

STATE OF HAWAI'I
DEPARTMENT OF LAND AND NATURAL RESOURCES
Division of Boating and Ocean Recreation
Honolulu, Hawai'i 96813

September 14, 2018

Chairperson and Members
Board of Land and Natural Resources
State of Hawai'i
Honolulu, Hawai'i

Land Board Members:

SUBJECT: CONTINUATION OF REVOCABLE PERMIT NO. 37 TO LANA'I RESORTS, LLC., DBA PULAMA LANA'I, MANELE SMALL BOAT HARBOR, LANA'I CITY, ISLAND OF LANA'I, HAWAI'I, TAX MAP KEY (2) 4-9-017:006 (por.)

APPLICANT:

Lana'i Resorts, LLC., dba Pulama Lana'i ("Permittee"), whose mailing address is 733 Bishop Street, Suite 2000, Honolulu, Hawai'i 96813,

LEGAL REFERENCE:

Sections 171-13 and 171-55, Hawai'i Revised Statutes ("HRS"), as amended.¹

LOCATION:

Portion of Government lands situated at Manele Small Boat Harbor ("MSBH"), Lana'i City, Island of Lana'i, Hawai'i, Tax Map Key (2) 4-9-17:06, as shown on attached map labeled Exhibit A, hereinafter referred to as the "Premises".

LAND AREA:

Area consisting of 28,625 square feet, more or less, of submerged lands.

¹ HRS 171-55 provides that, "Notwithstanding any other law to the contrary, the Board of Land and Natural Resources ("BOARD") may issue permits for the temporary occupancy of state lands or an interest therein on a month-to-month basis by direct negotiation without public auction, under condition and rent which will serve the best interests of the State, subject, however, to those restrictions as may from time to time be expressly imposed by the Board. A permit on a month-to-month basis may continue for a period not to exceed one year from the date of its issuance; provided the Board may allow the permit to continue on a month-to-month basis for additional one-year periods."

ZONING:

State Land Use District: Conservation, Urban
County of Maui CZO: Open, Lana'i Project District One

TRUST LAND STATUS:

Section 5(b) lands of the Hawai'i Admission Act: YES
DHHL 30% entitlement lands pursuant to the Hawai'i State Constitution: NO

CURRENT USE STATUS:

Set Aside for Public Use of Land, under Governor's Executive Order No. 4348, for construction, operation and maintenance of a Small Boat Marina and appurtenant facilities.

CHARACTER OF USE:

Occupancy and use of the Premises for the following specified purposes: Maritime related activities to support the maintenance and use of a floating dock in the Manele small boat harbor, Island of Lana'i, Hawai'i. See Exhibit B.

The Permittee may also occupy and use the Premises for any other uses permitted under applicable county zoning, subject to the prior approval of the Chairperson of the board and the Permittee's compliance with Chapter 343, Hawai'i Revised Statutes.

COMMENCEMENT DATE:

October 1, 2017

MONTHLY RENTAL:

Annual base rent of \$20,000.00, or \$1,666.66 monthly plus ten percent (10%) of gross receipts. The annual base rent and any percentage rents shall be paid quarterly.

This amount was determined by private independent appraisal report, prepared by CBRE, Inc, dated May 2, 2017.

SECURITY DEPOSIT:

Twice the monthly base rental.

DCCA VERIFICATION:

Place of business registration confirmed:	YES <u>X</u>	NO
Registered business name confirmed:	YES <u>X</u>	NO
Applicant in good standing confirmed:	YES <u>X</u>	NO

CHAPTER 343 – ENVIRONMENTAL ASSESSMENT:

In accordance with the “Comprehensive Exemption List for the Division of Boating and Ocean Recreation (Division), Department of Land and Natural Resources (Department), State of Hawaii, as concurred in by the Environmental Council, State of Hawaii”, dated June 5, 2015, the subject request is exempt from the preparation of an environmental assessment pursuant to Exemption Class No. 1 that states in pertinent part, “Operations, repairs, or maintenance of existing structures, facilities, equipment or topographical features, involving negligible or no expansion or change of use beyond that previously existing.” This project is exempt from the preparation of an Environmental Assessment pursuant to the following exemption:

Item No. 51. Permits, Licenses, registrations, and rights-of-entry issued by the Department that are routine in nature, involving negligible impacts beyond that previously existing.

