

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

January 23, 2026

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

Maui

Decision Making Regarding Disposition of Tax Map Keys (TMKs) (2) 4-8-001: portion of 001 and (2) 3-6-001: portion of 014:

- 1) Issuance of a Revocable Permit with a Right of Entry to Kaheawa Wind Power, LLC, OR Issuance of a Direct Lease to Kaheawa Wind Power, LLC, for the Continued Operation of Kaheawa Wind Power I, Ukumehame and Wailuku Districts on the island of Maui Identified by TMKs (2) 4-8-001: portion of 001 and (2) 3-6-001: portion of 014; and
- 2) Declaration that the Board of Land and Natural Resources' Issuance of a Set Aside and Right-of-Entry Permit to the Division of Forestry and Wildlife to a Portion of TMK (2) 3-6-001:014 at its Meeting on March 24, 2023, Item C-3, Authorizes the Division of Forestry and Wildlife to Conduct Management Activities, including removal of abandoned property in accordance with Hawai'i Revised Statutes § 171-31.5.

APPLICANT:

Kaheawa Wind Power, LLC, a Delaware Limited Liability Company

LEGAL REFERENCE:

Sections 171-17, and 95.3, Hawaii Revised Statutes (HRS), as amended.

LOCATION and AREA:

Portion of Government lands with an area of 200 acres, more or less, situated at Ukumehame, Lahaina, Wailuku, Maui, identified as Tax Map Key: (2) 4-8-001: portion of 001 and 3-6-001: portion of 014, as shown on the map attached as **Exhibit A**.

**CHARACTER OF USE:**

The premises leased shall be used solely for operation and maintenance of the existing wind farm facility for the generation of electrical power to be sold to an electric utility company, together with access and electrical transmission line easements purpose(s) or such other purpose(s) as may be permitted by the Lessor in writing.

**ZONING:**

State Land Use District:	Conservation
County of Maui CZO:	Interim, Agriculture, Open Zone

**TRUST LAND STATUS:**

Section 5(b) lands of the Hawaii Admission Act  
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: No

**CHAPTER 343 - ENVIRONMENTAL IMPACT STATEMENTS:**

On December 12, 2025, as item D-14 the Board of Land and Natural Resources (Board) unanimously voted to accept the Final Environmental Impact Statement (FEIS) for the Kaheawa Wind Power I Continued Use Project and determined that the FEIS complies with applicable law and adequately discloses the environmental impacts of the proposed action. The FEIS can be found at:

[https://files.hawaii.gov/dbedt/erp/Doc\\_Library/2025-11-23-MA-FEIS-Kaheawa-Wind-1-Continued-Use-Project.pdf](https://files.hawaii.gov/dbedt/erp/Doc_Library/2025-11-23-MA-FEIS-Kaheawa-Wind-1-Continued-Use-Project.pdf).

The acceptance of the FEIS was published in the December 23, 2025 edition of *The Environmental Notice*. Staff notes that the 60-day period in which someone can initiate a judicial proceeding regarding the acceptance of the EIS ends on February 21, 2026.

**NECESSARY PRECEEDING APPROVALS:**

Prior to the Board's consideration of a direct lease to the Applicant, the Board must first approve a Habitat Conservation Plan (HCP) and an associated Incidental Take License (ITL). The HCP, ITL, and direct lease will all be brought before the Board at its meeting on January 23, 2026, for decision making.

Staff notes that on December 18, 2025, as Item 3, the Endangered Species Recovery Committee (ESRC) unanimously voted to recommend the Habitat Conservation Plan (HCP), with amendments, to the Board for approval. The HCP can be found at:

[https://dlnr.hawaii.gov/wildlife/files/2025/12/KWP-Final-HCP\\_December\\_2025\\_combined.pdf](https://dlnr.hawaii.gov/wildlife/files/2025/12/KWP-Final-HCP_December_2025_combined.pdf)

As the Subject Site is located within the General and Protective subzones of the State Land Use Conservation District, Kaheawa Wind Power I (KWP I) currently operates under the terms and conditions of Conservation District Use Permit CDUP MA-3103, which was approved by the Board on January 24, 2003, and amended on June 24, 2005. Should the Board issue a lease to KWP I, this CDUP will remain in effect for the additional operational period as it does not have an expiration date.

The Applicant was also required to obtain written concurrence from the State Historic Preservation Division (SHPD) on the effect of the proposed project on historic properties pursuant to HRS §6E-8 as the project involves the use of State Lands.

A letter of concurrence was issued by SHPD on December 30, 2025, in which SHPD concurred with Land Division's effect determination of "Effect, with mitigation commitments" and had no objections to the mitigation commitments that were provided. However, Staff notes that SHPD did request that any archaeological monitoring plans produced for this project meet the minimum requirements of HAR §13-279-4 and any preservation plans produced for this project meet the minimum requirements of HAR §13-277-3, and these plans be submitted to SHPD for review and acceptance prior to their implementation and that the Office of Hawaiian Affairs (OHA) be provided an opportunity to review and comment on any mitigation plans newly generated for SIHP Sites 50-50-09-05232 (upland heiau) and 50-50-09-02946 (Historic Lahaina Pali Trail). See, **Exhibit B**.

#### PUBLIC TRUST ANALYSIS:

The Subject Site is located within the State Land Use Conservation District and consists of an existing wind farm containing 20 wind turbines, each capable of producing 1.5 megawatts. The Kaheawa Wind Power I (KWP I) facility has been operating since 2006 and, according to the applicant, is capable of producing enough energy to power the equivalent of 17,000 homes annually on the island of Maui. The continued operation of KWP I supports the State's goal of producing renewable energy and reducing fossil fuel emissions. Additionally, having a tenant occupying the Subject Site generates lease rent revenues that help support the Department of Land and Natural Resources (Department).

The Department and the Board are responsible for managing approximately 1.3 million acres of public lands comprised of sensitive natural, cultural and recreational resources. The Department's responsibilities include managing and maintaining the State's coastal lands and waters, water resources, conservation and forestry lands, historical sites, small boat harbors, parks, and recreational

facilities; performing public safety duties (e.g., flood and rockfall prevention); issuing and managing leases of public lands (agriculture, pasture, commercial, industrial, and resort leases); maintaining unencumbered public lands; and enforcing the Department's rules/regulations.

To properly perform these fiduciary duties, the Legislature and the Board determined that the Department should use a portion of the lands it manages to generate revenues to support the Department's operations and management of public lands/programs. Annual lease revenues currently support the Special Land and Development Fund (SLDF), with revenues coming primarily from leases for commercial, industrial, resort, geothermal and other renewable energy projects (i.e. KWP I). The SLDF revenues collected by the Department's Land Division cover the entire annual operating budget for the Land Division, the Department's Office of Conservation and Coastal Lands, and the Dam Safety and Mineral Resources Programs of the Department. The revenues fund over 80 Department staff positions, including 5 positions within the Commission on Water Resource Management, and provide funding support to the Division of State Parks and various resource protection programs administered by the Division of Forestry and Wildlife such as the protection of threatened and endangered species, removal of invasive species, wildland firefighting and lifeguard services.

The SLDF is a critical and increasingly important funding source for various divisions within the Department to deal with emergency response to natural catastrophes such as fire, rockfall, flood or earthquake and hazard investigation and mitigation. The SLDF also is critical for staff support of various programs and funding conservation projects on all state lands. It has also become an important source of state match for federally funded endangered species and invasive species initiatives that otherwise would not go forward.

#### BACKGROUND INFORMATION:

##### Land Disposition:

General Lease No. S-5731 (GL 5731) encumbers 200 acres, more or less, and was issued to Kaheawa Wind Power, LLC (KWP) for the construction, operation, and maintenance of a wind farm facility, Kaheawa Wind Power I (KWP I), for a term of twenty (20) years, commencing on February 1, 2005 and expiring on January 31, 2025. Subsequently, on July 15, 2005, GL 5731 was amended to include a non-exclusive access easement (Kaheawa Pastures access road) as well as a perpetual non-exclusive easement for electric transmission lines, and a non-exclusive easement for overhead transmission lines. Shortly before the expiration of GL 5731, KWP requested a Holdover of GL 5731 upon the lease's expiration. At the December 13, 2024, Board of Land and Natural Resources (Board) meeting, the Board approved a one-year Holdover of GL 5731 (Holdover) for the period of February 1, 2025 to January 31, 2026.

On July 9, 2025, Kaheawa Wind Power, LLC (KWP) submitted an application requesting a direct lease of the State lands currently encumbered by the Holdover of General Lease No. S-5731.

If awarded a new lease, KWP intends to continue to operate and maintain the existing KWP I facility. It is Staff's understanding that KWP does not intend to place new improvements on KWP I. KWP intends to continue operations until the existing Purchase Power Agreement (PPA) terminates in mid-2026. Then KWP will enter into a major maintenance phase of approximately 6 months, which will provide time for the refurbishment of all 20 wind turbines, followed by an operational period of 20 years, and finally a decommissioning period of up to 2 years, for a total requested lease term of up to 25 years.

Project Area and Site Description:

KWP I currently consists of twenty (20), 1.5-megawatt wind turbines that produce 30 megawatts of electricity, an operations and maintenance building, a warehouse and storage facility, a substation, access roads, and an underground power collector system. See, **Exhibit C**. Additionally, KWP currently occupies the "entrance area", which consists of a gate, security cameras, a staging lot, and a 60,000-gallon water tank adjacent to Honoapiilani Highway. See, **Exhibit I**.

Staff notes that within the KWP I lease area, there are several improvements associated with and exclusively for the operation of the Kaheawa Wind Power II (KWP II) facility. These improvements include a substation, a battery energy storage system (BESS) facility, and an electrical collection system. These improvements have a separate land disposition, General Lease No. S-6004 (GL 6004).

REMARKS:

Revocable Permit with Immediate Right of Entry:

The Board cannot issue a direct lease to KWP if the Habitat Conservation Plan (HCP) is not approved, or should the Board find the information provided by applicant is insufficient to satisfy the direct lease requirements of HRS § 171-95. Instead, the Board may issue a month-to-month Revocable Permit (RP) with an immediate right of entry (ROE) to KWP. A RP with an ROE, although temporary in nature, would allow KWP to access and secure the site until a long-term lease can be issued. Staff notes, KWP will not be allowed to operate the twenty (20) wind turbines until the HCP and lease are approved. Any use beyond access to secure the site shall constitute a material breach of the RP and will result in termination of the RP. Should the Board issue a RP, staff believes that it is in the State's best interest to issue KWP a RP with immediate ROE for a one year term, with a one-year extension available upon Board approval and that the RP rent be ten (10)

percent of the current Holdover rent, or \$26,300<sup>1</sup> annually and the removal bond be set at \$33,700,000.<sup>2</sup>

Direct Lease:

The Board is authorized to direct lease state lands to qualifying renewable energy producers pursuant to HRS § 171-95(a)(2). Staff notes that the Applicant qualifies as a renewable energy producer as they are a producer/developer of renewable energy pursuant to HRS § 269-91 which defines renewable energy as “...energy generated or produced using the following sources: (1) Wind;...”

Pursuant to HRS § 171-95.3, to qualify for a direct lease as a renewable energy producer, the applicant must submit the following as part of the proposal for the Board’s evaluation:

1. A timeline for completion of the project;
2. A description of a financial plan for project financing;
3. A description of the conceptual design of the project;
4. A description of the business concept for the project; and
5. A description of landscape and acreage requirements including public and private lands.

Staff requested KWP provide the statutorily required information for the Board’s consideration. In response to staff’s request, KWP provided the information presented as **Exhibit D**. Staff is concerned as to whether the information provided is sufficient for the Board to make an informed decision. Therefore, Staff requests that the Board review **Exhibit D** and make an independent determination to award or not award a lease to KWP and to provide the reasons behind the decision, as pursuant to HRS § 171-95.3(c), the Board is required to prepare a report outlining its decision.

Also, as a part of the direct lease process, to inform the public of KWP’s desire to direct lease state lands, HRS § 171-95.3(c) requires the Department hold “not less than two public hearings on the island where the public land to be leased for the proposed renewable energy project is located...” As approved by the Board on September 26, 2025 as item D-2, public hearings were held on October 30, 2025 and December 4, 2025, at the J. Walter Cameron Center in Wailuku, Maui. No testimony was received at the public hearings, but staff did receive public testimony submitted by email which has been included as **Exhibit E**.

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<sup>1</sup> \$263,000 x .10 = \$26,300

<sup>2</sup> The removal bond amount of \$33,700,000 was set by a study done by Bowers & Kubota, which will be discussed below in the Removal Bond section.

Rents:

As discussed at the September 26, 2025, Board meeting, staff believes GL 5731 and the Holdover provide the Board discretion to assume ownership of all improvements, fixtures, machinery and equipment installed at KWP I at the termination of the Holdover.

The Holdover states:

2. That this holdover shall be subject to all the terms and conditions of General Lease No. 5731, including by not limited to payment of rent, in the amount of TWO HUNDRED SIXTY-THREE THOUSAND AND NO/100 DOLLARS (\$263,000.00) per annum in an equal semi-annual installments on February 1<sup>st</sup> and August 1<sup>st</sup>.

4. That at the expiration or other early termination of this holdover, the Lessee shall: (a) remove all improvements from the premises described in General Lease No. S-5731, including by not limited to all wind turbine foundations, infrastructure and road, subsurface improvements, with no depth limitation, and restore the premises to its original natural condition, all to the satisfaction of the Lessor; and (b) peaceably deliver unto the Lessor possession of the premises in a clean and orderly condition. Furthermore, upon the expiration, termination, or revocation of this holdover, should the Lessee fail to remove any and all of Lessee's personal property from the premises, after notice thereof, the Lessor may remove any and all personal property from the premises and either deem the property abandoned and dispose of the property or place the property in storage at the cost and expense of Lessee, and the Lessee does agree to pay all costs and expenses for disposal, removal, or storage of the person property. This provision shall survive the expiration or early termination of the holdover.

...

It is understood that, except as provided herein, should there be any conflict between the terms of General Lease No. S-5731 as aforesaid amended and the terms of this Section 4 of the holdover, the terms and conditions of this Section 4 shall control and specifically to the removal requirements and the removal bond requirement herein.

The Holdover is attached as **Exhibit F**.

GL 5731 reads in relevant part:

9. Improvements. The Lessee shall at its own cost and

expense, within three (3) years from the commencement of the lease term, complete the construction of a 30-megawatt wind power project or Project Improvements, in accordance with plans and specifications submitted by the Lessee to and approved in writing by the Chairperson and in full compliance with all applicable laws, ordinances, rules and regulations, such approval not to be unreasonably withheld or delayed. Initial construction or installation of the Project Improvements shall not commence until the Department of Land and Natural Resources has been provided evidence of full financing of the construction costs of the project, and the construction and installation of the Project Improvements shall be completed free and clear from all liens and claims.

11. Ownership of improvements. During the term of this lease, the improvements constructed by the Lessee, including without limitation all additions, alterations and improvements thereto or replacements thereof and all appurtenant fixtures, machinery and equipment installed therein, shall be the property of the Lessee. As the early termination for whatever reason or expiration of this lease, all existing improvements and all additions, alterations and improvements thereto or replacements thereof and all appurtenant fixtures, machinery and equipment installed therein shall be removed at the Lessee's sole expense, unless the Lessor elects to assume ownership of improvements as provided herein.

59(g). Additional definitions. "Project Improvements" includes wind turbines, all appurtenant meteorological towers and equipment, electrical components (overhead and underground power lines and their supporting structures, transformers, switching and connection enclosures, metering systems, communication lines and auxiliary equipment,), service buildings, access controls (gates, cattle guards and fences), safety and wind project identification signage, erosion and fire control features and roads that may be used in connection therewith located on the premises.

GL 5731 is attached as **Exhibit G.**

The Holdover does not remove the Board's right to assume ownership of the improvements granted in GL 5731. To amend a substantive provision of the lease, the Board must take definitive action to amend said provision. In this case, the Board added an additional condition to the Holdover, but did not remove any terms or conditions from GL 5731. Thus, the Holdover should be read in conjunction with GL 5731, not independently. Further, the Holdover specifically states, "*this holdover shall be subject to all the terms and conditions of General Lease No. 5731...*" The Holdover then goes on to discuss the additional removal requirements at the expiration or early termination of the Holdover (see, Holdover,

Section 4). KWP's counsel contends that Section 4 of the Holdover directs that the Holdover is controlling, however, the Holdover language is unambiguous. The Holdover is solely intended to control the "the removal requirements and the removal bond requirement herein." Accordingly, KWP is subject to the terms of GL 5731, more specifically, the ownership of improvement provisions, which grant the Lessor [Board] the right to assume ownership of the improvements at the termination of the lease.

In the alternative, staff does recognize the Board has discretion to retain the improvements at the termination of the Holdover. Should the Board so desire, the Board may elect not to retain the improvements. However, the Board should be aware that by doing so, it could be conceived as the State subsidizing a private for-profit business as it would be comparative to giving a discount in rent.

As requested by the Board, appraisals for KWP I as unimproved and improved were completed. The appraised rents for the first 10-year period as unimproved are \$300,000 annually or a percentage rent of 3.5% of gross revenue, whichever is greater; and as improved, the appraised rents are \$390,000 annually. Staff notes, historically, the unimproved rental amount with a percentage rent of 3.5% averaged \$446,097 annually, which is more than both appraised values. However, this amount is based on the current Purchase Power Agreement (PPA) which may provide KWP more revenue per kWh than the new PPA. Staff requested the new PPA, but was told the PPA is confidential. Therefore, staff is unable to formulate an estimate as to which rental amount will be greater for the Board's consideration and evaluation.

#### Removal Bond:

On December 13, 2024, as item D-7 the Board approved a one-year Holdover, conditioned upon KWP completely removing all improvements, posting a removal bond of fifteen million dollars, and paying for a consultant to produce a study on the costs to remove said improvements. The Holdover reads:

Lessee shall furnish a removal bond naming the Lessor as an obligee in the amount of FIFTEEN MILLION AND NO/100 DOLLARS (\$15,000,000.00) to ensure the removal of all of the improvements on the premises, including but not limited to all wind turbine foundations, infrastructure and road, subsurface improvements, with no depth limitation, and restoration of the premises to its original natural condition to the satisfaction of the Lessor. This amount may be increased by the Lessor in its sole and absolute discretion based upon the completion of Lessor's cost assessment (that includes procuring construction and engineering consultants) for the removal of the aforesaid improvements which assessment shall be paid for by the Lessee. The term of the removal bond shall survive the early termination or expiration of this holdover.

Initially, KWP provided a bond, which was set at fifteen million dollars while a consultant was pursued to evaluate the removal costs. In the time since the bond was originally set, DNLR procured Bowers & Kubota (B&K) for a removal cost study. B&K visited the KWP I site, reviewed the KWP I records, conducted market research, and, ultimately, produced a removal cost study. The removal cost study is attached as **Exhibit H**. B&K determined the bond amount to cover the cost of removal of the improvements on KWP I (excluding the KWP II improvements, O&M building, and roads) to be \$45,280,000. Accordingly, staff requests the Board set the removal bond at the amount determined by the B&K removal study.

Additionally, to protect the Department and the Board, staff requests the Board add a provision to the lease requiring that applicant shall cover all costs incurred to update the removal cost study in year ten of the lease. This will guarantee that, should removal costs increase over the term of the lease, the removal bond is sufficient to pay for all necessary removal work to restore the Subject Site at the termination of the lease.

Entrance Area:

KWP currently occupies the “entrance area”, which consists of an access gate, security cameras, a staging lot, and a 60,000-gallon water tank adjacent to Honoapiilani Highway. See, approximated area in **Exhibit I**. Staff notes, this entrance area is not a part of KWP’s lease or KWP’s easements. On February 21, 2008, the Office of Conservation and Coastal Lands (OCCL) granted KWP an after-the-fact Site Plan Approval for the above-mentioned improvements. See, **Exhibit J**. However, staff notes that KWP has no formal disposition for the entrance area. On December 15, 2025, KWP informed staff that KWP no longer requires this area and, therefore, requested it not be included in the new lease. Normally the Division requires the applicant to remove the existing improvements and restore the site to natural conditions. However, we understand that this entrance area is used by other parties including the Division of Forestry and Wildlife (DOFAW) and Hawaiian Electric and that these entities might have an interest in managing the entrance area and retaining the improvements.

On December 31, 2025, Land Division met with DOFAW regarding management of the subject entrance area as DOFAW currently has the necessary approvals to take control of and manage the entrance area. On March 24, 2023, as Item C-3 the Board approved the set aside of State lands as forest reserves, natural area reserves, and wildlife sanctuaries statewide, which included the subject entrance area.<sup>3</sup> Subsequently, on October 21, 2025, a Right-of-Entry permit (ROE) was issued to DOFAW for management purposes for the lands set aside, including the subject entrance area. The ROE is attached as **Exhibit K**.<sup>4</sup> Accordingly, staff

<sup>3</sup> The March 24, 2023 Board submittal can be found at <https://dlnr.hawaii.gov/wp-content/uploads/2023/03/C-3.pdf>.

<sup>4</sup> The October 10, 2025 Board submittal can be found at <https://dlnr.hawaii.gov/wp>-

requests the Board approve DOFAW taking over management of the entrance area. DOFAW confirmed it will take on the management functions for the entrance area and will take possession of the 60,000-gallon water tank, gate, parking area, and pole for the security cameras. Staff recommends allowing 30 days from today's date for KWP to remove all other personal property, equipment, or improvements belonging to KWP. After the 30-day period, any items left on the entrance area will be forfeited and may be disposed of by DOFAW in accordance with HRS §171-31.5.

**RECOMMENDATIONS:**

That the Board:

1. Grant:

- a. Kaheawa Wind Power, LLC a month-to-month Revocable Permit with an immediate Right-of-Entry as of February 1, 2026, for a one-year term, with an extension of one year subject to Board approval. Rent shall be \$26,300 annually and KWP shall post a removal bond in the amount of \$33,700,000.

**OR**

- b. Kaheawa Wind Power, LLC's request to direct lease State lands beginning February 1, 2026 for a term of twenty-five (25) years, under the terms and conditions discussed, which are by this reference incorporated herein and further subject to the following:

i.

1. The annual fair market rental value, including any percentage rent, if applicable, shall be for both land and improvements, and should reflect the value of the existing improvements as of the Date of Valuation.

**OR**

2. The annual fair market rental value, including any percentage rent, if applicable, shall be for unimproved land, and should reflect the unimproved land value as of the Date of Valuation.

- ii. Lessee shall post a removal bond in the amount of \$45,280,000 and shall pay all costs incurred by the Lessor to procure a consultant to update the removal bond study in year ten (10) of

the lease.

- iii. The standard terms and conditions of the most current lease form, as may be amended from time to time,
- iv. Review and approval by the Department of the Attorney General, and
- v. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interest of the State.

2. Declare, after consideration of the Board approved Set Aside and Right-of-Entry Permit, that the Division of Forestry and Wildlife has the appropriate authority to take over management of the subject entrance area and that DOFAW shall be authorized to remove and/or dispose of any personal property, equipment, or trade fixtures left on the property after February 22, 2026, in accordance with HRS §171-31.5.

Respectfully Submitted,

*Andrew Tellio*

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Andrew Tellio,  
Appraisal and Real Estate Specialist

APPROVED FOR SUBMITTAL:

*Ryan K.P. Kanaka'ole*

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✓ Ryan K.P. Kanaka'ole, Acting Chairperson

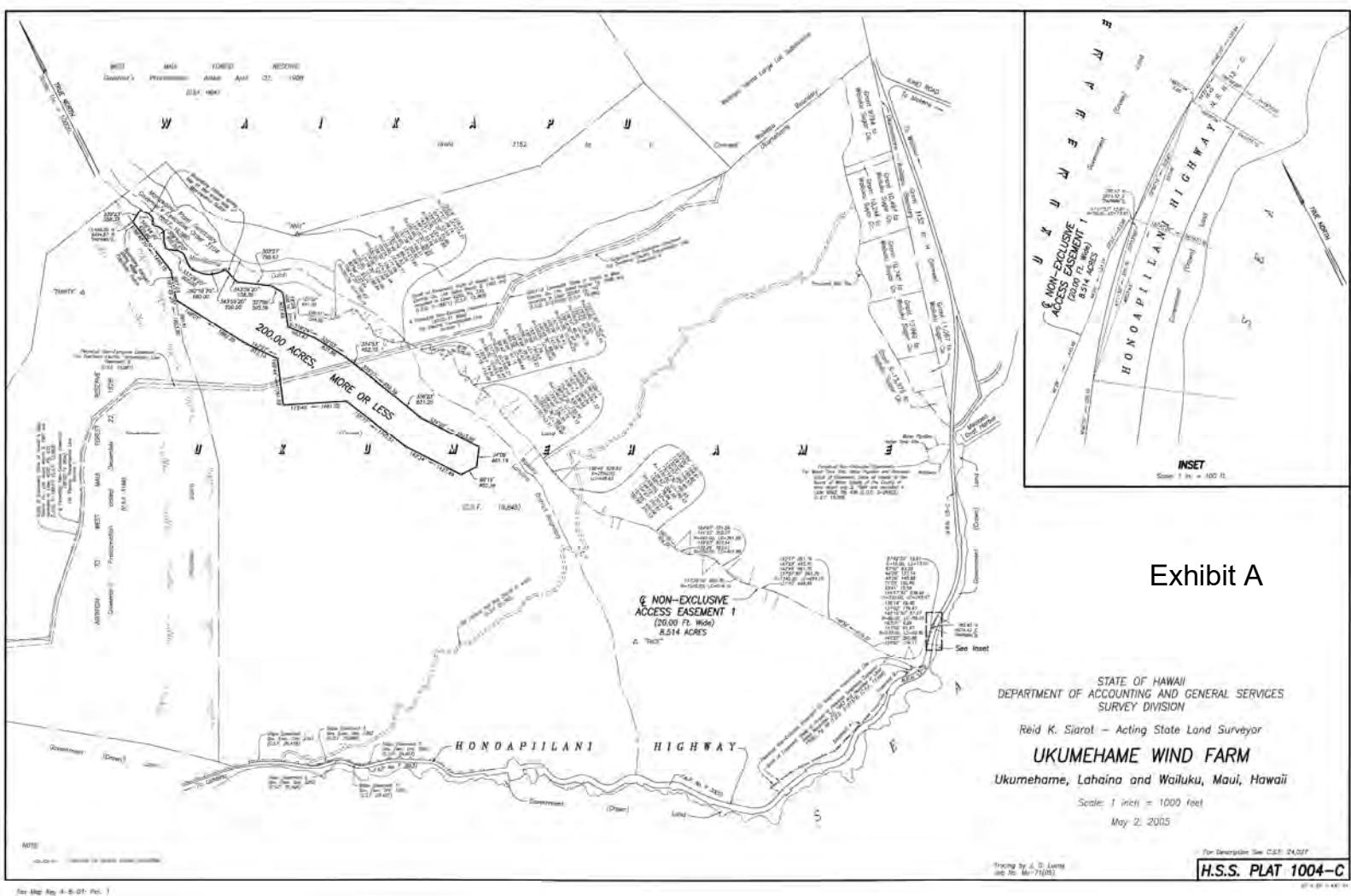


Exhibit A

JOSH GREEN, M.D.  
GOVERNOR | KE KIA'ĀINA

SYLVIA LUKE  
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA



DAWN N.S. CHANG  
CHAIRPERSON  
BOARD OF LAND AND NATURAL RESOURCES  
COMMISSION ON WATER RESOURCE  
MANAGEMENT

RYAN K.P. KANAKA'OLE  
FIRST DEPUTY

CIARA W.K. KAHAHANE  
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES  
BOATING AND OCEAN RECREATION  
BUREAU OF CONVEYANCES  
COMMISSION ON WATER RESOURCE  
MANAGEMENT  
CONSERVATION AND COASTAL LANDS  
CONSERVATION AND RESOURCES  
ENFORCEMENT  
ENGINEERING  
FORESTRY AND WILDLIFE  
HISTORIC PRESERVATION  
KAHOOLAE ISLAND RESERVE COMMISSION  
LAND  
STATE PARKS

**STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES  
KA 'OIHANA KUMUWAIWAI 'ĀINA**

STATE HISTORIC PRESERVATION DIVISION  
KAKUHIEWA BUILDING  
601 KAMOKILA BLVD, STE 555  
KAPOLEI, HAWAII 96707

December 30, 2025

Ian Hirokawa, Acting Land Division Administrator  
State of Hawai'i, Department of Land and Natural Resources  
P.O. Box 621  
Honolulu, Hawai'i 96809  
c/o Lauren Yasaka  
Email: lauren.e.yasaka@hawaii.gov

IN REPLY REFER TO:  
Project No.: 2025PR00975  
Doc No.: 2512AM12  
Archaeology, Architecture

Dear Ian Hirokawa:

**SUBJECT: Hawaii Revised Statutes (HRS) §6E-8 Historic Preservation Review –  
State of Hawai'i, Department of Land and Natural Resources, Land Division  
Kaheawa Wind 1 Continued Use Project  
Request for Concurrence with an Effect Determination  
Ukumehame Ahupua'a, Lāhainā District, Island of Hawai'i  
TMK: (2) 3-6-001:014 por. and (2) 4-8-001:001 por.**

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This letter provides the State Historic Preservation Division's (SHPD's) review of the State of Hawai'i, Department of Land and Natural Resources (DLNR), Land Division's request for the SHPD's concurrence with an effect determination for the Kaheawa Wind 1 Continued Use Project. SHPD previously reviewed and commented on the environmental impact statement notice (EISPN) for the project in a letter dated November 15, 2024 (Project No. 2024PR01343, Doc. No. 2411CN01). SHPD received Land Divisions' letter on November 7, 2025 (HICRIS Submission No. 2025PR00975.001). Please see the appendix below for a full list of submission items.

Kaheawa Wind Power, LLC proposes the continued operation of the existing Kaheawa Wind 1 (KWP 1) wind generation facility for an additional 25-year period. The existing facility and access road is located on State land, and the wind farm is currently operating under a one-year hold-over. Kaheawa Wind Power, LLC is requesting a new, 25-year lease from the DLNR Land Division. The project area includes property located within the State Land Use Conservation District and may need subsequent permitting from the State of Hawai'i, Office of Conservation and Coastal Lands (OCCL).

The current scope of work includes an initial maintenance period which will require ground disturbing work around the existing turbine pads to create a level surface. This work is needed to provide a suitable work area for maintenance activities. Ground disturbing work will be limited to areas that were disturbed during the original construction of the wind farm. Minor ground disturbing work is also planned for the installation of temporary construction fencing and the replacement of the existing signage. No ground disturbing work currently is proposed to occur along the existing access road.

Rechtman Consulting, LLC conducted an archaeological inventory survey (AIS) in support of the original construction of the wind generation facility in 2005. The AIS fieldwork included a pedestrian survey, but no subsurface testing was completed. During the fieldwork, Rechtman Consulting, LLC identified nine significant historic properties including State Inventory of Historic Places (SIHP) Sites 50-50-09-02946 (Historic Lahaina Pali Trail), 50-50-09-04696 (Historic Lahaina Maalaea Pali Highway), 50-50-09-05402 (watering trough), 50-50-09-05625 (cairn), 50-50-09-05649 (cairn and modified outcrop), 50-50-09-05652 (terraced section of road), 50-50-09-05654 (structure remnant),

**Exhibit B**

50-50-09-05714 (privy remnant), and 50-50-09-05715 (hoist). Rechtman Consulting, LLC (Clark and Rechtman 2005) evaluated all nine historic properties as significant under Criterion d with the Lahaina Pali Trail also significant under Criteria c and e. Mitigation in the form of preservation was recommended for the Lahaina Pali Trail (SIHP Site 50-50-09-02946) and no further work for the rest of the historic properties.

SHPD reviewed and accepted the AIS report (Clark and Rechtman, July 2005) in a letter dated August 29, 2005 (Log No. 2005.1794, Doc. No. 0508MK24). SHPD also noted that there are additional sites that were recorded during previous archaeological studies in the area including SIHP Sites 50-50-09-05352 (heiau), 50-50-09-05626 (cairn), 50-50-09-05648 (precontact habitation complex), 50-50-09-05650 (four cairns), and 50-50-09-05653 (precontact habitation complex). SHPD also reviewed and accepted a preservation plan for SIHP # 50-50-09-05352 (heiau) prepared by Tomonari-Tuggle and Rasmussen (2005) a letter dated July 12, 2005 (Log No. 2005.1378, Doc. No. 0507MK02).

Currently, there are no plans to physically impact any of the nine historic properties identified by Clark and Rechtman (July 2005). However, DLNR Land Division requests SHPD's concurrence with an effect determination of "Effect with proposed mitigation commitments" with the following mitigation commitments:

1. If the Historic Lahaina Pali Trail is anticipated to be directly impacted by work proposed by the Kaheawa Wind Power, LLC, they will be required to prepare a preservation plan for review and approval by SHPD and Na Ala Hele. The Kaheawa Wind Power, LLC will notify Land Division when the plan has been submitted and approved by both agencies.
2. If any work is planned to occur within the vicinity of the Historic Lahaina Pali Trail, archaeological monitoring will be required.
3. The installation and maintenance of new trail signage will be completed in coordination with Na Ala Hele for the duration of the lease.
4. SIHP # 50-50-09-04696 (Historic Lahaina Maalaea Pali Highway) will continue to be passively preserved. Throughout the duration of the new lease, Kaheawa Wind Power, LLC will be required to install orange construction fencing along the northwest side of the road remnant for any proposed work that could potentially impact it.
5. In addition to installing construction fencing for SIHP #50-50-09-04696, Kaheawa Wind Power, LLC will be required to install fencing along the rest of the perimeter of the project boundary area in the vicinity of the staging area to mitigate against any inadvertent impacts to SIHP # 50-50-09-05653 (precontact habitation complex) which will also continue to be passively preserved.
6. Prior to maintenance activities in the vicinity of SIHP # 50-50-09-05232 (heiau), temporary construction fencing will be installed around the site to demarcate the 200-foot preservation buffer.
7. A preconstruction briefing will be held for all related personnel (including contractors) prior to any ground disturbing activities within the vicinity of SIHP # 50-50-09-05232 (heiau). The briefing will be headed by a professional archaeological consultant and will include information on the heiau and the types of temporary protection measures. All personnel will also be informed of procedures regarding inadvertent impacts on the site and the inadvertent discoveries of buried deposits, artifacts, and human skeletal remains. If the site is inadvertently damaged, all work in the immediate area will cease. The archaeological consultant will document and evaluate the extent of damage and will install additional barriers to prevent further damage.
8. Archaeological monitoring will be required for work within 500 feet of SIHP # 50-50-09-05232 (heiau).
9. The preservation measures outlined in the preservation plan (Tomonari-Tuggle and Rasmussen, April 2005) for SIHP # 50-50-09-05232 (heiau) will be implemented for all work planned in the vicinity of the site. The preservation area boundary that overlaps with the leased area is required to be marked by signs requesting the sacred site be respected. As mitigation for this project, Kaheawa Wind Power, LLC will replace those signs and maintain them for the duration of the lease term. Land Division notes that Maui Cultural Land has requested that the language on the signs be modified. Kaheawa Wind Power, LLC will need to submit a separate request to SHPD in order to amend the preservation plan stipulation for these signs.
10. Land Division and Kaheawa Wind Power, LLC will support and coordinate the establishment of a curatorship agreement with community group(s) interested in stewardship for SIHP # 50-50-09-05232 (heiau).

**SHPD concurs** with DLNR Land Division's effect determination of "Effect, with proposed mitigation commitments," pursuant to HAR §13-275-7(c). SHPD has no objections to the mitigation commitments listed above. However, **SHPD requests** that any archaeological monitoring plans produced for this project meet the minimum requirements of HAR §13-279-4 and any preservation plans produced for this project meet the minimum requirements

of HAR §13-277-3, and these plans be submitted to SHPD for review and acceptance prior to their implementation. Additionally, SHPD requests that the Office of Hawaiian Affairs (OHA) be provided an opportunity to review and comment on any mitigation plans newly generated for SIHP Sites 50-50-09-05232 (heiau) and 50-50-09-02946 (Historic Lahaina Pali Trail).

Please note that SHPD previously reviewed and commented on the EISPN for this project in 2024 (Project No: 2024PR01343, Doc No: 2411CN01). At that time, SHPD noted that the previous AIS report (Clark and Rechtman, July 2005) is outdated and that a new AIS may be required in support of the current project. However, after reviewing the full project scope of work and DLNR Land Division's mitigation commitments, SHPD has determined that an AIS is not required at this time.

**SHPD hereby notifies DLNR Land Division** that the leasing process for this project may continue.

Please submit the forthcoming mitigation plans listed above by responding to our request under HICRIS Project No. 2025PR00975.

Please contact Mary Kodama, Architecture Branch Chief, at [Mary.Kodama@hawaii.gov](mailto:Mary.Kodama@hawaii.gov), for any matters regarding architectural resources, Jordan V. Calpito, History and Culture Branch Chief, at [Jordan.V.Calpito@hawaii.gov](mailto:Jordan.V.Calpito@hawaii.gov), for any concerns regarding cultural sites, or Susan A. Lebo, Archaeology Branch Chief, at [Susan.A.Lebo@hawaii.gov](mailto:Susan.A.Lebo@hawaii.gov), for any matters regarding archaeological resources or this letter.

Aloha,



Jessica L. Puff, PhD  
Administrator, State Historic Preservation Division  
Deputy State Historic Preservation Officer

cc: Carol Oodt, [coodt@asmaffiliates.com](mailto:coodt@asmaffiliates.com)  
Matt Clark, [mclark@asmaffiliates.com](mailto:mclark@asmaffiliates.com)  
Tony Kawa, [tony.kawa@terraformpower.com](mailto:tony.kawa@terraformpower.com)

Attachment:

Submission times received in association with HICRIS Project No. 2025PR00975

August 27, 2025 SHPD received a draft environmental impact statement (EIS) report for the Kaheawa Wind 1 Continued Use Project with a cover letter from Tetra Tech to the State of Hawaii Office of Planning and Sustainable Development (HICRIS Submission No. 2025PR00975.001).

November 7, 2025 SHPD received an HRS 6E Submittal Form; maps of the project area; a copy of a final AIS report (Clark and Rechtman, July 2025) and a copy of the SHPD acceptance letter for the report (Log No. 2005.1794, Doc. No. 0508MK24); a copy of the preservation plan for SIHP # 50-50-09-05232 (Tomonari-Tuggle and Rasmussen, April 2005) and the SHPD acceptance letter for the plan (Log No. 2005.1378, Doc. No. 0507MK02); a copy of the Lahaina Pali Trail management plan (Tomonari-Tuggle, January 1995); and a letter from Land Division initiating the HRS Section 6E-8 historic preservation review process and requesting SHPD's concurrence with an effect determination of "No historic properties affected" for the Request for the Kaheawa Wind 1 Continued Use Project (HICRIS Submission No. 2025PR00975.002).

**Kaheawa Wind 1  
Continued Use  
Project**

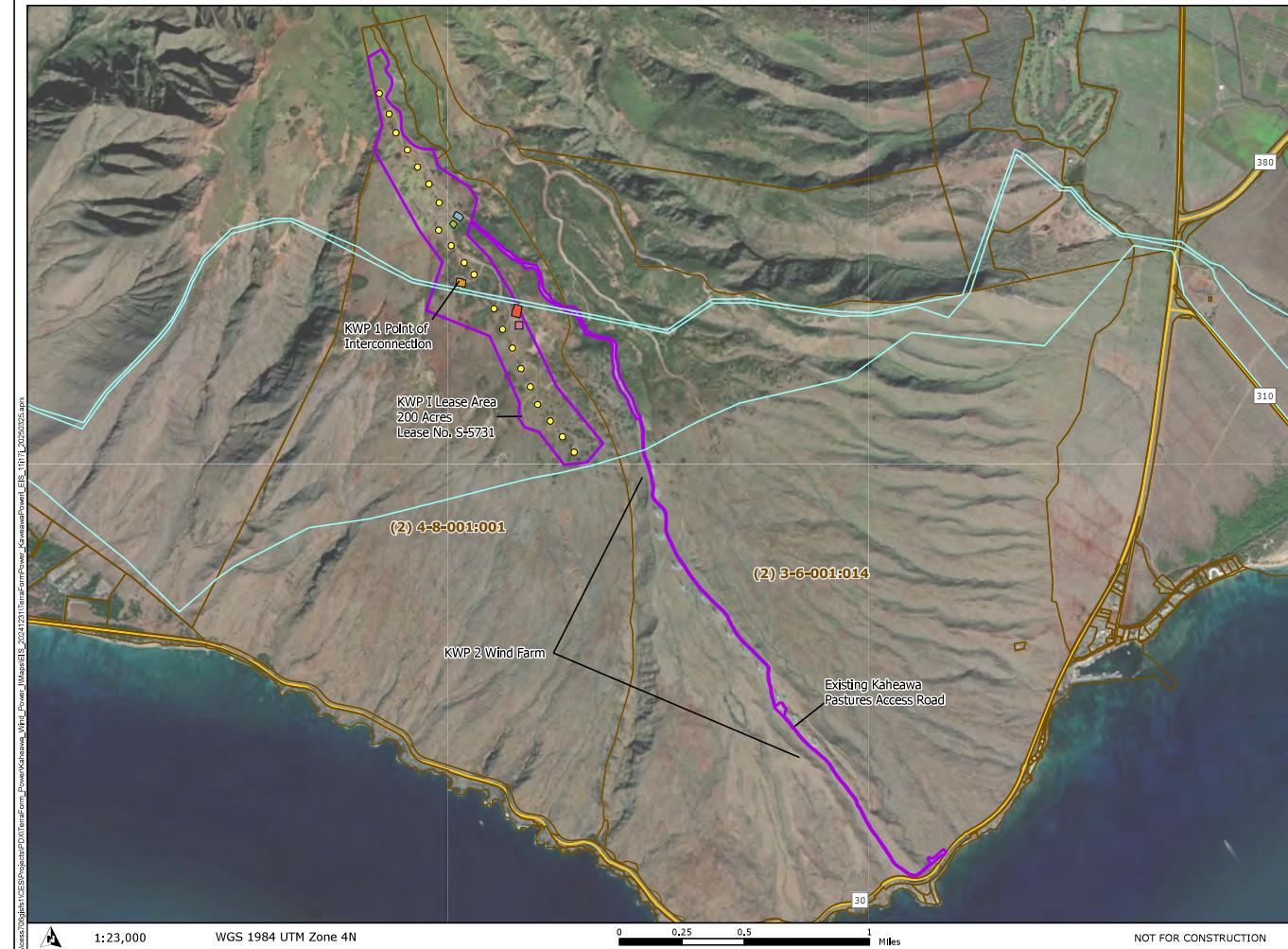
**Figure:  
Site Plan**

MAUI COUNTY, HI

- Project Area
- TMK Boundary
- State Highway
- Existing Facilities
  - KWP 1 Existing Wind Turbines
  - HECO Switchyard and KWP 1 Substation
  - HECO Switchyard and KWP 2 Substation
  - O&M Building and Yard
  - Warehouse Building and Yard
  - KWP 2 Battery Storage Facility
- Hawaiian Electric Transmission Lines

**Exhibit C**

Reference Map



The following are Kaheawa Wind Power's (KWP or Project) responses pursuant to HRS 171-95.3:

***§171-95.3 Renewable energy producers; lease of public lands without public auction.***

*(a) The board may lease or renew a lease of public lands to renewable energy producers, as defined in section 171-95, without public auction only pursuant to a public process that includes public notice under section 1-28.5 providing other interested renewable energy producers opportunity to participate in the process; provided that nothing in this section shall be construed to prevent the board from conducting direct negotiations; provided further that the renewable energy producer shall be required to submit as part of the proposal for the board's evaluation, as assisted by the department of business, economic development, and tourism, the following:*

***(1) A timeline for completion of the project;***

KWP currently has an active Power Purchase Agreement (PPA) with Hawaiian Electric and was selected for a new 20-year PPA in Hawaiian Electric's Stage 3 Request for Proposal.

KWP anticipates an additional approximately 20.5 years of operation from commencement of a new Lease.

KWP is currently working with Hawaiian Electric to determine the exact timing of a planned approximately 6-month major maintenance period, which is anticipated to take place between late 2025 and 2026.

At the conclusion of the operating term, if no other permitted extension of operations is pursued, KWP anticipates a decommissioning period of up to 2 years, with contingency included for a total lease term of 25 years.

***(2) A description of a financial plan for project financing;***

The Project sponsor has extensive experience financing similar assets in North America and expects to fund the project through a combination of new debt financing and sponsor equity.

