

**COMMUNITY-BASED ECONOMIC DEVELOPMENT (CBED)
ADVISORY COUNCIL MEETING
Tuesday, April 15, 2025, 10:00 a.m.**

Old Business

Approval of CBED Advisory Council Meeting Minutes for
March 18, 2025

DRAFT

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM (DBEDT)

**MINUTES OF THE COMMUNITY-BASED ECONOMIC DEVELOPMENT (CBED)
ADVISORY COUNCIL MEETING**

TUESDAY, MARCH 18, 2025, AT 10:00 A.M.

**No. 1 Capitol District Building,
250 South Hotel Street, 5th Floor Conference Room
Honolulu, Hawai'i 96813**

AND VIA VIRTUAL APPLICATION ZOOM VIDEO/AUDIO CONFERENCE

Advisory Members Present were:

Karen Chang Barr	-	Advisory Council Member (Oahu)
Matthew Loke	-	Department of Agriculture (<i>Ex-Officio</i>)
Roberta Melton	-	Advisory Council Member (Kauai)
Jennifer Wilkinson	-	Advisory Council Member (Hawaii/Kona)
Nancy Elvira Lo (Chair)	-	Advisory Council Member (Oahu)
Colleen McAluney	-	Advisory Council Member (Oahu)
Teena Rasmussen	-	Advisory Council Member (Maui)
Mark Ritchie For	-	Department of Business, Economic
Dennis Ling (<i>Ex-Officio</i>)	-	Development & Tourism (DBEDT)

Guests:

Heather Piper	-	Hawai'i Community Reinvestment Corporation
Lisa Pakele	-	INPEACE

Staff

John Cole	-	Attorney General's Office
Timothy Tiu	-	DBEDT
Jason Ushijima	-	DBEDT
Selma Malcolm	-	DBEDT

Apologies:

Josephine (Poni) Askew	-	Office of Hawaiian Affairs (<i>Ex-Officio</i>)
Jane Horike	-	Advisory Council Member (Hawai'i/Hilo)

CALL TO ORDER:

Mr. Ritchie called the meeting to order on Tuesday, March 18, at 10:00 a.m.
All members and guests participated via ZOOM.

Welcome Current Council Members and Introduction of any Guests:

Mr. Ritchie welcomed all present. He then announced that he will officially be DBEDT's Ex-Officio in place of Mr. Dennis Ling.

A roll call vote was conducted, and all members indicated that they were alone at their respective locations.

OLD BUSINESS:

Approval of Minutes of January 21, 2025:

Minutes of the January 21, 2025, meeting were distributed and reviewed by Council. Mr. Ritchie asked if there were any comments and/or corrections to the Minutes. There were none and he asked for a motion to approve the Minutes.

Motion was made by Ms. Lo and seconded by Ms. Melton to approve the Minutes of January 21, 2025 meeting, as presented.

A roll call vote was taken with the following Council members approving the motion. Ms. Barr, Mr. Loke, Ms. Melton, Ms. Rasmussen, Ms. Lo, Ms. McAluney, and Mr. Ritchie. Ms. Wilkinson abstained since she did not attend the last meeting.

Motion to adopt the January 21, 2025 Minutes were approved.

NEW BUSINESS:

Recommendation/Approval of CBED follow-on loan of \$80,000 to Re-use Hawai'i, a deconstruction and redistribution nonprofit company that turns waste into affordable community resources, located on O'ahu. The CBED loan will fund new equipment leading to greater operational efficiency. The CBED loan will have a term of five (5) years with an interest rate of 6%. This will be a 100% CBED loan with loan servicing done by Hawai'i Community Reinvestment Corporation (HCRC). Underwriting review by Heather Piper, Executive Director, HCRC.

Mr. Ritchie noted that this is a follow-on loan request of \$80,000 from Re-use Hawai'i, which needs to purchase new equipment for their operations. Mr. Ritchie noted that Re-use Hawai'i has been successfully making on-time payments on their previous \$50,000 loan from 2021. Mr. Ritchie introduced Heather Piper to walk the Council through the underwriting process.

Ms. Piper provided insights into Re-use Hawai'i's operations, focusing on their commitment to deconstruction and environmental sustainability, and detailed the loan's purpose for acquiring a telehandler to improve operational efficiency. Ms. Piper highlighted the financial stability and credit risk associated with the loan request and emphasized the organization's effective expense control and strong cash flow.

Ms. Piper explained that Re-use Hawai'i specializes in deconstructing properties to salvage materials, significantly reducing landfill waste and providing affordable construction materials. The organization recently relocated to a larger space at Stadium Mall after being asked to move from Kaka'ako.

Ms. Piper outlined that the \$80,000 loan will be secured by a junior UCC lien, with repayment sourced from consistent business cash flow and grants. Mr. Ritchie noted the borrower has a strong payment history, with only \$19,000 remaining on their original loan of \$50,000 from CBED.

In discussion Ms. Piper explained that Re-use has a yard on the Big Island which is used for parking trucks and equipment, and the company has completed several projects, including hotels on the Big Island. Ms. Rasmussen raised questions about the financial incentives for construction companies to opt for sustainable demolition instead of traditional methods. Ms. Piper noted that while labor is paid for, materials are often donated, providing a tax incentive for developers. Ms. Rasmussen underscored the significance of Re-use Hawai'i's work in addressing landfill issues on O'ahu.

