## Resolution

**No.** 25-138

AUTHORIZING A GRANT OF A SUBLEASE OF A PORTION OF REAL PROPERTY AT 2099 WELLS STREET, WAILUKU, MAUI HAWAII, TO MAUI FAMILY SUPPORT SERVICES, INC.

WHEREAS, Maui Family Support Services, Inc. a Hawai'i domestic nonprofit corporation, seek to sublease a portion of 2099 Wells Street, Wailuku, Maui, Hawaii from the County of Maui, rent-free; and

WHEREAS, the real property Maui Family Support Services, Inc. seeks to occupy is a portion of the 1440 square foot building located on a parcel identified for Real Property Tax purposes as Tax Map Key (2) 3-4-8:027, more particularly described and depicted in the Grant of County Sublease attached as Exhibit "1"; and

WHEREAS, under Section 3.36.090, Maui County Code, 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 it authorizes a grant of a sublease of a portion of real property at 2099 Wells Street, Wailuku, Maui Hawaii to Maui Family Support Services, Inc.;
- 2. That Maui Family Support Services, Inc. is granted the right to occupy a portion of the parcel identified for Real Property Tax purposes as Tax Map Key (2) 5-2-028:098, in accordance with the terms and conditions of the proposed Grant of County Sublease, rent-free, starting upon execution of the Grant of the County Sublease and expiring on June 30, 2030, unless terminated sooner, or extended with the approval of the Council;

- 3. That the Mayor and Director of Finance are authorized to execute the proposed Grant of County Sublease attached as Exhibit "1"; and
- 4. That certified copies of this Resolution be transmitted to the Mayor; Director of Finance; Director of Human Concerns; and Edeluisa Baguio-Larena, Chief Executive Officer, Maui Family Support Services, Inc..

APPROVED AS TO FORM AND LEGALITY:

For KRISTINA C. TOSHIKIYO

Deputy Corporation Counsel

County of Maui

2025-0087

#### **EXHIBIT "1"**

#### **GRANT OF COUNTY SUBLEASE**

THIS GRANT OF COUNTY SUBLEASE (the "Sublease"), made this \_\_\_\_\_\_ day of \_\_\_\_\_\_, 2025, by and between the COUNTY OF MAUI, a political subdivision of the State of Hawaii, whose principal place of business and mailing address is 200 South High Street, Wailuku, Maui, Hawaii 96793 ("County" or "Lessor"), and MAUI FAMILY SUPPORT SERVICES, INC., a Hawaii domestic nonprofit corporation, whose mailing address is 1844 Wili Pa Loop, Wailuku, Hawaii 96793 ("MFSS" or "Lessee"), and collectively referred to as the "Parties".

#### WITNESSETH:

WHEREAS, the County executed that certain lease ("Lease") with the Charles E. & David W. Keyes Trust ("Owner") for real property consisting of a lot and a building of approximately 1440 square feet and located at 2099 Wells Street, Wailuku, Maui, Hawaii, identified as Tax Map Key (2) 3-4-8:027 ("Property"), for a term from July 1, 2025 to June 30, 2030; and

WHEREAS, the Property was recently under lease and is currently occupied by MFSS for their Early Childhood Resource program; and

WHEREAS, Lessee has received grant funds from the County of Maui Department of Human Concerns ("Department") to assist with operational costs, including to cover rent for the Property; and

WHEREAS, the Department's Early Childhood Resource coordinator will lose its current office space and desires to relocate to the Property and share the Property under the Lease with Lessee to better coordinate services between Lessee and Lessor and to provide ease of access to early childhood by the community; and

WHEREAS, the Owner has consented to a sublease between Lessor and Lessee;

NOW, THEREFORE, Lessor, for and in consideration of Lessee's covenants and agreements set forth herein, does hereby agree to grant a sublease to Lessee and Lessee hereby accepts said sublease on the terms and conditions set forth below:

- 1. <u>Leased Area</u>. The leased area consists of portions of the Property, more particularly depicted in Exhibit "A" attached hereto and by reference incorporated herein, including a storage shed located on the Property ("Premises"). The Premises include office spaces designated for Lessee's sole use and occupancy, common areas as described herein, and bookshelves located throughout.
- 2. <u>Use of Premises</u>. Lessee shall use the Premises only for the purpose of operating its Early Childhood Education Center as set forth in the grant application narrative, attached hereto as Exhibit "B" and by reference incorporated herein. The use of the Premises for any other purpose shall require the prior written approval of the Lessor, through its Director of the Department of Human Concerns ("Director").
- 3. <u>Term.</u> This Sublease shall commence on the date of execution as set forth above and expires on June 30, 2030, unless sooner terminated as provided herein, or extended with the approval of the Maui County Council. This Lease shall supersede in its entirety any existing lease or right of entry.

- 4. <u>Extension of Term</u>. If Lessee intends to renew this Sublease after June 30, 2030, then Lessee shall notify the County of its request to renew this Sublease no later than January 31, 2030. Any extension of the Sublease term shall be by written amendment to this Sublease, shall be dependent upon an existing lease, if any, between the Lessor with the Owner, and, if required by law, subject to the approval of the Maui County Council.
- 5. Rent. In consideration of the valuable partnership of the Parties to further the purpose of meeting the collective goal of supporting early childhood education, the Sublease shall be rent-free.
- 6. <u>Common Areas</u>. The common areas shall consist of areas designed for common use or benefit, including, without limiting the generality of the foregoing delivery areas, curbs, drains, walkways, hallways, landscaped and vacant areas, the public reception area, conference room, library, and kitchen. Lessee and its employees, agents, customers, and invitees shall have the right at all times during the term, subject to the following requirements to applicable rules and regulations or common spaces use agreement, if any, made by Lessor and approved by Lessee, to the reasonable use of the common areas in common with the County and others entitled to use such areas.
- 7. Parking. One reserved parking stall has been allocated by use of the Lessee and its clients.
- 8. <u>Janitorial Services</u>. Lessor shall be responsible for weekly janitorial services for the Property, except for exterior maintenance which under the terms of the Lease, is the Owner's responsibility.
- 9. <u>Phone and Internet</u>. Lessee shall be responsible for Lessee's telephone and internet access, including all costs of installation.
- 10. <u>Additional Covenants, Terms and Conditions</u>. Additional covenants, terms and conditions ("Terms and Conditions") of this Sublease are set forth in Exhibit "C" attached hereto and by reference made a part hereof.
- 11. Other Terms and Conditions. Any Special Conditions are attached hereto as Exhibit "D" and made a part of this Sublease. In the event of any inconsistencies or conflict between the Terms and Conditions and the Special Conditions, the Special Conditions shall control. Any general, miscellaneous, or other terms, conditions, or provisions that are found in the application for this Grant of Sublease or in any sub-contractor's proposals attached thereto shall be unenforceable against the County, unless the subject of such terms, conditions, or provisions is addressed in the County's Terms and Conditions, and such terms, conditions or provisions are consistent with the County's Terms and Conditions.
- 12. <u>Grant requirements</u>. Within three (3) weeks after the end of the fiscal year, Lessee shall transmit to the Director a report provided by the Department, and shall also provide the following information, if applicable, for the quarter and for the fiscal year to date:
  - a. Program status summary;
  - b. Program data summary;
  - c. Summary of participant characteristics;

