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GOVERNOR OF HAWAII

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OFC. OF ENVIRONMENTAL
QUALITY CONTROL

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
LAND DIVISION

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OFC. OF ENVIRONMENTAL
QUALITY CONTROL

June 12, 2019

Ref. No.: 14KD-142
Author: LD-WTM

MEMORANDUM:

TO: Scott Glenn, Director
Office of Environmental Quality Control

FROM: Suzanne D. Case, Chairperson
Board of Land and Natural Resources

SUBJECT: Draft Environmental Assessment and Anticipated Finding of No Significant Impact for Aukahi Farm, LLC, Easement Over State Lands for Access and Utility Purposes at Poipu, Koloa, Kauai, Tax Map Key: (4) 2-8-014: portions of Hapa Road.

The Department of Land and Natural Resources, Land Division, has reviewed the enclosed draft environmental assessment (DEA) for the above referenced project and anticipates a negative declaration determination.

Please publish the notice of availability for this project on the next scheduled edition of the OEQC Environmental Notice.

We have enclosed a completed OEQC Bulletin Publication Form, one (1) copy of the DEA, no copy of the DEA on CD ROM is available.

Should you or your staff have any questions, please feel free to call Wesley T. Matsunaga, at the Kauai District Land Office at (808) 274-3491. Thank you.

Enclosures

cc: Land Board Member
Central Files
District Files

20-001

20-001

APPLICANT
PUBLICATION FORM

Project Name:	Aukahi Farm LLC
Project Short Name:	**DEA-Aukahi Farm Hapa Road Easement**
HRS §343-5 Trigger(s):	Use of State Lands
Island(s):	Kauai
Judicial District(s):	Koloa
TMK(s):	(4) 2-8-004: portions of Hapa Trail/Road
Permit(s)/Approval(s):	BLNR approval of he easement
Approving Agency:	State of Hawaii, Department of Land and Natural Resources 1151 Punchbowl Street, Suite 220 Honolulu, HI 96813
Contact Name, Email, Telephone, Address	Wesley T. Matsunaga, District Land Agent 3060 Eiwa Street, Room 208, Lihue, HI 96766 (808) 274-3491 wesley.t.matsunaga@hawaii.gov
Applicant:	Aukahi Farm, LLC
Contact Name, Email, Telephone, Address	Max W. J. Graham Jr. mwg@kauai-law.com Watumul Plaza, 4334 Rice Street, Suite 202, Lihue, HI 96766 (808) 245-4705
Consultant:	
Contact Name, Email, Telephone, Address	

Status (select one)	**Submittal Requirements**
__X__ DEA-AFNSI	Submit 1) the approving agency notice of determination/transmittal letter on agency letterhead, 2) this completed OEQC publication form as a Word file, 3) a hard copy of the DEA, and 4) a searchable PDF of the DEA; a 30-day comment period follows from the date of publication in the Notice.
____ FEA-FONSI	Submit 1) the approving agency notice of determination/transmittal letter on agency letterhead, 2) this completed OEQC publication form as a Word file, 3) a hard copy of the FEA, and 4) a searchable PDF of the FEA; no comment period follows from publication in the Notice.
____ FEA-EISPN	Submit 1) the approving agency notice of determination/transmittal letter on agency letterhead, 2) this completed OEQC publication form as a Word file, 3) a hard copy of the FEA, and 4) a searchable PDF of the FEA; a 30-day comment period follows from the date of publication in the Notice.
____ Act 172-12 EISPN ("Direct to EIS")	Submit 1) the approving agency notice of determination letter on agency letterhead and 2) this completed OEQC publication form as a Word file; no EA is required, and a 30-day comment period follows from the date of publication in the Notice.
____ DEIS	Submit 1) a transmittal letter to the OEQC and to the approving agency, 2) this completed OEQC publication form as a Word file, 3) a hard copy of the DEIS, 4) a searchable PDF of the DEIS, and 5) a searchable PDF of the distribution list; a 45-day comment period follows from the date of publication in the Notice.
____ FEIS	Submit 1) a transmittal letter to the OEQC and to the approving agency, 2) this completed OEQC publication form as a Word file, 3) a hard copy of the FEIS, 4) a

	searchable PDF of the FEIS, and 5) a searchable PDF of the distribution list; no comment period follows from publication in the Notice.
____ FEIS Acceptance Determination	The approving agency simultaneously transmits to both the OEQC and the applicant a letter of its determination of acceptance or nonacceptance (pursuant to Section 11-200-23, HAR) of the FEIS; no comment period ensues upon publication in the Notice.
____ FEIS Statutory Acceptance	The approving agency simultaneously transmits to both the OEQC and the applicant a notice that it did not make a timely determination on the acceptance or nonacceptance of the applicant's FEIS under Section 343-5(c), HRS, and therefore the applicant's FEIS is deemed accepted as a matter of law.
____ Supplemental EIS Determination	The approving agency simultaneously transmits its notice to both the applicant and the OEQC that it has reviewed (pursuant to Section 11-200-27, HAR) the previously accepted FEIS and determines that a supplemental EIS is or is not required; no EA is required and no comment period ensues upon publication in the Notice.
____ Withdrawal	Identify the specific document(s) to withdraw and explain in the project summary section.
____ Other	Contact the OEQC if your action is not one of the above items.

Project Summary

The Applicant, Aukahi Farm, LLC, is the owner of certain property located in Koloa, Kauai, known as Lot A, identified by Tax Map Key: (4) 2-8-012:011 and Lot 180-F of Land Court Consolidation No. 956, identified by Tax Map Key: (4) 2-8-012:001. Plans are to subdivide the consolidated two parcels into seven (7) agricultural lots and one (1) road widening lot for a planned "Subdivision." The Subdivision is identified as Kauai Planning Commission No. S-2009-17 and has received Tentative Approval from the Planning Commission of the County of Kauai. The purpose of the easement will be to provide the Aukahi Farm Subdivision with legal accesses over Hapa Trail/Road to Weliweli Road. The State property, Hapa Trail/Road, over which the Easement is being sought is described as a portion of Lot 19-B of Land Court Application No. 956. Located in Koloa, as shown on TMK: (4) 2-8-014. Lot 19-B was initially part of a road lot designated as Lot 19, as shown on Maps 3 and 5 of Land Court Application 956. By Deed dated October 23, 1936, Land Court Document No 37633, the Eric A. Knudsen Trust and Augustus F. Knudsen Trust transferred Lot 19 to the Territory of Hawaii. By Land Court Order dated May 29, 1962, Lot 19 was further subdivided into Lot 19-A and Lot 19-B. Lot 19-B contains a portion of Hapa Trail/Road that run from Poipu Road on the south, to Weliweli Road to the north. Although the Department of Land and Natural Resources is currently in the process of transferring managerial jurisdiction of Hapa Trail to the County of Kauai, Applicant cannot wait until that process is completed as it is further delaying its plans of development its Subdivision.

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Attorneys for Applicant,
AUKAHI FARM LLC,
a Hawaii limited liability company

BEFORE THE DEPARTMENT OF LAND AND NATURAL RESOURCES

OF THE

STATE OF HAWAII

In The Matter Of The Application Of AUKAHI FARM LLC, a Hawaii limited liability company, for a Grant of Perpetual Non-Exclusive Easement for Access and Utility Purposes over Hapa Road situated at Poipu, Koloa, Kauai, Hawaii, identified by Kauai Tax Map Key No. (4) 2-8-014:(northern portion).	**DRAFT ENVIRONMENTAL ASSESSMENT; EXHIBITS "A" – "F"** **(14KD – 142)**

DRAFT ENVIRONMENTAL ASSESSMENT
(14KD - 142)

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ENVIRONMENTAL ASSESSMENT

The Applicant is in the process of consolidating certain property located in Koloa, Kauai, Hawaii, known as Lot A identified by Kauai Tax Map Key No. (4) 2-8-012:011 and Lot 180-F of Land Court Consolidation No. 956 identified by Kauai Tax Map Key No. (4) 2-8-012:001 and subdividing the consolidated lot into seven (7) agricultural lots and one (1) roadwidening lot ("Subdivision"). The Subdivision is identified as Kauai Planning Commission No. S-2009-17 and has received Tentative Approval from the Planning Commission of the County of Kauai ("Planning Commission").

The Applicant has filed a Request For State Lands Application Form with the Department of Land and Natural Resources ("DLNR") for a perpetual, nonexclusive easement for access and utility purposes over the northerly, paved portion of Lot 19-B of Land Court Application 956, Koloa, Kauai, Hawaii, which is owned by the State of Hawaii ("Hapa Road"). The purpose of the easement will be to provide access and utilities in favor of the Subdivision across this portion of Hapa Road (which is paved) to Weliweli Road (a County of Kauai roadway). The Applicant is not proposing to make any improvements to Hapa Road.

The proposed use of State lands triggers the Environmental Review process as set forth in Hawaii Revised Statutes ("HRS") Section 343-5(a)(1). The Board of Land and Natural Resources of the State of Hawaii ("Land Board"), acting through DLNR, will act as the Accepting Authority. Pursuant to Hawaii Administrative Rules ("HAR") Section 11-200-12B, both the primary impacts (from the use of Hapa Road) and the secondary impacts (from the Subdivision) of the proposed action will need to be evaluated.

The Applicant has concluded that neither the use of Hapa Road nor the development of the Subdivision will result in any significant environmental effects, and anticipates that the Land Board, as Accepting Authority, will make a Finding Of No Significant Impacts ("FONSI") and will issue a Negative Declaration in this matter.

SECTION 1. APPLICANT/SUBJECT PROPERTY/OWNER.

1.1 Applicant. The Applicant is AUKAHI FARM LLC, a Hawaii limited liability company. The Applicant has authorized Max W. J. Graham, Jr. of Belles Graham Proudfoot Wilson & Chun, LLP ("Belles Graham") to file this Environmental Assessment ("EA") pursuant to the Applicant's Authorization ***[Exhibit "A-1"]***.

1.2 Subject Property. The property over which is the Easement is being sought is described as Lot 19-B of Land Court Application No. 956 (Map 28), located in Koloa, Kauai, Hawaii, as shown on Kauai Tax Map Key No. (4) 2-8-014 ***[Exhibit "C-2"]***. Lot 19-B was initially part of a road lot designated as Lot 19 (as shown on Maps 3 and 5 of Land Court Application 956). By Deed dated October 23, 1936 (Land Court Document No. 37633), the Eric A. Knudsen Trust and the Augustus F. Knudsen Trust transferred Lot 19 to the Territory (State). By Land Court Order dated May 29, 1962, Lot 19 was further subdivided into Lot 19-A and Lot 19-B ***[Exhibit "C-11"]***. Lot 19-B contains the portions of Hapa Road and Hapa Trail that run from Poipu Road to Weliweli Road. Starting at Poipu Road, and running mauka (north), Lot 19-B is paved for the first 130 feet (shown in pink on the Tax Map). Thereafter, Lot 19-B is an unpaved trail that runs to the north within the Hapa Road Lot for approximately 6,500 feet to the St. Raphael Church (shown in blue on the Tax Map). Thereafter, Hapa Road is paved to its intersection within Weliweli Road, a distance of approximately 2,800 feet (shown in red on the Tax Map). This paved portion of Lot 19-B will be referred to as "Hapa Road". The portion of Lot 19-B from Poipu Road to the north end of Hapa Trail will be referred to as "Hapa Trial".

The Applicant is the owner of certain property known as Lot A identified by Kauai Tax Map Key No. (4) 2-8-012:011 (3.175 acres) and Lot 180-F of Land Court Consolidation No. 956 identified by Kauai Tax Map Key No. (4) 2-8-012:001 (4.110 acres) ("Subject Property"), as shown on Tax Map 2-8-12 ***[Exhibit "C-3"]***. The Applicant has filed an application with the Planning Commission to consolidate the Subject Property and to subdivide the consolidated lot into seven (7) agricultural lots and one (1) roadwidening lot ("Subdivision"). The Subdivision is identified as Kauai Planning Commission No. S-2009-17 and has received Tentative Approval from the Planning Commission. The purpose of the Easement will be to provide access and utilities in favor of the Subdivision across Hapa Road to Weliweli Road (a County of Kauai roadway).

1.3 Ownership. The State is the owner of Hapa Road. Aukahi Farm LLC, a Hawaii limited liability company, is the owner of the Subject Property, as set forth in the Status Report for Lot A ***[Exhibit "B-1"]*** and the Status Report for Lot 180-F ***[Exhibit "B-2"]***.

SECTION 2. LOCATION AND LAND USE DESIGNATIONS OF PROPERTY.

2.1 Location. The Subject Property and Hapa Road are located in Koloa, Kauai, Hawaii, and is shown on the Location Map ***[Exhibit "C-1"]*** and on Tax Map 2-8-14 ***[Exhibit "C-2"]***.

2.2 Land Use Designations. The respective State Land Use Commission ("SLUC"), Kaua'i General Plan, County of Kauai Comprehensive Zoning Ordinance ("CZO"), and other relevant land use designations for the Subject Property and Hapa Road are as follows:

a. SLUC. As shown on the Land Use District Boundary Map ***[Exhibit "C-5"]***, the Subject Property and Hapa Road are located in the SLUC Agricultural District.

b. Kaua'i General Plan. As shown on the General Plan Map ***[Exhibit "C-6"]***, the Subject Property and Hapa Road are located in the Kaua'i General Plan Residential Community Land Use Designation.

c. CZO. As shown on the Zoning Map ***[Exhibit "C-4"]***, the Subject Property is located in the CZO Open District. Hapa Road is located in the CZO Open District, although the northern portion may be located in the CZO Residential District (R-6).

d. Development Plan Area. The Subject Property and Hapa Road are located within the Koloa-Poipu-Kalaheo Development Plan Area.

e. Special Management Area. Neither the Subject Property nor Hapa Road are located within the Special Management Area ("SMA") of the County of Kauai.

f. Violations. There are no existing violations of any land use laws or regulations on the Subject Property.

g. Land Use Conditions. The Subject Property is not subject to any land use conditions.

SECTION 3. PAST, EXISTING AND PROPOSED USES.

3.1 Past and Existing Uses. The lands around the Subject Property have been used for agricultural purposes in the past, including pineapple cultivation, truck crops, and livestock pasture. At present, the Subject Property is being used for livestock pasture purposes. Hapa Road is part of a road and trail system running from Koloa Town to Poipu. This road was known variously as the Poipu Short Cut Road or Hapa Road (later Hapa Trail). The earliest available maps showing Hapa Road are a hand-drawn map of Koloa Village dated in 1888 and a Hawaii Government Survey Map dated 1891. Hapa Road appears to have been paved and maintained by the County of Kauai for over fifty (50) years. It is currently used by over twenty lots (including the St. Rafael Catholic Church) for access and utility purposes. The Department of Water of the County of Kauai ("DOW") maintains waterlines and facilities within Hapa Road.

The Kauai Island Utility Cooperative ("KIUC"), Hawaiian Telcom, and Oceanic Time Warner Cable (collectively, the "Utility Companies") maintain power and communication lines and facilities within Hapa Road. The general public uses Hapa Road for vehicular and pedestrian access purposes.

3.2 Proposed Uses. The Applicant is in the process of subdividing the Subject Property into seven Agricultural Lots ("Ag Lots") and one Road Widening Lot, as shown on the enclosed Subdivision Map ***[Exhibit "C-3"]***. The Ag Lots will range from 0.361 acres to 1.605 acres in size. Each Ag Lot will be allocated a 10,000 square foot Building Area within which a Dwelling Unit, garage, and Guest House may be constructed. The remainder of each Ag Lot will be the Ag Area in which Agricultural Activities will take place. The Road Widening Lot will be dedicated to the County. Hapa Road will be used for vehicular and pedestrian access from the Ag Lots to Weliweli Road, and for utility purposes. The Applicant will not need to make any physical improvements to Hapa Road, as it is already paved and all of the necessary utility facilities are already in place and maintained by DOW and the Utility Companies.

3.3 Farm Dwellings. Each of the seven Ag Lots will have density for one Farm Dwelling which is a single family residence occupied by persons who earn income from agricultural activities on the Ag Lot. There is already density for six Farm Dwellings on Lot A and one Farm Dwelling on Lot 180-F, so the Subdivision will not result in any net increase in the number of Farm Dwelling Units permitted on the Subject Property.

3.4 Agricultural Activities. The proposed Agricultural Activities which will take place on the Ag Lots are described in the Aukahi Farm Subdivision Agricultural Master Plan ("Ag Master Plan"). ***[Exhibit "E-1"]***

3.5 Building Areas/Ag Areas. Pursuant to conditions of approval for the Subdivision, as incorporated in the Declaration Of Conditions, Covenants And Restrictions For Aukahi Farm Subdivision, all residential structures (Farm Dwelling, garage, and guest house) must be placed within an area not to exceed 10,000 square feet within each Ag Lot. The remainder of each Ag Lot is considered the Ag Area, in which the Agricultural Activities are to take place.

3.6 Site Grading. The Project site is level and will require minimal grading. Some grading may be required for interior service roads and for the Building Areas. The Applicant will obtain all necessary grading permits.

3.7 Land Coverage. Each Ag Lot will be limited in Land Coverage to ten percent (10%) of the lot size.

SECTION 4. DESCRIPTION OF SUBJECT PROPERTY AND IDENTIFICATION OF SURROUNDING LANDS.

4.1 Adjacent Property. The Subject Property is located adjacent to, or within 300 feet of, the properties identified on the Adjacent Property Index attached as ***Exhibit "F-1"***, and shown on the Tax Maps attached as ***Exhibits "F-2"*** through ***"F-5"***.

4.2 Natural Environment.

a. General Description. The Subject Property is composed of relatively flat lands in an area lying south-east of Koloa Town. The Subject Property is located approximately 150 to 160 feet above mean sea level. To the east of the Subject Property is the Hapa Road. To the north, west and south are house lots and open lands.

b. Soils. The Subject Property contains Waikomo very rocky silty clay (Wt) and Waikomo extremely rocky silty clay (Wu) soils, as shown on the Soil Survey Map ***[Exhibit "C-7"]***, described as follows:

"This series consists of well-drained, stony and rocky soils on uplands on the island of Kauai. These soils developed in material weathered from basic igneous rock, probably with a mixture of ash and alluvium in places. These soils are gently sloping. Elevations range from nearly sea level to 360 feet. The annual rainfall amounts to 35 to 60 inches. The mean annual soil temperature is 74° F. Waikomo soils are geographically associated with Koloa soils.

These soils are used for sugarcane, pasture, wildlife habitat, and homesites. The natural vegetation consists of lantana, koa, haole, Java plum, pricklypear cactus, swollen fingergrass, bermudagrass, and guineagrass.

Waikomo very rocky silty clay (Wt).—This soil is similar to Waikomo stony silty clay, except that rock outcrops cover 3 to 25 percent of the surface.

This soil is used for pasture, wildlife habitat, and homesites. Some small areas are irrigated.

Waikomo extremely rocky silty clay (Wu).—This soil is similar to Waikomo stony silty clay, except that rock outcrops cover 25 to 50 percent of the surface.

This soil is used for pasture, wildlife habitat, and homesites."

As shown on the Detailed Land Classification Map (Island of Kauai) (Land Study Bureau, University of Hawaii) ***[Exhibit "C-8"]***, the Overall Productivity Rating for lands within the Subject Property is primarily Class E (E84).

c. Rainfall. The Subject Property receives approximately 35 to 60 inches of annual rainfall.

d. Botanical Resources. The vegetation within the Subject Property is almost entirely exotic. There are extensive areas of exotic pasture grasses, haole koa, hau (Hibiscus tiliatus), ironwood (Cassuarina equisetifolia), lantana, Java plum (Syzgium cumini), pricklypear cactus, swollen fingergrass, bermudagrass and guineagrass.

e. Flood Hazard. According to the Federal Insurance Rate Map (Map No. 1500020314E), the Subject Property is located in Flood Zone X (areas outside of the 0.2% annual chance flood).

4.3 Present Uses And Built Environment. The Subject Property lies to the south-east of Koloa Town and is undeveloped. There are no existing buildings or structures on the Subject Property. Past agricultural activities on the Subject Property have included livestock pasturing. The surrounding area is primarily rural, dominated by a mixture of agricultural and residential uses. The area to the north is primarily urban (residential and commercial).

4.4 Potential Future Uses. The Applicant has no present plans to develop the Subject Property, except as described herein.

SECTION 5. PERMITS REQUESTED AND REQUIRED.

5.1 Grant of Easement. The Applicant has filed an Application with the Land Board for a Grant of Easement ("GOE") to use Hapa Road, which consists of State lands, for access and utility purposes. The Application has been filed pursuant to HRS Section 171-13(2).

5.2 Subdivision. The Applicant has filed an application with the Planning Commission for the approval of the subdivision of the Subject Property pursuant to the Subdivision Ordinance of the County of Kauai as codified in Title IV, Chapter 9 of the Kauai County Code, 1987 ("KCC").

SECTION 6. IMPACTS/MITIGATION.

6.1 Botanical Resources and Wildlife. The existing state of botanical resources and wildlife have been heavily compromised: by past and present agricultural uses on the Subject Property; and by the use of Hapa Road for road purposes. As a result, there do not appear to be any mammalian or avian species or botanical resources that will be endangered either by the Subdivision or by the proposed use of Hapa Road.

6.2 Historical Resources. The Subject Property has been heavily disturbed by past and present agricultural activities. Hapa Road has been heavily distributed by being paved and use for road purposes. As a result, there do not appear to be any archaeological, cultural or historical resources on the surface of the Subject Property or Hapa Road which will be affected by the Subdivision or the proposed use of Hapa Road. In the event of inadvertent historic site or burial discovery in the future, the Applicant will immediately contact the Historic Preservation Division of the Department of Land and Natural Resources.

6.3 Air Quality/Noise. Neither the Subdivision nor the use of Hapa Road will have significant impacts on the air quality and ambient noise levels in the area. Air quality and ambient noise levels may be affected at a very minimal level by agricultural activities on the Subject Property. All vehicles or equipment used by the Applicant on either the Subject Property or Hapa Road will be properly muffled and maintained to reduce any noise impacts or emission impacts. The Environmental Protection Agency (EPA) and State of Hawaii air quality standards will not be exceeded.

6.4 Flooding and Drainage. The Subject Property and Hapa Road are both situated within Flood Zone X (areas outside of the 0.2% annual chance flood) as shown on the County of Kauai's flood insurance rate map (Flood Insurance Rate Map 150002-0312E) ***[Exhibit "C-9"]***. The Subdivision and use of the Subject Property and Hapa Road will meet all of the requirements of the Flood Plain Management Ordinance of the County of Kauai, as contained in Chapter 15, Article 1, of the Kauai County Code, 1987. Neither the Subdivision nor the use of Hapa Road will have any impact on flooding on or around either the Subject Property or Hapa Road. All drainage resulting from construction activities, from agricultural activities, and from the increase in land coverage on the Subject Property will be retained on site and subject to best management practices.

6.5 Utilities.

a. Potable Water. Potable water for the Subject Property will be obtained from the Department of Water, County of Kauai. Water for agricultural use will be provided from private sources.

b. Electric/Communications. The Subject Property will obtain electric service from Kauai Island Utility Cooperative ("KIUC") and communication services from Hawaiian Telcom, Inc. Existing electric and communications facilities are presently adequate to provide the demand for such services that will be generated by the proposed Development.

6.6 Wastewater Treatment and Disposal. Dwelling Units on the Subject Property will utilize an Individual Wastewater Systems ("IWS") approved by the State Department of Health.

6.7 Solid Waste Disposal. Solid waste collection will be provided by the County and by private means. Solid waste will be taken to the County's Transfer Stations for disposal in the County Landfill.

6.8 Governmental Services. The Development will have the following impacts on governmental services:

a. Fire and Police Services. Fire and police services in the vicinity are located in Poipu, approximately five (5) miles from the Subject Property. The Subdivision of the Subject Property will not significantly increase the need for existing fire and police services.

b. Schools. The closest schools are Koloa Elementary School located in Koloa, Chiefess Kamakahele Middle School located in Puhi, and Kauai High School located in Lihue. The Subdivision will not generate any significant increase in enrollment.

6.9 Economics. The Subdivision will have the following economic impacts:

a. Jobs. Jobs will be generated in the future by the construction of dwelling units on the Subject Property and by agricultural activities on the Subject Property.

b. Housing. The creation of jobs related to activities on the Subject Property will not result in the need for additional worker housing. The jobs will be filled by Kauai residents who are already living on Kauai.

c. Property Values. Since the fair market value of real property is based on the value of the land and physical improvements, the completion of the Subdivision will increase the value of the Subject Property. This will result in increased real property taxes on the Subject Property for the County.

6.10 Population. The Subdivision of the Subject Property will not result in a significant increase in population.

6.11 Traffic Circulation. In addition to Hapa Road, the major road which services the Subject Property is Weliweli Road, a County road. The Subdivision, in and of itself, will not significantly increase traffic on either Hapa Road or Weliweli Road.

6.12 Heritage Resources. The Subject Property is located within the "Residential, Urban Center, Resort, Transportation, Military" Heritage Resources Designation ("Urban H.R. Designation") (Kaua'i General Plan, November 2000) ***[Exhibit "C-10"]***. The Heritage Resources of Kauai include natural, cultural and scenic resources. Within the Urban H.R. Designation are historic buildings and structures, and landforms that may have ecological, recreational, cultural and scenic values.

The public view of the Subject Property will be from parts of Hapa Road. All structures on the Subject Property will be designed to the extent possible to blend harmoniously into the surrounding environment. Building materials and exterior colors will be compatible with the surrounding environment. All of the structures will be landscaped so as to minimize visual impacts.

SECTION 7. SLUC CONSIDERATIONS.

7.1 SLUC Agricultural District. The Subject Property is located within the SLUC Agricultural District. Permitted uses in the SLUC Agricultural District are set forth in HRS Section 205.2(d) and HRS Section 205-4.5(a), which provide in relevant part as follows:

> "**§205-2. Districting and classification of lands.**
>
> . . .
>
> (d) Agricultural districts shall include:
>
> . . .
>
> (1) Activities or uses as characterized by the cultivation of crops, crops for bioenergy, orchards, forage, and forestry;
>
> . . .
>
> (7) Bona fide agricultural services and uses that support the agricultural activities of the fee or leasehold owner of the property and accessory to any of the above activities, regardless of whether conducted on the same premises as the agricultural activities to which they are accessory, including farm dwellings as defined in section 205.4.5(a)(4), employee housing, farm buildings, mills, storage facilities, processing facilities...."
>
> "**§205-4.5 Permissible uses within the agricultural districts.**
>
> (a) Within the agricultural district all lands with soil classified by the land study bureau's detailed land classification as overall (master) productivity rating class A or B shall be restricted to the following permitted uses:
>
> . . .
>
> (1) Cultivation of crops, including crops for bioenergy, flowers, vegetables, foliage, fruits, forage, and timber;
>
> . . .
>
> (4) Farm dwellings, employee housing, farm buildings, or activities or uses related to farming and animal husbandry. "Farm dwelling", as used in paragraph, means a single-family dwelling located on and used in connection with a farm, including clusters of single-family farm dwellings permitted within agricultural parks developed by the State, or where agricultural activity provides income to the family occupying the dwelling;
>
> . . .

(10) Buildings and uses, including mills, storage, and processing facilities, maintenance facilities,...and vehicle and equipment storage areas that are normally considered directly accessory to the above-mentioned uses and are permitted under section 205.2(d)...."

7.2 Compliance with SLUC Agricultural District Standards. The proposed uses of the Subject Property include the development of: Farm Dwellings; and Agricultural Activities. All of these proposed uses are recognized as permissible uses under HRS Sections 205-2(d) and 205-4.5(a) as explained below:

a. Agricultural Activities. The Agricultural Activities are permitted as an activity characterized by the cultivation of crops. HRS Sections 205-2(d)(1) and 205-4.5(a)(1).

b. Farm Dwelling. The Farm Dwelling is permitted as a farm dwelling unit. HRS Sections 205-2(d)(7) and 205-4.5(a)(4).

SECTION 8. GENERAL PLAN CONSIDERATIONS.

8.1 Kaua'i General Plan Land Use Designation. The Subject Property is located in the Kaua'i General Plan Residential Community Land Use Designation. The policies governing such lands are set forth in Section 5.4 of the Kaua'i General Plan, which provides in relevant part as follows:

"**5.4.3 Residential Community**

5.4.3.1 Policy

(a) Lands included within the Residential Community designation shall be used predominantly for low- to high-density housing in towns and other residential areas. Density shall be one to 20 units per acre. Residential Community areas may also be used for commercial and industrial businesses, government facilities, and institutions.

(b) High-density residential use of 10 units per acre or more shall be confined to areas served by wastewater collection and treatment facilities and major roads.

(c) The location of non-residential uses shall be established through zoning. The intent is to provide convenient shopping and services to improve the livability of the various residential communities.

5.4.3.2 Rationale

This designation is applied to residential areas throughout the island and includes lands previously designated "Urban Residential" and "Rural Residential". A review of the land use patterns and character of areas previously designated "Rural Residential" and zone R-1 or R-2 found that they had more in common with R-4 residential neighborhoods than they did with agriculturally-zoned residential areas. In fact, R-2 zoning built-out with ADUs becomes equivalent to R-4 zoning. It is more important to distinguish the "Residential Community" from the much lower density of the "agricultural community" described above.

In addition to serving as the primary land use designation for most towns, Residential Community is also used to designate outlying areas such as Wailua Homesteads, 'Ōma'o, and Anahola. The intent is to distinguish between Residential and Agricultural Communities."

8.2 Compliance with Kaua'i General Plan Standards. The proposed uses of the Subject Property include: Agricultural Activities; and Farm Dwellings. The land coverage in the CZO Open District, which is 10%, will not be exceeded. The Subdivision itself will have no significant impact on the surrounding environment. The Subdivision will include residential and agriculturally related uses that are compatible with other uses in the area, as well as with the surrounding environment. As such, the Subdivision complies with the Kaua'I General Plan policy in that it will help to provide low density residential uses.

SECTION 9. CZO OPEN DISTRICT CONSIDERATIONS.

