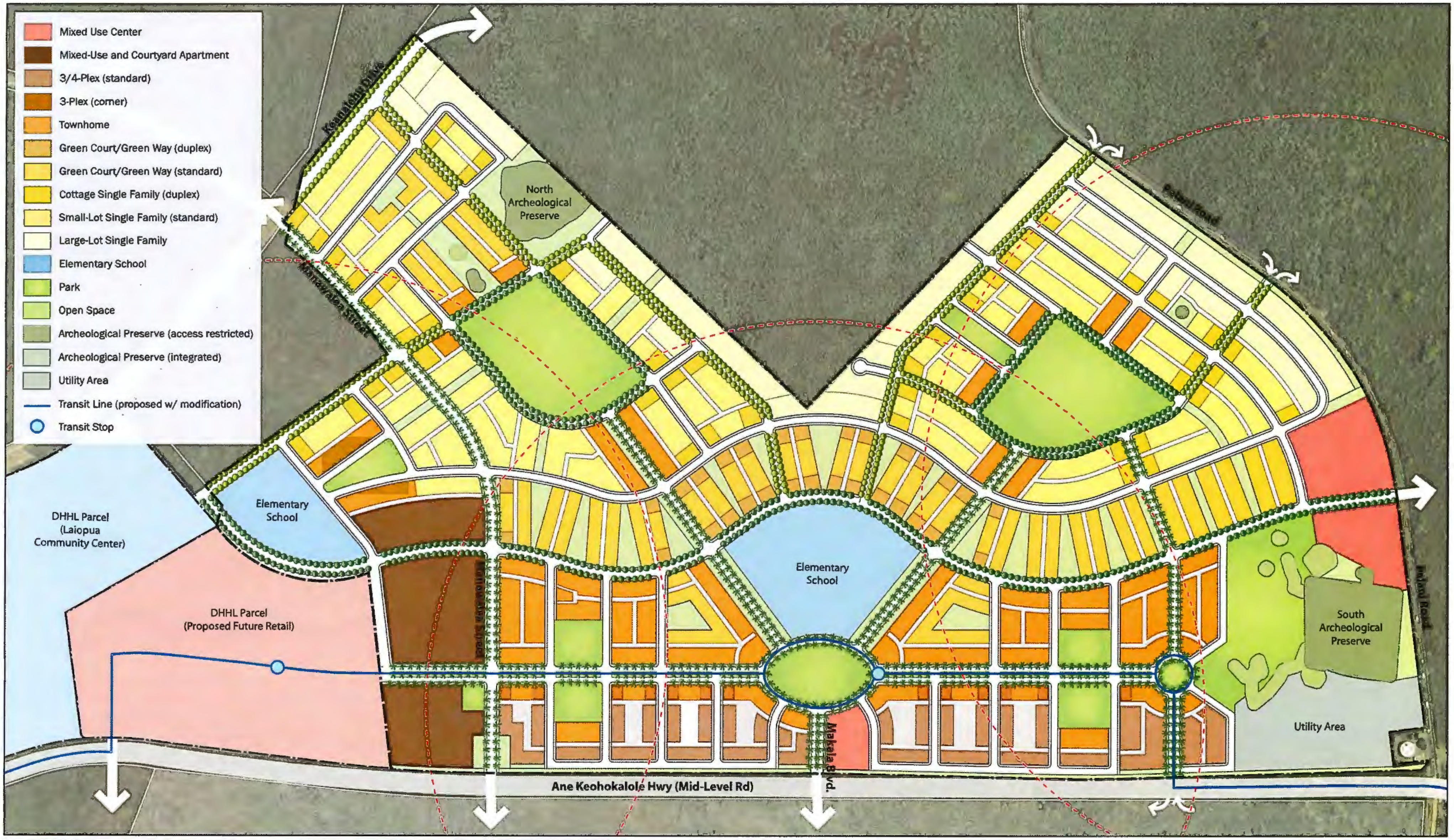


CONCEPT PLAN

KAMAKANA VILLAGES AT KEAHUOLU
Palani Road, Keahuolu Kailua-Kona, Hawaii, Hawaii

Forest City Hawaii Kona, LLC
Honolulu, Hawaii

Group 70 International, Inc.
Honolulu, Hawaii

Hawaii Housing Finance and Development Corporation
Honolulu, Hawaii

Calthorpe Associates
Berkeley, California

0' 200' 400'

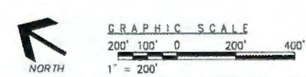
N

Mauka
Makai

September 10, 2009

SF	Single Family	110.1 ac.
MF	Multi-Family	66.0 ac.
C	Commercial	7.7 ac.
SCH	School	13.0 ac.
PK	Park	25.1 ac.
PR	Preservation	21.4 ac.
CC	Community Center	1.8 ac.

KAMAKANA VILLAGES - ILLUSTRATIVE PLAN



KAMAKANA VILLAGE, LLC

AUGUST 2019

KAILUA-KONA, HAWAII

Exhibit A

LAND USE PLAN

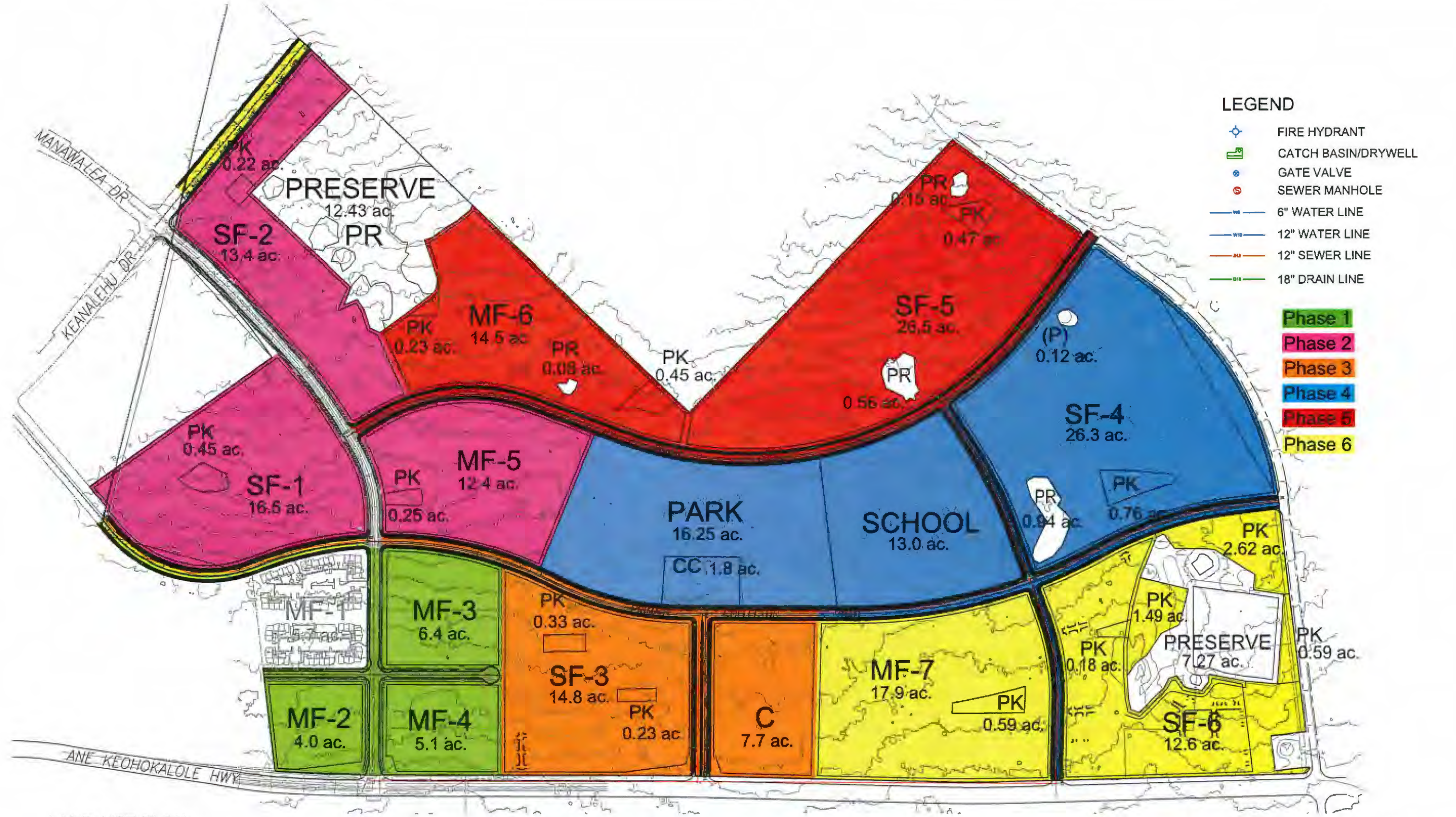
KAMAKANA VILLAGES - MASTER PLAN

KAMAKANA VILLAGE, LLC

AUGUST 2019

KAILUA-KONA, HAWAII

Exhibit B



LAND USE PLAN

KAMAKANA VILLAGES - PHASING FIGURE

NORTH

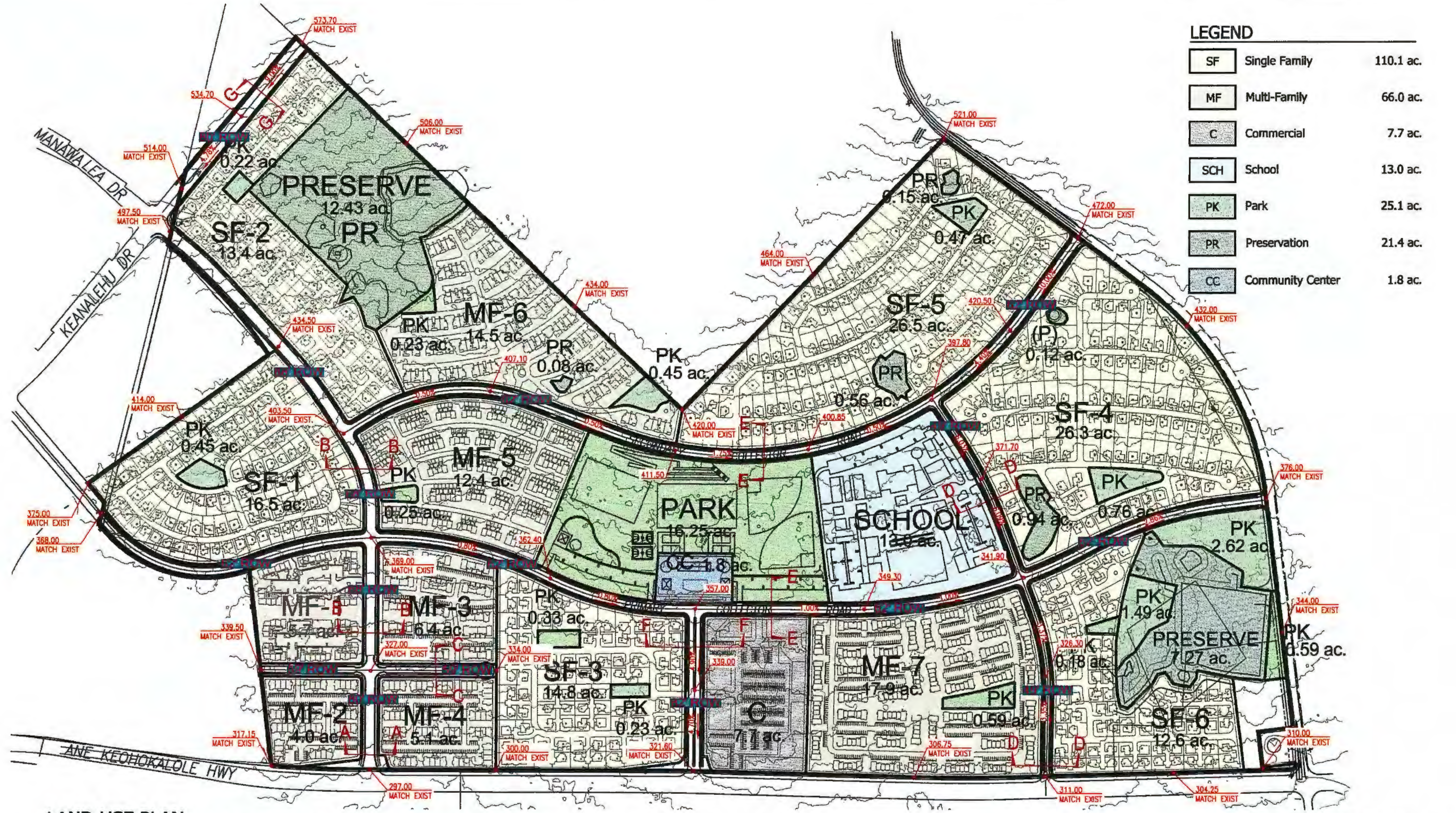
GRAPHIC SCALE
200' 100' 0 200' 400'
1" = 200'

KAMAKANA VILLAGE, LLC

MARCH 2020

KAMAKANA VILLAGES / KAILUA-KONA, HAWAII

Exhibit C



LAND USE PLAN

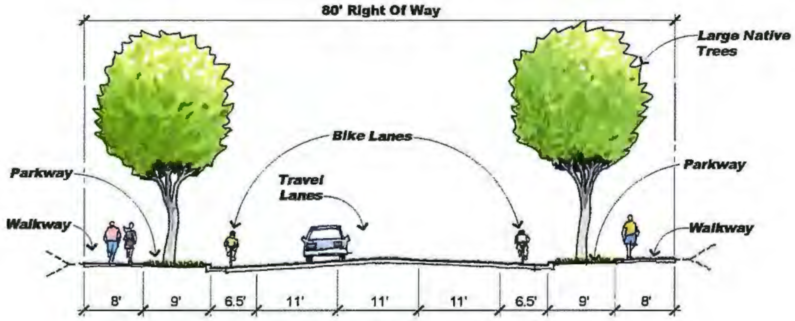
KAMAKANA VILLAGES - ROW MASTER PLAN

KAMAKANA VILLAGE, LLC

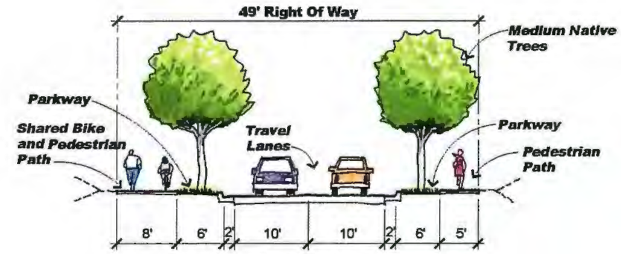
MARCH 2020

KAMAKANA VILLAGES / KAILUA-KONA, HAWAII

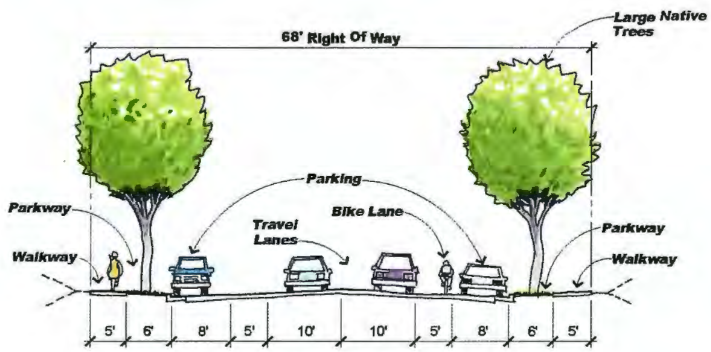
Exhibit D



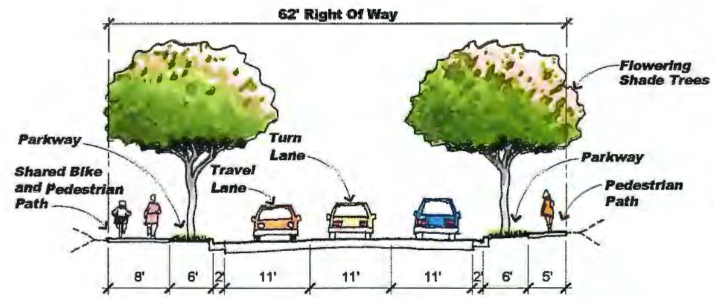
SECTION A-A



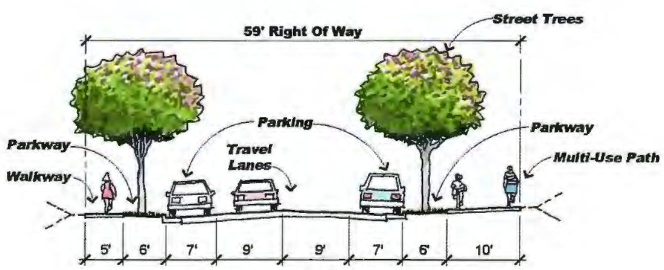
SECTION D-D



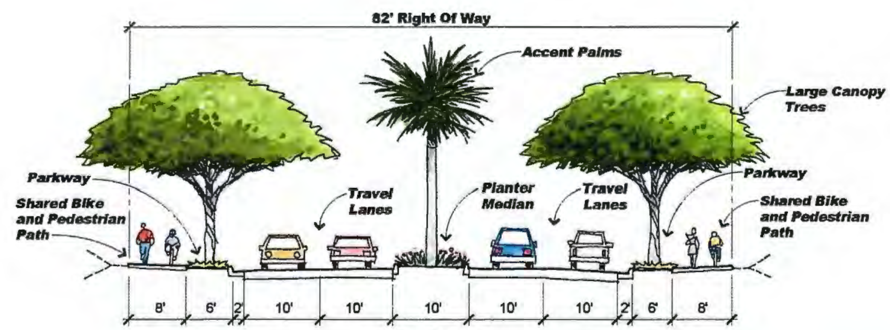
SECTION B-B



SECTION E-E



SECTION C-C



SECTION F-F

KAMAKANA VILLAGES - ROADWAYS AND STREETSCAPE (1 OF 2)

