

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

March 13, 2015

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

GL S-5844

Hawai'i

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

LEGAL REFERENCE:

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

LOCATION:

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

AREA:

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

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act

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

CHARACTER OF USE:

Hotel and golf course purposes.

TERM OF LEASE:

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

ANNUAL RENTAL:

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

USE OF LOAN PROCEEDS:

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

BACKGROUND:

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

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

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

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

as Exhibit 2.

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

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

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

REMARKS:

Improvement Bonds

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

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

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

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

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

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

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

Outstanding County of Hawaii Violations

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

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

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

Request for Consent to Mortgage and Estoppel Certificate

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

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

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

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

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

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

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

Plans Submission to BLNR for Review and Approval

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

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

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

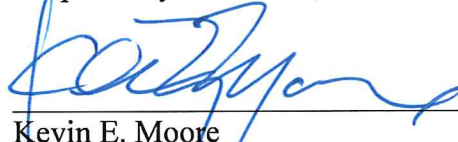
Timetable for Further Construction

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

RECOMMENDATION: That the Board:

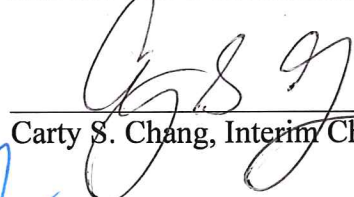
1. Decide whether to approve the progress report on the status of the renovation of the lease premises;
2. Decide whether to approve WHR LLC's request for consent to mortgage in an amount of up to \$16,000,000, with possibility of an additional \$2,415,000 loan; and
3. Decide whether to approve the Plans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

Respectfully Submitted,



Kevin E. Moore
Assistant Administrator

APPROVED FOR SUBMITTAL:



Carty S. Chang, Interim Chairperson

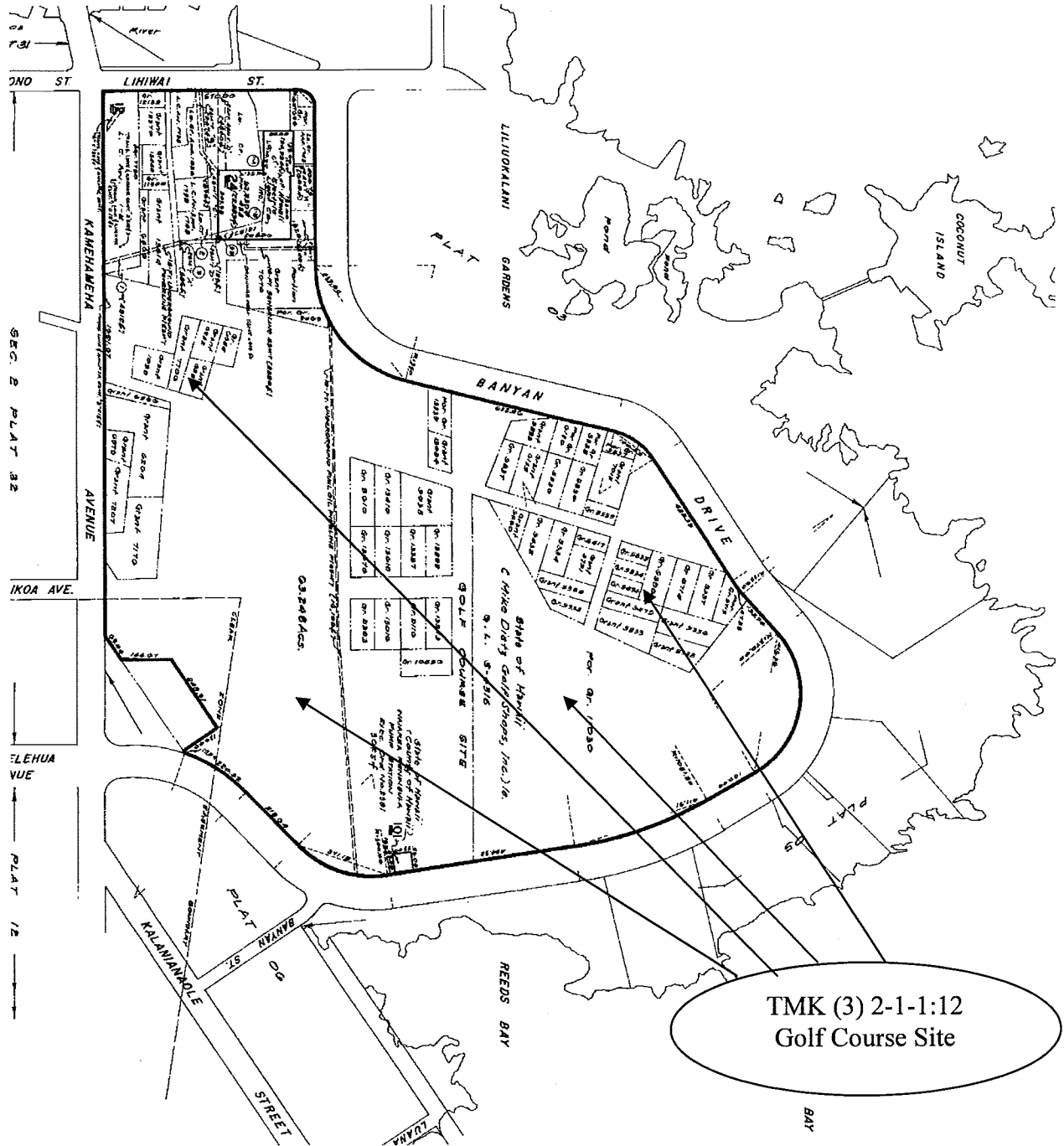
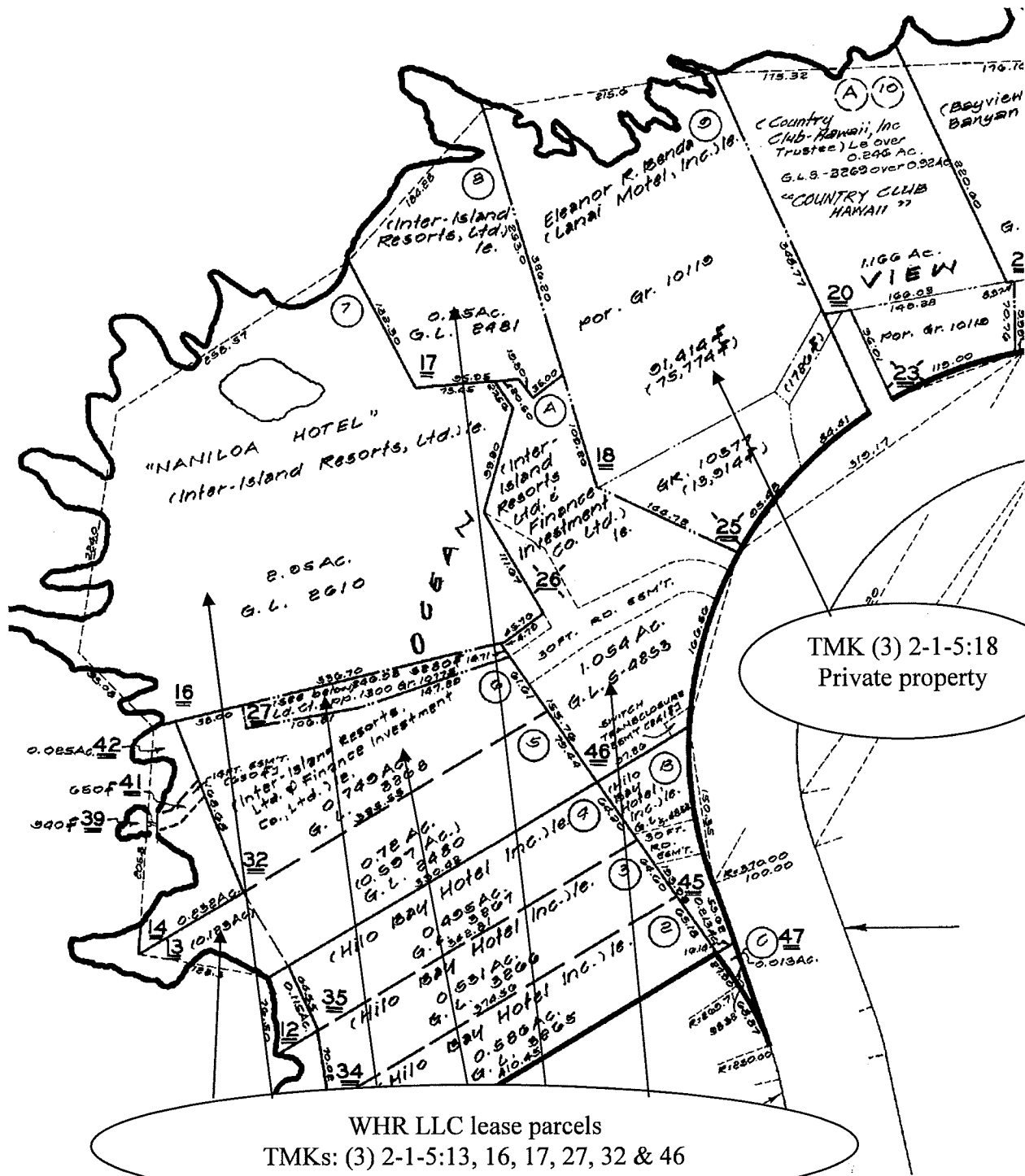


EXHIBIT 1



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Member Roehrig suggested Bushor talk to Hilo Hawaiian.

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

Unanimously approved as amended (Char, Oi)

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

Aloha Ed, Stuart, Mark and Michael:

Happy New Year to all of you.

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

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

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

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

EXHIBIT 3

Very truly yours,

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

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

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

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

**WHR, LLC
93 Banyan Drive
Hilo, HI 96720**

January 19, 2015

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

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

Mr. Yamamoto,

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

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

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

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

Best regards,



Stuart Miller
VP Development
Tower Development, Inc.