- d. Changes in real property tax assessment for the real property;
- e. Earnings from the grant of real property; and
- f. Narrative report.
- 13. Review of Grant of Sublease. The Director may in its sole discretion require a review to ensure compliance with the terms of this grant of Sublease. Lessee shall, upon written request, provide Lessor full access to inspect or audit Lessee's records, report books, files and other financial documents and shall cooperate fully and assist the County in any such audit or inspection. Lessee shall also allow Lessor to physically inspect the Premises upon two days written notice.
- 14. <u>Modifications</u>. Any modifications or amendments to the Sublease may be made upon mutual agreement of the Parties and, if required by law, the approval of the Maui County Council's approval.
- 15. <u>Counterparts</u>. This Sublease may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same instrument. The Parties agree that they may utilize and shall be bound by their electronic signatures, pursuant to Chapter 489E, Hawaii Revised Statutes.

[EXECUTION PAGES TO FOLLOW]

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I hereby represent and warrant that I have the legal right and authority to execute this Sublease on behalf of the Lessee.

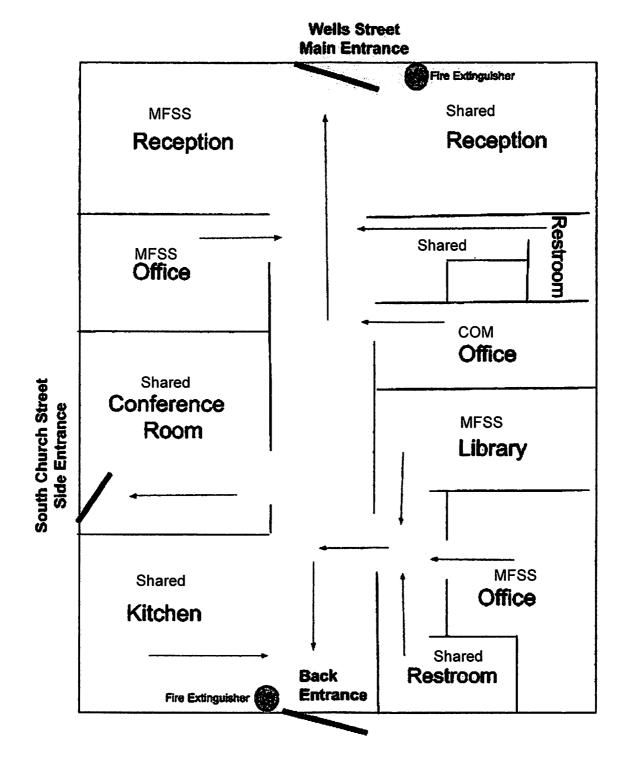
LESSEE:
MAUI FAMILY SUPPORT SERVICES
By
(Signature)
(Print Name)
Its
(Title)

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#### **COUNTY EXECUTION PAGE**

	LESSOR:
	COUNTY OF MAUI
	By RICHARD T. BISSEN, JR. Its Mayor
	By MARCY MARTIN Director of Finance
APPROVAL RECOMMENDED:	
LORI TSUHAKO Director Department of Human Concerns	
APPROVED AS TO FORM AND LEGALITY:	
KRISTINA C. TOSHIKIYO Deputy Corporation Counsel	

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Maui County Early Childhood Resource Center
Emergency Evacuation Plan
2099 Wells Street, Wailuku

# EXHIBIT "B" GRANT APPLICATION

# Maui Family Support Services Grants of Real Property For the Early Childhood Resource Center and Literacy Program

#### 1. Description of the nature and purpose of the agency

#### Goals and objectives of the organization

Maui Family Support Services, Inc. (MFSS) is a private, 501(c)(3) non-profit agency currently in its 44th year of providing continuous service to families on the Islands of Maui, Lāna'i, and Moloka'i. The mission of MFSS is to promote healthy family functioning by providing supportive services that build on families' strengths. The prime directive is to utilize our collective resources toward the prevention of child abuse and neglect.

MFSS has overseen the Maui County Early Childhood Resource Center (MCECRC) since 2002 and the literacy component of this project since July 2021. Over the years, MCECRC has become a trusted source for accurate and comprehensive information and resources needed by families of young children in Maui County. We have developed an efficient and equitable system for identifying gap areas not being served by others. MCECRC disseminates information to families and providers county-wide. MCECRC is known within the early childhood community as a family-friendly space. The Early Childhood Resource Center and Literacy Program (ECRCLP), which is housed at MCECRC, is implemented by MFSS

#### The goals of ECRCLP include:

#### **Early Literacy Development:**

- Enhance early literacy by providing resources, activities, and educational opportunities focused on early literacy skills.
- Expand and coordinate evidence-based Early Childhood Family Literacy initiatives among early childhood providers and directly with families.
- Sustain activities identified on the Maui County Early Childhood Family Literacy
   Implementation Plan provided in the Maui County Literacy Survey Report.
- Expand the availability of books for children 0-5 for both parents and early childcare providers across Maui County.
- o Support early literacy programs and professional development opportunities.
- o Promote parent attachment and engagement through literacy.
- o Increase family literacy activities, and increase the number of minutes engage in early childhood literacy activities
- Increase access to developmentally appropriate books for children ages 0-5.
- Promote shared family reading and support young readers.

#### Access to Resources: Increase Family Engagement and Knowledge

- o To assist families in navigating the early childhood system in Maui County, ensuring they can access the services and support they need.
- Provide families of young children, from all geographic areas of Maui County, access to community resources and supports necessary to gain economic stability and move toward self-sufficiency.
- o Offer resource information and referral, information on accessing direct childcare assistance, and parent support and education opportunities.
- Support families in gaining access to childcare, food, and housing assistance.