GRAPHIC SCALE
8' 4' 0 8' 16'
1/8" = 1'-0"

KAMAKANA VILLAGE, LLC | AUGUST 2019 | KAILUA-KONA, HAWAII

Exhibit D

1 SITE PLAN

1" = 60'-0"

MF-2 DATA

UNIT TYPE BREAKDOWN

6-PLEX	6 X 11=66
TOTAL	66

UNIT PER ACRE BREAKDOWN
MF-2

66 TOTAL UNITS

4.0 ACRES

66 / 4 = 16.5 UNITS PER ACRE

MF-3 DATA

UNIT PER ACRE BREAKDOWN
MF-3

6 X 15 = 90 TOTAL UNITS

6.3 ACRES

90 / 6.3 = 14 UNITS PER ACRE

MF-4 DATA

UNIT TYPE BREAKDOWN

3-PLEX	4 X 4=16
6-PLEX	6 X 13=78
TOTAL	94

UNIT PER ACRE BREAKDOWN
MF-4

94 TOTAL UNITS

5.1 ACRES

94 / 5.1 = 18 UNITS PER ACRE

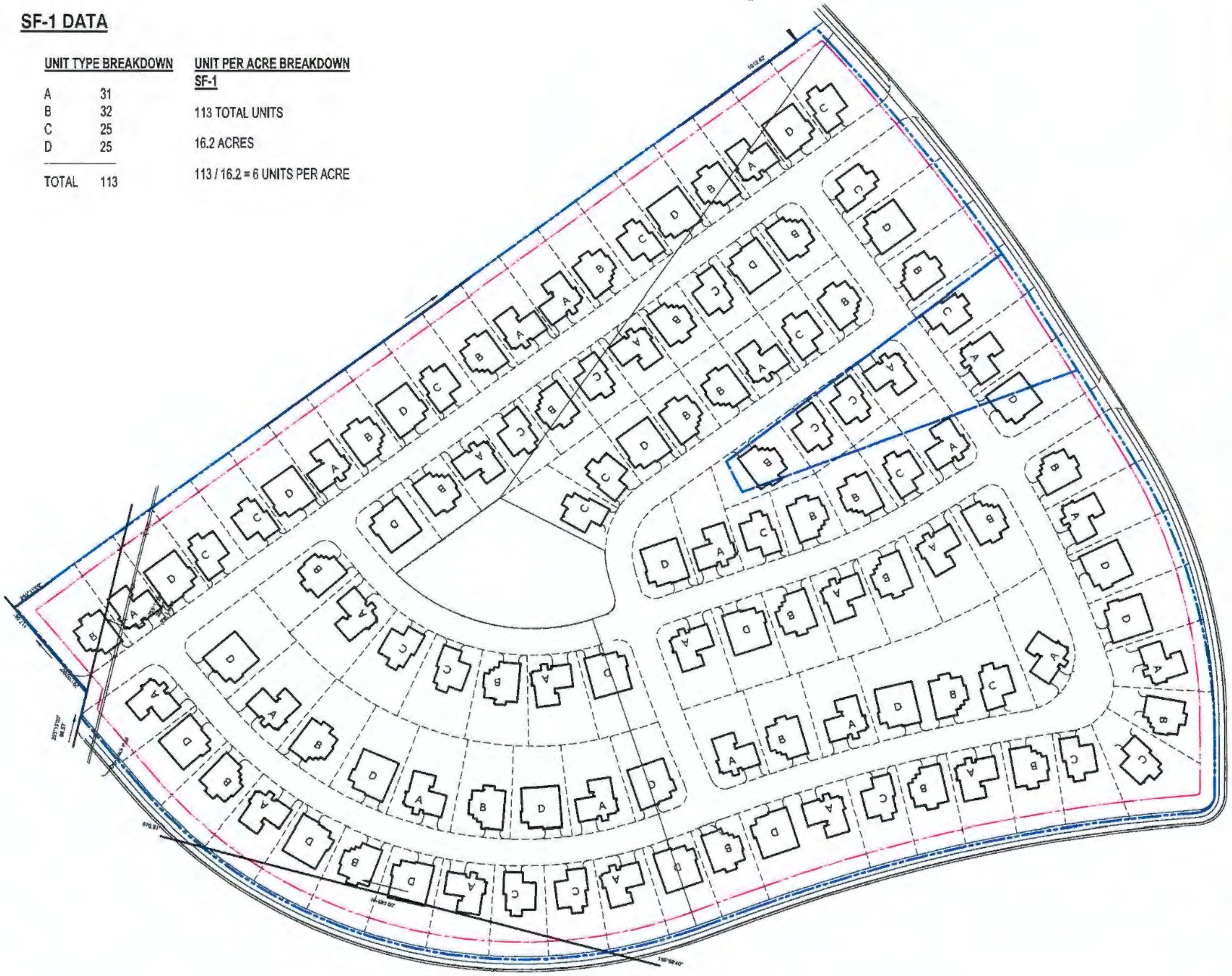
ALAKEA DESIGN GROUP, LLC
ARCHITECTURE, PLANNING, INTERIORS
1100 Alakea Street, Suite 1500
Honolulu, Hawaii 96813

Phase 1

KAMAKANA VILLAGES
SITE PLAN MF-1-2-3-4
A-H-100
Date: XX/2019

SF-1 DATA

UNIT TYPE BREAKDOWN		UNIT PER ACRE BREAKDOWN SF-1
A	31	113 TOTAL UNITS
B	32	16.2 ACRES
C	25	113 / 16.2 = 6 UNITS PER ACRE
D	25	
TOTAL	113	

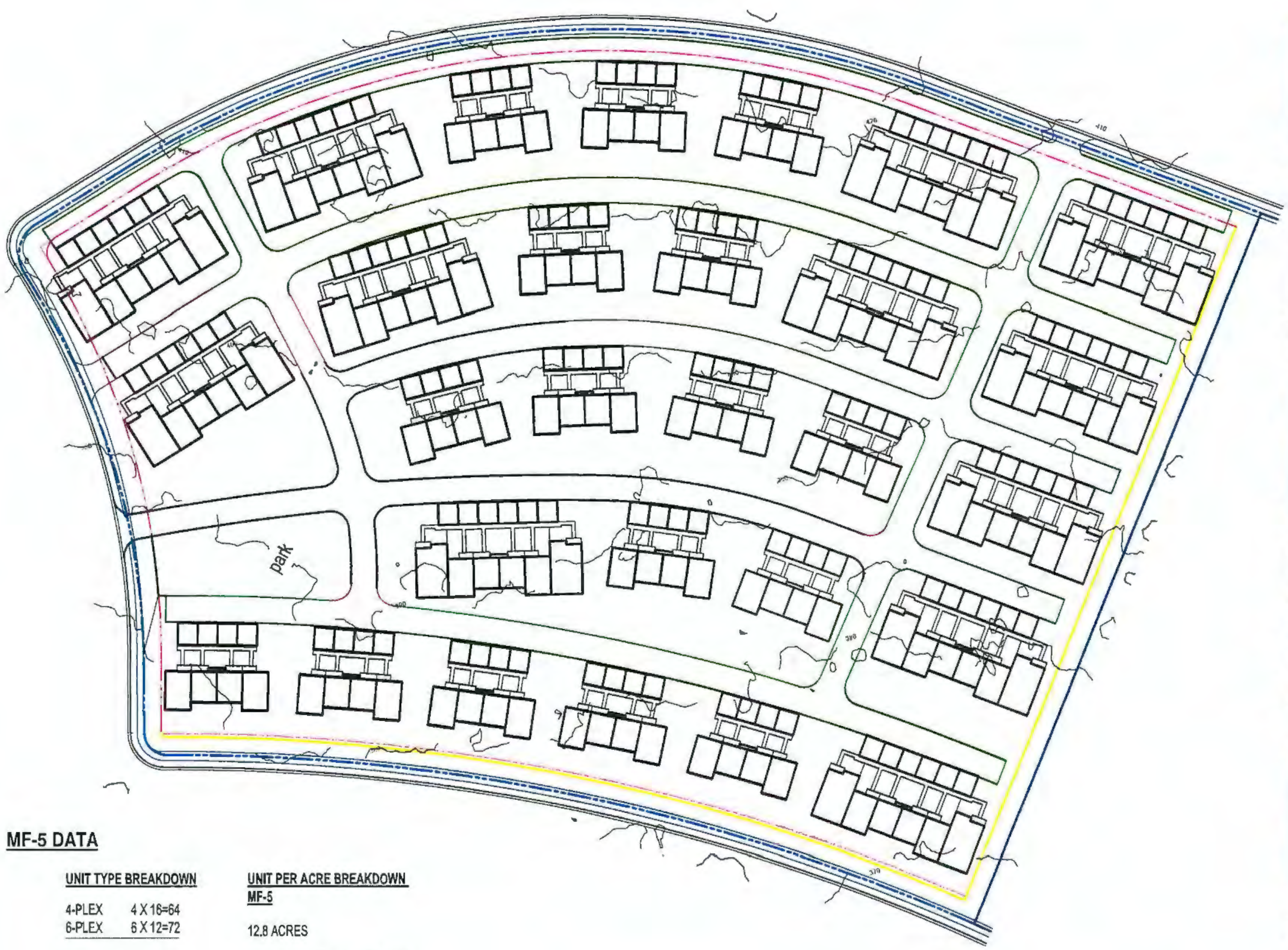


1 SITE PLAN

ALAKEA DESIGN GROUP, LLC
ARCHITECTURE, PLANNING, INTERIORS
1100 Alakea Street, Suite 1500
Honolulu, Hawaii 96813

Phase 2

KAMAKANA VILLAGES
SITE PLAN - SF-1
AB-100
Date: X/X/2019



MF-5 DATA

UNIT TYPE BREAKDOWN		UNIT PER ACRE BREAKDOWN MF-5
4-PLEX	4 X 16=64	12.8 ACRES
6-PLEX	6 X 12=72	
TOTAL	136	136 / 12.8 = 10 UNITS PER ACRE

1 SITE PLAN
1" = 50'-0"

PLAN NORTH

40' 20' 0 40' 80'
1" = 40'-0"

ALAKEA DESIGN GROUP, LLC
ARCHITECTURE, PLANNING, INTERIORS
1100 Alakea Street, Suite 1500
Honolulu, Hawaii 96813

Phase 2

KAMAKANA VILLAGES
SITE PLAN - MF-5
AF-100
Date: X/X/2019

SF-3 DATA

UNIT TYPE BREAKDOWN

4-PLEX	4 X 18=72
6-PLEX	6 X 3=18
TOTAL	90

UNIT PER ACRE BREAKDOWN SF-3

90 TOTAL UNITS

15 ACRES

90 / 15 = 6 UNITS PER ACRE

1 SITE PLAN

1" = 50'-0"

ALAKEA DESIGN GROUP, LLC
ARCHITECTURE, PLANNING, INTERIORS
1100 Alakea Street, Suite 1500
Honolulu, Hawaii 96813

Phase 3

KAMAKANA VILLAGES
SITE PLAN - SF-3
AJ-100
Date: X/X/2019

SF-4 DATA

UNIT TYPE BREAKDOWN		UNIT PER ACRE BREAKDOWN SF-4
A	35	115 TOTAL UNITS
B	36	26.7 ACRES
C	20	115 / 26.7 = 4 UNITS PER ACRE
D	24	
TOTAL	115	

(1) SITE PLAN
1" = 80'-0"

PLAN NORTH

1" = 80'-0"

ALAKEA DESIGN GROUP, LLC
ARCHITECTURE, PLANNING, INTERIORS
1100 Alakea Street, Suite 1500
Honolulu, Hawaii 96813

Phase 4

KAMAKANA VILLAGES
SITE PLAN - SF-4
AM-100
Date: X/X/2019

MF-6 DATA

UNIT TYPE BREAKDOWN		UNIT PER ACRE BREAKDOWN MF-6
2-PLEX	2 X 5=10	110 TOTAL UNITS
4-PLEX	4 X 25=100	14.9 ACRES
TOTAL	110	110 / 14.9 = 7 UNITS PER ACRE

1 SITE PLAN

PLAN NORTH

ALAKEA DESIGN GROUP, LLC
ARCHITECTURE PLANNING INTERIORS
1100 Alakea Street, Suite 1500
Honolulu, Hawaii 96813

Phase 5

KAMAKANA VILLAGES
SITE PLAN - MF-6
AE-100
Date: X/X/2019

Kamakana Villages at Keahuolu Proposed Master Development Plan March 2020 Tax Map Key Nos.: (3) 7-4-021: 020, -24, -28 to -49	
Land Use	**Acreage**
Residential	176.10
School/Civic	14.80
Park	25.11
Commercial	7.70
Archaeological/Preserve	21.55
Utility Area	1.50
Road	24.15
Total	**270.91**

Phase	Total Units	Multifamily	Single-Family
Phase 1	250	250	--
Phase 2	334	136	198
Phase 3	90	90	--
Phase 4	115	--	115
Phase 5	263	110	153
Phase 6	345	264	81
Kamakana Senior & Family	170	170	--
Totals	**1567**	**1020**	**547**

Exhibit G


MAHALO!

Reviewed and Approved by the Executive Director ______
February 9, 2023

FOR ACTION

I. REQUEST

Approve: (1) a Revised Master Plan; (2) an Amended and Restated Development Agreement with SCD Kamakana, LLC, or Other Successor Entities Approved by the Executive Director; (3) Conveyance of the Property and Development of the Project in Accordance with the Amended and Restated Development Agreement; and (4) an Interim Loan from the Dwelling Unit Revolving Fund for Off-site Project Costs for the Kamakana Villages at Keahuolu Project Located in Keahuolu, North Kona, TMK Nos.: (3) 7-4-021: 020, 024, 028 to 037, 039 to 043, and 045 to 047

II. FACTS

Project:	Kamakana Villages at Keahuolu	
Address:	Palani Road, Keahuolu, North Kona, Hawai'i	
TMK:	(3) 7-4-021: 020, 024, 028 to 037, 039 to 043, and 045 to 047[1]	
Acreage:	272.063 acres	
Land Use:	Urban	
Zoning:	Agriculture (A-5a)[2]	
HHFDC Involvement:	Landowner/Lessor/Lender	
Type:	Master Planned Affordable, Mixed-Use Housing Project	
Land Tenure:	Fee Simple; Leasehold	
Unit Types (Estimated):	762	Units Multi – Family
	85	Units Kamakana Family Rental (Existing)
	85	Units Kamakana Senior Rental (Existing)
	932	Units Multi – Family
	637	Units Single – Family
	1,569	Units Total
	298	2-Bedroom Units
	1,019	3-Bedroom Units
	82	4-Bedroom Units
	1,399	New Units
	170	Existing Units Kamakana Family and Senior Rental Projects
	1,569	Units Total
Target Market:	617	New For-Sale Units at 140% or below the U.S. Department of Housing and Urban Development (HUD) Area Median Income (AMI)(Affordable Units)

[1] Parcels 025, 026, & 027 are now owned by the County of Hawai'i. Parcels 042 & 043 are ceded land remnant lots. Parcels 038 and 049 were conveyed back to HHFDC and released from the Development Agreement at the closing of construction financing and the issuance of ground leases to the subsidiaries of The Michaels Development Company I, L.P. for the Kamakana Senior and Family Rental Projects. Parcel 044 is Phase 1A of Manawalea and Kaeka Streets and Parcel 048 is the Manawalea Street Extension, both of which have been dedicated to the County of Hawai'i.

