

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

February 24, 2026

Board of Agriculture and Biosecurity
Honolulu, Hawai'i

Subject: REQUEST FOR: (1) APPROVAL TO RESCIND PRIOR BOARD ACTION APPROVING THE ASSIGNMENT OF GENERAL LEASE NO. S-4760; MOUNTAIN MEADOWS, INC., ASSIGNOR; TO PANA'EWA PLANT COMPANY, LLC, ASSIGNEE; (2) CONSENT TO ASSIGNMENT OF GENERAL LEASE NO. S-4760; MOUNTAIN MEADOWS, INC., LESSEE/ASSIGNOR; KAZ'S NURSERY LLC, ASSIGNEE; (3) APPROVAL TO AMEND GENERAL LEASE NO. S-4760; TMK: 3rd DIV/2-2-056:039, LOT 13, PANA'EWA AGRICULTURAL PARK, WAIĀKEA, SOUTH HILO, ISLAND OF HAWAI'I, HAWAI'I

Authority: Sections 166-7 and 9, Hawaii Revised Statutes ("HRS"), and Section 4-153-33(a)(6)(B), Hawaii Administrative Rules ("HAR")

Assignor: Mountain Meadows, Inc.

Assignee: Kaz's Nursery LLC

Land Area: 18.698 acres

Tax Map Key: 3rdDiv/2-2-056:039 (Exhibit "A")

Lease Term: 55-years, January 1, 1982, through December 31, 2036

Land Status: Encumbered by Governor's Executive Order No. 3378, dated February 26, 1988, to the Department of Agriculture, now known as the Department of Agriculture and Biosecurity, for Agricultural Park Purposes

Annual Base Rent: \$5,360.00 per year

Character of Use: Macadamia Orchard

Consideration: \$1,000,000.00

BACKGROUND:

On May 7, 1982, the Department of Land and Natural Resources executed General Lease S-4760, a 55-year lease, to Donald S. Shintaku and Helen E. Shintaku. General Lease S-4760 was transferred to the Department of Agriculture, now known as the Department of Agriculture and Biosecurity (“DAB”), by Governor’s Executive Order No. 3378, dated February 26, 1988. On August 25, 2009, the Board of Agriculture, now known as the Board of Agriculture and Biosecurity (“BAB”), consented to the Assignment of General Lease S-4760 from Donald and Helen Shintaku to Mountain Meadows, Inc.

Since taking over General Lease S-4760 in 2009, Raymond Tanouye, owner of Mountain Meadows, Inc., developed a successful and thriving farming operation where he cultivates a large variety of landscaping plants, providing plant materials to many landscaping companies throughout the Big Island.

On February 25, 2025, BAB approved a Consent to the Assignment of General Lease S-4760 from Mountain Meadows, Inc. to Pana’ewa Plant Company, LLC. However, the transfer was unsuccessful, and a mutual cancellation of the Assignment was submitted to the DAB.

Over recent years it has become difficult for Mr. Tanouye to maintain his farming operation due to health issues. Pursuant to the terms of General Lease No S-4760 and Section 4-153-33(a)(6)(B), HAR, Mountain Meadows, Inc. is requesting to assign General Lease S-4760 to Kaz’s Nursery LLC, which is owned and operated by Reed Kishinami and Maximus Yarawamai.

Reed Kishinami and Maximus Yarawamai have significant experience in farming. In addition to owning Kaz’s Nursery LLC, they are also successful owners of Resort Management Group, LLC, which is a leaseholder of 4 parcels located in the Keāhole Agricultural Park on the Big Island. Resort Management Group, LLC is well respected in the agricultural community and is known for their nursery and landscaping plants and materials. Mr. Kishinami and Mr. Yarawamai together have over 22 years of experience in agriculture.

Kaz’s Nursery LLC’s Plan of Utilization and Development (“PUD”) is to continue the well-established and successful farming operation that was originally developed by Mountain Meadows, Inc.

Kaz’s Nursery LLC qualifies as an agricultural company with more than 75 percent of its officers qualifying as bona fide farmers with more than two (2) years of full-time farming experience satisfying the eligibility requirements of Sections 4-153-1 and 13, HAR.

There is a consideration of \$1,000,000.00 for the assignment of lease. This assignment will include a farm structure, shade houses, equipment, vehicles, trailers, tools, and a large plant inventory. General Lease S-4760 does not include a participation clause that would allow DAB to share in the consideration paid for the assignment.

The current lease language limits the “Character of Use” to Macadamia Orchard. In 2009, when staff brought forward the request to assign the lease from Donald and Helen Shintaku to Mountain Meadows, Inc., the board submittal identified the Character of Use as Diversified Agriculture. However, there was no formal recommendation to the board seeking approval to amend the lease provision. The PUD submitted by Kaz’s Nursery LLC proposes the cultivation of variety of landscaping plants. Therefore, pursuant to Section 4-153-33(c), HAR, staff requests approval to amend lease provision Paragraph 12. Character of Use from “Macadamia Orchard” to “Diversified Agriculture,” thereby allowing the lessee an opportunity to cultivate a variety of crops, without limiting allowed crops to macadamia nut trees. This amendment also serves the public’s interest.

