

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Land Division
Honolulu, Hawaii 96813

May 22, 2015

Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii

GL S-5844

Hawai'i

Consent to Mortgage with Estoppel Certificate/Forbearance Agreement;
and Request to Approve Lessee's Proposed Extended Time Line for
Completing Renovations at Naniloa Hotel; General Lease No. S-5844,
WHR LLC, Lessee; Waiakea, South Hilo, Hawaii, Tax Map Keys: 3rd/ 2-
1-01:12 and 2-1-05:13, 16, 17, 27, 32, 46

LEGAL REFERENCE:

Chapter 171, HRS, including but not limited to sections 171-6, and -22; terms and conditions of the subject Lease

LOCATION:

Portion of Government lands situated at Waiakea, South Hilo, Hawaii, identified by Tax Map Key: (3) 2-1-01:12 and 2-1-05:13, 16, 17, 27, 32, 46, as shown on the attached map labeled Exhibit A.

AREA:

68.926 acres (net area after exclusions), more or less.

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act

DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: NO

CHARACTER OF USE:

Hotel and golf course purposes.

TERM OF LEASE:

65 years, commencing on February 1, 2006 and expiring on January 31, 2071.

ANNUAL RENTAL:

\$500,000 minimum base rent, or 2% of gross revenues, whichever is greater, due in semi-annual payments.

USE OF LOAN PROCEEDS:

Loan proceeds of up to \$16,000,000,¹ of which \$10,068,324 is for hard costs of the hotel renovation, and \$431,500 is for soft costs of the renovation. WHR LLC has represented that the balance, if any, of up to \$7,557,881 is reserved for future renovation costs that are presently undetermined.

BACKGROUND:

At the Board of Land and Natural Resources' meeting of March 13, 2015, under agenda item D-10, Land Division staff provided a progress report to the Board on the outstanding County of Hawaii building, electrical and plumbing code violations at Naniloa Hotel under General Lease No. S-5844, WHR LLC (WHR), Lessee, submitted WHR's request for consent to a mortgage in the amount of \$16,000,000, and submitted WHR's plans and specifications for the renovation of the Mauna Loa Tower and related work. In response, the Board:

(1) Acknowledged having received the Progress Report on the Outstanding County of Hawaii, Building, Electrical and Plumbing Code Violations at the Naniloa Hotel; (2) Deferred the Lessee's Request for a Consent to Mortgage the Leasehold of up to \$16.0 million dollars at the Naniloa Hotel; (3) Requested the form of the Consent to Mortgage and any Forbearance Agreement be brought back to the Board for review and approval; and (4) Requested the Lessee come back in 3-months to report to the Board its progress of actually constructing the improvements approved to date by the Board.²

Staff now returns with a progress report as directed, resubmitting WHR's request for consent to mortgage and estoppel certificate/forbearance agreement and providing

¹ "The maximum aggregate amount of the Loan shall not exceed the lesser of (i) 64% of the costs approved by Lender in its sole discretion, (ii) 60% of the appraised value of the Project, on an "as completed" basis, or (iii) \$16,000,000." WHR has an option to borrow an additional \$2,415,000 under certain conditions specified in the Loan Agreement.

² A copy of the March 13, 2015 Board submittal is attached as Exhibit B.

WHR's update on the status of the hotel renovation.

REMARKS:

Request for Consent to Mortgage and Estoppel Certificate/Forbearance Agreement

As explained in the staff submittal of March 13, 2015, Item D-10, WHR is seeking to borrow up to \$16,000,000 from Hall Hilo, LLC under a Construction Loan Agreement (CLA), Promissory Note, Leasehold First Mortgage, Assignment of Rents, Security Agreement, Financing Statement and Fixture Filing, and related financing instruments.³ The loan is conditioned on WHR providing evidence reasonably satisfactory to the lender that WHR has invested equity of at least \$9,266,000 in the property, including \$6,950,000⁴ for the purchase price of the land and improvements, and a cash contribution of \$2,316,000 to construct and renovate the project.

The loan proceeds are to be disbursed pursuant to a budget for the project specified in the CLA. See Estimated Budget attached as Exhibit 6 of Exhibit B. The estimated construction budget is \$10,449,824. However, approximately \$431,500 of this amount is "soft costs" for information technology and audio visual equipment. If the soft costs of \$431,500 are deducted from the total renovation budget, the remaining hard construction costs are about \$10,068,324.

Staff inquired why WHR requires a loan of up to \$16,000,000 for a hotel renovation with budgeted hard costs of \$10,068,324 (or combined hard and soft costs of \$10,449,824). Other peculiarities noted by staff (within the terms and conditions of the CLA) include a \$240,000 development fee payable to WHR's affiliated developer, a \$240,000 loan commitment fee payable to lender, and the possibility of WHR borrowing up to an additional \$2,415,000 that does not appear to be expressly construction related. In response to these concerns, WHR's and the lender's counsel represented that the lender will monitor this construction loan very closely through the lender's own consultant to ensure that all loan proceeds are used for items listed in the approved construction budget. Additionally, loan proceeds will only be disbursed upon WHR's presentation of invoices and receipts to the lender. WHR's counsel suggested that there will likely be additional renovation costs for the Kilauea Tower which have not yet been determined.

As discussed at the March 13, 2015 Board meeting, WHR cannot secure a standard estoppel certificate from the Board in conjunction with its mortgage request because WHR is not in full compliance with the lease. There are number of outstanding County

³ One issue that was raised at the Board meeting of March 13, 2015 is whether Hall Hilo, LLC qualifies "as a recognized lending institution authorized to do business as a lending institution in either the State or elsewhere in the United States" as that phrase is used in HRS Section 171-22, and whether it qualifies as a "bank, insurance company, or other lending institution, legally permitted to make mortgage loans in the State of Hawaii" as that phrase is used in the lease. The Department of the Attorney General answered both questions in the affirmative in an opinion dated April 7, 2015.

⁴ Staff understands that the purchase price of the lease and improvements out of bankruptcy was \$5,200,000, so it is not clear why the larger figure of \$6,950,000 is used in the CLA.

building, electrical and plumbing code violations, and the construction of improvements is incomplete.⁵ The parties and their counsel have developed forbearance language in which the Board would agree not to pursue the lease default stemming from the County violations provided that WHR worked to cure the violations in accordance with a program approved by the County. The agreement makes clear the State may exercise its remedies to terminate the Lease if (i) the Lessee fails to complete the Required Renovations and the work necessary to cure all of the outstanding and any newly issued County NOV's by December 31, 2015, or (ii) the County of Hawaii pursues any type of enforcement action on the past or any newly issued County NOV's. A copy of this proposed estoppel certificate/forbearance agreement is attached as Exhibit C.⁶

Outstanding County of Hawaii Violations

WHR states that it has continued to work with the County of Hawaii to resolve building, electrical and plumbing code violations. Attached as Exhibit D is a copy of a letter dated May 11, 2015 from the County of Hawaii, Department of Public Works, to WHR on the status of the violations and completion dates for addressing them. In short, the County appears to be willing to allow WHR to cure most violations during the construction period. The letter states in part that:

In support of your demonstrated efforts to address outstanding violations, the County of Hawaii will temporarily suspend further enforcement actions (i.e. seeking your removal from the property) related to the aforementioned code violations in order to afford Tower Development, Inc. a specified time period to cure said code violations. Final completion dates for each listed violation shall be no later than the dates specifically stated in Attachment A. If, however, the said code violations are not cured by the completion dates stated in Exhibit A, or if upon subsequent inspections, new violations are identified at any time, the County will seek full enforcement for each and every violation identified.

If the County were to pursue or enforce any of the violations, orders or fines against the Department, the Board would be able to, among other remedies available,⁷ call the performance bond to protect the State's interests. For any new violation that may arise, the Board will be to pursue its rights and remedies without delay in accordance with the Lease.

⁵ Kilauea Tower has been gutted and closed off; other portions of the hotel have also been gutted to prepare for future construction work.

⁶ The exhibits to the estoppel certificate have not yet been finalized. However, the exhibits will be finalized and attached to the estoppel certificate before it is submitted to the Department of the Attorney General for review and approval.

⁷ Other remedies that would be available upon such an event would be to call the lease into default, or call upon the indemnity obligations owed by the lessee to the Department and the State of Hawaii as the landlord.

Timetable for Further Construction

The Department's Americans with Disabilities Act Coordinator, Dean Aoki, conducted an inspection of the premises on April 15, 2015. Mr. Aoki prepared a report identifying a number of Disability and Communication Access Board document review comments. A copy of Mr. Aoki's report is attached as Exhibit E. On page 1 of the report, Mr. Aoki noted during his inspection that no construction activity was observed.

However, WHR now represents that it will complete the hotel renovations, with the exception of the Kilauea Tower, by the date indicated in the estoppel certificate/forbearance agreement, i.e. March 31, 2016.⁸ This date represents a delay of approximately four months in the schedule presented to the Board at its meeting of March 13, 2015. See the phasing schedule from the prior Board action, which is attached as Exhibit 9 of Exhibit B. WHR explains that the delays in securing the loan from Hall Hilo, LLC are the reason for pushing back the construction time line.

WHR has not yet provided an improvement bond for the Mauna Loa Tower renovations. However, WHR represents that this improvement bond will be posted shortly after Board approval of the plans and specifications for this phase of the work.

RECOMMENDATION: That the Board:

1. Approve WHR LLC's request for consent to mortgage in an amount of up to \$16,000,000, with possibility of an additional \$2,415,000 loan, and the estoppel certificate/forbearance agreement in the form attached hereto as Exhibit C, and further subject to the following:
 - a. Review and approval by the Department of the Attorney General; and
 - b. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

⁸ WHR will need to submit plans for the Kilauea Tower renovation for the Board's approval prior to commencing that phase of the work. WHR has not yet proposed a firm completion date for the Kilauea Tower renovations.


2. Approve WHR LLC's request for an extended time line for completing for the renovations of the Mauna Kea and Mauna Loa Towers, , which is now March 31, 2016.

Respectfully Submitted,




Kevin E. Moore
Assistant Administrator

APPROVED FOR SUBMITTAL:



Suzanne D. Case, Chairperson



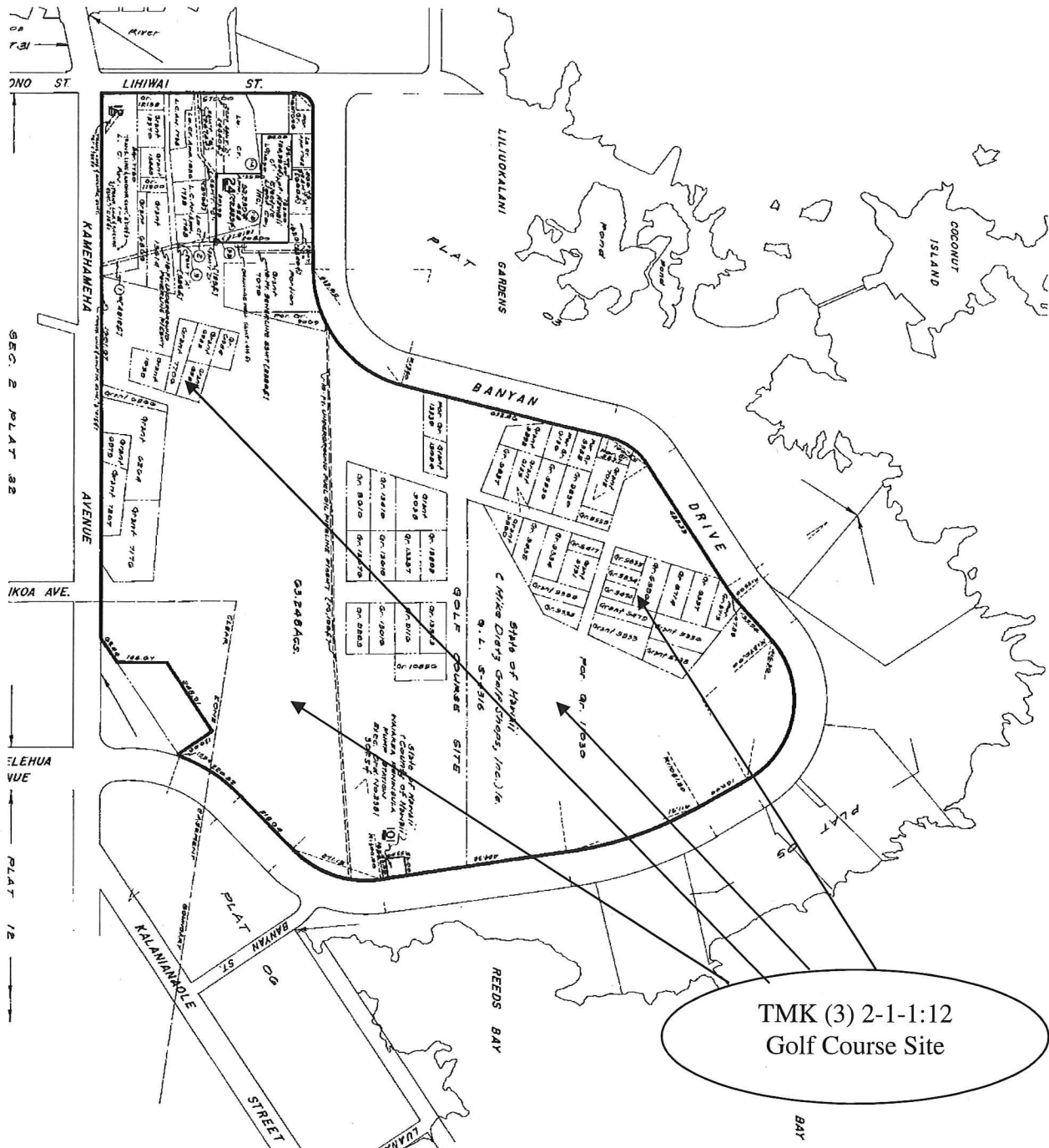
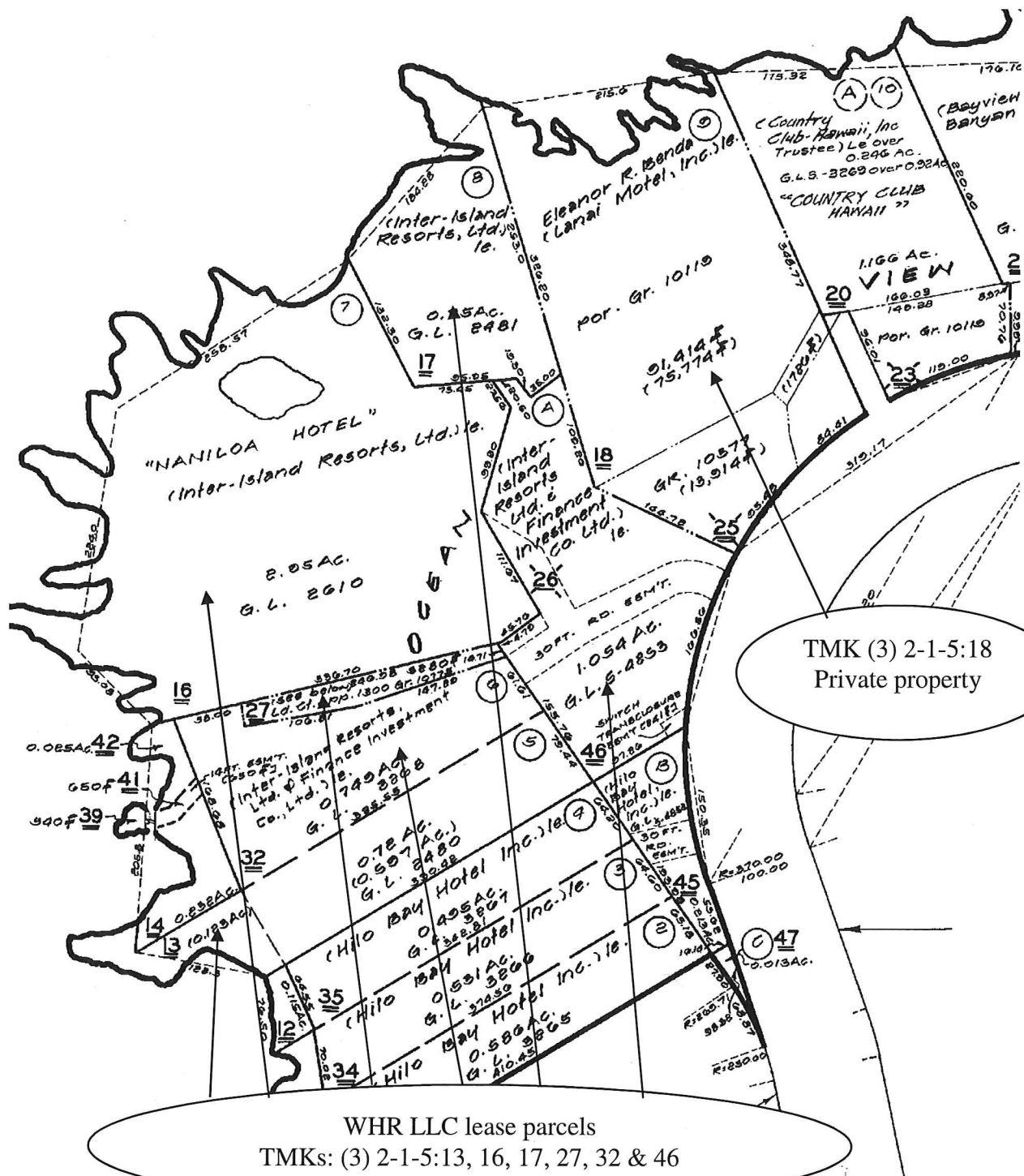


EXHIBIT A



AMENDED

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Land Division
Honolulu, Hawaii 96813

March 13, 2015

Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii

GL S-5844

Hawai'i

- (1) Progress Report to the Board of Land and Natural Resource and Decision Making on Outstanding County of Hawaii Building, Electrical and Plumbing Code Violations at Naniloa Hotel;
- (2) Decision Making on Lessee's request for Consent to Mortgage;
- (3) Decision Making on Lessee's request for approval of Plans and Specifications for Mauna Loa Tower and Related Renovation Work; General Lease No. S-5844, WHR LLC, Lessee; Waiakea, South Hilo, Hawaii, Tax Map Keys: 3rd/ 2-1-01:12 and 2-1-05:13, 16, 17, 27, 32, 46

LEGAL REFERENCE:

Chapter 171, HRS, including but not limited to sections 171-6, -22; terms and conditions of the subject Lease

LOCATION:

Portion of Government lands situated at Waiakea, South Hilo, Hawaii, identified by Tax Map Key: (3) 2-1-01:12 and 2-1-05:13, 16, 17, 27, 32, 46, as shown on the attached map labeled Exhibit 1.

AREA:

68.926 acres (net area after exclusions), more or less.

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act

DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: NO

as amended

APPROVED BY THE BOARD OF
LAND AND NATURAL RESOURCES
AT ITS MEETING HELD ON

March 13, 2015 *Go.*

EXHIBIT B

D-10

CHARACTER OF USE:

Hotel and golf course purposes.

TERM OF LEASE:

65 years, commencing on February 1, 2006 and expiring on January 31, 2071.

ANNUAL RENTAL:

\$500,000 minimum base rent, or 2% of gross revenues, whichever is greater, due in semi-annual payments.

USE OF LOAN PROCEEDS:

Loan proceeds of up to \$16,000,000,¹ of which \$10,068,324 is for hard costs of the hotel renovation, \$431,500 is for soft costs of the renovation. WHR LLC has represented that the balance, if any, of up to \$7,557,881 is reserved for future renovation costs that are presently undetermined.

