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Debt Consolidation	\$	45,000
Excavation	\$	32,000
Concrete & Bed Materials	\$	60,000
Green Houses Build & Supplies	\$	45,000
Working Capital	\$	50,000
Total	\$	232,000

The excavation work is being paid for by Blackhat and is approximately 50% complete. There is one concrete bed fully built, and the estimate cost was \$18,000 per an 8x100 foot bed. With the increase in costs for materials the estimate has been increased for the next three beds. Working capital includes direct start up cost along with labor costs during the project.

TERMS:

Amount: \$200,000
 Term: Thirty (30) Years
 Interest rate: 4% simple interest, per annum
 Repayment: Monthly principal and interest payments of \$955.

SECURITY:

The Class A loan will be secured as follows:

1) First position leasehold mortgage on TMK (3) 8-3-007:009 off Rock Bottom Road with an intended lease maturity of June 1, 2061. The farm is 6.5-acres planted with orchard, partially fenced, with the aquaponic expansion site at the top. The property has a slope of 2 – 10% with a well-draining Punaluu soil. The acreage receives a mean annual precipitation of 20 to 50 inches and is about 800 feet in elevation. Mr. Blackhat has partially excavated the top part for the aquaponic expansion and planted 80 fruit trees in the orchard: Tahitian limes, breadfruit, mango, soursop, lychees, and rambutans.

2) The loan will be further secured by a junior financing statement. Feed the Hunger Fund & Kubota holds the senior positions. The total existing equipment appraised value is \$189,500.

Loan to Value Ratio $\frac{\$182,411 \text{ (Existing Equip.)} + \$200,000 \text{ (Prop. Loan)}}{\$414,400 \text{ (Tax Assessed)} + \$189,500 \text{ (Equip. Appraisal)}} = 63.32\%$

The LTV ratio of 63.32% meets the program’s statutory requirements for Class A Loans and the loan will be fully secured with real estate and security agreement. An appraisal was ordered for a more accurate value on the leasehold, and the proposed loan will be conditional on the appraised value to remain within the statutory requirements.

GUARANTORS:

None

**FINANCIAL
CONDITION:**

SEE EXHIBIT A (CONFIDENTIAL)

**REPAYMENT
ABILITY:**

SEE EXHIBIT A (CONFIDENTIAL)

INSURANCE:

Liability Insurance with the State listed as mortgagee.

**BACKGROUND/
MANAGEMENT
ABILITY:**

Jeremiah Blackhat began operating his aquaponic farm in 2016. The family farm is in the Honaunau area of the Kona coast. The farm consists of three Kamehameha Schools/Bishop Estate (KSBE) leases. The aquaponics operations is located on the 3-acre lease with a term that expires on March 31, 2039. The other two leaseholds total 17 acres planted with mango trees, ulu, limes, avocado and bananas. Mr. Blackhat has received a letter of intent from KSBE to extend the lease on the expansion parcel. The aquaponic operation consists of 8 hoop houses 60-75 feet in length with aquaculture tanks and production rafts underneath which produce leafy greens. It includes sixteen 750 gallons tanks for Tilapia production that currently contain roughly 4,000 fish, 8-foot x 10-foot refrigerated storage room, covered washing and packaging facilities. There are an additional 10 tanks on site containing koi fish. The tilapia and koi tanks provide effluent water for the aquaponic operation. Water is county, recirculation, and a back-up catchment tank.

Mr. Blackhat has become an experienced farmer throughout the years facing many challenges including pump failures and crop diseases/failures. His persistence has led to developing a successful operation. The business was hit hard by the covid quarantine shutdowns that resulted in the closure of some of his markets. The slowdown in business led to cash constriction and he fell behind on lease rents. Since receiving a loan from FTHF in May he has paid down a portion of the high interest debt. He has also begun building out the aquaponic expansion, completing one 8x100 concrete bed and adding 80 more fruit trees to the orchard.

In 2023, Mr. Blackhat focused on gaining markets and improving his sales so that the system was in full production by the end of 2024 and his revenue returned to profitability. The planned expansion will increase the bed space by 43%, which will be used to meet the demand from the current markets that are requesting as much as twice the romaine and spring mix.

The entire family helps on the farm with his children contributing as well as his wife. His son recently returned from college and the daughter is also stabilized in the area providing sufficient labor. There is always a family member on site to handle any urgent issues.

SUMMARY:

Mr. Blackhat has become a successful producer of aquaponic vegetables, fruits, and fish. Demand for his produce outpaces his current supply. The expansion will build on his experience and further improve his revenue potential. Consolidating high-interest debt will improve the cash flow of the operation in the immediate. Further, he has worked with KSBE to receive a new 35-year lease on the parcel by meeting their goals over the last six months.

Providing the request will further increase Hawaii's production of fresh produce that is marketed locally to consumer markets and restaurants. It will enable the applicant to meet demand for his product and his business goals.

TURNDOWNS:

Feed the Hunger Fund due to insufficient collateral.

RECOMMENDATIONS:

This loan is recommended for approval based on the applicants' well documented history with FTHF, aquaponic and orchard business experience, demonstrated growth, marketability, and projected cash flow. Loan is conditional to consent of mortgage from Kamehameha Schools Bishop Estate and sufficient appraisal to meet statutory requirements.

Date

12/12/25

Recommended by:



Jillian C. Scheibe
Agricultural Loan Officer V

Date

12/12/25

Reviewed and concurred by:



Andrew Robinson
Acting Agricultural Loan administrator

Date

12/12/25

Approved for submission:



Sharon Hurd
Chairperson, Board of Agriculture & Biosecurity

Loan funds will be used to expand the ranching operation by purchasing drones for spraying weeds and pests in pasture leading to improved forage.

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Total Project	
Equipment & Materials	\$148,290
Working Capital	\$ 51,710
Cattle	\$ 54,000
Total	\$254,000

The 15% project equity contribution requirement is satisfied with cattle equity.

TERMS:

The State will be charging a one-time 2% fee for the loan guaranty which will total \$3,200 for the proposed loan.

The loan terms provided by the lender:

Amount: \$200,000
Term: Seven (7) Years
Interest Rate: 5.5% fixed interest rate
Repayment: Principal & interest payments of \$2,874 until maturity.

SECURITY:

The loans will be secured by first position blanket financing statement on all the current livestock estimated at \$40,000 for cattle and \$100,000 working horses for a total of \$140,000. The new equipment further secures the note with an estimated value of \$119,190 for two T60x Drone and Generator kits, custom drone trailer, inventory, and parts.

GUARANTORS:

None

**FINANCIAL
CONDITION:**

SEE EXHIBIT A (CONFIDENTIAL)

**REPAYMENT
ABILITY:
BACKGROUND/
MANAGEMENT
ABILITY:**

SEE EXHIBIT A (CONFIDENTIAL)

“Kawohi” Schutte is a third-generation rancher on Hawai‘i Island. Under his father’s guidance, Zanga, he currently helps manage operations at Z Bar Ranch a 600-head operation. He has developed extensive expertise in low-

stress cattle handling, herd health optimization, and sustainable ranch management practices. Beyond ranching, he has earned a bachelor's degree in economics from San Diego State University.

At Z Bar Ranch, he is involved in the ranch's daily operations, coordinates supply logistics, and upholds animal welfare standards. His regular participation in the Hawaii Cattlemen's Council underscores his commitment to industry best practices and peer collaboration. Kawohi's leadership at Z Bar Ranch reflects a balanced approach to modern ranching: grounded in heritage and responsive to evolving land stewardship challenges.

He has firsthand experience of the terrain and weed pressure having worked the in the same area that his herd now grazes. He has spent many hours on the tractor spraying fireweed and is motivated to address a critical operational gap in pasture management. He has received the following licenses: Remote Pilot License, Medical Certification and Category 4 Aerial Pest Control Certificate from the State. The drones will target invasive species like fireweed, which are a persistent issue for ranchers across Hawaii Island. Unlike helicopter or ATV spraying, the drone is safer, more cost-effective, and deployable at smaller scales.

KS Ranch LLC is his independent venture to build a cow/calf herd which will be financially bolstered from custom-hire spraying with his drones. He obtained a 300-acre lease in November and has 14 Angus cows and 10 wean-offs in his starting herd. He plans to expand his herd size mindful of pasture's capacity.