[2] Final Environmental Impact Statement, Keahuolu Affordable Housing Project, Belt Collins Hawaii Ltd. (September 2008).

170	Units Kamakana Family & Senior Rental (Existing)
787	Total Affordable Units
782	Market Units
1,569	Total Units
111,700	Square Feet of Commercial Space

Developer Contact: Stanford S. Carr, Manager
SCD Kamakana, LLC
1100 Alakea Street, 27th Floor
Honolulu, Hawai'i 96813
Phone: 537-5220, ext. 225

A. Kamakana Villages at Keahuolu is Hawai'i Housing Finance and Development Corporation's (HHFDC) 272-acre master planned community in Keahuolu, North Kona, Hawai'i. On March 31, 2009, after a request for proposals process, HHFDC executed a development agreement (Development Agreement) with Forest City Hawai'i Kona, LLC (Forest City), for the development of 2,330 residential units, 197,000 gross square feet of commercial space, an elementary school, parks, archaeological preserves and open space at Kamakana Villages at Keahuolu (Project). More than 50% of the units will be affordable at 140% and below the HUD AMI. See attached **Exhibit A**, Location Map, and **Exhibit B**, Forest City Master Plan.

B. On March 3, 2009, loan documents for a $25 million interim loan from the Dwelling Unit Revolving Fund were executed with Forest City for the development of the Project (DURF Loan).

C. The Project site (Property) is held in escrow by FHT Kamakana, LLC (FHT) pursuant to an Agreement Regarding Conveyance and Escrow with First Hawai'i Title Corporation dated June 26, 2009, as amended (FHTC Escrow Agreement).

D. On September 5, 2017, HHFDC and Forest City executed the Fifth Amendment to the Development Agreement, which essentially provided for the following:

   1. Assignment of the Development Agreement and DURF Loan to Alaka'i Development Kona I LLC (Alaka'i), an entity owned by former employees of Forest City, for the completion of the Manawalea Street Extension;

   2. Modified the DURF Loan to approximately $8.4 million to complete the Manawalea Street Extension;

   3. Release of Forest City from the Development Agreement and DURF Loan; and

   4. Upon completion and dedication of the Manawalea Street Extension to the County of Hawai'i, the Development Agreement and DURF Loan to Alaka'i would be terminated.

E. On April 17, 2018, HHFDC and Alaka'i executed the Sixth Amendment to the Development Agreement, which essentially provided for the assignment of the Development Agreement, except for the DURF Loan and the completion of the Manawalea Street Extension, to SCD Kamakana, LLC (SCD), an entity owned by developer Stanford Carr.

F. The Manawalea Street Extension was substantially completed by Alakaʻi in August 2018 and dedicated to the County of Hawaiʻi on October 2, 2019. On January 6, 2022, HHFDC executed a release of Alakaʻi from the Development Agreement and DURF Loan for the Project.

III. DISCUSSION

A. In 2019, SCD revised the master plan for the Project. See attached **Exhibit C**, Concept Plan, **Exhibit D**, Phasing Plan, and **Exhibit E**, Summary Table.

B. On September 21, 2021, HHFDC received a draft revised Development Agreement for the Project. On November 1, 2021, HHFDC forwarded to SCD draft revisions for an amended and restated Development Agreement for the Project. After negotiations with SCD, this For Action seeks approval of an amended and restated Development Agreement for the Project, with the following major provisions:

1. Adopts the revised master plan and the estimated unit counts described herein and as shown on the attached Exhibits C, D and E.

2. The Affordable Units in the Project will be completed by December 31, 2035 (Completion Date); the Completion Date may be extended for five years upon SCD's request provided that there has been substantial progress[3] towards completion of the Affordable Units.

    a. If Developer has not proceeded with the development of Phase 1[4] and acquired applicable title to Phase 1 by July 1, 2028, then either party shall have the right to terminate the Development Agreement.

    b. HHFDC reserves the right to terminate the Development Agreement within six years from the date of the Development Agreement, if SCD fails to obtain all permits necessary to proceed with development of on-site projects at the finished development sites, and all permits and approvals from the Commission on Water Resources Management (CWRM) necessary to develop Well Site #4 (defined below).

    c. HHFDC reserves the right to terminate the Development Agreement if SCD fails to complete[5] at least 380 new Affordable Units by December 31, 2032.

    d. SCD may terminate the Development Agreement at any time based on infeasibility. SCD's costs to date of termination will be reimbursed from available funds from land sales proceeds deposited in the Land Development Escrow Account (described below).

3. More than 50% of the total residential units in the Project shall be Affordable Units.[6]

---

[3] Completion of at least 500 new Affordable Units in the Project as evidenced by a certificate of occupancy for each Unit.

[4] Phase 1 is MF-2, MF-3, and MF-4 as shown on the attached Exhibits C and D.

[5] As evidenced by a certificate of occupancy for each Unit.

4. For-sale projects may be developed in fee simple. Commercial, residential rental, and mixed-use projects without a residential for-sale component shall be developed under ground leases fixed for a term of 65 years at a minimum lease rent paid directly to HHFDC in advance pursuant to the policy for ground lease rent approved by the HHFDC Board of Directors on November 18, 2021.[7] Ground leases shall also be subject to a lease premium at appraised value paid into the Land Development Escrow Account.

    a. Conveyance of the applicable parcel for development of on-site projects shall be subject to the payment into an escrow account (Land Development Escrow Account)[8] of the applicable land price or lease premium at appraised value of the parcel conveyed. Land for non-revenue generating lots, such as roads, parks, schools, preservation areas, will be valued at $1 per lot.[9]

    b. Conveyance of land for for-sale projects with Affordable Units shall be subject to restrictions on affordability and HHFDC's buy-back and shared appreciation requirements. Residential affordable rental projects shall remain affordable for the term of the ground lease.

    c. Each finished lot or pad ready for on-site development shall be subject to a subdevelopment agreement negotiated between SCD and the purchaser/developer, with consent by HHFDC. If SCD is the purchaser/developer of the finished lot or pad, the subdevelopment agreement will be between SCD and HHFDC. The subdevelopment agreement will identify the on-site project to be built and any lot-specific restrictions and requirements.

5. As master developer of the Project, SCD will be reimbursed or paid, for the following:

---

[6] SCD proposes to build 617 new Affordable for-sale Units at 140% or below the AMI. The Michaels Organization developed 170 units at the Kamakana Family and Senior Rental projects, for a total of 787 Affordable Units at Kamakana Villages. SCD proposes to build 782 new market units for a total of 1,569 units at Kamakana Villages—more than 50% of the units are Affordable Units. One parcel of 7.7 acres at the entry of the Project at Road A (see Exhibit D) is proposed to be commercial use.

[7] SCD proposes to build all the new residential units as for-sale projects. The requirement for ground leases is provided for the commercial use and should SCD's plans change and SCD or another developer develops a rental or mixed-use project without a for-sale component. Section III.C.5. of the HHFDC For Action dated November 18, 2021 provides,

> "Annual Base Rent. The new ground lease shall provide for annual base rent payable annually in advance based on the below schedule and increasing by three percent (3%) per year (compounded) during the entire term of the lease. (The purpose of the annual base rent is to help to pay for HHFDC's estimated allocated lease administration costs, and it is recommended that these costs be reevaluated every five years.)

Lease Commencement Date	Initial Annual Rent
Fiscal Year 2022	$10,000
Fiscal Year 2023	$10,500
Fiscal Year 2024	$11,000
Fiscal Year 2025	$12,500
Fiscal Year 2026	$13,000"

[8] All payments from the Land Development Escrow Account will be approved by HHFDC.

[9] Subject to restrictions as deemed necessary by HHFDC.

a. SCD to be reimbursed for third-party off-site Project costs advanced by SCD and approved by HHFDC at a 10% internal rate of return (IRR) from the SCD DURF Loan Part I (defined below); the 10% IRR is limited to costs advanced up to the closing of the SCD DURF Loan Part I (defined below);

b. An overhead and project management fee of five percent (5%) of all off-site development costs of the Project (excluding the project management fee and any SCD profit);[10] and

c. A sales incentive fee of three percent (3%) of the gross sales proceeds from the sale or lease of finished lots or pads ready for on-site development to third-party developers, in lieu of any brokerage fees for the sale.

6. Off-site master plan Project costs approved by HHFDC shall be paid from the Land Development Escrow Account, in the following order of priority:

a. On-going Project costs to the extent not paid from the SCD DURF Loan (defined below);

b. Project reserve account;[11]

c. Repayment of the SCD DURF Loan (defined below), plus \$500,000 for HHFDC's execution of the Memorandum of Understanding (MOU) with the U.S. Fish and Wildlife Service (FWS) for Village 9, which FWS required in order for FWS to execute the MOU for Kamakana Villages; and

d. At the completion of the Project, any funds remaining in the Land Development Escrow Account will be split 50-50 between SCD and HHFDC.

7. SCD is responsible for maintenance of the Property.

8. Development of individual on-site projects will be managed under separate budgets from the master plan off-site Project budget. Residential for-sale projects developed by SCD will be developed as follows:

a. SCD will acquire the land at appraised value, however, the price of the land will be deferred under a purchase money mortgage, and paid pro-rata into the Land Development Escrow Account at the closing of each completed unit to the homebuyer;

b. SCD will be paid a profit of twelve percent (12%) of the on-site project costs (excluding profit)[12] based upon a cost certification at the completion of each project;

c. Any excess of on-site project revenues over project costs will be split 50-50 between SCD and HHFDC; and

---

[10] Not from the SCD DURF Loan (defined below). The project management fee may be evenly prorated over the life of the Project or as otherwise agreed to between SCD and HHFDC.

[11] All payments from the reserve account to be approved by HHFDC.

[12] Assuming no DURF loan is used to develop the on-site project. The SCD project management fee for on-site projects shall be limited to 3% of the gross sales prices of the completed units.

d. SCD may apply for a DURF loan for an on-site residential project satisfying the requirements for the use of DURF funds, e.g., more than 50% of the total units are Affordable Units, on a project-by-project basis. The twelve percent (12%) developer's profit for qualifying on-site projects may be re-negotiated (reduced) if DURF funds are used.

9. SCD will be responsible for all costs necessary to entitle and develop the Project in accordance with all laws and encumbrances, including but not limited to the following:

   a. SCD will negotiate an amendment to, or a new water agreement in lieu of the now-lapsed Water Agreement with the Water Board of the County of Hawai'i dated November 22, 2011 for the development and dedication of Keopu-HFDC Well No. 3857-05 at Tax Map Key No. (3) 7-5-013: 022 (Well Site #4) for the Project. HHFDC reserves the right to allocate water from Well Site #4 for up to 175 multi-family units with landscaping for Village 9 at the Villages of La'i'opua, Tax Map Key No. (3) 7-4-020: 004 (por.).

   b. SCD agrees to provide FHT first opportunity to provide title and escrow services at the Project pursuant to the FHT Escrow Agreement.

   c. Letter agreement with the Queen Lili'uokalani Trust (QLT) dated November 10, 2011 describing requirements for historical, archaeological and cultural matters, transportation matters, and miscellaneous matters, including written notification to QLT on revisions to the Development Agreement, the failure of which could result in the nullification of the revisions to the Development Agreement approved by the HHFDC Board, at QLT's request.

C. SCD is requesting for an interim loan in the total amount of $15 million from the Dwelling Unit Revolving Fund (DURF) for off-site master plan costs for the Project (SCD DURF Loan). Sales proceeds from the sale of finished lots or pads for on-site development is proposed to be revolved in the Land Development Escrow Account and the SCD DURF Loan is proposed to be repaid from the Land Development Escrow Account.

   1. At the completion of the Project, after all expenses and the SCD DURF Loan and the $500,000 fee to HHFDC for the Village 9 MOU have been paid, any available funds in the Land Development Escrow Account will be split 50-50 between HHFDC and SCD.

   2. As indicated in the attached summary cash flow (8/24/22) labelled as **Exhibit F**:

      a. The total revenues projected from the sale or lease of finished development lots or pads is approximately $104.1 million;

      b. The peak loan amount of $13.8 million is estimated to occur in Year 3; and

c. At the completion of the Project, there is projected to be a surplus of approximately $1.6 million in the Land Development Escrow Account.

D. The total Project budget is summarized as follows:

	Budget	Amount	%
Revenues			
	Finished Lot Sales/Lease	104,102,500	100%
	Less: Land Closing Costs	(3,123,075)	2%
	Net Revenue	100,979,425	98%
Expenses			
	Infrastructure Cost	81,652,121	82%
	Consultant, Fees, Other Costs	16,570,837	16%
	Subtotal	98,222,958	
	DURF Loan Fee, 1 pt.	150,000	0%
	SCD Cost to Date, w-10% IRR, Estimated	1,000,000	1%
	Total Cost	99,372,958	100%
Revenues Less Expenses		**1,606,467**	

E. An appraisal of the finished development lots has not been done. The total real property assessed value of the lots at Kamakana Villages for 2022 is approximately $8.8 million. A tax map of the area including Kamakana Villages is attached hereto as **Exhibit G**. A comparison of the lots in SCD's master plan and the tax map indicates that, except for SCD's lots MF-2, MF-3, and MF-4, shown in Exhibits C and D, the land and real property assessed values for Kamakana Villages are not comparable because the lots for the real property assessed values do not represent subdivided and improved lots ready for development of on-site projects. Lots MF-2, MF-3, and MF-4 are not ready for development because there is no water available for development. See **Exhibit H**.

F. In 2013, Forest City completed an appraisal of the fee simple value (as of December 31, 2013) of the lots equivalent to SCD's lots MF-2, MF-3 and MF-4. A comparison of SCD's proposed revenue budget and the Forest City' appraised value of SCD's lots MF-2, MF-3 and MF-4 is attached hereto as Exhibit H for comparison. Forest City's appraised value of these lots indicate that SCD's projected sales revenue budgeted for these lots are not inconsistent with the 2013 uninflated appraised value of these lots.

G. As indicated in Exhibit F, the peak loan amount of $13.8 million for the Project occurs in Year 3. SCD is requesting a total DURF Loan of $15 million for off-site Project costs and unforeseeable expenses, including a contested case hearing for the CWRM permit for Well Site #4.[13]

H. The proposed interest rate for the SCD DURF Loan is zero percent. At the end of the Project, any remaining proceeds in the Land Development Escrow Account would be split 50-50 between SCD and HHFDC. An assessment of an interest rate for the SCD DURF Loan would have left little or no funds remaining in the

[13] Please note that there is otherwise no Contingency budget for the Project.

Land Development Escrow Account, or a portion of the SCD DURF Loan remaining unpaid at the completion of the Project.

I. There are currently no water credits for development of the Project. SCD will be required to seek a permit from CWRM for development of Well Site #4, and develop and dedicate the well to the Department of Water Supply to enable development at the Project. The National Park Service has been objecting to development of wells mauka of the Kaloko-Honokōhau National Park, which includes Well Site #4.

J. Since the Project is dependent upon an uncertain approval from CWRM for Well Site #4, and to minimize encumbrance of DURF funds for the full amount of the SCD DURF Loan pending CWRM approval, this For Action seeks approval of a portion of the SCD DURF Loan (SCD DURF Loan Part I) for master planned off-site costs for the Project, as follows:

1. Loan Amount: $3.0 million, excluding interest
   Borrower: SCD or other successor entity approved by the Executive Director
   Interest Rate: 0% per annum
   Loan Fee: 1 point
   Loan Term: Completion Date, or earlier termination with the Development Agreement, unless otherwise extended by the Executive Director at its sole discretion
   Collateral: Property
   Mortgage Priority: First mortgage, unless otherwise approved by the Executive Director
   DURF Funds: DURF II or FAMIS 382 – Taxable Bond Funds (Unrestricted Use)
   Special Conditions:

   a. Non-recourse loan;

   b. SCD's overhead, project management fee, and profit (if any) shall not be paid from the SCD DURF Loan;

   c. The SCD DURF Loan shall not be used for development of on-site projects;

   d. All plans, approvals and work product paid by the SCD DURF Loan shall be assigned to HHFDC;

   e. Any land purchased with the SCD DURF Loan for development of the Project shall be held in escrow by FHT;

   f. HHFDC reserves the right to terminate the SCD DURF Loan Part I if SCD fails to obtain all permits necessary to proceed with development of on-site projects at finished development sites, and all permits and approvals from CWRM necessary to develop Well Site #4 within six years from the date of the Development Agreement;

   g. The SCD DURF Loan shall terminate if the Development Agreement is terminated;

h. The SCD DURF Loan will be repaid from the Land Development Escrow Account; and

i. The SCD DURF Loan will be forgiven if the Project is deemed to be unfeasible as approved by HHFDC.

