



STATE OF HAWAI'I
DEPARTMENT OF LAND AND NATURAL RESOURCES
DIVISION OF BOATING AND OCEAN RECREATION

PUBLIC AUCTION BID PACKET

FOR
PUBLIC AUCTION FOR THE SALE
OF ONE (1) STATE OF HAWAI'I LEASE
ISLAND OF MAUI

LM-25-003

PUBLIC AUCTION DATE
June 2, 2026

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Lease Term: Thirty-Five (35) Years

Commencement Date: The first calendar day of the next nearest month following full execution of the lease; provided that the successful bidder shall have no more than thirty (30) calendar days from the date that DOBOR transmits lease documents to execute the lease; and provided further that the DLNR Chairperson may amend the commencement date for good cause.

Minimum Upset Annual Base Rent: Seventy-Four Thousand Five Hundred Fifty Dollars (\$74,550.00)

The bidding will start at the minimum upset rent for the first year of the lease. The highest bid equal to or greater than the minimum upset rent will be the determining factor in selecting the successful bidder who will be offered the opportunity to negotiate the lease with DOBOR. The minimum upset rent and the appropriate stepped increase (as a percentage increase over the base rent of the immediately preceding 5-year period) for the second and third 5-year periods have been set by appraisal to provide the successful bidder with a known rent for the first fifteen (15) years of the lease. The minimum upset rent for the first fifteen (15) years has been set by appraisal as follows:

<u>Term</u>	<u>Minimum Upset Rent Per Annum</u>
Years 1-5	\$74,550.00
Years 6-10	\$85,732.50
Years 11-15	\$98,592.38

After determining the highest bidder for the first year of the lease, rent for the first fifteen (15) years of the lease will be determined as follows:

Years 1-5	Highest Bid
Years 5-10	Year 5 + 15%
Years 10-15	Year 10 + 15%

Rent Reopening:	At the end of the 15 th & 25 th years of the lease term, by DOBOR or independent appraisal.
Percentage Rent:	5% of gross receipts The lessee's rent shall be the base rent or percentage of gross receipts, whichever is greater. The minimum upset rent shall be paid monthly, in advance, and the percentage rent shall be paid monthly, in arrears. In the event of subletting, the gross receipts of the subtenant shall be included in the calculation of the lessee's gross receipts. The appraiser procured to determine the upset rent has also separately determined the percentage rent (5%) to be paid in excess of the minimum rent.
Lease Auction Deposit:	Thirty-Seven Thousand Two Hundred Seventy-Five Dollars (\$37,275.00) in certified check or cashier's check made payable to "Division of Boating and Ocean Recreation" (equal to 6 months of base rent). For the winning bidder, the Initial Deposit shall be held by the DLNR and applied towards the successful bidder's lease rental, except in the event of default, as described in Section 13 of the INSTRUCTIONS TO BIDDERS below. The deposits of unsuccessful bidders will be returned after the lease auction.
Performance Bond:	Equal to two times (2x) the annual rent payable. The lease shall not be issued until the Performance Bond or equivalent in the form of a Security Deposit or Standby Letter of Credit is provided.
Rent Waiver:	In the event the lessee or its subtenant(s), if applicable, make(s) improvements to, or demolishes the existing building at a cumulative expense of one hundred thousand dollars (\$100,000.00) or more, DOBOR may elect to waive the rent for a maximum period of twelve (12) calendar months.
Existing Improvements:	Two-story, wood-framed structure consisting of approximately 4,970 square feet of commercial space and a winch house, consisting of approximately 600 square feet, which contains the Mā'alaea Boat and Fishing Club winch to haul boats up the ramp to the

haul-out, as well as various tools.

Available Utilities:

Water, access to the harbor's wastewater system, electricity, and internet/telephone service.

The lessee shall be fully responsible for all costs and expenses related to utilities including but not limited to utility installation and maintenance costs; any expenses involved in bringing utilities up to code, if necessary; and all recurring fees and charges for utility services.

Legal Access to the Property:

DOBOR has verified that there is legal access to the premises from Honoapi'ilani Highway.

APPLICATION AND BIDDING INFORMATION

Any person wishing to participate in the auction described above must first qualify to bid under the general qualifying criteria and the pre-qualifying criteria as described in this **Public Auction Bid Packet** (hereinafter the "Bid Packet"). Eligibility to bid shall be determined by the information supplied by applicants in the Application and Qualification Questionnaire (hereinafter the "Application") provided as Appendix A of this Bid Packet.

Applications to participate in the auction must be **received** by DOBOR no later than **Monday, May 4, 2026, 3:45 PM (HST)** at either of the following locations:

Division of Boating and Ocean Recreation Administration Office
Attn: Property Management
4 Sand Island Access Road
Honolulu, HI 96819

Division of Boating and Ocean Recreation Maui District Office
Attn: Property Management
101 Maalaea Boat Harbor Road
Wailuku, HI 96793

Applications submitted by mail, email, and facsimile will not be accepted.

Applicants shall submit one (1) original and three (3) copies of the Application (including copies of all required attachments). Any applicant who has failed to submit a complete Application (including all required attachments and required copies) by the deadline will not be allowed to participate in the auction. Each applicant shall be informed in writing (USPS regular mail) in advance of the auction date as to the applicant's eligibility to bid in the public auction. See the Bid Packet for further instructions.

The Bid Packet describes the auction sale procedures, bidder qualifications, and other requirements, and contains the Application, memorandum of lease, draft lease document (including survey map and descriptions of the subject premises), and other relevant information. The Bid Packet may be examined in-person at the DOBOR offices listed below between the hours of 7:45am and 3:45pm, except for weekends and State holidays, or downloaded from the DOBOR website at:
https://dlnr.hawaii.gov/dobor/pm_auctions

Any person requiring special accommodation or information in an alternate format must contact DOBOR at (808) 587-2683, at least five (5) business days in advance of the Application deadline to arrange for such.

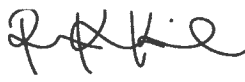
Division of Boating and Ocean Recreation Administration Office
Attn: Property Management
4 Sand Island Access Road
Honolulu, HI 96819

Phone: (808) 587-2683
Division of Boating and Ocean Recreation Maui District Office
101 Maalaea Boat Harbor Road
Wailuku, HI 96793
Phone: (808) 243-5824

Prospective bidders are responsible for thoroughly reading and understanding the covenants, terms, reservations, and conditions contained in the Bid Packet and draft lease document. The premises are to be leased in an "as is" condition, and prospective bidders are solely responsible to complete their own due diligence.

All bidders or authorized representatives must be present in-person at the place of auction in order to place a bid. Bids placed through any methods other than in-person at the place of auction will be rejected and will not be considered. DOBOR reserves the right to cancel the public auction, to postpone or change the date of the public auction or any other deadlines, to reject any and all Applications or request the submittal of additional information, and to waive any defects when, in the opinion of the Chairperson, such action will be in the best interest of the State.

DONE at the office of the Department of Land and Natural Resources, State of Hawai'i
this 03/25/2026 day of _____, 2026.

By 

Ryan K.P. Kanaka'ole, Acting Chairperson
Board of Land and Natural Resources

Publication Dates:
Honolulu Star-Advertiser: 04/09/2026, 04/10/2026 & 04/12/2026
Maui News: 04/09/2026
DLNR Website, Posting Date: 04/09/2026

INSTRUCTIONS TO BIDDERS

1. PURPOSE

These instructions provide details and documents related to the **State of Hawai'i** (hereinafter the "**State**"), **Department of Land and Natural Resources** (hereinafter "**DLNR**"), Division of Boating and Ocean Recreation (hereinafter "**DOBOR**") public auction for the sale of one (1) State of Hawai'i land lease scheduled for public auction on **June 2, 2026, at 10:00 AM (HST)**, at 159 Mā'alaea Boat Harbor Road, Wailuku, HI 96793, commonly referred to as the former "Buzz's Wharf Restaurant" building, for the State lease listed in the Notice of Sale. This auction may be canceled, postponed, held at a different date or time, or continued by order of the **DLNR Chairperson** (hereinafter the "**Chairperson**").

2. SIGNIFICANT DATES

Advertisement of Public Auction (Star Advertiser & Maui News)	Thursday, April 9, 2026 Friday, April 10, 2026 Sunday, April 12, 2026
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Applications Due	Monday, May 4, 2026 By 3:45 PM (HST)
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Notice of Qualification/Disqualification	Tuesday, May 11, 2026 By 4:00 PM (HST)*
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Public Auction	Tuesday, June 2, 2026 10:00 AM (HST)*
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**Dates are subject to change by DOBOR*

3. DISQUALIFYING CRITERIA

A person who meets any one of the following shall be disqualified from placing a bid in this auction:

- (a) Is a minor;
- (b) Is in arrears in the payment of taxes, rents, or other obligations owing to the State or to any of its political subdivisions;
- (c) Has had during the five (5) years preceding the date of the public auction, a previous sale, lease, license, permit, or easement covering public lands canceled for failure to satisfy the terms, conditions, and covenants thereof;
- (d) Fails to show upon demand of the Chairperson or the Chairperson's agent at the public auction, the sum of **\$37,275.00 in the form of a certified check or cashier's check made payable to "Division of Boating and Ocean Recreation"**;

- (e) Fails to submit, as part of a completed Application, evidence satisfactory to the Chairperson that the applicant is duly authorized to bid at the auction and enter into the lease if they are the successful bidder. For example, a corporate bidder shall submit a certified corporate resolution; or
- (f) Fails to meet any of the pre-qualifying criteria as outlined herein.

4. PRE-QUALIFYING CRITERIA TO BE MET BY ALL BIDDERS

Any person wishing to bid and purchase the State lease described in the Notice of Sale must first qualify to bid according to the following pre-qualifying evaluation criteria:

- (a) Qualifications and Experience: Qualifications and experience in the type of use and business operations proposed by the Applicant for the premises including, but not limited to the type and duration of business experiences, expertise, and success in that particular field of business, and expertise in management, financial, and marketing matters related or relevant to that particular field of business.
- (b) Business Plan: Business Plan for the premises including but not limited to the soundness and feasibility of the Applicant's management, marketing, and financial plans for the premises.
- (c) Financial Capacity: Financial capacity including but not limited to the financial capacity to fund the Applicant's proposed operations and improvements to the premises, if any, and the Applicant's creditworthiness and credit history.
- (d) Convictions for Violation of Law: Convictions of the Applicant or any principals, owners, shareholders, partners, members, or directors of the Applicant may result in the disqualification of the Applicant.