#### **Community Partnerships: Support Collaborative Partnerships**

- Support strong early childhood community partnerships to increase the understanding and coordination of Maui County's early childhood system.
- Foster collaboration among early childhood partners by providing a central space and resources to support their work.
- Convene collaborative partners regularly to align efforts, share resources, and develop strategies to enhance early childhood services in Maui County.
- Support strong early childhood community partnerships that make a collective impact and increase the understanding and coordination of Maui County's early childhood system.
- Serve as a hub for community collaborations and partnerships, providing relief for the early childhood workforce to participate in professional development, and addressing the challenges of the early childhood workforce capacity.
- Support strong early childhood community partnerships that make a collective impact and increase the understanding and coordination of Maui County's early childhood systems by being a hub for community collaborations and partnerships addressing multiple early childhood-related issues.
- Provide networking and professional development for early childhood providers.
- Support cross-sector partners in sustaining and enhancing Maui County's Early Childhood System.

### <u>Comprehensive Support for the County of Maui Human Concerns Early Childhood</u> Program:

- ECRCLP team provides logistic resources support assisting the Maui County Early Childhood Resource Coordinator to effectively perform their duties.
- Assist with assembling a working group comprising early childhood experts, families, community stakeholders, and local and state government partners.
- Assist in conducting a comprehensive needs assessment to identify gaps and opportunities in early childhood services within Maui County.
- Assist in logistics for facilitating strategic planning meetings to gather input and develop the five-year plan's goals, objectives, and action steps.

#### Population clientele served and services provided

MCECRC provides essential resource information that helps stabilize families of young children in Maui County by increasing families' knowledge of resources available to meet their needs while caring for their young children. Activities engage both early childhood and early literacy community providers and partners in collaborative planning, shared resources, and collective professional development.

MCECRC and ECRCLP serve all communities across Maui County. Program and community assessments have helped to identify cohorts of children and families who would benefit from early childhood resource and literacy support. These families are more likely to be in poverty or low-income, have a difficult time meeting their family's basic needs, including housing and food security, and where parents and caregivers have low literacy skills.

MFSS works closely with the Maui County Early Childhood Resource Coordinator and the network of early childhood and family-serving programs across Maui County to provide much-needed resource connection, collaboration, and literacy support. The Maui County Early Literacy Advisory Committee assists providers, administrators, and the leadership team in their coordination and collaboration efforts, leading to the development of a seamless pipeline of early literacy activities spanning the period from birth through school entry.

For FY2025 and FY2026, the program projects to serve 5,718 children, parents, or providers and support the distribution of approximately 50,000 books each year through its Dolly Parton Imagination Library, Reach Out and Read, Lending Library, and community outreach. The program affects the larger community by establishing the capacity to coordinate early childhood resource and literacy initiatives, leverage funding, identify areas of need, and track program effectiveness.

Additionally, the Center plays a pivotal role in increasing family engagement and knowledge by offering comprehensive resource information, referrals, and direct support in accessing childcare, food, and housing assistance. By assisting families in navigating the early childhood system, the program contributes to their economic stability and self-sufficiency. As of December 2024, ECRCLP has distributed close to 5,000 early childhood educational and support resources in Maui County.

MFSS is committed to fostering strong community partnerships that enhance the coordination and understanding of Maui County's early childhood system. By providing a central hub for collaboration, professional development, and resource sharing, the

ECRCLP will support the collective efforts of early childhood providers and partners to deliver high-quality services to families.

The collaboration with the Maui County Early Childhood Resource Coordinator will enable comprehensive support for strategic planning, needs assessment, and the development of a robust five-year plan to address early childhood service gaps and opportunities in Maui County led by the Early Childhood Resource Coordinator.

#### Sources of funding/support for the organization's services and activities

MFSS's programs and services are funded by various federal and state departments and the County of Maui. ECRCLP is funded by the County of Maui. Due to MFSS's experience in managing programs like ECRCLP, it secured the Preschool Development Grant, Birth-5, Family & Community Engagement and Advocacy Project from the Administration for Children and Families (ACF) at the U.S. Health and Human Services (HHS), Hawaii P-20 Partnerships for Education (Hawai'i P-20). MFSS continues to identify funding opportunities through our memberships to several grant resources. We continue to write grants to cover administrative and program operation costs.

#### Administrative/management structure

The ECRCLP Supervisor is responsible for the day-to-day operations of the program and the ECRCLP team coordinates closely with the Maui County Early Childhood Coordinator, Ms. Kaina Bonacorsi. The ECRCLP Supervisor is supported by the MFSS CEO, Edel Baguio-Larena, who is based at the MFSS Main office at 1844 Wili Pa Loop in Wailuku.

#### 2. Intended usage of the facility

The ECRCLP is designed to reach social service early childhood programs, childcare providers, and families with young children across the County of Maui. The Center provides a collaborative space and coordination to support services, resources, guidance, and education around early childhood services and early literacy across the County of Maui.

#### Specific use/activities

The Center currently houses three (3) MFSS ECRCLP staff members and the Maui County Early Childhood Coordinator. The ECRCLP team implements the following projects as described in #3 below.

#### Reason and justification of the need for these services/activities

Maui County has a total population of approximately 166,657 people, including 9,780 children younger than five. Close to 1,000 young children are in families living below the

poverty level, and another 1,000 live in low-income families (with incomes above the poverty-line but still far below what is needed to make ends meet (Maui County Early Childhood Community Profile, 2023; US Census Bureau ACS estimates). A network of programs currently work to support this population, including center-based child care programs, family-child interaction learning centers, family child care homes, home visiting programs, parenting support groups, and license-exempt child care settings. The reach of these programs in Maui County is very limited though. Recent data from PATCH indicates that there are 2,523 registered childcare spaces across Maui County, roughly a quarter of the number needed). As a result, a large majority of Maui keiki and 'ohana lack access to early childhood support. Expanding these supports promises significant returns on children's development, their school achievement, and workforce development. Economists estimate that there is an 8 to 1 return on dollars invested in early childhood education. Maui County's families and early childhood educators need a way to connect with early childhood resource programs of all types, a place where they can access knowledge, coordinate services, and increase awareness within the overall community.

The early childhood years are integral in language and literacy development as children develop skills for entering school. Keiki who start school behind their peers are likely to remain at a disadvantage. Across Hawai'i, 3rd graders reading at grade-level are highly likely to graduate from high school on time. Yet today, close to half of Maui County 3rd graders are not reading at grade level. The Maui County elementary schools' School Status and Improvement Reports for School Year 2018-2019 shows that over half of fourth graders are meeting or exceeding the state's language arts/literacy standards but below the nation's average (the state average is 51% and nation's average is 63%). Across Maui County DOE schools, proficiency rates range from a high of 70% to a low of 16%.

