**Exhibit D**

Department of Water, Kaua‘i County
Manger’s Report 12-10

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**Economics for Goats**

**01-Jul-07**

### General Assumptions

<table>
<thead>
<tr>
<th>Ratio</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average</td>
<td>1.02</td>
</tr>
<tr>
<td>Animal units per acre</td>
<td>3.5</td>
</tr>
<tr>
<td>Total animal units (AU)</td>
<td>357</td>
</tr>
</tbody>
</table>

### Breeding herd:

- **Bucks (1)**: 3%
- **Does (3X)**: 97%

- **Kids per doe per year**: 1.5
- **Total animal units (AU)**: 357

*Note: Bucks & Does = 1 AU each, Kids = 1/2 AU each.*

### Annual Revenue from Goat Sales

<table>
<thead>
<tr>
<th>Ratio</th>
<th>Units</th>
<th>Unit Price</th>
<th>Annual Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Kids Sales</td>
<td>75%</td>
<td>225</td>
<td>$35,688</td>
</tr>
<tr>
<td>ホルスタイン (F0B Livestock)</td>
<td>25%</td>
<td>75</td>
<td>$10,401</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>300</strong></td>
<td><strong>$46,089</strong></td>
</tr>
</tbody>
</table>

### Expenses:

#### Labor

- **Part-time labor (hours)**: 520
- **Total labor cost**: $7,920

#### Feed:

- **Barley Corn (per head)**: 208
- **Total feed cost**: $597

#### Minerals:

- **Mineral block (per head)**: 208
- **Total mineral cost**: $2,472

#### Veterinary Supplies:

- **Worming (per head)**: 208
- **Total veterinary cost**: $247

#### Water:

- **Annual requirement (3 gallons per head per day)**: 208
- **Total water cost**: $417

#### Repair & Maintenance:

- **Repairs fences, gates, water system**: $1,200
- **Vehicles - Repair, Maintenance and Fuel**: $2,000

#### Hauling Goats (per head):

- **Total Direct Costs**: $14,819

### Overhead:

- **Lease Rent (unit cost per acre per year)**: $35.00
- **General & Administration**: $500
- **Management**: $5,000
- **Other**: $280

**Total Overhead**: $9,300

**Net Operating Profit (Loss)**: $22,289

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August 22, 2011

Mr. Gregg Allen
161 Waihua Road
Kapaa, HI 96746

Dear Mr. Allen,

Subject: Water Master Plan for the Kapa’a Highlands Project on TMK: 4-3-03:001

At the Department of Water, Water Board July 28th 2011 meeting, via Managers Report 12-10, in response to your letters of April 22, 2011 and May 11, 2011, accepted the proposed exchange of source for storage on a dollar for dollar basis. This acceptance is based on your commitment to proceed with zoning changes in your development to match the county zoning. That zoning change requires affordable housing in certain portions of your proposed development.

This acceptance is based on building permits and County water meter service not being issued if the source and storage requirements have not been completed as of the date of requested building permit approval. We ask that you submit a proposed draft of an agreement to memorialize this action. We would expect that this agreement runs with the land.

If you have any questions, please contact Mr. Gregg Fujikawa at (808) 245-5416.

Sincerely,

David R. Craddick, P.E.
Manager and Chief Engineer

Department of Water
County of Kauai

Water has no substitute....... Conserve it

4398 Paniolo Dr, Suite 1, PO BOX 1786, Kaua'i, HI 96746. Phone: 808-245-5400