5. APPLICATION PROCEDURES

Eligibility to bid on the lease shall be determined by the information supplied by prospective bidders in the **Application and Qualification Questionnaire** (hereinafter the "**Application**" included as **Appendix A**). Any person who has not submitted a complete Application by the deadline indicated below and qualified as a bidder will not be allowed to place a bid for the lease in the public auction.

One (1) original and three (3) copies of the completed Application with all required attachments (including all documentation required to establish the applicant's eligibility to bid at the auction) must be **received** no later than **May 4, 2026, by 3:45 PM (HST)** by DOBOR at either of the following locations:

Division of Boating and Ocean Recreation Administration Office
Attn: Property Management
4 Sand Island Access Road
Honolulu, HI 96819

Division of Boating and Ocean Recreation Maui District Office
Attn: Property Management
101 Maalaea Boat Harbor Road
Wailuku, HI 96793

Applications submitted by mail, email, and facsimile will not be accepted.

The official time of submission shall be the time recorded by the receiving DOBOR Office's time stamp clock.

An Applicant, at the time an Application is submitted, must be capable of performing all of the terms and conditions of the lease in the event they are the successful bidder and will be assumed to understand that the premises shall be leased in an "as is" condition, without any representations or warranties made by the State of Hawai'i, DLNR, or DOBOR as to the condition of the premises or suitability of the premises for the use permitted in the applicable lease or the Applicant's intended use. Each Applicant shall be informed in writing (USPS regular mail) in advance of the date of the auction as to the Applicant's eligibility or non-eligibility to bid at the public auction.

All information provided in the Application shall remain confidential until the execution of the lease. Thereafter, any information protected under Chapter 92F, Hawai'i Revised Statutes, including an individual's financial information, will continue to be held confidential, unless otherwise required to be disclosed by a court of competent jurisdiction.

6. REVIEW OF APPLICATIONS

A screening committee will review all Applications using the criteria in Sections 3 and 4. The makeup of the screening committee shall be determined by DOBOR and shall remain confidential unless otherwise required to be disclosed by a court of competent jurisdiction. The screening committee may, but shall not be required to, use numerical rating systems in evaluating submitted Applications.

An Application may be rejected for any of the following reasons:

- (a) The Application is late, conditional, incomplete, or does not adhere to the specified format and instructions;
- (b) It is shown that inaccurate statements are made in the Application;
- (c) The Application is disqualified pursuant to Section 3 or fails to meet any of the pre-qualifying criteria in Section 4; or
- (d) It is in the best interest of the State.

Notwithstanding the above, DOBOR and the screening committee reserve the right to waive any defects in any Application if it is in the best interest of the State.

7. MODIFICATION OF APPLICATION

Modifications to a submitted Application may be made before the Application deadline. One (1) original and three (3) copies of the modified sheets or replacement Application must be submitted by the Application due date. No additional time past the specified deadlines shall be given to submit a modified Application. If a modified Application is incomplete or otherwise not compliant with Application requirements, the screening committee will only consider the most recently submitted complete Application.

8. RECONSIDERATION OF DISQUALIFICATION

An Applicant who is disqualified from bidding and wishes to have the decision reconsidered must submit a written request to either of the DOBOR Offices listed in Section 5 no later than 3:45pm HST within five (5) working days after the day that the notice of disqualification is delivered to the Applicant. A notice of disqualification sent by DOBOR via USPS mail shall be deemed delivered five (5) calendar days after it is sent. Mailed, emailed, and facsimile requests for reconsideration shall not be accepted.

A request for reconsideration must state the reasons why the Applicant believes the disqualification was improper and must refer to specific evidence in the Application to support such reasons. Any reconsideration shall be limited to the information contained within the Application (or Modified Application, if applicable) and no new or additional information may be submitted. The decision to uphold or reverse a disqualification shall be made by the Chairperson, and the Chairperson's decision shall be final.

9. AUCTION PROCEDURES

- (a) All prospective bidders shall be qualified pursuant to Sections 3 and 4.
- (b) All qualified bidders or authorized representatives must be present in-person at the auction.
- (c) All qualified bidders must bring and present a government-issued, picture identification. If the individual who will be bidding is an authorized representative of the qualified bidder, the individual shall also provide evidence satisfactory to DOBOR that the bidder is duly authorized to bid at the auction on behalf of the qualified bidder, e.g., a certified corporate resolution or power of attorney duly executed by the qualified bidder.
- (d) All qualified bidders must bring and present the sum of **\$37,275.00 in the forms of a certified check or cashier's check made payable to "Division of Boating and Ocean Recreation"**.
- (e) Bidding shall commence at the upset minimum annual base rent as stated in the NOTICE OF SALE, and the qualified bidder who places the highest bid at the fall of the hammer shall be deemed the successful bidder in the

auction.

10. DUTIES AND OBLIGATIONS OF SUCCESSFUL BIDDER

- (a) Day of the auction. Upon the fall of the hammer, the successful bidder shall:
- (i) execute the Memorandum of Lease (**Appendix B**), for the leasing of the subject premises;
 - (ii) execute an affidavit stating that the successful bidder is not in arrears in the payment of taxes, rents, or other obligations owing to the State or any of its political subdivisions, and that the successful bidder has not during the five (5) years preceding the date of the public auction had a previous sale, lease, license, permit or easement covering public lands canceled for failure to satisfy the terms, conditions and covenants thereof; and
 - (iii) pay to DOBOR the sum of **\$37,275.00 in the form of a certified check or cashier's check made payable to "Division of Boating and Ocean Recreation"**.
- (b) By 4:00pm on the working day following the date of the auction: the successful bidder shall pay in full by **certified check or cashier's check made payable to "Division of Boating and Ocean Recreation"**:
- (i) all charges required by law, including the cost of survey maps and descriptions (estimated at \$25.00), documents (estimated at \$30.00), advertising costs related to the Notice of Sale (estimated at \$1,400.00), recording fees and conveyance taxes (if any), all such amounts being non-refundable, collectively the **"Reimbursable Costs"**; and
 - (ii) the difference between the minimum amounts required to be paid at the fall of the hammer, as described in Section 10(a)(iii) above, and fifty percent (50%) of the minimum annual base rent successfully bid at the auction. The amounts paid pursuant to the above Section 10(a)(iii) and this Section 10(b)(ii) shall be collectively referred to as the **"Initial Deposit"**.
- (c) Execution of Lease. The successful bidder shall have no more than thirty (30) calendar days from the date that DOBOR transmits lease documents to execute the lease and return said lease to DOBOR; provided that the DLNR Chairperson may amend this deadline for good cause.

11. CONDITION OF THE PREMISES

The premises shall be leased in an "as is" condition, without any representations or warranties made by the State, DLNR, or DOBOR as to the condition of the premises or suitability of the premises for the use proposed by any prospective

bidder or for any other uses permitted in the lease.

12. DUE DILIGENCE

The successful bidder at the public auction shall have sixty (60) calendar days from the date of the auction to conduct a due diligence investigation, determine the suitability of the premises, and decide if the successful bidder will continue with the lease of the premises (the "**Due Diligence Period**"). The Chairperson may extend the Due Diligence Period; provided that any extension(s) of the Due Diligence Period may be conditioned on the successful bidder's payment of one or more extension fees, as applicable. Extension fees shall be in an amount not to exceed ten percent (10%) of the minimum annual base rent successfully bid at the auction and shall be given in thirty (30) calendar day increments. Extension fees shall not be refundable, nor will the successful bidder be allowed to apply any extension fees paid against any subsequent rents or other assessments owed by the successful bidder. The successful bidder shall also not be refunded, reimbursed, or credited for any unused portion of an extension.

The successful bidder shall be responsible for all costs associated with its due diligence investigation. Copies of all due diligence reports shall be provided to DOBOR and shall identify the State, DLNR, and/or DOBOR as an authorized user of said reports.

The successful bidder may, as the result of its due diligence investigation, elect not to proceed with the lease of the premises by providing written notice to the DOBOR by 4:00pm on the day of the expiration of the Due Diligence Period. In the event the successful bidder provides such written notice of its decision not to proceed with the lease, DLNR shall retain the Reimbursable Costs and twenty percent (20%) of the **Initial Deposit**, return eighty percent (80%) of the **Initial Deposit** to the successful bidder, and neither the successful bidder nor DLNR shall have any further rights, duties or obligations regarding the lease for the premises.

A survey map and description of the premises are attached to the lease document, a copy of which is attached as **Appendix C**.

Notwithstanding the above, prospective bidders are solely responsible for conducting their own due diligence, and DOBOR does not guarantee nor warrant the accuracy of any of the information provided to bidders.

13. DEFAULT

In the event the successful bidder fails to fulfill any of the above obligations within the stated deadlines, the Chairperson may terminate all rights of the successful bidder to obtain the lease and all obligations of DLNR to issue the lease to the successful bidder.

In the event of any termination due to the successful bidder's default of any of the

obligations set forth in Section 10(a) or 10(b) above, DLNR may, at its option, retain as liquidated damages the Reimbursable Costs (if paid) and twenty percent (20%) of the **Initial Deposit** (or any portions thereof paid by the successful bidder).

In the event of any termination due to the successful bidder's default of any of the obligations set forth in Sections 10(c) above, DLNR may, at its option or unless otherwise described therein, retain as liquidated damages the Reimbursable Costs and entire **Initial Deposit**. The retention of said sums shall be in addition to any other rights or remedies to which DLNR may be entitled.

14. COMMENCEMENT DATE OF THE LEASE

The commencement date of the lease shall be no later than thirty (30) calendar days from the date DLNR transmits the lease to the successful bidder for execution pursuant to Section 10 above; provided that if such date is not on the first day of any month, the commencement date shall be the first day of the month following such date; and further provided that the Chairperson may amend the commencement date for good cause.

15. EFFECTIVE RENTAL

The minimum annual base rent for the initial five-year period of the lease shall be the minimum annual base rent bid at the public auction by the successful bidder.

16. LEASE DOCUMENT

A copy of the lease document setting forth fully the terms and conditions to be observed and performed by the Lessee together with survey maps and descriptions of the premises to be leased may be examined at the following DOBOR offices or on the DLNR website at www.hawaii.gov/dlnr/dobor/dobor-pm:

Division of Boating and Ocean Recreation Administration Office
4 Sand Island Access Road
Honolulu, HI 96819
Phone: (808) 587-2683

Division of Boating and Ocean Recreation Maui District Office
101 Maalaea Boat Harbor Road
Wailuku, HI 96793
Phone: (808) 243-5824

Please refer to the Memorandum of Lease (**Appendix B**) and the lease document (**Appendix C**) for the obligations of the successful bidder, performance bond requirements, rental re-openings, insurance requirements, improvement requirements, improvement bond requirements, assignment of lease evaluation policy, subletting, reservations and other terms and conditions.