Ms. Piper emphasized the organization's solid financial management and ability to repay loans. Mr. Ritchie informed the group that there is currently \$350,000 available in the CBED EDA RLF to lend, with an additional \$50,000 being returned each quarter indicating the ability to support the new loan request.

A motion to approve the \$80,000 loan was made by Ms. Rasmussen and seconded by Ms. Barr, leading to a roll call vote that resulted in unanimous approval from Council members: Ms. Barr, Mr. Loke, Ms. Melton, Ms. Rasmussen, Ms. Wilkinson, Ms. Lo, Ms. McAluney, and Mr. Ritchie.

Public Testimony:

There was no public testimony.

Recommendation/Approval of a CBED Grant of \$8,000 to The Institute for Native Pacific Education and Culture (INPEACE) Center for Entrepreneurship, a 501(c) Community-Based Organization. The funds will support a cohort of nine (9) Native Hawaiian-owned small businesses in participating in the 2025 Merrie Monarch Festival) Kāko'o Hawai'i marketplace, in Hilo, HI, to showcase their craftsmanship, increase brand visibility, and generate sales. Presented by Lisa Pakele, Program Director, INPEACE Center for Entrepreneurship.

Mr. Ritchie welcomed Lisa Pakele, who is the Program Director for the Center for Entrepreneurship at INPEACE, to discuss support for small Native Hawaiian-owned businesses. Ms. Pakele presented a proposal for funding to support nine small Native Hawaiian businesses participating in the Merrie Monarch Festival in Hilo. She discussed the challenges these businesses face due to rising event costs and the tailored support provided to help them succeed. Ms. Pakele noted that this funding would cover event fees and travel costs for O'ahu-based businesses.

Ms. Melton asked how does one identify when someone's ready to participate in an event such as Merrie Monarch? In discussion with the Council Ms. Pakele highlighted the extensive preparation and coaching involved in getting businesses ready for events, including inventory management and financial assessments. Ms. Pakele also noted that businesses often self-identify their readiness, but further discussions may reveal they need more preparation. Ms. Wilkinson expressed her support for Ms. Pakele's initiatives, while asking for clarification on the authority of the grant program.

Mr. Ritchie explained that the CBED program is statutory and allows for grants, loans, and technical assistance. The program primarily makes small business loans. Grants are made less frequently and usually to non-profit organizations involved in growing and supporting community-based businesses. He emphasized that grants are typically to aid in the growth of businesses.

Ms. Melton made a motion to approve the grant to INPEACE and Ms. McAluney seconded the motion. A roll call vote was taken and confirmed unanimous approval for an \$8,000 grant to INPEACE.

Public Testimony:

There was no public testimony.

NEXT MEETING:

TBA

ADJOURNMENT:

The meeting ended at 10:55 am

Respectfully submitted,

For 

Nancy Elvira Lo, Chair

March 31, 2025

Date

Old Business

Update on Grant for Micro-Lending, Lei Riedel, Director,
The Pakini Loan Fund

Pakini

— Loan Fund —



Mission & Vision

Our **mission** is to increase economic opportunities by providing the financial resources necessary to enhance the personal and entrepreneurial capacity of Native Hawaiian individuals, businesses, and community organizations on the Wai'anae Coast and throughout the State of Hawai'i.

Our **vision** believes that all Native Hawaiians, and other marginalized populations, have an equal opportunity to fulfill their dreams and improve the quality of their lives by getting the fair support and financing they need with dignity.

PC: Custom Auto Repair & Service, LLC, Wai'anae, Jan. 2025



Programs & Services



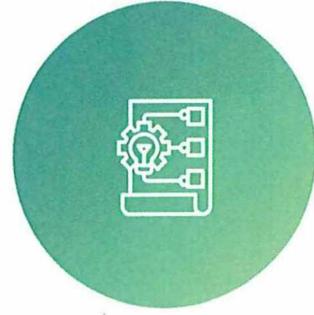
Loan Fund

Small business loans up to
\$50K



Training

Cohort-based training on
various small business
topics related to the needs
of our clients.



Technical Assistance

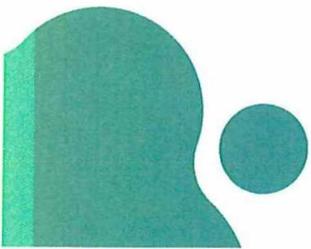
Individualized support to
encourage sustainability
and growth of our clients
and their businesses.

Target Population & Community Served

- **Native Hawaiian-owned small businesses**
76% of total portfolio
- **Women-owned small businesses**
55% of total portfolio
- **Minority-owned small businesses**
85% of total portfolio
- **Businesses in the State of Hawai'i**
100% of total portfolio

The Pakini Loan Fund has a preference to serve Native Hawaiian-owned small businesses but provides loans to other populations on a case by case basis.