2. The objective of the SCD DURF Loan Part I is to enable SCD to be reimbursed for the following expenses:

a. Third-party off-site Project cost-to-date with a 10% IRR as described in the Development Agreement;

b. Ongoing real property taxes, third-party maintenance, and operational expenses approved by HHFDC, for the near future; and

c. Costs to seek CWRM approval for Well Site #4.

If the CWRM approval for Well Site #4 is obtained, HHFDC plans to seek HHFDC Board approval for the balance of the SCD DURF Loan for off-site costs to develop the Project.

3. The ratio of the proposed SCD DURF Loan Part I to total Project cost is 3.0%.

4. A risk assessment of the SCD DURF Loan Part I to SCD for development of the Project is attached hereto as **Exhibit I**.

5. A draft budget for the SCD DURF Loan Part I is attached hereto as **Exhibit J**.

6. As of December 31, 2022, the balance of net available cash balance of DURF funds is approximately $20.9 million.[14]

K. On November 9, 2017, the HHFDC Board approved a single-asset development entity of Stanford Carr, or other successor entities approved by the Executive Director, as Eligible Developers pursuant to Section 15-307-24, Hawaii Administrative Rules.

IV. RECOMMENDATION

That the HHFDC Board of Directors approve the following for the Kamakana Villages at Keahuolu Project located in Keahuolu, North Kona, Hawai‘i, TMK Nos. (3) 7-4-021: 020, 024, 028 to 037, 039 to 043, and 045 to 047, substantially as discussed in this For Action:

A. A revised master plan;

B. Execution of an amended and restated Development Agreement with SCD Kamakana, LLC, or other single-asset successor entities of Stanford Carr approved by the Executive Director;

[14] Act 88, SLH 2021 appropriated cash infusion to DURF for FY 2022 of $20,000,000. This appropriation is not included in the estimated net available cash balance.

C. Conveyance of the Property and development of the Project in accordance with the amended and restated Development Agreement;

D. SCD DURF Loan Part I of up to $3.0 million for development of the Project; and

E. Authorize the Executive Director to take all actions necessary to effectuate the purpose of this For Action;

Subject to the following:

F. Execution of the amended and restated Development Agreement and SCD DURF Loan Part I documents within one calendar year of this For Action, unless otherwise extended at the sole discretion of the Executive Director;

G. Completion of all the Affordable Units in the Project by December 31, 2035 (Completion Date); the Completion Date may be extended for five years provided that there has been substantial progress towards completion of the Affordable Units, unless otherwise extended at the sole discretion of the Executive Director;

H. Availability of DURF funds;

I. Approval of release of DURF funds by the Governor;

J. Approval as to form of necessary documents by the Department of Attorney General and execution by the Executive Director; and

K. Compliance with all rules and regulations and such other terms and conditions as may be required by the Executive Director.

Attachments:
Exhibit A – Location Map
Exhibit B – Forest City Master Plan
Exhibit C – SCD Master Plan
Exhibit D – SCD Phasing Plan
Exhibit E – SCD Master Plan Summary Table
Exhibit F – Summary Cash Flow
Exhibit G – Tax Map Key Map
Exhibit H – Land Value Comparison
Exhibit I – DURF Risk Assessment Matrix
Exhibit J – Draft Budget for SCD DURF Loan Part I

Prepared by: Stan S. Fujimoto, Project Manager SR

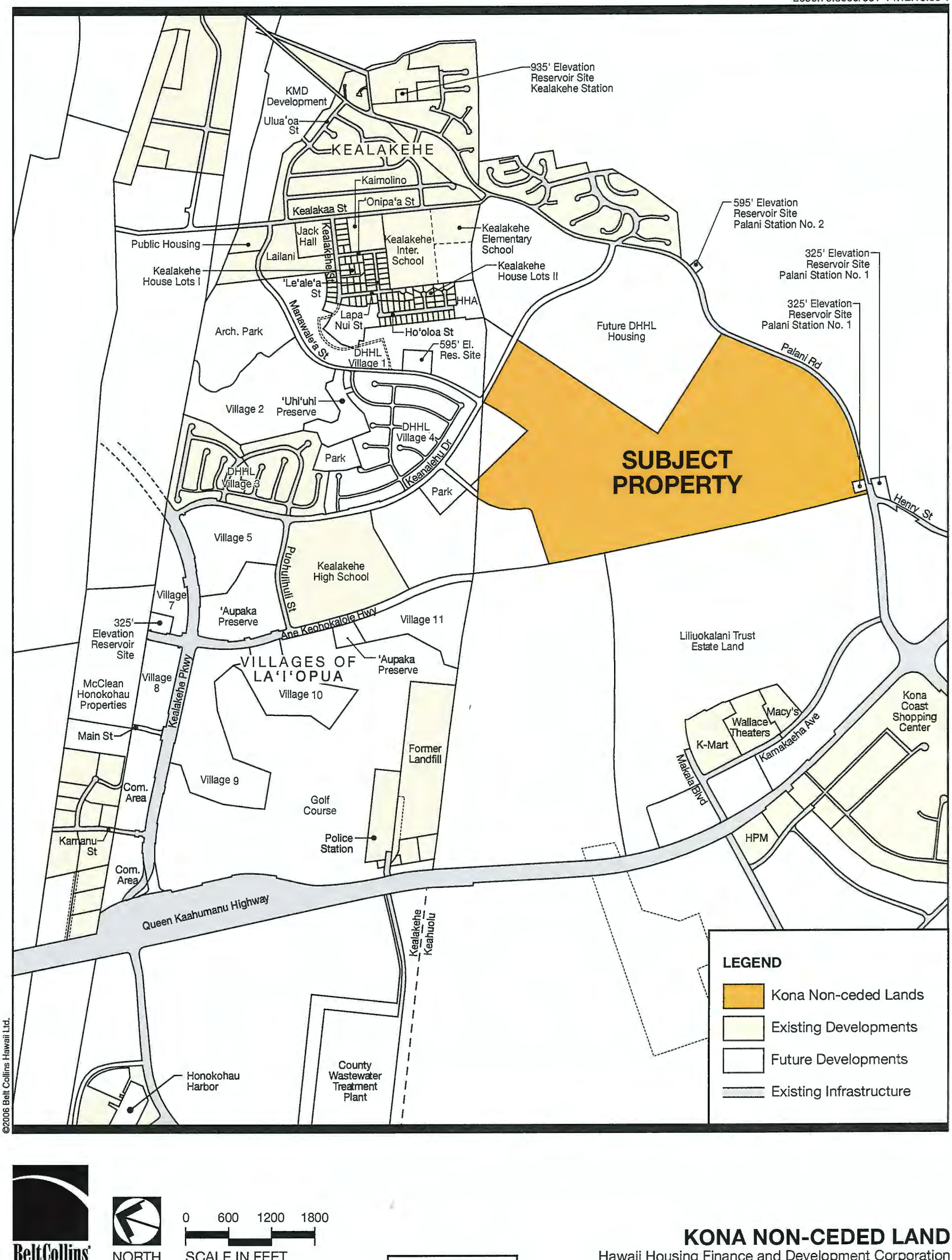
Reviewed by: Dean Minakami, Development Branch Chief DM

for Randy Chu, Development Section Chief SR

Approved by The Board of Directors at its meeting on February 9, 2023
Development Branch
Please take necessary action.

EXECUTIVE DIRECTOR

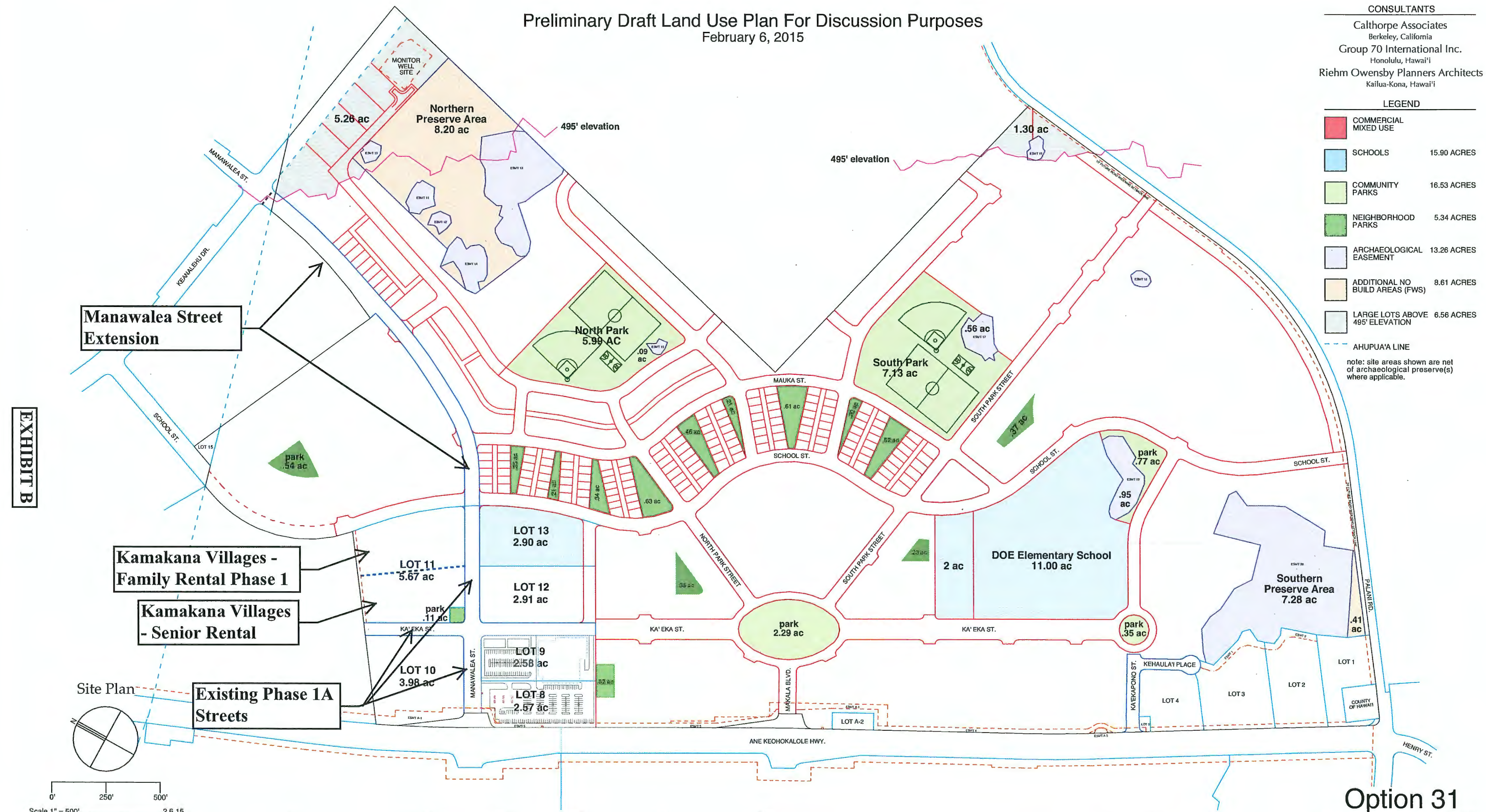
2006.70.0900/001-1 k12.18.06 1



KONA NON-CEDED LAND

Hawaii Housing Finance and Development Corporation

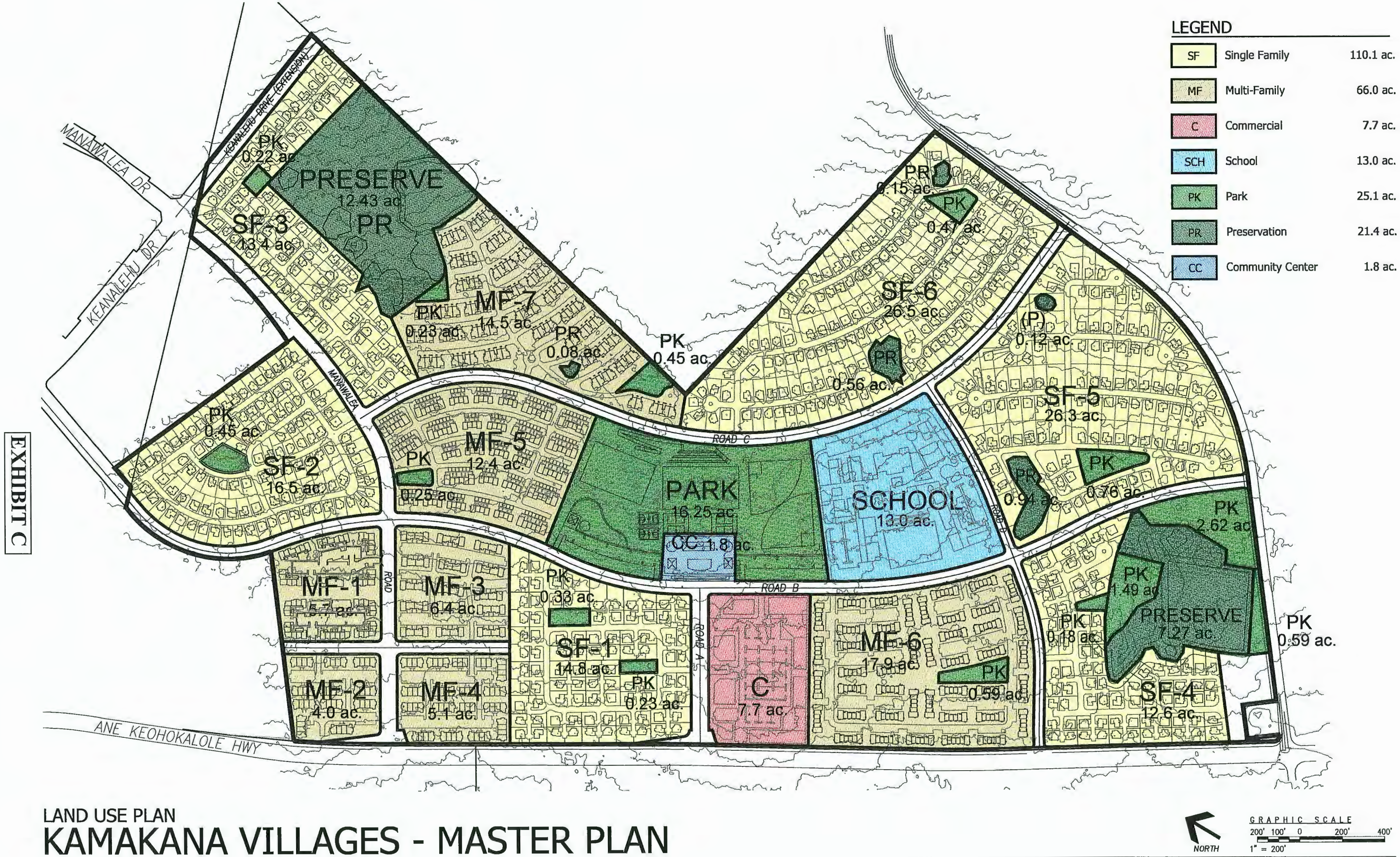
EXHIBIT A



Kamakana Villages – Hawaii Housing Finance & Development Corporation & Forest City Hawai'i

