is subject to all of the terms and conditions of the grant agreement. The agricultural easement conveyed by

this deed shall vest in the Agribusiness Development Corporation, subject to disposition instructions from the State of Hawaii, Department of Land and Natural Resources ("DLNR"), or its successor agencies. The agricultural easement shall be managed consistently with the purposes for which it was awarded a LLCP grant and Chapter 173A, Hawaii Revised Statutes.

The Agribusiness Development Corporation, for itself, its successors and assigns, and in consideration of the LLCP grant, does hereby covenant that it shall not dispose of, encumber its title or other interests in, or convert the use of this agricultural easement without the written approval of the DLNR or its successor agencies.

The Agribusiness Development Corporation further covenants that if the agricultural easement is sold, leased, rented, or otherwise disposed of by the Agribusiness Development Corporation, that portion of the net proceeds (sale price less actual expenses of sale) of such sale, rental, or proceeds equal to the proportion that the state grant bears to the original cost of the agricultural easement shall be paid to the State of Hawaii."

N. General Provisions

1. Reasonableness Standard. Owner and Holders shall follow a reasonableness standard and shall use their best efforts to make any determinations that are necessary or are contemplated to be made by them (either separately or jointly) under this Easement in a timely manner and shall cooperate with one another and shall take all other reasonable actions suitable to that end.
2. Controlling Law. The interpretation and performance of this Easement shall be governed by the laws of the State of Hawaii and any applicable federal law.
3. Liberal Construction. Any general rule of construction to the contrary notwithstanding, this Easement shall be liberally construed to fulfill the Purpose of this Easement and the policy and purpose of HRS Chapter 198. If any provision in this instrument is found to be ambiguous, an interpretation consistent with the Purpose of this Easement that would render the provision valid shall be favored over any interpretation that would render it invalid.
4. Severability. If any provision of this Easement, or its application to any person or circumstance, is found to be invalid, the remainder of the provisions of this Easement, or the application of such provision to persons or circumstances other than those as to which it is found to be invalid, as the case may be, shall not be affected.
5. Entire Agreement. This instrument sets forth the entire agreement of the parties with respect to the Property and supersedes all prior discussions, negotiations, understandings, or agreements between Owner and Holders relating to the Property, all of which are merged into this Easement. No alteration or variation of this instrument shall be valid or binding unless contained in an amendment that complies with Section K.2.
6. No Forfeiture. Nothing contained in this Easement shall result in a forfeiture or reversion of Owner's title in any respect.

Page 25 of 35

7. Successors and Assigns; Runs with Land. The covenants, terms, conditions, and restrictions of this Easement shall be binding upon, and inure to the benefit of, the parties to this Easement and their respective personal representatives, heirs, successors, and assigns, and shall continue as a servitude running in perpetuity with the Property.
8. Termination of Rights and Obligations. A party's rights and obligations under this Easement terminate upon transfer of the party's interest in the Easement or Property, except that liability for acts or omissions occurring prior to transfer shall survive transfer.
9. Counterparts. The parties may execute this instrument in two or more counterparts. Each counterpart shall be deemed an original instrument as against any party who has signed it. In the event of any disparity between the counterparts produced, the recorded counterpart shall be controlling.
10. Effective Date. Owner and Holders intend that the restrictions arising hereunder shall take effect on the date of this Easement being recorded in the State of Hawaii Bureau of Conveyances (if Regular system) or filed with the Assistant Registrar of the Hawaii Land Court (if Land Court system), after all required signatures have been affixed hereto, and after closing of the transaction contemplated in this Easement whereby Owner agrees to the perpetual covenants and restrictions set forth in this Easement in exchange for FRPP and other funds at the amount agreed to between Owner and Holders.
11. No Merger. Holders agree to take whatever steps are necessary to ensure that merger of the fee and Easement estates does not occur in order to ensure the continued viability of this Easement.

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TO HAVE AND TO HOLD this Grant of Conservation Easement (for Agricultural Preservation) from Hawaii Agriculture Research Center and Pioneer Hi-Bred International, Inc. to the State of Hawaii, Agribusiness Development Corporation and the United States of America as co-Holders, and to their respective successors and assigns forever.

OWNERS:

Hawaii Agriculture Research Center:

By: Stephanie A. Whalen
Stephanie A. Whalen
Executive Director

By: Blake Vance
Blake Vance
Assistant Director

Pioneer Hi-Bred International, Inc.:

By: _____
Name: _____
Its: _____

By: _____
Name: _____
Its: _____

HOLDERS:

**State of Hawaii
Agribusiness Development Corporation:**

By: _____
Alfredo Lee
Executive Director

**Natural Resources Conservation Service
United States Department of Agriculture:**

By: _____
Lawrence T. Yamamoto
Director, Pacific Islands Area

TO HAVE AND TO HOLD this Grant of Conservation Easement (for Agricultural Preservation) from Hawaii Agriculture Research Center and Pioneer Hi-Bred International, Inc. to the State of Hawaii, Agribusiness Development Corporation and the United States of America as co-Holders, and to their respective successors and assigns forever.


OWNERS:

Hawaii Agriculture Research Center:

By: _____
Stephanie A. Whalen
Executive Director

By: _____
Blake Vance
Assistant Director

Pioneer Hi-Bred International, Inc.:

By: 
Name: *Richard Gossett*
Its: *Director Facilities Development*

By: 
Name: *Mark Stotemyer*
Its: *Kunia Site Manager*

HOLDERS:

**State of Hawaii
Agribusiness Development Corporation:**

By: _____
Alfredo Lee
Executive Director

**Natural Resources Conservation Service
United States Department of Agriculture:**

By: _____
Lawrence T. Yamamoto
Director, Pacific Islands Area

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OWNERS:

Hawaii Agriculture Research Center:

By: _____
Stephanie A. Whalen
Executive Director

By: _____
Blake Vance
Assistant Director

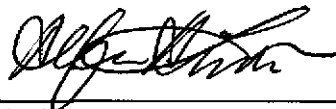
Pioneer Hi-Bred International, Inc.:

By: _____
Name: _____
Its: _____

By: _____
Name: _____
Its: _____

HOLDERS:

**State of Hawaii
Agribusiness Development Corporation:**

By:  _____
Alfredo Lee
Executive Director

**Natural Resources Conservation Service
United States Department of Agriculture:**

By: _____
Lawrence T. Yamamoto
Director, Pacific Islands Area

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OWNERS:

Hawaii Agriculture Research Center:

By: _____
Stephanie A. Whalen
Executive Director

By: _____
Blake Vance
Assistant Director

Pioneer Hi-Bred International, Inc.:

By: _____
Name:
Its:

By: _____
Name:
Its:

HOLDERS:

**State of Hawaii
Agribusiness Development Corporation:**

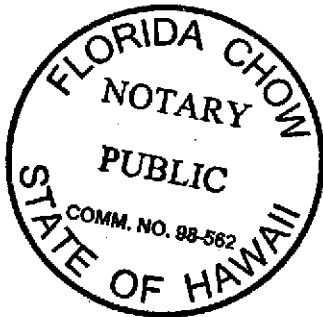
By: _____
Alfredo Lee
Executive Director

**Natural Resources Conservation Service
United States Department of Agriculture:**

By:  _____
Lawrence T. Yamamoto
Director, Pacific Islands Area

STATE OF HAWAII)
) SS.
CITY & COUNTY OF HONOLULU)

On this 13th day of August, 2009, before me personally appeared **Stephanie A. Whalen**, to me personally known, who, being by me duly sworn or affirmed, did say that she is the **Executive Director of Hawaii Agriculture Research Center, a Hawaii nonprofit corporation**, and did say that such person executed the foregoing **Grant of Conservation Easement (For Agricultural Preservation)**, which document consists of 35 page(s), as the free act and deed of such person, and if applicable, in the capacity shown, having been duly authorized to execute such instrument in such capacity.



Florida Chow

Name of Notary: Florida Chow
Notary Public, First Judicial Circuit,
State of Hawaii.

My commission expires: Nov. 1, 2010

Doc. Date: _____ # Pages: 35

Notary Name: Florida Chow First Circuit

Doc. Description: _____
Grant Conservation Easement

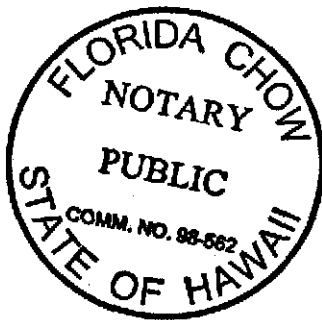
Florida Chow 8/13/09

STATE OF HAWAII)

) SS.

CITY & COUNTY OF HONOLULU)

On this 13th day of August, 2009, before me personally appeared **Blake Vance**, to me personally known, who, being by me duly sworn or affirmed, did say that he is the **Assistant Director of Hawaii Agriculture Research Center, a Hawaii nonprofit corporation**, and did say that such person executed the foregoing **Grant of Conservation Easement (For Agricultural Preservation)**, which document consists of 35 page(s), as the free act and deed of such person, and if applicable, in the capacity shown, having been duly authorized to execute such instrument in such capacity.



