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Mayor



TEENA M. RASMUSSEN
Economic Development Director

OFFICE OF ECONOMIC DEVELOPMENT

COUNTY OF MAUI

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August 9, 2016

MEMORANDUM

To: Don S. Guzman, Chair
Economic Development, Energy, Agriculture, and Recreation Committee

FROM: Teena M. Rasmussen, Director Office of Economic Development

SUBJECT: AUTHORIZING GRANT OF A LEASE OF REAL PROPOERTY TO TEACH DEVELOPMENT LLC
(OLD MAUI HIGH SCHOOL CAMPUS) (EAR-63)

We have enclosed the requested succinct statement in a chart form of the expectations and obligations of the County and Teach development LLC with regard to the proposed project and leases.

Please let me know if we can be of further assistance.

A handwritten signature in cursive script, reading "Teena M. Rasmussen".

Teena M. Rasmussen
Director

**SUMMARY OF MAJOR LEASE OBLIGATIONS RELATING TO THE LEASE
OF OLD MAUI HIGH SCHOOL TO TEACH DEVELOPMENT**

The following summary of the major lease obligations between the County of Maui and TEACH Development, LLC is provided at the request and convenience of the Maui County Council, Committee on Economic Development, Energy, Agriculture and Recreation. The lease between the parties is and shall remain the operative document between the parties.

| Obligations of Lessor County of Maui | Obligations of Lessee TEACH Development, LLC |
|---|---|
| <ul style="list-style-type: none"> • Lessor to lease Land to Lessee for \$1 per year for 60 years (Section A of Lease) • The County agrees to construct and maintain, at its cost, paved, public roads to the Premises subject to funding appropriations. (Section I of Lease and Exhibit "F" of the Lease) • Lessor to provide for (5) years of abatement of any ad valorem property taxes, special taxes or assessments on the Premises. (Section M of Lease) • Lessor shall utilize its best efforts to provide and expedite all approvals and permits reasonably required by Lessee and shall not unreasonably withhold or delay such approvals and permits. (Section D). | <ul style="list-style-type: none"> • Lessee to pay \$1 per year for 60 years • Lessee to engage in necessary due diligence, studies, inspection and planning within 180 days after the Effective Date of the Lease • Lessee to complete an environmental assessment within 24 months of the Effective Date of the Lease • Lessee to engage in planning, design, development and construction of the facilities to repurpose the campus within 5 years of the Effective Date of the Lease • Lessee to finance, or obtain financing, for all phases of development, construction and operations within 5 years of the Effective Date • Lessee to engage in operations within 5 years of the Effective Date of the Lease • Lessee to maintain the property and improvements as set forth in the Lease, including insurance requirements and maintenance covenants. • Lessee to indemnify Lessor for any and all liability incurred by Lessor with respect to release after the Effective Date of the Lease • Lessee to surrender possession of premises at the end of the Lease term. |