9.1 CZO Open District. The Subject Property is located within the CZO Open District. [Hapa Road is also located within the CZO Open District although some or all of its

northern portion may be located in the CZO Residential District (R-6).] The purposes of the CZO Open District are set forth in CZO Article 9, which provides in relevant part as follows:

> **"Sec. 8-9.1 Purpose.**
>
> The Open District is established and regulated to create and maintain an adequate and functional amount of predominantly open land to provide for the recreational and aesthetic needs of the community or to provide for the effective functioning of land, air, water, plant and animal systems or communities.
>
> (a) To preserve, maintain or improve the essential characteristics of land and water areas that are:
>
> (1) of significant value to the public as scenic or recreational sources;
>
> (2) important to the overall structure and organization of urban areas and which provide accessible and usable open areas for recreational and aesthetic purposes;
>
> (3) necessary to insulate or buffer the public and places of residence from undesirable environmental factors caused by, or related to, particular uses such as noise, dust, and visually offensive elements.
>
> (b) To preserve, maintain or improve the essential functions of physical and ecological systems, forms or forces which significantly affect the general health, safety and welfare.
>
> (c) To define and regulate use and development within areas which may be potentially hazardous.
>
> (d) To include areas indicated on the County General Plan as open or as parks.
>
> (e) To include areas clearly indicated on the County General Plan or on Zoning maps as "Special Treatment – Open Space" if an applicant represents to government authorities that any properties or areas within a development proposal or subdivision application will remain in either permanent open space or private park areas, or if the Council in the exercise of its zoning power requires as a condition of rezoning that an area be designated for permanent open space or private park. This does not preclude the Council from exercising its zoning authority as provided in Sec. 46-4, Hawai'i Revised Statutes. Within areas so designated, no uses, structures, or development inconsistent with such designation shall be generally permitted or permitted by use permit without express provision to the contrary. The Council is hereby authorized to make such factual determinations as necessary incident to this section.

(f) To provide for other areas which because of more detailed analysis, or because of changing settlement characteristics, are determined to be of significant value to the public."

9.2 Generally Permitted Uses And Structures. CZO Section 8-2.4(s) contains the Permitted Uses within the CZO Open District, which includes the following:

"(1) Accessory uses and structures
(3) Diversified agriculture
. . .
(9) Single family detached dwellings...."

9.3 Development Standards For Construction And Use Within An Open District. CZO Section 8-9.2 regulated land coverage in the CZO Open District and provides as follows:

"(a) Land Coverage:
(1) The amount of land coverage created, including buildings and pavement, shall not exceed ten per cent (10%) of the lot or parcel area."

9.4 Compliance with CZO Open District Standards. The following proposed uses of the Subject Property are Permitted Uses within the CZO Open District: Farm Dwelling uses; and Agricultural Activities. These are Permitted Uses which are allowed pursuant to CZO Section 8-2.4(s). The Land Coverage on the Subject Property will not exceed ten percent (10%). The Subdivision itself will have no significant impact on the surrounding environment. As such, the Subdivision complies with CZO Section 8-9.1 in that it: will help to preserve, maintain and improve the natural characteristics of the area; will allow the area to remain predominantly free of development; and will be incidental to the use and open character of the surrounding lands.

SECTION 10. SUBDIVISION CONSIDERATIONS.

10.1 CZO Subdivision Standards. CZO Section 8-9.2(c)(5) requires that the subdivision of property in the CZO Open District and SLUC Agricultural District be consistent with the provisions of HRS Chapter 205 and CZO Article 8. CZO Section 8-8.3(c) allows: the consolidation and resubdivision of properties where no additional lots or parcels are created

(provided that the resulting properties would not permit greater density); and the creation of new lots requested by a governmental agency.

10.2 Subdivision of Subject Property. The Subject Property consists of Lot A and Lot 180-F. Lot A contains two Kuleana lots and portions of three other Kuleana lots (five in total), all of which are considered existing lots of record. The Subdivision involves the consolidation of Lot A, Lot 180-F, and the five Kuleana lots (a total of seven lots) and the resubdivision of the consolidated lot into seven new lots. In addition, an eighth lot (the Road Widening Lot) is being created at the request of the Department of Public Works, County of Kauai.

10.3 Subdivision Ordinance. In all other respects, the Subdivision will comply with the provisions of the Subdivision Ordinance.

SECTION 11. KOLOA-POIPU-KALAHEO DEVELOPMENT PLAN CONSIDERATIONS.

11.1 Development Plan Goals and Objectives. The goals and objectives of the Koloa-Poipu-Kalaheo Development Plan, as adopted by the Koloa-Poipu-Kalaheo Development Plan Ordinance, include the following:

> (1) Natural Features. Develop more specific than present County, State and Federal regulations if necessary for the use and/or control of steeply sloping lands, shoreline, flood plain areas, and other constraint areas.
>
> (2) Environmental Determinants. Encourage development in existing communities, least environmentally sensitive areas, non-agricultural areas, and areas outside constraint districts.
>
> (3) History and Archaeology.
>
> (A) Increase the body of knowledge about and the public's understanding of the area's history and archaeology.
>
> (B) Develop a program for its use and preservation.
>
> (4) Subarea Distinctions, Settlement Patterns, Population.
>
> (A) Encourage continued identification and integrity of each area community's unique identity, including physical, social and architectural.

(B) Limit and/or accommodate growth in population (resident and de-facto) in accordance with overall growth objectives.

(5) Flooding, Tsunami, Coastal Waters, Beaches.

(A) Improve drainage to alleviate flood hazards.

(B) Encourage uses and a development pattern and/or controls which enhance and protect coastal waters and beaches, and encourage construction of structures which do not promote flood and tsunami dangers.

(6) Employment and Industry.

(A) Develop programs for orienting and educating area residents about available industry opportunities and skill requirements.

(B) Develop skill education programs related to available industry opportunities.

(C) Develop programs to inform visitors about area laws, customs, amenities, communities, and sources of further information and/or help.

(D) Encourage development of visitor facilities which best benefit residents and visitors.

(E) Increase job opportunities.

(F) Encourage new industries, consistent with other community goals.

(G) Direct infrastructure for overall best benefit.

(7) Housing.

(A) Develop housing guidelines which are aimed at achieving a balance of housing types, architectural style, size, and price mix to meet housing needs.

(B) Encourage subsidized housing for low-income families through incentives to private developers and/or rental supplements to needy tenants, and/or government-sponsored housing projects.

(C) Use State lands for housing.

(8) Recreation.

(A) Determine what daytime and nighttime activities are desired by residents and visitors and encourage their development.

(B) Develop specific programs for the proper maintenance and use of each park and recreation area.

(C) Develop a plan for public access to coastal and mauka areas where private properties block such access.

(D) Acquire coastal areas for public use.

(E) use the Parks and Recreation Master Plan to identify areas for park expansion and new parks.

(9) Visual Resources. Determine visual resource priorities and plan for their preservation and/or development.

(10) Social Resources and Activities.

(A) General. Find out how people feel about various pertinent issues.

(B) Specific.

(i) Education. Encourage educational programs and facilities that will meet changing needs of all age groups and engender realistic and tolerant attitudes and values.

(ii) Health. Encourage health services and facilities which promote better health maintenance along with necessary treatment services.

(iii) Safety. Develop a crime prevention and protection program that will improve the security of residents and visitors.

(a) Encourage more effective community-wide inspection and compliance with fire prevention and safety regulations in order to reduce risks of losses from fires.

(b) Provide a program for all aspects of emergency services.

(iv) Community Well-Being. Strengthen social services and provide facilities to assist families in dealing with marital disorders, improving parent-child relationships, protection of children, and arranging early referral of delinquency-prone juveniles.

(v) Culture and the Arts. Foster more community-based support and participation in culture and the arts.

(11) Transportation and Circulation.

(A) Improve roadway patterns and linkages at points of congestion and areas of future growth.

(B) Encourage alternate transport systems which lessen congestion and conserve resources.

(12) Land Use.

(A) Consolidate urban growth in existing communities, where possible.

(B) Reinforce existing land use patterns. Where necessary, reserve new areas for future growth.

(C) Evaluate community desires and accommodate them as reasonable.

(13) General Plan and Zoning. Revise the General Plan and County Zoning as necessary to match projected needs in accordance with community desires.

(14) Public Facilities.

(A) Encourage development of roads, sewerage, water facilities, drainage improvements and other public facilities necessitated by existing uses and proposed growth.

(B) Encourage development of parks and cultural facilities.

11.2 Compliance with Development Plan Standards. The proposed use of the Hapa Road and the Subdivision and use of the Subject Property will not conflict with any of the Goals contained in the Koloa-Poipu-Kalaheo Development Plan. The design, layout and outside appearance of the Subdivision is and will be compatible with the natural beauty of the area. As such, the proposed use will not conflict with Goals (1) and (9). The proposed use will provide economic opportunity for Kauai residents and as such will promote Goal (6). The proposed use will have no negative impact on the public safety or welfare, on any endangered species of plants or animals, on archaeologic or historic sites, or on recreational opportunities on or around the Subject Property. As such, it will not conflict with Goals (2), (3), (4), (5), (7), (8), (10), (11), (12) or (13). The process of filing this Application is consistent with the purposes of Goal (10).

SECTION 12. HRS CHAPTER 343 (ENVIRONMENTAL IMPACT STATEMENTS) CONSIDERATIONS.

12.1 HRS Chapter 343. The Applicant's requests for a GOE over Hapa Road is subject to the provisions of Hawaii Revised Statutes Chapter 343. HRS Chapter 343 requires the preparation of an Environmental Assessment and/or an Environmental Impact Statement for certain activities. As specified in HRS Section 343-5(a)(1), such activities include the proposed use of State lands.

12.2 Approving Agency/Accepting Authority. Pursuant to HAR Section 11-200-2 and Section 11-200-4B., the Land Board is the Approving Agency (since it will be

responsible for approving the GOE) and, as such, the Accepting Authority. As Accepting Authority, the Land Board has the responsibility to review and accept this EA.

12.3 Anticipated Agency Determination. The Applicant anticipate that pursuant to the provisions of HAR Section 11-200-11.1 and Section 11-200-12, the Land Board will: determine that neither the proposed use of Hapa Road nor the Subdivision will have any significant environmental effects; and issue a Finding Of No Significant Impacts or Negative Declaration.

12.4 Anticipated Agency Findings. The Applicant anticipates that the Land Board will find and determine that neither the use of Hapa Road (as a primarily impact) nor the Subdivision of the Subject Property (as a second impact) will result in any significant environmental effects based on the Land Board's evaluation of the following significance criteria contained in HAR Section 11-200-12B:

1. Involves an irrevocable commitment to loss or destruction of any natural or cultural resources.

Primary. The proposed use of Hapa Trail is consistent with existing uses and will not result in the loss of any natural or cultural resources.

Secondary. The proposed Subdivision is consistent with existing uses in the area, will not result in any greater Dwelling Unit density, and will not result in the loss of any natural or cultural resources on the Subject Property.

2. Curtails the range of beneficial uses of the environment.

Primary. The proposed use of Hapa Road is consistent with, and will not curtail the range of, the present uses of Hapa Road.

Secondary. The Subdivision is consistent with other uses in the area, will not result in any greater Dwelling Unit density, and will not curtail any other uses in the area.

3. Conflicts with the state's long-term environmental policies or goals and guidelines as expressed in chapter 344, HRS, and any revisions thereof and amendments thereto, court decisions, or executive orders.

Primary. The proposed use of Hapa Road is consistent with, and will not conflict with, the provisions of HRS Chapter 344, including the Guidelines contained in HRS Section 344-4. In particular, the proposed use is consistent and supportive of the Guidelines contained in HRS Section 344-4(6) (Transportation), Subsection (A), which encourages transportation systems in harmony with the lifestyle and environment of the State.

Secondary. The proposed Subdivision, and the use of the Subject Property for residential (Farm Dwelling) purposes and Agricultural Activities, is consistent with, and will not conflict with, Chapter 344. In particular, the proposed use is supportive of the Guidelines contained in: HRS Section 344-4(5) (Economic Development), Subsection (B) (promoting the agricultural industry and conserving agricultural lands); and HRS Section 344-4(8) (Community life and housing), Subsection (A) (fostering lifestyles compatible with the environment which are traditional to Hawaii).

4. Substantially affects the economic welfare, social welfare, and cultural practices of the community or State.

Primary. The proposed use of Hapa Road is consistent with existing uses and will not affect the economic or social welfare, or cultural practices, of the community or State.

Secondary. The Subdivision is consistent with existing uses in the area, will not result in any greater Dwelling Unit density, and will not affect the economic or social welfare, or cultural practices, of the community or State.

5. Substantially affects public health.

Primary/Secondary. Neither the proposed use of Hapa Road nor the Subdivision and use of the Subject Property will substantially affect public health.

6. Involves substantial secondary impacts, such as population changes or effects on public facilities.

Primary/Secondary. The use of Hapa Road and its Secondary Impacts related to the Subdivision of the Subject Property have been evaluated and found to have no substantial secondary impacts. In particular, the Subdivision will not result in any substantial population change or demand on public facilities.

7. Involves a substantial degradation of environmental quality.

Primary/Secondary. Neither the proposed use of Hapa Road nor the Subdivision of the Subject Property will result in a substantial degradation of environmental quality to Hapa Road or the surrounding area.

8. Is individually limited but cumulatively has considerable effect upon the environment or involves a commitment for larger actions.

Primary/Secondary. Neither the proposed use of Hapa Road nor the Subdivision of the Subject Property are part of any future, larger action and will have no cumulative impacts.

9. Substantially affects a rare, threatened, or endangered species, or its habitat.

Primary/Secondary. Neither the proposed use of Hapa Road nor the Subdivision of the Subject Property will substantially affect any rare, threatened or endangered species or habitat.

10. Detrimentally affects air or water quality or ambient noise levels.

Primary/Secondary. Neither the proposed use of Hapa Road nor the Subdivision of the Subject Property will detrimentally affect air or water quality, or ambient noise levels (especially since the Subdivision will not result in any increased Dwelling Unit density for the Subject Property).

11. Affects or is likely to suffer damage by being located in an environmentally sensitive area such as a flood plain, tsunami zone, beach, erosion-prone area, geologically hazardous land, estuary, fresh water, or coastal waters.

Primary/Secondary. Neither Hapa Road nor the Subject Property are located in an environmentally sensitive area.

12. Substantially affects scenic vistas and viewplanes identified in county or state plans or studies.

Primary/Secondary. Neither Hapa Road nor the Subject Property are located in or near any area identified as having special scenic vistas or viewplanes in any County or State plans or studies. No improvements are being proposed on Hapa Road, and there will be no scenic or visual impacts resulting from its proposed use. Any improvements on the Subject Property will be compatible with the scenic qualities of the surrounding area.

13. Requires substantial energy consumption.

Primary/Secondary. Neither the proposed use of Hapa Road nor the Subdivision of the Subject Property will require substantial energy consumption.

12.5 Alternatives. HAR Section 11-200-9C requires the Applicant to analyze alternatives to any proposed actions ("Alternatives"). The Alternatives in this case are as follows:

a. No Subdivision/No GOE. The First Alternative would be for the Applicant not to subdivide the Subject Property, and not to request the GOE over Hapa Road. This would not substantially change the current situation, since the Subject Property would still be entitled to seven Farm Dwelling Units, and would continue to use Hapa Road for access (together with everyone else who is presently using Hapa Road).

b. No Subdivision/Request GOE. The Second Alternative would be for the Applicant not to subdivide the Subject Property, but to request the GOE over Hapa Road. This would not substantially change the current situation, since the Subject Property would still be entitled to seven Farm Dwelling Units, and would continue to use Hapa Road for access (together with everyone else who is presently using Hapa Road). However, the issuance of a GOE would benefit the State to the extent that the Applicant would be required to obtain insurance, and indemnify the State, for the Applicant's use of Hapa Road.

c. Subdivision/No GOE. The Third Alternative would be for the Applicant to subdivide the Subject Property but not request a GOE. This would not substantially change the current situation, since the Subject Property would continue to use Hapa Road for access (together with everyone else who is presently using Hapa Road). However, with no GOE, the State would lose the indemnification and insurance benefits provided by the GOE.

d. Alternative Access. If some alternative access to a public road were available, then the Subject Property could utilize such access instead of Hapa Road. Unfortunately, there are no other public roads in the vicinity. The closest public road is Weliweli Road, a County road. The Subject Property is surrounded by private lands, and there is no road access to Weliweli Road for the Subject Property (or the surrounding lots) except via Hapa Road.

e. Hapa Road Closure. A final alternative would be for the State to close Hapa Road and prohibit the Subject Property and surrounding lots from using it for access purposes. Such an alternative is unlikely, as it would landlock all of the lots currently using Hapa Road.

SECTION 13. NATIVE HAWAIIAN ISSUES.

13.1 Impacts on Traditional or Cultural Practices. The impacts caused by the proposed use of Hapa Road and the Subdivision of the Subject Property on traditional or cultural practices have been addressed in the Cultural Impact Assessment ("CIA") dated _____ prepared by _____. The conclusions contained in the CIA is that such uses will have no impact on any known traditional or customary practices of native Hawaiians.

13.2 Subject Property. There are no known traditional or customary practices of native Hawaiians that are presently occurring within the Subject Property that will be affected by the Subdivision. There are no special gathering practices taking place within the Subject Property that will be affected. The Subdivision will not detrimentally affect: access to any streams; access to the shoreline or other adjacent shoreline areas; or gathering along any streams, the shoreline or in the ocean. There are no known religious practices taking place within the Subject Property. The Subdivision will have no negative impact on any cultural or historic sites or resources located within the Subject Property.

13.3 Hapa Road. As previously noted, Hapa Road has been used traditionally for access from Koloa to Poipu. It has been paved and used for vehicular and pedestrian access and utility purposes for over fifty years. To the extent that any cultural or traditional practices are taking place on or associated with Hapa Road, the additional use by the Applicant will not affect such practices. In particular, the proposed use will have no impact on Hapa Trail, or the use thereof for such practices.

SECTION 14. AGENCY/COMMUNITY CONTACTS.

14.1 Contact with Koloa Neighborhood Association. The Applicant intends to meet with the Koloa Neighborhood Association and to provide its Board with a summary of Applicant's proposal.

14.2 Contact with Agencies. The Applicant has been in contact with the following governmental agencies concerning the Subdivision of the Subject Property: Planning Department, County of Kauai; Department of Public Works, County of Kauai; County of Kauai; Department of Water, County of Kauai; Department of Health, State of Hawaii; and Historic Preservation Division, DLNR, State of Hawaii. Thus far, the Applicant has been in contact with the Land Division, DLNR, State of Hawaii, concerning the GOE on Hapa Road.

SECTION 15. CONCLUSION.

The Applicant respectfully requests the Land Board to review this draft Environmental Assessment, determine that the proposed use of Hapa Road will have no significant primary or secondary environmental effects, and issue a Finding Of No Significant Impacts or Negative Declaration.

DATED: Lihue, Kauai, Hawaii, _____.

BELLES GRAHAM PROUDFOOT
WILSON & CHUN, LLP

By_____
MAX W. J. GRAHAM, JR.
Attorney for Applicant,
AUKAHI FARM LLC,
a Hawaii limited liability company

EXHIBIT LIST
(AUKAHI FARM LLC, a Hawaii limited liability company, Draft Environmental Assessment)
(14KD-142)

EXHIBIT

A. AUTHORIZATION

Applicant's Authorization A-1

B. TITLE/LEGAL DESCRIPTIONS

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APPLICANT'S AUTHORIZATION

I. APPLICANT/OWNER.

Name: AUKAHI FARM LLC, a Hawaii limited liability company
Attention: Mr. Robert White

Address: P. O. Box 670
Koloa, Kauai, Hawaii 96756

Telephone: (808) 245-7575

II. AUTHORIZED AGENT.

Name: Max W. J. Graham, Jr., Esq.
Belles Graham Proudfoot Wilson & Chun, LLP

Address: 4334 Rice Street, Suite 202
Lihue, Kauai, Hawaii 96766

Telephone: (808) 246-6962
Facsimile: (808) 245-3277
Email: mwg@kauai-law.com

III. PROPERTY.

Lot 180-F
Land Court Application No. 956
Koloa, Kauai, Hawaii
Kauai Tax Map Key No. (4) 2-8-012:001

Lot A
Koloa, Kauai, Hawaii
Kauai Tax Map Key No. (4) 2-8-012:011

IV. AUTHORIZATION.

The Applicant hereby authorizes the Authorized Agent to act on the Applicant's behalf and to file and process on the Applicant's behalf any and all applications necessary to obtain governmental permits relating to the Subject Property, including, but not limited to, the following:

1. Permits and approvals, including but not limited to, subdivision approvals, building permits, grading permits, use permits, variance permits, zoning permits, and Special Management Area permits, issued by the County Council, or any department, agency, board or commission, of the County of Kauai.

2. Permits and approvals issued by any legislative body or any department, agency, board, or commission of the State of Hawaii, including but not limited to, the Department of Health.

3. Permits and approvals issued by the Board of Land and Natural Resources of the State of Hawaii and/or the Department of Land and Natural Resources of the State of Hawaii.

4. Permits and approvals issued by any legislative body, department, agency, board or commission of the United States of America, including but not limited to, the Army Corps of Engineers.

DATED: _____.

APPLICANT:

AUKAHI FARM LLC,
a Hawaii limited liability company

By_____
ALIDA TOULON WHITE
Its Manager

STATUS REPORT

This Report (and any revisions thereto) is issued for the sole benefit of the Purchaser of this Report identified in the Order No. referenced below. Title Guaranty of Hawaii, Incorporated's responsibility for any actual loss incurred by reason of any incorrectness herein is limited to the greater of $3,500 or two times the amount paid for this Report.

SCHEDULE A

Title Guaranty of Hawaii, Incorporated, hereby reports as follows as to the title of the Parties named in Schedule A in and to the title to land described in Schedule C, subject to the matters set forth in Schedule B, based solely upon an abstract and examination of the following Indices in the State of Hawaii: (a) the Office of the Clerks of the Circuit Court of the Judicial Circuit within which the land is located; (b) the Office of the Clerk of the District Court of the United States for the District of Hawaii; (c) the Office of the Registrar of Conveyances; and (d) the Office of the Real Property Tax Assessment Division of the County within which the land is located.

AUKAHI FARM LLC,
a Hawaii limited liability company,
as Fee Owner

This report is subject to the Conditions and Stipulations set forth in Schedule D and is dated as of December 23, 2013 at 2:00 p.m.

Inquiries concerning this report
should be directed to
JUSTIN LEE.
Email jmlee@tghawaii.com
Fax (808) 533-5870
Telephone (808) 539-7743.
Refer to Order No. 201361377.

EXHIBIT "B-1"

© Title Guaranty of Hawaii, Inc.
235 QUEEN ST., HONOLULU, HAWAII 96813, PH: (808) 533-6261

SCHEDULE B
EXCEPTIONS

1. Real Property Taxes, if any, that may be due and owing.

   Tax Key: (4) 2-8-012-011 Area Assessed: 3.175 acres

   Land Classification: AGRICULTURAL

   -Note:- Attention is invited to the fact that the premises covered herein may be subject to possible rollback or retroactive property taxes.

2. Any and all improvement assessments that may be due and owing.

3. Any and all matters not shown in the Indices described in Schedule A.

4. Mineral and water rights of any nature in favor of the State of Hawaii.

5. Free flowage of stream.

6. The terms and provisions contained in the following:

   INSTRUMENT : LAND PATENT GRANT NO. S-8587

   DATED : April 12, 1982

7. The terms and provisions contained in the following:

   INSTRUMENT : LAND PATENT GRANT NO. S-8590

   DATED : December 7, 1982

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235 QUEEN ST., HONOLULU, HAWAII 96813, PH: (808) 533-6261

SCHEDULE B CONTINUED

8. NOTICE OF DEDICATION

DATED	:	effective January 1, 2000
FILED	:	Land Court Document No. 2604986
RECORDED	:	Document No. 2000-015352
BY	:	FIRST HAWAIIAN BANK, Trustee of the Eric A. Knudsen Trust under Deed of Trust dated April 30, 1933, as amended, KVH PARTNERS, CGB PARTNERS, BALDWIN-KNUDSEN FAMILY LIMITED PARTNERSHIP, MOIR FAMILY LIMITED PARTNERSHIP, MILOHAE LIMITED PARTNERSHIP, ERIC L. KNUDSEN, Trustee of the Eric L. and Beverly S. Knudsen Revocable Trust dated February 28, 1996, as amended, and SINCLAIR KNUDSEN BILL
RE	:	dedication of land for agricultural purposes
PERIOD	:	10 years

9. The terms and provisions contained in the following:

INSTRUMENT	:	LIMITED WARRANTY DEED WITH COVENANTS, RESERVATIONS, RESTRICTIONS ON SALE, AND DISCLAIMERS
DATED	:	November 2, 2000
FILED	:	Land Court Document No. 2662386
RECORDED	:	Document No. 2000-155601

10. The terms and provisions contained in the following:

INSTRUMENT	:	CONVEYANCE OF WATER FACILITY FOR TMK: (4) 2-8-012:001 and (4) 2-8-012:011
DATED	:	November 4, 2011
RECORDED	:	Document No. A-48690896
PARTIES	:	AUKAHI FARM LLC, a Hawaii limited liability company, "OWNER(S)", and BOARD OF WATER SUPPLY, COUNTY OF KAUAI, "BOARD"

11. Any and all existing roadways, trails, easements, rights of way, flumes and irrigation ditches.

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12. Claims arising out of customary and traditional rights and practices, including without limitation those exercised for subsistence, cultural, religious, access or gathering purposes, as provided for in the Hawaii Constitution or the Hawaii Revised Statutes.

13. Discrepancies, conflicts in boundary lines, shortage in area, encroachments or any other matters which a correct survey or archaeological study would disclose.

14. Any unrecorded leases and matters arising from or affecting the same.

15. The land has no recorded access to a public roadway.

    -Note:- The Company will not insure or otherwise be liable for any loss or damage by reason of lack of access to and from the land.

END OF SCHEDULE B

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SCHEDULE C

All of that certain parcel of land (being all of the land(s) described in and covered by Royal Patent Number 7000, Land Commission Award Number 2964, Apana 2 to J. H. Paehewa, and Land Patent Number S-8587, Land Commission Award Number 4629, Apana 2 to Poohina, and portion(s) of Royal Patent Number 4712, Land Commission Award Number 10885, Apana 1 to Palaawahia, Land Patent Number S-8590, Land Commission Award Number 4764 to M. Nahoa, and Royal Patent Number 3520, Land Commission Award Number 4768, Apana 2 to J. Nahinu) situate, lying and being at Koloa (Kona), Island and County of Kauai, State of Hawaii, being LOT A, and thus bounded and described:

Beginning at a pipe at the northwest boundary of this parcel and at the west boundary of Lot 22 of Ld. Ct. App No. 956, the coordinates of said point of beginning referred to Government Survey Triangulation Station PAA being 4,867.93 feet north and 6,533.47 feet west, and running by azimuths measured clockwise from true South:

1.	186°	57'	130.00	feet along Lot 22 of Ld. Ct. App. No. 956 to the middle of auwai;

Thence along the middle of the auwai, the direct azimuth and distance being:

2.	99°	54'	26.28	feet;
3.	197°	51'	7.19	feet along L. C. Aw. 3614:1 to a pipe;

Thence along L. C. Award 3311:1 and along the north bank of the auwai for the next six courses, the direct azimuths and distances between points being:

4.	279°	16'	73.90	feet;
5.	309°	38'	114.36	feet;
6.	290°	27'	68.94	feet;
7.	301°	01'	107.09	feet;
8.	312°	47'	98.20	feet;
9.	341°	20'	30.69	feet;

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10.	135°	45'		11.59	feet along Parcel IV to the middle of the auwai;

Thence along Parcel IV and following the middle of the auwai for the next six courses, the direct azimuths and distances between points being:

11.	341°	20'		77.00	feet;
12.	17°	00'		58.00	feet;
13.	357°	00'		67.00	feet;
14.	324°	00'		50.00	feet;
15.	298°	30'		45.00	feet;
16.	310°	44'		64.32	feet;
17.	41°	00'		97.09	feet along Lot 180-F, Ld. Ct. App. No. 956 to a pipe;
18.	320°	06'		55.00	feet along Lot 180-F, Ld. Ct. App. No. 956 to a pipe;
19.	125°	44'	30"	410.11	feet over and across L. C. Awards 4768:2, 10885:1, 4764:1 and along L. C. Award 3286:2 to a pipe;
20.	189°	10'		64.10	feet along Lot 22, Ld. Ct. App. No. 956 to a pipe;
21.	247°	50'		66.00	feet along Lot 22, Ld. Ct. App. No. 956 to a pipe;
22.	129°	33'		69.75	feet along Lot 22, Ld. Ct. App. No. 956 to a pipe;
23.	74°	49'		39.00	feet along Lot 22, Ld. Ct. App. No. 956 to a pipe;
24.	89°	47'		77.90	feet along Lot 22, Ld. Ct. App. No. 956 to a pipe;
25.	145°	44'		116.90	feet along Lot 22, Ld. Ct. App. No. 956 to a pipe;

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26.	158°	55'	79.50	feet along Lot 22, Ld. Ct. App. No. 956 to a pipe;
27.	278°	58'	42.10	feet along same to the point of beginning and containing an area of 3.175 acres, more or less.

BEING THE PREMISES ACQUIRED BY LIMITED WARRANTY DEED WITH COVENANTS, RESERVATIONS, RESTRICTIONS ON SALE, AND DISCLAIMERS

GRANTOR : STACEY T. J. WONG, Successor Trustee of the Eric A. Knudsen Trust under Deed of Trust dated April 30, 1922, recorded in Book 639, Page 326, and filed as Land Court Document No. 27057, as amended; KVH PARTNERS, a Hawaii limited partnership; CGB PARTNERS, a Hawaii limited partnership; BALDWIN-KNUDSEN FAMILY LIMITED PARTNERSHIP, a Hawaii limited partnership; MOIR FAMILY LIMITED PARTNERSHIP, a Hawaii limited partnership; MILOHAE LIMITED PARTNERSHIP, a Hawaii limited partnership, ERIC L. KNUDSEN, Trustee of the Eric L. and Beverly S. Knudsen Revocable Trust dated February 28, 1996; and SINCLAIR KNUDSEN BILL, wife of Michael Bill

GRANTEE : MILOHAE LIMITED PARTNERSHIP, a Hawaii limited partnership, as Tenant in Severalty

DATED : November 2, 2000
FILED : Land Court Document No. 2662386
RECORDED : Document No. 2000-155601

END OF SCHEDULE C

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GENERAL NOTES

1. There is hereby omitted from any covenants, conditions and reservations contained herein any covenant or restriction based on race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, or source of income, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law. Lawful restrictions under state or federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

2. Filed with the Department of Commerce and Consumer Affairs of the State of Hawaii (Business Registration), is the merger of MILOHAE LIMITED PARTNERSHIP, a Hawaii limited partnership, with and into AUKAHI FARM LLC, a Hawaii limited liability company, on June 29, 2004, effective on June 30, 2004; as set forth in AFFIDAVIT OF MERGER recorded as Document No. 2004-142007.