Florida Chow

Name of Notary: Florida Chow
Notary Public, First Judicial Circuit,
State of Hawaii.

My commission expires: Nov. 1, 2010

Doc. Date: _____ # Pages: 35

Notary Name: Florida Chow First Circuit

Doc. Description: _____

Grant Conservation Easement

Florida Chow 8/13/09

STATE OF HAWAII

)

)

SS.

CITY OF COUNTY OF HONOLULU

)

On this 13th day of August, 2009, before me personally appeared Richard Bosselink on behalf of **Pioneer Hi-Bred International, Inc.**, to me personally known, who, being by me duly sworn or affirmed, and did say that such person executed the foregoing **Grant of Conservation Easement (For Agricultural Preservation)**, which document consists of 35 page(s), as the free act and deed of such person, and if applicable, in the capacity shown, having been duly authorized to execute such instrument in such capacity.



Candyce S. Mow

Name of Notary: **CANDYCE S. MOW**
Notary Public

My commission expires: 7-30-2011

Doc. Date: Undated at time of notarization # Pages: 35

Notary Name: CANDYCE S. MOW 1st Circuit

Doc. Description: Grant of Conservation Easement (For Agricultural Preservation)



Candyce S. Mow

My Commission Expires: 7-30-2011

STATE OF HAWAII

)

) SS.

city and

COUNTY OF HONOLULU

)

On this 13th day of August, 2009, before me personally appeared Mark Stautemeyer on behalf of **Pioneer Hi-Bred International, Inc.**, to me personally known, who, being by me duly sworn or affirmed, and did say that such person executed the foregoing **Grant of Conservation Easement (For Agricultural Preservation)**, which document consists of 35 page(s), as the free act and deed of such person, and if applicable, in the capacity shown, having been duly authorized to execute such instrument in such capacity.



Candyce S. Mow

Name of Notary: CANDYCE S. MOW
Notary Public

My commission expires: 7-30-2011

Doc. Date: undated at time of notarization # Pages: 35

Notary Name: CANDYCE S. MOW Circuit

Doc. Description: Grant of Conservation Easement (for Agricultural Preservation)



Candyce S. Mow

My Commission Expires: 7-30-2011

STATE OF HAWAII

)

) SS.

CITY & COUNTY OF HONOLULU

)

On this 25th day of September, 2009, before me personally appeared **Alfredo Lee**, to me personally known, who, being by me duly sworn or affirmed, did say that he is the **Executive Director of Agribusiness Development Corporation**, and did say that such person executed the foregoing **Grant of Conservation Easement (For Agricultural Preservation)**, which document consists of 37 page(s), as the free act and deed of such person, and if applicable, in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Iris Rementer

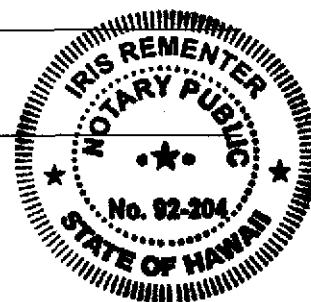
Name of Notary: **Iris Rementer**
Notary Public, First Judicial Circuit,
State of Hawaii.

My commission expires: 3/20/2012

Doc. Date: undated # Pages: 37

Notary Name: Iris Rementer Circuit

Doc. Description: Grant of Conservation
Easement in re Lot 16246, with
Exhibits A and B



STATE OF HAWAII

)

)

SS.

CITY & COUNTY OF HONOLULU

)

On this 26th day of September, 2009, before me appeared **Lawrence T. Yamamoto**, to me personally known, who, being by me duly sworn, did say that he is the **Director, Pacific Islands Area of the Natural Resources Conservation Service, United States Department of Agriculture**, and did say that such person executed the foregoing **Grant of Conservation Easement (For Agricultural Preservation)**, which document consists of 35 page(s), as the free act and deed of such person, and if applicable, in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Roxanne Fukumoto
Name of Notary: Roxanne Fukumoto
Notary Public, First Judicial Circuit,
State of Hawaii.

My commission expires: December 4, 2009

Doc. Date: Not dated # Pages: 35

Notary Name: Roxanne Fukumoto Circuit

Doc. Description: Grant of Conservation Easement (For agricultural preservation)

Roxanne Fukumoto
ROXANNE FUKUMOTO

Notary Public, State of Hawaii

My commission expires: December 4, 2009

LAND COURT
STATE OF HAWAII
LAND COURT APPLICATION 1069
DESIGNATION OF EASEMENT 10143
AFFECTING LOT 16248
AS SHOWN ON MAP 1276
AT HONOLULU, EYA, OAHU, HAWAII

721 Kalia St., Suite 310
Honolulu, Hawaii 96813
February 8, 2009



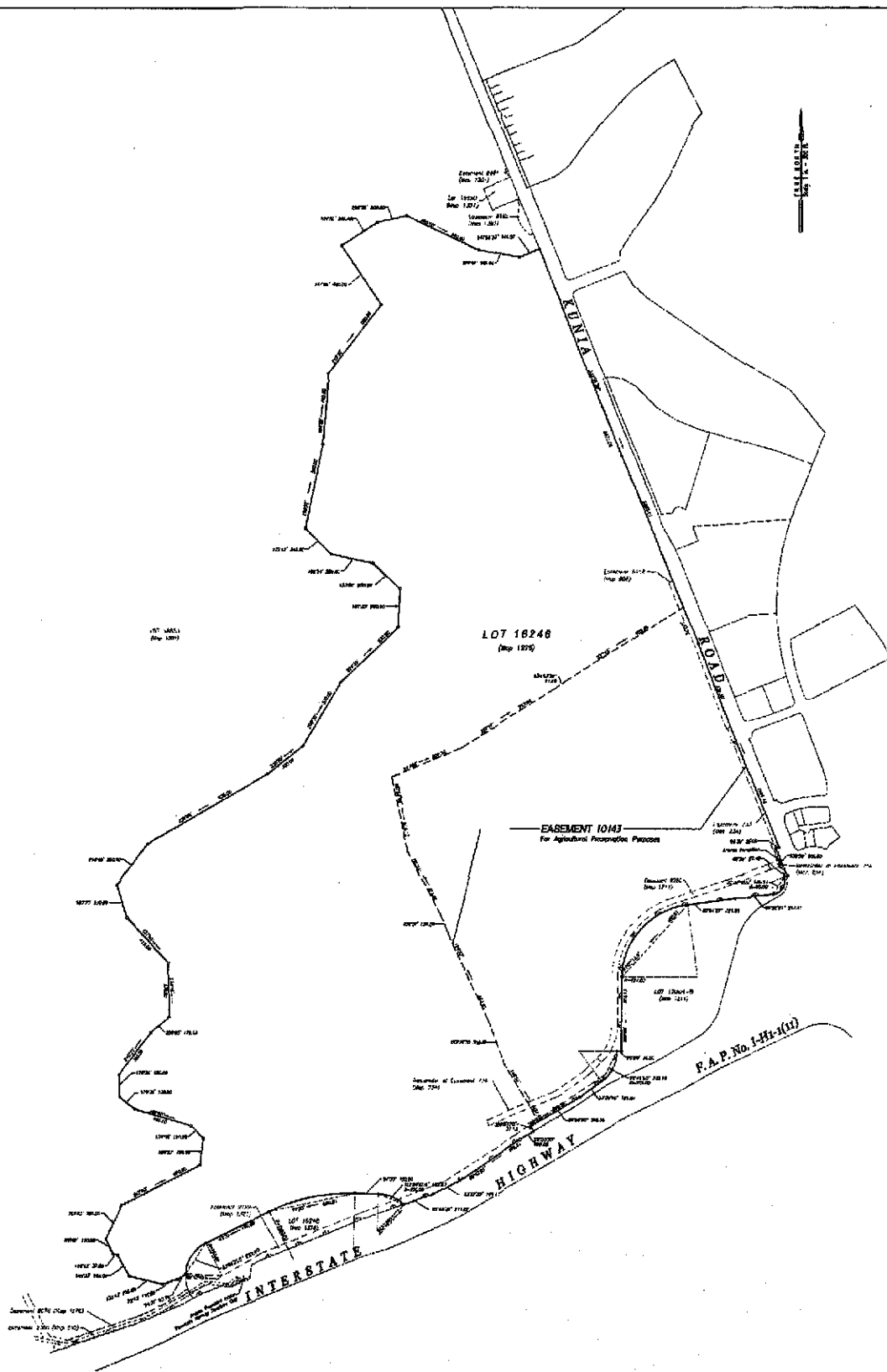
ACE LAND SURVEYING LLC
David C. Lee, Licensee
No. 04700
Licensee Professional Land Surveyor
Certificate No. 10000
Last Cert. Expiration Date: 2007

