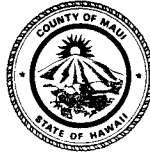


DANNY A. MATEO
County Clerk



JOSIAH K. NISHITA
Deputy County Clerk

OFFICE OF THE COUNTY CLERK

COUNTY OF MAUI
200 SOUTH HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.mauicounty.gov/county/clerk

October 24, 2016

Honorable Don S. Guzman, Chair
Economic Development, Energy, Agriculture,
and Recreation Committee
Council of the County of Maui
Wailuku, Hawaii 96793

Dear Chair Guzman:

Please be advised that the Council of the County of Maui, at its meeting of
October 21, 2016, recommitted Committee Report No. 16-167.

Respectfully yours,

A handwritten signature in black ink, appearing to read "Danny A. Mateo", is written over a faint circular stamp.

DANNY A. MATEO
County Clerk

/jym

Enclosure

cc: Director of Council Services

RECEIVED
2016 OCT 24 PM 1:26
OFFICE OF THE
COUNTY COUNCIL

COUNCIL OF THE COUNTY OF MAUI
**ECONOMIC DEVELOPMENT, ENERGY,
AGRICULTURE, AND RECREATION
COMMITTEE**

October 21, 2016

Committee
Report No. 16-167

Honorable Chair and Members
of the County Council
County of Maui
Wailuku, Maui, Hawaii

Chair and Members:

Your Economic Development, Energy, Agriculture, and Recreation Committee, having met on October 4, 2016, makes reference to County Communication 16-170, from the Director of Parks and Recreation, transmitting a proposed resolution entitled "AUTHORIZING A GRANT OF A LEASE OF COUNTY RECREATIONAL SPACE TO BOYS & GIRLS CLUBS OF MAUI, INC. (HAIKU CLUBHOUSE)."

The purpose of the proposed resolution is to authorize the Mayor to enter into a lease with Boys & Girls Clubs of Maui, Inc., for the Haiku Clubhouse, for a term of 30 years, to expire on June 30, 2046, for an annual rent of \$1.

Your Committee notes the property is identified as a portion of tax map key (2) 2-7-008:127, comprising an area of 3,850 square feet. The organization intends to continue the use of the premises for a drop-in youth center for ages 9-17, with programs addressing character and leadership, education and career development, health and life skills, the arts, and fitness and recreation.

Pursuant to Section 3.36.090, Maui County Code, the Council may authorize, by resolution, the grant of a lease of real property at less than fair market value.

A representative of Boys & Girls Club of Maui, Inc., informed your Committee the nonprofit has operated these programs since 2000 on a permit basis, serving over a hundred children daily, with many coming from Haiku School to participate in after-school activities. These activities include mentoring and homework help; maintenance of area around the

COUNCIL OF THE COUNTY OF MAUI
ECONOMIC DEVELOPMENT, ENERGY,
AGRICULTURE, AND RECREATION
COMMITTEE

Page 2

Committee
Report No. 16-167

property, such as painting over graffiti; soccer league; and various clubs, such as the Hawaiian Cultural Club, the Film Club, and the Video Club. The representative added the organization provides a support system for families of the participating children, as well as annual Thanksgiving dinners and Christmas shows.

The Director of Parks and Recreation stated the fair market rental value of the clubhouse is \$1.6 million over the 30-year term of the lease (\$4,444 per month). He said the nonprofit provides a much-needed service in the Haiku community, and the Department fully supports the lease.

Your Committee commended the Boys & Girls Clubs of Maui, Inc., for its valuable service to the community.

Your Committee voted 4-0 to recommend adoption of the proposed resolution and filing of the communication. Committee Chair Guzman, and members Couch, Crivello, and Victorino voted "aye." Committee members Cochran, Hokama, and White were excused.

Your Economic Development, Energy, Agriculture, and Recreation Committee RECOMMENDS the following:

1. That Resolution _____, attached hereto, entitled "AUTHORIZING A GRANT OF A LEASE OF COUNTY RECREATIONAL SPACE TO BOYS & GIRLS CLUBS OF MAUI, INC. (HAIKU CLUBHOUSE)," be ADOPTED; and
2. That County Communication 16-170 be FILED.