EXHIBIT 5

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Area	Permitted Item	Building Permit Submittal	Permit Application NO.	1st Plan Check	2nd Plan Check	Building Permit Received	Permit No.	Notes
Mauna Loa Guest Rooms								
	Demolition	4/24/14		5/23/14	N/A	7/23/14	BH2014-01198	
	Construction, including MEP	5/23/14				8/29/14	BH2014-01415	
	Permit Modification (Plan Revision)	11/6/14				Pending from County		Currently pending comments from County
	Guest Room ADA Submittal (DCAB)	7/23/14	A2014-589	12/2/14	1/22/14	Pending from DCAB		Currently pending comments from DCAB
Naniloa - all buildings								
	Fire Sprinklers	9/18/14				10/10/14		Received approval from Fire Department 10/10/14; does not require additional County approval.
Lobby								
	Demolition, Construction & MEP	5/23/14		8/18/14		8/29/14	BH2014-01416	
	Permit Modification (Plan Revision)	11/6/14				Pending from County		Currently pending comments from County
	DCAB Submittal Electrical	7/23/14	A2014-485	12/2/14	1/23/15	12/17/14	EH2014-02056	Received comments from DCAB 1/23/15; currently with Architectural to review and reply.
	Plumbing							Received from Hiramama Electrical
	Lobby ADA Submittal (DCAB)	7/23/14	A2014-485	12/5/14	1/23/15			Pending application and permit from Clean Sewer Lines Received comments from DCAB 1/23/15; currently with Architectural to review and reply.
Roofing - All Buildings								
	Re-roofing	7/11/14		8/18/14		9/25/14	BH2014-01547	
Fire Alarms - All Buildings								
	Fire Alarms - Mauna Loa Tower	6/3/14	A2014-BH01011	7/10/14	9/19/14	Pending from County		Received approval from Fire Department 10/10/14. Submitted to County after approval from Fire Dept on 12/5/15.
	Fire Alarms - Mauna Kea Tower (includes Restaurant)	6/3/14	A2014-BH01012	7/10/14	9/19/14	Pending from County		Received approval from Fire Department 10/10/14. Submitted to County after approval from Fire Dept on 12/5/15.
	Fire Alarms - Kilauea Tower	6/3/14	A2014-BH01013	7/10/14	9/19/14	Pending from County		Received approval from Fire Department 10/10/14. Submitted to County after approval from Fire Dept on 12/5/15.
	Fire Alarms - Lobby and Common Areas	6/3/14	A2014-BH01014	7/10/14	9/19/14	Pending from County		Received approval from Fire Department 10/10/14. Submitted to County after approval from Fire Dept on 12/5/15.
	Fire Alarms - Crown Room	6/3/14	A2014-BH01015	7/10/14	9/19/14	Pending from County		Received approval from Fire Department 10/10/14. Submitted to County after approval from Fire Dept on 12/5/15.
	Fire Alarms - Polynesian Room							Pending drawing in order to make application for permit. To be performed Design Build with Subcontractor.
Restaurant - Mauna Kea Ground Floor								
	Restaurant ADA Submittal	12/10/14	A2014-BH02359			Pending from County		Application #A2014-BH02359 Pending submittal to DCAB from Tower Construction.
Mauna Kea Guest Rooms - ADA Rooms								
	Area of Refuge and Elevator Core - Level 2	12/19/14	A2014-BH02413			Pending from County		
	Area of Refuge and Elevator Core - Level 3	12/19/14	A2014-BH02414			Pending from County		
	Area of Refuge and Elevator Core - Level 4	12/19/14	A2014-BH02415			Pending from County		

