
Consent to Assign General Lease No. S-6024, Boteilho Hawaii Enterprises, Inc., Assignor, to HFD Farms 1, LLC, Assignee Opihipau-Hukiaa, Kokoiki, North Kohala, Hawaii, Tax Map Keys: (3) 5-5-003:004, 005 & 006, 5-5-005:001, and 5-5-006:002, 003,004 & 015; and

Reaffirm Set Aside to Department of Agriculture, Opihipau-Hukiaa, Kokoiki, North Kohala, Hawaii, Tax Map Keys: (3) 5-5-003:004, 005 & 006, 5-5-005:001, and 5-5-006:002, 003,004 & 015.

APPLICANT:

Boteilho Hawaii Enterprises, Inc., as Assignor, to HFD Farms 1, LLC, as Assignee. Department of Agriculture, a State of Hawaii agency.

LEGAL REFERENCE:


LOCATION:

Portion of Government lands situated at Opihipau-Hukiaa, Kokoiki, North Kohala, Hawaii, Tax Map Keys: (3) 5-5-003:004, 005 & 006, 5-5-005:001, and 5-5-006:002, 003,004 & 015, as shown on the attached map labeled Exhibit A.
**Area:**

<table>
<thead>
<tr>
<th>TAX MAP KEY</th>
<th>DISTRICT</th>
<th>ZONING</th>
<th>ENCUMBRANCE</th>
<th>AREA</th>
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**Total:** 879.549

**Trust Land Status:**

Section 5(b) lands of the Hawaii Admission Act

DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: YES

**Character of Use:**

Dairying and allied purposes to include pasturing of dairy-heifers, including milking barn and accessory uses involved with operating a dairy.

**Term of Lease:**


**Annual Rental:**

$15,000.00

**Consideration:**

$2,000,000

**Recommended Premium:**

None. (Refer to Exhibit B attached.)
BLNR-Consent to Assign GLS-6024
Boteilho Hawaii, Inc. to HFD Farms 1, LLC.
TMK: (3) 5-5-003:003, 004, 005 & 006, 5-5-005:001,
and 5-5-006:002, 003, 004 & 015.

Note: All improvements were on the property from previous lease and are
owned by the Lessee.

DCCA VERIFICATION:

ASSIGNOR:

Place of business registration confirmed: YES X NO
Registered business name confirmed: YES X NO
Good standing confirmed: YES X NO

ASSIGNEE:

Place of business registration confirmed: YES X NO
Registered business name confirmed: YES X NO
Good standing confirmed: YES X NO

REMARKS:

BACKGROUND:

At its meeting of December 16, 1983, Item F-5, the Board of Land and Natural Resources
approved a direct (35-year) lease (GLS-4950) to Boteilho Hawaii Enterprises, Inc. (BHE), for dairying, cattle feeding and pasturing purposes. The lease was set to expire on March 31, 2020. The lease covered 597.406 acres, identified by Tax Map Keys: (3)
5-5-006:002, 003, 004 & 015.

At a public auction held on December 9, 1998, General Lease No. S-5572, a 20-year lease for pasture purposes was awarded to BHE, the successful bidder. The lease was set to expire on February 7, 2019. Total area for this lease was 207.820 acres and identified by Tax Map Keys: (3) 5-5-003:004, 005 & 006. At the same auction, BHE was the successful bidder for GL S-5574. This lease covering 74.323 acres and identified by Tax Map Key: (3) 5-5-005:001. This lease was also set to expire on February 7, 2019.

At its meeting of June 23, 2011 (D-7), and on July 22, 2011 (D-3), the Land Board approved the mutual cancellation of General Lease Nos. S-4950, S-5572, along with S-5574, and subsequently issued a new direct lease to BHE for dairy and allied purposes.

BHE qualified for the direct lease as a result of having over 26 years of experience in the dairying business. The disposition of a direct lease to BHE encourages competition in the agricultural milk production industry and it allowed for BHE to acquire much needed newer equipment so it can maintain its milk production quotas. Currently there are only two dairies operating in the State, both of which are on the Island of Hawaii.