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SCHEDULE D

CONDITIONS AND STIPULATIONS

1. This Status Report (which term shall include any revisions thereto) is a report of the record title only, based solely upon an abstract and examination of the Indices described in Schedule A as of the date of the Report. No responsibility is assumed for (a) matters which may affect the title but either were not disclosed or were incorrectly disclosed in said indices at the date hereof; or (b) matters created, suffered, assumed, or agreed to by Purchaser; or (c) matters not shown herein but actually know to Purchaser. Title Guaranty of Hawaii, Incorporated (the "Company") makes no representation as to the legal effect, validity or priority of matters shown or referred to herein.

2. If the Report is incorrect in any respect, the responsibility of the Company shall be limited to the resulting actual loss, including any attorney's fees and legal costs, but in no event shall exceed the greater of $3,500 or two times the amount paid for the Report. Upon payment of any loss hereunder, the Company shall be subrogated to all rights the Purchaser may have against any person or property as a result of such loss.

3. If the Purchaser of this Report shall suffer an actual loss by reason of the incorrectness of the Report, the Purchaser shall promptly notify the Company in writing. After receipt of such notice, the Company shall be allowed a reasonable time in which to investigate the claim. At its sole option, the Company may litigate the validity of the claim, negotiate a settlement or pay to Purchaser the amount the Company is obligated to pay under this Report. The Company's responsibility hereunder constitutes indemnity only and nothing herein shall obligate the Company to assume the defense of the Purchaser with respect to any claim made hereunder.

4. This report is the entire contract between the Purchaser and the Company and any claim by Purchaser against the Company, arising hereunder, shall be enforceable only in accordance with the provisions herein.

5. Notice required to be given the Company shall include the Order Number of this Report and shall be addressed to Title Guaranty of Hawaii, Inc., P.O. Box 3084, Honolulu, HI 96802, Attention: Legal Department.

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DATE PRINTED: 12/30/2013

STATEMENT OF ASSESSED VALUES AND REAL PROPERTY TAXES DUE

NAME OF OWNER: AUKAHI FARM LLC
LEASED TO : POIPU RANCH CO LTD

TAX MAP KEY

DIVISION	ZONE	SECTION	PLAT	PARCEL	HPR NO.
(4)	2	8	012	011	0000

CLASS: AGRICULTURAL AREA ASSESSED: 3.175 AC

ASSESSED VALUES FOR CURRENT YEAR TAXES: 2013

The records of this division show the assessed values and taxes on the property designated by Tax Key shown above are as follows:

TOTAL ASSESSED VALUE $ 385,900 AGRICULTURAL USE VALUE
TOTAL EXEMPTION $ 0

TOTAL NET VALUE $ 385,900

Installment (1 - due 8/20; 2 - due 2/20) Tax Info As Of - 8/20/2013

Tax Year	Installment	Tax Amount	Penalty Amount	Interest Amount	Other Amount	Total Amount	
2013	2	1,302.41				1,302.41	PENDING
2013	1	1,302.42				1,302.42	PAID
2012	2	1,198.87				1,198.87	PAID
2012	1	1,198.88				1,198.88	PAID
2011	2	1,098.82				1,098.82	PAID
2011	1	1,098.83				1,098.83	PAID

Total Amount Due: 1,302.41

Penalty and Interest Computed to: 8/20/2013

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STATUS REPORT

This Report (and any revisions thereto) is issued for the sole benefit of the Purchaser of this Report identified in the Order No. referenced below. Title Guaranty of Hawaii, Incorporated's responsibility for any actual loss incurred by reason of any incorrectness herein is limited to the greater of $3,500 or two times the amount paid for this Report.

SCHEDULE A

Title Guaranty of Hawaii, Incorporated, hereby reports as follows as to the title of the Parties named in Schedule A in and to the title to land described in Schedule C, subject to the matters set forth in Schedule B, based solely upon an abstract and examination of the following Indices in the State of Hawaii: (a) the Office of the Clerks of the Circuit Court of the Judicial Circuit within which the land is located; (b) the Office of the Clerk of the District Court of the United States for the District of Hawaii; (c) the Office of the Registrar of Conveyances; and (d) the Office of the Real Property Tax Assessment Division of the County within which the land is located.

AUKAHI FARM LLC,
a Hawaii limited liability company,
as Fee Owner

This report is subject to the Conditions and Stipulations set forth in Schedule D and is dated as of December 23, 2013 at 8:00 a.m.

Inquiries concerning this report
should be directed to
JUSTIN LEE.
Email jmlee@tghawaii.com
Fax (808) 533-5870
Telephone (808) 539-7743.
Refer to Order No. 201361331.

EXHIBIT "B-2"

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SCHEDULE B
EXCEPTIONS

1. Real Property Taxes, if any, that may be due and owing.

   Tax Key: (4) 2-8-012-001 Area Assessed: 4.110 acres

   Land Classification: RESIDENTIAL

2. Any and all improvement assessments that may be due and owing.

3. Any and all matters not shown in the Indices described in Schedule A.

4. Mineral and water rights of any nature in favor of the State of Hawaii.

5. The terms and provisions contained in the following:

   INSTRUMENT : AGREEMENT

   DATED : August 27, 1937
   FILED : Land Court Document No. 40955
   RECORDED : Liber 1398 Page 371
   RE : water rights

6. STIPULATION AND DECREE dated June 7, 1951, filed in the Circuit Court of the Fifth Circuit, State of Hawaii, E. No.144, filed as Land Court Document No. 135050; re: determination of water rights petitioner's land is entitled to under the Hawaiian law of water rights.

7. DESIGNATION OF EASEMENT "K" and "J"

   SHOWN : on Map 26, as set forth by Land Court Order No. 19951, filed April 13, 1962

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8. Easements "K" and "J" are road easements appurtenant to certain exclusions as shown on the Map accompanying Land Court Application No. 956.

9. -AS TO EASEMENTS "K" AND "J":-

Rights-of-way by necessity for exclusions not otherwise provided for.

10. DESIGNATION OF EASEMENT "W" (15 feet wide)

SHOWN : on Map 42, as set forth by Land Court Order No. 31476, filed March 24, 1970

11. The terms and provisions contained in the following:

INSTRUMENT : DECLARATION OF CONDITIONS

DATED : July 27, 1977
RECORDED : Liber 12379 Page 549

Said Declaration was amended by instruments dated July 3, 1978, recorded in Liber 13040 at Page 234, dated December 13, 1979, recorded in Liber 17769 at Page 734.

(Not noted on Transfer Certificate(s) of Title referred to herein)

12. DESIGNATION OF EASEMENT "56" (10 feet wide)

PURPOSE : utility
SHOWN : on Map 80, as set forth by Land Court Order No. 65921, filed May 16, 1983

13. DESIGNATION OF EASEMENT "57"

PURPOSE : utility
SHOWN : on Map 80, as set forth by Land Court Order No. 65921, filed May 16, 1983

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14. DESIGNATION OF EASEMENT "58" (5 feet wide)

PURPOSE : utility
SHOWN : on Map 80, as set forth by Land Court Order No. 65921, filed May 16, 1983

15. GRANT

TO : KAUAI ELECTRIC DIVISION OF CITIZENS UTILITIES COMPANY and GTE HAWAIIAN TELEPHONE COMPANY INCORPORATED now known as HAWAIIAN TELCOM, INC.

DATED : June 16, 1983
FILED : Land Court Document No. 1189737
GRANTING : an easement over said Easements "56", "57" and "58"

16. NOTICE OF DEDICATION TO AGRICULTURE

DATED : --- (acknowledged January, 26, 27 and 28, 2000 and February 2, 2000)
FILED : Land Court Document No. 2604986
RECORDED : Document No. 2000-015352
RE : dedication of the land described herein to agriculture use for a period of ten (10) years, effective January 1, 2000

17. The terms and provisions contained in the following:

INSTRUMENT : LIMITED WARRANTY DEED WITH COVENANTS, RESERVATIONS, RESTRICTIONS ON SALE, AND DISCLAIMERS

DATED : November 2, 2000
FILED : Land Court Document No. 2662386
RECORDED : Document No. 2000-155601

The foregoing includes, but is not limited to, matters relating to options/restrictions on resale

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SCHEDULE B CONTINUED

18. GRANT

TO	:	KAUAI ISLAND UTILITY COOPERATIVE, and HAWAIIAN TELCOM, INC., a Hawaii corporation
DATED	:	February 2, 2011
FILED	:	Land Court Document No. 4055989
GRANTING	:	an easement for utility purposes, as shown on map attached therein

19. The terms and provisions contained in the following:

INSTRUMENT	:	CONVEYANCE OF WATER FACILITY FOR TMK: (4) 2-8-012:001 and (4) 2-8-012:011
DATED	:	November 4, 2011
RECORDED	:	Document No. A-48690896
PARTIES	:	AUKAHI FARM LLC, a Hawaii limited liability company, "OWNER(S)", and BOARD OF WATER SUPPLY, COUNTY OF KAUAI, "BOARD"

20. Any unrecorded leases and matters arising from or affecting the same.

END OF SCHEDULE B

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SCHEDULE C

All of that certain parcel of land situate at Koloa, District of Koloa, Island and County of Kauai, State of Hawaii, described as follows:

LOT 180-F, area 4.110 acres, more or less, as shown on Map 59, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 956 of Bishop Trust Company, Limited, Trustee for Eric A. and Augustus F. Knudsen;

Together with direct access to a public highway, as set forth by Land Court Order No. 51910, filed December 7, 1978;

Being the land(s) described in Transfer Certificate of Title No. 567,208 issued to MILOHAE LIMITED PARTNERSHIP, a Hawaii limited partnership.

BEING THE PREMISES ACQUIRED BY LIMITED WARRANTY DEED WITH COVENANTS, RESERVATIONS, RESTRICTIONS ON SALE, AND DISCLAIMERS

GRANTOR	:	STACEY T. J. WONG, Successor Trustee of the Eric A. Knudsen Trust under Deed of Trust dated April 30, 1922, KVH PARTNERS, a Hawaii limited partnership, CGB PARTNERS, a Hawaii limited partnership, BALDWIN-KNUDSEN FAMILY LIMITED PARTNERSHIP, a Hawaii limited partnership, MOIR FAMILY LIMITED PARTNERSHIP, a Hawaii Limited Partnership, MILOHAE LIMITED PARTNERSHIP, a Hawaii Limited Partnership, ERIC L. KNUDSEN, Trustee of the Eric L. and Beverly S. Knudsen Revocable Trust dated February 28, 1996 (including all amendments thereto) and SINCLAIR KNUDSEN BILL, wife of Michael Bill
GRANTEE	:	MILOHAE LIMITED PARTNERSHIP, a Hawaii limited partnership
DATED	:	November 2, 2000
FILED	:	Land Court Document No. 2662386
RECORDED	:	Document No. 2000-155601

END OF SCHEDULE C

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GENERAL NOTES

1. There is hereby omitted from any covenants, conditions and reservations contained herein any covenant or restriction based on race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, or source of income, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law. Lawful restrictions under state or federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

2. Land Court Order No. 157216, filed July 13, 2004, sets forth the merger of MILOHAE LIMITED PARTNERSHIP, a Hawaii limited partnership into AUKAHI FARM LLC, a Hawaii limited liability company, effective June 30, 2004.

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SCHEDULE D

CONDITIONS AND STIPULATIONS

1. This Status Report (which term shall include any revisions thereto) is a report of the record title only, based solely upon an abstract and examination of the Indices described in Schedule A as of the date of the Report. No responsibility is assumed for (a) matters which may affect the title but either were not disclosed or were incorrectly disclosed in said indices at the date hereof; or (b) matters created, suffered, assumed, or agreed to by Purchaser; or (c) matters not shown herein but actually know to Purchaser. Title Guaranty of Hawaii, Incorporated (the "Company") makes no representation as to the legal effect, validity or priority of matters shown or referred to herein.

2. If the Report is incorrect in any respect, the responsibility of the Company shall be limited to the resulting actual loss, including any attorney's fees and legal costs, but in no event shall exceed the greater of $3,500 or two times the amount paid for the Report. Upon payment of any loss hereunder, the Company shall be subrogated to all rights the Purchaser may have against any person or property as a result of such loss.

3. If the Purchaser of this Report shall suffer an actual loss by reason of the incorrectness of the Report, the Purchaser shall promptly notify the Company in writing. After receipt of such notice, the Company shall be allowed a reasonable time in which to investigate the claim. At its sole option, the Company may litigate the validity of the claim, negotiate a settlement or pay to Purchaser the amount the Company is obligated to pay under this Report. The Company's responsibility hereunder constitutes indemnity only and nothing herein shall obligate the Company to assume the defense of the Purchaser with respect to any claim made hereunder.

4. This report is the entire contract between the Purchaser and the Company and any claim by Purchaser against the Company, arising hereunder, shall be enforceable only in accordance with the provisions herein.

5. Notice required to be given the Company shall include the Order Number of this Report and shall be addressed to Title Guaranty of Hawaii, Inc., P.O. Box 3084, Honolulu, HI 96802, Attention: Legal Department.

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DATE PRINTED: 12/30/2013

STATEMENT OF ASSESSED VALUES AND REAL PROPERTY TAXES DUE

NAME OF OWNER: AUKAHI FARM LLC
LEASED TO : MCBRYDE SUGAR CO LTD

TAX MAP KEY

DIVISION	ZONE	SECTION	PLAT	PARCEL	HPR NO.
(4)	2	8	012	001	0000

CLASS: RESIDENTIAL AREA ASSESSED: 4.110 AC

ASSESSED VALUES FOR CURRENT YEAR TAXES: 2013

The records of this division show the assessed values and taxes on the property designated by Tax Key shown above are as follows:

TOTAL ASSESSED VALUE	$	746,900
TOTAL EXEMPTION	$	0
TOTAL NET VALUE	$	746,900

Installment (1 - due 8/20; 2 - due 2/20) Tax Info As Of - 8/20/2013

Tax Year	Installment	Tax Amount	Penalty Amount	Interest Amount	Other Amount	Total Amount	
2013	2	2,147.34				2,147.34	PENDING
2013	1	2,147.34				2,147.34	PAID
2012	2	2,299.52				2,299.52	PAID
2012	1	2,299.53				2,299.53	PAID
2011	2	2,237.39				2,237.39	PAID
2011	1	2,237.39				2,237.39	PAID

Total Amount Due: 2,147.34

Penalty and Interest Computed to: 8/20/2013

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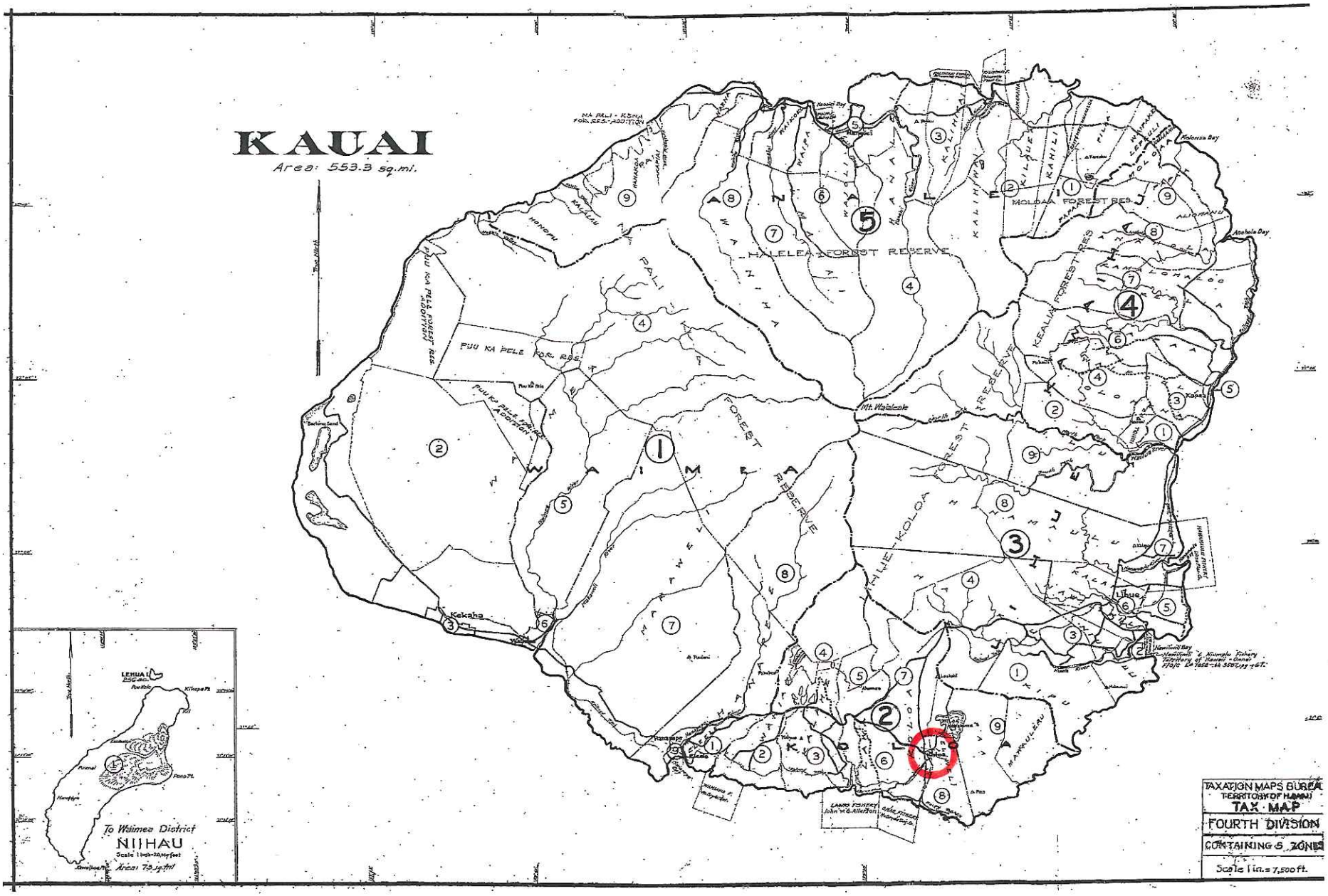
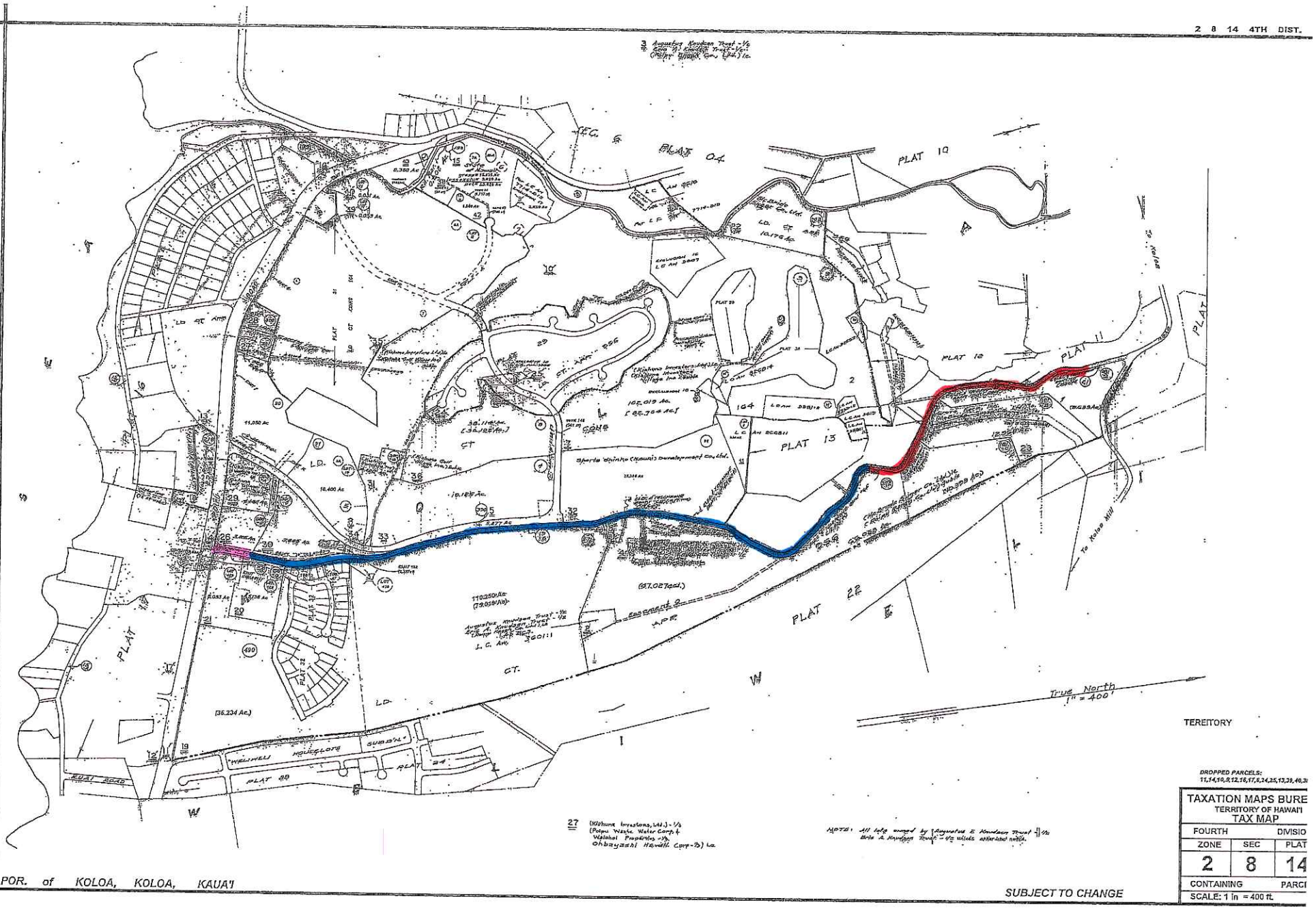
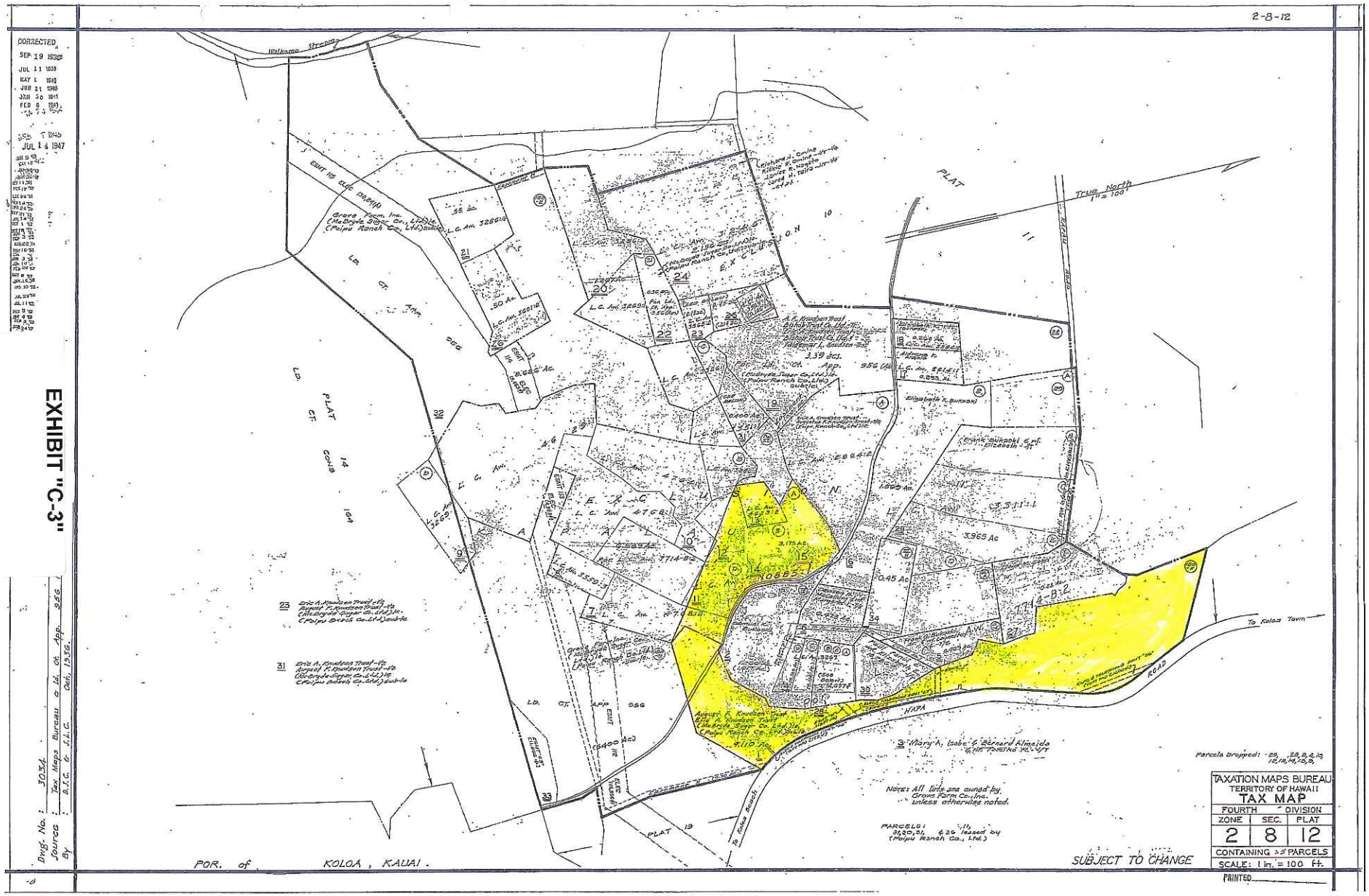

KAUAI
Area: 553.3 sq.mi.
HALEAKALA FOREST RESERVE
MOLOKAA FOREST RES.
KEALIA FOREST RES.
PUU KA PELE FOR. RES.
PUU KA PELE FOREST RES. ADDITION
NA PALI - KONA FOR. RES. - ADDITION
WAIMEA FOREST RESERVE
HILE-KOLOA FOREST RESERVE
Mt. Waialeale
Kekaha
Lihue
Hanapepe
Hanamaulu
Kilauea Pt.
Anahola Bay
Kalaheo
Koloa
Waimea
Kapaa
Wailua
Hanalei
Princeville
Kilauea
Kapaa
Lihue
Koloa
Waimea
Hanapepe
Kekaha
Hanalei
Princeville
Kilauea
Anahola
Kalaheo


2 8 14 4TH DIST.
PLAT 10
PLAT 11
PLAT 12
PLAT 13
PLAT 22
PLAT 24
PLAT 48
KUAI ROAD
WAILIHELI HOMESTEADS SUBDIVN.
To Koloa Mill
True North
1" = 400'
TERRITORY
DROPPED PARCELS:
TAXATION MAPS BURE
TERRITORY OF HAWAII
TAX MAP
FOURTH DIVISIO
ZONE SEC PLAT
2 8 14
CONTAINING PARCI
SCALE: 1 in = 400 ft.
SUBJECT TO CHANGE
POR. of KOLOA, KOLOA, KAUA'I
EXHIBIT "C-2"
Dwg. No. 5037
Source : Ist. Ch. App. 956 (Am.)
By : D.S.G. & S.I.G. Oct., 1956.


