

Resolution

No. 26-4

**AUTHORIZING A GRANT OF GROUND LEASE TO
A0745 LANAI, L.P., FOR REAL PROPERTY LOCATED ON LĀNAʻI,
HAWAII, IDENTIFIED FOR REAL PROPERTY TAX PURPOSES AS
TAX MAP KEY (2) 4-9-002:058, UNDER SECTIONS 3.40.200 AND
3.36.090, MAUI COUNTY CODE**

WHEREAS, the County of Maui is the owner in fee simple of certain real property located on Lānaʻi, Maui, Hawaii identified for Real Property Tax purposes as Tax Map Key (2) 4-9-002:058, as described in Exhibit "A"; and

WHEREAS, on March 5, 2010, the Maui County Council adopted Resolution 10-12, entitled "APPROVING WITH MODIFICATION THE LANAI AFFORDABLE HOUSING PROJECT PURSUANT TO SECTION 201H-38, HAWAII REVISED STATUTES," in which the Council approved the Department of Housing and Human Concerns' proposed Lānaʻi Affordable Housing Project on the property; and

WHEREAS, the Lānaʻi 201H Project's master plan consists of approximately 372 residential units, with approximately 199 for-sale affordable lots and 173 affordable multi-family rental and for-sale units; and

WHEREAS, on June 9, 2011, the State Land Use Commission, in Docket A11-792, granted a District Boundary Amendment from Agricultural District to Urban District for 73 acres at Lānaʻi City, Lānaʻi, Hawaiʻi, identified for Real Property Tax purposes as a portion of Tax Map Key (2) 4-9-002:058; and

WHEREAS, in 2016, the County published a request for proposals to develop the Lānaʻi 201H Project and the County did not receive any proposals in response to the request; and

WHEREAS, the County has been considering a variety of development options for the Lānaʻi 201H Project and has determined a partnership with Ikaika Ohana, a Hawaiʻi domestic nonprofit corporation, to develop, operate, and maintain an affordable housing project on County-owned lands would be in the County's best interest; and

WHEREAS, Ikaika Ohana has a long history of developing affordable housing projects in the County, including:

Resolution No. 26-4

- Kaiwahine Village, consisting of 120 affordable housing rental units in Kihei, Maui;
- Kaiaulu O Halele'a, consisting of 64 workforce rental housing and 56 affordable housing units in Kihei, Maui;
- Kaiaulu O Kupuohi, consisting of 89 affordable housing units in Lahaina, Maui; and
- Kaiaulu O Kukuia, consisting of 200 affordable housing units in Lahaina, Maui; and

WHEREAS, on November 15, 2024, the Council adopted Resolution 24-179, entitled "STATING COUNTY'S INTENT TO ENTER INTO MEMORANDUMS OF UNDERSTANDING WITH IKAIKA OHANA TO DEVELOP AFFORDABLE HOUSING PROJECTS ON COUNTY OWNED PROPERTY ON LANAI AND NAPILI, MAUI"; and

WHEREAS, the County desires to enter into a long-term ground lease for the property with A0745 LANAI, L.P., a Hawaii limited partnership for which Ikaika Ohana is the nonprofit general partner, to further the goal of developing a long-term affordable housing project on Lanai; and

WHEREAS, a copy of the finalized form of the proposed ground lease is attached as Exhibit "C" for the Council's review and consideration; and

WHEREAS, the Lease terms will require A0745 LANAI, L.P. to develop, operate, and maintain an affordable housing project in compliance with all applicable county, state, and federal laws, regulations, and affordability requirements; and

WHEREAS, the base rent of the Lease is \$1 per year for the full term, to be satisfied in advance with a lump sum payment of \$75 on execution of the Lease for a period of 75 years from the date of execution; and

WHEREAS, in accordance with Section 3.40.200, Maui County Code, real property to be leased, rented, or set aside without any charge or at a charge below fair market value is considered a grant of public property and must be submitted to the Council as an application for a grant award; and

WHEREAS, the application letter for the grant of real property from Ikaika Ohana dated December 18, 2025 is attached as Exhibit "B"; and

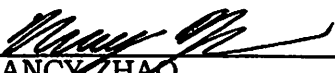
Resolution No. 26-4

WHEREAS, in accordance with Code section 3.36.090, the Council may authorize the grant of a lease of County real property by resolution; now, therefore,

BE IT RESOLVED by the Council of the County of Maui:

1. That A0745 LANAI, L.P. be granted a ground lease for the property in accordance with the terms and conditions of the proposed grant of ground lease, in the form attached as Exhibit "C," under Sections 3.40.200 and 3.36.090, Maui County Code;
2. That it authorizes the Mayor and Director of Finance to execute the proposed grant of ground lease on behalf of the County; and
3. That certified copies of this Resolution be transmitted to the Mayor, Director of Finance, Managing Director, Director of Housing, Corporation Counsel, and President of Ikaika Ohana.

APPROVED AS TO FORM
AND LEGALITY:



NANCY ZHAO
Deputy Corporation Counsel
County of Maui
LF2025-2075
Resolution Ikaika Ohana Grant of Ground Lease Lanai Project

EXHIBIT "A"
LEGAL DESCRIPTION

PARCEL I:

All of that certain parcel of land situated on the Island of Lānaʻi, State of Hawaiʻi, described as follows:

Lot 13-A-1-C, area 102.234 acres, as shown on Map 15 filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Consolidation 170 of Castle & Cooke, Inc.

Note: Access across Lots 1141 and 1158 is provided by Land Court Order 132986.

PARCEL II:

All of that certain parcel of land situated on the Island of Lānaʻi, State of Hawaiʻi, described as follows:

Lot 1158, area 12.766 acres, as shown on Map 131 filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 862 of Hawaiian Pineapple Company, Limited.

Note: Access across Lot 1141 is provided by Land Court Order 132973.

December 18, 2025

**Mr. Richard E. Mitchell, ESQ.
Director
Department of Housing
County of Maui
2065 Main Street, Suite 108
Wailuku, Maui, Hawaii 96793**

**Re: Grant of Ground Lease Application
Lāna'i Affordable Housing Project Phase I (the "Lāna'i Project")
Tax Map Key: 2-4-9-002-058 (115 acres – the "Parcel")**

Dear Mr. Mitchell,

Please consider this letter as an application for a grant of ground lease for the subject property from Ikaika Ohana, the non-profit general partner of A0745 Lāna'i L.P. (Applicant). We are requesting that the County of Maui grant the ground lease to the Applicant to begin the site's predevelopment and construction activities including, but not be limited to, planning and construction of backbone infrastructure for development of the Parcel.

By way of background, the Lāna'i Project will consist of up to 372 units of affordable single family and multifamily homes for families and seniors earning less than or equal to 120 percent of the area median income. However, additional state and county programs may increase the AMI levels, and the Lāna'i Project would then follow the new requirements.

In addition, up to 75 lots owned by the Department of Hawaiian Home Lands (DHHL) may be developed that would also connect to the backbone infrastructure being developed. DHHL intends to provide support for development of the backbone infrastructure now to support these lots. The housing units will be built in phases and in total will consist of up to 447 units. Construction of the backbone infrastructure needs to be built first and that is the purpose of this application.

The Lāna'i Project requires significant backbone infrastructure investment to allow for current and future development plans for the Parcel. The backbone infrastructure development will include, but not be limited to, predevelopment activities, project management, planning, coordination with County of Maui Departments, construction of electric, water, wastewater, roads, curbs, gutters, and utilities both onsite and offsite. The goal is to complete most of the backbone infrastructure work prior to commencing the vertical construction of Phase I of the Lāna'i Project.

The Parcel is subject to a 201(H) Zoning document which was completed, submitted, and approved by resolution 10-12 by the council of the County of Maui, State of Hawaii, on the 5th day of March 2010. The developer will be following the requirements of the 201H zoning document for the Parcel.

The developer is currently preparing civil drawings and will work with the County of Maui to obtain a grading permit so they can commence construction of the backbone infrastructure within the first quarter of 2027. Concurrently with obtaining a grading permit, the developer will be preparing the architectural plans to obtain building permits and will be preparing an application to submit to the State of Hawaii to obtain federal tax-exempt bond financing and federal and state LIHTC's to develop Phase I of the project as more fully described below.

The land will be leased from the County of Maui for a term of 75 years. The term of affordability will be governed by the County of Maui and the Hawaii Housing Finance and Development Corporation and is typically 65 years or more. These LIHTC restrictions remain in place through the initial compliance period (15-years) and the extended use period of not less than 65-years.

Under provisions of the LIHTC program, the ground lease cannot be terminated during the initial 15-year compliance period as that event would trigger a tax credit recapture event for the project. The proposed 75-year ground lease will be provided below fair market value and therefore constitutes a grant of public property.

This application letter is submitted pursuant to Maui County Code Sections 3.40.200 and 3.36.090.

We trust this letter meets your request and look forward to moving the grant of ground lease application forward. If there are any questions, please let me know.