OWNER: FINGER BROS. INTERNATIONAL, INC.
HAWAII AGRICULTURE RESEARCH CENTER

PREPARED CERTIFICATE OF TITLE: 02/08/09

AUTHORIZED AND APPROVED BY ORDER OF THE JUDGE
OF THE LAND COURT DATED APRIL 15, 2009
BY ORDER OF THE COURT

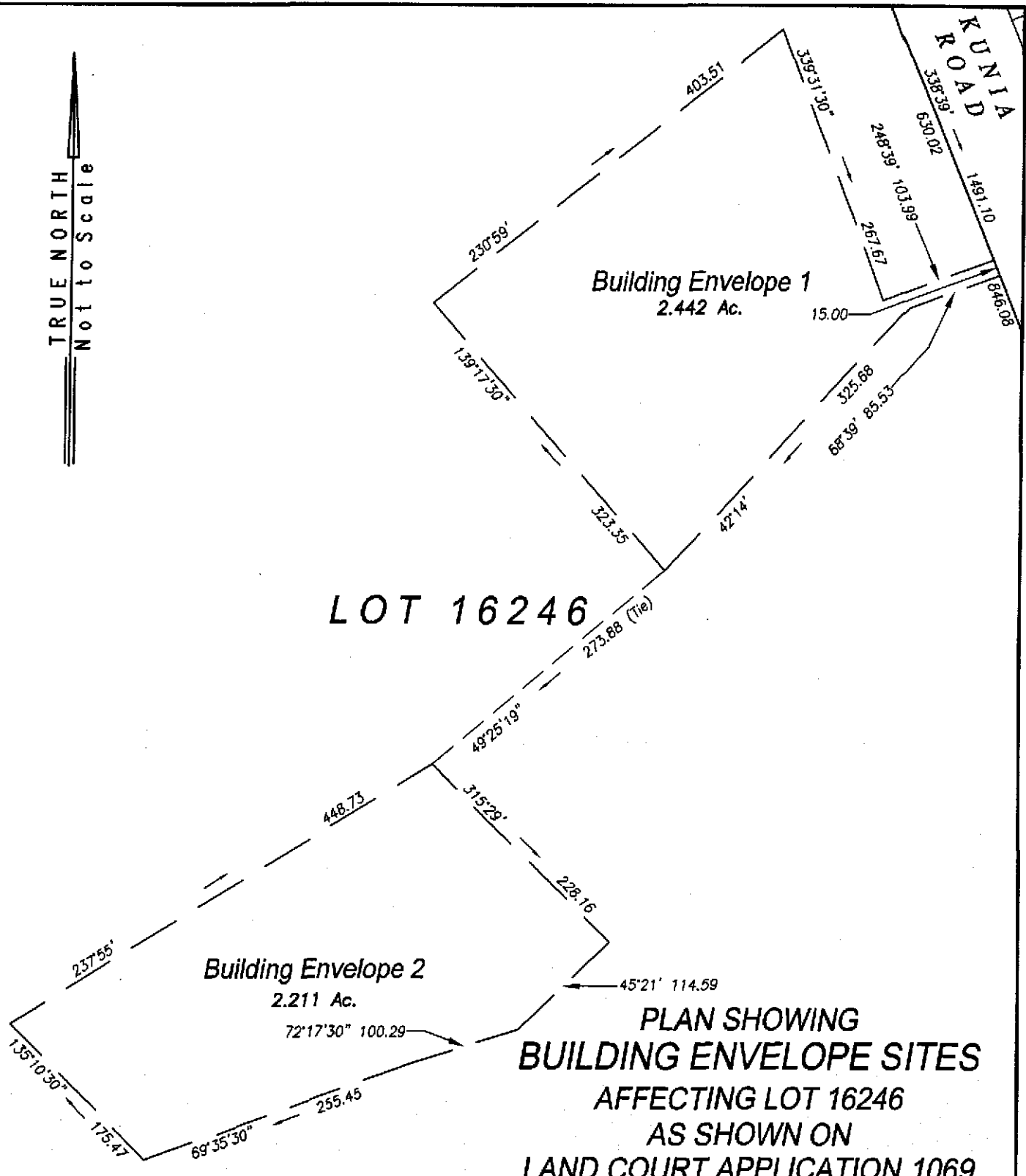
David C. Lee
PROFESSIONAL LAND SURVEYOR



NOTICE: AREA OF EASEMENT 10143 IS 100,000 SQ. FT.
OWNER: FINGER BROS. INTERNATIONAL, INC.
HAWAII AGRICULTURE RESEARCH CENTER
PREPARED CERTIFICATE OF TITLE: 02/08/09
AUTHOR: DAVID C. LEE, LICENSEE
NO. 04700
LICENSEE PROFESSIONAL LAND SURVEYOR
CERTIFICATE NO. 10000
LAST CERT. EXPIRATION DATE: 2007

David C. Lee
PROFESSIONAL LAND SURVEYOR

TRUE NORTH
Not to Scale



NOTE

1. ORIGIN OF AZIMUTHS SHOWN REFERRED TO GOVERNMENT
SURVEY TRIANGULATION STATION "KAUPAI NEW"

August 3, 2009

STATE OF HAWAII
**AGRIBUSINESS DEVELOPMENT
CORPORATION**

E-16

STAFF SUBMITTAL TO THE BOARD OF DIRECTORS
December 18, 2025

Subject: Request to amend prior staff submittal and approval by the Board of Directors authorizing the executive director to execute binding instruments, negotiate and execute a purchase and sale agreement, and conduct due diligence to facilitate the purchase of the fee-simple interest in certain real property located east of Maalo Road at Hanamā‘ulu, Līhu‘e, County of Kaua‘i, State of Hawai‘i, Tax Map Key No. (4) 3-8-018:001 (portion).

Applicant: Agribusiness Development Corporation (Applicant)

Authority: Section 163D-4(a)(6), Hawaii Revised Statutes

Area: 1,040 gross acres, more or less¹

Tax Map Key: (4) 3-8-018:001 (por.) (Property)

Land Status: Owned in fee by Grove Farm Company, Incorporated

Trust Land Status: Section ____ lands of the Hawaii Admission Act²
Yes ☐ No ☒
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution?
Yes ☐ No ☒

Zoning: SLUD: Agricultural
CZO: Agricultural

Character of Use: Agricultural, Pastural

¹ Final acreage determination is subject to pending subdivision.

² Final trust status determination is pending completion of the due diligence process

Request to amend certain acreage details included in prior approval by the Board of Directors authorizing the executive director to execute binding instruments, negotiate and execute a purchase and sale agreement, and conduct due diligence to facilitate the purchase of the fee-simple interest in certain real property located east of Maalo Road at Hanamā‘ulu, Līhu‘e, County of Kaua‘i, State of Hawai‘i, Tax Map Key No. (4) 3-8-018:001 (portion).

December 18, 2025

BACKGROUND:

At the meeting of the Agribusiness Development Corporation (ADC) Board of Directors (Board) held on October 16, 2025, the Board approved staff’s request to authorize the executive director to do all things necessary to facilitate the acquisition of the fee-simple interest of real property, including issuing a letter-of intent, negotiating a purchase and sale agreement, conducting due diligence, and all other manner of activities necessary to facilitate the acquisition of approximately 1,040 gross acre of agricultural land currently owned by Grove Farm Company, Incorporated (Grove).

The October 16, 2026 staff submittal indicated approximately 1,040 gross acres, more or less, of land is under consideration for purchase for agricultural use. However, the submittal and staff presentation may not have provided sufficient clarity to the fact that 40 gross acres, more or less, of the subject land are intended to be used to site a relocated Kaua‘i Community Correctional Center.

REQUEST:

Staff requests that the Board amend prior staff submittal and approval by the Board of Directors authorizing the executive director to execute binding instruments, negotiate and execute a purchase and sale agreement, and conduct due diligence to facilitate the purchase of the fee-simple interest in certain real property located east of Maalo Road at Hanamā‘ulu, Līhu‘e, County of Kaua‘i, State of Hawai‘i, Tax Map Key No. (4) 3-8-018:001 (portion), subject to the conditions and limitations included in the Recommendation (Request).

CHAPTER 343, HRS – ENVIRONMENTAL REVIEW:

Under section 343-5(a), HRS, an environmental assessment shall be required for actions, that propose, among other things, the “(1) use of state land or county lands, or the use of state or county funds[.]” This action involves the use of state funds and is subject to the requirements of the chapter. However, the action is de minimis and therefore exempt from the preparation of an environmental assessment under §11-200.1-15(c)(8), Hawai‘i Administrative Rules (HAR), “Continuing administrative activities.”

REMARKS & DISCUSSION:

The Hawai‘i Department of Corrections and Rehabilitation (DCR) does not have statutory authority to acquire real property. However, they are in receipt of legislative appropriations for the purchase of land and the construction of a new and relocated Kaua‘i Community Correctional Center to be sited on yet-to-be-acquired Grove Farm land. As currently envisioned, ADC will acquire the Property and subsequently transfer the 40-acre portion to the Hawai‘i Department of Land and Natural Resources (DLNR) who will, in turn, transfer control and management of that portion to DCR through the set aside process. DCR will be solely responsible for any land use, zoning, subdivision, general plan, and other amendment or permit requests, and has already published an EIS Preparation Notice in the December issue of The Environmental Notice (p.9).³

³ https://files.hawaii.gov/dbedt/erp/The_Environmental_Notice/2025-12-08-TEN.pdf

Request to amend certain acreage details included in prior approval by the Board of Directors authorizing the executive director to execute binding instruments, negotiate and execute a purchase and sale agreement, and conduct due diligence to facilitate the purchase of the fee-simple interest in certain real property located east of Maalo Road at Hanamā‘ulu, Līhu‘e, County of Kaua‘i, State of Hawai‘i, Tax Map Key No. (4) 3-8-018:001 (portion).