COUNCIL OF THE COUNTY OF MAUI
**ECONOMIC DEVELOPMENT, ENERGY,
AGRICULTURE, AND RECREATION
COMMITTEE**

Page 3

Committee
Report No. 16-167

This report is submitted in accordance with Rule 8 of the Rules of the Council.



DON S. GUZMAN, Chair

ear:cr:16066aa:scb

Resolution

No. _____

AUTHORIZING A GRANT OF A LEASE OF COUNTY
RECREATIONAL SPACE TO BOYS & GIRLS CLUBS OF MAUI, INC.
(HAIKU CLUBHOUSE)

WHEREAS, Boys & Girls Clubs of Maui, Inc., a Hawaii non-profit corporation, desires to obtain a lease of certain County real property identified as Tax Map Key Number (2) 2-7-008:127 (por.), comprising an area of approximately 3,850 square feet, more or less, to continue use of the Premises for a drop-in youth center for ages nine through seventeen, with programs addressing character and leadership, education and career development, health and life skills, the arts, and fitness and recreation; and

WHEREAS, the proposed Lease of County Recreational Space ("Grant Agreement"), is attached hereto and by reference made a part hereof as Exhibit "1"; and

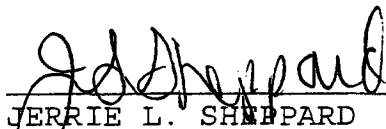
WHEREAS, pursuant to Maui County Code Section 3.36.090, the Council of the County of Maui may authorize the grant of a lease of County real property by resolution; now, therefore,

Resolution No. _____

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

1. That pursuant to Section 3.36.090, Maui County Code the grant of the Lease is hereby authorized; and
2. That the Mayor and the Director of Finance or their authorized representatives may execute the Grant Agreement and Lease; and
3. That certified copies of this resolution be transmitted to the Mayor, the Director of Finance, the Director of Parks and Recreation, and Boys & Girls Clubs of Maui, Inc.

APPROVED AS TO FORM
AND LEGALITY:


JERRIE L. SHEPPARD
Deputy Corporation Counsel
County of Maui
(LF 2016-0274)

LAND COURT SYSTEM

REGULAR SYSTEM

Return by Mail (X) Pickup ()

To: DEPARTMENT OF FINANCE
County Of Maui
200 South High Street
Wailuku, Maui, Hawaii 96793

Affects TMK Nos.: (2)2-7-008:127(por.) Total No. of Pages: _____

BOYS & GIRLS CLUBS OF MAUI, INC.
LEASE OF COUNTY RECREATIONAL SPACE
(Haiku Clubhouse)

THIS LEASE, made this _____ day of _____, 2016, 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, hereinafter referred to as "Lessor", and the BOYS & GIRLS CLUBS OF MAUI, INC., a Hawaii nonprofit corporation, whose mailing address is 100 Kanaloa Avenue, Kahului, Maui, Hawaii 96732, hereinafter referred to as "Lessee", and collectively referred to as the "Parties"; and

EXHIBIT " 1 "

W I T N E S S E T H:

WHEREAS, the Lessor is the owner of that certain parcel of land which Lessee desires to lease a portion of to provide for a drop-in youth center for ages nine through seventeen, with programs addressing character and leadership, education and career development, health and life skills, the arts, and fitness and recreation; and

WHEREAS, Lessee has operated from these premises since 2000, and desires to perform its programs as more fully described in Exhibit "A", attached hereto and made a part hereof; and

WHEREAS, the County of Maui supports Lessee and hopes to assist Lessee by issuing this Lease so that Lessee may continue to conduct its activities on the premises; NOW, THEREFORE,

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

A. Premises. The leased area includes a building of approximately 3,850 square feet, more or less, situated on a portion of property identified as Tax Map Key Number (2)2-7-008:127(por.), more particularly described and shown in Exhibit "B", attached hereto and by reference incorporated herein, hereinafter referred to as the "Premises."