In consultation with Land Division regarding HRS Chapter 343, they concurred the proposed use is exempt from the preparation of an environmental assessment according to the Department's comprehensive exemption list and will probably have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment. See Exhibit C.

REMARKS:

The Division of Boating and Ocean Recreation has been actively working on the issuance of a long term lease and easement for the subject property. During this process, issues arose regarding the property being in Land Court, the size of the submerged land area, and the boundaries of the easement area. The Deputy Attorney General has advised the Division to request the Board to continue the Revocable Permit until these issues can be resolved.

The current annual base rent of Revocable Permit No. 37 is \$28,000, which is based upon an appraisal of both the submerged land area that is the subject of the revocable permit and a fast-land easement of 21,527 square feet. The appraised value of the submerged land is \$20,000 per year, and the appraised value of the fast-land easement is \$8,000 per year. The revocable permit, however, does not grant Lana'i Resorts, LLC any rights in the fast land. Therefore, our recommendation is that the annual rent for the next year be set at \$20,000 per year plus ten percent of gross receipts.

RECOMMENDATION:

That the Board of Land and Natural Resources:

- 1) Authorize the continuance of a revocable permit to Lana'i Resorts, LLC., dba Pulama Lana'i, covering the subject area for the use, maintenance and operation of a floating dock under the terms and conditions cited above, which are by this reference incorporated herein and further subject to the following:

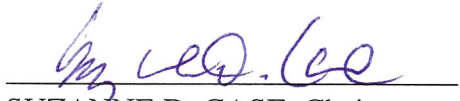
- a) The standard terms and conditions of the most current revocable permit form, as may be amended from time to time;
- b) The annual rent shall be \$20,000 per year plus ten percent of gross receipts.
- c) Review and approval by the Department of the Attorney General; and
- d) Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,



EDWARD R. UNDERWOOD, Administrator
Division of Boating & Ocean Recreation

APPROVED FOR SUBMITTAL:



SUZANNE D. CASE, Chairperson
Board of Land and Natural Resources

Attachments:

- A. Map of Lana'i Resorts, LLC., dba Pulama Lana'i
- B. Copy of Revocable Permit No. 37
- C. Chapter 343 Exemption Notification

Manele Small Boat Harbor

Write a description for your map.

Legend

- Manele Small Boat Harbor
- Manele Small Boat Harbor



STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
DIVISION OF BOATING AND OCEAN RECREATION

REVOCABLE PERMIT NO. 37

KNOW ALL MEN BY THESE PRESENTS:

This Agreement (hereinafter referred to as the "Permit") is executed this 22nd day of January, 2018, (the Permit is a continuation pursuant to section 171-55, Hawaii Revised Statutes, of Revocable Permit No. 37 executed on October 3, 2016, and said revocable permit has been updated to include the most recent standard terms and conditions of the revocable permit), by and between the STATE OF HAWAII, hereinafter referred to as the "State," by its Board of Land and Natural Resources, hereinafter called the "Board," and LĀNA'I RESORTS, LLC, a Hawaii limited liability company, dba Pūlama Lāna'i, hereinafter called the "Permittee," whose mailing address is 733 Bishop Street, Suite 2000, Honolulu, Hawaii 96813. The parties agree that commencing on the 1st day of October, 2017, ("commencement date"), Permittee is permitted to enter and occupy, on a month-to-month basis only, pursuant to section 171-55, Hawaii Revised Statutes, that certain parcel of public land (and any improvements located thereupon) situate at Manele Small Boat Harbor, Lanai City, Island of Lanai, Hawaii, tax map key no. (2) 4-9-017:Por. of 006, as indicated on the map designated as Exhibit "A" attached hereto and made a part hereof, containing an approximate area of 28,625 square feet, more or less, of submerged land, hereinafter referred to as the "Premises."