SUMMARY:

Kawohi has demonstrated dedication to ranching and diligent land stewardship over the past years. The drones are one of many ways he will continue to build on his family's ranching legacy. The proposed loan guaranty is a for a community development financial institution that generally provides funding for smaller operations. The State's guaranty is required as the proposed loan is above their normal loan limits. The loan will enable Kawohi to launch in early 2026, offering services to clients already managing land with invasive weed overgrowth.

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The benefit of providing the guaranty to the State is that no state funds will need to be expended. Kawohi will be able to improve his pasture management and offer the service to others in the area.

RECOMMENDATIONS: Approval of this loan guaranty is recommended based on Schutte's ranching ability, continued education, availability of mentorship, good credit history, adequacy of the collateral, and projected profitability.

Date

12/12/25


Recommended by:


Jillian C. Schelbe
Agricultural Loan Officer V

Date

12/12/25

Reviewed and concurred by:


Andrew Robinson
Acting Agricultural Loan administrator

Date

12/12/25

Approved for submission:


Sharon Hurd
Chairperson, Board of Agriculture & Biosecurity

STATE OF HAWAII
DEPARTMENT OF AGRICULTURE AND BIOSECURITY
ANIMAL INDUSTRY DIVISION
99-941 HALAWA VALLEY STREET
AIEA, HAWAII 96701

December 23, 2025

Board of Agriculture and Biosecurity
Honolulu, Hawaii

SUBJECT: Request for Approval of Use Occupancy Agreement (“UOA”) in favor of the United States Navy to Install and Use a Gate on the Animal Quarantine Station Property.

AUTHORITY: Sections 141-1 (3), Hawaii Revised Statutes.

TAX MAP KEY: (1) 9-9-010:054 (the “Property”).

LAND STATUS: Encumbered by Governor’s Executive Order No. 4396 for animal quarantine, animal welfare, and general commercial purposes.

TERM: The UOA shall remain in effect for five (5) years unless sooner terminated in accordance with Paragraph 16 of the UOA. The UOA shall automatically renew for successive terms of five (5) years unless either Party provides thirty (30) days’ written notice to the other of its intent not to renew.

BASE RENTAL: None.

CHARACTER OF USE: Non-exclusive right use and occupy the property at the Animal Quarantine Station (AQS) for the sole purpose of constructing, operating, using, monitoring, and maintaining an access gate on a portion of the Property, as described in Exhibit A and delineated on Exhibit B, both exhibits of which are attached.

I. Background

The United States Navy (“USN”) has desires to occupy a portion of the AQS property, as described under an UOA (refer to Exhibit 1), for the construction, operation, use, maintenance, and repair of one (1) gate in the perimeter fence for their vehicles and equipment to access property adjacent to the AQS for the construction of a water treatment plant. The USN water treatment plant will not be on AQS property.

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II. Property and Site Location

The proposed site of the gate, as shown in the attached Exhibit 1, is in an area at the far Southwest corner of the AQS along the entry driveway to AQS. The location of the gate will not interfere with operations at AQS. The USN will have security monitor the gate at all times when in use during normal hours of operation of the AQS.

III. Recommendation

The Animal Industry Division recommends that the Board approve the request for the Division to execute a Use Occupancy Agreement in favor of the USN so that they may install, use, maintain, and monitor a gate at the AQS located at 99-951 Halawa Valley Street, Aiea, Hawaii 96701.



Isaac Maeda, DVM
Administrator, Animal Industry Division

APPROVED FOR SUBMISSION:



Sharon Hurd
Chairperson, Board of Agriculture and Biosecurity

Attachments

EXHIBIT I

UOA Goes HERE

**USE AND OCCUPANCY AGREEMENT NO. AQ120125
N62478-25-RP-00019**

THIS USE AND OCCUPANCY AGREEMENT NO. **AQ120125** (hereinafter referred to as “this Agreement”) is made on _____, 2025, but effective as of January 1, 2026, by and between the STATE OF HAWAII, DEPARTMENT OF AGRICULTURE AND BIOSECURITY (HDAB), ANIMAL INDUSTRY DIVISION, by its Chairperson, Board of Agriculture and Biosecurity (hereinafter referred to as the “GRANTOR”), and the UNITED STATES OF AMERICA DEPARTMENT OF THE NAVY, whose address is 400 Marshall Road, JBPHH, Hawaii 96860-3139 (hereinafter referred to as the “Grantee”).

RECITALS:

WHEREAS, the GRANTOR is the owner or otherwise has jurisdiction over 99-951 Halawa Valley Street and 99-941 Halawa Valley Street, at Halawa and Aiea, Oahu, Hawaii (hereinafter referred to as the HDAB Property) situated on certain real property designated as Tax Map Key No. (1) 9-9-010-054 (hereinafter referred to as the “Property”); and

WHEREAS, the GRANTEE desires to install an access gate on a portion of the Property, as described in Exhibit A and delineated on Exhibit B, both exhibits of which are attached hereto and incorporated herein by reference (hereinafter referred to as the “Premises”), for the installation and use and security of one (1) gate (hereinafter referred to as the “Gate”) between HDAB and Hawaii Department of Transportation (HDOT) property.

WHEREAS, the GRANTOR does not object to granting the GRANTEE use and occupancy rights over the Premises, provided the GRANTEE fully complies with the terms and conditions set forth below.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, and the mutual covenants and promises herein made, and pursuant to Section 141-1, Hawaii Revised Statutes (“HRS”), the parties do hereby agree as follows:

AGREEMENT:

1. Grant of Use and Occupancy Rights. The GRANTOR hereby grants to the GRANTEE the non-exclusive right to use and occupy the Premises for the sole purpose of constructing, operating, monitoring, maintaining, and repairing the Gate as well as for the use of

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the associated driveway for vehicles and equipment. See Exhibit B, The Gate, and use of the driveway and premises to access the Gate depicted in Exhibits B and C are collectively termed the "Project". The GRANTEE acknowledges and agrees that this Agreement is for a limited purpose and that the GRANTEE shall use the Premises only during normal hours of operation of the Animal Quarantine Station and for the purpose of serving the Project. The GRANTEE may only access the Premises using the access route delineated on Exhibit B, which exhibit is attached hereto and incorporated herein by reference. Any modification or expansion of the use of the Project from what is approved herein, including but not limited to, modifying the access route to the Premises specified in Exhibit B, further depicted as preferred alternative 2 on Exhibit D, and increasing size of the Gate area, shall require the prior written approval of the GRANTOR, which approval may be withheld in the GRANTOR's reasonable discretion, and may require a new request and review and consideration of any user not covered by this Agreement.

2. Right to Construct the Project. The GRANTEE may construct, maintain, and repair the Project on, within, under, over, and across the Premises, provided that the GRANTEE obtains the GRANTOR's prior written approval for the plans and specifications for construction of the Project and any subsequent alterations and repairs thereto. The GRANTEE shall be solely responsible for all costs and expenses incurred in connection with the Project and the maintenance of the Premises, including but not limited to all design, planning, engineering, construction, alteration, and maintenance costs and expenses. The GRANTEE shall access the Project during the normal business hours of operation of the Animal Quarantine Station (AQS): Mondays, Tuesdays, Thursdays, and Fridays 8:00 AM to 5:00 PM; Wednesdays 8:00 AM to 5:30 PM; Saturdays, Sundays, and State Holidays 7:00 AM to 4:00 PM. In addition, GRANTEE shall provide trained security personnel onsite when GATE is unlocked to help protect against sabotage or vandalism to GRANTOR's property, vehicles, or equipment.

3. Work Permit. The GRANTEE shall obtain GRANTOR's written consent for any construction, alteration, installation, maintenance, repair, removal, replacement, reconstruction, and upkeep work for or related to the Project on, within, under, over, or across the Premises prior to commencing such work. Without limiting the foregoing or any other provision contained herein, the GRANTEE shall comply with any and all other requirements of the GRANTOR, if any,

relating to any construction, alteration, installation, maintenance, repair, removal, replacement, reconstruction, and upkeep work for or related to the Project, and any required permits, including, but not limited to, any permits and/or approvals that may be required by federal, state, county, local or other laws or rules applicable to the proposed construction, installation, maintenance, repair, removal, replacement, reconstruction and upkeep work for or related to the Project on, within, under, over or across the Premises prior to commencing such work except to perform emergency repair or maintenance ("Emergency Work"). The GRANTEE may enter the Premises to perform Emergency Work without first obtaining such permit(s), provided that GRANTEE notifies GRANTOR of the location and type of emergency not later than one (1) business day after the Emergency Work has commenced and provided that GRANTEE obtains any required permits as soon as reasonably possible thereafter. "Emergency work" shall mean immediate repair or maintenance work needed to protect public health, safety, welfare, or the environment as reasonably determined by GRANTOR. The parties acknowledge that determination of GRANTEE liability for damage to persons or property arising from its exercise of its rights granted under this agreement shall be in accordance with the procedures and limitations of the Federal Tort Claims Act, 28 U.S.C. 2671. Without limiting the foregoing or any other provision contained herein, GRANTEE shall comply with any and all GRANTOR requirements related to the Project provided before commencement of the Project.