A key to increasing positive education outcomes for young children is by establishing a strong foundation early childhood services in our community. MFSS is working closely with the Maui County Early Childhood Resource Coordinator for the development of a comprehensive and collaborative system of support that include all programs serving 0-5 years old. It is critical to support families as they transition throughout the early childhood system of learning and care, collaborating and supporting programs that provide home visiting services, parenting support groups, outreach and navigation services, community childcare such as Head Start and Early Head Start, family child interaction learning programs, family child care providers, and DOE pre-K programs and literacy programs. MFSS works with community partners to identify what services are being offered in the community, how we can support those services and bring them together for collaborative discussions and how we can support their early literacy initiatives by partnering with our early literacy services.

#### Target population

The ECRCLP is designed to reach social service early childhood programs, childcare providers, and families with young children across the County of Maui. The program

identifies and meets the community's needs. The program provides a collaborative space and coordination to support services, resources, guidance, and education around early childhood services and early literacy across the County of Maui.

#### Estimated average number of people using the facility/site on a weekly basis

MCECRC currently houses three (3) MFSS ECRCLP team members and the Early Childhood Resource Coordinator. The Center has a conference room that comfortably accommodates 6-8 people. The Lending Library can accommodate small groups of 3-5 people to visit, browse, and borrow books.

#### Frequency of use

MFSS's office hours are 8:30 AM to 4:30 PM, Monday through Friday, and we support staff members in maintaining a flexible schedule. One of the Project Specialist opens the Center as early as 7:00 AM. Staff members may also use the Center on the weekends to prepare or put back program supplies for community outreach.

### 3. How/where the services/activities described above are currently being carried out and how use of the requested facility/site will improve delivery of these services/activities

• The ECRCLP team is currently carrying out the following activities at MCECRC:

#### **Literacy Initiatives:**

Our literacy initiatives are designed to provide comprehensive support and resources to families and early childhood providers, fostering a culture of reading and early literacy development.

- Reach Out and Read (ROR): We will expand the ROR, which integrates reading into pediatric care. By recruiting additional pediatricians, we plan to increase the program to 85% of pediatricians practicing in Maui county targeting distribution approximately 20,000 books to children during well-child visits. This initiative ensures that families receive critical information about the importance of reading during routine checkups.
- 2. Imagination Library: Through the Dolly Parton Imagination Library (DPIL), we aim to enroll 80% of Maui County children aged 0-5 (approximately 5,600), providing them with a curated selection of 60 books delivered directly to their homes. This program helps children develop stronger language and literacy skills before they even start kindergarten.
- 3. Lending Library: The Lending Library offers over 6,000 book titles to licensed providers. By registering as borrowers, providers can access and borrow books online, enhancing their literacy programs and support efforts.
- 4. Literacy Advisory: Our Literacy Advisory group keeps track and support literacy programs across Maui County and the state. This includes developing and distributing literacy information, participating in local and state literacy collaborative, and mapping literacy programs to identify gaps and opportunities for improvement.

#### **MCECRC Initiatives:**

MCECRC plays a crucial role in supporting early childhood providers and families by serving as a centralized hub for resources, information, and collaboration.

- 1. Resource & Information Hub: MCECRC develops and promotes resource materials for families, distributes program information, and serves as a comprehensive resource and information hub for the community.
- 2. ECRC Strategic Plan Support: The ECRCLP team will assist in developing a strategic plan with the Early Childhood Resource Coordinator, e.g., resource mapping and needs assessment.
- 3. Community Collaborations & Partnerships: By providing meeting space and support for cross-sector collaborations, MCERC fosters partnerships with organizations such as Ho'oikaika Partners, K4K, ECAS, MFSS Subsidy Advisory, PATCH, and local libraries. This enhances the coordination and delivery of early childhood services across Maui County.
- 4. Parent Support & Information: The ECRCLP team participates in community fairs to provide information and support to parents, and offer transition support information to help families navigate early childhood services.

#### 4. Management plan for the facility

The Center currently houses three (3) MFSS staff members, including the ECRCLP Supervisor, one (1) Project Specialist, and one (1) Program Assistant. In addition, the Maui County Early Childhood Coordinator, Ms. Kaina Bonacorsi, also holds her office at the Center. The ECRCLP Supervisor is responsible for the day-to-day operations of ECRCLP, and they coordinate closely with the Maui County Early Childhood Coordinator, Ms. Kaina Bonacorsi. The ECRCLP Supervisor is supported by the MFSS CEO, Edel Baguio-Larena, who is based at the MFSS Main office at 1844 Wili Pa Loop in Wailuku.

### 5. What would the impact be on the services/activities to be conducted at/through the facility/site IF a lease/license to occupy is not granted?

If the lease/license to occupy is not granted, the County will miss the opportunity to significantly contribute to MCECRC and ECRCLP's impacts in Maui County, including:

#### **Enhanced Early Literacy:**

The program will significantly enhance early literacy practices among families and providers. By expanding professional development opportunities for licensed providers, we will support the integration of effective early literacy practices. Families will be more engaged in literacy activities, leading to stronger early literacy skills among young children. This will result in higher kindergarten readiness rates and improved 3rd and 4th grade reading proficiency.

#### **Expanded Access to Resources:**

Families will have increased access to essential resources and support, helping them navigate the early childhood system more effectively. By providing comprehensive information and referral services, we will assist families in accessing childcare, food, and housing assistance, contributing to their economic stability and self-sufficiency.

#### **Strengthened Community Partnerships:**

The program will foster strong community partnerships, enhancing the coordination and delivery of early childhood services. By providing a central hub for collaboration, we will bring together early childhood providers, administrators, and community partners to align efforts, share resources, and develop strategies to improve services. This collaborative approach will sustain and enhance Maui County's early childhood system.

#### **Comprehensive Support for Early Childhood Programs:**

Overall, the Program will establish a strong foundation for successful school readiness and long-term academic achievement for young children in Maui County. By enhancing literacy practices, increasing access to resources, and fostering community collaboration, we will create a supportive environment that ensures the developmental success and well-being of our community's youngest members.

**END OF EXHIBIT "B"** 

#### EXHIBIT "C"

#### RESERVATIONS, COVENANTS, TERMS AND CONDITIONS

In consideration of the foregoing grant of sublease/license (hereinafter referred to as "Lease" or "Sublease") to the Lessee/Licensee, the Lessee/Licensee herein agrees to the following reservations, covenants, terms and conditions. In the event any of the following conflict with any reservation, covenant, term, or condition contained in the BODY of the lease/license, the reservation, covenant, term, or condition contained in said BODY shall prevail. All references to the lease, the lessee, or the lessor shall include and be deemed to refer to the license, licensee or the licensor, where applicable.