Also at its meeting of July 22, 2011 under agenda item D-1, the Board approved the set-aside of the subject lands to the Department of Agriculture (DOA) pursuant to Act 90,

1 GL S-6024 - Page 4, paragraph 2. - Ownership of Improvements.
2 pursuant to Hawaii Revised Statutes, 171-59(b), for agricultural processing purposes, which involves the processing of agricultural products, including dairying, grown, raised or produced in Hawaii.
Sessions Laws of Hawaii 2003. The set-aside has not yet been completed pending acceptance by the DOA. Staff has advised DOA of the request to assign the lease. Upon execution of the assignment of lease, staff will complete the transfer of the lease to the DOA.

ENVIRONMENTAL:

By letter dated July 20, 2016, Evan Pfaff, consultant for Insight Environmental LLC (Insight), explained he was contracted by Boteilho Hawaii Enterprises, to conduct a Phase I Environmental Site Assessment (ESA) as required under the lease. The ESA identified the presence of four underground storage tank (UST) fill ports on the property. Prior to being notified of the presence of the UST fill ports on the property, via findings of the ESA, BHE indicated it was not aware of the UST infrastructure and had not operated the UST facility. In addition, the Hawaii District Land Office was unaware of the USTs on the property. There were no records in file to indicate authorization was granted to the prior lessee (Hawaii Biogenics, Ltd.) or if proper permits were obtained by the previous lessee for installing the USTs. As part of a potential sales agreement to a third party, BHE agreed to remove the USTs and conduct any required remediation.

In early April 2015, Insight provided notification of the intent to close the four identified USTs. BHE was identified as the UST facility operator on notification forms because the true operator was not known. The Hawaii Department of Health (HDOH) Solid Waste and Hazardous Waste Branch (SHWB) assigned facility identifier 9-603948 to the facility. In late April 2015, surface infrastructure and ancillary piping associated with the UST facility was removed and overburden excavated. On April 24, 2015, the four USTs were removed from the ground and taken to the Lessee’s private property nearby for storage. Closure confirmation samples were collected from beneath each UST and two identified dispensers. Visual inspection of the USTs did not identify any substantial corrosion or holes. On June 30, 2015, the excavation was backfilled. A UST Closure and Release Response Report was completed and submitted to SHWB.

Evidence gathered by Insight indicates that the Hawaii Biogenics, Ltd. (Hawaii Biogenics) installed, owned, and operated the UST facility on the property. Records indicate that the lease to Hawaii Biogenics was terminated in March 1979 and the company was later dissolved. Hawaii Biogenics installed the UST in violation of its lease because it failed to notify DLNR of the installation. DLNR was not aware of the presence of the UST facility on the property, therefore could not in turn notify BHE prior to issuing the lease. However, BHE has been utilizing the property as a dairy operation since March, 1985 (GL S-4950), and must have been aware of the UST facility. The fill ports for the tanks were clearly visible in the pasture as identified in Exhibit C. This area has been in pasture use for over thirty years by the Lessee.

By letter dated May 20, 2016, BHE’s attorney requested that BHE be reimbursed in the

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3 Page 20, paragraph 54, **Phase I environmental site assessment** states in part; Prior to termination or revocation of the subject lease or the assignment of the leasehold, Lessee shall conduct a Phase I environmental site assessment and conduct a complete abatement and disposal if necessary, satisfactory to the standards required by the Federal Environmental Protection Agency, the Department of Health and the Department of Land and Natural Resources.
amount of $42,763.88 for expenses related to the removal of the USTs. By letter dated March 8, 2017, which was copied to BHE, the Department of the Attorney General, Land Transportation Division, notified the deputy attorney general for the Department of Health that DLNR disclaimed responsibility for the USTs. See Exhibit D attached.

ASSIGNMENT OF LEASE:

On June 6, 2016, the Hawaii District Land Office received consent to assignment of lease application from BHE, requesting the assignment of General Lease No. S-6024 to Mauna Kea Moo, LLC. Mr. Boteilho indicated that for health reasons, he decided to assign the lease as he is getting along in age and feels that the demands of managing a dairy operation are becoming too difficult for him. The sale of the lease includes improvements (2-warehouses & 5-employee dwellings for $835,545), trade fixtures ($332,688) and livestock ($1,450,400). The various improvements on the property were constructed during BHE’s prior dairy lease and are owned by the Lessee.

