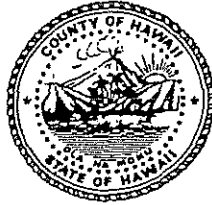


Harry Kim
Mayor



Christopher J. Yuen
Director

Roy R. Takemoto
Deputy Director

County of Hawaii

PLANNING DEPARTMENT

Aupuni Center • 101 Pauahi Street, Suite 3 • Hilo, Hawaii 96720
Phone (808) 961-8288 • Fax (808) 961-8742

August 19, 2004

Daniel C. Hubbard
78-6903 Palekana Road
Holualoa, Hawaii 96725

Dear Mr. Hubbard:

Additional Farm Dwelling Agreement
Applicant: Daniel C. Hubbard
Owner: Daniel C. Hubbard
B. P. Bishop Estate
State Land Use: Agricultural
County Zoning: Agricultural (A-5a)
Land Area: 9.4 acres
TMK: (3) 7-8-004:068

Pursuant to authority conferred to the Planning Director by Chapter 25, Article 5, Division 7, Section 25-5-77 of the Zoning Code and Planning Department Rule 13, Farm Dwellings, we have reviewed your request for an additional farm dwelling on the subject property. Your submittals included the following information:

1. A notarized affidavit that the additional dwelling shall be used for farm-related purposes in the form of the enclosed Additional Farm Dwelling Agreement to be submitted for recordation with the Bureau of Conveyances.
2. Name and address of the landowner(s) or lessee(s), if the latter has a lease on the building site with a term exceeding one year from the date of the farm dwelling agreement.
3. Written authorization of the landowner(s) if the lessee filed the request.
4. A farm plan or evidence of the applicant's continual agricultural productivity or farming operation within the County, including an explanation of why this additional farm dwelling is needed in connection with the agricultural productivity or farming operation. Your farm plan included the following ongoing and proposed income producing agricultural activities:
 - a. Ongoing agricultural activities include the following:
 - i. Cultivate 7,500 coffee trees planted in 113 rows of 50-60 trees per row on

Daniel E. Hubbard

August 19, 2004

Page 2

8 acres of land.

- b. The present labor man-hours are approximately 240 per week to maintain, harvest and distribute.
5. In additional support, a State of Hawaii Department of Taxation's General Excise (GE) Tax License has also been presented.

Findings:

1. In Chapter 205, Hawaii Revised Statutes (HRS), the State Land Use Law does not authorize residential dwellings as a permitted use in the State Land Use Agricultural district unless the dwelling is related to an agricultural activity or is a farm dwelling. A **farm dwelling** as defined in Section 205-4.5, Chapter 205, HRS, means a **single family dwelling located on and used in connection with a farm**, including clusters of single family farm dwellings permitted within agricultural parks developed by the State, **or where agricultural activity provides income to the family occupying the dwelling.** (emphasis added)
2. The subject lot was created by subdivision (SUB 5364) approved on February 10, 1986, which, pursuant to HRS §205-4.5(b), requires the first dwelling on the lot to be a farm dwelling.
3. The Farm Plan, GE Tax License (ID number 30133929), and the agreement to use the dwelling for agricultural or farm-related activity on the building site demonstrate that there will be income producing agricultural activity and the income will be taxed.
4. In addition, the following agencies have submitted their comments as stated below:
 - a. Department of Water Supply (DWS) (Letter dated July 20, 2004):

"We have reviewed the subject application and have the following comments and conditions.

For your information, an existing 5/8-inch meter services this property and is adequate for only one dwelling at an average of 400 gallons per day.

Inasmuch as this application is proposing an additional detached dwelling, the installation of a separate 5/8-inch meter by the applicant would normally be required in accordance with Department regulations. However, as the parcel is out of the Department's service limits, second service is not available for the proposed additional farm dwelling.

Therefore, the Department has no objections to the proposed application subject to the applicant understanding and accepting that the Department cannot provide water service to the proposed additional farm dwelling. Further, should the application be approved, both dwellings shall not share the existing meter.

Daniel E. Hubbard
August 19, 2004
Page 3

Should there be any questions, please contact Ms. Shari Komata of our Water Resources and Planning Branch at 961-8070, extension 252.”

b. Real Property Tax Office (RPT):

There were no comments received.

c. Department of Health (DOH) (Letter dated July 21, 2004):

“The Health Department found no environmental health concerns with regulatory implications in the submittals.”