December 18, 2025

RECOMMENDATION:

Based on the foregoing, it is recommended that the Board:

1. Approve the Request, subject to the following conditions:
 - a. Following the negotiation of a mutually acceptable purchase and sale agreement, staff shall seek Board delegation of authority to execute the document; and
 - b. Following the conclusion of the due diligence period, staff shall report their findings to the Board and may seek approval to finalize the acquisition; and
2. Declare that pursuant to §11-200.1-15(c)(8), HAR, the Request is de minimis and is therefore exempt from the preparation of an environmental assessment.

Respectfully Submitted,

/s/ LYLE ROE

Asset Manager

Approved for Submittal:



Wendy Gady

Executive Director

Attachments

Exhibit A Map

Request to amend certain acreage details included in prior approval by the Board of Directors authorizing the executive director to execute binding instruments, negotiate and execute a purchase and sale agreement, and conduct due diligence to facilitate the purchase of the fee-simple interest in certain real property located east of Maalo Road at Hanamā‘ulu, Līhu‘e, County of Kaua‘i, State of Hawai‘i, Tax Map Key No. (4) 3-8-018:001 (portion).

December 18, 2025

EXHIBIT A

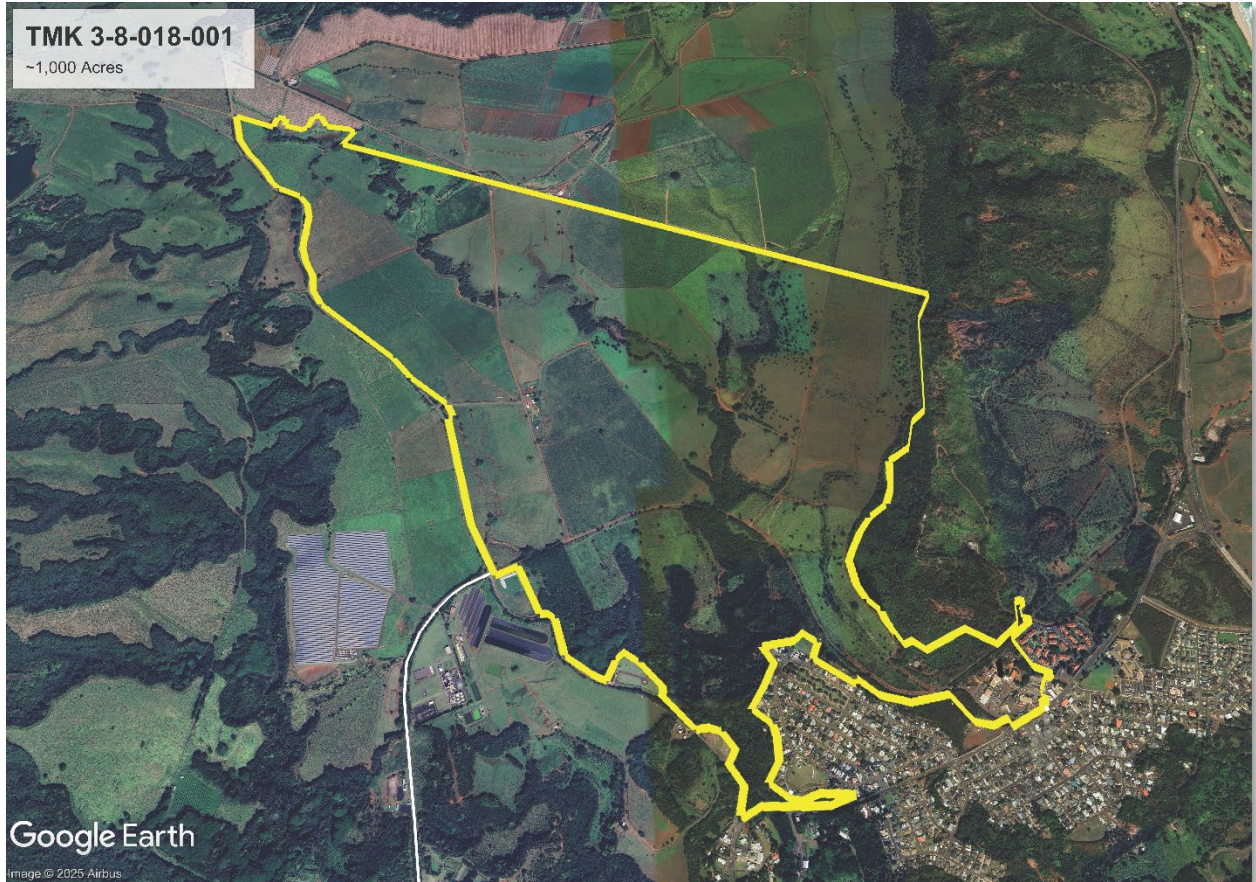


EXHIBIT A



Unit WW-11
TMK No. (1) 7-1-002:004

License Agreement No. LI-
WM1505 issued to William H.
Wise III dba Waii Farms, and
Kalama Hardwood LLC



Sources: Esri, TomTom, Garmin, FAO, NOAA, USGS, © OpenStreetMap contributors, and the GIS User Community. This work is licensed under the Esri Master License Agreement. View Summary | View Terms of Use. Export: This layer is not intended to be used to export tiles for offline use. Esri, USGS This map was developed by the Agribusiness Development Corporation, State of Hawaii.



STATE OF HAWAII
**AGRIBUSINESS DEVELOPMENT
CORPORATION**

E-17

STAFF SUBMITTAL TO THE BOARD OF DIRECTORS
December 18, 2025

Subject: Request for approval to issue a right-of-entry agreement to Real Heaven, Inc. for film production purposes on land under License Agreement No. LI-WM1505 issued to William H. Wise III dba Waihii Farms and Kalama Hardwood LLC, in Whitmore Village, District of Wahiawā, City and County of Honolulu, State of Hawai‘i, Tax Map Key No. (1) 7-1-002:004 (portion).

Applicant: Real Heaven, Inc. (Applicant)

Authority: Section 163D-4(a)(5), Hawai‘i Revised Statutes

Area: 16 gross acres, more or less

Field No(s): WW-11 (Premises)

Tax Map Key: (1) 7-1-002:004 (Property)

Land Status: Acquired in fee by the Agribusiness Development Corporation in 2015

Trust Land Status: Section ____ lands of the Hawaii Admission Act
Yes ☐ No ☒
DHHL 30% entitlement lands pursuant to the Hawai‘i State Constitution?
Yes ☐ No ☒

Zoning: SLUD: Agricultural
CZO: AG-1

Character of Use: Agricultural

Land Doc. Type: License

Term: 35 years (currently in year 11)

Rental Rate: \$850/month (re-opened – appraisal in progress)
Annual Rent: \$10,200/year

Request for approval to issue a right-of-entry agreement to Real Heaven, Inc. for film production purposes on land under License Agreement No. LI-WM1505 issued to William H. Wise III dba Waihii Farms and Kalama Hardwood LLC, in Whitmore Village, District of Wahiawā, City and County of Honolulu, State of Hawai‘i, Tax Map Key No. (1) 7-1-002:004 (portion).
December 18, 2025

BACKGROUND:

The Agribusiness Development Corporation (ADC) Board of Directors (Board) approved License Agreement No. LI-WM1505 to William H. Wise III dba Waihii Farms, and Kalama Hardwood LLC (as amended) (Licensee) effective December 4, 2015 for cultivation and agricultural production purposes. The Premises is sited in a wooded valley through which flows the north branch of Kaukonahua Stream. The setting is scenic and idyllic.

Applicant has approached Licensee and requested access to the Property and Premises to film. Licensee was advised to consult with the Hawai‘i Film Office who subsequently reached out to Department of Business, Economic Development, and Tourism; and ADC to coordinate access to the Property and the Premises.

REQUEST:

Applicant requests that the Board approve a right-of-entry to the Premises and immediately adjacent Property, subject to the Licensee’s approval and conditions, and the issuance of a permit from the Hawai‘i Film Office, for filming purposes for a term expiring on, and including March 22, 2026 (Request) (see Exhibit “B”).

OPERATIONAL PLAN:

Applicant anticipates two weeks of prep work on or about March 2-16, 2026, a day of filming on or about March 17, 2026, and two days of wrap/close-out on or about March 18-20, 2026.

CHAPTER 343 – ENVIRONMENTAL ASSESSMENT COMPLIANCE:

Under section 343-5(a), Hawaii Revised Statutes, an environmental assessment shall be required for actions, that propose, among other things, the “(1) use of state land or county lands, or the use of state or county funds[.]” In this case, the statute is triggered for the use of state lands. However, the action may be exempted under § 11-200.1-15(c)(1), Hawai‘i Administrative Rules (HAR) “Operations, repairs, or maintenance of existing structures, facilities, equipment, or topographical features, involving minor expansion or minor change of use beyond that previously existing.”