At its meeting of August 12, 2016, under agenda item D-3, the Board approved (as amended)\(^4\) the assignment of lease from Boteilho Hawaii Enterprises, Inc. to Mauna Kea Moo, LLC. As a result of prolonged negotiations and the inability of Mauna Kea Moo, LLC to secure the necessary funding for the purchase of the dairy operation, both parties have mutually agreed to cancel the sale of the lease and all assets pertaining to the dairy operation (Exhibit E).

On October 6, 2017, the Hawaii District Land Office received a request for the assignment of lease from Boteilho Hawaii Enterprises, Inc. to HFD Farms 1, LLC (HFD).\(^5\) HFD was formed specifically for the purpose of purchasing the assets of the Lessee. The dairy operations will be managed by Michael Busselberg, an experienced dairyman, who has worked for and managed other dairies, owned and operated his own family dairy and farming business. An organizational chart with biographies of the various principals involved, including Mr. Busselberg and several other dairymen who will be associated with the dairy operation, are attached as Exhibit F.

In addition to the acquisition of the lease and assets of BHE, the Assignee anticipates that it will invest $6,000,000 - $8,000,000 into new buildings, state-of-the-art milking equipment, expand livestock, improve the quality of the soil, expand irrigation system and develop a locally grown feedstock supply. A letter of support from the State of Hawaii, Department of Agriculture is attached as Exhibit G.

Staff reviewed the file and can report that Lessee is in compliance with all lease terms and conditions. The Lessee has never been cited for any illegal or unlawful activity on the State property.

\(^4\) The Board amended staff recommendation by adding that the Board’s consent to the assignment shall not have any effect on Boteilho Hawaii Enterprises, Inc.’s liability, if any as to the underground storage tanks and contamination of the soil.

\(^5\) HFD Farms 1, LLC is a subsidiary of HFD Partners, LLC and Hawaii Agriculture, Energy & Earth Products, LLC, which in turn are owned by the parent company GEMCo Green Resources, Inc., an Ohio based company.
Assignee, HFD Farms 1, LLC, has not had a lease, permit, easement or other disposition of the State lands terminated within the last five years due to non-compliance with such terms and conditions.

The first rental reopening is scheduled for June 23, 2021. There are no outstanding rental reopening issues.

RECOMMENDATION: That the Board:


B. Consent to the assignment of General Lease No. S-6024 from Boteilho Hawaii Enterprises, Inc., as Assignor, to HFD Farms 1, LLC, as Assignee, subject to the following:

1. The standard terms and conditions of the most current consent to assignment form, as may be amended from time to time;

2. The assignment of lease shall not have any effect on Boteilho Hawaii Enterprises, Inc.’s liability as to the underground storage tanks and any soil contamination;

3. Review and approval by the Department of the Attorney General; and

4. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

C. Affirm the Set Aside to the Department of Agriculture, all lands encumbered under General Lease No. S-6024 previously approved by the Board at its meeting of July 22, 2011 under agenda item D-1, pursuant to Act 90, Sessions Laws of Hawaii 2003.

Respectfully Submitted,

[Signature]

Gordon C. Heit
District Land Agent

APPROVED FOR SUBMITTAL:

[Signature]

Suzanne D. Case, Chairperson
BLNR-Consent to Assign GLS-6024
Botelho Hawaii, Inc. to HFD Farms 1, LLC.
TMK: (3) 5-5-003:003, 004, 005 & 006, 5-5-005:001, and 5-5-006:002, 003, 004 & 015.

November 9, 2017

EXHIBIT A
Subject

EXHIBIT A
BLNR-Consent to Assign GLS-6024
Boteilho Hawaii, Inc. to HFD Farms 1, LLC.
TMK: (3) 5-5-003:003, 004, 005 & 006, 5-5-005:001, and 5-5-006:002, 003, 004 & 015.