RECOMMENDATION:

Staff recommend that the Board of Agriculture and Biosecurity:

1. Rescind its prior approval of the Consent to Assignment of General Lease S-4760 to Pana’ewa Plant Company, LLC.
2. Approve the assignment of General Lease S-4760 from Mountain Meadows, Inc., Lessee/Assignor, to Kaz’s Nursery LLC, Assignee, at the consideration of \$1,000,000.00.
3. Approve the amendment of General Lease S-4760, Paragraph 12. Character of Use to “Diversified Agriculture.”

All related documents are subject to the review and approval as to form by the Department of the Attorney General, and such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully submitted,



BRIAN KAU
Administrator and Chief Engineer,
Agricultural Resource Management Division

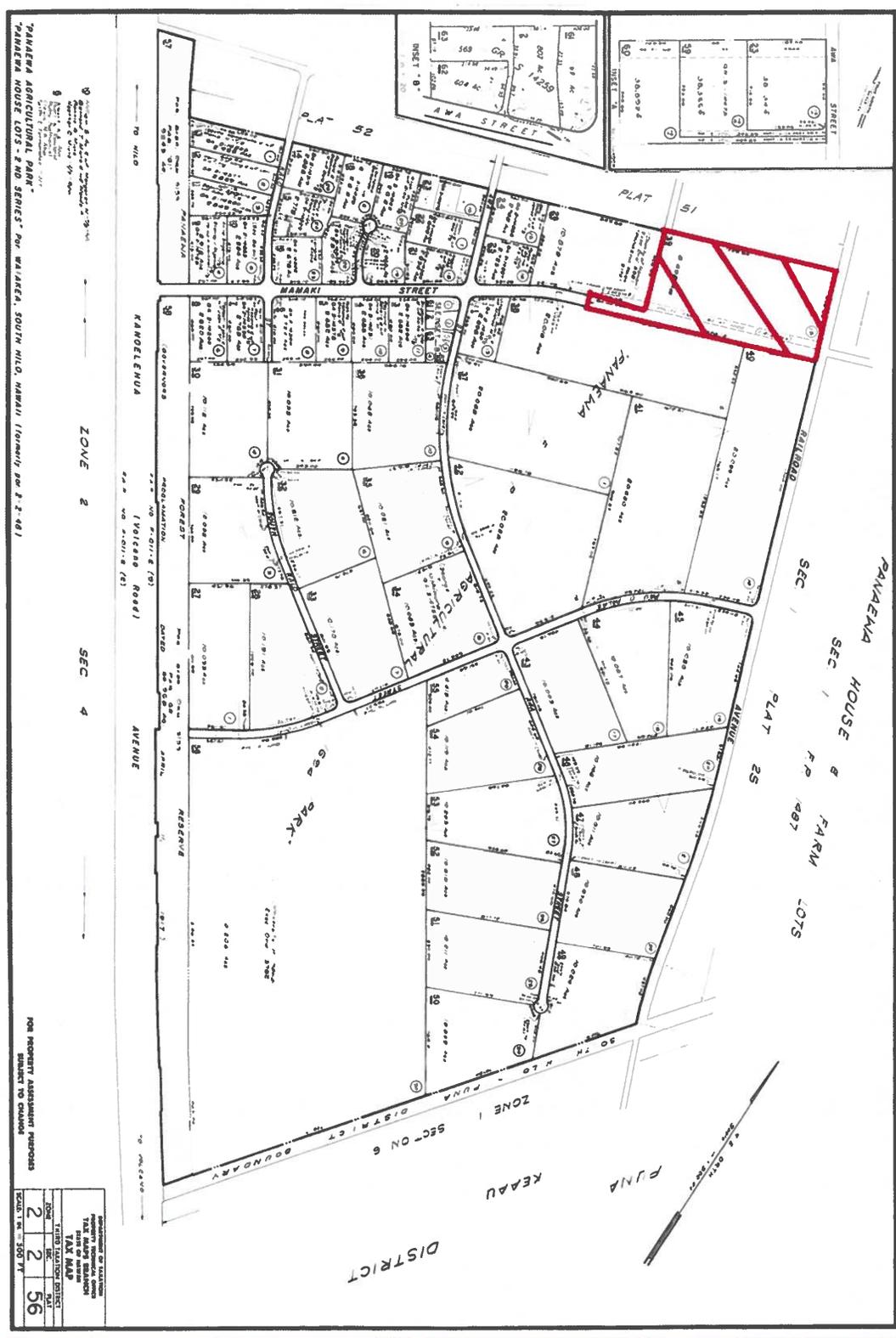
Attachments - Exhibit “A”

APPROVED FOR SUBMISSION:



SHARON HURD
Chairperson, Board of Agriculture and Biosecurity

EXHIBIT "A"



Photos
General Lease S-4760







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

February 24, 2026

Board of Agriculture and Biosecurity
Honolulu, Hawai'i

Subject: REQUEST FOR APPROVAL TO: (1) AMEND KEĀHOLE AGRICULTURAL PARK LEASES TO INCLUDE LANGUAGE ADDING AN INVASIVE SPECIES CONTROL PROVISION AND WAIVE ADMINISTRATIVE FEE OF \$30.00 PER LEASE FOR LEASE AMENDMENT DOCUMENT; AND (2) WAIVE LEASE RENT UP TO ONE YEAR FOR KEĀHOLE AGRICULTURAL PARK LESSEES UNDER CERTAIN CONDITIONS, KEĀHOLE AGRICULTURAL PARK, PHASE II, NORTH KONA DISTRICT, ISLAND OF HAWAI'I, HAWAI'I

Authority: Sections 166-3 and 9, Hawaii Revised Statutes ("HRS"), and Sections 4-153-3(b)(7) and (8), Hawaii Administrative Rules ("HAR")

BACKGROUND:

Invasive species is a growing concern for our agricultural industry. In 2013 the Coconut Rhinoceros Beetle ("CRB") was first detected in Hawai'i on the Island of O'ahu and has since been discovered throughout most of the neighboring islands. In 2025, the Keāhole Agricultural Park ("KAP"), which is home to thirty-four (34) actively farmed agricultural parcels, was identified as an area with CRB infestation. KAP lessees cultivate a wide range of crops, such as, but not limited to, turf, landscaping plants including palms, edible crops, and flowers, all of which are impacted by CRB.