THIS PERMIT IS GRANTED UNDER THE FOLLOWING CONDITIONS:

- A. The Permittee shall:
1. Occupy and use the Premises for the following specified purposes only: maritime related activities to support the maintenance and use of a floating dock in the Manele Harbor, Island of Lanai, Hawaii. The Permittee may also occupy and use the Premises for any other uses permitted under applicable county zoning, subject to the prior approval of the Chairperson of the Board and the Permittee's compliance with Chapter 343, Hawaii Revised Statutes.
 2. Pay, at the Department of Land and Natural Resources, Division of Boating and Ocean Recreation, 4 Sand Island Access Road, Honolulu, Hawai'i 96819, the base rent sum of TWO THOUSAND THREE HUNDRED THIRTY THREE AND 33/100 DOLLARS (\$2,333.33) per month plus ten percent (10%) of revenues derived from commercial activities generated from the use of the floating dock. The monthly rent due shall be paid in quarterly installments of SEVEN THOUSAND AND



NO/100 DOLLARS (\$7,000.00) and any percentage rents shall likewise be paid quarterly.

The Permittee's monthly revenues from commercial activities shall include all revenues received by the Permittee resulting from operations, activities, sales, or uses conducted from, on, or within the Premises, less utility charges collected by the Permittee from Permittee's users for actual maintenance expenses and utility charges incurred by the Permittee.

a. Each payment of percentage rent shall be accompanied by a written statement certified as correct by Permittee, or a person duly authorized by Permittee, showing in accurate detail the amount of monthly revenues, by category, for the payment period.

b. The Permittee shall submit, no later than sixty (60) days after the close of each and every of the Permittee's fiscal years reviewed financial statements prepared according to generally accepted accounting principles, which financial statements shall include a breakdown of revenues by month and by category. The financial statements shall provide sufficient detail to allow the State to determine and verify the Permittee's monthly revenues for each month of the Permittee's fiscal years.

c. The Permittee shall at all times keep and maintain accurate records of all business transactions and sales made in and from the Premises. The State shall have the right at all reasonable times during business hours, through the State's duly authorized agent, attorney, or accountant, to inspect and make copies of the Permittee's records, accounts, and books in any way bearing on such sales (including copies of tax or information returns furnished to any governmental authority), at the Premises or at any other office of the Permittee at which such books, records, and accounts may be kept, and to inspect the records, accounts and books in any way bearing on sales of any other person or firm selling goods or services in or from any part of the Premises.

d. If an audit discloses that the Permittee has underpaid the percentage rent due for any period, the State shall notify the Permittee in writing of such deficiency and upon such notification the deficient amount shall be immediately due and payable by the Permittee. If an audit by the State's accountant or by a licensed independent certified public accountant retained by the State shall disclose that rent has been underpaid by two percent (2%) or more for any period under examination, the State, in addition to any other remedies available in this Permit or otherwise, shall be entitled to reimbursement of all costs and expenses incurred in completing any such audit in addition to any deficiency



(together with applicable interest, service charge and other charges) revealed or disclosed.

e. If an audit discloses that the Permittee has overpaid the percentage rent due for any period, the State shall notify the Permittee in writing of such overpayment. Overpaid amounts shall be credited to and set off against rental amounts next due and payable following the date that such overpayment is discovered or revealed.

The interest rate on any unpaid or delinquent rentals shall be at one per cent (1%) per month.

If monthly rent is not received at the above address on or before the first day of the month for which it is due, then a service charge of FIFTY AND NO/100 DOLLARS (\$50.00) a month for each delinquent payment shall be assessed and payable. The service charge is in addition to interest on unpaid or delinquent rentals. Interest shall not accrue on the service charge.

