

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

January 12, 2024

Ref. No.: GLS-4946

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

KAUAI

Approval of 25-Year Term Extension of General Lease No. S-4946, Sunrise Capital, Inc., Lessee,  
For Lessee-Financed Substantial Improvements to Lease for Business Purposes, Hanapepe, Waimea  
(Kona), Kauai, Tax Map Key: (4) 1-9-010:037.

APPLICANT AND REQUEST:

Sunrise Capital, Inc., a Hawaii corporation (Lessee).

Twenty-five (25) year extension based on proposed improvements to leasehold property that will be financed by the Lessee, Sunrise Capital, Inc., pursuant to Act 207, Session Laws of Hawaii 2011 and Section 171-36(b), Hawaii Revised Statutes, in the amount of approximately \$242,915.00.

In order for Lessee to fully amortize its expenditures, the Lessee is requesting a 25-year extension of General Lease No. S-4946. The extension shall commence on January 18, 2024, and expire on January 17, 2049 for an aggregate term of 64 years (original 15 year term plus initial 24 year extension and requested 25-year extension).

LEGAL REFERENCE:

Section 171-36 and other relevant sections of Chapter 171, Hawaii Revised Statutes (HRS), as amended.

LOCATION:

Portion of Government lands identified as Lots 53 and 54A, Hanapepe Town Lots, 1<sup>st</sup> Series, Hanapepe, Waimea (Kona), Kauai, Tax Map Key (TMK): (4) 1-9-010:037, as shown on the attached map labeled Exhibit A.

AREA:

0.387 acre, 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:

YES \_\_\_ NO x

CHARACTER OF USE:

Business purposes.

TERM OF LEASE:

Original term of 15 years, commencing on January 18, 1985, and expiring on January 17, 2000.

Granted extension of 24 years commencing on January 18, 2000, and expiring on January 17, 2024.

Requested extension of 25 years commencing on January 18, 2024, and expiring on January 17, 2049. The proposed extension would change the aggregate term of the lease to 64 years.

ANNUAL RENTAL:

Current rent is \$20,240.00 annually.

RENTAL REOPENINGS:

Reopenings in the original term were at the end of the 7th year and at the 14th and 21st years of the extended term. The last rental reopening occurred on January 18, 2021.

Reopenings for the extended term shall be on January 18, 2024, January 18, 2034, and January 18, 2044.

PROPOSED IMPROVEMENTS:

The Lessee proposes to upgrade the cold storage and office building that are currently onsite. Lessee plans on investing approximately \$90,000.00 for the replacement of equipment and furnishings fixed and a part of the processing facility on the property (cold storage building), including replacement of the built-in refrigeration unit and replacement of the blast freezer compressing and condensing unit; \$10,000.00 to build a new noise partition to accommodate the built-in freezer unit in the cold storage area; and \$150,000.00 in renovations to the roof at a total approximate cost of \$242,915.00. It should be noted

that these refrigeration and freezer units are fixed to the property and will be considered permanent fixtures upon termination of the lease and at the option of the Lessor, remain and become property of the Lessor or shall be removed by the Lessee at the Lessee’s sole cost and expense. Lessee and their counsel (Craig Wagnild and his associate Mac Blanchard with the firm Lung Rose Voss & Wagnild in Honolulu) have reviewed these terms and are aware that these improvements will be permanent fixtures and become part of the realty subject to the option of Lessor to require removal as discussed above. Staff is including a recommendation below with language regarding the treatment of this equipment as permanent fixtures (as opposed to trade fixtures) be expressly included in the lease.

CHAPTER 343 – ENVIRONMENTAL ASSESSMENT:

In accordance with Hawaii Administrative Rules (HAR) § 11-200.1-16 and the Exemption List for the Department of Land and Natural Resources reviewed and concurred on by the Environmental Council on November 10, 2020, the subject request is exempt from the preparation of an environmental assessment pursuant to General Exemption Type 1, that states, “Operations, repairs or maintenance of existing structures, facilities, equipment, or topographical features, involving negligible or no expansion or change of use beyond that previously existing,” Part 1, Item 40, that states, “Leases of state land involving negligible or no expansion or change of use beyond that previously existing.” The proposed improvements to the existing structures on the lease premises and the extension of the lease for the same use as existing (business purposes) are de minimis actions that will probably have minimal or no significant effect on the environment and should be declared exempt from the preparation of an environmental assessment and the requirements of § 11-200.1-17, HAR.