Each prospective bidder shall carefully examine all documents. Failure on the part

of any prospective bidder to make such an examination shall not be grounds for any claim that the prospective bidder did not understand the conditions of the lease or auction. Each prospective bidder shall notify the Chairperson, in writing, of any ambiguity, inconsistency, or conflict in the documents before submitting an Application.

17. EFFECT OF SALE

Following the public auction sale and the successful bidder's satisfaction of all the obligations set forth in Sections 10(a) and 10(b) above, a lease document in conformance with the terms herein shall be transmitted to the successful bidder for execution in accordance with Section 10(c) above.

In the event the successful bidder's rights to acquire the lease are terminated pursuant to any of the conditions above, the State may, but shall not be required to:

- (a) offer the lease to the bidder who offered the next highest bid at the public auction, at a lease rent equal to the minimum annual base rent bid by said bidder;
- (b) cancel the public auction and re-auction the lease, limiting participation, however, to only the remaining qualified bidders and not reopen the auction to the general public. Notice shall be provided to the remaining bidders regarding the details of the auction. Publication of any notice of sale shall not be required; or
- (c) cancel the auction and evaluate whether and when to re-auction the lease.

18. OTHER

DOBOR reserves the right to cancel the public auction, to postpone or change the date of the public auction or any other deadlines, to reject any and all Applications or request the submittal of additional information, and waive any defects when, in the opinion of the Chairperson, such action will be in the best interest of the State.

DONE at the office of the Department of Land and Natural Resources, State of Hawai'i

this 03/25/2026 day of _____, 2026.



By _____
Ryan K.P. Kanaka'ole, Acting Chairperson
Board of Land and Natural Resources

APPENDIX A
APPLICATION AND QUALIFICATION QUESTIONNAIRE

Write answers in the spaces provided. Attach additional sheets as necessary, clearly indicating the applicable section/question number. Submit one (1) completed original (with all required attachments) and three (3) copies (including copies of all required attachments).

IMPORTANT NOTE: The Applicant shall be the entity that will execute the Memorandum of Lease and the lease (if Applicant is the successful bidder at the public auction).

If Applicant is the successful bidder at auction, but the entity that intends to execute the Memorandum of Lease and/or the lease is different from the Applicant described in this Application (including changes to the ownership of Applicant), the Department of Land and Natural Resources ("DLNR") shall, at its sole discretion, have the right to (1) deem these changes to Applicant as an assignment of the rights of Applicant to the new entity requiring the consent of the Board of Land and Natural Resources; or (2) nullify the results of the auction and cancel any rights of Applicant to obtain the lease as the successful bidder.

Alternatively, if Applicant intends to form a new entity to enter the Memorandum of Lease and/or lease, Applicant may submit this Application and Qualification Questionnaire under the proposed entity by indicating "Yes" in Question 1 below and providing the name of the proposed entity and submitting information regarding the proposed owners, partners, shareholders, directors, officers, LLC members, etc. DLNR will evaluate Applicant for eligibility to participate in the auction by applying the evaluation criteria to the proposed entity.

If the bidding entity is a purpose formed LLC with no assets, then DLNR-DOBOR will require a personal guarantee from the bidder.

PART I: GENERAL INFORMATION

1. Applicant's legal name: _____
Mailing address: _____
Is Applicant an entity that is to be formed in the future? (Please Circle) Yes / No

2. Name of contact person: _____
Phone: _____ Fax: _____ Email: _____

3. Applicant intends to bid on the following parcel:
Location: **Mā'alaea Small Boat Harbor**
159 Mā'alaea Boat Harbor Road
(former "Buzz's Wharf Restaurant" building)
Wailuku, Island of Maui, Hawai'i

Tax map key: (2) 3-6-001:002 (por.) and (2) 3-6-001:034 (por.)
Intended use: _____

4. Applicant intends to hold title to the lease as:

Type of owner (Please Check One):	Tenancy (Please Check One, If Applicable):
<input type="checkbox"/> Individual	<input type="checkbox"/> Tenant in Severalty
<input type="checkbox"/> Husband and Wife	<input type="checkbox"/> Joint Tenants
<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Tenants in Common
<input type="checkbox"/> Joint Venture	<input type="checkbox"/> Tenants by Entirety
<input type="checkbox"/> Partnership	
<input type="checkbox"/> Corporation	
<input type="checkbox"/> Limited Liability Company	

5. Applicant's fiscal year-end: _____

6. If Applicant is a partnership or joint venture, answer the following:

(a) Name, address, & percentage share owned by each partner or joint venture member:

Name	Address	Share
_____	_____	_____
_____	_____	_____
_____	_____	_____

(b) Date of organization: _____

(c) General or limited partnership (if applicable): _____

(d) Recorded: _____

County	State	Date
--------	-------	------

(e) Currently registered in Hawai'i: _____ (Please Circle) Yes / No
If Yes, as of: _____

(f) Name of managing partner: _____

(g) Provide the following information for the managing partner and each partner or joint venture member:

- (i) Name and address;
 - (ii) Percentage of ownership interest;
 - (iii) Whether a general or limited partner; and
 - (iv) If the partner/member is an entity, describe the type of entity, where/when it was formed, and the entity's ownership and management (i.e., principal owners and their respective ownership interests, directors, officers, etc.).
- _____

7. If Applicant is a corporation, answer the following:

(a) When incorporated: _____

(b) In what state or country: _____

(c) Authorized to do business in Hawai'i: (Please Circle) Yes / No
If Yes, as of: _____

(d) Provide the name, address, and shares of stock for each officer of the corporation:

President: Name: _____

Address: _____

Number of stock shares: _____ Percentage of shares: _____

Vice-Pres: Name: _____

Address: _____

Number of stock shares: _____ Percentage of shares: _____

Secretary: Name: _____

Address: _____

Number of stock shares: _____ Percentage of shares: _____

Treasurer: Name: _____

Address: _____

Number of stock shares: _____ Percentage of shares: _____

Other: Name: _____ Title: _____

Address: _____

Number of stock shares: _____ Percentage of shares: _____

(e) Provide the name, address, and shares of stock for each member of the corporation's Board of Directors:

Name: _____

Address: _____

Number of stock shares: _____ Percentage of shares: _____

Name: _____

Address: _____

Number of stock shares: _____ Percentage of shares: _____

Name: _____

Address: _____

Number of stock shares: _____ Percentage of shares: _____

(f) Provide the name, address, and shares of stock for each principal stockholder who is not named in 7(d) and 7(e) above. (Principal stockholder means one holding 10% or more of the outstanding stock of the corporation.)

Name: _____

Address: _____

Number of stock shares: _____ Percentage of shares: _____

Name: _____

Address: _____

Number of stock shares: _____ Percentage of shares: _____

8. If Applicant is a limited liability company (LLC), answer the following:

(a) State or Country of formation: _____

(b) Date of formation: _____

(c) Registered to do business in Hawai'i: (Please Circle) Yes / No
If Yes, as of: _____

(d) Member-managed or manager-managed? _____

(e) Provide the following information for each member of the LLC:

(i) Name and address: _____

(ii) Percentage of ownership interest: _____

(iii) If the member is an entity, describe the type of entity, where/when it was formed, and the entity's ownership and management (i.e., principal owners and their respective ownership interests, directors, officers, etc.):

(f) If the LLC is a manager-managed LLC, provide the following information for the Manager:

(i) Name and address: _____

(ii) Percentage of ownership interest: _____

(iii) If the member is an entity, describe the type of entity, where/when it was formed, and the entity's ownership and management (i.e., principal owners and their respective ownership interests, directors, officers, etc.):

9. Applicant must submit evidence acceptable to the Chairperson of the Board of

Land and Natural Resources (e.g., certified corporate resolutions) that Applicant is duly authorized to apply for and bid on the lease at public auction, and if the successful bidder, to enter into the lease. Applicant shall also identify the person(s) that will be authorized to bid on the lease on behalf of Applicant at the public auction.

10. List all State of Hawai'i leases, permits, licenses, easements, sales, etc. of public lands (e.g., from the State or County) which the Applicant has been a party to, including as a director, officer, shareholder, partner, limited liability company member:

Doc. No.	Type of Agreement	Term of Agreement

11. Attach tax clearances from both the State of Hawai'i and the County in which the auctioned premises are located (**Appendix D**).

12. Is the Applicant registered with the U.S. Securities and Exchange Commission and been a publicly traded corporation for at least the last three years?
(Please Circle) Yes / No

13. Has the Applicant received a business loan within the last two years from an institution that is a member of the Federal Deposit Insurance Corporation or from any federal, mortgage-lending agency qualified to do business in Hawai'i?
(Please Circle) Yes / No
 If Yes, attach a copy of the loan agreement.

PART II: QUALIFICATIONS AND EXPERIENCE

14. Describe the Applicant's qualifications and experience in owning, constructing, and/or operating the type of business operations and use(s) proposed for the premises. Include any pertinent information, including but not limited to the names and locations of other similar businesses owned, developed, operated, or managed by Applicant, and the following information for each such business:

- (a) Describe each business operation (i.e., type of operations, annual gross and net revenues, number of employees, etc.).
-
-
-
-
-

- (b) Describe Applicant's role with respect to the business (i.e., is/was

Applicant the owner, developer, operator, manager, etc.).

- (c) Describe the type and size of the improvements/facilities for the business and whether Applicant constructed the improvements or occupied existing improvements. If Applicant constructed or renovated the improvements, describe Applicant's role and provide the construction costs.

- (d) Provide the dates of Applicant's involvement/relationship with the business.

- (e) If Applicant's involvement or relationship with the business is/was through an affiliated or related company or through a common director or officer, describe the relationship between Applicant and the affiliated/related companies or directors/officers.

- (f) Describe any affiliations with national or international chains or franchises.

- (g) Provide contact information (names, addresses, companies, title/positions, phone numbers) for individuals that DLNR may contact to confirm any of the information provided in response to the above questions.

- 15. Provide any information or describe any other business experiences (including experiences in management, financial, and marketing/promotional matters), which Applicant feels is pertinent to establishing Applicant's qualifications and experiences in developing and operating a business on the premises.