North Kona, Island & County of Hawai'i

Sheet No: A-1.1



LAND USE PLAN

KAMAKANA VILLAGES - MASTER PLAN

KAMAKANA VILLAGE, LLC

AUGUST 2019

KAILUA-KONA, HAWAII

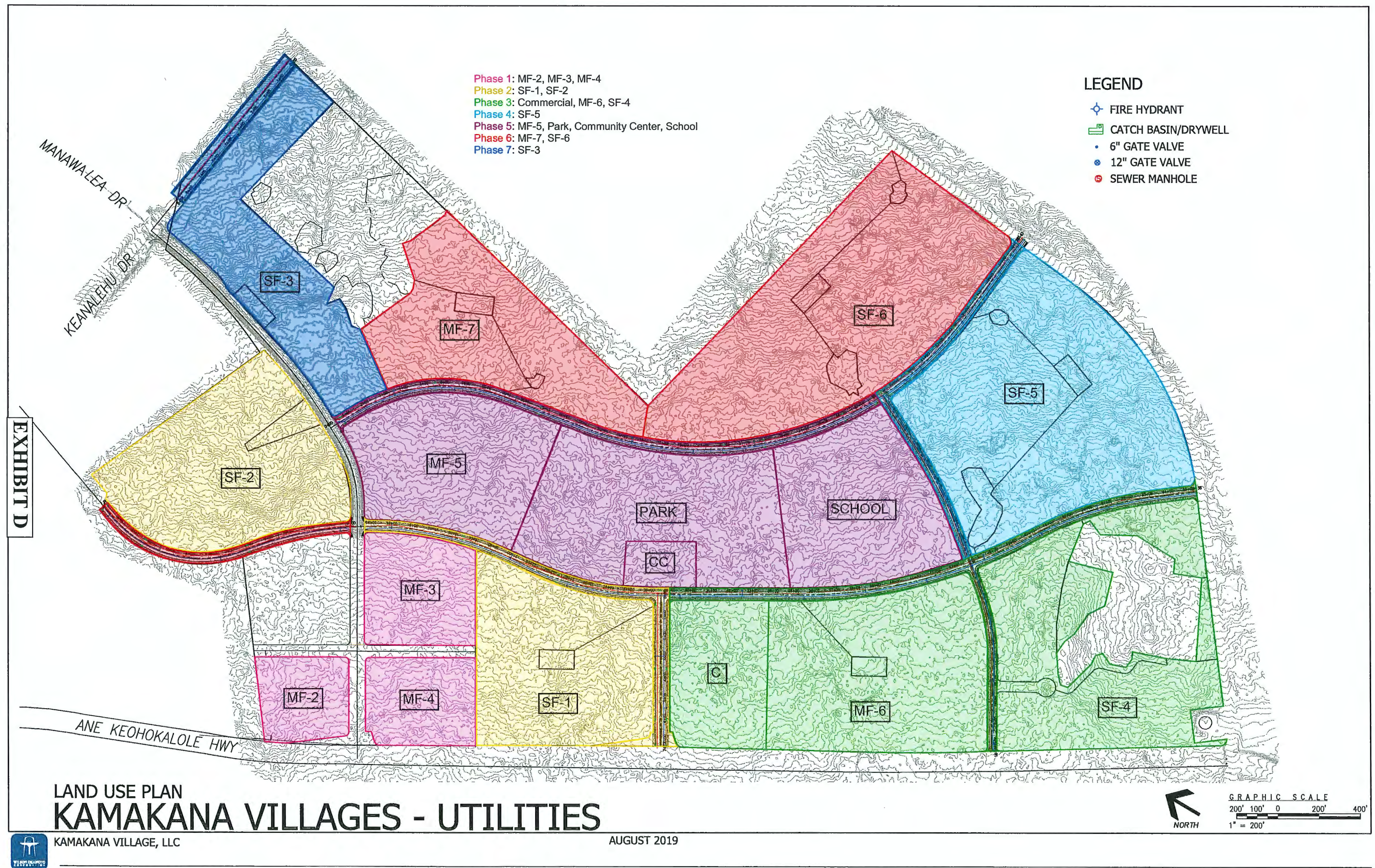


EXHIBIT D
Phase 1: MF-2, MF-3, MF-4
Phase 2: SF-1, SF-2
Phase 3: Commercial, MF-6, SF-4
Phase 4: SF-5
Phase 5: MF-5, Park, Community Center, School
Phase 6: MF-7, SF-6
Phase 7: SF-3
LEGEND
FIRE HYDRANT
CATCH BASIN/DRYWELL
6" GATE VALVE
12" GATE VALVE
SEWER MANHOLE
MANAWA-LEA-DR
KEANALEHU DR
ANE KEOHOKALOLE HWY
SF-3
MF-7
SF-6
SF-5
SF-2
MF-5
PARK
SCHOOL
CC
MF-3
SF-1
C
MF-6
SF-4
MF-2
MF-4
NORTH
GRAPHIC SCALE
200' 100' 0 200' 400'
1" = 200'
LAND USE PLAN
KAMAKANA VILLAGES - UTILITIES
KAMAKANA VILLAGE, LLC
AUGUST 2019
KAMAKANA VILLAGES / KAILUA-KONA, HAWAII

Kamakana Villages at Keahuolu Proposed Master Development Plan October 2019
Tax Map Key Nos.: (3) 7-4-021: 020, -24, -28 to -49

Land Use	Acreage
Residential	176.10
School/Civic	14.80
Park	25.11
Commercial	7.70
Archaeological/Preserve	21.55
Utility Area	1.50
Road	24.15
Total	**270.91**

Phase	Total Units	Multifamily	Single-Family
Phase 1	250	250	--
Phase 2	203	--	203
Phase 3	345	264	81
Phase 4	115	--	115
Phase 5	136	136	--
Phase 6	265	112	153
Phase 7	85	--	85
Kamakana Senior & Family	170	170	--
Totals	**1569**	**932**	**637**

EXHIBIT E

	KAMAKANA MASTER PLAN - PRO FORMA																
	Revenues																
Phase	Module	Units	Acres	Budget	Summary	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
1	MF-2	66	4.00	$ 1,500,000	$ 1,500,000	$ -	$ -	$ -	$ -	$ 1,500,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1	MF-3	90	6.40	$ 2,720,000	$ 2,720,000	$ -	$ -	$ -	$ -	$ -	$ 2,720,000	$ -	$ -	$ -	$ -	$ -	$ -
1	MF-4	94	5.10	$ 2,040,000	$ 2,040,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,040,000	$ -	$ -	$ -	$ -	$ -
2	SF-1	113	16.50	$ 8,662,500	$ 8,662,500	$ -	$ -	$ -	$ -	$ 8,662,500	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2	SF-2	85	13.40	$ 7,035,000	$ 7,035,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 7,035,000	$ -	$ -	$ -	$ -	$ -
2	MF-5	136	12.40	$ 7,750,000	$ 7,750,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 7,750,000	$ -	$ -	$ -	$ -	$ -
3	Commercial	0	7.70	$ 7,122,500	$ 7,122,500	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 7,122,500	$ -	$ -	$ -
3	SF-3	90	14.80	$ 8,140,000	$ 8,140,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 8,140,000	$ -	$ -	$ -
4	SF-4	115	26.30	$ 14,465,000	$ 14,465,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 14,465,000	$ -	$ -
5	SF-5	153	26.50	$ 15,237,500	$ 15,237,500	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
5	MF-6	110	14.50	$ 9,787,500	$ 9,787,500	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 9,787,500
6	MF-7	264	17.90	$ 12,082,500	$ 12,082,500	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
6	SF-6	81	12.60	$ 7,560,000	$ 7,560,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
7	no revenue projects in phase 7	0	-	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Subtotal >>>	1397	178.10	$ 104,102,500	$ 104,102,500	$ -	$ -	$ -	$ -	$ 10,162,500	$ 2,720,000	$ 16,825,000	$ -	$ 15,262,500	$ 14,465,000	$ -	$ 9,787,500
	Less Land Closing Costs			$ (3,123,075)	$ (3,123,075)	$ -	$ -	$ -	$ -	$ (304,875)	$ (81,600)	$ (504,750)	$ -	$ (457,875)	$ (433,950)	$ -	$ (293,625)
	Annual Total Revenue >>>			$ 100,979,425	$ 100,979,425	$ -	$ -	$ -	$ -	$ 9,857,625	$ 2,638,400	$ 16,320,250	$ -	$ 14,804,625	$ 14,031,050	$ -	$ 9,493,875
	Accumulated Total Revenue >>>					$ -	$ -	$ -	$ -	$ 9,857,625	$ 12,496,025	$ 28,816,275	$ 28,816,275	$ 43,620,900	$ 57,651,950	$ 57,651,950	$ 67,145,825
	Annual Acres Developed >>>					0.00	0.00	0.00	0.00	20.50	6.40	30.90	0.00	22.50	26.30	0.00	14.50
	Accumulated Acres Developed >>>					0.00	0.00	0.00	0.00	20.50	26.90	57.80	57.80	80.30	106.60	106.60	121.10
	Annual Units Developed >>>					170	0	0	0	179	90	315	0	90	115	0	110
	Accumulated Units Developed >>>					170	170	170	170	349	439	754	754	844	959	959	1069
	Triggered Backbone Infrastructure Costs																
Phase	Module		Acres	Budget	Summary	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
1	Infrastructure Construction - Phase 1			$ 11,400,000	$ 11,400,000			$ 5,700,000	$ 5,700,000								
1	Indirect Construction/ Soft Costs - Phase 1			$ 1,598,118	$ 1,598,118	$ 319,624	$ 319,624	$ 319,624	$ 319,624	$ 319,624							
2	Infrastructure Construction - Phase 2			$ 11,480,170	$ 11,480,170						$ 2,870,042	$ 2,870,042	$ 2,870,042	$ 2,870,042			
2	Indirect Construction/ Soft Costs - Phase 2			$ 2,939,342	$ 2,939,342						$ 734,835	$ 734,835	$ 734,835	$ 734,835			
3	Infrastructure Construction - Phase 3			$ 22,673,173	$ 22,673,173								$ 5,668,293	$ 5,668,293	$ 5,668,293	$ 5,668,293	
3	Indirect Construction/ Soft Costs - Phase 3			$ 3,485,692	$ 3,485,692								$ 871,423	$ 871,423	$ 871,423	$ 871,423	
4	Infrastructure Construction - Phase 4			$ 5,185,575	$ 5,185,575											$ 1,296,394	$ 1,296,394
4	Indirect Construction/ Soft Costs - Phase 4			$ 1,681,108	$ 1,681,108											$ 420,277	$ 420,277
5	Infrastructure Construction - Phase 5			$ 29,043,139	$ 29,043,139												
5	Indirect Construction/ Soft Costs - Phase 5			$ 4,806,064	$ 4,806,064												
6	Infrastructure Construction - Phase 6			$ 1,021,532	$ 1,021,532												
6	Indirect Construction/ Soft Costs - Phase 6			$ 1,627,128	$ 1,627,128												
7	Infrastructure Construction - Phase 7			$ 848,532	$ 848,532												
7	Indirect Construction/ Soft Costs - Phase 7			$ 433,385	$ 433,385												
	Total >>>			$ 98,222,958	$ 98,222,958	$ 319,624	$ 319,624	$ 6,019,624	$ 6,019,624	$ 319,624	$ 3,604,878	$ 3,604,878	$ 10,144,594	$ 10,144,594	$ 6,539,716	$ 8,256,387	$ 1,716,671
				Annual Cash Flow After Costs >>>	$ 2,756,467	$ (319,624)	$ (319,624)	$ (6,019,624)	$ (6,019,624)	$ 9,538,001	$ (966,478)	$ 12,715,372	$ (10,144,594)	$ 4,660,031	$ 7,491,334	$ (8,256,387)	$ 7,777,204
				Accumulated Cash Flow After Costs >>>	$ -	$ (319,624)	$ (639,247)	$ (6,658,871)	$ (12,678,494)	$ (3,140,493)	$ (4,106,971)	$ 8,608,401	$ (1,536,193)	$ 3,123,838	$ 10,615,171	$ 2,358,784	$ 10,135,988
	Financing: DURF Loan																
	$15,000,000																
			Fees	0.01	$ 150,000	$ 150,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
			Transaction		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
			Interest @	0%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
				Total Financing Costs >>>	$ 150,000	$ 150,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
				Total Cost After Financing	$ 98,372,958	$ 469,624	$ 319,624	$ 6,019,624	$ 6,019,624	$ 319,624	$ 3,604,878	$ 3,604,878	$ 10,144,594	$ 10,144,594	$ 6,539,716	$ 8,256,387	$ 1,716,671
			Loan Balance														
				Beginning Loan Balar	$ -	$ 1,000,000	$ 1,469,624	$ 1,789,247	$ 7,808,871	$ 13,828,494	$ 4,290,493	$ 5,256,971	$ (7,458,401)	$ 2,686,193	$ (1,973,838)	$ (9,465,171)	$ (1,208,784)
				(+) Disbursements		$ 319,624	$ 319,624	$ 6,019,624	$ 6,019,624	$ 319,624	$ 3,604,878	$ 3,604,878	$ 10,144,594	$ 10,144,594	$ 6,539,716	$ 8,256,387	$ 1,716,671
				(+) Financing Costs		$ 150,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
				(-) Loan Repayment		$ -	$ -	$ -	$ -	$ (9,857,625)	$ (2,638,400)	$ (16,320,250)	$ -	$ (14,804,625)	$ (14,031,050)	$ -	$ (9,493,875)
				Ending Loan Balance	$ -	$ 1,469,624	$ 1,789,247	$ 7,808,871	$ 13,828,494	$ 4,290,493	$ 5,256,971	$ (7,458,401)	$ 2,686,193	$ (1,973,838)	$ (9,465,171)	$ (1,208,784)	$ (8,985,988)
				Cash Flow Effect of Financing >>>	$ (150,000)	$ (150,000)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
				Cash Flow After Financing >>>	$ 2,606,467	$ (469,624)	$ (639,247)	$ (6,658,871)	$ (12,678,494)	$ (3,140,493)	$ (4,106,971)	$ 8,608,401	$ (1,536,193)	$ 3,123,838	$ 10,615,171	$ 2,358,784	$ 10,135,988

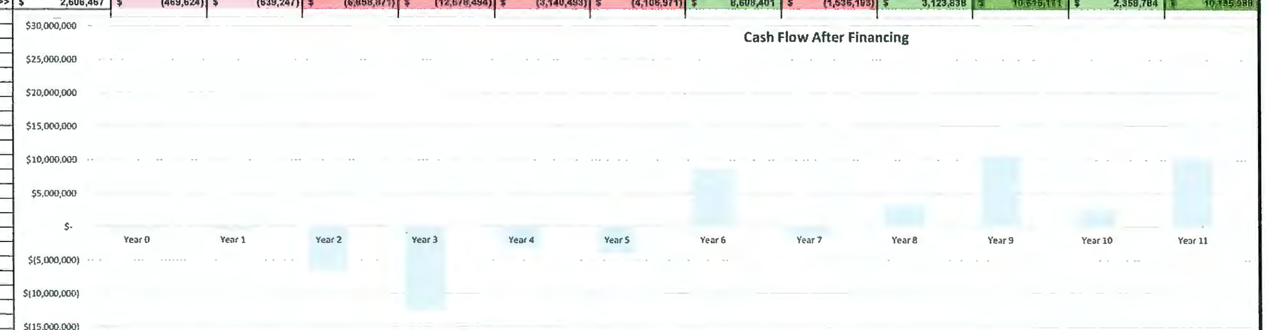
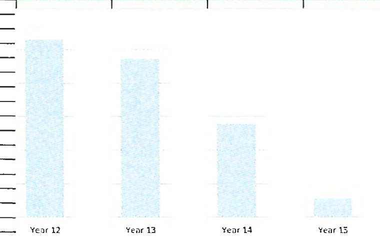