DCCA VERIFICATION:

Place of business registration confirmed:	YES <u>  x  </u>	NO
Registered business name confirmed:	YES <u>  x  </u>	NO
Applicant in good standing confirmed:	YES <u>  x  </u>	NO

APPLICANT REQUIREMENTS:

Applicant shall be required to:

1. Complete approximately \$240,000.00 worth of improvements to the lease premises by January 18, 2028, and provide the Kauai District Land Office (KDLO) with copies of receipts for the improvements made. See plans and estimates attached as Exhibit B.

REMARKS:

The subject parcel was originally approved by the Board of Land and Natural Resources (Board), at its meeting of August 24, 1962, for sale of a lease at public auction where the

successful bidder was Mrs. Tokiwa Shimonishi. Mrs. Shimonishi was thereafter issued General Lease (GL) No. S-3734 for a term of 20 years, from February 25, 1963, to February 24, 1983.

At its meeting of December 3, 1982, under item F-9, the Board approved the sale of a new lease of the parcels at public auction where the successful bidder was Glenn Aquiza. GL No. S-4946 was thereafter issued to Mr. Aquiza for business purposes for a term of 15 years from January 18, 1985, to January 17, 2000.

At its meeting of May 28, 1993, under item F-1-a, the Board consented to the assignment of GL-4946 from Glenn Aquiza to Moana Lois Kinimaka.

At its meeting of June 25, 1993, under item F-10, the Board approved the 15-year extension of lease term and consent to mortgage. This was necessary to repair damage that was caused by Hurricane Iniki in September 1992.

At its meeting of April 28, 2000, under item D-24, the Board consented to the assignment of GL-4946 from Moana Lois Kinimaka to Controlled Environment Aquaculture Technology (CeaTech).

CeaTech and its affiliated entities filed voluntary bankruptcy petitions under the Bankruptcy Code on March 22, 2005. Thereafter, pursuant to an Asset Purchase Agreement, dated June 2005, as approved by the Bankruptcy Court, Sunrise Capital, Inc. (Sunrise) acquired the operating assets of the CeaTech entities, including the rights under GL S-4946.

At its meeting of July 22, 2005, under item D-2, the Board consented to the assignment of GL-4946 to Sunrise Capital, Inc. As of June 30, 2006, Sunrise and Kona Bay Marine Resources, Inc (another aquaculture company) were merged in a transaction that was also formally approved and consented to by the Board at its meeting of June 23, 2006, under item D-10.

At its meeting of August 28, 2009, under item D-2, the Board consented to a stock transfer and control in Sunrise Capital, Inc. to Integrated Aquaculture Hawaii, LLC.

At its meeting of December 8, 2017, under item D-1, the Board consented after-the-fact to a merger of Integrated Aquaculture Hawaii, LLC with and into Integrated Aquaculture International, LLC as well as a 51% stock transfer from Sunrise Capital, Inc. and Integrated Aquaculture International, LLC to Hendrix Genetics USA LLC.

Sunrise develops and produces special genetic lines of specific-pathogen-free (SPF) Pacific white shrimp for sale as brood stock to shrimp growers around the world (mostly in Asia). Sunrise owns and operates extensive aquaculture facilities on Kauai and is the principal tenant at the Department of Agriculture's (DOA) Kekaha Agricultural Park where the company's farm and aquaculture ponds are located. The Lessee's current lease is set to expire on January 18, 2024 and Lessee is requesting a 25-year extension pursuant to Section 171-36(b), HRS, in order to amortize the cost of improvements to the property. These improvements involve major renovations to the exterior and interior of the building including \$90,000.00 for the replacement of equipment and furnishings fixed and a part of the processing facility on the property (cold storage), including replacement of the built-in refrigeration unit and replacement of the blast freezer compressing and condensing unit; \$10,000.00 to build a new noise partition to accommodate the built-in freezer unit in the cold storage section of the building and \$150,000.00 in renovations to the roof at a cost of approximately \$242,915.00. The built-in refrigeration and freezer units are attached fixtures that will be considered

permanent fixtures of the building(s). An appraisal evaluation performed by Curtis J. Bedwell, a certified appraiser, has determined that the economic life of the improvements will exceed the 25- year lease extension period necessary to amortize the improvements. See appraisal letter attached as Exhibit C. Staff is recommending an additional condition be included in the to provide that if Sunrise shall fail to comply with the January 18, 2028 improvement completion deadline, the lease extension approval shall be automatically rescinded and the lease extension, if executed, shall be deemed void *ab initio*.