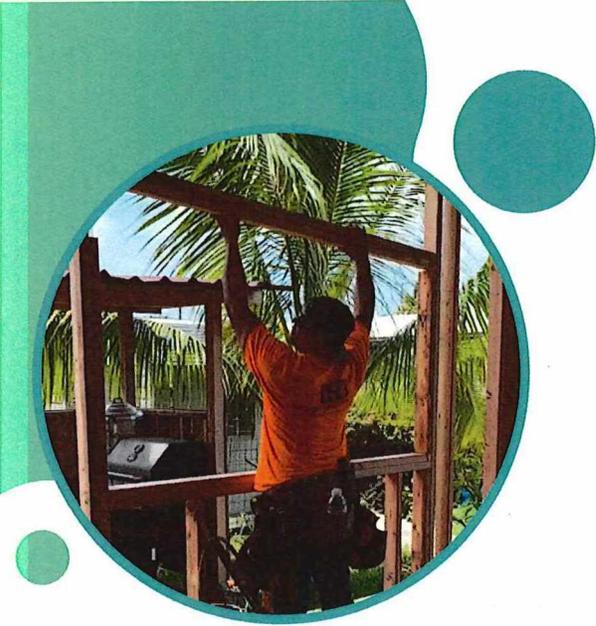
Pakini
— Loan Fund —



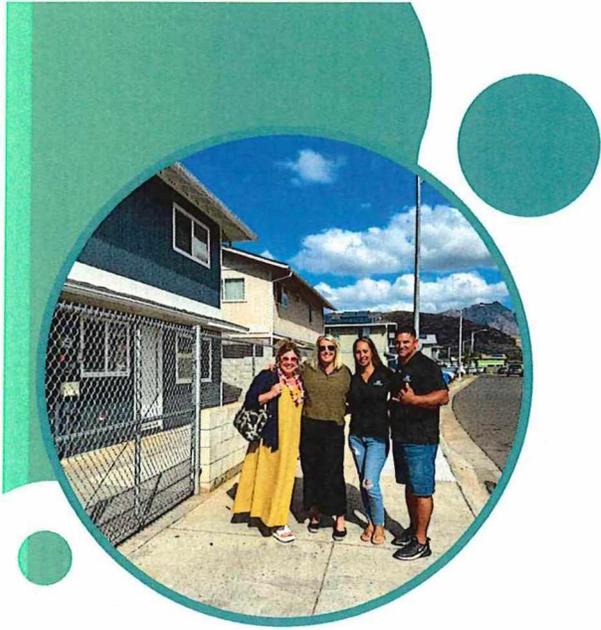


Priorities

- Support the development, growth and sustainability of Native Hawaiian-owned small businesses.
- Support Wai'anae-based small businesses.
- Support small businesses in the State of Hawai'i

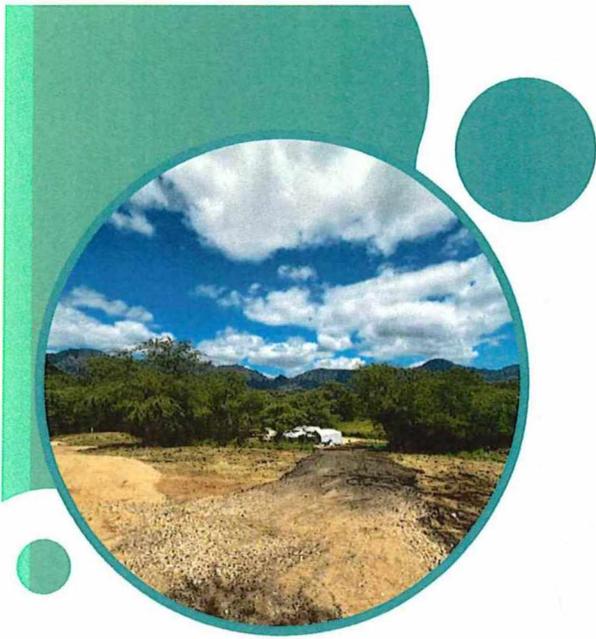


6 Month Update



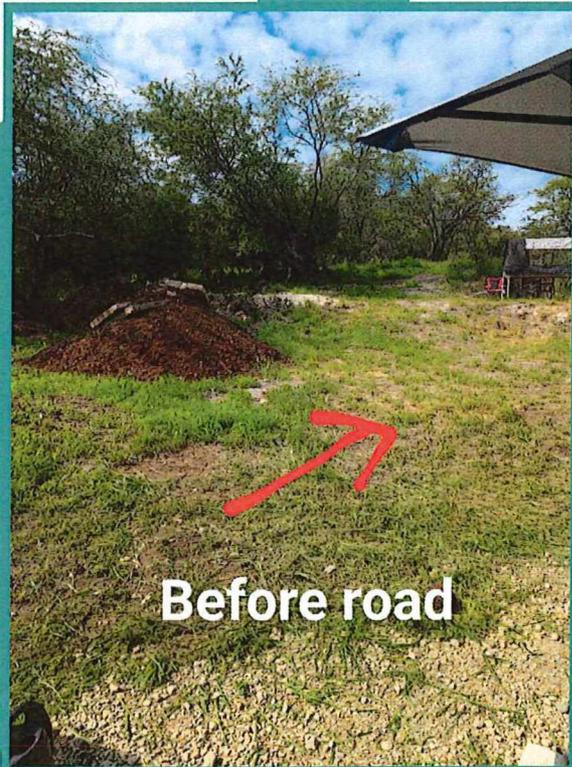
KC Construction, LLC

- Native Hawaiian-owned
- Waianae Moku-registered for-profit entity
- Employs two full-time staff
- Contracts up to 5 sub-contractors
- Home & commercial construction services.
- \$20,000 loan
- Secured property on Hawai'i Island to build two dwellings
- Projected completion date is December 2025
- Once completed, both properties will be available for purchase