EXHIBIT F-1

EXHIBIT F-1

Phase	Module	Units	Acres	Budget	Year 12	Year 13	Year 14	Year 15
	KAMAKANA MASTER PLAN - PRO FORMA							
	Revenues							
Phase	Module	Units	Acres	Budget	Year 12	Year 13	Year 14	Year 15
1	MF-2	66	4.00	$ 1,500,000	$ -	$ -	$ -	$ -
1	MF-3	90	6.40	$ 2,720,000	$ -	$ -	$ -	$ -
1	MF-4	94	5.10	$ 2,040,000	$ -	$ -	$ -	$ -
2	SF-1	113	16.50	$ 8,662,500	$ -	$ -	$ -	$ -
2	SF-2	85	13.40	$ 7,035,000	$ -	$ -	$ -	$ -
2	MF-5	136	12.40	$ 7,750,000	$ -	$ -	$ -	$ -
3	Commercial	0	7.70	$ 7,122,500	$ -	$ -	$ -	$ -
3	SF-3	90	14.80	$ 8,140,000	$ -	$ -	$ -	$ -
4	SF-4	115	26.30	$ 14,465,000	$ -	$ -	$ -	$ -
5	SF-5	153	26.50	$ 15,237,500	$ 15,237,500	$ -	$ -	$ -
5	MF-6	110	14.50	$ 9,787,500	$ -	$ -	$ -	$ -
6	MF-7	264	17.90	$ 12,082,500	$ 12,082,500	$ -	$ -	$ -
6	SF-6	81	12.60	$ 7,560,000	$ -	$ 7,560,000	$ -	$ -
7	no revenue projects in phase 7	0	-	$ -	$ -	$ -	$ -	$ -
	Subtotal >>>	1397	178.10	$ 104,102,500	$ 27,320,000	$ 7,560,000	$ -	$ -
	Less Land Closing Costs			$ (3,123,075)	$ (819,600)	$ (226,800)	$ -	$ -
	Annual Total Revenue >>>			$ 100,979,425	$ 26,500,400	$ 7,333,200	$ -	$ -
	Accumulated Total Revenue >>>				$ 93,646,225	$ 100,979,425	$ 100,979,425	$ 100,979,425
	Annual Acres Developed >>>				44.40	12.60	0.00	0.00
	Accumulated Acres Developed >>>				165.50	178.10	178.10	178.10
	Annual Units Developed >>>				417	81	0	0
	Accumulated Units Developed >>>				1486	1567	1567	1567
	Triggered Backbone Infrastructure Costs							
Phase	Module		Acres	Budget	Year 12	Year 13	Year 14	Year 15
1	Infrastructure Construction - Phase 1			$ 11,400,000				
1	Indirect Construction/ Soft Costs - Phase 1			$ 1,598,118				
2	Infrastructure Construction - Phase 2			$ 11,480,170				
2	Indirect Construction/ Soft Costs - Phase 2			$ 2,939,342				
3	Infrastructure Construction - Phase 3			$ 22,673,173				
3	Indirect Construction/ Soft Costs - Phase 3			$ 3,485,692				
4	Infrastructure Construction - Phase 4			$ 5,185,575	$ 1,296,394	$ 1,296,394		
4	Indirect Construction/ Soft Costs - Phase 4			$ 1,681,108	$ 420,277	$ 420,277		
5	Infrastructure Construction - Phase 5			$ 29,043,139	$ 7,260,785	$ 7,260,785	$ 7,260,785	$ 7,260,785
5	Indirect Construction/ Soft Costs - Phase 5			$ 4,806,064	$ 1,201,516	$ 1,201,516	$ 1,201,516	$ 1,201,516
6	Infrastructure Construction - Phase 6			$ 1,021,532			$ 510,766	$ 510,766
6	Indirect Construction/ Soft Costs - Phase 6			$ 1,627,128			$ 813,564	$ 813,564
7	Infrastructure Construction - Phase 7			$ 848,532				$ 848,532
7	Indirect Construction/ Soft Costs - Phase 7			$ 433,385				$ 433,385
	Total >>>			$ 98,222,958	$ 10,178,971	$ 10,178,971	$ 9,786,631	$ 11,068,547
				Annual Cash Flow After Costs >>>	$ 16,321,429	$ (2,845,771)	$ (9,786,631)	$ (11,068,547)
				Accumulated Cash Flow After Costs >>>	$ 26,457,417	$ 23,611,646	$ 13,825,015	$ 2,756,467
	Financing: DURF Loan							
	$15,000,000							
			Fees	0.01	$ -	$ -	$ -	$ -
			Transaction		$ -	$ -	$ -	$ -
			Interest @	0%	$ -	$ -	$ -	$ -
				Total Financing Costs >>>	$ -	$ -	$ -	$ -
				Total Cost After Financing	$ 10,178,971	$ 10,178,971	$ 9,786,631	$ 11,068,547
			Loan Balance					
				Beginning Loan Balar	$ (8,985,988)	$ (25,307,417)	$ (22,461,646)	$ (12,675,015)
				(+) Disbursements	$ 10,178,971	$ 10,178,971	$ 9,786,631	$ 11,068,547
				(+) Financing Costs	$ -	$ -	$ -	$ -
				(-) Loan Repayment	$ (26,500,400)	$ (7,333,200)	$ -	$ -
				Ending Loan Balance	$ (25,307,417)	$ (22,461,646)	$ (12,675,015)	$ (1,606,467)
				Cash Flow Effect of Financing >>>	$ -	$ -	$ -	$ -
				Cash Flow After Financing >>>	$ 26,457,417	$ 23,611,646	$ 13,825,015	$ 2,756,467



Summary

Kamakana Villages at Keahuolu Infrastructure Summary Page				
Sources of Funds		**Use of Funds**		DEV PM FEES
Phase 1 Land Sales		Infrastructure Construction - Phase 1		
MF-2	$ 1,500,000	MF-2	$ -	
MF-3	$ 2,720,000	MF-3	$ -	
MF-4	$ 2,040,000	MF-4	$ -	
Keopu Well 4 Connected to Existing 1.0 MG Tank	$ -	Keopu Well 4 Connected to Existing 1.0 MG Tank	$ 11,400,000	
Subtotal	$ 6,260,000	**Subtotal**	$ 11,400,000	
		Indirect Construction/ Soft Costs - Phase 1		
		Engineering & Consultant Fees	$ 439,918	
		Developer - Project Management Fee, 5% of costs	$ 570,000	$ 570,000
		Land Closing	$ 187,800	
		RPT	$ 150,000	
		G&A	$ 250,400	
		Subtotal	$ 1,598,118	
Phase 1 Total >>>	$ 6,260,000	Phase 1 Total >>>	$ 12,998,118	
Phase 2 Land Sales		Infrastructure Construction - Phase 2		
Phase 2 Roadway Infrastructure Cost	$ -	Phase 2 Roadway Infrastructure Cost	$ 6,652,490	
MF-5	$ 7,750,000	MF-5	$ -	
SF-1	$ 8,662,500	SF-1	$ -	
SF-2	$ 7,035,000	SF-2	$ -	
NEW 1.0-MG Reservoir on DHHL	$ -	NEW 1.0-MG Reservoir on DHHL	$ 4,355,680	
County Traffic Mitigation (CoH MOA Prior to 600th Unit)	$ -	County Traffic Mitigation (CoH MOA Prior to 600th Unit)	$ 472,000	
Subtotal	$ 23,447,500	**Subtotal**	$ 11,480,170	
		Indirect Construction/ Soft Costs - Phase 2		
		Engineering & Consultant Fees	$ 574,008	$ 574,008
		Developer - Project Management Fee, 5% of Costs	$ 574,008	
		Land Closing	$ 703,425	
		RPT	$ 150,000	
		G&A	$ 937,900	
		Subtotal	$ 2,939,342	
Phase 2 Total >>>	$ 23,447,500	Phase 2 Total >>>	$ 14,419,512	
Phase 3 Land Sales		Infrastructure Construction - Phase 3		
Phase 3 Roadway Infrastructure Cost	$ -	Phase 3 Roadway Infrastructure Cost	$ 9,596,173	
County Traffic Mitigation	$ -	County Traffic Mitigation	$ -	
Commercial	$ 7,122,500	Commercial	$ -	
SF-3	$ 8,140,000	SF-3	$ 77,000	
South Preserve & "No Development Area"	$ -	Electrical Substation	$ 3,000,000	
Electrical Substation	$ -	Second Well Development & New 1.0 MG Tank	$ 10,000,000	
Subtotal	$ 15,262,500	**Subtotal**	$ 22,673,173	
		Indirect Construction/ Soft Costs - Phase 3		
		Engineering & Consultant Fees	$ 1,133,659	
		Developer - Project Management Fee, 5% of costs	$ 1,133,659	$ 1,133,659
		Land Closing	$ 457,875	
		RPT	$ 150,000	
		G&A	$ 610,500	
		Subtotal	$ 3,485,692	
Phase 3 Total >>>	$ 15,262,500	Phase 3 Total >>>	$ 26,158,866	
Phase 4 Land Sales		Infrastructure Construction - Phase 4		
Phase 4 Roadway Infrastructure Cost	$ -	Phase 4 Roadway Infrastructure Cost	$ 5,185,575	
SF-4	$ 14,465,000	SF-4	$ -	
County Traffic Mitigation	$ -	County Traffic Mitigation	$ -	
Subtotal	$ 14,465,000	**Subtotal**	$ 5,185,575	
		Indirect Construction/ Soft Costs - Phase 4		
		Engineering, Consultant & Other Fees 6%	$ 259,279	
		Developer - Project Managment Fee, 5% of costs	$ 259,279	$ 259,279
		Land Closing 3%	$ 433,950	
		RPT	$ 150,000	
		G&A 4%	$ 578,600	
		Subtotal	$ 1,681,108	
Phase 4 Total >>>	$ 14,465,000	Phase 4 Total >>>	$ 6,866,683	
Phase 5 Land Sales		Infrastructure Construction - Phase 5		
Phase 5 Roadway Infrastructure Cost	$ -	Phase 5 Roadway Infrastructure Cost	$ 8,186,022	
MF-6	$ 9,787,500	MF-6	$ -	
SF-5	$ 15,237,500	SF-5	$ -	
Park	$ -	Park	$ 10,687,500	
Community Center	$ -	Community Center	$ -	
School	$ -	School	$ -	
NEW 1.0-MG Reservoir on DHHL	$ -	NEW 1.0-MG Reservoir on DHHL	$ -	
Off-Site B	$ -	Off-Site B	$ 9,994,617	
Civil Defense warning siren	$ -	Civil Defense warning siren	$ 175,000	
Subtotal	$ 25,025,000	**Subtotal**	$ 29,043,139	
		Indirect Construction/ Soft Costs - Phase 5		
		Engineering, Consultant & Other Fees 6%	$ 1,452,157	
		Developer - Project Managment Fee, 5% of costs	$ 1,452,157	$ 1,452,157
		Land Closing 3%	$ 750,750	
		RPT	$ 150,000	
		G&A 4%	$ 1,001,000	
		Subtotal	$ 4,806,064	
Phase 5 Total >>>	$ 25,025,000	Phase 5 Total >>>	$ 33,849,203	
Phase 6 Land Sales		Infrastructure Construction - Phase 6		
Phase 6 Roadway Infrastructure Cost - (COH MOA 11b Road B Extention Fronting DHHL Lands)	$ -	Phase 6 Roadway Infrastructure Cost - (COH MOA 11b Road B Extention Fronting DHHL Lands)	$ -	
MF-7	$ 12,082,500	MF-7	$ -	
SF-6	$ 7,560,000	SF-6	$ -	
County Traffic Mitigation (CoH MOA Prior to 1200th Unit)	$ -	South Preserve & "No Development Area"	$ 18,532	
Subtotal	$ 19,642,500	County Traffic Mitigation (CoH MOA Prior to 1200th Unit)	$ 1,003,000	
		Subtotal	$ 1,021,532	
		Indirect Construction/ Soft Costs - Phase 6		
		Engineering, Consultant & Other Fees 6%	$ 51,077	
		Developer - Project Managment Fee, 5% of costs	$ 51,077	$ 51,077
		Land Closing 3%	$ 589,275	
		RPT	$ 150,000	
		G&A 4%	$ 785,700	
		Subtotal	$ 1,627,128	
Phase 6 Total >>>	$ 19,642,500	Phase 6 Total >>>	$ 2,648,660	
Phase 7 Land Sales		Infrastructure Construction - Phase 7		
Phase 7 Roadway Infrastructure Cost - (CoH MOA 11c Keanalehu Drive Ext	$ -	Phase 7 Roadway Infrastructure Cost - (CoH MOA 11c Keanalehu Drive E	$ -	
County Traffic Mitigation	$ -	County Traffic Mitigation	$ -	
North Preserve & No Development Area	$ -	North Preserve & No Development Area	$ 348,532	
Subtotal	$ -	Village 9 MOU fee	$ 500,000	
		Subtotal	$ 848,532	
		Indirect Construction/ Soft Costs - Phase 7		
		Engineering, Consultant & Other Fees 6%	$ 390,958	
		Developer - Project Managment Fee, 5% of costs	$ 42,427	$ 42,427
		Land Closing 3%	$ -	
		RPT	$ -	
		G&A 4%	$ -	
		Subtotal	$ 433,385	
Phase 7 Total >>>	$ -	Phase 7 Total >>>	$ 1,281,917	
Total Proceeds	$ 104,102,500	Total Infrastructure Cost	$ 81,652,121	
		Total Consultant, Fees, Other Cost	$ 16,570,837	
Sources of Funds Total	**$ 104,102,500**	**Total Project Cost**	**$ 98,222,958**	
		Total Developable Acres	178.10	
		Total Cost/Developable Acre	$ 551,505	
		Total Developer Fees		$ 4,082,606

EXHIBIT F-2

Consultants, Fees, Other Cost

Phase 1	% of Infrastructure hard cost	Estimated Budget	Changes	Revised Budget	Note	DEV PM Fees
Engineering & Consultant Fees		$ 391,887	$ 48,031	$ 439,918	TNWRE revised redesign	
Developer - Project Management Fee, 5% of costs	5%	$ 570,000	$ -	$ 570,000		$ 570,000
Legal/Accounting	0%	$ -	$ -	$ -		
Construction Management	0%	$ -	$ -	$ -		
			Subtotal	**$ 1,009,918**		
	% of revenue	**Estimated Budget**	**Changes**	**Revised Budget**		
Land Closing	3%	$ 187,800	$ -	$ 187,800	legal, commissions, adm, sales incentive	
RPT		$ 150,000	$ -	$ 150,000	75000x2 Based on current RPT $75K/year	
G&A	4%	$ 250,400	$ -	$ 250,400	overhead, operational, maintenance	
			Subtotal	**$ 588,200**		
Phase 2	**% of Infrastructure cost**	**Estimated Budget**	**Changes**	**Revised Budget**	**Note**	
Engineering & Consultant Fees	6%	$ 688,810	$ (114,802)	$ 574,008		
Developer - Project Management Fee, 5% of Costs	5%	$ 574,008	$ -	$ 574,008		$ 574,008
Legal/Accounting	0%	$ -	$ -	$ -		
Construction Management	0%	$ -	$ -	$ -		
			Subtotal	**$ 1,148,017**		
	% of revenue	**Estimated Budget**	**Changes**	**Revised Budget**		
Land Closing	3%	$ 703,425	$ -	$ 703,425	legal, commissions, adm, sales incentive	
RPT		$ 150,000	$ -	$ 150,000	75000x2 Based on current RPT $75K/year	
G&A	4%	$ 937,900	$ -	$ 937,900	overhead, operational, maintenance	
			Subtotal	**$ 1,791,325**		
Phase 3	**% of Infrastructure cost**	**Estimated Budget**	**Changes**	**Revised Budget**	**Note**	
Engineering & Consultant Fees	6%	$ 1,360,390	$ (226,732)	$ 1,133,659		
Developer - Project Management Fee, 5% of costs	5%	$ 1,133,659	$ -	$ 1,133,659		$ 1,133,659
Legal/Accounting	0%	$ -	$ -	$ -		
Construction Management	0%	$ -	$ -	$ -		
			Subtotal	**$ 2,267,317**		
	% of revenue	**Estimated Budget**	**Changes**	**Revised Budget**		
Land Closing	3%	$ 457,875	$ -	$ 457,875	legal, commissions, adm, sales incentive	
RPT		$ 150,000	$ -	$ 150,000	75000x2 Based on current RPT $75K/year	
G&A	4%	$ 610,500	$ -	$ 610,500	overhead, operational, maintenance	
			Subtotal	**$ 1,218,375**		
Phase 4	**% of Infrastructure cost**	**Estimated Budget**	**Changes**	**Revised Budget**	**Note**	
Engineering & Consultant Fees	6%	$ 311,135	$ (51,856)	$ 259,279		
Developer - Project Management Fee, 5% of costs	5%	$ 259,279	$ -	$ 259,279		$ 259,279
Legal/Accounting	0%	$ -	$ -	$ -		
Construction Management	0%	$ -	$ -	$ -		
			Subtotal	**$ 518,558**		
	% of revenue	**Estimated Budget**	**Changes**	**Revised Budget**		
Land Closing	3%	$ 433,950	$ -	$ 433,950	legal, commissions, adm, sales incentive	
RPT		$ 150,000	$ -	$ 150,000	75000x2 Based on current RPT $75K/year	
G&A	4%	$ 578,600	$ -	$ 578,600	overhead, operational, maintenance	
			Subtotal	**$ 1,162,550**		
Phase 5	**% of Infrastructure cost**	**Estimated Budget**	**Changes**	**Revised Budget**	**Note**	
Engineering & Consultant Fees	6%	$ 1,742,588	$ (290,431)	$ 1,452,157		
Developer - Project Management Fee, 5% of costs	5%	$ 1,452,157	$ -	$ 1,452,157		$ 1,452,157
Legal/Accounting	0%	$ -	$ -	$ -		
Construction Management	0%	$ -	$ -	$ -		
			Subtotal	**$ 2,904,314**		
	% of revenue	**Estimated Budget**	**Changes**	**Revised Budget**		
Land Closing	3%	$ 750,750	$ -	$ 750,750	legal, commissions, adm, sales incentive	
RPT (2018-2019)		$ 150,000	$ -	$ 150,000	75000x2 Based on current RPT $75K/year	
G&A	4%	$ 1,001,000	$ -	$ 1,001,000	overhead, operational, maintenance	
			Subtotal	**$ 1,901,750**		
Phase 6	**% of Infrastructure cost**	**Estimated Budget**	**Changes**	**Revised Budget**	**Note**	
Engineering & Consultant Fees	6%	$ 61,292	$ (10,215)	$ 51,077		
Developer - Project Management Fee, 5% of costs	5%	$ 51,077	$ -	$ 51,077		$ 51,077
Legal/Accounting	0%	$ -	$ -	$ -		
Construction Management	0%	$ -	$ -	$ -		
			Subtotal	**$ 102,153**		
	% of revenue	**Estimated Budget**	**Changes**	**Revised Budget**		
Land Closing	3%	$ 589,275	$ -	$ 589,275	legal, commissions, adm, sales incentive	
RPT		$ 150,000	$ -	$ 150,000	75000x2 Based on current RPT $75K/year	
G&A	4%	$ 785,700	$ -	$ 785,700	overhead, operational, maintenance	
			Subtotal	**$ 1,524,975**		
Phase 7	**% of Infrastructure cost**	**Estimated Budget**	**Changes**	**Revised Budget**	**Note**	
Engineering & Consultant Fees	6%	$ 50,912	$ (8,485)	$ 42,427		
Developer - Project Management Fee, 5% of costs	5%	$ 42,427	$ -	$ 42,427		$ 42,427
Legal/Accounting	0%	$ -	$ -	$ -		
Construction Management	0%	$ -	$ -	$ -		
North Preserve & No Development Area		$ 348,532	$ -	$ 348,532		
Village 9 MOU fee		$ 500,000	$ -	$ 500,000		
			Subtotal	**$ 933,385**		
	% of revenue	**Estimated Budget**	**Changes**	**Revised Budget**		
Land Closing	3%	$ -	$ -	$ -		
RPT		$ 150,000	$ (150,000)	$ -	Lands all sold/ dedicated	
G&A	4%	$ -	$ -	$ -	overhead, operational, maintenance	
			Subtotal	**$ -**		
			Total >>>	**$ 17,070,837**		4,082,606