The originally-issued KAP leases do not include specific provisions addressing invasive species or lessee responsibilities when such species are identified on or near to the leased premises. However, when leases are extended, the Department of Agriculture and Biosecurity ("DAB") has been amending them to include the invasive species control language used in DAB's current lease form. To date, six (6) of thirty-four (34) KAP leases have been extended

and amended to incorporate the current invasive species control provision. Unfortunately, the six (6) amended leases did not define invasive species control and will therefore require a further amendment.

Pursuant to Section 4-153-3(b)(8), HAR, the Board of Agriculture and Biosecurity (“Board”) has authority to “waive rental payments due to natural catastrophes and other external factors beyond the lessee's control and determine the period for the waiver” Under this authority and in an effort to achieve uniformity in the KAP leases as they relate to invasive species control and to combat the spread of invasive species and support our KAP farmers, DAB’s Agricultural Resource Management Division (“ARMD”), recommends offering eligible KAP lessees, who are in good standing, a waiver of up to one year’s rent provided that the lessee: (i) agrees in writing to execute a lease amendment to add the invasive species language used in the current and updated DAB lease form; and (ii) submit invoices and receipts acceptable to DAB showing purchase of goods and/or services specifically related to the eradication or control of CRB on their KAP lease parcel, all such invoices and receipts to be dated within the period July 1, 2025 to December 31, 2026. The waiver will be equal to one year’s rent or the total value of invoices and receipts deemed acceptable to DAB, whichever is less.

Attached as Exhibit “A” is a list of all the KAP leases including lease number, lessee name, TMK, and annual rent. Those six leases marked with an asterisk have been extended and amended but require a further amendment to include the definition of invasive species. ARMD is requesting approval to amend the KAP leases in Exhibit “A,” to incorporate the current invasive species control provision. The provision will include both operative language and a definition section to be stated as follows:

“Invasive species. Lessee shall immediately notify Lessor of any suspected or known presence of invasive species on the Premises and/or adjoining or nearby lots. Lessee shall allow Lessor access to the Premises to evaluate the situation pursuant to Chapters 4-68 and 4-69, HAR. It shall be the Lessee’s responsibility to take action to eradicate and/or prevent the spread of invasive species on the Premises, which may include administering pesticides or other methods of remediation approved and accepted by the Department of Agriculture and Biosecurity. In the event Lessee fails to take appropriate action to eradicate or control a known presence of invasive species on the Premises within a reasonably expedient amount of time (as determined by the nature of the invasive species), Lessor may perform such action to exterminate or control the invasive species and shall not be responsible to Lessee for any loss or damage that may occur by reason thereof, and Lessee agrees to pay Lessor on demand the cost of such remedial action made or caused to be made by Lessor together with interest thereon at the rate of two percent per month or at the maximum rate allowed by Hawai‘i law, whichever is less.”

“ ‘Invasive species’ means any organism which may include (but not limited to) plant, animal, fungus, or bacterium, that has negative effects that threaten biodiversity by causing disease, acting as predators or parasites, acting as competitors, altering habitat, and/or hybridizing with local species, likely causing harm to the economy, environment

and/or human health thereby affecting the agricultural industries of the State of Hawai‘i, as determined and so designated from time to time by the Department of Agriculture and Biosecurity. The term shall also include any and all noxious weeds, as that term is defined herein, regardless of whether the noxious weed is native to Hawai‘i or not.”

Section 4-153-6(a)(1), HAR, requires ARMD to collect a \$30.00 document fee for the preparation of lease amendment documents. However, the Board has authority under Section 4-153(b)(7), HAR, to “Establish reasonable fees for services rendered by the division and for preparation of documents to be issued.” Under this authority, ARMD is recommending that the Board waive the standard \$30.00 documentation fee for lease amendments authorized under today’s action.

On January 23, 2026, the DAB held a public meeting in Kailua-Kona to discuss CRB and its impact on KAP. During the meeting, DAB staff surveyed the lessees in attendance about their interest in a rent waiver to help offset the costs associated with the eradication and control of CRB within KAP, and the response was favorable. Accordingly, ARMD brings the lease amendment request today for the Board’s approval.

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RECOMMENDATION:

Staff recommend that the Board of Agriculture and Biosecurity:

1. Approve the amendment of the applicable leases listed in Exhibit "A" attached and located in Keāhole Agricultural Park to include an Invasive Species Control provision pursuant to Sections 166-3 and 9, HRS, and waive the administrative fee of \$30.00 per lease documentation fee for each lease amendment document processed under such approval, pursuant to Section 4-153-3(b)(7), HAR; and
2. Waive up to one year's rent for each eligible KAP lessee that is in good standing on the terms and conditions specified in the Background section above, pursuant to Section 4-153-3(b)(8), HAR.