EXHIBIT A
MEMORANDUM

TO: Suzanne D. Case, Chairperson
THROUGH: Russell Y. Tsuji, Division Administrator
FROM: Gordon C. Heit, Land Agent
SUBJECT: In-House Recommendation – Assignment of Lease Calculation

GL No.: S-6024
Lessee/Assignor: Boteilho Hawaii Enterprises, Inc
Assignee: HFD Farms 1, LLC
Location: Opihipau-Hukiaa, Kokoiki, North Kohala, Hawaii.
Land Area: 879.549 acres more or less
Tax Map Key: (3) 5-5-003:004, 005 & 006, 5-5-005:001, and 5-5-006:002, 003, 004 & 015.
Char. of Use: Dairy and allied purposes

We have been requested to provide an in-house evaluation of the assignment premium due to the State for an assignment of GL S-6024 due to the acquisition of the assets of Boteilho Hawaii Enterprises, Inc. A review of the lease documents and information provided by lessee was analyzed and staff applied the formula approved by the Land Board on December 15, 1989, agenda item F-10, comprising of the Assignment of Lease Evaluation Policy.

EXHIBIT B
Consideration $2,000,000  
Net consideration $549,600¹  
Actual improvement cost $1,158,233  
Adjusted improvement cost $1,370,668  
Less depreciation $ (285,556)  
Depreciated value of improvements & fixtures $ 1,085,112  
Less adjusted improvement cost (inc. trade fixtures) $ 285,556  
Excess $ (618,633)  
Premium % (1-10 years elapsed) 45%  
Premium $ (278,385)  

Based on these calculations resulting in a negative premium calculation, the premium due the State is $0.

Approved/Disapproved:  

\[\begin{array}{c}
\text{Suzanne D. Case, Chairperson} \\
\text{10/30/17} \\
\end{array}\]

cc: District Branch Files  
    Central Files

¹ The net consideration is the sale price of $2,000,000 less the value of livestock inventory ($1,450,400)
Table 1  Assignment of Lease Premium Calculation  
GL 6024: Botelho Hawaii Enterprises, Inc.

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<td>Net Consideration</td>
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<tr>
<td>Improvement Cost</td>
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<td>CCI (most recent)</td>
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<tr>
<td>CCI (base year)</td>
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<td>Expired Term</td>
<td>75 mos.</td>
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<tr>
<td>Whole Term</td>
<td>360 mos.</td>
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1 Adjusted Cost of Improvements or Renovations

$$\text{Actual Cost} \times \frac{\text{CCI (most recent)}}{\text{CCI (base year)}}$$

$$\frac{$1,158,233 \times 148.4}{125.4} = $1,370,668$$

2 Depreciation

$$\frac{$1,370,668 \times 75 \text{ mos.}}{360 \text{ mos.}} = $285,556$$

3 Adjusted Depreciated Cost of Improvements or Renovations

$$\$1,370,668 - $285,556 = $1,085,112$$

4 Premium Calculation

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<td>Excess</td>
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<td>Premium Percentage</td>
<td>x 45%</td>
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<tr>
<td>Premium</td>
<td>($278,385)</td>
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* Cost of improvements amount submitted by Lessee less current depreciated value provided
Photograph 1. A view of the fill ports and remote fill ports for Tanks 1 through 4 of the UST facility. 20Apr15.

Photograph 2. A view of early excavation of the USTs. 20Apr15.

Photograph 3. A view of USTs and closer excavation prior to UST removal. The manway created for UST cleaning is visible. 24Apr15.