Staff additionally notes that Sunrise has made substantial repairs and improvements to the premises in the course of the lease. The structure on the property is well maintained and in good condition. See property inspection dated December 6, 2023, attached as Exhibit D. The Lessee also plans on spending an additional \$30,000.00 to paint the exterior of the building as part of their regular maintenance. Such maintenance demonstrates the Lessee's continuing efforts to keep the building in good order and repair.

Pursuant to Act 90 Session Laws of Hawaii 2003, General Lease No. S-5367 for the hatchery facility was transferred by the Board to DOA via Executive Order No. 4259 dated January 6, 2009. Sunrise holds a 20-year license agreement from the Agribusiness Development Corporation (ADC) for expansion of the Sunrise's aquaculture operations. The permit for the operation and maintenance of the existing water transportation system and the taking of water from Kokee and Kekaha ditches was transferred from DLNR to ADC.

It should also be noted that Sunrise not only leases the subject premises under GL S-4946, but they also hold RP S-7256 for abutting State parcels (4) 1-9-010: 034, 035 and 038 for various parking/storage facilities in Hanapepe.

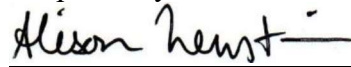
RECOMMENDATION: That the Board:

1. Declare that, after considering the potential effects of the proposed improvements and lease extensions as provided by Chapter 343, HRS, and Chapter 11-200.1, HAR, this project will probably have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment as a de minimis action.
2. Subject to Sunrise fulfilling the Applicant requirements listed above, approve a 25-Year Term Extension of General Lease No. S-4946, under the terms and conditions cited above, which are by this reference incorporated herein and further subject to the following:
  - A. The standard terms and conditions of the most current lease extension form, as may be amended from time to time; provided that the lease shall also incorporate conditions B and C below;
  - B. Sunrise shall complete its proposed improvements of approximately \$240,000.00 by January 18, 2028, and submit to Land Division staff receipts verifying payment for the improvements. In the event Sunrise shall fail to comply with the January 18, 2028 improvement completion deadline, the lease extension approval shall be automatically rescinded and the lease

extension, if executed, shall be deemed void *ab initio*. Sunrise would then need to immediately vacate the premises, and Land Division would apply the performance bond under the lease to any other outstanding obligations or liabilities of Sunrise under the lease;

- C. The proposed improvements including, without limitation, the replacement of the built-in refrigeration unit and replacement of the blast freezer compressing and condensing unit, new noise partition to accommodate the built-in freezer unit as well as renovations to the roof will become permanent fixtures and part of the realty and part of the lease premises under the lease extension document;
- D. Review and approval by the Department of the Attorney General; and
- E. Such other conditions as may be prescribed by the Chairperson, which are in the best interests of the State.

Respectfully Submitted,



Alison Neustein  
Kauai District Land Agent

APPROVED FOR SUBMITTAL:



Dawn N.S. Chang, Chairperson

RT



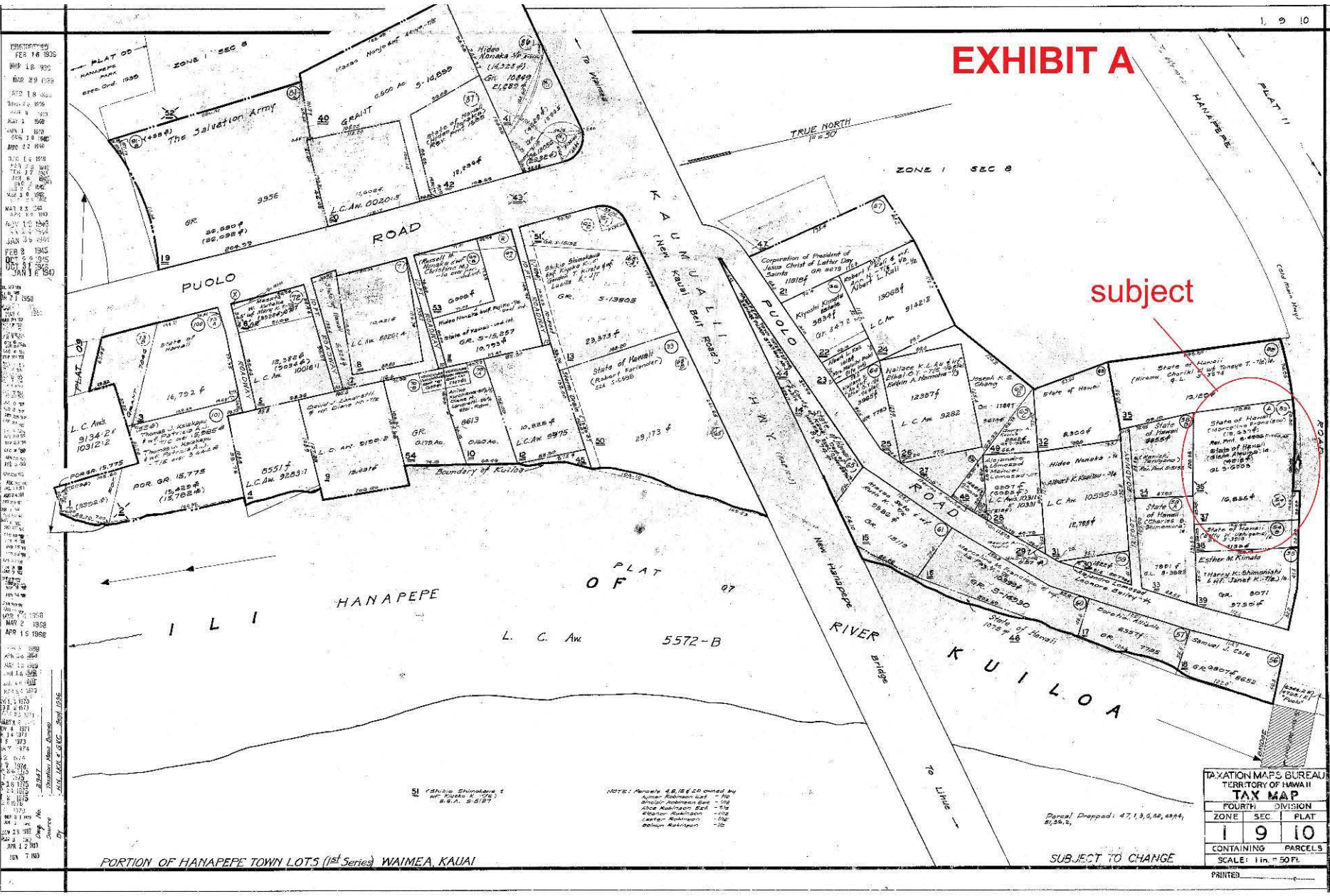
**subject**



**EXHIBIT A**

# EXHIBIT A

subject



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PORTION OF HANAPEPE TOWN LOTS (1st Series) WAIMEA, KAUAI

1. (B) Shunroku E  
 of Kaula K-12  
 S.W.A. 5-5197

NOTE: Parcel 48, 49 & 50 owned by  
 James Robinson - 1/2  
 Bruce Robinson - 1/4  
 Alice Robinson - 1/4  
 Walter Robinson - 1/4  
 Carter Robinson - 1/4  
 Nelson Robinson - 1/4

Parcel Drapped: 47, 19, 5, 54, 43, 44, 45, 46, 5

SUBJECT TO CHANGE

TAXATION MAPS BUREAU			
TERRITORY OF HAWAII			
TAX MAP			
FOURTH DIVISION		PLAT	
ZONE	SEC	PLAT	
1	9	10	
CONTAINING PARCELS			
SCALE: 1 in. = 50 FT.			
PRINTED			