REMARKS & DISCUSSION:

The Premises are currently encumbered under License Agreement No. LI-WM1505 and ADC will not be seeking consideration for the proposed use. However, in lieu of the consideration, staff recommends that ADC condition approval upon film credit for access to, and use of, the Premises and Property. Staff notes that development of a film policy on ADC land may be helpful and appropriate to guide staff for future requests. The Request is supported by the Licensee (Exhibit “C”).

RECOMMENDATION:

Based on the foregoing, it is recommended that the Board:

1. Approve the Request, subject to the following conditions:

Request for approval to issue a right-of-entry agreement to Real Heaven, Inc. for film production purposes on land under License Agreement No. LI-WM1505 issued to William H. Wise III dba Waihi Farms and Kalama Hardwood LLC, in Whitmore Village, District of Wahiawā, City and County of Honolulu, State of Hawai‘i, Tax Map Key No. (1) 7-1-002:004 (portion).

December 18, 2025

- a. Approval is contingent upon the issuance of a permit from the Hawai‘i Film Office; and
 - b. Approval is contingent upon the issuance of an environmental exemption from the Hawai‘i Department of Business, Economic Development, and Tourism; Creative Industries Division; and
 - c. Applicant shall obtain prior approval from the Licensee and shall be subject to Licensee’s conditions and restrictions; and
 - d. Applicant shall include a reference to “State of Hawai‘i, Agribusiness Development Corporation” in the film credits; and
2. Declare that pursuant to § 11-200.1-15, HAR, the project is exempt from the preparation of an environmental assessment.

Respectfully Submitted,

/s/ LYLE ROE

Asset Manager

Approved for Submittal:



Wendy Gady
Executive Director

Attachments

Exhibit A	Map
Exhibit B	Request
Exhibit C	Licensee Letter of Support



Real Heaven, Inc.
10202 West Washington Blvd.
Culver City, CA 90232

Aloha Lyle,

This is our official request to film a couple scenes for the movie *Cross-Platform* on the Bill Wise property in Whitmore Village. While the property has been successfully used numerous times in the past for filming activity, and one time in particular by ABC/Disney for the show “Off the Map” (See attached documents from the City and County of Honolulu), our well known and beloved franchise is particularly excited about the prospects of filming on the Bill Wise property in Whitmore Village as it represents a new location not featured in either of the previous two movies. The property has a different look and feel to it than was filmed before which allows the story to expand visually which is important in the world of movie making.

There are two scenes we wish to film that are largely actors walking and talking in a jungly tall grass setting with a bit of low-key action. In the first scene, a hero character, a princess is ambushed in the middle of a meadow by some bad guys. The bad guys would be on motorcycles that would drive through a meadow that has tall California grass. There are no native plants in the area and using the area would not adversely affect Mr. Wise’s agricultural use of the property.

The second scene is of the princess making her escape by skipping across the river which we would accomplish with some clever rigging of guy-wires and potentially some CGI movie-magic. We want to keep the tall grass as intact as possible as this is the key visual value for us at this location.

The majority of the work would be done by our Greens Department who would ensure that the pathways the motorbikes traveled on and the areas the actors work in are safe. If any plant material is brought into this area, we would use the film industry’s standard operating procedure of testing and fumigating to mitigate any spread of invasive species coming into the area as was done on the filming of both *Lilo + Stitch* and *Moana*.

Our activity would be concentrated on a small part of the property that is currently not being farmed so it would not have any adverse affect to Mr. Wise’s agriculture activities. We have consulted with the City and County of Honolulu and have received verbal confirmation that the

light nature of our filming in the area fits well within the HRS 21-1.60 regarding Temporary Uses, the following of which was shared with me:

§ 21-1.60 Temporary uses.

Uses and structures of a temporary nature shall not be governed by this chapter, unless the director determines that significant impacts upon the surrounding area warrant review and, when necessary, the imposition of conditions on the use or structure. Conditions shall be based on impacts upon the surrounding area, and may cover hours of operation, duration of the activity, and general manner of operation

DPP does not anticipate any impact to the surrounding area based on the described filming activities and a Temporary Use Approval (TUA) is not being recommended for this filming given its light footprint.

The time frame for our work on the property would consist of 2 weeks of prep, one day of filming, and 3 days of wrap. We are presently scheduled to prep on March 2 through March 16, shooting on March 17, and wrapping out March 18th through the 20th. This schedule could change slightly and be brought forward a week or two into February. We will know more about that possibility in mid January.

Thank you in advance for your consideration of our request, particularly as we assist the first major production to return to filming in Hawaii for nearly a year. The Hawaii film community is so excited that meaningful work is returning. It really does mean so much to so many. We proudly hosted the filming of the first two movies, with repeat business being the highest form of industry compliment, we are pleased to have been able to secure a good portion of the filming of the third installment.

Mahalo,
Rick


Rick Schuler
Location Manager
Real Heaven, Inc. / *Cross-Platform*

From: [bill and heidi wise](#)
To: [Roe, Lyle T](#)
Subject: [EXTERNAL] Re: My Email Contact
Date: Thursday, December 11, 2025 11:14:53 AM

Aloha,

My name is William Wise.
I am a licensee for a farm at
346 Circle Mauka Place in Whitmore Village.
I am requesting and supporting the
issuance of a Right of Entry for Real Heaven
to the property.

Mahalo,
William Wise

Waihii Farms
346 Circle Mauka Pl.
Wahiawa, HI 96786


From: Roe, Lyle T <lyle.t.roe@hawaii.gov>
Sent: Thursday, December 11, 2025 10:47 AM
To: Bill Wise <waihii@hotmail.com>
Subject: My Email Contact

Bill,

My email contact for your records.

LYLE ROE
Asset Manager
Agribusiness Development Corp.
+1 (808) 586-0187

STATE OF HAWAI'I
**AGRIBUSINESS DEVELOPMENT
CORPORATION**

E-18

STAFF SUBMITTAL TO THE BOARD OF DIRECTORS
December 18, 2025

Subject: Request to establish a permitted interaction group to evaluate the performance of the executive director on a semi-annual and annual basis, pursuant to section 163D-3(f), and section 92-2.5(b)(1), Hawai'i Revised Statutes.

Requester: Chairperson of the Board of Directors (Chair)

Authority: Section 163D-4(a)(5), Hawai'i Revised Statutes
Section 92-2.5(b)(1), Hawai'i Revised Statutes

December 18, 2025

REQUEST:

That the Agribusiness Development Corporation (ADC) Board of Directors (Board) approve the establishment of a permitted interaction group to evaluate the performance of the executive director on a semi-annual and annual basis, pursuant to section 163D-3(f) and section 92-2.5(b)(1), Hawai‘i Revised Statutes, per the following:

Scope and Authority of the Permitted Interaction Group. The Permitted Interaction Group shall be authorized to:

1. Conduct a comprehensive review of the Executive Director’s performance, including statutory duties, position description, performance expectations, operational responsibilities, and leadership effectiveness, consistent with standards typically applied to chief executives of public agencies and quasi-public entities.
2. Evaluate the Executive Director’s leadership and management practices, including organizational communication, adherence to Board directives, workplace culture, maintenance of a professional and safe work environment, and alignment with the Board’s strategic direction.
3. Evaluate the Executive Director’s financial and administrative stewardship, including compliance with the bylaws requirement that the Executive Director “submit to the chairperson of the board for board consideration a proposed annual budget” (Article 6, Section 1, p.5).

The PIG may review:

- a. timeliness and completeness of budget submissions
 - b. fiscal management practices
 - c. responsiveness to Board direction
 - d. alignment with Board-approved priorities and projects
4. Review all relevant documentation, including operational reports, performance materials, administrative and financial information, and any additional records necessary to conduct a complete and accurate assessment of executive performance.
5. Assess the status of the findings, recommendations, and corrective actions identified in the most recent State Auditor’s Report, including:
 - a. whether corrective measures have been implemented,
 - b. whether concerns have been resolved or remain outstanding, and
 - c. the Executive Director’s role and accountability in addressing audit recommendations.
6. Examine governance and compliance practices, including adherence to statutory requirements, state administrative rules, ethical standards, ADC bylaws, Board policies, and statewide HR principles, consistent with broader norms for executive-level evaluations.

December 18, 2025

7. Engage with DHRD, DBEDT HR, and other appropriate state agencies to obtain technical guidance on statewide HR policies, classification matters, executive evaluation frameworks, and best practices associated with performance assessment of high-level executives. This includes examining whether the Executive Director is fulfilling the bylaws duty to support the “proper administration of the corporation’s affairs” as required by Article 6.
8. Conduct interviews or gather information from relevant stakeholders, as permitted under HRS §92-2.5(b), to ensure a full and accurate understanding of the Executive Director’s performance and organizational environment.
9. Prepare a written report containing findings, conclusions, analysis of audit-related compliance, and recommendations regarding the Executive Director’s performance, to be presented at a properly noticed Board meeting for discussion and potential action.
10. Operate strictly within the parameters of HRS §92-2.5(b). The PIG shall have no authority to act on behalf of the Board and may not make any decisions for the Board; its authority is limited to information-gathering, deliberation, and submission of a final report.