BACKGROUND:

At the Board of Land and Natural Resources' meeting of November 14, 2014, under agenda item D-5, Land Division staff provided a status report on the performance bond² and improvement bond required under the lease, and the outstanding County of Hawaii building, electrical and plumbing code violations. Staff additionally recommended approval of the plans and specifications submitted by lessee WHR LLC (WHR) for the Naniloa Hotel fire alarm and sprinkler system, renovations to the lobby, Kilauea Tower exhaust ventilation duct demolition, and roofing permit.

WHR's representative, Ed Bushor, and his counsel, Michael Lam, were present at the meeting. They explained that Board approval of the plans and specifications for the foregoing work was all that was needed to commence demolition and renovations in the first phase. Mr. Bushor represented that he had approximately 110 subcontractors and employees (all local hires) standing by to start work. Mr. Bushor additionally explained that improvement bonds in the amount approximately \$2.5 million would be issued for the initial phase of renovation, and that an additional \$8 million would be bonded for future renovations to the Mauna Loa Tower. Mr. Bushor added that the plans for the Mauna Loa Tower renovations should be completed by January 1, 2015. A copy of the unofficial minutes from the November 14, 2015 meeting regarding this item is attached

¹ "The maximum aggregate amount of the Loan shall not exceed the lesser of (i) 64% of the costs approved by Lender in its sole discretion, (ii) 60% of the appraised value of the Project, on an "as completed" basis, or (iii) \$16,000,000." WHR has an option to borrow an additional \$2,415,000 under certain conditions specified in the Loan Agreement.

² As explained in the November 14, 2014 submittal, WHR had posted the required performance bond in the amount of \$1 million as of the date of the meeting.

as Exhibit 2.

After the staff report, testimony from Mr. Bushor, Mr. Lam and others, the Board approved the staff recommendation, as amended. Specifically, the Board stated:

Approved as amended. The Board amended the staff submittal by adding a condition that lessee return to the Board (for the Board's review, approval or rejection) no later than the second meeting in March 2015 with: (i) a progress report on the County of Hawaii violations (building, plumbing, electrical, etc.); (ii) an improvement bond covering the Mauna Loa tower renovations represented by Mr. Bushor to be in the range of \$8.0 million; and (iii) a timetable for all further construction of improvements. Staff shall present these matters to the Board for its review and decision as an action item, and not merely as an informational status report. Finally, the Board noted that these items may be presented in two parts at Board meetings occurring on and before the second meeting in March of 2015, but stressed that lessee must have returned to the Board and completed all the aforesaid requirements no later than the second meeting in March of 2015.³

Staff now returns with a progress report as directed, and also presents WHR's request for consent to mortgage.

REMARKS:

Improvement Bonds

On November 21, 2014, WHR posted two improvement bonds, one in the amount of \$1,208,998⁴ and another in the amount of \$1,353,657,⁵ for a portion of its planned renovations to the hotel, and additionally posted the Personal Payment, Performance and

³ Staff informed WHR about planning to address the BLNR on March 13, 2015 and asked WHR to submit to staff:

- (i) a progress report from the County of Hawaii on the outstanding violations, orders and fines (code issues involving building, plumbing electrical, etc.);
- (ii) an improvement bond covering the Mauna Loa tower renovations represented by Mr. Bushor to be in the range of \$8.0 million;
- (iii) a timetable for all further construction of improvements;
- (iv) a list and count of workers at the job site for the month of December 2014 broken down by type of construction trade or position (if hotel worker); and
- (v) final, professionally signed and stamped construction plans for the next phase involving work on the Mauna Loa Tower for about \$8.0 million. See Exhibit 3

⁴ This bond covers: "Architectural and Design Services, Bid Services, Tub Sample, Porte Cochere and Entry, Lobby Demolition, Framing and Material Deposits, Lobby FF&E Deposit, Roofing Material Deposit, Exterior Painting and Waterproofing, Fire Alarm Panel Test and Relocation."

⁵ This bond covers: "Lobby Construction, Lobby FF&E, Public Restrooms Construction, Pool Tile, Roofing."

Completion Guaranty of WHR's principal, Ed Bushor, in the amount of \$1,115,356 regarding the incomplete renovations to the Naniloa Hotel's Kilauea Tower.

WHR has not yet provided an improvement bond for the Mauna Loa Tower renovations. However, WHR represents that this improvement bond will be posted shortly after Board approval of the plans and specifications for this phase of the work.

Outstanding County of Hawaii Violations

Staff conducted site visits on December 11, 2014 and February 6, 2015 and observed that the main lobby of the hotel had been sealed off for renovation work and a temporary lobby had been established at another location in the hotel. Staff noted that the main lobby area had been gutted and that a new stairway to the lower level or banquet room of the hotel was under construction. During both visits, staff observed approximately six construction workers on site. Additionally, the Department's engineering consultants, Brown and Caldwell, conducted a site visit on February 26, 2015 and reported that there did not appear to be much working going on at the time of the inspection.

WHR provided a summary of employees, subcontractors and consultants present at the premises for the month of December 2014. See Exhibit 4 attached. The summary indicates that there were a total of 129 workers on the property in that month.⁶

WHR states that it has continued to work with the County of Hawaii to resolve building, electrical and plumbing code violations. Attached as Exhibit 5 is WHR's status of the County violations. In short, to the extent WHR's report is accurate, the County does appear to be willing to allow WHR to cure most violations during the construction period. In any event, if the County were to pursue or enforce any of the violations, orders or fines against the Department, the Board would be able to, among other remedies available,⁷ call the performance bond to protect the State's interests. Attached as Exhibit 5-A is a photographic Project Update as of February 23, 2015 prepared by WHR.

Request for Consent to Mortgage and Estoppel Certificate

WHR is seeking to borrow up to \$16,000,000 from Hall Hilo, LLC under a Construction Loan Agreement (CLA), Promissory Note, Leasehold First Mortgage, Assignment of Rents, Security Agreement, Financing Statement and Fixture Filing, and related financing instruments. The loan is conditioned on WHR providing evidence reasonably satisfactory to the lender that WHR has invested equity of at least \$9,266,000 in the property, including \$6,950,000⁸ for the purchase price of the land and improvements, and a cash contribution of \$2,316,000 to construct and renovate the project.

⁶ The 129 workers included both construction workers and hotel staff.

⁷ Other remedies that would be available upon such an event would be to call the lease into default, or call upon the indemnity obligations owed by the lessee to the Department and the State of Hawaii as the landlord.

⁸ Staff understands that the purchase price of the lease and improvements out of bankruptcy was \$5,200,000, so it is not clear why the larger figure of \$6,950,000 is used in the CLA.

The loan proceeds are to be disbursed pursuant to a budget for the project specified in the CLA. See Estimated Budget attached as Exhibit 6. The estimated construction budget is \$10,449,824. However, approximately \$431,500 of this amount is "soft costs" for information technology and audio visual equipment. If the soft costs of \$431,500 are deducted from the total renovation budget, the remaining hard construction costs are about \$10,068,324.

Staff inquired why WHR requires a loan of up to \$16,000,000 for a hotel renovation with budgeted hard costs of \$10,068,324 (or combined hard and soft costs of \$10,449,824). See Exhibit 7. Other peculiarities noted by staff (within the terms and conditions of the CLA) include a \$240,000 development fee payable to WHR's affiliated developer, a \$240,000 loan commitment fee payable to lender, and the possibility of WHR borrowing up to an additional \$2,415,000 that does not appear to be expressly construction related. In response to these concerns, WHR's and the lender's counsel represented that the lender will monitor this construction loan very closely through the lender's own consultant to ensure that all loan proceeds are used for items listed in the approved construction budget. Additionally, loan proceeds will only be disbursed upon WHR's presentation of invoices and receipts to the lender. WHR's counsel suggested that there will likely be additional renovation costs for the Kilauea Tower which have not yet been determined.

WHR also sought approval of an estoppel certificate to be issued to the lender by the Board. The estoppel certificate would essentially affirm that WHR is in full compliance with the lease and there are no defaults. In this case, however, WHR is not in full compliance with the lease due to the outstanding County building, electrical and plumbing code violations, and the incomplete nature of the construction of improvements.⁹ Staff and representatives of WHR met on this item and decided to prepare a forbearance agreement in which the Board would agree not to pursue the lease default stemming from the County violations provided that WHR worked to cure the violations in accordance with a program approved by the County. As a result of this meeting, WHR withdrew its request for an estoppel certificate. Staff will return to the Board at a later meeting with a form of forbearance agreement for the Board's review and approval.

Plans Submission to BLNR for Review and Approval

Since the November 14, 2014 Board meeting, WHR has continued to work on the plans and specifications for the hotel renovations, and has obtained or is working on obtaining the necessary County building, electrical and plumbing permits for the 1) demolition and construction of Mauna Loa Tower guest rooms, 2) Kilohana Room demolition, 3) Porte cochere and front entry plans, 4) Roofing plans, 5) fire alarm and sprinkler system, and related work. Staff has continued to forward the various iterations of the plans and specifications to its engineering consultants, Brown and Caldwell, for review. Brown

⁹ Kilauea Tower has been gutted and closed off; other portions of the hotel have also been gutted to prepare for future construction work.

and Caldwell's summary of the plans and specifications submitted thus far is attached as Exhibit 8.

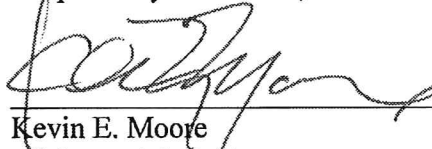
Timetable for Further Construction

WHR represents that it will complete the hotel renovations, with the exception of the Kilauea Tower, by December 2015. WHR anticipates presenting plans for the Kilauea Tower renovation at the end of 2015 and commencing the Kilauea Tower renovations on December 1, 2015. See Naniloa Construction Phasing Schedule attached as Exhibit 9.

RECOMMENDATION: That the Board:

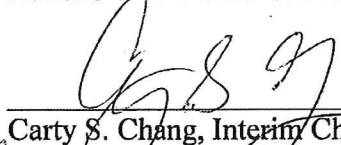
1. Decide whether to approve the progress report on the status of the renovation of the lease premises;
2. Decide whether to approve WHR LLC's request for consent to mortgage in an amount of up to \$16,000,000, with possibility of an additional \$2,415,000 loan; and
3. Decide whether to approve the Plans and Specifications listed in Exhibit 8 attached hereto relating to the lease premises.

Respectfully Submitted,



Kevin E. Moore
Assistant Administrator

APPROVED FOR SUBMITTAL:

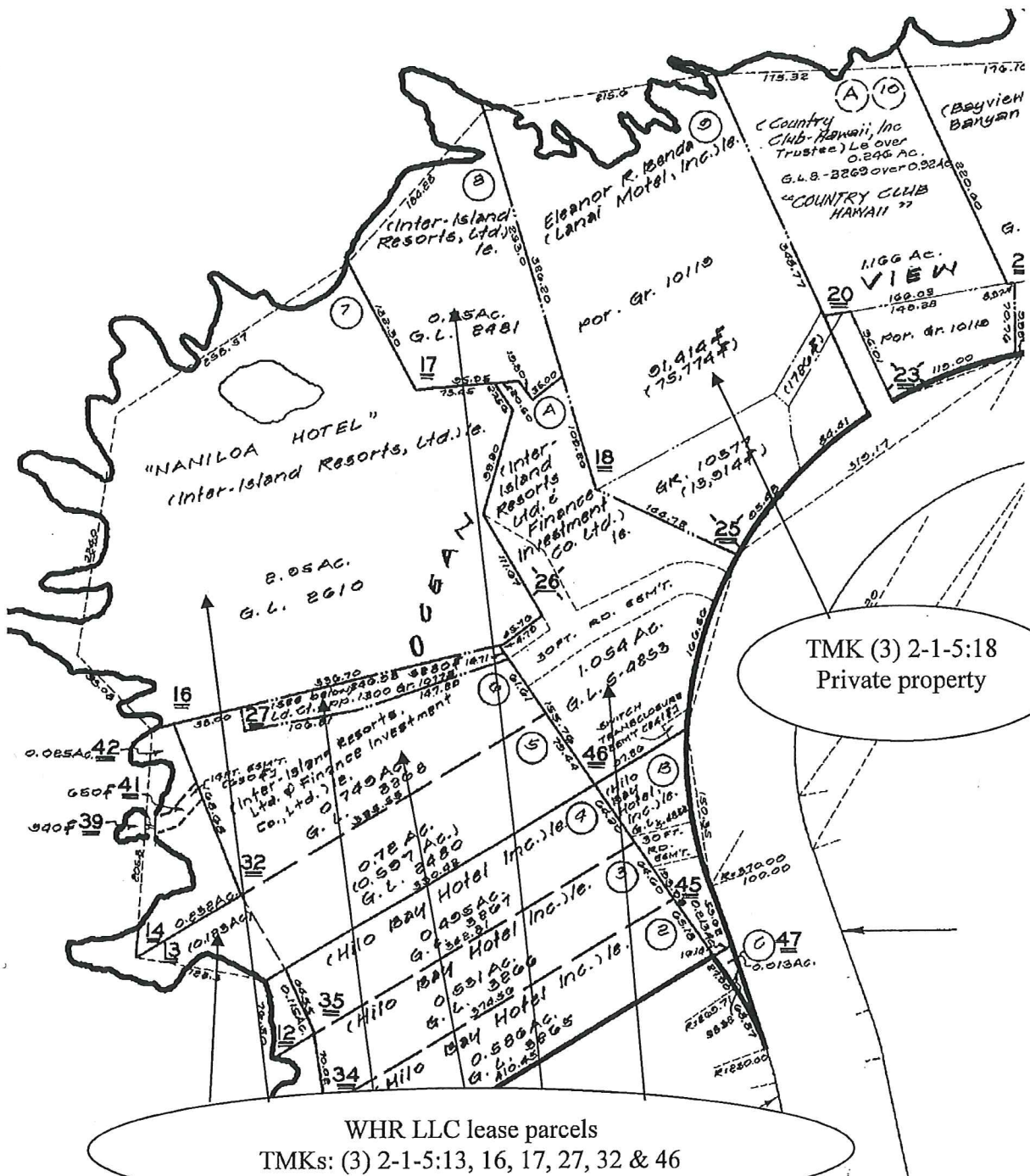

Carty S. Chang, Interim Chairperson

Land Board Meeting: March 13, 2015; D-10: Approved as amended. See attached page.

Land Board Meeting: March 13, 2015; D-10: Approved as amended.

Approved as amended. The Board: (1) Acknowledged having received the Progress Report on the Outstanding County of Hawaii, Building, Electrical and Plumbing Code Violations at the Naniloa Hotel; (2) Deferred the Lessee's Request for a Consent to Mortgage the Leasehold of up to \$16.0 million dollars at the Naniloa Hotel; (3) Requested the form of the Consent to Mortgage and any Forbearance Agreement be brought back to the Board for review and approval; and (4) Requested the Lessee come back in 3-months to report to the Board its progress of actually constructing the improvements approved to date by the Board.





Item D-5 Status Report to the Board of Land and Natural Resources on Performance Bond, Improvement Bond, and Outstanding County of Hawaii Building, Electrical and Plumbing Code Violations; Approval of Plans and Specifications Submitted by Lessee for Review under General Lease No. S-5844, WHR LLC, Lessee; Waiakea, South Hilo, Hawaii, Tax Map Keys: 3rd/2-1-01:12 and 2-1-05:13, 16, 17, 27, 32, 46.

Tsuji explained that this was a status report. The performance bond has been provided satisfactory to staff from the lessee, on the 1 million dollar performance bond that had been outstanding. Secondly, there were several improvement bonds that were outstanding; for old work by the previous lessee, and new work under the new lessee. The Lessee has proposed in lieu of an improvement bond, the Board accept a personal guarantee from Ed Bushor that should any liens come up for that old work, that he would cover that personally out of his own assets. In addition, Bushor gave commitment that should a lien come up the Lessee would immediately bond and hold harmless the State of Hawaii for any claims arising out of that prior work. As to future work, there has been commitment to provide a surety bond in the form that has been accepted in the past by the State for the Naniloa.

At the last meeting (the June 13, 2014 meeting) as part of the deferral Member Goode requested that the lessee provide a letter from the County that articulates which specific violations were cured and which ones were being allowed by the County during construction. The Lessee tried to obtain such a letter from the County, but was unsuccessful. What is attached to the submittal is a list of past violations with the Lessee's updates of where they're at. They have been submitting plans to the department, and land division has retained an engineer to help review those plans and DLNR's consultants have provided comments and concerns on the plans (a copy of DLNR consultant's Brown and Caldwell's comments were in the submittal). The Lessee submitted their comments in response just that day and Tsuji said he hasn't had time to review it. Tsuji was most concerned about issues related to the fire/electrical system, ADA and the waste system/grease trap. Tsuji didn't think the Lessee was agreeable to DLNR's consultant's comments, but would let them speak on their own behalf. Staff's consultant was available for questions.

Tsuji disclosed that land agent Gordon Heit went out to the site yesterday and it appeared that demolition work had been started.

Michael Lam, council for the Lessee testified that there were 4 issues that he would address. First, Lam assured the Board that no demolition has begun. It was Lam's understanding that what work was done was cosmetic, exploratory and in anticipation of getting approval to go forward with the work. One area that was done was to remove cosmetic beige tile so the subcontractor could determine what issues may arise, if any, once approval of the plans has been made. There was also some drywall that was removed for the same reason. Stu Miller, the subcontractor, and Mark Manshiem, who was on the construction side, were present to address any questions. Lam assured that there was no intent to proceed without approval. Next was the bonds: two of the three bonds

have been resolved; the performance bond of 1 million dollars, the second bond was the Kilauea tower. The last bond is the section 41 bond, it is under final approval by the surety. The last issue was the notice of violations which were part of the initial list of violations. The prior owner's violations have been systematically addressed by the Lessee. The County has worked closely with the Lessee to address these issues. The- Board previously requested a letter from the County but Lessee has been unable to receive a formal letter for a number of reasons, one being that staff has been inundated with the recent number permit requests due to storms they have had in the past several months. Attached to the staff report is a letter that addresses each of the County's concerns and highlights the current condition or work provided by the Lessee for the County. Lam concurred and requested that the Board approve the recommendation so that this project can get going. The entity that is seeking to develop this now and has purchased the lease has been working diligently. There are lots of contractors and local subcontractors on board and ready to go. Lam explained that the response to Brown and Caldwell's comments was distributed to the Board members and all comments have been deemed satisfactory.

Ed Bushor expressed his excitement and addressed two issues. 1) Bushor authorized the construction team and construction contractor to let all the subcontracts out for the project and the phase that starts if approved. *There are over 110 subs and employees, all local. He stressed that those people have been told and awarded subcontracts to start.*

Member Roehrig told Bushor that he keeps hearing that Bushor is hiring mainland contractors. *Bushor said right now in this first phase, all the workers are local.* He further addressed that hotel operators are a separate entity, called Aqua Resorts, they manage the Hotel. The lobby has temporarily been moved in doing so, the fire panel has been moved down due to County requirements. Bushor authorized \$1,000 of exploratory work. Demolition work has not started, only exploratory work. He committed that if approval is granted, it can be conditioned that the developer, the owner, will comply with all County, and applicable law on any of Brown's comments.

Member Yuen asked if there were County violations that Bushor was unable to start work on until this Board acts. Bushor said yes, the biggest one was fire, life and safety. They have sprinkler violations, with people in the hotel right now, but the County is allowing them to stay open as long as they have this permit. At any time the County could change that, but the fire sprinkler system needs to be done in this first phase, this will start the day after the Board authorizes approval.