EXHIBIT F-3

EXHIBIT F-4

Revenue Summary

Phase	Module	Acreage	Unit count	Cumulative	Density/Acre	Land Price	Price/Acre	Price/Unit	Year Sold
1	MF-2	4.00	66	236	16.50	$ 1,500,000	$ 375,000	$ 22,727	Year 4
1	MF-3	6.40	90	326	14.06	$ 2,720,000	$ 425,000	$ 30,222	Year 5
1	MF-4	5.10	94	420	18.43	$ 2,040,000	$ 400,000	$ 21,702	Year 6
1	Keopu Well 4 Connected to Existing 1.0 MG Tank					$ -			Year 1
2	Phase 2 Roadway Infrastructure Cost					$ -			Year 5
2	SF-1	16.50	113	533	6.85	$ 8,662,500	$ 525,000	$ 76,659	Year 4
2	SF-2	13.40	85	618	6.34	$ 7,035,000	$ 525,000	$ 82,765	Year 6
2	MF-5	12.40	136	754	10.97	$ 7,750,000	$ 625,000	$ 56,985	Year 6
2	NEW 1.0-MG Reservoir on DHHL								
2	County Traffic Mitigation (CoH MOA Prior to 600th Unit)					$ -			Year 6
3	Phase 3 Roadway Infrastructure Cost					$ -			Year 7
3	County Traffic Mitigation					$ -			Year 7
3	Commercial	7.70				$ 7,122,500	$ 925,000		Year 8
3	SF-3	14.80	90	844	6.08	$ 8,140,000	$ 550,000	$ 90,444	Year 8
3	Second Well Development & New 1.0 MG Tank								Year 8
3	Electrical Substation					$ -			Year 8
4	Phase 4 Roadway Infrastructure Cost					$ -			Year 9
4	SF-4	26.30	115	959	4.37	$ 14,465,000	$ 550,000	$ 125,783	Year 9
4	County Traffic Mitigation					$ -			Year 10
5	Phase 5 Roadway Infrastructure Cost					$ -			Year 11
5	SF-5	26.50	153	1222	5.77	$ 15,237,500	$ 575,000	$ 99,592	Year 12
5	MF-6	14.50	110	1069	7.59	$ 9,787,500	$ 675,000	$ 88,977	Year 11
5	Park					$ -			Year 10
5	Community Center					$ -			Year 10
5	School					$ -			Year 10
5	NEW 1.0-MG Reservoir on DHHL					$ -			Year 10
5	Off-Site B					$ -			Year 10
5	Civil Defense warning siren					$ -			Year 10
6	Phase 6 Roadway Infrastructure Cost - (COH MOA 11b Road B Extention Fronting DHHL Lands)					$ -			Year 12
6	MF-7	17.90	264	1333	14.75	$ 12,082,500	$ 675,000	$ 45,767	Year 12
6	SF-6	12.60	81	1414	6.43	$ 7,560,000	$ 600,000	$ 93,333	Year 13
6	County Traffic Mitigation (CoH MOA Prior to 1200th Unit)					$ -			Year 14
6	South Preserve & "No Development Area"					$ -			Year 15
7	Phase 7 Roadway Infrastructure Cost - (CoH MOA 11c Keanalehu Drive Extention)					$ -			Year 15
7	County Traffic Mitigation					$ -			Year 15
7	North Preserve & No Development Area					$ -			Year 15
7	Village 9 MOU fee					$ -			Year 15
Phase		**Acreage**	**Density**		**Density/Acre (Ave)**	**Land Price**	**Land Closing**	3%	
1		**15.50**	**250**		**16.33**	**$ 6,260,000**	**$ (187,800)**		
2		**42.30**	**334**		**6.60**	**$ 23,447,500**	**$ (703,425)**		
3		**22.50**	**90**		**6.08**	**$ 15,262,500**	**$ (457,875)**		
4		**26.30**	**115**		**4.37**	**$ 14,465,000**	**$ (433,950)**		
5		**41.00**	**263**		**7.59**	**$ 25,025,000**	**$ (750,750)**		
6		**30.50**	**345**		**10.59**	**$ 19,642,500**	**$ (589,275)**		
7		**0.00**	**0**		**-**	**$ -**	**$ -**		
	Total Developable Acres - Remaining Phases	**178.10**	**1,397**	**1,414**	**7.84**	**$ 104,102,500**	**$ (3,123,075)**		
	MF-1, existing TMO Kupuna & Ohana units (170)	5.7	170	1,584	**Density/Developable Acre**				
	Total - Developable Acres - All Phases	**183.80**	**1,567**		**8.53**				

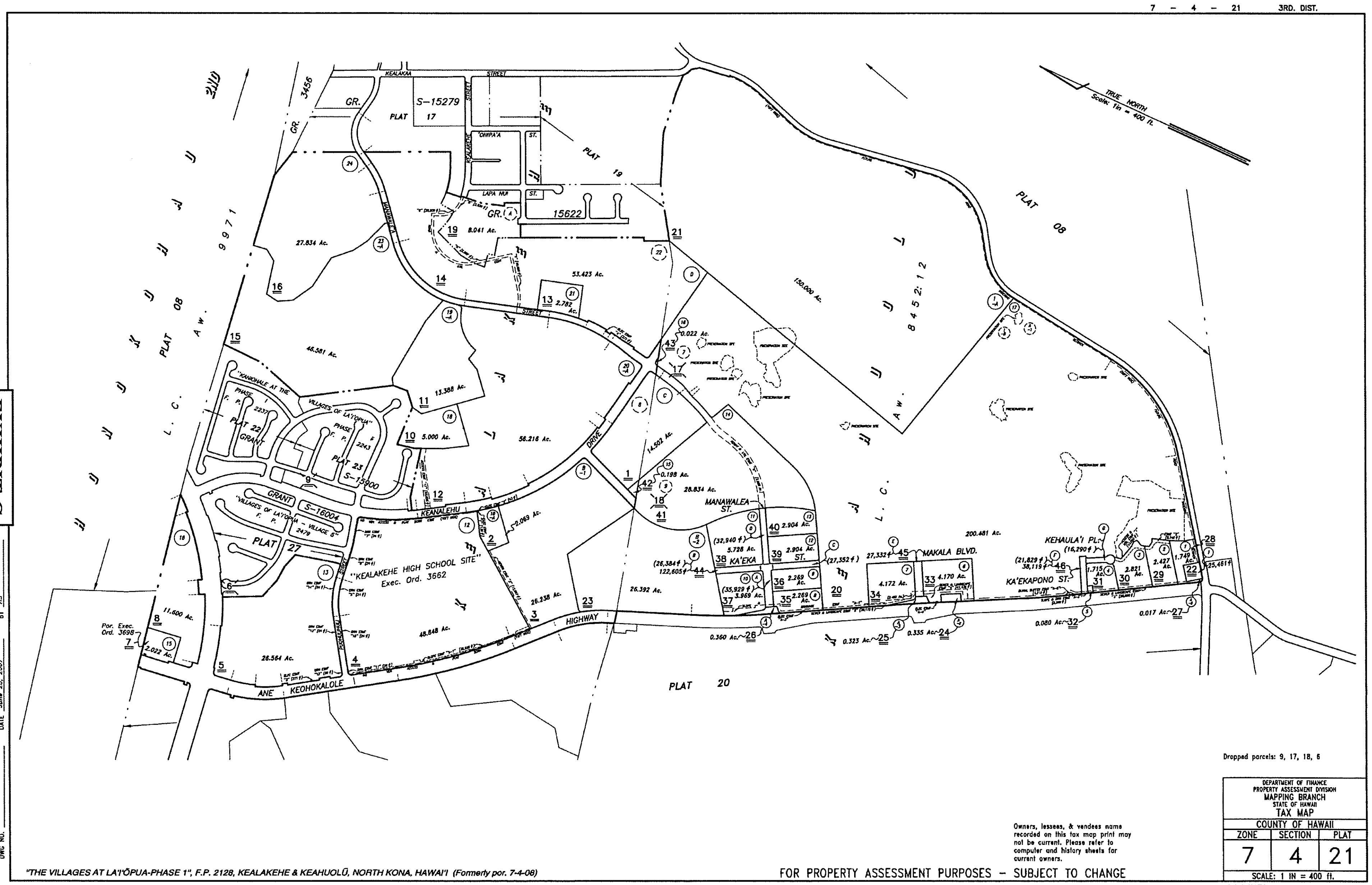
Revenues & Costs

EXHIBIT F-5

Phase	Module	Acreage	Land Price	Triggered Infrastructure Hard Costs	Year Triggered
1	MF-2	4.00	$ 1,500,000	$ -	Year 4
1	MF-3	6.40	$ 2,720,000	$ -	Year 5
1	MF-4	5.10	$ 2,040,000	$ -	Year 6
1	Keopu Well 4 Connected to Existing 1.0 MG Tank	0.00	$ -	$ 11,400,000	Year 1
2	Phase 2 Roadway Infrastructure Cost	0.00	$ -	$ 6,652,490	Year 5
2	MF-5	12.40	$ 7,750,000	$ -	Year 4
2	SF-1	16.50	$ 8,662,500	$ -	Year 6
2	SF-2	13.40	$ 7,035,000	$ -	Year 6
2	NEW 1.0-MG Reservoir on DHHL	0.00	$ -	$ 4,355,680	
2	County Traffic Mitigation (CoH MOA Prior to 600th Unit)	0.00	$ -	$ 472,000	Year 6
3	Phase 3 Roadway Infrastructure Cost	0.00	$ -	$ 9,596,173	Year 7
3	County Traffic Mitigation	0.00	$ -	$ -	Year 7
3	Commercial	7.70	$ 7,122,500	$ -	Year 8
3	SF-3	14.80	$ 8,140,000	$ 77,000	Year 8
3	Second Well Development & New 1.0 MG Tank	0.00	$ -	$ 10,000,000	Year 8
3	Electrical Substation	0.00	$ -	$ 3,000,000	Year 8
4	Phase 4 Roadway Infrastructure Cost	0.00	$ -	$ 5,185,575	Year 9
4	SF-4	26.30	$ 14,465,000	$ -	Year 9
4	County Traffic Mitigation	0.00	$ -	$ -	Year 10
5	Phase 5 Roadway Infrastructure Cost	0.00	$ -	$ 8,186,022	Year 11
5	MF-6	14.50	$ 9,787,500	$ -	Year 12
5	SF-5	26.50	$ 15,237,500	$ -	Year 11
5	Park	0.00	$ -	$ 10,687,500	Year 10
5	Community Center	0.00	$ -	$ -	Year 10
5	School	0.00	$ -	$ -	Year 10
5	NEW 1.0-MG Reservoir on DHHL	0.00	$ -	$ -	Year 10
5	Off-Site B	0.00	$ -	$ 9,994,617	Year 10
5	Civil Defense warning siren	0.00	$ -	$ 175,000	Year 10
6	Phase 6 Roadway Infrastructure Cost - (COH MOA 11b Road B Extention Fronting DHHL Lands)	0.00	$ -	$ -	Year 12
6	MF-7	17.90	$ 12,082,500	$ -	Year 12
6	SF-6	12.60	$ 7,560,000	$ -	Year 13
6	County Traffic Mitigation (CoH MOA Prior to 1200th Unit)	0.00	$ -	$ 1,003,000	Year 14
6	South Preserve & "No Development Area"	0.00	$ -	$ 18,532	Year 15
7	Phase 7 Roadway Infrastructure Cost - (CoH MOA 11c Keanalehu Drive Extention)	0.00	$ -	$ -	Year 15
7	County Traffic Mitigation	0.00	$ -	$ -	Year 15
7	North Preserve & No Development Area	0.00	$ -	$ 348,532	Year 15
7	Village 9 MOU fee	0.00	$ -	$ 500,000	Year 15
Phase		**Acreage**	**Land Price**	**Triggered Infrastructure Hard Costs**	
1		**15.50**	**$ 6,260,000**	**$ 11,400,000**	
2		**42.30**	**$ 23,447,500**	**$ 11,480,170**	
3		**22.50**	**$ 15,262,500**	**$ 22,673,173**	
4		**26.30**	**$ 14,465,000**	**$ 5,185,575**	
5		**41.00**	**$ 25,025,000**	**$ 29,043,139**	
6		**30.50**	**$ 19,642,500**	**$ 1,021,532**	
7		**0.00**	**$ -**	**$ 848,532**	
	Total - All Phases	**178.10**	**$ 104,102,500**	**$ 81,652,121**	

3/25/09
9/28/09
1/04/10
9/27/10
6/20/11
4/30/12

EXHIBIT G



PRINTED: ____________

LAND PRICE COMPARISON/ACRE - SCD PRO FORMA (8/24/22)
KAMAKANA VILLAGES AT KEAHUOLU

9/5/2022

EXHIBIT H

Phase	Module	Units	Acres	Price Per Acre	**Budget**	TMK (3) 7-4-021:	2022 RPT Assessed Values	RPT Acreage	**Total RPT Value**	2013 FC Appraised Fee Value	**Total Appraised Fee Value**	Notes
1	MF-2	66	4.00	375,000	**1,500,000**	037	349,900	3.980	**349,000**	2,118,000	**2,118,000**	Appraised for commercial use.
						039	318,900	3.249		1,397,000		Appraised for MF rental.
1	MF-3	90	6.40	425,000	**2,720,000**	040	315,600	3.169	**634,500**	1,363,000	**2,760,000**	Appraised for MF rental.
						035	290,000	2.570		1,127,000		Appraised for MF rental.
1	MF-4	94	5.10	400,000	**2,040,000**	036	290,500	2.576	**580,500**	1,130,000	**2,257,000**	Appraised for MF rental.
2	SF-1	113	16.50	525,000	**8,662,500**							
2	SF-2	85	13.40	525,000	**7,035,000**	041	872,300	18.686	**872,300**			
2	MF-5	136	12.40	625,000	**7,750,000**							
3	Commercial	0	7.70	925,000	**7,122,500**							
3	SF-3	90	14.80	550,000	**8,140,000**							
4	SF-4	115	26.30	550,000	**14,465,000**							
5	SF-5	153	26.50	575,000	**15,237,500**							
5	MF-6	110	14.50	675,000	**9,787,500**							
6	MF-7	264	17.90	675,000	**12,082,500**							
6	SF-6	81	12.60	600,000	**7,560,000**							
7	No Revenue Projects in Phase 7	0										
		1,397	178.10		**104,102,500**							
						020	3,647,700					
						024	100					Ane K.lookout lot
						028	255,400					
						029	284,100					
						030	300,800					
						031	254,000					
						032	90,000					utility lot
						033	357,900					
						034	358,000					
						042	107,300					remnant lot
						043	81,800					remnant lot
						044	100					road
						045	100					road
						046	100					road
						047	597,900					
						048	100					road
							8,772,600					

y:\dev sec:\proj\act\kama\DA SCD\For Actn\exh h - rev per acre scd pro forma.9-5-22