The Project requires a very significant new capital investment to ensure long-term continued operations in service of a competitively awarded Power Purchase Agreement with Hawaiian Electric. With this major investment, KWP 1 will continue to serve Maui customers as a long-term, reliable, and clean power plant. Extending the life of KWP 1 delivers a wide range of benefits to Maui including delivering power at well below the cost of fossil fuels, supporting the stabilization of energy costs by generating at a low, fixed rate,

and reducing local emissions that contribute to local environmental harm and contribute to climate change.

Securing project financing is essential to the execution of the project, and contingent upon KWP continuing to retain clear ownership rights of its project improvements and equipment. As such, KWP has applied to lease raw land from the DLNR where the State would not assume ownership of those improvements.<sup>1</sup>

***(3) A description of the conceptual design of the project;***

The Project is an existing, operating wind energy generation facility and comprises of 20 wind turbine generators (WTGs) with supporting infrastructure including a substation, an operations and maintenance building, a warehouse storage facility, a power collector system, communication systems, and transmission interconnections. The KWP WTGs are GE 1.5 turbine models rated for 1.5 MW each and are arranged in a single articulated row. Each turbine tower reaches a height of 180 feet (i.e. hub height), with rotor diameters of 231 feet, resulting in a total structural height of about 296 feet at the maximum blade tip.

The Project will undertake comprehensive maintenance including an initial period when multiple WTGs would undergo concurrent maintenance lasting approximately six months before commercial operations begin under the new 20-year PPA. During this time, the WTGs would be predominantly taken offline to allow maintenance work to proceed.

Refurbishment and maintenance of WTGs are expected to occur in place by utilizing advanced lifting technology rather than conventional cranes in order to minimize ground disturbances. These specialized lifting systems attach directly to the turbine nacelle and require a much smaller physical footprint than a conventional crane. Components within the nacelles (i.e. the primary mechanical and electrical components), such as drivetrains and generators, would be replaced or refurbished as needed. Tower structures are expected to remain in place without replacement or dismantling. Blades may be removed from the hub using specialized lifting systems and lowered to the turbine pad to allow for work on the nacelle, although blade replacement is not anticipated.

Periodic refurbishment or replacement of certain components may occur during the 20-year operational period, with regular inspections ensuring continued safe and reliable operation. The specifications of the WTGs, including tower height, diameter, and blade length, are expected to remain consistent throughout the operational period.

Major structural retrofits to turbine foundations are not expected, and existing support infrastructure, such as underground electrical collection lines, the operations and maintenance building, and the warehouse facility, are anticipated to remain in service without the need for major refurbishment or replacement.

**(4) A description of the business concept for the project; and**

KWP was selected by Hawaiian Electric as part of the Maui Stage 3 Request for Proposals (RFP), a competitive bidding process developed by Hawaiian Electric in coordination with the Hawai'i Public Utilities Commission (PUC) to procure renewable energy sources for Maui's electric grid in response to anticipated energy resource shortfalls. After the completion of the current PPA, KWP proposes to operate the wind energy generation facility under a new 20-year PPA, ensuring continued delivery of clean energy to Maui customers and offering substantial benefits to the community (Figure. 1).



Figure 1. Kaheawa Wind Power Maui Benefits

KWP intends to continue to perform replacement of equipment and regular maintenance activities on the existing wind energy generation facility. The Project has been operating since 2006 and is capable of producing enough energy to power the equivalent of 17,000 homes annually on the Island of Maui. KWP is an essential power plant for Maui and supplies roughly 11% of Maui's total utility-scale electricity generation. When considered alongside the adjacent Kaheawa Wind Power 2 facility, the combined facility delivers nearly 15%.<sup>2</sup> The Project is among the lowest cost electricity generators in the State of Hawaii and it currently saves Maui residents ~\$7 million to \$10 million per year vs. fossil fuels, a savings that would otherwise come as an immediate cost to residents if the facility ceased operation.<sup>3</sup> In 2024, the Project provided energy at 15%-30% below the cost of fossil-fueled generators on Maui.<sup>4</sup> The Project delivers energy at a low, fixed price that reduces Maui's exposure to fossil fuel price volatility, a cost that is otherwise directly passed on to consumers and contributes to unpredictable electricity costs. The cost to replace energy

from the Project would be passed immediately to consumers and would disproportionately impact lower income households because those customers already bear the highest relative electricity cost burdens.<sup>5</sup>

***(5) A description of landscape and acreage requirements including public and private lands.***

KWP is a current Lessee on state-owned lands with the State of Hawai‘i Department of Land and Natural Resources under General and Holdover Lease No. S-5731 for approximately 200 acres on TMKs (2)4-8-001: Por. of 001; and (2) 3-6-001: Por. of 014 (for non-exclusive access easement purposes).

The KWP facility is located within the State Conservation District on the boundary of the Wailuku and the Lahaina judicial districts, in the Kaheawa Pastures area of West Maui, Hawai‘i within the Ukumehame ahupua‘a. The Project area is bordered by Pāpalaua Gulch to the northwest, the West Maui Mountains to the north, Manawainui Gulch to the east, and the Pacific Ocean to the south. There are no residential uses within the Project area. The nearest settlements are Olowalu, which is approximately five miles to the southwest, and Mā‘alaea, which is approximately two miles to the east.

<sup>1</sup> Refer to Kaheawa Wind Power Testimony for the BLNR meeting on September 26, 2005, Agenda Item D-2.

<sup>2</sup> Kaheawa Wind Power forecasted annual generation as a percentage of the total utility scale generation, 2024 Renewable Portfolio Standard Status Report (see, e.g.:

[https://www.hawaiianelectric.com/documents/clean\\_energy\\_hawaii/rps\\_report\\_2024.pdf](https://www.hawaiianelectric.com/documents/clean_energy_hawaii/rps_report_2024.pdf)).

<sup>3</sup> Since January 2024, Hawaiian Electric’s “Schedule Q” Avoided Cost of Energy for the Maui Division has averaged ~\$171 / MWh (see, e.g.: <https://www.hawaiianelectric.com/billing-and-payment/rates-and-regulations/avoided-energy-costs>). KWP’s current rate is ~\$136 / MWh. The facility’s rate will decrease from this level under the new Proposal selected by Maui Electric.

<sup>4</sup> Energy cost comparison based on avoided energy costs and energy cost recovery filings for Maui.

<sup>5</sup> See, e.g. Hawai‘i Department of Business, Economic Development & Tourism, Electricity Burdens on Hawai‘i Households:2025 Update, Published January 2025, Page 4, “Electricity burdens consistently decrease with income; households with lower income levels tend to spend a higher proportion of their income on electricity bills”, and broader analyses on Pages 2-3 demonstrating average electricity burdens were significantly higher for Household Types with lower average annual incomes.

## **Kaheawa Wind Power I – Continue Use Project**

October 30, 2025

Aloha,

My name is Dwight Burns, and I am a life long resident here on Maui. I want to express my strong support for the Kaheawa Wind Power I – Continue Use Project. This wind farm has been providing clean, reliable energy for our island since 2006, and continuing its operation is an important step for Maui's future.

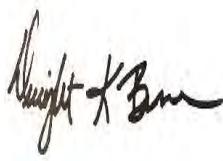
Kaheawa Wind Power I currently supplies renewable energy to about 17,000 homes across Maui. It helps keep our island powered while reducing dependence on imported fossil fuels. The project also saves local customers an estimated seven to ten million dollars each year compared to traditional energy costs. As Maui prepares for the retirement of the Kahului and Mā'alaea plants, this wind farm will play a vital role in maintaining energy reliability and preventing power outages.

The proposal to extend the use of the existing facilities for another 20 years makes sense, especially since no major changes are being made to the configuration. This continuation supports Maui's goal of reaching 100% clean energy by 2035 and helps ensure a more sustainable and resilient grid for everyone.

I also appreciate the project's commitment to giving back to the community. The annual Community Benefits Package of \$300,000 is three times higher than the minimum guidance and supports important local programs and initiatives. The plan to establish a community advisory group shows that the project values local voices and ongoing collaboration.

Kaheawa Wind Power I has been a positive force for our island—creating good jobs, stabilizing energy costs, and protecting our environment. I strongly support its continued use and encourage approval of the new lease and power purchase agreement so Maui can keep moving toward a clean energy future.

Mahalo for your time and consideration,



**Exhibit E**

**Kaheawa Wind Power I – Continue Use Project**

October 30, 2025

Aloha,

My name is Jane Burns, and I am a lifelong resident of Maui. I want to share my support for the Kaheawa Wind Power I – Continue Use Project.

This project has been part of Maui's clean energy efforts for a long time, providing reliable power to thousands of homes since 2006. It helps reduce our dependence on fossil fuels and keeps energy more affordable for local families. As our older power plants in Kahului and Mā'alaea retire, we need projects like this to keep Maui's lights on and moving toward our 100% clean energy goal.

I also appreciate that the project gives back to the community through its benefits package and that there's a plan for local input and involvement moving forward. It feels good to see renewable energy projects that not only support our island's environment but also invest in the people who live here.

Please continue to support Kaheawa Wind Power I so it can keep serving Maui for years to come.

Mahalo,

A handwritten signature in black ink, appearing to read "Jane Burns".

October 30, 2025

**Public Hearing for Kaheawa Wind Power LLC's application to direct lease State Lands on Maui**

Aloha Department of Land and Natural Resources,

I appreciate the opportunity to provide a letter of support for Kaheawa Wind Power I.

For nearly two decades, Kaheawa has made a significant contribution to Maui's renewable energy portfolio. As Hawai'i advances toward its 100% renewable energy goal, projects like Kaheawa Wind play a vital role in delivering lower-cost electricity, reducing reliance on imported fossil fuels, and strengthening our energy security.

As you consider a new lease for Kaheawa Wind, I urge you to consider the broader community impacts. Kaheawa Wind is a proven partner in producing local, clean energy and will also make significant annual contributions of \$300,000 to the community benefits for Maui residents.

I appreciate your consideration of allowing Kaheawa Wind to maintain operations at the same site they've occupied for 20 years.

Mahalo,



RYAN MARTINS

October 30, 2025

**Public Hearing for Kaheawa Wind Power LLC's application to direct lease State Lands on Maui**

Aloha Department of Land and Natural Resources,

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I appreciate your consideration of allowing Kaheawa Wind to maintain operations at the same site they've occupied for 20 years.

Mahalo,

A handwritten signature in black ink, appearing to read "Lenora L. Dauan".

October 30, 2025

**Public Hearing for Kaheawa Wind Power LLC's application to direct lease State Lands on Maui**

Aloha Department of Land and Natural Resources,

I appreciate the opportunity to provide a letter of support for Kaheawa Wind Power I.

For nearly two decades, Kaheawa has made a significant contribution to Maui's renewable energy portfolio. As Hawai'i advances toward its 100% renewable energy goal, projects like Kaheawa Wind play a vital role in delivering lower-cost electricity, reducing reliance on imported fossil fuels, and strengthening our energy security.

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I appreciate your consideration of allowing Kaheawa Wind to maintain operations at the same site they've occupied for 20 years.

Mahalo,



Rommel D. Basilio



October 29, 2025

Dawn N.S. Chang, Chairperson  
Department of Land and Natural Resources

**RE: KAHEAWA WIND POWER LLC'S APPLICATION TO DIRECT LEASE STATE LANDS ON THE ISLAND OF MAUI.**

Aloha Chair Chang and members of the Board,

My name is Ana Tuiasosopo. I am the District Representative and Trustee for Operating Engineers Local 3. We are the largest Construction Trades Local in the United States. I and the members of Operating Engineers Local 3 support the Kaheawa Wind Power LLC's application to direct lease state lands on the island of Maui.

Kaheawa Wind Power (KWP) provides many benefits to the island of Maui. Besides providing 30MW and serving approximately 17K households, KWP helps reduce the need for additional fossil fuels with the upcoming retirements of the Kahului plant and a portion of the Ma'alaea plant. KWP also provides lean energy saving customers \$7MM to &10MM per year.

KWP also provides a sustainable Community Benefits Package at \$300K per year. Operating Engineers Local 3 provides this letter in support of Kaheawa Wind.

Mahalo,

Ana Tuiasosopo  
Hawaii District Representative, Trustee  
Hawaii Operating Engineers Local 3

October 30, 2025

State of Hawai‘i  
Department of Land and Natural Resources (DLNR)  
Land Division  
[Andrew.r.tellio@hawaii.gov](mailto:Andrew.r.tellio@hawaii.gov)

**Subject: Letter of Support for Kaheawa Wind Power LLC Direct Lease Application**

Aloha DLNR Chairperson and Members,

My name is Lahela Aiwohi, I am writing in strong support of Kaheawa Wind Power LLC’s (KWP) application for a direct lease of State lands on Maui.

Since beginning operations in 2006, the Kaheawa Wind Farm has been a cornerstone of Maui’s renewable energy portfolio, delivering 30 MW of clean, affordable energy that powers approximately 17,000 households. The project’s consistent performance has helped lower electricity costs for residents, saving customers an estimated \$7 to \$10 million per year compared to fossil fuel alternatives, while reducing Maui’s reliance on imported petroleum and supporting Hawai‘i’s long-term energy independence.

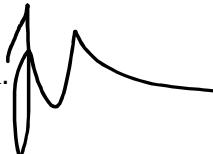
Importantly, the proposed lease will maintain the existing configuration and footprint, ensuring continued operation with no environmental or land-use expansion. As Maui faces the retirement of the Kahului Power Plant and portions of the Mā‘alaea facility, it is critical that we sustain renewable resources like KWP to maintain grid reliability and resource diversity.

KWP’s leadership is also demonstrating a strong commitment to the community, providing a community benefits package of \$300,000 per year, which is three times higher than the minimum guidance. These funds will directly support local organizations and initiatives, further aligning the project with community and environmental stewardship values.

As Hawai‘i advances toward its 100% renewable energy goal, projects like Kaheawa Wind are essential for achieving that vision—delivering stable, clean power, reducing greenhouse gas emissions, and enhancing energy security for Maui County.

Mahalo nui for the opportunity to provide testimony in support of Kaheawa Wind Power LLC’s direct lease application. This project ensures continuity of affordable renewable power and strengthens Maui’s resilience as we transition toward a sustainable energy future.

Mahalo Nui,  
Lahela Aiwohi.

A handwritten signature in black ink, appearing to read "Lahela Aiwohi", is written over a stylized, abstract line drawing that resembles a wave or a stylized signature.

October 30, 2025

**Public Hearing for Kaheawa Wind Power LLC's application to direct lease State Lands on Maui**

Aloha Department of Land and Natural Resources,

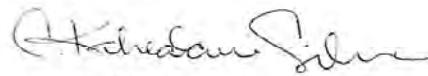
I appreciate the opportunity to provide a letter of support for Kaheawa Wind Power I.

For nearly two decades, Kaheawa has made a significant contribution to Maui's renewable energy portfolio. As Hawai'i advances toward its 100% renewable energy goal, projects like Kaheawa Wind play a vital role in delivering lower-cost electricity, reducing reliance on imported fossil fuels, and strengthening our energy security.

As you consider a new lease for Kaheawa Wind, I urge you to consider the broader community impacts. Kaheawa Wind is a proven partner in producing local, clean energy and will also make significant annual contributions of \$300,000 to the community benefits for Maui residents.

I appreciate your consideration of allowing Kaheawa Wind to maintain operations at the same site they've occupied for 20 years.

Mahalo,

  
C. KAHEALANI SILVA

October 30, 2025

**Public Hearing for Kaheawa Wind Power LLC's application to direct lease State Lands on Maui**

Aloha Department of Land and Natural Resources,

I appreciate the opportunity to provide a letter of support for Kaheawa Wind Power I.

For nearly two decades, Kaheawa has made a significant contribution to Maui's renewable energy portfolio. As Hawai'i advances toward its 100% renewable energy goal, projects like Kaheawa Wind play a vital role in delivering lower-cost electricity, reducing reliance on imported fossil fuels, and strengthening our energy security.

As you consider a new lease for Kaheawa Wind, I urge you to consider the broader community impacts. Kaheawa Wind is a proven partner in producing local, clean energy and will also make significant annual contributions of \$300,000 to the community benefits for Maui residents.

I appreciate your consideration of allowing Kaheawa Wind to maintain operations at the same site they've occupied for 20 years.

Mahalo,

A handwritten signature in blue ink, appearing to read "Jim Kekaha".

Total Number of Pages:  
Tax Map Key No. (2) 4-8-001:001 (por.)

HOLDOVER OF GENERAL LEASE NO. S-5731

THIS AGREEMENT, entered into this 30<sup>th</sup> day of JANUARY, 20 25, by and between the State of Hawaii, hereinafter referred to as the "Lessor," by its Board of Land and Natural Resources, called the "Board," and Kaheawa Wind Power, LLC, whose address is 200 Liberty Street, 14<sup>th</sup> Floor, New York, New York 10281, hereinafter referred to as the "Lessee."

WITNESSETH:

WHEREAS, the Lessor issued General Lease No. S-5731 dated January 19, 2005, containing an area of 200.00 acres, more or less, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2005-034834; and

WHEREAS, said general lease was amended by that certain Amendment of General Lease No. S-5731 (recorded in the Bureau of Conveyances as Document No. 2005-059692) and further amended by that certain Amendment No. 2 of General Lease No. S-5731

922889 1

## Exhibit F



(recorded in the Bureau of Conveyances as Document No. 2005-161134), and further amended by that certain Amendment No. 3 of General Lease No. S-5731 (recorded in the Bureau of Conveyances as Document No. 2007-217341; and

WHEREAS, at its meeting(s) held on December 13, 2024, the Board approved the holdover of General Lease No. S-5731 dated January 19, 2005; and

WHEREAS, the Lessor and the Lessee desire to holdover said general lease subject to all the terms and conditions of said general lease, said holdover to begin February 1, 2025, and expire January 31, 2026.

NOW, THEREFORE, the Lessor and the Lessee covenant and agree as follows:

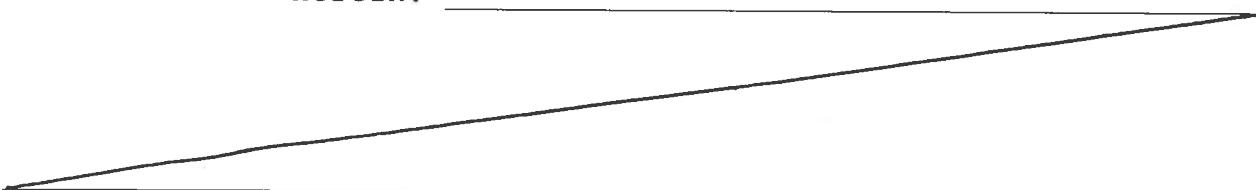
1. General Lease No. S-5731 dated January 19, 2005 is hereby extended under holdover, said holdover to begin February 1, 2025, and expire January 31, 2026.
2. That this holdover shall be subject to all the terms and conditions of General Lease No. 5731, including but not limited to payment of rent, in the amount of TWO HUNDRED SIXTY-THREE THOUSAND AND NO/100 DOLLARS (\$263,000.00) per annum in an equal semi-annual installments on February 1<sup>st</sup> and August 1<sup>st</sup>.
3. That this holdover is subject to Section 171-40, Hawaii Revised Statutes.
4. That at the expiration or other early termination of this holdover, the Lessee shall: (a) remove all improvements from the premises described in General Lease No. S-5731, including but not limited to all wind turbine foundations, infrastructure and road, subsurface improvements, with no depth limitation, and restore the premises to its original natural condition, all to the satisfaction of the Lessor; and (b) peaceably deliver unto the Lessor possession of the premises in a clean and orderly condition. Furthermore, upon the expiration, termination, or revocation of this holdover, should the Lessee

fail to remove any and all of Lessee's personal property from the premises, after notice thereof, the Lessor may remove any and all personal property from the premises and either deem the property abandoned and dispose of the property or place the property in storage at the cost and expense of Lessee, and the Lessee does agree to pay all costs and expenses for disposal, removal, or storage of the personal property. This provision shall survive the expiration or early termination of the holdover.

Lessee shall furnish a removal bond naming the Lessor as an obligee in the amount of FIFTEEN MILLION AND NO/100 DOLLARS (\$15,000,000.00) to ensure the removal of all of the improvements on the premises, including but not limited to all wind turbine foundations, infrastructure and road, subsurface improvements, with no depth limitation, and restoration of the premises to its original natural condition to the satisfaction of the Lessor. This amount may be increased by the Lessor in its sole and absolute discretion based upon the completion of Lessor's cost assessment (that includes procuring construction and engineering consultants) for the removal of the aforesaid improvements which assessment shall be paid for by the Lessee. The term of the removal bond shall survive the early termination or expiration of this holdover.

It is understood that, except as provided herein, should there be any conflict between the terms of General Lease No. S-5731 as aforesaid amended and the terms of this Section 4 of the holdover, the terms and conditions of this Section 4 shall control and specifically to the removal requirements and the removal bond requirement herein.

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IN WITNESS WHEREOF, the State of Hawaii, by its Board of Land and Natural Resources, has caused the seal of the Department of Land and Natural Resources to be hereunto affixed and the parties hereto have caused these presents to be executed the day, month, and year first above written.

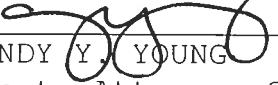
Approved by the Board  
of Land and Natural  
Resources at its meeting(s)  
held on December 13, 2024.

STATE OF HAWAII

By   
DAWN N.S. CHANG  
Chairperson  
Board of Land and  
Natural Resources

APPROVED AS TO FORM:

LESSOR

  
CINDY Y. YOUNG  
Deputy Attorney General  
Dated: Jan. 8, 2025

KAHEAWA WIND POWER, LLC,  
a Delaware limited liability  
company



Ben Stafford  
CHIEF OPERATING OFFICER

LESSEE

922889\_1

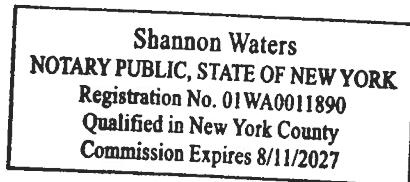


STATE OF New York )  
COUNTY OF New York ) SS.

On this 22nd day of January, 2025, before me personally appeared Ben Stafford, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Shannon Waters  
Notary Public, State of New York  
Shannon Waters

My commission expires: 8/11/2027



L.S.

922889 1

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STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES  
GENERAL LEASE NO. S-5731

between

STATE OF HAWAII

and

KAHEAWA WIND POWER, LLC

covering a Portion of Government (Crown) Land of Ukumehame

situate at Ukumehame, Lahaina, Wailuku, Maui, Hawaii

Exhibit G



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PRELIM. APPR'D.  
Department of the  
Attorney General

STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES  
GENERAL LEASE NO. S-5731

THIS LEASE, made this 19<sup>th</sup> day of January 2005, by and between the STATE OF HAWAII, hereinafter referred to as the "Lessor," by its Board of Land and Natural Resources, called the "Board," whose address is Post Office Box 621, Honolulu, Hawaii, 96809, and KAHEAWA WIND POWER, LLC, a Delaware limited liability company, hereinafter referred to as the "Lessee," whose address is c/o UPC Wind Management, LLC, 100 Wells Avenue, Suite 201, Newton, Massachusetts, 02459.

WITNESSETH:

Lessor, pursuant to Section 171-95(a)(2), Hawaii Revised Statutes, for and in consideration of the rent to be paid and of the terms, covenants and conditions herein contained, all on the part of Lessee to be kept, observed and performed, does lease unto Lessee, and Lessee does lease from Lessor the premises at Ukumehame, Lahaina, Wailuku, Island of Maui, State of Hawaii situate in the County of Maui and temporarily identified as "Lease Area (for Wind Farm Purposes) together with access and electrical transmission line easements," more particularly described in Exhibit A attached hereto and made a part hereof. Lessee understands and agrees that Exhibit A is only a temporary map. Within six (6) months from lease commencement, Lessee shall, at its own cost, provide to the Lessor a survey-standard CAD map of the legal metes and bounds of the parcel (which shall not exceed 200 acres) together with the access and electrical transmission line easements, by a surveyor licensed to do business in Hawaii and in accordance with the standards established by the Department of Accounting and General Services (DAGS), Land Survey Division, such map to be confirmed and converted to a CSF map and description by the DAGS Land Survey Division. The parties hereto specifically agree to amend this Lease by replacing Exhibit A with the DAGS Land Survey Division CSF map and description.

TO HAVE AND TO HOLD the premises unto Lessee for the term of twenty (20) years with an option to extend for an additional twenty (20) years subject to Paragraph 57, commencing on the 1st day of February, 2005, up to and including the 31<sup>st</sup> day of January, 2025, unless sooner terminated as hereinafter

provided, Lessor reserving and Lessee yielding and paying to Lessor at the Office of the Department of Land and Natural Resources, Honolulu, Oahu, State of Hawaii, an annual rental as provided hereinbelow:

A. First year rent waived. All rent shall be waived for the first year of the term.

B. Minimum Annual Rent. For the second (2nd) to tenth (10th) years of the term, Lessee shall pay a Minimum Annual Rent of ONE HUNDRED FIFTY THOUSAND DOLLARS (\$150,000) due in equal semi-annual installments on January 1st and July 1st, payable in advance, without notice or demand.

C. Percentage Rent. For the second (2nd) to tenth (10th) years of the term, the Lessee shall pay Percentage Rent in an amount equal to TWO AND ONE-HALF PERCENT (2.5%) of Gross Revenue, as defined below, to the extent such amount exceeds the Minimum Annual Rent in any year. Any Percentage Rent over and above the Minimum Annual Rent shall be due and payable within thirty (30) days of the end of the second year of the term and within thirty (30) days of each anniversary date thereafter. Each payment shall be accompanied by a Rent Report as defined below.

D. Gross Revenue defined. "Gross Revenue" shall be defined as all revenues earned relating to electrical energy generated on the premises by Lessee and delivered to purchasers of generated electricity or used in-house ("Energy"), and all revenues from green tag/certificates, pollution or environmental credits or offsets, and carbon credits (collectively "Green Certificates"), excluding, however, all revenues from other sources, including without limitation, federal and/or state production and investment tax credits, financing activities or the sale of the wind farm project. Gross Revenue shall be calculated in any given period on the basis of actual sales of Energy and Green Certificates. Energy and/or Green Certificates generated at the premises that are donated or bartered shall, for the purpose of calculating Gross Revenue, be valued at the rate of their most recent prior sale by the Lessee to the recipient of the donated or bartered Energy and/ Green Certificates or at prevailing commercial rates, whichever is higher.

E. Rent Reports. Lessee shall keep an accurate record and account of all Gross Revenues earned for the payment period in accordance with acceptable record keeping practices

within the business community. Lessee shall forward to the Lessor itemized statements ("Rent Reports") showing the amount actually earned for the last payment period. The Rent Reports shall be in reasonable and sufficient detail to enable Lessor to verify the accuracy of the rental payments provided for herein.

F. Rental reopenings, dates. The rental reserved, including both the Minimum Annual Rent and Percentage Rent shall be reopened and redetermined as of the day following the expiration of the tenth (10th) year of the term (hereinafter referred to as "11th-Year Reopening") and at Repowering (as defined in Paragraph 59).

G. Rental reopenings, conduct of. The rental for any ensuing period shall be the fair market rental at the time of reopening, provided that for the 11th-Year Reopening only, the Percentage Rent shall not be less than 2.5% nor higher than 3.5%. Except as provided herein, the provisions in Hawaii Revised Statutes, Chapter 658A, shall be followed. At least six (6) months prior to the time of reopening, the fair market rental shall be determined by a staff appraiser or independent appraiser, as allowed by law, whose services shall be contracted for by the Lessor, and the Lessee shall be promptly notified by certified mail, return receipt requested, of the fair market rental as determined by Lessor's appraiser; provided, that should the Lessee fail to notify Lessor in writing within thirty (30) days after receipt thereof that Lessee disagrees with the fair market rental as determined by Lessor's appraiser and that Lessee has appointed its own appraiser to prepare an independent appraisal report, then the fair market rental as determined by Lessor's appraiser shall be deemed to have been accepted by Lessee and shall be the fair market rental as of the date of reopening. If Lessee has notified Lessor and appointed his appraiser as stated hereinabove, Lessee's appraiser shall complete his appraisal and the two appraisers shall then exchange their reports within forty-five (45) days from the date of Lessee's appointment of the appraiser.

The two appraisers shall review each other's reports and make every effort to resolve whatever differences they may have. However, should differences still exist fourteen (14) days after the exchange, the two appraisers shall within seven (7) days thereafter appoint a third appraiser who shall also prepare an independent appraisal report based on the review of the two appraisal reports prepared and any other data. Copies thereof shall be furnished to the first two appraisers within forty-five (45) days of the appointment. Within twenty (20)

days after receiving the third appraisal report, all three shall meet and determine the fair market rental in issue. The fair market rental as determined by a majority of the appraisers shall be final and binding upon both Lessor and Lessee, subject to vacation, modification or correction in accordance with the provisions of Sections 658A-23 and 658A-24, Hawaii Revised Statutes. Each party shall pay for its own appraiser and the cost of the services of the third appraiser shall be borne equally by the Lessor and the Lessee. All appraisal reports shall become part of the public record of the Lessor.

In the event that the appraisers are unable to determine the fair market rental before the reopening date, or by the foregoing prescribed time, whichever is later, the Lessee shall pay the fair market rental as determined by Lessor's new appraised value until the new rent is determined and the rental paid by Lessee shall then be subject to retroactive adjustments as appropriate to reflect the fair market rental determined as set forth hereinabove. However, Lessee or Lessee's appraiser's failure to comply with the procedures set forth above shall constitute a waiver of Lessee's right to contest the new rent, and the Lessee shall pay the rent as determined by Lessor's appraiser without any retroactive adjustments.

H. Repowering. Lessee shall notify Lessor in writing of any intent to repower the Wind Project no less than nine (9) months prior to Repowering. The Lessee shall be responsible for obtaining any permits or approvals necessary for any Repowering. Following receipt of a Repowering notice by Lessee, new Minimum Annual Rent and Percentage Rent shall be renegotiated in accordance with Section G. above.

I. Interest and service charges. The interest rate on any and all unpaid or delinquent rentals shall be at one percent (1%) per month, plus a service charge of FIFTY AND NO/100 DOLLARS (\$50.00) per month for each month of delinquency.

RESERVING UNTO LESSOR THE FOLLOWING:

1. Minerals and waters. (a) All minerals as hereinafter defined, in, on or under the premises and the right, on its own behalf or through persons authorized by it, to prospect for, mine and remove the minerals and to occupy and use so much of the surface of the ground as may be required for all purposes reasonably extending to the mining and removal of the minerals by any means whatsoever, including strip mining. "Minerals," as used herein, shall mean any or all oil, gas,

coal, phosphate, sodium, sulphur, iron, titanium, gold, silver, bauxite, bauxitic clay, diaspore, boehmite, laterite, gibbsite, alumina, all ores of aluminum and, without limitation thereon, all other mineral substances and ore deposits, whether solid, gaseous or liquid, including all geothermal resources, in, on, or under the land, fast or submerged; provided, that minerals shall not include sand, gravel, rock or other material suitable for use and used in general construction in furtherance of Lessee's permitted activities on the premises and not for sale to others. (b) All surface and ground waters appurtenant to the premises and the right on its own behalf or through persons authorized by it, to capture, divert or impound the same and to occupy and use so much of the premises required in the exercise of this right reserved; provided, however, that as a condition precedent to the exercise by the Lessor of the rights reserved in this paragraph, just compensation shall be paid to the Lessee for any of Lessee's improvements taken, damaged or rendered unusable or commercially unproductive at the site.

2. Prehistoric and historic remains. Any regulatory rights and ownership of the State of Hawaii over prehistoric or historic remains found in, on or under the premises, established pursuant to state law, including Chapter 6(E) Hawaii Revised Statutes.

3. Ownership of improvements. The ownership of all improvements of whatever kind or nature, including but not limited to fences and stockwater system(s) located on the land prior to or on the commencement date of this lease, excluding those improvements constructed during the term of this lease unless provided otherwise.

LESSEE AND LESSOR COVENANT AND AGREE WITH EACH OTHER AS FOLLOWS:

1. Payment of rent. The Lessee shall pay the rent to the Lessor at the times, in the manner and form provided in this lease and at the place specified above, or at any other place Lessor may from time to time designate, in legal tender of the United States of America.

2. Taxes, assessments, etc. Lessee shall pay or cause to be paid, when due, the amount of all taxes, rates, and assessments of every description as to which the premises or any part, or any improvements, or the Lessor or Lessee, are now or may be assessed or become liable by authority of law during the term of this lease; provided, however, that with respect to any

assessment made under any betterment or improvement law which may be payable in installments, Lessee shall be required to pay only those installments, together with interest, which becomes due and payable during the term of this lease. All taxes and assessments for partial years during the term of this lease shall be prorated. Lessee shall have the right, at its own cost and expense, to refuse to pay and to contest the amount or validity of any tax or assessment by an appropriate proceeding diligently conducted in good faith which shall operate to prevent the collection of any such tax or assessment so contested or the sale of the premises to satisfy the same. Pending final judgment in an appeal from any such proceeding, Lessor shall not have the right to pay, remove, or discharge any tax or assessment thereby contested, provided that Lessee shall protect Lessor and the premises from any lien by adequate surety bond or other appropriate security.

3. Utility services. The Lessee shall be responsible for obtaining any utility services deemed necessary for Lessee's use and enjoyment of the premises and shall pay when due all charges, duties and rates of every description, including water, sewer, gas, refuse collection or any other charges, as to which the premises or any part, or any improvements, or Lessee may become liable for during the term as a result of Lessee's use. The Lessee is authorized to grant to Maui Electric Company, Limited, hereinafter referred to as "MECO," a right of entry upon the premises for the construction, maintenance, repair and operation of MECO's poles, wire lines, underground power lines, guys, conduits and other appliances and equipment as may be necessary for the transmission of electricity to be used for light and power and communication and control circuits.

4. Covenant against discrimination. The use and enjoyment of the premises shall not be in support of any policy which discriminates against anyone based upon race, creed, sex, color, national origin, religion, marital status, familial status, ancestry, physical handicap, disability, age or HIV (human immunodeficiency virus) infection.

5. Sanitation. The Lessee shall keep the premises and improvements in a strictly clean, sanitary and orderly condition.

6. Waste and unlawful, improper or offensive use of premises. The Lessee shall not commit, suffer or permit to be committed any waste, nuisance, strip or unlawful, improper or

offensive use of the premises or any part thereof, nor, without the prior written consent of the Lessor which shall not be unreasonably withheld, conditioned or delayed, cut down, remove or destroy, or suffer to be cut down, removed or destroyed, any trees now growing on the premises.

7. Compliance with laws. The Lessee, in its exercise of its rights under this lease, shall comply with all of the requirements of all municipal, state, and federal authorities and observe all municipal, state and federal laws applicable to the premises, now in force or which may be in force.

8. Right to Enter. The Lessor or the County and their agents or representatives shall have the right to enter and cross any portion of the premises for the purpose of performing any public or official duties; provided, however, in the exercise of these rights, the Lessor or the County shall not interfere unreasonably with the Lessee or Lessee's use and enjoyment of the premises.

9. Improvements. The Lessee shall, at its own cost and expense, within three (3) years from the commencement of the lease term, complete the construction of a 30-megawatt wind power project or Project Improvements, in accordance with plans and specifications submitted by the Lessee to and approved in writing by the Chairperson and in full compliance with all applicable laws, ordinances, rules and regulations, such approval not to be unreasonably withheld or delayed. Initial construction or installation of the Project Improvements shall not commence until the Department of Land and Natural Resources has been provided evidence of full financing of the construction costs of the project, and the construction and installation of the Project Improvements shall be completed free and clear from all liens and claims. Any grading, realigning and/or paving of the existing access road by the Lessee for the safe transporting of heavy equipment to the premises during the construction phase shall be at the Lessee's sole cost and expense. Thereafter, the Lessee shall not construct, place, maintain or install on the premises any building, structure or improvement of any kind except with the prior written approval of the Chairperson and upon those conditions the Chairperson may impose, including but not limited to any adjustment of rent, unless otherwise explicitly provided in this lease. The Lessee shall name the Lessor as an obligee on all its contractor bonds and guaranty agreements, including but not limited to: (a) Performance Bond and Labor and Materialman's Bond issued by Goodfellow Brothers,

Inc., and (b) the guaranty agreements issued by GE Company and ABB, Inc.

10. [Intentionally omitted.]

11. Ownership of improvements. During the term of this lease, the improvements constructed by the Lessee, including without limitation all additions, alterations and improvements thereto or replacements thereof and all appurtenant fixtures, machinery and equipment installed therein, shall be the property of the Lessee. At early termination for whatever reason or expiration of this lease, all existing improvements and all additions, alterations and improvements thereto or replacements thereof and all appurtenant fixtures, machinery and equipment installed therein shall be removed at the Lessee's sole expense, unless the Lessor elects to assume ownership of improvements as provided herein. Wind turbine foundations shall be removed to a depth of two (2) feet below grade. Those improvements of which Lessor assumes ownership shall transfer to the Lessor free of cost and free of subsequent liability to the Lessee. Throughout the term of the lease, Lessee shall not permit any claim of lien made by any mechanic, materialman, laborer or other similar liens to stand against the premises for work or labor done, services performed, or materials used or furnished to be used in or about the premises for or in connection with any construction, improvements or maintenance or repair thereon made or permitted to be made by Lessee, its agents or sublessees. Any liens, encumbrances or claims of third parties with respect to any of the foregoing, shall be expressly subordinate and subject to the rights of the Lessor under this lease.

12. Repairs to improvements. The Lessee shall, at its own expense, keep, repair, and maintain all buildings and improvements hereafter constructed or installed on the premises by Lessee in good order, condition and repair, reasonable wear and tear excepted. The Lessee shall also be obligated to repair and maintain any improvements shared with Lessor to the extent of Lessee's use of such improvements.

13. Liens. The Lessee shall not commit or suffer any act or neglect which results in the premises, any improvement, or the leasehold estate of the Lessee becoming subject to any attachment, lien, charge, or encumbrance, except as provided in this lease, and shall indemnify, defend, and hold the Lessor harmless from and against all attachments, liens, charges, and encumbrances and all resulting expenses. The Lessee shall have

the right to contest any attachments or liens recorded against Lessor or the premises and resulting from any works of improvement made by or for Lessee provided (i) Lessee contests such attachment or lien by appropriate proceeding diligently conducted in good faith, and (ii) at the request of Lessor, Lessee shall furnish a lien release bond or other security acceptable to Lessor in the principle amount of such attachment or lien.

14. Character of use. The Lessee shall use or allow the premises to be used solely for the following purpose(s): (i) to conduct wind and weather monitoring activities, including the erection, relocation, maintenance and operation of anemometers and other wind and weather monitoring equipment, steel towers, concrete slabs, fences and buildings to properly operate, house, protect and otherwise facilitate Lessee's wind and weather monitoring activities, the location of such equipment and related facilities to be determined by Lessee in its sole discretion; (ii) the erection, relocation, maintenance and operation of large wind turbine generators ("Turbines") and all related equipment and improvements necessary or useful for the conversion of wind energy into electricity, including but not limited to steel towers, foundations and concrete pads, footings, guy wires, anchors, fences and other fixtures and facilities, maintenance, security, office and/or guest facilities, staging areas for the assembly of equipment, required lines and substation facilities to transfer power from the Turbines to power transmission lines, energy storage devices, and other power production equipment, all in such number and in such locations as Lessee, in its sole discretion, may determine; (iii) the erection, maintenance and operation of power transmission lines, poles, anchors, support structures, underground cables, substations and interconnection facilities and associated roads for access and for installation and maintenance purposes as Lessee in its sole discretion deems to be necessary or appropriate to transmit power and transport workers, tools, material, equipment and other necessary items to and from or across the premises; and (iv) the use and enjoyment of the free flow of wind across the premises without interference from Lessor. Lessor also hereby grants to Lessee a non-exclusive easement in gross on, over and across any and all access routes to and from the premises for purposes of ingress and egress to and from the premises.

15. Assignments, etc. Except as otherwise provided in this lease, the Lessee shall not transfer, assign, or permit any other person to occupy or use the premises or any portion

thereof or transfer or assign this lease or any interest herein, either voluntarily or by operation of law, except by way of devise, bequest, or intestate succession and any transfer or assignment made contrary to the terms hereof shall be null and void; provided that with the prior written approval of the Board the assignment and transfer of this lease, or any portion, may be made in accordance with current industry standards, as determined by the Board; provided, further, that prior to the approval of any assignment of lease, the Board shall have the right to review and approve the consideration paid by the Assignee and may condition its consent to the assignment of the lease on payment by the Lessee of a premium based on the amount by which the consideration for the assignment, whether by cash, credit, or otherwise, exceeds the straight-line depreciated cost of improvements and trade fixtures being transferred to the Assignee pursuant to the Assignment of Lease Evaluation Policy adopted by the Board on December 15, 1989, as amended, a copy of which is attached hereto as Exhibit B. The premium on any subsequent assignments shall be determined as specified in the above-mentioned Evaluation Policy.

If the Lessee is a partnership, joint venture or corporation, the sale or transfer of 51% or more of ownership interest or stocks by dissolution, merger or any other means shall be deemed an assignment for purposes of this paragraph. Notwithstanding the above, a sale or transfer by Lessee of an ownership interest in the project greater than 51% in connection with any tax financing of the project shall not be deemed an assignment for purposes of this Paragraph 15, provided that Lessee retains control of the partnership, joint venture or corporation.

Notwithstanding the foregoing provisions of this Paragraph 15, Lessee shall at all times have the right to sell, assign, encumber, or transfer any or all of its rights and interests under this lease without Lessor's consent and without payment of any premium to any entity predominantly owned or controlled by or under common ownership or control with Lessee; provided, however, that the term of any such transfer shall not extend beyond the term of this lease and that any and all such transfers shall be expressly made subject to all of the terms, covenants and conditions of this lease. No such sale, assignment, transfer, or easement shall relieve Lessee of its obligations under this lease.

16. Subletting. The Lessee shall not rent or sublet the whole or any portion of the premises, without the prior

written approval of the Board; provided, however, that prior to this approval, the Board shall have the right to review and approve the rent to be charged to the proposed sublessee and that in the case where the Lessee is required to pay rent based on a percentage of its gross receipts, the receipts of the sublessee or any subsequent sublessees shall be included as part of the Lessee's gross receipts, and the Board shall have the right to revise the rent of the premises based upon the rental rate charged to the sublessee including the percentage rent, if applicable, and provided, further, that the rent may not be revised downward.

17. Indemnity. Except to the extent caused by the negligent or intentional acts of the Lessor or its employees, contractors or agents, the Lessee shall indemnify, defend, and hold the Lessor harmless from and against any claim or demand for loss, liability, or damage, including claims for bodily injury, wrongful death, or property damage, arising out of or resulting from: 1) any act or omission on the part of the Lessee or its employees, contractors or agents relating to the Lessee's use, occupancy, maintenance, or enjoyment of the premises; 2) any failure on the part of the Lessee to maintain the portion of the premises in the Lessee's use and control, and including any accident, fire or nuisance, growing out of or caused by any failure on the part of the Lessee to maintain the premises in a safe condition; and 3) from and against all actions, suits, damages, and claims by whomsoever brought or made by reason of the Lessee's non-observance or non-performance of any of the terms, covenants, and conditions of this lease or the rules, regulations, ordinances, and laws of the federal, state, municipal or county governments. In case the Lessor shall, without any fault on its part, be made a party to any litigation commenced by or against the Lessee with respect to this lease or Lessee's occupancy or use of the premises (other than condemnation proceedings), the Lessee shall pay all costs, including reasonable attorney's fees, and expenses incurred by or imposed on the Lessor; furthermore, the Lessee shall pay all costs, including reasonable attorney's fees, and expenses which may be incurred by or paid by the Lessor in enforcing the covenants and agreements of this lease, in recovering possession of the premises, or in the collection of delinquent rental, taxes, and any and all other applicable charges attributable to the premises.

18. Liability insurance. The Lessee shall procure and maintain, at its cost and expense and acceptable to Lessor, in full force and effect throughout the term of this lease,

commercial general liability insurance, with a minimum combined occurrence and annual limitation of Five Million Dollars (\$5,000,000) with an insurance company or companies licensed to do business in the State of Hawaii. The policy or policies of insurance shall name the State of Hawaii as an additional insured. The insurance shall cover the entire premises, including all buildings, improvements, and grounds and all roadways or sidewalks on or adjacent to the premises in the use or control of the Lessee.