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

Nani'loa Hotel

TOWER
DEVELOPMENT
TOWER
CONSTRUCTION

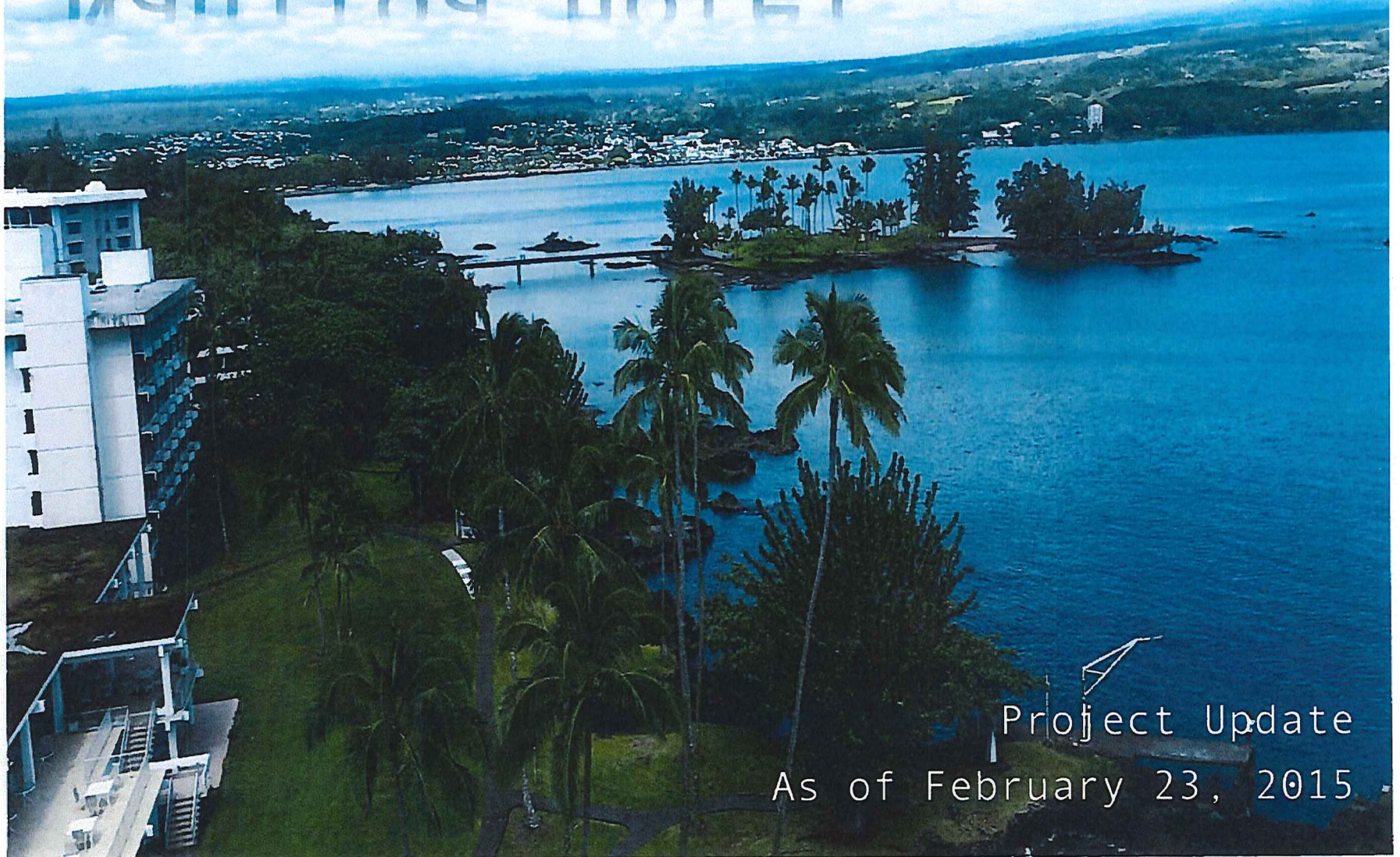
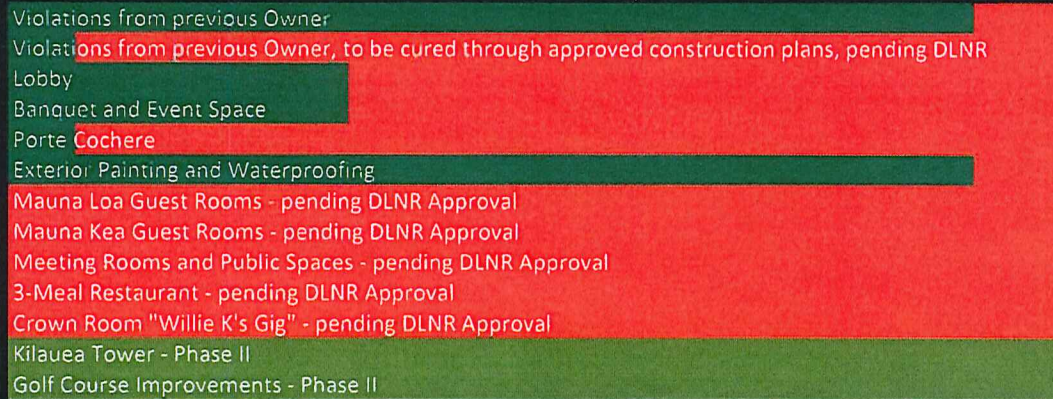


