

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Land Division
Honolulu, Hawaii 96813

January 10, 2020

Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii

OAHU

Consent to Issue Revocable Permits for Lands under Governor's Executive Order No. 4533 to Fisher Hawaii Inc., One Love Ministries, and Hawaiian Dredging Construction Company, Inc., in Kakaako, Honolulu, Oahu, Tax Map Key: (1) 2-1-051:041 (por.s).

CONTROLLING AGENCY (of subject executive order):

Hawaii Housing Finance and Development Corporation

APPLICANTS (requesting revocable permits):

Fisher Hawaii Inc.
One Love Ministries
Hawaiian Dredging Construction Company, Inc.

LEGAL REFERENCE:

Sections 171-11, 171-13, 171-55, 201H-4, and 201H-9, Hawaii Revised Statutes (HRS), as amended.

ZONING:

State Land Use District: Urban
City and County of Honolulu LUO: Kakaako Community Development District

TRUST LAND STATUS:

Section 5(a) lands of the Hawaii Admission Act, i.e. Non-ceded.
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: No

CURRENT USE STATUS:

Governor's Executive Order No. 4533 to Hawaii Housing Finance and Development Corporation (HHFDC) for educational and affordable housing purposes. The HHFDC is currently in the pre-development stages of the educational and affordable housing project and has entered into a memorandum of agreement with the Department of Education (DOE) for Phase I of the project. The project is expected to start construction no sooner than the end of 2021.

The Applicants currently occupy the portions of the property indicated in Exhibits A, B, and C, and currently use it for the same use contemplated in the consent to Revocable Permits to the Applicants approved by the Board of Land and Natural Resources on February 8, 2019. The HHFDC's intent is to allow the Applicants to remain on the property until construction for the development project begins in order to maintain the condition of the property and prevent the formation of homeless camps. The HHFDC believes that this action is in the best interest of the State for the following reasons:

(1) Requiring the property to be vacated by the Applicants will require the State to expend money to respond to homeless camps which will inevitably form, as they have in the past;

(2) Allowing the Applicants to remain on the property will not only prevent the expenditure of money by the State, but will provide the State with rental income;

(3) Since the Applicants currently occupy and use the property, no change in use is occurring; and

(4) The month-to-month Revocable Permits contemplated herein have little to no marketable value, and the HHFDC would be unlikely to find another user to take possession of the site under such terms for such a short period of time, while marketing the site to new users would also cost the State money and time.

REVOCABLE PERMIT TERMS & CONDITIONS (FISHER HAWAII INC.):LOCATION:

Portion of Government lands situated at Kakaako, Honolulu, Oahu, identified by Tax Map Key: (1) 2-1-051:041 (por.), as shown on **Exhibit A**.

AREA:

Exclusive use of the area identified in Exhibit A (approximately 50,500 square feet of land, more or less, including an approximately 20,000 square-foot building), which Applicant currently occupies.

CHARACTER OF USE:

Warehousing plus wholesale and retail sales of office products purposes.

TERM:

Month-to-month basis not to exceed one (1) year, with no options to renew, commencing on February 11, 2020.

RENT AMOUNT:

\$11,330 per month, escalated by 3% per year, payable to the Hawaii Housing Finance and Development Corporation. Rent will be transferred to the Department of Land and Natural Resources on a quarterly basis.

SECURITY DEPOSIT:

An existing security deposit in the amount of \$11,000.00 is being held by HHFDC pursuant to the existing sublease. No additional security deposit is being requested for the reason that the building is scheduled for demolition and redevelopment in the near future.

REVOCABLE PERMIT TERMS & CONDITIONS (ONE LOVE MINISTRIES):LOCATION:

Portion of Government lands situated at Kakaako, Honolulu, Oahu, identified by Tax Map Key: (1) 2-1-051:041 (por.), as shown on **Exhibit B**.

AREA:

Non-exclusive use of the area identified in Exhibit B, which Applicant currently uses non-exclusively.

CHARACTER OF USE:

Vehicle parking by permitted persons in connection with Permittee's church services.

TERM:

Month-to-month basis not to exceed one (1) year, with no options to renew, commencing on February 11, 2020.

RENT AMOUNT:

\$500 per month, payable to the Hawaii Housing Finance and Development Corporation. Rent will be transferred to the Department of Land and Natural Resources on a quarterly basis.

SECURITY DEPOSIT:

No security deposit is required under the existing ROE and no new security deposit is being requested for the following reasons: (1) the Applicant will be using an area which consists only of a parking lot; and (2) the site is scheduled for redevelopment in the near future.

REVOCABLE PERMIT TERMS & CONDITIONS (HAWAIIAN DREDGING CONSTRUCTION COMPANY, INC.):LOCATION:

Portion of Government lands situated at Kakaako, Honolulu, Oahu, identified by Tax Map Key: (1) 2-1-051:041 (por.), as shown on **Exhibit C**.

AREA:

Non-exclusive use of the area identified in Exhibit C, which Applicant currently uses non-exclusively.

CHARACTER OF USE:

Temporary storage of off-site inventory, such as building concrete forming system materials.

TERM:

Month-to-month basis not to exceed one (1) year, with no options to renew, commencing on February 11, 2020.

RENT AMOUNT:

\$1,300 per month, payable to the Hawaii Housing Finance and Development Corporation. Rent will be transferred to the Department of Land and Natural Resources on a quarterly basis.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

In accordance with Hawaii Administrative Rules (HAR) Section 11-200.1-11 and the Exemption List for the Department of Land and Natural Resources approved by the Environmental Council dated June 5, 2015, the subject request is exempt from the preparation of an environmental assessment pursuant to Exemption Class No. 1, Item No. 51. See **Exhibit D**.

DCCA VERIFICATION (for Applicants):

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

REMARKS:

The three Applicants are the current site users under the revocable permit issued by the HHFDC which expires on February 10, 2020. The HHFDC intends to keep the presence of the Applicants on the parcel until the start of the construction to maintain the condition of the parcel and help to prevent the formation of homeless encampments, both of which have been issues at the subject property in the past.

The revocable permits in question have been reviewed and approved by the Applicants and the Department of the Attorney General advising the HHFDC. The revocable permits are attached as **Exhibit E, Exhibit F, and Exhibit G**.

Following approval of today's request, the HHFDC will issue the revocable permits to Fisher Hawaii Inc., One Love Ministries, and Hawaiian Dredging Construction Company, Inc., effective as of February 11, 2020.

The HHFDC has no objection to the subject request and concurs with the proposed exemption declaration for the preparation of an environmental assessment.

Staff did not solicit comments from government agencies other than the HHFDC. There are no other pertinent issues or concerns, and staff have no objection to the request.

To the Applicants' knowledge, in compliance with HRS section 171-13, none of the Applicants has had a disposition of State land cancelled for failure to satisfy the terms and conditions of such.

To the Applicants' knowledge, in compliance with HRS section 171-13, none of the Applicants has had a disposition of State land cancelled for failure to satisfy the terms and conditions of such.