The Lessee, prior to entry and use of the premises or within fifteen (15) days from the effective date of this lease, whichever is sooner, shall furnish the Lessor with a certificate(s) showing the policy(s) to be initially in force, keep the certificate(s) on deposit during the entire lease term, and furnish a like certificate(s) upon each renewal of the policy(s). This insurance shall not be cancelled, limited in scope of coverage, or nonrenewed until after thirty (30) days written notice has been given to the Lessor.

The Lessor shall retain the right at any time to review the coverage, form, and amount of the insurance required by this lease. If, in the opinion of the Lessor, the insurance provisions in this lease do not provide adequate protection for the Lessor, the Lessor may require Lessee to obtain insurance sufficient in coverage, form, and amount to provide adequate protection. The Lessor's requirements shall be reasonable but shall be designed to assure protection for and against the kind and extent of the risks which exist at the time a change in insurance is required. The Lessor shall notify Lessee in writing of changes in the insurance requirements and Lessee shall deposit copies of acceptable insurance policy(s) or certificate(s) thereof, with the Lessor incorporating the changes within thirty (30) days of receipt of the notice.

The procuring of the required policy(s) of insurance shall not be construed to limit Lessee's liability under this lease nor to release or relieve the Lessee of the indemnification provisions and requirements of this lease. Notwithstanding the policy(s) of insurance, Lessee shall be obligated for the full and total amount of any damage, injury, or loss caused by Lessee's negligence or neglect connected with this lease.

It is agreed that any insurance maintained by the Lessor will apply in excess of, and not contribute with, insurance provided by Lessee's policy.

19. Bond, performance. The Lessee shall, at its own cost and expense, within seventy-five (75) days from the commencement of the term of this lease, procure and deposit with the Lessor and thereafter keep in full force and effect during the term of this lease (and any additional period of time that the Lessee requires to remove the Project Improvements and restore the premises) a good and sufficient surety bond, conditioned upon the full and faithful observance and performance by Lessee of all the terms, conditions, and covenants of this lease, in an amount equal to ONE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$1,500,000). This bond shall provide that: (a) in case of Lessee's uncured breach or default of any of the lease terms, covenants, conditions, and agreements, the Lessor may draw upon the bond for liquidated and ascertained damages and not as a penalty, and (b) that upon the expiration, cancellation or early termination of this Lease, the Lessor may draw upon the bond in order to remove the Project Improvements (except for access roads) and to restore the premises to its original or better condition. Any portion of a bond or security deposit held by Lessor and not applied to cure a breach or default of Lessee hereunder or not applied to remove the Project Improvements and restore the premises as herein provided shall be returned to Lessee. This provision shall survive the expiration, cancellation or other early termination of this Lease.

20. Lessor's lien. Subject to the other provisions of this lease, the Lessor shall have a lien on all the buildings and improvements placed on the premises by the Lessee, on all property kept or used on the premises, whether the same is exempt from execution or not and on the rents of all improvements and buildings located on the premises for all Lessor's costs, attorney's fees, rent reserved, for all taxes and assessments paid by the Lessor on behalf of the Lessee, and for the payment of all money provided in this lease to be paid by the Lessee, and this lien shall continue until the amounts due are paid.

21. Mortgage. Except as provided in this lease or in any separate instrument executed by the Chairperson, the Lessee shall not mortgage, hypothecate, or pledge the premises, any portion, or any interest in this lease without the prior written approval of the Chairperson and any mortgage, hypothecation, or pledge without the approval shall be null and void. Upon due application and with the written consent of the Chairperson, the Lessee may mortgage this lease, or any interest, or create a security interest in the leasehold of the public land to a third

party to the extent necessary to secure financing for the project. If the mortgage or security interest is to a recognized lending institution in either the State of Hawaii or the United States, the consent may extend to foreclosure and sale of Lessee's interest at the foreclosure to any purchaser, including the mortgagee or holder, without regard to whether or not the purchaser is qualified to lease, own, or otherwise acquire and hold the land or any interest. The interest of the mortgagee or holder shall be freely assignable. The term "mortgagee or holder" shall mean and include any mortgagee or holder of a security interest in the premises and Lessee's interests under the lease, as well as any insurer or guarantor of the obligation or condition of the mortgage, including the Department of Housing and Urban Development through the Federal Housing Administration, the Federal National Mortgage Association, the Veterans Administration, the Small Business Administration, Farmers Home Administration, or any other Federal agency and their respective successors and assigns or any lending institution authorized to do business in the State of Hawaii or elsewhere in the United States; provided, that the consent to mortgage to a non-governmental holder shall not confer any greater rights or powers in the holder than those which would be required by any of these Federal agencies.

Should Lessee mortgage any of its interest as provided in the preceding paragraph, Lessee and Lessor expressly agree between themselves and for the benefit of any mortgagee or holder (collectively, "Lenders") as follows:

(a) The Lenders shall have the right to do any act or thing required to be performed by Lessee under this lease, and any such act or thing performed by a Lender shall be as effective to prevent a default under this lease and/or a forfeiture of any of Lessee's rights under this lease as if done by Lessee itself.

(b) No default which requires the giving of notice to Lessee shall be effective unless a like notice is given to all Lenders. If Lessor shall become entitled to terminate this lease due to an uncured default by Lessee, Lessor will not terminate this lease unless it has first given written notice of such uncured default and of its intent to terminate this lease to each Lender and has given each Lender at least thirty (30) days to cure the default to prevent such termination of this lease. Furthermore, if within such thirty (30) day period a Lender notifies Lessor that it must foreclose on Lessee's interest or otherwise take possession of Lessee's interest under

this lease in order to cure the default, Lessor shall not terminate this lease and shall permit such Lender a sufficient period of time as may be necessary for such Lender, with the exercise of due diligence, to foreclose or acquire Lessee's interest under this lease and to perform or cause to be performed all of the covenants and agreements to be performed and observed by Lessee. Upon the sale or other transfer of any interest in and rights granted hereunder by any Lender, such Lender shall have no further duties or obligations hereunder.

22. Breach. Time is of the essence in this lease and if the Lessee shall fail to pay the rent, or any part thereof, at the times and in the manner provided within thirty (30) days after delivery by the Lessor of a written notice of breach or default, or if the Lessee shall become bankrupt, or shall abandon the premises, or if this lease and premises shall be attached or taken by operation of law, or if any assignment is made of the Lessee's property for the benefit of creditors, or if Lessee shall fail to observe and perform any of the covenants, terms, and conditions contained in this lease and on its part to be observed and performed, and this shall continue for a period of more than sixty (60) days after delivery by the Lessor of a written notice of breach or default, by personal service, registered mail or certified mail to Lessee at its last known address and to each Lender or holder of record having a security interest in the premises, and subject to the provisions of Paragraph 21 above, the Lessor may, subject to the provisions of Section 171-21, Hawaii Revised Statutes, at once re-enter the premises, or any part thereof, and upon or without the entry, at its option, terminate this lease without prejudice to any other remedy or right of action for arrears of rent or for any preceding or other breach of contract; and in the event of termination, at the option of the Lessor, all buildings and improvements and personality not removed by Lessee within three-hundred sixty-five (365) days after such termination shall remain and become the property of the Lessor; furthermore, Lessor shall retain all rent paid in advance to be applied to any damages. The Lessee may request a twelve-month license following termination to remove such improvements and personality.

23. Condemnation. If at any time, during the term of this lease, any portion of the premises should be condemned, or required for public purposes by any county or city and county, the rental shall be reduced in proportion to the value of the portion of the premises condemned. The Lessee shall be entitled to receive from the condemning authority the proportionate value

of the Lessee's improvements so taken in the proportion that it bears to the unexpired term of the lease; provided, that the Lessee may, but shall not be required to in the alternative, remove and relocate its improvements to the remainder of the premises occupied by the Lessee. The Lessee shall not by reason of the condemnation be entitled to any claim against the Lessor for condemnation or indemnity for leasehold interest and all compensation payable or to be paid for or on account of the leasehold interest by reason of the condemnation shall be payable to and be the sole property of the Lessor. The foregoing rights of the Lessee shall not be exclusive of any other to which Lessee may be entitled by law. Where the portion taken renders the remainder unsuitable for the use or uses for which the premises were leased, the Lessee shall have the option to surrender this lease and be discharged and relieved from any further liability; provided, that Lessee may remove the improvements constructed, erected and placed by it within any reasonable period allowed by the Lessor.

24. Inspection by prospective bidders. The Lessor shall have the right to authorize any person or persons to enter upon and inspect the premises at all reasonable times following a published notice for its proposed disposition for purposes of informing and apprising that person or persons of the condition of the lands preparatory to the proposed disposition; provided, however, that any entry and inspection shall be conducted during reasonable hours after notice to enter is first given to the Lessee, and shall, if the Lessee so requires, be made in the company of the Lessee or designated agents of the Lessee; provided, further, that no authorization shall be given more than two years before the expiration of the term of this lease.

25. Acceptance of rent not a waiver. The acceptance of rent by the Lessor shall not be deemed a waiver of any breach by the Lessee of any term, covenant, or condition of this lease, nor of the Lessor's right of re-entry for breach of covenant, nor of the Lessor's right to declare and enforce a forfeiture for any breach, and the failure of the Lessor to insist upon strict performance of any term, covenant, or condition, or to exercise any option conferred, in any one or more instances, shall not be construed as a waiver or relinquishment of any term, covenant, condition, or option.

26. Extension of time. Notwithstanding any provision contained in this lease, when applicable, the Board may for good cause shown, allow additional time beyond the time or times

specified in this lease for the Lessee to comply, observe, and perform any of the lease terms, conditions, and covenants.

27. Justification of sureties. Any bonds required by this lease shall be supported by the obligation of a corporate surety organized for the purpose of being a surety and qualified to do business in the State of Hawaii, or by not less than two personal sureties, corporate or individual, for which justifications shall be filed as provided in Section 78-20, Hawaii Revised Statutes; provided, however, the Lessee may furnish a bond in like amount, conditioned as aforesaid, executed by it alone as obligor, if, in lieu of any surety or sureties, it shall also furnish and at all times thereafter keep and maintain on deposit with the Lessor security in certified checks, certificates of deposit (payable on demand or after a period the Lessor may stipulate), bonds, stocks or other negotiable securities properly endorsed, or execute and deliver to the Lessor a deed or deeds of trust of real property, all of a character which is satisfactory to Lessor and valued in the aggregate at not less than the principal amount of the bond. It is agreed that the value of any securities which may be accepted and at any time thereafter held by the Lessor shall be determined by the Lessor, and that the Lessee may, with the approval of the Lessor, exchange other securities or money for any of the deposited securities if in the judgment of the Lessor the substitute securities or money shall be at least equal in value to those withdrawn. It is further agreed that substitution of sureties or the substitution of a deposit of security for the obligation of a surety or sureties may be made by the Lessee, but only upon the written consent of the Lessor and that until this consent is granted, which shall be discretionary with the Lessor, no surety shall be released or relieved from any obligation.

28. Waiver, modification, reimposition of bond and liability insurance provisions. Upon substantial compliance by the Lessee of the terms, covenants, and conditions contained in this lease on its part to be observed or performed, the Lessor at its discretion may in writing, waive or suspend the performance bond and/or improvement bond requirements or may, in writing, modify the particular bond(s) or liability insurance requirements by reducing its amount; provided, however, that the Lessor reserves the right to reactivate the bonds or reimpose the bond(s) and/or liability insurance in and to their original tenor and form at any time throughout the term of this lease.

29. Quiet enjoyment. The Lessor covenants and agrees with the Lessee that upon payment of the rent at the times and in the manner provided and the observance and performance of these covenants, terms, and conditions on the part of the Lessee to be observed and performed, the Lessee shall and may have, hold, possess, and enjoy the premises for the term of the lease, without hindrance or interruption by the Lessor or any other person or persons lawfully claiming by, through or under it.

30. Surrender. The Lessee shall, at the end of the term or other sooner termination of this lease, restore and peaceably deliver unto the Lessor possession of the premises in a clean and orderly condition and with or without the Project Improvements as in accordance with Paragraph 11 of this lease. Furthermore, upon the expiration, termination, and/or revocation of this lease, should the Lessee fail to remove any and all of Lessee's personal property from the premises within the prescribed period, after notice thereof, the Board may remove any and all personal property from the premises and either deem the property abandoned and dispose of the property or place the property in storage at the cost and expense of Lessee, and the Lessee does agree to pay all reasonable costs and expenses for disposal, removal, or storage of the personal property. This provision shall survive the termination of the lease.

31. Non-warranty. Except as set forth in this Paragraph 31 and Paragraph 32 below, Lessor does not warrant the condition or prior uses of the premises, as the same are being leased as is. Notwithstanding the foregoing, Lessor promises, represents and warrants to Lessee that (i) Lessor owns the entire premises in fee simple, subject to no liens or encumbrances except as disclosed in writing to Lessee in a title report or other document delivered to Lessee on or prior to the execution of this lease by Lessor; (ii) Lessor and each person signing this lease on behalf of Lessor has the full and unrestricted power and authority to execute and deliver this lease, and to lease the premises and the rights herein granted; and (iii) there are no tenants on the premises, or such tenants have prior to or concurrent with the execution of this lease, delivered a subordination agreement to Lessor in form and substance satisfactory to Lessee.

32. Hazardous materials. Lessee shall not cause or permit the escape, disposal or release of any hazardous materials except as permitted by law. Lessee shall not allow the storage or use of such materials in any manner not sanctioned by law or by the highest standards prevailing in the

industry for the storage and use of such materials, nor allow to be brought onto the premises any such materials except to use in the ordinary course of Lessee's business, and then only after written notice is given to Lessor of the identity of such materials and upon Lessor's consent which consent may be withheld at Lessor's sole and absolute discretion. Lessor hereby consents to the lawful and reasonable use of lubricating oil and grease, normal paint and cleaning compounds. If any lender or governmental agency shall ever require testing to ascertain whether or not there has been any release of hazardous materials by Lessee, then the Lessee shall be responsible for the reasonable costs thereof. In addition, Lessee shall execute affidavits, representations and the like from time to time at Lessor's request concerning Lessee's best knowledge and belief regarding the presence of hazardous materials on the premises placed or released by Lessee.

Lessee agrees to indemnify, defend, and hold Lessor harmless, from any damages and claims resulting from the release of hazardous materials on the premises if (i) such release is caused by any person other than Lessor and such release occurs on or at any portion of the premises that is under the control of Lessee or (ii) such release is caused by Lessee or persons acting under Lessee and such release occurs on or at any portion of the premises that is not under the control of Lessee. These covenants shall survive the expiration or earlier termination of the lease.

For the purpose of this lease "hazardous material" shall mean any pollutant, toxic substance, hazardous waste, hazardous material, hazardous substance, or oil as defined in or pursuant to the Resource Conservation and Recovery Act, as amended, the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, the Federal Clean Water Act, or any other federal, state, or local environmental law, regulation, ordinance, rule, or by-law, whether existing as of the date hereof, previously enforced, or subsequently enacted.

33. Fire and extended coverage insurance. The Lessee, at its cost and expense, shall procure and maintain at all times during the term of this lease, fire and extended coverage insurance with an insurance company(s) licensed to do business in the State of Hawaii, insuring all buildings and improvements erected on the land leased in the joint names of Lessor and Lessee, with the standard mortgage clause for any Lender, as their interest may appear, in an amount equal to the

replacement cost of the facilities and shall pay the premiums at the time and place required under the policy.

In the event of total or partial loss, any proceeds derived from the policy(s) shall be used by the Lessee for rebuilding, repairing, or otherwise reinstating the same facilities in a good and substantial manner according to plans and specifications approved in writing by the Board; provided, however, that with the approval of the Lessor, the Lessee may surrender this lease and pay the balance owing on any mortgage and the Lessee shall then receive that portion of the proceeds which the unexpired term of this lease at the time of the loss or damage bears to the whole of the term, the Lessor to be paid the balance of the proceeds.

The Lessee shall furnish the Lessor on or before the commencement date of this lease, a certificate showing the policy(s) to be in full force and effect and shall furnish a like certificate upon each renewal of the policy(s). Each certificate(s) shall contain or be accompanied by an assurance of the insurer not to cancel the insurance, limit the scope of the coverage, or fail or refuse to renew the policy(s) until after thirty (30) days written notice has been given to the Lessor.

All rights or claims of subrogation against the State of Hawaii, its officers, employees, and agents are waived.

34. Compliance with CDUP. The Lessee shall comply with all terms and conditions of Conservation District Use Permit (CDUP) No. MA-3103 as approved by the Board at its meeting of January 24, 2003 under agenda item D-9 and as may be thereafter amended.

35. Wind data rights. Upon termination or expiration of this lease for whatever reason, the Lessee shall provide the Lessor with copies of all Wind Data relating to the premises. The Lessor shall have an unlimited license to use such data for any purpose, whether for its own purposes or for distribution to third parties, without charge.

36. Further assurances. (a) Each of the parties to this lease agrees to perform all such acts (including but not limited to, executing and delivering such instruments and documents) as reasonably may be necessary to fully effectuate each and all of the purposes and intent of this lease, including consents to any assignments, pledges, subleases or transfers permitted under Paragraphs 15, 16 and 21 herein as may be

required by any Lender or required in connection with the transfer by Lessee of the rights granted under this lease.

(b) Lessor expressly agrees that it will from time to time enter into reasonable nondisturbance agreements with any Lender which requires such an agreement providing that Lessor shall recognize the rights of the Lender and not disturb its possession of the premises so long as it is not in default of any of the provisions of this lease. Lessor and Lessee further agree that they shall, at any time during the term of this lease within (10) days after a written request by the other party, execute, acknowledge and deliver to the requesting party a statement in writing certifying that this lease is unmodified and in full force and effect (or modified and stating the modifications). The statements shall also state the dates on which the payments and any other charges have been paid and that there are no defaults existing or that defaults exist and the nature of such defaults.

(c) The Lessor may not take any action on the premises which interferes with or is incompatible with Lessee's use and enjoyment of the premises or which in any way interferes with the wind flow across the premises. Lessor may replace, rebuild, or reconstruct any improvement in existence on the premises at the time of execution of this lease in the same or substantially the same form as such improvement existed at such time, and Lessor may build, construct, or locate new improvement(s) on the premises, provided that any such improvement(s) shall not (i) interfere with the wind flow across the premises, (ii) interfere with or obstruct Lessee's rights under this lease or its operations on the premises, nor (iii) impede or obstruct Lessee's access to the premises. In no event during the term of this lease shall Lessor construct, build, or locate or allow others to construct, build, or locate any wind energy conversion system, wind turbine, or similar project on the premises. Lessee shall have the right to remedy any such interference by any appropriate means.

37. Notices. All notices or other communications required or permitted hereunder, including notices to Lenders, shall, unless otherwise provided herein, be in writing, shall be personally delivered, delivered by reputable overnight courier, or sent by first class mail and postage prepaid, addressed to the parties at the addresses set forth on the first page of this lease. Notices personally delivered shall be deemed given the day so delivered. Notices given by overnight courier shall be deemed given on the first business day following the mailing

date. Notices mailed as provided herein shall be deemed given on the third business day following the mailing date. Notice of change of address shall be given by written notice in the manner detailed in this Paragraph 37, provided that Lessee's mailing address shall at all times be the same for both billing and notice. In the event there are multiple Lessees hereunder, notice to one Lessee shall be deemed notice to all Lessees.

38. Hawaii law. This lease shall be construed, interpreted, and governed by the laws of the State of Hawaii.

39. Exhibits - Incorporation in lease. All exhibits referred to are attached to this lease and hereby are deemed incorporated by reference.

40. Headings. The article and paragraph headings herein are inserted only for convenience and reference and shall in no way define, describe or limit the scope or intent of any provision of this lease.

41. [Intentionally omitted].

42. Time is of the essence. Time is of the essence in all provisions of this lease.

43. Archaeological sites. In the event any unanticipated sites or remains such as shell, bone or charcoal deposits, human burials, rock or coral alignments, pavings, or walls are found on the premises, the Lessee and the Lessee's agents, employees and representatives shall immediately stop all land utilization and/or work and contact the Historic Preservation Office in compliance with Chapter 6E, Hawaii Revised Statutes.

44. [Intentionally omitted.]

45. Clearances. The Lessee shall be responsible for obtaining all necessary federal, state or county clearances, permits and approvals.

46. Hunting. No hunting shall be allowed on the premises during the term of this lease.

47. Records. The Lessee shall prepare, maintain, and keep records in accordance with acceptable record keeping practices. A clear, complete, detailed record and accounting of business affecting payment due the Lessor and Project Improvements, electric production and delivery to the power

purchaser shall be maintained at a location in Hawaii for a period of at least four (4) years following payment of rent. Further, the Lessee shall prepare, maintain and keep records of Wind Data, as defined herein, and management practices conducted on the premises, including but not limited to, the use of pesticides, for the term of this lease or as required by law or any permit.

48. Audit and examination of books, etc. The Lessee shall, at all reasonable times, permit the Lessor and/or its authorized agents and employees, upon reasonable notice given by the Lessor, to audit, examine and to make copies of all books, accounts, records and receipts of the Lessee, including any power purchase agreements, for the purpose of verifying the amount of electric production and delivery to the power purchaser and/or proceeds received by the Lessee from the premises or for the purpose of determining and enforcing compliance with the provisions of this lease. If an audit shows a deviation of more than three percent (3%) from the Gross Revenue rental payment made to the State, the Lessee shall pay the difference and pay for the cost of the audit. The Lessee shall immediately pay all such additional amounts due plus interest from the date such payment was originally due and payable but in no case later than thirty (30) days after notice of the additional amount due.

49. Environmental regulations. Lessee shall comply with all applicable federal, state and county environmental impact regulations, including but not limited to Chapter 343, Hawaii Revised Statutes, as amended, and regulations governing historic preservation. Within thirty (30) days after the expiration or termination of this lease, Lessee shall conduct a Phase One Hazardous Waste Evaluation (record research only). In addition, Lessee shall be required to remove and abate any hazardous materials that have been released, disposed of or stored by Lessee on or at the premises during the term hereof promptly following the expiration or termination of this lease to the extent required by then existing federal, state and county environmental impact regulations. This Paragraph 49 shall survive the expiration or termination of this lease.

50. Fair interpretation. The parties agree that the terms and provisions of this lease embody their mutual intent and that such terms and conditions are not to be construed more liberally in favor, nor more strictly against, either party.

51. Partial invalidity. If any term or provision of this lease, or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this lease or the application of such term or provision to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be effected thereby, and each remaining term and provision of this lease shall be valid and enforceable to the fullest extent permitted by law.

52. Survey and boundary stakeout. The Lessee shall be solely responsible for any survey and boundary stakeout of the leased premises.

53. [Intentionally omitted.]

54. Counterparts. This lease may be executed and recorded in counterparts, each of which shall be deemed an original and all of which, when taken together, shall constitute one and the same instrument.

55. Complete agreement. This lease, and the exhibits and riders hereto, contains the entire agreement between the parties hereto with respect to the subject matter hereof and any prior agreements, discussions or understandings, written or oral, are superceded by this lease and shall be of no force or effect. No addition or modification of any term or provision of this lease shall be effective unless set forth in writing and signed by the authorized representatives of the parties.

56. Renewable energy producer. Lessee understands and agrees that this Lease is being issued by direct negotiation pursuant to Section 171-95, Hawaii Revised Statutes (HRS). Throughout the term of this Lease, the Lessee shall be and remain a "renewable energy producer" and Lessee shall not assign or transfer this Lease to any entity that does not qualify as a "renewable energy producer." A violation or other breach of this provision shall be considered a material default under this Lease.

57. Extension of lease term. Provided the Lessee is in full compliance with all of the terms and conditions of this Lease, Lessee may exercise its option to extend this Lease for an additional twenty (20) year term by submitting a written request to Lessor no later than nine (9) months prior to the expiration of the Lease. The Minimum Annual Rental and Percentage Rent during any extended term shall be determined in accordance with Section G (Rental reopenings, conduct of) of

this Lease. Notwithstanding the foregoing, any extension of this Lease is contingent upon and subject to the parties mutually agreement on such terms and conditions to be added to or amended in the Lease for the purpose of achieving the most current industry leasing standards for wind energy projects.

58. Public Utilities Commission approval. The Lessee shall obtain approval from the Public Utilities Commission for the power purchase agreement with MECO and shall provide Lessor written evidence of such approval. The Lessee shall also provide Lessor a copy of the duly executed power purchase agreement with MECO.

59. Additional definitions. As used in this lease, unless clearly repugnant to the context:

(a) "Chairperson" means the Chairperson of the Board of Land and Natural Resources of the State of Hawaii or his successor

(b) "County" means the County of Maui.

(c) "Days" shall mean calendar days, unless otherwise specified.

(d) "Holder of record of a security interest" means a person who is the owner or possessor of a security interest in the land leased and who has filed with the Department of Land and Natural Resources and with the Bureau of Conveyances of the State of Hawaii a copy of this interest.

(e) "Lessee" means and includes Lessee and its successors or permitted assigns.

(f) "Premises" means the land leased and all buildings and improvements now or hereinafter constructed and installed on the land leased.

(g) "Project Improvements" includes wind turbines, all appurtenant meteorological towers and equipment, electrical components (overhead and underground power lines and their supporting structures, transformers, switching and connection enclosures, metering systems, communication lines and auxiliary equipment), service buildings, access controls (gates, cattle guards and fences), safety and wind project identification signage, erosion and fire control features and roads that may be used in connection therewith located on the premises.

(h) "Renewable energy producer" means any producer of electrical energy produced by wind that sells all of the net power produced from the demised premises to an electric utility company regulated under Chapter 269, Hawaii Revised Statutes. Up to twenty-five percent of the power produced by a renewable energy producer and sold to the utility may be derived from fossil fuels.

(i) "Repowering" means: (1) the renewal or replacement of the majority (more than 80%) of the wind turbines as evidenced by, but not limited to, contemporaneous replacement of the wind turbines with different models or (2) a significant modification to that portion of the Wind Project located on the premises such that a significant revision to the existing land use permit or a new land use permit is required for the premises. The following shall not constitute Repowering: (1) reuse of the Project Improvements, including roads, erosion control and premises access improvements, meteorological towers or transmission interconnection related to the premises, (2) replacement of the Wind Project substation for any reason, (3) replacement of wind turbines on the premises with substantially the same make and model in the same locations, or (4) replacement of any or all of the wind turbines and Project Improvements on the premises as a result of casualty or loss.

(j) "Waste" includes, but is not limited to, (1) permitting the premises, or any portion, to become unduly eroded or failure to take proper precautions or make reasonable effort to prevent or correct the erosion; (2) permitting a substantial increase in noxious weeds in uncultivated portions of the premises; and (3) failure to employ all of the usable portions of the premises.

(k) "Wind Data" means maps showing the locations and orientation of anemometer or other towers, including UTM coordinates and heights of towers, all wind survey data collected (data shall be formatted to include at a minimum monthly speed, direction and other useful reports generated by off-the-shelf commercial software provided by the manufacturer of the wind monitoring equipment) and any interpretations, reports or conclusions derived from this data.

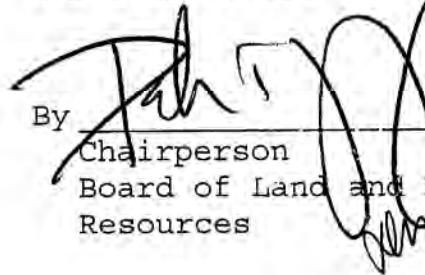
(l) "Wind Project" means the wind energy facility consisting of wind turbines interconnected by an electrical collection system and their associated project improvements. A Wind Project may extend across State land and other ownership in a given area.



IN WITNESS WHEREOF, the STATE OF HAWAII, by its Board of Land and Natural Resources, has caused the seal of the Department of Land and Natural Resources to be hereunto affixed and the parties hereto have caused these presents to be executed the day, month and year first above written.

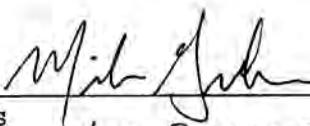
STATE OF HAWAII

Approved by the Board of Land and Natural Resources at its meeting held on December 10, 2004.

By   
Chairperson  
Board of Land and Natural Resources

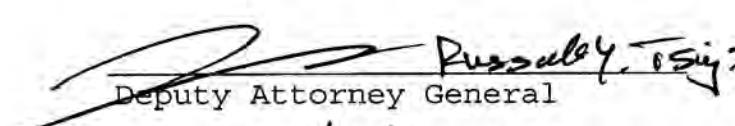
LESSOR

KAHEAWA WIND POWER, LLC

By   
Its Michael John  
VICE PRESIDENT

LESSEE

APPROVED AS TO FORM:

  
Deputy Attorney General

Dated: 12/29/04

PRELIM. APPR'D.  
Department of the  
Attorney General

STATE OF HAWAII )  
COUNTY OF Maui ) SS.  
                          )

On this 3rd day of January, 2005,  
before me personally appeared Mike Gresham,  
and                           , to me personally known,  
who, being by me duly sworn or affirmed, did say that such  
person(s) executed the foregoing instrument as the free act and  
deed of such person(s), and if applicable in the capacity shown,  
having been duly authorized to execute such instrument in such  
capacity.

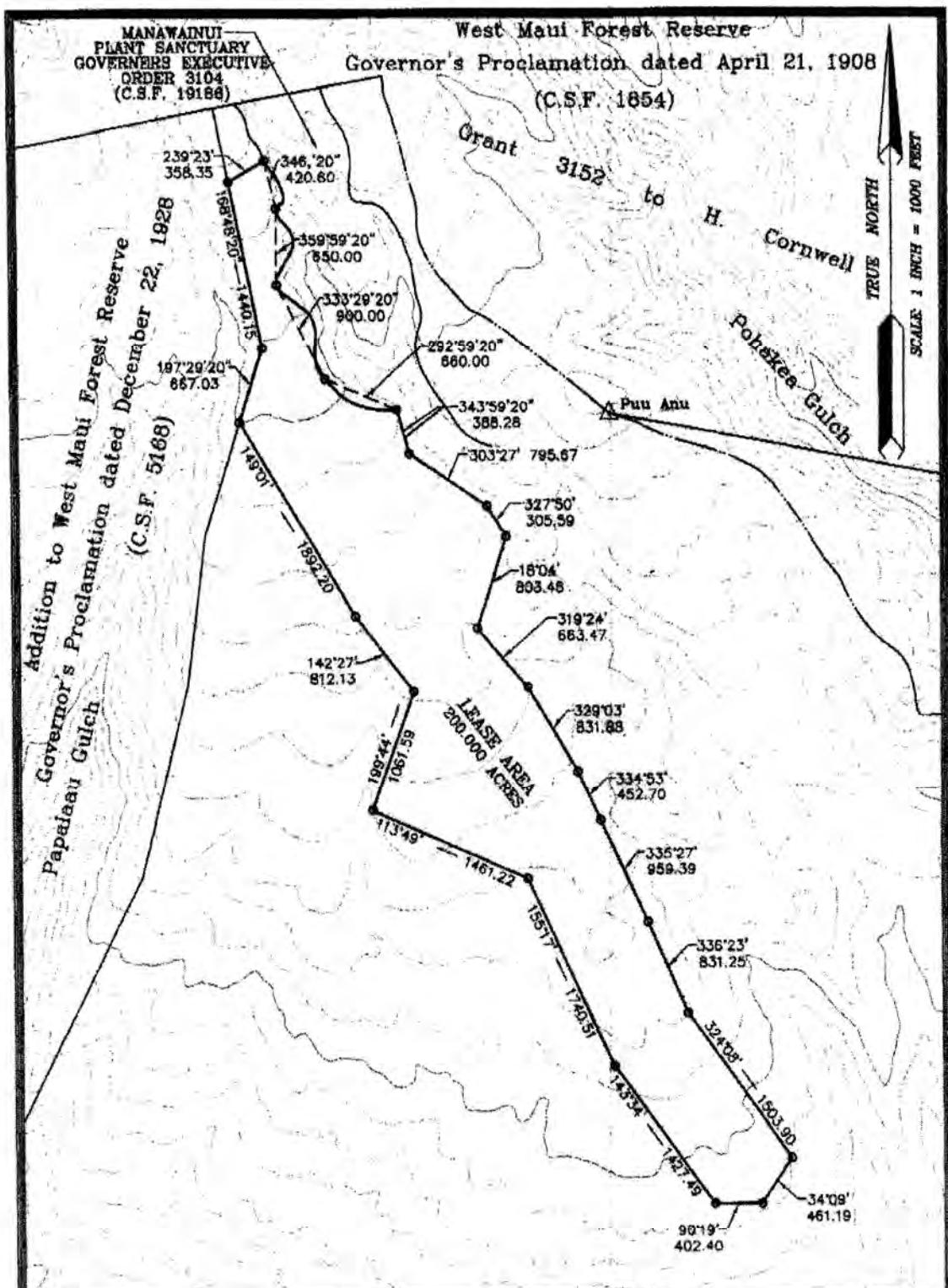


Dorothy S. Wetter  
Notary Public, State of Hawaii

Dorothy S. Wetter

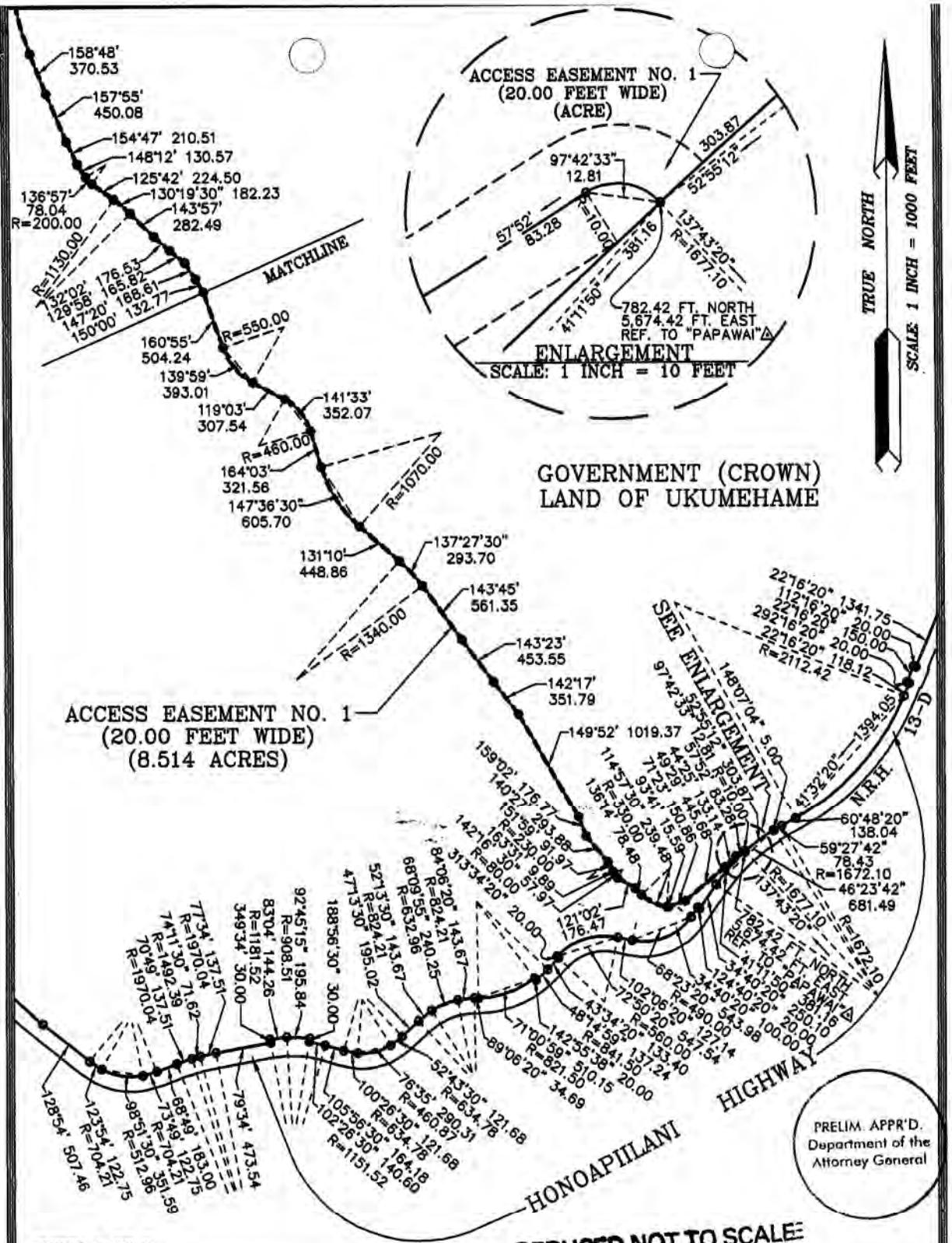
My commission expires: NOV. 23, 2007





		<b>PLAT SHOWING</b> <b>LEASE AREA (FOR WIND FARM PURPOSES)</b> <b>ON A PORTION OF THE GOVERNMENT (CROWN)</b> <b>LAND OF UKUMEHAME</b> <small>RECORDED AT UKUMEHAME, LANAIA, MAUI, HAWAII</small>	
<small>THIS PLAT WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION.</small>		<small>PREPARED FOR:</small> <b>SMITH DEVELOPMENT</b> <b>1043 MAKAWAO AVE., SUITE 208</b> <b>MAKAWAO, HI 96768</b>	<small>PREPARED BY:</small> <b>NEWCOMER - LEE</b> <b>LAND SURVEYORS, INC.</b> <b>1498 LOWER MAIN STREET, SUITE D</b> <b>WAIIKU, MAUI, HAWAII 96793</b>
<small>T.M.K.(2) 4-8-001: POR. 001</small>	<small>SCALE: 1 INCH - 1000 FEET</small>	<small>REELIM. APPR'D.</small> <small>Department of the</small> <small>Attorney General</small>	

**EXHIBIT "A"**



SHEET 1 OF 2

REDUCED NOT TO SCALE



1 *Dear Mr. Lee 04/06*  
THIS PLAT WAS PREPARED BY ME OR  
UNDER MY DIRECT SUPERVISION.

UNDER MY DIRECT SUPERVISION.

T.M.K.:(2) 4-8-001: POR. 001

**PREPARED FOR:**

SMITH DEVELOPMENT  
1043 MAKAWAO AVE., SUITE 208  
MAKAWAO, HI 96768

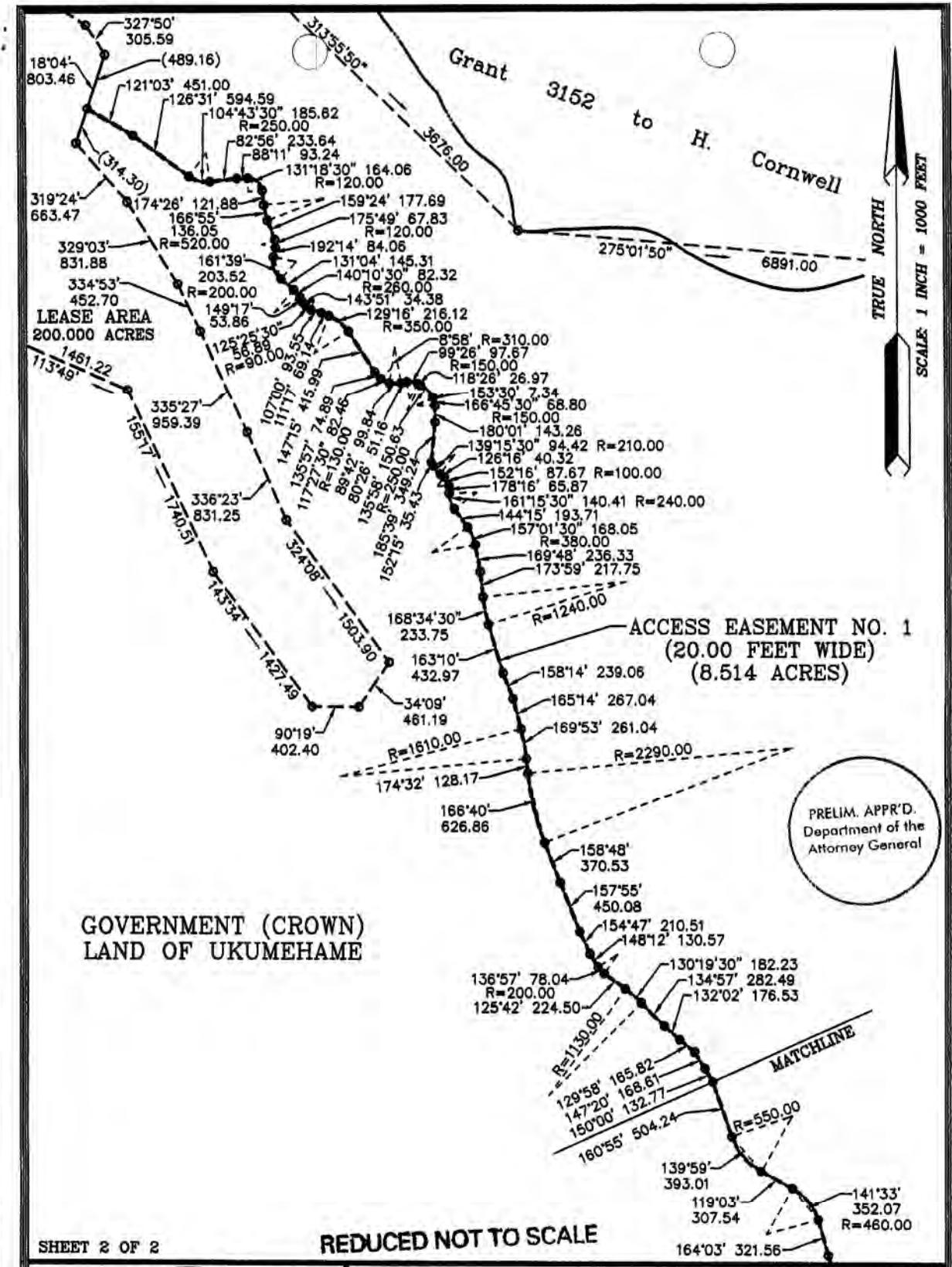
**PREPARED BY:**

NEWCOMER - LEE  
LAND SURVEYORS, INC.  
1498 LOWER MAIN STREET, SUITE D.  
WAILUKU, MAUI, HAWAII 96793

T.M.R.: (2) 4-8-001: POR. 00

SCALE: 1 INCH = 1000 FEET

DATE: JANUARY 17, 2005



SHEET 2 OF 2

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T.M.K.: (2) 4-8-001: POR. 001

PLAT SHOWING	
ACCESS EASEMENT NO. 1 AFFECTING A PORTION OF THE GOVERNMENT (CROWN) LAND OF UKUMEHAME	
SITUATED AT UKUMEHAME, LAHAINA, WAILUKU, MAUI, HAWAII	
PREPARED FOR:	PREPARED BY:
SMITH DEVELOPMENT 1043 MAKAWAO AVE., SUITE 208 MAKAWAO, HI 98768	NEWCOMER - LEE LAND SURVEYORS, INC. 1498 LOWER MAIN STREET, SUITE D, WAILUKU, MAUI, HAWAII 98793
SCALE: 1 INCH = 1000 FEET	DATE: JANUARY 17, 2005

8.5" X 14"

DWG NO. 6665AE (ML) JOB NO. 04-6666

EXHIBIT "A"

## ASSIGNMENT OF LEASE EVALUATION POLICY

### 1. Enabling Statute.

Act 104, effective May 24, 1989, amended Chapter 171-36(a)(5) to read in part:

"... provided further that prior to the approval of any assignment of lease, the board shall have the right to review and approve the consideration to be paid by the assignee and may condition its consent to the assignment of the lease on payment by the lessee of a premium based on the amount by which the consideration for the assignment, whether by cash, credit, or otherwise, exceeds the depreciated cost of improvements and trade fixtures being transferred to the assignee;" (revision underlined)

### 2. Qualifying Leases.

This policy shall be applicable to the subject lease.

### 3. Prior Approval.

Prior to giving its consent to an assignment, DLNR must receive (i) the name, legal composition and address of any proposed assignee, (ii) a complete copy of the purchase agreement and the proposed assignment agreement, including the total consideration to be paid by the assignee for the assignment whether by cash, credit or otherwise, and (iii) the best available financial statement or balance sheet no older than 1 year prior to date of purchase agreement of the proposed assignee or any other such statement, audited or certified as correct by a financial officer of the proposed assignee.

Assignments of lease shall not be entered into until the Attorney General has reviewed the proposed assignment and the Land Board have given their approval. Such assignments shall be entertained only if they meet the criteria set forth in Section 171-36(a)(5), HRS.

### 4. Qualifications of Assignee.

If qualification was required of a lessee as a pre-condition of the lease, the prospective assignee must also be qualified to assume the lease.

EXHIBIT "B"

5. Consideration to be Paid.

Prior to review by the Attorney General and approval by the Land Board, the lessee (assignor) must present with written evidence of the consideration to be paid by the assignee and any other cost data that the state may require.