RECOMMENDATION:

Based on the foregoing, it is recommended that the Board:

1. Approve the Request.

Respectfully Submitted,

JAYSON M. WATTS
Chairperson of the Board

STATE OF HAWAII
**AGRIBUSINESS DEVELOPMENT
CORPORATION**

E-19

STAFF SUBMITTAL TO THE BOARD OF DIRECTORS
December 18, 2025

Subject: Request for approval to authorize rent credits in the amount of \$45,354.00 under License Agreement LI-GA1601 issued to Kelena Farms, Inc. for agricultural infrastructure improvements at the Galbraith Agricultural Lands at Waialua, O‘ahu, State of Hawai‘i, Tax Map Key No. (1) 6-5-002:010 (portion).

Applicant: Agribusiness Development Corporation (ADC)

Authority: 163D-4(a)(5), Hawaii Revised Statutes

Area: 256.0 gross acres (256.0 tillable acres + 0.0 non-tillable acres)

Field No(s): n/a

Tax Map Key: (1) 6-5-002:010 (por.)

Land Status: Acquired in fee by the State of Hawaii Agribusiness Development Corporation, December 12, 2012 from the George Galbraith estate

Trust Land Status: Section ____ lands of the Hawaii Admission Act
Yes ☐ No ☒
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution?
Yes ☐ No ☒

Zoning: SLUD: Agricultural
CZO: AG-1

Character of Use: Diversified Agriculture

Land Doc. Type: License

Term: 35 years (currently in year 6)

Rental Rate: \$200 per tillable acre per year
Annual Rent: \$51,200.00/year

Request for approval to authorize rent credits in the amount of \$45,354.00 under License Agreement LI-GA1601 issued to Kelena Farms, Inc. for agricultural infrastructure improvements at the Galbraith Agricultural Lands at Waialua, O'ahu, State of Hawai'i, Tax Map Key No. (1) 6-5-002:010 (portion).

December 18, 2025

BACKGROUND:

License Agreement No. LI-GA1601 (License) was issued to Kelena Farms, Inc. (Licensee) for the 256 gross acres, more or less, of the Galbraith Agricultural Lands (GAL) North (Premises) (Exhibit "A") effective October 24, 2019, for diversified agricultural purposes. When ADC acquired over 1,700 acres of undeveloped farmland previously owned by the Estate of George Galbraith to increase local agricultural production in Central Oahu, its goal was to develop an irrigation system to deliver water to the Galbraith farmlands for smaller agricultural operations and transitioning expansive areas that were formerly used for large plantation agriculture into smaller, diversified farming operations.

ADC does not have the staff and expertise to operate and maintain the entire Bott Well Pump Station (BWPS) and irrigation systems on its own and contracts out the maintenance of the system to a third party. Since Kelena Farms has the expertise, vehicles, tools, and trained staff on-call 24/7 who are versed in operating an integrated multi-well/source system and can operate the state-of-the-art adjustable speed deep well pumping system, ADC entered into an agreement with Kelena Farms on August 10, 2020, to perform all daily operations at the GAL, which includes operating the BWPS, distribution mains, water meters, and filling reservoirs and storage ponds, proposed to continue operating the BWPS and irrigation system at no cost to ADC.

In October 2020, it became apparent that the GAL small farmers needed water storage to provide irrigation water on demand since the BWPS operates on an as needed basis. For these reasons, Kelena Farms constructed a series of storage ponds and interior roads to assist ADC in developing the infrastructure and increasing its water storage capability and efficiency of the irrigation system.

REQUEST:

Staff requests that the Board authorize rent credit to be issued to the Licensee in the amount of \$45,354.00 for engineering, materials, and labor to construct and integrate storage ponds into the existing GAL irrigation system. (Request) (Exhibit "B").

OPERATIONAL PLAN:

N/A

CONSERVATION PLAN:

N/A

CHAPTER 343 – ENVIRONMENTAL ASSESSMENT COMPLIANCE:

Under section 343-5(a), Hawaii Revised Statutes, an environmental assessment shall be required for actions, that propose, among other things, the "(1) use of state land or county lands, or the use of state or county funds[.]" In this case, the project triggers an environmental assessment because it proposes the use of state or county lands.

In accordance with the Comprehensive Exemption List for the Agribusiness Development Corporation dated May 1, 2018, the subject Request is exempt from the preparation of an environmental assessment pursuant to Exemption Class No. 6, item 6, which includes

Request for approval to authorize rent credits in the amount of \$45,354.00 under License Agreement LI-GA1601 issued to Kelena Farms, Inc. for agricultural infrastructure improvements at the Galbraith Agricultural Lands at Waialua, O'ahu, State of Hawai'i, Tax Map Key No. (1) 6-5-002:010 (portion).

December 18, 2025

“Construction or placement of utilities[.]” The Request is a de minimis action that will probably have minimal or no significant effect on the environment and should be declared exempt from the preparation of an environmental assessment.

REMARKS & DISCUSSION:

The License states that “Licensor may apply rent credits to offset the cost of land clearance and land improvements[.]” The improvements provided critical infrastructure along the irrigation system that services the small farmers who depend on the BWPS for their irrigation needs. Providing additional water storage improved the system’s efficiency and increased water security for the GAL farmers.

This request represents a one-time loss of rental revenue in the amount of \$45,354.00.

RECOMMENDATION:

Based on the foregoing, it is recommended that the Board:

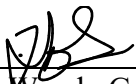
1. Approve the Request; and
2. Declare that, pursuant to ADC’s Comprehensive Exemption List dated May 1, 2018, the proposed disposition will probably have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment, pursuant to Chapter 343, Hawaii Revised Statutes.

Respectfully Submitted,

/s/ **KEN NAKAMOTO**

Project Manager

Approved for Submittal:



Wendy Gady
Executive Director

EXHIBIT A

Request for approval to authorize rent credits in the amount of \$45,354.00 under License Agreement LI-GA1601 issued to Kelena Farms, Inc. for agricultural infrastructure improvements at the Galbraith Agricultural Lands at Waialua, O'ahu, State of Hawai'i, Tax Map Key No. (1) 6-5-002:010 (portion).

December 18, 2025



“EXHIBIT B”


Request for approval to authorize rent credits in the amount of \$45,354.00 under License Agreement LI-GA1601 issued to Kelena Farms, Inc. for agricultural infrastructure improvements at the Galbraith Agricultural Lands at Waialua, O'ahu, State of Hawai'i, Tax Map Key No. (1) 6-5-002:010 (portion).

December 18, 2025



STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION

STAFF SUBMITTAL TO THE BOARD OF DIRECTORS
December 18, 2025


F-21

Subject: Request for approval to amend the Licensee's Utilization Plan for License Agreement No. LI-K0804 issued to Wines of Kauai, LLC to property in Kekaha, Waimea, Kauai, Hawaii, Tax Map Key No. (4)1-2-02 por 001.

Licensee: Wines of Kauai, LLC, (Licensee).

Authority 163D-4(a)(5), Hawaii Revised Statutes

Area: 126.96 gross acres, more or less.

Tax Map Key: (4)1-2-02:001 (por.), Fields 646 (44.41 acres), and 666 (82.55 acres), (Exhibit A).

Land Status: Set aside to the Agribusiness Development Corporation by Governor's Executive Order No. 4007 (as modified) for Agricultural and Related Purposes.

Trust Land Status: Section 5(b) lands of the Hawaii Admission Act?
Yes ☒ No ☐
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution?
Yes ☒ No ☐

Zoning: SLUD: Agricultural CZO: Agriculture

Character of Use: Agricultural

Land Doc Type: License

Term: Current license term runs from July 1, 2008 through June 30, 2043.

BACKGROUND.

License LI-K0804 began on July 1, 2008. At their meeting on April 23, 2014, The ADC Board of Directors (Board) approved a request to amend the term of the license from a total of twenty (20) years to a total of thirty-five (35) years.

LAND REQUEST: Licensee requests an amendment to the Licensee's Utilization Plan, dated May 2, 2008, in order to allow Kekaha Agriculture Association (KAA) the use of approximately two (2) acres of Field 646, until June 30, 2027 so that they can process approximately 16,000 cubic yards of recycled asphalt and other soil material generated from a highway improvement project taking place on Waimea Canyon Drive, by Goodfellow Brothers, under contract by State of Hawaii, Department of Transportation, Highways Division, and to allow Goodfellow Brothers to use the site as a secondary base yard. See attached "Exhibit B".

CHAPTER 343:

Under section 343-5(a), Hawaii Revised Statutes, an environmental assessment shall be required for actions, that propose, among other things, the "(1) use of state land or county lands, or the use of state or county funds[.]" In this case, the project is exempt, subject to the Comprehensive Exemption Type 1, Part

Request for approval to amend the Licensee's Utilization Plan for License Agreement No. LI-K0804 issued to Wines of Kauai, LLC to property in Kekaha, Waimea, Kauai, Hawaii, Tax Map Key No. (4)1-2-02;por 001. December 18, 2025

1, Item 7 *"Repair and maintenance of existing paved and unpaved roadways, roadway shoulders, roadway structures and signage, parking areas, walkways, driveways, culverts and bridges (includes regrading, resurfacing, infilling, sealing, grooving, cleaning, chipping, painting and patching)"*

DISCUSSION:

License No LI-K0804 is for 126.96 acres, of which only 23.34 acres are tillable. Licensee requests a change in their utilization plan to allow KAA to use portion of Field 646 for "Operational Uses and Staging Material and Equipment."