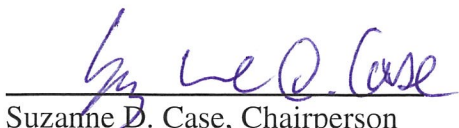
RECOMMENDATION: That the Board:

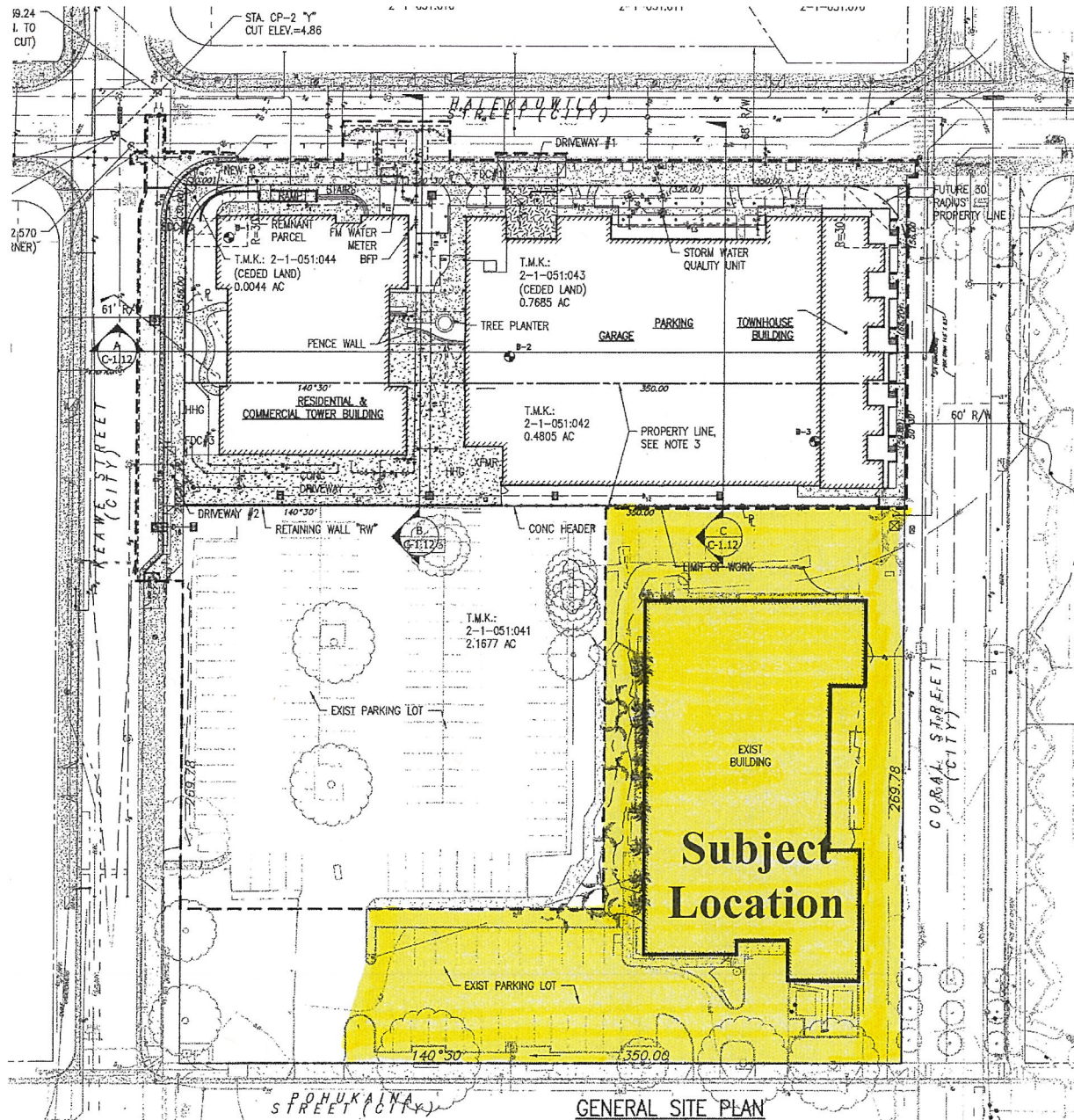
1. Declare that, after considering the potential effects of the proposed disposition as provided by Chapter 343, HRS, and Chapter 11-200, HAR, this project will have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment.
2. Consent to the revocable permits between HHFDC and Fisher Hawaii Inc., One Love Ministries, and Hawaiian Dredging Construction Company, Inc., subject to any applicable 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. Review and approval by the Department of the Attorney General; and
 - C. Such other terms and conditions as may be prescribed by the Executive Director of Hawaii Housing Finance and Development Corporation to best serve the interests of the State.

Respectfully Submitted,


Craig K. Hirai
Executive Director, HHFDC

APPROVED FOR SUBMITTAL:

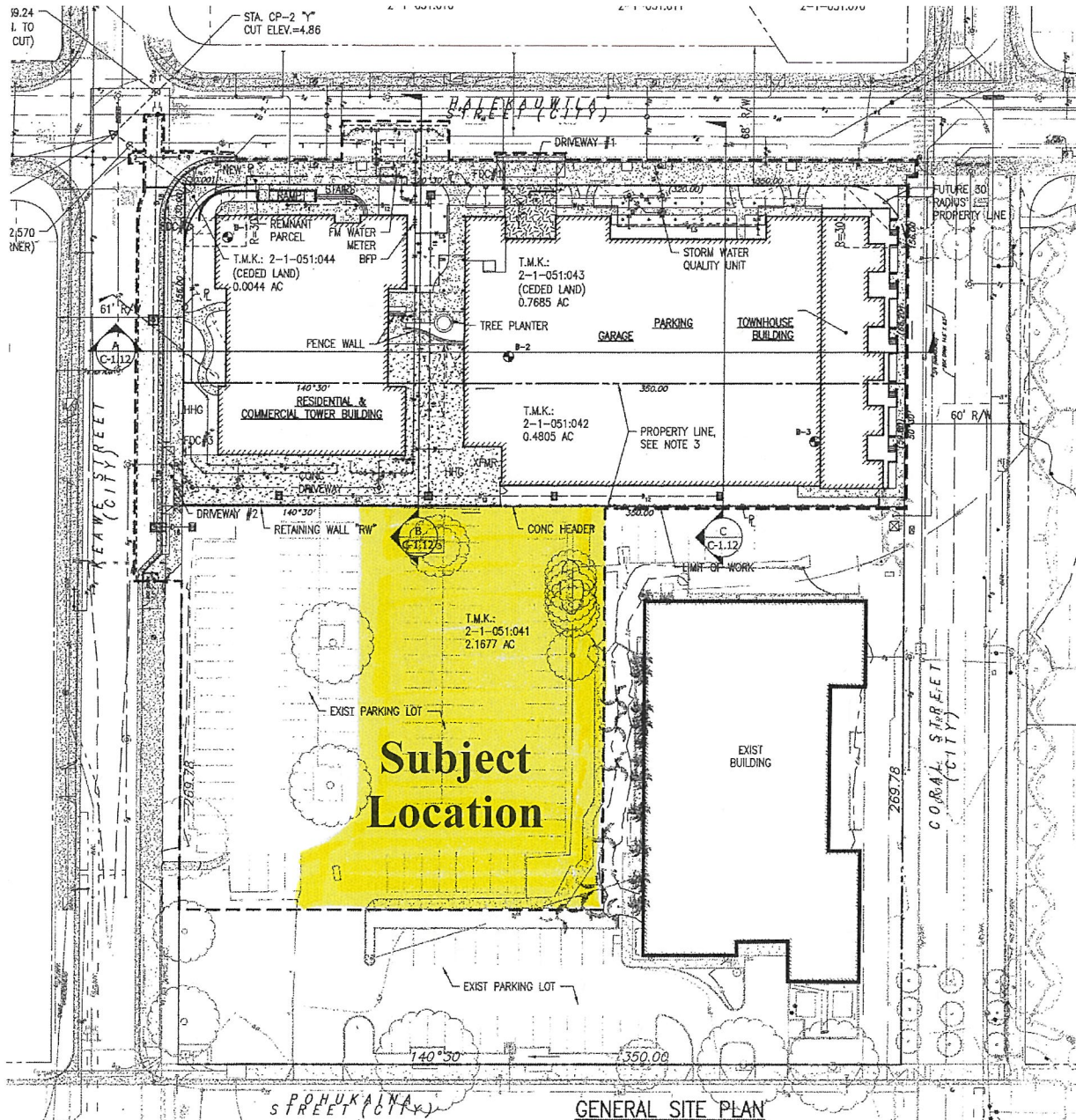

Suzanne D. Case, Chairperson



TMK (1) 2-1-051:041

EXHIBIT A

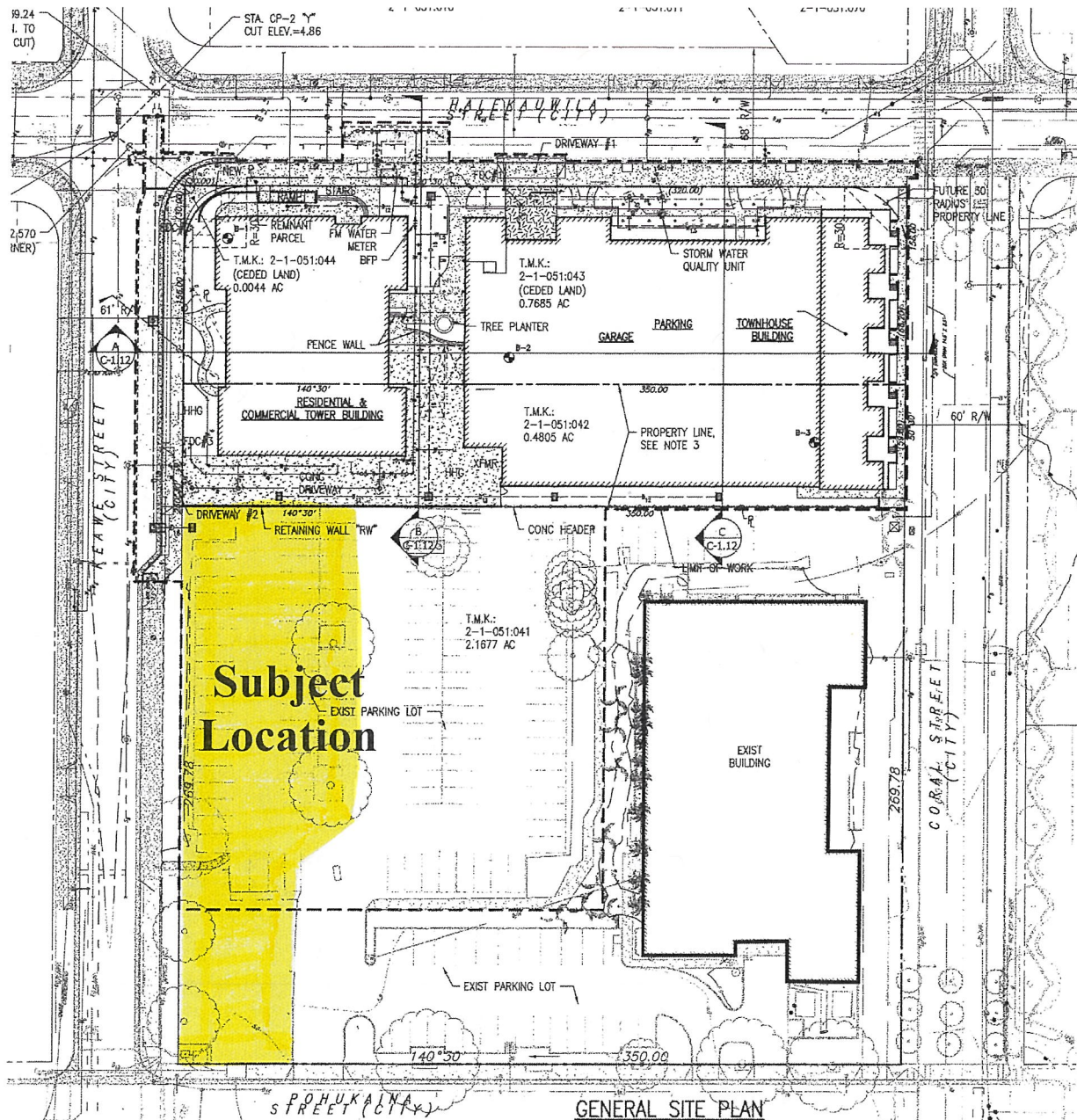
Area for Fisher Hawaii Inc.



TMK (1) 2-1-051:041

EXHIBIT B

Area for One Love Ministries



TMK (1) 2-1-051:041

EXHIBIT C

Area for Hawaiian Dredging Construction Company, Inc.

EXEMPTION NOTIFICATION

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

Project Title: Issuance of revocable permits to Fisher Hawaii Inc., One Love Ministries, and Hawaiian Dredging Construction Company, Inc.

Project / Reference No.: EO 4533.

Project Location: Kakaako, Honolulu, Oahu, Tax Map Key: (1) 2-1-051:041

Project Description: Revocable Permits to permit current occupants to remain on premises and use it for the following purposes:

(1) For Fisher Hawaii Inc., warehousing plus wholesale and retail sales of office products;

(2) For One Love Ministries, vehicle parking by permitted persons in connection with Permittee's church services; and

(3) For Hawaiian Dredging Construction Company, Inc., Temporary storage of off-site inventory, such as building concrete forming system materials;

in order to maintain the condition of the premises and control the formation of homeless camps until site development begins.

Chap. 343 Trigger(s): Use of State Land.

Exemption Class No.: Exemption Class No. 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." In accordance with the Exemption List for the Department of Land and Natural Resources approved by the Environmental Council dated June 5, 2015, the subject request is exempt from the preparation of an environmental assessment pursuant to Exemption Class No. 1, Item 46, that states "creation or termination of easement, covenants, or other rights in structures or land," and Item 47, that states "lease of State land involving negligible or no expansion or change of use beyond that previously existing," and Item 51, that states "permits, licenses, registrations, and rights-of-entry issued by the Department that are routine in nature, involving negligible impacts beyond that previously existing," and Item 53, that states "Granting to a person the privilege to conduct operations involving the provision of goods, ware, merchandise, or services to the general public including, but not limited to, tours, food and beverage operations, retail operations, rental operations, or communications and telecommunications services in or on an existing building, facility, or area."

EXHIBIT D

Cumulative Impact of Planned Successive Actions in Same Place Significant?	No. Although the requested location has been used for same purposes since 2015 under a lease managed by a different agency, there has been no increase in intensity of use on this developed land parcel. Therefore, staff believes the issuance of a new revocable permit has no significant effect on the environment.
Action May Have Significant Impact on Particularly Sensitive Environment?	No. The subject location is commercial land near urban Honolulu and has been used for similar purposes prior to the subject request. As such, staff believes there would be no significant impact as the parcel does not include any sensitive natural resources.
Analysis:	The request is an extension of the existing use, with no change other than in the management State agency. As such staff believes that the request would involve negligible or no expansion or change in use of the subject area beyond that previously existing, and that the activities under the permits would have minimal or no significant effect on the environment.
Consulted Parties:	Department of Community Services, City & County of Honolulu; Hawaii Community Development Authority; Department of Accounting and General Services
Recommendation:	That the Board find this project will probably have minimal or no significant effect on the environment and is presumed to be exempt from the preparation of an environmental assessment.

HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
AS CONTROLLING AGENCY UNDER EXECUTIVE ORDER
PERTAINING TO PUBLIC LANDS BELONGING TO
THE STATE OF HAWAII
AND ADMINISTERED BY ITS
DEPARTMENT OF LAND AND NATURAL RESOURCES
LAND DIVISION

REVOCABLE PERMIT NO. H30-2020-01

KNOW ALL MEN BY THESE PRESENTS:

This Agreement (hereinafter referred to as the "Permit") is executed this _____ day of _____, 2020, by and between the **HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION**, a public body and a body corporate and politic of the State of Hawaii, hereinafter referred to as "HHFDC," whose principal place of business and mailing address is 677 Queen Street, Suite 300, Honolulu, Hawaii 96813, and **FISHER HAWAII INC.**, a Hawaii corporation, hereinafter called the "Permittee," whose mailing address is 950 Mapunapuna Street, Honolulu, Hawaii 96819. The parties agree that commencing on the 11th day of February, 2020, ("commencement date"), Permittee is permitted to enter and occupy, on a month-to-month basis only, pursuant to section 171-55, Hawaii Revised Statutes, a portion of that certain parcel of public land (and any improvements located thereupon) situate at 690 Pohukaina Street, Honolulu, Hawaii 96813, tax map key no. (1) 2-1-051: 041 (the "Parcel"), as indicated on the map attached hereto as Exhibit A, and made a part hereof, which portion of parcel is hereinafter referred to as the "Premises."

WHEREAS, the Parcel is owned by the State of Hawaii (the "State"), through its Department of Land and Natural Resources ("DLNR"); and

WHEREAS, on May 19, 2017, Governor Ige issued Executive Order No. 4533 setting the Parcel aside to HHFDC for affordable housing and educational purposes, and a mixed-use project for the Parcel is currently underway by HHFDC; and

WHEREAS, Permittee currently occupies a portion of the Parcel under that certain Revocable Permit No. H30-2019-01 dated June 4, 2019 between Permittee and HHFDC, which shall expire on February 10, 2020; and

WHEREAS, grant of this Permit by HHFDC to Permittee was approved by the Board of Land and Natural Resources (the "Board") at its meeting on January 10, 2020.

NOW, THEREFORE, THIS PERMIT IS GRANTED TO PERMITTEE UNDER THE FOLLOWING CONDITIONS:

A. The Permittee shall:

1. Occupy and use the Premises including the approximately 20,000 square-foot building located at the address indicated above, being the same building that Permittee currently occupies under separate lease which is to expire on or before the commencement date, and occupy and use exclusively a portion of the grounds and parking lot surrounding the building also approximately equivalent to the portion currently in use by Permittee, all of which is hereinafter referred to as the "Premises" and is more specifically shown in the map attached hereto as Exhibit A.
2. Occupy and use the Premises for the following specified purposes only: Warehousing plus wholesale and retail sales of office products.
3. Pay, at the mailing address of HHFDC listed above, monthly rent in the sum of ELEVEN THOUSAND THREE HUNDRED THIRTY AND NO/100 DOLLARS (\$11,330.00) payable in advance by the first of each and every month.

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.

4. Upon execution of this Permit, deposit with HHFDC an amount equal to the monthly rental stated above in paragraph 3, 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 HHFDC. Otherwise, the deposit may, at the option of an authorized representative of HHFDC, be applied toward payment of any amounts owed hereunder, without waiving any of HHFDC's or the Board's other rights hereunder.
5. 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 and HHFDC as additional insureds and loss payees and shall be filed with the DLNR and HHFDC. In the event of loss, damage, or destruction of those improvements, HHFDC or the DLNR, as the case may be, 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.

6. Give HHFDC twenty-five (25) calendar days' notice, in writing, before vacating the Premises.
7. Pay all real property taxes assessed against the Premises from the commencement date of this Permit.
8. 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, indemnify the State of Hawaii and HHFDC 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.
9. Repair and maintain the premises and all buildings or other improvements now or hereafter on the Premises.
10. Obtain the prior written consent of HHFDC before making any major improvements.
11. Keep the Premises and improvements in a clean, sanitary, and orderly condition.
12. 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.
13. Not make, permit, or suffer, any waste, strip, spoil, nuisance or unlawful, improper, or offensive use of the Premises.
14. At all times with respect to the Premises, use due care for public safety.

15. Procure and maintain, at its own cost and expense, in full force and effect throughout the term of this Permit, comprehensive 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-" 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 HHFDC. The policy or policies of insurance shall name the State of Hawaii and HHFDC as additional insureds and a copy shall be filed with HHFDC. 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 HHFDC with a certificate(s) showing the policy(s) to be initially in force, keep the certificate(s) on deposit during the entire Permit term, and furnish a like certificate(s) 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 HHFDC. HHFDC may at any time require the Permittee to provide HHFDC with copies of the insurance policy(s) that are or were in effect during the permit period.

HHFDC 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 HHFDC, the insurance provisions in this Permit do not provide adequate protection for HHFDC or the State, HHFDC may require Permittee to obtain insurance sufficient in coverage, form, and amount to provide adequate protection. HHFDC'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. HHFDC shall notify Permittee in writing of changes in the insurance requirements and Permittee shall deposit copies of acceptable insurance policy(s) or certificate(s) thereof, with HHFDC 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 HHFDC will apply in excess of, and not contribute with, insurance provided by Permittee's policy.

The insurance certificate(s) shall be mailed to:

Hawaii Housing Finance and Development Corporation
Attn: Real Estate Portfolio and Compliance Section
677 Queen Street, Suite 300
Honolulu, Hawaii 96813

16. In case HHFDC or 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 HHFDC or the State.
17. The Permittee shall pay all costs, including reasonable attorney's fees, and expenses which may be incurred by or paid by HHFDC or 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 applicable 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 HHFDC 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 minutes of the meeting at which HHFDC's board of directors 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. HHFDC may revoke this Permit for any reason whatsoever, upon written notice to the Permittee at least ninety (90) 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 twice 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, HHFDC, 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. HHFDC 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, provided that the monthly rent may not increase by more than a cumulative total of three percent (3%) per calendar year. Upon such notice, the Permittee shall deposit with the Board any additional monies required to maintain an amount equal to 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 that HHFDC 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 that HHFDC in its discretion may allow, HHFDC 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. HHFDC reserves the right for its agents or representatives to enter or cross any portion of the Premises at any time.
8. HHFDC reserves the right for its agents or representatives to enter any portion of the Premises at any time upon 48 hours' notice to undertake such studies, tests (which may or may not be destructive in nature), and investigations as HHFDC deems necessary or desirable in its sole discretion which may include but not be limited to the following ("Investigations"):
 - a. Phase I and II hazardous materials investigations and samplings for asbestos, lead paint, petroleum, or any other hazardous materials;
 - b. Geotechnical investigations;
 - c. Topographic survey; and
 - d. Boundary survey.

Upon completion of the samplings and investigations, HHFDC's agents or representatives shall repair and restore the Premises to the condition as near as practicable as the condition prior to the Investigations, or better.