Decision:

In view of the above, your request to construct a **second farm dwelling** is subject to the following conditions:

1. The additional farm dwelling shall only be used to provide shelter for persons involved in the agricultural or farm-related activity on the building site. Family members who are not engaged in agricultural or farm-related activities are allowed to reside in the farm dwelling.
2. The agreement shall run with the land and apply to all persons who may, now or in the future, use or occupy the additional farm dwelling. The enclosed Additional Farm Dwelling Agreement must be returned to the Planning Department with the appropriate notarized signatures along with a check made out to the Bureau of Conveyances in the amount of \$25.00 in accordance with the enclosed Additional Farm Dwelling Agreement Instructions. The Planning Department will not approve a building permit application for the additional dwelling until the AFDA document and all required attachments have been accepted for recordation.
3. The First Party shall adhere to all other applicable rules, regulations, and requirements of the Planning Department (including but not limited to the Zoning Code, Chapter 25), Department of Public Works, Department of Water Supply, Fire Department and State Department of Health and other reviewing agencies/divisions listed on the Building Permit Application.
4. Your Additional Farm Dwelling Agreement has been approved based wholly on ongoing agricultural activity as summarized previously in this letter.
5. The First Party shall allow the Second Party or its representative to inspect the farm upon reasonable prior notice.
6. This Additional Farm Dwelling Agreement shall be valid for a period of two (2) years from the date of this approval letter to secure a building permit for the additional farm dwelling. Failure to secure a building permit for this additional farm dwelling on or

Daniel E. Hubbard


August 19, 2004

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before August 20, 2006 may cause the Director to initiate proceedings to invalidate the AFDA.

If you have any questions please call Deanne Bugado of our West Hawaii Office at 327-3510.

Sincerely,


CHRISTOPHER J. YUEN
Planning Director

BM:deb

P:\afda\Kona AFDA\Approval\AFDAAp-7-8-4-68 Hubbard.doc

Enclosure: AFDA document
AFDA document instruction sheet

xc: Mr. Milton Pavao, DWS
Mr. Mike McCall, RPT
Planning Department – Kona

AFTER RECORDATION, RETURN BY MAIL PICKUP

County of Hawaii Planning Department
101 Pauahi Street, Suite 3
Hilo, Hawaii 96720

TITLE OF DOCUMENT:

ADDITIONAL FARM DWELLING AGREEMENT

PARTIES TO DOCUMENT:

DANIEL C. HUBBARD, whose address is 78-6903 Palekana Road, Holualoa, Hawaii 96725

ROBERT KALANI UICHI KIHUNE, JAMES DOUGLAS KEAUHOU ING, CONSTANCE
HEE LAU, DIANE JOYCE PLOTTS, AND CHARLES NAINOA THOMPSON, as Trustees of
the Estate of Bernice Pauahi Bishop, whose mailing address 567 South King Street, Second
Floor, Honolulu, Hawaii 96813

COUNTY OF HAWAII, whose address 101 Pauahi Street, Suite 3, Hilo, Hawaii 96720

PROPERTY DESCRIPTION:

TMK NO. (3) 7-8-004-068

ADDITIONAL FARM DWELLING AGREEMENT

THIS AGREEMENT made and executed this ____ day of SEP 12 2006, 2006,
by and between DANIEL C. HUBBARD, whose address is 78-6903 Palekana Road,
Holualoa, Hawaii 96725 (herein called "HUBBARD"); ROBERT KALANI UICHI
KIHUNE, JAMES DOUGLAS KEAUKOU ING, CONSTANCE HEE LAU, CHARLES
NAINOA THOMPSON, and DIANE JOYCE PLOTTS, as Trustees of the Estate of
Bernice Pauahi Bishop, whose mailing address 567 South King Street, Second Floor,
Honolulu, Hawaii 96813 (herein called "KAMEHAMEHA SCHOOLS"); and the
COUNTY OF HAWAII, whose address is 101 Pauahi Street, Suite 3, Hilo, Hawaii 96720
(herein called the "COUNTY");

IT IS HEREBY AGREED that HUBBARD may construct a second farm
dwelling located on the property described by Tax Map Key No. (3) 7-8-004:068 situated
within the State Land Use Agricultural district and zoned Agricultural district and zoned
Agricultural (A-5a) (the "Property") by the COUNTY.

IT IS HEREBY AGREED that KAMEHAMEHA SCHOOLS is the legal owner
of the Property and that HUBBARD is the Lessee of the Property under that certain
Lease No. 24,265 dated January 1, 1976, recorded in the Bureau of Conveyances of the
State of Hawaii in Liber 11220 at Page 167, as amended and assigned.

IT IS HEREBY FURTHER AGREED that this approval to construct one
additional farm dwelling is given subject to the following conditions:

1. The additional farm dwelling shall be used to provide shelter to person(s)
involved in the agricultural or farm-related activity on the property. Family members

who are not engaged in agricultural or farm-related activity are allowed to reside in the farm dwelling.

2. The Agreement shall run with the land and apply to all persons who may now or in the future use or occupy the additional farm dwelling.