#### RESERVING UNTO THE STATE OF HAWAII THE FOLLOWING:

#### 1. Minerals 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 such 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 such materials 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, bauxitic clay, dispore, 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 Lessee's permitted activities on the Premises and not for sale to others.
- B. All surface and ground water appurtenant to the demised land 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 as may be required in the exercise of this right reserved; provided, however, that as a condition precedent to the exercise by the State of Hawaii of the rights reserved in this paragraph, just compensation shall be paid to Lessee for any of Lessee's improvements taken.
- 2. <u>Prehistoric and Historic Remains</u>. This Lease shall be subject to the rights of native tenants and to regulatory rights and ownership rights (if any) of the State of Hawaii established pursuant to state law including chapter 6E, Hawaii Revised Statutes, over prehistoric or historic remains found in, on, or under the land.

#### LESSEE HEREIN COVENANTS AND AGREES WITH LESSOR AS FOLLOWS:

- 1. <u>Payment of Rent</u>. That the Lessee shall pay said rent to the Lessor at the times, in the manner and form aforesaid in legal tender of the United States of America
- 2. <u>Taxes, Assessments, Etc.</u> Lessee shall pay or cause to be paid, prior to delinquency, any taxes and assessments, of every description, as to said Premises, or any part thereof, including any improvements thereon; 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 such installments, together with interest, as shall become due and payable during said term. Without limiting the generality of the foregoing, Lessees shall also be responsible for the payment of any Hawaii general excise tax (or successor tax) imposed upon the payment of all sums by Lessee under this Lease. Lessee shall remain current in payment of all taxes, rents, or other obligations to the United States, the

State of Hawaii, or any of its political subdivisions, including the County of Maui.

- 3. <u>Utility Services</u>. Lessee shall pay, prior to delinquency, all charges for water, sewer, gas, electricity, telephone, and other services or utilities used by Lessee on the Premises during the term of the Lease unless otherwise expressly agreed in writing by Lessor.
- 4. <u>No Residential Use</u>. Lessee, its agents, employees, and invitees, shall not use the Premises as temporary or permanent residence. Lessee shall not permit or allow any person to live on the Premises.
- 5. Indemnification. Lessee shall indemnify and save Lessor harmless against and from any and all suits, claims, damages, judgments, costs and expense, including reasonable attorney's fees, arising from the Lessee's use of the Premises or arise from the construction of Lessee's improvements, from the failure of Lessee to observe and perform any of the covenants, obligations, rules, regulations, provisions, terms, and conditions of this Lease, or from any act or negligence or omission to act of Lessee, its agents, contractors, servants, employees, concessionaires, or licensees in or about the demised Premises or in any connection with this Lease. In case any action or proceeding be brought against Lessor (in addition to Lessee) by reason of any such claim, Lessee agrees to pay the reasonable costs and expenses thereof, counsel fees, and any judgments or settlement of claim secured against Lessee by reason of such action or proceeding unless Lessor is found to be grossly negligent or guilty of willful misconduct. Lessor shall indemnify and save Lessee harmless against and from any and all liabilities, suits, claims, damages, judgments, losses, costs and expense, including reasonable attorneys' fees and costs, arising as a result of the negligent acts or omissions of Lessor or its employees, agents, or contractors in on or about the Premises, or Lessor's failure to perform its Lease obligations. The obligations under this section shall survive the expiration or earlier termination of the Lease without limitation.
- 6. <u>Costs of Litigation</u>. In case Lessor, without any fault on its part, is made a party to any litigation commenced by or against Lessee (other than condemnation proceedings), Lessee shall pay all costs and expenses, including attorneys' fees, incurred by or imposed on Lessor. Lessee shall pay all costs and expenses, including attorneys' fees, which may be incurred by or paid by Lessor in enforcing the covenants, obligations, rules, regulations, provisions, terms, and conditions of this Lease, in recovering possession of the Premises, or in the collection of delinquent rent, taxes, and any and all other charges. The obligations of Lessee under this section shall survive the expiration or earlier termination of the Lease without limitation.
- 7. Assumption of Risk and Liability. Lessee, as a material part of the consideration to Lessor for this Lease, does hereby assume all risk of bodily injury, wrongful death and/or property damage, business interruption or economic loss occasioned by any accident, fire, or nuisance made or suffered on the Premises, and hereby waives any and all claims against the Lessor regarding the aforementioned risks. All inventory, property, vehicles, approved improvements, and equipment of Lessee shall be kept, placed or stored at the sole risk of Lessee, and Lessor shall not be responsible or liable for any damage thereto or loss or theft thereof, including subrogation claims by Lessee's insurance carriers.
- 8. "As Is" Condition. Lessor has not made and shall not make, any representation or warranty, implied or otherwise, with respect to the condition of the premises, including but not limited to (a) any express or implied warranty of merchantability or fitness for any particular purpose or (b) any dangerous or defective conditions existing upon the premises, whether or not such conditions are known

to Lessor or reasonably discoverable by Lessee. Lessee accepts the Premises in a completely "as is" condition, with full assumption of the risks, and consequences of such conditions.

- 9. <u>Mortgage</u>. Lessee may not mortgage or create a security interest in the demised premises or any portion thereof.
- 10. <u>Liens</u>. Lessee shall not commit or suffer any act of neglect whereby the Premises, or any part thereof, or the estate of Lessee in the same, shall become subject to any attachment, judgment, lien, charge, or encumbrance (hereinafter collectively called "Lien"), whatsoever. In the event that any Lien shall attach to or encumber the Premises, or if an application for a Lien is filed in any court of competent jurisdiction, Lessee shall bond against or discharge the same within ten days after written request by Lessor. Lessee shall indemnify and hold harmless the Lessor from and against all attachments, liens, charges and encumbrances and all expenses resulting therefrom, including attorneys' fees.
- 11. Rules and Regulations. Lessor excepts and reserves the right, from time to time, to adopt reasonable rules and regulations pertaining to Lessee's use of the Premises, which rules and regulations shall be binding upon Lessee upon notice thereof to Lessee. For enforcement of such rules and regulations, if any, Lessor shall have all remedies in this Agreement and any other remedies allowed by law.
- 12. <u>Alterations and Improvements</u>. Lessee shall make no alterations to any structure on the Premises or construct any building or make any other improvements on the Premises without the prior written approval of the Director. Alterations or improvements on the Premises approved by the Director made by and paid for by Lessee, with the exception of fixtures which cannot be removed without damage to the Premises, shall, unless otherwise provided by written agreement between the Parties, be the property of Lessee.
- 13. <u>Fixed Improvements</u>. Lessee shall not at any time during the term construct, place, maintain, or install on the Premises any building, structure, or improvement of any kind or description except with the prior written approval of Lessor and upon those conditions the Lessor may impose, including any adjustment of rent, unless otherwise provided in this Lease. All improvements of whatever kind or nature located on the Premises prior to, or on the commencement date of this Lease shall be, and at all times remain, the property of the Lessor.
- 14. Repair and Maintenance. Lessee shall at its own expense at all times during the term of this Lease, substantially repair and maintain, and keep all improvements now or hereafter built or made on the Premises in good and safe repair, order, and condition, reasonable wear and tear excepted.
- 15. <u>Sanitation</u>. Lessee shall keep the Premises and improvements in a strictly clean, sanitary, and orderly condition.
- Maste and Unlawful, Improper or Offensive Use of Premises. Lessee shall not commit, suffer, or permit to be committed any waste or nuisance, or unlawful, improper or offensive use of the Premises, or any part thereof, nor, without the prior written consent of the Director, cut down, remove or destroy, or suffer to be cut down, removed or destroyed, any trees growing on the Premises at the commencement of this Lease, as well as any trees that are growing on the Premises for the duration of this Lease. Lessee shall not allow the Premises to become unduly eroded or subject to any material increase in