All related documents are subject to the review and approval as to form by the Department of the Attorney General, and such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully submitted,



BRIAN KAU
Administrator and Chief Engineer,
Agricultural Resource Management Division

Attachment - Exhibit "A"

APPROVED FOR SUBMISSION:



SHARON HURD
Chairperson, Board of Agriculture and Biosecurity

EXHIBIT "A"

Lease No.	Lessee	Ag Park	TMK	Annual Lease Rent
S-4681	Resort Management Group, LLC	Keāhole	(3) 7-3-049:002	\$2,890.00
S-4682	Resort Management Group, LLC	Keāhole	(3) 7-3-049:003	\$3,310.00
*S-4684	Joseph Roderick	Keāhole	(3) 7-3-049:005	\$3,580.00
S-4686	Kelly Greenwell	Keāhole	(3) 7-3-049:007	\$3,130.00
S-4687	James Smith	Keāhole	(3) 7-3-049:008	\$2,990.00
S-4688	Resort Management Group, LLC	Keāhole	(3) 7-3-049:009	\$4,520.00
*S-4689	Matthew Castillo	Keāhole	(3) 7-3-049:010	\$3,140.00
S-4690	Thomas & Fatima Martin	Keāhole	(3) 7-3-049:011	\$2,990.00
S-4691	Howard Clark	Keāhole	(3) 7-3-049:012	\$3,130.00
S-4834	Resort Management Group, LLC	Keāhole	(3) 7-3-049:017	\$4,170.00
S-4835	The Nursery, Inc.	Keāhole	(3) 7-3-049:018	\$4,370.00
*S-4836	Josanna Ma	Keāhole	(3) 7-3-049:019	\$4,140.00
S-4837	Curtis Nakaoka	Keāhole	(3) 7-3-049:020	\$4,140.00
*S-4838	Puna Certified Nursery	Keāhole	(3) 7-3-049:021	\$4,140.00
*S-4839	Puna Certified Nursery	Keāhole	(3) 7-3-049:022	\$4,140.00
S-4840	Kato, Inc.	Keāhole	(3) 7-3-049:023	\$4,150.00
S-4841	Alvin Sato	Keāhole	(3) 7-3-049:024	\$4,150.00
S-4842	Craig Chambers	Keāhole	(3) 7-3-049:025	\$4,150.00
S-4843	Daniel Green	Keāhole	(3) 7-3-049:026	\$4,150.00
S-4845	The Orchid Farm, Inc.	Keāhole	(3) 7-3-049:028	\$4,550.00
S-4846	The Orchid Farm, Inc.	Keāhole	(3) 7-3-049:029	\$4,150.00
S-4848	Denis Louis O'leary	Keāhole	(3) 7-3-049:031	\$4,150.00
S-4849	Greg Boyer - Hawaiian Landscapes, Inc.	Keāhole	(3) 7-3-049:032	\$4,140.00
S-4850	Green Thumb Incorporated	Keāhole	(3) 7-3-049:033	\$4,140.00
S-4851	Genevieve Albert & Patricia Leimomi Greene	Keāhole	(3) 7-3-049:034	\$4,140.00
*S-4852	Puna Certified Nursery	Keāhole	(3) 7-3-049:035	\$4,260.00
S-4853	Hawaii Lawn & Landscape Inc.	Keāhole	(3) 7-3-049:015	\$3,670.00
S-4854	Kelly Greenwell	Keāhole	(3) 7-3-049:016	\$3,860.00
S-4855	Zackariah Weimer	Keāhole	(3) 7-3-049:030	\$3,130.00
S-4856	Peter Fithian	Keāhole	(3) 7-3-049:001	\$3,960.00
S-4857	Rumi Fujimura Maruyama	Keāhole	(3) 7-3-049:006	\$3,190.00
S-4858	George Broderson & Adam Broderson	Keāhole	(3) 7-3-049:014	\$3,250.00
S-4859	Rumi Fujimura Maruyama	Keāhole	(3) 7-3-049:004	\$2,000.00
S-4860	Daniel Green	Keāhole	(3) 7-3-049:027	\$7,500.00

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

February 24, 2026

Board of Agriculture and Biosecurity
Honolulu, Hawai'i

Subject: REQUEST FOR CONSENT TO ASSIGNMENT OF GENERAL LEASE NO. S-4802; ROBERT Y. FUJITAKE, ASSIGNOR; CATALINA T. TIAMSON, ASSIGNEE; TMK: 3RD DIV/1-5-116:038, LOT 11, PĀHOA AGRICULTURAL PARK, KEONEPOKO IKI, PUNA, ISLAND OF HAWAI'I, HAWAI'I

Authority: Sections 166-7 and 9, Hawaii Revised Statutes ("HRS"), and Sections 4-153-33(a)(6)(B) and (C), Hawaii Administrative Rules ("HAR")

Assignor: Robert Y. Fujitake

Assignee: Catalina T. Tiamson

Land Area: 5.000 acres

Tax Map Key: 3RD Div/1-5-116:038 (Exhibit "A")

Lease Term: 55-years, May 1, 1982, through April 30, 2037

Land Status: Encumbered by Governor's Executive Order No. 3380, dated February 26, 1988, to the Department of Agriculture, now known as the Department of Agriculture and Biosecurity, for Agricultural Park Purposes

Annual Base Rent: \$830.00 per year

Character of Use: Diversified Agriculture

Consideration: None

BACKGROUND:

General Lease S-4802 dated May 12, 1983, was awarded to Curtis T. Nishioka by the Board of Land and Natural Resources ("BLNR").