6. Payment of Premium.

The act permits the state to receive from the lessee (assignor) a premium based on the amount by which the consideration for the assignment, whether by cash, credit, or otherwise, exceeds the depreciated cost of improvements and trade fixtures being transferred to the assignee. The value of the inventory of merchandise and any other tangible assets in the sale of a business shall be deducted from the consideration paid. The appropriate cost index is then applied to determine the adjusted depreciated cost.

All lessees shall be required to furnish the state with the actual costs of construction of all improvements and renovations within 30 calendar days after its completion as well as the purchase costs of all trade fixtures acquired for the lessee's operation on the premises within 30 calendar days after their purchase. Lessees shall be required to furnish evidence of the actual costs by copy of the construction contract, receipts or otherwise. Lessees shall also be required to furnish an inventory of all personal property placed on the premises. Records of all costs incurred by the lessee for construction of improvements or renovations as well as trade fixtures submitted by the lessee shall be maintained in the lease file and shall include the Construction Cost Index for Apartments, Hotels, Office Buildings (CCI) and the Honolulu Consumer Price Index for All Urban Consumers (CPI) as published by the U.S. Department of Labor, Bureau of Labor Statistics for the year construction is completed.

The replacement cost for improvements or renovations is calculated by using the CCI for the evaluation year divided by the CCI for the year in which the improvements or renovations were completed (base year). The result is then multiplied by the original cost of the improvements or renovations. For trade fixtures, the cost is similarly calculated by using the CPI for the purchase year (base year) and the evaluation year.

Depreciation of improvements and trade fixtures will be determined on a straight line basis. Depreciation of improvements or renovations will be determined in the same proportion that the expired term of the improvements or renovations bear to the whole term. The whole term will be

from the date the construction of the improvements or renovations are completed until the termination date of the lease. Depreciation of trade fixtures will be determined in the same manner, except that the whole term will be the anticipated life of the trade fixture.

The premium will be a maximum of 50% of the excess. The percentage will decrease by 5% after every 5 years of the term has elapsed in accordance with Schedule C. The sliding scale will encourage long term occupancy and prevent speculation as well as recognize the investment, effort, and risk of the lessee.

In cases where the lessee is unable to furnish the Department of Land and Natural Resources with evidence of the actual cost of construction of improvements because the lessee has performed the work itself, the State may determine the cost or the lessee shall have the option of paying for an appraiser, to be selected by the Department of Land and Natural Resources, to determine what the improvements would have cost if the labor had been performed by a third party rather than the lessee. The lessee shall exercise its option by giving written notice to the lessor within thirty (30) calendar days after completion of construction of the improvements. If the lessee fails to exercise its option within this period, the lessor shall have the right to determine the cost of the improvements.

Schedule D attached provides a typical example of the evaluation calculations using Schedule A to calculate the replacement cost for improvements or renovations and depreciation, Schedule B to calculate the cost and depreciation for trade fixtures, and Schedule C to obtain the premium percentage.

#### 7. Non-qualifying Deductions.

The statute only recognizes tangible items. Intangibles such as "goodwill", business name recognition, etc., are not deductible.

#### 8. Subsequent Assignments.

If the consideration for any subsequent assignment includes the purchase of existing tenant owned improvements, the evaluation will be conducted in a similar manner as the first assignment. An example is shown on Schedule E.

Using Schedule E, the consideration the assignor paid less included inventory and any premiums will be used to obtain the adjusted depreciated cost of improvements and trade fixtures. Also, the Base Year is redefined to be the date

the assignor received the Consent of the Board to occupy the premises. The holding period (redefined Base Year to assignment date), or actual occupancy of the assignor, is used in place of the "expired term" when calculating depreciation. Depreciation will be calculated by dividing the holding period by the whole term of the lease (The whole term will remain unchanged).

The change in the CCI will be reflected by comparing the CCI for the redefined base year to the most current CCI.

The holding period will be the basis for determining the appropriate premium percentage. Subtracting the included inventory and any premiums from the consideration the assignor paid will result in a reassessment of the market value of the improvements. If additional improvements were constructed by the assignor, they will be treated in the same manner as improvements constructed by an original lessee.

The excess of subtracting the adjusted depreciated consideration the assignor paid and the adjusted depreciated cost of additional improvements, if any, from the consideration the assignor received will be used against the appropriate premium percentage to determine the amount payable to the state.

9. Rights of Holders of Security Interest-Agricultural Leases only.

In the event of foreclosure or sale, the premium, if any, shall be assessed only after the encumbrances of record and any other advances made by the holder of a security interest are paid.

10. When state-owned improvements are included in the leased premises, improvement renovation requirements shall be recognized as being tenant-owned improvements for evaluation in the policy.

In other words, the total expenditure of the lessee to fulfill the requirement would be treated as though a new improvement was constructed.



SCHEDULE A.Adjusted Depreciated Cost of Improvements or Renovations

## 1. Adjusted Cost of Improvements or Renovations.

Multiply the actual cost of the improvements or renovations by the most recent U.S. Construction Cost Index for Apartments, Hotels, Office Buildings (CCI)\* and divide the result by the CCI of the year construction was completed (base year) to get the adjusted cost of improvements or renovations.

## 2. Depreciation

Determine the depreciation percentage on a straight-line basis by dividing the expired term of the improvements or renovations by the whole term of the improvements or renovations, the whole term beginning on the date the improvements or renovations are completed to the expiration date of the lease. Multiply the adjusted cost of the improvements or renovations by the depreciation percentage to determine the depreciation.

## 3. Depreciated Cost of Improvements or Renovations

Subtract the depreciation from the adjusted cost of improvements or renovations. The balance is the depreciated cost of improvements or renovations.

\*As published by the U.S. Department of Labor, Bureau of Labor Statistics

Example

1.	Adjusted Cost of Improvements or Renovations	Actual cost:	\$500,000
		CCI (most recent):	121.1
		CCI (base year):	102.3
		Expired term:	57 mos.
		Whole term:	408 mos.

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

$$\$500,000 \times \frac{121.1}{102.3} = \$591,887$$

## 2. Depreciation

$$\$591,887 \times \frac{57 \text{ mos.}}{408 \text{ mos.}} = \$82,690$$

## 3. Adjusted Depreciated Cost of Improvements or Renovations

$$\$591,887 - \$82,690 = \underline{\$509,197}$$

SCHEDULE B.      Adjusted Depreciated Cost of Trade Fixtures

1.    Adjusted Cost of Trade Fixture.

Multiply the actual cost of the trade fixture by the most recent Honolulu Consumer Price Index for All Urban Consumers (CPI)\* and divide the result by the CPI of the year in which the purchase was made (base year).

2.    Depreciation.

Determine the depreciation percentage on a straight-line basis by dividing the expired term of the trade fixture by its anticipated life. Multiply the adjusted cost of the trade fixture by the depreciation percentage to determine the depreciation.

3.    Depreciated Cost of Trade Fixtures.

Subtract the depreciation from the adjusted cost of the trade fixture. The balance is the depreciated cost of the trade fixture.

\*As published by the U.S. Department of Labor, Bureau of labor Statistics

Refrigerator

Example

1.    Adjusted Cost of Trade Fixture

Actual cost:	\$1,510
CPI (most recent):	118.1
CPI (base year):	104.6
Expired term:	57 mos.
Whole term:	96 mos.
(Anticipated life)	

Actual Cost X CPI (most recent)  
CPI (base year)

$\$1,510 \times \frac{118.1}{104.6} + \$1,705$

2.    Depreciation

$\$1,705 \times \frac{57 \text{ mos.}}{96 \text{ mos.}} = \$1,012$

3.    Adjusted Depreciated Cost of Trade Fixture

$\$1,705 - \$1,012 = \$ 693$

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SCHEDULE C.      Premium Percentages

1. For the first 5 years, the premium is 50% of the amount by which the consideration for the assignment, whether by cash, credit, or otherwise, exceeds the depreciated cost of improvements and trade fixtures being transferred to the assignee. The percentage will decrease by 5% after every 5 years of the total term has elapsed.

<u>Years</u>	<u>Percentage</u>
1 - 5	50%
6 - 10	45%
11 - 15	40%
16 - 20	35%
21 - 25	30%
26 - 30	25%
31 - 35	20%
36 - 40	15%
41 - 45	10%
46 - 50	5%
51 -	0%

As an example, if a 55 year lease was assigned after 57 months, the premium percentage would be 50%. If the assignment occurs after 130 months (10+ years), the percentage would be 40%.

2. The Board of Land and Natural Resources may impose a ten percent (10%) surcharge if the assignor has not performed lease covenants to improve or use the property.

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SCHEDULE D.Assignment of Lease Calculations

1. Subtract from the consideration for the assignment that amount, if any, that is attributable to inventory.
2. Calculate the Adjusted Depreciated Cost of Improvements or Renovations (see Schedule A).
3. Calculate the Adjusted Depreciated Cost of Trade Fixtures (see Schedule B).
4. Calculate the amount by which the consideration for the assignment, whether by cash, credit, or otherwise, exceeds the depreciated cost of improvements and trade fixtures being transferred to the assignee by subtracting the amounts derived by no. 2 and 3 from the amount in no. 1 above.
5. Determine the appropriate premium percentage (see Schedule C). Multiply by the excess, if any, derived by no. 4.

Example

A lease is being assigned 57 months after completion of the improvements at a consideration of \$600,000.

The initial cost of the improvements was \$500,000 while the current year CCI and base year CCI were 121.1 and 102.3, respectively. The whole term for the improvements is 408 months.

For the trade fixtures, the initial cost was \$1,510 with the current year CPI and base year CPI being 118.1 and 104.6, respectively. The total life expectancy is 96 months.

1.	Net Consideration:		\$600,000
2.	Adj Cost Imp/Ren:	\$591,887	
	Depreciation:	<u>- 82,690</u>	
	Adj Dep Cost Imp/Ren:		-509,197
3.	Adj Cost Trade Fixtures:	1,705	
	Depreciation:	<u>- 1,012</u>	
	Adj Dep Cost Trade Fixtures:		- 693
4.	Excess:		\$ 90,110
5.	Premium:	Percentage: 50%	\$ 45,055

SCHEDULE E.Subsequent Assignment of Lease Calculations

1. Subtract from the consideration the assignor received for the assignment that amount, if any, that is attributable to inventory to derive the net consideration received.
2. Subtract from the consideration the assignor previously paid for the assignment that amount, if any, that was attributable to inventory. Also, subtract from the consideration the assignor previously paid for the assignment that amount, if any, that was attributable to premiums. The net consideration paid is now defined to be the value of improvements as of the date of the occupancy by the assignor.
3. Using the result from no. 2, calculate the Adjusted Depreciated Value of Improvements or Renovations (see Schedule A).
4. Subtract the amount derived by no. 3 from the amount in no. 1 to determine the amount by which the consideration received for the assignment, whether by cash, credit, or otherwise, exceeds the adjusted depreciated value of improvements being transferred to the assignee.
5. Determine the appropriate premium percentage (see Schedule C). Multiply by the excess, if any, derived by no. 4.

Example

An assignor is assigning a lease 107 months after receiving the consent of the Board. Occupancy or the holding period is defined to be 107 months. The consideration received is \$1,000,000.

The consideration paid by the assignor was \$600,000 while the current year CCI and redefined base year CCI were 156.4 and 121.1, respectively. The whole term was 408 months.

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No inventory was included in either consideration. However, a premium of \$45,055 was paid to the state by the previous occupant from the \$600,000 consideration.

1.	Net Consideration <u>Received</u> :	\$1,000,000
2.	Consideration <u>Paid</u> :	\$600,000
	Premium:	<u>- 45,055</u>
	Net Consideration <u>Paid</u> :	\$554,945
3.	Adj Value Consideration (improvements):	
	\$554,945 X <u>156.4</u>	<u>= \$716,708</u>
		121.1
	Depreciation:	
	\$716,708 X <u>107 mos.</u>	<u>= -187,960</u>
		408 mos.
	Adj Dep Value Consideration:	<u>- 528,748</u>
4.	Excess:	\$ 471,252
5.	Premium: Percentage:	45% \$ <u>212,063</u>





**Project No. E00XM46A  
DLNR - Kaheawa Wind Power, LLC Removal Study, Maui**

## **DECOMMISSIONING COST BASIS AND ESTIMATE**

**Kaheawa Wind I  
Mā'alaea, Maui, Hawai'i**

**December 16, 2025**

**Prepared For:**

**Prepared By:**



**Exhibit H**

Project No. E00XM46A  
DLNR - Kaheawa Wind Power, LLC Removal Study, Maui  
DECOMMISSIONING COST BASIS AND ESTIMATE  
Kaheawa Wind I  
Mā'alaea, Maui, Hawai'i

December 16, 2025

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## Section A - PROJECT DESCRIPTION

### A.1 Background

Bowers + Kubota Consulting (B+K) was contracted by the State of Hawai‘i, Department of Land and Natural Resources (DLNR), to estimate the cost of decommissioning the Kaheawa Wind Power, Phase 1 (KWP-1) project under the following contract:

Purchase Order No. C54911

Project No. E00XM46A

DLNR-Kaheawa Wind Power, LLC Removal Study, Maui, Hawai‘i

This engineering study was commissioned to support the State in its negotiations to extend the lease for the project site for another 20 years.

The resulting cost estimate will be used to quantify the value of a removal (or decommissioning) bond to ensure the current owners and operators, Brookfield Renewable, will properly remove the wind turbine generators, associated infrastructure, and restore the site to its original condition after the project's useful life. If the owner fails to complete the decommissioning, the State can file a claim against the bond to cover the costs of the work.

### A.2 Executive Summary

B+K estimated probable costs for the decommissioning the Kaheawa Wind Power, Phase 1 Project according to three different options. The options acknowledge the inability to completely separate the features and property installed under Phase 1 with the operational needs and easements of Kaheawa Wind Power, Phase 2 (KWP-2).

The options are presented to the DLNR as a way to facilitate negotiations are as follows:

- Option 1 – Decommission KWP-1, Separable Parts Only (2025 dollars)
- Option 2 – Decommission KWP-1, Separable Parts Only (2035 dollars)
- Option 3 – Decommission KWP-1 and KWP-2 but no Access Roads (2035 dollars)
- Option 4 – Decommission KWP-1, KWP-2, and all Access Roads (2035 dollars)

The costs are meant to progressively build upon each other and provide a menu of costs that can facilitate the addition or deletion of individual cost elements should the DLNR find it necessary.

Should the need arise for negotiating a near term holdover agreement, Option 1 is presented to the DLNR without any allowances for escalation. Table A-1 summarizes the total and component probable costs, expressed in 2025 dollars, outlined in this study.

OPTION 1 - DECOMMISSION KWP-1, SEPARABLE PARTS ONLY (2025 DOLLARS)		
WBS	Description	Subtotal
TOTAL DIRECT, INDIRECT, AND ADJUSTMENT COSTS		\$33,700,000
1.0.0	General Requirements	\$2,270,000
2.0.0	Mobilization and Demobilization of Specialized Equipment	\$5,180,000
3.0.0	KWP-1 Decommissioning, Separable Parts Only	\$26,250,000

Table A-1 Probable Costs (2025 dollars) to Decommission KWP-1, Separable Parts Only

OPTION 2 - DECOMMISSION KWP-1, SEPARABLE PARTS ONLY (2035 DOLLARS)		
WBS	Description	Subtotal
TOTAL DIRECT, INDIRECT, AND ADJUSTMENT COSTS		\$45,280,000
1.0.0	General Requirements	\$3,050,000
2.0.0	Mobilization and Demobilization of Specialized Equipment	\$6,960,000
3.0.0	KWP-1 Decommissioning, Separable Parts Only	\$35,270,000

Table A-2 Probable Costs (2035 dollars) to Decommission KWP-1, Separable Parts Only

OPTION 3 - DECOMMISSION KWP-1 AND KWP-2 BUT NO ACCESS ROADS (2035 DOLLARS)		
WBS	Description	Subtotal
TOTAL DIRECT, INDIRECT, AND ADJUSTMENT COSTS		\$74,540,000
1.0.0	General Requirements	\$3,050,000
2.0.0	Mobilization and Demobilization of Specialized Equipment	\$6,960,000
3.0.0	KWP-1 Decommissioning, Separable Parts Only	\$35,270,000
4.0.0	KWP-1 and KWP-2 Decommissioning	\$29,260,000

Table A-3 Probable Costs (2035 dollars) to Decommission KWP-1 and KWP-2 but no Access Roads

OPTION 4 - DECOMMISSION KWP-1, KWP-2, AND ALL ACCESS ROADS (2035 DOLLARS)		
WBS	Description	Subtotal
TOTAL DIRECT, INDIRECT, AND ADJUSTMENT COSTS		\$89,610,000
1.0.0	General Requirements	\$3,050,000
2.0.0	Mobilization and Demobilization of Specialized Equipment	\$6,960,000
3.0.0	KWP-1 Decommissioning, Separable Parts Only	\$35,270,000
4.0.0	KWP-1 and KWP-2 Decommissioning	\$29,260,000
5.0.0	Roadway Restoration	\$15,070,000

Table A-4 Probable Costs (2035 dollars) to Decommission KWP-1, KWP-2, and All Access Roads

Similarly, Table A-2, Table A-3, and Table A-4 summarizes the total and component probable costs, expressed in 2035 dollars, outlined in this study.

Major contributors to the development of decommissioning costs were:

- Geographic isolation of the project site
- Type, proximity, and rental rates of highly specialized equipment required to execute the work
- Time to deconstruct major features of work
- Site Restoration
- Allowances for Contingency
- Allowances for Escalation

The opinions of probable costs considered on-site surveys of the facility, project drawings, official records, historical planning, submitted reports, industry cost databases, and anecdotal cost reports. Information gleaned from the project records were used to contemplate likely project sequencing, gaps in planning, develop a work breakdown structure, and generate cost estimates.

A Work Breakdown Structure (WBS) was also developed to identify key work elements required to decommission major project components, the nature and quantity of materials to be decommissioned, and the equipment and vessels that would be required to support the decommissioning work processes.

### **A.3 Scope of Work**

Under the scope of work governed by Purchase Order No. C54911, B+K is providing the following:

- Research and review the existing plans and specifications to determine the components of the wind turbines and how they were constructed, shop drawings for the assembly of the wind turbines and associated site features, and the original construction schedule for the timeline of construction.
- Identify the labor, equipment, materials, logistics, and methods to demolish the facility and dispose of the debris then verify costs with contractors.
- Determine a feasible disposal location in Hawai‘i or the Continental US.
- Evaluate traffic control and optimal times and route to haul the debris.
- Identify the permitting requirements and approvals for the demolition of the facility and disposal of the debris.
- Identify site restoration requirements, including earthwork and landscaping.
- Prepare an opinion of probable construction cost for the demolition of the facility, disposal of debris, and restoration of the site.

### **A.4 Project Description**

Though the scope of this study was intended to assess decommissioning requirements and probable costs for just the Kaheawa Wind Power Phase 1 (KWP-1) project, the fact that it shares both facility and roadway infrastructure with the Kaheawa Wind Power Phase 2 (KWP-2) warrants a more contextual perspective. Though electrically independent, KWP-1 and KWP-2 operations are inter-dependent.

Collectively, the structures and features constructed under KWP-1 and KWP-2 are as follows:

1) Kaheawa Wind Power Phase 1

- a) 20 each General Electric (GE) 1.5-MW Wind Turbine Generators
- b) 34.5 kV Underground Electrical Collection Network Connecting all Turbines
- c) Electrical Substation
- d) 69 kV Interconnection Facility and Switchgear to Connect to HECO Transmission Lines
- e) Microwave Tower
- f) Operations and Maintenance Building
- g) KWP Main Access Road (3.5 miles)
- h) Access Road (WTG-1 to WTG-7) (0.6 miles)
- i) Access Road (WTG-8 to WTG-20) (1.3 miles)

2) Kaheawa Wind Power Phase 2

- a) 14 each General Electric (GE) 1.5-MW Wind Turbine Generators
- b) 34.5 kV Underground Electrical Collection Network Connecting all Turbines
- c) Electrical Substation
- d) 69 kV Interconnection Facility and Switchgear to Connect to HECO Transmission Lines
- e) 175-foot-Tall Meteorological Tower
- f) Overhead Collection Line Crossing 1,225 feet Over Manawainui Gulch
- g) Warehouse Building
- h) Battery Energy Storage System (BESS) and Building

Both KWP-1 and KWP-2 projects were originally developed and operated by First Wind Energy, LLC. KWP-1 was placed into service in 2006 under the terms of State of Hawai‘i, Department of Land and Natural Resources (DLNR) General Lease S-5731 which was recorded February 22, 2005. Similarly, KWP-2 was placed into service in 2012 under the terms of DLNR General Lease S-6003 which was recorded January 25, 2011, amended July 12, 2011 and July 17, 2012.

After changing ownership a couple of times over the past 20 years, the current leases for KWP-1 and KWP-2 are held by Kaheawa Wind Power, LLC and Kaheawa Wind Power II, LLC, respectively.

This study seeks to update, explore, and contextualize decommissioning probable costs for inclusion in the DLNR’s lease renewal. For reference, Article 19 of DLNR General Lease S-5731 quantifies the original \$1,500,000 bond value that Kaheawa Wind Power, LLC was required to provide to ensure the removal of all “Project Improvements (except for access roads)”. The full text of the requirement is as follows:

*“19. **Bond, performance.** The Lessee shall, at its own cost and expense, within seventy-five (75) days from the commencement of the term of this lease, procure and deposit with the Lessor and thereafter keep in full force and effect during the term of this lease (and any additional period of time that the Lessee requires to remove the Project Improvements and restore the premises) a good and sufficient surety bond, conditioned upon the full and faithful observance and performance by the Lessee of all the terms, conditions, and covenants of this lease, in an amount equal to ONE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$1,500,000). This bond shall*

*provide that: (a) in case of Lessee's uncured breach or default of any of the lease terms, covenants, conditions, and agreements, the Lessor may draw upon the bond for liquidated and ascertained damages and not as a penalty, and (b) that upon the expiration, cancellation or early termination of this Lease, the Lessor may draw upon the bond in order to remove the Project Improvements (except for access roads) and to restore the premises to its original or better condition. Any portion of a bond or security deposit held by Lessor and not applied to remove the Project Improvements and restore the premises as herein provided shall be returned to Lessee. This provision shall survive the expiration, cancellation or other early termination of this Lease.”<sup>1</sup>*

In the DLNR's Holdover of General Lease S-5731, some provisions appear to have been updated. Kaheawa Wind Power, LLC was required to furnish a bond valued at \$15,000,000 and did not specifically exclude the restoration of access roads. Article 4 of the holdover lease provides guidance on decommissioning and performance bonding and reads as follows:

*“4. That at the expiration or other early termination of this holdover, the Lessee shall: (a) remove all improvements from the premises described in General Lease No. S-5731, including but not limited to all wind turbine foundations, infrastructure and road, subsurface improvements, with no depth limitation, and restore the premises to its original natural condition, all to the satisfaction of the Lessor; and (b) peaceably deliver unto the Lessor possession of the premises in a clean and orderly condition. Furthermore, upon the expiration, termination, or revocation of this holdover, should the Lessee fail to remove any and all of Lessee's personal property from the premises, after notice thereof, the Lessor may remove any and all personal property from the premises and either deem the property abandoned and dispose of the property or place the property in storage at the cost and expense of Lessee, and the Lessee does agree to pay all costs and expenses for disposal, removal, or storage of the personal property. This provision shall survive the expiration or early termination of the holdover.*

*Lessee shall furnish a removal bond naming the Lessor as an obligee in the amount of FIFTEEN MILLION AND NO/100 DOLLARS (\$15,000,000.00) to ensure the removal of all of the improvements on the premises, including but not limited to all wind turbine foundations, infrastructure and road, subsurface improvements, with no depth limitation, and restoration of the premises its original natural condition to the satisfaction of the Lessor. This amount may be increased by the Lessor in its sole and absolute discretion based upon the completion of Lessor's cost assessment (that includes procuring construction and engineering consultants) for the removal of the aforesaid improvements which assessment shall be paid for by the Lessee. The term of the removal bond shall survive the early termination of this holdover.*

*It is understood that, except as provided herein, should there be any conflict between the terms of General Lease No. S-5731 as aforesaid amended and the terms of this Section 4 of the holdover, the terms and conditions of this Section 4 shall control and specifically to the removal requirements and the removal bond requirement herein.”<sup>2</sup>*

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<sup>1</sup> General Lease No. S-5731, dated January 19, 2005, between BLNR and KWP, as amended by Amendment of General Lease No. S-5731, dated March 11, 2005, by Amendment No. 2 of General Lease No. S-5731, dated July 15, 2005, and by Amendment No. 3 of General Lease No. S-5731, dated December 7, 2007.

<sup>2</sup> Holdover of General Lease No. S-5731, dated January 25, 2025, between BLNR and KWP

For context, the lease agreement that governs KWP-2, General Lease S-6003, was also written with the same \$1,500,000 removal bond requirement that was contained in KWP-1's General Lease S-5731.

One of the main outcomes, then, of this opinion of probable cost is to contemplate, describe, and recommend options to remove project facilities and restore land areas altered during the construction and operation of the wind project to its pre-development general condition and use as practicable.

## A.5 Project Location

The KWP-1 project site is located on land owned by the State of Hawai'i. Part of the parcel, however, was subdivided under a CPR regime governed by General Lease S-5731 to Kaheawa Wind Power, LLC. According to public records, the latest land survey information is attached in Appendix D.3 and the Tax Map Key (TMK) parcel information is shown in Figure A-1 below as follows:

Owner .....State of Hawai'i  
Parcel Number .....(2)4-8-001-001-0000  
Location Address.....Ukumehame, Lahaina, HI 96761  
Land Area (acres) .....1,387.71

Owner .....Kaheawa Wind Power, LLC, State of Hawai'i  
Parcel Number .....(2)4-8-001-001-6001  
Location Address.....Ukumehame, Lahaina, HI 96761  
Land Area (acres) .....200.00  
CPR .....Yes



**Figure A-1. Parcel (2)4-8-001-001-6001 location (Source : County of Maui Tax Parcel Viewer)**

And while the scope of this study is limited to Kaheawa Wind Power Phase I, access to the project site is located on another parcel of land owned by the State of Hawai‘i. According to public records, the latest land survey information is attached in Appendix D.4 and the Tax Map Key (TMK) parcel and CPR regime information are shown in Figure A-2 below as follows:

Owner ..... Kaheawa Wind Power II, LLC, State of Hawai‘i  
 Parcel Number ..... (2)3-6-001-014-0000  
 Location Address ..... 3000 Honoapi‘ilani Highway, Wailuku, HI 96793  
 Land Area (acres) ..... 3,413.99

Owner ..... Kaheawa Wind Power II, LLC, State of Hawai‘i  
 Parcel Number ..... (2)3-6-001-014-6001  
 Location Address ..... 3000 Honoapi‘ilani Highway, Wailuku, HI 96793  
 Land Area (acres) ..... 135.10  
 CPR ..... Yes

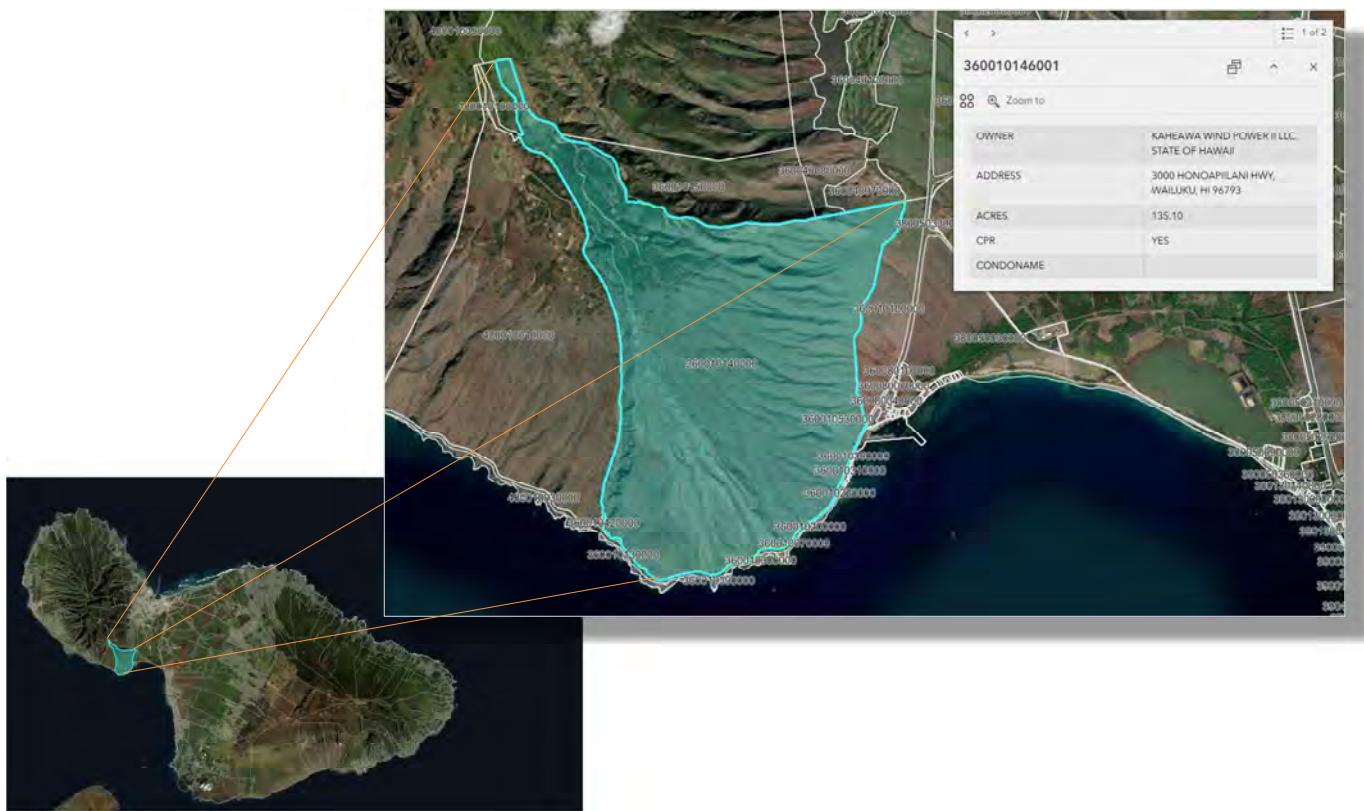


Figure A-2. Parcel (2)3-6-001-014-6001 location (Source : County of Maui Tax Parcel Viewer)

## A.6 Relevant Standards

- Association for the Advancement of Cost Engineering (AACE®) International Recommended Practice No. 34R-05 Basis of Estimate
- Association for the Advancement of Cost Engineering (AACE®) International Recommended Practice No. 18R-97 Cost Estimate Classification System – As Applied in Engineering, Procurement, and Construction for the Process Industries

## Section B - BASIS OF ESTIMATE

### B.1 Estimate Classification and Methodology

An objective of this study is to align the probability of costs to be consistent with a Class 3 Estimate Class according to the AACE's Cost Estimate Classification System. This level is primarily driven by the nature of this study, level of maturity in the project definition, and the uncertainty over when it may occur. Figure B-1 and Figure B-2 is taken from AACE® Recommended Practice 18R-07 and describes the nature of various Estimate Classes.

For Class 3 estimates in particular, the methodology generally involves more deterministic rather than parametric methods. They typically use unit cost line items, estimated quantities, and assembly level detail rather than individual components. However, multipliers may also be used for less significant areas of the project. Conversely, a contingency of 35 to 50 percent is typical for projects at this stage of scope definition.

ESTIMATE CLASS	MATURITY LEVEL OF PROJECT DEFINITION DELIVERABLES Expressed as % of complete definition	Secondary Characteristic		
		END USAGE Typical purpose of estimate	METHODOLOGY Typical estimating method	EXPECTED ACCURACY RANGE Typical variation in low and high ranges
Class 5	0% to 2%	Concept screening	Capacity factored, parametric models, judgment, or analogy	L: -20% to -50% H: +30% to +100%
Class 4	1% to 15%	Study or feasibility	Equipment factored or parametric models	L: -15% to -30% H: +20% to +50%
Class 3	10% to 40%	Budget authorization or control	Semi-detailed unit costs with assembly level line items	L: -10% to -20% H: +10% to +30%
Class 2	30% to 75%	Control or bid/tender	Detailed unit cost with forced detailed take-off	L: -5% to -15% H: +5% to +20%
Class 1	65% to 100%	Check estimate or bid/tender	Detailed unit cost with detailed take-off	L: -3% to -10% H: +3% to +15%

Figure B-1. AACE® RP 18R-07 Cost Estimate Classification Matrix (Source: AACE®)

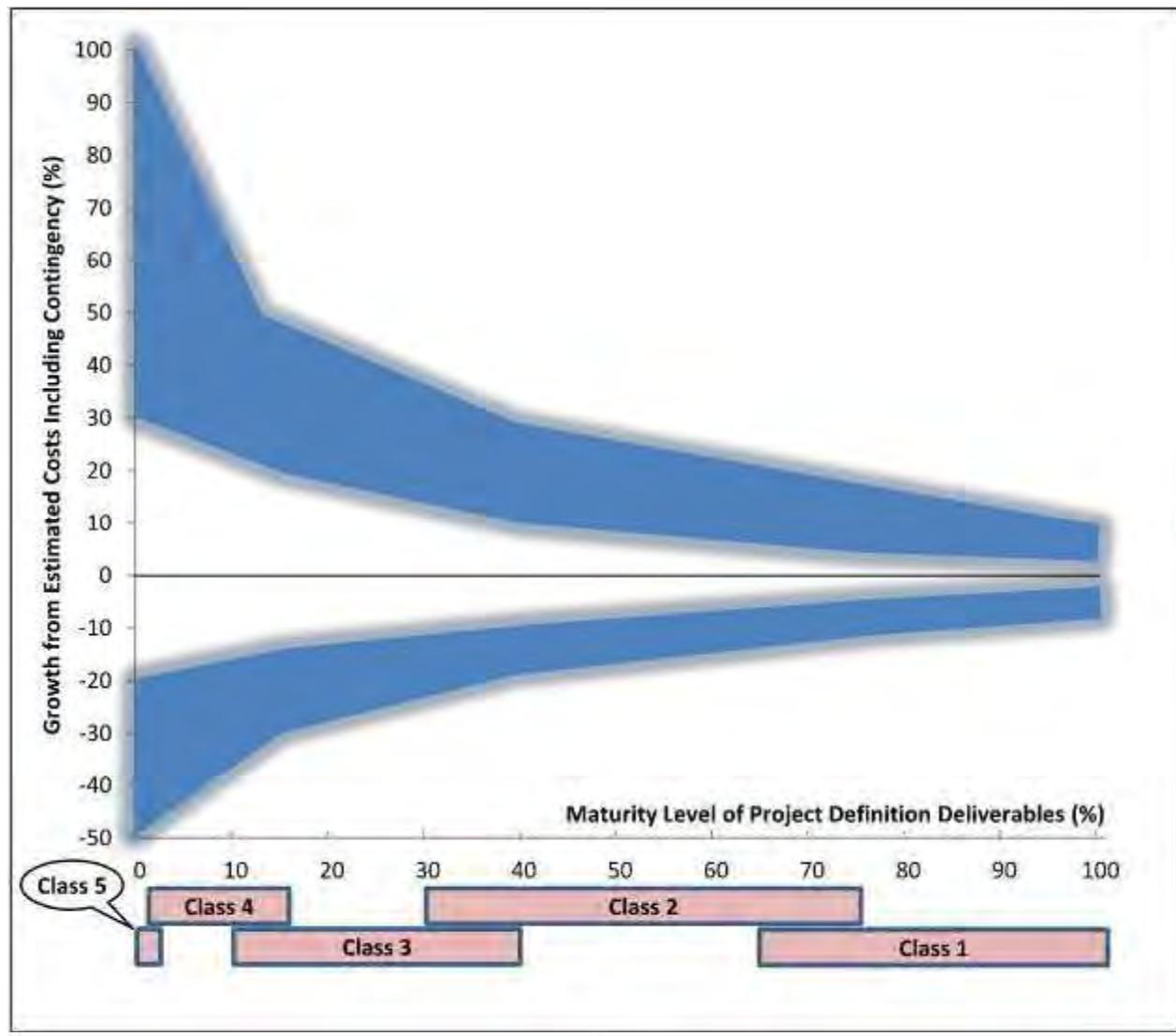


Figure B-2. Variability in Accuracy Ranges for Various Cost Estimate Classifications (Source: AACE®)

## B.2 Basis of Evaluation

The most distinguishing features of KWP-1 are its 20 Wind Turbine Generators. These, combined with the steep terrain of the project site, present some of the biggest challenges to decommissioning and refining probable decommissioning costs.

With a tower height of 180 feet and a turbine blade diameter of 231 feet, each wind turbine generator stands 296 feet tall. And because the tower, rotor, and nacelle weigh 71, 36, and 56 tons, respectively, very highly specialized equipment is needed for decommissioning.

However, it is the interdependence of the KWP-1 and KWP-2 operations that presents the biggest source of variation and uncertainty for this opinion of probable costs. According to Kaheawa Wind Power, LLC's

*Kaheawa Wind 1 Continued Use Project, Draft Environmental Impact Statement* that was submitted to the DLNR on August 2025, the authors state,

*“KWP 2 is a separate wind facility from KWP 1 – it is owned by KWP II LLC and has a separate state land lease (General Lease No. S-6003). Although KWP 1 and KWP 2 share some facilities, the two wind projects are separately permitted and have separate land entitlements. If KWP 1 were to be decommissioned prior to KWP 2, the shared facilities and access roads associated with KWP 2’s access and utility easements would remain and continue to be operated and maintained as part of the KWP 2 facility.”* (Emphasis Added)

Whether the existing leases, CPR regimes, or access easements would necessarily allow KWP-2 to operate with infrastructure constructed under KWP-1 is not clear nor part of the current evaluation. This study leaves those aspects to be validated separately. What is certain, however, is an acknowledgment by Kaheawa Wind Power LLC that,

- KWP-1, as originally constructed, is not completely separable from KWP-2
- KWP-2's continued operations rely on buildings and roadway infrastructure built in KWP-1

This interdependence between KWP-1 and KWP-2 makes it difficult to easily separate probable costs. The appropriate value for the required removal bond, then, would need to contemplate costs for all the combined facilities and then negotiate which parts should be included.

An evaluation on whether existing easements would allow KWP-2 to operate with facilities and infrastructure constructed under KWP-1 would start with the existing land survey. In particular, lease agreements for KWP-1 and KWP-2 are documented in H.S.S. Plat 1004-D and H.S.S. Plat 1004-J, respectively. These plat maps are attached in Appendix D.3 and D.4 and can be downloaded at <https://ags.hawaii.gov/survey/map-search/>. In particular, a review of the following easements would facilitate the evaluation:

- Non-Exclusive Access Easement 1 (Main Access Road)
- Non-Exclusive Access Easement A-1 (Main Access Road)
- Non-Exclusive Access Easement A-2 (Main Access Road)
- Non-Exclusive Access and Utility Easement AU-1-A (Access Road, WTG-8 to WTG-20)
- Non-Exclusive Access and Utility Easement AU-2 (Access Road, WTG-8 to WTG-20)
- Non-Exclusive Maintenance Building Easement A-A (O&M Building)
- Non-Exclusive Substation Easement B-1 (Access Road, Substation 2, BESS)
- Non-Exclusive Substation Easement C-1 (Access Road, Substation 2, BESS)
- Non-Exclusive Overhead Electrical Line Easement OE-1-A (O&M Building)
- Non-Exclusive Overhead Electrical Line Easement OE-2-A (KWP-2 Overhead Transmission Line)
- Non-Exclusive Overhead Electrical Line Easement OE-3-A (KWP-2 Overhead Transmission Line)

Further complicating matters is the presumption that the conditions for invoking the removal bond for KWP-1 would likely exist for KWP-2 as well even though KWP LLC and KWP II LLC are separate entities with separate agreements. These triggers could include such things as:

- Termination of the Power Purchase Agreement
- Natural Disaster (e.g. Hurricane, Wildfires)
- Abandonment of the Facility
- Breach of Contract
- Creditor Action or Judgment
- Regulatory Requirements
- Failure to Comply with Decommissioning Plan

For this reason, this study will organize, breakdown, and offer probable costs for the scenarios below and allow the State of Hawai‘i to decide the relevancy of costs:

- Option 1 – Probable Costs to Decommission KWP-1, Separable Parts Only (2025 dollars)
- Option 2 – Probable Costs to Decommission KWP-1, Separable Parts Only (2035 dollars)
- Option 3 – Probable Costs to Decommission KWP-1 & KWP-2 but no Access Roads (2035 dollars)
- Option 4 – Probable Costs to Decommission KWP-1, KWP-2, and all Access Roads (2035 dollars)

A summary of how the features constructed in each phase and how their decommissioning will be quantified in each of the options is summarized in Table B-1 below.

Kaheawa Wind Power Features and Infrastructure	Probable Cost Options		
	1, 2	3	4
<b>Constructed Under KWP-1</b>			
20 each General Electric (GE) 1.5-MW Wind Turbine Generators	●	●	●
34.5 kV Underground Electrical Collection Network Connecting all Turbines	●	●	●
Electrical Substation	●	●	●
69 kV Interconnection Facility and Switchgear to Connect to HECO Transmission Lines	●	●	●
175-foot Tall Meteorological Tower	●	●	●
Operations and Maintenance Building		●	●
KWP Main Access Road (3.5 miles)		●	
Access Road (WTG-1 to WTG-7) (0.6 miles)		●	
Access Road (WTG-8 to WTG-20) (1.3 miles)		●	
<b>Constructed Under KWP-2</b>			
14 each General Electric (GE) 1.5-MW Wind Turbine Generators	●	●	
34.5 kV Underground Electrical Collection Network Connecting all Turbines	●	●	
Meteorological Towers	●	●	
Electrical Substation	●	●	
69 kV Interconnection Facility and Switchgear to Connect to HECO Transmission Lines	●	●	
Overhead Collection Line Crossing 1,225 feet Over Manawainui Gulch	●	●	
Warehouse Building	●	●	
Battery Energy Storage System (BESS) and Building	●	●	

**Table B-1. Summary of Probable Costs Quantified Under Each Option**

### **B.2.1 Options 1 & 2 – Decommission the Separable Parts of KWP-1 Only**

In terms of scope, Options 1 & 2 quantify the probable costs consistent with the intent communicated by KWP LLC in its recently submitted Draft Environmental Impact Statement. In particular, Options 1 & 2 look at only the separable parts of the property and features installed under KWP-1 that could be removed without affecting the operations of KWP-2. These features include:

- 20 each General Electric (GE) 1.5-MW Wind Turbine Generators
- 34.5 kV Underground Electrical Collection Network Connecting all Turbines
- Electrical Substation
- 69 kV Interconnection Facility and Switchgear to Connect to HECO Transmission Lines
- Microwave Tower

The difference between Options 1 and 2, however, has to do with the time frame from which these costs are contemplated. Option 1 is presented in 2025 dollars and is intended to facilitate the negotiation of another Holdover Agreement. Option 2, on the other hand, is presented in 2035 dollars and is intended to facilitate the negotiation of a 20-year lease by anticipating costs 10 years into the future.