Member Yuen asked if there were County notices of violations that are able to be worked on without Board approval. Bushor said yes, they have been completed if the County has authorized them to complete them.

Member Reohrig asked where County staff was today and asked if they have been notified. Gordon Heit-Hawaii Island Land Agent disclosed that Warren Lee, from the County Public Works was present but he had to leave early. Bushor told the Board that the response he got from the County

was that they have given the permits, now it is out of their hands. There have been 5 different permits issued by them for months, now Bushor needs the Board's approval on these permits so these notices of violations can be cured. Lam added that the issue wasn't that they didn't ask the County for the letter, it's the County has said that they are too busy and have bigger problems to tend to.

Member Yuen asked when the bond would be submitted for X amount of future construction. Bushor said if the form has been agreed to, then he could get it to the department by Monday or Tuesday at the latest. Bushor held the permitted plans that would be attached. Lam said the bond would be specific to the specification plans. *The first permit of demolition was 1.3 million dollars, the second is 2.3 million, the third set is 8.9 million.* Lam further clarified that the bond will be at least 5 million dollars. Bushor detailed that only two phases for the bonds have been contracted.

Mark Manshine, Bushor's contractor, confirmed that the total would be 2.5 million in all and would cover the lobby and fire, life and safety. The next phase will be for the guest rooms, which will be about 8 million to start round the beginning of the year.

Member Yuen asked if there was anything further, Bushor said it's looking like 1.5 to 2 million for the restaurant, that will not come in till halfway through 2015. Willie K. has executed a contract to set up a concert hall in the Crown Room, that set of plans is expected to be complete by March 30th. That construction amount is \$250,000 to \$500,000. For the Kiluaea tower, plans will be submitted for permitting between the 2nd and 3rd quarter of next year, and construction can begin.

Member Roehrig told Bushor that the Hilo community wants to work together to build a structure on the golf course and suggested everyone work together. Bushor was all for it.

Chair Aila suggested moving these discussions forward to the Banyon Dr. working group.

Member Yuen said he was inclined to make a motion to approve this, but he wanted to make sure this moved forward timely so he wanted something to come back to the Board. He asked if the plans for the Mauna Loa tower (i.e., referring to Phase I work) would have to come back before the Board. Tsuji said no, unless there was some issue (i.e., on the Phase I work which the Board was being asked to approve today).

Member Yuen said he misunderstood, he thought Bushor was ready to go. Member Yuen said the plans need to be approved, then bid the job, then bring it back with a bond to the department. Bushor confirmed. When the next 25% of the 75% of the bids come in then he would sign the contract for whatever the price that is, then give it to the bond company, they issue a bond, then that goes to the department. Bushor said January 1, 2015 everything will be ready to go.

Member Roehrig asked about the Kiluea Tower, Bushor said he hoped the plans would be submitted and approved by DLNR by the end of the 3rd quarter.

Member Yuen made a motion to approve but add some things. He wants this project to come back to the Board sometime early next year because there are still a number of things outstanding. The second part of the motion would be no later than the second meeting in March, they return to the Board for the Mauna Loa tower for Board approval, a time table for further construction, and a progress report on the County violations. This can be done in two parts. Member Roehrig seconded.

Member Roehrig suggested Bushor talk to Hilo Hawaiian.

Approved as amended. The Board amended the staff submittal by adding a condition that lessee return to the Board (for the Board's review, approval or rejection) no later than the second meeting in March 2015 with: (i) a progress report on the County of Hawaii violations (building, plumbing electrical, etc.); (ii) an improvement bond covering the Mauna Loa tower renovations represented by Mr. Bushor to be in the range of \$8.0 million; and (iii) a timetable for all further construction of improvements. Staff shall present these matters to the Board for its review and decision as an action item, and not merely as an informational status report. Finally, the Board noted that these items may be presented in two parts at Board meetings occurring on and before the second meeting in March of 2015, but stressed that lessee must have returned to the Board and completed all the aforesaid requirements no later than the second meeting in March of 2015.

Unanimously approved as amended (Char, Oi)

From: Russell Y Tsuji/DLNR/StateHiUS
To: Ed_Bushor@hawaii.gov, Stuart <stuart@towerdevcon.com>, "Mark Mansheim" <mark@towerdevcon.com>, "Michael Lam" <MLL@caselombardi.com>,
Cc: "Lee, Doug" <DLee@BrwnCald.com>, Kevin E Moore/DLNR/StateHiUS@StateHiUS, palston@ahfi.com
Date: 01/08/2015 11:16 AM
Subject: Naniloa

Aloha Ed, Stuart, Mark and Michael:

Happy New Year to all of you.

As you are aware, at the last Land Board meeting in November 2014 the Board gave its approval of the initial construction plans for what was referred to as Phase I--work involving the lobby area, fire sprinkler and other work addressing health and safety issues such as certain electrical work--with an approximate cost of \$1.2 to \$1.3mil; In connection with that decision, Board ordered the lessee to return to the Land Board in March 2015 with: (i) a progress report from the County of Hawaii on the outstanding violations, orders and fines (code issues involving building, plumbing electrical, etc.); (ii) an improvement bond covering the Mauna Loa tower renovations represented by Mr. Bushor to be in the range of \$8.0 million; and (iii) a timetable for all further construction of improvements. In addition, as I recall, there were some representation by Mr. Bushor about the number of workers that would be on the job as long as the Land Board approved his plans for phase I that was presented at the November meeting.

As such, this is to advise you we will be taking this matter back to the Land Board on *Friday March 13, 2015*, and please note that our staff's written memorandum with exhibits is due 5 to 6 weeks prior to the March 13 Land Board meeting. Accordingly, please provide to me on or before the end of this month of January 2015, the following:

- (i) a progress report from the County of Hawaii on the outstanding violations, orders and fines (code issues involving building, plumbing electrical, etc.);
- (ii) an improvement bond covering the Mauna Loa tower renovations represented by Mr. Bushor to be in the range of \$8.0 million;
- (iii) a timetable for all further construction of improvements.
- (iv) a list and count of workers at the job site for the month of December 2014 broken down by type of construction trade or position (if hotel worker); and
- (v) final, professionally signed and stamped construction plans for the next phase involving work on the Mauna Loa Tower for about \$8.0 million.

Thank you in advance for your anticipated cooperation on this very important request.

EXHIBIT 3

Very truly yours,

Russell Y. Tsuji
State Lands Administrator
DLNR
ph: 587-0422

DLNR Update
Staff, Subcontractor and Consultant Count
Period ending December 2014

Page 1 of 2
As of: 3/2/15

	Subcontractor, Consultant, Supplier	Trade	City	State	No. of Workers at Project - December 2014
Phase I Construction					
	Ace Land Survey	Survey	Honolulu	HI	6
	Amazing Glazing	Glass Consultant	Kona	HI	1
	Andrade Construction	Demolition	Kamuela	HI	5
	Andrade Construction	Concrete	Kamuela	HI	3
	Arborist Services	Window Cleaning	Hilo	HI	2
	Bob's Fencing	Temporary Fencing	Hilo	HI	1
	Business Services Hawaii	Dumpsters	Keaau	HI	1
	Clean Sewer Lines	Plumbing	Wahiawa	HI	3
	Dahlberg Engineering	Civil Engineering (grease trap)	Holualoa	HI	1
	Design 360 Unlimited	Design Renderings	Santa Monica	CA	2
	Division 7	Waterproofing Consultant	Honolulu	HI	1
	EMCC	Energy Consultant	Honolulu	HI	3
	Employment Experts	Temporary Labor	Hilo	HI	3
	Ford Painting	Painting and Waterproofing	Wahiawa	HI	7
	Hawaii John's	Temporary Toilets	Kamuela	HI	1
	Hilo Steel	Steel Column Supply	Hilo	HI	2
	Hirayama Electrical	Electrical	Hilo	HI	1
	Ho'omana	Tree Trimming	Hilo	HI	1
	Home Depot	Supplier	Hilo	HI	0
	Honsador	Supplier	Hilo	HI	0
	HPM	Supplier	Hilo	HI	0
	Instant Signs	Property Signage	Hilo	HI	1
	Koa Architects	Architecture	Hilo	HI	3
	Morikawa Electrical	Electrical Engineering	Pukalani	HI	1
	Netcom	Telecommunications	Oahu	HI	2
	Oceanic Time Warner	Video Cabling	Oahu	HI	3
	Ohana Fire	Fire Alarm	Honolulu	HI	2
	Otis Elevator	Elevators	Honolulu	HI	2
	Puna Landscape Solutions	Landscaping	Puna	HI	1
	Roger Schweitzer	Special Inspections - Welding	Volcano	HI	1
	Safe Step	Tub Repair	Prior Lake	MN	2
	Sun Construction	Framing	Kea'au	HI	4
	Sun Construction	Steel Erection and Welding	Kea'au	HI	3
	Tower Construction	General Contractor	Honolulu	HI	8
	Tower Development	Development	Honolulu	HI	2
	Uchida Engineering	Mechanical Engineering	Honolulu	HI	1
	Voit Studios	Design	Hilo	HI	1
	White Cap	Supplier	Hilo	HI	0
	White Environmental	Property Survey	Honolulu	HI	1
	WSP Engineers	MEP Engineering	Honolulu	HI	1
	Yamas Roofing	Roofing	Hilo	HI	1
	Hotel Staff				45
					129
Contemplated Subcontractors and Suppliers - Phase II					Estimated No. of Workers
	3form	Bar Top Supplier	San Diego	CA	3
	Aloha Construction Service	Furniture Liquidation and Demolition	Hilo	HI	12
	Amazing Glazing	Glass Consultant	Kona	HI	1
	American Electric	Transformer Testing	Kauai	HI	3
	Andrade Construction	Demolition	Waimea	HI	5
	Angel's Tile and Marble	Tile Installation	Oahu	HI	15
	Big Island Electric	Electrical	Pahoa	HI	7
	Bob's Fencing	Temporary Fencing	Hilo	HI	1
	Business Services Hawaii	Dumpsters	Keaau	HI	1
	Carpetisle Flooring	Tile Supply	Hilo	HI	1
	Clean Sewer Lines	Fire Sprinklers & Plumbing	Hilo	HI	8
	DAT, Inc.	Low Voltage, Audio Visual	Oahu	HI	7
	Design 360 Unlimited	Design Renderings	Santa Monica	CA	2
	Division X	Bathroom Accessories	Oahu	HI	1
	Draft Doctors	Beer System	Nashville	TN	3
	Ekahi Fire	Fire Sprinklers	Hilo	HI	5
	EMCC	Energy Consultant	Honolulu	HI	4
	Employment Experts	Temporary Labor	Hilo	HI	7
	Ford Painting	Painting and Wallcovering	Oahu	HI	9
	Gall Granite and Marble	Tile	Hilo	HI	15

EXHIBIT 4

DLNR Update
Staff, Subcontractor and Consultant Count
Period ending December 2014

Page 2 of 2
As of: 3/2/15

Hawaii John's	Temporary Toilets	Kamuela	HI	1
Hawaii Koalition	Finish Carpentry	Hilo	HI	3
Hawaiian Island Glass Tinting	Glass Tinting	Hilo	HI	2
Hirayama Electrical	Electrical	Hilo	HI	12
Ho'omana	Tree Trimming and Landscaping	Hilo	HI	2
Home Depot	Supplier	Hilo	HI	0
Honsador	Supplier	Hilo	HI	0
HPM	Supplier	Hilo	HI	0
Island Plaster	Pool Replaster	Waimea	HI	2
Koa Architects	Architecture	Hilo	HI	3
Loeffler	Paving	Hilo	HI	6
MI Workshop	Millwork	San Diego	CA	3
Mico Mechanical	HVAC	Oahu	HI	11
Mid City Restaurant	Kitchen Equipment	Oahu	HI	3
Morikawa Electrical	Electrical Engineering	Pukalani	HI	1
Netcom	Phone and Data	Keaau	HI	5
Oceanic Time Warner	Video Cabling	Oahu	HI	5
Ohana Fire	Low Voltage, Fire Alarms, Audio Visual	Hilo	HI	6
Otis Elevator	Otis Elevator	Honolulu	HI	4
Penhall	Demolition, Coring	Oahu	HI	9
Pinnacle Lumber	Lumber Supply	Waimea	HI	1
Project Dynamics	FF&E Procurement	Las Vegas	NV	3
Qualified Plumbing	Plumbing	Hilo	HI	13
Rainbow Mechanical	HVAC	Hilo	HI	6
RE Unlimited	Kitchen Equipment	Oahu	HI	2
RK Mechanical	HVAC	Hilo	HI	3
Sun Construction	Framing and Drywall	Hilo	HI	7
Tazz Lighting	Lighting Supplier	San Diego	CA	2
Texture, Inc.	Stone Supplier	Kona	HI	2
Tower Construction Hawaii, Inc.	General Contractor	Hilo	HI	10
Tower Development	Development	Honolulu	HI	2
The Makery	Millwork	Hilo	HI	8
Uchida Engineering	Mechanical Engineering	Honolulu	HI	1
Walls & Walls	Painting and Wallcovering	Los Angeles	CA	6
WSP Engineering	Mechanical and Electrical Engineering	Honolulu	HI	4
Yamas Roofing	Roofing	Hilo	HI	10
Hotel Staff				45
				313
Total Phase I and II Staff and Subcontractor				442

WHR, LLC
93 Banyan Drive
Hilo, HI 96720

January 19, 2015

Mr. David Yamamoto, P.E.
Building Chief
County of Hawaii Building Division
101 Pauahi Street, Suite 7
Hilo, HI 96720

Re: Naniloa Hotel, 93 Banyan Drive, TMK 2-1-005-016
Naniloa Golf Course, 1713 Kamehameha Avenue, TMK 2-1-001-012
Status of Notice of Violations

Mr. Yamamoto,

Please consider this a response to your letter dated January 10, 2015, regarding the status of violations at the Hilo Naniloa Hotel and Golf Course. Our responses are detailed in the table below, and correspond numerically to your letter.

WHR LLC appreciates the County's continued cooperation with and support of the Hilo Naniloa Hotel, and we are pleased with our collective progress on the improvements to the property and the corrections of the many violations created by the previous Owner. We are confident the balance of violations, most of which are contingent on permits and DLNR approvals in order to commence, will be corrected and cured before year's end, and we're anxious to start construction on the balance of the project within the next several months.

To this end, the next DLNR Board meeting is scheduled for Friday March 13, 2015. We invite you to attend this hearing, and would welcome your participation in this process. During the last meeting November 14, 2014, at which time we received approval to commence the Lobby construction (Permit BH2014-01416), the Board requested the County's presence as witness to the ongoing efforts to cure violations. We'd be honored if you or members of your staff were able to attend.

We would also like to invite you to the property to walk through the progress made as well as the phasing and development plan for the balance of the improvements. Alternatively, I'm happy to meet with you at your office to review the status of each of these in detail.

Best regards,



Stuart Miller
VP Development
Tower Development, Inc.

EXHIBIT 5

No.	County Comment	WHR Response and Status
1.	<p>Building inspection required (work completed and in use without required inspection): B2007-1611H and B2009-0969H Mauna Kea guest room renovations; B2008-2445H, Mauna Kea fire sprinkler (ground-8th floor);</p> <ul style="list-style-type: none"> • Building permit B2007-1611H and B2009-0969H (HOT Inc), multiple courtesy inspections performed April 2014 with no action indicated since, linked electrical permit E20007-1394H complete 3/10/14, linked plumbing permit M2007-1331H no activity indicated by way of inspection or other. • B2008-2445H: no action indicated by way of inspection or other. • Building application A2014-BH01012 (WHR LLC) submitted 6/3/14 for Mauna Kea Tower Fire Alarm System Upgrade, returned 6/24/14 to applicant for corrections/clarifications, resubmitted by applicant on 12/18/14, and currently pending Fire Department review. 	<p>Refers to Mauna Kea fire sprinkler improvements</p> <ul style="list-style-type: none"> • Previous Owner's permit and work has been corrected, and all improvements are shown on A2014-BH01012. If County is in agreement, and on receipt of WHR's permit, the HOT permit may be cancelled. • Previous Owner's permit and work has been corrected, and all improvements are shown on A2014-BH01012. If County is in agreement, on receipt of WHR's permit this permit may be cancelled. • <u>Fire alarm upgrades to the Mauna Kea Tower</u> are contained in permit application A2014-BH01012, approved by the Fire Department 10/10/14. It was WHR's understanding that a submittal to the Fire Department was the only requirement. Plans have been subsequently submitted to County on 12/18/14 for review and are pending approval. All layout and device locations are shown on the plans, and hydraulic calculations dated 11/18/14 were approved by the Fire Department.

