

MEMORANDUM OF UNDERSTANDING

COUNTY OF MAUI – MAUI LAND & PINEAPPLE COMPANY, INC.

THIS MEMORANDUM OF UNDERSTANDING (“MOU”) is made this 18th day of May, 2026 (the “Effective Date”), by and between the COUNTY OF MAUI, a political subdivision of the State of Hawaii, whose address is 200 South High Street, Wailuku, Hawaii 96793 (“County”), and MAUI LAND & PINEAPPLE COMPANY, INC., a Delaware Corporation, whose address is 500 Office Road, Lahaina, Hawaii 96761 (“MLP”), each a “party” and collectively the “parties”.

W I T N E S S E T H:

WHEREAS, Maui has experienced severe drought periods with significantly less rainfall in 2025, leading to lack of water availability in West Maui; and

WHEREAS, MLP has developed and owns multiple real property and water infrastructure assets in West and Upcountry Maui; and

WHEREAS, the County desires to acquire MLP’s real property and water infrastructure assets in West Maui and Upcountry Maui (collectively “County Request”) listed in EXHIBIT A; and

WHEREAS, the County desires to strengthen water system resilience by enforcing conservation measures while adding critical redundancy to ensure reliable water supply; and

WHEREAS, the County desires to increase the availability of housing supply, prioritized for owner-occupants and local residents, in Upcountry and West Maui; and

WHEREAS, MLP desires to assist the County in its plan to expand its public water system and to support the increase in housing supply; and

WHEREAS, in order to increase the supply of housing, MLP desires to secure potable water credits; for the County to initiate and support the Land Use Entitlement process for parcels MLP owns in West Maui and Upcountry Maui; along with and including other requests and considerations (collectively “MLP Consideration”) listed in EXHIBIT B; and

WHEREAS, the parties desire to now enter into this Memorandum of Understanding, which is a non-binding agreement, for the mutual benefit of both parties; and

WHEREAS, the parties intend to enter into a binding agreement (hereinafter called “**Asset Purchase Agreement**” or “**APA**”) based upon an agreed upon purchase price and finalized lists of the County Request and the MLP Consideration;

NOW THEREFORE, the parties hereby enter into this non-binding Memorandum of Understanding (“**MOU**”) outlining the basic terms and conditions under which they intend to enter the a binding agreement:

1. EXCHANGE. The County Request is listed on EXHIBIT A, and the MLP Consideration is listed on EXHIBIT B, both of which are subject to the parties reaching an agreement and entering into the APA, as defined below.

2. SURVEY. Within 30 calendar days of the Effective Date, MLP and the County shall consult with a surveyor licensed in the State of Hawaii that the parties mutually agree to use to discuss the feasibility of preparing metes and bounds descriptions and maps of each County Request item that is a real property asset to be transferred in ground lease (only as to the Pu‘u Kukui Watershed) or fee or by easements to the County and, where the County Request involves a fee interest that is less than an entire parcel, subdivision maps and subdivision applications for the portion being requested by the County. The parties shall memorialize their agreement as to this Section in the APA, including any associated cost, provided that the parties anticipate the surveyor will be contracted within 60 calendar days of entering into the APA.

3. DUE DILIGENCE DOCUMENTS. Within 60 calendar days of the Effective Date, MLP shall deliver to the County the items listed in EXHIBIT C which are in MLP’s possession. Additionally, MLP shall deliver to the County any items in its possession relating to a County Request within 10 business days of its written request.

4. COUNTY PRELIMINARY TITLE REPORTS. Within 60 calendar days of the County’s receipt of metes and bounds descriptions and maps described under Section 2, the County will request preliminary title reports from a title company for each County Request item that is a real property asset to be transferred in fee or by easements to the County. The title company used by the parties shall be at the County’s sole discretion. For the purposes of this MOU, “Escrow Closing” means release of funds by the escrow company and recordation of all documents necessary to complete the terms provided in the APA.