B. Use of Premises. Lessee shall use the Premises for a for a drop-in youth center for ages nine through seventeen, with

programs addressing character and leadership, education and career development, health and life skills, the arts, and fitness and recreation. The use of the Premises for any other purpose shall require the prior written approval of Lessor, through its Director of the Department of Parks and Recreation ("Director").

C. Term. This Lease shall commence upon execution and expire upon the 30th day of June 2046, unless sooner terminated as provided herein.

D. Rent. Lessor reserving and the Lessee yielding and paying to the Lessor the nominal rental amount of ONE DOLLAR (\$1.00) per annum, payable to the County of Maui, Department of Finance, at Lessor's address designated herein or as otherwise designated in writing by Lessor, in advance, within ninety (90) days of execution of this lease, the receipt and sufficiency of which is hereby acknowledged.

E. Parking lot. Lessee may have temporary, non-exclusive use of the parking area adjacent to the Premises. Lessee shall not restrict the public's use and access of the parking lot which serves Haiku Park and Community Center, adjacent to the Premises.

F. No disturbance. Lessee acknowledges and confirms that the Premises is located on public park property and is adjacent to Haiku Park and Community Center, a public park facility used by the general public. Lessee and anyone claiming under Lessee, shall limit their activities to the Premises covered by this Agreement and will exercise its rights in a manner causing as

little interference as reasonably possible with the use of Haiku Park and Community Center and its parking lot. Lessee and anyone claiming under Lessee shall obey reasonable rules, regulations, instructions and/or directions of Lessor and Lessor's officers, employees, or agents with respect to same.

G. Permit Required. If Lessee desires to have temporary, exclusive use either of the parking lot or Haiku Park and Community Center, or both, Lessee shall apply for a use permit with the Department of Parks and Recreation.

H. Additional Covenants, Terms and Conditions. Additional covenants, terms and conditions of this Lease are set forth in Exhibit "C" attached hereto and by reference made a part hereof.

I. Grant requirements. Within three (3) weeks after the end of each fiscal year, Lessee shall transmit to the Department of Parks and Recreation a report, using Exhibit "D", containing the following information for the previous fiscal year:

1. Program status summary;
2. Program data summary;
3. Summary of participant characteristics;
4. Changes in real property tax assessment for the real property;
5. Earnings from the grant of real property; and
6. Narrative report.


IN WITNESS WHEREOF, the Parties hereto have caused these presents to be executed on the date set forth above.

LESSOR:

COUNTY OF MAUI

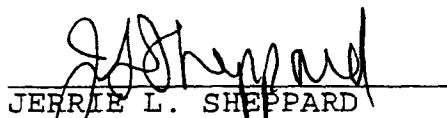
By ALAN M. ARAKAWA
Its Mayor

APPROVAL RECOMMENDED:


BUTCH KAALA BUENCONSEJO
Director of Department
of Parks and Recreation

By DANILO F. AGSALOG
Its Director of Finance

APPROVED AS TO FORM
AND LEGALITY:


JERRIE L. SHEPPARD
Deputy Corporation Counsel
County of Maui
(2014-3358)

LESSEE:

BOYS & GIRLS CLUBS OF
MAUI, INC.

By Leslie Ann Yokouchi
(Signature)
Leslie Ann Yokouchi
(Print Name)
Its President
(Title)

By Kelly L. Pearson
(Signature)
Kelly L. Pearson
(Print Name)
Its CHIEF EXECUTIVE OFFICER
(Title)

STATE OF HAWAII)
)
 COUNTY OF MAUI) SS.