Photograph 4. A view of product lines leaving the UST closure excavation and headed towards Dispenser Island 1. 24Apr15.
March 8, 2017

Via Email

Wade Hargrove III
Deputy Attorney General
465 So. King Street, Room 200
Honolulu, Hawai‘i 96813

RE: Response to Letter Dated October 26, 2015, from Steven Y.K. Chang to Gordon Heit re: Underground Storage Tanks
Facility ID No. 9-603948 / Release ID No. 150019

Dear Deputy Attorney General Hargrove:

I represent the Department of Land and Natural Resources ("DLNR") regarding the underground storage tanks ("USTs") located on property leased to Boteilho Hawaii Enterprises, Inc., which is the subject of a letter from Steven Y.K. Chang to Gordon Heit, Hawai‘i District Land Agent, dated October 26, 2015, a copy of which is attached here. In the letter, Mr. Chang relies upon unidentified "attachments to the letter" to conclude:

Based on the evidence provided, the DOH [Department of Health] has determined that that the Department of Land and Natural Resources (DLNR) is the owner of the USTs and is responsible for cleanup of the release of the USTs. Unless evidence is provided to the contrary, the DLNR should provide an Initial Release Response Report/UST Closure Report with a summary of the removal actions and results for sampling. Additionally, the DLNR should conduct further sampling to detail the extent and magnitude on contamination remaining in place at the facility or attempt further over-excavation of contamination with contamination sampling.

In accordance with my telephone conversations with you, it is DLNR’s understanding that the October 26, 2015 letter was intended to place DLNR on notice that, based on the facts
known at that time, DOH considered DLNR to be the owner of the USTs; that the letter does not have any binding or preclusive effect; that the letter is not a final or appealable determination of any kind; and that DLNR may respond to state disagreement with the letter.

Therefore, DLNR states that it respectfully disagrees with the findings and conclusions found in the October 26, 2015 letter.

Furthermore, DLNR requests an official update on the status of the site.

Please let us know if you have any questions. I can be reached at

Sincerely,

[Signature]

DAVID D. DAY
Deputy Attorney General

Enclosure

CC: Russell Tsuji
    Gordon Heit
    Roy K. Nakamoto (via U.S. mail)
CANCELLATION AGREEMENT

The undersigned hereby cancel Escrow No. 23316076964, and contract dated April 9, 2016, and mutually release each other and Title Guaranty Escrow Services, Inc. ("Escrow") from any and all claims, demands, liabilities, losses, damages or obligations of any kind or nature whatsoever that have arisen or may arise by virtue of that certain contract covering the property referenced above, or any other contract, commitment or agreement, whether oral or written, concerning the sale or purchase of the aforesaid property. If a Broker or lender signs below, it shall signify their agreement to join in this cancellation and mutual release. This agreement shall be binding upon and inure to the benefit of Escrow and each and every signatory.

You are hereby instructed and authorized to pay all costs incurred from the $25,000.00 held in escrow as follows:

Escrow Fee
Title Search Fee

The remaining balance of $25,000.00 is to be paid to: MAUNA KEA MOO, LLC

These instructions may be executed in counterparts, each of which when executed shall, irrespective of the date of its execution and delivery, be deemed an original, and said counterparts together shall constitute one and the same instrument.

This document has been executed on the 7 day of Nov., 2016.

BOTEILHO HAWAII ENTERPRISES INC

BY: EDWARD BOTEILHO

KEES KEA

CLARK REALTY CORPORATION

Principal Broker/Broker-in-Charge

Date: 

CLARK REALTY CORPORATION

Principal Broker/Broker-in-Charge

Date: 11/5/16

EXHIBIT E
ADDENDUM # 2
To the Purchase Contract
Hawaii Association of REALTORS® Standard Form
Revised 2/11 (NC) For Release 5/16

COPYRIGHT AND TRADEMARK NOTICE: This copyrighted Hawaii Association of REALTORS® Standard Form is licensed for use by the entire real estate industry on condition that there shall be no alteration of the printed portions, pagination, or paragraph numbers or breaks. The use of this form is not intended to identify the real estate licensee as a REALTOR®. REALTOR® is a registered collective membership mark which may be used only by real estate licensees who are members of the National Association of REALTORS® and who subscribe to its Code of Ethics.

Reference Date: Oct. 24, 2016

Property Reference or Address: ___________________ Pu‘u‘opea

North Kohala, Hi

Tax Map Key: Div 3 /Zone 5 /Sec 5 /Plat 3 /Parcel 4 /CPR ______ (if applicable),
as well as TMK 3-5-5-6-2,3,4,15, and 3-5-5-1, 5 and 6

1- Due to financial circumstances, Buyer and seller agree to cancel the purchase contract.
2- Also, not all of the items in Q-1 through 12 have been answered.