EXHIBIT 5-A

Project Update
As of February 23, 2015

Construction % Complete



Construction Progress



Progress of County Violations from previous Owner

CURED - COMPLETED

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


TO BE CURED THROUGH CONSTRUCTION

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

IN PROGRESS

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





Mauna Loa Tower

TOWER
DEVELOPMENT

TOWER
CONSTRUCTION



Mauna Kea Tower

TOWER
DEVELOPMENT

TOWER
CONSTRUCTION





Kilauea Tower



TOWER
DEVELOPMENT

TOWER
CONSTRUCTION

Center
concrete wall
demolition



TOWER
DEVELOPMENT

TOWER
CONSTRUCTION



Lower wall, stair,
and water feature
demolition



TOWER
DEVELOPMENT

TOWER
CONSTRUCTION

TOWER
DEVELOPMENT

TOWER
CONSTRUCTION

Banquet space
demolition



TOWER
DEVELOPMENT
TOWER
CONSTRUCTION



Water feature demo
and waste line
repairs

TOWER
DEVELOPMENT
TOWER
CONSTRUCTION



Upper level infill
with new structural
pan deck

TOWER DEVELOPMENT TOWER CONSTRUCTION



Upper and lower
level slabs
placement

TOWER
DEVELOPMENT
TOWER
CONSTRUCTION



New
ceiling
framing
and coring
for fire
sprinklers

New framed
skylight opening
and wood ceiling