Conscientious Builders, Old Building Specialists,  
Structure Movers, Crane Services

dba Structure Movers Hawaii  
and Kauai Crane Services

Contractor's License Number BC-20520

**P R O P O S A L No.55828**

<b>TO:</b>	Kauai Shrimp – Attn: Grant	<b>PHONE:</b> 808-639-8843
<b>ADDRESS:</b>	6180 Koolau Rd. Moloa'a	<b>EMAIL:</b> <a href="mailto:grant.kunishima@konabayshrimp">grant.kunishima@konabayshrimp</a>
<b>DATE:</b>	December 6, 2023	<b>PREPARED BY:</b> Adam Jaramillo
<b>RE:</b>	Replace Metal Roofing – Add Covering 32'x40'	

Structure Movers Hawaii/Kikiaola Construction (“SMH”) is pleased to submit the following proposal to:

<b>Metal Roof:</b>	<b>\$118,828.26</b>
- Replace Metal Roof – 8,400 sq ft.	
o Maunakea White, 24 gauge	
<b>Covered Structure:</b>	<b>\$37,894.94</b>
- Build Covered Area – 1280 sq ft.	
o Use matching roof Maunakea White, 24 gauge	
<b>GE TAX</b>	<b>\$7,381.66</b>
<b>Total</b>	<b>\$164,104.86</b>

**Terms and Conditions:**

1. Payment 100% down and remainder due at completion of job.
2. General Excise Tax (GE Tax) is included in quoted Total Minimum Fee. If any additional work is needed, then GE Tax will be added to the additional work at 4.712%.
3. If using credit card, a 4% charge will be added to the total of contract including GE Tax.
4. Permits if required provided by others
5. This Proposal is good for 30 days from date of submittal. After the 30 days please contact us to confirm price.
6. Due to nature of work not responsible for landscaping or utility damage.

**INSURANCE:** We provide the following:

- General Liability \$1,000,000.00 each occurrence / \$2,000,000.00 General Aggregate
- Automobile Liability \$1,000,000.00
- Workers Comp \$1,000,000.00
- Umbrella Not Provided
- Riggers Coverage (Hook Insurance) \$100,000.00 per item released to Kikiaola Construction Company, Ltd. (\$2,500.00 deductible) **when Kikiaola Construction Company, Ltd. supply's Rigging Equipment based on Manufacturers Rigging Requirements, Riggers, and Signal Persons**

Certificates of Insurance are available upon request. Allow up to two (2) working days for the issuance of certificates.

If additional insurance is required it will be paid for by others.

Purchaser of these services shall provide Kikiaola with schedule dates and job duration as soon as readily available. Kikiaola cannot guarantee specific availability if dates or duration change.

Thank you for considering our services.

Kikiaola Construction Company, Limited



12/06/2023

Adam Jaramillo

Date

Business Development Manager  
(808) 338-0021  
[adam@kikiaolaconstruction.com](mailto:adam@kikiaolaconstruction.com)

Accepted By

---

Signature

Date

---

Print Name

---

Company

Title



# Rutan Refrigeration and Air Conditioning

2045 Lauwiliwili Street Suite 202 | Kapolei, HI 96707  
 808-800-1555 | rutanref@hawaiiantel.net | www.rutanrefrigeration.com

## RECIPIENT:

### Kauai Shrimp

PO Box 1282  
 Kekaha, HI 96752

## SERVICE ADDRESS:

3630 Hanapepe Rd  
 Andy 639-8257  
 Hanapepe, HI 96716

## Quote #10356

Sent on 05/13/2022

**Total \$134,891.59**

PRODUCT / SERVICE	DESCRIPTION	QTY.	UNIT PRICE	TOTAL
Services Performed	<p>Proposed Job: Replacement of Hussmann 3 Walk-In Systems: Evaporator &amp; Condensing Units</p> <p>This version replaces prior one. Added shipping and handling estimate.</p> <p>Site Contact: 808 639 8257 Andy            Job #: 247119 (Mike)</p> <p>[Condensing Units]            Model #: K0X-D6K            Serial #: 200006K014/200006K015/200003K005</p> <p>[Evaporator Units]            Model #: GAH-56-340 ABT            Serial #: illegible</p> <p>We hereby submit our proposal to replace systems:</p>	1	\$0.00	\$0.00
Condensing Units	Med Temp Condensing Units HDSD-0750MSKFF-D	3	\$15,993.64	\$47,980.92
Evaporator Units	Evaporator Unit GHD66A-410SDA-D	6	\$5,947.60	\$35,685.60
Brazing	Brazing materials	20	\$55.00	\$1,100.00
Nitrogen	Nitrogen	3	\$55.00	\$165.00
Recovery Tool use	Recover refrigerant/Vacuum pump	3	\$50.00	\$150.00
Refrigerant	As needed - (Estimate)	200	\$70.00	\$14,000.00
	If flushing is needed due to burnt oil extra charges will apply.			
Crane/Forklift	Grade All Forklift (3 Days)	1	\$4,000.00	\$4,000.00
Materials	Miscellaneous Materials	1	\$2,000.00	\$2,000.00