Signature

Date

Title

Signature  

Date

Title

NOTE. THERE IS NO WARRANTY ON PLAIN LANGUAGE. An effort has been made to put this agreement into plain language. But there is no promise that it is in plain language or in legal terms. THERE IS NO WARRANTY EXPRESSED OR IMPLIED, THAT THIS AGREEMENT COMPLIES WITH CHAPTER 487A OF THE HAWAII REVISED STATUTES AS AMENDED. This means that the Hawaii Association of REALTORS® is not liable to any Buyer, Seller, or other person who uses this form for any damages or penalty because of any violation of Chapter 487A. People are cautioned to see their own attorneys about Chapter 487A (and other laws that may apply).
EXHIBIT F

Company Organizational Breakdown

Gemco Green Resources, Inc.

Hawaii Agriculture, Energy & Earth Products, LLC

HFD Partners, LLC

HFD Farms 1, LLC
Our Team

HAEE and its related entities were founded by Josh Gottlieb, a successful entrepreneur and a nationally recognized innovator in the life insurance industry. Don Borneman, a successful investor for more than 30 years was a co-founder of some of the early work and continues to provide insight today. We have assembled a team which includes world class players in areas of agriculture – notably soils, agronomy and dairy and are focused today on the immediate responsibilities of the emerging operating businesses.

With the operations going live in Dairy and Earth Products, our team will rapidly expand in areas of financial management and operational reporting. As we consider other businesses in energy and agriculture, we will similarly seek to align with and bring on to our team world class experts in such areas, as we have already begun to do. The biographies that follow provide a list of some of our key team members. Our team is the foundation for our success.

The opportunities are clear to us and the financial wherewithal to succeed is being put in place for a much larger initiative than was conceived even a year ago. This will be firmly in place by the end of Q3 2017. Our community support and political support could not be any stronger. Going forward, our success will occur and inevitably be challenged by our ability to execute. And, to adapt to the challenges we will inevitably face.
HAEE Team

Mr. Joshua Gottlieb
Role: Co-Founder, Chairman, Chief Executive Officer, Project Principal
Mr. Gottlieb is the founder and innovative driver of Hawaii Agriculture, Energy & Earth Products. His observations of the immense opportunities to create valuable businesses in Hawaii while delivering value in the form of commerce, jobs and high quality, locally produced food and dairy has been the vision from which our companies in Hawaii have been borne. Mr. Gottlieb has a long and storied career in building, owning and operating businesses in areas of commerce and insurance and wealth management, as well as in non-correlated business interests ranging from restaurants to LED lighting manufacturing, which reflect his continuous effort to learn and grow while building profitable business enterprises. Mr. Gottlieb balances a deep commitment to his family and friends, travels around the world learning about different cultures and history of faraway places with his love to work. His consistent ability to see things differently and identify cutting-edge solutions to complex issues and resolving problems is a hallmark of every one of his companies. While the world sleeps, Mr. Gottlieb continues to absorb information and educate himself about new business ventures, seeks to find the very best people to execute in such industries to challenge old ways with innovative ideas, set a course to implementation, and execute on creating targeted results.

Mr. Donald Borneman
Role: Co-Founder, Investor, HAEE Advisory Board Member
Mr. Borneman has been an institutional investor for more than 40 years. He retired from Dominion Resource Services, Inc., a Fortune 100 company, following more than 36 years of service, being responsible for managing managers representing more than $10 Billion of pension funds and other corporate assets. After retirement in 2008, Mr. Borneman served as President and CIO of TVX Advisors, an independent investment advisory firm. While at Dominion, he served on several real estate, private equity and debt related private partnership investment advisory committees. The general partners of these funds included Angelo Gordon & Co., Lehman Brothers, WL Ross and Co., and The Praedium Group LLC. Mr. Borneman currently serves as an independent director on the boards of several global timber funds and is a member of the investment committees of two major universities and the Pittsburgh Symphony Orchestra, which he chairs. Mr. Borneman holds an MBA from the University of Pittsburgh and a BS in Business Administration from Capital University. Mr. Borneman’s experience and perspective in the investment world offers us an extraordinary resource.
HAEE Team (continued)