By mesne assignment on November 21, 1986, BLNR consented to the assignment of General Lease S-4802 to Robert Fujitake. Since acquiring the lease, he has utilized the property to grow a wide variety of crops such as anthuriums, fruit trees, orchids and microgreens. With the Department of Land and Natural Resources (“DLNR”) approval, Mr. Fujitake successfully cleared the entire five acres, constructed a 30,000 sq.ft. orchid shade house, installed an irrigation system, built an office/packing structure, and constructed a personal residence.

By Governor’s Executive Order No. 3380, dated February 26, 1988, General Lease S-4802 was transferred to the Department of Agriculture, now known as the Department of Agriculture and Biosecurity (“DAB”).

In 1991, DAB approved Mr. Fujitake’s request to construct an addition to the existing dwelling that was approved by DLNR in 1987. The addition included 968 sq. ft. of living area plus a 352 sq. ft. carport for office space and a parking structure. On April 20, 2000, the Board of Agriculture, now known as the Board of Agriculture and Biosecurity (“BAB”), consented to the assignment to add Mr. Fujitake’s wife, Deette Y. Fujitake to the lease. Together they continued to operate and maintain the farm’s successful business operations.

On February 13, 2023, with BAB’s approval, Mr. Fujitake became the sole lessee once again and has been doing his best to continue his farming operations. Now almost 40 years after first acquiring the lease, due to health and economic hardships Mr. Fujitake is unable to fulfill the requirements of his approved Plan of Utilization and Development (“PUD”), and the terms of the said lease. In accordance with Sections 4-153-33(a)(6)(B) and (C), HAR, Mr. Fujitake is requesting to assign General Lease S-4802 to Catalina T. Tiamson.

Catalina T. Tiamson has approximately 4 years of farming and business experience working on Mr. Fujitake’s farm and assisting him with various farming operations. Ms. Tiamson’s PUD of the property is to revive and grow various fruit crops such as passion fruit, bamboo, bananas, coconuts, papayas, dragon fruit, cassava, kabocha squash, sweet potatoes, and citrus fruits. She also plans to grow potted flowers, ornamental plants and blue-green algae sorghum.

Ms. Tiamson qualifies as a bona fide farmer with more than two (2) years of full-time farming experience and satisfies the eligibility requirements pursuant to Sections 4-153-1 and 13, HAR.

There is no consideration for the lease assignment, nor does General Lease S-4802 include a participation clause that would allow DAB to share in the consideration paid for the assignment.

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RECOMMENDATION:

Staff recommend that the Board of Agriculture and Biosecurity approve the Consent to the Assignment of General Lease S-4802 from Robert Y. Fujitake, Assignor, to Catalina T. Tiamson, Assignee. All related documents are subject to the review and approval as to form by the Department of Attorney General, and such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully submitted,



BRIAN KAU
Administrator and Chief Engineer,
Agricultural Resource Management Division

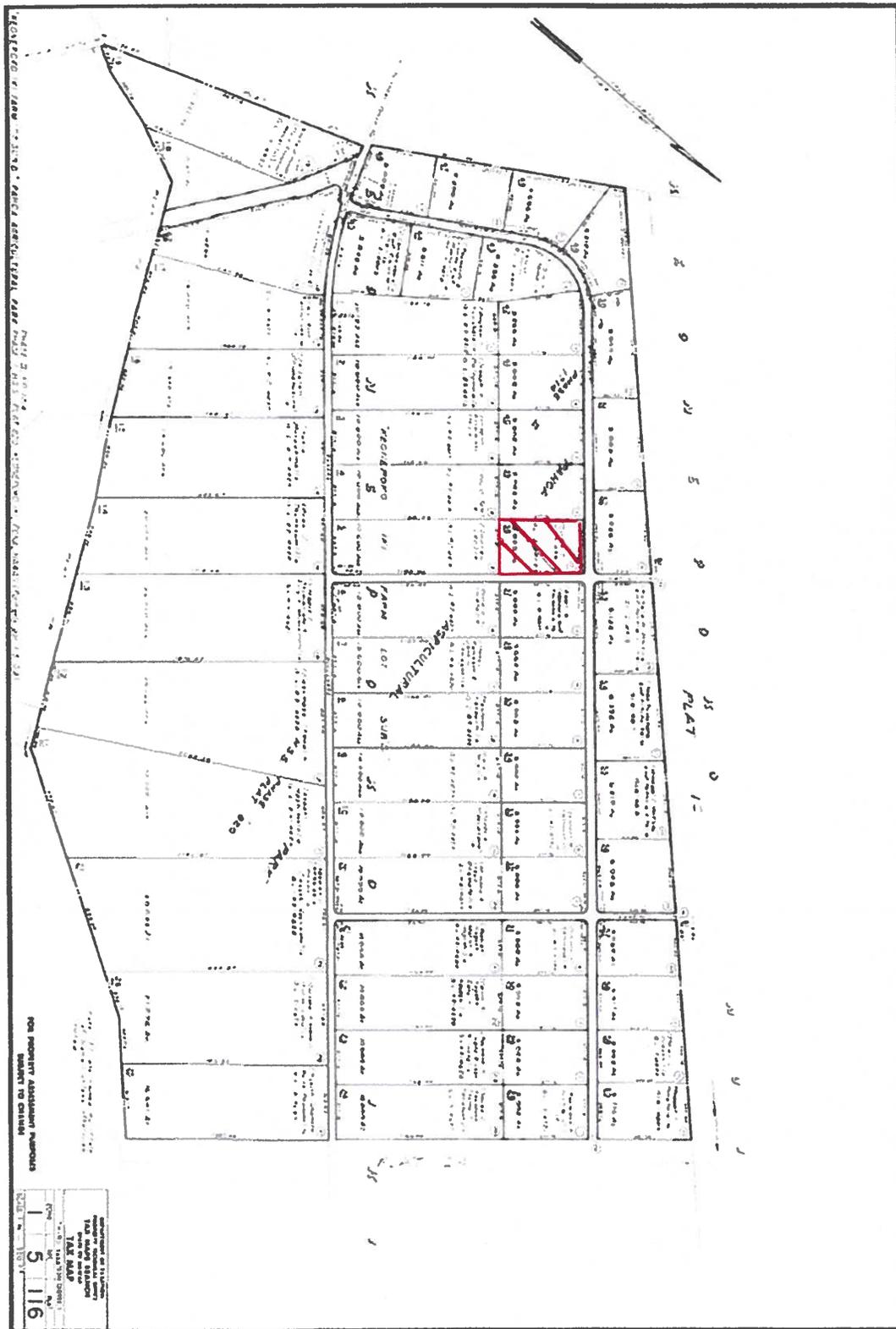
Attachments - Exhibit "A"