# Rutan Refrigeration and Air Conditioning

2045 Lauwiliwili Street Suite 202 | Kapolei, HI 96707  
 808-800-1555 | rutanref@hawaiiantel.net | www.rutanrefrigeration.com

PRODUCT / SERVICE	DESCRIPTION	QTY.	UNIT PRICE	TOTAL
Labor Day	Flat Rate	20	\$960.00	\$19,200.00
Shipping/Handling	Shipping and Handling, estimate	1	\$4,000.00	\$4,000.00
Disposal	Disposal	1	\$540.00	\$540.00
Note Credit Card Fee	3% non-refundable service fee for paying with credit card.	1	\$0.00	\$0.00
Notes	If required permits, electrical power to unit, painting, sheetrock, tiling, ceiling repair, roofing and trades beyond our license are not included.			
Note Access	Adequate access and room to service, repair, and install equipment(s) to be provided by customer. In some cases doors may need to be expanded, ceilings opened up, furniture relocated and/or trusses removed. Rutan Refrigeration does not perform this work. Proof of access may be required prior to work. If no platform is available in the attic to service the equipment Rutan Refrigeration is not responsible for ceiling damage. Rutan Refrigeration is not responsible for moving or covering objects, furniture, clothing, etc. nor any damages that may be incurred during service due to this.			
Note Diagnostics	This proposal does not include the diagnostics service call or previous work already made. That would be billed separately.			

**A deposit of \$67,445.80 will be required to begin.**

**Terms & Conditions:**

The purchaser agrees to the above and to remit 50% down payment at time of signing of this agreement with the balance of 50% due upon completion. For Credit Card payments a non-refundable service fee of 3% of the total transaction amount will be applied. Until full payment has been made, the title of merchandise delivered to you shall remain in the name of Rutan Refrigeration. Consignee shall be responsible for any loss or damage from fire, theft, negligence or otherwise upon commencement of installation. Any warranty on equipment or parts shall be limited to that provided by the manufacturer. If required permits, electrical power to unit, painting, sheetrock, tiling, ceiling repair, roofing and trades beyond our license are

<b>Subtotal</b>	\$128,821.52
<b>Kauai GET (4.712%)</b>	\$6,070.07
<b>Total</b>	<b>\$134,891.59</b>



# Rutan Refrigeration and Air Conditioning

2045 Lauwiliwili Street Suite 202 | Kapolei, HI 96707  
808-800-1555 | rutanref@hawaiiantel.net | www.rutanrefrigeration.com

## Notes Continued...

not included in proposed job. Job cancellations or re-schedules within 24 hours of the scheduled appointment are subject to a \$60 cancellation fee.

Purchaser is responsible for providing adequate room and access to equipment, including, but not limited to moving furniture, televisions, plants, curtains, shelving etc. Rutan Refrigeration is not responsible for moving objects and damages that may be incurred during service due to this.

Over time systems naturally erode from being exposed to their environments and through wear and tear of being regularly used and worked on. This includes, but are not limited to, rust, brittleness, and corrosion. In the process of performing work on said system, Rutan Refrigeration is not liable for any damages, or sub-damages that occur due to these factors.