Kindest regards,

Thomas G Fischer

Thomas G. Fischer
Executive Vice President

Cc: Douglas Bigley
Grant Bigley
Miguel Saenz
Josiah Nishita
Saumalu Mataafa
Alicia Mazingo

EXHIBIT "C"

LAND COURT	REGULAR SYSTEM
Return BY Mail (X) Pickup () To:	Land Court (X) Regular () Double ()

County of Maui
200 South High Street
Wailuku, HI 96793
Attention: Director of Housing

Total Pages _____

TYPE OF DOCUMENT: **Ground Lease**
 Kaiāulu O Lānaʻi

PARTIES TO DOCUMENT:

Lessor: **County of Maui, a political subdivision of the State of Hawaii**
Lessee: **A0745 Lanai, L.P., a Hawaii limited partnership**

PROPERTY DESCRIPTION	DOCUMENT NO.
See Exhibit A	DOCUMENT NO. TRANSFER CERTIFICATE OF TITLE NO:

TAX MAP KEY NO. (2) 4-9-002: 058

GROUND LEASE
Kaiāulu O Lānaʻi

THIS INDENTURE ("Lease"), made this ____ day of _____, 2026, (hereinafter referred to as the "Effective Date") by and between the **COUNTY OF MAUI**, a political subdivision of the State of Hawaii, the principal place of business and mailing address of which is 200 South High Street, Wailuku, Hawaii 96793 ("Lessor"), and **A0745 LANAI, L.P.**, a Hawaii limited partnership, whose principal place of business and mailing address is 2000 East Fourth Street, Suite 220, Santa Ana, California 92705 ("Lessee");

WITNESSETH:

WHEREAS, Lessor is the owner in fee simple of the land located at Awalua Avenue in the City and Island of Lānaʻi, County of Maui, State of Hawaii, identified for tax purposes as Tax Map Key No. (2) 4-9-002: 058, and more particularly described in **Exhibit A** which is attached hereto and incorporated by reference, together with all appurtenant rights, if any, and subject to all easements, covenants, conditions, restrictions, reservations, and other matters of record affecting the same (the "Premises" or the "Leased Land"), as the same may be subdivided, reconfigured, reduced, or modified by Lessor from time to time pursuant to this Lease, in Lessor's sole discretion.

WHEREAS, Lessor has agreed to lease the Premises to Lessee on the terms hereof.

NOW, THEREFORE, the Lessor for and in consideration of the rent to be paid and of the terms, covenants and conditions herein contained, all on the part of the Lessee to be kept, observed and performed, does lease unto the Lessee, and the Lessee does lease from the Lessor the Premises.

It being expressly understood and agreed by Lessor that during the Term of this Lease, Lessee is the fee owner of all buildings and real property improvements and fixtures which are now or hereafter situated on the Premises; provided that Lessee, for itself and its successors and assigns, covenants that, except as otherwise provided in this Lease, the buildings and real property improvements and fixtures shall not be severed or separated from the Premises demised hereby and can only be conveyed or encumbered together with any conveyance or encumbrance of this Lease subject to Lessor's written approval or consent if required as provided below in Section 14 (Assignments of Leases and Transfers), whether or not expressly described in the relevant conveyance or other instrument.

TO HAVE AND TO HOLD the Premises unto the Lessee for the term of Seventy-Five (75) years, commencing on the Effective Date, up to and including the ____ day of _____, 2101, unless sooner terminated pursuant to the provisions of this Lease; provided, however, that no termination by Lessor shall be effective prior to the end of the fifteen (15)-year tax credit compliance period described in Section 42(i)(1) of the Internal Revenue Code applicable to the Phase 1 Project, except as otherwise expressly permitted under this Lease or applicable law. The Lessor reserves and the Lessee yields and pays to the Lessor at the office of the Lessor, an annual rent, prepayable without penalty, as provided hereinbelow:

A. **Base Lease Rent.** A base lease rent of \$1.00 per year for the full term of the Lease shall be payable in advance in a lump sum payment of SEVENTY-FIVE AND NO/100 DOLLARS (\$75.00) upon the execution of this Lease

B. **Increase of Base Lease Rent.** In the event of a foreclosure of a mortgage secured by this Lease (whether by judicial proceedings or by virtue of any power of sale contained in the mortgage), or any conveyance of the Lease to the mortgagee or its designee by an assignment or by a deed in lieu of foreclosure or other similar instrument as described in Article II, Section 21 below, if any of the dwelling units in the Phase I Project on the Premises are not used as Affordable Units as described herein, the base lease rent of the Premises shall be increased in the following manner:

1. From and upon the first day (the "Rent Increase Commencement Date") of the first full calendar month after the use of any or all of such dwelling units as other than Affordable Units, the annual rent for the Premises shall be calculated as follows:

Fair market value of the land x 8% x percentage of such dwelling units not used as Affordable Units + rent otherwise due under Paragraph A hereof x percentage of such dwelling units used as Affordable Units. For purposes hereof, the fair market value of the land shall be determined exclusive of buildings and improvements, and based upon the actual then existing use for which the Lessee shall use the improvements on the land, and exclusive of the encumbrance of this Lease.

2. The fair market value of the land shall be determined as of the Rent Increase Commencement Date and each fifth anniversary of the Rent Increase Commencement Date. If the Lessor and the Lessee are unable to agree upon the fair market value of the land within 45 days after the Rent Increase Commencement Date or each such adjustment date, the fair market value of the land shall be determined in the manner set forth in Paragraph B.7 hereof.
3. The percentage of dwelling units used as Affordable Units shall be adjusted on each anniversary of the Rent Increase Commencement Date. Such percentage shall be certified to the Lessor by the Lessee in a written report as of the Rent Increase Commencement Date and each anniversary thereof, which report shall show the calculation of any adjustments and shall be delivered to the Lessor with the rental payment then due.
4. Adjustments to the fair market value of the land or to such percentages may be upwards but not downwards, and the rent due under the above formula shall in no event be less than the rent paid for the previous rental period.
5. The adjusted rent shall be paid in advance in equal monthly installments on the first day of each month.

6. Notwithstanding anything elsewhere stated in this Lease, if the dwelling units in the Phase I Project on the Premises designated as the manager units are not being used as Affordable Units, then, and notwithstanding such use, so long as 75% or more of the dwelling units in the Phase I Project are being used as Affordable Units, the dwelling units designated as the manager units shall be deemed to be used as Affordable Units.
7. In the event of failure to agree on a fair market value of the land for any of the periods within the time specified in Paragraph B hereof, either party may give to the other written notice of a desire to have an arbitration by three appraisers to determine the said fair market value in the manner proved for in Chapter 658A of the Hawaii Revised Statutes, as the same may be amended, and name one of the appraisers in said written notice, whereupon the other party shall, within ten days after receipt of such notice, name a second appraiser, and in case of failure so to do the party who has already named an appraiser may have the second appraiser selected or appointed by one of the judges of the Circuit Court of the Second Circuit, State of Hawaii, and the two appraisers so appointed in either manner shall select and appoint a third appraiser, and in the event the two appraisers shall fail to appoint the third appraiser within ten days after the naming of the second appraiser, either party may have the third appraiser selected or appointed by one of the said judges, and the three appraisers so appointed shall thereupon proceed to determine the fair market value of the land on the basis hereinafter set forth, and the decision and award of any two of them shall be final, conclusive and binding upon all parties, unless the same shall be vacated, modified or corrected, all as provided in said Chapter 658A, as the same may be amended. The appraisers shall be recognized real estate appraisers and shall have all the powers and duties prescribed in said Chapter. It is understood and agreed that the appraisers' duty will be to only determine the fair market value of the land, exclusive of buildings and improvements but based on the actual then existing use or uses for which Lessee shall use the improvements, and exclusive of the encumbrance of this Lease. In all cases of arbitration, the Lessor and the Lessee shall each pay the expenses of their own attorney's, appraiser's and witnesses' fees, and all other expense of such arbitration shall be divided equally between the Lessor and the Lessee. If and whenever the fixing of such rental is under arbitration, the Lessee, pending the determination thereof, shall continue to pay the same rental which the Lessee had been paying during the last preceding rental period. However, if the rental which the Lessee had been paying during the last preceding rental period was only \$1.00 each year, Lessee, pending the determination by the appraisers of the fair market value of the land, shall pay the amount which Lessor considers to be the rent due in accordance with Paragraph B hereof. Lessor shall promptly repay Lessee for rental overcharge or Lessee shall promptly pay Lessor the deficiency, if any, upon the conclusion of the arbitration proceeding, in either case, together with interest thereon at the rate of 12% per annum.

RESERVING UNTO THE LESSOR THE FOLLOWING:

1. Mineral and Waters. (a) All minerals as hereinafter defined, in, on or under the Premises and the right, on its own behalf or through persons authorized by it, to prospect for, mine and remove the minerals and to occupy and use so much of the surface of the ground as may be required for all purposes reasonably extending to the mining and removal of the minerals by any means whatsoever, including strip mining. "Minerals," as used herein, shall mean any or all oil, gas, coal, phosphate, sodium, sulphur, iron, titanium, gold, silver, bauxite, bauxite clay, diaspore, boehmite, laterite, gibbsite, alumina, all ores of aluminum and, without limitation thereon, all other mineral substances and ore deposits, whether solid, gaseous or liquid, including all geothermal resources, in, on, or under the land, fast or submerged; provided, that "minerals" shall not include sand, gravel, rock or other material suitable for use and used in general construction in furtherance of the Lessee's permitted activities on the Premises and not for sale to others. (b) All surface and ground waters appurtenant to the Premises and the right on its own behalf or through persons authorized by it, to capture, divert or impound the same and to occupy and use so much of the Premises required in the exercise of this right reserved; provided, however, that (1) foregoing rights shall (i) have no material adverse effect on the use and operation of the Leased Land or (ii) otherwise be exercised by the Lessor following a condemnation of the Leased Land in accordance with Article II, Section 26 hereof, to the extent permitted by law,¹ and provided further that as a condition precedent to the exercise by the Lessor of the rights reserved in this paragraph, just compensation shall be paid to the Lessee for any of Lessee's improvements taken, to the extent permitted by law.

2. Prehistoric and Historic Remains. All prehistoric and historic remains found on the Premises.

ARTICLE I

(PREMISES; RIGHT TO SUBDIVIDE, CONDOMINIUMIZE OR MODIFY)

1. Premises. Lessor leases to Lessee, and Lessee leases from Lessor, the Premises described in Exhibit A, as the same may be reduced, reconfigured, modified, or partially withdrawn pursuant to Article I, Section 2. For purposes of this Lease, the Premises initially consist of approximately 115 acres, subject to subdivision and reconfiguration as set forth below.