### **B.2.2 Option 3 – Decommission KWP-1 and KWP-2 But No Access Roads**

Recognizing that the conditions that would necessitate the decommissioning of KWP-1 under a performance or removal bond would likely necessitate the decommissioning of KWP-2 as well, Option 3 adds both the costs to decommission the balance of KWP-1 as well as the property and features installed under KWP-2. That is, Option 3 includes all of the Options 2 costs, respectively, is presented in 2035 dollars, and adds the following:

- 14 each General Electric (GE) 1.5-MW Wind Turbine Generators
- 34.5 kV Underground Electrical Collection Network Connecting all Turbines
- Electrical Substation
- 69 kV Interconnection Facility and Switchgear to Connect to HECO Transmission Lines
- 175-foot-Tall Meteorological Tower
- Overhead Collection Line Crossing 1,225 feet Over Manawainui Gulch
- Operations and Maintenance Building
- Warehouse Building
- Battery Energy Storage System (BESS) and Building

### **B.2.3 Option 4 – Decommission KWP-1, KWP-2, and all Access Roads**

The original General Lease S-5731 that was executed in 2005 specifically excluded the restoration of access roads. However, the one-year holdover lease doesn't. For this reason, Option 4 quantifies probable costs to restore access and service roads back to their original "Jeep Trails". In particular, Option 4 includes all the costs quantified under Option 2 and Option 3, respectively, is presented in 2035 dollars, and adds the costs to restore all of the access roads as follows:

- KWP Main Access Road (WTG-2-1 to WTG-2-14) (3.5 miles)
- Access Road (WTG-1 to WTG-7) (0.6 miles)
- Access Road (WTG-8 to WTG-20) (1.3 miles)

## B.3 Work Breakdown Structure (WBS)

For modularity, costs will be organized and broken down to major component costs. The intent is to facilitate the negotiation of an appropriate bond value based upon anticipated needs. In particular, a Work Breakdown Structure (WBS) was developed for this purpose and to support the quantification of cost Options 1, 2, 3, and 4 as follows:

- WBS 1.0.0 – General Requirements
- WBS 2.0.0 – Mobilization and Demobilization of Specialized Equipment
- WBS 3.0.0 – KWP-1 Decommissioning, Separable Parts Only
- WBS 4.0.0 – KWP-1 and KWP-2 Decommissioning
- WBS 5.0.0 – Roadway Restoration

### B.3.1 WBS 1.0.0 – General Requirements

The quantification of General Requirements seeks to examine costs required to plan, permit, and oversee the deconstruction and decommissioning of the Kaheawa Wind Power installation. In general, these costs are considered one-time fixed costs and will include:

- WBS 1.1.0 – Planning and Permitting
- WBS 1.2.0 – Project Management
- WBS 1.3.0 – Allowances

### B.3.2 WBS 2.0.0 – Mobilization and Demobilization of Specialized Equipment

Recognizing the need for very highly specialized and expensive equipment that doesn't reside in the State of Hawai'i, the quantification of mobilization and demobilization costs were broken out separately. This equipment is needed to reach the extended heights of the wind turbine generators, lift heavy/oversized loads, as well as traverse the steep terrains of the project site.

The costs are considered fixed if KWP-1 and KWP-2 are decommissioned at the same time. If the projects are decommissioned separately, however, the costs contemplated under WBS 2.0.0 would recur for each phase of the decommissioning. Among the equipment specifically identified include the following:

- WBS 2.1.0 – 1000T Crawler Crane with Lattice Boom
- WBS 2.2.0 – 150T All-Terrain Hydraulic Crane
- WBS 2.3.0 – 8x8 Heavy Equipment Transporter (HET)

- WBS 2.4.0 – Allowances

### **B.3.3 WBS 3.0.0 – KWP-1 Decommissioning, Separable Parts Only**

The probable costs associated with the decommissioning of KWP-1 involve only the separable parts only. That is, only the features of the KWP-1 project that can be removed without affecting the operation of KWP-2 are included in this WBS. These costs are consistent with KWP LLC’s intent should the removal of KWP-1 be necessary.

Some of aspects of the costs are considered variable since they are heavily influenced by the projected duration these activities will demand such as Equipment Rental and Per Diem Sustainment costs for deployed operators. The probable costs quantified were installed under this WBS will include:

- WBS 3.1.0 – Heavy Equipment Variable Rental Costs
- WBS 3.2.0 – Temporary Work Location Sustainment
- WBS 3.3.0 – Decommission 20 each Wind Turbine Generators (WTG)
- WBS 3.4.0 – Demolish and Remove Microwave Tower
- WBS 3.5.0 – Demolish and Remove Underground Electrical Collection System
- WBS 3.6.0 – Demolish and Remove Electrical Substation
- WBS 3.7.0 – Allowances

### **B.3.4 WBS 4.0.0 – KWP-1 and KWP-2 Decommissioning**

Probable costs for the deconstruction and decommissioning of shared infrastructure installed under KWP-1 and shared by KWP-2 are quantified under its own WBS. These probable costs will necessarily include structures installed under KWP-2 since the removal of any shared infrastructure will severely hinder KWP-2 operations if not render it inoperable. Similarly, any condition that would require invoking the removal/performance bond would likely apply to KWP-2 as well. The probable costs, then, associated with the removal of shared KWP-1 infrastructure as well as KWP-2 will include the following:

- WBS 4.1.0 – Heavy Equipment Variable Rental Costs
- WBS 4.2.0 – Temporary Work Location Sustainment (i.e. Per Diem)
- WBS 4.3.0 – Decommission 14 each Wind Turbine Generators (WTG)
- WBS 4.4.0 – Demolish and Remove Meteorological Tower
- WBS 4.5.0 – Demolish and Remove Underground Electrical Collection System
- WBS 4.6.0 – Demolish and Remove Overhead Electrical Collection System
- WBS 4.7.0 – Demolish and Remove Electrical Substation
- WBS 4.8.0 – Demolish and Remove O&M Building
- WBS 4.9.0 – Demolish and Remove Warehouse Building
- WBS 4.10.0 – Demolish and Remove BESS Building
- WBS 4.11.0 – Allowances

### B.3.5 WBS 5.0.0 – Roadway Restoration

The need and desire for restoring the compacted aggregate roadways installed under KWP-1 is not clear. While recognizing their utility for access to HECO's 69 kV overhead transmission lines, firefighting, and other uses, they do come at a cost. Anecdotal exchanges with knowledgeable sources point to imported aggregate making their way to the ocean during heavy storm events. For this reason, the probable costs to restore all roadways constructed during KWP-1 and utilized by KWP-2 are quantified under its own WBS for consideration. These costs include the following:

- WBS 5.1.0 – KWP-1 Service Road (WTG-1 to WTG-7)
- WBS 5.2.0 – KWP-1 Service Road (WTG-8 to WTG-20)
- WBS 5.3.0 – Main Access Road
- WBS 5.4.0 – Allowances

### B.4 Notional Decommissioning Schedule

The presumed timeline for decommissioning KWP-1 will depend on the extent of activities required by the State. Whether Option 1, 2, 3, or 4 of the proposed alternatives is selected, major drivers of time will include activities related to the following:

- Planning
- Mobilization
- WTG Deconstruction
- Hauling and Disposal
- Restoration.

For the various options being contemplated, notional timelines for what could be expected were developed and are summarized as follows:

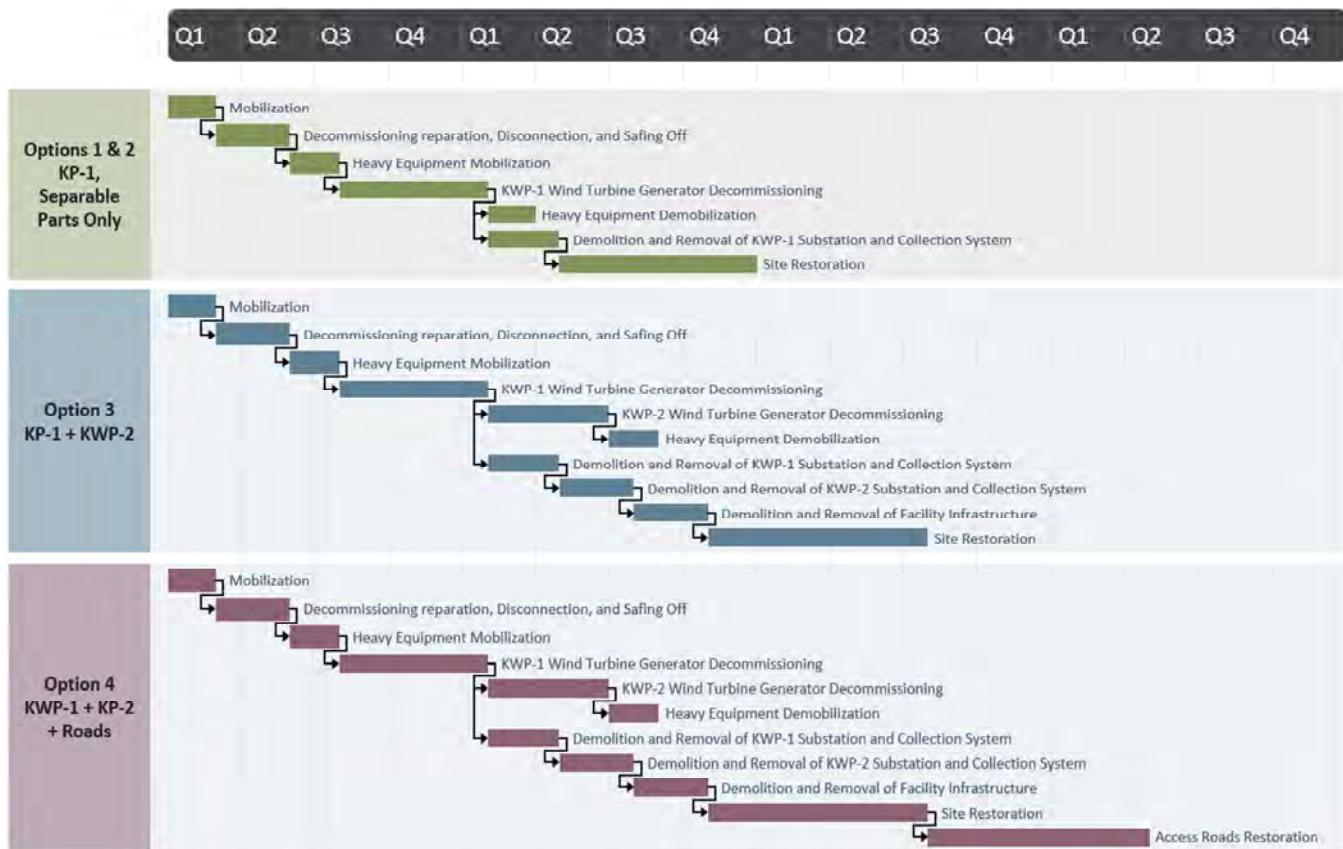
- Option 1 & 2 Duration – 24 Months
- Option 3 Duration – 31 Months
- Option 4 Duration – 40 Months

Associated timelines are shown in Figure B-3 and Appendix D.2.

Some of the noteworthy assumptions used to develop the timelines are as follows:

- Deconstruct Wind Turbine Generator – 10 days per WTG (or 200 days for KWP-1 and 140 days for KWP-2). While dismantling the actual WTG's themselves are expected to require only a couple of days, it is the movement of highly specialized equipment that will demand the most time. This is especially true for the 1,000-ton capacity crawler crane which will likely require full or partial disassembly of its 300-foot lattice boom and transportation of its counterweights and boom sections from one WTG pad to another.

- Specialized Equipment Mobilization/Demobilization – 6 weeks each way. The type of equipment needed to deconstruct the WTG's do not reside in the State of Hawai'i and must be mobilized from locations in the Continental U.S. Between 20 and 40 truckloads of oversized loads are required to be barged from a west coast port to Honolulu and then onto another barge to Kahului Harbor. Figure C-6 through Figure C-20 shows the process, equipment, and labor required to mobilize and assemble a 1000T Crawler Crane with Lattice Boom which can require 20 to 40 truckloads to carry boom sections, counter weights, crawler tracks, frame, and crane assembly.
- Site Restoration – 8 to 9 months. Successful site restoration activities rely on a minimum establishment period of 6 months for any native plant species. Other challenges include irrigation, the removal of imported aggregate, and the importation of relatively “native” soil.



**Figure B-3. Notional Kaheawa Wind Power Decommissioning Timelines**

## B.5 Decommissioning and Restoration Activities

The basis of this opinion of probable costs generally follows the intent communicated by KWP LLC in its filing of its *Kaheawa Wind 1 Continued Use Project, Draft Environmental Impact Statement* to the DLNR on

August 2025<sup>3</sup>. In it, KWP LLC describes its intended “Decommissioning and Restoration Activities” as follows:

*“Major activities required for decommissioning and restoration would typically occur in reverse order to the original construction activities and are listed below:*

- *Disassembly and removal of WTGs would include removal of the rotor (hub and blades) from the nacelle with a crane and turned horizontally and set on the ground. Once the turbine rotor has been removed, a crew and small crane would disassemble it into the hub and three loose turbine blades. When the rotor is disassembled, the blades would be sized for subsequent transport by trucks. The hub can also be removed once it is disassembled from the blades. Next, the nacelle would be removed from the top of the tower, followed by each portion of the tower. Turbine tower portions would be sized onsite for transport by trucks.*
- *Turbine foundations would be removed to a depth as specified by DLNR up to complete removal. The concrete would be reduced in size by excavator attachments and transported for disposal offsite. Concrete and steel would be hauled off-site. Foundations would be filled with reclaimed onsite cut and fill material, and if offsite material would be needed, native weed-free aggregate and soils would be utilized.*
- *Electrical collection system removal would be completed for above-ground structures and decommissioning in place for below-ground cables or otherwise required by DLNR.*
- *The O&M building and warehouse would be retained for KWP 2 facility use.*
- *Access roads would be removed only as required by and in accordance with lease agreement with DLNR. Access roads associated with the KWP 2 easements would be left for KWP 2 facility use. Road disturbances would be re-graded to original contours to the extent possible where cut and fill made recontouring feasible. Any roads left in place would become the responsibility of the DLNR or easement holder.*
- *Disturbed areas would be graded to preconstruction contours where feasible unless directed otherwise by DLNR or if doing so would present greater risk of environmental degradation via erosion or other mechanism.*
- *Revegetation of disturbed areas would be completed with approved native vegetation or pasture grass species to promote establishment of natural vegetation to extent possible.*
- *Recycling and disposal of materials, WTG components, and any hazardous and regulated materials and wastes would be conducted per applicable local, state, and federal regulations.*
- *Decommissioning and restoration would largely restore the visual and ecological character of the landscape and also remove effects on other environmental and public resources that may have occurred as a result of facility operations.*

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<sup>3</sup> Tetra Tech, Kaheawa Wind 1 Continued Use Project Draft Environmental Impact Statement, August 2025, p. xx

- *The Hawaiian Electric equipment located at the KWP 1 substation may be decommissioned based on Hawaiian Electric's future needs of the site. Prior to decommissioning/restoration, the Applicant would develop BMPs and a SWPPP to submit for a National Pollutant Discharge Elimination System (NPDES) permit and any other relevant permits and authorizations based on the anticipated disturbances for both demolition and ground disturbance required for component removal.*

*Decommissioning of the KWP 1 facility would generate vehicle and truck traffic on area roadways throughout the approximately 2-year decommissioning and restoration period. Most of these trips would be associated with employee commute trips to and from KWP 1 and with the delivery of decommissioning materials to off-site areas. During the decommissioning and restoration period, on-site employment is expected to average 40 workers on a typical maintenance day (60 workers on a peak day), which is estimated to generate an average of 40 round trip vehicle trips per day to and from the highway/access road intersection (60 round trip vehicle trips on a peak day). Most material, equipment, and decommissioning wastes would be transported via traditional sized transport trucks. The number of round-trip truck trips is anticipated to average 20 per day (50 trucks on a peak day). This would be an average of 20 round-trip truck trips (50 round-trip truck trips on a peak day) to and from the highway/access road. Peak decommissioning activities are not likely to occur more than six months out of the two-year decommissioning period. Nearly all vehicle and truck trips would occur during daytime, work hours (6:00 a.m. to 5:00 p.m.). Heavy or oversized loads may be required to transport some heavy equipment (i.e., cranes) and larger debris from WTG components. To accommodate heavy or oversized loads, a traffic management plan would be developed as needed, including detailed measures that would be implemented to avoid, minimize and mitigate potential impacts to the roadway network.*

*Heavy or oversized loads would be scheduled outside of peak traffic hours when practicable. No work is anticipated to be required in existing highway rights-of-ways to accommodate decommissioning, however the transport of large pieces of equipment may cause temporary traffic delays and may require traffic control measures to minimize disruption.”*

In general, this study takes no exceptions to KWP LLC's stated intent. The assumptions, durations, level of effort, and sequencing appear consistent with what would normally be expected to occur during decommissioning based on open-source government and industry information.

This study does, however, contemplate scenarios that would heavily affect the actual costs that might be incurred. Ultimately, the probable costs for decommissioning will depend on the risk tolerance acceptable to both the lessee and lessor.

For context, this study also contemplates probable costs to decommission KWP-2, the shared parts of KWP-1, as well as access roads.

## Section C - BASIS OF COSTS

### C.1 Allowances

Due to uncertainties involving the potential timing of any decommissioning project, validation of costs, and the scope of work, this study makes certain allowances regarding costs. In particular, allowances for Contingency and Escalation Costs will be included in each major WBS Summary.

#### C.1.1 Contingency Allowance

A 20% contingency allowance will be added to all costs quantified under each top-level WBS. Estimator judgment was used for the selection of the 20% value even though values up to 30% are common for a Class 3 estimate. These allowances are intended to account for such things as variations in material take-offs, constrained labor and equipment resourcing on Maui, geographic isolation, and uncertainties due to the unavailability of cost information.

#### C.1.2 Escalation Allowance

Recognizing that probable costs quantified using 2025 dollars may not accurately reflect costs beyond the present year, an allowance for costs escalated to a more realistic timeframe will be added to all costs quantified under each top-level WBS. For this study, that timeframe was arbitrarily chosen to be the mid-point of the 20-year lease renewal period even though a compelling argument could be made for costs to be escalated to the end of the period.

That is, this study seeks to contemplate removal costs 10 years from now using 2035 dollars. To accomplish that, escalation costs will be derived using 2 values: a) the Producer Price Index (PPI) and the b) 10-year escalation period.

For this study, a 3% PPI was used even though the average PPI for the last 3 years has been 3.7%. Similarly, the escalation period allows for costs at the halfway point in the 20-year lease period. 10-year escalation costs expressed as a percentage multiplier on calculated costs were added to all costs and contingencies as follows:

$$\text{Year 2035 Escalation Cost Multiplier} = \mathbf{34.4\%} = 3\% \text{ Growth Per Year for 10 Years} = (1.03)^{10}$$

Consideration, however, should be given to quantify costs at the end of the 20-year lease period. Should economic considerations or the equipment service life make the continuation of the wind turbine generator facility no longer viable beyond the next 20 years, decommissioning costs would need to be considered in 2045 dollars. In this case, the multiplier would rise exponentially to 80.6% and be calculated as follows:

$$\text{Year 2045 Escalation Cost Multiplier} = \mathbf{80.6\%} = 3\% \text{ Growth Per Year for 20 Years} = (1.03)^{20}$$

## C.2 Data Sources

Wherever possible, standard cost databases were utilized to establish unit costs. These sources include such online references as:

- R.S. Means
- Equipment Watch
- ScrapMonster.com
- Hawai'i Wage Rate Schedule Bulletin
- Estimator Judgment

Due to the highly specialized nature of the work, however, many of the costs had to be validated directly or by using anecdotal and/or open sources.

## C.3 Assumptions, Inclusions, and Exclusions

### C.3.1 General

In general, the approach for developing opinions of probable costs are summarized as follows:

- 2025 dollars were used in the development of the estimated costs. These were then adjusted to show what those costs would look like at the mid-point of the 20-year lease renewal period. That is, probable costs contemplate what might be encountered in 2035 after a decade of inflation.
- Inclement weather is expected to increase the duration of crane operations by 10%. These events could include wind speeds in excess of 20-25 mph and any rain events.
- No formal price quotes were obtained.
- Due to the size of the estimate, major WBS costs are rounded to the nearest \$10,000, unless otherwise noted.

### C.3.2 Labor Resourcing and Sustainment

With labor being some of the highest contributors of costs to this project, the following assumptions were made to develop labor cost projections:

- Costs assume the need for at least 3 contractors including a 1) general contractor specializing in site civil construction, a 2) demolition contractor responsible for deconstructing and dismantling the WTG's, and 3) an electrical contractor specializing in medium/high voltage primary distribution

for disconnecting conductors, “safing off” equipment, and draining fluids from electrical components.

- Costs assume the availability of local labor for the general contractor and electrical subcontractor only. However, costs also recognize the highly resource-constrained nature of Maui’s construction labor force. Local contractors are considered to be from the neighbor islands as well.
- Due to the highly specialized nature of the work and equipment involved, labor costs for the demolition subcontractor are assumed to cover outside crews. Sustainment costs for these outside crews are required and are quantified separately.
- Sustainment costs for crews operating highly specialized equipment are based on Per Diem rates developed by the U.S. Department of Defense. For this study, 2025 Department of Defense Joint Travel Regulations and policies were utilized for temporary duty (less than one year) on Maui. Sustainment costs include temporary lodging, meals, and incidentals.
- Crew complement for outside demolition crews are assumed to consist of 8 total personnel including a Crane Supervisor, Crane Operator, 2 Crane Riggers, Crane Signalman, Crane Mechanic, and 2 Assembly/Disassembly Crew.
- Labor costs assume a straight 40-hour work week and consistency with State of Hawai‘i Wage Rate Schedule Bulletins

### **C.3.3 Special Equipment**

Based on open-source information, the companies and equipment capable of executing the deconstruction and decommissioning the WTGs regularly perform this type of work. They use highly specialized equipment capable of traversing steep terrains, lifting the heavy loads, and hoisting it the required heights.

The logistical requirements for this highly specialized equipment are demanding. Because of their size, the mobilization of one crawler crane with lattice boom can require between 20 and 40 truckloads to progressively assemble and move. Figure C-5 through Figure C-20 shows how a typical mobilization and progressive assembly might occur.

Among the highly specialized pieces of equipment that this study used to develop costs are as follows:

- Wind Turbine Generator Dismantling – Costs for the 1000T Crawler Crane with Lattice Boom are based on a Liebherr LR 11000 (see Figure C-1). Mobilization is assumed to originate in the continental U.S., travel overland to a U.S. west coast port, arrive at the Port of Honolulu via ocean barge, and then transfer to another ocean barge to Kahului Harbor. The crawler crane will be used to dismantle the WTGs.
- Crane Assembly, Disassembly, and Heavy Lift Support Operations – Costs for the 150T All-Terrain Hydraulic Crane based on a Liebherr LTM 1150 (see Figure C-2). Mobilization is assumed to

originate in Honolulu and then travel by ocean barge to Kahului Harbor. Hydraulic crane will be used to load the components onto transport trucks and assemble/disassemble the crawler crane's lattice boom.

- All-Terrain Equipment Transport – Costs for the 8x8 Heavy Equipment Transporter (HET) are based on an Oshkosh M1070 (see Figure C-3). Mobilization is assumed to originate in the continental U.S., travel overland to a U.S. west coast port, arrive at the Port of Honolulu via ocean barge, and then transfer to another ocean barge to Kahului Harbor. The HET will be used to haul equipment up and down the Keheawa Ridge.
- All-Terrain Transport of Debris and Imported Soil – Costs for the 40T Articulated Dump Truck are based on a Caterpillar 740 (see Figure C-4). Designed to be operated on step grades and compacted aggregate roadways, an articulated dump truck is needed to haul demolition and aggregate debris down the Kaheawa Ridge. Local (or inter-island) mobilization is assumed.



**Figure C-1. Hawi Wind Farm, Liebherr LR11000 Crawler Crane Operations (Source: Buckner Heavy Lift)**



**Figure C-2. Kaheawa Wind Power, Liebherr LTM 1150 Crane Operations (Source: Mountain Crane)**



**Figure C-3. 8x8 Oshkosh M1070 Heavy Equipment Transporter (HET)**



**Figure C-4. Caterpillar 740 EJ Articulated Haul Truck**

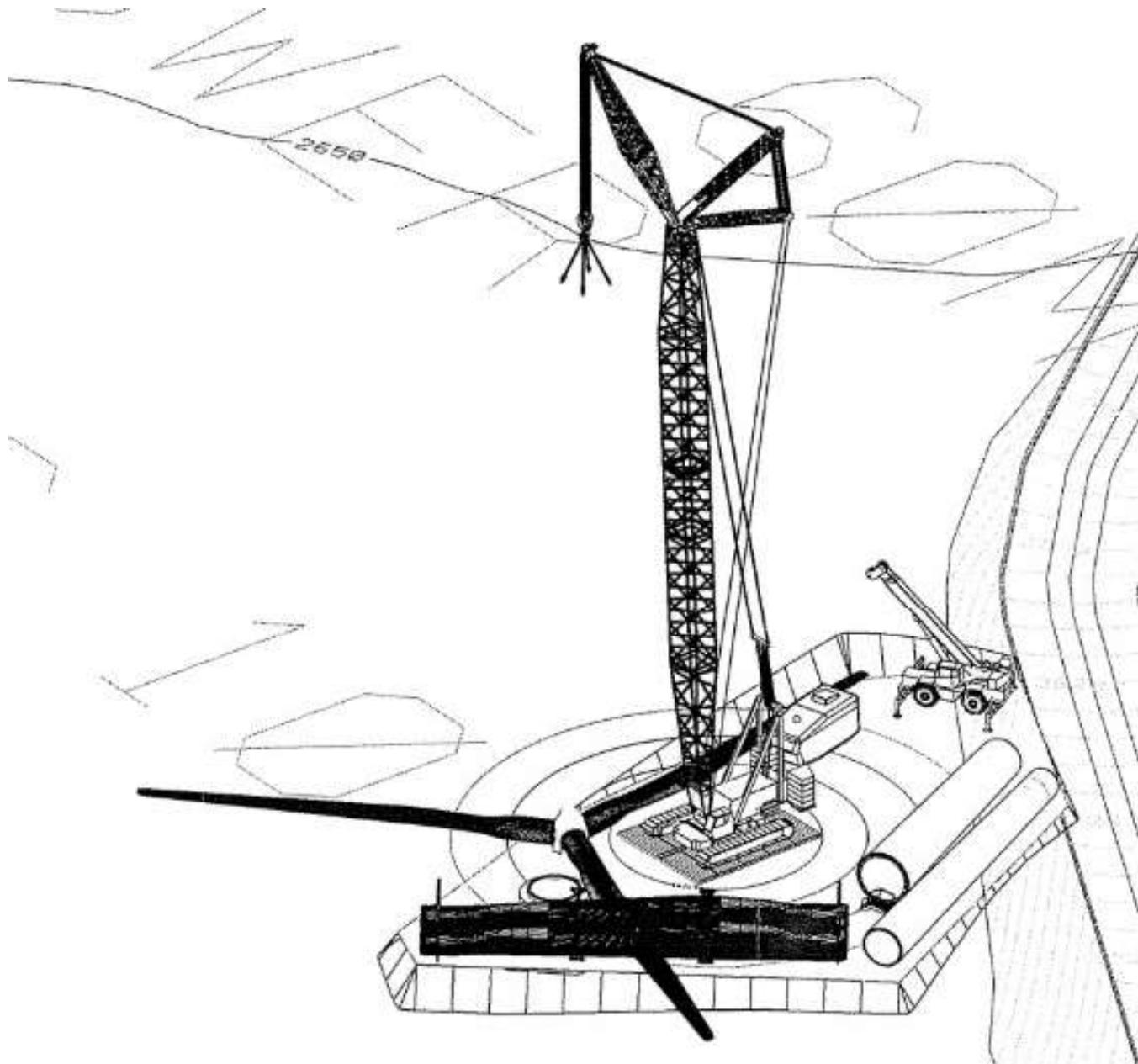


Figure C-5. Kaheawa Wind Turbine Assembly Plan (Source: Kaheawa Wind Turbine Erection Plan)



**Figure C-6. Assembly of Liebherr LR 11000 Crawler Crane (Source: Buckner Heavylift)**



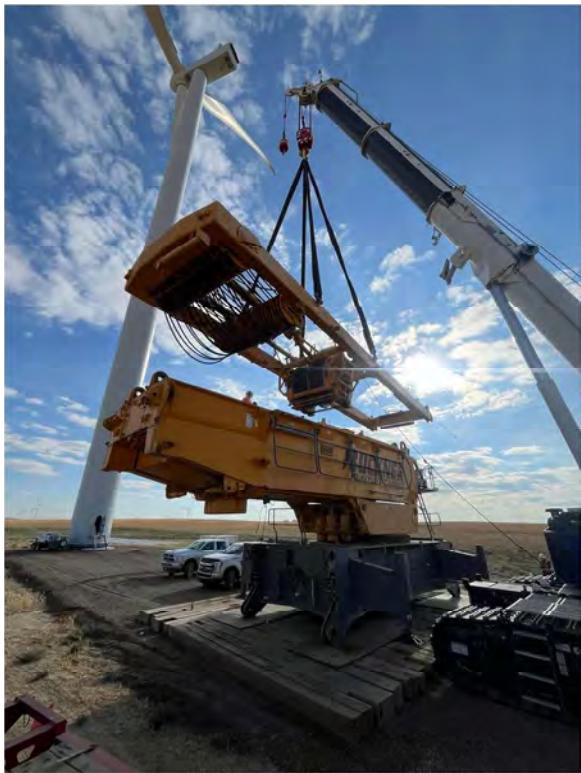
**Figure C-7. Assembly of Liebherr LR 11000 Crawler Crane (Source: Buckner Heavylift)**



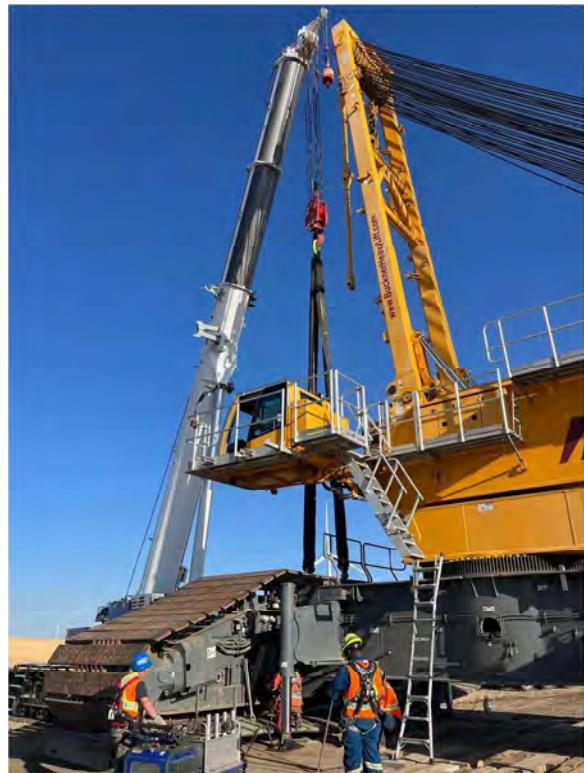
**Figure C-8. Assembly of Liebherr LR 11000 Crawler Crane (Source: Buckner Heavylift)**



**Figure C-9. Assembly of Liebherr LR 11000 Crawler Crane (Source: Buckner Heavylift)**



**Figure C-10. Assembly of Liebherr LR 11000 Crawler Crane (Source: Buckner Heavylift)**



**Figure C-11. Assembly of Liebherr LR 11000 Crawler Crane (Source: Buckner Heavylift)**



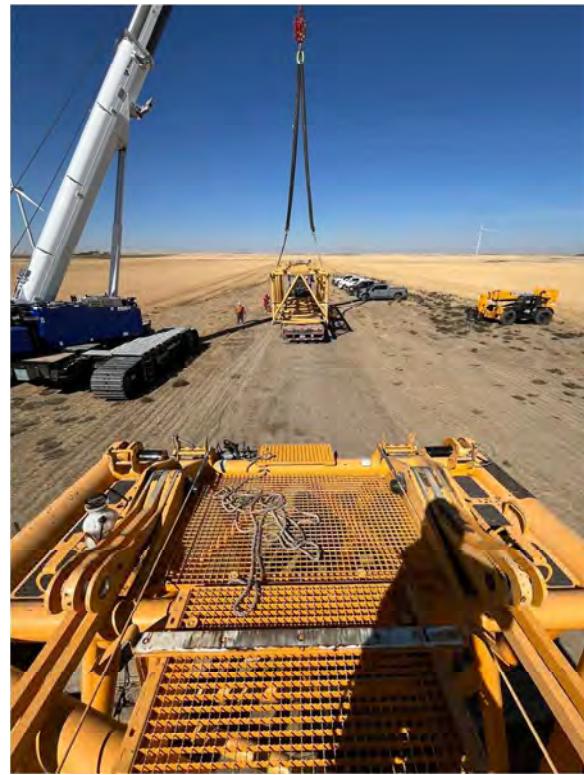
**Figure C-12. Assembly of Liebherr LR 11000 Crawler Crane (Source: Buckner Heavylift)**



**Figure C-13. Assembly of Liebherr LR 11000 Crawler Crane (Source: Buckner Heavylift)**



**Figure C-14. Assembly of Liebherr LR 11000 Crawler Crane (Source: Buckner Heavylift)**



**Figure C-15. Assembly of Liebherr LR 11000 Crawler Crane (Source: Buckner Heavylift)**



**Figure C-16. Assembly of Liebherr LR 11000 Crawler Crane (Source: Buckner Heavylift)**



**Figure C-17. Assembly of Liebherr LR 11000 Crawler Crane (Source: Buckner Heavylift)**



**Figure C-18. Assembly of Liebherr LR 11000 Crawler Crane (Source: Buckner Heavylift)**



**Figure C-19. Assembly of Liebherr LR 11000 Crawler Crane (Source: Buckner Heavylift)**



**Figure C-20. Assembly of Liebherr LR 11000 Crawler Crane (Source: Buckner Heavylift)**

### C.3.4 Wind Turbine Generators and Foundations

The decommissioning of WTG's presents unique challenges and various solutions. Among the assumptions made to deconstruct and decommission the WTGs are as follows:

- The expectation is that new crane pads will be needed for demolition and removal activities since the original pads were removed following initial construction.
- Crane equipment needed for the removal of the WTG blades, nacelle, and tower are sized for the capacity and reach of a General Electric (GE) 1.5se Wind Turbine Generator. It has a tower height of 180 feet and a turbine blade diameter of 231 feet for a total height of 296 feet. The tower, rotor, and nacelle weigh 71, 36, and 56 tons, respectively.
- The basis for the turbine removal crane is a Liebherr LR 11000 crawler crane with lattice boom. Due to its size, movement will likely require partial dismantling and reassembly between WTG pads.
- WTG rotor, nacelle and tower sections will be removed to ground level and broken up prior to removal off site.
- WTG Blades are constructed from fiberglass and cannot be recycled. The expectation is that WTG blades will be broken up and taken to the Central Maui Landfill for disposal. No salvage value is expected for these materials.
- WTG Towers are constructed of steel. Sections may be cut up on site and removed for salvage.
- WTG Nacelles are complex assemblies that contain both recyclable and non-recyclable materials. Except for its composite fairings, its internal power generation components are considered good candidates for either recycling or refurbishment. However, the costs and logistics required to transport WTG components back to the Continental U.S. may not make recycling feasible from a cost perspective. The assumption, then, is that the majority of the WTG components will be broken up and sent to either scrap yards or solid waste landfills.
- WTG spread footings (i.e. foundations) were constructed using 328 CY of 5,000 psi reinforced concrete. The minimum required excavation for the 52' x 52' x 12' footing is 1,202 CY. Assuming a 35% swell factor, the volume of concrete and soil debris its removal is expected to produce is around 1,622 CY. No dewatering or shoring is included or expected to be required for the removal of WTG foundations and structures.



**Figure C-21. General Electric 1.5se Wind Turbine Generators on Kaheawa Ridge**



**Figure C-22. Typical Wind Turbine Spread Footing (Source: <https://www.windsystemsmag.com>)**

### C.3.5 Electrical Collection System

The electrical collection system connects all of the WTG's together with the electrical substation and switchgear. Its construction is not considered complex or challenging to remove. Some assumptions used in the development of costs include the following:

- Electric conductors are assumed to primarily consist of 500 MCM Direct Burial cable located approximately 3 feet below finish grade. Made from Aluminum, the weight of the conductors is assumed to be 0.6 lbs. per LF for recycling purposes.
- Originally constructed in 2005, dielectric fluids from the 600V to 35.5 kV step up transformers at each WTG and the 34.5 kV to 69 kV step up transformer at the substation are assumed to be free from PCB's or similar hazardous materials. Standard disposal protocols are assumed.
- The switchgear attached to the facility substation is owned by HECO<sup>4</sup>. The assumption is that electrical equipment will be removed back to HECO for reuse or disposal. However, perimeter fencing materials and structural supports are assumed to be sent for disposal or scrapping.

<sup>4</sup> Public Utilities Commission, Power Purchase Agreement between Maui Electric Company Limited and Kaheawa Wind Power LLC, Docket 04-0365-001, March 18, 2005

- The substation footprint requiring restoration is assumed to be approximately 190' x 140'.

### **C.3.6 Buildings**

Assumptions made concerning the demolition of project facilities are as follows:

- All buildings are assumed to be Pre-Engineered Metal Buildings with concrete slab on grade foundations. The volume of debris generated from this type of building demolition is assumed to be 12 lbs. per CF.
- The footprint of the O&M Building is assumed to be approximately 50'x70' with a 20' high roofline.
- The footprint of the Warehouse Building is assumed to be approximately 60'x80' with a 20' high roofline.
- The footprint of the BESS Building is assumed to be approximately 91'x93' with a 20' high roofline.

### **C.3.7 Access Roads**

Access Roads assumptions used for cost development are as follows:

- The removal of compacted aggregate roads assume construction according to design drawings. That is, the access roads are assumed to comprise of a 6-inch layer of base course stretched across a 20-foot-wide roadway. Around 10 CF per linear foot of aggregate debris is expected to be generated from removal activities.
- The length of the Main Access Road, KWP-1 Service Road (WTG-1 to WTG-7), and KWP-1 Service Road (WTG-8 to WTG-20) was estimated to be 3.5, 0.6, and 1.3 miles, respectively. The lengths were derived using a combination of easement acreage quantities and open-source mapping applications.

### **C.3.8 Site Restoration**

Assumptions used for the development of site restoration activities are as follows:

- Soils for fill and topsoil restoration will be conditioned and purchased offsite and trucked in by the site restoration contractor. Imported soil volumes assume a 35% swell factor and a need for 40% additional fill materials to return improved areas back to their original grade and unimproved condition.

- Any surrounding unexcavated areas compacted by equipment used in the decommissioning process will be tilled in a manner adequate to restore the topsoil and subgrade material to the density of the surrounding area.
- Costs for the replanting of native plant species are estimated at \$105 per shrub. The unit cost to plant a shrub was initially taken from R.S. Means and then adjusted for the need to source, pre-grow, and irrigate shrubs well in advance of planting at the project site. Costs also assume a sparse spacing at 5,445 shrubs per acre (about 3 feet apart).
- The assumption is that one or more of the large holes created by the excavation and demolition of one of wind turbine generators could be temporarily lined and utilized as an open reservoir to store irrigation water. The removal of a WTG footing will make a 52' x 52' x 12' hole which can hold roughly 9,000 gallons. The costs also assume the availability of R-1 water from the Lahaina Wastewater Reclamation Facility which could be trucked in. If the proposed R-1 Water Line extension to South Maui gets installed, costs could be minimized.
- Areas to be replanted with native plant species include WTG pads, tower pads, building footprints (i.e. O&M, Warehouse, and BESS), and building parking/staging areas.
- Areas excluded from the replanting of native plant species include access roads only. These areas will be left to exist as “Jeep Trails”.

### **C.3.9 Hauling, Disposal, and Recycling**

Demolition and decommissioning materials handling and dispositioning assumptions were made as follows:

- Items assumed to be removed for scrap include WTG towers steel, substation structural steel, concrete reinforcing steel, and electrical conductors.
- Items assumed to be removed for disposal include fiberglass WTG blades, concrete, aggregates, and demolition debris.
- Items assumed to be removed for recycling include electrical components such as HECO switchgear, transformers, motor control centers, control panels, and generators.
- Demolition debris is assumed to weigh 1.5 tons per CY including crushed concrete and aggregate debris.
- Due to steep terrains, the use of an articulated haul truck similar to a Caterpillar 740 (40T capacity per load) will be needed to haul demolition debris to a staging location adjacent the Honoapi‘ilani Highway. It can then be loaded onto Super Dump Trucks (25T capacity per load) for removal to scrap or solid waste disposal.

- Demolition debris is expected to be sent to the County of Maui's Central Maui Landfill. Using Super Dump truck with a hauling capacity of 25T per load, the assumption is that the 22-mile roundtrip distance can be made 4 times daily.
- Scrap material will be dismantled into transportable sizes. The transportation cost for removal from the site storage area to a scrap dealer having the capability to process the scrap into smaller pieces is included in the estimate.
- Tipping fees at the County of Maui's Central Maui Landfill are currently \$121 per ton of construction waste. These fees do not include hauling fees.

## C.4 Cost Summary

Expenses and revenues associated with decommissioning will be dependent on the preferred option selected. If just the separable parts of the KWP-1 project are to be quantified, costs for Options 1 or 2 should be used. If the conditions necessitating the removal of KWP-1 will also apply to KWP-2, then the costs for Option 3 should be used. And if the desire is to remove all improvements and property and restore all the lands back to their original condition, Option 4 should be used.

Summary findings for each Cost Option are summarized in the following sections.

#### C.4.1 Cost Summary, Option 1 – Decommission KWP-1, Separable Parts Only (2025 Dollars)

A summary of costs organized by WBS for Option 1 is shown in Table C-1 below. The costs do not include any allowances for future (or escalation) costs.

OPTION 1 - DECOMMISSION KWP-1, SEPARABLE PARTS ONLY (2025 DOLLARS)			
WBS	Description	Subtotal	Subtotal
<b>TOTAL DIRECT, INDIRECT, AND ADJUSTMENT COSTS</b>			<b>\$33,700,000</b>
<b>1.0.0</b>	<b>General Requirements</b>		<b>\$2,270,000</b>
1.1.0	Planning and Permitting	\$390,000	
1.2.0	Project Management	\$1,500,000	
1.3.0	Allowances	\$378,000	
<b>2.0.0</b>	<b>Mobilization and Demobilization of Specialized Equipment</b>		<b>\$5,180,000</b>
2.1.0	1000T Crawler Crane	\$4,140,000	
2.2.0	150T Hydraulic Crane	\$58,000	
2.3.0	8x8 Heavy Equipment Transporter (HET)	\$115,000	
2.4.0	Allowances	\$862,600	
<b>3.0.0</b>	<b>KWP-1 Decommissioning, Separable Parts Only</b>		<b>\$26,250,000</b>
3.1.0	Heavy Equipment Variable Rental Costs	\$8,739,500	
3.2.0	Temporary Work Location Sustainment	\$892,320	
3.3.0	Decommission 20 each Wind Turbine Generators (WTG)	\$11,309,950	
3.4.0	Demolish and Remove Microwave Tower	\$31,500	
3.5.0	Demolish and Remove Underground Electrical Collection System	\$76,053	
3.6.0	Demolish and Remove Electrical Substation	\$821,802	
3.7.0	Allowances	\$4,374,225	

**Table C-1 Option 1 – Breakdown of Probable Costs to Decommission KWP-1, Separable Parts Only (2025 Dollars)**

Some of the noteworthy contributors to the overall decommissioning costs under Option 1 are summarized below:

Option 1 Total Probable Costs .....	(100%)	\$33,700,000
Option 1 Net Cost Per Wind Turbine Generator (20 each) .....	\$1,685,000	
Planning, Permitting, and Management .....	(5.6%)	\$1,890,000
Equipment Mobilization .....	(12.8%)	\$4,313,000
KWP-1 Decommissioning Activities .....	(64.9%)	\$21,871,125
Heavy Equipment Rental (200 days) .....	(25.9%)	\$8,739,500
Temporary Work Location Sustainment (200 days) .....	(2.6%)	\$892,320
Revegetation with Native Plant Species .....	(18.0%)	\$6,066,002
Contingency .....	(16.7%)	\$5,614,825

## C.4.2 Cost Summary, Option 2 – Decommission KWP-1, Separable Parts Only (2035 Dollars)

A summary of costs organized by WBS for Option 2 is shown in Table C-2 below. Allowances were added to the totals to account for future (or escalation) costs at the midpoint of the lease period (2035).