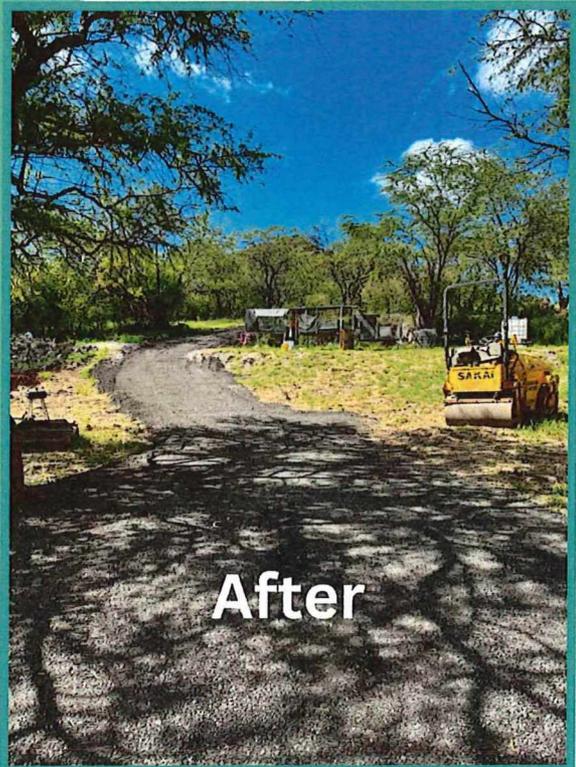


Ho'omana Pono, LLC

- Native Hawaiian-owned
- Waianae Moku-registered for-profit entity
- \$10,000 loan
- December 2025, won one-year Right of Entry from DHHL to continue their pilot project.
- Cleared 1.7 acres of land
- Built a road subsectioning the lot into manageable pieces
- Designated and cleared an area for an 'imu with land for mai'a, ti and luau



Before road



After



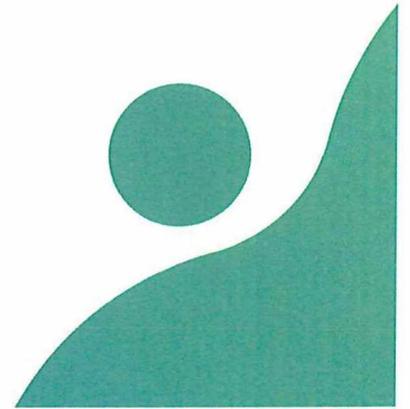
Costa Customs, LLC

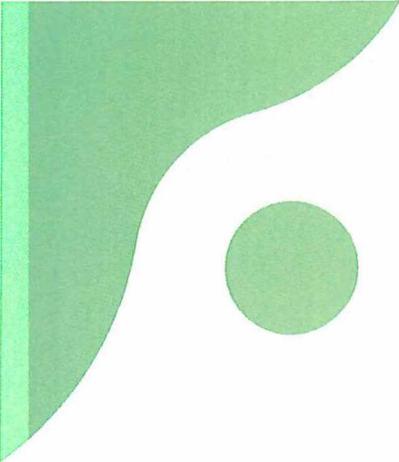
- Native Hawaiian-owned
- Waianae Moku-registered for-profit entity
- \$20,000 loan
- 1 employee
- Purchased welding generator to replace old, unreliable generator
- Made necessary upgrades to his work truck
- Increase business income by \$5,000 monthly





QUESTIONS?



A green abstract graphic in the top-left corner consisting of a curved shape and a circle.

MAHALO!



CONNECT WITH US

Pakini
Loan Fund



New Business

Recommendation/Approval of CBED Loan of \$40,000 to Uproot Origin, LLC, a company that produces and sells locally grown turmeric elixir products. Co-lending with Feed the Hunger Fund, which will also make a loan of \$40,000. CBED loan is for working capital and equipment to support a planned expansion. The CBED loan will have a term of five (5) years with an interest rate of 5.5%. Underwriting review by Eric Bowman, Loan Officer Hawaii Island, Feed the Hunger Fund.

FEED THE HUNGER FUND
Loan Narrative Template

- **Business Name:** Uproot Origin, LLC
- **Borrower Name:** Megan Brady
- **Borrower Social/Website:** <https://uprootorigin.com>;
<https://www.instagram.com/uprootorigin/>
- **Does the borrower have previous Loans:** No
- **Borrower Risk Rating:** 2
- **Loan Amount:** \$40,000 from CBED + \$40,000 from FTHF
- **Interest Rate:** 5.5%
- **Term (Months):** 60
- **Conditions on loan approval:**
 - Approval of CBED on 4/15/25
 - Approval of FTHF on 4/18/25
- **Funding Source:** USDA or EDA

Pros

- **Mission-Driven:** Megan is a passionate founder and Uproot Origin is a values-based business with a strong commitment to health, sustainability, and local agriculture. This is evident in its branding and customer loyalty.
- **Scalable Operations:** Demonstrated market traction and a clear strategy for expansion across distribution, staffing, and production infrastructure.
- **Product Differentiation:** It offers highly concentrated wellness products with strong branding in the functional beverage space.