4. Work Completion. Upon the completion of any work performed on, within, under or across the Premises by the GRANTEE, the GRANTEE shall promptly remove therefrom all equipment and unused or surplus materials, if any, and shall restore the Premises and any other affected areas to substantially the same condition as existed prior to the Project. In addition, the GRANTEE shall provide all as-built drawings of all work completed of the Project, for general informational, non-reliance purposes only, for the GRANTOR's acceptance within sixty (60) days of the GRANTEE's final acceptance of the GRANTEE's contractor's work. The GRANTEE shall be responsible for the restoration work for a period of not less than two (2) years from the date of final inspection and acceptance by the GRANTOR. GRANTEE shall be responsible for any failure of the restoration work, including, but not limited to, any depressions occurring in and along the

restoration area, except to the extent such failure arises from any event, circumstance, or condition unrelated to the Project.

5. Maintenance. The GRANTEE shall, at its sole cost and expense, keep the Premises and Project in a safe, clean, sanitary, and orderly condition, including, but not limited to, making all repairs to the Project, and shall not make, permit, or suffer any waste, strip, spoil, nuisance, or unlawful, improper, or offensive use of the Premises. Nothing in this Paragraph 5 is intended, or should be interpreted, to require an obligation or expenditure of funds in violation of the Anti-Deficiency Act, 31 U.S.C. 1341. Any and all leaks or spills of hazardous materials made by the GRANTEE or GRANTEES agent, shall be immediately remediated to county, state, and federal requirements. Any federal, state, and county penalty or fines associated with any leak, spill, or contamination shall be paid by the GRANTEE to the extent allowed by applicable law.

6. Repair. The GRANTEE shall not damage or destroy any portion of the HDAB Property and/or the Premises, including without limitation, any HDAB facilities or improvements or facilities of other HDAB Property tenants or other permitted users of the HDAB Property situated on or near the Premises or any equipment or appurtenances relating thereto, including, but not limited to, sidewalks, storm drains, drainage systems, underground utility systems, driveways, parking areas, and animal enclosures. The GRANTEE shall, at its sole cost and expense, repair, restore, and reconstruct that portion of said State property so damaged or destroyed, including any and all affected facilities, improvements, equipment, and appurtenances. All repairs, restoration, and reconstruction shall be completed by the GRANTEE immediately to substantially the same condition and shall be inspected and approved by the GRANTOR in its reasonable discretion. Nothing in Paragraph 6 is intended, or should be interpreted, to require an obligation or expenditure of funds in violation of the Anti-Deficiency Act, 31 U.S.C. 1341.

7. No Obstruction. The GRANTEE shall not construct, replace, repair, or maintain any landscaping or any portion of the Project (including any staging and/or temporary storing of equipment and materials) on, within, under, over or across the Premises in such a manner as to: (a) unnecessarily obstruct traffic; (b) obstruct, in any way whatsoever, the normal movement of visitors and employees of the State or tenants during the normal course of business; (c) otherwise constitute a hazard to users of the HDAB Property or animals confined therein, as determined by

the GRANTOR in its reasonable discretion; (d) obstruct HDAB operations; and/or (e) obstruct operations of HDAB tenants or other permitted users of the HDAB Property or near the Premises.

8. Reservation of Rights. The GRANTOR reserves unto itself the full use and enjoyment of the Premises and the right to grant to others rights and privileges for any and all purposes affecting the Premises, all without charge by and without the consent of the GRANTEE, provided that such use by the GRANTOR and/or third parties does not unreasonably interfere with the GRANTEE's rights to use the Premises under this Agreement. The GRANTEE shall take steps necessary to ensure that the GRANTEE'S exercise of the rights and privileges granted hereunder does not cause any substantial interference with the GRANTOR'S operations in or near the Premises.

9. GRANTOR Work Within or Affecting the Premises. If the GRANTOR decides to perform work of any kind, on, within, under, over, across, near, or affecting the Premises, the GRANTOR will coordinate such work with the GRANTEE. The GRANTEE shall not prevent the GRANTOR from performing such work, provided, however, that the GRANTOR will take certain protective measures to assure that such work does not unreasonably interfere with the GRANTEE'S use of the Premises as described herein. At the GRANTOR'S sole option, the GRANTEE, at the GRANTEE'S sole cost, except as may otherwise be required by law, shall relocate the Project to the extent the Project conflicts with plans of a GRANTOR project. Nothing in this Paragraph 9 is intended, or should be interpreted, to require an obligation or expenditure of funds in violation of the Anti-Deficiency Act, 31 U.S.C. 1341.

10. Removal of Improvements. If the GRANTOR decides to perform work of any kind within, on, over, under, across, near, or affecting the Premises, the GRANTEE shall be responsible for the removal or relocation of all or any portion of the Project from the Premises deemed necessary by the GRANTOR, without cost and expense to the GRANTOR, within thirty (30) days from the date the GRANTOR requests such removal or such longer period of time as may be approved in writing by the GRANTOR, except as shall be otherwise required by applicable law. In the event it becomes necessary for the GRANTOR to destroy, remove, or alter all or any portion of the Project, the GRANTOR shall not be obligated to replace or restore those portions of the

Project so destroyed, removed, or altered, and the GRANTEE waives any and all right to compensation therefore, except as shall be otherwise required by applicable law.

11. Indemnity. It is understood by the GRANTEE and the GRANTOR that all terms in this Agreement shall be in accordance with the Anti-Deficiency Act (hereinafter referred to as the "Act"). Pursuant to the Act, the GRANTEE is prohibited from entering into a contract which may require payments for a future contingent liability without specific statutory authority. It is understood by both the GRANTEE and the GRANTOR that such authority does not exist for this Agreement. However, nothing in the Act or in this Agreement shall prohibit or foreclose the GRANTEE from satisfying all terms of this Agreement where funding is available and it is not in violation of the Act. Furthermore, nothing in the Act or this Agreement shall prohibit or foreclose the GRANTOR from seeking relief under the Federal Tort Claims Act (28 U.S.C. §1346(b) and 2671 et seq.) or under any other statutory remedy that may be available to the GRANTOR and applicable to the GRANTEE.

12. Abandonment. This Agreement and all of the GRANTEE'S rights hereunder shall terminate, without any action on the part of the GRANTOR, in the event of non- use or abandonment by the GRANTEE of the Premises or the Project, or any portion thereof, for a period of two (2) years; provided, however, that the GRANTEE's obligations under Paragraph 11 (Indemnity), if any, shall survive with respect to any portion of the Project abandoned on the Premises.

13. Term. This Agreement shall remain in effect for five (5) years unless sooner terminated in accordance with Paragraph 16 of this Agreement. This Agreement shall automatically renew for successive terms of five (5) years unless either Party provides thirty (30) days written notice to the other of its intent not to renew.

14. Hazardous Substances.

a. Definitions. For purposes of this Agreement, the GRANTEE acknowledges and agrees that the following terms shall have the following meanings:

"Environmental Laws" shall mean all applicable federal, state, and local laws of every nature including statutes, ordinances, rules, regulations, codes, notices, standards, directives of every kind, guidelines, permits, licenses, authorizations, approvals, interpretations of

the foregoing by any court, legislative body, agency or official, judicial decisions, judicial and administrative orders, rulings or judgments, or rules of common law which currently are in effect or which may come into effect through enactment, issuance, promulgation, adoption or otherwise, which in any way pertain to, relate to, or have any relevance to the environment, health or safety. These environmental laws include, but are not limited to, applicable regulations and orders of the federal Environmental Protection Agency and the State Department of Health.