2-8-12
CORRECTED
SEP 19 1938
JUL 11 1939
MAY 1 1940
JUN 21 1940
JAN 30 1941
FEB 8 1941
JUL 14 1947
EXHIBIT "C-3"
Dwg. No. : 3034
Source : Tax Maps Bureau c. Id. Gt. App. 326
By : B.T.C. & J.J.C. Oct. 1956.
Walkapu Stream
True North
Fn = 100'
PLAT
To Koloa Town
ROAD
HAPA
Note: All lots are owned by Grove Farm Co., Inc. unless otherwise noted.
PARCELS: 30,31, & 26 leased by (Poipu Ranch Co., Ltd.)
Parcels Dropped: 28, 22, 8, 2, 13, 12, 14, 15, 9,
TAXATION MAPS BUREAU
TERRITORY OF HAWAII
TAX MAP
FOURTH DIVISION
ZONE 2 SEC. 8 PLAT 12
CONTAINING 35 PARCELS
SCALE: 1 in. = 100 ft.
PRINTED
POR. of KOLOA, KAUAI.
SUBJECT TO CHANGE

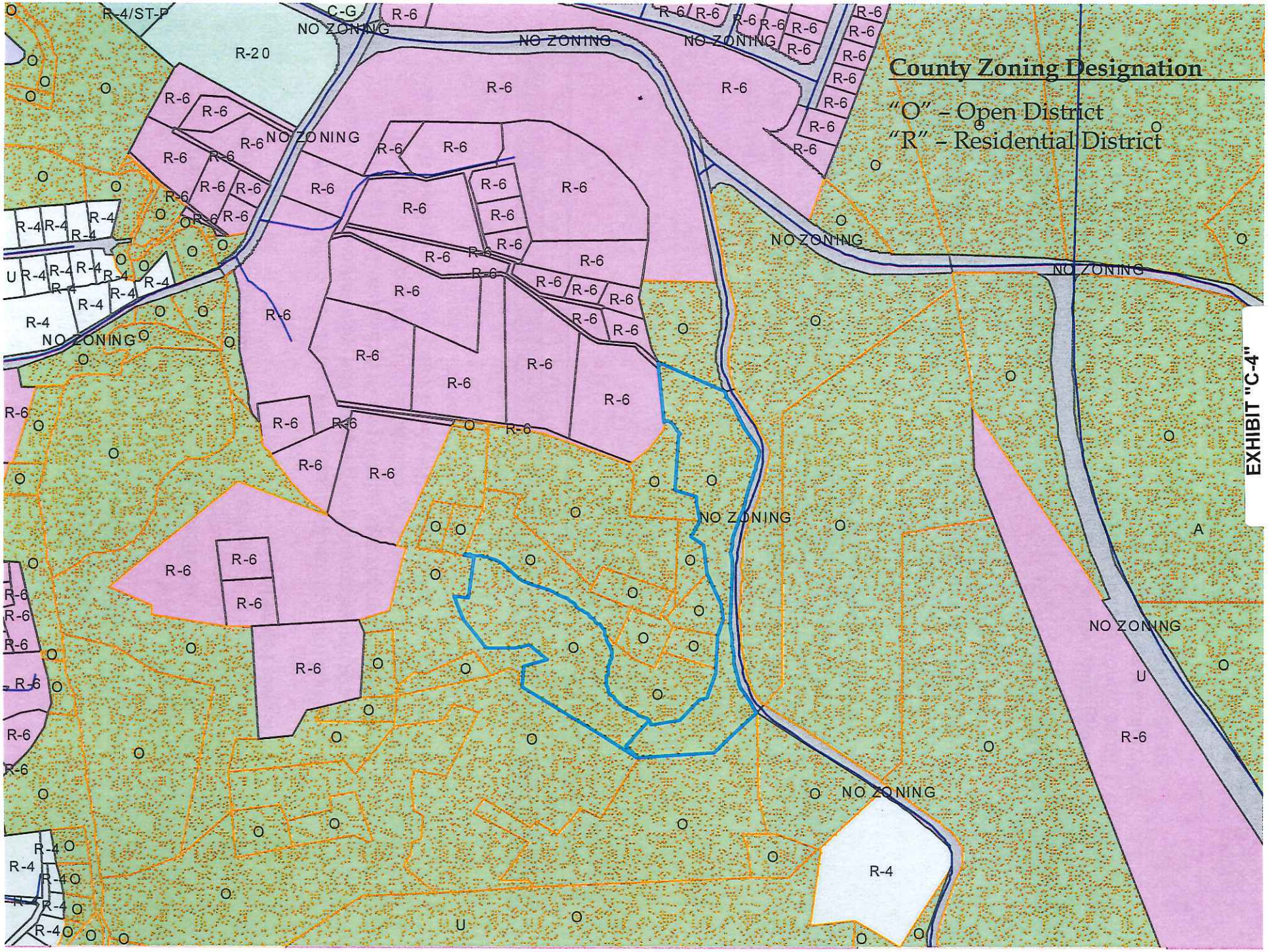

County Zoning Designation
"O" – Open District
"R" – Residential District
R-4/ST-P
C-G
R-20
NO ZONING
R-6
R-4
O
U
A

EXHIBIT "C-4"

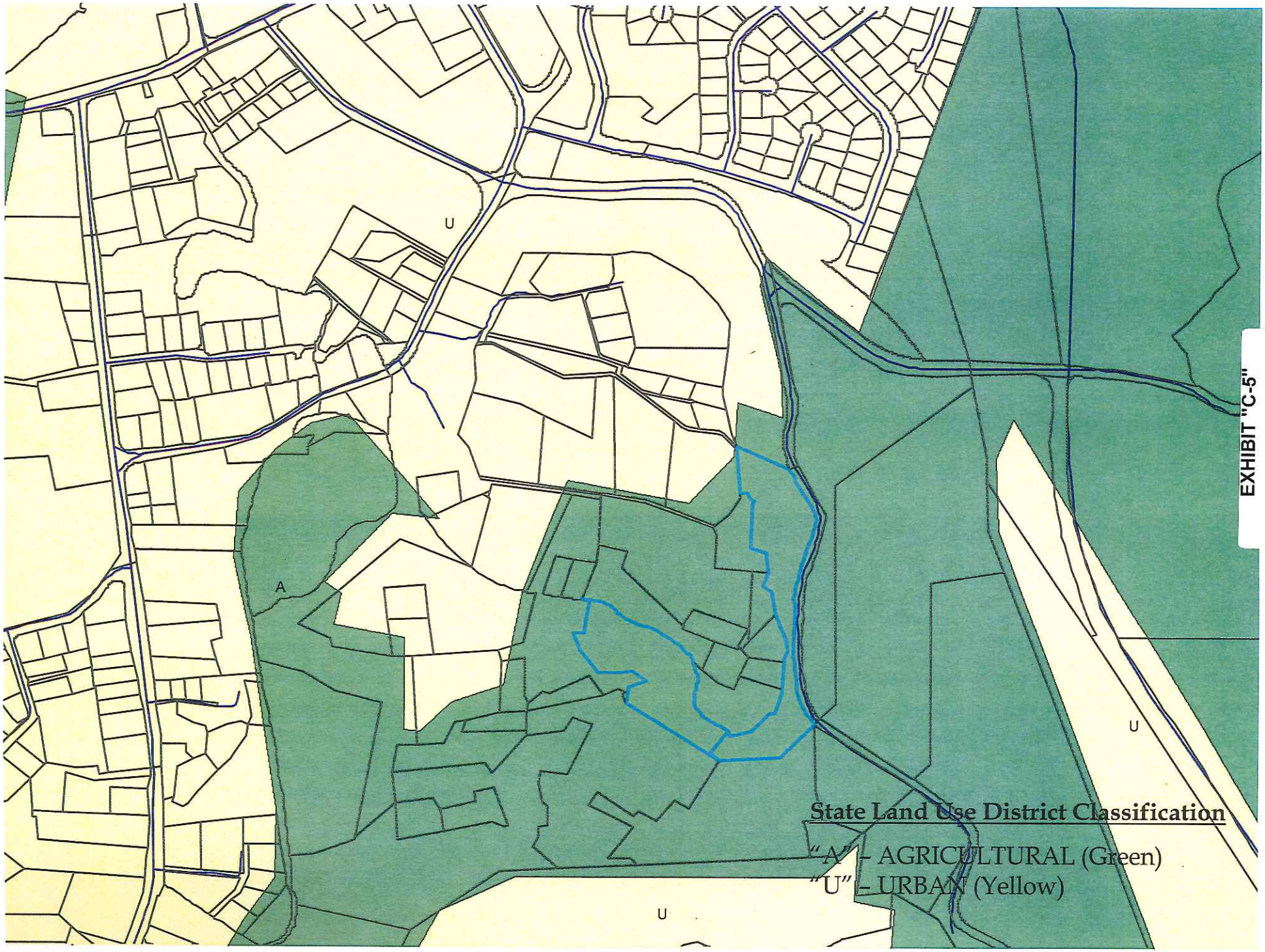
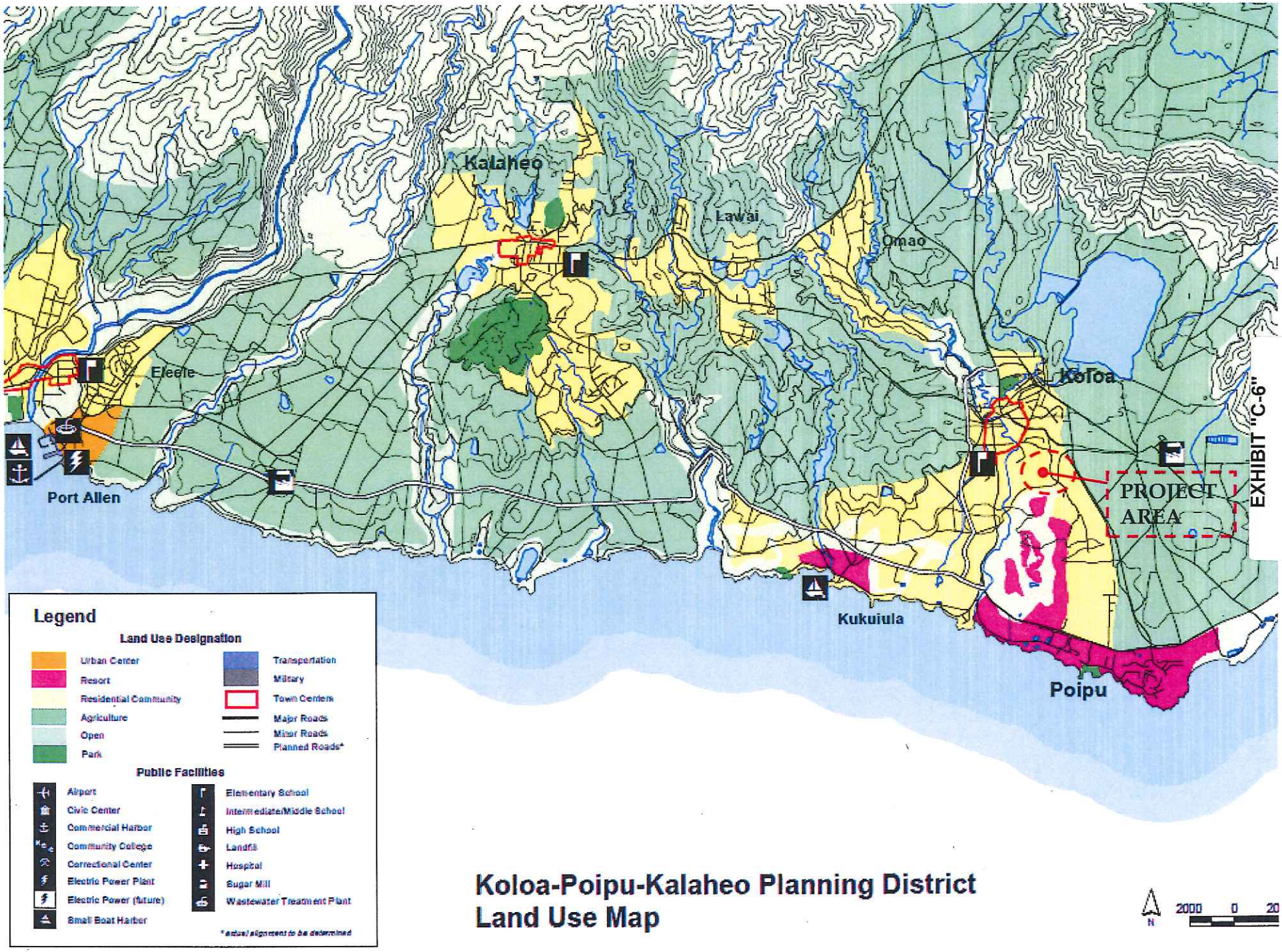
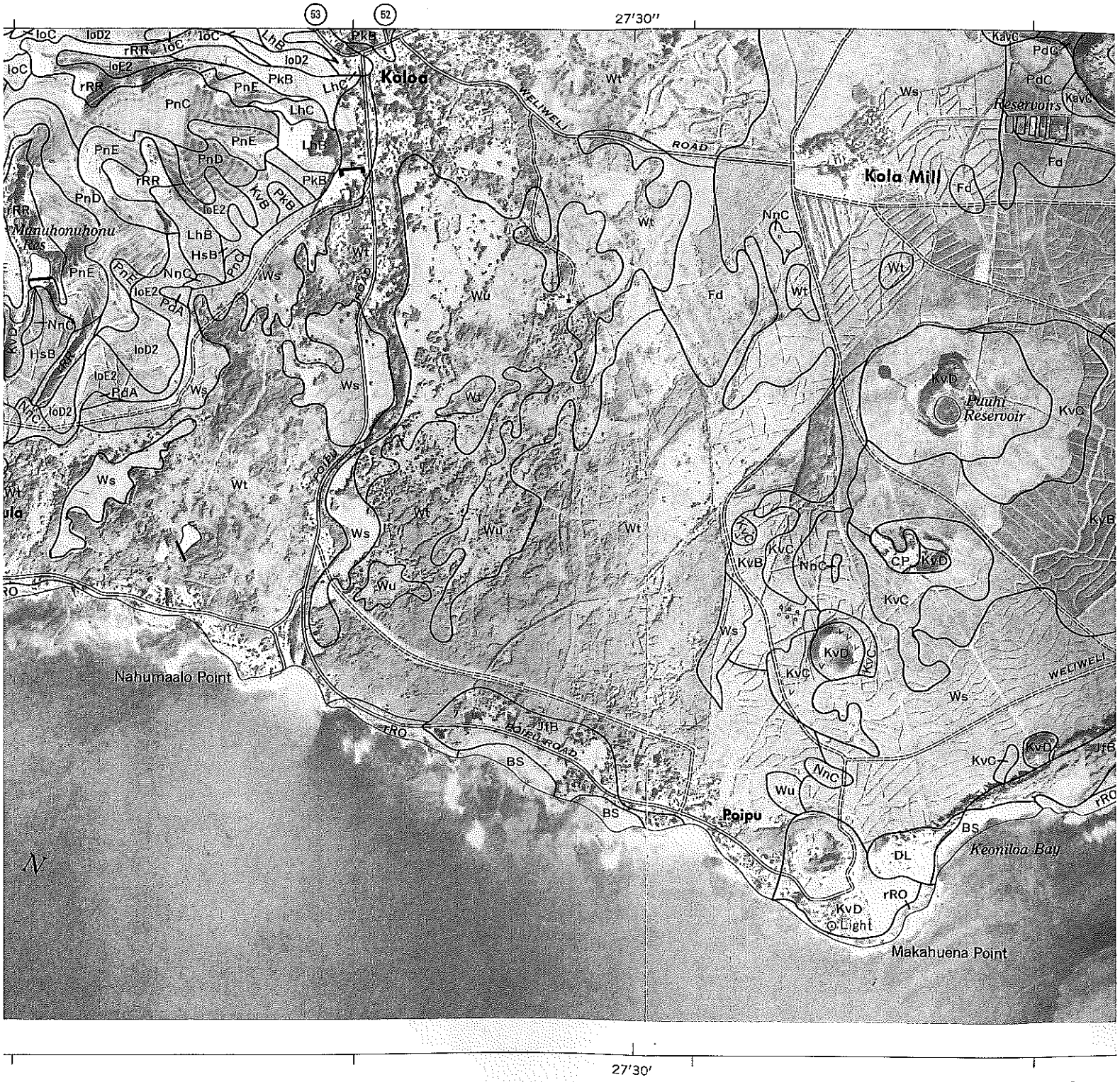

U
A
U
U
State Land Use District Classification
"A" – AGRICULTURAL (Green)
"U" – URBAN (Yellow)

EXHIBIT "C-5"



Koloa-Poipu-Kalaheo Planning District Land Use Map

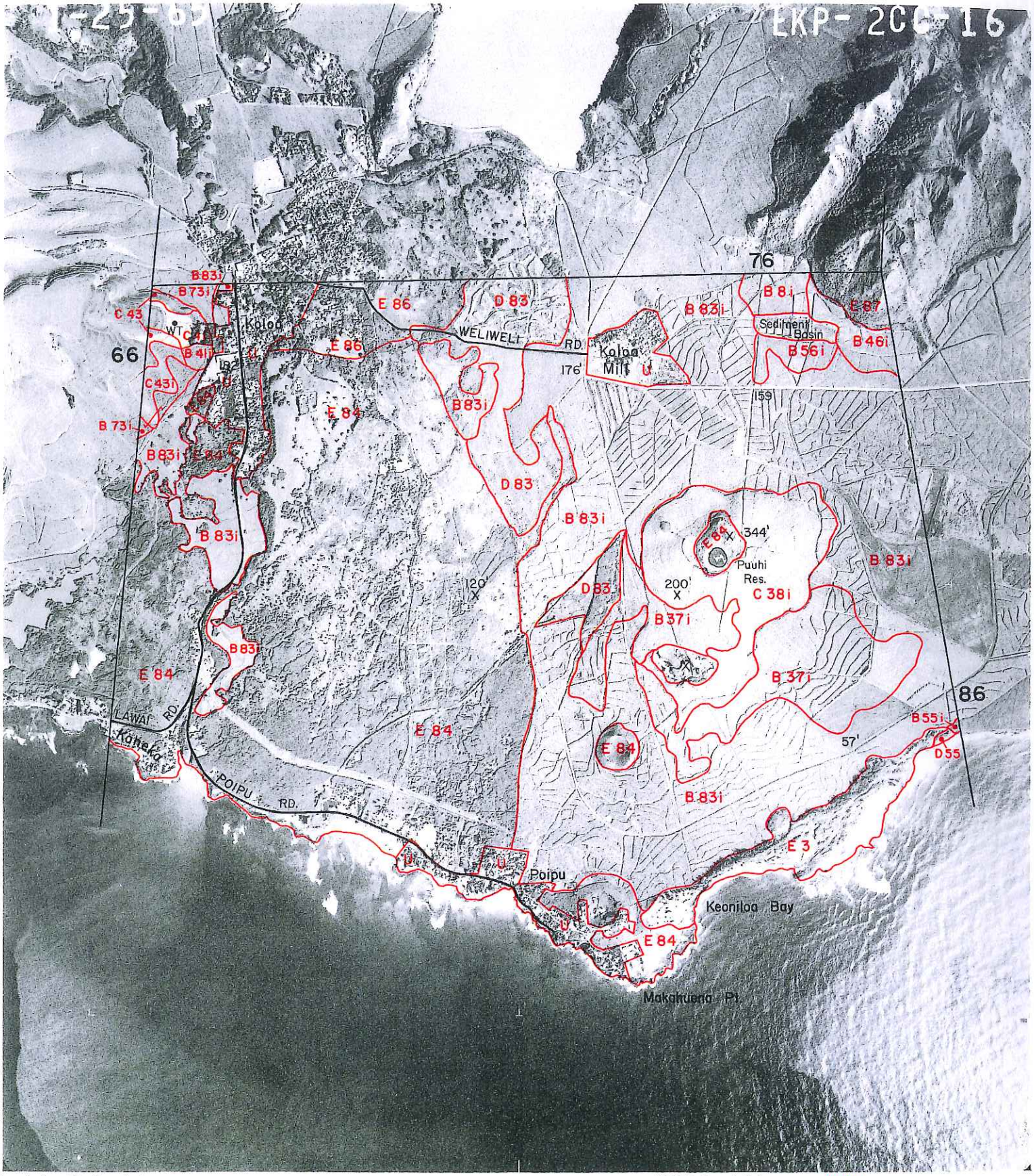


Scale 1:24 000

1 2 Miles

5 000 10 000 Feet

EXHIBIT "C-7"



Land classification data field mapped 1967.

LAND CLASSIFICATION SYMBOL:

B 78i
- Master Productivity Rating
- Land Type. Number and letter "i" if irrigated; number only if unirrigated. (See sections of text where Land Types are defined and rated by selected uses.)

Approx. North

EXHIBIT "C-8"

U.S.G.S. Quad References: Koloa

Approximate Scale (ft./in.) = $\frac{13{,}600 - \text{Ground Elevation}}{6}$

Aerial Photographs: U.S. Dept. of Agriculture, A.S.C.S.

LAND STUDY BUREAU · · UNIVERSITY OF HAWAII

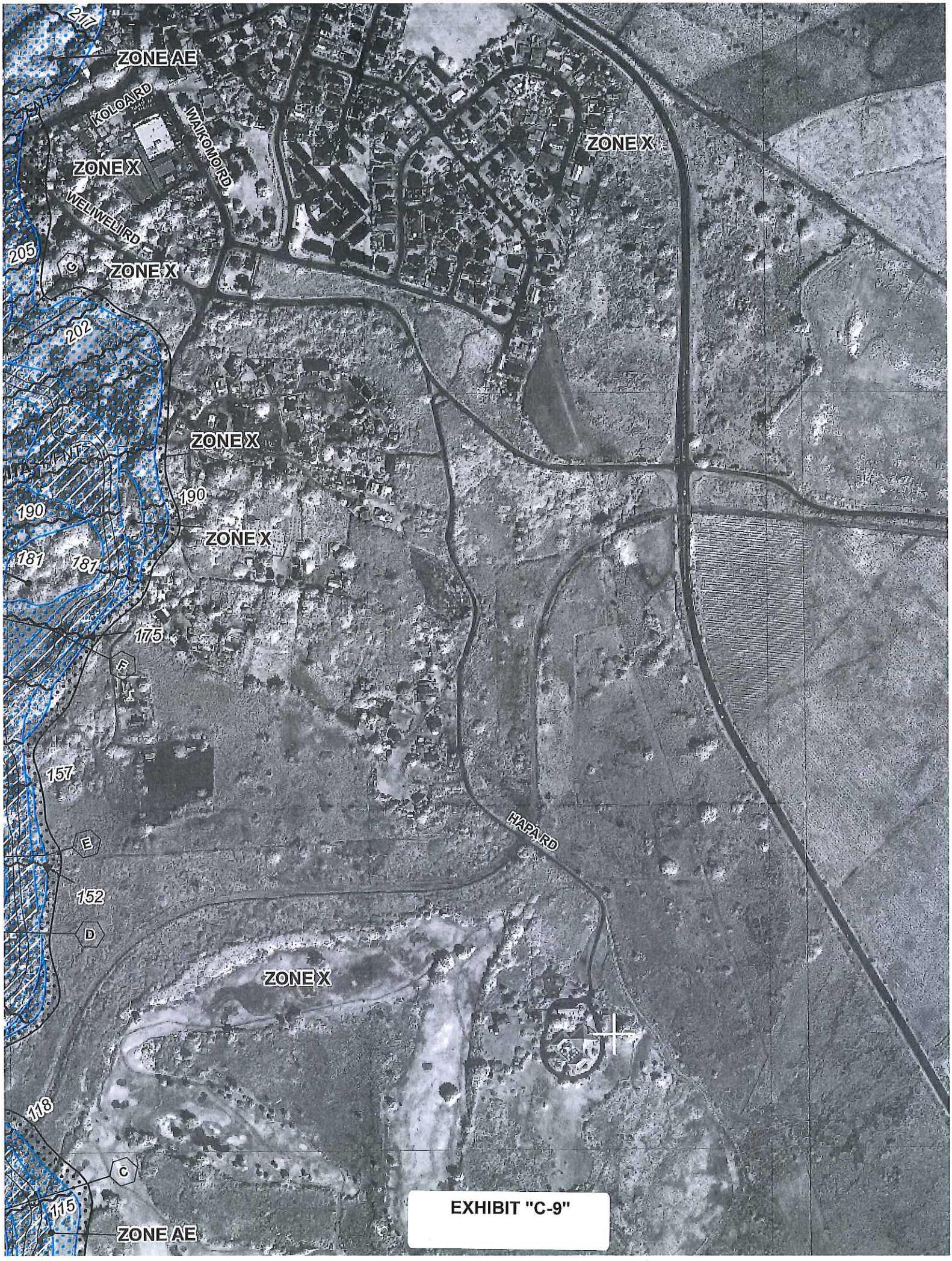
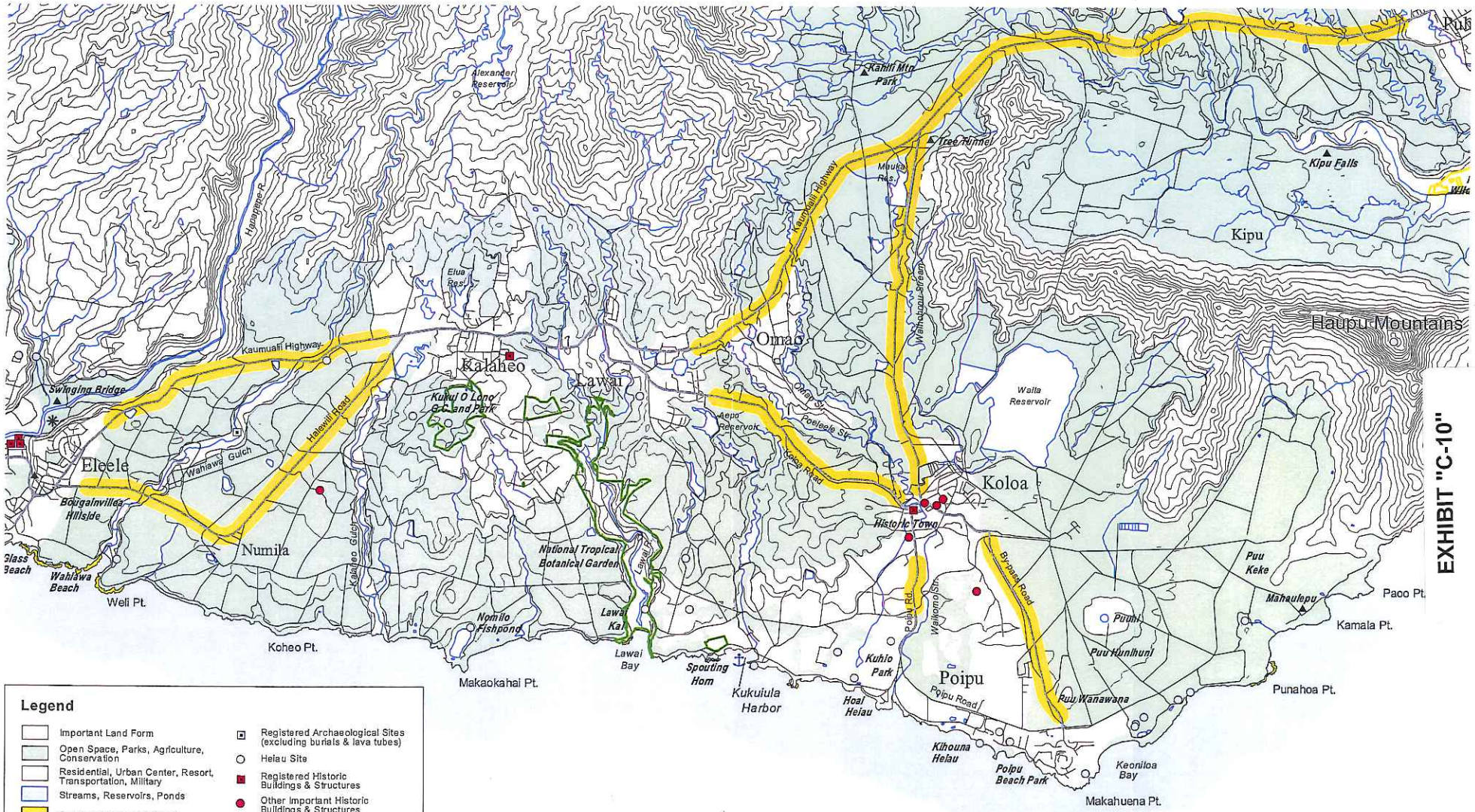
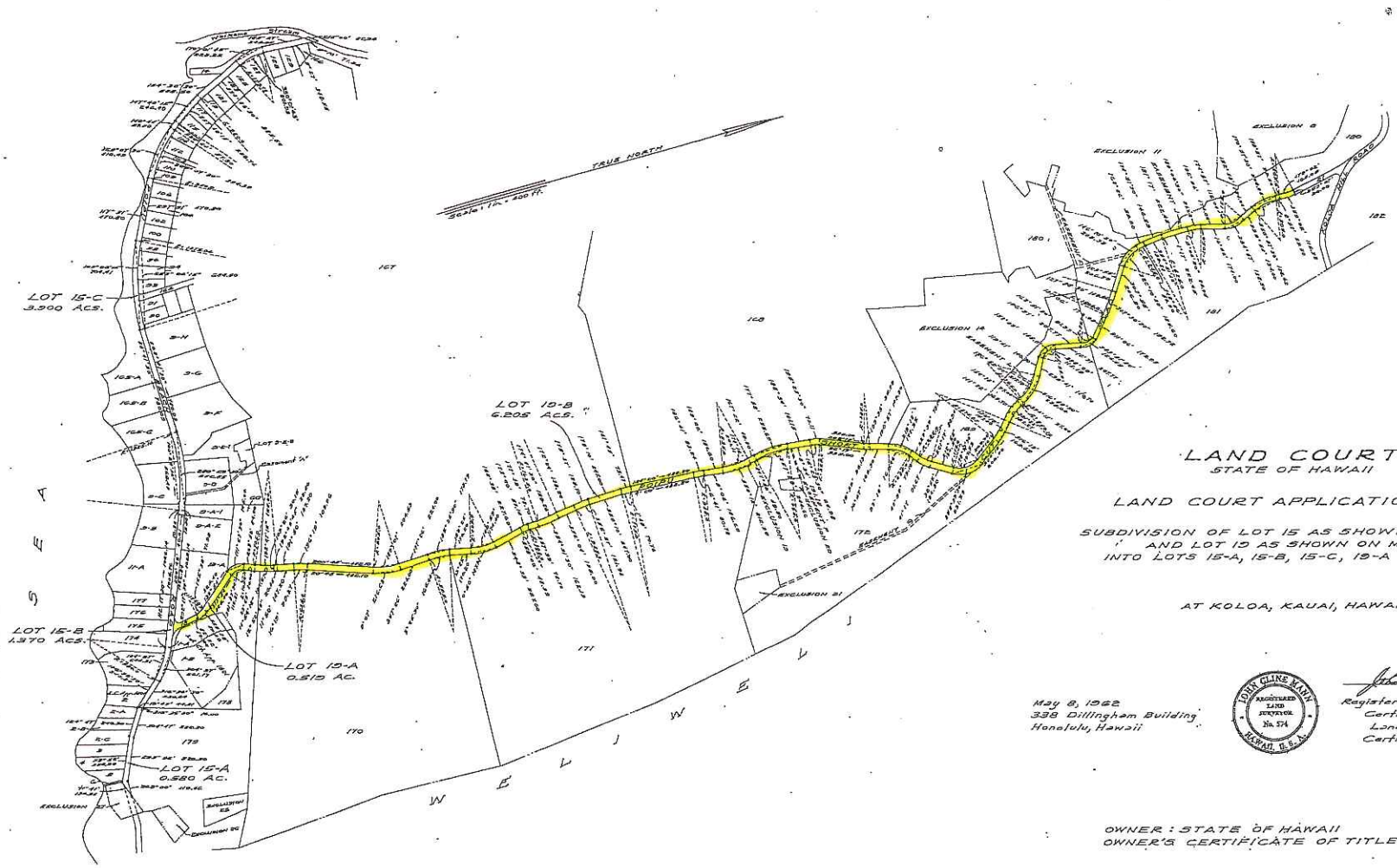

ZONE AE
KOLOA RD
WAIKOMO RD
ZONE X
WELIWELI RD
ZONE X
ZONE X
205
C
ZONE X
202
ZONE X
190
190
ZONE X
181
181
175
F
157
HAPA RD
E
152
D
ZONE X
118
C
115
ZONE AE

EXHIBIT "C-9"



Koloa-Poipu-Kalaheo Planning District Heritage Resources

MAP 28



LAND COURT
STATE OF HAWAII

LAND COURT APPLICATION 956

SUBDIVISION OF LOT 15 AS SHOWN ON MAP 5
AND LOT 19 AS SHOWN ON MAP 3
INTO LOTS 15-A, 15-B, 15-C, 19-A AND 19-B

AT KOLOA, KAUAI, HAWAII

May 8, 1962
338 Dillingham Building
Honolulu, Hawaii

JOHN CLINE MANN
REGISTERED LAND SURVEYOR
No. 574
HAWAII, U.S.A.