On this _____ day of _____, 20____, before me personally appeared ALAN M. ARAKAWA, to me personally known, who, being by me duly sworn, did say that he is the Mayor of the County of Maui, a political subdivision of the State of Hawaii, and that the seal affixed to the foregoing instrument is the lawful seal of the said County of Maui, and that the said instrument was signed and sealed on behalf of said County of Maui pursuant to Section 7-5.11 and Section 9-18 of the Charter of the County of Maui; and the said ALAN M. ARAKAWA acknowledged the said instrument to be the free act and deed of said County of Maui.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Notary Public, State of Hawaii

Print Name: _____

My commission expires: _____

Notary Seal

NOTARY PUBLIC CERTIFICATION	
Doc. Date: _____	# Pages: _____
Notary Name: _____	Judicial Circuit: _____
<div>Doc. Description:</div> <div>_____</div> <div>_____</div> <div>_____</div> <div>_____</div> <div>_____</div>	
<div>Notary Signature: _____</div> <div>Date: _____</div>	

STATE OF HAWAII)
) SS.
COUNTY OF MAUI)

On this _____ day of _____, 20____, before me appeared DANILO F. AGSALOG, to me personally known, who being by me duly sworn, did say that he is the Director of Finance of the County of Maui, a political subdivision of the State of Hawaii, and that the seal affixed to the foregoing instrument is the lawful seal of the said County of Maui, and that the said instrument was signed and sealed on behalf of said County of Maui pursuant to Section 9-18 of the Charter of the County of Maui; and the said DANILO F. AGSALOG acknowledged the said instrument to be the free act and deed of said County of Maui.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Notary Public, State of Hawaii

Print Name: _____

My commission expires: _____

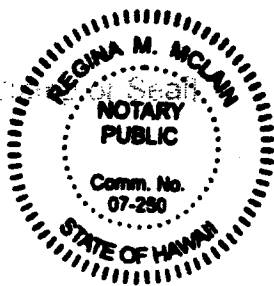
NOTARY PUBLIC CERTIFICATION	
Doc. Date: _____	# Pages: _____
Notary Name: _____	Judicial Circuit: _____
Doc. Description: _____	

Notary Signature: _____	
Date: _____	

STATE OF Hawaii)
County of Maui) SS.

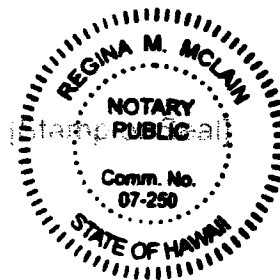
On this 20th day of May, 2016, before me personally appeared Kelly L. Pearson, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable, in the capacity shown, having been duly authorized to execute such instrument in such capacity.

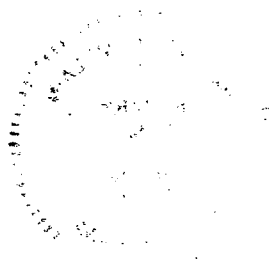
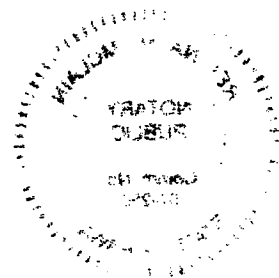
IN WITNESS WHEREOF, I have hereunto set my hand and official seal.



Regina M. McLain
Notary Public, State of Hawaii
Print Name: REGINA M. MCLAIN
My commission expires: 5/27/2019

NOTARY PUBLIC CERTIFICATION	
Doc. Date: <u>Undated</u>	# Pages: <u>35</u>
Notary Name: <u>Regina M. McLain</u>	Judicial Circuit: <u>2nd</u>
Doc. Description: <u>Lease Agreement</u> <u>for Naiku Clubhouse</u>	
Notary Signature: <u>Regina M. McLain</u>	
Date: <u>5/20/2016</u>	

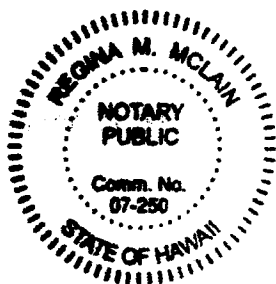




STATE OF Hawaii)
County of Maui) SS.