mockups/samples

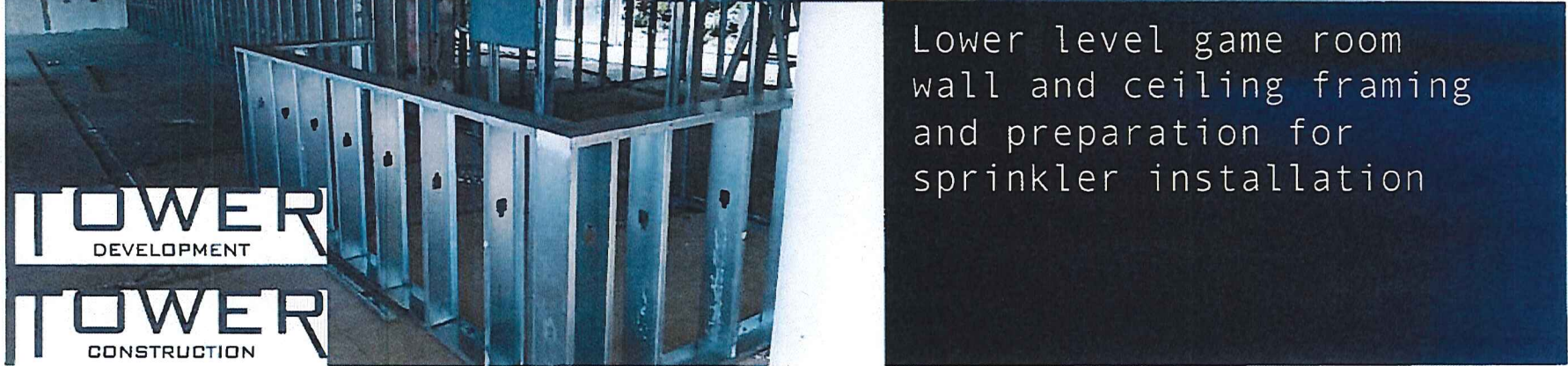




Lower level stairs and bar framing



Lower level framing and bar



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

TOWER
DEVELOPMENT
TOWER
CONSTRUCTION

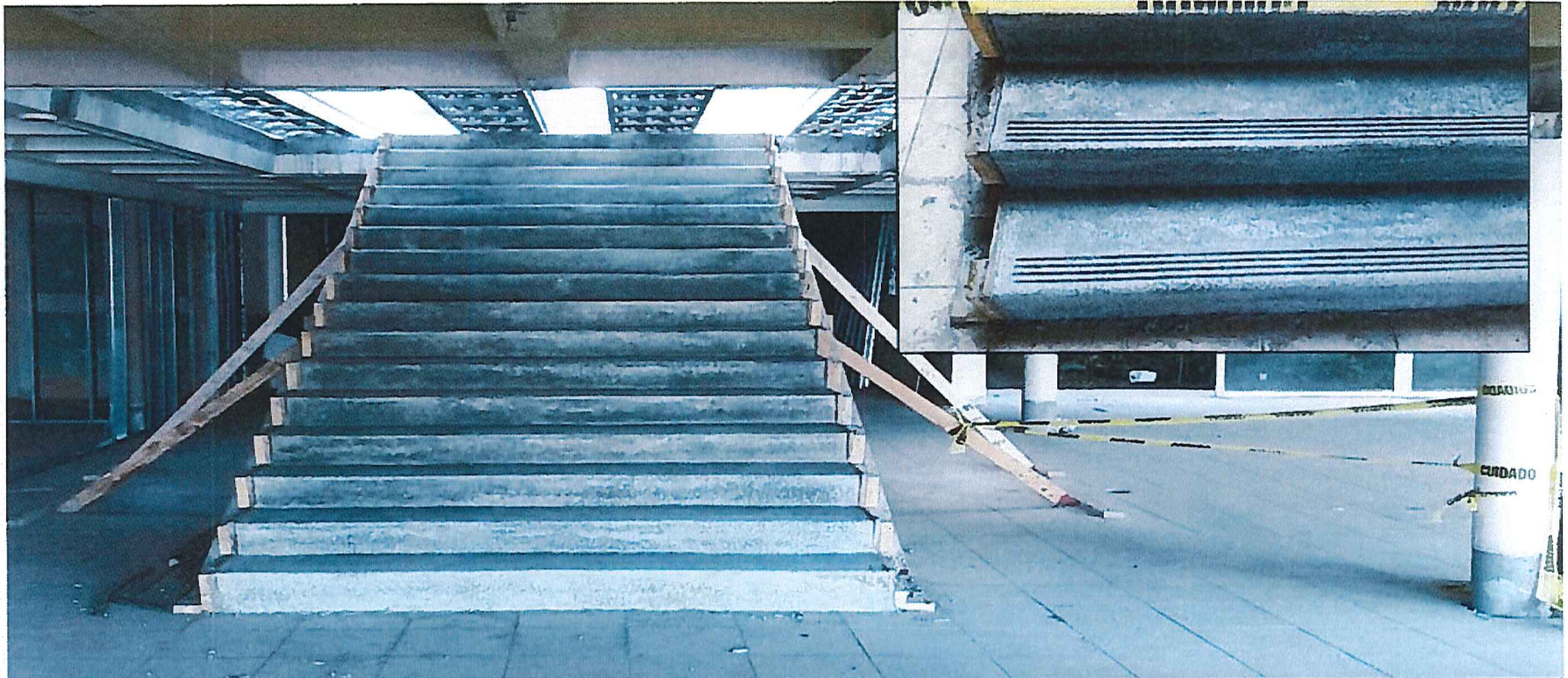


TOWER
DEVELOPMENT

TOWER
CONSTRUCTION



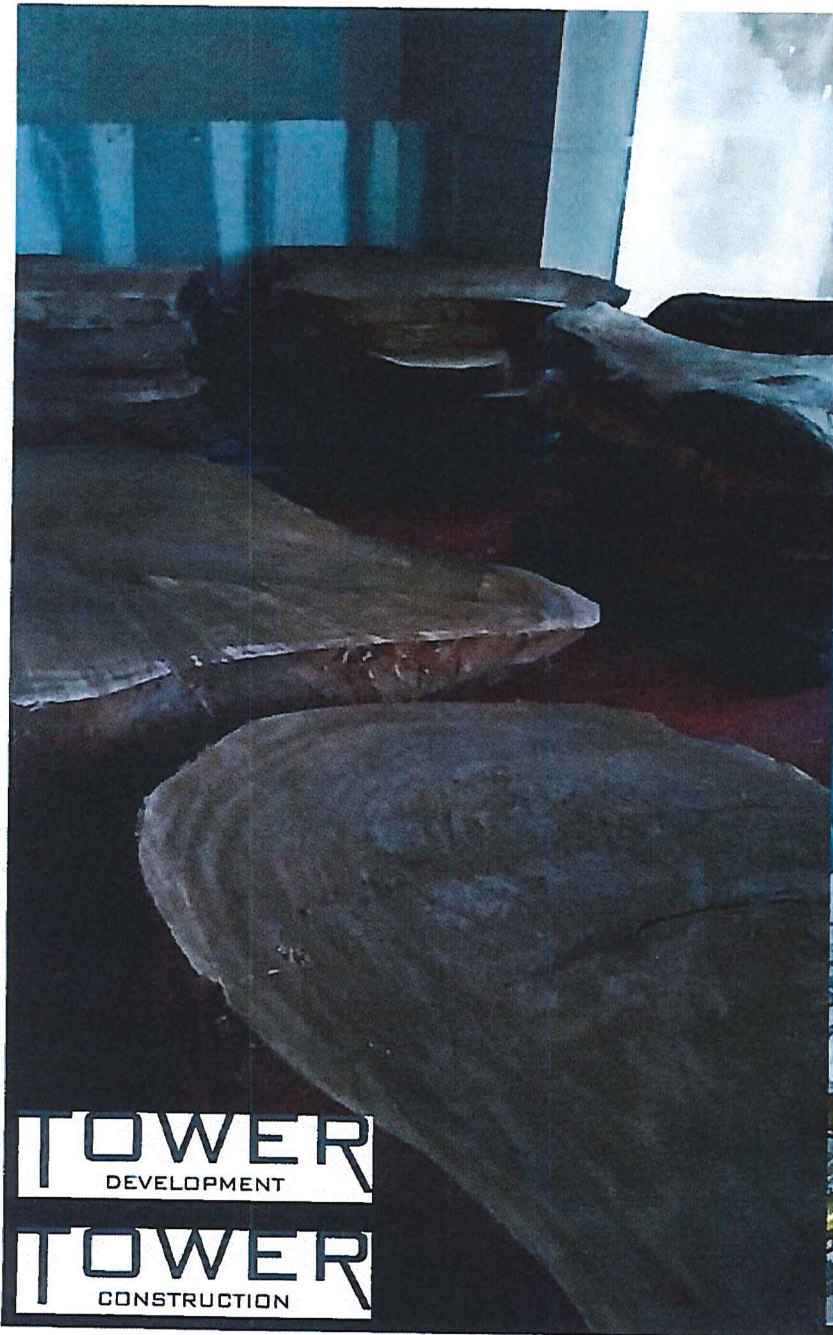
New
grand
stair
case



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

TOWER
DEVELOPMENT

TOWER
CONSTRUCTION



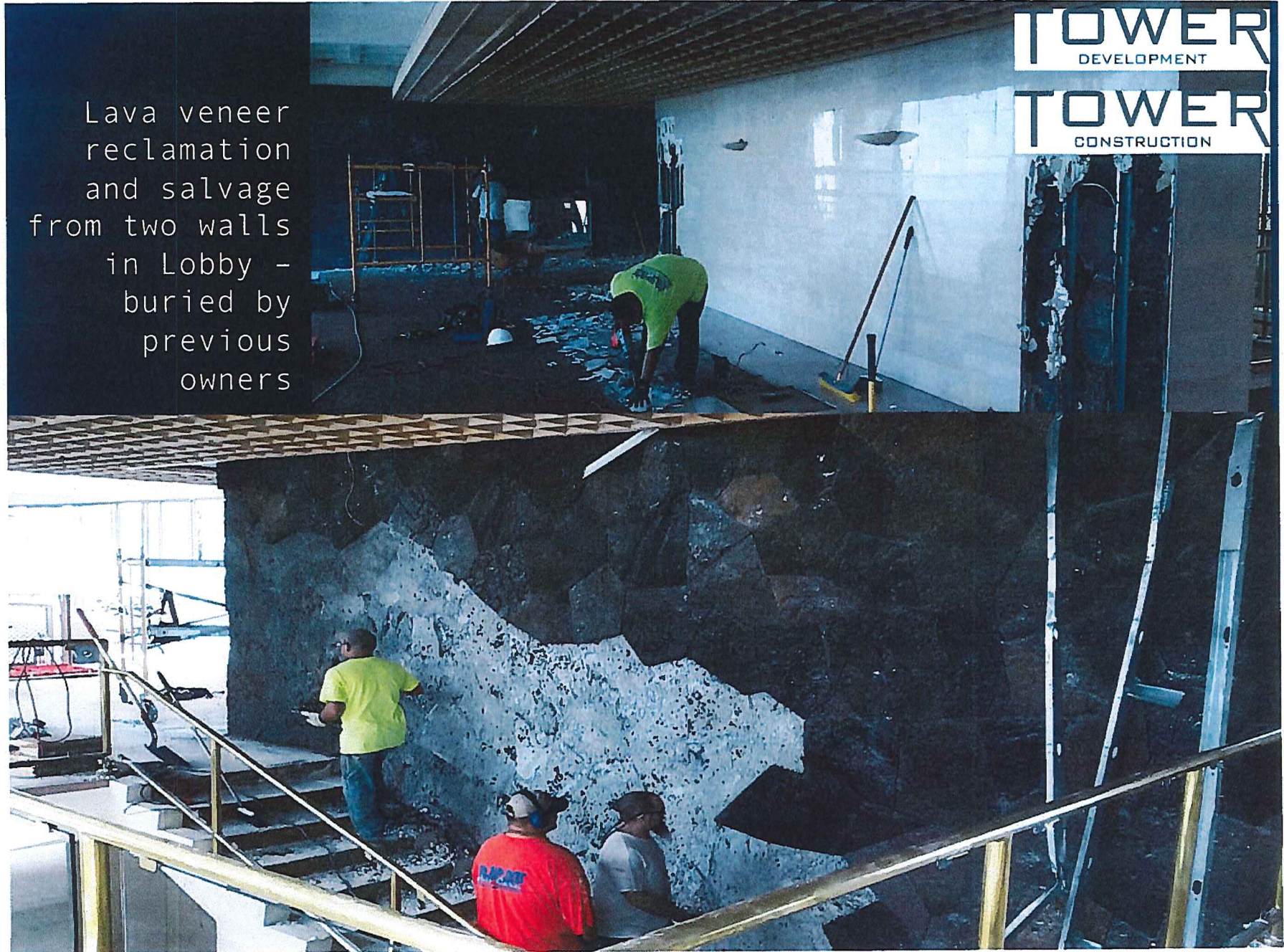
Monkey pod retrieval and
reclamation.

Lobby lava wall restoration.