John Cline Mann
Registered Professional Surveyor
Certificate Number 574
Land Court Surveyor
Certificate Number 82

OWNER : STATE OF HAWAII
OWNER'S CERTIFICATE OF TITLE : 15826

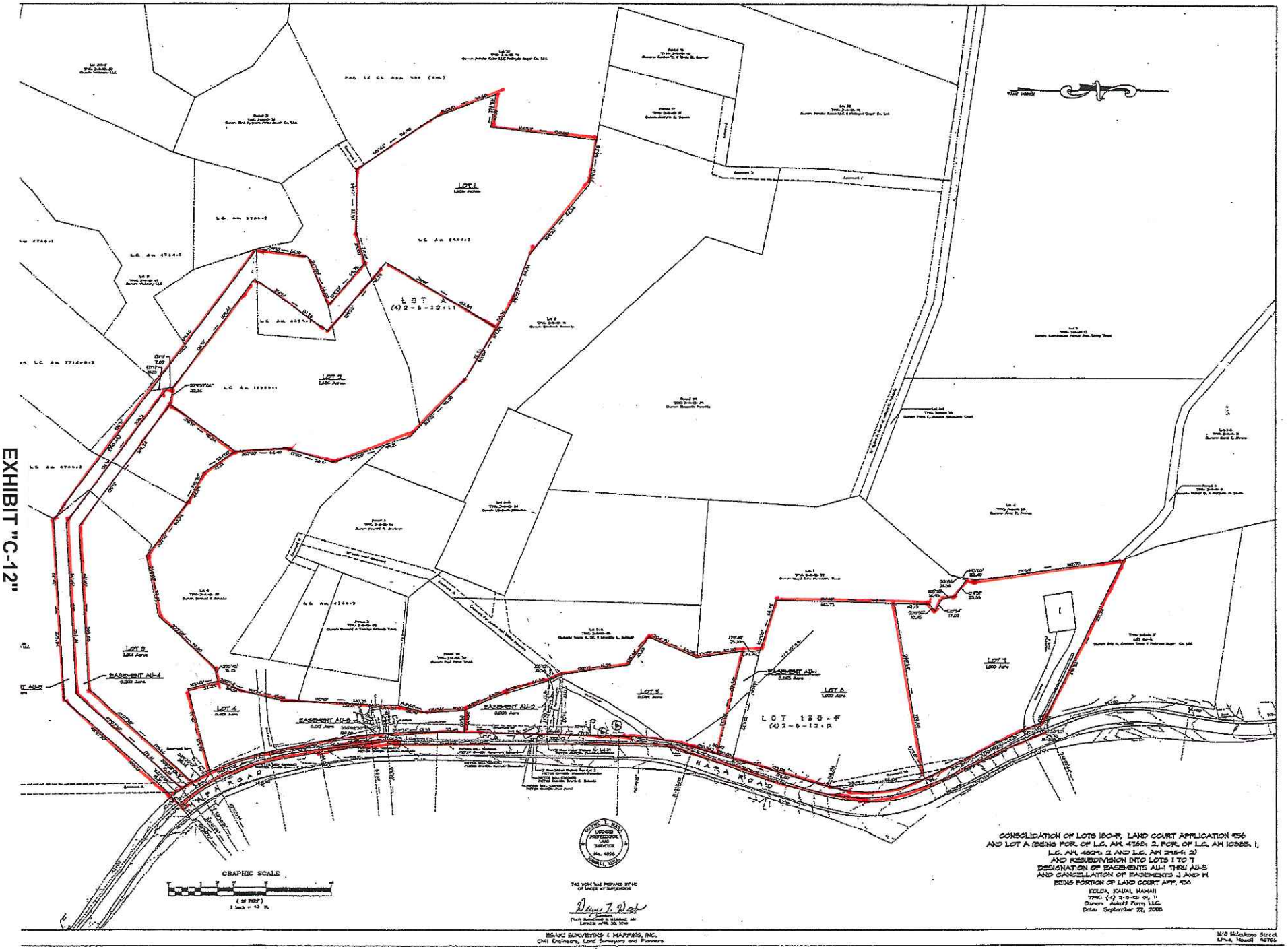
AUTHORIZED AND APPROVED BY ORDER OF THE
JUDGE OF THE LAND COURT DATED MAY 29, 1962
BY ORDER OF THE COURT
REGISTRAR OF THE LAND COURT

Filed May 25, 1962
Rudolph H. Espinda
Assistant Registrar

EXHIBIT "C-11"

EXHIBIT "1"

EXHIBIT "C-12"


LOT A
(4) 2-8-12:11
LOT 1
LOT 2
LOT 3
LOT 4
LOT 5
LOT 6
LOT 7
LOT 8
LOT 9
LOT 155-F
(4) 2-8-12:9
EASEMENT AU-1
EASEMENT AU-2
EASEMENT AU-3
EASEMENT AU-4
EASEMENT AU-5
EASEMENT AU-H
EASEMENT AU-J
HANAPEPE ROAD
HAKA ROAD
GRAPHIC SCALE
CONSOLIDATION OF LOTS 155-F, LAND COURT APPLICATION 956
AND LOT A (BEING PORT. OF L.C. AW. 4765: 2, PORT. OF L.C. AW. 10885: 1,
L.C. AW. 4629: 2 AND L.C. AW. 2956: 2)
AND RESUBDIVISION INTO LOTS 1 TO 7
DESIGNATION OF EASEMENTS AU-1 THRU AU-5
AND CANCELLATION OF EASEMENTS J AND H
BEING PORTION OF LAND COURT APP. 956
KOLOA, KAUAI, HAWAII
TMK: (4) 2-8-12: 09, 11
Owner: Aukai Farm LLC
Date: September 22, 2008
ISAAC SURVEYING & MAPPING, INC.
Civil Engineers, Land Surveyors and Planners
1610 Oklahoma Street
Lihue, Hawaii 96766

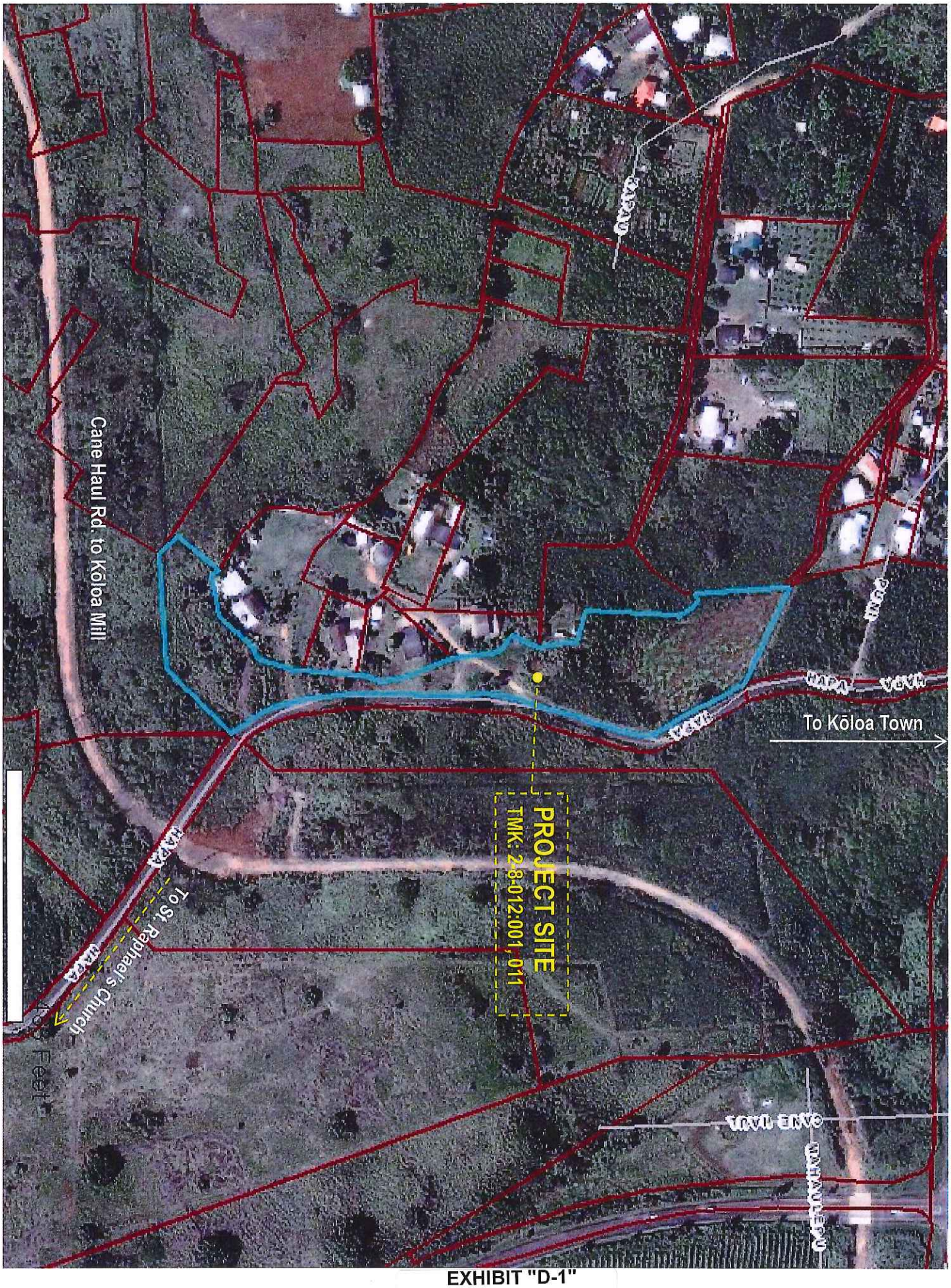

To Kōloa Town
PROJECT SITE
TMK: 2-8-012:001, 011
Cane Haul Rd. to Kōloa Mill
To St. Raphael's Church
Feet

EXHIBIT "D-1"

AUKAHI FARM SUBDIVISION

Agricultural Master Plan

TAX MAP KEY: (4) 2-8-012:001 & 011
PO'IPŪ, KAUA'I

PREPARED BY:
Esaki Surveying & Mapping, Inc.
1610 Haleukana Street
Līhu'e, Hawai'i 96766

August 2012

EXHIBIT "E-1"

DRAFT

AUKAHI FARM SUBDIVISION
AGRICULTURAL MASTER PLAN

I. INTRODUCTION
Agricultural Master Plan

The Agriculture Master Plan is being submitted on behalf of Esaki Surveying & Mapping, who submitted a subdivision proposal through Subdivision Application No. S-2009-17, which obtained tentative subdivision approval by the Kaua'i Planning Commission on March 10, 2009. The Aukahi Farm LLC. Subdivision involves two parcels with a combined area of approximately 7.337 acres in size, located on the south shore Kaua'i, in Kōloa, and is situated along the western side of Hapa Road. The project site is located just south of the Kōloa Town core, approximately ¼-mile south of the Hapa Road/Weliweli Road intersection (refer to **Exhibit "A"**).

The proposed subdivision consolidates two (2) existing lots and resubdivides into a total of seven (7) lots, approximately 1 acre in size. However, there are two relocated Kuleana parcels identified as Lots 4 & 5 located along Hapa Road and both are approximately one-half (½) acre in size. As previously noted, the subdivision is along Hapa Road, which is under the jurisdiction of the County of Kaua'i (refer to **Exhibit "B"**).

The Agricultural Master Plan (AMP) serves as the basis from which the subdivision design, development standards, and land use patterns are derived. It shall describe how the project intends to comply with the provisions of Chapter 205 of the Hawai'i Revised Statutes (HRS), Chapter 15 of the Hawai'i Administrative Rules (HAR), and Chapter 8 of the Kaua'i County Code (KCC).

The subdivision will be governed by the Conditions, Covenants, and Restrictions (CC&R's) that runs with the land and requires compliance with this Agricultural Master Plan. Furthermore, the deed restrictions are intended to ensure harmony and integration among the residents of the subdivision, and to assure compliance with all land use requirements. The Aukahi Farm Agricultural Subdivision will be defined by its preservation of the agricultural character of the area and the proven best agricultural use of the land.

Within each parcel, there will be an area dedicated for agriculture, which can be utilized for planting, growing, propagating, cultivating and harvesting of specific crops, or for pasture.

The primary purpose of the agricultural master plan is to describe and quantify all of the proposed land uses within the subject property, by indicating by acreage and

location, the intensity of agricultural uses, residential uses, and other accessory uses. This plan also assesses the economic conditions relating to the proposed agricultural uses, and how they comply with statutory mandates.

EXHIBIT "A"

Aerial Photo

OAKE HAUS
HAPA
HAPA
HAPA
HAPA
HAPA
0
400 Feet

II. PROPERTY DESCRIPTION

The parcel is situated in Kōloa, which is on the southern side of the Island of Kaua'i. The proposed subdivision contains two (2) existing parcels identified as Tax Map Key: (4) 2-8-012:001 & 011 and is located 1.5 miles inland, on the makai (seaward) side of Weliweli Road and along the western side of Hapa Road (refer to **Exhibit "B"**). The subject parcel is situated within a rural neighborhood and surrounded by residential development to the north and west. The property is approximately ¼-mile south of the Hapa Road/Weliweli Road intersection and the properties situated to the east, across Hapa Road, are fallow agriculture lands that are presently owned by the State of Hawai'i. Based on the County of Kaua'i tax records, the combined area of both parcels is approximately 7.337 acres.

The nearest intensive farming operation is located approximately 1,500 feet east of the subject property, along the eastern side of Ala Kinoiki (Eastern Bypass Road). The area is presently utilized as corn fields.

The property is surrounded by agricultural lands that are privately owned to the north, east and south. Historically, these parcels were large tracts of lands (greater than 20 acres) that were sold as "Grants" by the government (State) and offered to farmers, ranchers, and employees of the plantations. The parcels in this area were historically planted in pineapple and other forms of "trucking crops".

A. SITE CONDITIONS

1. Land Use Classifications

State Land Use District

The property is entirely classified within the State Agricultural Land Use District (as indicated in **Exhibit "C"**).

Lands within the State Land Use Agricultural District may contain various uses that would permit residential development, however, the permissible uses within this designation are defined in Chapter 205A, HRS.

County General Plan

The Land Use Map of the County's General Plan designates the property as *"Agriculture"* (refer to **Exhibit "D"**).

As defined by the County General Plan, lands within the Agriculture designation *"shall be predominantly used for or held in reserve to be used in the future for agricultural activities..."* The primary intent of the Agriculture designation is to conserve land and water resources in order to insure an excellent resource base for existing and potential agricultural uses; assure a sufficient supply of land available for sale or lease at a cost that is economically feasible for agricultural enterprise; and promote and preserve open agricultural lands as a key element of Kauai's rural character and lifestyle.

The secondary intent of the Agriculture designation is to provide an opportunity for Kaua'i citizens to reside in an agricultural community. An "agricultural community" is an area that has both agricultural uses and residences.

County Zoning

The property is zoned by the County as Agriculture District (A), as noted in **Exhibit "E"**.

2. Climate

The overall weather climate in Kōloa, Kaua'i is warm where the temperature during the summer months tend to be in the high 70's and in the low 70's during the winter.

The warmest month of the year is September with an average maximum temperature of 85.00 degrees Fahrenheit, while the coldest month of the year is January with an average minimum temperature of 65.4 degrees Fahrenheit.

EXHIBIT "B"

Kaua'i Tax Map

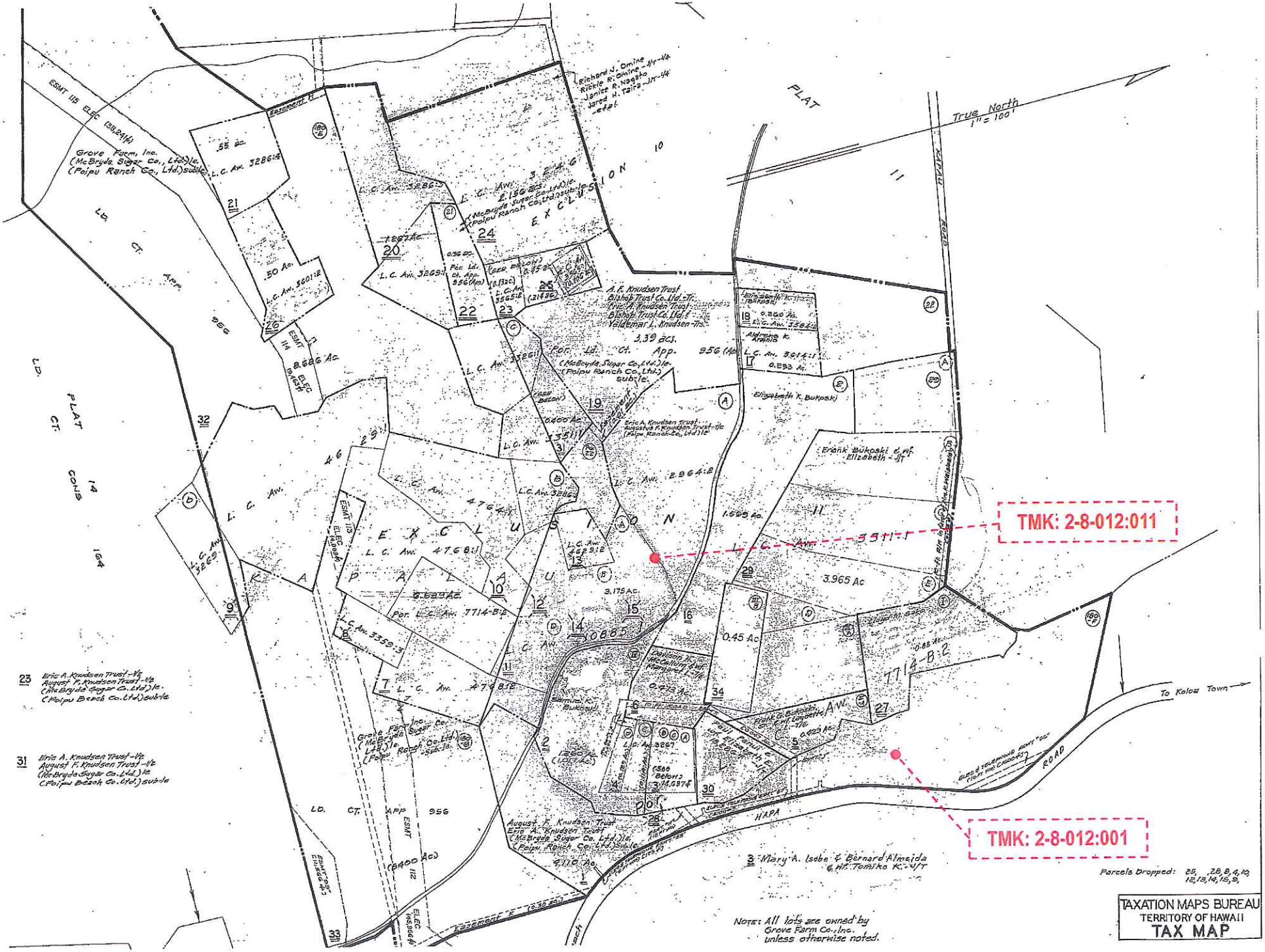

TMK: 2-8-012:011
TMK: 2-8-012:001
True North
1" = 100'
PLAT 11
EXCLUSION 10
EXCLUSION 11
KAPALAU
HAPA ROAD
To Kolo Town
Grove Farm, Inc.
(McBryde Sugar Co., Ltd.)le.
(Poipu Ranch Co., Ltd.)sub le.
Note: All lots are owned by Grove Farm Co., Inc. unless otherwise noted.
Parcels Dropped: 25, 26, 8, 4, 10, 12, 13, 14, 15, 9,
TAXATION MAPS BUREAU
TERRITORY OF HAWAII
TAX MAP

EXHIBIT "C"

State Land Use District Boundary Map

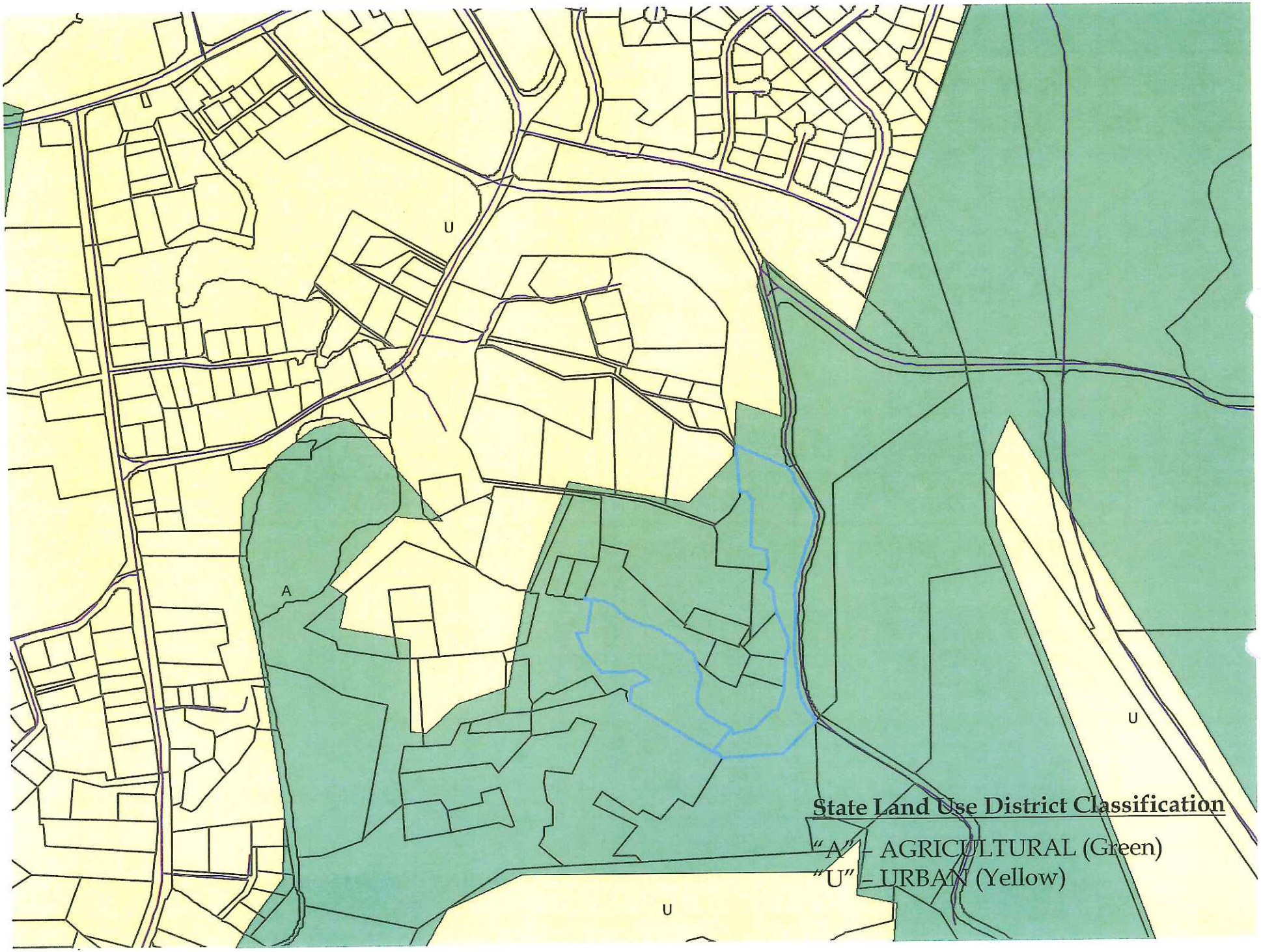
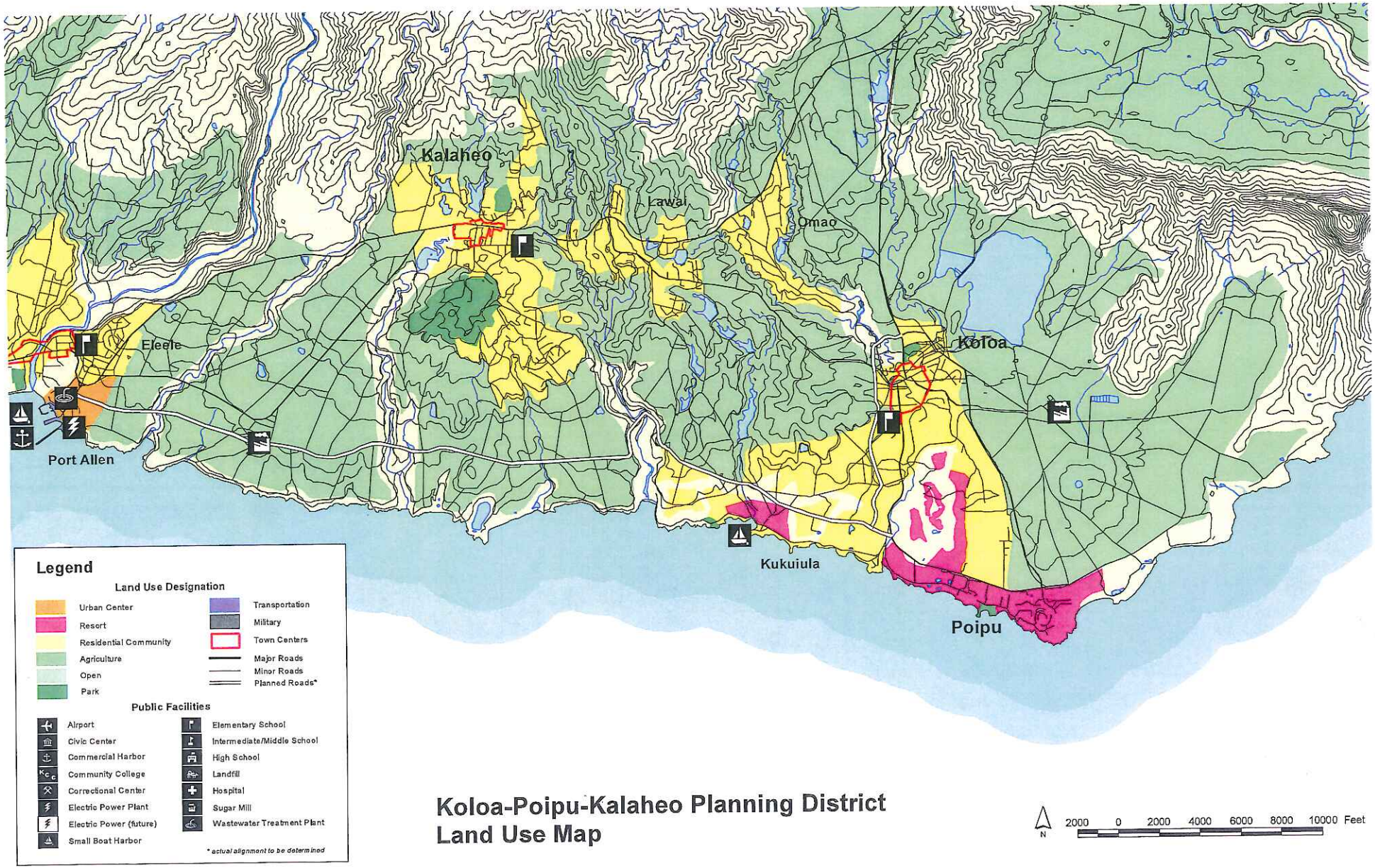

U
A
U
U
State Land Use District Classification
"A" - AGRICULTURAL (Green)
"U" - URBAN (Yellow)

EXHIBIT "D"

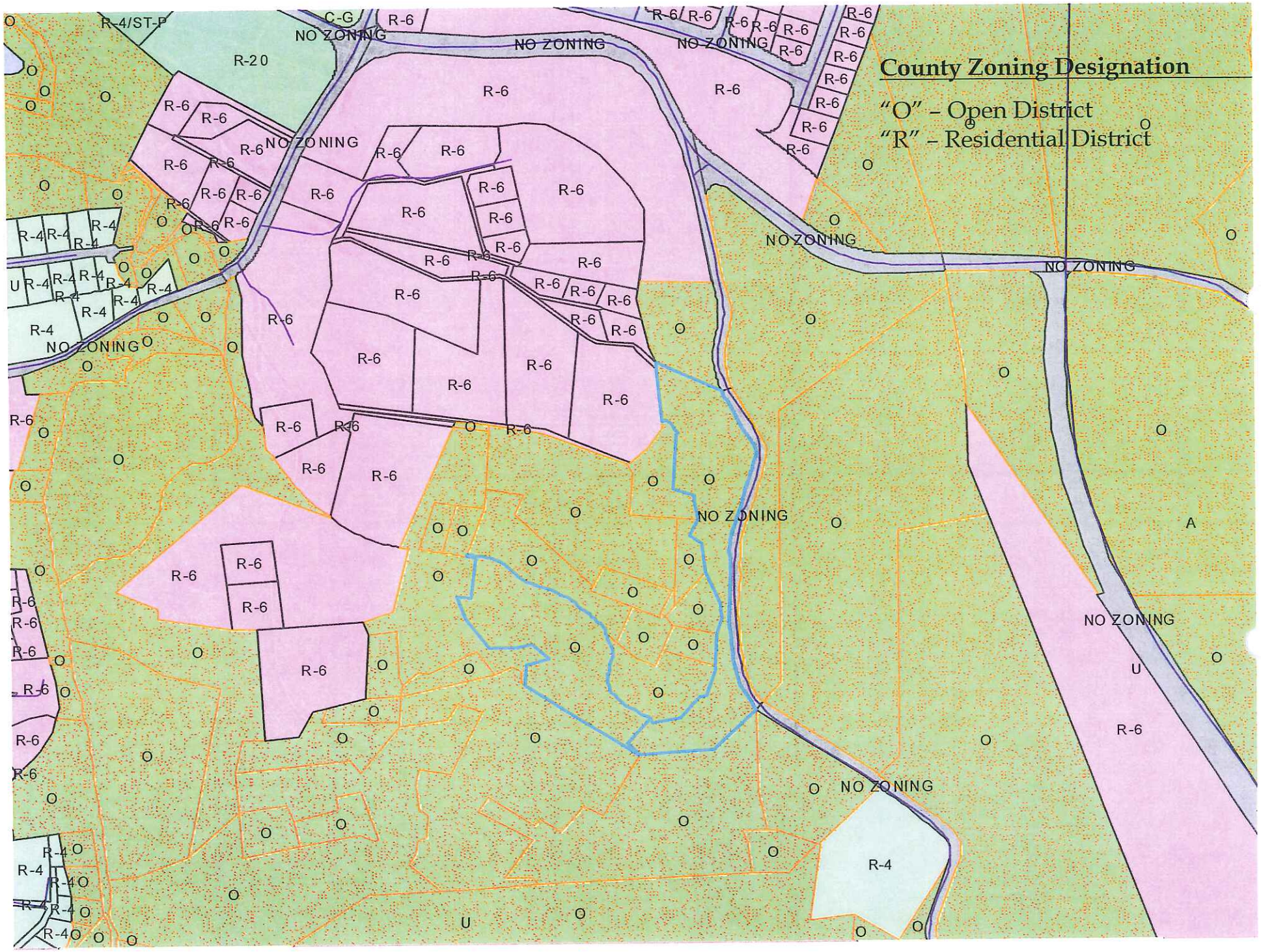
Kaua'i General Plan
Land Use Map



Koloa-Poipu-Kalaheo Planning District Land Use Map

EXHIBIT "E"

County Zoning Information


County Zoning Designation
"O" – Open District
"R" – Residential District
R-4/ST-P
C-G
NO ZONING
R-20
R-6
R-4
O
U
A

The temperature variations between night and day tend to be fairly limited during summer with a difference that can reach 10 degrees Fahrenheit, and fairly limited during winter with an average difference of 12 degrees Fahrenheit.

