



Waiāhole-Waikāne Community Association

February 7, 2024

Board of Directors
HHFDC

Hand-Delivered

RECEIVED
HAWAII HOUSING FINANCE
DEVELOPMENT CORP
2024 FEB - 8 8:59

Re: February 8, 2024 Status Report Item F.1 Waiahole a Valley Arbitrations

Ladies & Gentlemen,

Upon reviewing the proposed status reports for your February 8, 2024 meeting in item F.1 of your agenda, I realized that you will not fully understand the facts and significance of that report without the following additional facts to provide you with the whole story on consolidation of the 11 arbitrations.

The report update states that..." HHFDC's counsel is opening cases with the American Arbitration Association **after the lessees did not accept our offer** (subject to certain conditions) **to consolidate the 11 arbitrations into a single matter.**" (Emphasis added).

The "conditions" that are not mentioned above in HHFDC's offer required the farmers to give up their right to use an experienced arbitrator who is not an MAI appraiser even though the leases do not require the use of an MAI appraiser as the arbitrator (unlike many commercial leases which do require an appraiser as the arbitrator). In other words, HHFDC wanted to stack the deck by picking an arbitrator who is an appraiser in the expectation that an appraiser will be more sympathetic to its arbitration position. And HHFDC offered consolidation only as a trade-off to get the farmers to agree to an appraiser as the arbitrator.

The update above fails to mention that the farmers' negotiator then informed HHFDC's counsel on January 16 by email that none of the farmers stated they were agreeable to the trade-off but he would recommend consolidating the arbitrations into a single arbitration rather than multiple arbitrations, which would be less costly and time-consuming for all parties. HHFDC's counsel chose to disregard that recommendation to consolidate and instead is apparently filing multiple individual arbitrations with AAA despite the fact that the farmers are willing to consolidate them into a single arbitration.

I strongly suggest that HHFDC pursue an economic and reasonable course of action and agree to consolidate these 11 arbitrations into a single one in order to minimize the costs and time that will be required to conduct 11 arbitrations instead of one. All of those farmers who are members of WWCA are agreeable to consolidating.

Mahalo nui,

Lucy Salas

Lucy Salas
President of WWCA