weeds or litter, and Lessee shall make reasonable efforts to prevent or correct same.

- Hazardous Materials. Lessee shall at all times, at its own cost and expense, comply with all federal, state, and local laws, ordinances, regulations, and standards relating to the use, analysis, production, storage, sale, disposal, or transportation of any hazardous materials, including oil or petroleum products or their derivatives, solvents, PCB's, explosive substances, asbestos, radioactive materials or waste, and any other toxic, ignitable, reactive, corrosive, contaminating, or polluting materials which are now or in the future subject to any governmental regulation (hereinafter collectively referred to as "hazardous substances"). Prior to commencing use of the Premises for any activity involving the storage, use, or distribution of (a) any hazardous substance, or (b) products or materials which (i) include any hazardous substance as a component and (ii) which, if an accident occurred, might result in the release or discharge of any hazardous substance, Lessee shall give written notice of such proposed use to Lessor. Such notice shall set forth (a) the proposed use and the hazardous substance involved, (b) a hazardous substance management plan describing the actions taken or proposed to be taken by Lessee to assure Lessee's compliance with the requirements of this Lease, and (c) evidence of insurance or other financial resources available to Lessee sufficient to assure Lessee's ability to comply with its obligations. Upon the expiration or earlier termination or revocation of this Lease, Lessee shall: (a) cause all hazardous substances previously owned, stored, or used by Lessee to be removed from the Premises and disposed of in accordance with applicable provisions of law; (b) remove any storage tanks or containers installed or used by Lessee to store any hazardous substances and repair any damage caused by such removal; (c) cause any soil or other portion of the Premises which has become contaminated by any hazardous substances stored or used by Lessee to be decontaminated, detoxified, or otherwise cleaned up in accordance with the requirements of cognizant governmental authorities; and (d) surrender possession of the Premises to Lessor free of the presence or effects of any hazardous substances generated or used by Lessee in, on, or about the Premises during the term of this Lease. Lessee shall indemnify and hold harmless Lessor from and against any and all claims relating to hazardous materials arising from this Lease. The obligations of Lessee under this section shall survive the expiration or earlier termination of the Lease without limitation.
- 18. Rights of Way and Easements. Lessor reserves the right to issue rights of way and easements for lines, transmission facilities, and appurtenances for utilities, electricity, gas, telephone, pipes, water, sewers, drainage, flowage, and any other purposes, whatsoever, including without limitation, the right to enter to construct, reconstruct, operate, and maintain such facilities; provided that all such reserved rights shall be reasonably exercised so as to cause the least practicable interference with Lessee's operations; provided further, that in any such event, any improvements made by Lessee which were damaged as a result of such entry shall be restored to a condition as near as practicable prior to such entry. Lessor further reserves the right to authorize public access over, across, under and through the Premises.
- 19. <u>Access to Information</u>. Lessee shall provide Lessor with access to Lessee's books, records, assets, facilities, and all other information relative to the use of the Premises, as deemed necessary in the judgment of Lessor.
- 20. <u>Liability Insurance, Required Coverage</u>. Lessee agrees to maintain, on a primary basis, at all times during the term of this Lease, the following insurance coverage with the minimum limits and coverages as specified as follows. The coverage(s) shall be placed with an insurance carrier authorized to do business in the State of Hawaii with an A M Best rating of A-VII or higher

- A. <u>Commercial General Liability</u>. Lessee shall procure and maintain commercial general liability coverage written on an occurrence basis covering the liability of the Lessee for all operation on the Premises. Defense cost shall be outside the limits and will not erode the limits of liability. Lessee shall name the Lessor as an Additional Insured under the policy and shall also provide a waiver of subrogation in favor of the Lessor. The commercial general liability policy shall include the following coverages:
  - 1) Premises Operations
  - 2) Independent Contractors
  - 3) Blanket Contractual Liability
  - 4) Broad Form Property Damage including Loss of Use
  - 5) Personal & Advertising Injury
  - 6) Employees named as Additional Insured
  - 7) Severability of Interest
  - 8) Fire Legal Liability
- B. The following limits of liability are the required minimum limits that shall be maintained by the Lessee.
  - 1) Bodily Injury and Property Damage
    - a. \$1,000,000 per Occurrence
    - b. \$2,000,000 Annual Aggregate
  - 2) Personal & Advertising Injury
    - a. \$1,000,000 per Occurrence
      - . \$2,000,000 Annual Aggregate
  - 3) Fire Legal Liability
    - a) \$500,000
- 21. Property Insurance. Lessee shall procure and maintain during the term of this Lease a Broad Form All Risk Property policy covering all of the Lessee's leasehold improvements, fixtures, equipment, and business personal property on a Replacement Cost basis for the perils of fire, lightning, Named Storm (Hurricane), windstorm, theft, vandalism. malicious mischief, flood, and earthquake. The perils of flood and earthquake may be subject to a sub-limit. The sub-limit shall provide coverage for 25% of the replacement cost. Any deductibles which are greater than \$10,000 (except for percentage deductibles for the perils of Named Storm, Flood, and Earthquake) must be declared and approved by the County. The County of Maui shall be named as a Loss Payee under the property policy for permanent fixtures and other equipment which are not removable by Lessee upon termination of this lease.
- 22. <u>Certificate of Insurance</u>. Upon execution of the Lease and prior to Lessee moving into the Premises, Lessee shall provide to the Lessor a Certificate of Insurance demonstrating the required insurance coverage and limits are in full force and effect. Lessee shall give immediate notice to the Lessor if the required coverage is cancelled or non-renewed by the insurance carrier.
- 23. <u>Condemnation</u>. If at any time during the term of this Lease any portion of the Premises should be condemned or required for public purposes by the State of Hawaii or the United States, Lessee shall be entitled to receive from the condemning authority the proportionate value of Lessee's