CONS:

- **Young Business:** Uproot Origin is a relatively new company without a long operational history or formal lending experience. Megan has years of experience with Kauai Juice Co and Uproot Origin has picked up several fee for service contracts, including with the Hilo Food Hub.
- **Capital-Intensivity:** Scaling the production and distribution model requires significant upfront investment and disciplined cash flow management. Thus far, the company has been severely starved of liquidity.
- **Limited Existing Infrastructure:** Currently relies on co-packing and temporary rental production spaces in Hilo, which may limit flexibility without further investment.

FEED THE HUNGER FUND
Loan Narrative Template

- **NARRATIVE:** (please be sure to include use of funds)

Background and History:

Founded in 2022 by Megan Brady in Hilo, Hawai'i, Uproot Origin L.L.C. emerged from a commitment to health, sustainability, and local economic development. Megan built the company through strong partnerships with turmeric and ginger farmers and the Hilo Food Hubs, producing nutrient-rich elixirs and honey pastes. Megan has a reputation for using ethically and locally sourced ingredients and a farmer-centered approach. With growing consumer demand for wellness products and participation in events and retail sales, Uproot Origin has gained traction the functional beverage space.

Business Concept:

Uproot Origin specializes in two core products—Concentrated Turmeric Elixir and Turmeric Honey Paste—crafted in small batches using locally grown ginger, turmeric, and honey. These wellness products are designed for immune support, inflammation reduction, and general health maintenance. Unlike most products in the wellness space, these elixirs are potent, shelf-stable, and only require a small daily dose. The business operates through a combination of direct-to-consumer farmers' markets, online sales, and wholesale retail accounts across Hawai'i and California.

Loan Purpose:

The borrower is seeking an \$80,000 loan to scale operations and meet rising demand with additional working capital. Funds will be used for critical business functions, including inventory, production supplies, equipment, marketing, job creation for part-time staff, and working capital. This loan will allow Uproot Origin to increase production runs, build brand awareness, fulfill seasonal harvest processing, and transition into the next stage of business development. The investment positions Uproot Origin to grow its market presence, improve supply chain infrastructure, and expand product offerings in Hawai'i and California.

- **ADD PHOTOS:**

FEED THE HUNGER FUND
Loan Narrative Template



Loan Presentation:

Date: 4 18 25	Total Project Cost: \$ 139,945 00
Business: Uproot Origin, LLC	Loan amount requested: \$ 40,000 00
Principal Name(s): Megan Home	Recommended Interest rate: 5 5%
Address. Business Address: 42 Wainaku St #210, Hilo, HI 96720	Term / Amortization: 60
Business Type: Existing	RISK RATING: 2
FTHF Loan Client: No	Access to Other Capital: Uproot Origin was working with TKC and referred to us by CBED
Loan Status:	
Business Structure: Limited Liability Company	
Purpose of Loan: Fixed Asset & Working Capital	
Jobs created: 1	
Jobs retained: 1	Business description: Uproot Origin was founded in 2022 to produce ginger and turmeric-based wellness products using locally sourced, sustainable ingredients. They provide products to a variety of outlet in both HI and CA. This funding will help scale operations, meet growing demand, and support long-term, mission-driven growth across local and regional markets.
Ownership Structure: 100% Megan Home	

Loan #	Original	Principal Balance	Original Loan purpose	Delinquency	30 +	60+	90+
TOTAL	\$ -	\$ -					

PRINCIPAL INFORMATION	
Personal Net worth.	-\$3,263
Credit score	631

COLLATERAL							
Type	Source of Value	Date of Value	Gross Value	Discount rate	Net Value	Prior liens	equity
Inventory - See List bottom right	Borrower	4/7/2025	\$ 74,499	25%	\$ 18,625	\$ -	\$ 18,625
Inventory, Supplies - New	Borrower	4/7/2025	\$ 35,000	25%	\$ 8,750	\$ -	\$ 8,750
FF&E - See List bottom right	Borrower	4/7/2025	\$ 38,325	50%	\$ 19,163	\$ -	\$ 19,163
FF&E - New	Borrower	4/7/2025	\$ 28,832	80%	\$ 23,066	\$ -	\$ 23,066
Total			\$ 176,656		\$ 69,603		\$ 69,603
Collateral coverage						0.87	

SOURCES	
Lender	Amount
FTHF	\$ 40,000
CBED	\$ 40,000
Equity	\$ 59,945
Total	\$ 139,945

USES	
Uses	Amount
Working Capital	\$ 111,113
Equipment	\$ 28,832
Total	\$ 139,945