Payment of such service charge shall not excuse or cure any default by Permittee under this Permit.

3. Upon execution of this Permit, deposit with the Board an amount equal to two times the monthly base rental stated above in paragraph 2, as security for the faithful performance of all of these terms and conditions. The deposit will be returned to the Permittee upon termination or revocation of this Permit, if and only if all of the terms and conditions of this Permit have been observed and performed to the satisfaction of an authorized representative of the Department of Land and Natural Resources ("DLNR"). Otherwise, the deposit may, at the option of an authorized representative of the DLNR be applied toward payment of any amounts owed hereunder, without waiving any of the Board's other rights hereunder.
4. At the Permittee's own cost and expense, keep any government-owned improvements located on the Premises insured against loss by fire and other hazards, casualties, and contingencies, for the full insurable value of those improvements. The policies shall name the State of Hawaii as an additional insured and loss payee and shall be filed with the DLNR. In the event of loss, damage, or destruction of those improvements, the DLNR shall retain from the proceeds of the policies those amounts it deems necessary to cover the loss, damage, or destruction of the government-owned improvements and the balance of those proceeds, if any, shall be delivered to the Permittee.



5. Give the Board twenty-five (25) calendar days notice, in writing, before vacating the Premises.
6. Pay all real property taxes assessed against the Premises from the commencement date of this Permit.
7. At its own cost and expense, observe, perform and comply with all laws, ordinances, rules and regulations of all governmental authorities now or at any future time during the term of this Permit applicable to the Premises, including, without limiting the generality of the foregoing, the Americans with Disabilities Act of 1990 and all regulations promulgated with respect thereto, as well as any other laws, ordinances, rules and regulations imposing any requirements that the Premises be made accessible to persons with disabilities; and, release and indemnify the State of Hawaii against all actions, suits, damages and claims by whomsoever brought or made by reason of the nonobservance or nonperformance of any of said laws, ordinances, rules and regulations or of this covenant.
8. Repair and maintain all buildings or other improvements now or hereafter on the Premises.
9. Obtain the prior written consent of the Board before making any major improvements.
10. Keep the Premises and improvements in a clean, sanitary, and orderly condition.
11. Pay all charges, assessments, or payments for water, other utilities, and the collection of garbage as may be levied, charged, or be payable with respect to the Premises.
12. Not make, permit, or suffer, any waste, strip, spoil, nuisance or unlawful, improper, or offensive use of the Premises.
13. At all times with respect to the Premises, use due care for public safety.
14. Procure and maintain, at its own cost and expense, in full force and effect throughout the term of this Permit, 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 and a copy of the policy or other documentation required by the State shall be filed with the DLNR.

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 Permittee.

Prior to entry and use of the Premises or within fifteen (15) days after the commencement date of this Permit, whichever is sooner, furnish the State with a policy(s) or other documentation required by the State showing the policy(s) to be initially in force, keep the policy(s) or other documentation required by the State on deposit during the entire Permit term, and furnish a like policy(s) or other documentation required by the State 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 State. The State may at any time require the Permittee to provide the State with copies of the insurance policy(s) that are or were in effect during the permit period.

The State shall retain the right at any time to review the coverage, form, and amount of the insurance required by this Permit. If, in the opinion of the State, the insurance provisions in this Permit do not provide adequate protection for the State, the State may require Permittee to obtain insurance sufficient in coverage, form, and amount to provide adequate protection. The State'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 State shall notify Permittee in writing of changes in the insurance requirements and Permittee shall deposit copies of acceptable insurance policy(s) or other documentation required by the State thereof, with the State incorporating the changes within thirty (30) days after receipt of the notice.

The procuring of the required policy(s) of insurance shall not be construed to limit Permittee's liability under this Permit nor to release or relieve the Permittee of the indemnification provisions and requirements of this Permit. Notwithstanding the policy(s) of insurance, Permittee shall be obligated for the full and total amount of any damage, injury, or loss caused by Permittee's negligence or neglect connected with this Permit. It is agreed that any insurance maintained by the State will apply in excess of, and not contribute with, insurance provided by Permittee's policy.