16. Has Applicant ever been cited and/or fined for violations of any land use laws, ordinances, rules, or regulations? (Please Circle) Yes / No

If Yes, explain.

PART III: BUSINESS PLAN

Copy and attach additional plans as needed.

17. What will the premises be used for? List the goals and objectives to utilize and develop the premises.

18. What products or services will be sold?

19. What is the projected yearly level of production or sales?

20. What is the demand for your products in the near- and long-term?

21. Who are your primary customers and how will the products be distributed?

22. What is your pricing strategy?

23. How will you market your products?

24. Who are your major competitors and what is your competitive strategy?

25. Describe the proposed site development plan for the premises, indicating the location and size of buildings, parking areas, landscaped areas, fencing and related uses. Attach sketch of plan.

26. What improvements to the premises do you intend to make and at what cost?

27. Describe the proposed development schedule for the various improvements.

28. How will you finance the improvements?

29. Will you be subleasing any portion of the premises? (Please Circle) Yes / No
If yes, describe the sublease uses.

30. What problems are anticipated in carrying out this plan and how will you resolve them?

31. Attach a completed Cash Flow Projection (**Appendix E** sample format; you may use your own). You must show all income and expenses applicable to your business for a five (5) year period.

PART IV: FINANCIAL CAPACITY

32. Attach Applicant's financial statement (balance sheet, income/expense statement, and reconciliation of net worth) for the past three (3) fiscal years, and the most current interim financial statement. If Applicant has not been in existence for three (3) years; also attach the financial statements for the principals, i.e., those holding at least a 10% ownership interest.

33. Does Applicant have funding and financing commitments for Applicant's proposed improvements and business operations? If so, provide verification/confirmation(s) from all sources, as follows:

- (a) If Applicant intends to obtain a loan, attach a preliminary loan commitment letter from a recognized lending institution. To be considered, the letter must specify approved loan amount and what loan proceeds will be used for.
- (b) If Applicant is unable to or does not intend to secure a loan and Applicant is an individual, husband and wife, sole proprietorship, or partnership, attach a Personal Financial Statement (**Appendix F**) for each individual and federal income tax return for the most recent three (3) years.
- (c) If Applicant is unable to or does not intend to secure a loan and Applicant is a corporation, joint venture, or limited liability company, attach corporate financial statements (current balance sheet and income/expense statements) or federal income tax returns for the most recent three (3) fiscal years, and most current interim financial statement.

For Questions 34-40: (1) if applying as an individual, husband and wife, sole proprietorship or partnership, "you" refers to all individuals involved, including all partners, and (2) if applying as a corporation, joint venture or limited liability company, "you" refers to the entity itself and any director, officer, principal stockholder (stockholders holding \geq 10% of the outstanding shares) or limited liability company member or manager.

34. Are there any outstanding judgments against you? (Please Circle) Yes / No

If Yes, explain.

35. Have you filed bankruptcy within the last seven (7) years?
(Please Circle) Yes / No

36. Have you had property foreclosed upon or given title or deed in lieu thereof in the last seven (7) years?
(Please Circle) Yes / No

37. Are you a party in any legal action? (Please Circle) Yes / No

If Yes, explain.

38. Have you directly or indirectly been obligated on any loan, which resulted in foreclosure, transfer of title in lieu of foreclosure, or judgment?
(Please Circle) Yes / No

If Yes, provide details, including date, name and address of lender and reasons for the action.

39. Are you presently delinquent or in default on any Federal, State or County rent, debt or another loan, mortgage, financial obligation, bond, or loan guarantee?
(Please Circle) Yes / No

If Yes, explain.

PART V: CRIMINAL CONVICTIONS

40. Have you ever been convicted of a violation of law? (Please Circle) Yes / No

If Yes, explain.

PART VI: NOTARIZED CERTIFICATION

The undersigned Applicant hereby certifies that the statements and information contained in this Application and Qualification Questionnaire, including all attachments, are true and accurate to the best of Applicant's knowledge and understand that if any statements are shown to be false or misrepresented, Applicant may be disqualified from bidding or Applicant's lease may be canceled. The undersigned Applicant also authorizes the State of Hawai'i Department of Land and Natural Resources and any of its employees or representatives to conduct investigations regarding any of the information provided in this Application and contact any of the references named herein.

Applicant Name

By: _____

Its: _____

Date: _____

Applicant Name

By: _____

Its: _____

Date: _____

Subscribed and sworn to before me this ____
day of _____, 2026

Notary Public
County of: _____
State of: _____
My commission expires: _____

APPENDIX B
MEMORANDUM OF LEASE

This Memorandum of Lease is made this _____, by and between _____, a _____ (the "**Successful Bidder**"), whose mailing address is _____, and the STATE OF HAWAII, by and through its **Department of Land and Natural Resources** ("**DLNR**"), whose mailing address is 4 Sand Island Access Road, Honolulu, Hawaii 96819.

RECITALS:

A. DLNR is the owner of those certain parcels of land consisting of approximately 23,326 square feet, more or less, situated at Mā'alaea Small Boat Harbor, Mā'alaea, Waikapū, Wailuku, Island of Maui, Hawai'i, and identified by Tax Map Key No: (2) 3-6-001:002 (por.) and (2) 3-6-001:034 (por.), (the "**Premises**").

B. On June 2, 2026, DLNR conducted a public auction (the "**Auction**") for a 35-year ground lease (the "**Lease**") over the Premises as described in the published Notice of Sale appearing in the Honolulu Star-Advertiser (Oahu, Molokai, & Lanai) on April 10, 2026, and April 12, 2026, and the Honolulu Star-Advertiser (Maui) on April 9, 2026 and April 12, 2026, and on the DLNR Website on April 12, 2026, and included in the Public Auction Bid Packet issued pursuant to said notice (the "**Public Auction Bid Packet**").

C. Pursuant to the Public Auction Bid Packet, the winning bidder at the Auction will be issued the Lease upon the winning bidder's satisfaction of certain terms and conditions.

D. The Successful Bidder was the winning bidder at the Auction with a minimum annual base rent bid of \$_____.

E. The Successful Bidder has executed an Affidavit stating that the Successful Bidder is not in arrears in the payment of taxes, rents or other obligations owing to the State of Hawai'i or any of its political subdivisions, and that the Successful Bidder has not during the five (5) years preceding the date of the Auction had a previous sale, lease, license, permit or easement covering public lands cancelled for failure to satisfy the terms, conditions and covenants thereof.

F. The Successful Bidder has paid to DLNR the sum of **\$37,275.00** concurrently with its execution of this Memorandum of Lease.

G. DLNR and the Successful Bidder desire to enter into this Memorandum of Lease to confirm that the Successful Bidder was the winning bidder at the Auction and set forth the terms and conditions that must be satisfied by the Successful Bidder prior to DLNR issuing the Lease to the Successful Bidder.

NOW, THEREFORE, the parties hereby agree as follows:

1. Issuance of Lease. The Successful Bidder hereby agrees to rent and lease from DLNR, and DLNR agrees to demise and lease to the Successful Bidder, the Premises for the minimum annual base rent bid stated above in accordance with the terms, covenants, and conditions set forth herein below.

2. Conditions to Issuance of the Lease. DLNR will issue the Lease to the Successful Bidder upon the Successful Bidder's completion of all of the following conditions:

- a. The Successful Bidder shall, within one (1) working day from the date of the Auction pay in the form of a certified check or cashier's check made payable to "Division of Boating and Ocean Recreation":
 - (i) All charges required by law and all costs incurred by DLNR, including but not limited to the cost of survey maps and descriptions, documents, advertising costs related to the Notice of Sale document, and conveyance taxes (if any), all such amounts being non-refundable (collectively referred to as the "**Reimbursable Costs**"); and
 - (ii) The difference between fifty per cent (50%) of the minimum annual base rent bid by the Successful Bidder and the amount paid pursuant to Recital F above. The amounts paid pursuant to this Section 2.a.(ii) and Recital F, above, shall be collectively referred to as the "**Initial Deposit**".
- b. The Successful Bidder shall properly execute and return the Lease to DLNR within thirty (30) calendar days from the date DLNR transmits the Lease to the Successful Bidder.

3. Condition of the Premises; Due Diligence. The Premises shall be leased in an "**as is**" condition, without any representations or warranties made by the State or DLNR as to the condition of the Premises or suitability of the Premises for the use proposed by the Successful Bidder or for any other uses permitted in the Lease. DLNR does not warrant the accuracy of any of the information provided to the Successful Bidder.

The Successful Bidder is solely responsible for conducting its own due diligence. The Successful Bidder shall have sixty (60) calendar days from the date of the auction to conduct a due diligence investigation, determine the suitability of the Premises, and to decide if the Successful Bidder will continue with the lease of the Premises (the "**Due Diligence Period**"). The Chairperson may extend the Due Diligence Period provided any extension(s) of the Due Diligence Period may be conditioned on the Successful Bidder's payment of an extension fee(s). Extension fees shall be in an amount not to exceed ten percent (10%) of the minimum annual base rent successfully bid at the auction per thirty (30) day extension period, or portion thereof. Said fee(s) shall not be refundable or applied against any subsequent rents or other assessments owed by the Successful Bidder.

The Successful Bidder shall be responsible for all costs associated with its due diligence investigation. Copies of all due diligence reports shall be provided to DLNR and shall identify DLNR as an authorized user of said reports.

The Successful Bidder may, as the result of its due diligence investigation, elect not to proceed with the lease of the Premises by providing written notice to the Chairperson prior to the expiration of the Due Diligence Period. In the event the Successful Bidder provides such written notice of its decision not to proceed with the lease, DLNR shall retain the Reimbursable Costs and twenty percent (20%) of the **Initial Deposit**, return eighty percent (80%) of the **Initial Deposit** to the Successful Bidder, and neither the Successful Bidder nor DLNR shall have any further rights, duties, or obligations regarding the lease for the Premises.

4. Default. In the event the Successful Bidder fails to fulfill any of the above obligations within the stated deadlines, DLNR may, by written notice from the Chairperson, terminate all rights of the Successful Bidder to obtain the Lease and all obligations of DLNR to issue the Lease to the Successful Bidder.

In the event of any termination due to the Successful Bidder's default of any of the obligations set forth in Section 2.a. above, DLNR may, at its option, retain as liquidated damages the Reimbursable Costs (if paid) and twenty percent (20%) of the **Initial Deposit** (or any portions thereof paid by the Successful Bidder).