OPTION 2 - DECOMMISSION KWP-1, SEPARABLE PARTS ONLY (2035 DOLLARS)			
WBS	Description	Subtotal	Subtotal
<b>TOTAL DIRECT, INDIRECT, AND ADJUSTMENT COSTS</b>			<b>\$45,280,000</b>
<b>1.0.0</b>	<b>General Requirements</b>		<b>\$3,050,000</b>
1.1.0	Planning and Permitting	\$390,000	
1.2.0	Project Management	\$1,500,000	
1.3.0	Allowances	\$1,158,002	
<b>2.0.0</b>	<b>Mobilization and Demobilization of Specialized Equipment</b>		<b>\$6,960,000</b>
2.1.0	1000T Crawler Crane	\$4,140,000	
2.2.0	150T Hydraulic Crane	\$58,000	
2.3.0	8x8 Heavy Equipment Transporter (HET)	\$115,000	
2.4.0	Allowances	\$2,642,574	
<b>3.0.0</b>	<b>KWP-1 Decommissioning, Separable Parts Only</b>		<b>\$35,270,000</b>
3.1.0	Heavy Equipment Variable Rental Costs	\$8,739,500	
3.2.0	Temporary Work Location Sustainment	\$892,320	
3.3.0	Decommission 20 each Wind Turbine Generators (WTG)	\$11,309,950	
3.4.0	Demolish and Remove Microwave Tower	\$31,500	
3.5.0	Demolish and Remove Underground Electrical Collection System	\$76,053	
3.6.0	Demolish and Remove Electrical Substation	\$821,802	
3.7.0	Allowances	\$13,400,431	

**Table C-2 Option 2 – Breakdown of Probable Costs to Decommission KWP-1, Separable Parts Only (2035 Dollars)**

Some of the noteworthy contributors to the overall decommissioning costs under Option 2 are summarized below:

Option 2 Total Probable Costs .....	(100%)	\$45,280,000
Option 2 Net Cost Per Wind Turbine Generator (20 each) .....		\$2,264,000
Planning, Permitting, and Management .....	(4.2%)	\$1,890,000
Equipment Mobilization .....	(9.5%)	\$4,313,000
KWP-1 Decommissioning Activities .....	(48.3%)	\$21,871,125
Heavy Equipment Rental (200 days) .....	(19.3%)	\$8,739,500
Temporary Work Location Sustainment (200 days) .....	(2.0%)	\$892,320
Revegetation with Native Plant Species .....	(13.4%)	\$6,066,002
Contingency .....	(12.4%)	\$5,614,825
Mid-Period Escalation .....	(25.6%)	\$11,586,182

### C.4.3 Cost Summary, Option 3 – Decommission KWP-1 and KWP-2 but No Access Roads (2035 Dollars)

A summary of costs organized by WBS for Option 3 is shown in Table C-3 below. Allowances were added to the totals to account for future (or escalation) costs at the midpoint of the lease period (2035).

OPTION 3 - DECOMMISSION KWP-1 AND KWP-2 BUT NO ACCESS ROADS (2035 DOLLARS)			
WBS	Description	Subtotal	Subtotal
<b>TOTAL DIRECT, INDIRECT, AND ADJUSTMENT COSTS</b>			<b>\$74,540,000</b>
<b>1.0.0</b>	<b>General Requirements</b>		<b>\$3,050,000</b>
1.1.0	Planning and Permitting	\$390,000	
1.2.0	Project Management	\$1,500,000	
1.3.0	Allowances	\$1,158,002	
<b>2.0.0</b>	<b>Mobilization and Demobilization of Specialized Equipment</b>		<b>\$6,960,000</b>
2.1.0	1000T Crawler Crane	\$4,140,000	
2.2.0	150T Hydraulic Crane	\$58,000	
2.3.0	8x8 Heavy Equipment Transporter (HET)	\$115,000	
2.4.0	Allowances	\$2,642,574	
<b>3.0.0</b>	<b>KWP-1 Decommissioning, Separable Parts Only</b>		<b>\$35,270,000</b>
3.1.0	Heavy Equipment Variable Rental Costs	\$8,739,500	
3.2.0	Temporary Work Location Sustainment	\$892,320	
3.3.0	Decommission 20 each Wind Turbine Generators (WTG)	\$11,309,950	
3.4.0	Demolish and Remove Microwave Tower	\$31,500	
3.5.0	Demolish and Remove Underground Electrical Collection System	\$76,053	
3.6.0	Demolish and Remove Electrical Substation	\$821,802	
3.7.0	Allowances	\$13,400,431	
<b>4.0.0</b>	<b>KWP-1 and KWP-2 Decommissioning</b>		<b>\$29,260,000</b>
4.1.0	Heavy Equipment Variable Rental Costs	\$5,902,000	
4.2.0	Temporary Work Location Sustainment	\$624,624	
4.3.0	Decommission 14 each Wind Turbine Generators (WTG)	\$7,917,449	
4.4.0	Demolish and Remove Meteorological Tower	\$31,500	
4.5.0	Demolish and Remove Underground Electrical Collection System	\$46,885	
4.6.0	Demolish and Remove Overhead Electrical Collection System	\$278,417	
4.7.0	Demolish and Remove Electrical Substation	\$821,802	
4.8.0	Demolish and Remove O&M Building	\$621,088	
4.9.0	Demolish and Remove Warehouse Building	\$740,740	
4.10.0	Demolish and Remove BESS Building	\$1,161,163	
4.11.0	Allowances	\$11,117,844	

**Table C-3 Option 3 – Breakdown of Probable Costs to Decommission KWP-1 and KWP-2 But No Access Roads (2035 Dollars)**

Some of the noteworthy contributors to the overall decommissioning costs under Option 3 are summarized below:

Option 3 Total Probable Costs .....	(100%)	\$74,540,000
Option 3 Net Cost Per Wind Turbine Generator (34 each) .....		\$2,192,353
Planning, Permitting, and Management .....	(2.5%)	\$1,890,000
Equipment Mobilization .....	(5.8%)	\$4,313,000
KWP-1 & KWP-2 Decommissioning Activities .....	(53.7%)	\$40,016,791
Heavy Equipment Rental (340 days) .....	(19.6%)	\$14,641,500
Temporary Work Location Sustainment (340 days) .....	(2.0%)	\$1,516,944
Revegetation with Native Plant Species .....	(14.9%)	\$11,102,899
Contingency .....	(12.4%)	\$9,243,958
Mid-Period Escalation .....	(25.6%)	\$19,074,892

#### C.4.4 Cost Summary, Option 4 – Decommission KWP-1 and KWP-2 but No Access Roads (2035 Dollars)

A summary of costs organized by WBS for Option 4 is shown in Table C-4 below. Allowances were added to the totals to account for future (or escalation) costs at the midpoint of the lease period (2035).

OPTION 4 - DECOMMISSION KWP-1, KWP-2, AND ALL ACCESS ROADS (2035 DOLLARS)			
WBS	Description	Subtotal	Subtotal
<b>TOTAL DIRECT, INDIRECT, AND ADJUSTMENT COSTS</b>			<b>\$89,610,000</b>
<b>1.0.0</b>	<b>General Requirements</b>		<b>\$3,050,000</b>
1.1.0	Planning and Permitting	\$390,000	
1.2.0	Project Management	\$1,500,000	
1.3.0	Allowances	\$1,158,002	
<b>2.0.0</b>	<b>Mobilization and Demobilization of Specialized Equipment</b>		<b>\$6,960,000</b>
2.1.0	1000T Crawler Crane	\$4,140,000	
2.2.0	150T Hydraulic Crane	\$58,000	
2.3.0	8x8 Heavy Equipment Transporter (HET)	\$115,000	
2.4.0	Allowances	\$2,642,574	
<b>3.0.0</b>	<b>KWP-1 Decommissioning, Separable Parts Only</b>		<b>\$35,270,000</b>
3.1.0	Heavy Equipment Variable Rental Costs	\$8,739,500	
3.2.0	Temporary Work Location Sustainment	\$892,320	
3.3.0	Decommission 20 each Wind Turbine Generators (WTG)	\$11,309,950	
3.4.0	Demolish and Remove Microwave Tower	\$31,500	
3.5.0	Demolish and Remove Underground Electrical Collection System	\$76,053	
3.6.0	Demolish and Remove Electrical Substation	\$821,802	
3.7.0	Allowances	\$13,400,431	
<b>4.0.0</b>	<b>KWP-1 and KWP-2 Decommissioning</b>		<b>\$29,260,000</b>
4.1.0	Heavy Equipment Variable Rental Costs	\$5,902,000	
4.2.0	Temporary Work Location Sustainment	\$624,624	
4.3.0	Decommission 14 each Wind Turbine Generators (WTG)	\$7,917,449	
4.4.0	Demolish and Remove Meteorological Tower	\$31,500	
4.5.0	Demolish and Remove Underground Electrical Collection System	\$46,885	
4.6.0	Demolish and Remove Overhead Electrical Collection System	\$278,417	
4.7.0	Demolish and Remove Electrical Substation	\$821,802	
4.8.0	Demolish and Remove O&M Building	\$621,088	
4.9.0	Demolish and Remove Warehouse Building	\$740,740	
4.10.0	Demolish and Remove BESS Building	\$1,161,163	
4.11.0	Allowances	\$11,117,844	
<b>5.0.0</b>	<b>Roadway Restoration</b>		<b>\$15,070,000</b>
5.1.0	KWP-1 Service Road (WTG-1 to WTG-7)	\$445,206	
5.2.0	KWP-1 Service Road (WTG-8 to WTG-20)	\$1,075,623	
5.3.0	Main Access Road (WTG-2-1 to WTG-2-14)	\$7,823,674	
5.4.0	Allowances	\$5,725,374	

**Table C-4 Option 4 – Breakdown of Probable Costs to Decommission KWP-1, KWP-2, and All Access Roads (2035 Dollars)**

Some of the noteworthy contributors to the overall decommissioning costs under Option 4 are summarized below:

Option 4 Total Probable Costs .....	(100%)	\$89,610,000
Option 4 Net Cost Per Wind Turbine Generator (34 each) .....		\$2,635,000
Planning, Permitting, and Management .....	(2.1%)	\$1,890,000
Equipment Mobilization .....	(4.8%)	\$4,313,000
Decommissioning Activities .....	(55.1%)	\$49,361,294
Heavy Equipment Rental (340 days) .....	(16.3%)	\$14,641,500
Temporary Work Location Sustainment (340 days) .....	(1.7%)	\$1,516,944
Revegetation with Native Plant Species .....	(12.4%)	\$11,102,899
Access Roads Restoration .....	(10.4%)	\$9,344,503
Contingency .....	(12.4%)	\$11,112,859
Mid-Period Escalation .....	(25.6%)	\$22,931,365

## C.5 Validation

There is a recognition that the findings of this study vary significantly from both open source governmental and industry estimates to decommission other Wind Turbine Generators projects. As an example, Table C-5 was taken from a report published by the Center for Rural Affairs<sup>5</sup> that contemplates decommissioning costs for as low as \$56,923 and as high as \$285,555 per wind turbine.

Location	Year	Net cost per turbine (USD)*	Number of turbines in wind project
Nobles County, Minnesota	2021	\$285,555	134
Mitchell, South Dakota	2021	\$139,928	108
Brookings and Deuel counties, South Dakota	2021	\$103,529	105
Lee County, Illinois	2021	\$58,300	30
Washington County, Maine	2022	\$56,923	13

**Table C-5. Estimated cost comparison of five wind decommission projects (Source: Center for Rural Affairs)**

By comparison, the range of decommissioning costs per wind turbine in this study was found to range from \$1,764,000 to \$2,635,000 depending on the cost option chosen. This large inconsistency from the available body of research and studies would seem to raise questions about the validity of this study's findings.

Some aspects of this project, however, necessarily make the situation at KWP-1 and KWP-2 unique among other projects. A comparison, then, with other projects and studies may be misleading. Some key differences that warrant consideration when making any kind of comparison include the following:

<sup>5</sup> Cora Hoffer, Decommissioning Wind Energy Systems Resource Guide, Center for Rural Affairs, June 2024, p. 6

- **Contingency** – A 20% multiplier was applied to all costs as a means for accounting for uncertainties. It is unclear whether most, if not all, the published studies account for nor apply a multiplier for contingency purposes.
- **Escalation Costs** – A 34.4% multiplier was applied to all costs and contingencies to contemplate project costs at the mid-point of the 20-year lease period (or the year 2035). Again, it is unclear whether most, if not all, the published studies account for nor apply a multiplier for escalation costs.
- **Authorial Bias** – A very large body of the available open-source decommissioning cost studies were themselves commissioned by wind energy companies which could be a source of bias for lower costs.
- **Geographic Isolation** – Construction costs on Maui are necessarily going to be higher than comparable projects in the Continental U.S. due to its remote location and unique economic challenges. This adds an extraordinary amount of costs and uncertainty for equipment mobilization and sustainment of personnel that would not normally be experienced anywhere else.
- **Highly Constrained Labor Resources** – The construction labor force on Maui is currently experiencing unprecedented demand for resources to rebuild fire damaged areas. Anecdotal data point to costs being 2 to 3 times higher than they were prior to the wildfires that destroyed 2,207 structures in Lahaina on August 8, 2023.
- **Environmental Restoration** – Site civil construction activities and the replanting of native plant species costs account for 12% to 17% of the overall costs being contemplated. Revegetation of disturbed areas are perceived to be very demanding due to many factors including the steep terrain, volume of imported fill materials, and irrigation. In particular, there are no perennial streams or wetlands in the project area so water for irrigation is presumed to be limited. Drought conditions and inherent water system difficulties related to high elevations also add to the difficulties in supporting an establishment period for replanting activities. There is a strong likelihood that only R-1 water may be available for irrigation purposes that has to be trucked in from the Lahaina Water Reclamation Facility.

## Section D - APPENDIX

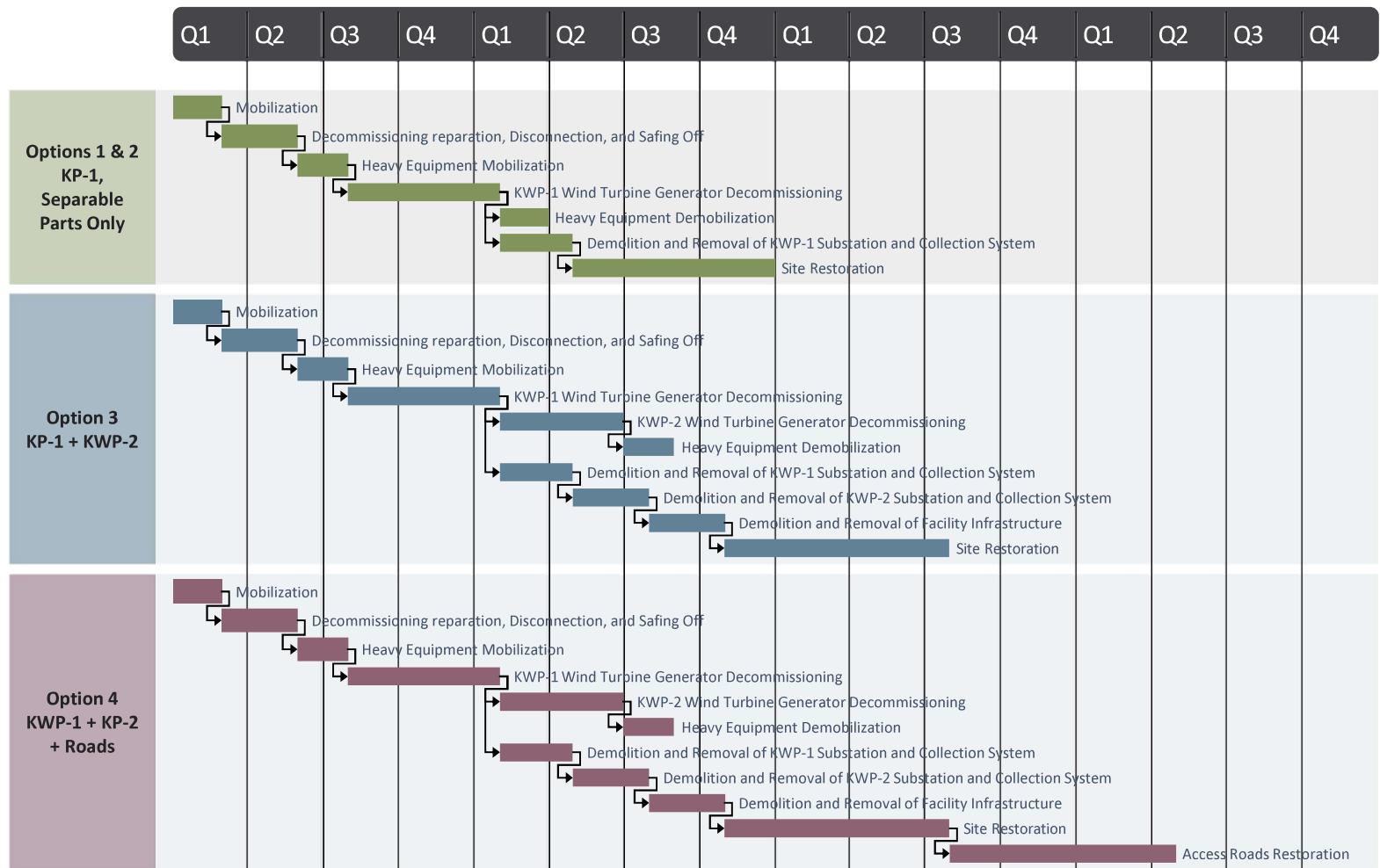
- D.1 List of Abbreviations, Initialisms, and Acronyms**
- D.2 Notional Decommissioning Schedule**
- D.3 KWP-1 Plat Map, H.S.S. Plat 1004-D**
- D.4 KWP-2 Plat Map, H.S.S. Plat 1004-J**
- D.5 Holdover of General Lease S-5731**
- D.6 General Lease S-5731**
- D.7 Field Surveys**

## D.1 List of Abbreviations, Initialisms, and Acronyms

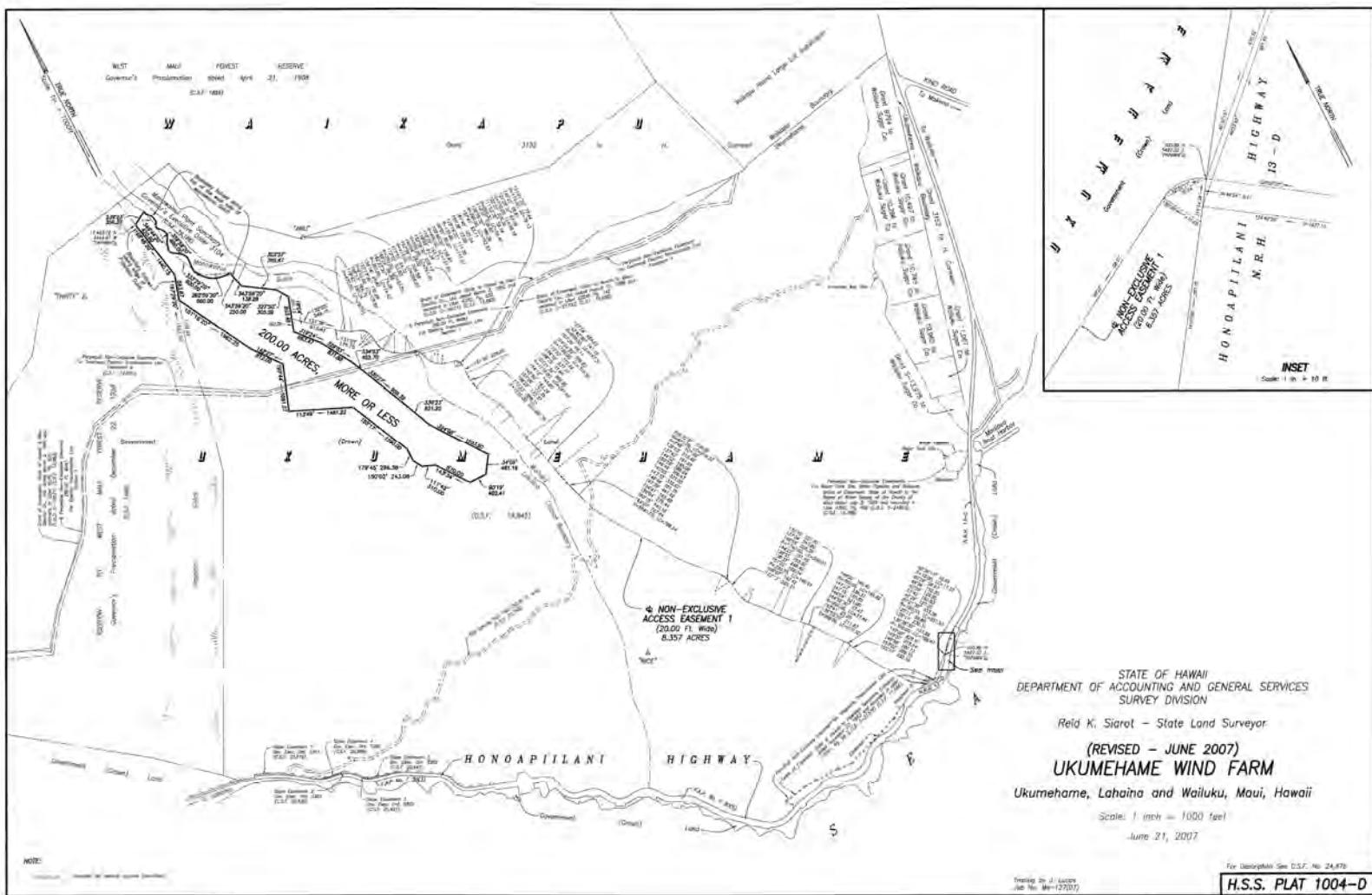
AACE®	Association for the Advancement of Cost Engineering
AC	Acres
B+K	Bowers + Kubota Consulting
BESS	Battery Energy Storage System
BLNR	Board of Land and Natural Resources
BMP	Best Management Practices
CF	Cubic Feet
CPR	Condominium Property Regime
CY	Cubic Yards
DLNR	Department of Land and Natural Resources
DOD	Department of Defense
DY	Day
EA	Each
GE	General Electric
GET	General Excise Tax
HAR	Hawai‘i Administrative Rules
HECO	Hawaiian Electric Company
HRS	Hawai‘i Revised Statues
H.S.S.	Hawai‘i State Survey
KV	Kilo Volt
KWP-1	Kaheawa Wind Power, Phase 1
KWP-2	Kaheawa Wind Power, Phase 2
KWP LLC	Kaheawa Wind Power, Limited Liability Company
KWP II LLC	Kaheawa Wind Power II, Limited Liability Company
LBS	Pounds
LF	Linear Feet
LLC	Limited Liability Company
LS	Lump Sum
MI	Mile
MO	Month
mph	miles per hour
MW	Mega Watt
O&M	Operations and Maintenance
PPI	Producer Price Index
PSI	Pounds Per Square Inch
R-1	Recycled Water that has been oxidized, filtered, and disinfected.
RND	Roundtrip
SWPPP	Stormwater Pollution Prevention Plan
TN	Tons
TMK	Tax Map Key
WTG	Wind Turbine Generators

## D.2 Notional Decommissioning Schedule

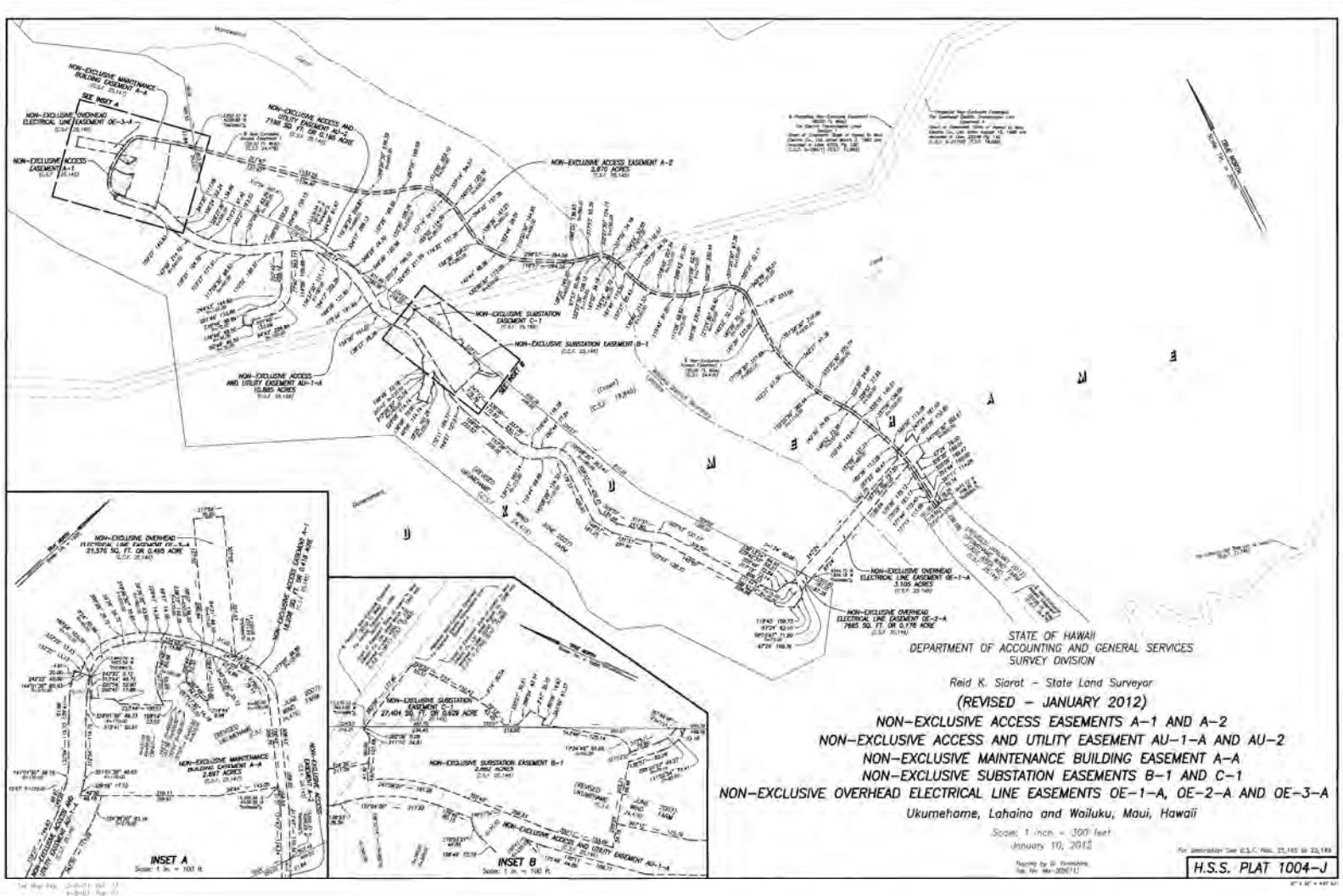
## Kaheawa Wind Power Notional Decommissioning Project Timelines



### **D.3 KWP-1 Plat Map, H.S.S. Plat 1004-D**



## D.4 KWP-2 Plat Map, H.S.S. Plat 1004-J



## D.5 Holdover of General Lease S-5731

Total Number of Pages:  
Tax Map Key No. (2) 4-8-001:001 (por.)

HOLDOVER OF GENERAL LEASE NO. S-5731

THIS AGREEMENT, entered into this 30<sup>th</sup> day of JANUARY, 20 25, by and between the State of Hawaii, hereinafter referred to as the "Lessor," by its Board of Land and Natural Resources, called the "Board," and Kaheawa Wind Power, LLC, whose address is 200 Liberty Street, 14<sup>th</sup> Floor, New York, New York 10281, hereinafter referred to as the "Lessee."

WITNESSETH:

WHEREAS, the Lessor issued General Lease No. S-5731 dated January 19, 2005, containing an area of 200.00 acres, more or less, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2005-034834; and

WHEREAS, said general lease was amended by that certain Amendment of General Lease No. S-5731 (recorded in the Bureau of Conveyances as Document No. 2005-059692) and further amended by that certain Amendment No. 2 of General Lease No. S-5731



(recorded in the Bureau of Conveyances as Document No. 2005-161134), and further amended by that certain Amendment No. 3 of General Lease No. S-5731 (recorded in the Bureau of Conveyances as Document No. 2007-217341; and

WHEREAS, at its meeting(s) held on December 13, 2024, the Board approved the holdover of General Lease No. S-5731 dated January 19, 2005; and

WHEREAS, the Lessor and the Lessee desire to holdover said general lease subject to all the terms and conditions of said general lease, said holdover to begin February 1, 2025, and expire January 31, 2026.

NOW, THEREFORE, the Lessor and the Lessee covenant and agree as follows:

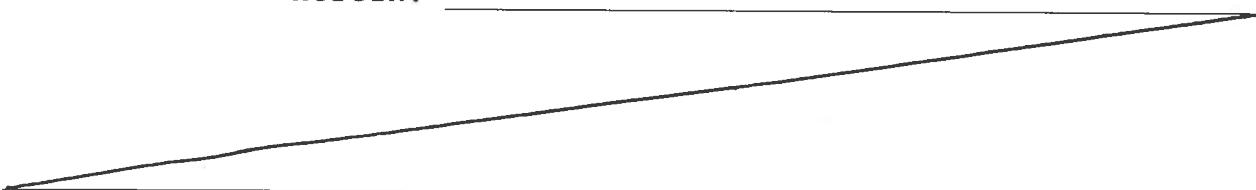
1. General Lease No. S-5731 dated January 19, 2005 is hereby extended under holdover, said holdover to begin February 1, 2025, and expire January 31, 2026.
2. That this holdover shall be subject to all the terms and conditions of General Lease No. 5731, including but not limited to payment of rent, in the amount of TWO HUNDRED SIXTY-THREE THOUSAND AND NO/100 DOLLARS (\$263,000.00) per annum in an equal semi-annual installments on February 1<sup>st</sup> and August 1<sup>st</sup>.
3. That this holdover is subject to Section 171-40, Hawaii Revised Statutes.
4. That at the expiration or other early termination of this holdover, the Lessee shall: (a) remove all improvements from the premises described in General Lease No. S-5731, including but not limited to all wind turbine foundations, infrastructure and road, subsurface improvements, with no depth limitation, and restore the premises to its original natural condition, all to the satisfaction of the Lessor; and (b) peaceably deliver unto the Lessor possession of the premises in a clean and orderly condition. Furthermore, upon the expiration, termination, or revocation of this holdover, should the Lessee

fail to remove any and all of Lessee's personal property from the premises, after notice thereof, the Lessor may remove any and all personal property from the premises and either deem the property abandoned and dispose of the property or place the property in storage at the cost and expense of Lessee, and the Lessee does agree to pay all costs and expenses for disposal, removal, or storage of the personal property. This provision shall survive the expiration or early termination of the holdover.

Lessee shall furnish a removal bond naming the Lessor as an obligee in the amount of FIFTEEN MILLION AND NO/100 DOLLARS (\$15,000,000.00) to ensure the removal of all of the improvements on the premises, including but not limited to all wind turbine foundations, infrastructure and road, subsurface improvements, with no depth limitation, and restoration of the premises to its original natural condition to the satisfaction of the Lessor. This amount may be increased by the Lessor in its sole and absolute discretion based upon the completion of Lessor's cost assessment (that includes procuring construction and engineering consultants) for the removal of the aforesaid improvements which assessment shall be paid for by the Lessee. The term of the removal bond shall survive the early termination or expiration of this holdover.

It is understood that, except as provided herein, should there be any conflict between the terms of General Lease No. S-5731 as aforesaid amended and the terms of this Section 4 of the holdover, the terms and conditions of this Section 4 shall control and specifically to the removal requirements and the removal bond requirement herein.

---



922889\_1



IN WITNESS WHEREOF, the State of Hawaii, by its Board of Land and Natural Resources, has caused the seal of the Department of Land and Natural Resources to be hereunto affixed and the parties hereto have caused these presents to be executed the day, month, and year first above written.

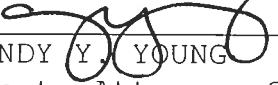
Approved by the Board  
of Land and Natural  
Resources at its meeting(s)  
held on December 13, 2024.

STATE OF HAWAII

By   
DAWN N.S. CHANG  
Chairperson  
Board of Land and  
Natural Resources

APPROVED AS TO FORM:

LESSOR

  
CINDY Y. YOUNG  
Deputy Attorney General  
Dated: Jan. 8, 2025

KAHEAWA WIND POWER, LLC,  
a Delaware limited liability  
company



Ben Stafford  
CHIEF OPERATING OFFICER

LESSEE

922889\_1

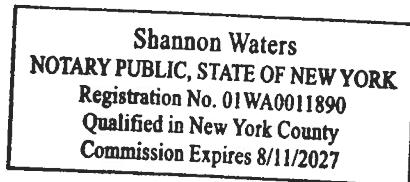


STATE OF New York )  
COUNTY OF New York ) SS.

On this 22nd day of January, 2025, before me personally appeared Ben Stafford, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Shannon Waters  
Notary Public, State of New York  
Shannon Waters

My commission expires: 8/11/2027



L.S.

922889 1

-5-



## D.6 General Lease S-5731

Return by Mail ( ) Pickup ( ) To:

This document contains \_\_\_\_\_ pages

Tax Map Key No.: (2) 4-8-001:portion of 001

STATE OF HAWAII

DEPARTMENT OF LAND AND NATURAL RESOURCES

GENERAL LEASE NO. S-5731

between

STATE OF HAWAII

and

KAHEAWA WIND POWER, LLC

covering a Portion of Government (Crown) Land of Ukumehame

situate at Ukumehame, Lahaina, Wailuku, Maui, Hawaii

## Exhibit C

DEPARTMENT OF LAND AND NATURAL RESOURCES  
LAND DIVISION  
P.O. BOX 621  
HONOLULU, HAWAII 96809

PRELIM. APPR'D.  
Department of the  
Attorney General

PL-5  
1-20-20

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STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES  
GENERAL LEASE NO. S-5731

THIS LEASE, made this 19<sup>th</sup> day of January 2005, by and between the STATE OF HAWAII, hereinafter referred to as the "Lessor," by its Board of Land and Natural Resources, called the "Board," whose address is Post Office Box 621, Honolulu, Hawaii, 96809, and KAHEAWA WIND POWER, LLC, a Delaware limited liability company, hereinafter referred to as the "Lessee," whose address is c/o UPC Wind Management, LLC, 100 Wells Avenue, Suite 201, Newton, Massachusetts, 02459.

WITNESSETH:

Lessor, pursuant to Section 171-95(a)(2), Hawaii Revised Statutes, for and in consideration of the rent to be paid and of the terms, covenants and conditions herein contained, all on the part of Lessee to be kept, observed and performed, does lease unto Lessee, and Lessee does lease from Lessor the premises at Ukumehame, Lahaina, Wailuku, Island of Maui, State of Hawaii situate in the County of Maui and temporarily identified as "Lease Area (for Wind Farm Purposes) together with access and electrical transmission line easements," more particularly described in Exhibit A attached hereto and made a part hereof. Lessee understands and agrees that Exhibit A is only a temporary map. Within six (6) months from lease commencement, Lessee shall, at its own cost, provide to the Lessor a survey-standard CAD map of the legal metes and bounds of the parcel (which shall not exceed 200 acres) together with the access and electrical transmission line easements, by a surveyor licensed to do business in Hawaii and in accordance with the standards established by the Department of Accounting and General Services (DAGS), Land Survey Division, such map to be confirmed and converted to a CSF map and description by the DAGS Land Survey Division. The parties hereto specifically agree to amend this Lease by replacing Exhibit A with the DAGS Land Survey Division CSF map and description.

TO HAVE AND TO HOLD the premises unto Lessee for the term of twenty (20) years with an option to extend for an additional twenty (20) years subject to Paragraph 57, commencing on the 1st day of February, 2005, up to and including the 31<sup>st</sup> day of January, 2025, unless sooner terminated as hereinafter

provided, Lessor reserving and Lessee yielding and paying to Lessor at the Office of the Department of Land and Natural Resources, Honolulu, Oahu, State of Hawaii, an annual rental as provided hereinbelow:

A. First year rent waived. All rent shall be waived for the first year of the term.

B. Minimum Annual Rent. For the second (2nd) to tenth (10th) years of the term, Lessee shall pay a Minimum Annual Rent of ONE HUNDRED FIFTY THOUSAND DOLLARS (\$150,000) due in equal semi-annual installments on January 1st and July 1st, payable in advance, without notice or demand.

C. Percentage Rent. For the second (2nd) to tenth (10th) years of the term, the Lessee shall pay Percentage Rent in an amount equal to TWO AND ONE-HALF PERCENT (2.5%) of Gross Revenue, as defined below, to the extent such amount exceeds the Minimum Annual Rent in any year. Any Percentage Rent over and above the Minimum Annual Rent shall be due and payable within thirty (30) days of the end of the second year of the term and within thirty (30) days of each anniversary date thereafter. Each payment shall be accompanied by a Rent Report as defined below.

D. Gross Revenue defined. "Gross Revenue" shall be defined as all revenues earned relating to electrical energy generated on the premises by Lessee and delivered to purchasers of generated electricity or used in-house ("Energy"), and all revenues from green tag/certificates, pollution or environmental credits or offsets, and carbon credits (collectively "Green Certificates"), excluding, however, all revenues from other sources, including without limitation, federal and/or state production and investment tax credits, financing activities or the sale of the wind farm project. Gross Revenue shall be calculated in any given period on the basis of actual sales of Energy and Green Certificates. Energy and/or Green Certificates generated at the premises that are donated or bartered shall, for the purpose of calculating Gross Revenue, be valued at the rate of their most recent prior sale by the Lessee to the recipient of the donated or bartered Energy and/ Green Certificates or at prevailing commercial rates, whichever is higher.

E. Rent Reports. Lessee shall keep an accurate record and account of all Gross Revenues earned for the payment period in accordance with acceptable record keeping practices

within the business community. Lessee shall forward to the Lessor itemized statements ("Rent Reports") showing the amount actually earned for the last payment period. The Rent Reports shall be in reasonable and sufficient detail to enable Lessor to verify the accuracy of the rental payments provided for herein.

F. Rental reopenings, dates. The rental reserved, including both the Minimum Annual Rent and Percentage Rent shall be reopened and redetermined as of the day following the expiration of the tenth (10th) year of the term (hereinafter referred to as "11th-Year Reopening") and at Repowering (as defined in Paragraph 59).

G. Rental reopenings, conduct of. The rental for any ensuing period shall be the fair market rental at the time of reopening, provided that for the 11th-Year Reopening only, the Percentage Rent shall not be less than 2.5% nor higher than 3.5%. Except as provided herein, the provisions in Hawaii Revised Statutes, Chapter 658A, shall be followed. At least six (6) months prior to the time of reopening, the fair market rental shall be determined by a staff appraiser or independent appraiser, as allowed by law, whose services shall be contracted for by the Lessor, and the Lessee shall be promptly notified by certified mail, return receipt requested, of the fair market rental as determined by Lessor's appraiser; provided, that should the Lessee fail to notify Lessor in writing within thirty (30) days after receipt thereof that Lessee disagrees with the fair market rental as determined by Lessor's appraiser and that Lessee has appointed its own appraiser to prepare an independent appraisal report, then the fair market rental as determined by Lessor's appraiser shall be deemed to have been accepted by Lessee and shall be the fair market rental as of the date of reopening. If Lessee has notified Lessor and appointed his appraiser as stated hereinabove, Lessee's appraiser shall complete his appraisal and the two appraisers shall then exchange their reports within forty-five (45) days from the date of Lessee's appointment of the appraiser.

The two appraisers shall review each other's reports and make every effort to resolve whatever differences they may have. However, should differences still exist fourteen (14) days after the exchange, the two appraisers shall within seven (7) days thereafter appoint a third appraiser who shall also prepare an independent appraisal report based on the review of the two appraisal reports prepared and any other data. Copies thereof shall be furnished to the first two appraisers within forty-five (45) days of the appointment. Within twenty (20)

days after receiving the third appraisal report, all three shall meet and determine the fair market rental in issue. The fair market rental as determined by a majority of the appraisers shall be final and binding upon both Lessor and Lessee, subject to vacation, modification or correction in accordance with the provisions of Sections 658A-23 and 658A-24, Hawaii Revised Statutes. Each party shall pay for its own appraiser and the cost of the services of the third appraiser shall be borne equally by the Lessor and the Lessee. All appraisal reports shall become part of the public record of the Lessor.

In the event that the appraisers are unable to determine the fair market rental before the reopening date, or by the foregoing prescribed time, whichever is later, the Lessee shall pay the fair market rental as determined by Lessor's new appraised value until the new rent is determined and the rental paid by Lessee shall then be subject to retroactive adjustments as appropriate to reflect the fair market rental determined as set forth hereinabove. However, Lessee or Lessee's appraiser's failure to comply with the procedures set forth above shall constitute a waiver of Lessee's right to contest the new rent, and the Lessee shall pay the rent as determined by Lessor's appraiser without any retroactive adjustments.

H. Repowering. Lessee shall notify Lessor in writing of any intent to repower the Wind Project no less than nine (9) months prior to Repowering. The Lessee shall be responsible for obtaining any permits or approvals necessary for any Repowering. Following receipt of a Repowering notice by Lessee, new Minimum Annual Rent and Percentage Rent shall be renegotiated in accordance with Section G. above.

I. Interest and service charges. The interest rate on any and all unpaid or delinquent rentals shall be at one percent (1%) per month, plus a service charge of FIFTY AND NO/100 DOLLARS (\$50.00) per month for each month of delinquency.

RESERVING UNTO LESSOR THE FOLLOWING:

1. Minerals and waters. (a) All minerals as hereinafter defined, in, on or under the premises and the right, on its own behalf or through persons authorized by it, to prospect for, mine and remove the minerals and to occupy and use so much of the surface of the ground as may be required for all purposes reasonably extending to the mining and removal of the minerals by any means whatsoever, including strip mining. "Minerals," as used herein, shall mean any or all oil, gas,

coal, phosphate, sodium, sulphur, iron, titanium, gold, silver, bauxite, bauxitic clay, diaspore, boehmite, laterite, gibbsite, alumina, all ores of aluminum and, without limitation thereon, all other mineral substances and ore deposits, whether solid, gaseous or liquid, including all geothermal resources, in, on, or under the land, fast or submerged; provided, that minerals shall not include sand, gravel, rock or other material suitable for use and used in general construction in furtherance of Lessee's permitted activities on the premises and not for sale to others. (b) All surface and ground waters appurtenant to the premises and the right on its own behalf or through persons authorized by it, to capture, divert or impound the same and to occupy and use so much of the premises required in the exercise of this right reserved; provided, however, that as a condition precedent to the exercise by the Lessor of the rights reserved in this paragraph, just compensation shall be paid to the Lessee for any of Lessee's improvements taken, damaged or rendered unusable or commercially unproductive at the site.

2. Prehistoric and historic remains. Any regulatory rights and ownership of the State of Hawaii over prehistoric or historic remains found in, on or under the premises, established pursuant to state law, including Chapter 6(E) Hawaii Revised Statutes.

3. Ownership of improvements. The ownership of all improvements of whatever kind or nature, including but not limited to fences and stockwater system(s) located on the land prior to or on the commencement date of this lease, excluding those improvements constructed during the term of this lease unless provided otherwise.

LESSEE AND LESSOR COVENANT AND AGREE WITH EACH OTHER AS FOLLOWS:

1. Payment of rent. The Lessee shall pay the rent to the Lessor at the times, in the manner and form provided in this lease and at the place specified above, or at any other place Lessor may from time to time designate, in legal tender of the United States of America.

2. Taxes, assessments, etc. Lessee shall pay or cause to be paid, when due, the amount of all taxes, rates, and assessments of every description as to which the premises or any part, or any improvements, or the Lessor or Lessee, are now or may be assessed or become liable by authority of law during the term of this lease; provided, however, that with respect to any

assessment made under any betterment or improvement law which may be payable in installments, Lessee shall be required to pay only those installments, together with interest, which becomes due and payable during the term of this lease. All taxes and assessments for partial years during the term of this lease shall be prorated. Lessee shall have the right, at its own cost and expense, to refuse to pay and to contest the amount or validity of any tax or assessment by an appropriate proceeding diligently conducted in good faith which shall operate to prevent the collection of any such tax or assessment so contested or the sale of the premises to satisfy the same. Pending final judgment in an appeal from any such proceeding, Lessor shall not have the right to pay, remove, or discharge any tax or assessment thereby contested, provided that Lessee shall protect Lessor and the premises from any lien by adequate surety bond or other appropriate security.

3. Utility services. The Lessee shall be responsible for obtaining any utility services deemed necessary for Lessee's use and enjoyment of the premises and shall pay when due all charges, duties and rates of every description, including water, sewer, gas, refuse collection or any other charges, as to which the premises or any part, or any improvements, or Lessee may become liable for during the term as a result of Lessee's use. The Lessee is authorized to grant to Maui Electric Company, Limited, hereinafter referred to as "MECO," a right of entry upon the premises for the construction, maintenance, repair and operation of MECO's poles, wire lines, underground power lines, guys, conduits and other appliances and equipment as may be necessary for the transmission of electricity to be used for light and power and communication and control circuits.

4. Covenant against discrimination. The use and enjoyment of the premises shall not be in support of any policy which discriminates against anyone based upon race, creed, sex, color, national origin, religion, marital status, familial status, ancestry, physical handicap, disability, age or HIV (human immunodeficiency virus) infection.

5. Sanitation. The Lessee shall keep the premises and improvements in a strictly clean, sanitary and orderly condition.

6. Waste and unlawful, improper or offensive use of premises. The Lessee shall not commit, suffer or permit to be committed any waste, nuisance, strip or unlawful, improper or

offensive use of the premises or any part thereof, nor, without the prior written consent of the Lessor which shall not be unreasonably withheld, conditioned or delayed, cut down, remove or destroy, or suffer to be cut down, removed or destroyed, any trees now growing on the premises.