On this 25th day of May, 2016, before me personally appeared Leslie Ann Yokouchi, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable, in the capacity shown, having been duly authorized to execute such instrument in such capacity.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

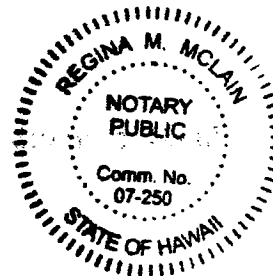


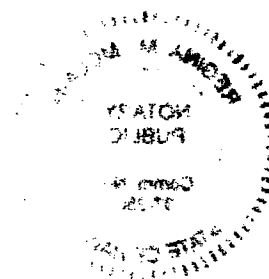
Regina M. McLain
Notary Public, State of Hawaii

Print Name: REGINA M. McLAIN

My commission expires: 5/27/2019

NOTARY PUBLIC CERTIFICATION	
Doc. Date: <u>Undated</u>	# Pages: <u>35</u>
Notary Name: <u>Regina M. McLain</u>	Judicial Circuit: <u>2nd</u>
Doc. Description: <u>Lease Agreement</u> <u>for Haiku Club</u>	
Notary Signature: <u>Regina M. McLain</u>	
Date: <u>5/25/2016</u>	







COUNTY OF MAUI
DEPARTMENT OF PARKS AND RECREATION

MAUI COUNTY GRANTS OF REAL PROPERTY

APPLICANT

Legal Name of Organization: BOYS + GIRLS CLUBS OF MAUI, INC.

Address: 100 KANALOA AVENUE
KAHULUI, HAWAII 96732

Director/Manager: KELLY PEARSON
Phone: (808) 242-4363 Fax: 249-0255

Organization President: WALLY PRESTIDGE
Phone: (808) 633-3734 Fax: _____

Contact Person (Grant Writer): KELLY PEARSON
Title: CHIEF EXECUTIVE OFFICER Phone: (808) 242-4363
xt. 222

Total annual budget of organization: \$ 2.4 MILLION xt. 222

Has the applicant applied for funds from the County of Maui this fiscal year?
☒ Yes Source: COUNTY OF MAUI, COMMUNITY PARTNERSHIP GRANTS ☐ No

Specify Lease or License

TERM OF LEASE/LICENSE REQUESTED: 30 years

TYPE OF REQUEST: ☒ New ☐ Renewal ☐ Extension

DESCRIPTION OF PROPERTY:

Please provide the Tax Map Key Number, Address (if available), Metes & Bounds description (if available) and area (i.e. ___ sq. ft., ___ acres) of real estate for which lease/license is being requested.

2270081270000

In one (1) sentence, DESCRIBE THE INTENDED USAGE of the facility/site for which the lease/license is being requested.

The Haiku Clubhouse provides a safe + secure environment that encourages our members to do their best in everything they do with the help of our staff of positive role models.

EXHIBIT "A"

NARRATIVE APPLICATION

INSTRUCTIONS:

- ☒ Be sure to respond to each of the following questions.
- ☒ State the question OR number of your responses to correspond with each question.
- ☒ Please limit your narrative response to ten (10) pages.

1. Provide a description of the nature and purpose of the agency requesting the lease or license-to-occupy, including:
 - ☒ goals and objectives of the organization
 - ☒ population clientele served
 - ☒ services provided (*including numbers served*)
 - ☒ sources of funding/support for the organization's services and activities
 - ☒ administrative/management structure
2. Please explain the intended usage of the facility (or site) for which the lease/license-to-occupy is being requested. Include information about:
 - ☒ the specific use(s)/activity(ies) to be conducted at the facility/site
 - ☒ the reason and justification of need for these services/activities
 - ☒ the target population to be served at the facility/site
 - ☒ the estimated average number of people using the facility/site on a weekly basis
 - ☒ the frequency of use (i.e. daily, monthly, quarterly, etc. and number of hours per day) of the facility/site
3. Explain 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.
4. Describe the management plan for the facility/site. Who and how will daily management of the facility/site be handled?
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?
6. If major improvements/construction is planned on the requested site, please provide the following:
 - ☒ budget including projected costs and funding sources and amounts. Please identify firm/committed funding sources and amounts.
 - ☒ description of the planned improvement including plans or at least a conceptual drawing(s) of the facility.

