

STATE OF HAWAII  
DEPARTMENT OF AGRICULTURE AND BIOSECURITY  
AGRICULTURAL RESOURCE MANAGEMENT DIVISION  
HONOLULU, HAWAII

June 23, 2026

Board of Agriculture and Biosecurity  
Honolulu, Hawaii

Subject: REQUEST FOR AFTER-THE-FACT APPROVAL TO: (I) ISSUE REVOCABLE PERMITS TO GRANT SCHULE; AND (II) RENEW SUCH REVOCABLE PERMITS FOR CALENDAR YEARS 2025 AND 2026; TMKS: (2) 5-2-001:010 & 016, LOT NOS. 1 & 7, MOLOKA'I AGRICULTURAL PARK, HO'OLEHUA, ISLAND OF MOLOKA'I, HAWAII

Authority: Section 166-9, Hawaii Revised Statutes, and Sections 4-153-3(b)(3) and 13(a)(1), (c) and (d), Hawaii Administrative Rules

Land Area: RP-3158 23.701 gross acres (Lot 1)  
RP-3159 26.890 gross acres (Lot 7)

Tax Map Keys: RP-3158 (2) 5-2-001:010 (Exhibit "A")  
RP-3159 (2) 5-2-001:016 (Exhibit "A")

Land Status: Encumbered by Governor's Executive Order No. 3696 on December 27, 1996, to the Department of Agriculture, now known as the Department of Agriculture and Biosecurity ("DAB"), for agricultural purposes

Rental: RP-3158 \$103 per month  
RP-3159 \$112 per month

Character of Use: Diversified Agriculture

Lease Term: Month-to-month revocable permits for a term of one year renewable on approval of the Board of Agriculture and Biosecurity ("Board")

BACKGROUND:

On April 7, 1997, the Department of Land and Natural Resources set aside TMKs (2) 5-2-001:010 and 016 for the Moloka'i Agricultural Park, to be under the control and management of the Department of Agriculture, now known as the Department of Agriculture and Biosecurity, by Governor's Executive Order No. 3696. On March 24, 1999, the DAB executed General Lease Nos. S-9000 and S-9008, thirty-five-year leases, to William Pfeil.

Mr. Pfeil produced papaya, mango, and avocados, but left for Thailand and hired managers to take care of and upkeep the farm until he returned. After these relationships were terminated, Mr. Pfeil requested Grant Schule to manage both parcels.

For approximately 10 years, General Leases S-9000 and S-9008 were under the care and management of Grant Schule while leased under William Pfeil. Since managing the parcels, Mr. Schule established successful farming operations on both parcels, brought in equipment for clearing, upgraded the irrigation system, and installed fencing for deer prevention at his expense. Mr. Schule and his business entity, Kumu Farms, LLC, are also leaseholders of five other leases in the Moloka'i Agricultural Park where he grows organic Sunrise papaya, lettuce, corn, kale, beets, beans, eggplant, carrots, bananas, fennel, and various herbs that are sold locally and exported nationwide. Through his thriving operations and farming methods, 6 acres of General Lease S-9000 and the entirety of General Lease S-9008 are declared as fully Certified Organic by Oregon Tilth. Mr. Schule has over 45 years of agricultural experience.

In 2019, DAB Land Branch staff were notified by Mr. Schule that Mr. Pfeil passed away in Thailand. There was no communication from any representatives of Mr. Pfeil's estate to legally act on his behalf, and no probate matters were opened per the Hawai'i State Judiciary website. As a result, the Board approved the cancellation of both of Mr. Pfeil's leases on November 26, 2024.

In December 2024, Mr. Schule expressed interest in securing new leases for the parcels. However, the Land Branch experienced a series of retirements and resignations around this period, with the result that a request for issuance of interim revocable permits to Mr. Schule covering the parcels was not timely presented to the Board. Nevertheless, Mr. Schule maintained the farm operations on the former lease premises and continued to pay the rent and irrigation fees due under the leases even past their cancellation dates, with DAB accepting the payments. Mr. Schule is now requesting to legitimize his continued farming on both parcels in accordance with his already established and successful Plan of Utilization with after-the-fact approvals for revocable permits. The recommended monthly rents for the revocable permits are the same (on an annualized basis) as the rents payable under the leases at the time of cancellation.