2.	<p>Building inspection required (work in progress requires inspection): B2007-1612H Kilauea guest room renovations; B2007-1613H Mauna Loa guest room renovations; B2008-2444H Kilauea ground to 6th floor fire sprinkler system; B2009-1770H Mauna Loa ground to 12th floor fire sprinkler system; B-2009-1771 lobby/registration/office and former Sandalwood Lounge fire sprinkler system; B2009-1772H Crown Room fire sprinkler system.</p> <ul style="list-style-type: none"> • B2007-1612H (HOT Inc) no action indicated by way of inspection or other. WHR LLC reported 11/20/14 that Kilauea Tower outstanding violations to be addressed concurrent with renovation work it intends to pursue and have scheduled for 3rd qtr 2015. No action indicated by way of inspection or permit application. • Building permit B2007-1613H (HOT Inc) assumed abandoned. Building application A2014-BH00971 (WHR LLC) submitted 5/28/14 for Mauna Loa Tower Guest Room Renovation Levels 1 -12, building permit BH2014-01415 issued 8/29/14, reported 11/20/14 anticipates construction will commence 1st qtr 2015, building inspection pending request. Building permit B2007-1613H status to be confirmed (i.e., cancelled). • Building permit B2008-2444H (HOT Inc) no action indicated by way of inspection or other. WHR LLC reported 11/20/14 that Kilauea Tower outstanding violations to be addressed concurrent with renovation work it intends to pursue and have 	<p>Refers to:</p> <ul style="list-style-type: none"> - Kilauea Guest Room Renovations - Mauna Loa Guest Room Renovations - Kilauea Fire Sprinkler - Mauna Loa Fire Sprinkler - Lobby/Admin Office/Sandalwood Lounge Fire Sprinkler - Crown Room Fire Sprinkler <ul style="list-style-type: none"> • <u>Kilauea Guest Room Renovations</u>. Agreed. Kilauea improvements plans will commence in 2015. All life-safety improvements to commence in 2Q 2015 under permit application A2014-BH01013. • <u>Mauna Loa Guest Room Renovations</u>. Agreed, permit BH 2014-01415 incorporates all work in Mauna Loa Tower. If County is in agreement, previous Owner permit B2007-1613H may be cancelled. Work in the Mauna Loa Tower to commence per construction-phasing schedule. • <u>Kilauea Fire Sprinklers</u>. Fire Sprinkler and Fire Alarm plans approved by Fire Department 10/10/14. Fire Alarm plans pending County approval under application A2014-BH01013. Life safety improvements to be performed, inspected
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	<p>schedule for 3rd qrt 2015. No action indicated by way of inspection or other.</p> <ul style="list-style-type: none">• Building permit B2009-1770H (HOT Inc) no activity indicated by way of inspection or other.• Building Permit B2009-1771H (HOT Inc) no activity indicated by way of inspection or other.• Building B2009-1772H (HOT Inc) no activity indicated by way of inspection or other.	<p>and approved in 2015. If County is in agreement, and on receipt of WHR's permit, the HOT permit may be cancelled.</p> <ul style="list-style-type: none">• <u>Mauna Loa Fire Sprinklers.</u> Fire Sprinkler and Fire Alarm plans approved by Fire Department 10/10/14. Fire Alarm plans pending County approval under application A2014-BH01011. Life safety improvements to be performed, inspected and approved in 2015. If County is in agreement, and on receipt of WHR's permit, the HOT permit may be cancelled.• <u>Lobby/Admin Office/Sandalwood Fire Sprinkler.</u> Fire Sprinkler and Fire Alarm plans approved by Fire Department 10/10/14. Fire Alarm plans pending County approval under application A2014-BH01011. Life safety improvements to be performed, inspected and approved in 2015. If County is in agreement, previous Owner permit B2009-1771H may be cancelled.• <u>Crown Room Fire Sprinklers.</u> Fire Sprinkler and Fire Alarm plans approved by Fire Department 10/10/14. Fire Alarm plans pending County approval under application A2014-BH01015. Life safety improvements to be performed, inspected and approved in 2015. If County is in agreement, and on receipt of WHR's permit, the HOT permit may be cancelled.
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	<ul style="list-style-type: none"> • Building application A2014-BH01011 (WHR LLC) submitted 6/3/14 for Mauna Loa Tower Fire Alarm System Upgrade, review completed and recommended issuance 7/10/14 is pending Fire Department review of “bundled” permit application resubmitted by applicant on 12/18/14. • Building application A2014-BH01013 (WHR LLC) submitted 6/3/14 for Kilauea Tower Fire Alarm System Upgrade, returned 6/24/14 to applicant for corrections/clarifications, resubmitted by applicant on 12/18/14, and currently pending Fire Department review. • Building application A2014-BH01014 (WHR LLC) submitted 6/3/14 for Lobby and Common Area Fire Alarm System Upgrade, returned 6/24/14 to applicant for corrections/clarifications, resubmitted by applicant on 12/18/14, and currently pending Fire Department review. • Building application A2014-BH01015 (WHR LLC) submitted 6/3/14 for Crown Room Fire Alarm System Upgrade, returned 6/24/14 to applicant for corrections/clarifications, resubmitted by applicant on 12/18/14, and currently pending Fire Department 	<ul style="list-style-type: none"> • <u>Mauna Loa Fire Alarm System.</u> WHR has received approval from Fire Department 10/10/14, and County confirmed receipt of these approved plans with the bundled permit application A2014-BH01011, which also contains BH01012 (Mauna Kea Tower), BH01013 (Kilauea Tower), BH01014 (Lobby and Common Areas), BH01015 (Crown Room). Per conversation with the County, it is expected to approve and release this permit before end of January 2015. Please note: a separate fire alarm and sprinkler set is forthcoming for the Polynesian Room. WHR expects to submit this for permit in 1Q 2015. • Same as comment above • Same as comment above • Same as comment above
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	review.	
3.	<p>Building permit required (change in occupancy use, alteration work completed and in use without required permit and inspection): Mauna Kea Tower main level former Beauty Salon conversion to Health Spa; Mauna Loa Tower former hotel guest room conversion to Beauty Salon.</p> <ul style="list-style-type: none"> • Building application A2013-BH01797 (HOT Inc) submitted 10/3/13 for As-Built Beauty Salon Conversion to Chiropractor/Nutritional Health Office, returned for correction 10/15/13, resubmitted 11/22/13, returned for corrections 12/17/13. Applicant HOT Inc has not submitted corrections to date and assumed to have abandoned application. WHR LLC reported 11/20/14 that it will submit permit application for As-Built Construction for Beauty Salon conversion to Health Spa by 2/15/15. • Building application A2013-BH01582 (HOT Inc) submitted 9/5/13 for As-Built Guest Room 109 Conversion to Beauty Salon, returned for corrections 9/17/13, resubmitted 11/22/13, returned for corrections 12/10/13. Applicant HOT Inc has not submitted corrections to date and assumed to have abandoned application. Building application A2014-00971 (WHR LLC) submitted 5/28/14 for Mauna Loa Tower Guest Room Renovation, building permit BH2014-01415 issued 8/29/14, will restore/renovate guest room 109, reported 11/20/14 	<p>Refers to:</p> <ul style="list-style-type: none"> - Mauna Kea Beauty Salon conversion by previous Owner. - Mauna Loa Guest Room 109 conversion by previous Owner. • <u>Mauna Kea Beauty Salon conversion by previous Owner.</u> As-built plans for this space are with Architectural for completion and WHR will submit drawings for permit and inspection on receipt. If County is in agreement, and on receipt of WHR's permit, the HOT permit may be cancelled. • <u>Mauna Loa Guest Room 109.</u> Previous Owner work to this space is now covered under approved permit BH2014-01415. If County is in agreement, previous Owner permit A2013-BH01582 may be cancelled. Work under WHR permit BH2014-01415 will commence 1Q 2015, pending DLNR approval.

	that anticipates construction will commence 1 st qtr 2015, building inspection pending request.	
4.	<p>Building permit required (demolition work completed without required permit): former health spa demolition; former Kilohana Room bar demolition; former Ting Hao Restaurant demolition including the removal of stairway;</p> <ul style="list-style-type: none"> • Building application A2013-BH01579 (HOT Inc) submitted 9/5/13 for Mauna Kea Tower Spa and Kilohana Room As-Built Demolition was returned for corrections 9/17/13, resubmitted 11/22/13, returned for corrections 2/19/14. Applicant HOT Inc has not submitted corrections to date and assumed to have abandoned application. • WHR LLC reported 11/20/14 that it will submit permit application for As-Built Construction by 2/15/15. However, they did not clearly identify the space (former health spa implied) involved. • Building application A2014-01817 (WHR LLC) submitted 9/23/14 for Kilohana Room Bar/Kitchen Demolition was issued building permit BH2014-01987 12/03/14, building inspection completed (violation addressed) 12/05/14, linked electrical and plumbing permit application/permit required.. 	<p>Refers to:</p> <ul style="list-style-type: none"> - Mauna Kea Beauty Salon conversion by previous Owner. - Kilohana Room. - Restaurant • <u>Kilohana Room</u>. Permit BH2014-01987 received 12/3/14 covers the previous Owner work, and inspection was completed 12/5/14. If County is in agreement, and on receipt of WHR's permit, the HOT permit may be cancelled. • <u>Mauna Kea Beauty Salon (Health Spa) conversion by previous Owner</u>. As-built plans for this space are with Architectural for completion and WHR will submit drawings for permit and inspection on receipt. • <u>Kilohana Room</u>. WHR's understanding based on previous communications from County indicated an as-built demolition plan/permit was the only requirement to satisfy the previous Owner's unpermitted work, which was performed and satisfied by WHR under permit BH2014-01987. It is WHR's request that County consider this violation cured and closed. If not, WHR will endeavor to pull separate plumbing and electrical permits, and will call for these inspections on receipt.

	<ul style="list-style-type: none"> Building application A2014-BH02359 (WHR LLC) submitted 12/10/14 for Mauna Kea Tower Lower Level Existing Kitchen (Ting Hao) Alteration is in plan review and will be returned for correction upon completing review. 	<ul style="list-style-type: none"> <u>Mauna Kea Restaurant</u>. Restaurant plans were submitted for permit 12/10/14 (A2014-BH02359). Work is scheduled to commence 2Q 2015, pending County and DLNR approval.
5.	<p>Building permit required (work in progress without required permit): Kilauea Tower alteration and change of occupancy use of guest rooms conversion to meeting rooms.</p> <ul style="list-style-type: none"> Building application A2013-BH01581 (HOT Inc) submitted 9/5/13 for Kilauea Tower demolition 1st floor guest room conversion to future meeting rooms, returned for corrections 9/17/13, resubmitted 10/16/13, returned for corrections 10/16/13, resubmitted 11/22/13, returned for corrections 2/19/14. Applicant HOT Inc has not submitted corrections to date and assumed to have abandoned application. WHR LLC reported 11/20/14 that it intends to renovate the Kilauea Tower in 3rd qtr 2015 and address all existing violation concurrent with renovation. No action to date indicated by way of permit application. 	<p>Refers to:</p> <ul style="list-style-type: none"> - Kilauea Tower Guest Room Renovations. - <u>Kilauea Tower Renovation</u>. It is the intent of WHR to renovate this tower in 2015. Plans for this work have not yet been drawn. All existing violations to be remedied through the renovation construction and inspections process.
6.	<p>Non-compliant: Kitchen Range Hood Exhaust Duct unprotected openings in two-hour fire-resistive shaft enclosure.</p> <ul style="list-style-type: none"> Building application A2014-BH00758 (WHR LLC) submitted 4/24/14 for Kilauea Tower Kitchen Alteration to Remove Range Hood and Seal Floor Penetrations, building permit BH2014-01196 issued 7/23/14, inspection completed (violation 	<p>Refers to:</p> <ul style="list-style-type: none"> - Kilauea Tower Grease Duct. - Agreed, work performed and approved under permit BH2014-01196. Violation cured.

	addressed) 10/23/14.	
7.	<p>Electrical inspection required (work complete and in use without required inspection): E2007-1394H Mauna Kea guest room renovation; E 2007-2308H Renovate Fire Alarm System.</p> <ul style="list-style-type: none"> • Electrical permit E2007-1394H (HOT Inc) Mauna Kea guest room renovation, inspection completed (violation addressed) 3/10/14. • Electrical permit E2007-2308H Fire Alarm System (HOT Inc) no action indicated by way of inspection or other. Building application A2014-BH01012 (WHR LLC) submitted 6/3/14 for Mauna Kea Tower Fire Alarm System Upgrade, returned for corrections twice, resubmitted 12/18/14, pending Fire Department review. Linked electrical permit required. 	<p>Refers to:</p> <ul style="list-style-type: none"> - Mauna Kea Guest Room Electrical violations performed by previous Owner. - Mauna Kea Tower Fire Alarm System Upgrade. • <u>Mauna Kea Electrical Violations</u>. Agreed, corrections performed and approved. If County is in agreement, previous Owner permit E2007-1394H may be considered resolved/closed. This will be confirmed with County's electrical inspector Troy Haspe. • <u>Mauna Kea Fire Alarm System Upgrade</u>. WHR has received approval from Fire Department 10/10/14, and County confirmed receipt of these approved plans with the bundled permit application A2014-BH01011, which also contains BH01012 (Mauna Kea Tower), BH01013 (Kilauea Tower), BH01014 (Lobby and Common Areas), BH01015 (Crown Room). Per conversation with the County, it is expected to approve and release this permit before end of January 2015. Please note: a separate fire alarm and sprinkler set is forthcoming for the Polynesian Room. WHR expects to submit this for permit in 1Q 2015. An electrical permit will be pulled by the electrical Subcontractor on commencement of work, planned for 1Q 2015, pending County and DLNR approval. A separate meeting with Tower Construction, Hirayama Electrical, and County

		Inspector Troy Haspe is scheduled for the week of January 19, 2015 to confirm completion and approval of all previous Owner electrical violations.
8.	<p>Electrical inspection required (work in progress requires inspection): E2007-1395H Kilauea guest room renovations; E2007-1396 Mauna Loa guest room renovations; E2007-2308H Renovate Fire Alarm System.</p> <ul style="list-style-type: none"> • Electrical permit E2007-1395H (HOT Inc) inspection pending exposing concealed work. WHR LLC reported 11/20/14 it intends to renovate the Kilauea Tower in 3rd qtr 2015 and address all existing violation concurrent with renovation. No action to date indicated by way of inspection or permit application. • Electrical permit E2007-1396 (HOT Inc) Mauna Loa guest room renovations, inspection completed (violation addressed) 3/10/14. • Electrical permit E2007-2308 (HOT Inc) Renovate Fire Alarm System, last inspected 2/3/14, pending correction of miscellaneous discrepancies (i.e., need access to electrical box, fixtures removed but not replaced, improper use of box extension ring, needed replacement boxes, etc.). Building application A2014-BH01011 (WHR LLC) submitted 6/3/14 for Mauna Loa Tower Fire Alarm System Upgrade, returned for corrections twice, resubmitted 12/18/14, pending Fire Department review, linked electrical application/permit required. 	<p>Refers to:</p> <ul style="list-style-type: none"> - Kilauea Guest Room Electrical Renovations - Mauna Loa Guest Room Electrical Renovations - Mauna Loa Fire Alarm System Upgrade • <u>Kilauea Guest Room Electrical Renovations</u>. It is the intent of WHR LLC to renovate the Kilauea Tower in 2015. Plans for this work have not yet been drawn. All existing violations to be remedied through the renovation construction and inspections process. • <u>Mauna Loa Guest Room Electrical Renovations</u>. Agreed. Work performed and approved. Violation cured. • <u>Mauna Loa Fire Alarm System Upgrades</u>. WHR has received approval from Fire Department 10/10/14, and County confirmed receipt of these approved plans with the bundled permit application A2014-BH01011, which also contains BH01012 (Mauna Kea Tower), BH01013 (Kilauea Tower), BH01014 (Lobby and Common Areas), BH01015 (Crown Room). Per conversation with the County, it is expected to approve and release this permit before end of January 2015. If County is in agreement, previous Owner permit E2007-2308 may be closed.

9.	<p>Electrical permit required (alteration work completed and in use without required permit and inspection): Mauna Kea Tower main level former Beauty Salon conversion to Health Spa; Mauna Loa Tower former hotel guest room conversion to Beauty Salon.</p> <ul style="list-style-type: none"> WHR LLC reported 11/20/14 that it will submit permit application for As-Built Construction for Beauty Salon conversion to Health Spa by 2/15/15 Building application A2014-00971 (WHR LLC) submitted 5/28/14 for Mauna Loa Tower Guess Room Renovation, building permit BH2014-01415 issued 8/29/14, will restore/renovate guess room 109, reported 11/20/14 that anticipates construction will commence 1st qtr 2015, linked electrical application/permit required. 	<p>Refers to:</p> <ul style="list-style-type: none"> Mauna Kea Beauty Salon conversion by previous Owner. Mauna Loa Guest Room 109 conversion by previous Owner. <u>Mauna Kea Beauty Salon conversion by previous Owner.</u> As-built plans for this space are with Architectural for completion and WHR will submit drawings for permit and inspection on receipt. The Electrical Subcontractor will pull a separate electrical permit on commencement. <u>Mauna Loa Guest Room 109.</u> Previous Owner work to this space is now covered under approved permit BH2014-01415. Work to commence 1Q 2015, pending DLNR approval. The Electrical Subcontractor will pull a separate electrical permit on commencement.
10.	<p>Electrical permit required (demolition work completed without required permit): former health spa; former Kilohana Room bar; former Ting Hao Restaurant;</p> <ul style="list-style-type: none"> WHR LLC reported 11/20/14 that it will submit permit application for As-Built Construction by 2/15/15. However, they did not clearly identify the space (former health spa implied) involved. 	<p>Refers to:</p> <ul style="list-style-type: none"> Mauna Kea Beauty Salon (former Health Spa) conversion by previous Owner. Kilohana Room. Restaurant <u>Former Health Spa/Beauty Salon located in Mauna Kea Tower.</u> As-built plans for this space are with Architectural for completion and WHR will submit drawings for permit and inspection on

	<ul style="list-style-type: none"> • Building application A2014-01817 (WHR LLC) submitted 9/23/14 for Kilohana Room Bar/Kitchen Demolition was issued building permit BH2014-01987 issued 12/03/14, building inspection completed (violation addressed) 12/05/14, linked electrical application/permit outstanding. • Building application A2014-BH02359 submitted 12/10/14 for Mauna Kea Tower Lower Level Existing Kitchen (Ting Hao) Alteration, in plan review and will be returned for corrections upon completing review, linked electrical application/permit required. 	<p>receipt. The Electrical Subcontractor will pull a separate electrical permit on commencement.</p> <ul style="list-style-type: none"> • <u>Kilohana Room</u>. WHR's understanding based on previous communications from County indicated an as-built demolition plan/permit was the only requirement to satisfy the previous Owner's unpermitted work, which was performed and satisfied by WHR under permit BH2014-01987. It is WHR's request that County consider this violation cured and closed. If not, WHR will endeavor to pull separate plumbing and electrical permits, and will call for these inspections on receipt. • <u>Restaurant in Mauna Kea Tower</u>. Restaurant plans were submitted for permit 12/10/14 (A2014-BH02359). Per conversation with the County is expected to approve and release this permit before end of January 2015. The Electrical Subcontractor will pull a separate electrical permit on commencement.
11.	<p>Electrical permit required (work complete and in use without required permit and inspection): Former Poly Room for service counter, non-compliant flexible power extension cord in use.</p> <ul style="list-style-type: none"> • HOT Inc installed conduit and receptacle to address/replace non-compliant flexible power extension cord. Electrical application/permit outstanding. 	<p>Refers to:</p> <ul style="list-style-type: none"> - Polynesian Room, electrical work performed by previous Owner. • This violation was previously corrected by WHR LLC, inspected by County Inspector Troy Haspe, and was documented in previous County communication dated November 19, 2014. "Former Poly Room for service counter, non-compliant flexible power extension cord

		in use. Violation corrected. [WHR LLC] Installed conduit and receptacle to address/replace non-compliant flexible power extension cord." WHR LLC considers this violation cured. If County is in agreement, this violation should be closed.
12.	<p>Electrical permit required (work in progress without required permit): Kilauea Tower former guest rooms conversion to meeting rooms.</p> <ul style="list-style-type: none"> WHR LLC reported 11/20/14 it intends to renovate the Kilauea Tower in 3rd qtr 2015 and address all existing violation concurrent with renovation. No action to date indicated by way of inspection or permit application. 	<p>Refers to:</p> <ul style="list-style-type: none"> Kilauea Tower Electrical Guest Room conversion to meeting rooms by previous Owner. <u>Kilauea Guest Room Electrical Renovations</u>. It is the intent of WHR LLC to renovate the Kilauea Tower in 2015. Plans for this work have not yet been drawn. All existing violations to be remedied through the renovation construction and inspections process.
13.	<p>Non-compliant electrical work: conduit entering building below lobby area exposed to physical damage; Mauna Loa fire system junction box (ground – 13th floor) inaccessible (covered by drywall); Mauna Kea electrical boxes not installed so that the front edge of the box will not be set back of the finished surface more than 6mm (1/4 in.).</p> <ul style="list-style-type: none"> Exposed conduit entering building below lobby encased in concrete and electrical box installation corrected (violation addressed) Mauna Loa Tower fire system junction box access no action indicated by inspection or other. Electrical permit E2007-2308 (HOT Inc) Renovate Fire Alarm System, last inspected 2/3/14, pending correction of miscellaneous discrepancies (i.e., need access to electrical box, fixtures removed but not replaced, improper use of box extension ring, 	<p>Refers to work performed by previous Owner:</p> <ul style="list-style-type: none"> Electrical conduit code violation in Lobby. Fire System J-Box violation in Mauna Loa Tower. Electrical box(es) code violation in Mauna Kea Tower. <u>Exposed conduit entering Lobby</u>. Agreed, violation has been addressed/cured. <u>Mauna Loa Fire System junction boxes</u>. WHR has received approval from Fire Department 10/10/14, and County confirmed receipt of these approved plans with the bundled permit application A2014-BH01011, which also contains BH01012 (Mauna Kea Tower), BH01013 (Kilauea Tower), BH01014 (Lobby and Common Areas), BH01015