7. Compliance with laws. The Lessee, in its exercise of its rights under this lease, shall comply with all of the requirements of all municipal, state, and federal authorities and observe all municipal, state and federal laws applicable to the premises, now in force or which may be in force.

8. Right to Enter. The Lessor or the County and their agents or representatives shall have the right to enter and cross any portion of the premises for the purpose of performing any public or official duties; provided, however, in the exercise of these rights, the Lessor or the County shall not interfere unreasonably with the Lessee or Lessee's use and enjoyment of the premises.

9. Improvements. The Lessee shall, at its own cost and expense, within three (3) years from the commencement of the lease term, complete the construction of a 30-megawatt wind power project or Project Improvements, in accordance with plans and specifications submitted by the Lessee to and approved in writing by the Chairperson and in full compliance with all applicable laws, ordinances, rules and regulations, such approval not to be unreasonably withheld or delayed. Initial construction or installation of the Project Improvements shall not commence until the Department of Land and Natural Resources has been provided evidence of full financing of the construction costs of the project, and the construction and installation of the Project Improvements shall be completed free and clear from all liens and claims. Any grading, realigning and/or paving of the existing access road by the Lessee for the safe transporting of heavy equipment to the premises during the construction phase shall be at the Lessee's sole cost and expense. Thereafter, the Lessee shall not construct, place, maintain or install on the premises any building, structure or improvement of any kind except with the prior written approval of the Chairperson and upon those conditions the Chairperson may impose, including but not limited to any adjustment of rent, unless otherwise explicitly provided in this lease. The Lessee shall name the Lessor as an obligee on all its contractor bonds and guaranty agreements, including but not limited to: (a) Performance Bond and Labor and Materialman's Bond issued by Goodfellow Brothers,

Inc., and (b) the guaranty agreements issued by GE Company and ABB, Inc.

10. [Intentionally omitted.]

11. Ownership of improvements. During the term of this lease, the improvements constructed by the Lessee, including without limitation all additions, alterations and improvements thereto or replacements thereof and all appurtenant fixtures, machinery and equipment installed therein, shall be the property of the Lessee. At early termination for whatever reason or expiration of this lease, all existing improvements and all additions, alterations and improvements thereto or replacements thereof and all appurtenant fixtures, machinery and equipment installed therein shall be removed at the Lessee's sole expense, unless the Lessor elects to assume ownership of improvements as provided herein. Wind turbine foundations shall be removed to a depth of two (2) feet below grade. Those improvements of which Lessor assumes ownership shall transfer to the Lessor free of cost and free of subsequent liability to the Lessee. Throughout the term of the lease, Lessee shall not permit any claim of lien made by any mechanic, materialman, laborer or other similar liens to stand against the premises for work or labor done, services performed, or materials used or furnished to be used in or about the premises for or in connection with any construction, improvements or maintenance or repair thereon made or permitted to be made by Lessee, its agents or sublessees. Any liens, encumbrances or claims of third parties with respect to any of the foregoing, shall be expressly subordinate and subject to the rights of the Lessor under this lease.

12. Repairs to improvements. The Lessee shall, at its own expense, keep, repair, and maintain all buildings and improvements hereafter constructed or installed on the premises by Lessee in good order, condition and repair, reasonable wear and tear excepted. The Lessee shall also be obligated to repair and maintain any improvements shared with Lessor to the extent of Lessee's use of such improvements.

13. Liens. The Lessee shall not commit or suffer any act or neglect which results in the premises, any improvement, or the leasehold estate of the Lessee becoming subject to any attachment, lien, charge, or encumbrance, except as provided in this lease, and shall indemnify, defend, and hold the Lessor harmless from and against all attachments, liens, charges, and encumbrances and all resulting expenses. The Lessee shall have

the right to contest any attachments or liens recorded against Lessor or the premises and resulting from any works of improvement made by or for Lessee provided (i) Lessee contests such attachment or lien by appropriate proceeding diligently conducted in good faith, and (ii) at the request of Lessor, Lessee shall furnish a lien release bond or other security acceptable to Lessor in the principle amount of such attachment or lien.

14. Character of use. The Lessee shall use or allow the premises to be used solely for the following purpose(s): (i) to conduct wind and weather monitoring activities, including the erection, relocation, maintenance and operation of anemometers and other wind and weather monitoring equipment, steel towers, concrete slabs, fences and buildings to properly operate, house, protect and otherwise facilitate Lessee's wind and weather monitoring activities, the location of such equipment and related facilities to be determined by Lessee in its sole discretion; (ii) the erection, relocation, maintenance and operation of large wind turbine generators ("Turbines") and all related equipment and improvements necessary or useful for the conversion of wind energy into electricity, including but not limited to steel towers, foundations and concrete pads, footings, guy wires, anchors, fences and other fixtures and facilities, maintenance, security, office and/or guest facilities, staging areas for the assembly of equipment, required lines and substation facilities to transfer power from the Turbines to power transmission lines, energy storage devices, and other power production equipment, all in such number and in such locations as Lessee, in its sole discretion, may determine; (iii) the erection, maintenance and operation of power transmission lines, poles, anchors, support structures, underground cables, substations and interconnection facilities and associated roads for access and for installation and maintenance purposes as Lessee in its sole discretion deems to be necessary or appropriate to transmit power and transport workers, tools, material, equipment and other necessary items to and from or across the premises; and (iv) the use and enjoyment of the free flow of wind across the premises without interference from Lessor. Lessor also hereby grants to Lessee a non-exclusive easement in gross on, over and across any and all access routes to and from the premises for purposes of ingress and egress to and from the premises.

15. Assignments, etc. Except as otherwise provided in this lease, the Lessee shall not transfer, assign, or permit any other person to occupy or use the premises or any portion

thereof or transfer or assign this lease or any interest herein, either voluntarily or by operation of law, except by way of devise, bequest, or intestate succession and any transfer or assignment made contrary to the terms hereof shall be null and void; provided that with the prior written approval of the Board the assignment and transfer of this lease, or any portion, may be made in accordance with current industry standards, as determined by the Board; provided, further, that prior to the approval of any assignment of lease, the Board shall have the right to review and approve the consideration paid by the Assignee and may condition its consent to the assignment of the lease on payment by the Lessee of a premium based on the amount by which the consideration for the assignment, whether by cash, credit, or otherwise, exceeds the straight-line depreciated cost of improvements and trade fixtures being transferred to the Assignee pursuant to the Assignment of Lease Evaluation Policy adopted by the Board on December 15, 1989, as amended, a copy of which is attached hereto as Exhibit B. The premium on any subsequent assignments shall be determined as specified in the above-mentioned Evaluation Policy.

If the Lessee is a partnership, joint venture or corporation, the sale or transfer of 51% or more of ownership interest or stocks by dissolution, merger or any other means shall be deemed an assignment for purposes of this paragraph. Notwithstanding the above, a sale or transfer by Lessee of an ownership interest in the project greater than 51% in connection with any tax financing of the project shall not be deemed an assignment for purposes of this Paragraph 15, provided that Lessee retains control of the partnership, joint venture or corporation.

Notwithstanding the foregoing provisions of this Paragraph 15, Lessee shall at all times have the right to sell, assign, encumber, or transfer any or all of its rights and interests under this lease without Lessor's consent and without payment of any premium to any entity predominantly owned or controlled by or under common ownership or control with Lessee; provided, however, that the term of any such transfer shall not extend beyond the term of this lease and that any and all such transfers shall be expressly made subject to all of the terms, covenants and conditions of this lease. No such sale, assignment, transfer, or easement shall relieve Lessee of its obligations under this lease.

16. Subletting. The Lessee shall not rent or sublet the whole or any portion of the premises, without the prior

written approval of the Board; provided, however, that prior to this approval, the Board shall have the right to review and approve the rent to be charged to the proposed sublessee and that in the case where the Lessee is required to pay rent based on a percentage of its gross receipts, the receipts of the sublessee or any subsequent sublessees shall be included as part of the Lessee's gross receipts, and the Board shall have the right to revise the rent of the premises based upon the rental rate charged to the sublessee including the percentage rent, if applicable, and provided, further, that the rent may not be revised downward.

17. Indemnity. Except to the extent caused by the negligent or intentional acts of the Lessor or its employees, contractors or agents, the Lessee shall indemnify, defend, and hold the Lessor harmless from and against any claim or demand for loss, liability, or damage, including claims for bodily injury, wrongful death, or property damage, arising out of or resulting from: 1) any act or omission on the part of the Lessee or its employees, contractors or agents relating to the Lessee's use, occupancy, maintenance, or enjoyment of the premises; 2) any failure on the part of the Lessee to maintain the portion of the premises in the Lessee's use and control, and including any accident, fire or nuisance, growing out of or caused by any failure on the part of the Lessee to maintain the premises in a safe condition; and 3) from and against all actions, suits, damages, and claims by whomsoever brought or made by reason of the Lessee's non-observance or non-performance of any of the terms, covenants, and conditions of this lease or the rules, regulations, ordinances, and laws of the federal, state, municipal or county governments. In case the Lessor shall, without any fault on its part, be made a party to any litigation commenced by or against the Lessee with respect to this lease or Lessee's occupancy or use of the premises (other than condemnation proceedings), the Lessee shall pay all costs, including reasonable attorney's fees, and expenses incurred by or imposed on the Lessor; furthermore, the Lessee shall pay all costs, including reasonable attorney's fees, and expenses which may be incurred by or paid by the Lessor in enforcing the covenants and agreements of this lease, in recovering possession of the premises, or in the collection of delinquent rental, taxes, and any and all other applicable charges attributable to the premises.

18. Liability insurance. The Lessee shall procure and maintain, at its cost and expense and acceptable to Lessor, in full force and effect throughout the term of this lease,

commercial general liability insurance, with a minimum combined occurrence and annual limitation of Five Million Dollars (\$5,000,000) with an insurance company or companies licensed to do business in the State of Hawaii. The policy or policies of insurance shall name the State of Hawaii as an additional insured. The insurance shall cover the entire premises, including all buildings, improvements, and grounds and all roadways or sidewalks on or adjacent to the premises in the use or control of the Lessee.

The Lessee, prior to entry and use of the premises or within fifteen (15) days from the effective date of this lease, whichever is sooner, shall furnish the Lessor with a certificate(s) showing the policy(s) to be initially in force, keep the certificate(s) on deposit during the entire lease term, and furnish a like certificate(s) upon each renewal of the policy(s). This insurance shall not be cancelled, limited in scope of coverage, or nonrenewed until after thirty (30) days written notice has been given to the Lessor.

The Lessor shall retain the right at any time to review the coverage, form, and amount of the insurance required by this lease. If, in the opinion of the Lessor, the insurance provisions in this lease do not provide adequate protection for the Lessor, the Lessor may require Lessee to obtain insurance sufficient in coverage, form, and amount to provide adequate protection. The Lessor's requirements shall be reasonable but shall be designed to assure protection for and against the kind and extent of the risks which exist at the time a change in insurance is required. The Lessor shall notify Lessee in writing of changes in the insurance requirements and Lessee shall deposit copies of acceptable insurance policy(s) or certificate(s) thereof, with the Lessor incorporating the changes within thirty (30) days of receipt of the notice.

The procuring of the required policy(s) of insurance shall not be construed to limit Lessee's liability under this lease nor to release or relieve the Lessee of the indemnification provisions and requirements of this lease. Notwithstanding the policy(s) of insurance, Lessee shall be obligated for the full and total amount of any damage, injury, or loss caused by Lessee's negligence or neglect connected with this lease.

It is agreed that any insurance maintained by the Lessor will apply in excess of, and not contribute with, insurance provided by Lessee's policy.

19. Bond, performance. The Lessee shall, at its own cost and expense, within seventy-five (75) days from the commencement of the term of this lease, procure and deposit with the Lessor and thereafter keep in full force and effect during the term of this lease (and any additional period of time that the Lessee requires to remove the Project Improvements and restore the premises) a good and sufficient surety bond, conditioned upon the full and faithful observance and performance by Lessee of all the terms, conditions, and covenants of this lease, in an amount equal to ONE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$1,500,000). This bond shall provide that: (a) in case of Lessee's uncured breach or default of any of the lease terms, covenants, conditions, and agreements, the Lessor may draw upon the bond for liquidated and ascertained damages and not as a penalty, and (b) that upon the expiration, cancellation or early termination of this Lease, the Lessor may draw upon the bond in order to remove the Project Improvements (except for access roads) and to restore the premises to its original or better condition. Any portion of a bond or security deposit held by Lessor and not applied to cure a breach or default of Lessee hereunder or not applied to remove the Project Improvements and restore the premises as herein provided shall be returned to Lessee. This provision shall survive the expiration, cancellation or other early termination of this Lease.

20. Lessor's lien. Subject to the other provisions of this lease, the Lessor shall have a lien on all the buildings and improvements placed on the premises by the Lessee, on all property kept or used on the premises, whether the same is exempt from execution or not and on the rents of all improvements and buildings located on the premises for all Lessor's costs, attorney's fees, rent reserved, for all taxes and assessments paid by the Lessor on behalf of the Lessee, and for the payment of all money provided in this lease to be paid by the Lessee, and this lien shall continue until the amounts due are paid.

21. Mortgage. Except as provided in this lease or in any separate instrument executed by the Chairperson, the Lessee shall not mortgage, hypothecate, or pledge the premises, any portion, or any interest in this lease without the prior written approval of the Chairperson and any mortgage, hypothecation, or pledge without the approval shall be null and void. Upon due application and with the written consent of the Chairperson, the Lessee may mortgage this lease, or any interest, or create a security interest in the leasehold of the public land to a third

party to the extent necessary to secure financing for the project. If the mortgage or security interest is to a recognized lending institution in either the State of Hawaii or the United States, the consent may extend to foreclosure and sale of Lessee's interest at the foreclosure to any purchaser, including the mortgagee or holder, without regard to whether or not the purchaser is qualified to lease, own, or otherwise acquire and hold the land or any interest. The interest of the mortgagee or holder shall be freely assignable. The term "mortgagee or holder" shall mean and include any mortgagee or holder of a security interest in the premises and Lessee's interests under the lease, as well as any insurer or guarantor of the obligation or condition of the mortgage, including the Department of Housing and Urban Development through the Federal Housing Administration, the Federal National Mortgage Association, the Veterans Administration, the Small Business Administration, Farmers Home Administration, or any other Federal agency and their respective successors and assigns or any lending institution authorized to do business in the State of Hawaii or elsewhere in the United States; provided, that the consent to mortgage to a non-governmental holder shall not confer any greater rights or powers in the holder than those which would be required by any of these Federal agencies.

Should Lessee mortgage any of its interest as provided in the preceding paragraph, Lessee and Lessor expressly agree between themselves and for the benefit of any mortgagee or holder (collectively, "Lenders") as follows:

(a) The Lenders shall have the right to do any act or thing required to be performed by Lessee under this lease, and any such act or thing performed by a Lender shall be as effective to prevent a default under this lease and/or a forfeiture of any of Lessee's rights under this lease as if done by Lessee itself.

(b) No default which requires the giving of notice to Lessee shall be effective unless a like notice is given to all Lenders. If Lessor shall become entitled to terminate this lease due to an uncured default by Lessee, Lessor will not terminate this lease unless it has first given written notice of such uncured default and of its intent to terminate this lease to each Lender and has given each Lender at least thirty (30) days to cure the default to prevent such termination of this lease. Furthermore, if within such thirty (30) day period a Lender notifies Lessor that it must foreclose on Lessee's interest or otherwise take possession of Lessee's interest under

this lease in order to cure the default, Lessor shall not terminate this lease and shall permit such Lender a sufficient period of time as may be necessary for such Lender, with the exercise of due diligence, to foreclose or acquire Lessee's interest under this lease and to perform or cause to be performed all of the covenants and agreements to be performed and observed by Lessee. Upon the sale or other transfer of any interest in and rights granted hereunder by any Lender, such Lender shall have no further duties or obligations hereunder.

22. Breach. Time is of the essence in this lease and if the Lessee shall fail to pay the rent, or any part thereof, at the times and in the manner provided within thirty (30) days after delivery by the Lessor of a written notice of breach or default, or if the Lessee shall become bankrupt, or shall abandon the premises, or if this lease and premises shall be attached or taken by operation of law, or if any assignment is made of the Lessee's property for the benefit of creditors, or if Lessee shall fail to observe and perform any of the covenants, terms, and conditions contained in this lease and on its part to be observed and performed, and this shall continue for a period of more than sixty (60) days after delivery by the Lessor of a written notice of breach or default, by personal service, registered mail or certified mail to Lessee at its last known address and to each Lender or holder of record having a security interest in the premises, and subject to the provisions of Paragraph 21 above, the Lessor may, subject to the provisions of Section 171-21, Hawaii Revised Statutes, at once re-enter the premises, or any part thereof, and upon or without the entry, at its option, terminate this lease without prejudice to any other remedy or right of action for arrears of rent or for any preceding or other breach of contract; and in the event of termination, at the option of the Lessor, all buildings and improvements and personality not removed by Lessee within three-hundred sixty-five (365) days after such termination shall remain and become the property of the Lessor; furthermore, Lessor shall retain all rent paid in advance to be applied to any damages. The Lessee may request a twelve-month license following termination to remove such improvements and personality.

23. Condemnation. If at any time, during the term of this lease, any portion of the premises should be condemned, or required for public purposes by any county or city and county, the rental shall be reduced in proportion to the value of the portion of the premises condemned. The Lessee shall be entitled to receive from the condemning authority the proportionate value

of the Lessee's improvements so taken in the proportion that it bears to the unexpired term of the lease; provided, that the Lessee may, but shall not be required to in the alternative, remove and relocate its improvements to the remainder of the premises occupied by the Lessee. The Lessee shall not by reason of the condemnation be entitled to any claim against the Lessor for condemnation or indemnity for leasehold interest and all compensation payable or to be paid for or on account of the leasehold interest by reason of the condemnation shall be payable to and be the sole property of the Lessor. The foregoing rights of the Lessee shall not be exclusive of any other to which Lessee may be entitled by law. Where the portion taken renders the remainder unsuitable for the use or uses for which the premises were leased, the Lessee shall have the option to surrender this lease and be discharged and relieved from any further liability; provided, that Lessee may remove the improvements constructed, erected and placed by it within any reasonable period allowed by the Lessor.

24. Inspection by prospective bidders. The Lessor shall have the right to authorize any person or persons to enter upon and inspect the premises at all reasonable times following a published notice for its proposed disposition for purposes of informing and apprising that person or persons of the condition of the lands preparatory to the proposed disposition; provided, however, that any entry and inspection shall be conducted during reasonable hours after notice to enter is first given to the Lessee, and shall, if the Lessee so requires, be made in the company of the Lessee or designated agents of the Lessee; provided, further, that no authorization shall be given more than two years before the expiration of the term of this lease.

25. Acceptance of rent not a waiver. The acceptance of rent by the Lessor shall not be deemed a waiver of any breach by the Lessee of any term, covenant, or condition of this lease, nor of the Lessor's right of re-entry for breach of covenant, nor of the Lessor's right to declare and enforce a forfeiture for any breach, and the failure of the Lessor to insist upon strict performance of any term, covenant, or condition, or to exercise any option conferred, in any one or more instances, shall not be construed as a waiver or relinquishment of any term, covenant, condition, or option.

26. Extension of time. Notwithstanding any provision contained in this lease, when applicable, the Board may for good cause shown, allow additional time beyond the time or times

specified in this lease for the Lessee to comply, observe, and perform any of the lease terms, conditions, and covenants.

27. Justification of sureties. Any bonds required by this lease shall be supported by the obligation of a corporate surety organized for the purpose of being a surety and qualified to do business in the State of Hawaii, or by not less than two personal sureties, corporate or individual, for which justifications shall be filed as provided in Section 78-20, Hawaii Revised Statutes; provided, however, the Lessee may furnish a bond in like amount, conditioned as aforesaid, executed by it alone as obligor, if, in lieu of any surety or sureties, it shall also furnish and at all times thereafter keep and maintain on deposit with the Lessor security in certified checks, certificates of deposit (payable on demand or after a period the Lessor may stipulate), bonds, stocks or other negotiable securities properly endorsed, or execute and deliver to the Lessor a deed or deeds of trust of real property, all of a character which is satisfactory to Lessor and valued in the aggregate at not less than the principal amount of the bond. It is agreed that the value of any securities which may be accepted and at any time thereafter held by the Lessor shall be determined by the Lessor, and that the Lessee may, with the approval of the Lessor, exchange other securities or money for any of the deposited securities if in the judgment of the Lessor the substitute securities or money shall be at least equal in value to those withdrawn. It is further agreed that substitution of sureties or the substitution of a deposit of security for the obligation of a surety or sureties may be made by the Lessee, but only upon the written consent of the Lessor and that until this consent is granted, which shall be discretionary with the Lessor, no surety shall be released or relieved from any obligation.

28. Waiver, modification, reimposition of bond and liability insurance provisions. Upon substantial compliance by the Lessee of the terms, covenants, and conditions contained in this lease on its part to be observed or performed, the Lessor at its discretion may in writing, waive or suspend the performance bond and/or improvement bond requirements or may, in writing, modify the particular bond(s) or liability insurance requirements by reducing its amount; provided, however, that the Lessor reserves the right to reactivate the bonds or reimpose the bond(s) and/or liability insurance in and to their original tenor and form at any time throughout the term of this lease.

29. Quiet enjoyment. The Lessor covenants and agrees with the Lessee that upon payment of the rent at the times and in the manner provided and the observance and performance of these covenants, terms, and conditions on the part of the Lessee to be observed and performed, the Lessee shall and may have, hold, possess, and enjoy the premises for the term of the lease, without hindrance or interruption by the Lessor or any other person or persons lawfully claiming by, through or under it.

30. Surrender. The Lessee shall, at the end of the term or other sooner termination of this lease, restore and peaceably deliver unto the Lessor possession of the premises in a clean and orderly condition and with or without the Project Improvements as in accordance with Paragraph 11 of this lease. Furthermore, upon the expiration, termination, and/or revocation of this lease, should the Lessee fail to remove any and all of Lessee's personal property from the premises within the prescribed period, after notice thereof, the Board may remove any and all personal property from the premises and either deem the property abandoned and dispose of the property or place the property in storage at the cost and expense of Lessee, and the Lessee does agree to pay all reasonable costs and expenses for disposal, removal, or storage of the personal property. This provision shall survive the termination of the lease.

31. Non-warranty. Except as set forth in this Paragraph 31 and Paragraph 32 below, Lessor does not warrant the condition or prior uses of the premises, as the same are being leased as is. Notwithstanding the foregoing, Lessor promises, represents and warrants to Lessee that (i) Lessor owns the entire premises in fee simple, subject to no liens or encumbrances except as disclosed in writing to Lessee in a title report or other document delivered to Lessee on or prior to the execution of this lease by Lessor; (ii) Lessor and each person signing this lease on behalf of Lessor has the full and unrestricted power and authority to execute and deliver this lease, and to lease the premises and the rights herein granted; and (iii) there are no tenants on the premises, or such tenants have prior to or concurrent with the execution of this lease, delivered a subordination agreement to Lessor in form and substance satisfactory to Lessee.

32. Hazardous materials. Lessee shall not cause or permit the escape, disposal or release of any hazardous materials except as permitted by law. Lessee shall not allow the storage or use of such materials in any manner not sanctioned by law or by the highest standards prevailing in the

industry for the storage and use of such materials, nor allow to be brought onto the premises any such materials except to use in the ordinary course of Lessee's business, and then only after written notice is given to Lessor of the identity of such materials and upon Lessor's consent which consent may be withheld at Lessor's sole and absolute discretion. Lessor hereby consents to the lawful and reasonable use of lubricating oil and grease, normal paint and cleaning compounds. If any lender or governmental agency shall ever require testing to ascertain whether or not there has been any release of hazardous materials by Lessee, then the Lessee shall be responsible for the reasonable costs thereof. In addition, Lessee shall execute affidavits, representations and the like from time to time at Lessor's request concerning Lessee's best knowledge and belief regarding the presence of hazardous materials on the premises placed or released by Lessee.

Lessee agrees to indemnify, defend, and hold Lessor harmless, from any damages and claims resulting from the release of hazardous materials on the premises if (i) such release is caused by any person other than Lessor and such release occurs on or at any portion of the premises that is under the control of Lessee or (ii) such release is caused by Lessee or persons acting under Lessee and such release occurs on or at any portion of the premises that is not under the control of Lessee. These covenants shall survive the expiration or earlier termination of the lease.

For the purpose of this lease "hazardous material" shall mean any pollutant, toxic substance, hazardous waste, hazardous material, hazardous substance, or oil as defined in or pursuant to the Resource Conservation and Recovery Act, as amended, the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, the Federal Clean Water Act, or any other federal, state, or local environmental law, regulation, ordinance, rule, or by-law, whether existing as of the date hereof, previously enforced, or subsequently enacted.

33. Fire and extended coverage insurance. The Lessee, at its cost and expense, shall procure and maintain at all times during the term of this lease, fire and extended coverage insurance with an insurance company(s) licensed to do business in the State of Hawaii, insuring all buildings and improvements erected on the land leased in the joint names of Lessor and Lessee, with the standard mortgage clause for any Lender, as their interest may appear, in an amount equal to the

replacement cost of the facilities and shall pay the premiums at the time and place required under the policy.

In the event of total or partial loss, any proceeds derived from the policy(s) shall be used by the Lessee for rebuilding, repairing, or otherwise reinstating the same facilities in a good and substantial manner according to plans and specifications approved in writing by the Board; provided, however, that with the approval of the Lessor, the Lessee may surrender this lease and pay the balance owing on any mortgage and the Lessee shall then receive that portion of the proceeds which the unexpired term of this lease at the time of the loss or damage bears to the whole of the term, the Lessor to be paid the balance of the proceeds.

The Lessee shall furnish the Lessor on or before the commencement date of this lease, a certificate showing the policy(s) to be in full force and effect and shall furnish a like certificate upon each renewal of the policy(s). Each certificate(s) shall contain or be accompanied by an assurance of the insurer not to cancel the insurance, limit the scope of the coverage, or fail or refuse to renew the policy(s) until after thirty (30) days written notice has been given to the Lessor.

All rights or claims of subrogation against the State of Hawaii, its officers, employees, and agents are waived.

34. Compliance with CDUP. The Lessee shall comply with all terms and conditions of Conservation District Use Permit (CDUP) No. MA-3103 as approved by the Board at its meeting of January 24, 2003 under agenda item D-9 and as may be thereafter amended.

35. Wind data rights. Upon termination or expiration of this lease for whatever reason, the Lessee shall provide the Lessor with copies of all Wind Data relating to the premises. The Lessor shall have an unlimited license to use such data for any purpose, whether for its own purposes or for distribution to third parties, without charge.

36. Further assurances. (a) Each of the parties to this lease agrees to perform all such acts (including but not limited to, executing and delivering such instruments and documents) as reasonably may be necessary to fully effectuate each and all of the purposes and intent of this lease, including consents to any assignments, pledges, subleases or transfers permitted under Paragraphs 15, 16 and 21 herein as may be

required by any Lender or required in connection with the transfer by Lessee of the rights granted under this lease.

(b) Lessor expressly agrees that it will from time to time enter into reasonable nondisturbance agreements with any Lender which requires such an agreement providing that Lessor shall recognize the rights of the Lender and not disturb its possession of the premises so long as it is not in default of any of the provisions of this lease. Lessor and Lessee further agree that they shall, at any time during the term of this lease within (10) days after a written request by the other party, execute, acknowledge and deliver to the requesting party a statement in writing certifying that this lease is unmodified and in full force and effect (or modified and stating the modifications). The statements shall also state the dates on which the payments and any other charges have been paid and that there are no defaults existing or that defaults exist and the nature of such defaults.

(c) The Lessor may not take any action on the premises which interferes with or is incompatible with Lessee's use and enjoyment of the premises or which in any way interferes with the wind flow across the premises. Lessor may replace, rebuild, or reconstruct any improvement in existence on the premises at the time of execution of this lease in the same or substantially the same form as such improvement existed at such time, and Lessor may build, construct, or locate new improvement(s) on the premises, provided that any such improvement(s) shall not (i) interfere with the wind flow across the premises, (ii) interfere with or obstruct Lessee's rights under this lease or its operations on the premises, nor (iii) impede or obstruct Lessee's access to the premises. In no event during the term of this lease shall Lessor construct, build, or locate or allow others to construct, build, or locate any wind energy conversion system, wind turbine, or similar project on the premises. Lessee shall have the right to remedy any such interference by any appropriate means.

37. Notices. All notices or other communications required or permitted hereunder, including notices to Lenders, shall, unless otherwise provided herein, be in writing, shall be personally delivered, delivered by reputable overnight courier, or sent by first class mail and postage prepaid, addressed to the parties at the addresses set forth on the first page of this lease. Notices personally delivered shall be deemed given the day so delivered. Notices given by overnight courier shall be deemed given on the first business day following the mailing

date. Notices mailed as provided herein shall be deemed given on the third business day following the mailing date. Notice of change of address shall be given by written notice in the manner detailed in this Paragraph 37, provided that Lessee's mailing address shall at all times be the same for both billing and notice. In the event there are multiple Lessees hereunder, notice to one Lessee shall be deemed notice to all Lessees.

38. Hawaii law. This lease shall be construed, interpreted, and governed by the laws of the State of Hawaii.

39. Exhibits - Incorporation in lease. All exhibits referred to are attached to this lease and hereby are deemed incorporated by reference.

40. Headings. The article and paragraph headings herein are inserted only for convenience and reference and shall in no way define, describe or limit the scope or intent of any provision of this lease.

41. [Intentionally omitted].

42. Time is of the essence. Time is of the essence in all provisions of this lease.

43. Archaeological sites. In the event any unanticipated sites or remains such as shell, bone or charcoal deposits, human burials, rock or coral alignments, pavings, or walls are found on the premises, the Lessee and the Lessee's agents, employees and representatives shall immediately stop all land utilization and/or work and contact the Historic Preservation Office in compliance with Chapter 6E, Hawaii Revised Statutes.

44. [Intentionally omitted.]

45. Clearances. The Lessee shall be responsible for obtaining all necessary federal, state or county clearances, permits and approvals.

46. Hunting. No hunting shall be allowed on the premises during the term of this lease.

47. Records. The Lessee shall prepare, maintain, and keep records in accordance with acceptable record keeping practices. A clear, complete, detailed record and accounting of business affecting payment due the Lessor and Project Improvements, electric production and delivery to the power

purchaser shall be maintained at a location in Hawaii for a period of at least four (4) years following payment of rent. Further, the Lessee shall prepare, maintain and keep records of Wind Data, as defined herein, and management practices conducted on the premises, including but not limited to, the use of pesticides, for the term of this lease or as required by law or any permit.

48. Audit and examination of books, etc. The Lessee shall, at all reasonable times, permit the Lessor and/or its authorized agents and employees, upon reasonable notice given by the Lessor, to audit, examine and to make copies of all books, accounts, records and receipts of the Lessee, including any power purchase agreements, for the purpose of verifying the amount of electric production and delivery to the power purchaser and/or proceeds received by the Lessee from the premises or for the purpose of determining and enforcing compliance with the provisions of this lease. If an audit shows a deviation of more than three percent (3%) from the Gross Revenue rental payment made to the State, the Lessee shall pay the difference and pay for the cost of the audit. The Lessee shall immediately pay all such additional amounts due plus interest from the date such payment was originally due and payable but in no case later than thirty (30) days after notice of the additional amount due.

49. Environmental regulations. Lessee shall comply with all applicable federal, state and county environmental impact regulations, including but not limited to Chapter 343, Hawaii Revised Statutes, as amended, and regulations governing historic preservation. Within thirty (30) days after the expiration or termination of this lease, Lessee shall conduct a Phase One Hazardous Waste Evaluation (record research only). In addition, Lessee shall be required to remove and abate any hazardous materials that have been released, disposed of or stored by Lessee on or at the premises during the term hereof promptly following the expiration or termination of this lease to the extent required by then existing federal, state and county environmental impact regulations. This Paragraph 49 shall survive the expiration or termination of this lease.

50. Fair interpretation. The parties agree that the terms and provisions of this lease embody their mutual intent and that such terms and conditions are not to be construed more liberally in favor, nor more strictly against, either party.

51. Partial invalidity. If any term or provision of this lease, or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this lease or the application of such term or provision to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be effected thereby, and each remaining term and provision of this lease shall be valid and enforceable to the fullest extent permitted by law.

52. Survey and boundary stakeout. The Lessee shall be solely responsible for any survey and boundary stakeout of the leased premises.

53. [Intentionally omitted.]

54. Counterparts. This lease may be executed and recorded in counterparts, each of which shall be deemed an original and all of which, when taken together, shall constitute one and the same instrument.

55. Complete agreement. This lease, and the exhibits and riders hereto, contains the entire agreement between the parties hereto with respect to the subject matter hereof and any prior agreements, discussions or understandings, written or oral, are superceded by this lease and shall be of no force or effect. No addition or modification of any term or provision of this lease shall be effective unless set forth in writing and signed by the authorized representatives of the parties.

56. Renewable energy producer. Lessee understands and agrees that this Lease is being issued by direct negotiation pursuant to Section 171-95, Hawaii Revised Statutes (HRS). Throughout the term of this Lease, the Lessee shall be and remain a "renewable energy producer" and Lessee shall not assign or transfer this Lease to any entity that does not qualify as a "renewable energy producer." A violation or other breach of this provision shall be considered a material default under this Lease.

57. Extension of lease term. Provided the Lessee is in full compliance with all of the terms and conditions of this Lease, Lessee may exercise its option to extend this Lease for an additional twenty (20) year term by submitting a written request to Lessor no later than nine (9) months prior to the expiration of the Lease. The Minimum Annual Rental and Percentage Rent during any extended term shall be determined in accordance with Section G (Rental reopenings, conduct of) of

this Lease. Notwithstanding the foregoing, any extension of this Lease is contingent upon and subject to the parties mutually agreement on such terms and conditions to be added to or amended in the Lease for the purpose of achieving the most current industry leasing standards for wind energy projects.

58. Public Utilities Commission approval. The Lessee shall obtain approval from the Public Utilities Commission for the power purchase agreement with MECO and shall provide Lessor written evidence of such approval. The Lessee shall also provide Lessor a copy of the duly executed power purchase agreement with MECO.

59. Additional definitions. As used in this lease, unless clearly repugnant to the context:

(a) "Chairperson" means the Chairperson of the Board of Land and Natural Resources of the State of Hawaii or his successor

(b) "County" means the County of Maui.

(c) "Days" shall mean calendar days, unless otherwise specified.

(d) "Holder of record of a security interest" means a person who is the owner or possessor of a security interest in the land leased and who has filed with the Department of Land and Natural Resources and with the Bureau of Conveyances of the State of Hawaii a copy of this interest.

(e) "Lessee" means and includes Lessee and its successors or permitted assigns.

(f) "Premises" means the land leased and all buildings and improvements now or hereinafter constructed and installed on the land leased.

(g) "Project Improvements" includes wind turbines, all appurtenant meteorological towers and equipment, electrical components (overhead and underground power lines and their supporting structures, transformers, switching and connection enclosures, metering systems, communication lines and auxiliary equipment), service buildings, access controls (gates, cattle guards and fences), safety and wind project identification signage, erosion and fire control features and roads that may be used in connection therewith located on the premises.

(h) "Renewable energy producer" means any producer of electrical energy produced by wind that sells all of the net power produced from the demised premises to an electric utility company regulated under Chapter 269, Hawaii Revised Statutes. Up to twenty-five percent of the power produced by a renewable energy producer and sold to the utility may be derived from fossil fuels.

(i) "Repowering" means: (1) the renewal or replacement of the majority (more than 80%) of the wind turbines as evidenced by, but not limited to, contemporaneous replacement of the wind turbines with different models or (2) a significant modification to that portion of the Wind Project located on the premises such that a significant revision to the existing land use permit or a new land use permit is required for the premises. The following shall not constitute Repowering: (1) reuse of the Project Improvements, including roads, erosion control and premises access improvements, meteorological towers or transmission interconnection related to the premises, (2) replacement of the Wind Project substation for any reason, (3) replacement of wind turbines on the premises with substantially the same make and model in the same locations, or (4) replacement of any or all of the wind turbines and Project Improvements on the premises as a result of casualty or loss.

(j) "Waste" includes, but is not limited to, (1) permitting the premises, or any portion, to become unduly eroded or failure to take proper precautions or make reasonable effort to prevent or correct the erosion; (2) permitting a substantial increase in noxious weeds in uncultivated portions of the premises; and (3) failure to employ all of the usable portions of the premises.

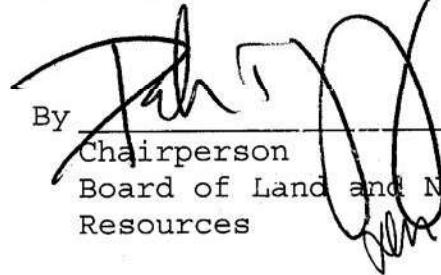
(k) "Wind Data" means maps showing the locations and orientation of anemometer or other towers, including UTM coordinates and heights of towers, all wind survey data collected (data shall be formatted to include at a minimum monthly speed, direction and other useful reports generated by off-the-shelf commercial software provided by the manufacturer of the wind monitoring equipment) and any interpretations, reports or conclusions derived from this data.

(l) "Wind Project" means the wind energy facility consisting of wind turbines interconnected by an electrical collection system and their associated project improvements. A Wind Project may extend across State land and other ownership in a given area.

IN WITNESS WHEREOF, the STATE OF HAWAII, by its Board of Land and Natural Resources, has caused the seal of the Department of Land and Natural Resources to be hereunto affixed and the parties hereto have caused these presents to be executed the day, month and year first above written.

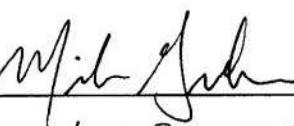
STATE OF HAWAII

Approved by the Board of Land and Natural Resources at its meeting held on December 10, 2004.

By   
Chairperson  
Board of Land and Natural Resources

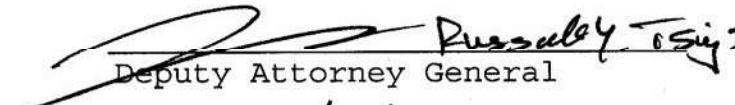
LESSOR

KAHEAWA WIND POWER, LLC

By   
Its Mil John  
VICE PRESIDENT

LESSEE

APPROVED AS TO FORM:

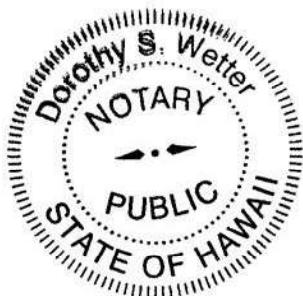
  
Deputy Attorney General

Dated: 12/29/04



STATE OF HAWAII )  
COUNTY OF Maui )  
 ) SS.

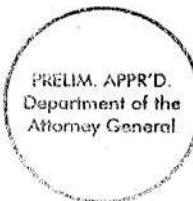
On this 3rd day of January, 2005,  
before me personally appeared Mike Freshman  
and                   , to me personally known,  
who, being by me duly sworn or affirmed, did say that such  
person(s) executed the foregoing instrument as the free act and  
deed of such person(s), and if applicable in the capacity shown,  
having been duly authorized to execute such instrument in such  
capacity.



~~Notary Public, State of Hawaii~~

Dorothy S. Wetter

My commission expires: NOV. 23, 2007



## D.7 Field Surveys

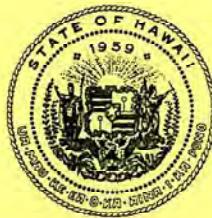
- D.7.1 Wind Turbine Generator 1**
- D.7.2 Wind Turbine Generator 2**
- D.7.3 Wind Turbine Generator 3**
- D.7.4 Wind Turbine Generator 4**
- D.7.5 Wind Turbine Generator 5**
- D.7.6 Wind Turbine Generator 6**
- D.7.7 Wind Turbine Generator 7 + Shed**
- D.7.8 Wind Turbine Generator 8**
- D.7.9 Wind Turbine Generator 9**
- D.7.10 Wind Turbine Generator 10**
- D.7.11 Wind Turbine Generator 11**
- D.7.12 Wind Turbine Generator 12**
- D.7.13 Wind Turbine Generator 13**
- D.7.14 Wind Turbine Generator 14**
- D.7.15 Wind Turbine Generator 15**
- D.7.16 Wind Turbine Generator 16**
- D.7.17 Wind Turbine Generator 17**
- D.7.18 Wind Turbine Generator 18**
- D.7.19 Wind Turbine Generator 19**
- D.7.20 Wind Turbine Generator 20**
- D.7.21 KWP-1 Substation**
- D.7.22 Operations and Maintenance Building**
- D.7.23 Warehouse Building**
- D.7.24 BESS Building**



Exhibit I



LINDA LINGLE  
GOVERNOR OF HAWAII



LAURA H. THIELEN  
CHAIRPERSON  
BOARD OF LAND AND NATURAL RESOURCES  
COMMISSION ON WATER RESOURCE MANAGEMENT

RUSSELL Y. TSUJI  
FIRST DEPUTY

KEN C. KAWAHARA  
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES  
BOATING AND OCEAN RECREATION  
BUREAU OF CONVEYANCES  
COMMISSION ON WATER RESOURCE MANAGEMENT  
CONSERVATION AND COASTAL LANDS  
CONSERVATION AND RESOURCES ENFORCEMENT  
ENGINEERING  
FORESTRY AND WILDLIFE  
HISTORIC PRESERVATION  
KAHOOIAWE ISLAND RESERVE COMMISSION  
LAND  
STATE PARKS

STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES

POST OFFICE BOX 621  
HONOLULU, HAWAII 96809

REF:OCCL:MC

Site Plan Approval: MA-08-16

Perry White  
Planning Solutions  
Ward Plaza, Suite 330  
210 Ward Avenue  
Honolulu, HI 96814

FEB 21 2008

Dear Mr. White,

**SUBJECT: SITE PLAN APPROVAL FOR KAHEAWA ACCESSORY STRUCTURES**  
Kaheawa, Ma'alea, Lahaina District, Maui  
TMK (2) 4-8-1:8

The Office of Conservation and Coastal Lands (OCCL) has reviewed Kaheawa Wind Power (KWP) LLC's request for an after-the-fact Site Plan Approval for accessory structures placed at the entrance to the existing Olowalu-Ukumehame site. The entrance is in the Limited Subzone of the State Land Use Conservation District. The Board of Land and Natural Resources approved Conservation District Use Permit 3103 for the main facility on January 24, 2003. The Accessory Structures relate to that permit.

KWP is requesting approval for the following additions:

- **Access Gate.** The automatic gate is constructed of heavy duty, industrial grade tubing. It is set 37 feet off of Honoapi'ilani Highway.
- **Security Camera and DVR Camera.** The camera is mounted on a 20 foot pole. The DVR cabinet is 4'8" in height and 3' wide.
- **60,000 Gallon Water Tank.** The tank is ten feet high and 40 feet in diameter.
- **Entrance Area.** KWP will continue to use the entry for guest parking and temporary equipment staging. This does not involve the placement of permanent structures.