TOWER
DEVELOPMENT

TOWER
CONSTRUCTION



TOWER
DEVELOPMENT
TOWER
CONSTRUCTION

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



TOWER
DEVELOPMENT

TOWER
CONSTRUCTION

Previous center
concrete wall and
stairs blocking
views and guest
lounge

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

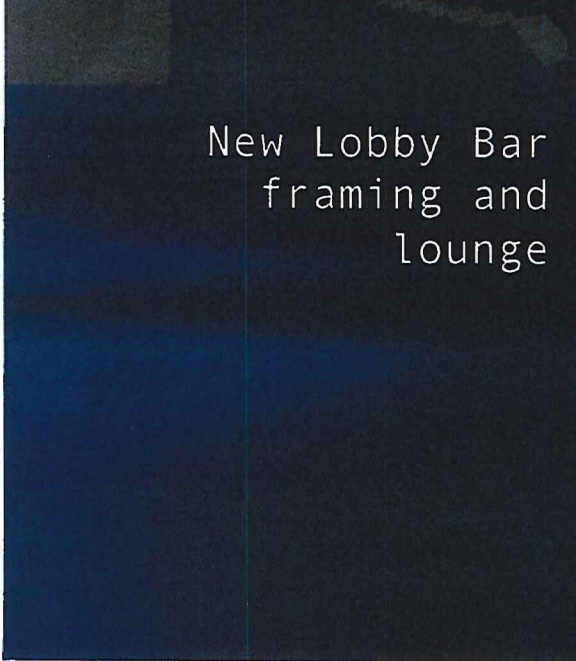




TOWER
DEVELOPMENT

TOWER
CONSTRUCTION

Previous stairs and lounge



New Lobby Bar framing and lounge



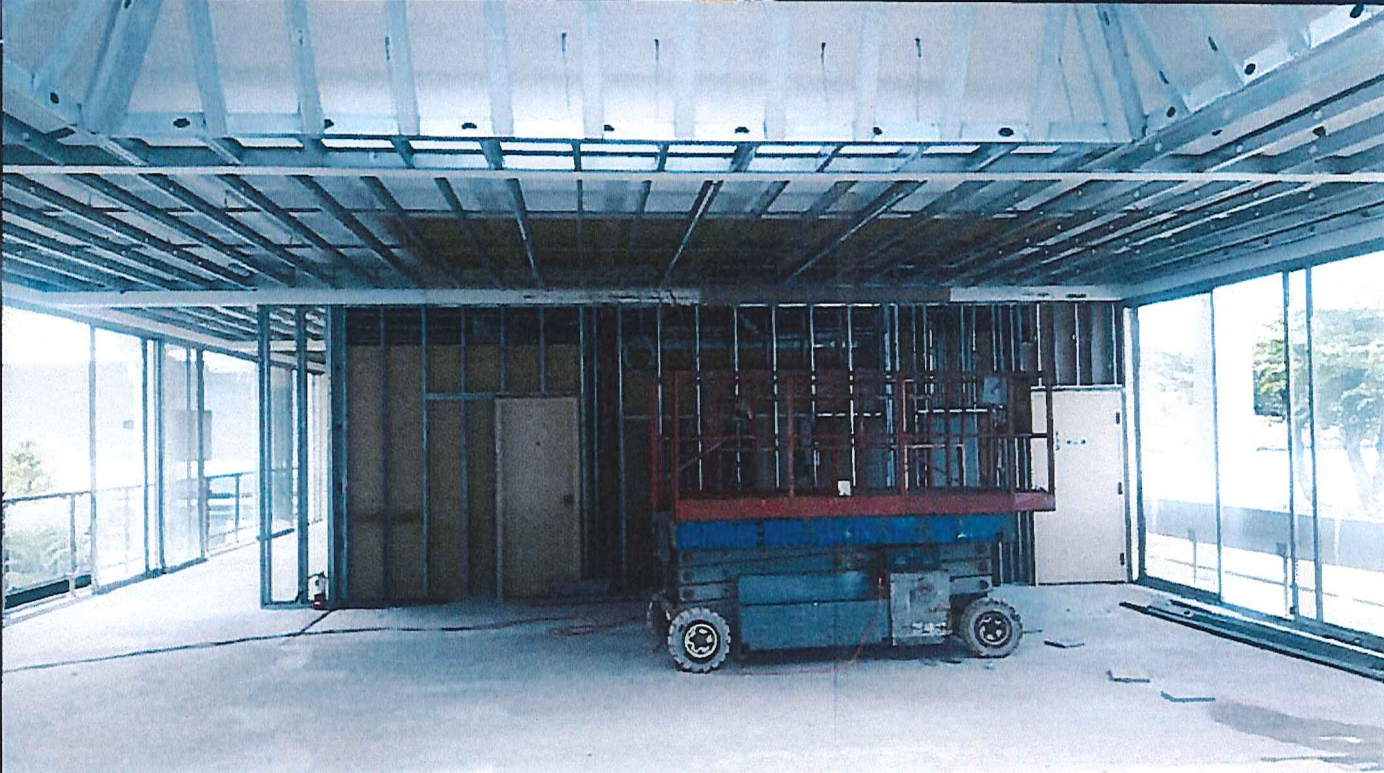


TOWER
DEVELOPMENT

TOWER
CONSTRUCTION

Former reception

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






TOWER
DEVELOPMENT

Porte Cochere


TOWER
CONSTRUCTION



Guest check-in and lobby



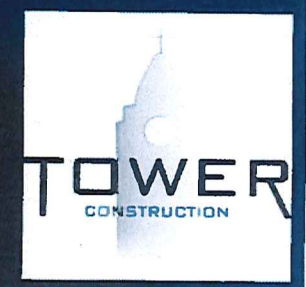


Lobby lounge - restored fireplace and lava





Lobby bar and lounge





Lower Level Banquet and Meeting Space



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

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

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

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

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

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<Linda.L.Chow@hawaii.gov>, Mark Mansheim <Mark@towerdevcon.com>, Michael Lam
<MLL@caselombardi.com>, Noel <Noel@towerdevcon.com>, Stacey Foy
<SWF@caselombardi.com>
Date: 02/12/2015 12:40 PM
Subject: RE:Hilo Naniloa Hotel, 93 Banyan Drive, Hilo, HI General Lease GL S-5844

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

In connection with your email to me below:

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

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

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

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

Very truly yours,

Russell Y. Tsuji
Administrator

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

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

EXHIBIT 8

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

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

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

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

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

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

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

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

EXHIBIT 9

PLANNED SHCEDULE UPDATE
HILO NANILoa HOTEL OPENING

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