In the event of any termination due to the Successful Bidder's default of any of the obligations set forth in Sections 2.b or 2.c. above, DLNR may, at its option or unless otherwise described therein, retain as liquidated damages the Reimbursable Costs and entire **Initial Deposit**. The retention of said sums shall be in addition to any other rights or remedies to which DLNR may be entitled.

5. Commencement Date of Lease. The commencement date of the Lease shall be no later than thirty (30) calendar days from the date DLNR transmits the Lease to the Successful Bidder for execution pursuant to Section 2 above; provided that if such date is not on the first day of any month, the commencement date shall be the first day of the month following such date; and further provided that the Chairperson may amend the commencement date for good cause.

6. Public Auction Bid Packet. The terms and conditions of the Public Auction Bid Packet by this reference are incorporated herein and made a part hereof; provided, however, that in the event of a conflict between the terms of the Public Auction Bid Packet and this Memorandum of Lease, the terms of this Memorandum of Lease shall control.

7. Review of Lease Document. The Successful Bidder acknowledges that it is responsible for reviewing the Lease document and ensuring full performance of all terms and conditions, some of which require performance within a specific timeframe after the Lease is executed, including but not limited to, the submittal to DLNR of the required performance bond and certificate(s) of insurance.

8. Governing Law. This Memorandum of Lease shall be governed by and construed in accordance with the laws of the State of Hawai'i.

IN WITNESS WHEREOF, the undersigned have executed this Memorandum of Lease as of the day and year first above written.

Name of Successful Bidder

Name:
Title:

Name:
Title:

Ryan K.P. Kanakaole
Acting Chairperson
Board of Land and Natural Resources

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STATE OF HAWAII

DEPARTMENT OF LAND AND NATURAL RESOURCES

GENERAL LEASE NO. LM-25-001

THIS LEASE, made this _____ day of _____,
 20____, 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 _____
 _____, whose address is _____
 _____,
 hereinafter referred to as the "Lessee."

WITNESSETH:

The Lessor, pursuant to sections 171-14, 171-16, 171-17, and 171-41 and other applicable sections of Chapters 171, 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 the Lessee to be kept, observed and performed, does lease unto the Lessee, and the Lessee does lease from the Lessor the premises and existing improvements situate at C.S.F. No. 26,090, and identified as "Maalaea Small Boat Harbor, Maalaea, Wailuku, Island of Maui," containing a land area of 23,326 square feet, more or less, and a building area of 4,970 square feet, more particularly described in Exhibit "A" and as shown on the map marked Exhibit "B," attached hereto and made parts hereof.

TO HAVE AND TO HOLD the leased premises unto the Lessee for the term of thirty-five (35) years, commencing on the _____ day of _____, 20____, up to and including the _____ day of _____, _____, unless sooner terminated as hereinafter provided, the Lessor reserving and the Lessee yielding and paying to the Lessor at the Office of the Department of Land and Natural Resources, Honolulu, Oahu, State of Hawaii, an annual rental as provided hereinbelow, payable in advance, without notice or demand, in equal monthly installments on _____ of each and every year during the term



as follows:

A. For the first five (5) years, the minimum sum of Seventy-four thousand five-hundred and fifty DOLLARS (\$74,550) per annum, [or a greater amount based on the highest bid].

B. For the second five (5) years (years six (6) through ten (10)), the minimum sum of Eighty-five thousand seven-hundred thirty-two dollars and fifty cents (\$85,732.50) per annum [or the greater bid amount plus fifteen percent (15%) of that amount].

C. For the third five (5) years (years eleven (11) through fifteen (15)), the minimum sum of ninety-eight thousand five-hundred ninety-two dollars and thirty-eight cents (\$98,592.38) per annum [or the greater amount paid in the second five-year installment plus fifteen percent (15%) of that amount.]

D. The annual rental reserved shall be reopened and redetermined at the end of the 15th and 25th years of the lease term, by staff.

E. The lessee shall pay the minimum rent amount or five percent (5%) of its gross receipts, whichever is greater, in monthly sums. The minimum rent shall be paid monthly, in advance, and the percentage rent shall be paid monthly, in arrears. In the event of subletting, the gross receipts of the subtenant shall be included as part of the lessee's gross receipts and lessee shall pay a percentage based on the total gross receipts.

E. Determination of base rent and percentage rent upon reopening. The base rent and percentage rent for any ensuing period shall be the fair market rental at the time of reopening. At least six months prior to the time of reopening, the fair market rental, which must include both base rent and percentage rent, shall be determined by:

(1) An employee of the Department of Land and Natural Resources qualified to appraise lands; or

(2) A disinterested appraiser whose services shall be contracted for by the Board. Lessee shall be promptly notified of the determination by certified mail, return receipt requested, and provided with the complete appraisal prepared by the Board or the Board's appraiser. The determination shall be

deemed received by Lessee on the date the Lessee signs the return receipt or three (3) days after mailing, whichever occurs first. Provided that if the Lessee does not agree upon the fair market rental as determined by the Board's appraiser, the Lessee must notify the Lessor in writing within thirty (30) days after receipt of the determination, and the Lessee shall appoint the Lessee's own appraiser whose name and address shall be stated in the notice. The Lessee shall provide the Board with the complete appraisal prepared by the Lessee's appraiser. Each party shall pay for its own appraiser. If the Board's and the Lessee's appraisers do not agree upon the lease rental, the Lessee and the Board shall, subject to section 171-17, Hawaii Revised Statutes, as may be amended from time to time, resolve the matter. The costs of mediation and arbitration shall be borne equally by the Lessee and the Board.

In the event that the fair market rental is not finally determined before the reopening date, the Lessee shall pay the rental as determined by the Board's appraiser until the new rent is determined, and the rental paid by Lessee shall then be subject to retroactive adjustments as appropriate.

Should the Lessee fail to notify Lessor in writing within thirty (30) days after receipt of the determination that Lessee disagrees with the fair market rental as determined by the Board's appraiser and that Lessee has appointed its own appraiser, then the fair market rental as determined by the Board's appraiser shall be deemed to have been accepted by Lessee and shall be the fair market rental as of the date of reopening.

F. 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) a month for each delinquent payment.

RESERVING UNTO THE 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 the 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.

2. 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.

SUBJECT TO the rights of native tenants and to regulatory rights and ownership rights (if any) of the State of Hawaii established pursuant to state law including chapter 6E, Hawaii Revised Statutes, over prehistoric or historic remains found in, on, or under the land.



THE LESSEE COVENANTS AND AGREES WITH THE LESSOR 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 the Lessor may from time to time designate, in legal tender of the United States of America.

2. Taxes, assessments, etc. The 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.

3. Utility services. The Lessee shall be responsible for obtaining any utility services 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 the Lessor or Lessee may become liable for during the term, whether assessed to or payable by the Lessor or Lessee.

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, nor, without the prior written consent of the Lessor, 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 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. Inspection of premises. The Lessee shall permit the Lessor and its agents, at all reasonable times during the lease term, to enter the premises and examine the state of its repair and condition.

9. Improvements. The Lessee shall not at any time during the term construct, place, maintain or install on the premises any building, structure or improvement of any kind and description except with the prior written approval of the Chairperson and upon those conditions the Chairperson may impose, including any adjustment of rent, unless otherwise provided in this lease. The Lessee shall own these improvements until the expiration or other termination of the lease, at which time the ownership shall, at the option of the Lessor, remain and become the property of the Lessor or shall be removed by Lessee at Lessee's sole cost and expense.

The existing improvements consist of a two-story, wood-framed structure consisting of approximately 5,000 square feet of commercial space and a winch house consisting of 600 square feet which contains the Ma'alaea Boat and Fishing Club's winch to haul boats up the ramp to the haul out and tools.

10. Repairs to improvements. The Lessee shall, at its own expense, keep, repair, and maintain all buildings and improvements now existing or hereafter constructed or installed on the premises in good order, condition and repair, reasonable wear and tear excepted. Unless the two-story, wood-framed structure consisting of approximately 5,000 square feet of commercial space, is demolished and removed in its entirety, pursuant to paragraphs 41 and 43 of this lease.

11. 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 release, indemnify, defend, and hold the Lessor harmless from and against all attachments, liens, charges, and encumbrances and all resulting expenses.

12. Character of use. The Lessee shall use or allow the premises leased to be used solely for marine business and other maritime and harbor related light industrial, commercial storage and other uses allowed under the zoning ordinances of the County of Maui, purpose(s).

13. Assignments, etc. The Lessee shall not transfer, assign, or permit any other person to occupy or use the premises, or any portion, or transfer or assign this lease or any interest, either voluntarily or by operation of law, except by way of devise, bequest, or intestate succession, and any transfer or assignment made 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 "C." The premium on any subsequent assignments shall be determined as specified in the above-mentioned Evaluation Policy.

If the Lessee is an association, partnership, joint venture, corporation, limited liability company or any other similar type of legal entity, the sale or transfer of 20% or more of the ownership interest or control of the "Lessee" as defined in this paragraph 13, including but not limited to a sale or transfer by dissolution, merger or any other means shall be deemed an assignment for purposes of this paragraph and subject to the right of the Lessor to impose the foregoing premium as set forth in Exhibit "C."

For purposes of this assignment paragraph, "Lessee" shall mean and include Lessee and any person, entity or organization owning an interest in Lessee and any upstream or parent owner of the Lessee, at all levels, including but not limited to an ultimate, immediate, direct, indirect, beneficial or intermediate entity, or a holding or affiliate company (hereinafter "owner entity"). A sale or transfer (in whole or in part) of any of the owner entities that effectively results in the owner entity cumulatively owning or holding 20% or more of the ownership interest or control of the Lessee shall be subject to the prior review and approval of the Board and the Assignment of Lease Evaluation Policy.

14. Subletting. The Lessee shall not sublet the whole or any part of the demised premises except with the approval of the Board; provided that prior to the approval, the Board shall have the right to review and approve the rent to be charged to the sublessee; provided further 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 shall be included as part of the Lessee's gross receipts; provided further that the Board shall have the right to review and, if necessary, revise the rent of the demised premises based upon the rental rate charged to the sublessee including the percentage rent, if applicable, and provided that the rent may not be revised downward.

15. Release and indemnity. The Lessee shall release, 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 Lessee relating to Lessee's use, occupancy, maintenance, or enjoyment of the premises; 2) any failure on the part of the Lessee to maintain the premises and sidewalks, roadways and parking areas adjacent thereto in 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.