APPLICANT SUBMITTAL

THE BOYS & GIRLS CLUBS OF MAUI, INC. (Applicant) submits this application to receive a grant of real property lease/license to occupy for HAIKU CLUBHOUSE (Project Title) and hereby agrees to utilize and manage the real property according to the terms and conditions of the lease/license to occupy agreement. The Department of Parks and Recreation reserves the right to revoke the lease/license to occupy agreement at any time the applicant/grantee is not in compliance with the terms of said agreement and in accordance with the cancellation provisions contained in said agreement. It is the policy of the County of Maui and for those who do business with the County to provide equal employment opportunities to all persons regardless of race, physical disabilities, color, religion, sex, age or national origin as mandated by Federal Civil Rights Act, as amended, and any other federal state laws relating to equal employment opportunities.

AUTHORITY AND CAPACITY OF APPLICANT

The applicant assures that it has the authority and capacity to develop and submit the application, and to manage the real property for which a lease/license to occupy is being requested and to carry out programs pursuant to the application.

QUALIFYING STANDARDS FOR APPLICANTS

An applicant making a request for a grant of real property shall meet all of the following standards: (Please check all boxes which your organization complies with)

- ☒ Be a profit organization incorporated under the laws of the State of Hawaii, or a nonprofit organization determined to be exempt from federal income tax by the Internal Revenue Service and in good standing with the State Department of Commerce and Consumer Affairs;
- ☒ As a nonprofit organization have a board of directors whose members have no conflict of interest and serve without compensation;
- ☒ Have signed bylaws, charter of incorporation and policies which describe the manner in which business is conducted. Such documents shall include provisions relating to nepotism, potential conflict of interest situations, non discrimination and financial audit requirements;
- ☒ Be licensed and accredited in accordance with applicable requirements of federal, state and county governments, as necessary;
- ☒ Be current in all state, federal and local tax payments and;
- ☒ Post and maintain the following drug free policy for staff and program participants, "This is a tobacco, alcohol and drug free work place and program." Wherever appropriate, the applicant also agrees to integrate alcohol, tobacco, and other drug free messages and prevention materials, information and activities into programs/activities it conducts at the County property for which a lease/license to occupy is being requested.

RECORDS AND REPORTS

The applicant shall submit an annual report using the prescribed format as appended to the lease/license to occupy agreement.

GRANT CONDITIONS

The applicant agrees to comply with the following conditions before receiving a grant of real property:

- A. Employ and/or have under contract such person(s) as are qualified to manage the real property for which a lease/license to occupy is requested;
- B. Employ and/or have under contract such person(s) as are qualified to engage in the activity to be conducted in the County facility for which a lease/license to occupy is requested; and provided that for nonprofit organizations, no two or more members of a family or kin of the first or second degree shall be employed or under contract by the organization;
- C. Comply with applicable federal and state laws prohibiting discrimination against any person on the basis of race, color, national origin, religion, creed, sex, age, physical handicap, marital status, parental status, arrest and court record, National Guard participation, or HIV infection;
- D. Provide certification of necessary insurance;
- E. Comply with such other requirements to ensure adherence by the provider or recipient with applicable federal, state, and county laws; and
- F. Allow the Department of Parks and Recreation and County Auditors full access to records, reports, files, and other related documents in order that the program, management, administrative and fiscal practices of the recipient may be monitored and evaluated to assure the proper and effective administration of the program/activities for which use of County real property is being requested.

RECOGNITION

The grant recipient will give the County of Maui appropriate recognition in all County-funded programs, audio/visual, publicity and advertising, and printed materials.

GRIEVANCE PROCEDURE

The applicant will adopt a grievance procedure to assure proper accounting for any concerns and complaints about its programs or services that may arise from its members, employees, clients or from other members of the public.

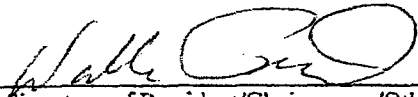
DISCLOSURE OF INFORMATION

All information, data, or any other material provided to the County by virtue of this application shall be subject to the Uniform Practice Act (UPA), Chapter 92F, Hawaii Revised Statutes. All such material is deemed government record, open to the public and may be provided to other public and/or private funding sources.