	<p>needed replacement boxes, etc.).</p> <ul style="list-style-type: none"> Mauna Kea Tower electrical box installations corrected (violation addressed) 	<p>(Crown Room). Per conversation with the County, it is expected to approve and release this permit before end of January 2015. Work is scheduled to commence 2Q 2015 pending County and DLNR approval.</p> <ul style="list-style-type: none"> <u>Mauna Kea electrical box violations</u>. Agreed, violation has been addressed/cured.
14.	<p>Plumbing inspection required (work complete and in use without required inspection): M2007-1331H Mauna Kea guest room renovation; Plumbing inspection required (work in progress requires inspection): M2007-1332H Kilauea guest room renovations; M2007-1333H Mauna Loa guest room renovations.</p> <ul style="list-style-type: none"> Plumbing permit M2007-1331H (HOT Inc) no action indicated by way of inspection or other. Plumbing permit M2007-1332H no action indicated by way of inspection. WHR LLC reported 11/20/14 	<p>Refers to:</p> <ul style="list-style-type: none"> Mauna Kea Guest Room plumbing modifications performed by previous Owner. Kilauea Guest Room plumbing modifications performed by previous Owner. Mauna Loa Guest Room plumbing modifications performed by previous Owner. <u>Mauna Kea plumbing corrections</u>. Mauna Kea guest room plumbing work as performed by previous Owner corrections are complete and approved by County Inspector Rodney Astrande. Tower Construction is attempting a meeting with Mr. Astrande the week of January 19, 2015 to review and confirm all plumbing work performed by previous Owner is compliant and resolved. If County is in agreement, previous Owner permit M2007-1331H may be cancelled, following inspector's verification. <u>Kilauea Tower plumbing corrections</u>. It is the intent of WHR LLC to renovate the Kilauea

	<p>it intends to renovate the Kilauea Tower in 3rd qtr 2015 and address all existing violation concurrent with renovation</p> <ul style="list-style-type: none"> Building application A2014-00971 (WHR LLC) submitted 5/28/14 for Mauna Loa Tower Guess Room Renovation, building permit BH2014-01415 issued 8/29/14, reported 11/20/14 that anticipates construction will commence 1st qtr 2015, linked plumbing application/permit required. 	<p>Tower in 2015. Plans for this work have not yet been drawn. All existing violations to be remedied through the renovation construction and inspections process. The Plumbing Subcontractor will pull a separate plumbing permit on commencement.</p> <ul style="list-style-type: none"> <u>Mauna Loa Tower plumbing corrections.</u> Approved permit BH2014-01415 to commence in 2Q 2015, pending DLNR approval. The Plumbing Subcontractor will pull a separate plumbing permit on commencement. If County is in agreement, previous Owner permit M2007-1333H may be cancelled.
15.	<p>Plumbing permit required (alteration work completed and in use without required permit and inspection): Mauna Kea Tower main level former Beauty Salon conversion to Health Spa; Mauna Loa Tower former hotel guest room conversion to Beauty Salon.</p> <ul style="list-style-type: none"> Building application A2013-BH01797 (HOT Inc) submitted 10/3/13 for As-Built Beauty Salon Conversion to Chiropractor/Nutritional Health Office, returned for correction 10/15/13, resubmitted 11/22/13, returned for corrections 12/17/13. Applicant HOT Inc has not submitted corrections to date and assumed to have abandoned application. WHR LLC reported 11/20/14 that it will submit permit application for As-Built Construction for Beauty Salon conversion to Health Spa by 2/15/15. Building application A2014-00971 (WHR LLC) submitted 5/28/14 for Mauna Loa Tower Guess 	<p>Refers to:</p> <ul style="list-style-type: none"> Mauna Kea former Beauty Salon conversion to Health Spa performed by previous Owner. Mauna Loa Guest Room 109 conversion by previous Owner. <u>Mauna Kea Beauty Salon conversion by previous Owner.</u> As-built plans for this space are with Architectural for completion and WHR will submit drawings for permit and inspection on receipt. If County is in agreement, previous Owner permit A2013-BH01797 may be cancelled on receipt of new WHR permit that shows these existing improvements. <u>Mauna Loa Guest Room 109.</u> Previous Owner work to this space is now covered under approved

	Room Renovation, building permit BH2014-01415 issued 8/29/14, reported 11/20/14 that anticipates construction will commence 1st qtr 2015, linked plumbing application/permit required.	permit BH2014-01415. If County is in agreement, previous Owner permit A2013-BH01582 may be cancelled. Work under WHR permit BH2014-01415 will commence 1Q 2015, pending DLNR approval.
16.	<p>Plumbing permit required (demolition work completed without required permit): former health spa; former Kilohana Room bar; former Ting Hao Restaurant.</p> <ul style="list-style-type: none"> • WHR LLC reported 11/20/14 that it will submit permit application for As-Built Construction by 2/15/15. However, they did not clearly identify the space (former health spa implied) involved. • Building application A2014-01817 (WHR LLC) submitted 9/23/14 for Kilohana Room Bar/Kitchen Demolition was issued building permit BH2014-01987 issued 12/03/14, building inspection completed (violation addressed) 12/05/14, linked plumbing application/permit outstanding. • Building application A2014-BH02359 submitted 12/10/14 for Mauna Kea Tower Lower Level 	<p>Refers to:</p> <ul style="list-style-type: none"> - Mauna Kea former Beauty Salon conversion to Health Spa performed by previous Owner. - Kilohana Room - Restaurant located in Mauna Kea Tower. • <u>Mauna Kea Beauty Salon conversion by previous Owner.</u> As-built plans for this space are with Architectural for completion and WHR will submit drawings for permit and inspection on receipt. The Plumbing Subcontractor will pull a separate plumbing permit on approval of plans by County. • <u>Kilohana Room.</u> WHR's understanding based on previous communications from County indicated an as-built demolition plan/permit was the only requirement to satisfy the previous Owner's unpermitted work, which was performed and satisfied by WHR under permit BH2014-01987. It is WHR's request that County consider this violation cured and closed. If not, WHR will endeavor to pull separate plumbing and electrical permits, and will call for these inspections on receipt. • <u>Mauna Kea Restaurant.</u> Restaurant plans were submitted for permit 12/10/14 (A2014-BH02359).

	Existing Kitchen (Ting Hao) Alteration, in plan review and will be returned for corrections upon completing review, linked plumbing application/permit required.	Work is scheduled to commence 2Q 2015, pending County and DLNR approval. The Plumbing Subcontractor will pull a separate plumbing permit on commencement.
17.	<p>Plumbing permit required (work in progress without required permit): Kilauea Tower former guest rooms conversion to meeting rooms.</p> <ul style="list-style-type: none"> WHR LLC reported 11/20/14 it intends to renovate the Kilauea Tower in 3rd qrt 2015 and address all existing violation concurrent to renovation. No action to date indicated by way of inspection or permit application. 	<p>Refers to:</p> <ul style="list-style-type: none"> Kilauea Tower Guest Room Renovations performed by previous Owner. It is the intent of WHR LLC to renovate the Kilauea Tower in 2015. Plans for this work have not yet been drawn. All existing violations to be remedied through the renovation construction and inspections process.
Other	<ul style="list-style-type: none"> Permit application A2014-BH00970 (WHR LLC) was submitted 5/28/14, renovate ground level banquet/bar area with new bar storage and kids club; 1st level lobby, front desk, office with service bar to lounge/lanai; building permit BH2014-01416 was issued on 8/29/14 active (open), electrical permit EH2014-02056 issued 12/17/14 active (open), plumbing permit required. Building application A2014-BH02413 through BH02424 submitted 12/19/14 for Room /Elevator Core ADA Alterations, in plan review 	<ul style="list-style-type: none"> <u>Lobby and Lower Level Banquet.</u> Work covered under permit BH2014-01416 commenced on receipt of DLNR approval 11/14/14. A plan revision/permit modification was submitted 11/6/15. Per conversation with the County, it is expected to approve and release this permit modification before end of January 2015. The Electrical Subcontractor (Hirayama Electrical) pulled a separate Electrical permit (EH2014-02056); The Plumbing Subcontractor has not yet pulled the plumbing permit, but will do so prior to installation of MEPs. Agreed, permits submitted 12/19/14 and pending from County. Please see attached Permit Schedule.

Section B: <u>93 Banyan Drive, TMK 2-1-005:013, 016, 027 and 032 (October 10, 2013 NOV and October 28, 2013 Order)</u>		
1.	<p>Non-compliance, electrical permit required (work complete and in use without required permit): The lobby/registration/office and Kilauea Tower continues to operate on emergency generator power. Required permit pending plan and schedule for restoration of permanent electrical service.</p> <ul style="list-style-type: none"> Electrical permit E2014-00483 issued 3/28/14 for Temporary Power. Utility power since restored 4/2/14, Temporary Power removed. 	<p>Refers to:</p> <ul style="list-style-type: none"> Temporary power installed by previous Owner to service the Lobby/Admin Office and Kilauea Tower. Per previous County communication dated November 19, 2014, this violation was corrected. WHR LLC removed all temporary power to these areas; this violation is considered resolved/cured.
2.	<p>Restore permanent electrical service and/or remove all temporary emergency electrical work: Plan/schedule and restore permanent electrical service to the lobby/registration/office, and Kilauea Tower. Obtain all required approvals and permits before commencing with this work.</p> <ul style="list-style-type: none"> Electrical permit E2014-00374 issued 3/7/14 for 1500 kv Cable Replacement, inspection 4/2/14 cable replacement completed, utility power reestablished, final inspection pending cabinet clearance discrepancy that WHR LLC reported 11/20/14 to be addressed concurrent to Kilauea Tower Renovation scheduled for 3rd qtr 2015. 	<p>Refers to:</p> <ul style="list-style-type: none"> Temporary power installed by previous Owner to service the Lobby/Admin Office and Kilauea Tower. Switchgear in the Kilauea Tower. Agreed, permanent utility power was restored by WHR LLC and approved. Final inspection is pending correction of the switchgear in the Kilauea Tower, which needs to be rotated to provide clearance, and will be performed during the renovation in the Tower. This is an existing condition, that has been in place for 40 years – WHR LLC is not disputing the work needs to be performed, and will comply with the County's Electrical Inspector's request during renovations.
Section C: <u>1713 Kamehameha Avenue, TMK 2-1-001:012 (October 10, 2013 NOV). Section refers to Golf Course Improvements.</u>		
1.	Obtain building permit (construction, alteration without a	

	required permit): 1) added decorative lattice/wire mesh enclosing lanai; 2) added wooden closure of 6-feet height between Pro-Shop and Restaurant; 3) added roof attachment to Golf Cart Storage; 4) added lean-to roof attachment to Maintenance Building.	<ul style="list-style-type: none"> Work performed by previous Owner. WHR LLC has cleared/cleaned the buildings of all debris. Electrical disconnections and safe-offs have been completed, and are secured and inspected daily. The only portion of the clubhouse buildings being occupied is the starter's office until such time as WHR completes the construction and corrections mentioned above. At that time, WHR LLC will proceed to make these improvements. Approximate timeframe for submittal is 3Q or 4Q 2015.
2.	Substandard/unsafe buildings: general dilapidation or improper maintenance, structures unsafe and constitute a hazard to safety, health and public welfare. Building permit required for any alteration, repair or demolition.	
3.	Ensure compliance with all requirements of HCC Section 5-51, such as refraining from entering and/or the building or affected portion thereof except for the purpose of conducting required repair or demolition work.	
4.	Obtain electrical permit(s) to remove and or correct unpermitted and non-conforming electrical work. Nonconforming and defective installations pursuant to the 2008 National Electrical Code (NEC) Articles: 110.3(B); 110.26(D); 230.50(B); 300.5(A); 314.28(3)(C); 334.12(B)(4); 334.15(B); 344.30; and 511.12.	
5.	Disconnect defective electrical installations from their power source and tag as unsafe to operate until corrective action is made, inspected, and approved.	
	<p>No action indicated by way of permit application or compliance inspection requests. Of particular concern is unpermitted work related to golf cart storage shed included therewith unpermitted, non-compliant and defective electrical installations.(i.e., golf cart charging outlets).</p> <ul style="list-style-type: none"> WHR LLC reported 11/20/14 that buildings have been cleared/cleaned of all debris, electrical disconnections and safe-offs have been completed; they are secured and inspected daily; The only 	<p>The items requiring correction were performed by Hirayama Electrical in mid-2014. To confirm, we will walk these corrections with electrical inspector Troy Haspe at his convenience. We are tentatively scheduled for 1/31/15. All other corrections and improvements will be addressed following approval and commencement of the work noted above.</p>

Area	Permitted Item	Building Permit Submittal	Permit Application NO.	1st Plan Check	2nd Plan Check	Building Permit Received	Permit No.	Notes
Mauna Loa Guest Rooms								
	Demolition	4/24/14		5/23/14	N/A	7/23/14	BH2014-01198	
	Construction, including MEP	5/23/14				8/29/14	BH2014-01415	
	Permit Modification (Plan Revision)	11/6/14				Pending from County		Currently pending comments from County
	Guest Room ADA Submittal (DCAB)	7/23/14	A2014-589	12/2/14	1/22/14	Pending from DCAB		Currently pending comments from DCAB
Naniloa - all buildings								
	Fire Sprinklers	9/18/14				10/10/14		Received approval from Fire Department 10/10/14; does not require additional County approval
Lobby								
	Demolition, Construction & MEP	5/23/14		8/18/14		8/29/14	BH2014-01415	
	Permit Modification (Plan Revision)	11/6/14				Pending from County		Currently pending comments from County
	DCAB Submittal	7/23/14	A2014-485	12/2/14	1/23/15			Received comments from DCAB 1/23/15; currently with Architectural to review and reply.
	Electrical					12/17/14	EH2014-02056	Received from Hirayama Electrical
	Plumbing							Pending application and permit from Clean Sewer Lines
	Lobby ADA Submittal (DCAB)	7/23/14	A2014-485	12/5/14	1/23/15			Received comments from DCAB 1/23/15; currently with Architectural to review and reply.
Roofing - All Buildings								
	Re-roofing	7/11/14		8/18/14		9/25/14	BH2014-01547	
Fire Alarms - All Buildings								
	Fire Alarms - Mauna Loa Tower	6/3/14	A2014-BH01011	7/10/14	9/19/14	Pending from County		Received approval from Fire Department 10/10/14. Submitted to County after approval from Fire Dept on 12/5/15.
	Fire Alarms - Mauna Kea Tower (includes Restaurant)	6/3/14	A2014-BH01012	7/10/14	9/19/14	Pending from County		Received approval from Fire Department 10/10/14. Submitted to County after approval from Fire Dept on 12/5/15.
	Fire Alarms - Kilauea Tower	6/3/14	A2014-BH01013	7/10/14	9/19/14	Pending from County		Received approval from Fire Department 10/10/14. Submitted to County after approval from Fire Dept on 12/5/15.
	Fire Alarms - Lobby and Common Areas	6/3/14	A2014-BH01014	7/10/14	9/19/14	Pending from County		Received approval from Fire Department 10/10/14. Submitted to County after approval from Fire Dept on 12/5/15.
	Fire Alarms - Crown Room	6/3/14	A2014-BH01015	7/10/14	9/19/14	Pending from County		Received approval from Fire Department 10/10/14. Submitted to County after approval from Fire Dept on 12/5/15.
	Fire Alarms - Polynesian Room							Pending drawing in order to make application for permit. To be performed Design-Build with Subcontractor.
Restaurant - Mauna Kea Ground Floor								
	Restaurant	12/10/14	A2014-BH02359			Pending from County		Application #A2014-BH02359
	ADA Submittal							Pending submittal to DCAB from Tower Construction.
Mauna Kea Guest Rooms - ADA Rooms								
	Area of Refuge and Elevator Core - Level 2	12/19/14	A2014-BH02413			Pending from County		
	Area of Refuge and Elevator Core - Level 3	12/19/14	A2014-BH02414			Pending from County		
	Area of Refuge and Elevator Core - Level 4	12/19/14	A2014-BH02415			Pending from County		

Area	Permitted Item	Building Permit Submittal	Permit Application NO.	1st Plan Check	2nd Plan Check	Building Permit Received	Permit No.	Notes
	Area of Refuge and Elevator Core - Level 5	12/19/14	A2014-BH02416			Pending from County		
	Area of Refuge and Elevator Core - Level 6	12/19/14	A2014-BH02417			Pending from County		
	Room 224 ADA Improvements	12/19/14	A2014-BH02418			Pending from County		
	Room 232 ADA Improvements	12/19/14	A2014-BH02419			Pending from County		
	Room 332 ADA Improvements	12/19/14	A2014-BH02420			Pending from County		
	Room 432 ADA Improvements	12/19/14	A2014-BH02421			Pending from County		
	Room 532 ADA Improvements	12/19/14	A2014-BH02423			Pending from County		
	Room 632 ADA Improvements	12/19/14	A2014-BH02424			Pending from County		
Mauna Kea ADA Rooms & Pool Lift								
	DCAB	12/30/14	A2014-589	1/22/15				Received comments from DCAB 1/23/15; currently with Architectural to review and reply.
	Porte Cochere Roof Structure							
	Re roof sheathing, roofing, fire spinks, lighting	11/17/14	A2014-BH02219	1/14/15		BH2015-00150		Received permit 1/29/15.
	Swimming Pool							
	ADA Improvements/Pool Lift	12/19/14	A2014-BH02426					Currently pending comments from County
	Exterior Painting							
	Exterior Painting	na						No permit required
	Exterior Paving							
	Exterior Paving	na						No permit required
	Landscaping							
	Landscaping	na						No permit required
	Former Health Spa / Offices							
	As-Built (former Owner code violation)							Pending Architectural drawings
	Stair Demolition below Health Spa							
	As-Built (former Owner code violation)							Pending Architectural drawings
	Kilauea Electrical Switchgear - CODE VIOLATION							
	Relocation of Switchgear (existing code violation)							To be drawn and permitted with Kilauea Tower improvements
	Kilauea - CODE VIOLATION							
	Grease Duct	4/23/14		5/23/14	N/A	7/23/14	BH2014-01196	Permit Finaled 10/23/14
	Mauna Kea Tower - Kilohana Room - CODE VIOLATION							
	Demolition	9/22/14				12/3/14	BH2014-01987	Permit Finaled 12/5/14

Nani'loa Hotel

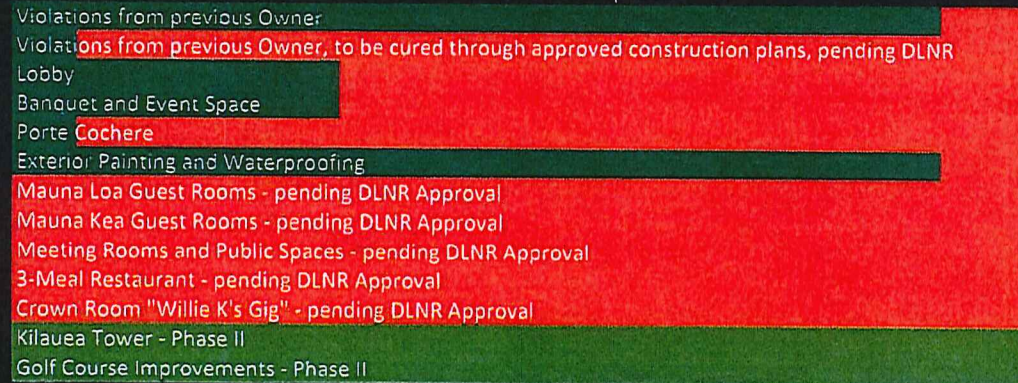
TOWER
DEVELOPMENT
TOWER
CONSTRUCTION

EXHIBIT 5-A

Project Update
As of February 23, 2015



Construction % Complete



Construction Progress



Progress of County Violations from previous Owner

CURED - COMPLETED

1. Exterior Kitchen
2. Grease Duct Removal - Kilauea Tower
3. Temporary Power to Lobby
4. Mauna Kea Fire Sprinkler corrections
5. Mauna Kea Fire Alarm corrections
6. Mauna Kea Electrical corrections
7. Mauna Kea Plumbing corrections
8. Mauna Loa Fire System J-Boxes
9. Kilohana Room Violations
10. Golf Course Electrical
11. Golf Course Life-Safety Protection Measures
12. Polynesian Room Electrical