The annual average precipitation at Koloa is 61.45 inches. Rainfall is fairly evenly distributed throughout the year. The wettest month of the year is November with an average rainfall of 6.79 inches (see Table 1 below). Depending on the type of agricultural activity, the amount of rainfall in this area may be sufficient for the year-around cultivation; however, most agricultural crops will require supplemental irrigation.

Table 1. Kōloa Average Rainfall

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
Inches	5.68	4.17	5.44	6.09	4.57	4.29	5.18	4.07	3.73	5.58	6.79	5.86	61.45

(KŌLOA 936 Weather Station, 0.92 miles from Kōloa)
Source - http://www.idcide.com/weather/hi/koloa.htm

Rainfall

Relative to data obtained from the U.S. Department of Commerce, National Oceanic and Atmospheric Administration (NOAA), the trade winds have a large influence on the climate throughout the island, with the driest months being June through September; prevailing winds are from the northeast and temperatures range from about 65° to 85° Fahrenheit throughout the year.

The normal annual average rainfall for the island is forty (40) inches, three-fourths of which occurs from October through April. Mount Waiale'ale holds the distinction of having the highest recorded average of rainfall in the world (460 inches per year).

Wind

Strong trade winds from the northeast prevail during much of the year. These winds usually range from 15 miles per hour (MPH) to 40 MPH. Winter storm winds from either the northeast or the south can range from 30 MPH to in excess of 50 MPH.

The leeward side of the island is characterized as having dryer and hotter weather. The prevailing winds (trades) generally blow offshore much of the year, with the strongest winds occurring in the summer months. During calm weather, a diurnal land-sea breeze cycle, common to coastal locations, often develops. Strong winds associated with low-pressure systems (i.e. Kona and Ni'ihau winds) may occur during the winter months.

3. **Topography**

The topography of the property is relatively flat, ranging in elevation from 150 to 160 feet above mean sea level (MSL). The elevation is satisfactory for selected crops.

4. **Flood Zone**

The Federal Emergency Management Agency (FEMA) Flood Insurance Map (Panel No. 1500020314E) dated September 16, 2005 indicates the project site is situated within the flood zone identified as Zone "X", refer to **Exhibit "F"**. As determined by FEMA, this area is located outside the 500-year flood plan.

In considering the development of this parcel, it should be noted that the County's "Storm Drainage Manual" states that any development larger than 2 acres in size shall require an on-site detention/sedimentation basin.

5. **Soils Analysis**

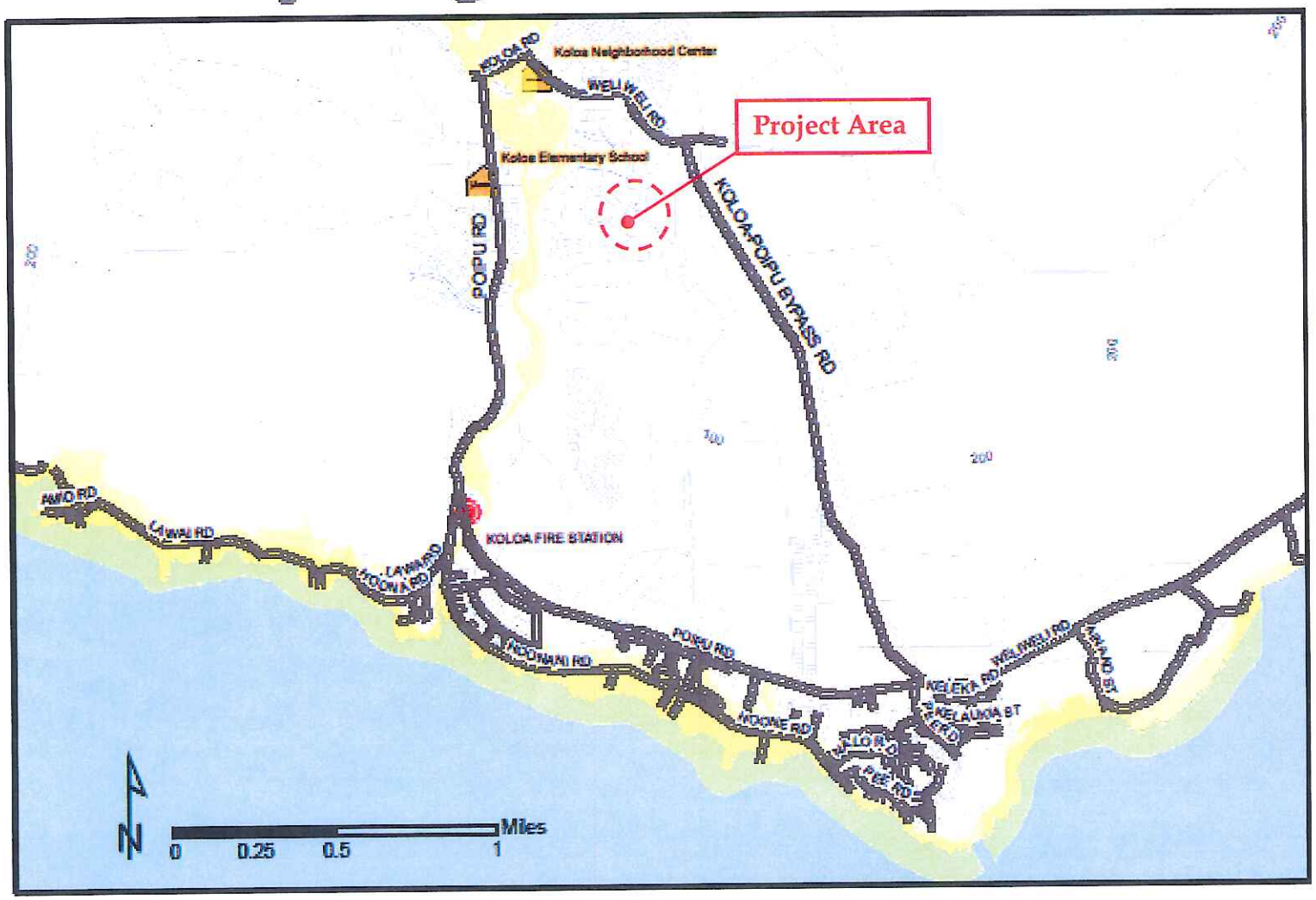
U.S. Department of Agriculture Soil Survey

According to the U.S. Department of Agriculture Soil Survey of the Island of Kaua'i, O'ahu, Maui, Molokai, and Lana'i, State of Hawai'i (1972), the subject property is comprised of one primary soil type identified as the "Waikomo" soil series. These types of soil consists of shallow, well drained stony soils that formed in material weathered from basic igneous rock. Waikomo soils are on uplands and have slopes ranging from 2% to 6%, refer to **Exhibit "G"**.

EXHIBIT "F"

Flood Zone Maps

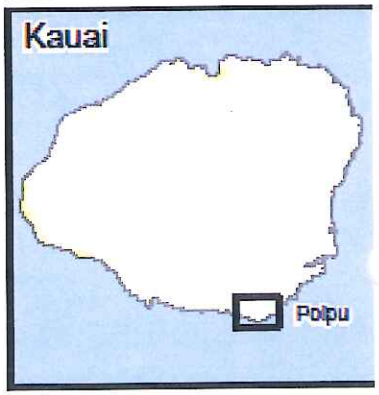
Map Showing Tsunami & Flood Zones: POIPU



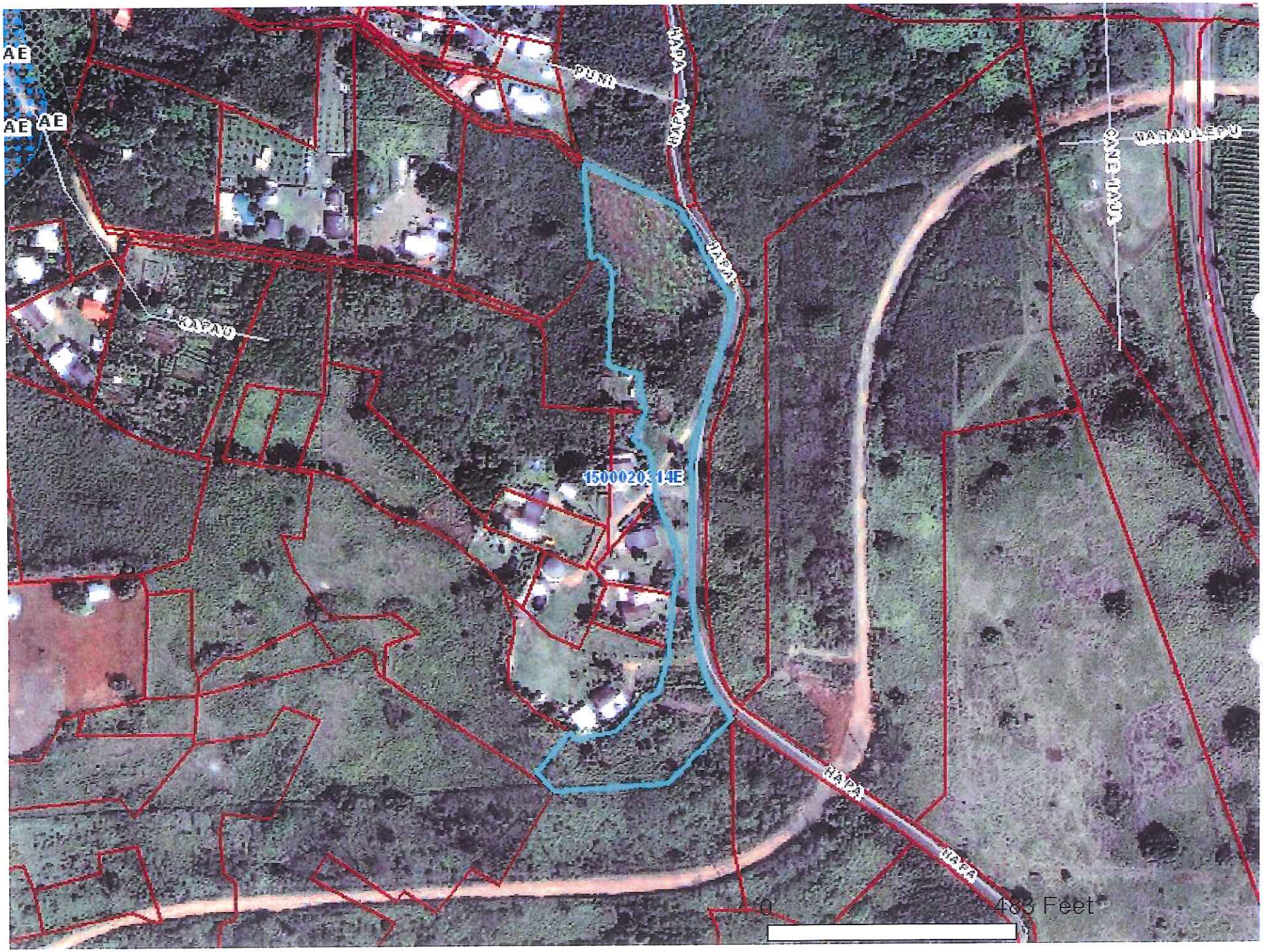
LEGEND

- Accessible Roads
- Fire Station
- Shelters
- Elevation (100 & 200 ft contours on
- Areas of Tsunami & Flood Inundation
- Parcels (2006)

Civil Defense recommends evacuation above the 100' elevation and away from streams and waterways for safety.



CoK/Finance/IT/020607


AE
AE AE
HANA
HANA
HANA
HANA
HANA
1500020:14E
0
483 Feet

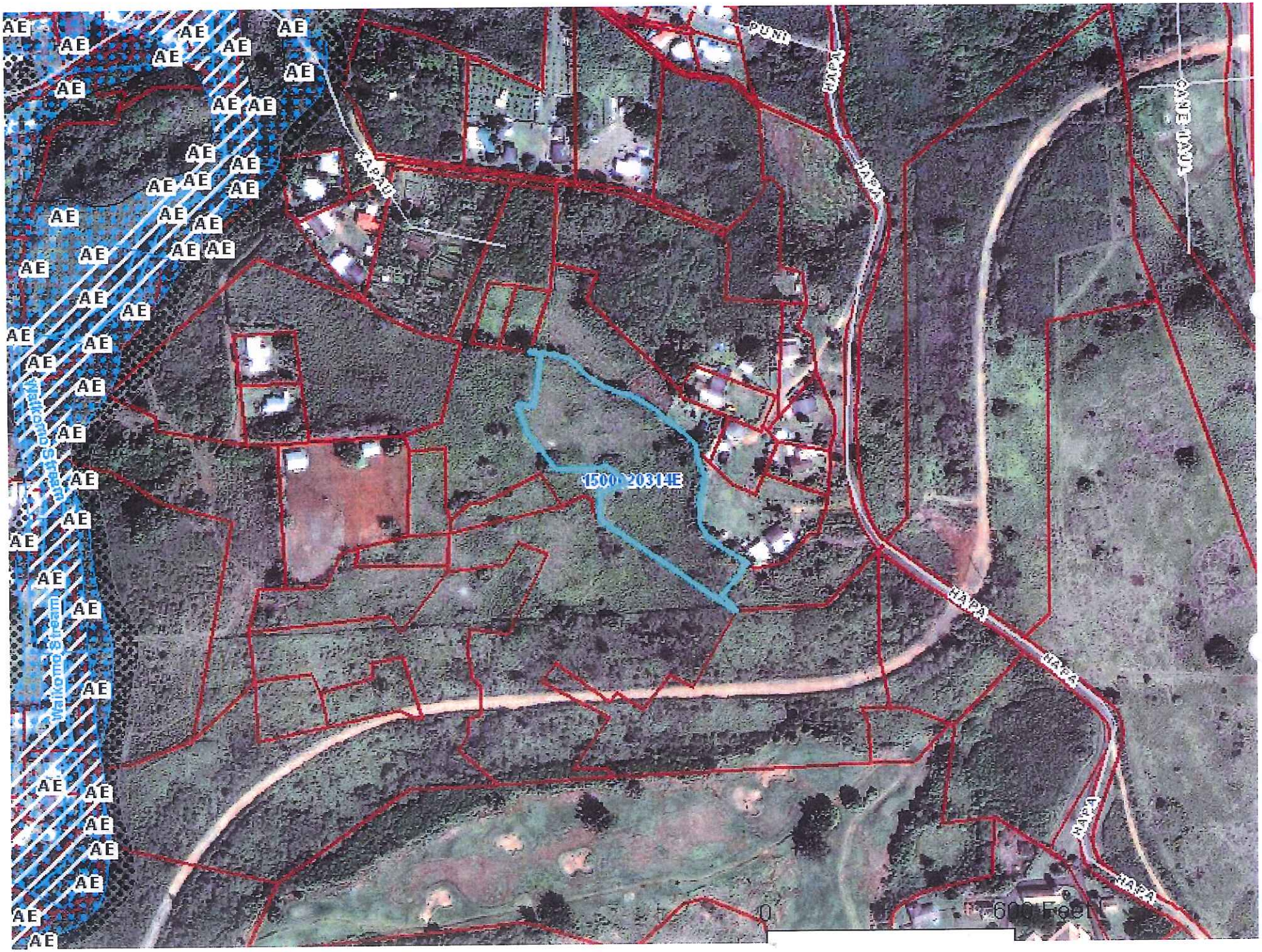

AE
Waikomo Stream
1500 2031HE
HAPA
0
600 Feet

EXHIBIT "G"

Soils Classification Map

Soils Map

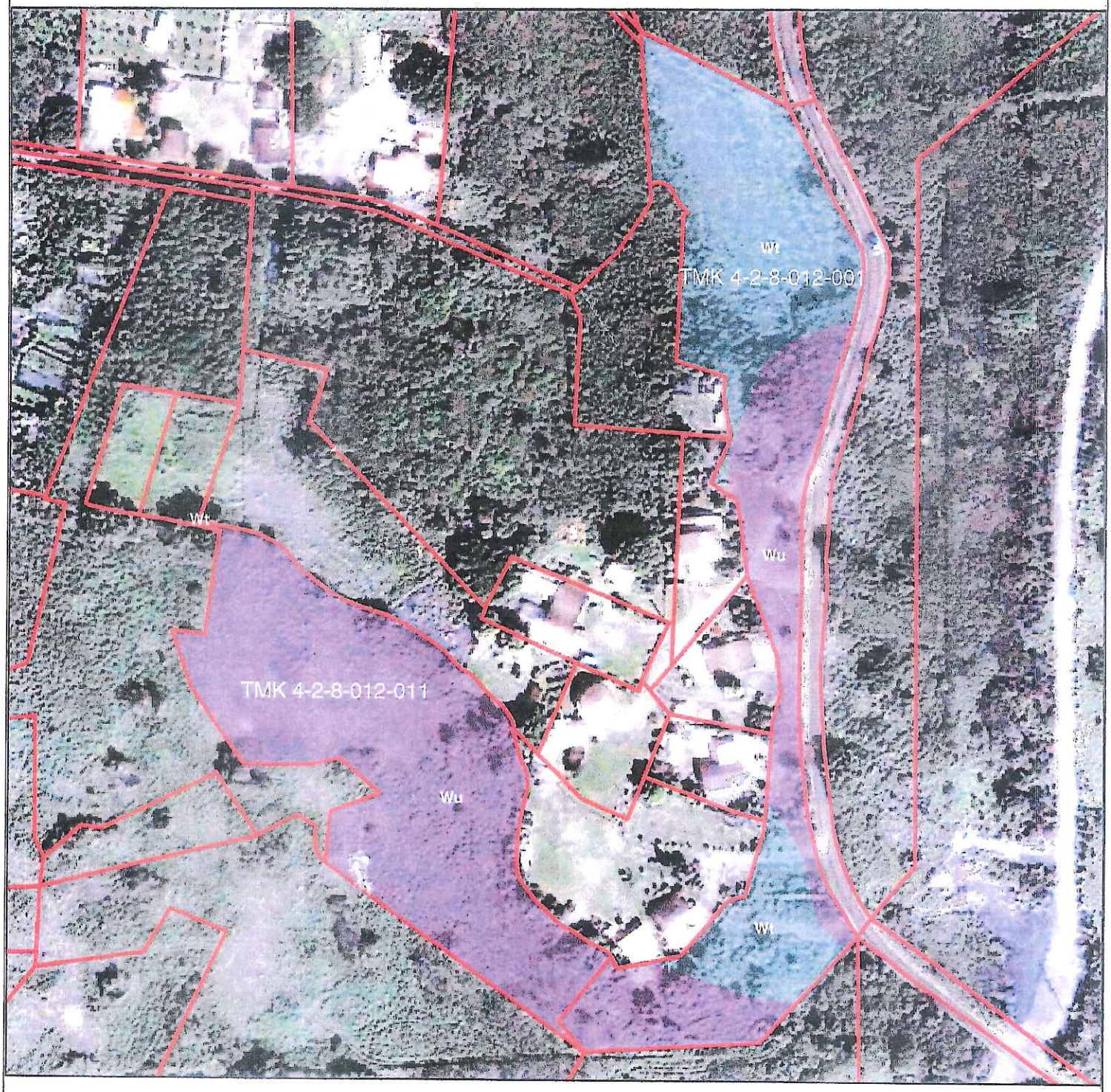
Date: 8/21/2009

District: WEST KAUAI SOIL & WATER CONSERVATION DISTRICT

Field Office: LIHUE SERVICE CENTER

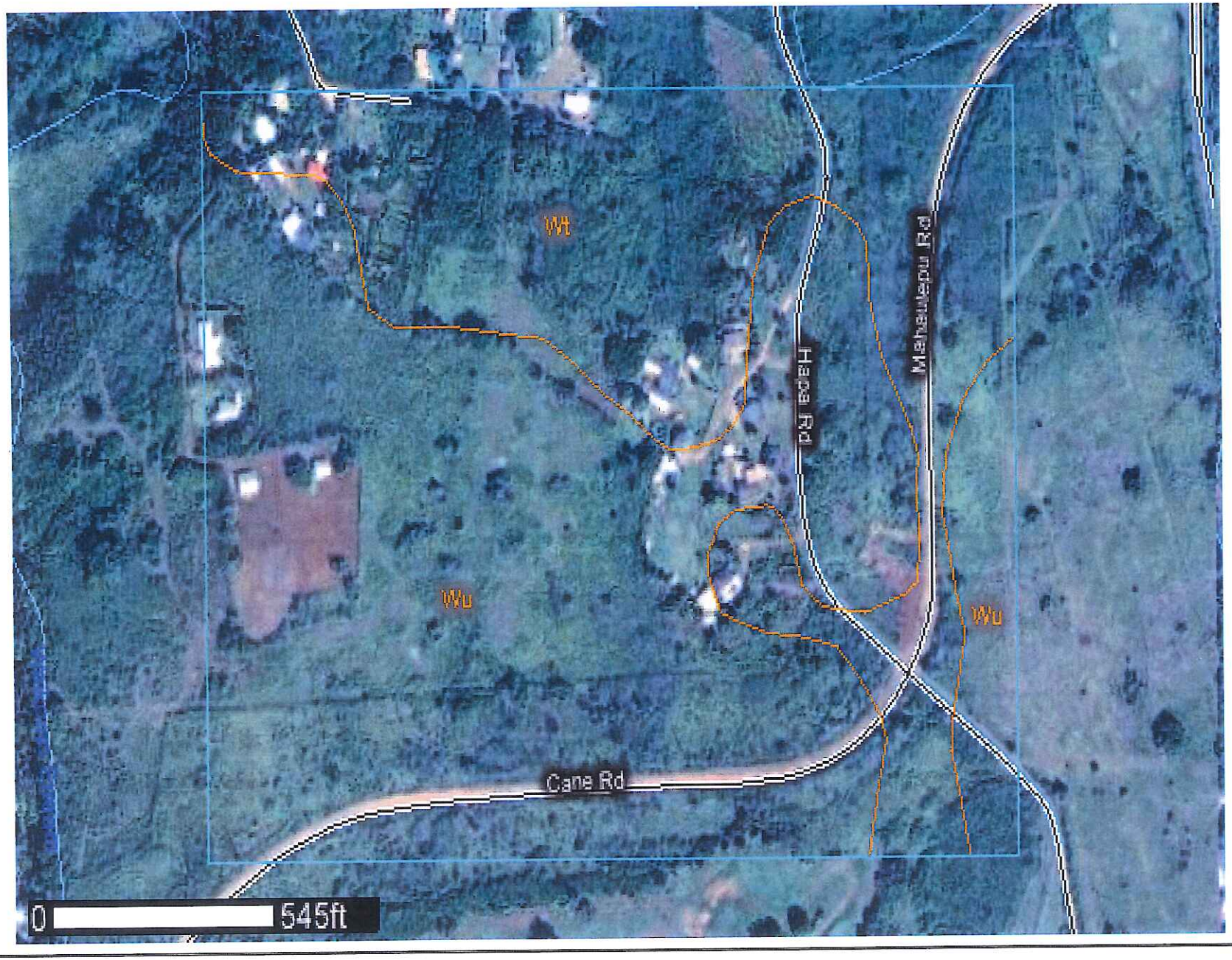
Agency: NRCS

Legal Description: TMK: (4)-1-8-012-001
(4)-1-8-012-011



TMK
Wt
Wu

140 70 0 140 280 420 Feet



State NRCS Soil Classification

"Wt" – Waikomo Very Rocky Silty Clay
"Wu" – Waikomo Extremely Rocky Silty Clay

As previously noted, these soils are gently sloping and elevation range from nearly sea level to 360 feet. The annual rainfall amounts to 35 to 60 inches and the mean annual soil temperature is 74° F. Waikomo soils are geographically associated with Kōloa soils.

The following summary is taken from the NCRS Soil Survey:

- **Waikomo Very Rocky Silty Clay (Wt).**

  This soil is similar to Waikomo silty clay, except that rock outcrops cover 3% to 25% of the surface.

- **Waikomo Extremely Rocky Silty Clay (Wu).**

  This soil is similar to Waikomo silty clay, except that rock outcrops cover 25% to 50% of the surface.

For both soil types, it is typically utilized for pasture, wildlife habitat, and homesites. Some small area are irrigated within the Wt soil type (Capability classification **VI**'s, irrigated or non-irrigated; pasture group 5; woodland group 13). For Wu soils, (Capability classification **VII**'s, non-irrigated; pasture group 5; woodland group 13). The typical natural vegetation on these types of soil consists of lantana, koa haole, Java plum, pricklypear cactus, swollen finger grass, Bermuda grass, and guinea grass.

Detailed Land Classification and Land Study Bureau Rating

The University of Hawai'i - Land Study Bureau (LSB) developed the Detailed Land Classification, Islands of Kaua'i, O'ahu, Maui, Molokai and Lana'i (1965 through 1972). The intent of these reports was to develop a land inventory and productivity evaluation based on statewide standards of crop yields and levels of management. A five-class productivity rating is applied using the letters A, B, C, D, and E, with "A" representing the class of highest productivity, and "E" being the lowest.

The soil on the property is classified as "E", which is considered "Poor."

The soils that are classified as "E" with the application of active management practices are projected to yield satisfactory agricultural crop results, refer to **Exhibit "H"**.

ALISH Classification System

The Agricultural Lands of Importance to the State of Hawai'i (ALISH) classification system is based primarily, but not exclusive, on the soil characteristics, the establishment of criteria for classification of lands, and the inventory of prim farm lands that meet the criteria or similar criteria for the respective classes in the national Natural Resources Conservation Service (NRCS) classification system. The ALISH system identifies and maps three (3) broad classes of agricultural lands - "Prime", "Unique", and "Other" Agricultural Land.

According to the State Department of Agriculture, Prime Agricultural Land is land best suited for the production of food, feed, forage and fiber crops. The land has the soil quality, growing season, and moisture supply needed to produce the highest yields with the lowest inputs of energy or money, and with the least damage to the environment. The two other classes are Unique Agricultural Land and Other Agricultural Land, which are successively less productive soils.

Unique Agricultural Land is land other than Prime Agricultural Land that is used for the production of specific high-value good crops. The land has special qualities that make it ideal for the production of a specific crop of high quality and/or high yield when the land is treated and managed according to modern farming methods. In Hawai'i, some examples of such crops are coffee, taro, rice, watercress and non-irrigated pineapple.

Other Agricultural Land is land other than Prime or Unique Agricultural Land that is of statewide or local importance for the production of food, feed, fiber and forage crops. The lands in this classification are important to agriculture in Hawai'i yet they exhibit properties, such as seasonal wetness, erodibility, limited rooting zone, slope flooding, or doughtiness, that exclude them from the Prime or Unique Agricultural Land classifications. These lands can be farmed satisfactorily by applying

greater inputs of fertilizer and other soil amendments, drainage improvement, erosion control practices, flood protection and produce fair to good crop yields when managed properly.

The State ALISH map designates the property as **Other Agricultural Land**.