“Hazardous Substance” shall include any chemical, substance, radioactive materials, organic or inorganic material, controlled substances, object, condition, waste, living organism, or combination thereof which is, may in the future be, or has been determined by state or federal authority under any Environmental Law to be hazardous to human health or safety or detrimental to the environment. This term shall include, but not be limited to, petroleum hydrocarbons, asbestos, radon, polychlorinated biphenyls, methane, fuels of any kind, and other materials or substances that are, or may in the future be, regulated by the state or federal authorities.

b. GRANTEE’S Activities and Duties.

b.1. Compliance with Environmental Laws. The GRANTEE agrees, at its sole expense and cost, to comply with all Environmental Laws applicable to the Property and the GRANTEE’s occupancy, activities, operations, and use of the Project and the Premises, including giving all required notices, reporting to, and obtaining applicable permits from, all appropriate authorities. This duty shall survive the expiration or earlier termination of this Agreement, which means that the GRANTEE’s duty to comply with Environmental Laws shall include complying with all Environmental Laws that may in the future apply, or be determined to apply, to the occupancy and activities of the GRANTEE on the Premises after the expiration or earlier termination of this Agreement. Failure of the GRANTEE to comply with any Environmental Law shall constitute a breach of this Agreement for which the GRANTOR may, in its reasonable discretion, terminate this Agreement, exercise its remedies under this Agreement, including, but not limited to, remediation of any condition on behalf of the GRANTEE at the GRANTEE’s expense under subparagraph 14.b.5. below (Environmental Investigations and Assessments) and subparagraph 14.b.6. below (Remediation), and take any other action at law or in equity that the GRANTOR deems appropriate. Without limiting the foregoing, the GRANTEE shall comply with

any National Pollutant Discharge Elimination System permits, or similar permits, which are applicable to the Premises or the Project.

b.2. Hazardous Substances. The GRANTEE shall not use, store, treat, dispose, discharge, release, generate, create, or otherwise handle any Hazardous Substances, or allow the same by any of its officers, employees, agents, contractors, guests, invitees, or third persons, on the Premises without first obtaining the written consent of the GRANTOR (which consent may be withheld by the GRANTOR in its reasonable discretion).

b.3. Notice to the GRANTOR. The GRANTEE shall keep the GRANTOR fully informed at all times regarding all matters related to any Environmental Laws affecting the GRANTEE, the Project, or the Premises. This duty shall include, by not limited to, providing the GRANTOR with a current and complete list and accounting of all Hazardous Substances of every kind which are brought to the Premises by GRANTEE or are known to be present in, on or about the Premises by or as a result of the Project, together with evidence that the GRANTEE has in effect all required and appropriate permits, licenses, registrations, approvals, and other consents that may be required by any federal, state, or county authority, under any authority or Environmental Laws. The GRANTEE shall provide said list and accounting at the commencement of this Agreement and shall update said list and accounting whenever any Hazardous Substance not accounted for on said list is or becomes present in, on, or about the Premises by the GRANTEE or otherwise. GRANTEE shall provide GRANTOR with Safety Data Sheets for all hazardous substances listed. The GRANTEE shall also provide immediate written notice to the GRANTOR of any spills, releases, and/or discharge of Hazardous Substances, investigation, enforcement action, compliance order, or order of any type, or any other legal action, initiated, issued, or any indication of an intent to do so, communicated in any way to the GRANTEE by any federal, state, or county authority or individual that relates in any way to any Environmental Law or any Hazardous Substance. This written notice to the GRANTOR shall include copies of all written communications from any federal, state, or county authority, including copies of all correspondence, claims, complaints, warnings, reports, technical data, and any other documents received or obtained by the GRANTEE, to the extent permitted by law. At least thirty (30) days prior to termination of this Agreement or termination of the use and occupancy of the Premises by

the GRANTEE, whichever occurs first, the GRANTEE shall provide the GRANTOR with written evidence reasonably satisfactory to the GRANTOR that the GRANTEE has fully complied with all applicable Environmental Laws, including any orders issued by any governmental authority that relate to the Premises, and the results of all assessments and investigations that may be ordered by the GRANTOR pursuant to subparagraph 14.b.5. (Environmental Investigations and Assessments) of this provision, or by any governmental agency responsible for enforcement of the Environmental Laws.

b.4. Disposal/Removal. Except as to the possession and handling of Hazardous Substances for which the GRANTEE is authorized by law, including those Hazardous Substances for which the GRANTEE has obtained all currently required permits to store or use certain Hazardous Substances on the Premises, including written permission from the GRANTOR, the GRANTEE shall cause any Hazardous Substances resulting from the GRANTEE'S use to be removed and transported from the Premises for disposal solely by duly licensed hazardous substances transporters to duly licensed facilities for final disposals as required by all applicable Environmental Laws. Within ten (10) days of any such disposal, the GRANTEE shall provide the GRANTOR with copies of documentary proof, including manifests, receipts, or bills of lading, which reflect that said Hazardous Substances have been properly removed and disposed of in accordance with all Environmental Laws. This provision shall survive the expiration or earlier termination of this Agreement.

b.5. Environmental Investigations and Assessments. The GRANTEE, at its sole cost and expense shall cause to be conducted such investigations and assessments of the Premises to determine the presence of any Hazardous Substance on, in, or under the Premises as may be reasonably directed from time to time by the GRANTOR, or by any federal, state, or county authority. The extent and number of any environmental investigations and assessments shall be determined by the GRANTOR or the federal, state, or county authority directing said investigations and assessments to be conducted. The GRANTEE shall retain a competent and qualified person or entity that is reasonably satisfactory to the GRANTOR or other governmental authority, as the case may be, to conduct said investigations and assessments. The GRANTEE shall direct said person or entity to provide the GRANTOR or other governmental authority, if so

requested, with testable portions of all samples of any soils, water, ground water or other material that may be obtained for testing and provide directly to the GRANTOR and the other governmental authority, at the sole expense of the GRANTEE, written results of all tests on said samples upon completion of said testing. In any event, the GRANTEE shall have the option to conduct environmental assessments as aforesaid prior to or at the time of termination of this Agreement in order to determine the condition of the Premises.

b.6. Remediation. In the event that any Hazardous Substance is used, stored, treated, or disposed on the Premises, or any location off the Premises to which it is determined any Hazardous Substance has migrated, or handled, discharged or released by the GRANTEE, or determined to be present on the Premises, or any location off the Premises to which it is determined any Hazardous Substance has migrated, the GRANTEE shall, at its sole expense and cost, remediate the Premises, or any location off the Premises to which it is determined any Hazardous Substance has migrated, of such Hazardous Substance, and dispose/remove said Hazardous Substance in accordance with subparagraph 14.b.4. (Disposal/Removal) of this provision. This duty to remediate includes strict compliance with all Environmental Laws, as well as any directives by the GRANTOR or other governmental authority to the GRANTEE to remediate such Hazardous Substance. This duty to remediate shall include replacement of any materials, such as soil, so removed with material that is reasonably satisfactory to the GRANTOR and governmental authority, as the case may be. All federal, state, and county penalties or fines associated with any leak, spill, or contamination of the Premises by the GRANTEE shall be paid by the GRANTEE to the extent allowed by applicable law.

b.7. Tanks, Pipelines; Inspections and Repairs. Unless the GRANTOR specifically agrees in writing otherwise prior to their installation, all pipes, pipelines, tanks, containers, or conduits of any kind that may at any time have contained, or may have been intended to contain, Hazardous Substances of any type (hereafter referred to as a "facility" or "facilities"), must be installed above ground level in such manner that allows for periodic inspection and maintenance of the facility for purposes of determining the existence of leaks and discharges from, and deterioration of any kind, and that allows repair of, the facility. The GRANTEE shall provide the GRANTOR with prior written notice of the GRANTEE's intent to install a facility to allow the

GRANTOR ample time, as reasonably determined by the GRANTOR, to inspect the plan for installation of such a facility. Said facility shall not be installed unless and until the facility and its manner of installation are approved in writing by the GRANTOR. Within ninety (90) days of the commencement of this Agreement, or commencement of possession of the Premises by the GRANTEE, whichever first occurs, the GRANTEE shall submit a contingency plan covering the GRANTEE facilities if any, and as applicable, to control and remedy any spills, discharge, or leak from any GRANTEE facility on the Premises during the term of this Agreement, which plan shall include the cleanup of all Hazardous Substances that may be spilled, discharged, or leaked, to the satisfaction of the GRANTOR in its reasonable discretion. The GRANTEE shall also submit to the GRANTOR a plan for the GRANTEE to conduct, or have conducted, regular inspections of all facilities, if any, on the Premises for the purpose of prevention of any leak, discharge, or spill from said facilities. Said contingency plan and inspection plan are subject to the prior written approval of the GRANTOR. The GRANTEE shall timely obtain and maintain in effect all required permits, licenses, and approvals for such facilities from any governmental authority. Failure to submit said plans, to comply with said plans, or obtain and maintain any required permits, licenses, or approvals constitutes a breach of this Agreement, giving the GRANTOR the right to immediately terminate this Agreement, take possession of the Premises, and pursue any other remedy available to the GRANTOR.