16. Costs of litigation. In case the Lessor shall, without any fault on Lessor's part, be made a party to any litigation commenced by or against the Lessee (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 charges.

17. Liability insurance. The Lessee shall procure and maintain, at its cost and expense and acceptable to the Lessor, in full force and effect throughout the term of this lease, general liability insurance, or its equivalent, with 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, in an amount of at least \$1,000,000.00 for each occurrence and \$2,000,000.00 aggregate, and with coverage terms acceptable to the Chairperson of the Board. The policy or policies of insurance shall name the State of Hawaii as an additional insured. A copy of the policy or other documentation required by the Lessor shall be filed with the State of Hawaii, Department of Land and Natural Resources. 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 policy(s) or other documentation required by the Lessor showing the policy(s) to be initially in force, keep the policy(s) or other documentation required by the Lessor on deposit during the entire lease term, and furnish a like policy(s) or other documentation required by the Lessor 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 may at any time require the Lessee to provide Lessor with copies of the insurance policy(s) that are or were in effect during the lease period or other documentation required by 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 other documentation required by the Lessor 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 or the Lessee's employees, agents, officers, or invitees' 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.

18. Bond, performance. The Lessee shall, at its own cost and expense, within fifteen (15) days from the effective date of this lease, procure and deposit with the Lessor and thereafter keep in full force and effect during the term of this lease 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 two times the annual rental then payable. This bond shall provide that in case of a breach or default of any of the lease terms, covenants, conditions, and agreements, the full amount of the bond shall be paid to the Lessor as liquidated and ascertained damages and not as a penalty.

19. Lessor's lien. 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.

20. Mortgage. Except as provided in this lease, 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. If the mortgage or security interest is to a recognized lending institution in either the State of Hawaii or elsewhere in the United States, the consent may extend to foreclosure and sale of Lessee's interest at the foreclosure to any purchaser, including the mortgagee, 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 "holder" shall include an 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.

21. Breach. Time is of the essence in this agreement. If the Lessee shall fail to pay the rent, or any part thereof, at the times and in the manner provided in this lease and this failure shall continue for a period of more than thirty (30) days after delivery by the Lessor of a written notice of breach or default and demand for cure, by personal service, registered mail or certified mail to the Lessee and to each

holder of record having a security interest in the premises, 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 failure shall continue for a period of more than sixty (60) days after delivery by the Lessor of a written notice of breach or default and demand for cure, by personal service, registered mail or certified mail to the Lessee at its last known address and to each holder of record having a security interest in the premises, the Lessor may, subject to the provisions of Section 171-21, Hawaii Revised Statutes, at once re-enter the premises, or any part, 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 shall remain and become the property of the Lessor or shall be removed by Lessee; furthermore, Lessor shall retain all rent paid in advance to be applied to any damages.

22. Right of holder of record of a security interest.

In the event the Lessor seeks to forfeit the privilege, interest, or estate created by this lease, each recorded holder of a security interest may, at its option, cure or remedy the default or breach of rent payment within thirty (30) days or any other default or breach within sixty (60) days, from the date of receipt of the Lessor's notice, or within an additional period allowed by Lessor for good cause, and add the cost to the mortgage debt and the lien of the mortgage. Upon failure of the holder to exercise its option, the Lessor may: (a) pay to the holder from any moneys at its disposal, including the special land and development fund, the amount of the mortgage debt, together with interest and penalties, and secure an assignment of the debt and mortgage from the holder or if ownership of the privilege, interest, or estate shall have vested in the holder by way of foreclosure, or action in lieu thereof, the Lessor shall be entitled to the conveyance of the privilege, interest, or estate upon payment to the holder of the amount of the mortgage debt, including interest and penalties, and all reasonable expenses incurred by the holder in connection with the foreclosure and preservation of its security interest, less

appropriate credits, including income received from the privilege, interest, or estate subsequent to the foreclosure; or (b) if the property cannot be reasonably reassigned without loss to the State, then terminate the outstanding privilege, interest, or estate without prejudice to any other right or remedy for arrears of rent or for any preceding or other breach or default and use its best efforts to redispose of the affected land to a qualified and responsible person free and clear of the mortgage and the debt secured; provided that a reasonable delay by the Lessor in instituting or prosecuting its rights or remedies shall not operate as a waiver of these rights or to deprive it of a remedy when it may still otherwise hope to resolve the problems created by the breach or default. The proceeds of any redispotion shall be applied, first, to reimburse the Lessor for costs and expenses in connection with the redispotion; second, to discharge in full any unpaid purchase price or other indebtedness owing the Lessor in connection with the privilege, interest, or estate terminated; third, to the mortgagee to the extent of the value received by the State upon redispotion which exceeds the fair market lease value of the land as previously determined by the State's appraiser; and fourth, to the owner of the privilege, interest, or estate.

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 rent 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 (a) the value of growing crops, if any, which Lessee is not permitted to harvest and (b) the proportionate value of the Lessee's permanent improvements so taken in the proportion that it bears to the unexpired term of the lease; provided, that the Lessee may, 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 permanent improvements constructed, erected and placed by it within any reasonable period allowed by the Lessor.

24. 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.

25. 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 premises 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.

26. 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.

27. 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 with, observe, and perform any of the lease terms, conditions, and covenants.

28. 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.

29. Waiver, modification, reimposition of bond and liability insurance provisions. Upon substantial compliance by the Lessee with 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 or improvement bond requirements or both 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) or liability insurance in and to their original tenor and form at any time throughout the term of this lease.

30. 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.

31. Surrender. The Lessee shall, at the end of the term or other sooner termination of this lease, peaceably deliver unto the Lessor possession of the premises in a clean and orderly condition, together with all improvements existing or constructed thereon or Lessee shall remove such improvements, at the option of the Lessor. Furthermore, upon the expiration, termination, or revocation of this lease, 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 termination of the lease.

32. Non-warranty. The Lessor does not warrant the conditions of the premises or any improvements thereon, as the same are being leased as is, where is, with all faults and defects, whether latent or patent.

33. 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. 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 release, indemnify, defend, and hold Lessor harmless, from any damages and claims resulting from the release of hazardous materials on the premises occurring while Lessee is in possession, or elsewhere if caused by Lessee or persons acting under 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.

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

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

36. 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.

37. Partial invalidity. If any term, provision, covenant or condition of this lease should be held to be invalid, void or unenforceable, the remainder of this lease shall continue in full force and effect and shall in no way be affected, impaired or invalidated thereby.

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

39. Historic preservation. In the event any historic properties or burial sites, as defined in section 6E-2, Hawaii Revised Statutes, are found on the premises, the Lessee and the Lessee's agents, employees and representatives shall immediately stop all land utilization or work or both and contact the Historic Preservation Office in compliance with chapter 6E,



Hawaii Revised Statutes.

40. Prevention and control of noxious, invasive, or exotic plants and animals. The introduction of noxious, invasive, or exotic plant and animal species to the premises shall not be permitted. The Lessee shall be solely responsible for the removal, at no cost to the Lessor, of any and all noxious, invasive, or exotic plant and animal species on the premises. This provision shall not apply to native species.



SPECIAL CONDITIONS

41. Rent Waiver. The rent may be waived for up to one (1) year to offset the Lessee's costs in completing substantial improvements to the existing improvements defined in paragraph 9, Improvements, or for demolition of the existing 5,000 square foot two-story, wood-framed structure provided that the aggregate amount of the reduced or waived lease rental for such demolition or substantial improvements provided that the substantial improvements and/or demolition costs exceed one-hundred thousand dollars (\$100,000). Any rent waiver requested under this paragraph shall be subject to the prior written approval of the Lessor, which may be granted, denied or conditioned (in whole or in part) in Lessor's sole discretion.

42. Bond, improvement. The Lessee, upon submittal and written approval of the construction plan shall within sixty (60) days procure and deposit with the Lessor a surety bond, acceptable to the Chairperson, in an amount equal to the cost of construction of the Building Requirement, but in no event shall the amount be less than _____

NO/100 DOLLARS (\$ _____), which bond shall name the State as obligee, conditioned upon the faithful observance and performance of the Building Requirement contained in this lease, the completion of the Building Requirement on or before the specified date of completion free from all liens and claims, and that the Lessee shall release, indemnify, defend, and hold the State harmless from all liens, suits, actions or damages arising out of, caused from or attributable to the work performed pursuant to the Building Requirement.

43. Removal bond. Lessee shall furnish a removal bond in the amount satisfactory to the Lessor to ensure the removal of the Lessee's leasehold improvements on the premises and restoration of the premises to its original and natural condition upon the expiration or early termination of the lease. The term of the removal bond shall survive the early termination or expiration of this lease, at least until all of Lessee's leasehold improvements have been removed from the premises as may be required by this lease. The Lessee shall provide the Lessor with such a removal bond naming the Lessor as obligee. The construction and installation of the Lessee's leasehold improvements shall be completed free and clear from

all liens, encumbrances and claims. The Lessee shall name the Lessor as an obligee on any bond.

The Lessee shall cooperate with and reimburse Lessor, upon written notice, for all costs incurred by Lessor in assessing an appropriate amount for the removal bond (including but not limited to costs incurred with procuring construction and engineering consultants).

The Lessor may reassess the removal bond every ten (10) years of the lease term and require the value of the removal bond to be increased (or decreased) accordingly.

44. Existing improvements, set back requirements. The Lessee, at its sole cost and expenses, shall be obligated to maintain and repair any improvements currently located or hereafter constructed on the premises. The premises contain existing improvements of several structures, fencing, and parking. Use of these existing improvements will be included in the lease in their "AS IS" condition. The Lessee understands that use of the existing improvements are without warranty of habitability for fitness of use, and the Lessor is not responsible to improve, repair, replace, or rehabilitate any existing improvements, nor is the Lessor responsible for any damages of any type, actual or implied. The premises are subject to the County of Maui set back requirements and other applicable laws.

Alternatively, the Lessee, at its sole cost and expenses, may remove the existing two-story, wood-framed structure consisting of approximately 5,000 square feet of commercial space. If the Lessee elects to remove the aforementioned structure, it shall ensure it does so in compliance with Hawaii Revised Statutes Chapter 6E, and all other Federal, State, and County Laws.