Mr. Schule has been advised that the revocable permits would be on a month-to-month basis, with the possibility of annual renewal, subject to Board approval, until such time as DAB enters into long-term lease agreements for the properties through the competitive public notice process.

RECOMMENDATION:

That the Board of Agriculture and Biosecurity approve, after the fact: (i) the issuance of month-to-month revocable permits to Grant Schule for diversified agricultural use, subject to the approval as to form of the revocable permits by the Department of the Attorney General; and (ii) the renewal of such revocable permits for calendar years 2025 and 2026.

Respectfully submitted,



BRIAN KAU

Administrator and Chief Engineer,  
Agricultural Resource Management Division

Attachments – Exhibit “A”

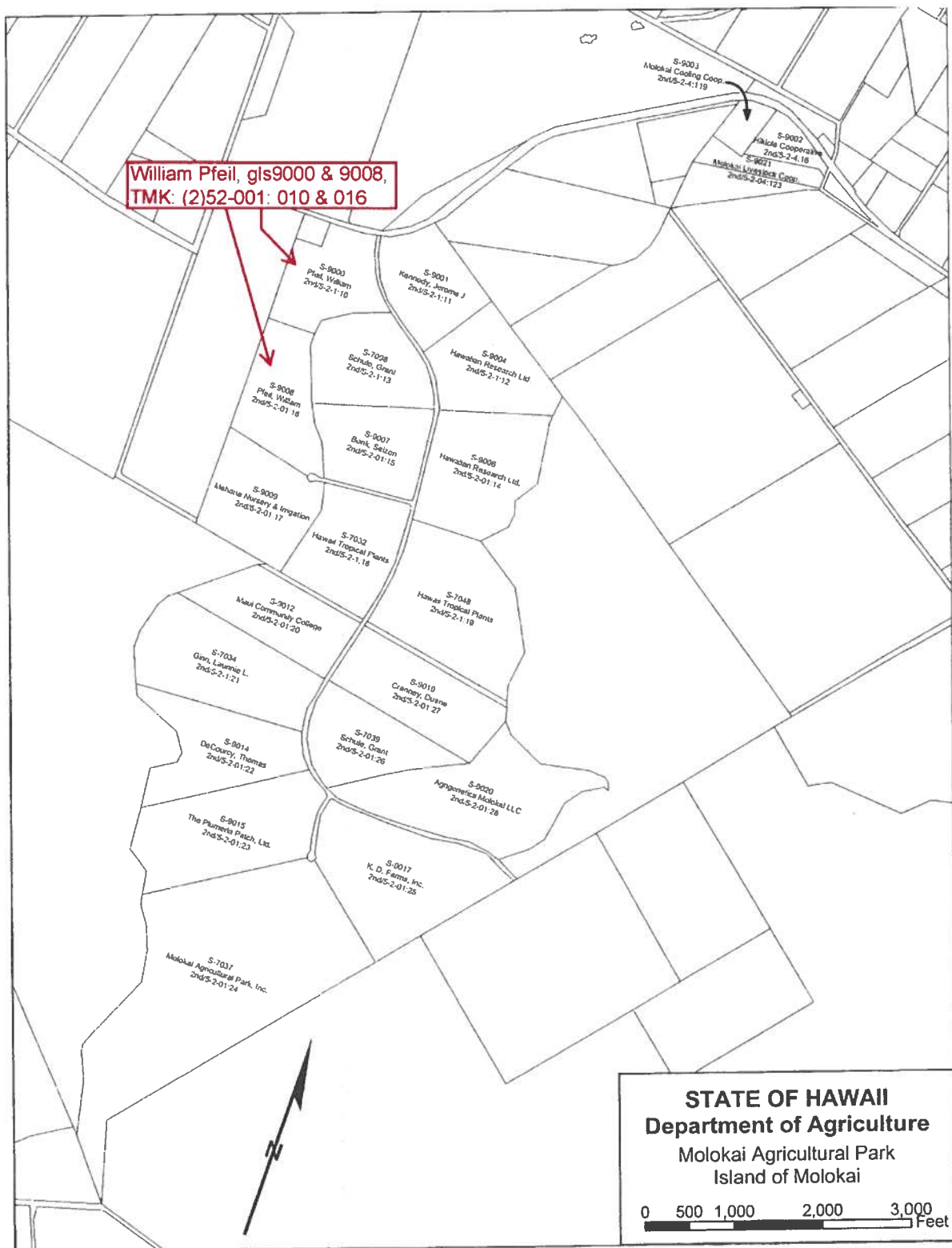
APPROVED FOR SUBMISSION:



SHARON HURD

Chairperson, Board of Agriculture and Biosecurity

**EXHIBIT "A"**





**PHOTOS OF TMKS (2) 5-2-001:010 & 016**



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

June 23, 2026

Board of Agriculture and Biosecurity  
Honolulu, Hawai'i

Subject: REQUEST TO: (1) CANCEL REVOCABLE PERMIT NO. S-3157; MOLOKAI HOMESTEAD LIVESTOCK ASSOCIATION ("MHLA"), PERMITTEE, AND WAIVE THE PHASE 1 ENVIRONMENTAL SITE ASSESSMENT REQUIREMENT; AND (2) ISSUE A REVOCABLE PERMIT AT GRATIS TO THE DEPARTMENT OF AGRICULTURE AND BIOSECURITY ("DAB"), ANIMAL INDUSTRY DIVISION, FOR CONTINUED OPERATION OF DAB'S BOVINE TUBERCULOSIS TESTING CENTER, INCLUDING TEMPORARY HOLDING AREA TO QUARANTINE ANIMALS, AND OTHER RELATED PURPOSES; TMK: (2) 5-2-001:017, LOT 8, MOLOKA'I AGRICULTURAL PARK, HO'OLEHUA, ISLAND OF MOLOKA'I, HAWAI'I

Authority: Section 166-6(c), Hawaii Revised Statutes ("HRS"), and Section 4-153-3(b)(3), Hawaii Administrative Rules ("HAR")

Permittee: Molokai Homestead Livestock Association

Land Area: 30.715 gross acres

Tax Map Key: (2) 5-2-001:017 (Exhibit "A")

Term: Month-to-month revocable permit for a term of one year, renewable on approval by the Board of Agriculture and Biosecurity

Land Status: Encumbered by Governor's Executive Order No. 3696 to the DAB for agricultural purposes, dated December 27, 1996

Rental: Existing RP-3157: \$167.00 per month  
New RP to Animal Industry Division: Gratis

Character of Use: Existing RP-3157: Diversified Agriculture use that includes the production of silage for livestock feed. MHLA shall allow DAB's Bovine TB Testing Center to use a portion of the lot of approximately one (1) acre as a temporary holding area to quarantine animals, and other related purposes.

New RP to Animal Industry Division: Bovine Tuberculosis Testing Center, including temporary holding area to quarantine animals, and other related purposes.

### BACKGROUND:

In June of 2021, a significant outbreak of bovine tuberculosis ("bTB" or "BovineTB") affected six herds of cattle in central and West Moloka'i, which resulted in an island-wide quarantine of all ungulates that restricted their movement inter- and intra-island. All six infected herds were completely depopulated. Annual cattle testing is conducted with wildlife surveillance. BovineTB has been detected in West Moloka'i in two axis deer in 2022 and 2023. In fall of 2025 an additional two axis deer were found infected with bTB from West Moloka'i. It is possible that the severe drought drove wildlife into closer association with livestock. Genomic information on the *Mycobacterium bovis* organisms detected in the affected livestock and wildlife indicated that certain wildlife species may be a reservoir maintaining the bTB on Moloka'i.