3. This Agreement shall include any and all conditions specified in the Additional Farm Dwelling Agreement letter, attached to this document as Exhibit "A".

IT IS HEREBY FURTHER AGREED that should the pertinent provisions of the State of Hawaii and County laws, rules and regulations change to authorize said farm dwelling, upon request of HUBBARD, his successors, heirs, personal representatives and assigns, or KAMEHAMEHA SCHOOLS, this Agreement may be reconsidered for possible amendment and/or severance.

IT IS HEREBY FURTHER AGREED that if the property is situated within the State of Hawaii Land Use Agricultural district, the COUNTY may impose a fine against HUBBARD, his successors, heirs, personal representatives and assigns, and KAMEHAMEHA SCHOOLS of not more than FIVE THOUSAND AND NO/100 DOLLARS (\$5,000.00) for violation of Section 205-4.5, Hawaii Revised Statutes. If the violation is not corrected within six (6) months of such citation and the violation continues, a citation for a new and separate violation may be imposed. There shall be a fine of not more than FIVE THOUSAND AND NO/100 DOLLARS (\$5,000.00) for any additional violation. The COUNTY may impose fines for any violation of Chapter 25, Hawaii County Code, as amended, in accordance with the procedures and fine schedule outlined in Section 25-2-35 of said code.

IN CONSIDERATION OF THE AFORESAID, the COUNTY hereby approves this Agreement as being in conformity with Sections 205-2 and 2005.45 of the Hawaii Revised Statutes, relative to permitted uses within the State of Hawaii Land Use Agricultural district. This Agreement is also in conformance with Chapter 25, Hawaii County Code, as amended.

The parties agree that this Agreement may be executed in counterparts, each of which shall be deemed an original. The counterparts shall together constitute one and the same agreement, binding all of the parties, even though all of the parties are not signatory to the original or the same counterparts. For all purposes, including without limitation, delivery of this Agreement, duplicate unexecuted and unacknowledged pages of the counterparts may be discarded and the remaining pages assembled as one document. The parties further agree that facsimile executed copies of this Agreement shall be fully binding and effective for all purposes.

This instrument has been executed by the Trustees of the Estate of Bernice Pauahi Bishop in their fiduciary capacities as said Trustees, and not in their individual capacities. No personal liability or obligation under this instrument shall be imposed or assessed against said Trustees in their individual capacities.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.

Approved as to form:


Legal Group

ROBERT KALANI UICHI KIHUNE, JAMES DOUGLAS KEAHOHU ING, CONSTANCE HEE LAU, DIANE JOYCE PLOTTS and CHARLES NAINOA THOMPSON, as Trustees of the Estate of Bernice Pauahi Bishop


ROBERT KALANI UICHI KIHUNE TRUSTEE


CHARLES NAINOA THOMPSON TRUSTEE

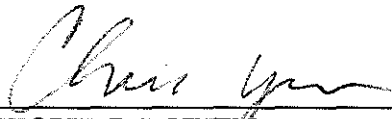

CONSTANCE HEE LAU TRUSTEE

"KAMEHAMEHA SCHOOLS"


DANIEL C. HUBBARD

"HUBBARD"

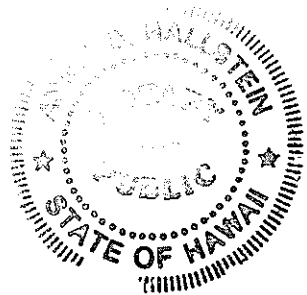
COUNTY OF HAWAII

By 
CHRISTOPHER J. YUEN
Its Planning Director

"COUNTY"

STATE OF HAWAII)
) SS.
CITY & COUNTY OF HONOLULU)

On this _____ day of SEP 12 2006, 2006, before me personally
appeared ROBERT KALANI UICHI KIHUNE CHARLES NAINOA THOMPSON
and CONSTANCE WEE LAU, as TRUSTEES OF THE ESTATE OF
BERNICE PAUAHI BISHOP, to me known to be the persons described in the foregoing
instrument and who did say that such persons severally executed the foregoing instrument
as their free act and deed as such Trustees.

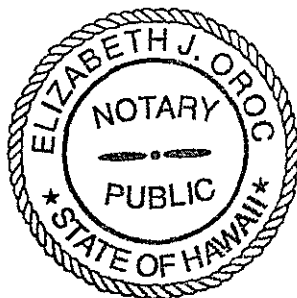


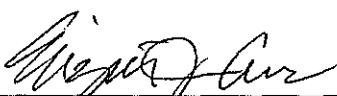
Annie D. Hallstein
PRINT NAME: ANNIE D. HALLSTEIN

Notary Public, State of Hawaii
My Commission Expires: 9/9/09

STATE OF HAWAII)
) SS.
COUNTY OF HAWAII)

On this 05 day of SEPTEMBER, 2006, before me personally appeared DANIEL C. HUBBARD, 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.