2. Right to Subdivide, Condominiumize or Modify. For purposes of this Lease, a "Released Area" means any portion of the Premises designated in writing by Lessor for removal pursuant to the following subsections. Subject to the following, Lessor reserves the unilateral right, at any time and from time to time, to do any of the following described in subsections A through F of Article I, Section 2 below.

Notwithstanding the recordation of any Permitted Leasehold Mortgage, no consent or approval of the Lessee nor any Leasehold Mortgagee shall be required for any subdivision, resubdivision, condominiumization (CPR), partition, boundary adjustment, reconfiguration, reduction, or removal of any portion of the Premises outside the Phase 1 Project Area, provided

¹ E.g., Sections 182-2 and 182-3, Hawaii Revised Statutes

that such action does not materially and adversely affect the Phase 1 Project Area or the improvements located thereon. For the avoidance of doubt, the collateral securing any Permitted Leasehold Mortgage shall be limited solely to the Phase 1 Project Area.

A. Subdivide, Condominiumize or Reconfigure Phase 1 Project Area.

Prior to recordation of a Permitted Leasehold Mortgage affecting the Phase 1 Project Area, Lessor may subdivide, resubdivide, condominiumize (create a condominium property regime or "CPR"), partition, adjust boundaries, reduce, or otherwise reconfigure the Phase 1 Project Area (defined below) subject to the written consent of the Lessee, which shall not unreasonably be withheld, allocated to the Phase 1 Project (defined below), including:

1. creating separate subdivided lots and/or separate condominium units for up to forty-six (46) single-family rental homes; and/or
2. creating a separate subdivided lot or condominium unit(s) for twenty-six (26) senior affordable rental apartments and the community center.

"Phase 1 Project" means (i) forty-six (46) single-family rental homes ("SFRH") and (ii) twenty-six (26) senior affordable rental residences ("SARR") apartment units, each of which shall be developed and operated as Low-Income Housing Tax Credit ("LIHTC") units during the initial fifteen (15)-year LIHTC compliance period; and (iii) a community center and all related appurtenant improvements. "Phase 1 Project Area" means the area of land and location where Phase 1 Project will be developed as more specifically shown in the conceptual subdivision Phase 1 site plan in **Exhibit B** attached hereto and incorporated by reference.

B. Subdivide or Condominiumize for Potential Public/Private Project.

Prior to recordation of a Permitted Leasehold Mortgage affecting the Phase 1 Project Area, Lessor may create a separate subdivided lot and/or a separate condominium unit or area of approximately five (5) acres in the Phase 1 Project Area as more specifically shown in **Exhibit B**, provided that if the Lessor desires to increase the size of the area, the Lessor shall obtain the written consent of the Lessee, which shall not unreasonably be withheld, for a potential public/private project, including any associated improvements, infrastructure, or appurtenances.

C. Subdivide or Condominiumize for Drainage and Infrastructure.

Prior to recordation of a Permitted Leasehold Mortgage affecting the Phase 1 Project Area, Lessor may create a separate subdivided lot and/or a separate condominium unit or area of approximately four (4) acres, in the Phase 1 Project Area as more specifically shown in **Exhibit B**, provided that if the Lessor desires to increase the size of the area, the Lessor shall obtain the written consent of the Lessee, which shall not unreasonably be withheld, for drainage facilities, utility or infrastructure improvements, and any related appurtenances or easements necessary to support the Premises or surrounding properties.

D. Subdivide, Condominiumize, or Remove Land for Future Affordable Housing (Phase 2).

Lessor may create one or more separate subdivided lots and/or separate condominium units or areas, or may remove from the Premises entirely, an area of approximately forty-four and one-half (44.5) acres, or such other acreage as Lessor determines appropriate in its sole discretion, provided that if it reduces the Phase 1 Project Area, the Lessor shall obtain the written consent of the Lessee, which shall not unreasonably be withheld, for future affordable housing development (commonly referred to as "Phase 2"), related community or infrastructure improvements, or other County purposes.

E. Subdivide, Condominiumize, or Remove Land for School Purposes.

Lessor may create one or more separate subdivided lots and/or separate condominium units or areas, or may remove from the Premises entirely, up to approximately forty-two (42) acres, or such other acreage as Lessor determines appropriate in its sole discretion, provided that if it reduces the Phase 1 Project Area, the Lessor shall obtain the written consent of the Lessee, which shall not unreasonably be withheld, to create a parcel suitable for development and dedication to the State of Hawaii Department of Education, or for other educational or public facility purposes.

F. Subdivide, Condominiumize, Remove, or Reconfigure for Governmental and Regulatory Requirements.

Lessor may subdivide, resubdivide, condominiumize, remove or reconfigure any portion of the Premises necessary to satisfy governmental conditions, environmental requirements, or road/infrastructure dedications.

Subject to the above conditions, any Released Area shall be automatically removed from the Premises upon delivery of Lessor's written notice. At Lessor's option, and solely for purposes of updating the legal description for recording purposes, the parties may execute a confirmatory amendment or memorandum of ground lease. Upon removal with delivery of Lessor's written notice, any Released Area shall no longer constitute part of the Premises and shall no longer be subject to this Lease.

3. Effect of Partial Release(s). Following any removal of a Released Area from the Premises, this Lease shall thereafter apply only to the remaining portion of the Premises not included within the Released Area. Lessee hereby waives any claim for rent reduction, rent adjustment, abatement, offset, or damages arising from any such removal of a Released Area or from the resulting reduction of the Premises. Nothing in this Section shall be construed to limit Lessor's rights or remedies, including any right to terminate this Lease, as expressly provided elsewhere in this Lease.

4. LIHTC. "Low-Income Housing Tax Credit" or "LIHTC" means the program under Section 42 of the Internal Revenue Code. For the avoidance of doubt, nothing in this Section shall be construed to limit Lessor's right to terminate this Lease at any time pursuant to Article II, Section 22 or any other applicable provision of this Lease; provided, however, that such

termination right is subject to the limitation on termination prior to the expiration of the Initial Compliance Period as set forth elsewhere in this Lease.

ARTICLE II

(LESSEE COVENANTS)

THE LESSEE COVENANTS AND AGREES WITH THE LESSOR AS FOLLOWS:

1. **Payment of Rent.** The Lessee shall pay the rent to the Lessor at the times, in the manner and form provided in this Lease and at the place specified above, or at any other place the Lessor may from time to time designate, in legal tender of the United States of America.

2. **Termination.**

a. Lessee shall submit to Lessor documentation that there is secured, sufficient financing necessary to develop the Phase 1 Project. In the event the Lessee fails to provide the required documentation by December 31, 2028, as determined by Lessor in its reasonable discretion, this Lease shall terminate and all obligations between the parties under this Lease shall cease to exist. Lessor shall refund and remit the pro rata base rent to the Lessee within ten (10) working days of the Lease termination.

b. In the event the Lessee fails to commence construction of the Phase 1 Project, including but not limited to site grading, within five (5) years from the date the Lessee secures financing sufficient to develop the Phase 1 Project, subject to any extension approved in writing by Lessor in its reasonable discretion based upon Lessee's good-faith efforts to proceed with development, this Lease shall may, at Lessor's option, be terminated upon written notice to Lessee. Upon such termination, all obligations between the parties under this Lease shall cease to exist, and Lessor shall refund and remit the pro rata base rent to the Lessee within ten (10) working days of the Lease termination.

3. **Taxes, Assessments, Etc.** Lessee shall pay or cause to be paid, when due, the amount of all taxes, rates, fees, fines, and assessments, including any association fees, of every description as to which the Premises or any part, or any improvements, or the Lessor or Lessee, are now or may be assessed or become liable by authority of law during the term of this Lease; provided, however, that with respect to any assessment made under any betterment or improvement law which may be payable in installments, Lessee shall be required to pay only those installments, together with interest, which becomes due and payable during the term.

a. **Lessee's Right to Contest.** Lessee shall have the right, at its own expense, to contest the amount or validity of any tax or assessment by appropriate proceedings diligently conducted in good faith. As a condition precedent to Lessee's contesting any tax or assessment, Lessee shall (i) comply with all laws, orders, rules and regulations respecting such contest, (ii) give Lessor prior written notice of Lessee's intent to so contest said amount or validity, and (iii) in order to protect Lessor from any sale or foreclosure against the Premises or any part thereof, provide a good and sufficient surety bond or other security deemed appropriate by Lessor in the amount of such tax or assessment plus estimated penalties and interest that may be imposed. Lessee

shall bear any and all costs, liabilities or damages, including reasonable attorneys' fees and costs arising out of such contest. Nothing in this section relieves, modifies, or extends Lessee's covenant to pay any such tax or assessment at the time and in the manner provided in this Article II, Section 3.

b. Lessor's Cooperation in Lessee's Contest. Provided Lessor incurs no cost or liability in doing so, Lessor shall cooperate (and Lessor shall execute applications, certificates and like documents) with Lessee in any proceedings brought by Lessee to contest the validity or the amount of any taxes or assessments or to recover any taxes or assessments paid by Lessee. If the provisions of any law at the time in effect shall require that such proceedings be brought by or in the name of Lessor, then, provided Lessor incurs no cost or liability in doing so, Lessor shall join in any such proceedings or permit the same to be brought in its name. If any such proceedings shall be brought by Lessee, Lessee shall, without limiting any other indemnity in this Lease, defend, indemnify and hold the Lessor harmless from all claims arising from such proceedings.