FTHF Risk Rating Chart

Date: 4.18.25

Borrower: Uproot Origin, LLC - Megan Home

Loan Officer: Eric Bowman

Rate each category from 1 to 5

Rating	1	2	3	4	5	Score
Personal Net Worth	>\$100K	\$51K-\$100K	\$1-\$50K	\$0-(\$10K)	<(\$10K)	4
GDSC	>1.5x	1.31x-1.5x	1.2x-1.3x	Unacceptable	Unacceptable	3
Collateral Coverage	>100%	75-100%	50-74%	5-49%	<5%	2
Quick Ratio*	>150%	110-150%	100-109%	75-99%	<75%	1
Credit Score	>700	651-700	621-650	600-620	<600	3
Years In Industry	>9	8-9	4-7	1-3	0	1
Years of Industry Management	>5	3-5	1-2	<1	0	1
Owners Equity Into Transaction	>25%	16-24%	10-15%	1-9%	0	1
Business Profitability	Profitable 4 of last 4 years	Profitable 3 of last 3 years	Profitable 2 of last 2 years	Profitable 1 of last 1 year	<2 years operating or non-profitable	3
Business debt ratio**	<70%	71-80%	81-90%	91-100%	>100%	1

*Quick Ratio: (Current Assets - Inventories) / Current Liabilities

4.29

**Business debt ratio: Total Liabilities / Total Assets

0.28

2

Loan Score	2
1	Excellent
2	Good
3	Acceptable
4	Poor
5	Unacceptable

Business related only

Notes

Current assets	\$ 188,231	<i>Inventory + Avg bank Balance + WC in Loan</i>
Inventories	\$ 109,499	<i>Existing + New Purchases</i>
Current Liabilities	\$ 18,337	<i>1 yr payments</i>
Total assets	\$ 287,769	<i>FF&E + Inventory</i>
Total Liabilities	\$ 80,000	<i>Loan</i>

New Business

Recommendation/Approval of CBED Loan of \$100,000 to Pa'ina Hawaii, LLC, a company that produces and provides irradiation treatment to 38 farmers. Co-lending with Feed the Hunger Fund, which will also make a loan of \$100,000. CBED loan is for a stock purchase to facilitate local ownership. The CBED loan will have a term of seven (7) years with an interest rate of 6.5%. Underwriting review by Eric Bowman, Loan Officer Hawaii Island, Feed the Hunger Fund.

FEED THE HUNGER FUND
Loan Narrative Template

- **Business Name:** Pa'ina Hawaii, LLC
- **Borrower Name:** Michael Kohn
- **Borrower Social/Website:** (if applicable)
- **Does the borrower have previous Loans:** No
- **Borrower Risk Rating:** 2
- **Loan Amount:** \$100,000 from FTHF & \$100,000 From CBED
- **Interest Rate:** 6.5%
- **Term (Months):** 60
- **Conditions on loan approval:** (if applicable)
 - Receipt of an executed Agreement from Betsy Company
 - Approval of \$400k from Phoenix Lending Services
 - Approval of \$100k from CBED
 - Approval of \$100k from FTHF
- **Funding Source:**

Pros:

- **Essential Agricultural Infrastructure:** Pa'ina Hawaii services 38 local farmers and is the only irradiation treatment facility in the state using Cobalt-60 technology, providing essential export services.
- **Established Operation:** The facility has been operating since 2012 and plays a critical role in enabling local farmers to access U.S. Mainland markets, particularly California, which requires strict treatment protocols.
- **Stable Revenue Model:** Pa'ina does not produce or ship any of its own crops but generates steady service-based income by treating produce for third-party farmers.

Cons:

- **High Fixed Costs:** Irradiation facilities can have high operational and regulatory compliance costs, including radiation safety and equipment maintenance.
- **Regulatory Sensitivity:** The facility is subject to strict regulatory oversight for food safety and radiation handling. The facility has been successfully operating for over a decade.
- **Single Market Dependence:** Operations currently serve only the U.S. domestic market, which may limit growth opportunities or revenue diversification. To offset this risk, the current trade war may increase the domestic demand for Hawaiian products.

FEED THE HUNGER FUND

Loan Narrative Template

- **NARRATIVE:** (please be sure to include use of funds)

Background and History:

Pa'ina Hawaii was established in 2012 as an agricultural service facility located in Kunia on land owned and operated by the Hawaii Agricultural Research Center (HARC). The facility operates under environmental and regulatory oversight, e.g. Nuclear Regulatory Commission, USDA, TSA, and FDA.

The largest owner of Pa'ina Hawaii, Michael Kohn, also operates a DBA Equipment Team Hawaii (ETH), a produce distribution company, since 1987. ETH exports Hawaii-grown papayas to international markets (i.e. Hong Kong, Dubai, E.U., and Canada), which do not require irradiation treatment. As such, ETH and Pa'ina Hawaii operate independently, with some overlap in services. His hanai daughter, Lina Lee, is in place with a legal documentation, i.e. his will, for her to succeed Michael and she's actively involved in operations.

While ETH does not utilize irradiation, Pa'ina Hawaii plays a separate but critical role in Hawaii's agricultural value chain by servicing 38 local farmers who rely on the facility to meet domestic phytosanitary regulations. Pa'ina's work is vital for produce bound for U.S. Mainland markets, particularly California, where sterilization treatment through irradiation is mandated. The company operates a Cobalt-60 processing system that sterilizes pests in produce without killing them, enabling compliance and certification for export. Cobalt-60 is an inherently safer alternative to Cesium-136 facilities.