9. This Permit or any rights hereunder shall not be sold, assigned, conveyed, leased, mortgaged, or otherwise transferred or disposed of.
10. Permittee has inspected the Premises and knows the conditions thereof and fully assumes all risks incident to its use. Permittee accepts the Premises in its "as-is" condition with all faults.
11. The acceptance of rent by HHFDC shall not be deemed a waiver of any breach by the Permittee of any term, covenant, or condition of this Permit nor of HHFDC's right to declare and enforce a forfeiture for any breach, and the failure of HHFDC 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.
12. 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.
13. Any and all disputes or questions arising under this Permit shall be referred to the Executive Director of HHFDC and his determination of these disputes or questions shall be final and binding on the parties.
14. 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 HHFDC of the identity of such materials and upon HHFDC's and the Board's consent, which consent may be withheld at the HHFDC's or 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 HHFDC's or 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 indemnify, defend, and hold the State of Hawaii, the Board, HHFDC, 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.

15. If approval is granted to Permittee for the storage or use of Hazardous Materials in accordance with the terms of this Permit, then 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. HHFDC, 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, HHFDC 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.
16. Permittee shall indemnify, defend, and hold harmless HHFDC and the State of Hawaii, their 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, or officers 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.
17. Unless otherwise agreed by HHFDC or the Board, as applicable, 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 HHFDC or 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.

18. 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 HHFDC shall be delivered or addressed to the address stated above. Notice to the Board or DLNR shall be delivered or addressed to the Chairperson of the Board at 1151 Punchbowl Street, Room 130, Honolulu, Hawaii 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.
19. 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.

(The remainder of this page is blank. The following page is a signature page.)

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

On this _____ day of _____, 2020, before me appeared _____, to me known to be the person described and, who, being by me duly sworn or affirmed, did say that he or she is the _____ of Fisher Hawaii Inc., a Hawaii corporation; that

(mark one as applicable:)

☐ the seal affixed to the foregoing instrument is the corporate seal of said Fisher Hawaii Inc.;

☐ the corporation has no seal;

that this _____ page of Revocable Permit No. H30-2019-01 was signed and sealed on behalf of said Fisher Hawaii Inc., that he or she has been duly authorized to execute such instrument in such capacity, and he or she acknowledged said instrument to be the free act and deed of said Fisher Hawaii Inc.

_____ [signature]

Name: _____

Notary Public, State of Hawaii

1ST Judicial Circuit

My Commission Expires: _____

Doc. Date: _____ # of Pages: _____

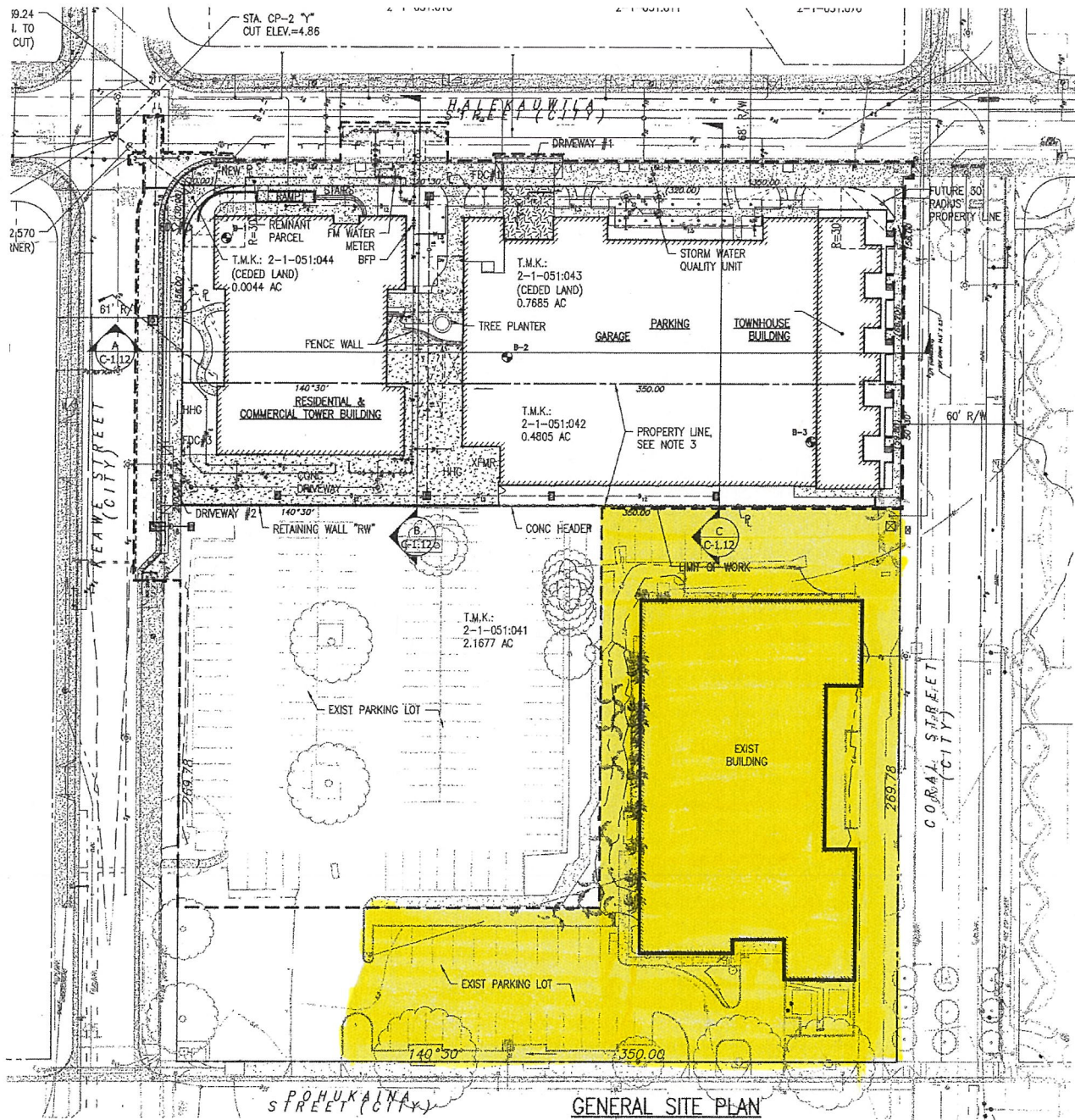
Notary Name: _____ Circuit

Doc. Description: Revocable Permit No. _____

Notary Signature: _____ Date: _____

EXHIBIT A

Premises indicated by the area highlighted in yellow:



HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
AS CONTROLLING AGENCY UNDER EXECUTIVE ORDER
PERTAINING TO PUBLIC LANDS BELONGING TO
THE STATE OF HAWAII
AND ADMINISTERED BY ITS
DEPARTMENT OF LAND AND NATURAL RESOURCES
LAND DIVISION

REVOCABLE PERMIT NO. H30-2020-02

KNOW ALL MEN BY THESE PRESENTS:

This Agreement (hereinafter referred to as the "Permit") is executed this _____ day of _____, 2020, by and between the **HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION**, a public body and a body corporate and politic of the State of Hawaii, hereinafter referred to as "HHFDC," whose principal place of business and mailing address is 677 Queen Street, Suite 300, Honolulu, Hawaii 96813, and **ONE LOVE MINISTRIES**, a Hawaii nonprofit corporation, hereinafter called the "Permittee," whose mailing address is 670 Auahi Street, Suite A5, Honolulu, Hawaii 96813. The parties agree that commencing on the 11th day of February, 2020, ("commencement date"), Permittee is permitted to enter and occupy, on a month-to-month basis only, pursuant to section 171-55, Hawaii Revised Statutes, a portion of that certain parcel of public land situate at 690 Pohukaina Street, Honolulu, Hawaii 96813, tax map key no. (1) 2-1-051: 041 (the "Parcel"), as indicated on the map attached hereto as Exhibit A, and made a part hereof, which portion of parcel is hereinafter referred to as the "Premises."