improvements so taken in the proportion that it bears to the unexpired term of this Lease; provided that Lessee may, in the alternative, remove and relocate Lessee's improvements to the remainder of the Premises occupied by Lessee. Lessee shall not by reason of the condemnation be entitled to any claim against Lessor for condemnation or indemnity for its interest in this Lease and all compensation payable or to be paid for or on account of this Lease by reason of the condemnation, except as aforesaid as to Lessee's improvements, shall be payable to and be the sole property of Lessor. Where the portion taken renders the remainder unsuitable for the use or uses for which the land was leased, Lessee shall have the option to surrender this Lease and be discharged and relieved from any further liability therefor; provided that Lessee may remove the permanent improvements constructed, erected and placed by it within such reasonable period as may be allowed by Lessor. The foregoing right of Lessor shall not be exclusive of any other to which Lessor may be entitled by law.

- 24. <u>Lessor's Lien</u>. Lessor shall have a lien on all the buildings and improvements placed on the Premises by Lessee, on all property kept or used on the Premises, whether the same is exempt from execution or not, and on the premises, whether the same is exempt from execution or not, and on the rents of all improvements and buildings situated on the Premises for all costs, attorney's fees, rent reserved, taxes, and assessments paid by Lessor on behalf of Lessee and for the payment of all money as provided in this Lease to be paid by Lessee, and such lien shall continue until the amounts are paid.
- 25. <u>Assignment</u>. Lessee may, with prior written approval of the Director, assign the Lease for the reminder of the Lease term.
- 26. <u>Sublease</u>. Lessee may, with written approval of the Director, sublease the demised premises.
- 27. <u>No Alcohol</u>. At no time shall Lessee sell or give away or permit the selling or giving away of any alcoholic beverages, or allow any alcoholic beverages to be consumed within or about the Premises.
- 28. <u>Surrender of Premises</u>. At the expiration, revocation, cancellation or termination of this Lease, Lessee shall peaceably surrender the Premises, together with all improvements existing or constructed thereon, unless provided otherwise. On or before the last day of the term or the sooner termination thereof, Lessee, if not then in default, shall remove all trade fixtures, operating equipment, and other personal property of Lessee from the Premises and repair any damage occasioned by any such removal. Property not so removed shall be deemed abandoned by Lessee.
- 29. Termination. If Lessee becomes bankrupt, dissolves, becomes inactive, or abandons the Premises for a period of four (4) consecutive months, or if this Lease and the Premises shall be attached or otherwise taken by operation of law, or if any assignment be made of Lessee's property for the benefit of creditors, or if Lessee shall fail to observe and perform any of the covenants, obligations, rules, regulations, provisions, terms, and conditions, and such failure shall continue for a period of more than thirty days after delivery by Lessor of a written notice of such breach or default, by personal service, registered mail, or certified mail to Lessee at Lessee's last known address, all rights granted hereunder to Lessee shall cease and this Lease shall terminate without prejudice to any other remedy or right of action for arrears of rent or damages or for any preceding or other breach or contract; and in the event of such termination, all buildings and improvements thereon shall remain and become the property of Lessor, subject to any valid mortgages against the property.

- 30. 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, sex, sexual orientation, age, religion, color, ancestry, national origin, disability, marital status, arrest and court record, assignment of income for child support obligations, and National Guard participation.
- 31. <u>ADA Compliance</u>. Lessor makes no representations or warranties, express or implied, as to the Premises or any existing improvements thereon, regarding compliance with the Americans with Disabilities Act of 1990 ("ADA"), 42 U.S.C. §§12101-12213 (2000).
- 32. <u>Compliance with Laws</u>. Lessee shall comply with all federal, state, and county laws pertaining to the Premises and activities conducted on the Premises, now in force or which may hereinafter be in force.
- 33. <u>Interpretation Under Hawaii Law</u>. This Lease is made and entered into in the State of Hawaii, and shall in all respects be interpreted, enforced, and governed under the laws of the State of Hawaii.
- 34. Gender. The use of any gender shall include all genders, and if there be more than one Lessee or Lessor, then all words used in the singular shall extend to and include the plural.
- 35. <u>Paragraph Headings</u>. The paragraph headings throughout this Lease are for the convenience of Lessor and Lessee and are not intended to construe the intent or meaning of any of the provisions thereof.
- 36. <u>Time of the Essence</u>. Time is of the essence of this Lease and all of the terms, provisions, covenants, and conditions hereof.
- 37. Notices. All notices or demands that are required or may be given under this Lease by one party to another party, or that are required by law, shall be in writing and shall be deemed to have been validly given or served in the following manner: (a) by delivery to the intended addressee; or (b) by depositing the notice with a reputable private courier service for next business day delivery to the intended recipient at its address set forth on the first page of this Lease or at such other address as a party shall have designated for such purpose by notice to the other party or parties; or (c) by depositing the notice with the United States Postal Service for delivery, postage prepaid, registered or certified mail, return receipt requested, to the intended recipient at its address set forth on the first page of this Lease or at such other address as a party shall have designated for such purpose by notice to the other party or parties.

A notice shall be deemed received upon personal delivery to the designated address or three days after being deposited with a private courier service or with the United States Postal Service as described, supra. Rejection of or refusal to accept a notice or the inability to give notice because a notice of a change in address was not given as required by this Paragraph shall be deemed to be receipt of the notice sent when tendered as provided by this Paragraph.

If a party has designated an agent for service of process, notice to the agent shall conclusively be deemed service on the party. A party shall have the right from time to time to change its address for receipt of notice and to specify any other address within the United States of America by giving written notice of the change in address to the other party or parties at least fifteen days in advance. A notice of change of address is effective under this Lease only when actually received.

To Lessor:

COUNTY OF MAUI

Kalana O Maui Building

200 South High Street Wailuku, Maui,

Hawaii 96793

Attn: Director, Department of Human Concerns

To Lessee:

Maui Family Support Services, Inc.