TO BE CURED THROUGH CONSTRUCTION


1. Fire Sprinklers and Fire Alarms - permitted, in progress
2. Mauna Loa violations - permitted, pending DLNR approval
3. Mauna Loa Guest Room 109 permitted, pending DLNR approval
4. Restaurant violations pending permit, pending DLNR approval
5. Kilauea violations - Phase II
6. Kilauea Switchgear - Phase II
7. Golf Course Building Improvements - Phase II

IN PROGRESS

1. Mauna Kea Beauty Salon As Built Plan
2. Former Spa / Admin office As Built Plan
3. Kilohana Room As Built Plan
Pending receipt of engineered drawings and submission for permit. Have submitted architectural drawings

TOWER
DEVELOPMENT

TOWER
CONSTRUCTION



Mauna Loa Tower

TOWER
DEVELOPMENT

TOWER
CONSTRUCTION




Mauna Kea Tower

TOWER
DEVELOPMENT

TOWER
CONSTRUCTION





Kilauea Tower

TOWER
DEVELOPMENT

TOWER
CONSTRUCTION

Center
concrete wall
demolition



TOWER
DEVELOPMENT

TOWER
CONSTRUCTION



Lower wall, stair,
and water feature
demolition



TOWER
DEVELOPMENT

TOWER
CONSTRUCTION

TOWER
DEVELOPMENT
TOWER
CONSTRUCTION

Banquet space
demolition

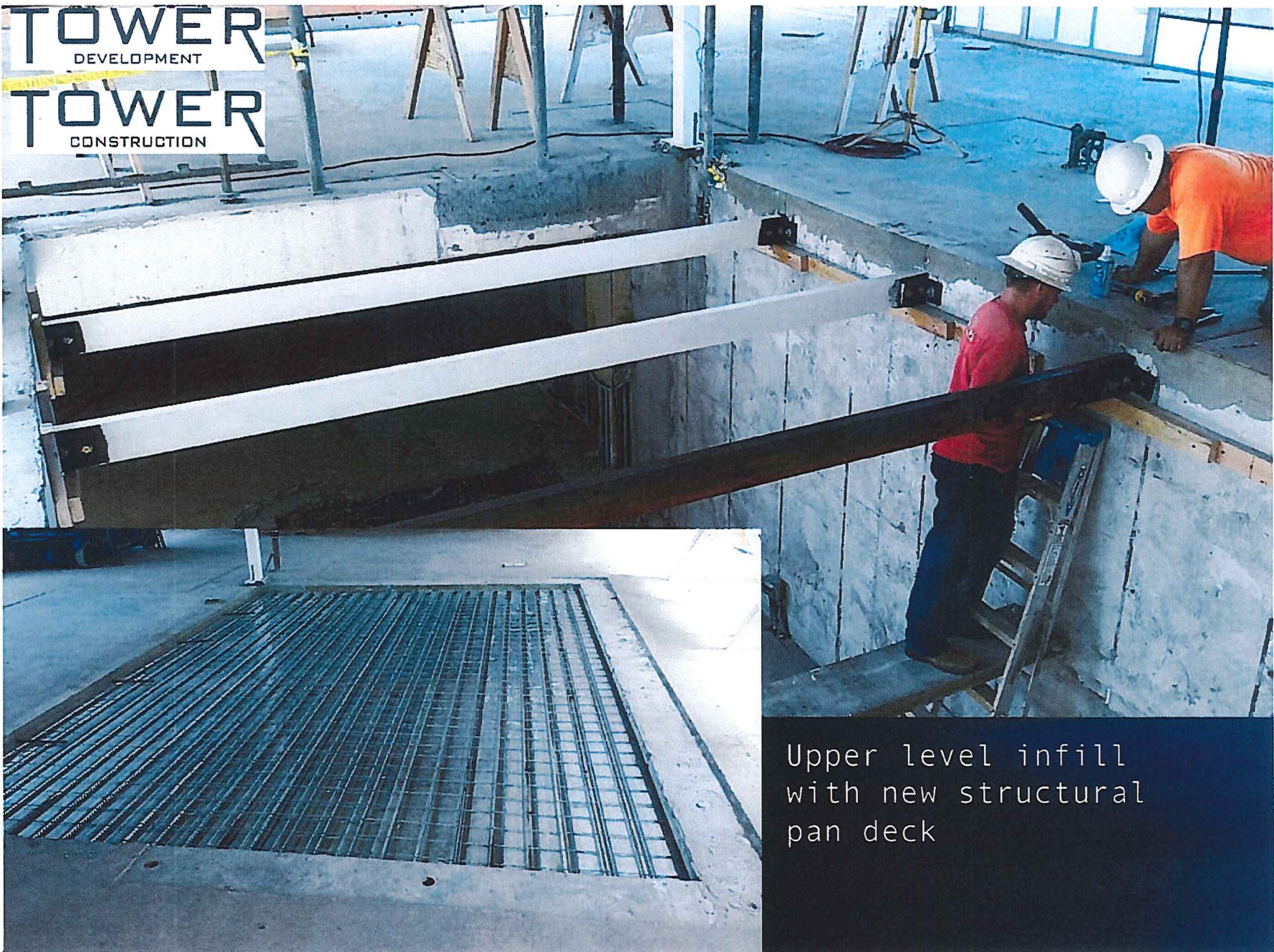


TOWER DEVELOPMENT TOWER CONSTRUCTION



Water feature demo
and waste line
repairs

TOWER
DEVELOPMENT
TOWER
CONSTRUCTION



Upper level infill
with new structural
pan deck

TOWER DEVELOPMENT TOWER CONSTRUCTION



Upper and lower
level slabs
placement



TOWER
DEVELOPMENT
TOWER
CONSTRUCTION

New
ceiling
framing
and coring
for fire
sprinklers

New framed
skylight opening
and wood ceiling
mockups/samples





Lower level stairs and
bar framing



Lower level framing
and bar



Lower level game room
wall and ceiling framing
and preparation for
sprinkler installation



New
grand
stair
case



New grand stairs and
entry to lower level
Banquet and Event
Space

TOWER
DEVELOPMENT

TOWER
CONSTRUCTION



TOWER
DEVELOPMENT

TOWER
CONSTRUCTION

Monkey pod retrieval and
reclamation.

Lobby lava wall restoration.



Lava veneer
reclamation
and salvage
from two walls
in Lobby -
buried by
previous
owners






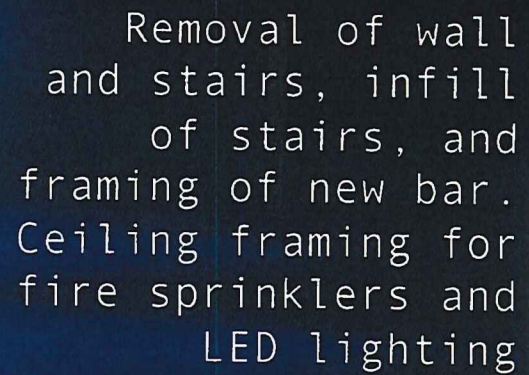
TOWER
DEVELOPMENT



TOWER
CONSTRUCTION



Previous center
concrete wall and
stairs blocking
views and guest
lounge



Removal of wall
and stairs, infill
of stairs, and
framing of new bar.
Ceiling framing for
fire sprinklers and
LED lighting



TOWER
DEVELOPMENT

TOWER
CONSTRUCTION

Previous stairs and
lounge

New Lobby Bar
framing and
lounge

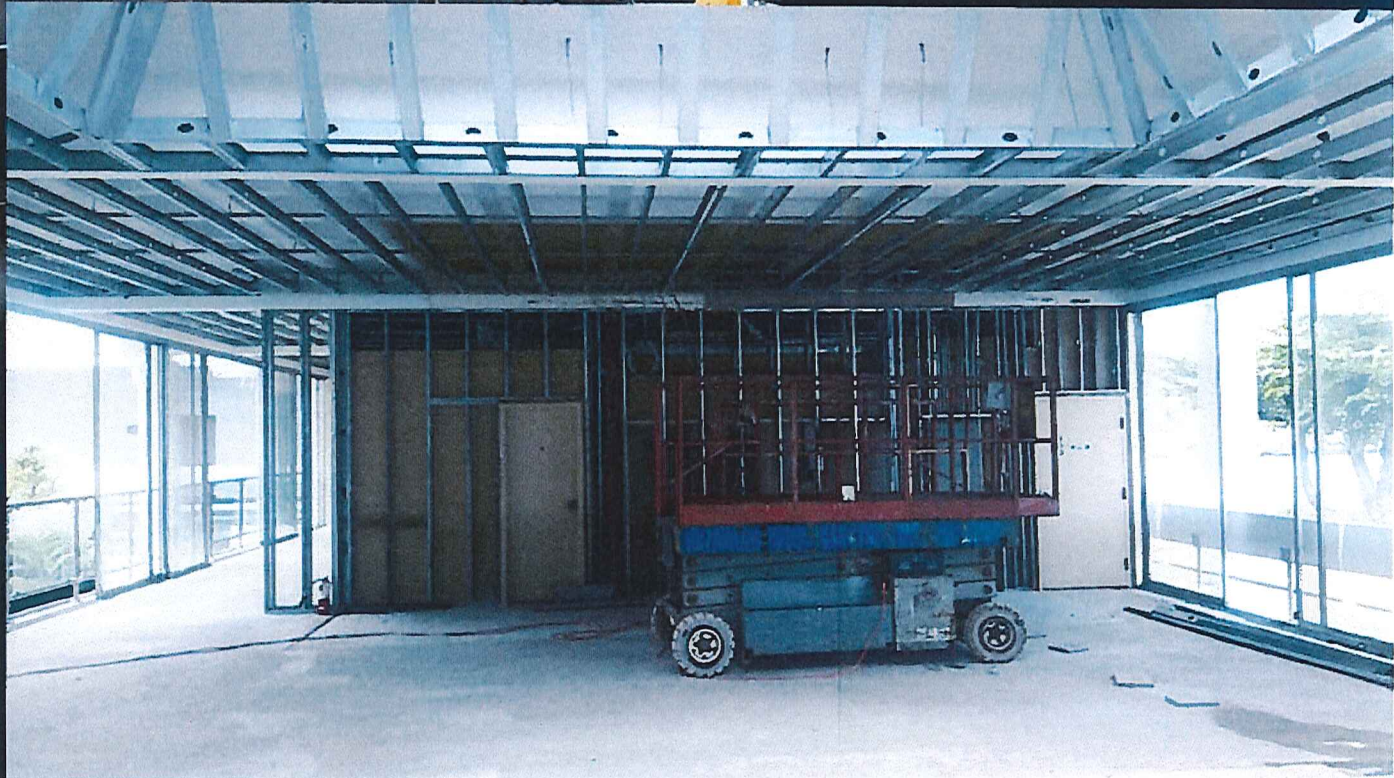




TOWER
DEVELOPMENT
TOWER
CONSTRUCTION

Former reception


New ceiling
and
reception
wall
framing and
coring to
accept fire
sprinklers






TOWER
DEVELOPMENT

Porte Cochere


TOWER
CONSTRUCTION



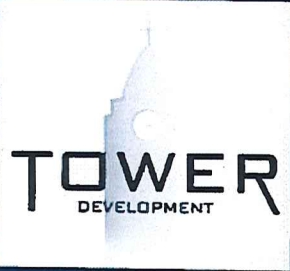
Guest check-in and lobby





Lobby lounge - restored fireplace and lava



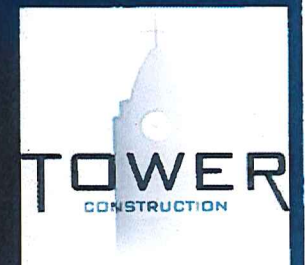


Lobby bar and lounge





Lower Level Banquet and Meeting Space



Estimated Budget for the Completion of all Planned Renovations - Phase II

	A	B	C	D	E	F
2				AREA	Phase I	PHASE II
3				Guest Rooms		
4				Mauna Loa Tower	20,000	2,290,430
5				Mauna Kea Tower	-	882,166
6				Subtotal	20,000	3,172,596
7						
8				Corridors		
9				Mauna Loa Tower	-	267,000
10				Mauna Kea Tower	-	220,000
11				Subtotal	-	487,000
12						
13				Common Areas		
14				Sitework, Landscaping and Porte Cochere	-	648,000
15				Lobby, Reception, Lobby Bar, Lower Level Banquets	123,484	884,845
16				Public Area Restrooms	-	95,384
17				Pool Area and Walkways	-	166,727
18				Misc. Other	-	29,787
19				Subtotal	123,484	1,824,743
20						
21				Food and Beverage		
22				3-Meal Restaurant Allowance	-	1,173,750
23				Crown Room Event Space (Willie K's Gig)	-	252,455
24				Back of House and Meeting Rooms	-	150,000
25				Subtotal	-	1,576,205
26						
27				Golf Course		
28				Golf Course Buildings Improvements	-	285,000
29				Subtotal	-	285,000
30						
31				Deferred Maintenance		
32				Thermal and Moisture Protection		
33				Roofing	-	379,625
34				Painting and Waterproofing	224,377	84,437
35				Mechanical Systems	-	-
36				HVAC, Plumbing System	14,247	485,753
37				Fire Sprinkler (Towers)	-	200,000
38				Underground Plumbing Repair	-	25,000
39				Electrical and Life Safety Systems	-	-
40				Building Electrical Service Upgrade	-	150,000

Estimated Budget for the Completion of all Planned Renovations - Phase II

	A	B	C	D	E	F
2				AREA	Phase I	PHASE II
41				Life Safety / Fire Alarm	5,053	144,948
42				Vertical Transportation	-	-
43				Systems (Controls and Indicators)	2,917	137,083
44				Interior Improvements	-	99,000
45				Exterior Windows, Railing and Landscaping	-	121,819
46				Subtotal	246,594	1,827,665
47						
48				General Conditions		
49				Construction	518,574	706,115
50				Subtotal	518,574	706,115
51						
52				Information and Technology		
53				Information, Technology, and AV	-	431,500
54				Subtotal	-	431,500
55						
56				Kilauea Tower Exterior Improvements		
57				Windows, Ext. Doors, Waterproofing	-	139,000
58				Subtotal	-	139,000
59						
60	ESTIMATED BUDGET, COMPLETION OF PLANNED RENOVATIONS				908,652	10,449,824
61						

----- Forwarded by Russell Y Tsuji/DLNR/StateHiUS on 02/13/2015 12:11 PM -----

From: Russell Y Tsuji/DLNR/StateHiUS
To: Stuart <stuart@towerdevcon.com>,
Cc: Ed <ed@towerdevcon.com>, "Gordon.C.Heit@hawaii.gov" <Gordon.C.Heit@hawaii.gov>,
"Kevin.E.Moore@hawaii.gov" <Kevin.E.Moore@hawaii.gov>, "Linda.L.Chow@hawaii.gov"
<Linda.L.Chow@hawaii.gov>, Mark Mansheim <Mark@towerdevcon.com>, Michael Lam
<MLL@caselombardi.com>, Noel <Noel@towerdevcon.com>, Stacey Foy
<SWF@caselombardi.com>
Date: 02/12/2015 12:40 PM
Subject: RE:Hilo Naniloa Hotel, 93 Banyan Drive, Hilo, HI General Lease GL S-5844

Dear Stuart (and Mr. Ed Bushor as Principal for Lessee):

In connection with your email to me below:

First on your memo to me, I don't understand your statement about our consultant having to communicate through a lawyer who then relays that information to the developer. In our case, our consultant is communicating to me as his client and manager for the Landlord (the BLNR); and I've then been relaying that information request straight to you folks, the lessee under that Naniloa Lease.

Second, I reviewed the budget you attached and it appears to me that what is planned is only about \$8 million in hard construction costs. You had an item for about \$700k for construction--what is that, soft costs or payment of salaries to the developer? I note these figures add up to significantly lower than the \$16 million construction loan request. What is the other \$8 million in loan proceeds for?

Third, according to the construction schedule, the lessee is representing to complete the planned improvements for the Naniloa Hotel--work on the Mauna Loa Tower and Mauna Kea Tower, Lobby and Kitchen area, all on or before December 2015. However, I saw nothing planned for the gutted Kilauea Tower, except for a small amount of work for \$139,000. This is not acceptable. I need the Lessee's proposed plan to complete the renovations at the Kilauea Tower--budget, schedule and plans just like the other portions of the hotel. The BLNR requested this information the last time Naniloa was before them on November 14, 2014, so I will need that information from you folks for the upcoming March 13, 2015 Land Board meeting. Accordingly, I would appreciate the Kilauea Tower's budget, schedule and plans (if any at this time) as soon as possible so I may incorporate the information into our written memorandum to the BLNR which we're working on at this time.

Thank you in advance for your anticipated cooperation on this matter.