4. Utility Services. The Lessee shall pay when due all charges, duties and rates of every description, including water, sewer, gas, refuse collection or any other charges, as to which the Premises or any part, or any improvements, or the Lessor or Lessee may become liable for during the term, whether assessed to or payable by the Lessor or Lessee, excluding any utility charges contracted directly by the residential tenants.

5. Covenant against Discrimination. The use and enjoyment of the Premises shall not be in support of any policy which discriminates against anyone based upon race, creed, sex, color, national origin, religion, marital status, familial status, ancestry, physical handicap, disability, or HIV (human immunodeficiency virus) infection.

6. Sanitation. The Lessee shall keep the Premises and improvements in a strictly clean, sanitary and orderly condition as comparable residential developments in Hawaii, similar in age, desirability of location, level of housing affordability, kind and nature to the Improvements.

7. Waste and Unlawful, Improper or Offensive Use of Premises. The Lessee shall be responsible for the maintenance of the Premises during the term of this Lease and shall not commit, suffer or permit to be committed any waste, nuisance, strip or unlawful or improper use of the Premises or any part thereof. Lessee shall be responsible for responding to any complaints against the Premises and for resolving any issues arising from the complaints, including but not limited to, taking action to halt any waste, nuisance, or unlawful use of the Premises.

8. Compliance with Laws. The Lessee shall comply with the applicable laws of all governmental authorities having jurisdiction over the Leased Land, construction of the Improvements, and use and operation of the Premises now in force or which may become effective subsequent to the commencement of this Lease.

9. Inspection of Premises. The Lessee shall permit the Lessor and its agents, at all reasonable times during the Lease term, to enter the Premises and examine the state of its repair and condition with three (3) days prior written notice to Lessee.

10. Improvements. The Lessee shall not at any time during the term construct, place, or install on the Premises any new building, structure or improvement of any kind and description

except with the prior written approval of the Lessor and Permitted Leasehold Mortgagee (as hereinafter defined in Article II, Section 21) and upon those conditions the Lessor may reasonably impose with exception that Lessee is not required to obtain Lessor's prior approval to effect (i) emergency repairs, (ii) interior alterations or minor repairs that are non-structural and do not significantly alter the external appearance or view of any improvements, (iii) other routine maintenance work that does not otherwise involve major repairs, or (iv) tenant improvement repair(s) in the retail commercial space. The Lessee shall own the improvements in fee until the expiration or earlier termination of the Lease, at which time the ownership shall become the property of the Lessor. Accordingly, at all times during the term of this Lease, Lessee shall be deemed to exclusively own the improvements for federal and state and local tax purposes, and Lessee alone shall be entitled to all of the tax attributes of ownership thereof, including, without limitation, the right to claim depreciation or cost recover deductions, the right to claim the tax credits available to the Lessee under Section 42 of the Internal Revenue Code, with respect to the improvements, and the right to amortize capital costs and to claim any other federal or state or local tax benefits attributable to the improvements. Lessee and Lessor shall each report this transaction consistent with the provisions of this Article II, Section 10 on any federal, state or local tax return filed by each. At the expiration or earlier termination of this Lease, provided Lessee is not then in default, Lessee may remove any or all of Lessee's personal property from the Premises so long as (i) such personal property can be removed without structural damage to the improvements, and (ii) such personal property is removed within thirty (30) days following such expiration or earlier termination of this Lease, and (iii) all resultant damage to the Premises and any improvements are promptly and completely remedied and Lessee takes reasonable steps necessary to preserve the appearance of the Premises and any improvements. Any personal property of Lessee remaining on the Premises after said thirty (30) day period shall automatically vest and become the sole property of Lessor without any payment by Lessor and without any further action or agreement required, including the necessity of bill of any sale, deed, conveyance or other act or agreement of Lessee, and without payment of any kind or nature by Lessor to Lessee or to any other person.

Notwithstanding any provision herein or elsewhere to the contrary, Lessee shall own in fee simple all buildings, structures and real property improvements which are now or hereafter situated on the Premises; provided that Lessee, for itself and its successors and assigns, covenants that the buildings, structures and real property improvements shall not be separated from the Premises and can only be conveyed or encumbered with any conveyance or encumbrance of this Lease subject to Lessor's approval or consent as provided below in Article II, Section 14, Assignments of Lease and Transfers.

11. Repairs to Improvements. The Lessee shall, at its own expense, keep, repair, and maintain all buildings and improvements now existing or hereafter constructed or installed on the Premises in good order, condition and repair, reasonable wear and tear excepted as to comparable residential developments in Hawaii, similar in age, desirability of location, level of housing affordability, kind and nature to the improvements. Lessee shall also, at its own expense, make any and all repairs and perform all work required to keep the Premises, buildings, and improvements on the Premises in compliance with all County, State, and Federal laws and regulations, including but not limited to environmental, Americans with Disabilities Act, and other requirements.

12. Liens. Except for the liens permitted by Article II, Section 21 of this Lease and except for leases and/or rental agreements with tenants for the residential spaces in the project described in Article II, Section 13, the Lessee shall at all times keep the Premises free and clear of all mechanics' and materialmen's liens and all other liens and encumbrances. Lessee shall promptly pay all contractors and materialmen in accordance with its contract(s) for construction of any improvements with respect to work performed by or for Lessee or materials purchased by or for Lessee so as to prevent any liens attaching to the Premises. Lessee shall defend, indemnify, and hold harmless the Lessor from and against any claims for such liens and encumbrances and all resulting expenses.

13. Character of Use. Lessee shall use or cause the Premises (including any subdivided lots or condominium units or areas created pursuant to Lessor's rights under this Lease) solely for the purposes of developing, operating, and maintaining the Phase 1 Project.

Except for any permitted resident manager's units, all dwelling units in the Phase 1 Project shall be affordable to households at or below sixty percent (60%) of area median income ("AMI"), unless otherwise approved by Lessor and permitted under Section 42 of the Internal Revenue Code.

Lessee shall ensure that the construction, development, use, occupancy, and operation of the Phase 1 Project comply with all applicable County, State, and Federal laws, regulations, land use entitlements, and permitting requirements.

For purposes of this Lease, references to the "Project" consists of the Phase 1 Project.

14. Assignments of Lease and Transfers.

a. Lessee shall not assign this Lease, nor sell, assign, convey, transfer, mortgage, pledge, encumber, or otherwise dispose of all or any portion of its leasehold estate, without the prior written consent of Lessor, which may be granted, conditioned, or withheld in Lessor's sole and absolute discretion, except as expressly provided in Article II, Section 21 (Permitted Leasehold Mortgages) or in the case of transfers occurring by foreclosure or assignment in lieu of foreclosure as provided below or as set forth in Article II, Section 15.

i. Assignments of the Entire Leasehold Estate. Any proposed assignment of the entire leasehold estate shall require Lessor's prior written consent in Lessor's sole and absolute discretion. No assignment shall be effective unless and until Lessor provides written consent. Any permitted assignee shall assume in writing all obligations of Lessee hereunder. No assignment shall release Lessee from liability unless Lessor expressly agrees in writing.

ii. Assignments or Transfers of Less Than the Entire Leasehold Estate. Any sale, assignment, conveyance, transfer, or other disposition of less than the entire leasehold estate, including any portion of the approximately 115-acre Premises, shall require Lessor's prior written consent in Lessor's sole and absolute discretion. Any such partial transfer shall be treated as an assignment of this Lease with respect to the affected portion and shall be subject to all requirements of this Article II, Section 14.

iii. Foreclosure-Related Transfers. Notwithstanding anything to the contrary in this Article II, Section 14, an assignment to or by (i) a mortgagee under a Permitted Leasehold Mortgage, (ii) the U.S. Department of Housing and Urban Development, (iii) the U.S. Department of Veterans Affairs, or (iv) any purchaser at a foreclosure sale or transferee under an assignment in lieu of foreclosure, shall not require Lessor's consent, and the acquiring party shall be liable for Lessee's obligations only during the period of such party's ownership or possession of the leasehold estate.

Upon full execution of the assignment, Lessee shall deliver a copy thereof to Lessor within ten (10) business days.

b. Post-Compliance Bulk Transfers of Residential Components. Notwithstanding anything to the contrary in this Lease, following the expiration of the initial fifteen (15)-year LIHTC compliance period described in Section 42(i)(1) of the Internal Revenue Code (the "Initial Compliance Period"), and subject to (i) compliance with all applicable extended-use, regulatory, or affordability requirements, and (ii) the prior written consent of Lessor (which consent may be conditioned but shall not be unreasonably withheld, delayed, or conditioned so long as the County's affordability and programmatic requirements are satisfied), Lessee may sell, assign, or otherwise transfer, in one or more bulk transactions, in each case without conveying or affecting Lessor's fee simple interest in the Premises the following:

i. Lessee's leasehold interest in the portion of the Premises improved with the forty-six (46) SFRHs; and/or

ii. Lessee's leasehold interest in the portion of the Premises improved with the twenty-six (26) SARRs and the community center.

c. Subdivision / CPR as Condition to Partial Transfers. As a condition to any transfer permitted under subsection (c), and subject to the provisions of Article I, Section 2, which shall not be unreasonably withheld, Lessor may require that the applicable portion of the Premises (e.g., the SFRH area and/or the SARR/community center area) first be subdivided and/or condominiumized pursuant to Article I, Section 2 so that each such portion constitutes a separate subdivided lot and/or a separate condominium unit or area with a legally sufficient description. No consent or approval of the Lessee nor of any Leasehold Mortgagee shall be required for any such subdivision or condominiumization affecting only portions of the Premises outside the Phase 1 Project Area. To the extent any such subdivision or condominiumization would reduce or otherwise affect the Phase 1 Project Area, the written consent of the Lessee (which shall not be unreasonably withheld) and, if applicable, the consent of any Permitted Leasehold Mortgagee shall be required. Lessee shall cooperate, at its sole cost and expense (unless otherwise agreed by Lessor), in all subdivision, resubdivision, condominiumization, modification, or reconfiguration reasonably required to implement any such transfer, and shall execute all instruments reasonably requested by Lessor in connection therewith.

d. County Fee Simple Interest Retained. All transfers permitted or approved under this Article II, Section 14 shall apply only to Lessee's leasehold interest. Lessor shall at all times retain its fee simple ownership of the Premises and of any subdivided lots, condominium units, or parcels created pursuant to Article I, Section 2.