The bTB quarantine affects all livestock herds on the island, causing the exportation of feeder calves to markets on the mainland United States to become problematic. Cattle producers joined together under the leadership of the Molokai Homestead Livestock Association ("MHLA") and came up with a plan to feed and finish cattle on Moloka'i as a result.

At its meeting on February 28, 2023, the Board of Agriculture, now known as the Board of Agriculture and Biosecurity ("Board"), approved the issuance of month-to-month Revocable Permit No. S-3157 ("RP-3157") to MHLA for Lot 17 in the Moloka'i Agriculture Park. The following uses are allowed under RP-3157:

Diversified Agriculture use that includes the production of silage for livestock feed. MHLA shall allow the Department of Agriculture's Bovine TB Testing Center to use a portion of the lot of approximately one (1) acre as a temporary holding area to quarantine animals, and other related purposes.

Lot 17 is enclosed by an 8' fence that excludes axis deer and feral pigs, both of which have been implicated as potential reservoirs for bTB. In addition, producers worked closely with Animal Industry Division to test cattle prior to entering the area and cattle are periodically tested to ensure they remain negative for bTB.

On May 26, 2026, staff received a letter from MHLA requesting to cancel RP-3157 due to economic hardship as a result of the strict Quarantine Order in effect on the island. However, Animal Industry Division confirmed that it still requires use of the premises for bTB testing purposes.

The Animal Industry Division recognizes the need to not only detect, eradicate, prevent, and conduct surveillance for bTB in the Moloka'i livestock herds, but to also assist the affected livestock industries to recover from the economic hardship caused by this outbreak. Therefore, staff strongly recommends the issuance of a new revocable permit to the Animal Industry Division for continued usage of the existing Bovine Tuberculosis Testing Center.

RP-3157 includes a requirement at Paragraph B.13 that the permittee conduct a Phase I environmental site assessment ("Phase I ESA") and conduct a complete abatement and disposal, if necessary, satisfactory to the standards required by the Federal Environmental Protection Agency, the Department of Health, and the Department of Land and Natural Resources. However, since MHLA's use of the premises was in conjunction with Animal Industry Division's bTB testing program, staff is recommending that the Phase I ESA be waived. Staff has confirmed with Animal Industry Division that there are no signs of soil contamination or hazardous materials used on the premises.

RECOMMENDATION:

Staff recommend that the Board of Agriculture and Biosecurity:

1. Approve the cancellation of Revocable Permit S-3157 and terminate all rights, title, and interest granted to the Permittee therein effective as of the date of approval of this submittal;
2. Waive the Phase I environmental site assessment requirement under Revocable Permit S-3157;
3. Issue a new month-to-month revocable permit to the Department of Agriculture and Biosecurity, Animal Industry Division for continued operation of the Bovine Tuberculosis Testing Center including temporary holding area to confine animals, and other related purposes; and
4. Authorize the gratis rental rate as recommended by staff to a sister division.



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,

A handwritten signature in cursive script, appearing to read "Brian Kau", written over a horizontal line.

BRIAN KAU  
Administrator and Chief Engineer,  
Agricultural Resource Management Division

Attachment - Exhibit "A"

APPROVED FOR SUBMISSION:

A handwritten signature in cursive script, appearing to read "Sharon Hurd", written over a horizontal line. The word "for" is written in a smaller, cursive font to the left of the signature.

SHARON HURD  
Chairperson, Board of Agriculture and Biosecurity

NOTE: Parcels 1, 9, 20, 31 owned by Hawaiian Home Lands, unless otherwise noted.

NOTE: Parcels 10 thru 30 owned by State of Hawaii (County of Maui) G. L. 5-4422 unless otherwise noted.