b.8. Protection of Waters. The GRANTEE shall maintain and employ reasonable debris, pollution, and contamination control measures, safeguards, and techniques on the Premises to prevent debris, pollution or contamination to ocean waters, streams or waterways, groundwater, including any storm drains within and about the Premises, resulting from the activities or operations of the GRANTEE on, within, over, through, across, under or connected with the Premises. The GRANTEE shall take prompt corrective action in the event of an unauthorized release of Hazardous Substances by the GRANTEE to promptly remove or correct the cause of such release, and shall promptly clean the Premises and affected areas and surrounding waters of such Hazardous Substances, pollutants or contaminants to levels satisfactory to the GRANTOR and/or other governmental authority in the GRANTOR'S and governmental authority's respective reasonable discretion, all at the GRANTEE'S own cost and expense.

b.9. Pre-Existing Conditions. Nothing in this Agreement shall be construed or interpreted as requiring GRANTEE or GRANTEE'S contractors to assume the status of, and GRANTOR acknowledges that GRANTEE and GRANTEE'S contractors do not act in the capacity nor assume the status of, GRANTOR or others as a "generator," "owner," "operator," "transporter," "disposer," or "arranger" in the treatment, storage, disposal, or transportation of any hazardous substance or waste as those terms are understood within the meaning of the Resource Conservation and Recovery Act, Comprehensive Environmental Response, Compensation and Liability Act, or any other Environmental Laws. GRANTOR further acknowledges that GRANTEE'S contractors have neither created nor contributed to the creation or existence of any Hazardous Substances, whether latent or patent, at or on the Premises that occurred prior to the date on which the Project commenced ("Pre-Existing Conditions"). GRANTEE and GRANTEE'S contractors shall not be liable or responsible for any claims, demands, liabilities, suits, actions, judgments, costs and expenses (including reasonable attorneys' fees) arising from Pre-Existing Conditions, except to the extent exacerbated by the negligence, reckless, or willful misconduct of GRANTEE or GRANTEE'S contractors.

15. GRANTOR'S Right to Act. In the event the GRANTEE fails for any reason to comply with any of its duties under this Agreement, including, but not limited to, compliance with any Environmental Laws, upon ninety (90) days advance notice to GRANTEE, or within a reasonable time as determined by the GRANTOR, the GRANTOR shall have the right, but not the obligation, in its reasonable discretion, to perform those duties or cause them to be performed. The GRANTEE hereby grants access to the Premises and the Project at all reasonable hours to the GRANTOR, its agents, and anyone designated by the GRANTOR, in order to perform said acts and duties. GRANTOR may seek relief for any loss or injury to persons relating to the construction, operation, maintenance, and other activities associated with the Project, in accordance with, and to the extent permitted under, the Federal Tort Claims Act. Nothing in this Paragraph 15 is intended, or should be interpreted, to require an obligation or expenditure of funds in violation of the Anti-Deficiency Act, 31 U.S.C. 1341.

16. Termination. If not otherwise terminated or cancelled, this Agreement may be

cancelled in whole or in part at any time by the mutual written agreement of the parties hereto or by the GRANTOR, in its reasonable discretion, upon the GRANTOR'S giving one hundred eighty (180) days prior written notice to the GRANTEE by hand delivery or first-class mail, return receipt requested.

17. Removal Upon Termination. Upon any full or partial termination or cancellation of this Agreement, the GRANTEE shall, at the GRANTEE'S sole cost and expense, comply with the provisions of subparagraph 17.a. and if applicable, at the GRANTOR'S reasonable option, subparagraph 17.b.

a. Remove and Restore. The GRANTEE shall surrender the Premises upon termination of this Agreement and, prior thereto, shall restore the Premises to substantially the same condition as the Premises existed at the commencement of this Agreement, as determined by the GRANTOR in its reasonable discretion, reasonable wear and tear excepted. Said surrender and restoration shall be at the sole cost and expense of the GRANTEE. This duty to restore the Premises includes remediation as described in the subparagraph 14.b.6. Subject to subparagraph 17.b. (GRANTOR'S option), this duty also includes, but is not limited to, the removal of any and all of the GRANTEE's improvements, including, without limitation, pipes, pipelines, tanks, containers, equipment, and appurtenances of any kind that the GRANTEE has installed or erected on the Premises. In the event the GRANTEE does not timely restore the Premises to substantially the same condition as existed prior to the Project, as determined by the GRANTOR in its reasonable discretion, the GRANTEE understands and agrees that the GRANTOR may exercise its rights under this Agreement, including, but not limited to, paragraph 15 (GRANTOR'S Right to Act), and until such time as the restoration is completed to the satisfaction of the GRANTOR in its reasonable discretion, the GRANTOR may seek relief for any loss or injury to persons relating to the construction, operation, maintenance, and other activities associated with the Project, in accordance with, and to the extent permitted under, the Federal Tort Claims Act. Without limiting the foregoing, if the GRANTEE fails to restore the Premises to a condition satisfactory to the GRANTOR, the GRANTOR shall have the rights to seek relief for any and all costs and expenses incurred by the GRANTOR in completing and accomplishing such restoration, including but not limited to, any costs the GRANTOR incurs in removing and disposing of the GRANTEE'S

property in accordance with, and to the extent permitted under, the Federal Tort Claims Act. Nothing in this Paragraph 17a is intended, or should be interpreted, to require an obligation or expenditure of funds in violation of the Anti-Deficiency Act, 31 U.S.C. 1341.

b. GRANTOR'S Option. At the GRANTOR'S reasonable option, the GRANTEE may abandon in place the Project and any improvements, equipment, facilities, components, and appurtenances relating thereto (a Memorandum of Agreement, in form and substance satisfactory to the GRANTOR, must be executed by the GRANTEE if the GRANTOR approves the abandonment in place).

18. Default.

a. Notice of Default. If the GRANTEE defaults on or otherwise fails to perform the GRANTEE'S obligations under this Agreement, the GRANTOR will issue a written notice of default to the GRANTEE by hand-delivery or first-class mail.

b. GRANTEE to Cure Defaults. Any and all defaults or failures to perform contained in such notice of default must be resolved and remedied to the GRANTOR'S sole satisfaction within ninety (90) calendar days of the date of the GRANTOR'S written notice to the GRANTEE or such further time as may be authorized by the GRANTOR in writing. Without limiting the foregoing, the GRANTEE'S failure to construct the Project in accordance with the plans and specifications approved by the GRANTOR shall be deemed a default under this Agreement. Without limiting the foregoing, the GRANTEE'S failure to submit after-the-fact plans and specifications, as-built drawings, and applicable permits after any Emergency Work on the Project or the Premises shall be deemed a default under this Agreement.

c. GRANTOR Remedies for Failure to Cure. If the GRANTEE fails to cure said defaults or fails to perform within the required time period, the GRANTOR itself may, but shall not be obligated to, cure, or remedy said defaults or failures to perform and charge any and all costs and expenses incurred in performing said cure or remedy to the GRANTEE, in accordance with, and to the extent permitted under, the Federal Tort Claims Act. Without limiting the foregoing, if the GRANTEE fails to cure said defaults or fails to perform within the required time period, the GRANTOR may terminate this Agreement and the GRANTEE'S rights under this Agreement to use the Premises and the Project. Upon such termination and at GRANTOR'S

option, the Project improvements shall be subjected to Paragraph 17, Removal upon Termination. If the GRANTEE defaults or fails to perform as required under this Agreement, the GRANTOR shall be entitled to all remedies available under this Agreement and by law, which remedies shall be cumulative and not exclusive. This provision shall survive the expiration or earlier termination of this Agreement.

19. Assignment. The GRANTEE'S right under this Agreement shall not be sold, assigned, conveyed, leased, subleased, mortgaged, or otherwise transferred or disposed of, directly or by operation of law, except with the prior written consent of the GRANTOR which consent may be withheld by the GRANTOR in its reasonable discretion. In giving any such consent, the GRANTOR need not release the GRANTEE from any liabilities or obligations hereunder.