KAA maintains the Common Infrastructure on ADC's Kekaha lands. Licensee offers the land to KAA at no cost and, upon approval, KAA and Goodfellow will execute the attached agreement labelled "Exhibit C". The Licensee believes that the site is well-suited due to its central mauka location, adjacent infrastructure, and available utilities, and Licensee will benefit from improved access, security, and fire protection. Licensee has already begun using the area as of July 1, 2025. Staff was unaware of the activity and only received a formal request from the Licensee to amend the utilization plan on September 29, 2025, after the unapproved use was brought to the Licensee's attention by ADC staff. This request is budget neutral and will have no effect on ADC's rental income.

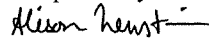
The draft License amendment is attached as "Exhibit D".

RECOMMENDATION

Based on the foregoing, staff recommends that the Board:

1. Approve the request to amend Licensee's utilization plan to allow the use of approximately two acres of Field 646 for operational uses and staging material and equipment, until June 30, 2027.
2. Declare that, pursuant to ADC's Comprehensive Exemption List dated October 23, 2025, the proposed disposition is a de minimis action that will probably have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment, pursuant to Chapter 343, Hawaii Revised Statutes.

Respectfully Submitted,



Alison Neustein
Kauai Property Manager

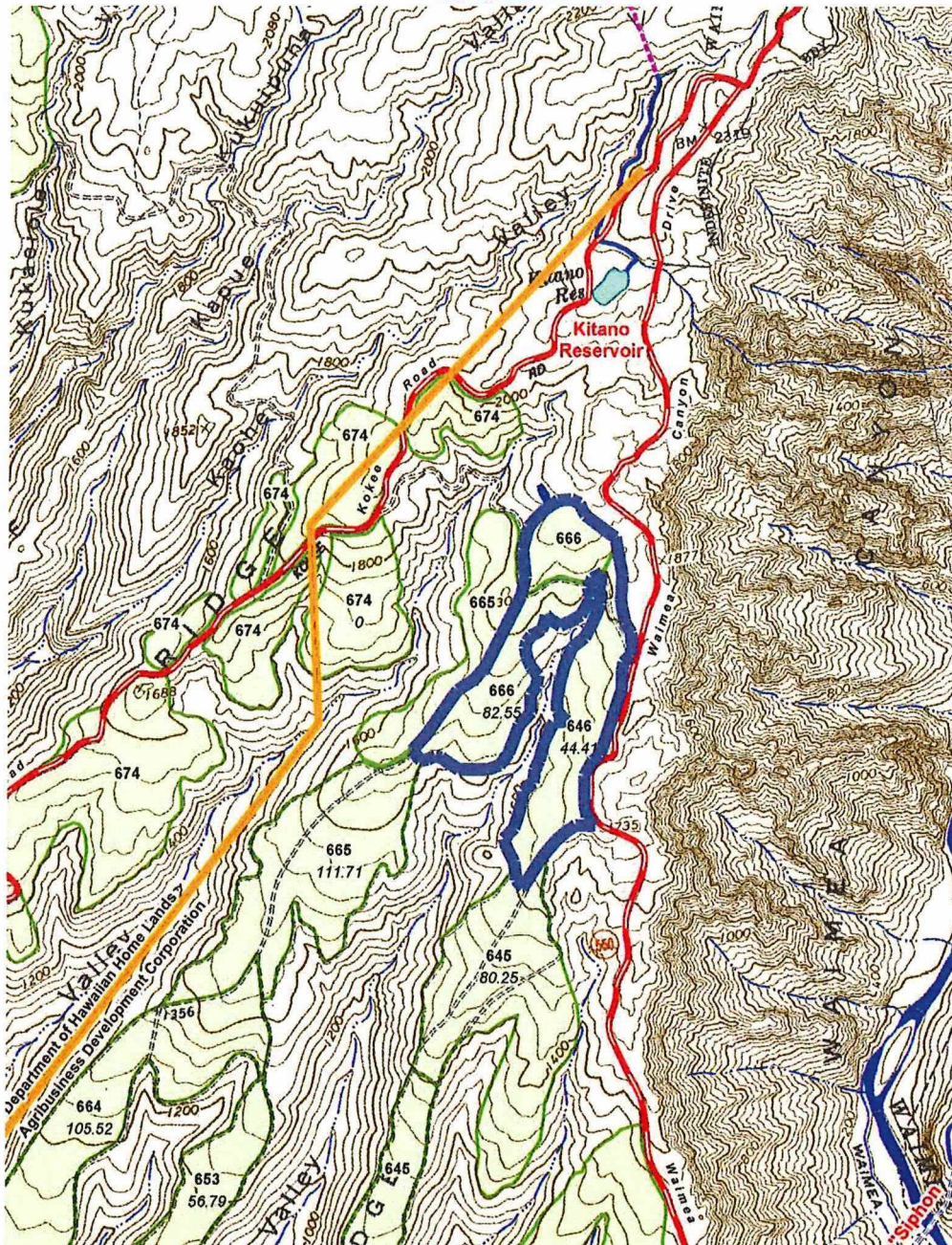
Approved for Submittal:



Wendy Gady
Executive Director

Request for approval to amend the Licensee's Utilization Plan for License Agreement No. LI-K0804 issued to Wines of Kauai, LLC to property in Kekaha, Waimea, Kauai, Hawaii, Tax Map Key No. (4)1-2-02:por.001. December 18, 2025

EXHIBIT A



Request for approval to amend the Licensee's Utilization Plan for License Agreement No. LI-K0804 issued to Wines of Kauai, LLC to property in Kekaha, Waimea, Kauai, Hawaii, Tax Map Key No. (4)1-2-02:por.001. December 18, 2025

EXHIBIT B

Wines of Kauai, LLC
Jaime Barna, Member
4689 Pohina Street
Lihue, Hawaii 96766

September 29, 2025

Agribusiness Development Corporation
235 South Beretania Street, Room 205
Honolulu, Hawaii 96813

Attention : Alison Neustein, Kauai Land Manager

RE: Request change in Farm Plan to allow Kekaha Agriculture Association to use portion of Field 646 for Operational Uses and Staging Material and Equipment.

Wines of Kauai, LLC ("Wines") currently holds License No. LI-K0804 for 126.96 acres of Kekaha Mauka land, covering Fields 646, 44.41 acres, and 666, 82.55 acres. Of the total acres only 23.34 acres are considered tillable, the remaining, including all of Field 646 are untillable due to steepness of grade, and presence of high voltage power lines. Portions of Field 646 are reserved for future development of a Wines visitor center and processing facility.

Kekaha Agriculture Association ("KAA") under a Revised Memorandum of Agreement maintains the Common Infrastructure, ie, roads, irrigation supply ditches, power generation and transmission lines, and drainage on the ADC's Kekaha lands.

Since 2019, KAA has been working on security, irrigation supply ditches and pipelines, and road improvements on the mauka fields.

Recently, KAA requested the use of land to process, over a two-year period, approximately 16,000 cubic yards of recycled asphalt and other soil material generated from a highway improvement project taking place on Waimea Canyon Drive, by Goodfellow Brothers, under contract by State of Hawaii, Department of Transportation, Highways Division, and to allow Goodfellow Brothers to use the site as a secondary base yard. See Exhibit A.

Wines of Kauai wishes to assist in KAA's efforts by providing use of, at no cost to the Association, an approximately two-acre portion of our unused land in Field 646, effective July 1, 2025, and terminate June 30, 2027. Upon receiving approval of this use, KAA and Goodfellow will enter into an agreement in the form attached. Please also see Road Improvement Plan by KAA, also attached.

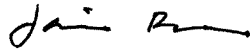
Request for approval to amend the Licensee's Utilization Plan for License Agreement No. LI-K0804 issued to Wines of Kauai, LLC to property in Kekaha, Waimea, Kauai, Hawaii, Tax Map Key No. (4)1-2-02:por.001. December 18, 2025

This is a good site for KAA's needs as it is at the top of the Mauka lands, is adjacent to irrigation infrastructure, and is at a confluence point of all mauka access roads. Hydroelectric power and internet connectivity are available, as the main power and communications lines run through the site. Wines will benefit from improved roads, security, and fire protection.

Timing is right to formalize KAA's right to use the site.

Thank you for considering this request.

WINES OF KAUAI, LLC

A handwritten signature in black ink, appearing to read "Jaime Barna".

Jaime Barna
Member

EXHIBIT C

MATERIAL ACCEPTANCE AGREEMENT

In consideration of Kekaha Agriculture Association, ("KAA"), with a mailing address of PO Box 940 Waimea, HI 96796, granting permission to Goodfellow Bros. LLC ("Goodfellow"), with a mailing address of 1300 N. Holocono St., Suite 201, Kihei, HI 96753, to enter a portion of Field 646 located at the approximate location of the 5.0 mile mark on the Waimea Canyon Drive, Kauai, State of Hawaii ("Premises"). It is noted that the Premise is licensed by Agribusiness Development Corporation ("ADC") to Wines of Kauai, and that Wines of Kauai has been authorized to granted KAA use of the Premise for the purposes stated herein.