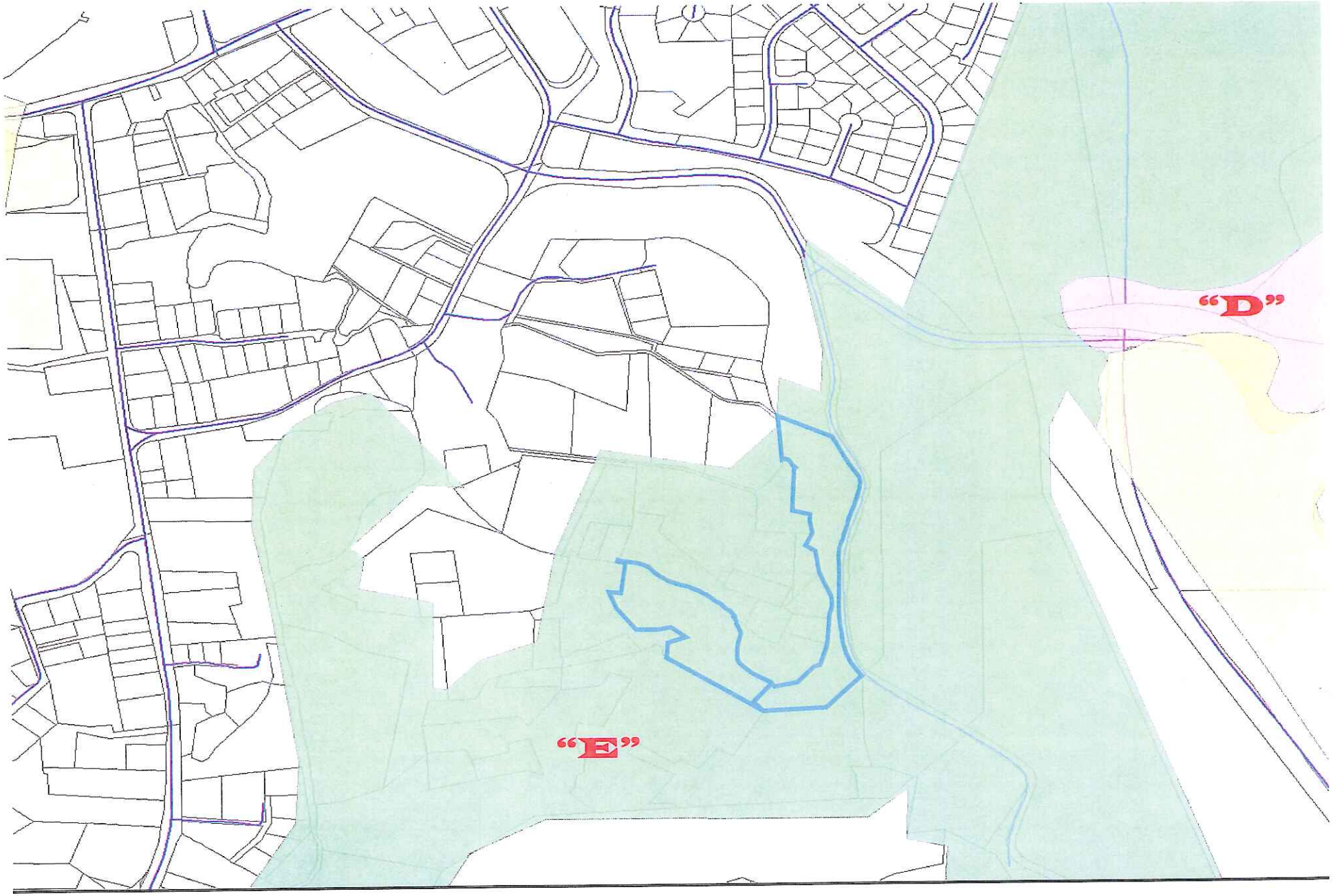
6. Availability of Water

As previously mentioned, the property has an average rainfall of approximately 61 inches per year, with the highest amount of rainfall occurring during the month of November. Depending on the type of agricultural activity conducted at the site, the amount of rainfall in this area may be not be sufficient for the year-around cultivation and therefore, most agricultural crops will require supplemental irrigation.

For crops requiring supplemental irrigation, the farmer(s) shall be responsible for obtaining the necessary approval/permits for developing an alternative water system such as catchment storage systems.

EXHIBIT "H"

University of Hawai'i
Detailed Land Study Bureau Map



Land Study Bureau - Detailed Soil Classification

"D" – Low Productivity Rating
"E" – Poor (Lowest) Productivity Rating

III. AGRICULTURE MASTER PLAN

Kauai's agriculture started in the early Hawaiian lo'i kalo (terraced taro fields) and continues to form a vital part of the island's economy. The subdivision will provide farm lots on lands where crops can be grown commercially to provide supplemental income for the land owner.

A. BACKGROUND ON DIVERSIFIED AGRICLUTURE

With the decline of plantation agriculture in the last thirty (30) years, plantation land have declined from about 305,900 acres in 1968, to about 69,100 acres in 2001 statewide; a 33-year decrease of about 239,800 acres (an average decrease of about 7,270 acres per year). Some of the former plantation lands has been converted or is schedule to be converted to urban use, aquaculture, or other agricultural uses. Some land is fallow and used for grazing, or is in some other low-value land-holding operation. A major issue statewide and is still a continuing concerning is how to productively use the vast amount of high-quality agricultural land.

Diversified agriculture, which includes all agricultural industries other than sugar or pineapple, enhances agricultural stability in Hawai'i as the agriculture industry shifts away from plantation crops. Due to the closure of large plantations and the decline of the pineapple and sugar industries of Hawai'i, diversified agriculture evokes hope for the future of Hawai'i agricultural industry. In 2005, Hawaii's agricultural farm revenue was approximately $576.2 million. Diversified agriculture accounted for seventy-six percent (76%), approx. $438 million, of the farm revenues followed by pineapples with fourteen percent (14%), approx. $79 million, and unprocessed cane sugar with ten percent ($58.8 million).

Record high levels were set in 2005 for the following diversified agriculture commodities:

- Coffee
- Aquaculture
- Floriculture
- Seed crops

Other diversified agriculture commodities show gains included macadamia nuts, fruits (excluding pineapples), cattle and hogs.

Table 2 presents a summary of diversified agriculture sales and trends statewide and for Kaua'i, ranked by value. Table 3 presents a summary of diversified agriculture crop acreage. As noted in the tables, some crop data for Kaua'i is not reported separately in order to avoid disclosure of Kaua'i operations.

Flowers and nursery products are the highest value diversified crop statewide, fetching approximately $100.6 million in 2005. On Kaua'i, flowers and nursery products fetched almost $3 million in 2005. From 2001 to 2005, Kaua'i saw the most significant increases in the following diversified agricultural products:

- Flowers & Nursery Products (60.4 percent)
- Hogs (59.1 percent)

Table 2. Diversified Agriculture Sales (in 1,000 dollars)

	STATE			KAUAI		
ITEM	2001	2005	% change	2001	2005	% change
Flowers & Nursery products	88,597	100,600	13.5	1,864	2,991	60.4
Vegetables & Melons	62,043	67,717	9.1	1,574	1,670	6.1
Seed Crops	45,000	70,400	56.4	NR	NR	NR
Macadamia Nuts	33,040	44,400	34.4	NR	NR	NR
Fruits (excl. pineapples)	30,190	25,737	-14.7	3,007	1,638	-45.5
Milk	26,546	18,387	-30.7	NR	NR	NR
Coffee	19,600	37,310	90.3	NR	NR	NR
Cattle	18,007	22,798	26.6	1,527	1,731	13.3
Eggs	9,637	8,979	-6.8	NR	NR	NR
Hogs	4,517	4,553	0.8	372	592	59.1
Taro	3,392	2,332	-31.5	2,258	1,643	-27.2

NR = Not reported separately to avoid disclosure
Source: Hawai'i Agricultural Statistics (http://www.nass.usda.gov/hi/stats/t_of_c.htm

Table 3. Diversified Agriculture Crop Acreage

ITEM	STATE			KAUAI		
	2001	2005	% change	2001	2005	% change
Macadamia Nuts	18,000	18,300	1.6	NR	NR	NR
All other crops[1]	8,700	9,100	4.6	1,400	1800	28.5
Coffee	8,000	8,000	0.0	NR	NR	NR
Fruits (excl. pineapples)	7,100	6,200	-12.6	800	800	0.0
Vegetable & Melons	6,500	6,300	-3.1	100	200	100.0

[1]Includes taro, seed corn, feed and forage crops, flowers, nursery products, noni, kava, and others.
NR = Not reported separately to avoid disclosure
Source: Hawai'i Agricultural Statistics (http://www.nass.usda.gov/hi/stats/t_of_c.htm

B. LOT SUBDIVISION

The overall layout of the proposed agricultural subdivision is illustrated in **Figure #8**. Based on the total area of the subject property, the subdivision has been designed in a matter such that there will be a total of seven (7) equal-sized lots, approximately 1.011 acres in size, and a road widening lot identified as Lot 99-B-8.

Field areas for cultivation of crops or pasture use have been identified on the agriculture plan identified in **Figure #X (insert)**. In addition to designating the farmable areas on each lot and with the exception of the existing homes, the future homes sites have been identified to promote the clustering of farm dwelling in order to mitigate visual impacts, preserve view corridors to the forest reserve, establish open areas, and allows for a more efficient layout of the infrastructure (water meters, driveways, etc.)

Restrictions precluding further division of the resultant subdivided lots by means of subdivision action, condominium property regime (CPR), or agricultural cluster will be recorded as covenants running with the land. This matter is further discussed in the subsequent section III.D.

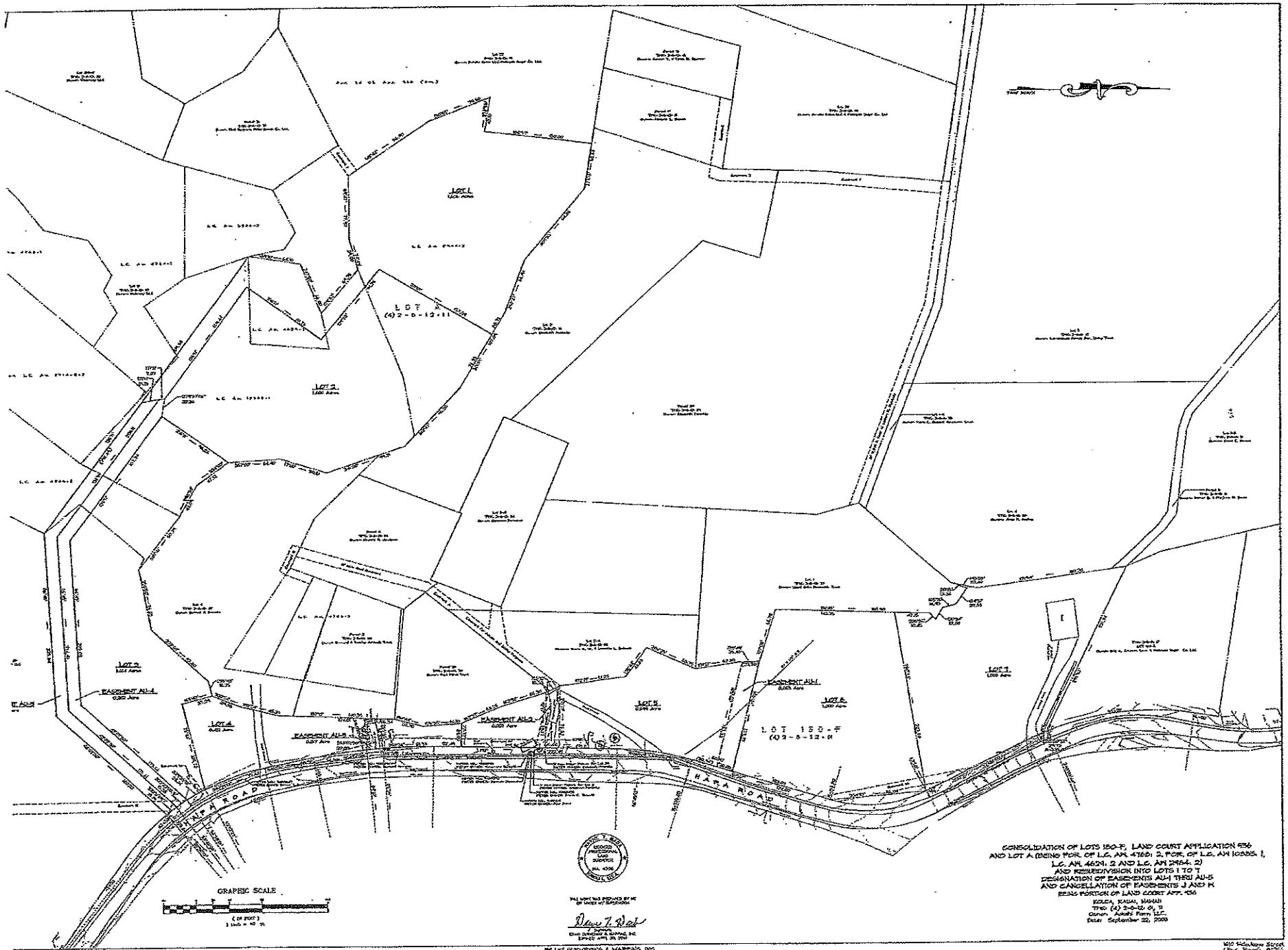
C. SUBDIVISION INFRASTRUCTURE

1. Access

Vehicular access to the lots shall be taken primarily from Hauiki Road, with the exception of Lots 99-B-3 & 99-B-5. There is an existing dirt driveway that serves the existing residence on Lot 99-B-5.

EXHIBIT "I"

Preliminary Subdivision Map



CONSOLIDATION OF LOTS 150-F, LAND COURT APPLICATION 956
AND LOT A (BEING PORS. OF L.C. AP. 4769: 2, PORS. OF L.C. AP. 10555: 1,
L.C. AP. 4624: 2 AND L.C. AP. 2484: 2)
AND RESUBDIVISION INTO LOTS 1 TO 7
DESIGNATION OF EASEMENTS AU-1 THRU AU-5
AND CANCELLATION OF EASEMENTS J AND K
BEING PORTION OF LAND COURT APP. 956

KOLOA, KAUAI, HAWAII
TMK: (4) 2-5-12: 01, 11
Owner: Aukahi Farm LLC
Date: September 22, 2008

MAUI SURVEYING & MAPPING, INC.
Civil Engineers, Land Surveyors and Planners

1610 Nishikawa Street
Lihue, Hawaii 96766

Insert "Figure #8 - Agricultural Plan"

2. Water

The property has an average rainfall of approximately 61.45 inches per year, with the highest amount of rainfall occurring during the month of November. This amount may not be sufficient for the year-round cultivation and therefore may require supplemental irrigation.

For crops requiring supplemental irrigation, the farmer(s) would be responsible for obtaining the necessary approval/permits for developing an alternative water system such as catchment storage systems.

The figure of 3,400 gallons per day (gpd)/acre is considered by the State Department of Agriculture to be practical consumptive water use rate for diversified crops in the State of Hawai'i. The proposed development shall comply with this requirement through the following methods:

Rainfall - It has proven to be sufficient and consistent enough to grow established commercial agricultural crops here for decades without additional agricultural water irrigation main lines.

Grey Water Catchment - These systems are optional by the individual lot owners but are encouraged. Where it is utilized, there will be irrigation water lines that will be positioned at each farm dwelling.

Water Catchments - Each lot may have a water catchment system capable of collecting water to assist in the irrigation of each agricultural use. Rainwater could be collected in a storage tank(s) from runoff of the roof system of each farm dwelling unit. Architectural and landscaping guidelines may be developed and enforced to ensure aesthetic qualities are implemented to minimize the visual impact of these storage tanks, through placement of vegetation and/or structures. The capacity of each unit will be based upon the load demand created by each agricultural use, taking into account the average rainfall for the area.

Table 4 represents a summary of annual water supply from roof catchment systems.

Table 4. Annual Water Supply from Roof Catchment Systems (Per Square Feet of Catchment Area)

RAINFALL (Inches)	GALLONS (Square Foot)
10	4.2
15	6.3
20	8.3
25	10.5
30	12.5
35	14.6
40	16.7
45	18.8
50	21.0
55	23.1
60	25.3
65	27.4
70	29.6

D. RESTRICTION TO AGRICULTURAL USE

The subdivision will result in 7 agricultural lots, which will be sold to prospective buyers who will hold fee ownership interest in the resultant parcels. All of the subdivided lots will be subject to covenants and restrictions to ensure that the use of the lots will be restricted to agricultural activities, as identified in Chapter 205 of the Hawai'i Revised Statutes (HRS).

A Declaration of Conditions, Covenants, and Restrictions ("Restrictive Covenants"), which will be recorded with the Bureau of Conveyances of the State of Hawai'i (Bureau), which will encumber and run with the property, and which will provide and require:

(1) that the owners of the lots within the subdivision ("Subdivision Lots") shall comply with the Agricultural Master Plan and the provisions of HRS Chapter 205;

(2) that the owner of all of the Subdivision Lots shall be member in an association ("Association") which will have the power and duty to enforce the Restrictive Covenants;

(3) that the Association shall file periodic reports (as determined by the Planning Department) with the Planning Department verifying compliance with the Agricultural Master Plan; and

(4) that the Agricultural Master Plan shall not be amended without prior approval of the Planning Department.

Pursuant to the provision of HRS Section 205-4.5, the Restrictive Covenants for agricultural use of the subdivided lots will be prepared prior to final subdivision approval. In addition, a disclosure document will be incorporated into all marketing, sale and conveyance documents.

In addition, the Agricultural Subdivision Agreement, which will be recorded with the Bureau, will run with and encumber the property, and will provide and require: that each Subdivision Lot owner shall indemnify, defend and hold the County harmless from any claims arising out of failure of the Subdivision Lot owner to comply with the Agricultural Master Plan and/or HRS Chapter 205, as determined by the Planning Department, the County, and the State of Hawai'i shall have the right to refuse to grant any permits or approvals for uses or development on any Subdivision Lot affected by such noncompliance unless and until the noncompliance is cured, as determined by the Planning Department.

E. CROP SUITABILITY ON THE PROPERTY

The collective property of the agricultural subdivision is 7.04 acres and consists of 7 agricultural lots, slightly more than one (1) acres in size, and 1 road widening lot. Continued agricultural activities for the subdivided lots could feasibly include flowers and nurseries, vegetable crops, and fruit orchards.

The majority of the soils within the property consist of Kapa'a silty clay loam. The Kapa'a series (KkB and KkC) are soils developed in material weathered from basic igneous rock. It consists of deep, well-drained solids with slow to very rapid runoff depending on the slope. These soils are well-suited for cultivation of vegetable crops and fruit orchards.

As previously noted, rainfall averages 61.45 inches annually, which is sufficient for irrigation on a year-around basis. Some crops, however, may require supplemental irrigation. The farmer will be responsible for obtaining the necessary approvals to development a catchment and storage system.

F. POTENTIAL CROPS

Crops that could be grown commercially on small farms within the project area are the low-elevation crops that are typically grown in similar farm areas throughout the State. These crops include, but are not limited to those listed in Table 5. Also shown in this table is the harvested acreage for each crop in 2005, along with the average revenues per harvested acre. As noted in Table 5, revenues per acre range from a low of $1,429 to $30,000, and average $7,722 per acre. For a small farm, such revenues would provide supplemental income for a family desiring a farming lifestyle.

The fact that nearly all these crops have been produced at one time or another in Hawai'i over a number of years indicated that some farmers believe they are profitable.

Crops have no recent history of successful commercial production in Hawai'i and which are imported in large quantities are also excluded: apples, apricots, artichokes, cherries, endive, garlic, table grapes, kiwi, leeks, mushrooms, nectarines, peaches, pears, plums and potatoes.

Table 5. Commercial Low-Elevation Crops Grown in Hawai'i: 2005

Crop	Harvested Acres	Revenues per Harvested Acre
Avocados	300	$1,760
Bananas	980	$9,362
Bittermelon	30	$7,767
Broccoli	125	$3,504
Burdock	15	$14,533
Cabbage, Chinese	260	$6,577
Cabbage, Head	430	$6,381
Cabbage, Mustard	110	$7,127
Celery	25	$12,280
Coffee	6,100	$6,116
Cucumbers	440	$6,273
Daikon	200	$2,720
Dry Onions	220	$13,800
Eggplant	80	$12,150
Floriculture & Nursery Products	3,895	$25,828
Ginger Root	11	$30,100 (high)
Green Onions	155	$10,858

Crop	Harvested Acres	Revenues per Harvested Acre
Green Peppers	230	$8,348
Guavas	630	$1,787
Italian Squash	200	$4,200
Kava	10	$11,000
Lettuces	110	$6,800
Macadamia Nuts	18,000	$2,467
Papayas	1,480	$7,595
Pumpkins	35	$1,429 (low)
Radish	10	$5,500
Romaine	140	$7,164
Seed Crops	4,220	$16,682
Snap Beans	130	$5,869
Squash, Oriental	40	$6,175
Sweet Corn	410	$2,280
Sweet Potatoes	410	$9,373
Taro	360	$6,000
Tomatoes	660	$14,845
Tropical Specialty Fruit	730	$3,723
Watercress	35	$28,029
Watermelons	450	$6,780
Weighted Average		**$7,722**

Source: Decision Analysis Hawai'i, Inc. (2007)

Subdivision of the property is intended to continue the productive agriculture on the land. The size of the subdivided lots would be attractive to purchasers interested in cultivating the agriculturally viable soils on the property. In this regard, the manageable size of the subdivided lots and the availability of water for irrigation would encourage smaller scale diversified agricultural operations.

1. **Flowers and Nurseries**

Flowers and nursery products are the top-ranked diversified agricultural commodity statewide, valued at $100.6 million in 2005; Kaua'i farmers registered sales of $2.99 million (refer to Table 2). Nurseries for field stock trees and ornamental plants are viable agricultural activities for the subdivided lots.

Trees and other plant material could be selected for propagation based on their market value and include native and other non-invasive tropical trees for landscape application and woodworking. High-value hardwoods can be considered for areas that show little promise for crop farming (either because of inferior agronomic conditions or insufficient demand), and areas for which trees could provide a needed visual screen or buffer for the diversified crop farming areas.

Ornamentals can be cultivated in greenhouses, which allow growers to control environmental conditions. Plants appropriate for cultural adornment, floral arrangements, and retail sale represent markets for agricultural products.

2. Vegetable and Melon Crops

The subdivided agricultural lots could be used for the cultivation of vegetables and melons. Although the overall acreage for vegetable and melon crops declined statewide, the vegetable and melon acreage on Kaua'i increased from 100 acres in 2004 to 200 acres in 2005 (see Table 3 above).

The farm value of Hawai'i vegetables and melons was estimated at a record high $67.7 million in 2005, up 9.1 percent from the previous record high set in 2004 (HAS, 2007). Tomatoes lead all individual vegetables and melons in farm value. Following tomatoes and rounding out the top five in farm revenues are sweet potatoes in second, watermelon in third, dry onions in fourth, and cucumbers in fifth...

Tomato, the most popular vegetable crop in Hawai'i in terms of popularity and in market value, is a warm season crop grown from sea level up to 6,000 feet in elevation. Tomatoes can be grown year-round at the Property's elevation (415 to 435 MSL).

Sweet potato, the second most popular vegetable crop, is planted and harvested year-round throughout the state, and has a wide adaptability to Hawaii's environments.

Other viable vegetable crops that could be grown on the property include:

- Bittermelon
- Broccoli
- Cabbage, Chinese
- Cabbage, Head
- Cabbage, Mustard
- Celery
- Cucumbers
- Daikon
- Dry Onions
- Eggplant
- Green Peppers
- Italian Squash
- Lettuces
- Pumpkins
- Radish
- Romaine
- Snap Beans
- Squash, Oriental
- Sweet Corn
- Taro
- Watermelon

3. **Fruit Crops**

Overall acreage for fruit crops (excluding pineapple) declined statewide from 2004 to 2005, while remaining unchanged at 800 acres in Kaua'i (see Table 3 above). The farm value of Hawai'i fruits was estimated at $25.7 million in 2005, down 14.7 percent from the previous year.

Papayas are one of the most important, popular, and widely distributed fruits of humid tropical areas. Papaya production totaled 2,395 acres statewide in 2005, an increase of 14 percent from 2004. Harvested area totaled 1,480 acres, 20 percent more than 2004. However, irregular rainfall and disease problems contributed to lower yields and a smaller harvest. Regardless of the papaya output decline, papayas still yielded the highest sales of the fruit crops at $11.2 million.

Banana is a high yielding crop, and when well grown on suitable soils. Bananas require protection from wind in order to minimize blow-downs, high sunlight and temperature (low elevation). The State's banana growers saw a 16 percent decline in total acreage in 2005. Harvested acreage declined to two percent to 980 acres. In spite of the declines, improved yields along with generally favorable weather conditions in 2005 contributed to a 27 percent increase in utilized production over 2004. Banana sales were $9.1 million in 2005.

Guavas yielded $1.1 million statewide in 2005. A wide variety of good manufactured guava products are marketed and used around the world; these include jams, jellies, juices, juice blends, juice concentrate, and

several others. With its variety of uses, guava is a much-neglected fruit with great promise.

Tropical specialty fruits yielded $2.7 million in 2005 from a total 1.5 million pounds of fruit from 730 harvested acres. High input fruits included: atemoya, longan, lychee, mango, persimmon, and rambutan. Highest farm prices were recorded for lychee, mango, and persimmon.

Although not one of the highest produced fruit crop in Hawai'i, avocadoes could be a promising crop to cultivate on the property. Avocadoes can be widely grown in tropical and subtropical areas, and they have high food value, palatability, and ease of production. Depending on the variety, avocado trees are spaced between 25 and 35 feet apart in the orchard, intercropping with coffee and macadamia is common.

4. <u>Other Crops</u>

Many other crops could be economically feasible to cultivate on the property. As shown on Table 5 above, ginger root yields the highest revenue per harvested acre at $30,100. Ginger thrives best in the tropics and in the warmer regions of the temperature zone. The plants thrive on loose, loamy soil that is high in organic matter.

Fresh herbs are in high demand for restaurants and grocery outlets. In 2005, Hawai'i produced 4.4 million pounds of fresh herbs (Sweet Italian basil being the most popular) for $8.6 million in farm revenue.

Other crops cultivated on the property could include:

- Coffee
- Kava
- Macadamia Nuts
- Seed crops

5. **Horse Pasture**

Horses can be pastured at a ratio of one horse per 2.5 acres. Therefore, a common area that could be utilized as a pasture could conceivably enable the pasturing of one to two horses. If breeding horses, depending on the quality of the animal, a horse can fetch prices ranging from $10,000 to $50,000.

There are other costs associated with raising horses. Perimeter fencing with hog wire costs about $2.50/lineal foot or about $4,700 for 5 acres. Periodic wire and post replacement is usually necessary. Two or more adjacent lot owners may find it to their advantage to combine what would otherwise be separate horse boarding and rearing facilities. Cost savings for fencing includes the construction and use of joint fencing and joint stables.

6. **Cattle Grazing and Milk**

Cattle fetched $22.7 million in 2005. On the island of Kaua'i, 120 farms raised cattle with sales value of $1.7 million. The average weight price for steers and heifers in 2005 was $1.04 per pound. The average dressed weight price for cows was 50.5 cents per pound (Source: HAS website @ http://www.nass.usda.gov/hi/stats/t_of_c.htm).

Dairy cows produced 69.6 million pounds of milk in 2005, at an average 12,880 per cow. Milk producers received $27 per hundredweight of milk sold.

G. BUSINESS PLAN AND ECONOMICS FOR AGRICULTURAL USES

Economic information regarding potential agricultural uses can be found through various agricultural websites. One source, the Hawai'i Agriculture Research Center (HARC), provides published research done on various crops. The HARC website may be found at: http://www.hawaiiag.org/harc/index.htm.

The University of Hawai'i College of Tropical Agricultural and Human Resources (CTAHR) has cost of production studies to help estimate the economic feasibility of

specific crops suited to small farming operations. Illustrative examples can be found on the CTAHR's website at: http://www2.ctahr.hawaii.edu/oc/freepubs/spreads/.

The following CTAHR cost-of-production spreadsheets have been provided as examples in this Agricultural Plan (refer to Exhibits):

- Avocado
- Banana
- Coffee
- Ginger
- Onion
- Tomato

CTAHR and its Cooperative Extension Service also provide resource information and contact personnel for alternative horticultural endeavors.

The number of farms, acreage, yield, production, price and value yield information for fruits and vegetables can be found on the Hawai'i Agriculture Statistics website at: http://www.nass.usda.gov/hi/stats/t_of_c.htm.

Joint agricultural project with CTAHR or the Hawai'i Agricultural Research Cent could be pursued on the subdivided lots.

H. COMPLIANCE WITH LAND USE LAWS

1. Chapter 205, Hawai'i Revised Statutes

The State Land Use Law, identified as Chapter 205 of the Hawai'i Revised Statutes (HRS), establishes the State Land Use Commission and authorized this body to designate all lands in the State into one of four Districts:

- Urban
- Rural
- Agricultural
- Conservation

The property is situated within the State Agricultural Land Use District.

HRS 205-2
... Agricultural districts shall include activities or uses as characterized by the cultivation of crops, orchards, forage, and forestry; farming activities or uses related to animal husbandry, aquaculture, game and fish propagation; aquaculture, which means the production of aquatic plant and animal life for food and fiber within ponds and other bodies of water; wind generated energy production for public, private and commercial use; services and uses accessory to the above activities including but not limited to living quarters or dwellings, mills, storage facilities, processing facilities, and roadside stands for the sale of products grown on the premises; wind machines and wind farms; agricultural parks; and open area recreational facilities, including golf courses and golf driving ranges, provided that they are not located within agricultural district lands with soil classified by the land study bureau's derailed land classification as overall productivity rating "A" or "B".

> *COMPLIANCE: The project, as proposed, includes the cultivation of crops and other farming activities. Incidental and accessory to the faming activities is the development of farm buildings and farm dwellings.*

Section 205-4.5 defines permissible uses within the agricultural districts based on the land LSB soil classification rating. The cultivation of crops, raising livestock, and farm dwellings are permitted uses on land rated "A" through "E".

HRS 205-4.5
Permissible uses within the agricultural districts, (a) Within the agricultural district, all lands with soil classified by the land study bureau's detailed classification as overall productivity rating class "A" or "B" shall be restricted to the following permitted uses:

(1) Cultivation of crops, including but not limited to flowers, vegetables, foliage, fruits, forage, and timber;
(2) Game and fish propagation;
(3) Raising of livestock, including but not limited to poultry, bees, fish, or other animal or aquatic life that are propagated for economic or personal use;

(4) Farm dwellings, employee housing, farm buildings, or activity or uses related to farming and animal husbandry. Farm dwelling as used in this paragraph means a single-family dwelling located on and used in connection with a farm or where agricultural activity provides income to the family occupying the dwelling;

(9) Roadside stands for the sale of agricultural products grown on the premises;

(10) Building and uses, including but not limited to mills, storage and processing facilities, maintenance facilities that are normally considered directly accessory to the above mentioned uses;

(11) Agricultural parks.