All clients on-site that the technician(s) may come into contact with are required to wear a mask at all times or, if due to medical conditions, practice social distancing of a minimum of 6 feet.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

# APPRAISAL REPORT

**SUNRISE CAPITAL**

3630 Hanapepe Road  
Hanapepe, Hawaii 96716



**PREPARED FOR**

Mike Turner  
Sunrise Capital Inc.  
PO Box 1282  
Kekaha, HI 96752

Kauai Valuation File No: K230113



**Kauai Valuation**  
Appraisal & Real Estate Solutions

P.O. BOX 1330  
KOLOA, HI 96756



**KAUAI VALUATION**

P.O. Box 1330  
Koloa, HI 96756  
+1 +1 (808) 755-5883

May 18, 2023

Mike Turner  
Sunrise Capital Inc.  
PO Box 1282  
Kekaha, HI 96752

**RE: Sunrise Capital**  
3630 Hanapepe Road  
Hanapepe, Hawaii 96716  
  
Kauai Valuation File No: K230113

Mr. Turner:

Kauai Valuation is pleased to present the appraisal that satisfies the agreed upon scope of work with Sunrise Capital Inc. The subject property is a 6,620 SF Commercial Building on a site totaling 16,855 SF located in Hanapepe, Kauai County, Hawaii. The purpose of this appraisal is to determine the as-is building value of the subject property to facilitate rent renegotiations with the State of Hawaii.

The following table conveys the final opinion of value that is developed within this appraisal report:

MARKET VALUE CONCLUSION			
VALUATION SCENARIO	INTEREST APPRAISED	DATE	VALUE
As-Is Building Value	Leasehold	May 16, 2023	\$1,100,000

This report conforms to the current Uniform Standards of Professional Appraisal Practice (USPAP), and the appraisal guidelines of Sunrise Capital Inc..

**Extraordinary Assumptions / Hypothetical Conditions**

No Extraordinary Assumptions or Hypothetical Conditions were made for this assignment.

If there are any specific questions or concerns regarding the attached appraisal report, or if Kauai Valuation can be of additional assistance, please contact the individual listed below.

Sincerely,

**KAUAI VALUATION**

Curtis J. Bedwell, MAI  
Certified General Real Estate Appraiser  
State of Hawaii License No. CGA-1007  
Expiration Date 12/31/2023  
(808) 755-5883  
curtisbedwell@gmail.com

# EXECUTIVE SUMMARY

## PROPERTY IDENTIFICATION

Name	Kauai Shrimp
Property	Commercial -
Address	3630 Hanapepe Road
City, State Zip	Hanapepe, Hawaii 96716
County	Kauai County
Market / Submarket	Kauai / West Kauai
Geocode	21.910259,-159.591257
Census Tract	15-007-040800

## SITE DESCRIPTION

Number of Parcels	1	
Assessor Parcel Number	4-1-9-10-37	
Land Area	Square Feet	Acres
Usable	16,855	0.39
Total	16,855	0.39
Zoning	T4 Village Center/Flex - West Kauai (T4VC/F-WK)	
Shape	Generally Rectangular	
Topography	Level at street grade	
Flood Zone	Zone X (Shaded) & Zone AE	
Seismic Zone	Medium Risk	

## IMPROVEMENT DESCRIPTION

Net Rentable Area (NRA)	6,620
Gross Building Area (GBA)	6,620
Ground Floor SF	6,620
Total Buildings	2
Floors	1
Year Built	1938 - 2001
Actual Age	32 Years
Effective Age	22 Years
Economic Life	50 Years
Remaining Useful Life	28 Years
Land To Building Ratio	2.55 : 1
Site Coverage Ratio	39.3%

## QUALITATIVE ANALYSIS

Site Quality	Average
Site Access	Average
Site Exposure	Average
Site Utility	Average
Building Quality	Above Average
Building Condition	Average

## VALUE CONCLUSION

VALUATION SCENARIOS	AS-IS BUILDING VALUE
Interest	Leasehold
Date	May 16, 2023
<b>FINAL VALUE CONCLUSION</b>	<b>\$1,100,000</b>



## IMPROVEMENT DESCRIPTION

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The information presented below is a basic description of the existing improvements that is used in the valuation of the property. Reliance is placed on information provided by sources deemed dependable for this analysis. It is assumed that there are no hidden defects, and that all structural components are functional and operational, unless otherwise noted. If questions arise regarding the integrity of the improvements or their operational components, it may be necessary to consult additional professional resources.