45. 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 or authorized to do business in the State of Hawaii, insuring all buildings and improvements erected on the leased land in the joint names of Lessor and Lessee, with the standard mortgage clause for Mortgagee, if any, 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 buildings in a good and substantial manner according to plans and specifications approved in writing by the Board; provided, however, that with the written approval of the Lessor, the Lessee may instead surrender this lease and pay the balance owing on any mortgage. Upon surrender of the lease, the Lessee shall then receive that portion of the insurance proceeds which the unexpired term of this lease, at the time of the loss or damage, bears to the whole of the term, with 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 policy or other documentation required by the Lessor showing the policy(s) or other documentation required by the Lessor to be in full force and effect and shall furnish a like policy or other documentation required by the Lessor upon each renewal of the policy(s). Each policy(s) or other documentation required by the Lessor 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.

46. 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.

47. Phase I environmental site assessment. Prior to termination or revocation of the subject lease or the assignment of the leasehold, Lessee shall conduct a Phase I environmental site assessment and conduct a complete abatement and disposal, if necessary, satisfactory to the standards required by the Federal Environmental Protection Agency, the Department of Health, and the Department of Land and Natural Resources. Failure to comply with the provisions of this paragraph shall not extend the term of this lease or automatically prevent



termination or revocation of the lease. The Board, at its sole option, may refuse to approve termination, revocation, or assignment unless this evaluation and abatement provision has been performed. In addition or in the alternative, the Board may, at its sole option if Lessee does not do so, arrange for performance of the provisions of this paragraph, all costs and expenses of such performance to be charged to and paid by Lessee.

48. Withdrawal. The Lessor shall have the right to withdraw the premises, or any portion, at any time during the term of this lease upon giving reasonable notice and without compensation, except as otherwise provided in the lease, for public uses or purposes, including residential, commercial, industrial, or resort developments, for constructing new roads or extensions, or changes in line or grade of existing roads, for rights of way and easements of all kinds, and shall be subject to the right of the Board to remove soil, rock or gravel as may be necessary for the construction of roads and rights of way within or without the premises; provided, that upon the withdrawal, or upon the taking which causes any portion of the land originally leased to become unusable for the specific use or uses for which it was leased, the rent shall be reduced in proportion to the value of the land withdrawn or made unusable, and if any permanent improvement constructed upon the land by the Lessee is destroyed or made unusable in the process of the withdrawal or taking, the proportionate value shall be paid based upon the unexpired term of the lease.

49. Clearances. The Lessee shall be responsible for obtaining all necessary federal, state or county clearances.

50. Audit and examination of books, etc. The Lessee shall, at all reasonable times, permit the Lessor 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 concerning its operations under this lease.

51. Inspections. Inspection of structures or buildings on the leased premises may be conducted by a third-party inspector contracted by the Department of Land and Natural Resources; all costs of the inspection of structures or buildings shall be paid by the Lessee. The land agent of the Lessor and any party to the lease may be present during the



inspection and may observe the inspection. If the inspection identifies structures and buildings needing repair or replacement, the Lessee shall be required to make the necessary repairs or replacement, in a timely manner and at its sole cost and expense. Any action taken by the Lessee pursuant to the inspection shall be carried out in conformity with laws, regulations, and ordinances of the State of Hawaii. The Lessee shall cooperate with the inspections. Failure to comply with this paragraph shall constitute a violation of the lease upon which the Lessor may terminate the lease pursuant to paragraph 21. Breach hereinabove. _____



Definitions.

1. The use of any gender shall include all genders, and if there is more than one lessee, then all words used in the singular shall extend to and include the plural.

2. 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) "Lessee" means and includes the Lessee, its officers, employees, invitees, successors or permitted assigns. For purposes of the assignment paragraph 13, "Lessee" shall also mean and include Lessee and any person, entity or organization owning an interest in Lessee and any upstream or parent owner of the Lessee, at all levels.

(c) "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.

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

(e) "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.

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



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 _____.

By _____

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

APPROVED AS TO FORM:

LESSOR



JOHN E. DURIEL
Deputy Attorney General

Dated: 10/31/25

LESSEE



STATE OF HAWAII)
) SS.
COUNTY OF)

On this _____ day of _____, 20____, before me personally appeared _____ and _____, to me known to be the person(s) described in and who executed the foregoing instrument and acknowledged that _____ executed the same as _____ free act and deed.

Notary Public, State of Hawaii

My commission expires: _____

STATE OF HAWAII)
) SS.
COUNTY OF)

On this _____ day of _____, 20____, before me appeared _____ and _____, to me personally known, who, being by me duly sworn, did say that they are the _____ and _____, respectively of _____, a Hawaii corporation, and that said instrument was signed in behalf of said corporation by authority of its Board of Directors, and the said _____ and _____ acknowledged said instrument to be the free act and deed of said corporation.

Notary Public, State of Hawaii

My commission expires: _____



STATE OF HAWAII)
) SS.
COUNTY OF)

On this _____ day of _____, 20____, before me personally appeared _____ 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

My commission expires: _____





STATE OF HAWAI'I
LAND SURVEY DIVISION
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
HONOLULU

C.S.F. No. 26,090

February 12, 2025

MAALAEA SMALL BOAT HARBOR

BOATING LEASE

Ukumehame, Wailuku, Maui, Hawaii

Comprised of the following:

- A. Portion of the Government (Crown) Land of Ukumehame.
- B. Portion of the filled land of Maalaea Bay.

Being also portions of Maalaea Small Boat Harbor, Parts 1 and 2, Governor's Executive Order 4383.

Beginning at the northeast corner of this parcel of land, the coordinates of said point of beginning referred to Government Survey Triangulation Station "PUU HELE" being 7803.15 feet South and 2968.05 feet West, thence running by azimuths measured clockwise from True South:-

1. 356° 29' 42.55 feet along the remainder of Maalaea Small Boat Harbor, Part 2, Governor's Executive Order 4383;
2. 318° 59' 49.87 feet along the remainder of Maalaea Small Boat Harbor, Part 2, Governor's Executive Order 4383;
3. 356° 18' 39.10 feet along the remainder of Maalaea Small Boat Harbor, Part 2, Governor's Executive Order 4383;
4. 86° 38' 26.37 feet along the remainder of Maalaea Small Boat Harbor, Part 2, Governor's Executive Order 4383;

- 1 -

EXHIBIT A



- 5. 355° 16' 28.60 feet along the remainder of Maalaea Small Boat Harbor, Part 2, Governor's Executive Order 4383;
- 6. 85° 16' 21.73 feet along the remainder of Maalaea Small Boat Harbor, Part 2, Governor's Executive Order 4383;
- 7. 355° 16' 51.71 feet along the remainders of Maalaea Small Boat Harbor, Parts 2 and 1, Governor's Executive Order 4383;
- 8. 85° 16' 101.36 feet along the remainder of Maalaea Small Boat Harbor, Part 1, Governor's Executive Order 4383;
- 9. 175° 43' 41.51 feet along the remainder of Maalaea Small Boat Harbor, Part 1, Governor's Executive Order 4383;
- 10. 224° 43' 13.06 feet along the remainder of Maalaea Small Boat Harbor, Part 1, Governor's Executive Order 4383;
- 11. 174° 08' 9.69 feet along the remainder of Maalaea Small Boat Harbor, Part 1, Governor's Executive Order 4383;
- 12. 189° 53' 10.40 feet along the remainder of Maalaea Small Boat Harbor, Part 1, Governor's Executive Order 4383;
- 13. 185° 58' 13.87 feet along the remainder of Maalaea Small Boat Harbor, Part 1, Governor's Executive Order 4383;
- 14. 179° 04' 63.76 feet along the remainder of Maalaea Small Boat Harbor, Part 1, Governor's Executive Order 4383;
- 15. 187° 17' 21.00 feet along the remainder of Maalaea Small Boat Harbor, Part 1, Governor's Executive Order 4383;
- 16. 200° 14' 12.18 feet along the remainder of Maalaea Small Boat Harbor, Part 1, Governor's Executive Order 4383;
- 17. 203° 02' 53.76 feet along the remainder of Maalaea Small Boat Harbor, Part 1, Governor's Executive Order 4383;
- 18. 211° 41' 8.92 feet along the remainder of Maalaea Small Boat Harbor, Part 1, Governor's Executive Order 4383;



19. 292° 21'

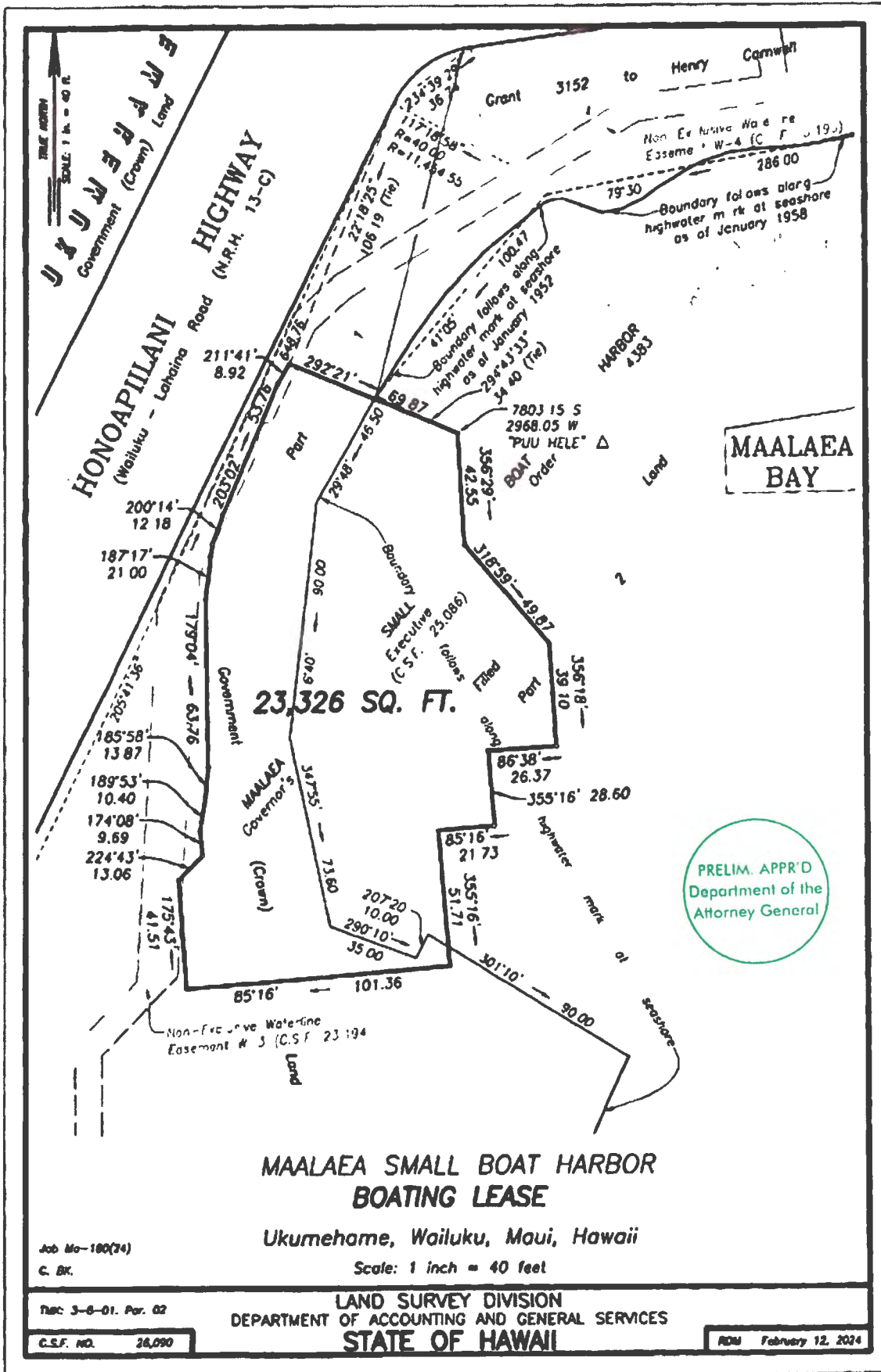
69.87 feet along the remainders of Maalaea Small Boat Harbor, Parts 1 and 2, Governor's Executive Order 4383 to the point of beginning and containing an AREA OF 23,326 SQUARE FEET.