20. Insurance. The GRANTEE shall require its contractors to include the State of Hawaii, Department of Agriculture and Biosecurity (HDAB), Animal Industry Division, as an additional insured on comprehensive general liability, business auto liability, and umbrella/excess insurance policies for the Project, and proof of such additional insured endorsements shall be provided to the GRANTOR.

21. GRANTEE's Contractors. The GRANTEE shall require the GRANTEE'S contractors to assume all risk of loss or damage to property and injury or death to persons by reason of its entrance upon and/or use of the Premises in connection with performance of its work on the Project, whether conducted by Contractor, including its members, employees, servants, subcontractors, vendors, and consultants; and that Contractors hereby release the GRANTOR from claims of any such loss, damage, personal injury, or death caused by occurring as a consequence of such entrance upon and/or use of the Premises by Contractor or its agents or the performance of the work for the Project. This provision shall survive the expiration or earlier termination of this Agreement.

22. Compliance with Laws. Without limiting any provisions in this Agreement, the GRANTEE, at all times during the term of this Agreement, shall comply with all of the requirements of applicable federal, state, and county authorities and shall observe all federal, state and county laws, statutes, ordinances, rules and regulations, now in force or which may hereafter

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be in force, including, but not limited to, all laws and regulations applicable to the use of state lands.

23. Prehistoric and Historic Remains. Any and all prehistoric and historic remains found at, in, on, over, or under the Premises shall be and remain the property of the State and shall not be disturbed or removed by the GRANTEE without the express written approval of the GRANTOR. Upon discovery of any prehistoric or historic remains, the GRANTEE shall immediately stop and cease any further disturbance of the remains and surrounding portion(s) of the Premises containing the remains and promptly notify the GRANTOR of such discovery. The GRANTEE shall obtain the prior written consent of the GRANTOR prior to recommencing any work on, within, under, over, across, near, or affecting the Premises.

24. GRANTOR and GRANTEE Terms. The term “GRANTOR”, as and when used herein, shall mean and include the GRANTOR named above and the GRANTOR’S officers, employees, agents, successors, and assigns. The term “GRANTEE” as and when used herein shall mean and include the GRANTEE named above and the GRANTEE’S officers, employees, agents, contractors, guests, invitees, successors, and permitted assigns.

25. Binding Effect. All provisions contained in this Agreement shall be binding upon and inure to the benefit of the respective parties, their successors and permitted assigns.

26. Singular, Plural. All words used herein in the singular number shall extend to and include the plural. All words used in any gender shall extend to and include all genders.

27. Headings. The headings and captions herein are for convenience of reference only and are not intended to fully describe, define, or limit the provisions of this Agreement to which they may pertain.

28. Counterparts. This instrument may be executed in two or more counterparts, and when all counterparts have been executed, each counterpart shall be considered an original, but when assembled, it shall constitute one and the same instrument and shall have the same force and effect as though all the signatories had executed a single instrument. Any unexecuted duplicate pages may be omitted from the assembled original document.

29. No Drafter. The GRANTEE and the GRANTOR agree that no party shall be deemed

to be the drafter of this Agreement and further that in the event that this Agreement is ever construed by a court of law, such court shall not construe this Agreement or any provision of this Agreement against any party as the drafter of this Agreement.

30. Severability. In the event that any provision of this Agreement is declared invalid or unenforceable by a court, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining terms of this Agreement.

31. Waiver. The failure of the GRANTOR to insist upon strict compliance with any term, provision, or condition of this Agreement shall not constitute or be deemed to constitute a waiver or relinquishment of the GRANTOR'S right to enforce the same in accordance with this Agreement.

32. Governing Law. This Agreement shall be governed and construed in accordance with federal law, unless and to the extent state law naturally applies, in with case the laws of the State of Hawaii shall apply.

33. Nondiscrimination. The use and enjoyment of the Premises shall not be in support of any policy which discriminates upon any basis or in any manner that is prohibited by any applicable federal, state, or county law.

34. Notices. Except as otherwise specifically provided in this Agreement, any notice, consent, request, demand, or other correspondence given under this Agreement shall be in writing and given by delivering the notice in person or by commercial courier, or by sending it by first-class, certified mail, return receipt requested, with postage prepaid; or overnight courier, return receipt requested, with postage prepaid; to: (a) the GRANTEE at the address as stated on page one herein; or (b) the GRANTOR at the following address: State of Hawaii, Department of Agriculture and Biosecurity, Animal Industry Division, 99-941 Halawa Valley Street, Aiea, Hawaii 96701, Attn: Administrator; or (c) such other address as either the GRANTEE or the GRANTOR may designate, in writing, as its new address for such purpose by notice given to the other in accordance with this section. Any notice hereunder shall be deemed to have been given and received and effective two (2) calendar days after the date when it is mailed, if sent by first-class, certified mail, one (1) calendar day after the date when it is mailed if sent by overnight courier, or upon the date personal delivery is made.

35. No Recordation. This Agreement shall not be recorded.

36. No Real Property Interest. GRANTEE agrees that GRANTEE does not and shall not claim at any time any real property interest in the Property. THIS AGREEMENT IS NOT A LEASE OR A GRANT OF AN EASEMENT.

37. No Third Party Beneficiaries. No third party beneficiaries are intended by this Agreement, and the terms and provisions of this Agreement shall not give rise to any right in third parties to enforce the provisions of this Agreement.

38. Entire Agreement; Amendment. This Agreement constitutes the entire agreement of the parties with respect to the matters set forth in this Agreement, and, except as specifically provided otherwise herein, there are no agreements, understandings, warranties, or representations between the parties except as set forth herein. This Agreement cannot be amended or modified except by an instrument, in writing, signed by each of the parties. Any termination or cancellation of this Agreement, in whole or in part, shall not relieve the GRANTEE of its obligation to release, indemnify, defend, and/or hold harmless the GRANTOR as provided herein.

[Signatures on Next Page]

IN WITNESS WHEREOF, the undersigned have executed this Agreement on the
day and year first above written.

STATE OF HAWAII
DEPARTMENT OF AGRICULTURE AND
BIOSECURITY

By



SHARON HURD, CHAIRPERSON
BOARD OF AGRICULTURE AND
BIOSECURITY

GRANTOR

Craig Sato
Real Estate Contracting Officer
Naval Facilities Engineering Systems Command,
Hawaii

GRANTEE

APPROVED AS TO FORM:

Kelcie K. Nagata

Print Name _____
Deputy Attorney General

Date: _____



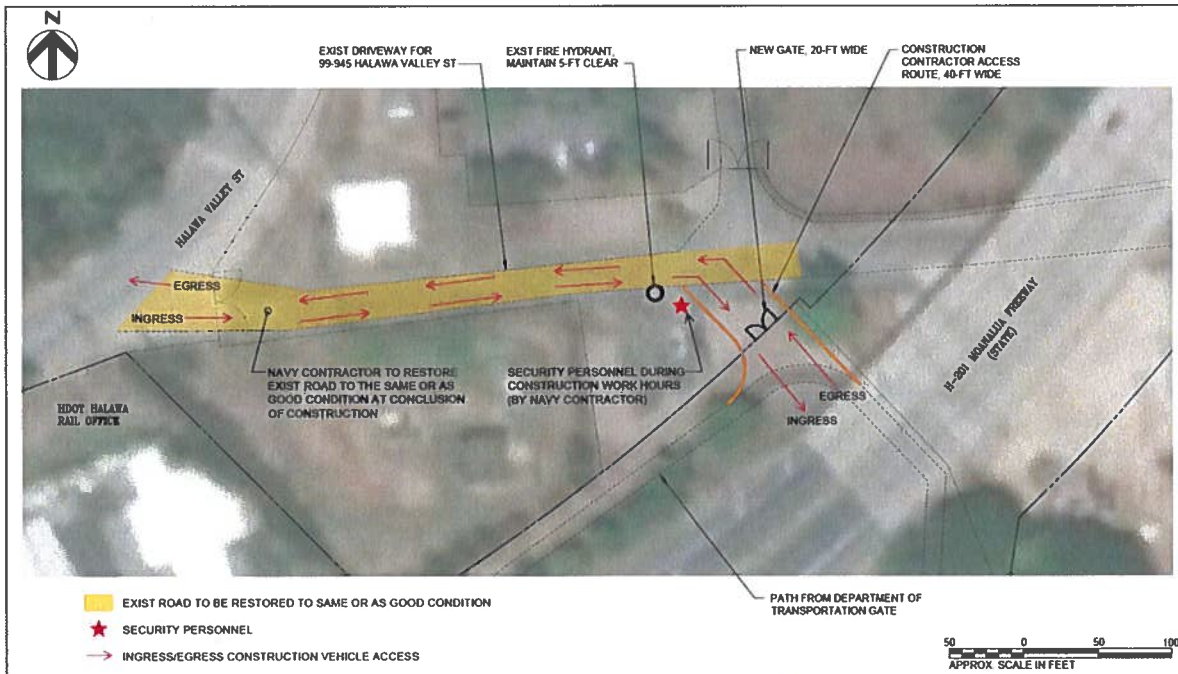
Board of Agriculture and Biosecurity
December 23, 2025
Page 24 of 28