### OVERVIEW

<b>Property Type</b>	Commercial -
<b>Net Rentable Area (NRA)</b>	6,620
<b>Gross Building Area (GBA)</b>	6,620
<b>Total Buildings</b>	2
<b>Floors</b>	1
<b>Year Built</b>	1938 - 2001
<b>Age/Life Analysis</b>	
Actual Age	32
Effective Age	22
Economic Life	50
Remaining Useful Life	28
<b>Overall Building Quality</b>	Above Average
<b>Overall Building Condition</b>	Average
<b>Overall Building Appeal</b>	Average
<b>Land to Building Ratio</b>	2.55 : 1
<b>Site Coverage Ratio</b>	39.28% (Based On Total Overall Site Area)

### COMPONENT DESCRIPTION

<b>Foundation</b>	Concrete slab
<b>Exterior Walls/Framing</b>	Masonry, Wood siding
<b>Roof</b>	Metal
<b>Heating &amp; AC (HVAC)</b>	HVAC and Cold Storage Refrigeration
<b>Insulation</b>	Assumed to be standard and to code for both walls and ceilings
<b>Lighting</b>	Fluorescent
<b>Electrical</b>	Assumed adequate and to code
<b>Interior Walls</b>	Drywall in offices, insulated panels
<b>Doors and Windows</b>	Standard windows and doors, cold storage doors
<b>Ceilings</b>	Drywall
<b>Plumbing</b>	Standard plumbing for a commercial building with two multi-user restrooms in the office area
<b>Floor Covering</b>	Concrete

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<b>Functional Design</b>	The building features a functional design with typical site coverage and adequate off-street parking.
<b>ADA Comment</b>	This analysis assumes that the subject complies with all ADA requirements. Please refer to the Assumptions and Limiting Conditions section.
<b>Hazardous Materials</b>	A Phase I report was not provided. This appraisal assumes that the improvements are constructed free of all hazardous waste and toxic materials, including (but not limited to) unseen asbestos and mold. Please refer to the Assumptions and Limiting Conditions section regarding this issue.

**INSPECTION REPORT**  
Commercial/Industrial/Resort/Other Business

**General Information**

Document Number: GLS 4946 or RPS \_\_\_\_\_ Character of Use Commercial  
 Inspection Date: 12/6/23 Inspection Time: 1100 Land Agent: JET

**TENANT INFORMATION**

Name: Sunrise Capital, Inc. Home Phone: \_\_\_\_\_  
 Address: PO Box 1282 Business Phone: 338-0331  
Kekaha HI 96752 Fax: \_\_\_\_\_  
 Contact Person: Chris Bryant Contact Phone: \_\_\_\_\_

**SITE INFORMATION**

TMK: (4)-1-9-010:037 Area: 0.387 acres  
 Site Address: 3630 Hanapepe Rd.  
Hanapepe HI 96716

**FISCAL INFORMATION**

ITEM	N/A	CURRENT= COMPLIANCE	DEFAULT = NON-COMPLIANCE	COMMENTS
Rent		X		
Liability Insurance		X		
Fire Insurance		X		
Bond		X		

**FIELD INSPECTION RESULTS** (refer to Field Inspection Worksheet)

ITEM	N/A	COMPLIANCE	NONCOMPLIANCE	COMMENTS
Subleases	X			
Improvements		X		
Premises		X		Premises well maintained + kept.
Character of Use		X		CoU in line w/ purpose

**Field Inspection Worksheet**  
**Commercial/Industrial/Resort/Other Business**

**File Review**

**LICENSES/PERMITS/CONSENTS**

ITEM	DLNR Approval Docs in File			COMMENTS/NOTES/LISTS
	N/A	YES	NO	
Subletting	X			attach copy of list or map if applicable
Improvement Construction Buildings		X		note deadlines for % completion
Improvement Construction Other structures/misc.		X		note deadlines for % completion

**Field Inspection**

ITEM	SATISFACTORY?			COMMENTS/NOTES
	N/A	YES	NO	
<b>SUBLEASES</b>				
Consents approved	X			
Use adheres to lease purpose	X			
<b>IMPROVEMENTS</b>				<i>Lessee discussed w/ staff plans for continued upkeep + improvement of property.</i>
<u>Buildings/Residences:</u> roof		X		
paint		X		
exterior		X		
interior		X		
<u>Structures:</u> roads		X		
walkways		X		
fencelines		X		
others		X		
<b>PREMISES</b>				
clean, sanitary, orderly appropriate storage/use of hazardous materials		X		
<b>CHARACTER OF USE</b>				
adheres to lease purpose		X		