APPROVED FOR SUBMISSION:



SHARON HURD
Chairperson, Board of Agriculture and Biosecurity

EXHIBIT "A"



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

February 24, 2026

Board of Agriculture and Biosecurity
Honolulu, Hawai'i

Subject: RESUBMITTAL: REQUEST FOR APPROVAL TO: (1) ACCEPT, AFTER THE FACT, ANNUAL LEASE RENT AMOUNT DETERMINED BY APPRAISAL FOR THE MAY 1, 2024 RENT REOPENING UNDER GENERAL LEASE NO. S-3109 THROUGH THE CANCELLATION DATE OF THE LEASE, MILTON COLEMAN, JR., LESSEE; (2) CANCEL GENERAL LEASE NO. S-3109, MILTON COLEMAN, JR., LESSEE; (3) ISSUE CANCELLATION DOCUMENT; AND (4) DISPOSE OF THE PARCEL TO THE PUBLIC BY NEGOTIATION; TMK: (1) 4-1-018:048, KO'OLAUPOKO, WAIMĀNALO, ISLAND OF O'AHU, HAWAI'I

Authority: Sections 166E-5, 6 and 8, Hawaii Revised Statutes (HRS), and Sections 4-158-2(a)(8) and (11), and 33, Hawaii Administrative Rules (HAR)

Lessee: Milton Coleman, Jr.

Land Area: 1.4 acres

Tax Map Key: (1) 4-1-018:048 (see Exhibit "A")

Land Status: Encumbered by Governor's Executive Order No. 4408 to the Department of Agriculture, now known as the Department of Agriculture and Biosecurity ("Department"), for non-agricultural park land purposes in 2012

Lease Term: 35 years, 5/1/2014 to 4/30/2049

Current Rent: \$4,860 per year based on reopening of 5/1/2024

Additional Rent: 1.5 % of the gross proceeds from the sale of commodities produced on the demised premises which exceed the base rental

Permitted Use: Diversified agriculture purposes

BACKGROUND:

The subject lease was awarded to Milton Coleman, Jr. by the Board of Agriculture, now known as the Board of Agriculture and Biosecurity ("Board"), effective May 1, 2014, by way of public auction. The Lessee had originally planned to farm native Hawaiian crops and establish an aquaculture system.

Development of the farm has not progressed as required by the lease and delinquencies of rent and property taxes continue to increase. Agricultural Resource Management Division staff offered multiple repayment plan agreements in 2024 and earlier that were rejected by the Lessee. There have been no payments for rent or property taxes since June 2023, and the Lessee did not communicate with staff between June 2024 and January 2026, despite many attempts from staff by telephone, email, and U.S. mail.

The Lessee is in breach with a current lease rent balance due of \$109,174.00 and \$30,557.32 in interest, as well as a real property tax balance due of \$4,132.91. The Lessee is also in breach for non-development of the premises and expired general liability insurance. Many letters demanding remedy of the various lease violations have been sent as summarized on the attached Exhibit "B." The Lessee has failed to remedy the violations within the allotted times, or such additional time allowed in good cause to correct them.

Prior requests to terminate General Lease No. S-3109 were deferred at the Board meetings held on August 27, 2019, April 14, 2020, November 29, 2022, September 26, 2023, and January 27, 2026.

Staff procured an appraisal report for the rent reopening scheduled under the lease for May 1, 2024. The appraisal determined a substantially reduced rent for the property from \$12,340 to \$4,860 per year. However, staff did not present the new rent to the Board for acceptance because of the numerous defaults under the lease, intending instead to return to the Board with a renewed request for cancellation. Due to retirements and resignations with the Agricultural Resource Management Division ("ARMD"), the matter was not timely brought back to the Board for consideration. In the meantime, 1.75 years have passed with additional rent accruing.