The insurance policy(s) or other documentation required by the State shall be mailed to:

State of Hawaii
Department of Land and Natural Resources
Division of Boating and Ocean Recreation
4 Sand Island Access Road
Honolulu, Hawaii 96819



15. In case the State shall, without any fault on its part, be made a party to any litigation commenced by or against the Permittee (other than condemnation proceedings), the Permittee shall pay all costs, including reasonable attorney's fees, and expenses incurred by or imposed on the State.
16. The Permittee shall pay all costs, including reasonable attorney's fees, and expenses which may be incurred by or paid by the State in enforcing the covenants and agreements of this Permit, in recovering possession of the Premises, or in the collection of delinquent rental, taxes, and any and all other charges.

B. Additional Conditions:

1. This Permit is issued and effective on a month-to-month basis. The Permit shall automatically terminate one year from the commencement date, unless earlier revoked as provided below, provided further that the Board may allow the Permit to continue on a month-to-month basis for additional one year periods. Any such extension shall have the same terms and conditions as this Permit, except for the commencement date and any amendments to the terms, as reflected in the Board minutes of the meeting at which the Board acts. Permittee agrees to be bound by the terms and conditions of this Permit and any amendments to this Permit so long as Permittee continues to hold a permit for the Premises or continues to occupy or use the Premises.
2. The Board may revoke this Permit for any reason whatsoever, upon written notice to the Permittee at least thirty (30) calendar days prior to the revocation; provided, however, that in the event payment of rental is delinquent for a period of ten (10) calendar days or more, this Permit may be revoked upon written notice to the Permittee at least five (5) calendar days prior to the revocation.
3. If the Permittee fails to vacate the Premises upon revocation or termination of the Permit, the Permittee shall be liable for and shall pay the previously applicable monthly rent, computed and prorated on a daily basis, for each day the Permittee remains in possession.
4. If the Permittee fails to vacate the Premises upon revocation or termination of the Permit, the Board, by its agents, or representatives, may enter upon the Premises, without notice, and at Permittee's cost and expense remove and dispose of all vehicles, equipment, materials, or any personal property remaining on the Premises, and the Permittee agrees to pay for all costs and expenses of removal, disposition, or storage.



5. The Board may at any time increase or decrease the monthly rental by written notice at least thirty (30) business days prior to the date of change of rent. Upon such notice, the Permittee shall deposit with the Board any additional monies required to maintain an amount equal to two times the new monthly rental as security for the faithful performance of all of these terms and conditions.
6. Any major improvements, including but not limited to buildings and fences, erected on or moved onto the Premises by the Permittee shall remain the property of the Permittee and the Permittee shall have the right, prior to the termination or revocation of this Permit, or within an additional period the Board in its discretion may allow, to remove the improvements from the Premises; provided, however, that in the event the Permittee shall fail to remove the improvements prior to the termination or revocation of this Permit or within an additional period the Board in its discretion may allow, the Board may, in its sole discretion, elect to retain the improvements or may remove the same and charge the cost of removal and storage, if any, to the Permittee.
7. The Board reserves the right for its agents or representatives to enter or cross any portion of the Premises at any time.
8. This Permit or any rights hereunder shall not be sold, assigned, conveyed, leased, mortgaged, or otherwise transferred or disposed of.
9. Permittee has inspected the Premises and knows the conditions thereof and fully assumes all risks incident to its use.
10. The acceptance of rent by the Board shall not be deemed a waiver of any breach by the Permittee of any term, covenant, or condition of this Permit nor of the Board's right to declare and enforce a forfeiture for any breach, and the failure of the Board to insist upon strict performance of any term, covenant, or condition, or to exercise any option herein conferred, in any one or more instances, shall not be construed as a waiver or relinquishment of any term, covenant, condition, or option of this Permit.
11. The use and enjoyment of the Premises shall not be in support of any policy which discriminates upon any basis or in any manner that is prohibited by any applicable federal, state, or county law.
12. Permittee shall not cause or permit the escape, disposal, or release of any hazardous materials except as permitted by law. Permittee 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 Permittee's business, and