15. Subletting. Lessee may lease or sublease residential dwelling units, senior apartment units, and related residential spaces within the Improvements located on the Premises (together with any appurtenant parking stalls) to qualified tenants in accordance with Article II, Section 13 and all applicable affordability, regulatory, and programmatic requirements. Such residential leasing activity shall not constitute a sublease of the Premises for purposes of this Section. Except for the residential leasing described above, Lessee shall not sublet, underlet, or grant occupancy rights in the Premises, in whole or in part, including any land area or non-residential portion of the Improvements, without the prior written consent of Lessor, which may be granted, conditioned, or withheld in Lessor's sole and absolute discretion. Any approved sublease shall be subordinate to this Lease and shall not relieve Lessee of any obligations hereunder.

16. Indemnity. The Lessee shall indemnify, defend and hold harmless the Lessor and its officers, employees, directors, agents, representatives, officials, successors and assigns from and against any and all liability, loss, damage, cost, and expense, including attorneys' fees, and all claims, suits, and demands therefore, relating to, arising out of or resulting from: (a) the acts or omissions of the Lessee or its employees, officers, agents, or subcontractors; (b) this Lease; (c) the design, construction, repair, renovation, or defects of the Phase 1 Project, Premises, or improvements thereon and/or lease, use, occupation or operation of the Phase 1 Project, Premises, or improvements thereon; and/or (d) the enforcement of this Lease (whether or not suit is brought therefore). This provision shall survive the expiration or earlier termination of this Lease, notwithstanding any other provision to the contrary.

17. Costs of Litigation. In case the Lessor shall be made a party to any litigation commenced by or against the Lessee (other than condemnation proceedings), the Lessee shall pay all costs, reasonable attorney's fees, and expenses incurred by or imposed on the Lessor; furthermore, the Lessee shall pay all costs, reasonable attorney's fees, and expenses which may be incurred by or paid by the Lessor in enforcing the covenants and agreements of this Lease, in recovering possession of the Premises, or in the collection of delinquent rents, taxes, and any and all other charges.

18. Liability Insurance. Lessee, at its cost and expense, shall maintain at all times the following insurance policies in full force and effect throughout the term of this Lease, with the following minimum policy limits and coverage, with insurance company(s) licensed to do business in the State of Hawaii with a minimum insurer financial strength rating of B+ from A.M. Best or BBB- from Fitch Ratings, Inc., or otherwise acceptable to Lessor:

Coverage

Minimum Policy Limits

Commercial General
Liability and Automobile
Insurance

Lessee's commercial general liability and automobile liability, including products and completed operations coverage, and automobile liability insurance shall be written on occurrence form and contain broad form property damage and bodily injury coverage of a combined single limit of not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate arising out of or in

connection with operations performed under this Lease. Automobile insurance, and basic no-fault and personal injury protection as required by Hawaii laws, shall be no less than \$1,000,000 per accident. If the Lessee does not own automobiles, it shall maintain Hired & Non-owned Automobile Liability coverage.

Pollution Liability

Lessee shall obtain at Lessee's expense and shall keep in effect during the term of the Lease, Pollution Liability Insurance covering Lessee's liability for bodily injury, property damage and environmental damage resulting from sudden accidental and gradual pollution and related cleanup costs incurred by Lessee all arising out of Lessee's lease and use of the Leased Land. Combined single limit per occurrence may not be less than \$3,000,000. Annual aggregate limit may not be less than \$5,000,000. The policy shall name the Lessor as an additional insured.

Worker's Compensation

As required by Hawaii law.

Property

Including Windstorm written on a replacement cost basis in an amount not less than 100% of the replacement cost of the buildings and contents, including betterments and improvements, made by Lessee, located on the Premises. Lessee shall be responsible for any deductible or self-insurance retention, and to provide these coverages on a primary basis. Lessor shall be a loss payee under the Property Insurance. Coverage should be evidenced on form Acord 27 —Evidence of Property Insurance. For purposes of this Lease, "replacement cost" means replacement cost based on the valuation methodology customarily used by the insurer for issuing replacement cost property coverage.

The Commercial General Liability Insurance and the Automobile Insurance shall contain the following four provisions:

- i. It is agreed that any insurance maintained by Lessor shall apply in excess of and not contribute with insurance provided by this policy.
- ii. The Lessor is added as an additional insured party with respect to operations performed on the property under this Lease.

iii. Insurance shall include a cross liability or severability of interest clause.

iv. The Lessee shall immediately provide written notice to the Lessor should any of the insurance policies evidenced on its Certificate of Insurance form be cancelled, limited in scope, or not renewed upon expiration.

The above required insurance shall be primary and shall cover the insured for all operations to be performed under this Lease and on the Premises, all operations performed incidentally, directly or indirectly connected with all operations to be performed under this Lease and on the Premises, including operations performed outside the work area and all change order work.

Lessee agrees to a Waiver of Subrogation for each required policy described herein. When required by the insurer or should a policy condition not permit the Lessee to enter into a pre-loss agreement to waive subrogation without an endorsement, the Lessee shall notify the insurer and request that the policy be endorsed with a Waiver of Transfer of Rights of Recovery Against Others, or its equivalent. This Waiver of Subrogation requirement shall not apply to any policy, which includes a condition specifically prohibiting such an endorsement, or voids coverage should the Lessee enter into such an agreement on a pre-loss basis.

Lessee agrees to deposit with Lessor, on or before the Effective Date of this Lease, certificates of insurance necessary to satisfy Lessor that the insurance provisions of this Lease have been complied with. Lessee further agrees to keep such insurance in effect and current certificates of insurance on deposit with Lessor during the entire term of this Lease. The certificates of insurance shall refer to this Lease.

The procuring of the required policy or policies of insurance shall not be construed to limit the Lessee's liability under this Lease nor to fulfill the indemnification provisions and requirements of this contract. Notwithstanding the policy or policies of insurance, the Lessee shall be obligated for the total amount of any damage, injury, or loss incurred under or related to this Lease to the extent the Lessee is liable therefor under this Lease.

All rights or claims of subrogation against the Lessor and its officers, employees, and agents are waived.

Lessee shall procure from each of the insurers under all policies of insurance obtained pursuant to the provisions of this Lease, including but not limited to public liability and fire insurance, a waiver of all rights of subrogation which said insurer might otherwise have, as against the other party hereto, said waiver to be in writing and for the express benefit of the other.

17a. Contractor's Pollution Liability Insurance. Any general contractor contracted to construct the Phase 1 Project or undertake substantial rehabilitation of the Phase 1 Project on the Premises shall be required to obtain and maintain Pollution Liability Insurance covering its liability for bodily injury, property damage and environmental damage resulting from sudden accidental and gradual pollution and related cleanup costs arising out of or caused by the operations and construction activities of said general contractor. Combined single limit per occurrence shall not be less than Three Million and No/100 Dollars (\$3,000,000) and aggregate limit of not less than Five Million and No/100 Dollars (\$5,000,000). The policy shall have tail coverage extending 5

years beyond the completion of the work contemplated by the applicable construction contract. The policy shall name the Lessor as an additional insured party.

19. Property Insurance. The Lessee, at its cost and expense, shall procure and maintain at all times during the term of this Lease, fire and extended coverage insurance with an insurance company(s) licensed to do business in the State of Hawaii, insuring all buildings and improvements erected on the Premises in the joint names of Lessor and Lessee, with the standard mortgage clause for mortgagee, if any, as their interest may appear, in an amount equal to the replacement cost of the facilities and shall pay the premiums at the time and place required under the policy.

Subject to the prior written approval of Permitted Leasehold Mortgagee, in the event of total or partial loss, at Lessee's discretion (i) any proceeds derived from the policy(s) shall be used by the Lessee for rebuilding, repairing, or otherwise reinstating the same buildings in a good and substantial manner according to plans and specifications approved in writing by the Lessor and Permitted Leasehold Mortgagee or (ii) with the approval of the Permitted Leasehold Mortgagee, the Lessee may surrender this Lease and pay the balance owing on any mortgage and repay any equity investors for amounts owing and the Lessee shall then receive after payment of such amounts, the remaining proceeds.

The Lessee shall furnish the Lessor on or before the Effective Date of this Lease, a certificate showing the policy(s) to be in full force and effect and shall furnish a like certificate upon each renewal of the policy(s).

Lessee shall procure from each of the insurers under all policies of insurance obtained pursuant to the provisions of this Lease, including but not limited to public liability and fire insurance, a waiver of all rights of subrogation which said insurer might otherwise have, as against the other party hereto, said waiver to be in writing and for the express benefit of the other.

Notwithstanding the foregoing, this Lease may not be terminated in the event of a Casualty (as hereinafter defined in Article II, Section 22) without the prior written consent of the Leasehold Mortgagee and the Tax Credit Investor, and all insurance proceeds to which Lessee is entitled shall be paid to the Leasehold Mortgagee and thereafter disbursed only in accordance with the applicable loan documents and this Lease.

To the extent that any provisions in this section conflict with provisions of Article II, Section 21 of this Lease, the provisions in said Section 21 shall control.