Staff is proposing that the rent from and after May 1, 2024, be charged at the reopened rate of \$4,860 per year through the lease cancellation date, which requires the Board's after-the-fact approval of the reopened rental rate. This is how the rental default was calculated in the most recent Notice of Default sent to Lessee's address of record on November 3, 2025, by Certified Mail, return receipt requested. The return receipt shows the Notice of Default was received at Lessee's address on November 4, 2025. As of the date of this meeting, the cure periods allowed under the lease (30 days for rent and 60 days for non-rent defaults) have elapsed without cure by Lessee. The Board is therefore authorized to cancel the lease.

On December 2, 2025, ARMD was contacted by Mr. Dale Hardinger, who leases the adjacent property. Mr. Hardinger indicated that after a long period of inactivity on the Lessee's parcel, Mr. Hardinger and his family observed individuals on the property whom they did not recognize and suspected were squatters. Staff could not verify the report on its February 10, 2026 site visit due to how overgrown the property was at that time.

The Board previously deferred this matter at its meeting held on January 27, 2026, giving the Lessee a month to work with staff towards a repayment plan, as well as schedule a site visit to the property.

A site visit notice was sent to the Lessee by email and U.S. mail on January 29, 2026, in an attempt to confirm the development status of the property. The inspection was scheduled for February 10, 2026. Staff also sent a repayment plan to the Lessee by email and U.S. mail on February 4, 2026. However, the Lessee did not respond to the repayment plan and responded by email the morning of February 10, 2026, to say that neither he nor his son could be present for the site visit because they were overseas. Staff informed the Lessee that the site visit could be rescheduled but staff would still visit the lease premises as planned. On February 10, 2026, staff visited the premises and took pictures of the property which was very overgrown, poorly maintained, and had rubbish strewn around as shown on Exhibit "C." No signs of farming activities were observed.

Between the date of the Board deferral of this matter on January 27, 2026 and the writing of this submittal, Lessee made no payments on delinquent rent or real property taxes, did not respond to the repayment plan proposed by ARMD, did not post liability insurance for the property, and did not attend a site inspection of the lease premises with ARMD staff. Due to the continued non-compliance, non-development of the premises, and vast interest in Waimānalo agricultural parcels, staff recommends the cancellation of General Lease No. S-3109 and disposition of the parcel to the public so the land can be utilized for farming purposes as originally intended. Staff also recommend referral of the account to the Department of the Attorney General to expedite resolution of the outstanding lease rent balance due.

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RECOMMENDATION:

That the Board of Agriculture and Biosecurity:

1. Accept, after the fact, the annual lease rent amount for General Lease No. S-3109 as determined by independent appraisal for the May 1, 2024, rent reopening in the amount of \$4,860 per year through the cancellation date of the lease;
2. Approve the cancellation of General Lease No. S-3109 pursuant to Section 4-158-2(a)(8), HAR, and terminate all right, title, and interest granted to the Lessee therein effective as of the date of approval of this submittal;
3. Authorize issuance of a lease cancellation document to be executed by the Chairperson and recorded at the Bureau of Conveyances;
4. Authorize staff to prepare TMK: (1) 4-1-018:048 for disposition to the public, pursuant to Subchapters 4-158-24 and 29, HAR; and
5. Approve the request to refer General Lease No. S-3109 as a delinquent account to the Department of the Attorney General for review and disposition in accordance with Section 40-82, HRS.

All related documents are subject to approval as to form by the Department of the Attorney General, and such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully submitted,



BRIAN KAU
Administrator and Chief Engineer
Agricultural Resource Management Division

Attachment - Exhibit "A"
Exhibit "B"
Exhibit "C"

APPROVED FOR SUBMISSION:



SHARON HURD
Chairperson, Board of Agriculture and Biosecurity



Exhibit "B"

DEFAULT PROCEEDINGS TIMELINE

2015	
February to April	<p><u>E-mail reminders</u> -Lease rent delinquent</p>
November	<p><u>Inspection</u> -Non-compliance with rent payments; -Non-development of the premises.</p>
November	<p><u>Notice of Violation (from DPP)</u> -Branches from private trees on the property encroaching into the sidewalk.</p>
2017	
September	<p><u>Notice of Default:</u> -Lease rent delinquent in the amount of \$18,015.15; -Real property tax delinquent in the amount of \$4,617.40; -Section 7: utilization time extended to April of 2018.</p>
September	<p><u>Inspection</u> -Lease rent delinquent; -Non development of the premises (Section 7)</p>
2018	
January	<p><u>Notice of Default:</u> -Lease rent delinquent in the amount of \$21,418.00; -Real property tax delinquent in the amount of \$4,757.53; -Section 7: utilization time extended to April of 2018.</p>
February	<p><u>Notice of Default:</u> -Lease rent delinquent in the amount of \$24,699.80; -Real property tax delinquent in the amount of \$4,793.07; -Section 7: utilization time extended to April of 2018.</p>
April	<p><u>Inspection</u> -Lease rent delinquent; -Non development of the premises (Section 7); -Real property tax delinquent.</p>
November	<p><u>Notice of Default:</u> -Lease rent delinquent with a balance of \$36,354.70; -Real property tax delinquent in the amount of \$7,008.39; -Non-development of the premises.</p>