then only after written notice is given to the Board of the identity of such materials and upon the Board's consent, which consent may be withheld at the Board'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 Permittee, then the Permittee shall be responsible for the costs thereof. In addition, Permittee shall execute affidavits, representations and the like from time to time at the Board's request concerning the Permittee's best knowledge and belief regarding the presence of hazardous materials on the Premises placed or released by Permittee.

Permittee agrees to release, indemnify, defend, and hold the State of Hawaii, the Board, and their officers, employees, and agents harmless from and against all liability, loss, damage, cost, and expense, including all attorneys' fees, and all claims, suits, and demands therefor, arising out of or resulting from the use or release of hazardous materials on the Premises occurring while Permittee is in possession, or elsewhere if caused by Permittee or persons acting under Permittee. These covenants shall survive the expiration, revocation, or termination of the Permit.

For the purpose of this Permit "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 bylaw, whether existing as of the date hereof, previously enforced, or subsequently enacted.

13. Prior to termination or revocation of the subject Permit, Permittee 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 DLNR. Failure to comply with the provisions of this paragraph shall not extend the term of this Permit or automatically prevent termination or revocation of the Permit. The Board, at its sole option, may refuse to approve termination or revocation unless this evaluation and abatement provision has been performed. In addition or in the alternative, the Board may, at its sole option if Permittee 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 Permittee.
14. Permittee shall release, indemnify, defend, and hold harmless the State of Hawaii, its officers, agents, and employees from and against all liability, loss, damage, cost, and expense, including all attorneys' fees, and all

claims, suits, and demands therefor, arising out of or resulting from the acts or omissions of the Permittee or the Permittee's employees, agents, officers, or invitees under this Permit. The provisions of this paragraph shall remain in full force and effect notwithstanding the revocation, expiration, or termination of this Permit. The purchase of liability insurance shall not relieve Permittee of the obligations described herein.

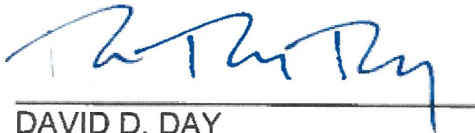
15. Unless otherwise agreed by the Board in its sole discretion, payments received will be applied first to attorneys' fees, costs, assessments, real property taxes, or other costs incurred or paid by the Board with respect to the Premises, next to service charges or interest, next to any other charges due or owing under the Permit, next to delinquent monthly rent, and next to current rent.
16. Any notice required or permitted to be given hereunder shall be in writing, given by personal delivery or by first class mail, postage prepaid. Notice to Permittee shall be delivered or addressed to the address stated above. Notice to State of Hawai'i shall be delivered or addressed to the Chairperson of the Board at 1151 Punchbowl Street, Room 130, Honolulu, Hawai'i 96813 and to the Administrator of the Division of Boating and Ocean Recreation at 4 Sand Island Access Road, Honolulu, Hawai'i 96813. Mailed notices shall be deemed given upon actual receipt, or two business days following deposit in the mail, postage prepaid, whichever occurs first. Either party may by notice to the other specify a different address for notice purposes, provided that Permittee's mailing address shall at all times be the same for both billing and notice. In the event there are multiple Permittees hereunder, notice to one Permittee shall be deemed notice to all Permittees.
17. The Permittee shall be in compliance with Chapter 343, Hawaii Revised Statutes.
18. Unless the text indicates otherwise, the use of any gender shall include all genders and, if the Permittee includes more than one person, the singular shall signify the plural and this Permit shall bind the persons, and each of them jointly and severally.



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

Approved by the Board of Land and Natural Resources at its meeting held on September 22, 2017.