Goodfellow and KAA agree as follows:

1. In exchange for valuable consideration and the provisions herein, Goodfellow shall have the use of approximately two (2) acres of the Premises for twenty-four (24) months, commencing on July 1st, 2025 and ending on June 30th, 2027. The parties may agree to modify this period of use by mutual agreement.
2. Goodfellow will be operating on the Premises for the purpose of utilizing it as a materials staging area and base yard. Additionally, the KAA requests that Goodfellow place and provide excavated asphalt, dirt, and rock materials (hereinafter "Materials") on a separate portion of land as designated by the KAA so that these Materials may be reused to improve access roads KAA is responsible for maintaining. These Materials will be paid to the KAA at a price of \$8.00 per cubic yard, for an estimated total of \$128,000. The KAA accepts all responsibility for the Materials once they are placed in the agreed-upon staging area. The Materials will be sorted and processed by the Manager.
3. Goodfellow will abide by and fully comply with all applicable laws, statutes, ordinances and all rules and regulations or any governmental authority with jurisdiction, while occupying or using the Premises.
4. Goodfellow and KAA will work together to minimize interference or disruption of Wines of Kauai use of its remaining property, however, the parties agree that Goodfellow shall be allowed to have access to and from Premises at all times during the term of this agreement. Furthermore, KAA shall not use or damage any equipment or materials stored on the Premises.
5. The status of Goodfellow is that of an independent contractor, and Goodfellow shall not be considered an employer, employee, or agent of the KAA.
6. Goodfellow shall, at all times, with respect to the Premises, exercise due care for public and private safety and hereby agrees to indemnify and hold KAA, Wines of Kauai, and ADC harmless from and against any and all loss, damage, costs, expenses, including without limitation reasonable attorney's fees, liability, demands or causes of action resulting from injury, harm or death to persons or property (including, without limitation, Goodfellow's employees or property) directly resulting from performance of the work defined hereunder.
7. Not used
8. Goodfellow shall, upon termination of this Agreement, leave the Premises in a condition which is acceptable to the KAA.
9. Goodfellow shall name Kekaha Agriculture Association, Wines of Kauai, and ADC as additional insureds under Goodfellow's Commercial Liability Policy and provide each a Certificate of Insurance demonstrating such agreed coverage.

Request for approval to amend the Licensee's Utilization Plan for License Agreement No LI-K0804 issued to Wines of Kauai, LLC to property in Kekaha, Waimea, Kauai, Hawaii, Tax Map Key No. (4)1-2-02:poi 001. December 18, 2025

- 10 All claims, disputes, complaints, demands and controversies (hereinafter collectively referred to as "Claim") which arise out of this agreement shall be submitted to mediation, which shall be administered by Dispute Prevention & Resolution, Inc. in Honolulu, Hawaii. The parties shall participate in mediation in good faith. Each party shall bear its own fees, attorneys' fees, costs, and expenses of mediation. Mediation shall be a condition precedent to litigation. If mediation fails to result in resolution of the Claim, then the Claim shall be resolved in a court of competent jurisdiction in the state court system of the State of Hawaii on the Island of Kauai. The prevailing party in such case may be entitled to recovery of reasonable fees, attorneys' fees, costs, and expenses at the discretion of the court.
11. Neither party shall be deemed to be the drafter of this Agreement, as it has resulted from negotiation and compromise between the parties.

ACCEPTED AND AGREED TO THIS ____ day of ____ October ____, 2025.

Goodfellow Bros , LLC

Kekaha Agriculture Association

Amanda Biucato, Director of Contracting

Michael Faye

EXHIBIT D

LAND COURT

REGULAR SYSTEM

Return By ☐ Pick-Up ☐ To:
Mail

TITLE OF DOCUMENT:

THIRD AMENDMENT OF LICENSE AGREEMENT NO. LI-K0804

PARTIES TO DOCUMENT:

LICENSOR: AGRIBUSINESS DEVELOPMENT CORPORATION, whose
address is 235 S. Beretania Street, Suite 205,
Honolulu, Hawaii 96813

LICENSEE: Wines of Kauai, LLC, a Hawaii Limited Liability
Company, whose address is PO Box 591, Hanapepe,
Hawaii 96716

SECOND AMENDMENT OF LICENSE AGREEMENT NO. LI-K0804

between the

STATE OF HAWAII, AGRIBUSINESS DEVELOPMENT CORPORATION

and

Wines of Kauai, LLC

This SECOND AMENDMENT OF LICENSE AGREEMENT NO. LI-K0804 is made this ____ day of _____, 20____, and effective on _____, 2025, by and between the State of Hawaii, Agribusiness Development Corporation (LICENSOR) and Wines of Kauai, LLC, a Hawaii Limited Liability Company (LICENSEE).

WHEREAS, LICENSOR and Wines of Kauai, LLC (hereinafter "Wines") having previously entered into that certain License Agreement No. LI-K0804, dated July 1, 2008 (the "License Agreement"), pursuant to which LICENSOR had licensed to Wines of Kauai, LLC, of certain premises more particularly described in the License Agreement comprising 126.96 acres, more or less, 23.34 of which is tillable land in Kekaha, Island of Kauai, State of Hawai'i (referred to in the License Agreement as the "Premises"), being a portion of a larger tract of land controlled by LICENSOR (referred to in the License Agreement as the "Property") identified by Tax Map Key (4) 1-2-002:001 por.; and

WHEREAS, LICENSEE requested and received approval at LICENSOR's Board of Director's meeting on April 23, 2014, to amend the Term of the License from a total of twenty (20) years to a total of thirty-five (35) years and to replace Paragraph 1 of the License Agreement with the following:

1. Paragraph 1 of the Terms and Conditions of the License Agreement is deleted, and replaced with the following:
WHEREAS, LICENSOR and Wines of Kauai, LLC having previously entered into that certain First Amendment of License Agreement No. LI-K0804,

"Term. The term of this License is for thirty-five (35) years, or until such time as LICENSEE ceases to operate the agribusiness or other permitted use, unless this License is sooner terminated as hereinafter provided. LICENSOR and LICENSEE also may agree to extend the term of this License any number of times for such period or periods of time as LICENSOR and LICENSEE shall determine."

2. The ADDENDUM TO LICENSE AGREEMENT NO. LI-K0804 shall be replaced with a SECOND ADDENDUM TO LICENSE AGREEMENT NO. LI-K0804.

3. The LICENSEE shall pay the annual rental set forth in paragraph 2 of the Terms and Conditions of the License Agreement, provided, however, that on July 1, 2018, the base annual license fee for tillable acres shall be increased or decreased, pursuant to paragraphs 4A and 48 of License No. LI-K0804, Reopening of Base Annual License Fee; and

WHEREAS, LICENSOR and LICENSEE requested and received approval at LICENSOR's Board of Director's meeting on December 18, 2025 to amend the Licensee's Utilization Plan for License Agreement LI-K0804, to allow Kekaha Agriculture Association the use of approximately two (2) acres of Field 646, until June 30, 2027 so that they can process approximately 16,000 cubic yards of recycled asphalt and other soil material generated from a highway improvement project taking place on Waimea Canyon Drive, by Goodfellow Brothers, under contract by State of Hawaii, Department of Transportation, Highways Division, and to allow Goodfellow Brothers to use the site as a secondary base yard.

NOW, THEREFORE, in consideration of the foregoing, the premises hereof, and the mutual covenants, provisions, and undertakings herein contained, LICENSOR and Wines of Kauai, LLC hereby agree as follows:

1. License Agreement No. LI-K0804 is amended by amending the Licensee's Utilization Plan to allow Kekaha Agriculture Association the use of approximately two (2) acres of Field 646, until June 30, 2027 so that they can process approximately 16,000 cubic yards of recycled asphalt and other soil material generated from a highway improvement project taking place on Waimea Canyon Drive, by Goodfellow Brothers, under contract by State of Hawaii, Department of Transportation, Highways Division, and to allow Goodfellow Brothers to use the site as a secondary base yard.
2. Ratification of Remaining Provisions of License. Except as provided in the immediately preceding numbered paragraph 1, the terms, conditions, undertakings, promises, and covenants of License Agreement No. LI-K0804, including any addendum thereto, are hereby ratified and confirmed, shall remain and continue in full force and effect, shall be binding on the parties, and shall not be deemed to be modified or amended in any

respect by this Second Amendment of License Agreement No.
LI-K0804.

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IN WITNESS WHEREOF, LICENSOR and LICENSEE have executed this First Amendment of License Agreement No. LI-PU1807 on the day first written above.

**STATE OF HAWAI'I,
AGRIBUSINESS DEVELOPMENT CORPORATION**

By: _____
Wendy Gady
Its: Executive Director

Approved as to form:

Deputy Attorney General

Wines of Kauai, LLC

By: _____

Date: _____