DEFAULT PROCEEDINGS TIMELINE

2019	
May	<p style="text-align: center; margin: 0;"><u>Notice of Default:</u></p> <ul style="list-style-type: none"> -Lease rent delinquent in the amount of \$44,094.85; -Failure to provide or maintain Liability Insurance; -Non development of the premises (Section 7); -Real property tax delinquent in the amount of \$7,359.84
June	<p style="text-align: center; margin: 0;"><u>Notice of Default:</u></p> <ul style="list-style-type: none"> -Lease rent delinquent in the amount of \$44,796.95; -Failure to provide or maintain Liability Insurance; -Non development of premises (Section 7); -Real property tax delinquent in the amount of \$7,518.52
August	<p style="text-align: center; margin: 0;"><u>Board Submittal: Lease Termination (Deferred)</u></p> <ul style="list-style-type: none"> -Lease rent delinquent in the amount of \$48,263.85 -Real property tax delinquent in the amount of \$9,536.24
December	<p style="text-align: center; margin: 0;"><u>Inspection</u></p> <ul style="list-style-type: none"> -Lease rent delinquent; -Non development of the premises (Section 7); -Real property tax delinquent.
2020	
April	<p style="text-align: center; margin: 0;"><u>Resubmittal Request: Lease Termination (Deferred)</u></p> <ul style="list-style-type: none"> -Lease rent delinquent with a balance of \$55,252.90 -No real property taxes payments since August of 2016
2022	
September	<p style="text-align: center; margin: 0;"><u>Notice of Default</u></p> <ul style="list-style-type: none"> -Lease rent delinquent with a balance of \$90,029.50; -Real property taxes delinquent; -Paragraph 48: derelict vehicles on the premises; -Non-development of the premises.
September	<p style="text-align: center; margin: 0;"><u>Inspection</u></p> <ul style="list-style-type: none"> -Lease rent delinquent;
November	<p style="text-align: center; margin: 0;"><u>Board Submittal: Lease Termination (Deferred)</u></p> <ul style="list-style-type: none"> -Lease rent delinquent with a balance of \$98,617.00; -Real property tax delinquent with a balance of \$20,150.44.

DEFAULT PROCEEDINGS TIMELINE

2023	
July	<p style="text-align: center; color: #e67e22;"><u>Notice of Default (Returned)</u></p> <p>-Lease rent delinquent with a balance of \$84,474.33</p>
August	<p style="text-align: center; color: #e67e22;"><u>Notice of Default (Returned)</u></p> <p>-Lease rent delinquent with a balance of \$85,272.57; -Non-development of the premises.</p>
August	<p style="text-align: center; color: #e67e22;"><u>inspection</u></p> <p>-Lease rent delinquent; -COI expired; -Premises need maintenance.</p>
September	<p style="text-align: center; color: #e67e22;"><u>Board Submittal: Lease Termination (Motion Died)</u></p> <p>-Lease rent delinquent with a balance of \$86,070.81; -Non-development of the premises.</p>

2024	
February	<p style="text-align: center; color: #e67e22;"><u>Notice of Default (Returned)</u></p> <p>-Lease rent delinquent with a balance of \$96,447.96</p>
May	<p style="text-align: center; color: #e67e22;"><u>inspection</u></p> <p>-Lease rent delinquent with a balance of \$102,143.63; -COI expired; -Premises need maintenance; -Real property tax delinquent.</p>

2025	
January	<p style="text-align: center; color: #e67e22;"><u>Notice of Cancellation: Liability Insurance</u></p> <p>-Received by the Department on January 21; -Cancellation effective date: February 20th.</p>
September	<p style="text-align: center; color: #e67e22;"><u>E-mail attempt to schedule inspection</u></p>
September	<p style="text-align: center; color: #e67e22;"><u>Letter attempt to schedule inspection</u></p>
November	<p style="text-align: center; color: #e67e22;"><u>Notice of Default</u></p> <p>-Lease rent delinquent in the amount of \$133,512.25; -Real property tax delinquent in the amount of \$3,991.10; -Certificate of General Liability cancelled by insurance company</p>

2026	
January 27	<p style="text-align: center; color: #e67e22;"><u>Board Submittal: Lease Termination (Deferred)</u></p> <p>-Lease rent delinquent with a balance of \$134,524.54 -Real property tax delinquent with a balance of \$4,098.99 -No certificate of general liability insurance</p>
January 29	<p style="text-align: center; color: #e67e22;"><u>inspection: Notice</u></p> <p>-Sent by regular mail and e-mail</p>
February 3	<p style="text-align: center; color: #e67e22;"><u>Follow up Call</u></p> <p>-Voicemail left around 1:08pm</p>
February 4	<p style="text-align: center; color: #e67e22;"><u>Repayment Plan</u></p> <p>-Sent via certified mail and email</p>
February 4	<p style="text-align: center; color: #e67e22;"><u>Follow up Call</u></p> <p>-Voicemail left around 2:29pm</p>
February 10	<p style="text-align: center; color: #e67e22;"><u>inspection (Drive by)</u></p> <p>-Weed overgrow -Rubish -Non-development</p> <p>-Lease rent delinquent with a balance of \$139,731.32 -Real property tax delinquent with a balance of \$4,132.91</p>

Exhibit "C"

Front gate - 2022



2022



Front gate - 2024



2024



Front gate - 2026



2026