20. Reserved.

21. Mortgage. Leasehold mortgages to encumber this Lease in connection with financing approved by Lessor shall be referred to as the "Permitted Leasehold Mortgages" and shall be expressly permitted hereunder notwithstanding anything to the contrary herein. Except for the Permitted Leasehold Mortgages and as otherwise provided in this Lease, the Lessee shall not mortgage, hypothecate, or pledge the Premises, any portion, or any interest in this Lease without the prior written approval of the Lessor and the limited partner of Lessee that provides equity financing in connection with the Low-Income Housing Tax Credit program for the Phase I Project ("Tax Credit Investor"), together with any successor or permitted transferee admitted as such under the partnership agreement of Lessee and any mortgage, hypothecation, or pledge without Lessor's

and Tax Credit Investor's approval shall be null and void. Lessee shall also be permitted, without Lessor consent, to enter into leases and other agreements in the ordinary course of Phase 1 Project operations (e.g., for laundry, internet, cable and telephone facilities), provided that the same are not recorded against any portion of the Leased Land.

Upon due application and with the written consent of the Lessor and Tax Credit Investor, the Lessee may mortgage, pledge or otherwise transfer this Lease if Lessee obtains a loan, the repayment of which is to be secured by one or more mortgages on the leasehold estate in favor of (i) any department or agency of the federal government, including U. S. Department of Housing and Urban Development, Federal Housing Administration, Veterans Administration, Rural Development, (ii) any department, agency or public body and body corporate and politic of the State of Hawaii, (iii) any agency or department of the County, (iv) any bond issuer, underwriter or trustee, or (v) any lending institution (including, without limitation, any bank, insurance company, pension or retirement fund or mutual fund), in each case, to finance or refinance the development, construction, repair or alteration of improvements on the Premises (together with the Permitted Leasehold Mortgages, each a "Leasehold Mortgage" and the holder of any such Leasehold Mortgage (which includes any and all Permitted Leasehold Mortgages) referred to as a "Leasehold Mortgagee"). It is understood and agreed that such Leasehold Mortgagee, or its designee, or any purchaser in foreclosure proceedings, or any grantee pursuant to an assignment in lieu of foreclosure, may become the legal Lessee under this Lease through foreclosure proceedings, by assignment of this Lease in lieu of foreclosure or otherwise. Neither the foreclosure of any Leasehold Mortgage (whether by judicial proceedings or by virtue of any power of sale contained in the Leasehold Mortgage), nor any conveyance of the leasehold estate created by this Lease by Lessee to any Leasehold Mortgagee or its designee by an assignment or by a deed in lieu of foreclosure or other similar instrument shall require the consent of Lessor under, or constitute a default under, this Lease, and upon such foreclosure, sale or conveyance, Lessor shall recognize the purchaser or other transferee in connection therewith as the Lessee under this Lease. Lessee is authorized otherwise to comply with the requirements of the mortgagee for obtaining such mortgage loan. No liability for the performance of Lessee's covenants and agreements hereunder shall attach to or be imposed upon any Leasehold Mortgagee, unless such Leasehold Mortgagee forecloses its interest and becomes the Lessee under this Lease, following which the liability shall attach only during the term of ownership of the leasehold estate by said Leasehold Mortgagee, its nominees and assigns; and provided further, such liability shall be limited to value of the Leasehold Mortgagee's, nominee's or assign's interest in this Lease. If a Leasehold Mortgagee shall acquire title to Lessee's interest, by foreclosure of a Leasehold Mortgage thereon, by assignment in lieu of foreclosure or by an assignment from a nominee or wholly-owned subsidiary of such Leasehold Mortgagee; or under a new lease created pursuant to Article II, Section 21(e) below, or otherwise, such Leasehold Mortgagee may subsequently assign such Lease or sublet or underlet the Premises in accordance with the terms of this Lease, without the prior consent of Lessor, and such assignee shall enjoy all rights, powers and privileges granted herein. No Leasehold Mortgagee shall become personally liable under the agreements, terms, covenants or conditions of this Lease or any new lease entered into in accordance with the provisions of Article II, Section 21(e) below, unless and until it becomes, and then only with respect to events or conditions first occurring while it remains, the owner of the leasehold estate pursuant to this Lease.

During the term of any Permitted Leasehold Mortgages and if any future Leasehold Mortgagee shall give written notice to Lessor of its Leasehold Mortgage, together with the name

and address of such future Leasehold Mortgagee, then, notwithstanding anything to the contrary in this Lease, until the time, if any, that the Permitted Leasehold Mortgages and any such future Leasehold Mortgage shall be satisfied and release of record:

a. No act or agreement between or on the part of Lessor or Lessee to cancel, terminate, surrender, amend, or modify this Lease or Lessee's right to possession shall be binding upon or effective against the Leasehold Mortgagee without its prior written consent.

b. If Lessor shall give any notice, demand, election or other communication required hereunder (hereafter collectively, "Notices") to Lessee hereunder, Lessor shall concurrently give a copy of each such Notice to the Leasehold Mortgagee at the address designated by the Leasehold Mortgagee. Such copies of Notices shall be sent by personal delivery, by an overnight delivery service, or by registered or certified mail, return receipt requested, and shall be deemed given upon receipt if sent by personal delivery, on the next business day if sent by an overnight delivery service, and seventy-two hours after the time such copy is deposited in the United States Post Office with postage charges prepaid, addressed to the Leasehold Mortgagee. No Notice given by Lessor to Lessee shall be binding upon or affect Lessee or the Leasehold Mortgagee unless a copy of the Notice shall be given in writing to the Leasehold Mortgagee pursuant to this subsection. Lessor will not exercise any right, power or remedy with respect to any default hereunder, and no notice to Lessee of any such default shall be effective, until Lessor shall have so given to the Leasehold Mortgagee written notice or a copy of its notice to Lessee of such default. In the case of an assignment of the Leasehold Mortgage or change in address of the Leasehold Mortgagee, the assignee or Leasehold Mortgagee, by written notice to Lessor, may change the address to which such copies of Notices are to be sent.

c. There shall be added to the grace periods provided in Article II, Section 21 hereof to Lessee for curing any default, an additional ten (10) days in the case of a default in payment of any rents, and an additional sixty (60) days in the case of all other defaults, for such Leasehold Mortgagee to cure the same beyond the time allowed to Lessee. Lessor will not terminate this Lease because of any default by Lessee hereunder or other cause whatsoever if, within such additional applicable time period after Lessor has mailed written notice of intention to terminate this Lease for such cause to the Leasehold Mortgagee at its last known address and also, if such Leasehold Mortgage is insured by the Department of Housing and Urban Development or guaranteed by the Veterans' Administration, to such Department or Administration, the Leasehold Mortgagee or such Department or Administration shall either cure such default or other cause or, if the same cannot be cured by the payment of money, shall undertake in writing to perform all the covenants of this Lease capable of performance by it until such time as this Lease shall be sold upon foreclosure pursuant to such Leasehold Mortgage, and in case of such undertaking, Lessor will not terminate this Lease within such further time as may be required by the Leasehold Mortgagee or such Department or Administration to complete foreclosure of such Leasehold Mortgage or other remedy thereunder, provided (a) that such remedy is pursued promptly and completed with due diligence, and (b) that Lessor is paid all rent and other charges accruing hereunder as the same become due, and upon foreclosure sale of this Lease, the time for performance of any obligation of Lessee then in default hereunder other than payment of money shall be extended by the time reasonably necessary to complete such performance with due diligence. Notwithstanding the foregoing, if a Leasehold Mortgagee completes a foreclosure of this Lease or otherwise diligently exercises its rights and remedies hereunder, Lessor shall waive

any events of default that cannot reasonably be cured by such Leasehold Mortgagee. Notwithstanding the foregoing, Leasehold Mortgagee or assignee shall not be liable for any actions taken by Lessee, which require, but never obtained, Leasehold Mortgagee approval.

d. If any Leasehold Mortgagee is prohibited from commencing or prosecuting foreclosure or other appropriate proceedings in the nature thereof by any process or injunction issued by any court or by reason of any action by any court having jurisdiction of any bankruptcy or insolvency proceeding involving Lessee, the times specified above for commencing or prosecuting foreclosure or other proceedings shall be extended for the period of the prohibition.

e. Lessor agrees that, in the event of termination of this Lease for any reason (including, but not limited to, a rejection or termination of this Lease in bankruptcy or any other default by Lessee), Lessor, if requested by any Leasehold Mortgagee, will enter into a new lease of the Premises with the most senior Leasehold Mortgagee requesting a new lease, which new lease shall commence as of the date of termination of this Lease and shall run for the remainder of the original term of this Lease (and any renewal term, if any), on the same terms and conditions as the original lease between the undersigned Lessor and Lessee, provided:

i. Such Leasehold Mortgagee shall make written request upon Lessor for the new lease within sixty (60) days after the date such Leasehold Mortgagee receives written notice from Lessor that this Lease has been terminated;

ii. Such Leasehold Mortgagee shall pay to Lessor at the time of the execution and delivery of the new lease any and all sums which would, at that time, be due and unpaid pursuant to this Lease but for its termination and in addition thereto all reasonable expenses, including reasonable attorneys' fees, which Lessor shall have incurred by reason of such termination;

iii. Such Leasehold Mortgagee shall perform and observe all covenants in this Lease to be performed and observed by Lessee, and shall further remedy any other conditions which Lessee under this Lease was obligated to perform under its terms, to the extent the same are reasonably susceptible of being cured by the Leasehold Mortgagee; and

iv. The lessee under the new lease shall have the same right of occupancy to the buildings and improvements on the Premises as Lessee had under this Lease immediately prior to its termination.