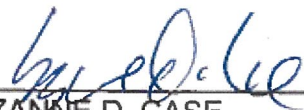
APPROVED AS TO FORM:



DAVID D. DAY
Deputy Attorney General

Dated: 12/19/2017

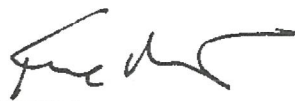
STATE OF HAWAII

By 
SUZANNE D. CASE
Chairperson of the Board of Land and Natural Resources

STATE

LĀNA'I RESORTS, LLC, a Hawaii limited liability company, dba Pūlama Lāna'i

By Its Member, LANAI ISLAND HOLDINGS, LLC, a Hawaii limited liability company
By Its Manager, LIH CORPORATION, a Hawaii corporation

By 
Kurt Matsumoto
Its Vice President

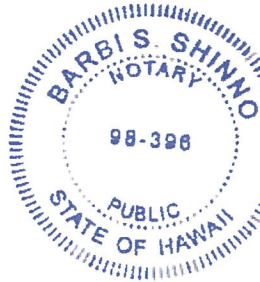
By _____
Its _____

PERMITTEE



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

On this 18th day of January, 2018, before me personally appeared Kurt Matsumoto 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.



[Signature]
Notary Public, State of Hawaii

Barbi S. Shinno

My commission expires: August 11, 2018

DOC. DESCRIPTION: DLNR Revocable
Permit No. 37

DOC. DATE: hine of notary NO. PAGES: 12

BARBI S. SHINNO First
NOTARY PRINTED NAME JUD. CIRCUIT

[Signature]

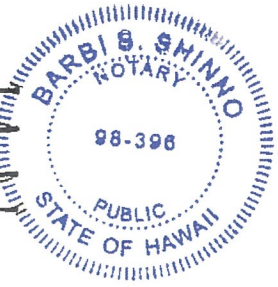
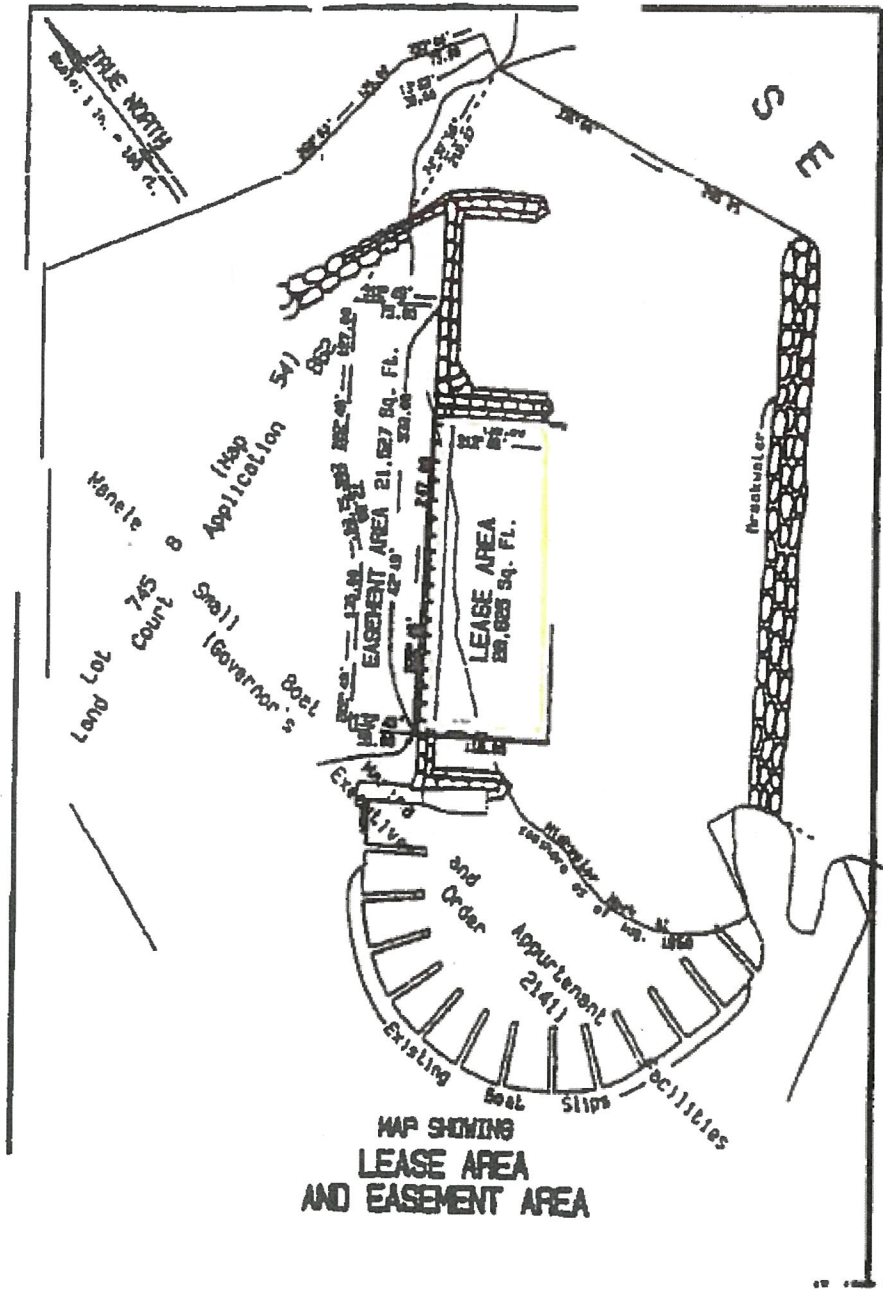