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EXHIBIT A

Description of portion of the Property here:

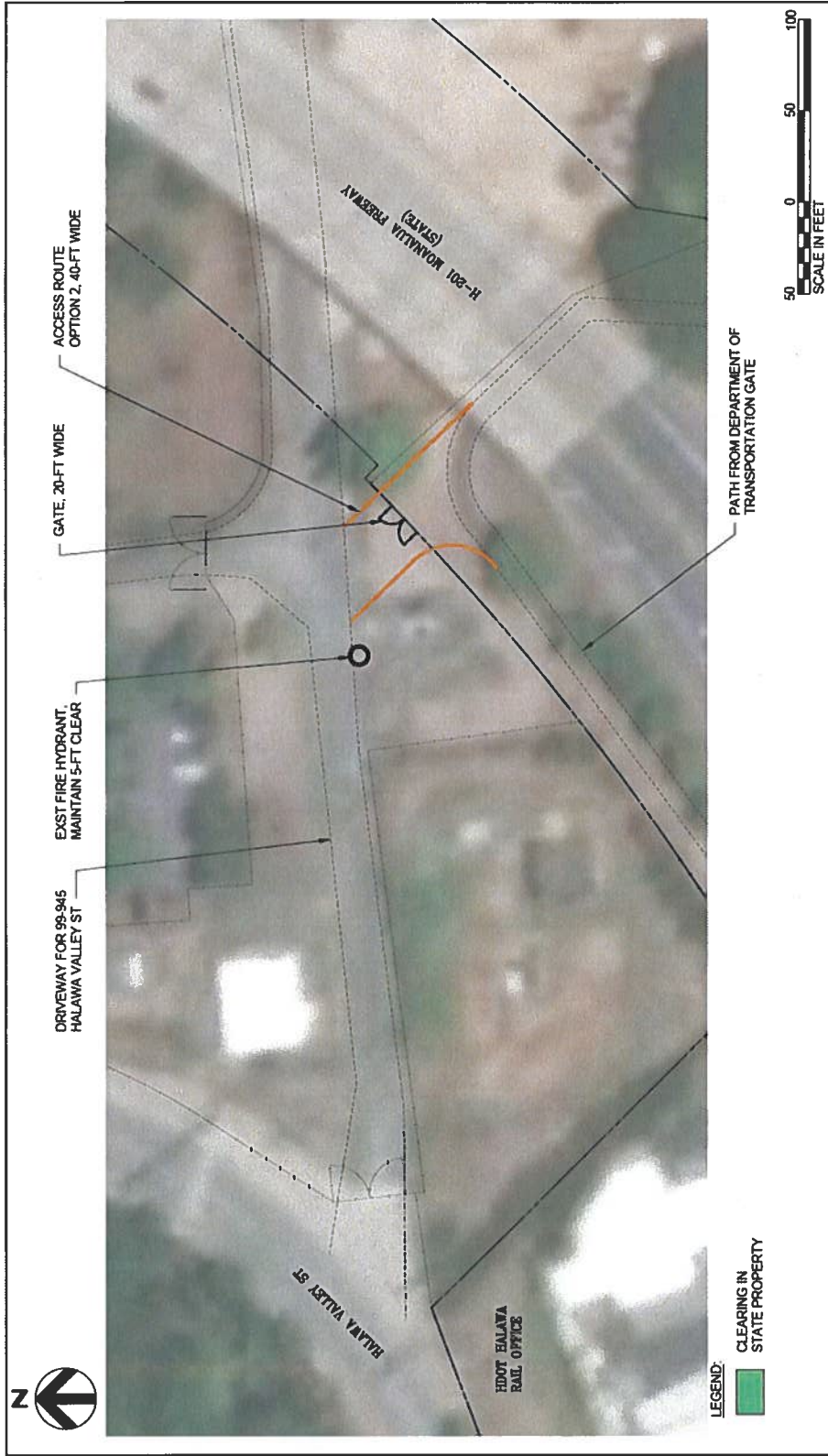
The ingress and egress route through the property is as depicted below. A modification to the existing fence will entail an addition of a 20 foot chain link gate, using two standard 10 foot wide chain link gate panels, of matching height, with a sixty (60) foot radius to accommodate two-way access for vehicles would be installed in the existing chain link fence to allow access from State of Hawaii Department of Agriculture and Biosecurity (HDAB) property to State of Hawaii, Department of Transportation (HDOT) property. The new gate will be controlled by the Navy and locked during non-working hours. Security personnel will be posted at the gate entry when the gate is actively in use during normal business hours. No structures will be built on HDAB property, and no ground disturbance other than to install the gate posts. Fencing will not penetrate/disturb the ground.