Signage is an identified use pursuant to Hawaii Administrative Rules (HAR), §13-5-23, *Identified land uses in the protective subzone, L-7 STRUCTURES, ACCESSORY, (B-1) Construction or placement of structures accessory to an existing structure, building, or facility under an existing conservation district use permit. Accessory uses shall be allowed only if they are consistent with the purpose of the conservation district. This use requires a Site Plan Approval from DLNR.*

OCCL has no objections to granting an after-the-fact Site Plan Approval for these uses. Authorization is hereby granted for the accessory structures as outlined above, subject to the following conditions:

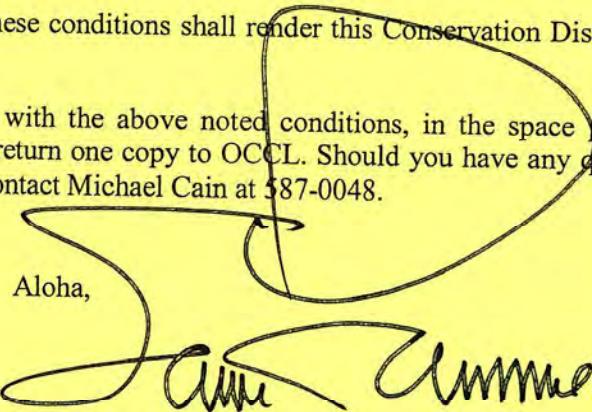
- 1) The applicant shall comply with all applicable statutes, ordinances, rules, regulations, and conditions of the Federal, State and County governments.
- 2) The applicant, its successors and assigns, shall indemnify and hold the State of Hawaii harmless from and against any loss, liability, claim or demand for property damage,

Exhibit J

personal injury or death arising out of any act or omission of the applicant, its successors, assigns, officers, employees, contractors and agents under this permit or relating to or connected with the granting of this permit;

- 3) The applicant shall comply with all applicable Department of Health administrative rules. Particular attention should be paid to Hawai'i Administrative Rules (HAR) Section 11-60.1-33, *Fugitive Dust* and to Chapter 11-46, *Community Noise Control*; if applicable;
- 4) The applicant understands and agrees that this permit does not convey any vested rights or exclusive privilege;
- 5) In issuing this permit, the Department has relied on the information and data that the applicant has provided in connection with this permit application. If, subsequent to the issuance of this permit, such information and data prove to be false, incomplete or inaccurate, this permit may be modified, suspended or revoked, in whole or in part, and/or the Department may, in addition, institute appropriate legal proceedings;
- 6) Where any interference, nuisance, or harm may be caused, or hazard established by the use, the applicant shall be required to take the measures to minimize or eliminate the interference, nuisance, harm, or hazard;
- 7) Obstruction of public roads, trails, and pathways shall be minimized. If obstruction is unavoidable, the applicant shall provide roads, trails, or pathways acceptable to the department;
- 8) That the applicant obtain a disposition from the Maui District Land Office for the proposed work;
- 9) Other terms and conditions as may be prescribed by the Chairperson; and
- 10) Failure to comply with any of these conditions shall render this ~~Conservation District Use Permit~~ null and void.

Please acknowledge receipt of this approval, with the above noted conditions, in the space provided below. Please sign two copies, retain one and return one copy to OCCL. Should you have any questions on any of these conditions, please feel free to contact Michael Cain at 587-0048.

Aloha,  


Samuel J. Lemmo, Administrator  
Office of Conservation and Coastal Lands

*Receipt acknowledged:*

\_\_\_\_\_  
Applicant's Signature

\_\_\_\_\_  
Date

cc: DLNR Chair, Maui Land Division



PLANNING  
SOLUTIONS

SPA MA-08-1b

RECEIVED  
OFFICE OF CONSERVATION  
AND COASTAL LANDS

January 31, 2008

Mr. Samuel J. Lemmo, Administrator  
Department of Land and Natural Resources  
Office of Conservation and Coastal Lands  
P.O. Box 621  
Honolulu, Hawai'i 96809

2008 JAN 31 P 12: 4b

DEPT. OF LAND &  
NATURAL RESOURCES  
STATE OF HAWAII

**Subject: CDUP MA3103: Request for Site Plan Approval for Kaheawa Wind Power Facilities**

Dear Mr. Lemmo:

In accordance with the guidance provided in your August 16, 2007 letter to us (your reference OCCL:TM), Kaheawa Wind Power LLC (KWP) requests site plan approval for facilities located in the area at the base of the existing access road serving its Olowalu-Ukumehame site at 3000 Honoapi'ilani Highway. We understand that site plan approval, should it be granted, will be appended to KWP's existing CDUP (CDUP MA3103).

The facilities for which KWP requests site plan approval include an access gate, security camera and related DVR cabinet, and a water storage tank and supply hose that KWP erected at the entrance of the access road to serve the existing wind power facilities. Photographs and plans depicting these facilities are attached for your review. The access gate and security camera facilitate site security; the 60,000 gallon water tank has proved invaluable in supporting ongoing revegetation and dust control efforts at Kaheawa Pastures. KWP also proposes to continue using the entrance area for guest vehicle parking and for temporary equipment staging, loading and unloading; none of these ongoing uses involves the placement of permanent structures.

It is KWP's understanding that the uses proposed for site plan approval can be considered exempt from the need to prepare a Chapter 343 Environmental Assessment pursuant to HAR 11-200-8-(a)(6), which lists "*Construction or placement of minor structures accessory to existing facilities*" [in this case the approved wind farm facilities] as an exempt class of action.

If you have questions about this project or need additional information to complete the site plan approval process, please feel free to contact me at (808) 550-4483.

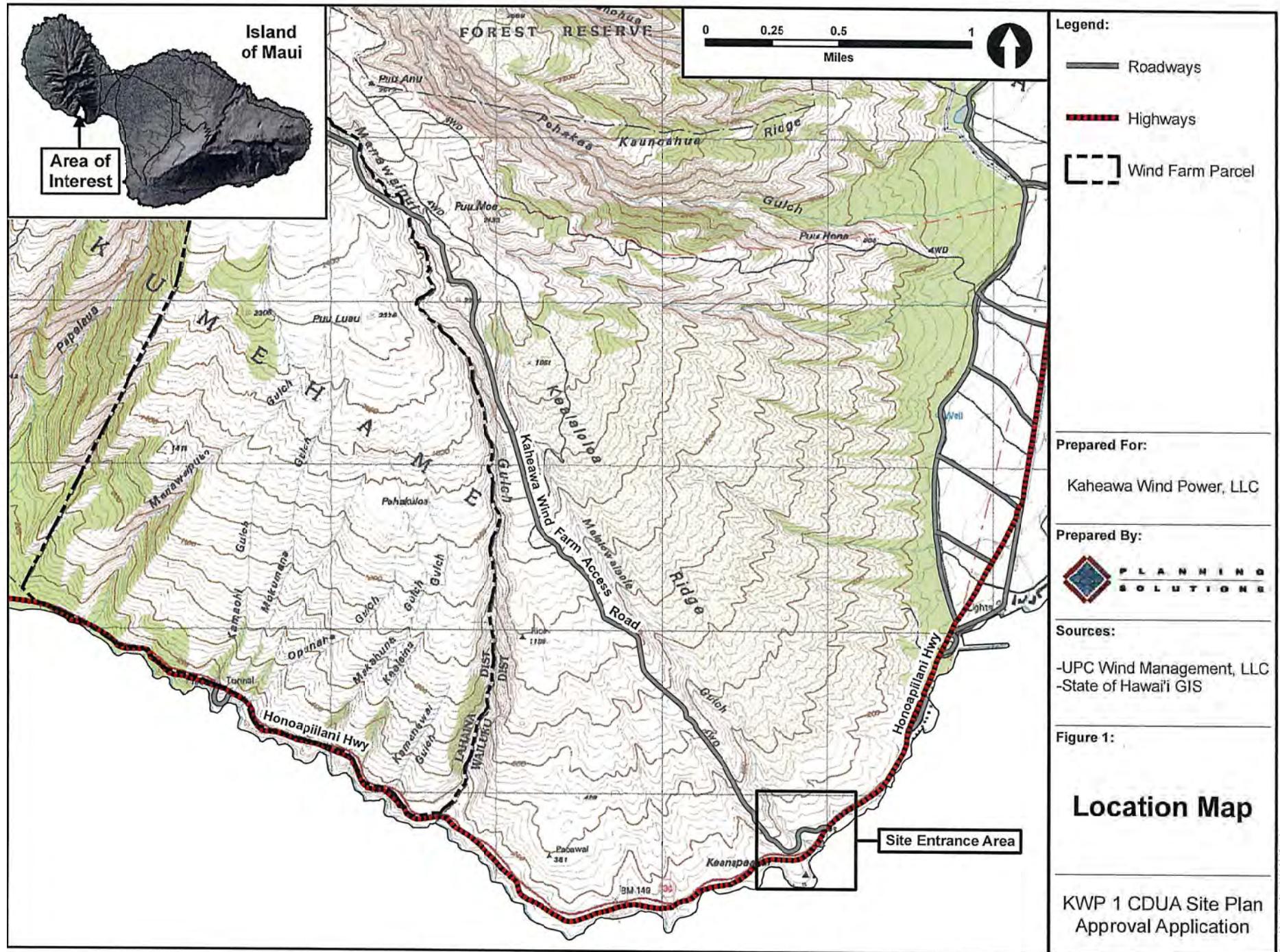
Sincerely,

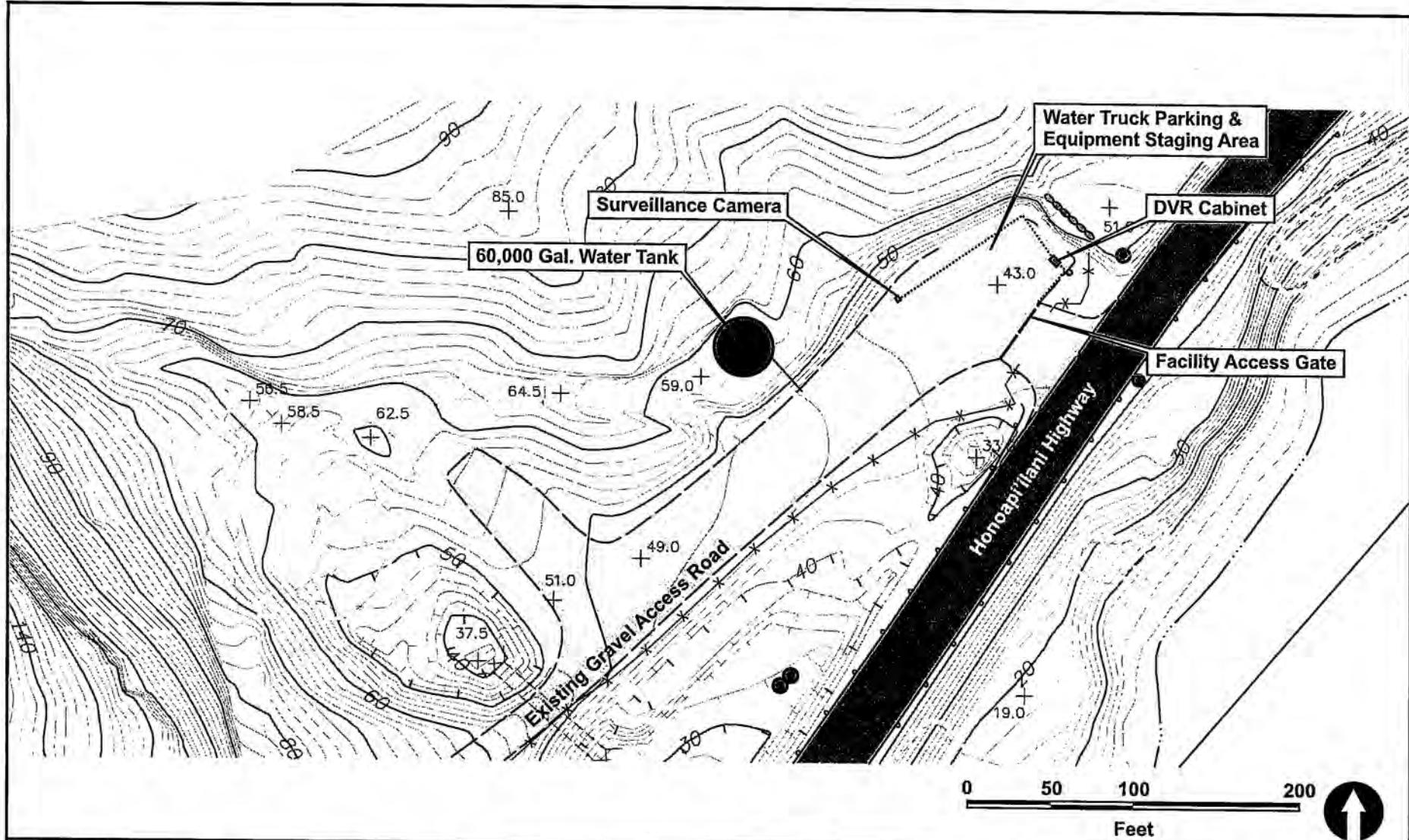
Perry White

Attachments:

- (1) Maps and plans depicting the covered facilities.
- (2) Check for \$50 Site Plan Approval filing fee.

cc: Mike Gresham, Kaheawa Wind Power





Prepared For:  
Kaheawa Wind Power, LLC

Prepared By:  
PLANNING  
SOLUTIONS

Source:  
UPC Wind Management, LLC

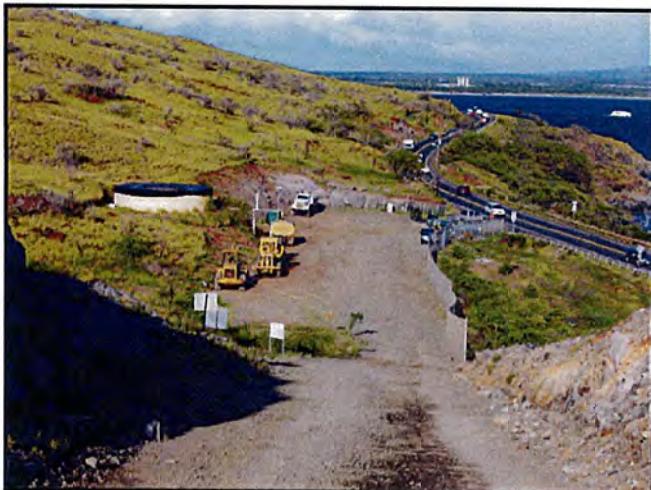
Legend:

- \* Security Fence
- Utility & Sign Poles
- Rock Wall
- Graded Areas
- Existing Culvert
- Pre-existing & Abandoned Roadway

Figure 2:

## Existing Conditions At Kaheawa Site Entry

KWP 1 CDUA Site Plan Approval Application



Looking down gravel access road towards site entry.



View of site entry and security gate.



View from driveway of security fence and staging area.



View of gravel access road from staging area.

**Prepared For:**

Kaheawa Wind Power, LLC

**Prepared By:**



**Source:**

UPC Wind Management, LLC

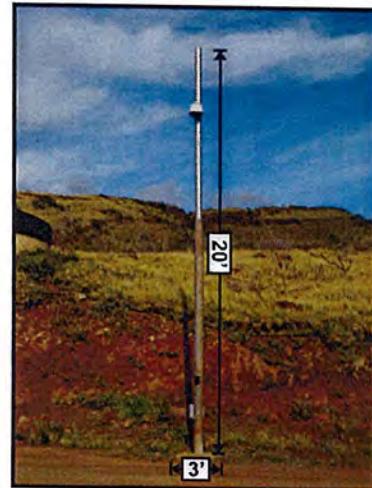
**Figure 3:**

## Entrance Area Photographs

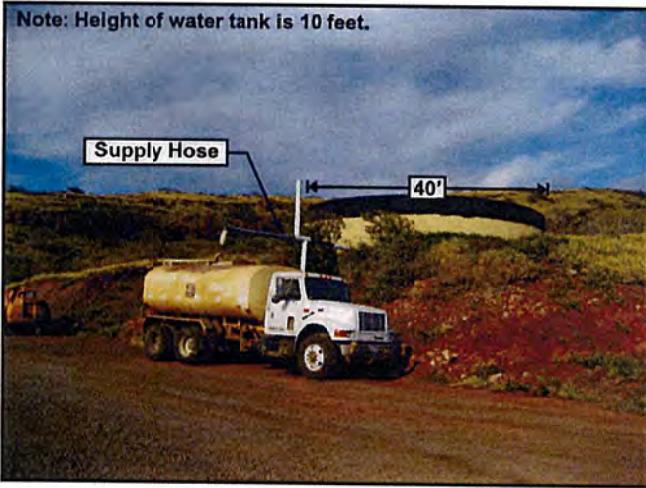
KWP 1 CDUA Site Plan Approval Application



DVR Cabinet



Security Camera



Water tank and supply hose.



Main access gate.

Prepared For:  
Kaheawa Wind Power, LLC

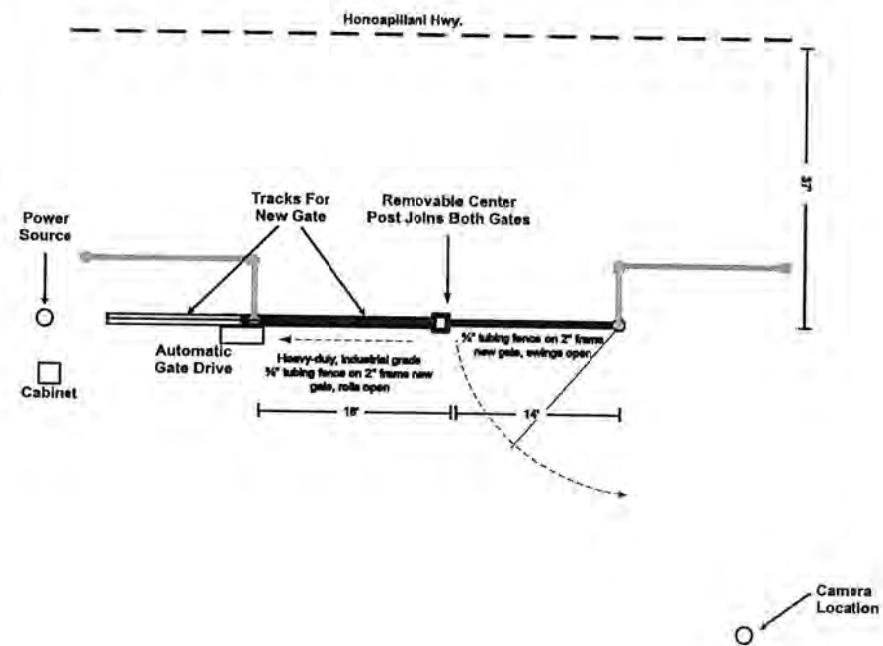
Prepared By:  
 PLANNING  
SOLUTIONS

Source:  
Kaheawa Wind Power, LLC

Figure 4:  
**Photographs  
of Covered Areas**  
KWP 1 CDUA Site Plan Approval Application

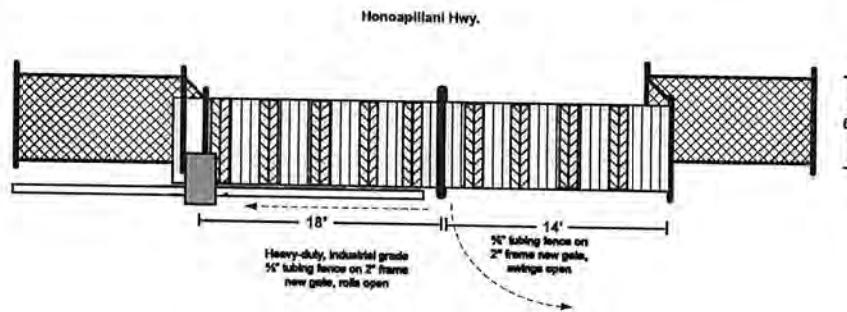
### Plan View

Drawing is Not To Scale;  
For Illustration Purposes Only  
Actual Dimensions May Vary.



### Front Elevation View

Drawing is Not To Scale;  
For Illustration Purposes Only  
Actual Dimensions May Vary.



Prepared For:

Kaheawa Wind Power, LLC

Prepared By:



Source:

Kaheawa Wind Power, LLC

Figure 5:

## Entry Gate Detail

KWP 1 CDUA Site Plan Approval Application

JOSH GREEN, M.D.  
GOVERNOR | KE KIA'ĀINA

SYLVIA LUKE  
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES  
KA 'OIHANA KUMUWAIWAI 'ĀINA

P.O. BOX 621  
HONOLULU, HAWAII 96809

DAWN N.S. CHANG  
CHAIRPERSON  
BOARD OF LAND AND NATURAL RESOURCES  
COMMISSION ON WATER RESOURCE  
MANAGEMENT  
RYAN K.P. KANAKA'OLE  
FIRST DEPUTY  
CIARA W.K. KAHAHANE  
DEPUTY DIRECTOR - WATER  
AQUATIC RESOURCES  
BOATING AND OCEAN RECREATION  
BUREAU OF CONVEYANCES  
COMMISSION ON WATER RESOURCE  
MANAGEMENT  
CONSERVATION AND COASTAL LANDS  
CONSERVATION AND RESOURCES  
ENFORCEMENT  
ENGINEERING  
FORESTRY AND WILDLIFE  
HISTORIC PRESERVATION  
KAHOOLAE ISLAND RESERVE COMMISSION  
LAND  
STATE PARKS

October 21, 2025

RIGHT-OF-ENTRY PERMIT

PSF No.: 25MD-065  
ROE: 4700

Via email: [emma.yuen@hawaii.gov](mailto:emma.yuen@hawaii.gov)

Dept. of Forestry and Wildlife  
1151 Punchbowl St. Room 325  
Honolulu, HI 96813

Dear Ms. Yuen:

**SUBJECT:** Issuance of Right-of-Entry Permit to the Department of Land and Natural Resources, Division of Forestry and Wildlife (DOFAW) for Management Purposes, Including Authorization for DOFAW to Issue Permits Pursuant to Chapters 13-104, 13-122, 13-123, 13-124, 13-126, and 13-209, Hawaii Administrative Rules (HAR); Government Lands on Kauai, Oahu, Molokai, and Maui. See **Exhibit A** for list of Tax Map Keys.

This letter serves as a right-of-entry (ROE) permit at the subject locations for the Department of Forestry and Wildlife (DOFAW) for management purposes. The subject locations are shown in the attached spreadsheet (**Exhibit A**).

Pursuant to the authority granted to me by the Board at its meeting on October 10, 2025 (item D-4), DOFAW is granted a ROE to utilize the subject locations for management purposes including authorization for DOFAW to issue permits pursuant to Chapters 13-104, 13-122, 13-123, 13-124, 13-126, and 13-209, Hawaii Administrative Rules (HAR), during the term of this ROE permit, subject to the following terms and conditions:

1. This right-of-entry permit shall commence upon acceptance of the terms and conditions herein and will be effective for a term of one (1) year, or upon Governor's signature on the proposed set asides, whichever is sooner.
2. DOFAW shall ensure that its consultants, contractors and/or persons acting for or on its behalf shall procure, at their own cost and expense, and maintain during the

entire period of this right-of-entry, from an insurance company or companies licensed or authorized to do business in the State of Hawaii with an AM Best rating of not less than "A-VIII" or other comparable and equivalent industry rating, a policy or policies of general liability insurance or its equivalent, in an amount of at least \$1,000,000 for each occurrence and \$2,000,000 aggregate, and with coverage terms acceptable to the Chairperson of the Board of Land and Natural Resources (Board). The policy or policies of insurance shall name the State of Hawaii as an additional insured and a copy shall be filed with the State of Hawaii, Department of Land and Natural Resources (Department). The insurance shall cover the entire premises, including all buildings, improvements, and grounds and all roadways or sidewalks on or adjacent to the premises in the use or control of DOFAW and its consultants, contractors and/or persons acting for or on its behalf. DOFAW shall ensure its consultants, contractors and/or persons acting for or on its behalf shall furnish the Department with a certificate(s) showing the policy(s) to be initially in force, keep certificate(s) on deposit during the entire period and furnish a like certificate(s) upon each renewal of the policy(s). This insurance shall not be cancelled, limited to scope of coverage, or non-renewed until written notice has been given to the Department. The Department shall retain the right at any time to review the coverage, form, and amount of the insurance required. If, in the opinion of the Department, the insurance provisions in this right-of-entry do not provide adequate protection for the Department, the Department may require DOFAW's consultants, contractors and/or persons acting for or on its behalf to obtain insurance sufficient in coverage, form, and amount to provide adequate protection. The Department's requirements shall be reasonable but be designed to assure protection for and against the kind and extent of the risks which exist at the time a change in insurance is required. The Department shall notify DOFAW in writing of changes in the insurance requirements and DOFAW's consultants, contractors and/or persons acting for or on its behalf shall deposit copies of acceptable insurance policy(s) or certificate(s) thereof, with the Department incorporating the changes within receipt of the notice. The procuring of the required policy(s) of insurance shall not be construed to limit DOFAW's consultants, contractors and/or persons acting for or on its behalf, liability under this right-of-entry nor to release or relieve DOFAW's consultants, contractors and/or persons acting for or on its behalf of the indemnification provisions and requirements of this right-of-entry. Notwithstanding the policy(s) of insurance, DOFAW's consultants, contractors and/or persons acting for or on its behalf shall be obligated for the full and total amount of any damage, injury, or loss caused by DOFAW's consultants, contractors and/or persons acting for or on its behalf negligence or neglect connected with this right-of-entry.

3. At all times herein, DOFAW shall ensure that its consultants, contractors and/or persons acting for or on its behalf shall keep the right-of-entry area or premises in a strictly clean, sanitary and orderly condition.
4. DOFAW shall ensure that its consultants, contractors and/or persons acting for or on its behalf shall comply with all of the requirements of all municipal, state, and

federal authorities and observe all municipal, state and federal laws applicable to the right-of-entry area or premises, now in force or which may be in force.

5. DOFAW shall ensure that its consultants, contractors and/or persons acting for or on its behalf indemnify, defend, and hold the State of Hawaii, Department of Land and Natural Resources harmless from and against any claim or demand for loss, liability, or damage, including claims for bodily injury, wrongful death, or property damage, arising out of or resulting from: (1) any act or omission on the part of DOFAW, its consultants, contractors and/or persons acting for or on its behalf relating to the use, occupancy, maintenance, or enjoyment of the right-of-entry area or premises by DOFAW, its consultants, contractors and/or persons acting for or on its behalf; (2) any failure on the part of DOFAW, its consultants, contractors and/or persons acting for or on its behalf to maintain the right-of-entry area or premises and areas adjacent thereto in the use and control of DOFAW, its consultants, contractors and/or persons acting for or on its behalf, and including any accident, fire or nuisance, growing out of or caused by any failure on the part of DOFAW, its consultants, contractors and/or persons acting for or on its behalf, to maintain the area or premises in a safe condition; and (3) from and against all actions, suits, damages, and claims by whomsoever brought or made by reason of the non-observance or non-performance by DOFAW, its consultants, contractors and/or persons acting for or on its behalf, of any of the terms, covenants, and conditions of this right-of-entry or the rules, regulations, ordinances, and laws of the federal, state, municipal or county governments.
6. DOFAW shall ensure that its consultants, contractors and/or persons acting for or on its behalf shall not cause or permit the escape, disposal or release of any hazardous materials except as permitted by law. DOFAW and its consultants, contractors and/or persons acting for or on its behalf shall not allow the storage or use of such materials in any manner not sanctioned by law or by the highest standards prevailing in the industry for the storage and use of such materials, nor allow to be brought onto the right-of-entry area or premises any such materials except to use in the ordinary course of business of DOFAW, its consultants, contractors and/or persons acting for or on its behalf business, and then only after written notice is given to the Department of the identity of such materials and upon the Department's consent which consent may be withheld at the Department's sole and absolute discretion. If any lender or governmental agency shall ever require testing to ascertain whether or not there has been any release of hazardous materials by DOFAW, its consultants, contractors and/or persons acting for or on its behalf, then DOFAW, its consultants, contractors and/or persons acting for or on its behalf shall be responsible for the cost thereof. In addition, DOFAW, its consultants, contractors and/or persons acting for or on its behalf shall execute affidavits, representations and the like from time to time at the Department's request concerning the best knowledge and belief of DOFAW, its consultants, contractors and/or persons acting for or on its behalf, regarding the presence of hazardous materials on the right-of-entry area or premises placed or released by DOFAW, its consultants, contractors and/or persons acting for or on its behalf.

7. DOFAW shall ensure that its consultants, contractors and/or persons acting for or on its behalf agree to indemnify, defend and hold the State of Hawaii, Department of Land and Natural Resources harmless, from any damages and claims resulting from the release of hazardous materials on the right-of-entry area or premises occurring while DOFAW, its consultants, contractors and/or persons acting for or on its behalf is/are in possession, or elsewhere if caused by DOFAW, its consultants, contractors and/or persons acting for or on its behalf. These covenants shall survive the expiration or earlier termination of this right-of-entry.

For purposes of this right-of-entry, "hazardous material" shall mean any pollutant, toxic substance, hazardous waste, hazardous material, hazardous substance, or oil as defined in or pursuant to the Resource Conservation and Recovery Act, as amended, the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, the Federal Clean Water Act, or any other federal, state, or local environmental law, regulation, ordinance, rule, or by-law, whether existing as of the date hereof, previously enforced, or subsequently enacted.

8. DOFAW shall ensure that its consultants, contractors and/or persons acting for or on its behalf in the exercise of this right-of-entry shall use appropriate precautions and measures to minimize inconveniences to surrounding residents, landowners, and the public in general.
9. All costs associated with the construction within the right-of-entry area or premises shall be the sole responsibility of DOFAW, its consultants, contractors and/or persons acting for or on its behalf.
10. DOFAW shall ensure that its consultants, contractors and/or persons acting for or on its behalf shall maintain and employ debris, pollution and contamination control measures, safeguards and techniques to prevent debris, pollution or contamination to the ocean waters, streams or waterways resulting from DOFAW, its consultants, contractors and/or persons acting for or on its behalf use, maintenance, repair and operation of the right-of-entry area or premises, and shall take immediate corrective action in the event of such pollution or contamination to immediately remove the cause of such pollution or contamination, and shall immediately clean the right-of-entry area or premises and its surrounding waters of such pollutant or contaminant and restore to the Department satisfaction the areas affected by such pollution or contamination, all at DOFAW, its consultants, contractors and/or persons acting for or on its behalf own cost and expense.
11. Best management practices shall be employed to avoid having silt or dirt enter the ocean.
12. In the event any unanticipated sites or remains such as bone or charcoal deposits, human burials, rock or coral alignments, paving's or walls are encountered DOFAW, its consultants, contractors, and/or persons acting for or on its behalf shall

stop work and contact the State Historic Preservations Division in Kapolei at (808) 692-8015 immediately.

13. All disputes or questions arising under this right-of-entry shall be referred to the Chairperson of the Board of Land and Natural Resources for a determination and resolution of the dispute or question. The Chairperson's decision shall be final and binding on the parties herein.
14. This right-of-entry is revocable and terminable at any time for any reason in the sole and absolute discretion of the Chairperson.
15. The Chairperson is authorized to issue future right-of-entry permits covering the subject lands for up to one-year per permit for good cause shown.
16. This right-of-entry or any rights hereunder shall not be sold, assigned, conveyed, leased, let, mortgaged or otherwise transferred or disposed.
17. The Department of Land and Natural Resources reserves the right to impose additional, but responsible terms and conditions as it deems necessary while this right-of-entry permit is in force.
18. DOFAW shall conduct all activities in compliance with the encumbered portions of the lands noted in **Exhibit A**.
19. DOFAW shall be responsible for compliance with Chapter 343 HRS, as amended, for program activities on the lands.

Pursuant to the Board's delegation of authority to me to issue rights-of-entry, I am authorized to waive rent for rights-of-entry that are government related, or where no entity involved intends to profit monetarily from its use. As your project meets this requirement, I hereby waive the rent.

Should you have no objections to the above-mentioned terms and conditions, please sign in the space provided below and submit the following to the Oahu District Land Office.

If you have any questions, please feel free to contact Steven Domingo of the Land Division Office at [steven.m.domingo@hawaii.gov](mailto:steven.m.domingo@hawaii.gov) or (808) 587-0392.

Sincerely,



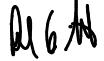
Dawn N.S. Chang  
Chairperson

lx

✓

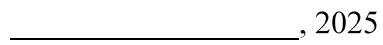
ACCEPTED:

State of Hawaii, Department of Forestry and Wildlife



---

By Its:

, 2025

Cc:    Oahu District Land Office  
         Maui District Land Office  
         Hawaii District Land Office  
         Kauai District Land Office

Oahu						
TMK	DOFAW Designation	Area (acre)	State Land Use District	County Zoning	Trust Land Status	DHHL 30% Current Use Status
(1) 6-9-001-004	Forest Reserve	515.050	Agriculture, Conservation	P-1, P-2	5(b)	No LOD 28991
Kauai						
TMK	DOFAW Designation	Area (acre)	State Land Use District	County Zoning	Trust Land Status	DHHL 30% Current Use Status
(4) 4-4-001-002	Forest Reserve	347.200	Conservation	CON	5(b)	No Unencumbered
(4) 5-6-002-001	Forest Reserve	670.000	Agriculture, Conservation	CON	5(b)	No LOD 28292
Molokai						
TMK	DOFAW Designation	Area (acre)	State Land Use District	County Zoning	Trust Land Status	DHHL 30% Current Use Status
(2) 6-1-001-002 (por)	Natural Area Reserve	7,213.780	Agriculture, Conservation	Interim	5(b)	No EO 3302, EO G23a
Maui						
TMK	DOFAW Designation	Area (acre)	State Land Use District	County Zoning	Trust Land Status	DHHL 30% Current Use Status
(2) 1-1-001-001	Forest Reserve	15.380	Conservation	Interim	5(b)	No Unencumbered
(2) 1-1-001-021	Forest Reserve	19.000	Conservation	Interim	5(b)	No Unencumbered
(2) 1-1-001-031	Forest Reserve	66.000	Agriculture, Conservation	AG, Interim	5(b)	No GL 5597
(2) 1-1-001-052	Forest Reserve	67.000	Agriculture, Conservation	AG, Interim	5(b)	No Unencumbered
(2) 1-1-002-005	Forest Reserve	7.350	Agriculture, Conservation	AG, Interim	5(b)	No Unencumbered
(2) 1-1-002-006	Forest Reserve	2.750	Agriculture, Conservation	Interim	5(b)	No Unencumbered
(2) 1-1-002-007	Forest Reserve	27.400	Conservation	Interim	5(b)	No Unencumbered
(2) 1-1-008-001	Forest Reserve	133.950	Agriculture, Conservation	AG, Interim	5(b)	No Unencumbered
(2) 1-1-008-005	Forest Reserve	120.970	Agriculture, Conservation	AG, Interim	5(b)	No LOD 28227
(2) 1-2-001-039	Forest Reserve	8.800	Conservation	Interim	5(b)	No Unencumbered
(2) 1-3-003-017	Forest Reserve	485.100	Agriculture, Conservation	AG, Interim	5(b)	No LODs 28227, 27293, 27477
(2) 1-3-006-007	Forest Reserve	393.000	Agriculture, Conservation, Rural, Urban	AG, Interim, P1	5(b)	No EO 3304, GL 4524, LOD 25544
(2) 1-4-011-003	Forest Reserve	21.000	Agriculture, Conservation	AG, Interim	5(b)	No Unencumbered

Maui						
TMK	DOFAW Designation	Area (acre)	State Land Use District	County Zoning	Trust Land Status	DHHL 30% Current Use Status
(2) 1-4-011-004	Forest Reserve	35.850	Agriculture, Conservation	AG, Interim	5(b)	No
(2) 1-4-012-019	Forest Reserve	3.820	Agriculture, Conservation, Rural	AG, Interim	5(b)	No
(2) 1-5-002-004	Forest Reserve	11.300	Agriculture, Conservation	AG, Interim	5(b)	No
(2) 1-5-008-004	Forest Reserve	96.000	Conservation	Interim	5(b)	No
(2) 1-5-010-008	Forest Reserve	14.680	Conservation	Interim	5(b)	No
(2) 1-5-011-007	Forest Reserve	68.000	Agriculture, Conservation	AG, Interim	5(b)	LOD 27045
(2) 1-5-011-012	Forest Reserve	14.800	Agriculture, Conservation	AG, Interim	5(b)	No
(2) 1-5-011-014	Forest Reserve	15.600	Agriculture, Conservation	AG, Interim	5(b)	No
(2) 1-5-011-015	Forest Reserve	4.500	Agriculture, Conservation	Interim	5(b)	No
(2) 1-5-011-029	Forest Reserve	28.000	Agriculture, Conservation	AG, Interim	5(b)	No
(2) 1-6-002-009	Forest Reserve	25.000	Agriculture, Conservation	AG, Interim	5(b)	No
(2) 1-7-002-011	Forest Reserve	242.600	Agriculture, Conservation	AG, Interim	5(b)	No
(2) 1-7-002-044	Forest Reserve	0.500	Conservation	Interim	5(b)	No
(2) 1-7-003-013	Forest Reserve	2.600	Agriculture, Conservation	AG, Interim	5(b)	No
(2) 2-4-016-001	Forest Reserve	145.000	Agriculture, Conservation	AG, Interim	5(b)	LOD 28018, LOD 28081, RP 7562
(2) 2-9-001-020	Forest Reserve	9.780	Agriculture, Conservation	AG, Interim	5(b)	RP 7545
(2) 2-9-001-033	Forest Reserve	1.700	Agriculture	AG	5(b)	No
(2) 2-9-002-012	Forest Reserve	3.200	Agriculture	AG	5(b)	LOD 28403
(2) 2-9-010-008	Forest Reserve	2.050	Agriculture	AG	5(b)	GL 5176
(2) 2-9-010-009	Forest Reserve	1.200	Agriculture, Conservation	AG	5(b)	No
(2) 2-9-010-012	Forest Reserve	18.300	Agriculture	AG	5(b)	No
(2) 2-9-010-021	Forest Reserve	1.550	Agriculture	AG	5(b)	No
(2) 2-9-010-022	Forest Reserve	8.440	Agriculture	AG	5(b)	GL 5176
(2) 2-9-011-008	Forest Reserve	23.030	Agriculture, Conservation	AG, Interim	5(b)	GL 5176, LODs 28000, 28211, 28677, 28976
(2) 2-9-011-013	Forest Reserve	32.200	Agriculture, Conservation	AG, Interim	5(b)	No
(2) 2-9-013-004	Forest Reserve	0.550	Agriculture	AG	5(a)	Unencumbered
(2) 2-9-013-012	Forest Reserve	50.010	Agriculture, Conservation	AG, Interim	5(a)	Yes

Maui						
TMK	DOFAW Designation	Area (acre)	State Land Use District	County Zoning	Trust Land Status	DHHL 30% Current Use Status
(2) 2-9-013-014	Forest Reserve	79.100	Agriculture, Conservation	AG, Interim	5(b)	No RP 7345
(2) 2-9-013-016	Forest Reserve	1.163	Agriculture	AG	5(b)	No Unencumbered
(2) 2-9-013-017	Forest Reserve	5.500	Agriculture	AG	5(b)	No Unencumbered
(2) 2-9-013-018	Forest Reserve	0.110	Agriculture	AG	5(b)	No Unencumbered
(2) 2-9-013-020	Forest Reserve	0.030	Agriculture	AG	5(b)	No Unencumbered
(2) 3-1-001-001	Forest Reserve	194.510	Agriculture, Conservation	AG, Interim	5(b)	GL 5177, GL 5810, LODs 27816, 28031, 28700, 28787, RP 4450
(2) 3-1-001-021	Forest Reserve	92.800	Agriculture, Conservation	AG, Interim	5(b)	No LODs 27816, 28031
(2) 3-1-001-029	Forest Reserve	47.680	Agriculture	AG	5(b)	No GLs 4857, 5810
(2) 3-1-006-003	Forest Reserve	136.400	Agriculture	AG, Interim	5(b)	EO G13, GLs 5726, 5727, RP 7485
(2) 3-6-001-014 (por)	Forest Reserve	3,414.720	Agriculture, Conservation	AG, Interim, OZ, R-3	5(b)	GL 6003, LODs 18671, 24803, 27379, 27700
(2) 4-4-004-002	Forest Reserve	221.745	Agriculture, Conservation	AG, Interim	5(b)	Yes LOD 27569
(2) 4-4-004-006	Forest Reserve	51.260	Agriculture	AG	5(b)	Yes Unencumbered
(2) 4-4-004-009	Forest Reserve	148.394	Agriculture	AG	5(b)	No Unencumbered
(2) 4-4-004-011	Forest Reserve	3.000	Agriculture	AG	5(b)	No Unencumbered
(2) 4-4-004-019	Forest Reserve	2.000	Agriculture	AG	5(b)	No Unencumbered
(2) 4-4-007-006	Forest Reserve	164.000	Agriculture, Conservation	AG, Interim	5(b)	No Unencumbered
(2) 4-5-021-004	Forest Reserve	669.550	Agriculture, Conservation	AG, Interim	5(b)	Yes LOD 28473
(2) 4-5-021-023	Forest Reserve	303.972	Agriculture, Urban	AG	5(b)	No LOD 28473
(2) 4-8-001-001 (por)	Forest Reserve	1,387.710	Conservation	AG, Interim	5(b)	EO 2328, GLs 5731, 6004, LODs 18671, 27700
(2) 4-8-002-002	Forest Reserve	216.073	Agriculture, Conservation	AG, Interim	5(b)	No LODs 18671, 27700

Maui						
TMK	DOFAW Designation	Area (acre)	State Land Use District	County Zoning	Trust Land Status	DHHL 30% Current Use Status
(2) 4-8-002-008	Forest Reserve	399.903	Agriculture, Conservation	AG, Interim	5(b)	No LODs 18671, 27701
(2) 4-8-002-039	Forest Reserve	6.399	Agriculture	AG	5(b)	No Unencumbered
(2) 4-8-003-008 (por)	Forest Reserve	634.167	Agriculture, Conservation	AG, Interim	5(b)	No LODs 18671, 27700, RP 7639
(2) 4-8-003-040	Forest Reserve	100.000	Agriculture, Conservation	AG	5(b)	No LODs 18671, 27700
(2) 1-3-003-001	Natural Area Reserve	222.860	Agriculture, Conservation	AG, Interim	5(b)	No Unencumbered
(2) 1-3-003-026	Natural Area Reserve	192.000	Agriculture, Conservation	AG, Interim	5(b)	No Unencumbered
(2) 1-3-005-002	Natural Area Reserve	172.970	Agriculture, Conservation	AG, Interim	5(b)	No Unencumbered
(2) 1-8-001-005	Natural Area Reserve	341.000	Agriculture, Conservation	AG, Interim	5(b)	No RP 7537
(2) 2-1-003-050 (por)	Natural Area Reserve	1,546.000	Agriculture	AG	5(b)	No EO 3530, LOD 28685
(2) 2-1-004-075	Natural Area Reserve	13.000	Agriculture, Conservation	PK	5(b)	No Unencumbered
(2) 2-1-004-110	Natural Area Reserve	4.360	Conservation	AG, PK	5(b)	No Unencumbered
(2) 2-1-006-010	Natural Area Reserve	3.790	Conservation	PK	5(b)	No Unencumbered
(2) 2-1-006-077	Natural Area Reserve	1.040	Agriculture, Conservation, Rural	PK, R-3	5(b)	No LOD 27947
(2) 2-1-006-078	Natural Area Reserve	0.320	Agriculture, Conservation	R-3	5(b)	No Unencumbered
(2) 2-1-004-111	Natural Area Reserve	0.660	Conservation	AG	5(b)	No Unencumbered
(2) 2-1-006-076	Natural Area Reserve	0.920	Agriculture, Conservation	AG	5(b)	No Unencumbered
(2) 3-1-001-014	Wildlife Sanctuary	80.000	Agriculture, Conservation	AG	5(b)	No Unencumbered
(2) 3-1-002-011	Wildlife Sanctuary	81.500	Agriculture, Conservation, Rural	AG, Interim, RU 0.5	5(b)	No RP 7571

Hawaii						
TMK	DOFAW Designation	Area (acre)	State Land Use District	County Zoning	Trust Land Status	DHHL 30% Current Use Status
(3) 2-4-008-035	Forest Reserve	0.115	Conservation	FR	5(b)	No
(3) 5-1-001-006	Forest Reserve	141.000	Conservation	A-20a	5(b)	No
(3) 8-7-014-015	Forest Reserve	26.280	Agriculture	A-5a	5(b)	No
(3) 4-4-014-004	Forest Reserve	101.400	Agriculture	A-40a	5(b)	No
(3) 6-2-001-003 (por)	Forest Reserve	1,047.000	Agriculture	A-40a	5(b)	No
(3) 9-6-007-002	Forest Reserve	214.000	Agriculture	A-20a	5(b)	No

# 25MD-065 DOFAW ROE

Final Audit Report

2025-10-21

Created:	2025-10-21 (Hawaii-Aleutian Standard Time)
By:	Steven Domingo Jr (steven.m.domingo@hawaii.gov)
Status:	Signed
Transaction ID:	CBJCHBCAABAAPXYjvh37mqho5Q9HljVhbcCw_7Q_gOdl
Number of Documents:	2
Document page count:	11
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Supporting files page count:	0

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2025-10-21 - 11:46:57 AM HST- IP address: 162.221.246.37
-  Document emailed to Steven Domingo Jr (steven.m.domingo@hawaii.gov) for approval  
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Approval Date: 2025-10-21 - 1:33:23 PM HST - Time Source: server- IP address: 162.221.246.37
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 Document e-signed by Dawn Chang (dawn.chang@hawaii.gov)

Signature Date: 2025-10-21 - 5:55:31 PM HST - Time Source: server- IP address: 162.221.246.37

 Agreement completed.

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