Business Concept:

Pa'ina Hawaii provides post-harvest irradiation treatment using a Cobalt-60 system to render pests in produce sterile. This method is approved by the USDA and accepted by California and other states on the continent, making it critical for Hawaii farmers wishing to export fresh produce. The business model is service-based; farmers contract Pa'ina to irradiate crops for compliance with phytosanitary requirements. Once treated, the produce is certified and held under strict control until shipped via air cargo.

Sweet potatoes are a third of the business and curry leaves are another third and the remaining third is but papaya, basil, rambutan, lychee longon, moringa leaves and pod.

Additionally the firm is working on a multi-million dollar government contract with CDFA and USDA to treat fruitflies; USDA is privatizing the business of rearing fruitflies, sterilizing them, and shipping them to California for biological control. This would fill in the time that the facility is not in operation.

Loan Purpose:

The loan request is for \$100,000 to support a stock sale of Pa'ina Hawaii for a total purchase price is \$900,000, which will transition ownership from foreign stakeholders to the local

FEED THE HUNGER FUND
Loan Narrative Template

operator Michael Kohn. Betsy Company is owned by a German family who mentored Michael, he has passed away and the funds will be buying out these heirs.

The full transaction will be funded through:

- \$300,000 cash from the borrower;
- \$400,000 through an SBA loan with Pheonix Lending Service;
- \$100,000 from CBED;
- \$100,000 from FTHF

This capital structure enables the company to consolidate control under a local ownership with deep agricultural experience and long-standing market relationships. The acquisition ensures continuity of services for the farmers who depend on Pa'ina to access Mainland markets, especially in states with strict agricultural import regulations such as California.

Transaction is expected to be completed within 90 to 120 days.

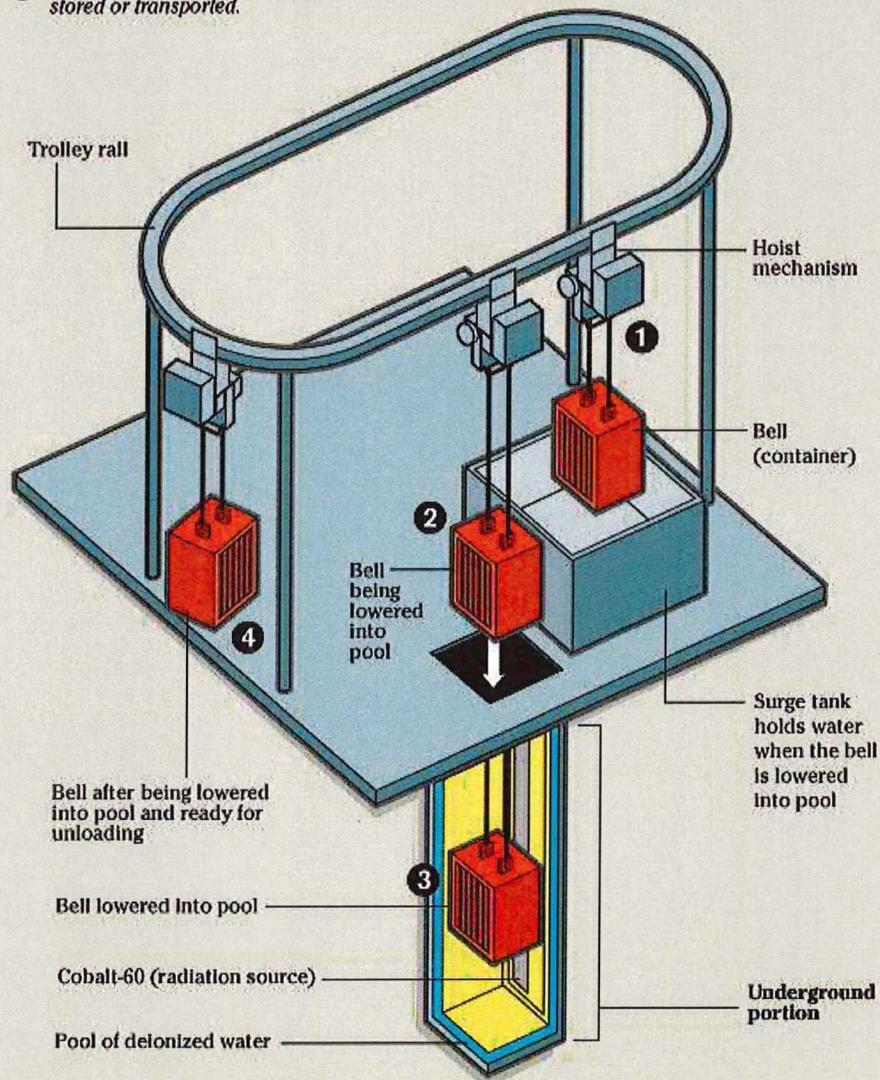
- **ADD PHOTOS:**

FEED THE HUNGER FUND
Loan Narrative Template

HOW THE IRRADIATOR WORKS

Pa'ina Hawaii LLC is seeking a license from the U.S. Nuclear Regulatory Commission to operate an underwater pool-type commercial irradiator to kill insect and bacterial pests on fruits and vegetables to be exported from Hawaii. The company proposes to use a Graystar Genesis irradiation unit as illustrated here, which uses cobalt-60 in a 20-foot-deep pool of water to irradiate items.