WHEREAS, the Parcel is owned by the State of Hawaii (the "State"), through its Department of Land and Natural Resources ("DLNR"); and

WHEREAS, on May 19, 2017, Governor Ige issued Executive Order No. 4533 setting the Parcel aside to HHFDC for affordable housing and educational purposes, and a mixed-use project for the Parcel is currently underway by HHFDC; and

WHEREAS, Permittee currently occupies a portion of the Parcel under that certain Revocable Permit No. H30-2019-02 dated April 8, 2019, between Permittee and the HHFDC, which shall expire on February 10, 2020; and

WHEREAS, grant of this Permit by HHFDC to Permittee was approved by the Board of Land and Natural Resources (the "Board") at its meeting on January 10, 2020.

NOW, THEREFORE, THIS PERMIT IS GRANTED TO PERMITTEE UNDER THE FOLLOWING CONDITIONS:

A. The Permittee shall:

1. Occupy and use a portion of the Parcel located at the address indicated above, **ON A NON-EXCLUSIVE BASIS**, approximately equivalent to the portion currently in use by Permittee, all of which is hereinafter referred to as the "Premises" and is more specifically shown in the map attached hereto as Exhibit A.

This Permit is NON-EXCLUSIVE. Permittee acknowledges that other persons or entities have the right to enter and/or use the Premises with the approval of HHFDC, and with the exception of the uses specified herein, Permittee shall not unreasonably interfere with or impair the use and enjoyment of the Premises by such other persons or entities.

Permittee shall exercise due care and diligence for public safety in entering upon the Premises and shall not unreasonably disrupt or disturb the activities or the operations of HHFDC or HHFDC's agents on the Premises, or other persons or entities who have the right to enter and/or use the Premises with the approval of HHFDC. At all times during the term of this Permit and upon the termination of this Permit, Permittee shall be responsible for: (a) removing any debris or trash deposited on the Premises, (b) repairing any damage to the Premises caused by its actions or the actions of third-persons due to Permittee's actions or inactions in securing the Premises, and (c) restoring the Premises to substantially the same condition the Premises was in at the time of Permittee's initial entry onto the Premises. This provision shall survive the termination of this Permit.

2. Occupy and use the Premises for the following specified purposes only: vehicle parking by Permitted Persons in connection with Permittee's church services. Permittee shall not alter, obstruct or impede any driveways, entrances, exits or other points of ingress or egress leading to the Premises. Vehicles obstructing ingress and egress, including impeding driveways, entrances and exits, will be subject to removal by towing at Permittee's expense.

Any use of the Premises not authorized herein shall constitute a material breach of this Permit. Upon such breach, HHFDC may terminate this Permit and pursue any other remedies to which HHFDC is entitled by law; provided that HHFDC shall first give Permittee notice thereof and afford Permittee forty-eight (48) hours to cure such breach.

No one may reside on the Premises.

3. Pay, at the mailing address of HHFDC listed above, monthly rent in the sum of **FIVE HUNDRED AND NO/100 DOLLARS (\$500.00)** payable in advance by the first of each and every month.

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.

4. A security deposit shall NOT be required.
5. 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 and HHFDC as additional insureds and loss payees and shall be filed with the DLNR and HHFDC. In the event of loss, damage, or destruction of those improvements, HHFDC or the DLNR, as the case may be, 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.
6. Give HHFDC twenty-five (25) calendar days' notice, in writing, before vacating the Premises.
7. Payment of real property taxes by Permittee shall NOT be required.
8. 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, indemnify the State of Hawaii and HHFDC 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.

9. Repair and maintain the premises and all buildings or other improvements now or hereafter on the Premises.
10. Obtain the prior written consent of HHFDC before making any improvements.
11. Keep the Premises and improvements in a clean, sanitary, and orderly condition.
12. 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.
13. Not make, permit, or suffer, any waste, strip, spoil, nuisance or unlawful, improper, or offensive use of the Premises.
14. At all times with respect to the Premises, use due care for public safety.
15. Procure and maintain, at its own cost and expense, in full force and effect throughout the term of this Permit, comprehensive 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-" 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 HHFDC. The policy or policies of insurance shall name the State of Hawaii and HHFDC as additional insureds and a copy shall be filed with HHFDC. 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 HHFDC with a certificate(s) showing the policy(s) to be initially in force, keep the certificate(s) on deposit during the entire Permit term, and furnish a like certificate(s) 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 HHFDC. HHFDC may at any time require the Permittee to provide HHFDC with copies of the insurance policy(s) that are or were in effect during the permit period.

HHFDC 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 HHFDC, the insurance provisions in this Permit do not provide adequate protection for HHFDC or the State, HHFDC may require Permittee to obtain insurance sufficient in coverage, form, and amount to provide adequate protection. HHFDC'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. HHFDC shall notify Permittee in writing of changes in the insurance requirements and Permittee shall deposit copies of acceptable insurance policy(s) or certificate(s) thereof, with HHFDC 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 HHFDC will apply in excess of, and not contribute with, insurance provided by Permittee's policy.

The insurance certificate(s) shall be mailed to:

Hawaii Housing Finance and Development Corporation
Attn: Real Estate Portfolio and Compliance Section
677 Queen Street, Suite 300
Honolulu, Hawaii 96813

16. In case HHFDC or 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 HHFDC or the State.
17. The Permittee shall pay all costs, including reasonable attorney's fees, and expenses which may be incurred by or paid by HHFDC or 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 applicable charges.
18. Permittee shall not: (a) create, incur, or assume any attachment, judgment, lien, charge, or other encumbrance on the Premises or any improvements thereon, or (b) suffer to exist any such encumbrance other

than the one(s) created, incurred, or assumed by HHFDC, DLNR, the Board, or the State.

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 HHFDC 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 minutes of the meeting at which HHFDC's board of directors 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. HHFDC 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 twice 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, HHFDC, 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. HHFDC 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.
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 that HHFDC 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 that HHFDC in its discretion may allow, HHFDC 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. HHFDC 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. Permittee accepts the Premises in its "as-is" condition with all faults.
10. The acceptance of rent by HHFDC shall not be deemed a waiver of any breach by the Permittee of any term, covenant, or condition of this Permit nor of HHFDC's right to declare and enforce a forfeiture for any breach, and the failure of HHFDC 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. Any and all disputes or questions arising under this Permit shall be referred to the Executive Director of HHFDC and his determination of these disputes or questions shall be final and binding on the parties.
13. 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 HHFDC of the identity of such materials and upon HHFDC's and the Board's consent, which consent may be withheld at the HHFDC's or 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 HHFDC's or 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 indemnify, defend, and hold the State of Hawaii, the Board, HHFDC, 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.

14. If approval is granted to Permittee for the storage or use of Hazardous Materials in accordance with the terms of this Permit, then 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. HHFDC, 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, HHFDC 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.
15. Permittee shall indemnify, defend, and hold harmless HHFDC and the State of Hawaii, their 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, or officers 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.