CONTINUED ELIGIBILITY

Any recipient or provider who withholds or omits any material facts or deliberately misrepresents such facts to the County of Maui shall be in violation of the terms of this agreement. Such recipient or provider shall be prohibited from receiving any grant, subsidy, purchase of service, or lease/license agreement from the County of Maui for a period of up to five years.

UNSIGNED PROPOSALS WILL NOT BE ACCEPTED!



Signature of President/Chairperson/Other Authorized Officer

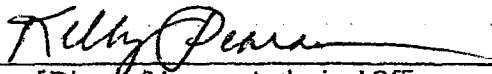
12/10/2015

Date

WALLACE PRESTIDGE, CHIEF VOLUNTEER OFFICER

Print Name and Title

(BOARD PRESIDENT)



Signature of Director/Manager Authorized Officer

12.08.2015

Date

KELLY PEARSON, CHIEF EXECUTIVE OFFICER

Print Name and Title

County of Maui
DEPARTMENT OF PARKS AND RECREATION

Real Property Lease/License Application

Financial Information

Include a copy of the current year operational budget for the programs/services conducted at/through the facility for which you are requesting a lease/license to occupy. Show separately County grant income and expenses, if any.

- | <u>YES</u> | <u>NO</u> | |
|------------|-----------|--|
| <u>X</u> | | 1. Are fees assessed for services/activities conducted at/through the County facility? If YES, please explain (1) fee schedule and (2) assistance provided to clients unable to pay fee. <u>SEE ATTACHED</u> |
| | <u>X</u> | 2. Are any commercial activities conducted at/through the facility? If YES, please provide information on (1) nature of the activity, (2) annual gross receipts, and (3) use/disposition of income generated. (Attach separate sheet for explanation.) |
| <u>X</u> | | 3. Does your Board of Directors approve a budget before the start of each fiscal year? If NO, please explain. |
| <u>X</u> | | 4. Do your Board meeting minutes show that financial statements are approved? If NO, please explain. |
| <u>X</u> | | 5. Are bank reconciliations and accounting done by someone other than the check Signatory? If NO, please explain. |
| <u>X</u> | | 6. Is the agency free of any pending litigation, liens or judgments? If NO, please Explain. |

I hereby certify that this information is true and correct to the best of my knowledge.

Agency: BOYS + GIRLS CLUBS OF MAUI, INC Phone: (800) 242-4363

Prepared by: KENNETH YOUNGER, OF FINANCE DIRECTOR
Print Name/Title Signature Date 12/8/15

Certified by: KELLY PEARSON, CEO
Print Name of Executive Director/Board President Signature Date 12.08.2015

MAUI COUNTY GRANTS OF REAL PROPERTY

Boys & Girls Clubs of Maui, Inc.

Lease Application for Haiku Clubhouse, Haiku, Maui, Hawaii

December 2, 2015

NARRATIVE APPLICATION RESPONSES

1. Provide a description of the nature and purpose of the agency requesting the lease or license-to-occupy, including:
 - Goals and objectives of the organization
 - Population clientele served
 - Services provided (including numbers served)
 - Sources of funding/support for the organization's services and activities
 - Administrative/management structure

The Boys & Girls Clubs of Maui, Inc., is a non-profit 501 (c)(3) organization operating drop-in service facilities that provide a safe, supportive, non-judgmental, nurturing and supervised environment where youth ages 9 to 17 years old can be themselves, experience positive role models, and learn the values and skills that promote success.

Founded in 2000, the Mission of the Boys & Girls Clubs of Maui is to inspire and enable all young people, especially those who need us most, to realize their full potential as productive, responsible and caring citizens. We provide award winning, evidence-based programs to meet our basic goals, which are to increase graduation rates, improve youth fitness and health, and to introduce young people to community service and leadership.

We serve over 9,000 Maui County youth annually through our six clubs and outreach programs. The clubs are open after school; during intersession, breaks and school holidays; and throughout the summer. When school is out, clubs are in. Our clubhouses are located in Central Maui, Kahekili Terrace (accepts members as young as 6), Paukukalo (accepts members as young as 6), Haiku, Makawao and Lahaina.