5. COUNTY APPRAISAL. Pursuant to MCC 3.44.015 – Acquisition of real property, the acquisition contemplated in this MOU, requires Maui County Council (“**Council**”) approval. Within 90 calendar days of the receipt of all due diligence documents from MLP and the preliminary title reports from the escrow company, the County will obtain an appraisal by a disinterested appraiser contracted for by the County of the County Request items (“**County Appraisal**”). The County will evaluate the County Appraisal and make its offer to MLP as

provided in Section 6. MLP has the right to obtain its own appraisal. The parties have the right not to agree to each other's appraised value.

6. ASSET PURCHASE AGREEMENT. Within 60 calendar days after the issuance of the County Appraisal, the County will make a written offer to MLP of a purchase price ("**County's Letter of Offer to Purchase**"), to include the list of County Request items and the MLP Consideration. The parties shall memorialize their agreement related to this Section in the APA and submit a resolution to the Council for their approval (the "**Real Property Resolution**").

7. MAUI COUNTY COUNCIL APPROVAL. Should the Real Property Resolution not be transmitted to Council or should the Council fail to approve the Real Property Resolution within 365 days of the Effective Date, this MOU shall automatically terminate and all other related drafted agreements under this MOU shall be considered null and void, unless the MOU is amended and executed by both parties to state otherwise.

8. POTABLE WATER CREDITS. In consideration of the water related items in the County Request, MLP requests water source credit for its projects in Upcountry Maui and West Maui, which shall be in addition to the existing balance of 911,520 GPD of water source credits, subject to water availability, which MLP currently has under that the Fourth Amendment to Agreement for Water Purchase (collectively the "**Water Credits**"). Should the agreement for Water Credits require Council approval, pursuant to MCC 14.01.060 - Water source development agreements with private entities, a resolution shall be submitted to the Council (the "**Water Source Agreement Resolution**") at the same time as the Real Property Resolution either as a separate resolution or combined with the Real Property Resolution.

9. SUBDIVISION. To the maximum extent possible, it is intended for those real property items of the County Request to be conveyed as separate lots in fee simple title.

a. Where the County Request does not correspond with County recognized legal existing lots, within 90 calendar days of Council approval of the Real Property Resolution, the County will initiate and diligently and expeditiously submit subdivision preliminary plats and applications to create separate lots for the applicable County Request items.

b. Where the parties agree that subdivisions are not practicable or cannot be completed without the construction of improvements, the conveyance will be by perpetual, exclusive easement dedications. Notwithstanding the foregoing, a long-term ground lease may be utilized solely for the Pu'u Kukui Watershed, and no other County Request items shall be conveyed by lease.

10. EXISTING WATER DELIVERY AGREEMENTS. Subject to the County's review of existing agreements between MLP and MLP's existing customers ("**Existing MLP**

Customers”), the County intends to provide water pursuant to the existing agreements as provided in those agreements up to the amount allocated by Commission on Water Resource Management (“CWRM”) or otherwise in accordance with HRS Chapter 174C. The County intends to maintain the existing rate structure, as set forth in the existing agreements, which may require Council approval. Should Council approval be required, an ordinance shall be submitted to the Council (the “**Water Source Agreement Resolution**”) at the same time as the Real Property Resolution. One of the following shall occur: (1) The County and MLP shall execute an assignment of Existing MLP Customers agreements prior to Escrow Closing, to the extent assignable; or (2) To the extent not assignable, the County and each Existing MLP Customer shall execute a new agreement.

11. LAND USE ENTITLEMENTS. MLP requests that the County assist MLP in the provision of housing supply by initiating certain Land Use Entitlements (Zoning, Community Plan, and Maui Island Plan) and supporting other Land Use Entitlements (State Land Use), which will allow for utilization of the Water Credits noted in Section 8 related to this Section in the APA.

12. CONDITION. MLP intends to convey the County Request As-Is, Where-Is, and without warranty of title, unless otherwise agreed in the APA. MLP does not intend to quiet or clear title to any County Request or to procure title insurance.

13. EXCLUSIVITY. In consideration of the effort and expense put forth by the County in connection with its negotiation of the APA, MLP agrees that following the execution of the APA until Escrow Closing or the earlier termination of the APA, MLP shall not solicit, make, accept, negotiate or otherwise pursue any third-party offers for the sale, purchase or other disposition of the assets listed in the County Request. Nothing contained herein shall be deemed to preclude MLP from negotiating the sale of any assets to third parties that are not the assets listed in the County Request.