COMPLIANCE: The project elements, as described in the Agriculture Master Plan, are consistent with the intent, the purpose, and the statutory provisions that regulate the uses in this land use district.

HRS 205-5

Within agricultural districts, uses compatible to the activities described in Section 205-2, as determined by the Land Use Commission, shall be permitted. Other uses may be allowed by special permits issued pursuant to this chapter. The minimum lot size in agricultural districts shall be determined by each County through its zoning ordinance, subdivision ordinance or other lawful means; provided that the minimum lot size for any agricultural uses shall be not less than one acre...

COMPLIANCE: The minimum agricultural lot size that is being proposed under this plan is one (1) acre.

2. State Agricultural Functional Plan

The State of Hawai'i Agricultural Functional Plan consists of two primary objectives for agriculture - (1) the continued support of sugar and pineapple, and (2) the promotion of diversified agriculture. The primary purpose of the Agriculture Functional Plan is to set forth policies that support agriculture and agriculture related programs in the State of Hawai'i.

The proposed subdivision is consistent with the following policies:

A(2) Policy
Encourage the development of agricultural associations and promote effective marketing of agricultural commodities.

> *COMPLIANCE: The subdivision shall operate in a similar fashion to that of an agricultural association in that all of the farm lot owners participate and are subject to the planned development of diversified marketable crops under the auspices of the Home Owners Association (HOA).*

A(4) Policy
Establish a system for the comprehensive assessment of Hawaiian agriculture and the optimal allocation of public resources to assist agriculture.

> *COMPLIANCE: The development of smaller agriculture lots allows for the creation of smaller farming units and the farming of specialty crops, many of which cannot be farmed on a larger scale.*

B(1) Policy
Systematically determine the most suitable locations for increased agricultural production.

> *COMPLIANCE: The subdivision is located on land that has been farm from early historic periods. The re-establishment of crops proven to have flourished in the past on this land will increase the land on Kaua'i that is being used for agricultural production. This area should continue to support agriculture because of its access to roads and utilities.*

B(3) Policy
Continue to develop a statewide system of agricultural parks.

> *COMPLIANCE: The project is not an agricultural park by purpose or by design. However, it creates a proportionate mix of smaller farming parcels that are manageable in terms of size and scale. With the exception of the newly created Agriculture Park in Kīlauea, there has not been the creation of an agriculture park on Kaua'i for nearly two decades. These parks tend to be created on poor soils, without proper utilities, and in areas away from transportation terminals or hubs; i.e. airport and harbors*

B(4) Policy
Encourage productive agricultural use of the most suitable agricultural lands.

> *COMPLIANCE: The subject lands are classified as having a median of productivity, however, they can be put to greater productive use by employing proper farming methods and the implementation of best management practices.*

C(1) Policy
Improve agricultural water resource management.

> *COMPLIANCE: Island wide, the existence of an intact irrigation system is uncommon since the closure of the sugar plantations. There are existing ditch right-of-ways in this area, however, there are none in the vicinity of the project site. It is noted that the established trees already existing on this land have been proven to thrive on natural rainfall, and grey water and catchment water will be primarily used for seedlings and propagation*

C(2) Policy
Expand agricultural water resources statewide.

> *COMPLIANCE: The use of natural water resources for the agricultural crops is sufficient enough such that it will not be dependent on potable water. As such, it will protect the potable water from being utilized for non-potable purposes.*

3. Kaua'i General Plan

The Kaua'i General Plan, as amended in 2000, restates the purposes of the Agriculture District as follows:

Primary Intent
The primary intent of the Agriculture designation is to conserve land and water resources in order to:

(1) insure an excellent resource base for existing and potential agricultural uses;

(2) assure a sufficient supply of land available for sale or lease at a cost that is economically feasible for agriculture enterprise; and

(3) promote and preserve open agricultural lands as a key element of Kauai's rural character and lifestyle, essential to its image as the "The Garden Island" and to the continued viability and development of Kauai's visitor industry.

> ***COMPLIANCE:*** *The project is designed and developed entirely with the parameters of the Kaua'i General Plan. The Applicant is not seeking any variance or zoning amendment requests. All land uses, lot sizes, and density governing the project are generally permitted uses in the Agriculture District and are consistent with the development standards of the County's zoning ordinance.*

Secondary Intent

The secondary intent of the Agriculture designation is to provide an opportunity for Kaua'i citizens to reside in an agricultural community.

An "agricultural community" is an area that has both agricultural uses and residences. Typically, an agricultural community is established through subdivision of land and provision of roads and potable water service. Agricultural communities are generally located in outlying areas, do not have convenient access to County facilities, and may not receive the full range or highest level of County services such as are available to residential communities, towns, and urban centers.

> ***COMPLIANCE:*** *The project is consistent with the definition of an agricultural community since it is located in an agriculturally zoned district and with in a rural neighborhood.*

4. Comprehensive Zoning Ordinance

Chapter 8 of the Kaua'i County Code (KCC), is commonly referred to as the Comprehensive Zoning Ordinance (CZO). It provides regulations and standards for land development and the construction of buildings and other structures in the County of Kaua'i. The regulations and standards

prescribed in the CZO are intended to regulate development to ensure its compatibility with the overall character of the island.

Development within the Agriculture (A) zoning district is discussed in Article 7 of the CZO. The following provisions are permissible uses & structures in this zoning district and applicable to this project:

Section 8-7.2 Generally Permitted Uses and Structures

The following uses and structures are permitted in the Agriculture District:

(1) Accessory structures and uses;
(2) Aquaculture;
(3) Diversified agriculture;
(4) Forestry;
(5) Grazing
(6) Historic sites;
(7) Intensive agriculture;
(8) Livestock, poultry, and piggeries;
(9) Minor food processing related to agricultural products;
(10) Orchards and nurseries;
(11) Outdoor recreation;
(12) Pet keeping and raising;
(13) Public parks and monuments;
(14) Resource management;
(15) Single-family detached dwellings;
(16) Specialized agriculture;
(17) Undeveloped campgrounds;
(18) Warehousing, storage and packing of plant products;
(19) Wildlife management

COMPLIANCE: *The project is designed so that each lot may be farmed in a fashion that is in compliance with the standards set forth in the CZO. The construction of farm dwellings on the lots is permitted and is accessory to the agricultural purposes.*

III. CONCLUSION

The Aukahi Farm Subdivision Agricultural Master Plan provides opportunities for diversification in agriculture to all of its homeowners. It is a small-scale niche agri-business that can direct its marketing with ease to an unfilled marked with a great number of specialty outlets. There is a growing interest all over the United States, including Kaua'i, in increasing food self-sufficiency and the growing, marketing, purchase and consumption of "local fresh products."

It will also provide opportunity for its resident farmers to develop secondary crops and will serve to keep Kaua'i agricultural lands in active and diversified use.

Based on the soil conditions, topography of the site, rainfall and climatic conditions, and the nature and scope of the agricultural plan, the proposed subdivision will provide for the feasible agricultural use of the property.

EXHIBIT "E-2"

(CULTURAL IMPACT ASSESSMENT)

EXHIBIT "F-1"

ADJACENT PROPERTY INDEX

TMK	OWNER/ADDRESS
(4) 2-7-003:001	BURT H. HADAMA ERIC B. HADAMA P O BOX 417 KOLOA KAUAI HI 96756
(4) 2-7-003:007	MILTON S YAMAMOTO TRUST 5197 KOLOA ROAD KOLOA KAUAI HI 96756
(4) 2-7-003:010	AUKAHI FARM LLC P O BOX 670 KOLOA KAUAI HI 96756
(4) 2-7-003:014 (4) 2-7-003:015 (4) 2-7-003:018 (4) 2-7-003:020	MCBRYDE SUGAR COMPANY LTD. P O BOX 8 ELEELE KAUAI HI 96705
(4) 2-7-003:016	FLOYD & PEGGY LIBRE P O BOX 6 KAUMAKANI KAUAI HI 96747
(4) 2-8-004:001	GROVE FARM PROPERTIES INC. P O BOX 662069 LIHUE KAUAI HI 96766
(4) 2-8-004:003	ERIC A KNUDSEN TRUST P O BOX 160 KOLOA KAUAI HI 96756
(4) 2-8-005:002	DWI PROPERTIES FAMILY LP C/O PETER K. BALDWIN P O BOX 130 KOLOA KAUAI HI 96756
(4) 2-8-005:004 (4) 2-8-005:018 (4) 2-8-005:019 (4) 2-8-006:026 (4) 2-8-006:027	COUNTY OF KAUAI C/O IAN K. JUNG, ESQ 4444 RICE STREET SUITE 220 LIHUE KAUAI HI 96766
(4) 2-8-005:005	5445 EMI ROAD LLC 1749 N SANTA ANITA AVENUE ARCADIA CALIFORNIA 91006

TMK	OWNER/ADDRESS
(4) 2-8-011:001 (4) 2-8-013:001 (4) 2-8-014:001	ERIC A KNUDSEN TRUST ETAL P O BOX 160 KOLOA KAUAI HI 96756
(4) 2-8-012:002	SAMUEL K BUKOSKI ETAL 3121 HAPA ROAD KOLOA KAUAI HI 96756
(4) 2-8-012:003	BERNARD ALMEIDA ET AL 3131 HAPA ROAD KOLOA KAUAI HI 96756
(4) 2-8-012:005	FRANK G BUKOSKI SR ETAL 3161 A HAPA ROAD KOLOA KAUAI HI 96756
(4) 2-8-012:006	MARTIN M OSBORN JR ETAL 5413 GRANADA WAY CARPINTERIA CA 93013
(4) 2-8-012:007 (4) 2-8-012:020 (4) 2-8-012:021 (4) 2-8-012:022 (4) 2-8-012:026 (4) 2-8-012:032 (4) 2-8-013:006 (4) 2-8-014:023	HAUPU LAND COMPANY LLC ETAL P O BOX 662069 LIHUE KAUAI HI 96766
(4) 2-8-012:016 (4) 2-8-012:029	ELIZABETH L K PENZETTA P O BOX 1017 KOLOA KAUAI HI 96756
(4) 2-8-012:017	ALDRENE K SCOVEL P O BOX 741 KOLOA KAUAI HI 96756
(4) 2-8-012:018	LINDA D SPENCER TRUST P O BOX 86 KOLOA KAUAI HI 96756
(4) 2-8-012:019 (4) 2-8-012:023	POHAKU KOLOA LLC ET AL 4365 KUKUI GROVE STREET SUITE 102 LIHUE KAUAI HI 96766
(4) 2-8-012:024 CPR NO. 0001	MORRIS LIVING TRUST 1062 MONTERY VISTA WAY ENCINITAS CA 92024

TMK	OWNER/ADDRESS
(4) 2-8-012:024 CPR NO. 0002	JONATHAN PARRISH P O BOX 40 KOLOA KAUAI HI 96756
(4) 2-8-012:024 CPR NO. 0003	KEITH J CRUICKSHANK ETAL P O BOX 40 KOLOA KAUAI HI 96756
(4) 2-8-012:027	LLOYD M SAKO TRUST ETAL 131 ULUWEHI PLACE WAHIAWA HI 96786
(4) 2-8-012:030	PAUL PANUI TRUST ETAL 3141 HAPA ROAD KOLOA KAUAI HI 96756
(4) 2-8-012:031	KVH LLC ETAL P O BOX 1550 HONOLULU HI 96806
(4) 2-8-012:033 (4) 2-8-013:008	VISIONARY LLC ETAL P O BOX 662069 LIHUE KAUAI HI 96766
(4) 2-8-012:034	ELIZABETH L K PENZETTA ETAL P O BOX 756 KOLOA KAUAI HI 96756
(4) 2-8-013:004 (4) 2-8-013:009	ROMAN CATHOLIC CHURCH P O BOX 1550 HONOLULU HI 96806

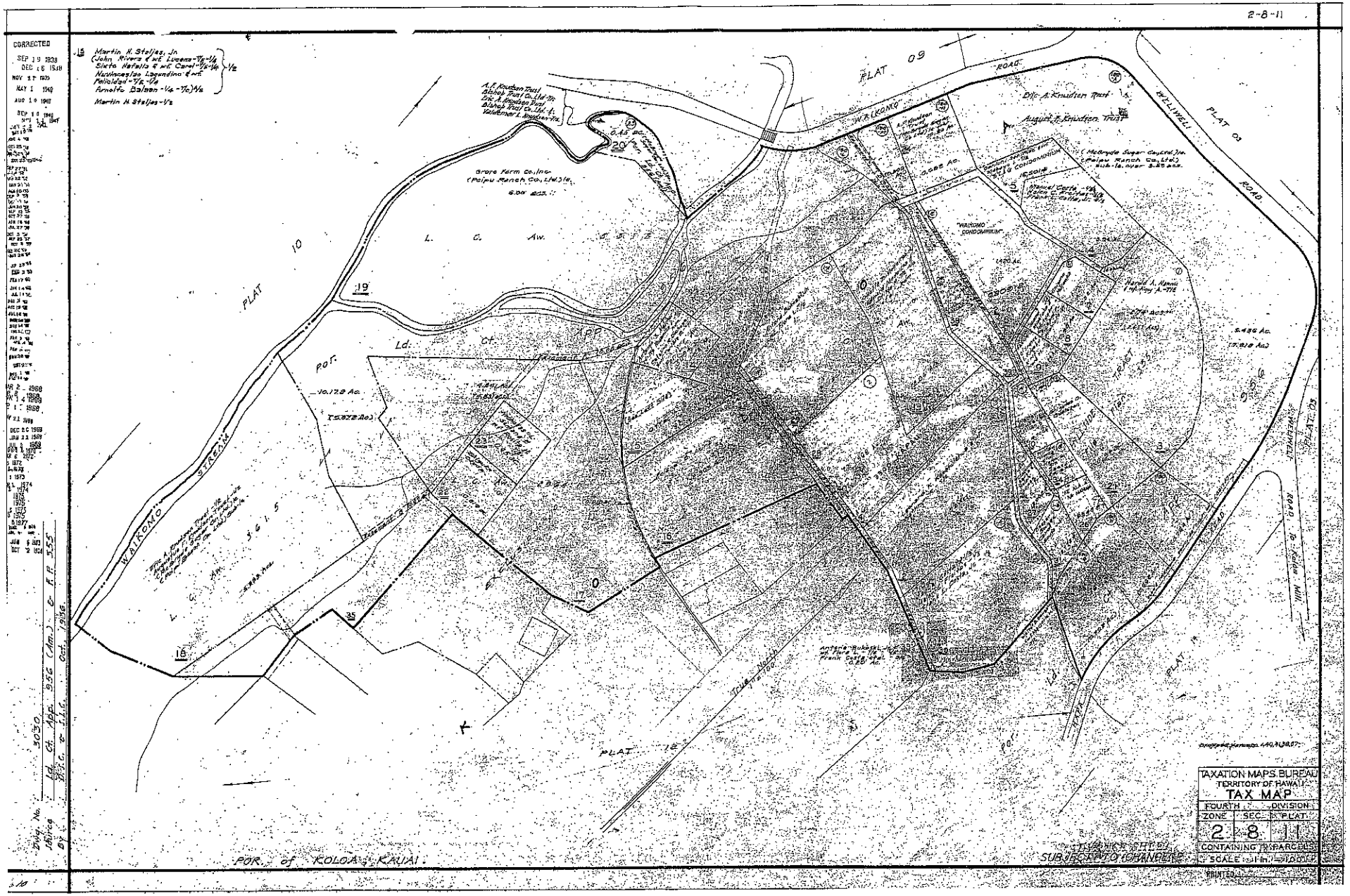
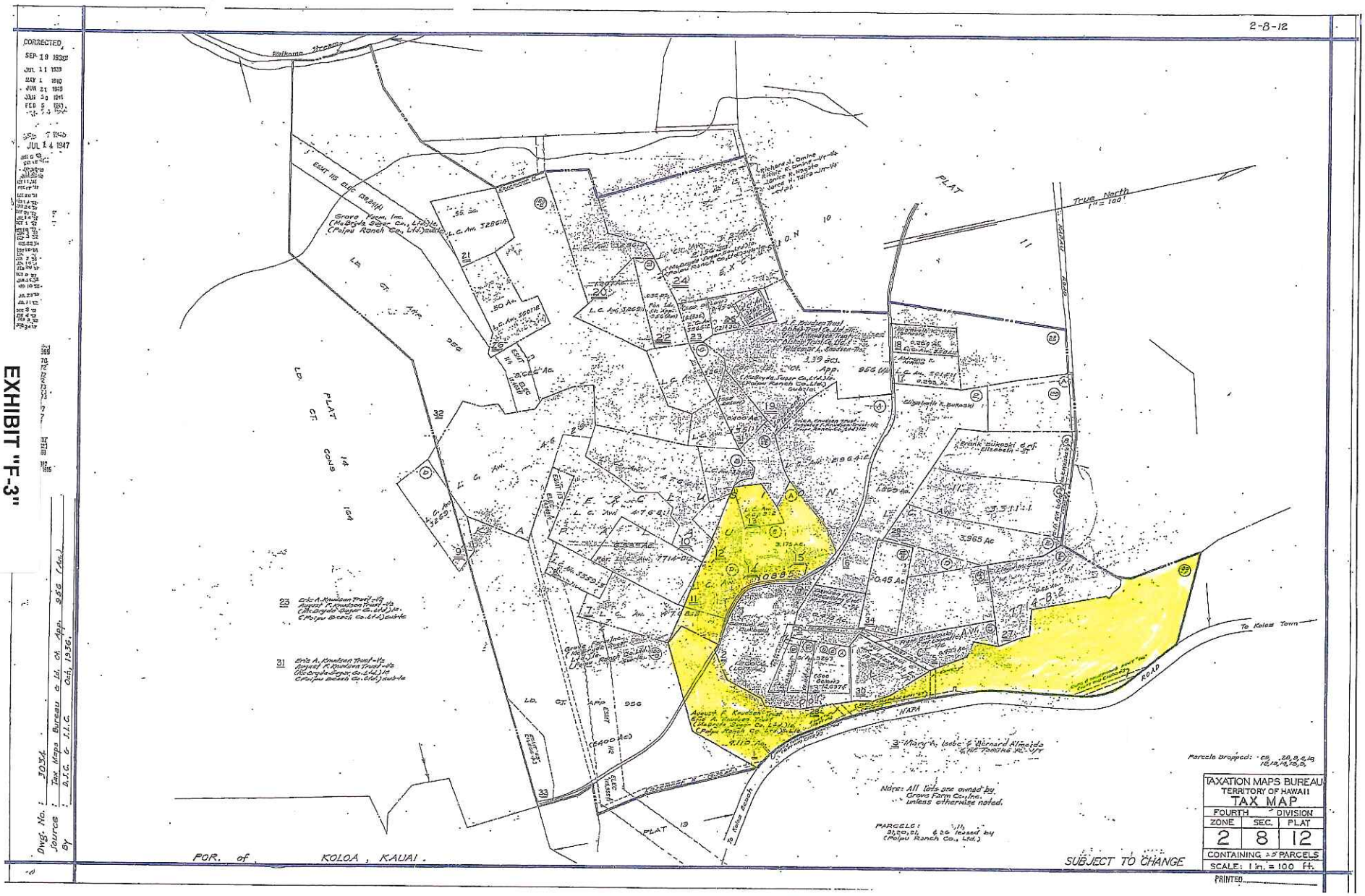
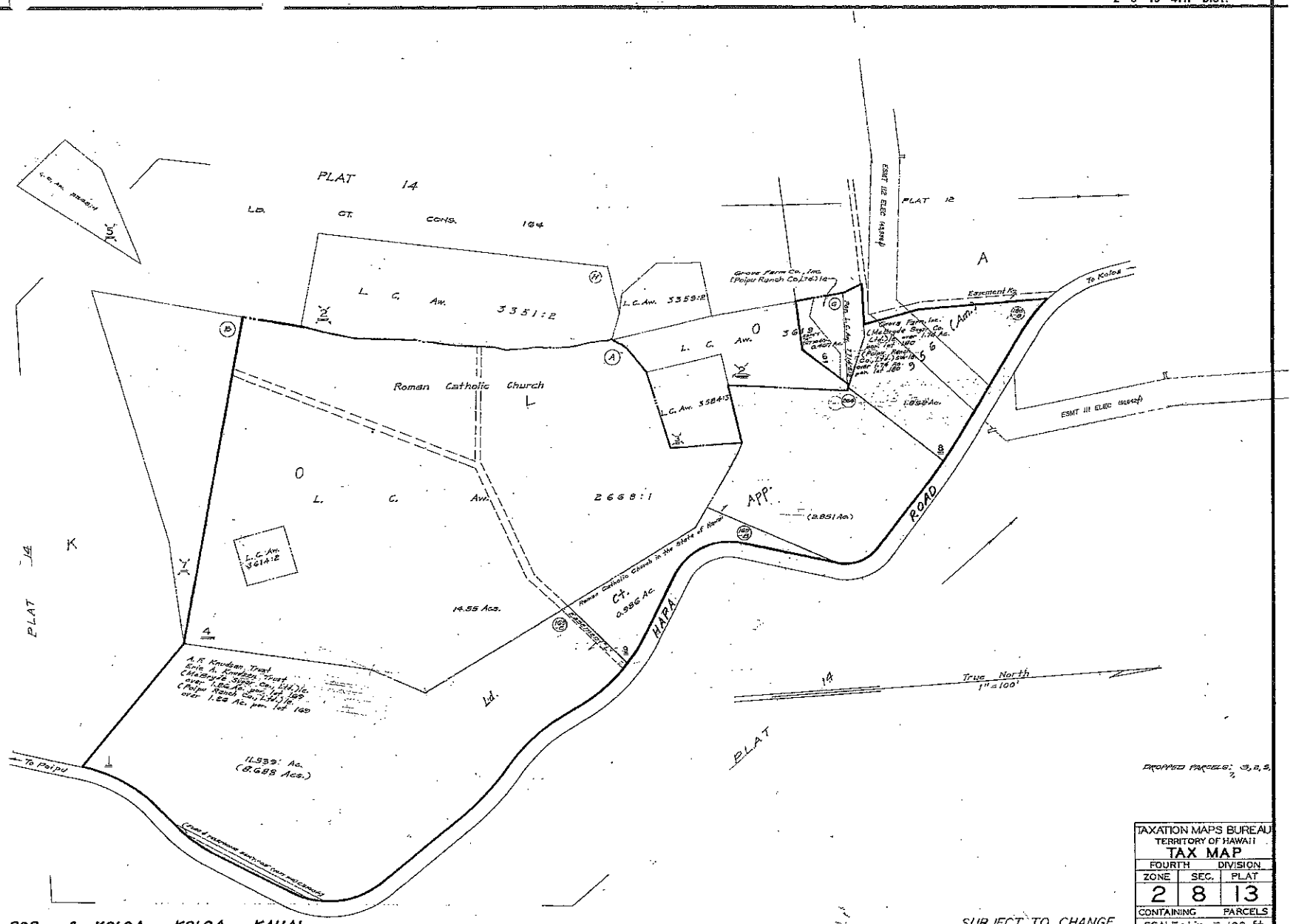

2-8-11
CORRECTED
PLAT 09
PLAT 10
PLAT 12
PLAT 03
WAIKOMO STREAM
WAIKOMO ROAD
HELLWELL ROAD
L. C. Aw.
Ld. Ct. App.
POR.
Grove Farm Co., Inc.
(Poipu Ranch Co., Ltd.) lic.
August J. Knudsen Trust
Dilo A. Knudsen Trust
Harold A. Hanna
(McBryde Sugar Co., Ltd. lic.
(Poipu Ranch Co., Ltd.)
sub-lic. over 5.55 ac.)
"WAIKOMO CONDOMINIUM"
True North
TAXATION MAPS BUREAU
TERRITORY OF HAWAII
TAX MAP
FOURTH DIVISION
ZONE 2 SEC. 8 PLAT 11
CONTAINING 19 PARCELS
SCALE 1 in. = 100 ft.
PRINTED
SUBJECT TO CHANGE
POR. of KOLOA, KAUAI

EXHIBIT "F-2"


2-8-12
CORRECTED
SEP 19 1939
JUL 11 1939
MAY 1 1940
JUN 21 1940
JAN 30 1941
FEB 5 1941
JUL 14 1947
Hanalei Stream
True North
1" = 100'
PLAT
ROAD
To Koloa Town
NAPA
Grove Farm, Inc.
(McBryde Sugar Co., Ltd.)
(Poipu Ranch Co., Ltd.)
L.C. Aw. 7286 10
L.C. Aw. 7260
L.C. Aw. 7260 10
L.C. Aw. 7260 12
L.C. Aw. 7260 13
L.C. Aw. 7260 14
L.C. Aw. 7260 15
L.C. Aw. 7260 16
L.C. Aw. 7260 17
L.C. Aw. 7260 18
L.C. Aw. 7260 19
L.C. Aw. 7260 20
L.C. Aw. 7260 21
L.C. Aw. 7260

2 8 13 4TH DIST.

CORRECTED
SEP 19 1938
21 APR
SEP 3 '38
JUL 23 '59
JUL 11 '60
FEB 8 '61
NOV 21 1966
FEB 1 1969
JUN 5 1975
6 1977
JUL 14 1978
AUG 7 1979
AUG 7 1981
JAN 22 1981
APR 6 1983



POR. of KOLOA, KOLOA, KAUAI.

SUBJECT TO CHANGE

TAXATION MAPS BUREAU		
TERRITORY OF HAWAII		
TAX MAP		
FOURTH		DIVISION
ZONE	SEC.	PLAT
2	8	13
CONTAINING		PARCELS
SCALE: 1 in. = 100 Ft.		

PRINTED

Drgf. No. : 3036
Source : Ld. Ct. App. 956 (Am.)
By : D.T.C. & H.L.C. Oct. 1936

EXHIBIT "F-4"

CORRECTED
SEP 19 1938
AUG 23 1940
NOV 6 1941
NOV 21 1968
DEC 18 1968
JUN 30 1972
JUN 7 1974
JUN 7 1981
FEB 26 1982
NOV 12 1982
JUN 17 1983
JUN 6 1983
SEP 13 1983
JUL 24 1985
JUL 22 1986

EXHIBIT "F-5"

Dwg. No.	Date	
1	3037	
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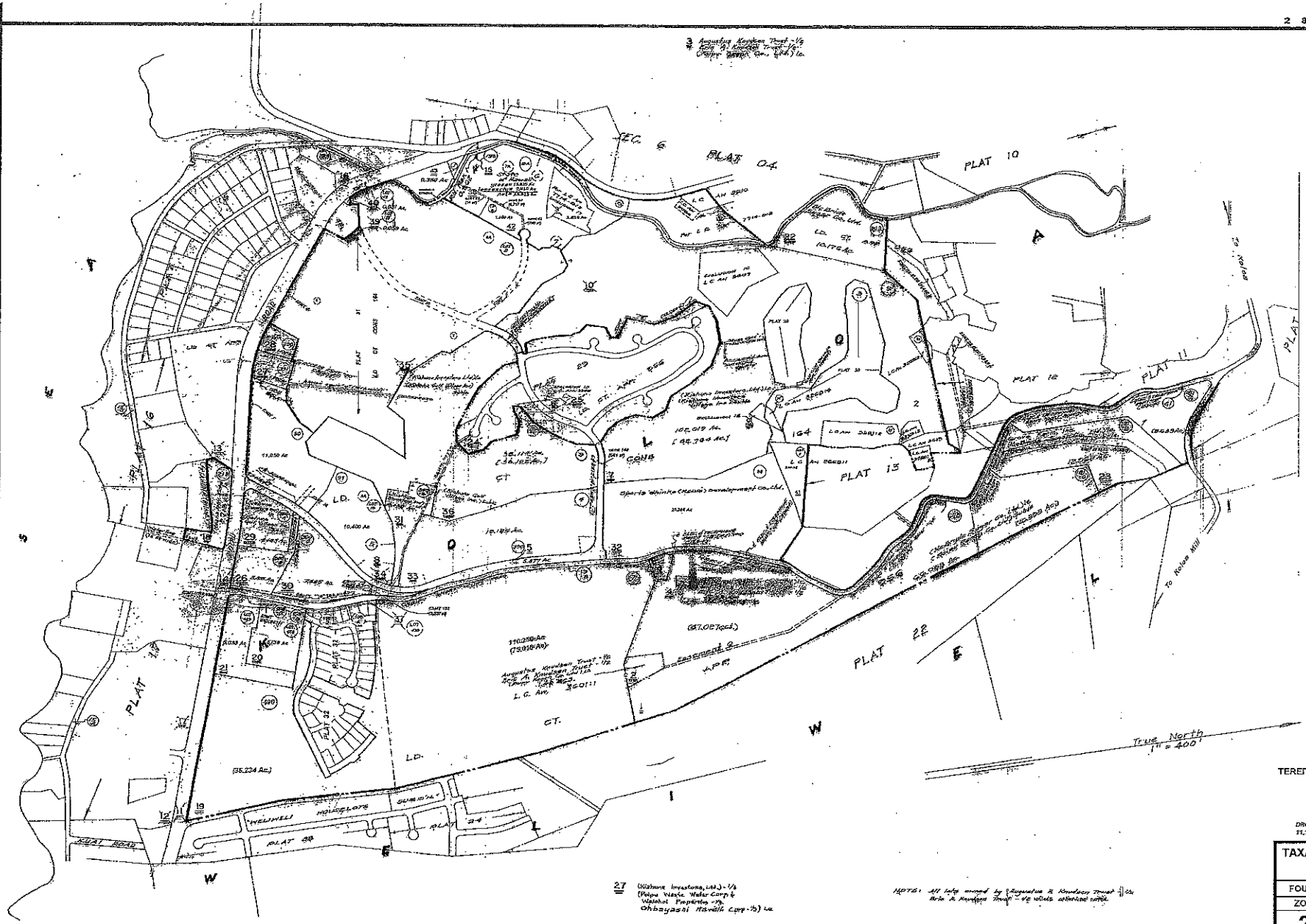
3	D.L.C. & T.L.C.	Oct. 1926

Sources BY