RED HILL WATER TREATMENT FACILITY
CONSTRUCTION VEHICLE ACCESS THROUGH
DEPT OF AGRICULTURE
DATE: JULY 8, 2024
PAGE: 1

B20

EXHIBIT C



RED HILL WATER TREATMENT FACILITY

ALTERNATE ACCESS THROUGH DEPT OF AGRICULTURE OPTION 2

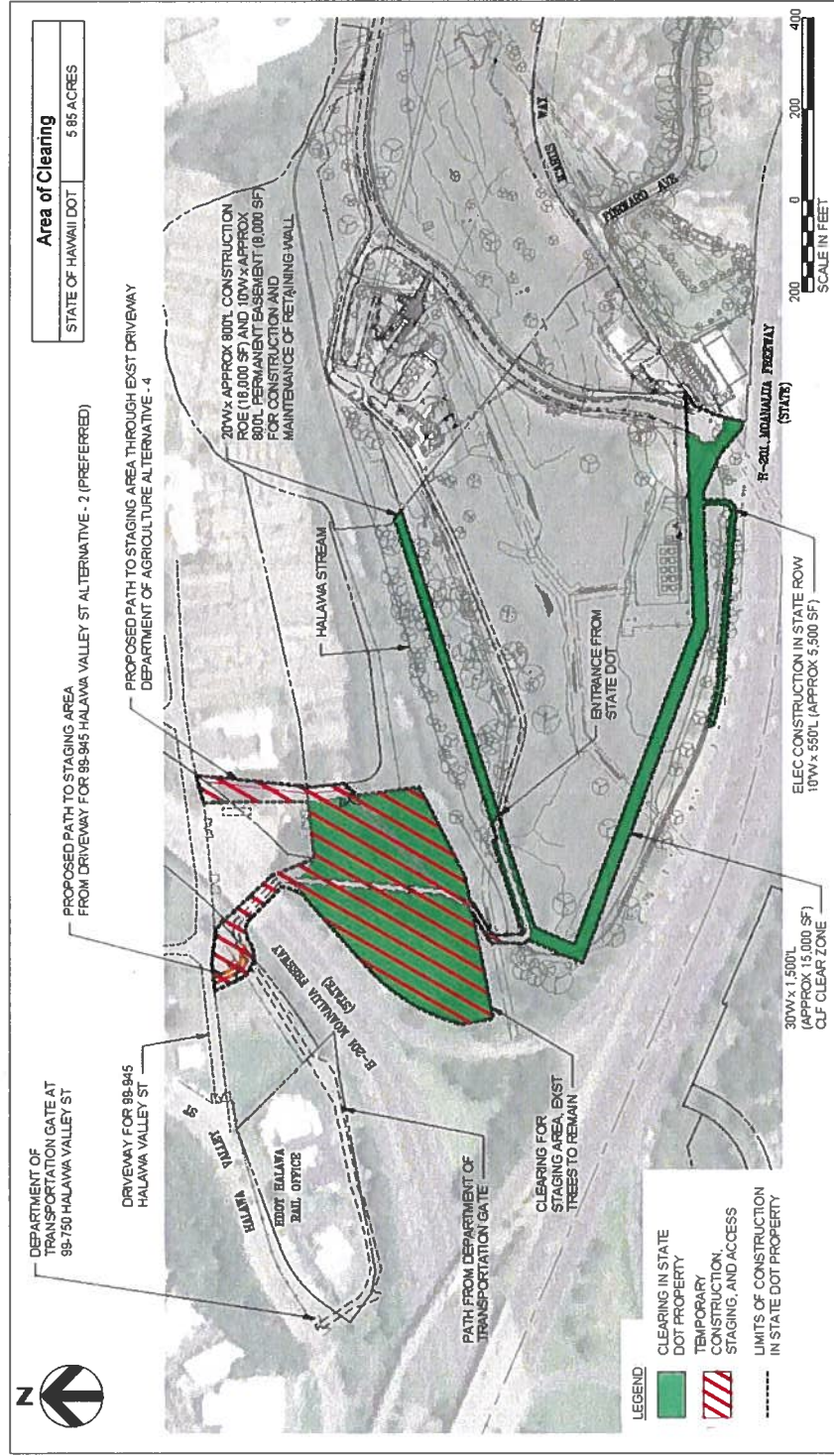
DATE: FEBRUARY 2024
FIGURE: 2



021

P-716 Water Treatment Facility

EXHIBIT D



RED HILL WATER TREATMENT FACILITY

DATE: OCTOBER 2023
FIGURE: 1

PROPOSED CLEARING IN STATE DOT PROPERTY



STATE OF HAWAI‘I
DEPARTMENT OF AGRICULTURE AND BIOSECURITY
AGRICULTURAL RESOURCE MANAGEMENT DIVISION
HONOLULU, HAWAI‘I

December 23, 2025

Board of Agriculture and Biosecurity
Honolulu, Hawai‘i

Subject: REQUEST FOR APPROVAL FOR THE TRANSFER OF PUBLIC LANDS FROM THE DEPARTMENT OF LAND AND NATURAL RESOURCES TO THE DEPARTMENT OF AGRICULTURE AND BIOSECURITY, PURSUANT TO ACT 90, SLH 2003, CODIFIED AS CHAPTER 166E, HAWAII REVISED STATUTES; TMK NO.: (2) 1-8-001:003 (por.), NAKULA, KAUPŌ, HANA, ISLAND OF MAUI, HAWAI‘I

Authority: Section 166E-3, Hawaii Revised Statutes (“HRS”)

BACKGROUND:

Act 90, Sessions Laws of Hawaii 2003 (“Act 90”), established the Non-Agricultural Park Lands Program within the Hawai‘i Department of Agriculture, now known as the Department of Agriculture and Biosecurity (“DAB”), and was codified as Chapter 166E, HRS. Under this program, the Legislature found that certain public lands classified for agricultural use by the Department of Land and Natural Resources (“DLNR”) should be transferred to the DAB for purposes and in a manner consistent with Article XI, Section 10, of the Hawai‘i State Constitution.

The purpose of Act 90 is to ensure the long-term productive use of public lands leased or available to be leased by the DLNR for agricultural purposes by allowing these lands to be transferred to the DAB for leasing and management.

In accordance with provisions of Act 90, the Board of Agriculture, now known as the Board of Agriculture and Biosecurity (“Board”), and the Board of Land and Natural Resources (“BLNR”), must mutually approve of the selected encumbrances for transfer. At its meeting of November 14, 2025, under agenda Item D-9, BLNR approved the transfer of a portion of the following pasture lease premises to DAB:

Doc. No.	Lessee	Tax Map Key (TMK)	Character of Use	Leased Area (Acreage)	Area Approved for Transfer	Area Retained by DLNR
S-5276	Diamond B Ranch, LLC	(2) 1-8-001:003	Pasture	1,565 acres, more or less	702 acres, more or less	863 acres, more or less

As indicated in the table above, BLNR approved the retention of approximately 865 acres of the 1,565-acre lease area for a future addition to the Kahikinui Forest Reserve. See map attached as Exhibit "A."

Staff conducted a site visit inspection of the lease on December 5, 2025. See photographs taken on the day of the inspection attached as Exhibit "B." Staff found the lessee to be fully compliant and in good standing, and the property is being utilized in accordance with the lease and character of use.

RECOMMENDATION:

Staff reviewed the proposed encumbrance and performed its due diligence and recommends that the Board approve the transfer of approximately 702 acres of the encumbrance as listed above.

Respectfully submitted,



BRIAN KAU
Administrator and Chief Engineer
Agricultural Resource Management Division

Attachments - Exhibits "A" and "B"

APPROVED FOR SUBMISSION:



SHARON HURD
Chairperson, Board of Agriculture and Biosecurity

EXHIBIT "A"

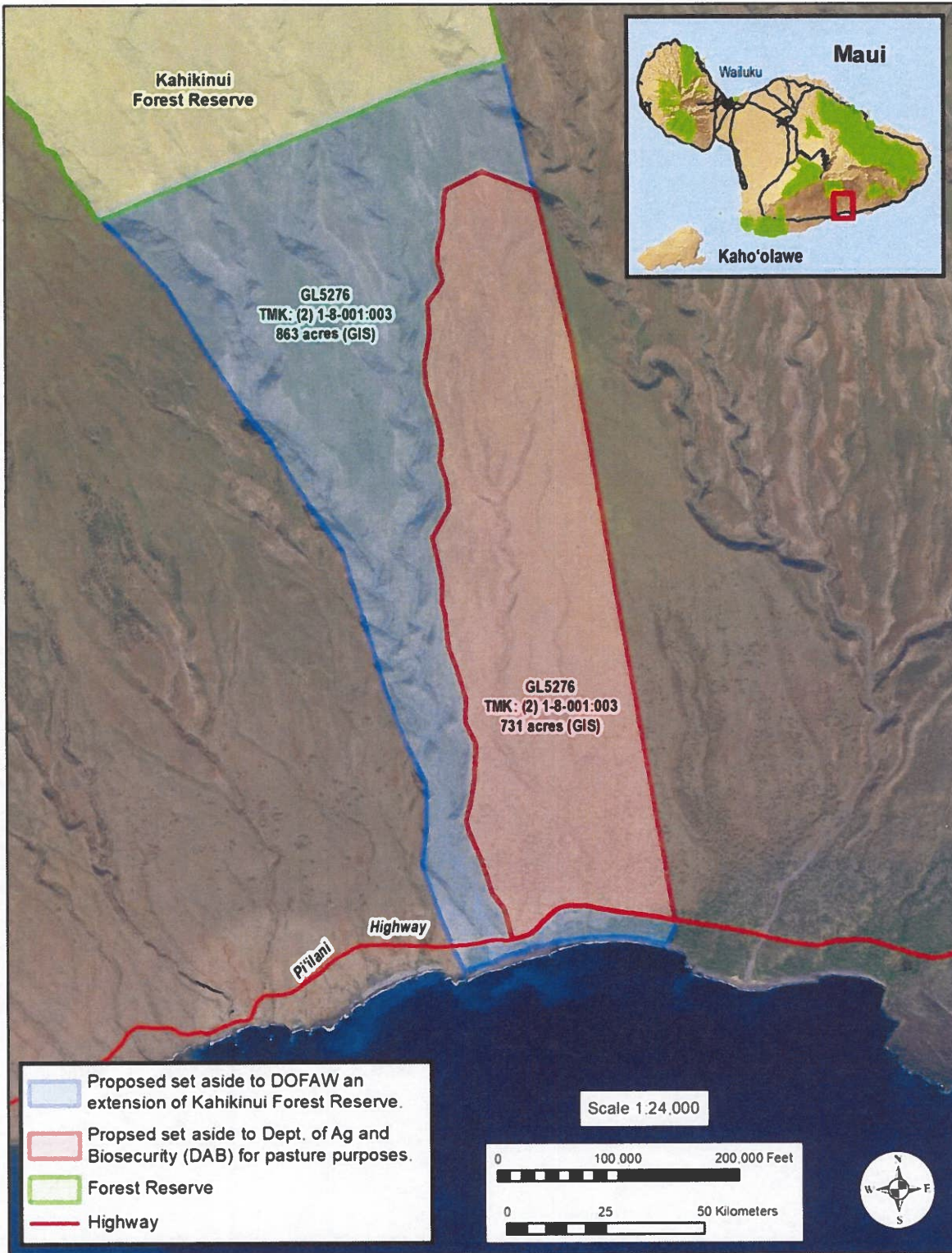


EXHIBIT "B"
PHOTOS OF GENERAL LEASE NO. S-5276