Notwithstanding anything to the contrary expressed or implied in this Lease, any new lease made pursuant to this Article II, Section 21 shall have the same priority as this Lease with respect to any mortgage, deed of trust, or other lien, charge or encumbrance on the fee of the Premises, and any sublease under this Lease shall be a sublease under the new lease and shall not be deemed to have terminated by their termination of this Lease.

f. To the extent permitted by law, Lessor shall not convey, transfer, assign, mortgage or encumber its interest in the Leased Land, without the prior written consent of Leasehold Mortgagee, and shall prohibit Lessee from subordinating Lessee's interest in this Lease to any subsequent mortgage of the fee estate granted by Lessor without the approval of the Leasehold Mortgagee.

Nothing herein contained shall require any Leasehold Mortgagee to enter into a new lease pursuant to this Article II, Section 21 or to cure any default of Lessee referred to above.

22. Breach. Time is of the essence in this agreement, and if the Lessee shall fail to pay the rent, or any part, at the times and in the manner provided within thirty (30) days after delivery by the Lessor of a written notice of breach or default, or if the Lessee shall become bankrupt, or shall abandon the Premises, or if this Lease and Premises shall be attached or taken by operation of law, or if any assignment is made of the Lessee's property for the benefit of creditors, or if Lessee shall fail to observe and perform any of the covenants, terms, and conditions contained in this Lease and on its part to be observed and performed, and this failure shall continue for a period of more than sixty (60) days after delivery by the Lessor of a written notice of breach or default, by personal service, registered mail or certified mail to the Lessee at its last known address and to each mortgagee or holder of record having a security interest in the Premises, the Lessor may at once re-enter the Premises, or any part, and upon or without the entry, at its option, terminate this Lease without prejudice to any other remedy or right of action for arrears of rent or for any preceding or other breach of contract; and in the event of termination, at the option of the Lessor, all buildings and improvements shall remain and become the property of the Lessor at no cost or expense of Lessor; furthermore, Lessor shall retain all rent paid in advance to be applied to any damages.

22A. Tax Credit Investor Rights.

(a) Lessor agrees to provide Tax Credit Investor copies of any any Notice provided to Lessee pursuant to this Lease at the address for the Tax Credit Investor provided by Lessee to Lessor from time to time by written notice to Lessor.

(b) Lessor agrees that it will take no action to effect a termination of this Lease by reason of any breach without first giving to the Tax Credit Investor reasonable time, not to exceed ninety (90) days after Lessor's notice as provided in Section 22A(a) above, to cure such breach or to replace the Lessee's general partner(s) and cause the new general partner(s) to cure such breach.

(c) Notwithstanding anything contained in this Lease to the contrary, nothing in this Article II, Section 22A shall limit or restrict Lessor's rights or remedies under this Lease, which may be exercised at any time in accordance with Article II, Section 22, subject only to the notice and cure rights provided to the Tax Credit Investor in Article II, Sections 22A(a) and 22A(b).

23. Subdivision. Lessor is responsible for the subdivision of the from the Leased Land from the Premises, including all costs associated with subdivision. Lessor is responsible for any further subdivision required for roads, utilities, parks, community center, and other purposes where dedication of a separate lot is required, including the preparation of any required easement documents.

24. Land Entitlements. In connection with the development of the Phase I Project, Lessee is responsible for obtaining all land entitlements, including State Land Use District Amendments, changes in zoning, district boundary amendments, community plan amendments, including all costs associated with said land entitlements.

25. Permitting. Lessee is responsible for all County, State, and Federal requirements required to develop the Phase 1 Project, including all costs associated with said permits.

26. Condemnation. In the event that the entire Premises or so much of the Premises as to render the balance unusable by Lessee, as determined by Lessee, shall be taken by condemnation, sale in lieu of condemnation or in any other manner for any public or quasi-public purpose (collectively, "Condemnation"), or in the event that the entire Premises or so much of the Premises as to render the balance unusable by Lessee, as determined by Lessee, shall be damaged or destroyed by fire, earthquake, flood, act of God or other Casualty to or in connection with the Premises, the improvements thereon or any portion thereof (collectively, "Casualty"), then, Lessee shall have the option, subject to the written approval of Leasehold Mortgagee, to surrender this Lease and be discharged and relieved from any further liability; provided, that Lessee may remove the permanent improvements constructed, erected and placed by it within any reasonable period allowed by the Lessor. In the event that this Lease is not terminated as provided above, the Lease shall continue in full force and effect and unmodified as to the remainder of the Premises and the Lessee shall have the right but not the obligation to rebuild and/or restore the improvements on the Premises. Lessor shall have no right to terminate this Lease as a result of any Casualty or any full, partial or temporary Condemnation of the Premises without the approval of the Leasehold Mortgagee. The foregoing rights of the Lessee shall not be exclusive of any other to which Lessee may be entitled by law.

Notwithstanding the foregoing, to the extent that a Condemnation or Casualty award is granted, it shall be paid to the most senior Leasehold Mortgagee to be used in accordance with the applicable mortgage documents, with any remaining balance being paid directly to Lessee. In the event of partial Condemnation or partial Casualty, this Lease shall continue unless Lessee and Lessor agree to terminate this Lease with the prior written consent of the Leasehold Mortgagee. Lessor's interest in the Premises consists solely of the remainder interest in the unimproved Land as encumbered by this Lease. Lessor will provide reasonable prior written notice to Leasehold Mortgagee and Lessee of any proceeding for adjustment or adjudication of any Condemnation or Casualty claim involving the Leased Land, and shall permit the Leasehold Mortgagee and Lessee to participate therein as interested parties.

27. Right to Enter. The Lessor and its agents, representatives, successors or assigns shall have the right to enter and cross any portion of the Premises for the purpose of performing any public or official duties; provided, however, (i) in the exercise of these rights, the Lessor shall not interfere unreasonably with Lessee's use and enjoyment of the Premises and (ii) Lessor, or its assigns, shall provide at least three (3) business days prior written notice to Lessee.

28. Acceptance of Rent Not a Waiver. The acceptance of rent by the Lessor shall not be deemed a waiver of any breach by the Lessee of any term, covenant, or condition of this Lease, nor of the Lessor's right of re-entry for breach of covenant, nor of the Lessor's right to declare and enforce a forfeiture for any breach, and the failure of the Lessor to insist upon strict performance of any term, covenant, or condition, or to exercise any option conferred, in any one or more instances, shall not be construed as a waiver or relinquishment of any term, covenant, condition, or option.

29. Extension of Time. Notwithstanding any provision contained in this Lease, when applicable, the Lessor may for good cause shown, allow additional time beyond the time or times specified in this Lease for the Lessee to comply, observe, and perform any of the Lease terms, conditions, and covenants.

30. Quiet Enjoyment. The Lessor covenants and agrees with the Lessee that upon payment of the rent at the times and in the manner provided and the observance and performance of these covenants, terms, and conditions on the part of the Lessee to be observed and performed, the Lessee shall and may have, hold, possess, and enjoy the Premises for the term of the Lease, without hindrance or interruption by the Lessor or any other person or persons lawfully claiming by, through, or under it.

31. Surrender. The Lessee shall, at the end of the term or other sooner termination of this Lease, peaceably deliver unto Lessor possession of the Premises, together with all improvements existing or constructed thereon at the option of the Lessor, in either case, at no cost or expense of Lessor. Furthermore, upon the expiration, termination, and/or revocation of this Lease, should the Lessee fail to remove any and all of Lessee's personal property from the Premises, after notice thereof, the Lessor may remove any and all personal property from the Premises and either deem the property abandoned and dispose of the property or place the property in storage at the cost and expense of Lessee, and the Lessee does agree to pay all costs and expenses for disposal, removal, or storage of the personal property. This provision shall survive the termination of the Lease.

32. Non-warranty. The Lessor does not warrant the conditions of the Premises, as the same are being leased "AS IS."

33. Hazardous Materials. Lessee shall not cause or permit the escape, disposal or release of any hazardous materials except as permitted by law. Lessee shall not allow the storage or use of such materials in any manner not sanctioned by law or by the highest standards prevailing in the industry for the storage and use of such materials, nor allow to be brought onto the Premises any such materials except to use in the ordinary course of Lessee's business, and then only after written notice is given to Lessor of the identity of such materials and upon Lessor's consent which consent may be withheld at Lessor's sole and absolute discretion. If any lender or governmental agency shall ever require testing to ascertain whether or not there has been any release of hazardous materials by Lessee, then the Lessee shall be responsible for the reasonable costs thereof. In addition, Lessee shall execute affidavits, representations and the like from time to time at Lessor's request concerning Lessee's best knowledge and belief regarding the presence of hazardous materials on the Premises placed or released by Lessee.

Lessee shall indemnify, defend, and hold harmless the Lessor and its officers, employees, directors, agents, representatives, officials, successors, or assigns ("Indemnitees") from and against any and all liability, loss, damage (including foreseeable or unforeseeable consequential damages), cost, and expense, including attorneys' fees, and all claims, suits, and demands therefore, relating to, arising out of or resulting from directly or indirectly to: (a) the Lessee's breach of any warrants or obligations under this Lease; (b) the use, generation, manufacture, treatment, handling, refining, production, processing, storage, release, discharge, disposal or presence of any hazardous material on, within, under or about the Premises with the exception of

those products customarily produced or distributed and readily available for sale to a consumer for use in or around a residence or for the personal use or consumption of a consumer in or around a residence; (c) the Indemnitees' investigation and handling (including the defense) of any Hazardous Materials Claims, whether or not any lawsuit or other formal legal proceeding shall have been commenced in respect thereof; and/or (d) the Indemnitees' enforcement of this Lease, whether or not suit is brought therefore. This covenant shall survive the expiration or earlier termination of the Lease, notwithstanding any other provision to the contrary.