Very truly yours,

Russell Y. Tsuji
Administrator

EXHIBIT 7

Naniloa Resort List of Drawings and Specs Submitted (as of 1/30/15)

Item No.	Drawing and Specification Title	File Date	Drawing Nos. or Specification Submitted	Drawing Nos. or Spec Section Pending	Percentage of Dwgs/Pgs Submitted	Comments
1	Mauna Loa Guest Room Revision					
	Guest Room Alterations - 2014.10.31 KOA MLGR plans for resubmittal - HN	10/31/2014	A0.0, A1.0, A2.0, A2.1, A2.2, A2.3, A2.4, A2.5, A2.6 (New) , D1 (10)	None Identified on the Sheet Index	100%	Sheets provided are signed by licensed architect. State and County approval stamps dated in May and June of 2014 on 9/18/2014 submittal not shown on 10/31/2014 version.
	2014.10.31 Uchida MLGRs Mech plans for resubmittal - HN	10/31/2014	M1, M2, M3, M4, M5, M6, M7, M8, M9 (9)	None Identified on the Arch Sheet Index	100%	Sheets provided are signed by licensed mechanical engineer.
	2014.10.27 Morikawa MLGR Elect guestroom VE revisions set for resubmittal - HN	10/27/2014	E1.0, E2.0, E3.0, E3.1 , E4.0, E4.1, E4.2, E4.3, E4.4, E4.5, E4.6 (New) (11)	None Identified on the Arch Sheet Index, and Drawing E4.6 provided is missing from the Arch Sheet Index	100%	Sheets provided are signed by licensed electrical engineer.
2	Mauna Kea ADA Guest Rooms and Pool Plans					
	2014.12.19 KOA MK ADA rooms for submittal - HN	12/19/2014	A0.0, A0.1, A2.0, A2.1, A2.2, A2.3, A2.4 (7)	None Identified on the Sheet Index	100%	Drawings need to be signed by licensed architect
	2014.12.04 Uchida MK ADA rooms for submittal - HN	1/28/2015	M1, M2, M3, M4 (4)	None Identified on the Arch Sheet Index	100%	Drawings need to be signed by licensed mechanical engineer
	2014.12.02 Morikawa Elect MK ADA rooms for submittal - HN	12/2/2014	E1.0, E2.0, E3.0, E4.0, E5.0, E5.1, E5.2 (7)	None Identified on the Arch Sheet Index	100%	Drawings need to be signed by licensed electrical engineer
3	Restaurant Alteration plans					
	2014.12.09 KOA restaurant plans for submittal - HN	12/9/2014	A0.0, A0.1, A0.2, A1.0, A2.0, A2.1, A2.2, A3.0, A4.0, A4.1, A4.2, A4.3, A4.4, A4.5, A4.6, A4.7 (16)	All architectural (A) drawings submitted were identified on the Arch Sheet Index, but none of the 10 Food Service (FS) drawings were submitted	62%	Drawings need to be signed by licensed architect
	2015.01.14 WSP Restaurant Mech and Plg Plans for submittal - HN	1/14/2015	M1, M2, M3, M4, M5, M6, M7, M8 (8); P1, P2, P3, P4 (4); FP-1, FP-2 (2); (14 total)	All mechanical (M) and fire protection (FP) drawings submitted were identified on the Arch Sheet Index, but two plumbing (P) drawings P5 and P6 were missing	88%	Drawings need to be signed by licensed mechanical and fire protection engineers
	2014.12.02 Morikawa Elect plans for submittal - HN	12/2/2014	E1.0, E2.0, E3.0, E3.1 , E4.0, E4.1, E5.0, E5.1, E6.0, E6.1, E6.2, E7.0, E7.1, E8.0, E8.1 (15)	Only 9 of 15 electrical drawings submitted were identified on the Arch Sheet Index	100%	Drawings need to be signed by licensed electrical engineer

EXHIBIT 8

4	Porte Cochere plans					
	2015.01.29 KOA porte cochere permit set - HN	1/29/2015	A0.0, A1.0, A2.0 (3)	None Identified on the Sheet Index	100%	Sheets provided are signed by licensed architect. State and County approval stamps dated in November and December of 2014, and January 2015 are provided on this set.
5	Lobby & Banquet Alteration plans					
	2014.10.27 KOA lobby plans ready for resubmittal - HN	10/28/2014	A0.0, A0.1, A1.0, A2.0, A2.1, A2.2, A2.3, A2.4, A2.5, A2.6, A2.7, A3.0, A4.0, A4.1, D1, D2, D3, D4, D5 (19)	None Identified on the Sheet Index	100%	Sheets provided are signed by licensed architect. State and County approval stamps dated in May and June of 2014 on 9/18/2014 submittal not shown on 10/22/2014 version.
	2014.10.30 Uchida Lobby Mech plans for resubmittal - HN	10/30/2014	M1, M2, M3, M4, M5, M6, M7, M8, M9 (9)	None Identified on the Arch Sheet Index	100%	Sheets provided are signed by licensed mechanical engineer.
	2014.10.31 Morikawa Elect Lobby VE revisions set for resubmittal - HN	11/1/2014	E1.0, E2.0, E3.0, E3.1, E4.0, E4.1, E4.2, E4.3, E5.0, E5.1, E5.2, E5.3, E6.0 (13)	Drawings provided do not match Arch Sheet Index that doesn't show drawing E3.1, but lists drawing E7.0	100%	Sheets provided are signed by licensed electrical engineer.
6	Kilohana Room Demolition plans					
	2014.12.03 Kilohana Demo permit set - HN	12/3/2014	A0.0, A1.0, A2.0 (3)	None Identified on the Sheet Index	100%	Sheets provided are signed by licensed architect. State and County approval stamps dated in September and October of 2014 are provided on these plans.
7	Fire Alarm plans					
	2014.10.22 Fire Alarm plans approved by Fire Dept - HN	10/22/2014	FA0.0, FA1.0, FA1.1, FA1.2, FA1.3, FA1.4, FA1.5, FA1.6, FA1.7, FA1.8, FA2.0, FA3.0, FA4.0, FA5.0 (14)	Unknown - No Sheet Index Provided.	Unknown	Fire Alarm Plans signed by licensed electrical engineer. Drawings have Hawaii Fire Department approval stamp dated 10/07/2014. This appears to be the same set previously submitted on 10/23/14.

Naniloa Resort List of Drawings and Specs Submitted (as of 2/11/15)

Item No.	File Name	File Date	Drawing Nos. or Specification Submitted	Drawing Nos. or Spec Section Pending	Percentage of Dwgs/Pgs Submitted	Comments
1	Fire Alarm Block Diagram	2/2/2015	FA0.0, FA1.0, FA1.1, FA1.2, FA1.3, FA1.4, FA1.5, FA1.6, FA1.7, FA1.8, FA2.0, FA3.0, FA4.0, FA5.0 (14)	Unknown - No Sheet Index Provided.	Unknown	This set appears to be the same as Item 7 above that was submitted on 1/30/15 with a file date of 10/22/14, except that County approval stamps and a Job Site Copy stamp have been added.
2	Guest Room Alternatives	2/2/2015	A0.0, A1.0, A2.0, A2.1, A2.2, A2.3, A2.4, A2.5, A2.6, D1 (10); M1, M2, M3, M4, M5, M6, M7, M8, M9 (9); E1.0, E2.0, E3.0, E4.0, E4.1, E4.2, E4.3, E4.4, E4.5, E4.6 (New) (10); 29 total shts	Drawing E3.1 on the Sheet Index is missing from the set, and Drawing E4.6 provided is missing from the Sheet Index	Not clear	This set appears to be generally the same as Item 1 above that was submitted on 1/30/15 with a file date of 10/31/14, except that County approval stamps and a Job Site Copy stamp have been added. One exception is that Drawing E3.1 has been removed from this set.
3	Lobby Banquet (2)	2/2/2015	A0.0, A0.1, A1.0, A2.0, A2.1, A2.2, A2.3, A2.4, A2.5, A2.6, A2.7, A3.0, A4.0, A4.1, D1, D2, D3, D4, D5 (19); M1, M2, M3, M4, M5, M6, M7, M8, M9 (9); E1.0, E2.0, E3.0, E3.1, E4.0, E4.1, E4.2, E4.3, E5.0, E5.1, E5.2, (11); 39 total shts	Drawings E5.3, E6.0, and E7.0 on the Sheet Index is missing from the set, and Drawing E3.1 provided is missing from the Sheet Index	Not clear	This set appears to be generally the same as Item 5 above that was submitted on 1/30/15 with file dates of 10/28/14, 10/30/14, and 11/1/14, except that County approval stamps and a Job Site Copy stamp have been added. One exception is that Drawings E5.3 and E6.0 have been removed from this set.

Naniloa Resort List of Drawings and Specs Submitted (as of 2/19/15)						
Item No.	File Name	File Date	Drawing Nos. or Specification Submitted	Drawing Nos. or Spec Section Pending	Percentage of Dwgs/ Pgs Submitted	Comments
1	Fire Alarm Plans					
	Approved Fire Alarm Permit Set - HN	2/3/2015	FA0.0, FA1.0, FA1.1, FA1.2, FA1.3, FA1.4, FA1.5, FA1.6, FA1.7, FA1.8, FA2.0, FA3.0, FA4.0, FA5.0 (14)	Unknown - No Sheet Index Provided.	Unknown	This set appears to be the same as Item 1 above that was submitted on 2/11/15 with a file date of 2/2/15.
	PERMIT NO BH2015-00171 Fire Alarm - All Cards - HN	2/3/2015	Building permit nos. BH2015-00167, 00168, 00169, 00170, and 00171 (5) issued on 2/2/15			
2	Fire Sprinkler Plans					
	2014.10.20 Fire Sprinkler plans approved by Fire Dept - HN	10/20/2014	FA0.0, FA1.0, FA1.1, FA1.2, FA1.3, FA1.4, FA1.5, FA1.6, FA1.7, FA1.8, FA2.0, FA3.0, FA4.0, FA5.0 (14)	Unknown - No Sheet Index Provided.	Unknown	This set appears to be the same as Item 2 above that was submitted on 10/23/14 with a file date of 10/22/14.
3	Kilauea Grease Duct Demo Plans					
	2014.10.20 Grease Duct demo permit set - HN	10/20/2014	A0.0, A1.0, A2.0, A2.1, A2.2, A2.3, Roof Penetration Cap Detail (6 + Detail)	None Identified on the Sheet Index	100%	This set appears to be the same as Item 7 above that was submitted on 9/24/14 with a file date of 9/18/14.
	PERMIT NO BH2014-01196 Kilauea Grease Duct	8/20/2014	Building permit no. BH2014-01196 issued on 7/23/14			
4	Kilohana Room Demolition					
	2014.12.03 Kilohana Demo permit set - HN	12/3/2014	A0.0, A1.0, A2.0 (3)	None Identified on the Sheet Index	100%	This set appears to be the same as Item 6 above that was submitted on 1/30/15 with a file date of 12/3/14.
	2014.12.05 Kilohana Room demo permit inspection approval - HN	1/29/2014	COH Inspection Summary			
	PERMIT NO BH2014-01987 Kilohana Room Demolition	12/3/2014	Building permit no. BH2014-01987 issued on 12/3/14			
5	Lobby & Banquet Plans					
	2015.02.03 KOA Lobby Permit set - HN	2/3/2015	A0.0, A0.1, A1.0, A2.0, A2.1, A2.2, A2.3, A2.4, A2.5, A2.6, A2.7, A3.0, A4.0, A4.1, D1, D2, D3, D4, D5 (19); M1, M2, M3, M4, M5, M6, M7, M8, M9 (9); E1.0, E2.0, E3.0, E3.1, E4.0, E4.1, E4.2, E4.3, E5.0, E5.1, E5.2, (11); 39 total shfts	Drawings E5.3, E6.0, and E7.0 on the Sheet Index is missing from the set, and Drawing E3.1 provided is missing from the Sheet Index	Not clear	This set appears to be the same as Item 3 above that was submitted on 2/11/15 with a file date of 2/2/15.
	PERMIT NO BH2014-01416 Lobby Const	8/9/2014	Building permit no. BH2014-01416 issued on 8/29/14			
6	Mauna Loa Guest Rooms					

	Mauna Loa Guestrooms demo permit set - HN	10/20/2014	A0.0, A1.0, A2.0, A2.1 (4)	None Identified on the Sheet Index	100%	This set appears to be the same as Item 5 above that was submitted on 10/23/14 with a file date of 10/22/14.
	Mauna Loa Guestrooms Revisions Permit set - HN	2/3/2015	A0.0, A1.0, A2.0, A2.1, A2.2, A2.3, A2.4, A2.5, A2.6, D1 (10); M1, M2, M3, M4, M5, M6, M7, M8, M9 (9); E1.0, E2.0, E3.0, E4.0, E4.1, E4.2, E4.3, E4.4, E4.5, E4.6 (New) (10); 29 total shts	Drawing E3.1 on the Sheet Index is missing from the set, and Drawing E4.6 provided is missing from the Sheet Index	Not clear	This set appears to be the same as Item 2 above that was submitted on 2/11/15 with a file date of 2/2/15.
	PERMIT NO BH2014-01198 Mauna Loa Guestroom Demo	8/20/2014	Building permit no. BH2014-01198 issued on 7/23/14			
	PERMIT NO BH2014-01415 Mauna Loa Guestroom Const	8/29/2014	Building permit no. BH2014-01415 issued on 8/29/14			
7	Porte Cochere Plans					
	KOA porte cochere permit set - HN	1/29/2015	A0.0, A1.0, A2.0 (3)	None Identified on the Sheet Index	100%	This set appears to be the same as Item 4 above that was submitted on 1/30/15 with a file date of 1/29/15.
	PERMIT NO BH2015-00150 Porte Cochere	2/12/2015	Building permit no. BH2015-00150 issued on 1/29/15			
8	Roofing Plans					
	2014.10.20 Reroof permit set - HN	10/20/2014	A0.0, A1.1, A2.1, A2.2, A2.3 (5)	Site Plan A1.0 listed in sheet index, but A1.1 (Site and Roofing Plan) included in package instead.	Unknown (Need to resolve conflict between Sheet index and drawings included in package.)	This set appears to be the similar as Item 4 above that was submitted on 10/23/14 with a file date of 10/22/14, except that County approval stamps dated in July, August, and September 2014, and State approval stamp dated February 2015 has been added to the title sheet.
	PERMIT NO BH2014-01547 Re Roof	11/13/2014	Building permit no. BH2014-01547 issued on 9/25/14			

ID	Task Mode	Task Name	Duration	Start	Finish	January	March	May	July	September	November
						B E M	B E M	B E M	B E M	B E M	B E
0		2015.03.02 Naniloa Phasing Schedule - HN	327 days	Mon 9/1/14	Tue 12/1/15						
1		Life Safety Improvements - All Areas	9 mons	Mon 3/2/15	Fri 11/6/15						
2		Guest Rooms	170 days	Mon 3/23/15	Fri 11/13/15						
3		Mauna Loa Tower	8 mons	Mon 3/23/15	Fri 10/30/15						
4		Mauna Kea Tower	7 mons	Mon 5/4/15	Fri 11/13/15						
5		Common Areas	220 days	Mon 1/12/15	Fri 11/13/15						
6		Lobby	115 days	Mon 1/12/15	Fri 6/19/15						
7		Phase I Construction	49 days	Mon 1/12/15	Thu 3/19/15						
8		Demolition	45 days	Fri 1/16/15	Thu 3/19/15						
9		Fire Sprinkler Coring	20 days	Mon 1/19/15	Fri 2/13/15						
10		Fire Alarm/Low Voltage Coring	20 days	Mon 1/19/15	Fri 2/13/15						
11		Wall & Ceiling Framing	25 days	Mon 1/19/15	Fri 2/20/15						
12		Stairs: Form & Pour	35 days	Mon 1/12/15	Fri 2/27/15						
13		Phase II Construction	4 mons	Mon 3/2/15	Fri 6/19/15						
14		Porte Cochere and Front Entry	60 days	Mon 3/30/15	Fri 6/19/15						
15		Construction	3 mons	Mon 3/30/15	Fri 6/19/15						
16		Entry Drive and Front Parking Lot Paving	4 wks	Mon 5/25/15	Fri 6/19/15						
17		Other Common Area Work	141 days	Fri 5/1/15	Fri 11/13/15						
18		Exterior Lighting	4 wks	Mon 5/25/15	Fri 6/19/15						
19		Pool Replaster, ADA Lift and Hardscape	4 mons	Fri 5/1/15	Thu 8/20/15						
20		Lower Lobby	2 mons	Mon 6/22/15	Fri 8/14/15						
21		Site Landscaping and Landscape Lighting	7 mons	Mon 5/4/15	Fri 11/13/15						
22		Paving	60 days	Mon 5/25/15	Fri 8/14/15						
23		Crown Room Parking Lot	4 wks	Mon 5/25/15	Fri 6/19/15						
24		East Parking Lot	4 wks	Mon 7/20/15	Fri 8/14/15						
25		Public Restrooms	70 days	Mon 5/11/15	Fri 8/14/15						
26		Public Area Restrooms at Crown Room	6 wks	Mon 5/11/15	Fri 6/19/15						
27		Public Area Restrooms at Lower Corridor	6 wks	Mon 7/6/15	Fri 8/14/15						
28		Food & Beverage	150 days	Mon 5/4/15	Fri 11/27/15						
29		Restaurant Construction	7.5 mons	Mon 5/4/15	Fri 11/27/15						
30		Crown Room Construction	5 mons	Mon 6/8/15	Fri 10/23/15						

Project: 2015.03.02 Naniloa Pha Date: Mon 3/2/15		Task	Inactive Task	Manual Summary Rollup	External Milestone
		Split	Inactive Milestone	Manual Summary	Deadline
		Milestone	Inactive Summary	Start-only	Progress
		Summary	Manual Task	Finish-only	Manual Progress
		Project Summary	Duration-only	External Tasks	

* Sequencing and installation dates may vary at discretion of General Contractor.

ID	Task Mode	Task Name	Duration	Start	Finish	January	March	May	July	September	November
						B E M	B E M	B E M	B E M	B E M	B E
31		Golf Course Improvements	95 days	Mon 5/4/15	Fri 9/11/15						
32		Deferred Maintenance	315 days	Mon 9/1/14	Fri 11/13/15						
33		Roofing	90 days	Mon 4/13/15	Fri 8/14/15						
34		Lobby and Lower Roof Gravel Removal	4 wks	Mon 4/13/15	Fri 5/8/15						
35		Lobby and Lower Roofs	4 wks	Mon 5/11/15	Fri 6/5/15						
36		Mauna Kea Tower Roof	4 wks	Mon 6/8/15	Fri 7/3/15						
37		Kilohana Roof	2 wks	Mon 7/6/15	Fri 7/17/15						
38		Mauna Loa Roof	4 wks	Mon 7/20/15	Fri 8/14/15						
39		Crown Room Main Roof Maintenance	4 wks	Mon 5/11/15	Fri 6/5/15						
40		Exterior Doors and Hardware Installation and Painting	6 wks	Mon 7/6/15	Fri 8/14/15						
41		Exterior Painting and Waterproofing	149 days	Mon 9/1/14	Thu 3/26/15						
42		Phase 1	94 days	Mon 9/1/14	Thu 1/8/15						
43		Mauna Kea Tower	33 days	Mon 9/1/14	Wed 10/15/14						
44		Mauna Loa Tower	34 days	Thu 10/16/14	Tue 12/2/14						
45		Kiluauea Tower	27 days	Wed 12/3/14	Thu 1/8/15						
46		Phase 2	55 days	Fri 1/9/15	Thu 3/26/15						
47		Kilauea Tower (remaining work)	6 wks	Fri 1/9/15	Thu 2/19/15						
48		Crown Room	2 wks	Fri 2/20/15	Thu 3/5/15						
49		Lobby and Lower Level Banquet	3 wks	Fri 3/6/15	Thu 3/26/15						
50		Other Deferred Maintenance (HVAC, Sewer, Electric)	8 mons	Mon 4/6/15	Fri 11/13/15						
51		Vertical Transportation	45 days	Mon 6/22/15	Fri 8/21/15						
52		Systems & Interior Improvements	4 wks	Mon 6/22/15	Fri 7/17/15						
53		Cab Interiors	9 wks	Mon 6/22/15	Fri 8/21/15						
54		Planned Improvements	1 day	Tue 12/1/15	Tue 12/1/15						
55		Commence Kilauea Improvement Plans	1 day	Tue 12/1/15	Tue 12/1/15						

Project: 2015.03.02 Naniloa Pha Date: Mon 3/2/15	Task		Inactive Task		Manual Summary Rollup		External Milestone	
	Split		Inactive Milestone		Manual Summary		Deadline	
	Milestone		Inactive Summary		Start-only		Progress	
	Summary		Manual Task		Finish-only		Manual Progress	
	Project Summary		Duration-only		External Tasks			

* Sequencing and installation dates may vary at discretion of General Contractor.