EXHIBIT I - DURF LOAN RISK ASSESSMENT MATRIX
KAMAKANA VILLAGES – DURF LOAN TO SCD KAMAKANA, LLC

	LOW RISK	MODERATE RISK	HIGH RISK	PROPOSED LOAN
PROJECT FACTORS				
Entitlement Status	Fully Entitled. No discretionary approvals needed. Subdivision complete.	Entitlements or discretionary permits are in process--public review process complete (hearings, EA/EIS comment period). Or subdivision approval required.	Entitlements or discretionary permits are in process. Public review process not complete.	LOW – The Project is entitled; permit from Commission on Water Resources Management (CWRM) is needed for development of Well Site #4; the SCD DURF Loan Part I is primarily to reimburse SCD Kamakana, LLC (SCD) for costs-to-date, real property taxes, ongoing maintenance expenses, and costs to seek CWRM approval of Well Site #4. Also, HHFDC reserves the right to cancel the SCD DURF Loan Part I if the CWRM permit is not obtained within 6 years of the date of the Development Agreement. HHFDC plans to seek HHFDC Board approval of the balance of the SCD DURF Loan if CWRM approval of Well Site #4 is obtained.
Developer Qualifications	Developer has completed at least 2 similar project in the past 10 years in Hawai'i.	Developer has completed at least 1 similar project in the past 7 years in Hawai'i.	Developer has not completed a similar project in the past 7 years in Hawai'i.	LOW – As discussed in the 11/9/17 For Action approving Developer as an Eligible Developer, the Developer has completed 30 projects in Hawai'i, 5 of them with HHFDC, and at least 2 projects in the past 10 years in Hawai'i. Master planned projects are rare; the Developer has completed at least 1 master planned project in the past 10 years in Hawai'i.
Project Cost	Per unit project cost is equal to representative projects.	Per unit project cost is up to 10% below representative projects.	Per unit project cost is more than 10% below representative projects.	LOW – The total cost of development is approximately $541,000/usable acre. Developer is continuing with the development of the Project from Forest City; entitlements are done, and major roads are done for the initial phase of the Project; the Project has an advantage because it has identified a well site and preliminary engineering and the EA for the first of two wells at Well Site #4 are completed. The SCD DURF Loan Part I defers major Project costs until after CWRM approval of Well Site #4 is obtained.
Project Feasibility				
DSCR (rental projects)	1.25 or higher	1.15 to 1.24	Less than 1.15	N/A.

EXHIBIT I - DURF LOAN RISK ASSESSMENT MATRIX
KAMAKANA VILLAGES – DURF LOAN TO SCD KAMAKANA, LLC

	LOW RISK	MODERATE RISK	HIGH RISK	PROPOSED LOAN
Gross Margin (for sale projects)	15% or higher	10% to 15%	Less than 10%	HIGH - The estimated surplus of revenue over costs is $1.6 million on a total Project budget of approximately $99 million. This is a gross margin of 0.0%.
Construction Contingency	10% or higher	5% to 9%	Less than 5%	LOW – The SCD DURF Loan Part I is primarily to reimburse SCD for costs-to-date, real property taxes, ongoing maintenance expenses, and costs to seek CWRM approval of Well Site #4; the Contingency budget of $1 million in the draft SCD DURF Loan Part I budget is 33% of the SCD DURF Loan Part I budget of $3 million.
Infrastructure (water, sewer, drainage, electric)	Preliminary engineering complete and infrastructure capacity availability is confirmed.	Preliminary engineering complete, infrastructure upgrades are necessary and costs and timing have been accounted for.	Preliminary engineering not completed or costs and timing of necessary upgrades not fully accounted for.	MODERATE – The Project requires the development of Well Site #4; development of Well Site #4 requires a permit from CWRM; Well Site #4 also requires an amendment to the EA to develop the second of 2 wells at the site pursuant to new DWS rules; the SCD DURF Loan Part I is primarily to reimburse SCD for costs-to-date, real property taxes, ongoing maintenance expenses, and costs to seek CWRM approval of Well Site #4; also, HHFDC reserves the right to cancel the SCD DURF Loan Part I if the CWRM permit is not obtained within 6 years of the date of the Development Agreement. Major costs are being deferred until after CWRM approval of Well Site #4 is obtained.
Environmental	Phase I/II ESA complete. All remediation complete.	Phase I/II ESA complete. Site remediation in process.	Phase I ESA not complete, or remediation not started.	LOW – a Phase I/II ESA for hazardous materials was not done for the Project, however, the property is undeveloped virgin land and the risk of hazardous waste contamination is low; the developer will complete this report as needed.
LOAN FACTORS				

EXHIBIT I - DURF LOAN RISK ASSESSMENT MATRIX
KAMAKANA VILLAGES – DURF LOAN TO SCD KAMAKANA, LLC

	LOW RISK	MODERATE RISK	HIGH RISK	PROPOSED LOAN
Loan Type	Bridge loan with construction take out financing locked in place; construction loans for viable rehabilitation projects.	Construction loan with moderate market risk; land loans for entitled land under 75% of appraised value.	Land loans for unentitled land above 75% of appraised value; construction loans with high market risk.	MODERATE – The SCD DURF Loan Part I is primarily to reimburse SCD for costs-to-date, real property taxes, ongoing maintenance expenses, and costs to seek CWRM approval of Well Site #4; also, HHFDC reserves the right to cancel the DURF loan if the CWRM permit is not obtained within 6 years of the date of the Development Agreement. The property is entitled. An appraisal of the property has not been done, however the proposed loan of $3 million is 3.0% of the total Project budget of $99 million. This is well below 75% of the total Project budget because the Project is developed in phases.
Security of Loan	1st Mortgage Position	2nd Mortgage	Junior to 2nd	LOW – The DURF loan is proposed to be a first mortgage on the fee simple interest of the Project; for onsite projects developed by SCD, the sales price of the large lot parcel will be deferred until the sale of individual units to homeowners; in this case, the DURF loan may be subordinated to the senior lender as necessary; otherwise, no prior mortgage for the Project is envisioned.
Loan Amounts	Amount is less than 5% of DURF balance; Loan to total project cost ratio is less than 10%; and loan default will not jeopardize reserve.	Amount is 6% to 10% of DURF balance; or Loan to total project cost ratio is greater than 10% but less than 20%; or loan default may jeopardize reserve.	Amount is more than 10% of DURF balance. Loan to total project cost ratio is greater than 20%; or loan default will jeopardize reserve.	MODERATE - As of 12/31/22, the estimated available DURF funds is $20.9 million, excluding $20 million from Act 88, SLH 2021 for FY 2022. The proposed DURF loan of $3 million is 7.3% of all available DURF funds.
Loan Increments	Project phasing limits loan exposure; success of first phase triggers future loan disbursements.	Possible to adjust phasing or construction type should market forces change.	No phasing. Entire loan is at risk, e.g. high-rise construction.	LOW – The Project has 7 phases and 13 parcels for sale or lease for development of onsite projects. Revenue from the sale or lease of development lots or pads at appraised value is proposed to be revolved in an external escrow account for the phased development of the Project. Progression to subsequent phases will be limited by the

EXHIBIT I - DURF LOAN RISK ASSESSMENT MATRIX
KAMAKANA VILLAGES – DURF LOAN TO SCD KAMAKANA, LLC

	LOW RISK	MODERATE RISK	HIGH RISK	PROPOSED LOAN
				funds available in the escrow account. The SCD DURF Loan Part I is primarily to reimburse SCD for costs-to-date, real property taxes, ongoing maintenance expenses, and costs to seek CWRM approval of Well Site #4; also, HHFDC reserves the right to cancel the DURF loan if the CWRM permit is not obtained within 6 years of the date of the Development Agreement. Major Project costs are being deferred until after CWRM approval of Well Site #4 is obtained.
Loan Term	Two years or less	Two to four years	More than four years.	HIGH – The termination date of the loan is 12/31/2035. HHFDC may terminate the DURF loan if SCD does not obtain necessary permits from CWRM for development of Well Site #4 within 6 years from the date of the Development Agreement, or if other milestones are not achieved.
MARKET FACTORS				
Project Location	Urban location near transit lines and ancillary services.	Urban location not near transit or services.	Suburban location with uncertain demand.	LOW – The Project is located on Palani Road mauka of Kailua-Kona near transit lines and ancillary services.
Demand	High demand for proposed unit types. Demand demonstrably outstrips supply.	Existing units available comparable to proposed units, but market support for additional units.	Ample inventory serving the proposed income levels or market classes.	MODERATE – The developer proposes to build 617 affordable for-sale units, which, together with the Michaels' Affordable Family and Senior Rental Projects, amount to 787 total affordable units out of a total of 1,569 units at Kamakana Villages—more than 50% affordable units. Repayment of the SCD DURF Loan will be by proceeds from the sale or lease of finished development lots or pads for onsite projects at appraised value from the escrow account.
Market Risk/Pricing	Project price points are at least 20% below	Project price points are at least 10% below	Project price points are comparable to area market pricing.	MODERATE – Bulk sale of finished lots or building pads for onsite projects will be sold or leased at appraised value. Prices for affordable units will be targeted at 140% or

EXHIBIT I - DURF LOAN RISK ASSESSMENT MATRIX
KAMAKANA VILLAGES – DURF LOAN TO SCD KAMAKANA, LLC

	LOW RISK	MODERATE RISK	HIGH RISK	PROPOSED LOAN
	comparable market rates in the area.	comparable market rates in the area.		below the U.S. Department of Housing and Urban Development area median income, and market units will be sold at market prices.

y:\dev sec\proj\act\kama\DA SCD\for actn\exh I – durf $3Mln assess

SCD DURF LOAN PART I BUDGET
KAMAKANA VILLAGES AT KEAHUOLU

1/26/2023
11:55 AM

SCOPE OF WORK	Land Development Escrow Account	DURF Part II	DURF Part I	Total Project Budget	check		
ACQUISITION:							
Land	$0.00	$0.00	$0.00	0.00			
Building/Improvements	$0.00	$0.00	$0.00	0.00			
Subtotal: Acquisition	**$0.00**	**$0.00**	**$0.00**	**$0.00**			
CONSTRUCTION/REHABILITATION WORK:							
Site Work - Off Site	$7,377,361.00	$11,400,000.00	$0.00	18,777,361.00			
Site Work - On Site	$62,374,760.00	$0.00	$0.00	62,374,760.00			
Rehabilitation	$0.00	$0.00	$0.00	0.00			
New Construction - Residential	$0.00	$0.00	$0.00	0.00			
New Construction - Commercial	$0.00	$0.00	$0.00	0.00			
New Construction - Community Svc Facility	$0.00	$0.00	$0.00	0.00			
Parking - Structured	$0.00	$0.00	$0.00	0.00			
Contractor Profit	$0.00	$0.00	$0.00	0.00			
Contractor Overhead	$0.00	$0.00	$0.00	0.00			
Contractor General Requirements	$0.00	$0.00	$0.00	0.00			
Subtotal: Construction/Rehabilitation	**$69,752,121.00**	**$11,400,000.00**	**$0.00**	**$81,152,121.00**			
INTERIM AND SOFT COSTS:							
Accounting/Cost Certification	$0.00	$0.00	$0.00	0.00			
Advertising/Marketing	$0.00	$0.00	$0.00	0.00			
Appraisal	$0.00	$0.00	$0.00	0.00			
Architect Fee - Design	$0.00	$0.00	$0.00	0.00			
Architect Fee - Supervision	$0.00	$0.00	$0.00	0.00			
Building Permits	$0.00	$0.00	$0.00	0.00			
Consulting	$0.00	$0.00	$0.00	0.00			
Engineering	$3,949,122.00	$351,934.00	$0.00	4,301,056.00			
Environmental Report	$0.00	$0.00	$0.00	0.00			
Insurance	$0.00	$0.00	$0.00	0.00			
Legal Fee	$0.00	$0.00	$0.00	0.00			
Market Study	$0.00	$0.00	$0.00	0.00			
Organizational Expenses	$0.00	$0.00	$0.00	0.00			
Payment & Perform. Bond - Owner Paid	$0.00	$0.00	$0.00	0.00			
Taxes - Other	$0.00	$0.00	$0.00	0.00			
Taxes - Real Property	$675,000.00	$0.00	$225,000.00	900,000.00			
Other: Land Closing	$2,972,835.00	$150,240.00	$0.00	3,123,075.00			
Other: General Conditions & Administration	$3,444,750.00	$0.00	$719,350.00	4,164,100.00			
Subtotal: Interim & Soft	**$11,041,707.00**	**$502,174.00**	**$944,350.00**	**$12,488,231.00**			
FINANCING AND SYNDICATION COSTS:							
Bond Financings Costs	$0.00	$0.00	$0.00	0.00			
Construction Loan - Fees	$0.00	$0.00	$0.00	0.00			
Construction Loan - Interest	$0.00	$0.00	$0.00	0.00			
Credit Report	$0.00	$0.00	$0.00	0.00			
HHFDC LIHTC Fee	$0.00	$0.00	$0.00	0.00			
Legal Fee - Financing	$0.00	$0.00	$0.00	0.00			
Lender/Investor Inspection Fee	$0.00	$0.00	$0.00	0.00			
Permanent Loan - Enhancement Fee	$0.00	$0.00	$0.00	0.00			
Permanent Loan - Fee	$0.00	$0.00	$0.00	0.00			
Tax Opinion	$0.00	$0.00	$0.00	0.00			
Title, Escrow & Recording	$0.00	$0.00	$0.00	0.00			
Other: DURF Loan Fee	$0.00	$120,000.00	$30,000.00	150,000.00			
Other:	$0.00	$0.00	$0.00	0.00			
Subtotal: Financing & Syndication	**$0.00**	**$120,000.00**	**$30,000.00**	**$150,000.00**			
DEVELOPER FEE:							
Developer - Reimbursement + 10% IRR	$0.00	$0.00	$1,000,000.00	1,000,000.00			
Developer - Fee	$4,082,606.00	$0.00	$0.00	4,082,606.00			
Developer - Overhead	$0.00	$0.00	$0.00	0.00			
Developer - Consulting Fee	$0.00	$0.00	$0.00	0.00			
Developer - Management Fee	$0.00	$0.00	$0.00	0.00			
Subtotal: Developer Fee	**$4,082,606.00**	**$0.00**	**$1,000,000.00**	**$5,082,606.00**			
PROJECT RESERVES:							
Replacement/Capital Reserve	$0.00	$0.00	$0.00	0.00			
Operating Reserve	$0.00	$0.00	$0.00	0.00			
Other: North Preserve & No Development	$0.00	$0.00	$0.00	0.00			
Other: Village 9 MOU fee	$500,000.00	$0.00	$0.00	500,000.00			
Subtotal: Project Reserves	**$500,000.00**	**$0.00**	**$0.00**	**$500,000.00**	99,372,958.00	1,150,000.00	98,222,958.00
CONTINGENCY:							
Contingency	$624,030.00	(22,174.00)	$1,025,650.00	1,627,506.00			
Subtotal: Contingency	**$624,030.00**	**(22,174.00)**	**$1,025,650.00**	**$1,627,506.00**			
TOTAL PROJECT COST	**$86,000,464.00**	**$12,000,000.00**	**$3,000,000.00**	**$101,000,464.00**			
TOTAL DURF LOAN			**$15,000,000.00**				

EXHIBIT J