If Lessee discovers any hazardous materials on the Premises (other than groundwater contamination not directly caused, created or contributed to by Lessee), the presence of which violates any applicable laws, Lessee shall immediately undertake, at Lessee's expense, to remediate the presence of the hazardous materials in compliance with applicable laws to the extent necessary to permit the construction, operation, maintenance and use of the Premises.

For the purpose of this Lease "hazardous materials" shall mean any pollutant, toxic substance, hazardous waste, hazardous material, hazardous substance, or oil as defined in or pursuant to the Resource Conservation and Recovery Act, as amended, the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, the Federal Clean Water Act, or any other federal, state, or local environmental law, regulation, ordinance, rule, or by-law, whether existing as of the date hereof, previously enforced, or subsequently enacted ("Hazardous Materials Laws").

As used in this Lease, the term "Hazardous Materials Claims" means and includes (i) any and all enforcement, clean-up, removal, mitigation or other governmental or regulatory actions instituted, or to the best of Lessee's knowledge contemplated or threatened, in respect of the Premises pursuant to any Hazardous Materials Laws, and (ii) any and all claims made or to the best of Lessee's knowledge contemplated or threatened, by any third party against the Lessee seeking damages, contribution, cost recovery, compensation, injunctive relief or similar relief resulting from any Hazardous Discharge or from the existence of any hazardous material on, within or under the Premises.

As used in this Lease, the term "Hazardous Discharge" means any event involving the use, deposit, disposal, spill, release or discharge of any hazardous material on, within or under the Premises.

34. Termination for Illegal Purposes. At any time during the term of this Lease, if the Premises or any part of the Premises, appurtenances or improvements are used, or intended to be used, in any manner or in part, to commit or to facilitate the commission of a crime or to endanger public safety, the same shall be a breach subject to the terms and conditions set forth in Article II, Section 22 above.

35. No Merger of Fee Leasehold and Fee Estates. So long as any Leasehold Mortgagee is in existence, unless the Leasehold Mortgagee shall otherwise expressly consent in writing, or unless this Lease has expired, has been terminated in accordance with its terms as a result of a default under this Lease by Lessee, or has otherwise terminated earlier in accordance with its terms, the fee title to the Premises and the leasehold estate of Lessee therein created by this Lease shall not merge but shall remain separate and distinct, notwithstanding the acquisition of said fee title

and/or said leasehold estate by Lessor, or by Lessee, or by a third party:, by purchase or otherwise. Notwithstanding the foregoing, ownership of Lessor's interest and Lessee's interest by or for the same person shall not affect the merger thereof without the prior written consent of any Leasehold Mortgagee to such merger.

36. Estoppel Certificates. Upon written request by Lessee or any existing or prospective Leasehold Mortgagee, Lessor shall within (10) business days following a request for same, deliver an estoppel certificate, confirming any matter relevant to this Lease, to the extent of Lessor's knowledge, including all defaults presently claimed and the scope, status and remaining duration of any cure rights for such default, as well as any Leasehold Mortgagees that Lessor has notice of. All such estoppels shall be in such form as Lessee or other requesting party shall reasonably require. Notwithstanding the foregoing, in no event shall Lessor be required to give any consent or execute any document which increases its liabilities or obligations under this Lease or decreases its rights or benefits under this Lease.

37. Hawaii Law. This Lease shall be construed, interpreted, and governed by the laws of the State of Hawaii.

38. Exhibit(s) - Incorporation in Lease. All exhibit(s) referred to is/are attached to this Lease and hereby is/are deemed incorporated by reference.

39. Headings. The article and paragraph headings herein are inserted only for convenience and reference and shall in no way define, describe or limit the scope or intent of any provision of this Lease.

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

41. Time Is of the Essence. Time is of the essence in all provisions of this Lease.

42. Archeological Sites. In the event any sites or remains such as shell, bone or charcoal deposits, human burials, rock or coral alignments, pavings, or walls are found on the Premises, the Lessee and the Lessee's agents, employees and representatives shall immediately stop all land utilization and/or work and contact the Historic Preservation Office at 692-8015 in compliance with Chapter 6E, Hawaii Revised Statutes.

43. Counterparts. This Lease may be executed in counterparts, each of which may be deemed an original, but all of which together shall constitute one and the same instrument.

44. Brokers' Commissions. Each party represents to the other that it is not obligated to any broker, finder or other real estate or financing agent in connection with the subject matter of this Lease or any of the transactions contemplated hereby.

45. Notices. Wherever in this Lease one party to this Lease is required or permitted to give or serve a notice, request or demand to or on the other, such notice, request or demand shall be given or served upon the party to whom it is directed in writing and shall be delivered personally with a delivery receipt, delivered by facsimile or forwarded by registered or certified mail, postage

prepaid, return receipt requested or by commercial delivery service with a delivery receipt. All notices delivered by personal delivery, certified mail or commercial delivery service shall be deemed received as of the date shown on the delivery receipt as the date of delivery, the date delivery was refused, or the date the item was returned as undeliverable. Either party may change its address for the purposes of this paragraph by giving prior written notice of the change to the other party in the manner provided in this section.

46. Authority. The parties represent that the undersigned individuals possess the legal authority to enter into this Lease and that the signatures shall be sufficient to bind the parties to the terms of this Lease.

47. Limited Third-Party Rights. Notwithstanding anything to the contrary set forth elsewhere in this Lease, but subject to Article II, Section 50 below, the Tax Credit Investor and each Leasehold Mortgagee shall be deemed a third-party beneficiary of the provisions of the Lease that reference them.

48. Easements. Lessee shall consent to easements for utility purposes approved by Lessor, including but not limited to, water, sewer, electrical, storm drainage, and other similar uses, through, over and across the Premises, provided that the location and dimensions of the easements shall be agreed to by Lessor and Lessee, and shall be aligned so as to minimize any disruption or negative impact to the Premises, provided further that Lessor shall bear all reasonable administrative costs related to the conveyance of title of said easements, including surveying, recordation, and attorneys' fees. Thereafter, the locations and dimensions of the easements may be changed from time to time by mutual agreement of Lessor and Lessee, provided, however, that relocation costs shall be borne by the party proposing relocation.

49. Fee Interest. Lessor is not permitted to place mortgage financing on the fee interest on the Premises without the consent of Lessee, Tax Credit Investor, and Leasehold Mortgagee.

50. Interpretation. Notwithstanding anything in this Lease to the contrary, (1) any and all references in this Lease to the Leasehold Mortgagee shall be deemed inapplicable during any period in which there is no mortgage on the leasehold estate and (2) any and all references in this Lease to the Tax Credit Investor shall be deemed inapplicable after the earlier to occur of (a) the date that when no Tax Credit Investor is a limited partner or member of Lessee or (b) A0745 Lanai, L.P. transfers its leasehold interest.

--The remainder of this page is intentionally left blank; the signature page follows--

IN WITNESS WHEREOF, the parties have executed this Lease on the date and year first above written.

"Lessor"

COUNTY OF MAUI,
a political subdivision of the State of Hawaii

By: 

Name: RICHARD T. BISSEN, JR.

Its: Mayor

APPROVAL RECOMMENDED:

RICHARD E. MITCHELL, ESQ.
Director of Housing

APPROVED AS TO FORM AND LEGALITY:

NANCY ZHAO
Deputy Corporation Counsel

“Lessee”

**A0745 Lanai, L.P.,
a Hawaii limited partnership**

**By: FP Holdings LLC,
a Hawaii limited liability company,
its Co-General Partner**

By: _____
Name: _____
Title: _____

**By: NP Holdings LLC,
a Hawaii limited liability company,
its Managing General Partner**

By: _____
Name: _____
Title: _____

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
)
) ss:
COUNTY OF)

On _____, before me, _____, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his/her/their authorized capacity, and that by his signature on the instrument the person or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____ (Seal)

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

PARCEL I:

All of that certain parcel of land situate on the Island of Lanai, State of Hawaii, described as follows:

Lot 13-A-1-C, area 102.234 acres, as shown on Map 15 filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Consolidation 170 of Castle & Cooke, Inc.

Note: Access across Lots 1141 and 1158 is provided by Land Court Order 132986.

PARCEL II:

All of that certain parcel of land situate on the Island of Lanai, State of Hawaii, described as follows:

Lot 1158, area 12.766 acres, as shown on Map 131 filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 862 of Hawaiian Pineapple Company, Limited.

Note: Access across Lot 1141 is provided by Land Court Order 132973.

EXHIBIT B

LOT 47
PROPOSED
COMMUNITY CENTER
(4000 TO 6000 SF)

LOT 49
REMNAINT / PHASE 2
+/- 44.5 ACRES

PARK
2.83 ac

MULTIFAMILY
1.94 ac

LOT 48
26 UNITS OF
SENIOR HOUSING

EXISTING PHASE 1
BOUNDARY

LOT 50
PUBLIC/QUASI-PUBLIC
+/- 5 ACRES

LOT 52
DRAINAGE
+/- 4 ACRES

LOT 51
DOE
42 ACRES

LOTS 1 THRU 46
46 SINGLE FAMILY LOTS
(MIN. LOT SIZE 6000 SF)

LOTS 53 THRU 59
7 ROAD LOTS TO BE
OWNED BY COUNTY

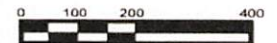
LANAI AFFORDABLE HOUSING

IKAIKA OHANA

CONCEPTUAL SUBDIVISION
PHASE 1

4/30/2024

End of EXHIBIT "C" to Resolution



DESIGN PARTNERS
INCORPORATED

FUKUMOTO ENGINEERING

INTRODUCED BY:

A handwritten signature in cursive script, appearing to read "Chris R. Lee", written over a horizontal line.

Upon the request of the Mayor.