LAND SURVEY DIVISION
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
STATE OF HAWAII

By: *Ryan Morales*
Ryan D. Morales
Land Surveyor rm

Compiled from map and desc.
furn. by ControlPoint Surveying, Inc.
Said map and desc. have been examined
and checked as to form and mathematical
correctness but not on the ground by
the Land Survey Division.





**MAALAEA SMALL BOAT HARBOR
BOATING LEASE**

Ukumehame, Wailuku, Maui, Hawaii

Scale: 1 inch = 40 feet

Job No-100(24)

C. BK.

Plan: 3-8-01, Par. 02

LAND SURVEY DIVISION
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
STATE OF HAWAII

C.S.F. NO. 26,090

RDW February 12, 2024

EXHIBIT B

APPENDIX D
STATE AND COUNTY TAX CLEARANCES

Applicants must submit State and County tax clearance certificates within the timeframe specified in the Public Auction Bid Packet. Original or certified copies of tax clearance certificates issued by (i) the Hawai'i State Department of Taxation; and (ii) the County in which the subject property is located (pertaining to property taxes, special assessments, or other County obligations) must be submitted with this Application for the Applicant and all affiliated entities. "Affiliated entities" is defined as any entity having more than fifty percent (50%) interest in the bidding entity; any company more than fifty percent (50%) owned by a company having more than fifty percent (50%) interest in the bidding entity; or any entity in which the bidding entity has more than fifty percent (50%) interest. The bidder shall be responsible for obtaining the verifications for all affiliated companies. The tax clearances must be valid on any date between the advertisement date and any date thereafter up to the date the lease is executed.

For information on obtaining State tax clearances, contact the State Department of Taxation:

- Oahu District Tax Office
830 Punchbowl Street, Honolulu, Hawai'i 96813-5094
Mailing: Post Office Box 259, Honolulu, Hawai'i 96809-0259
Telephone: (808)-587-4242; Toll-Free 1 (800) 222-3229
- Hawai'i District Tax Office
75 Aupuni Street #101, Hilo, Hawai'i 96720-4245
82-6130 Mamalahoa Highway #8, Captain Cook, Hawai'i 96704
Mailing: Post Office Box 833, Hilo, Hawai'i 96721-0833
Telephone: (88) 974-6321
- Maui District Tax Office
54 South High Street #208, Wailuku, Hawai'i 96793-2198
Mailing: Post Office Box 1169, Wailuku, Hawai'i 96793-1169
Telephone: (808) 984-8511
- Kaua'i District Tax Office
3060 Eiwa Street #105, Lihue, Hawai'i 96766-1889
Telephone: (808) 274-3403

Website: <http://www.state.hi.us/tax/current/a6.pdf>

For information on obtaining County tax clearances, contact the applicable County Real Property Tax Office:

- City & County of Honolulu, City Hall, Treasury Office,
Room 115, 530 South King Street, Honolulu, Hawai'i 96813
Telephone: (808) 523-4856 (forms can be mailed or emailed to you)
- County of Hawai'i, Real Property Tax Office/Collections Division,

101 Pauahi Street, Suite 4, Hilo, Hawai'i 96720
Telephone: (808) 961-8282; Facsimile (808) 961-8415

- County of Maui, Real Property Tax Division
70 E Kaahumanu Avenue, Kahului, Hawai'i 96732
Telephone (808) 270-7697
- County of Kaua'i, Real Property Tax Collection,
4444 Rice Street, Suite 463, Lihue, Hawai'i 96766
Telephone: (808) 241-6555

APPENDIX E
CASH FLOW PROJECTION (SAMPLE)

Name of Applicant:	Item No.:				
	Year 1	Year 2	Year 3	Year 4	Year 5
Income:					
Initial capitalization					
Sales					
Loans					
Other					
Other					
Other					
Total Income					
Expenses:					
Labor					
Salaries					
Employee benefit programs					
Pension & profit-sharing plans					
Custom hire (labor, machinery)					
Materials					
Livestock					
Farm supplies (fertilizer, pesticides, etc.)					
Improvements					
Machinery & Equipment					
Car and truck expenses					
Gasoline; fuel expenses					
Rent payments					
Repairs and maintenance					
Overhead					
Lease rent (land)					
Utilities					
Insurance					
Advertising and promotion					
Storage and warehousing					
Taxes (property, income, GTE)					
Interest expense					
Other					
Other					
Total Expenses					
Net Cash Flow					

APPENDIX E
CASH FLOW PROJECTION (SAMPLE)

Name of Applicant:	Item No.:				
	Year 6	Year 7	Year 8	Year 9	Year 10
Income:					
Initial capitalization					
Sales					
Loans					
Other					
Other					
Other					
Total Income					
Expenses:					
Labor					
Salaries					
Employee benefit programs					
Pension & profit-sharing plans					
Custom hire (labor, machinery)					
Materials					
Livestock					
Farm supplies (fertilizer, pesticides, etc.)					
Improvements					
Machinery & Equipment					
Car and truck expenses					
Gasoline; fuel expenses					
Rent payments					
Repairs and maintenance					
Overhead					
Lease rent (land)					
Utilities					
Insurance					
Advertising and promotion					
Storage and warehousing					
Taxes (property, income, GTE)					
Interest expense					
Other					
Other					
Total Expenses					
Net Cash Flow					

APPENDIX F
PERSONAL FINANCIAL STATEMENT (SAMPLE)

Name of Applicant:		Social Security Number:	
ASSETS	OMIT CENTS	LIABILITIES	OMIT CENTS
Cash in Bank (Checking)		Notes Payable	
Cash in Bank (Savings)		Secured	
		Unsecured	
Accounts & Notes Receivable		Notes Payable Other (Itemize on Reverse)	
U.S. Government Bonds		Accounts Payable	
Investments in Own Business		Charge Account	
Other Stocks & Bonds (Itemize on Reverse)		Other	
CSVLI (Itemize on Reverse)		Unpaid Taxes	
Residence (Itemize on Reverse)		Real Estate Mtgs. Payable	
Other Real Estate (Itemize on Reverse)		Other	
Automobiles Make & Year			
Make & Year		IL Accts - Auto (Itemize on Reverse)	
Title in Name of:		IL Accts - Other (Itemize on Reverse)	
		Loans on Life Insurance	
Personal Property & Furniture		Other Liabilities	
Machinery & Equipment (Itemize on Reverse)		Note Payable - Equipment & Machinery	
Inventory & Case Invested in Growing Crops		TOTAL LIABILITIES	
Other Assets		NET WORTH (Assets Less Liabilities)	
TOTAL ASSETS		TOTAL LIABILITIES & NET WORTH	
CONTINGENT LIABILITY: As Endorser/Guarantor \$ _____ On Letters of Credit \$ _____ Legal Claims and Judgments (Explain) \$ _____			
MONTHLY INCOME	OMIT CENTS	MONTHLY PAYMENTS	OMIT CENTS
(Alimony, Child Support, Etc. is Optional)			
APPLICANT'S GROSS SALARY		Rent or Mortgage	
Overtime (Constant & Regularly Recurring)		Note Payments	
<i>Bonus of Commissions</i>		Charge Accounts	
Dividends & Investments		IL Loan – Auto	
Interest		IL Loan – Other	
Rents		Loans on Life Insurance	
Other (Explain)		Federal & State Income Tax	
SUBTOTAL – APPLICANT		Insurance Premiums	
CO-APPLICANT'S GROSS SALARY		Alimony, Child Support, Etc.	
Other (Explain)		Other Fixed Monthly Payments	
SUBTOTAL - CO-APPLICANT			
TOTAL		TOTAL PAYMENTS	

APPENDIX F
PERSONAL FINANCIAL STATEMENT (SAMPLE)

STOCKS AND BONDS (Listed and Unlisted)						
All Securities Listed are Mine Solely and are in My Possession, Except as Shown Hereon						
Name of Issuing Corporation & Type of Security	# of Shares (If Stock) Face Value (If Bond)	Market Value Or Book Value	Registered in Name of (Be Sure to Show all Other Names that Stock is Registered in)			
REAL ESTATE						
Title to All Real Estate Listed is in My Name Solely and Unencumbered, Except as Shown Hereon						
Location & Description	Title Held in Name of (Show all names that title is held in & type of tenancy)	Date Acquired	Original Purchase Price	Actual Market Value	Balance of Mortgage	To Whom Payable
LIFE INSURANCE						
Company	Face Amount of Policy	Cash Surrender Value	Loans Against Policy	Beneficiary	To Whom Policy is Assigned	
NOTES PAYABLE TO BANKS AND OTHERS						
Name & Address of Holder	Amount of Loan		Terms of Repayment	Maturity of Loan	Describe Assets Pledged	
	Original Balance	Present Balance				
MACHINERY AND EQUIPMENT						
Item & Description (Include Make & Model)	Age	Original Cost	Current Value	Mortgage or Lien	Balance of Mortgage	To Whom Payable