EXHIBIT A
3 of 3
Maule Small Boat Harbor



MAP SHOWING
LEASE AREA
AND EASEMENT AREA

PRELIM. APPR'D.
Department of the
Attorney General

EXEMPTION NOTIFICATION

Regarding the preparation of an environmental assessment pursuant to Chapter 343, HRS and Chapter 11-200, HAR

Project Title:	Lana'i Resorts, LLC, DBA Pulama Lana'i
Project / Reference No.:	Revocable Permit #
Project Location:	Portion of Government lands, State of Hawaii, situated at Manele small boat harbor, Island of Lanai, Hawaii
Project Description:	Continuation of a revocable permit to Lana'i Resorts, LLC, DBA Pulama Lana'i for maritime related activities to support the maintenance and use of a floating dock in the Manele Harbor, Island of Lana'i, Hawai'i.
Chap. 343 Trigger(s):	Use of State lands
Exemption Class No(s):	Exemption Class 1: Operations, repairs or maintenance of existing structures, facilities, equipment, or topographical features, involving negligible or no expansion or change of use beyond that previously existing. Item 51: Permits, Licenses, registrations, and rights-of-entry issued by the Department that are routine in nature, involving negligible impacts beyond that previously existing.
Cumulative Impact of Planned Successive Actions in Same Place Significant?	No anticipated cumulative impacts expected for maritime related activities to support the maintenance and use of a floating dock in the Manele small boat harbor, Island of Lana'i, Hawai'i.
Action May have Significant Impact on Particularly Sensitive Environment?	No anticipated significant impact expected for maritime related activities to support the maintenance and use of a floating dock in the Manele Harbor, Island of Lana'i, Hawai'i.
Analysis:	The project entails the use of a floating dock within the Manele small boat harbor, Lanai, for the mooring and operation of vessels. This activity has been ongoing and is within the current use of the facility.
Consulted Parties:	In consultation with Land Division regarding HRS Chapter 343, they concurred that the proposed project is exempt from the preparation of an environmental assessment according to the Department's comprehensive exemption list.
Declaration	The Board finds that this project will probably have minimal or no significant effect on the environment and declares that this project is exempt from the preparation of an environmental assessment.