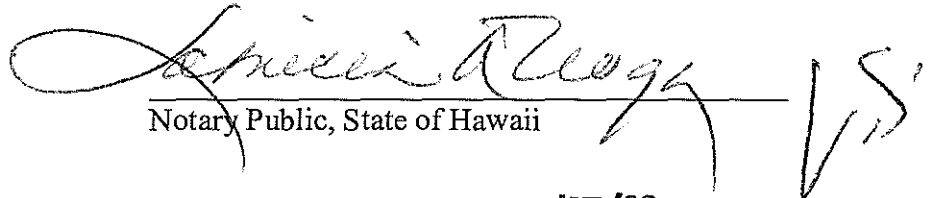

PRINT NAME: Elizabeth J. Oroc

Notary Public, State of Hawaii
My Commission Expires: 14 June 2008

STATE OF HAWAII)
) SS
COUNTY OF HAWAII)

On this 25th day of September, 2006 before me personally appeared Christopher J. Yuen, to me personally known, who, being by me duly sworn, did say that he is the Planning Director of the County of Hawaii; and that the Planning Department of the County of Hawaii has no corporate seal; and that the instrument was signed on behalf of the Planning Department of the County of Hawaii, a government agency, and said Christopher J. Yuen acknowledged the instrument to be the free act and deed of said Planning Department, County of Hawaii.

Patricia A. Koga



Notary Public, State of Hawaii

My commission expires: 07/17/10

June 10, 2004
Dan Hubbard
(808) 322-2824

78-6903 Palekana Road

AKA

78-6887

Mamalahou Highway

Keauhou I

Farm Lot 17
9.4 Acres

TMK

(3)7-8-4-68

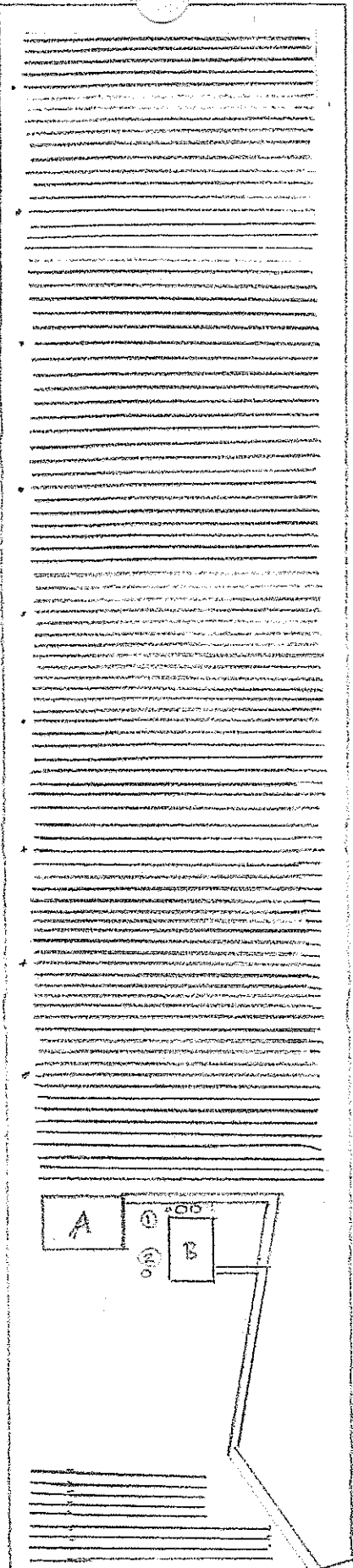
Lease #

24265

1/1/1976 - 12/31/2032

1404.7'

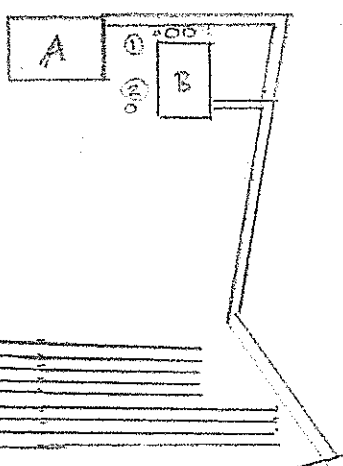
1334.3'



Existing Orchard
113 rows of 50-60 Coffee trees
① 2 10' Water Tanks with 3'x3' Pump house
Drip Irrigation lines
8 Irrigation control valves

-A- Proposed House
65' x 45'
1 Story 3 Bdrm
1822 SQFT.
2 Car garage
Extend existing driveway

Scale
1" = 140'



-B- Existing House built 1977 2 Bdrm
25' x 50' 2 Story 1290 S.F.
Unpaved driveway
Car Port on 1st Floor
② Cesspool

Palekana Road

200.5'