Mr. Bobby Grimes  
Role: General Manager  
Bobby Grimes is the General Manager for Hawaii Agriculture, Energy and Earth Products. He has worked as an automotive engineer with General Motors and left traditional engineering to pursue his interests to improve the world through non-traditional paths. Relocating to Hawaii, Bobby has become expert in areas of agriculture and soils and built a consulting practice in Hawaii, has converted his finish carpentry skills to becoming renowned for his work with bamboo as a building product and has been passionate about the redevelopment and re-birth of the property acquired by Mr. Gottlieb and his partners that is the centerpiece of this project for most of the past decade. A vocal participant in all that he does, Bobby was an executive board member of the Biodynamic Farming and Gardening Association. Bobby is a resident of Hawaii, with his home and farm close to the main property of this project and has become involved with the life-long residents and organizations that support the drive to bring jobs, productivity and a better life to the Island.

Mr. Jaime Gottlieb  
Role: Vice President — Finance and Strategic Planning, Project Principal  
Jaime Gottlieb is both a principle of HAEE and Vice President of Finance and Strategic Planning for GemCo Green Resources, the parent company of HAEE. Jaime serves both in areas of the manager of the firm’s capital raises as well as strategic planning, among other initiatives including dealing with acquisitions and direct investments. Jaime is passionate in everything he touches, and is extremely driven. Additionally, Jaime is Vice President of TGO Lending, a subsidiary of the Gottlieb Organization where he leads the lending division of this cutting-edge financial services organization. Jaime previously lived in Washington DC where he spent several years running various entrepreneurial endeavors. Additionally, Jaime spent two years working at a private equity firm in New York City prior to joining HAEE. Jaime holds a bachelor’s degree in Finance from American University and is also a CFA candidate and CAIA candidate.

Mr. Robert Shaffer  
Role: Chief Agronomist  
Bob Shaffer is an agronomist with an international reputation that is well-deserved, working across the globe from Hawaii to California to Australia and New Zealand. Mr. Shaffer has worked with some of the most well-known wineries in Napa Valley and elsewhere to help them understand and implement practices with their grapes that allows the earth to facilitate quality and productivity, rather than fighting that often occurs with crops and soils. Bob has decades of experience in successfully assisting farmers to identify production limitations restraining their businesses and implement effective, simple and economical systems that improves soil health, crop quality and long term sustainability. Bob is well known for his work with commercial compost producers, large-scale organic farms and for common language interpretation of the science of soil in hundreds of classes and workshops he has instructed internationally. Bob has committed his life to teaching how to help others learn how to embrace the earth and use its strength and resources to build productive, healthy agricultural environments and businesses. Bob moved his residence from California to Hawaii and has extraordinary knowledge and global relationships he continues to introduce to our growing family of companies and endeavors.
HAEE Team (continued)

Mr. Michael Busselberg
Role: On-site Dairy Manager
Mr. Michael Busselberg serves as our on-site manager for Hawaii’s Favorite Dairy. Mr. Busselberg holds a bachelor’s degree in Agricultural Systems and Technologies, with a minor in Dairy Science, and has worked the last ten years in operations and business management for dairy and crop farms in Utah and Idaho, including the last five years at Desert Wind Farms, a family-operated dairy, pig and poultry farm and the last 18 months as a biodiesel engineer in Idaho. Michael has relocated with his growing family to Hawaii and his formal work began in August to assess (with the Zimmers) and begin our conversion to organic.

