

## Land Division Site Inspection February 8, 2023



























February 6, 2023

Chair Sharon Hurd  
Department of Agriculture  
1428 South King Street  
Honolulu, Hawaii 96814

Re: General Lease No S-3138

Dear Chair Hurd,

Both Hawaii Land & Livestock LLC as the Lessee and the facility operator, Hawaii Meats, LLC, have received various written communications over the past months from representatives of the Department of Agriculture. In addition to those written communications, we have discussed with members of your staff and with you directly, the usage of the property. This letter is to put in writing the agreed method for removing the equipment and supplies of American Hauling, Inc. located on the "feedlot" property as well as describe our plans for future use of the feedlot.

1. Relocation of American Hauling Equipment and Materials

Without restating the entire history of the feedlot, two key facts are important as background: First, when Hawaii Land & Livestock entered into the Lease, the property was not in a condition to be used for any purpose. Substantial effort has been made to clear and prepare the property for ongoing agricultural usage. Put simply, the property is in a better condition than we found it. Second, at the time the lease was entered into, American Hauling was already occupying a portion of the property.

With that background, we have discussed and agreed with you the removal of the American Hauling equipment and materials in the following manner: (1) we will enter into an Agreement to Vacate with American Hauling to remove all equipment and materials by April 1, 2023 (except such equipment as is agreed is directly related to the operations of Hawaii Meats and the ongoing clearing of the property); and (2) if American Hauling does not make satisfactory progress between now and the deadline or fails to vacate, we will seek a judicial remedy in the form of an eviction action.

## 2. Future Use

We are working to find partnerships and solutions to compliment ranching and agriculture needs in Hawaii on the property.

One potential partnership is with SUMA Farms LLC, founded in 2016, which was established to develop and facilitate a network of Bana grass suppliers for cattle feed and feed stock for renewable energy. The current proposal involves the development of 40 acres on the feedlot site that will produce renewable natural gas from locally grown Bana grass as well as from processing waste from the Hawaii Meats harvest facility. This partnership would allow Hawaii Meats to better realize the full capacity of the facility through long-term waste management. In addition, SUMA Farms is confident that it can produce cattle feed for local ranchers.

As you are aware, we are also working to make 3 to 5 acres available for a hog harvest facility on the property. Specifics on the scope and layout of the facility are still in the planning phase.

Of primary importance to Hawaii Meats are the water usage rights associated with the leased property which are currently shared for use by Hawaii Meats. The need for additional domestic water in connection with the harvest facility goes back to the original Lease S-8500, where it is noted in Clause 15 that the Lessor (the DOA) commits to providing an additional 20,000 gallons per day of water for the benefit of the lessee. This need is currently being satisfied through the neighboring leasehold's water allocation. In addition to the need for water, Hawaii Meats requires a portion of the S-3138 property for cattle holding pens, on-site support parking and storage for cattle trailers, cattle feed and other facility equipment.

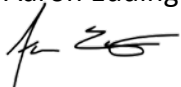
We look forward to working together to find and build opportunities for successful agriculture on the property and are committed to being a productive partner for growth of the Hawaii Agriculture Industry.

Thank you,

Bobby Farias



Aaron Eddington



Hawaii Land & Livestock LLC  
Hawaii Meats, LLC