- 1 The untreated product is positioned on a cart, and a bell is lowered from above, enveloping the product and locking onto the cart.
- 2 The bell/cart assembly is moved by an overhead computer-controlled hoist and trolley that transfers the product from the loading position to the irradiator pool.
- 3 The bell is irradiated by a radiation source and then lifted back up to the surface by the computer-controlled hoist and trolley.
- 4 At the unloading position, the cart is detached from the bell, and then the product may be stored or transported.



Loan Presentation:

Date. 4 18 25	Total Project Cost \$ 900,000 00
Business. Pa'ina Hawaii, LLC	Loan amount requested \$ 100,000 00
Principal Name(s). Micheal Kohn	Recommended Interest rate 6.5%
Address: Business Address 92-1780 Kunia Road, Kunia, HI 96759	Term / Amortization 84
Business Type Existing	RISK RATING. 2
FTHF Loan Client No	Access to Other Capital
Loan Status	Pa'ina Hawaii was issued a denial by First Foundation Bank
Business Structure: Limited Liability Company	
Purpose of Loan Working Capital	
Jobs created.	Business description: Pa'ina is an irradiation treatment facility established in 2012, that uses a Cobalt 60 processing system to treat produce. The irradiator targets specific species of pests in various produce that does not kill them, but renders them sterile. Farmers hire Pa'ina to treat their produce before it is shipped to markets that require treated produce. Once irradiated, the produce is certified as treated by irradiation and under strict control until it is shipped via air cargo to the continent. Due to California's Ag industry, they are very strict on produce being shipped but will accept irradiated produce. It generates revenues from 38 farmers who pay them to treat their produce.
Jobs retained 9	
Current Ownership Structure:	
43% Michael Kohn	
39% BETSY Company	
18% 7 other investors	
Proposed Ownership Structure.	
82% Michael Kohn	
17% 7 other investors	

Loan #	Original	Principal Balance	Original Loan purpose	Delinquency	30 +	60+	90+
TOTAL	\$ -	\$ -					

PRINCIPAL INFORMATION	
Personal Net worth.	\$33,108
Credit score	786

COLLATERAL								
Type	Source of Value	Date of Value	Gross Value	Discount rate	Net Value	Prior liens	equity	
PV system and batteries	Borrower	4/10/2025	\$ 499,044	80%	\$ 399,235	\$ 365,785	\$	33,450
Life Insurance	Policy	4/10/2025	\$ 1,000,000	100%	\$ 1,000,000	\$ 1,740,418	\$	-
Paina - Property, Machinery & Equip	Borrower	4/10/2025	\$ 700,876	50%	\$ 350,438	\$ 1,740,418	\$	-
Total					\$ 1,749,673		\$	33,450
Collateral coverage								0.17

SOURCES		
Lender	Amount	
FTHF	\$ 100,000	
CBED	\$ 100,000	
SBA - Phoenix Lending	\$ 400,000	
Equity	\$ 300,000	
Total	\$ 900,000	

USES		
Uses	Amount	
Stock purchase	\$ 900,000	
Total	\$ 900,000	

FEES			
Closing Fee	2.5%	\$	2,500
Wire Transfer Fee		\$	40
Application fee		\$	-
Borrower to pay all out of pocket expenses			

FTHF Risk Rating Chart

Date: 4.18.25

Borrower: Paina Hawaii, LLC

Loan Officer: Eric Bowman

Rate each category from 1 to 5

Rating	1	2	3	4	5	Score
Personal Net Worth	>\$100K	\$51K-\$100K	\$1-\$50K	\$0-(\$10K)	<(\$10K)	3
GDSC	>1.5x	1.31x-1.5x	1.2x-1.3x	Unacceptable	Unacceptable	2
Collateral Coverage	>100%	75-100%	50-74%	5-49%	<5%	4
Quick Ratio*	>150%	110-150%	100-109%	75-99%	<75%	1
Credit Score	>700	651-700	621-650	600-620	<600	1
Years In Industry	>9	8-9	4-7	1-3	0	1
Years of Industry Management	>5	3-5	1-2	<1	0	1
Owners Equity Into Transaction	>25%	16-24%	10-15%	1-9%	0	1
Business Profitability	Profitable 4 of last 4 years	Profitable 3 of last 3 years	Profitable 2 of last 2 years	Profitable 1 of last 1 year	<2 years operating or non-profitable	1
Business debt ratio**	<70%	71-80%	81-90%	91-100%	>100%	3
*Quick Ratio:	(Current Assets - Inventories) / Current Liabilities			16.98		
**Business debt ratio:	Total Liabilities / Total Assets			0.49		2

Loan Score	2
1	Excellent
2	Good
3	Acceptable
4	Poor
5	Unacceptable

Business related only

Current assets	\$	3,252,987	Cash + AR in Paina
Inventories			
Current Liabilities	\$	191,558	
Total assets	\$	4,676,663	
Total Liabilities	\$	2,306,203	Loans to PH & ETH