Mr. Gary Zimmer
Role: General Manager of Dairy
Gary Zimmer is Founder and Chief Visionary Officer of Midwestern BioAg. Known as the “father” of biological agriculture, Zimmer is an internationally known author, speaker, and consultant. He owns Otter Creek Organic Farm, a family-operated, award-winning 1,500 acre farm near Lone Rock, WI, and has been on the board of Taliesin Preservation Inc. since 2011. Zimmer is the author of two books, The Biological Farmer and Advancing Biological Farming, and numerous articles on soils and livestock nutrition. Zimmer holds a bachelor’s degree from the University of Wisconsin-Madison and a master’s degree in Dairy Nutrition from the University of Hawaii. Gary’s involvement brings him home to Hawaii. Gary’s extreme knowledge and global resources and relationships provide counsel to Michael and others on the team that is second to none.

Mr. Nicholas Zimmer
Role: Dairy
Nick Zimmer got involved in farming and agribusiness when he was 13 years old buying his first tractor and doing custom work for the Bio Ag research farm. At age 16, he bought his first farm and after studying Agriculture at University he started an organic dairy. Besides being organic, his focus was feeding a high forage diet and having healthy mineralized soils growing top quality forages. The dairy grew to 300 cows and farms were purchased and rented to expand to 800+ acres. Three years ago he sold the cows to his sister Sadie and expanded the cropping operation and presently growing feed for the dairy and producing organic grains and specialty crops with over 1400 acres under management. Nick, along with sister Sadie, provide further depth and breadth on our HFD Farms team, looking forward to winter visits from Wisconsin, bringing drive and knowledge to us.

Mrs. Sadie Zimmer
Role: Dairy
After finishing college studying Social Work, Sadie Zimmer joined the family farm, Otter Creek Organic farm, custom raising the dairy heifers and doing pasture raised pigs. She moved to Virginia where she owned and managed an organic grazing dairy farm. After a few years, she moved back home and took over the dairy operation and purchased the herd three years ago. Presently with her two children she manages 180 cows with all the young stock focusing on a high forage diet and quality milk. Sadie has joined us as part of a package deal and will be instrumental as we merge our herds and dairies to become an integrated family of dairies.
February 3, 2017

Mr. Josh Gottlieb  
Chief Executive Officer  
c/o HAEE  
45-300 Lehua St.  
Hainan Mill Industrial Park  
Honoka’a, Hawaii 96727

Dear Mr. Gottlieb:

I am pleased to provide this letter of support for the Hawaii Agriculture, Energy and Earth Products (HAEE) project located on the Island of Hawaii and its subsidiaries including the Honoka’a Land Company. The HAEE project not only brings substantial capital investment into Hawaii, but also contemplates creating a significant number of jobs.

As you know, Hawaii imports more than $3 billion per year of food throughout the state, as well as importing nearly all of its specialty soils and fertilizer. Importing as much as 90% of its food products, and virtually all of its dairy products is something I am charged with reducing. More specifically, to expanding the level of locally owned agriculture production. HAEE’s acquisition of the Cloverleaf Dairy, one of two remaining dairies in Hawaii and its conversion to Certified Organic will present the first and only Certified Organic dairy in Hawaii. As this conversion completes, it will be a welcome addition and an important step in our journey to self-sustenance.

Your goal to expand Hawaii’s Favorite Dairy™ to other islands will, once completed, generate dairy products that will significantly reduce our dependence on non-Hawaiian milk and dairy products. The Haina Mill site has a large soil deposit and development will enable Hawaii soil amendment products to reduce the level of imported soils and potential for importation of unwanted microorganisms.

We greatly appreciate your investment in the State and the many attributes that HAEE’s diversified agriculture initiatives will do to advance the goals of the Department and the Governor. HAEE’s participation in the EB5 foreign investment program administered by the U.S. Department of Homeland Security/USCIS initiates an exposure to foreign investment not able to be secured through the State of Hawaii directly. HAEE’s designation as an approved project under the auspices the CEIC, a well-established
regional investment center which has completed projects totaling more than $3.4 billion in total capital investment, provides a clear pathway for foreign investor participation.

I understand that you have already received a letter from the United States Director of the State Department of Business, Economic Development and Tourism verifying the Island of Hawaii as a targeted employment area.

If you need the assistance of either my office or other offices of the State government, please contact me at

Sincerely,

Scott E. Enright, Chairperson
Board of Agriculture