PLANNED SHCEDULE UPDATE
HILO NANILOA HOTEL OPENING

December 17, 2013	Purchase Completed
January, 2014	Kitchen Removed from Courtyard
January – June 2014	Plans Prepared for County
January –December, 2014	Numerous Prior Violations Cured and Continuing
August, 29, 2014	County Approves Lobby and Mauna Loa Guestroom (but excluding Fire Sprinkler for Project in process) ("August Plans")
October 10, 2014	County Approves Fire Sprinkler for Project ("October Plans")
November 13, 2014,	DLNR Approves County Permitted Plans (August Plans and October Plans)
November 15 - February 30, 2014	Three (3) Months of Painting & Waterproofing of Exterior Towers (Kea, Loa and Kilauea Towers)
November 13 - December 1, 2014	Relocate New Lobby for Construction
December 1 – February 28	Lobby Construction, Demolition, New Grand Staircase, Concrete Slab In-fills in Lobby old stairwell areas, Ceiling, Wall Framing, Fire Sprinkler Installation, Banquet Meeting Space Framing
Construction Loan Closing	March 15, 2015 (Required to continue construction beyond March 15, 2015)
March 15 – September 30	Hotel Construction Continues until Scheduled Completion
November 15, 2015	Soft Opening
October 31, 2015	Willie K's Gig @ Crown Room Grand Opening Halloween Concert
December 31, 2015	National Brand Hard Opening
December 31, 2015	New Years Eve Gala – Willie K Music Festival & Fireworks Show Contributed by Developer

(2) As of the Effective Date, the following are the defaults that exist under the Lease:

a. The Lessee has failed to complete renovations of all facilities to applicable building codes, the Americans With Disabilities Act, and to a standard expected by the State or required by the Lease as more particularly described on Exhibit A attached hereto (collectively, the "Required Renovations").

b. The Lessee has failed to provide satisfactory evidence that all Notices of Violation issued by the County of Hawaii have been cured to the satisfaction of the County of Hawaii, such as those notices issued against the property demised by the Lease (collectively, the "County NOVs"). All County NOVs that are outstanding as of the Effective Date are more particularly outlined in that certain Letter dated March __, 2015 from the County of Hawaii to the Lessee, attached hereto as Exhibit B and incorporated herein by this reference (the "County Standstill Letter"). Pursuant to the County Standstill Letter, the County of Hawaii has agreed to refrain from further enforcing the County NOVs during the specified cure periods more particularly identified in the County Standstill Letter.

c. The Lessee has failed to provide satisfactory evidence of payment in full of all amounts owed to any governmental entity or public utility for such matters as taxes, assessments, electrical, sewer and water charges, all as more particularly set forth on Exhibit C attached hereto.

(3) Except as set forth in Paragraph 2 above, as far as Lessor is aware, the Lessee is not in default in any respect as of this date nor has any event occurred which with the passage of time or the giving of notice would constitute a default;

(4) Except as set forth in Paragraph 2 above, there are no claims for damages, rents due, or other liability which Lessor is aware of against Lessee arising out of General Lease No. S-5844 or performance of the terms, covenants or conditions of the Lease; and

(5) General Lease No. S-5844 is in full force and effect and has not been modified, supplemented, extended or amended as of the Effective Date.

(6) The Lessee, Lender and Lessor hereby agree that the Lessee's failure to satisfy the conditions contained in this Estoppel Certificate shall be a default on the part of Lessee to observe or perform a covenant and condition contained in the Lease and Lender shall have the rights afforded to it as set

forth in Section 20 of the Lease.

(7) The Lessor hereby agrees notwithstanding the defaults identified in Section 2 above, that Lessor will forbear from exercising any remedies under the Lease, as long as:

a. On or before March 31, 2016, the Lessee shall have substantially completed the Required Renovations in accordance with the plans and specifications previously approved by Lessor, the Board of Land and Natural Resources.

b. As long as the Lessee completes all of the Required Renovations by March 31, 2016 and completes all of the work necessary to cure all of the outstanding County NOV's by the dates set forth in the County Standstill Letter, **and** the County of Hawaii, pursuant to the County Standstill Letter (as the same may be amended, modified or extended with the approval of the Lessor and Lender), takes no further action to enforce the County NOV's, the Lessor will not exercise its remedies under the Lease solely for the outstanding County NOV's. It is specifically understood and agreed by the parties that the Lessor may exercise its remedies under the Lease subject to Section 20 therein if (i) the Lessee fails to complete the Required Renovations by March 31, 2016 or fails to complete the work necessary to cure all of the outstanding County NOV's by the dates set forth in the County Standstill Letter, **or** (ii) the County of Hawaii pursues any type of enforcement action on the existing County NOV's or the County of Hawaii issues new notices of violation.

c. On or before the execution of this Agreement, the Lessee shall provide evidence of payment in full of all amounts owed to any governmental entity or public utility for such matters as taxes, assessments, electrical, sewer and water charges.

IN WITNESS WHEREOF, the STATE OF HAWAII, by its Chairperson of the Board of Land and Natural Resources, has caused the seal of the Department of Land and Natural Resources to be hereunto affixed and have caused these presents to be executed the day, month and year first above written.

STATE OF HAWAII

By _____
Chairperson
Board of Land and
Natural Resources

APPROVED AS TO FORM:

Deputy Attorney General

Dated: _____

LESSEE

WHR LLC,
a Hawaii limited liability company

By _____
Managing Member

LENDER

HALL HILO, LLC
a Texas limited liability company

By: _____
Name: _____
Title: _____

Exhibit A

Required Renovations

Exhibit B

County Standstill Letter

Exhibit C

Payments

William P. Kenoi
Mayor

Walter K. M. Lau
Managing Director



Warren H. W. Lee
Director

Brandon A. K. Gonzalez
Deputy Director

County of Hawai'i
DEPARTMENT OF PUBLIC WORKS
Aupuni Center
101 Pauahi Street, Suite 7 · Hilo, Hawai'i 96720-4224
(808) 961-8321 · Fax (808) 961-8630
www.co.hawaii.hi.us

May 11, 2015

Mr. Ed Bushor
President & CEO
Tower Development Inc.
1050 Bishop Street, Suite 530
Honolulu, Hawai'i 96813
ed@towerdevcon.com

Mr. Stuart Miller
Vice President Development
Tower Development Inc.
1050 Bishop Street, Suite 530
Honolulu, Hawai'i 96813
stuart@towerdevcon.com

Dear Messrs Bushor and Miller:

Re: Naniloa Hotel, 93 Banyan Drive, TMKs 2-1-005-013, 016, 027, and 032
Naniloa Golf Course, 1713 Kamehameha Avenue, TMK 2-1-001-012
Notices of Violations

The County of Hawai'i appreciates your efforts to address the outstanding violations for the properties listed above.¹

In support of your demonstrated efforts to address the outstanding violations, the County of Hawai'i will temporarily suspend further enforcement actions (i.e. seeking your removal from the property) related to the aforementioned code violations in order to afford Tower Development, Inc. a specified time period to cure said code violations. Final completion dates for each listed violation shall be no later than the dates specifically stated in Attachment A. If, however, the said code violations are not cured by the completion dates in Attachment A, or if upon subsequent inspections, new

¹ A detailed listing identifying the current outstanding building, electrical, and plumbing code violations, as stated in the County of Hawai'i Department of Public Works letter dated March 11, 2015 is included as Attachment A.

Mr. Ed Bushor
Mr. Stuart Miller
May 11, 2015
Page 2

violations are identified at any time, the County will seek full enforcement for each and every violation identified.

In addition, for the time period of the temporary suspension, all additional safety measures currently in place shall remain in full effect until such a time as deemed to be no longer necessary by the County of Hawai'i.

Respectfully,



Brandon Gonzalez
Deputy Director

cc: Warren H.W. Lee, P.E., Director, Department of Public Works
David Yamamoto, Chief, Building Division
Joy Matsumoto, Supervising Building Inspector
Gary Kaho'ohanohano, Supervising Electrical Inspector
Gantry Andrade, Battalion Chief, Fire Prevention
Duane Kanuha, Director, Department of Planning
William Brilhante, Assistant Corporation Counsel
Renee Schoen, Deputy Corporation Counsel
Gordon Heit, District Land Agent, Department of Land and Natural Resources

ATTACHMENT A
Outstanding Violations

Item	Violation	Completion Date
1.	Mauna Kea Guest Rooms Renovation building inspection required	1/31/2016
2.	Mauna Kea Fire Sprinkler building inspection required	1/31/2016
3.	Kilauea Tower Guest Room Renovation building inspection required	12/31/2016
4.	Mauna Loa Tower Guest Room Renovation building inspection required	1/31/2016
5.	Kilauea Tower Fire Sprinkler building inspection required	1/31/2016
6.	Mauna Loa Tower Fire Sprinkler building inspection required	1/31/2016
7.	Lobby Common Area Fire Sprinkler building inspection required	1/31/2016
8.	Crown Room Fire Sprinkler building inspection required	1/31/2016
9.	Beauty Salon conversion to Chiropractor Nutritional Health Office building permit required	1/31/2016
10.	Mauna Loa Guest Room conversion to Beauty Salon building permit required	1/31/2016
11.	Mauna Kea Tower Health Spa Demolition building permit required	9/30/2016
12.	Mauna Kea Tower Lower Level Restaurant (Ting Hao) Demolition building permit required	1/31/2016
13.	Kilauea Tower Guest Rooms conversion to Meeting Rooms building permit required	12/31/2016
14.	Renovate Alarm System	3/31/2016
15.	Kilauea Tower Guest Room Renovation electrical inspection required	12/31/2016
16.	Renovate Fire Alarm System electrical inspection required	3/31/2016
17.	Beauty Salon conversion to Chiropractor Nutritional Health Office electrical permit required	1/31/2016
18.	Mauna Loa Guest Room conversion to Beauty Salon electrical permit required	1/31/2016
19.	Mauna Kea Tower Health Spa Demolition electrical permit required	9/30/2016
20.	Kilohana Room Demolition electrical permit required	9/30/2016
21.	Mauna Kea Tower Lower Level Restaurant (Ting Hao) Demolition electrical permit required	1/31/2016
22.	Kilauea Tower Guest Rooms conversion to Meeting Rooms electrical permit required	12/31/2016

23.	Kilauea Tower Guest Room Renovation plumbing inspection required	12/31/2016
24.	Mauna Loa Tower Guest Room Renovation plumbing inspection required	1/31/2026
25.	Beauty Salon conversion to Chiropractor Nutritional Health Office plumbing permit required	1/31/2016
26.	Mauna Loa Guest Room conversion to Beauty Salon plumbing permit required	1/31/2016
27.	Mauna Kea Tower Health Spa Demolition electrical permit required	9/30/2016
28.	Kilohana Room Demolition plumbing permit required	9/30/2016
29.	Mauna Kea Tower Lower Level Restaurant (Ting Hao) Demolition plumbing permit required	1/31/2016
30.	Kilauea Tower Guest Rooms conversion to Meeting Rooms plumbing permit required	12/31/2016
31.	Golf Course: building permit required for various improvements.	12/31/2016
32.	Golf Course: Obtain electrical permit(s) to remove and/or correct unpermitted and non-conforming electrical	12/31/2016
33.	Golf Course: Disconnect defective electrical and tag unsafe.	12/31/2016



Construction Progress and Inspection Report

Hilo Naniloa Hotel Renovations

93 Banyan Drive • Hilo, Hawaii 96720

Date of Inspection:

April 15, 2015

Inspection by:

Dean T. Aoki

ADA/LEP Coordinator

Contractor:	Tower Construction Hawaii Inc. (Tower) 1050 Bishop Street #530 Honolulu, HI 96813	Weather Conditions:	Cloudy with Passing Showers.
Representatives:	Mark Mansheim Chysen Nagao	Construction Site:	Construction Barricaded Access Secured
Other Presence:	(2) Employees in separate private offices Worker accompany on walk-through (2) Workers Hotel Staff	Observed Activities:	Portion of Hotel is in operation with hotel guests moving freely outside of construction areas.
Work in Progress:	No construction activity observed. Worker power washing porte-cochere driveway. Hotel operations are open for business.		
Discussions:	<p>Paul D. Sheriff Incorporated (PDSA) was contracted as a consultant to assist in accessibility compliance. Kathryn Mendez, Senior Consultant PDSA, conducted a site visit and commented on renovation design and construction. PDSA will work with Tower to respond to DCAB's document review comments.</p> <p>Reviewed three sets of Disability and Communication Access Board (DCAB) document review comments as follows:</p> <p><u>DCAB Job #:2014-485</u></p> <ol style="list-style-type: none"> Stairway: Will correct existing stairway nosing to be in compliance. Bar adjacent to Lobby: <ol style="list-style-type: none"> Alternative design to eliminate bar countertop from being a protruding object. Discussed providing a footrest along base of bar with leading edge less than 4 inches behind outer edge of bar countertop. Remove elevation change or raised sectional seating. Provide accessible bar service counter at bar island. Counter Door may be an exception within the employee work area. (Recommend design provisions for making it accessible as an accommodation.) Doors: Discussed accessible thresholds and hardware will be provided. Stairs: Discussed stair handrails and extensions. Check-In Pods: Discussed design and use. Performance area on lanai shall be accessible. Signage: Consultant coordinating accessible signage package. 		

Construction Progress and Inspection Report

Discussions: (continue)	<p><u>DCAB Job #: 2014-589</u></p> <ol style="list-style-type: none"> 1. Area of Refuge: Designated in elevator lobby on each floor. 2. Guest Room: <ol style="list-style-type: none"> a. Entrance Doors are located in recessed areas that exceed 8 inches in depth. <ol style="list-style-type: none"> 1) Require a 12 inches minimum clearance on the latch side of the doorway. 2) Switching door swing will interfere with bathroom entrance on interior of guest room. b. Accessible Bathroom <ol style="list-style-type: none"> 1) Dimension location toilet paper holder from front of water closet. 2) Rear grab bars to be changed from 24 inches long to 36 inches long. 3) Dimension rear grab bar from center of water closet instead then wall. 4) Discussed guest rooms with and without roll-in showers c. Guest Rooms with communication features <ol style="list-style-type: none"> 1) emergency alarm visual system 2) visible notification devices 3) TTY telephone system 3. Swimming Pool access provided with pool lift. Discussion on location with respect to depth of pool at point of entry.
	<p><u>DCAB Job #: 2015-51</u></p> <ol style="list-style-type: none"> 1. Meeting Room, Restaurant, and Banquet Area on ground floor, at pool level. <ol style="list-style-type: none"> a. Questioned occupancy load of individual areas to determine adequate emergency egress are provided. b. Discussed Bar requirements similar to Bar adjacent to Lobby.
	<p><u>Preliminary Design Drawings:</u></p> <ol style="list-style-type: none"> 1. Employee Locker Room (Men and Women) <ol style="list-style-type: none"> a. Required to be designed accessible for renovation. b. Discussed door location alternatives that maintain screening of interior spaces. <ol style="list-style-type: none"> 1) Locate outward swing door perpendicular to corridor. 2) Relocate light switch as necessary. 3) Evaluate if vertical pipe in Men's Locker Room entrance prohibits access route and maneuvering clearances. c. Reviewed locker room with benches d. Reviewed shower design and placement 2. Employee Break Room: <ol style="list-style-type: none"> a. Side approach exception at kitchen sink, allows parallel approach because no cooktop or conventional range is provided. b. Hi-Lo drinking fountain shall be provided. c. Indicate refrigerator, tables, chairs, and vending machines as "Not In Contract" (NIC) or "Provided by Others" d. Evaluate vertical clearances of ceiling mounted fixtures and appliances.

Construction Progress and Inspection Report

Discussions:
(continue)

Preliminary Design Drawings (continue):

3. Public Restrooms & Janitor Closet

- a. Calculate occupancy of area that restrooms serve. Plumbing code requirements may prohibit removing an existing fixture.
- b. Discussed providing a unisex toilet (Family) room in lieu of altering existing restrooms.
- c. Design depth of Janitor Closet to prevent entrapment due to closing door.
 - 1) Depth less than 48 inches outside of an in-swinging door.
 - 2) Depth less than 48 inches inside of an out-swinging door.

4. Crown Room

- a. Discussed the use of a platform lift versus a ramp to access the Stage.
- b. Discuss performance and maintenance of a platform lift that must also provide emergency egress from stage level.
- c. Ramp length was the initial eliminating factor. Upon closer inspection, an accessible ramp can be designed with adjustments to adjacent areas.
- d. Performance stage is 30 inches above 1st level.
- e. Side entrance and main entrance on 2nd level which is 6 inches above 1st level.
- f. Extending the 2nd level toward the stage reduces the ramp rise to 24 inches, no intermediate landing required, and a 25 feet run is available.
- g. Centrally located ramps provide accessible routes from 2nd level to 1st level
- h. Provide an accessible service bar countertop
- i. Green Room (Dressing Room) shall be accessible
- j. Employee Restroom shall be accessible.
- k. Verify if entrance ramp, less than 6 inches rise and 6 feet run, may not require a handrail along both sides.
- l. Providing access to 3rd and 4th level is not readily achievable. Dispersion of accessible seating may be provided on the 1st and 2nd levels that provide similar lines of sight to stage.
- m. Guardrails along separation of 1st and 2nd levels can be integrated into the guardrails along the two accessible ramps.

5. Grab & Go

- a. Keep existing doors to allow passage without requiring turnaround.
- b. Keep existing door swing outward.
- c. Design base cabinets with countertop to meet storage requirements.
- d. Design countertop at accessible height.
- e. Identify all vending machines and ATM as "Not In Contract" (NIC) or "Provided by Others"

6. Ice Machine Closet & Maid Closet

- a. Existing spaces with no alteration work except replacing ice machine equipment.

Construction Progress and Inspection Report



Lobby Level – Porte-Cochere



Lobby Skylight



Lobby Level – Lanai



Lobby Level – Exterior Lanai



Hallway toward Crown Room



Banyon Tree Trunk Slices



New Fire Sprinkler System



Central Grand Stairway Covered

Construction Progress and Inspection Report



Bar adjacent to Lobby



Bar adjacent to Lobby



Bar Seating Area



Existing Lava Rock Wall & Fireplace



Exposed Rusting Rebars



First Floor Meeting Room



Sliding Glass Door Track



Outdoor Swimming Pool

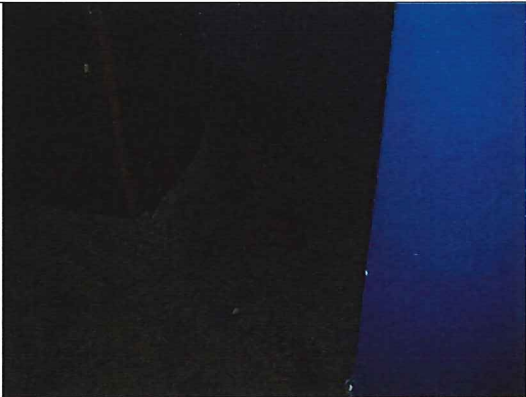
Construction Progress and Inspection Report



Crown Room 1st Level



Crown Room - Performing Stage



Crown Room - 3rd Level Access



Crown Room - Possible Ramp Location



Crown Room - Service Counter



Grab & Go Entrance



Grab & Go Interior

Construction Progress and Inspection Report



Lower Level – Future Meeting Room



Lower Level – Future Entrance to Banquet Room



Lower Level – Future Banquet Room



Lower Level – Future Banquet Room



Lower Level – Future Banquet Room



Lower Level – Future Banquet Room



Lower Level – Future Kitchen Area



Lower Level – Future Fitness Center

Construction Progress and Inspection Report



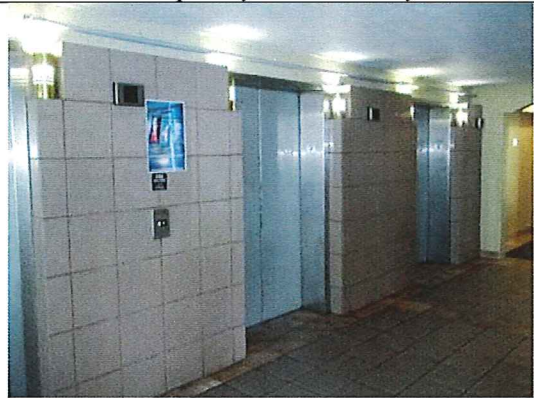
Temporary Hotel Lobby



Temporary Hotel Lobby



Curb Ramp to Temporary Hotel Lobby



Elevator Lobby – 1st Floor



Public Telephone



Entrance to Polynesian Room



Elevator Lobby – 2nd Floor

Note:

1. No Accessible Parking available for Hotel Guest.
2. No accessible service counter at temporary registration counter.