16. Unless otherwise agreed by HHFDC or the Board, as applicable, 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 HHFDC or 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.
17. 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 HHFDC shall be delivered or addressed to the address stated above. Notice to the Board or DLNR shall be delivered or addressed to the Chairperson of the Board at 1151 Punchbowl Street, Room 130, Honolulu, Hawaii 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.
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.
19. This Permit may be executed in several duplicate counterparts and such counterparts, when executed, shall constitute a single agreement.
20. This Permit constitutes the entire Agreement and understanding between the Parties and shall supersede any and all prior communications, representations, or agreements, both verbal and written, between the Parties regarding the use of the Premises. This Permit cannot be modified except by written instrument signed by both parties.
21. HHFDC reserves the right to impose additional terms and conditions it deems reasonably necessary. Written notice of any such additional terms and conditions shall be provided to Permittee not less than 30 days prior to the date such additional terms or conditions are to take effect. Any such additional terms and conditions shall not materially interfere with or impair Permittee's rights of use herein.

IN WITNESS WHEREOF, 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
January 10, 2020

HAWAII HOUSING FINANCE AND
DEVELOPMENT CORPORATION,
a public body and a body corporate and
politic of the State of Hawaii,

APPROVED AS TO FORM:

Deputy Attorney General
State of Hawaii

By _____
Craig K. Hirai
Executive Director

ONE LOVE MINISTRIES,
a Hawaii nonprofit corporation,
as Permittee

By _____

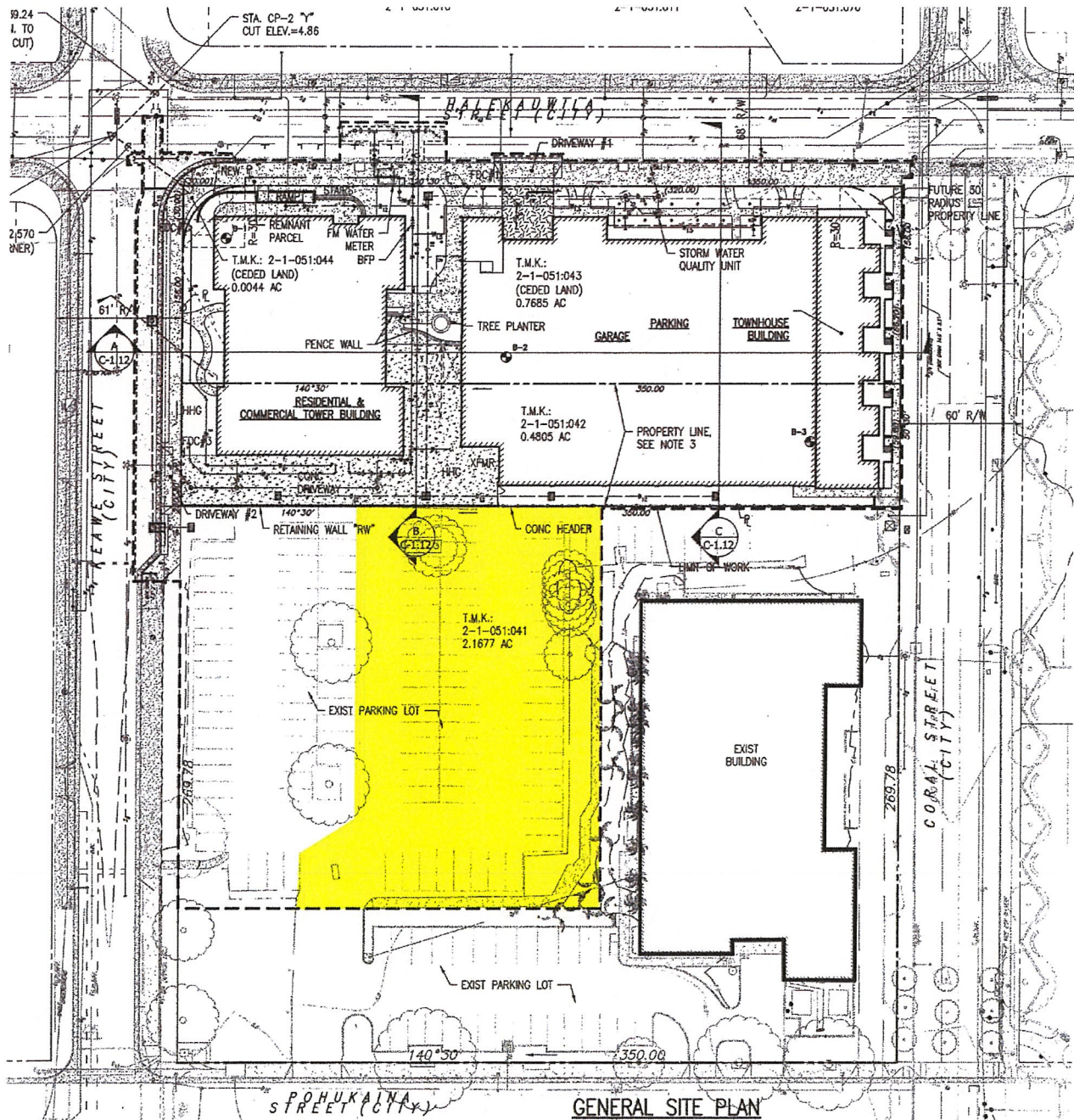
Name _____

Title _____

(Notarizations appear on the following pages:)

EXHIBIT A

Premises indicated by the area highlighted in yellow:



HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
AS CONTROLLING AGENCY UNDER EXECUTIVE ORDER
PERTAINING TO PUBLIC LANDS BELONGING TO
THE STATE OF HAWAII
AND ADMINISTERED BY ITS
DEPARTMENT OF LAND AND NATURAL RESOURCES
LAND DIVISION

REVOCABLE PERMIT NO. H30-2020-03

KNOW ALL MEN BY THESE PRESENTS:

This Agreement (hereinafter referred to as the "Permit") is executed this _____ day of _____, 2020, by and between the **HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION**, a public body and a body corporate and politic of the State of Hawaii, hereinafter referred to as "HHFDC," whose principal place of business and mailing address is 677 Queen Street, Suite 300, Honolulu, Hawaii 96813, and **HAWAIIAN DREDGING CONSTRUCTION COMPANY, INC. ("HDCC")**, a Hawaii corporation, hereinafter called the "Permittee," whose mailing address is 605 Kapiolani Boulevard, Honolulu, Hawaii 96813, Honolulu, Hawaii 96813. The parties agree that commencing on the 11th day of February, 2020, ("commencement date"), Permittee is permitted to enter and occupy, on a month-to-month basis only, pursuant to section 171-55, Hawaii Revised Statutes, a portion of that certain parcel of public land situate at 690 Pohukaina Street, Honolulu, Hawaii 96813, tax map key no. (1) 2-1-051: 041 (the "Parcel"), as indicated on the map attached hereto as Exhibit A, and made a part hereof, which portion of parcel is hereinafter referred to as the "Premises."

WHEREAS, the Parcel is owned by the State of Hawaii (the "State"), through its Department of Land and Natural Resources ("DLNR"); and

WHEREAS, on May 19, 2017, Governor Ige issued Executive Order No. 4533 setting the Parcel aside to HHFDC for affordable housing and educational purposes, and a mixed-use project for the Parcel is currently underway by HHFDC; and

WHEREAS, Permittee currently occupies a portion of the Parcel under that certain Revocable Permit No. H30-2019-03 dated April 4, 2019, between Permittee and HHFDC, which shall expire on February 10, 2020; and

WHEREAS, grant of this Permit by HHFDC to Permittee was approved by the Board of Land and Natural Resources (the "Board") at its meeting on January 10, 2020.

NOW, THEREFORE, THIS PERMIT IS GRANTED TO PERMITTEE UNDER THE FOLLOWING CONDITIONS:

A. The Permittee shall:

1. Occupy and use a portion of the Parcel located at the address indicated above, **ON A NON-EXCLUSIVE BASIS**, consisting of approximately 6,500 square feet and being approximately equivalent to the portion currently in use by Permittee, all of which is hereinafter referred to as the "Premises" and is more specifically shown in the map attached hereto as Exhibit A.