ADVANCE SHEET  
SUBJECT TO CHANGE

| SECOND DIVISION      |      |
|----------------------|------|
| ZONE                 | PLAT |
| 5                    | 2    |
| CONTAINING PARCELS   |      |
| SCALE 1 in = 600 FT. |      |

PRINTED

A-10

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

June 23, 2026

Board of Agriculture and Biosecurity  
Honolulu, Hawai‘i

Subject: REQUEST TO APPROVE RENTAL OFFSET, GENERAL LEASE NO. S-4928A; ANTHONY M. ORTIZ, LESSEE; TMK: (1) 4-1-035:007, WAIMĀNALO, KO‘OLAUPOKO, ISLAND OF O‘AHU, HAWAI‘I

Authority: Section 166-9, Hawaii Revised Statutes (HRS), and Section 4-153-24(2), Hawaii Administrative Rules (HAR)

Lessee: Anthony M. Ortiz

Land Area: 9.983 gross acres

Tax Map Key: (1) 4-1-035:007 (see Exhibit “A”)

Lease Term: 35 years, June 1, 2025, through May 31, 2060

Land Status: Encumbered by Governor’s Executive Order No. 3464, dated August 22, 1990, to the Department of Agriculture, now the Department of Agriculture and Biosecurity, for agriculture purposes

Annual Base Rental: \$67,200.00 per year, until rental reopening on June 1, 2040

Character of Use: Diversified agriculture

BACKGROUND:

On August 22, 1990, Governor’s Executive Order No. 3464 transferred the subject land parcel to the Department of Agriculture, now the Department of Agriculture and Biosecurity, for management purposes. The Agricultural Resource Management Division requested and received the Board’s approval for the disposition of the parcel and by way of sealed bids the subject property was awarded to the successful bidder, Anthony M. Ortiz. A thirty-five (35) year lease was issued for the parcel commencing June 1, 2025, through May 31, 2060.

Anthony M. Ortiz submitted expense receipts for supplies, equipment, and services rendered. He removed several large trees and vegetation and continues to clear the land in

A.11

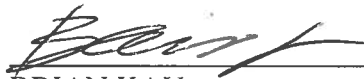
anticipation of planting a fruit orchard, vegetable garden, and landscape nursery plants. His expenses clearing and preparing the land for planting total \$31,628.87.

Pursuant to 4-153-24(2), HAR, and the Lease, the Board may permit the Lessee to offset the cost of land clearance and improvements against not more than two (2) years of base annual rental. The Lessee is requesting a rental offset in the amount of \$31,628.87.

RECOMMENDATIONS:

That the Board of Agriculture and Biosecurity approve the Lessee's request for a rental offset in the amount of \$31,628.87, in accordance with the terms and conditions of General Lease No. S-4928A and Section 4-153-24(2), HAR, and such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully submitted,

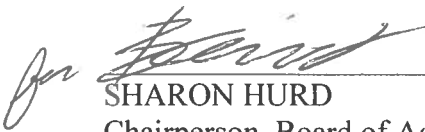


BRIAN KAU

Administrator and Chief Engineer  
Agricultural Resource Management Division

Attachments - Exhibit "A"

APPROVED FOR SUBMISSION:



SHARON HURD

Chairperson, Board of Agriculture and Biosecurity

Exhibit "A"



TMK: (1) 4-1-035-007





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

June 23, 2026

Board of Agriculture and Biosecurity  
Honolulu, Hawai'i

Subject: REQUEST FOR CONSENT TO THE ASSIGNMENT OF  
GENERAL LEASE NO. S-4691; THE BANK OF NEW YORK  
MELLON F/K/A THE BANK OF NEW YORK, AS TRUSTEE FOR  
FIRST HORIZON ALTERNATIVE MORTGAGE SECURITIES  
TRUST 2007-FA3 MORTGAGE PASS-THROUGH  
CERTIFICATES SERIES 2007-FA3, ASSIGNOR; TO ALOHA  
AINA ESTATE HOLDINGS LLC, ASSIGNEE; TMK: (3) 7-3-  
049:012, LOT 12, KEĀHOLE AGRICULTURAL PARK, KALAOA-  
'O'OMA, NORTH KONA, ISLAND OF HAWAI'I, HAWAI'I

Authority: Section 166-7 and 9, Hawaii Revised Statutes (HRS), and  
Section 4-153-25(a) and 4-153-33(a)(5), Hawaii Administrative  
Rules (HAR)