14. EMINENT DOMAIN. The parties hereto agree that this transaction is being completed under the threat of eminent domain by the County of Maui.

15. CLOSING. Despite the discretionary nature of certain decisions relating to the MLP Consideration, and notwithstanding any other provision to the contrary, the APA shall terminate two (2) years from the date that the APA and Real Property Resolution are approved by the Council, unless the transactions relating to the County Request and MLP Consideration are completed before then. Transactions may proceed for individual County Request items pending the fulfillment of all obligations relating to the MLP Consideration at the sole approval of MLP. In that case, if MLP transfers individual Transfer Assets but the Consideration is not fulfilled within a mutually-agreed timeframe, MLP shall have the right to have the County pay MLP the value of

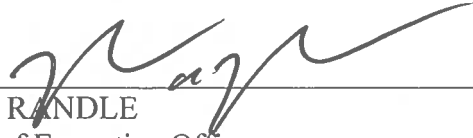
the asset as set forth in the APA for all of those assets that have been transferred, within 180 days of MLP's written request.

16. NON-BINDING. This MOU is non-binding, and is intended solely as a summary of the terms currently proposed by the parties and is to be used for discussion purposes only. The parties acknowledge that nothing herein constitutes an agreement to negotiate a definitive agreement. The parties further acknowledge that no binding agreement will exist between them until the APA has been fully executed by the parties, and the APA and Real Property Resolution have been approved by the Council. Either party may terminate the MOU by written notice to the other party.

17. COUNTING DAYS. Days shall be counted by excluding the first day and including the last day. If the last day is a Saturday, Sunday or a legal holiday recognized by the State of Hawaii, it shall be excluded. Any act required to be performed shall be timely performed if completed by 4:30 pm HST on that date. If the day of performance falls on a Saturday, Sunday or legal holiday recognized by the State of Hawaii, the time for performance shall be extended to 4:30 pm HST on the first following date that is not a Saturday, Sunday or legal holiday recognized by the State of Hawaii.

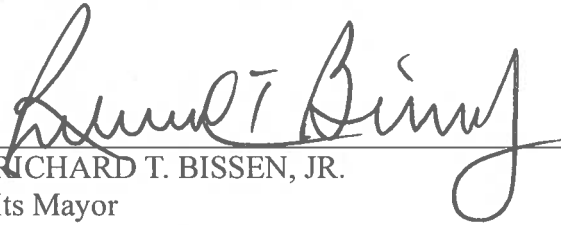
18. COUNTERPARTS. This MOU may be executed in one or more counterparts, each of which will be deemed to be an original copy of this MOU and all of which, when taken together, will be deemed to constitute one and the same agreement.

MAUI LAND & PINEAPPLE COMPANY, INC.,

A handwritten signature in black ink, appearing to read 'R. Randle', written over a horizontal line.

RACE RANDLE
Its Chief Executive Officer

COUNTY OF MAUI

A handwritten signature in black ink, appearing to read 'Richard T. Bissen, Jr.', written over a horizontal line.

RICHARD T. BISSEN, JR.
Its Mayor

EXHIBIT A

COUNTY REQUEST

HONOKOHAU DITCH SYSTEM:

- Ditch and associated tunnels, siphons, pipelines
 - See EXHIBIT D for location
 - The County is requesting a perpetual, exclusive easement dedication
- Development Tunnel 21
 - TMK (2) 4-1-001: 017 (por)
 - The County is requesting a perpetual, exclusive easement dedication
- Development Tunnel 22
 - TMK (2) 4-1-001: 017 (por)
 - The County is requesting a perpetual, exclusive easement dedication
- Plantation Reservoir
 - TMK (2) 4-2-001: 043 (por)
 - The County is requesting fee simple lot dedication of the land containing the reservoir and associated infrastructure
- Village Reservoir
 - TMK (2) 4-2-001: 042 (por)
 - The County is requesting fee simple lot dedication of the land containing the reservoir and associated infrastructure

PU`U KUKUI WATERSHED

- The County is requesting a long-term ground lease of the 8,661-acre Pu`u Kukui Watershed to maximize rainfall capture and retention for surface water and groundwater systems in West Maui.
- The County is requesting that MLP continue ongoing maintenance and operation of the Watershed for at least three years from Escrow Closing, or until the County is positioned to resource the work required.
- See EXHIBIT D for location.