1844 Wili Pa Loop

Wailuku, Hawaii 96793

Attn: Edeluisa Bauio-Larena, Chief Executive Officer

38. <u>Assistance of Legal Counsel</u>. The Parties represent and certify to each other that they have been advised to seek the advice of legal counsel and have done so. The Parties have carefully read and fully understand all of the provisions of this Lease, and have thoroughly discussed all aspects of this Lease with their respective counsel. The parties are voluntarily entering into this Lease and no party or its agents, representatives, or attorneys have made any representations concerning the terms or effects of this Lease other than those contained herein.

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END OF EXHIBIT "C"

#### **EXHIBIT "D"**

## SPECIAL CONDITIONS FOR GRANT OF LEASE TO OCCUPY COUNTY REAL PROPERTY

In the consideration of a grant of lease to occupy County real property, the Lessee shall:

- 1. Not discriminate either in the hiring of staff, use of volunteers, or delivery of client services on the basis of sex, sexual orientation, national origin, age, race, color, religion or handicap;
- 2. Comply with all provisions of the rules and regulations relating to Chapter 3.36 of the Maui County Code, as amended;
- 3. Provide written reports on forms specified by the Lessor to provide adequate monitoring of Lessee's use of the leased premises, to the Department of Human Concerns, as required by Chapter 3.36 of the Maui County Code, as amended;
- 4. Implement a system of accounting in conformance with generally accepted accounting practices in order to insure the effective administration of the grant. Such accounts shall be kept separate from other financial management accounts of the Lessee;
- 5. The County has the right to audit Lessee to determine compliance with the terms of the Lease. Lessee will cooperate fully and assist the County in such audit;
  - 6. Comply with all terms and conditions as specified in the lease document;
- 7. In the event the Lessee fails to adhere to any of the conditions listed here, the County may terminate the Lease;
- 8. For the purposes of this Lease, Section 1 <u>Payment of Rent</u> of the Terms and Conditions is deleted in its entirety and replaced with the following:
  - 1. Intentionally left blank
- 9. For the purposes of this Lease, Section 3 <u>Utility Services</u> of the Terms and Conditions is deleted in its entirety and replaced with the following:
  - 8. <u>Utility Services</u>. Except for telephone and internet services, Lessor shall pay, all charges for water, sewer, gas, electricity, and other services or utilities used by Lessee on the Premises during the term of the lease unless otherwise expressly agreed in writing. Lessee shall cooperate with the timely transfer of all utility service contracts to Lessor.
- 10. For the purposes of this Lease, Section 25 <u>Assignment</u> of the Terms and Conditions is deleted in its entirety and replaced with the following:

- 25. <u>Assignment</u>. Lessee shall not assign this Lease for the remainder of the Lease term without the written approval of the Director, and if required by applicable, the authorization of the Maui County Council.
- 11. For the purposes of this Lease, Section 26 <u>Sublease of the Terms and Conditions</u> is deleted in its entirety and replaced with the following:
  - 26. <u>Sublease</u>. Lessee shall not sublease this Lease for the remainder of the Lease term without the written approval of the Director.
- 12. For the purposes of this Lease, Section 31 <u>ADA Compliance</u> of the Terms and Conditions is deleted in its entirety and replaced with the following:
  - 31. <u>Legal Compliance</u>. Lessor makes no representations or warranties, express or implied, as to the Premises or any existing improvements thereon, regarding compliance with the Americans with Disabilities Act of 1990 ("ADA"), 42 U.S.C. §§12101-12213 (2000). Lessee shall be responsible for complying with all applicable federal, state and county housing laws and regulations while constructing and managing the Project. All costs relating to any required improvements or modifications to the Premises, and any existing improvements thereon, shall be borne by Lessee unless agreed upon in writing by the Lessor.
- 13. For the purposes of this Lease, the following sections are added to the Terms and Conditions:
  - 39. Responsibility for Damage Claims. Lessee shall ensure that any contractor or contractors Lessee hires (the "Contractor") to perform any work on or within the Premises, including repairs, remediation or maintenance the "Work") shall indemnify Lessor against all loss of or damage to the Premises arising out of any act or omission of the Contractor. Lessee shall require the Contractor to defend, hold harmless, and indemnify the Lessor, its employees, officers, and agents against all losses, claims, suits, liability, and expense, including but not limited to attorneys' fees, arising out of injury to or death of persons (including employees or invitees of the Lessor, the Contractor or any subcontractor) or damage to property resulting from or in connection with performance of the Work. The Lessor may participate in the defense of any claim or suit without relieving the Contractor of any obligation hereunder. The purchase of liability insurance shall not relieve the Contractor of the obligations described herein. The Contractor agrees that it will not attempt to hold the Lessor and its officers, representatives, employees, or agents, liable or responsible for any losses or damages to third parties from the action of the elements, the nature of the work to be done under these specifications or from any unforeseen obstructions, acts of God, vandalism, fires or encumbrances which may be encountered in the prosecution of the Work. The Contractor shall pay all just claims for materials, supplies, tools, labor, and other just claims against the Contractor or any subcontractor in connection with the Work. The Contractor

shall defend, indemnify, and hold harmless Lessor and its officers, representatives, employees, or agents from all suits, actions or claims of any character brought on account of any claims or amounts arising or recovered under the Worker's Compensation Laws or any other law, by-law, ordinance, order or decree. Lessee shall provide to Lessor sufficient documentation, including certificates of insurance, evidencing compliance with this paragraph prior to commencement of any work.

Contractor Insurance, For all Contractor performed Work, Lessee shall ensure that Contractor shall, at Contractor's own cost and expense, at all times during the term hereof, effect and maintain with an insurance company or companies qualified to do business in the State of Hawaii and approved by Lessor, a policy or policies of Comprehensive General Liability Insurance and Comprehensive Automobile Liability Insurance, with such reasonable minimum limits as shall be prescribed by Lessor from time to time, but initially with minimum limits of not less than \$1,000,000 combined single limit per occurrence for bodily injury or death and property damage, and \$2,000,000 in the aggregate. The amounts of insurance specified are minimum amounts only and will in no way limit the liability or obligations of Lessee under this Agreement, nor constitute any representation by Lessor that the amount of such insurance is adequate for Lessee's or Contractor's purposes or protection. Such policy or policies shall cover occurrences arising out of the use, entries upon, occupancy, misuse, and condition of the Premises (including all improvements comprising the Premises), and adjoining areas or ways, name Lessor as additional insured, a copy be deposited with Lessor, require the insurer to give Lessor at least thirty days written notice of its intention to cancel, terminate, or amend the policy or policies in any material respect, and contain a waiver by the insurer of any right of subrogation to any right of Lessor or Contractor against them or any person acting under them. Contractor shall also maintain worker's compensation insurance as required by law.

**END OF EXHIBIT "D"** 

INTRODUCED BY:

Upon the request of the Mayor.