Assignor: The Bank of New York Mellon F/K/A The Bank of New York, as  
Trustee for First Horizon Alternative Mortgage Securities Trust  
2007-FA3 Mortgage Pass-Through Certificates Series 2007-FA3

Assignee: Aloha Aina Estate Holdings LLC

Land Area: Approximately 5.047 acres

Tax Map Key: 3<sup>rd</sup> Div/7-3-049:012

Land Status: Encumbered by Governor's Executive Order No. 3379, dated  
February 26, 1988, to the Department of Agriculture, now known  
as the Department of Agriculture and Biosecurity, for Agricultural  
Park Purposes

Character of Use: Diversified Agriculture

BACKGROUND:

Effective January 1, 1981, the Department of Land and Natural Resources executed General Lease S-4691, a 55-year lease, with Richard W. Clark and Patricia M. Clark. On April 27, 1984, the Board of Land and Natural Resources consented to the assignment of General Lease S-4691 to Keahole Nursery Inc., the successor corporation to Mr. Richard Clark and Mrs. Patricia Clark. The subject lease was subsequently transferred to the Department of Agriculture, now known as the Department of Agriculture and Biosecurity ("DAB"), pursuant to Governor's Executive Order No. 3379, dated February 26, 1988. On December 17, 1998, BAB consented to the assignment of said lease back to Richard W. Clark and concurrently consented to a mortgage. In 2007, General Lease was assigned to Richard Clark and Howard Clark, as tenants in common.

The subject parcel was developed with plumeria trees and a farm dwelling. In 2019, Mr. Richard Clark passed away. Since his passing, the condition of the property and its agricultural operations slowly declined, and the annual lease rents account became delinquent. Multiple conversations and numerous notices of default letters were sent to Howard Clark via Certified Mail, and regular mail in an effort to bring the lease into compliance. Unfortunately, all efforts were unsuccessful.

In 2025, we received notification that the subject parcel was foreclosed upon because of mortgage payment defaults. A Quitclaim Assignment of Lease was subsequently recorded with the Bureau of Conveyances on August 8, 2025, transferring lease interest to The Bank of New York Mellon f/k/a The Bank of New York, as Trustee for First Horizon Alternative Mortgage Securities Trust 2007-FA3 Mortgage Pass-Through Certificates Series 2007-FA3.

On April 3, 2026, the subject parcel was made available by the bank for public auction. A purchase agreement naming Aloha Aina Estate Holdings LLC, as the approved purchaser, was submitted to DAB on April 7, 2026.

Aloha Aina Estate Holdings LLC, is solely owned and operated by Stuart Rinehart. Since 2007, Mr. Rinehart has also been the successful owner of Aloha Aina Landscaping, LLC, where he specializes in the cultivation of nursery stock and plant materials for both residential and commercial landscaping projects. Aloha Aina Landscaping LLC, is the leaseholder of General Lease S-3116, located in Waimānalo, under the DAB and is a lessee in good standing. He would like to expand his nursery operation to the Big Island and provide reasonably priced plantings for small to medium-sized landscapers and homeowners.

There is a consideration of \$798,000.00 for the assignment of lease. This assignment will include a farm dwelling and a small inventory of plumeria trees. As of the date of this submittal, there is an outstanding balance of approximately \$9,084.68 owing for past due annual lease rents and accrued interest, which will be paid through the escrow process.

General Lease S-4691 does not include a participation clause that would allow DAB to share in the consideration paid for the assignment.