HONOKOWAI WELLS:

- Honokowai Well P-4, currently owned and operated by Hawaii Water Service
 - TMK (2) 4-1-001: 017 (por)
 - up to 6 acres
 - Well is drilled and has a well pump installed
 - The County is requesting fee simple lot dedication of the land containing this well and associated infrastructure, which is currently licensed to Hawaii Water Service.
- Honokowai Well P-5, currently owned and operated by Hawaii Water Service
 - TMK (2) 4-1-001: 017 (por)
 - up to 6 acres
 - Well is drilled and has a well pump installed
 - The County is requesting fee simple lot dedication of the land containing this well and associated infrastructure, which is currently licensed to Hawaii Water Service.
- Honokowai Well P-6, currently owned and operated by Hawaii Water Service

- TMK (2) 4-1-001: 017 (por)
- up to 6 acres
- Well is drilled and has a well pump installed
- The County is requesting fee simple lot dedication of the land containing this well and associated infrastructure, which is currently licensed to Hawaii Water Service.
- Honokowai Well P-5A, currently owned and operated by Hawaii Water Service
 - TMK (2) 4-1-001: 017 (por)
 - up to 6 acres
 - Well is drilled and has a well pump installed
 - The County is requesting fee simple lot dedication of the land containing this well and associated infrastructure, which is currently licensed to Hawaii Water Service.

KAPALUA WELLS:

- Kapalua Well 1
 - TMK: (2) 4-2-001: 043 (por.)
 - up to 6 acres
 - Well is drilled and has a well pump installed
 - The County is requesting fee simple lot dedication of the land containing the well and associated infrastructure
- Kapalua Well 2
 - TMK: (2) 4-2-001: 043 (por.)
 - up to 6 acres
 - Well is drilled and has a well pump installed
 - The County is requesting fee simple lot dedication of the land containing the well and associated infrastructure
- Kapalua Well 3
 - TMK: (2) 4-2-001: 043 (por.)
 - up to 6 acres
 - Well is drilled, but does not have a well pump installed
 - The County is requesting fee simple lot dedication of the land containing the well

KAHANA PUMP STATION:

- Kahana Pump Station
 - TMK: (2) 4-3-005: 037
 - 0.24 acres
 - Pump station has been constructed by Hawaii Housing & Finance Development Corporation predecessor, but has never been put online
 - The County is requesting fee simple lot dedication

COUNTY'S PROPOSED H1 AND H2 WELL SITES:

- County's Proposed H1 Well Site (Honolua Aquifer)
 - TMK: (2) 4-3-001: 001 (por)
 - up to 6 acres each well site
 - Well is not drilled
 - The County is requesting fee simple lot dedication
- County's Proposed H2 Well Site (Honolua Aquifer)

- TMK: (2) 4-3-001: 001 (por)
- up to 6 acres each well site
- Well is not drilled
- The County is requesting fee simple lot dedication

COUNTY PROPOSED MAHINAHINA 50-ACRE RESERVOIR:

- County's Proposed Mahinahina 50-acre Reservoir
 - TMK: (2) 4-3-001: 084 (por)
 - 50 acres
 - The County is requesting fee simple lot dedication

PIIHOLO WELLS:

- Piiholo Well
 - TMK: (2) 2-4-012: 049 (por)
 - 1.4 acres
 - Well is drilled, but does not have a well pump installed
 - The County is requesting a transfer of the perpetual, non-exclusive easement that MLP currently holds
- Piiholo Additional Well Site(s)
 - TMK: (2) 2-4-012: 079 (por)
 - 6.8 acres
 - Well(s) are not drilled
 - The County is requesting a transfer of the perpetual, non-exclusive easement that MLP currently holds