This Permit is NON-EXCLUSIVE. Permittee acknowledges that other persons or entities have the right to enter and/or use the Premises with the approval of HHFDC, and with the exception of the uses specified herein, Permittee shall not unreasonably interfere with or impair the use and enjoyment of the Premises by such other persons or entities.

Permittee shall exercise due care and diligence for public safety in entering upon the Premises and shall not unreasonably disrupt or disturb the activities or the operations of HHFDC or HHFDC's agents on the Premises, or other persons or entities who have the right to enter and/or use the Premises with the approval of HHFDC. At all times during the term of this Permit and upon the termination of this Permit, Permittee shall be responsible for: (a) removing any debris or trash deposited on the Premises, (b) repairing any damage to the Premises caused by its actions or the actions of third-persons due to Permittee's actions or inactions in securing the Premises, and (c) restoring the Premises to substantially the same condition the Premises was in at the time of Permittee's initial entry onto the Premises. This provision shall survive the termination of this Permit.

2. Occupy and use the Premises for the following specified purposes only: temporarily storing off-site inventory such as building concrete forming system materials. Permittee shall not alter, obstruct or impede any driveways, entrances, exits or other points of ingress or egress leading to the Premises. Vehicles obstructing ingress and egress, including impeding driveways, entrances and exits, will be subject to removal by towing at Permittee's expense.

Any use of the Premises not authorized herein shall constitute a material breach of this Permit. Upon such breach, HHFDC may terminate this Permit and pursue any other remedies to which HHFDC is entitled by law; provided that HHFDC shall first give Permittee notice thereof and afford Permittee forty-eight (48) hours to cure such breach.

No one may reside on the Premises.

3. Pay, at the mailing address of HHFDC listed above, monthly rent in the sum of **ONE THOUSAND THREE HUNDRED AND NO/100 DOLLARS (\$1,300.00)** payable in advance by the first of each and every month.

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.

4. A security deposit shall NOT be required.
5. 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 and HHFDC as additional insureds and loss payees and shall be filed with the DLNR and HHFDC. In the event of loss, damage, or destruction of those improvements, HHFDC or the DLNR, as the case may be, 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.
6. Give HHFDC twenty-five (25) calendar days' notice, in writing, before vacating the Premises.
7. Payment of real property taxes by Permittee shall NOT be required.
8. 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, indemnify the State of Hawaii and HHFDC 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.

9. Repair and maintain the premises and all buildings or other improvements now or hereafter on the Premises.
10. Obtain the prior written consent of HHFDC before making any improvements.
11. Keep the Premises and improvements in a clean, sanitary, and orderly condition.
12. 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.
13. Not make, permit, or suffer, any waste, strip, spoil, nuisance or unlawful, improper, or offensive use of the Premises.
14. At all times with respect to the Premises, use due care for public safety.
15. Procure and maintain, at its own cost and expense, in full force and effect throughout the term of this Permit, comprehensive 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-" 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 HHFDC. The policy or policies of insurance shall name the State of Hawaii and HHFDC as additional insureds and a copy shall be filed with HHFDC. 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 HHFDC with a certificate(s) showing the policy(s) to be initially in force, keep the certificate(s) on deposit during the entire Permit term, and furnish a like certificate(s) 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 HHFDC. HHFDC may at any time require the Permittee to provide HHFDC with copies of the insurance policy(s) that are or were in effect during the permit period.

HHFDC 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 HHFDC, the insurance provisions in this Permit do not provide adequate protection for HHFDC or the State, HHFDC may require Permittee to obtain insurance sufficient in coverage, form, and amount to provide adequate protection. HHFDC'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. HHFDC shall notify Permittee in writing of changes in the insurance requirements and Permittee shall deposit copies of acceptable insurance policy(s) or certificate(s) thereof, with HHFDC 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 HHFDC will apply in excess of, and not contribute with, insurance provided by Permittee's policy.

The insurance certificate(s) shall be mailed to:

Hawaii Housing Finance and Development Corporation
Attn: Real Estate Portfolio and Compliance Section
677 Queen Street, Suite 300
Honolulu, Hawaii 96813

16. In case HHFDC or 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 HHFDC or the State.
17. The Permittee shall pay all costs, including reasonable attorney's fees, and expenses which may be incurred by or paid by HHFDC or 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 applicable charges.
18. Permittee shall not: (a) create, incur, or assume any attachment, judgment, lien, charge, or other encumbrance on the Premises or any improvements thereon, or (b) suffer to exist any such encumbrance other

than the one(s) created, incurred, or assumed by HHFDC, DLNR, the Board, or the State.

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 HHFDC 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 minutes of the meeting at which HHFDC's board of directors 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. HHFDC 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 twice 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, HHFDC, 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. HHFDC 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.
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 that HHFDC 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 that HHFDC in its discretion may allow, HHFDC 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. HHFDC 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. Permittee accepts the Premises in its "as-is" condition with all faults.
10. The acceptance of rent by HHFDC shall not be deemed a waiver of any breach by the Permittee of any term, covenant, or condition of this Permit nor of HHFDC's right to declare and enforce a forfeiture for any breach, and the failure of HHFDC 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. Any and all disputes or questions arising under this Permit shall be referred to the Executive Director of HHFDC and his determination of these disputes or questions shall be final and binding on the parties.
13. 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 HHFDC of the identity of such materials and upon HHFDC's and the Board's consent, which consent may be withheld at the HHFDC's or 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 HHFDC's or 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 indemnify, defend, and hold the State of Hawaii, the Board, HHFDC, 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.

14. If approval is granted to Permittee for the storage or use of Hazardous Materials in accordance with the terms of this Permit, then 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. HHFDC, 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, HHFDC 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.
15. Permittee shall indemnify, defend, and hold harmless HHFDC and the State of Hawaii, their 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, or officers 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.

16. Unless otherwise agreed by HHFDC or the Board, as applicable, 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 HHFDC or 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.
17. 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 HHFDC shall be delivered or addressed to the address stated above. Notice to the Board or DLNR shall be delivered or addressed to the Chairperson of the Board at 1151 Punchbowl Street, Room 130, Honolulu, Hawaii 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.
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.
19. This Permit may be executed in several duplicate counterparts and such counterparts, when executed, shall constitute a single agreement.
20. This Permit constitutes the entire Agreement and understanding between the Parties and shall supersede any and all prior communications, representations, or agreements, both verbal and written, between the Parties regarding the use of the Premises. This Permit cannot be modified except by written instrument signed by both parties.
21. HHFDC reserves the right to impose additional terms and conditions it deems reasonably necessary. Written notice of any such additional terms and conditions shall be provided to Permittee not less than 30 days prior to the date such additional terms or conditions are to take effect. Any such additional terms and conditions shall not materially interfere with or impair Permittee's rights of use herein.

IN WITNESS WHEREOF, 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
January 10, 2020

HAWAII HOUSING FINANCE AND
DEVELOPMENT CORPORATION,
a public body and a body corporate and
politic of the State of Hawaii,

APPROVED AS TO FORM:

Deputy Attorney General
State of Hawaii

By _____
Craig K. Hirai
Executive Director

HAWAIIAN DREDGING
CONSTRUCTION COMPANY, Inc.,
a Hawaii corporation,
as Permittee

By _____

Name _____

Title _____

(Notarizations appear on the following pages.)