RECOMMENDATION:

That the Board of Agriculture and Biosecurity approve the assignment of General Lease No. S-4691 from The Bank of New York Mellon F/K/A The Bank of New York, as Trustee for First Horizon Alternative Mortgage Securities Trust 2007-FA3 Mortgage Pass-Through Certificates Series 2007-FA3, Lessee/Assignor, to Aloha Aina Estate Holdings LLC, Assignee, and the consideration of \$798,000.00. 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

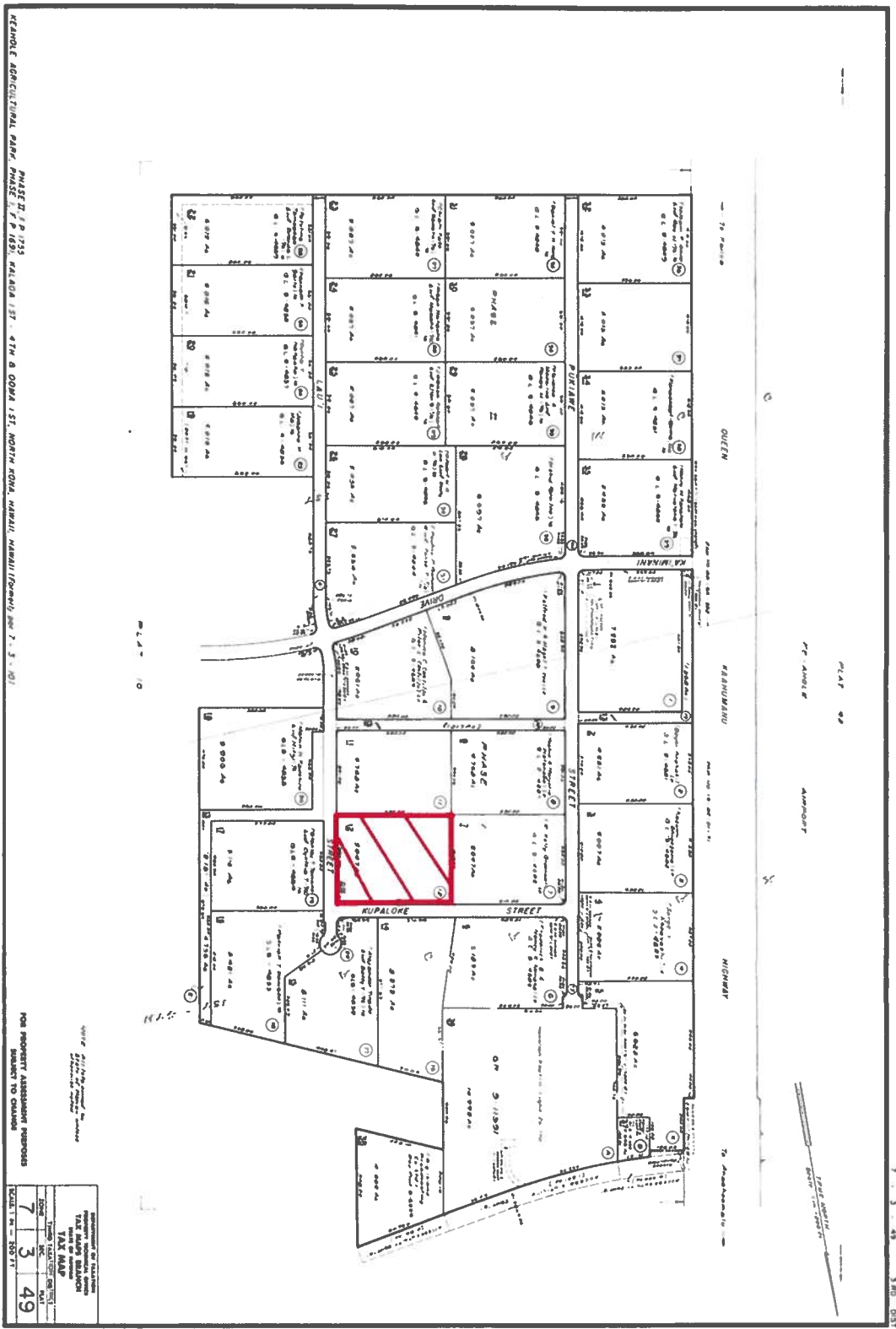
Attachments - Exhibit "A"

APPROVED FOR SUBMISSION:

  
\_\_\_\_\_  
SHARON HURD  
Chairperson, Board of Agriculture and Biosecurity

A.17

**EXHIBIT "A"**



**Photos of General Lease S-4691**