NON-WATER INFRASTRUCTURE ASSETS

- Moku`ula Land Parcel
 - TMK: (2) 4-6-007: 037
- Kahana Roadway
 - TMK: (2) 4-3-001: 042
- Upcountry Police Substation
 - 2-acre parcel in Haliimaile
 - TMKs (2) 2-5-003: 018 (por) & 2-5-008: 006 (por)
- Upcountry Fire Station
 - 1-acre parcel in Haliimaile
 - TMKs (2) 2-5-003: 018 (por) & 2-5-008: 006 (por)

EXHIBIT B

MLP CONSIDERATION

POTABLE WATER SOURCE CREDITS

In consideration of the water related items of the County Request, MLP is requesting water source credits to be used for their projects in Upcountry Maui and West Maui. The parties shall memorialize their agreement related to Potable Water Source Credits in the APA.

COUNTY SUPPORTED CHANGE IN ZONING

MLP is requesting the County to support Land Use Entitlements (Zoning, Community Plan, Maui Island Plan, and State Land Use) for the following land areas and zoning:

1. TMK: (2) 2-4-001: 022, 024, and 025, situated in Makawao, to change the zoning from AG to R-1 or similar allowable density.
2. TMK: (2) 4-3-001: 001 (portion of), situated in Honokeana, to change the zoning from AG to R-1 or similar allowable density
3. TMK: (2) 4-3-001: 087, situated in Alaeloa, to change the zoning from AG to BCT or similar allowable use.

HUI ROAD SUBDIVISION

MLP is requesting the County initiate the Hui Road subdivision within one (1) year of Effective Date of this MOU.

HONOKOHAU DITCH SYSTEM

MLP is offering to a 100% discount of all Honokohau Ditch System assets to the County, including easements in consideration of the Water Credits and change in zoning on MLP lands in West Maui.

HONOKOWAI WELLS

MLP intends to consider up to a 25% discount of the asset, in consideration of the Water Credits and change in zoning on MLP lands in West Maui and is offering the appraised value for the land. Any transfer of the Honokowai Wells shall be subject to the existing License with HWS.

PIIHOLO WELL

MLP intends to consider up to a 50% discount of the asset, in consideration of the Water Credits and change in zoning which can be used on MLP lands in Upcountry Maui and is offering the appraised value for the land.

KAHANA ROADWAY

MLP is offering a 100% discount of the roadway.

MOKU'ULA LAND PARCEL (REVERSIONARY INTEREST)

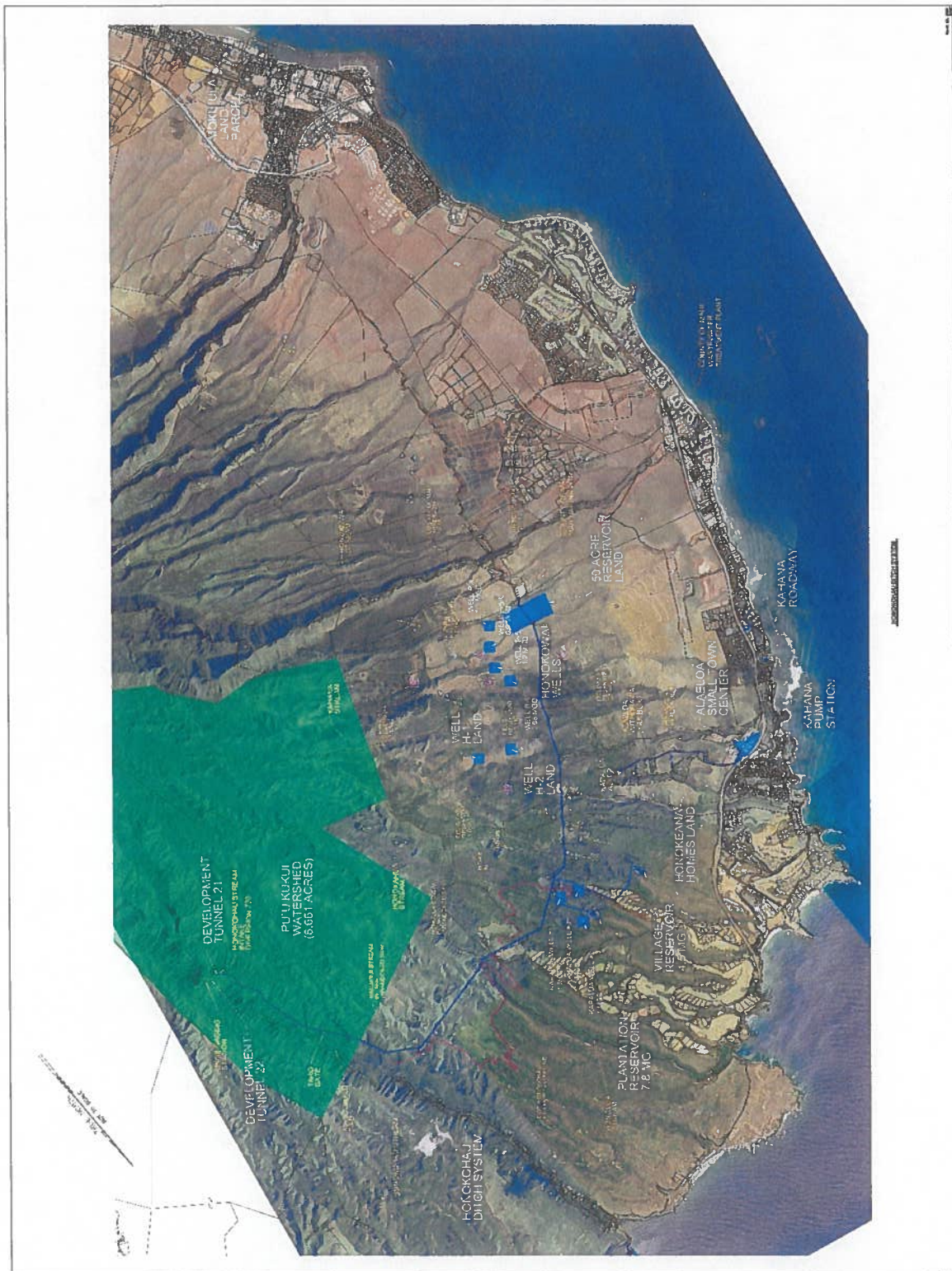
MLP is offering a 100% discount of the reversionary interest to the County.

EXHIBIT C

DUE DILIGENCE DOCUMENTS

- 1) Inventory of current assets/facilities, including:
 - a. Estimated Year placed in service;
 - b. Original cost (if available);
 - c. Accumulated depreciation (if available); and
 - d. Annual depreciation (if available);
- 2) Last three years of annual financial reports;
- 3) Current capital improvement plan;
- 4) Copy of any existing contracts;
- 5) Map of current service territory for Hawaii Water Service;
- 6) System map showing lines and facilities in place (if available);
- 7) Most recent Appraisal District property assessed value (if available);
- 8) Copy of latest Customer Confidence Report (if available);
- 9) Number of active connections by year for the last three years (if available);
- 10) Historical water production by year for the last three years (if available);
- 11) Maximum connection capacity (if available)
- 12) As-builts of the existing water infrastructure assets (if available);
- 13) Documents related to the Department of Health (“DOH”)
- 14) Documents related to the Commission on Water Resource Management (“CWRM”)
- 15) Documents related to the Public Utility Commission (“PUC”)

HONOKOHAU DITCH SYSTEM AND PU'U KUKUI WATERSHED MAP



DRIP Committee

From: Melanie P. Kuailani <Melanie.Kuailani@co.maui.hi.us>
Sent: Monday, July 20, 2026 9:42 AM
To: DRIP Committee
Subject: Request for copy of COM-MLP MOU
Attachments: MLP MOU.pdf

You don't often get email from melanie.kuailani@co.maui.hi.us. [Learn why this is important](#)

Hi Jarrett,

Please see attached MLP-MOU for DRIP July 29 Meeting.

Thank you,

Melanie Kuailani

Personnel Assistant II
Department of Management
County of Maui
Melanie.kuailani@co.maui.hi.us
808-270-8268