Membership is open to all, and we strive to ensure that all the youth in Maui County have access to our quality youth development programs. Membership is \$5 per year per member (\$10 per family), but we have scholarships available for those who cannot afford it.

The clubs are staffed by youth development professionals who exemplify our values of fun, respect, character development, education and ohana. Not just after-school hangouts, our clubhouses are safe and positive places where young people come to have fun, learn, do homework, develop social skills, express themselves creatively, and participate in sports. Our young members develop a sense of belonging and connection

to the club, and make connections with one or more trusted adults. Continual learning is celebrated and reinforced in every interaction, activity, and area of the Club.

At Boys & Girls Clubs of Maui, we believe that success is within reach of every young person who walks through the doors of our clubs.

BGCM has an annual operating budget of approximately \$2.5 million. As a non-profit agency, BGCM relies on a variety of resources to fund its operations. We receive a large portion of our financial support from the County of Maui. Additional funds come from the State of Hawaii and the federal government. We also pursue and receive funding from private foundations and corporations. Additionally, we receive donations from individuals and businesses through fundraising and philanthropy-based endeavors.

BGCM's management structure includes a 20-member Board of Directors, the Chief Executive Officer, the Chief Operating Officer, the Director of Finance, and 6 Unit Directors (one for each club location) who report directly to the COO.

2. Please explain the intended usage of the facility (or site) for which the lease/license-to-occupy is being requested. Include information about:

- The specific use(s)/activity(ies) to be conducted at the facility/site
- The reason and justification of need for these services/activities
- The target population to be served at the facility/site
- The estimated average number of people using the facility/site on a weekly basis
- The frequency of use (i.e. daily, monthly, quarterly, etc. and number of hours per day) of the facility/site

The facility is currently being used by the Boys & Girls Clubs of Maui as our Haiku Clubhouse. The Haiku Clubhouse is a safe and secure environment that encourages our members to do their best in everything they do with the help of our staff of positive role models.

Core programs and activities decrease the amount of idle time youth have on their hands and keep them from being bored. It is the comprehensive program that the Boys & Girls Club of Maui has and will continue to provide that makes the program as successful as it is.

The Haiku Club is open when school is out, parents are not at home, and youths need a positive, nurturing place to go. It is when our young people have too much time on their hands, yet too little to do, that they get into trouble. The Haiku site is open Monday to Friday from 2 p.m. to 7 p.m. (except on Wednesday Early Release Days when we open at 1 p.m.). When schools are closed for the summer, during intersession and on holidays, the club is open from 8 a.m. to 6 p.m.

At the Haiku Clubhouse, we serve 325 members annually. Most of our members live in the Haiku area and attend Haiku Elementary, Kalama Intermediate, King Kekaulike H.S. or Kamehameha schools, although where a child lives or goes to school are not requirements for membership in the club. On average, approximately 90 youth attend club activities on a daily basis during the school year and 60 for the summer.

Our programs focus on five core areas: Character and Leadership; Education and Career Development; Health and Lifeskills; Sports, Fitness and Recreation; and the Arts. Activities are age appropriate and are designed to meet the needs of each individual member.

3. Explain 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 Haiku Clubhouse has been operating out of the Haiku Community Center location since 2000 when Boys & Girls Clubs of Maui, Inc., was founded. It is conveniently located to serve the youth of Haiku and the surrounding area, has adequate space for programs and activities for the youth, has available parking, and enables us to provide a safe, secure environment for our members. Over 60 Haiku Elementary students attend the club daily. The youth members who attend Haiku Elementary walk directly to the club which is located across the County of Maui Haiku field. This daily walk is safe for the youth because it is in an open field and far from the busy roads, streets and highway in Haiku, Maui.

As such, it remains the ideal location for BGCM's Haiku Clubhouse.

4. Describe the management plan for the facility/site. Who and how will daily management of the facility/site be handled?

The Haiku Clubhouse is managed on a daily basis by the Unit Director (UD), whose office is located in that facility. All of the Youth Development Staff assigned to the club report directly to the Unit Director.

The Chief Operating Officer (COO) is responsible for the operation of all 6 of the BGCM club facilities; all UD's report to the COO. Meetings are held monthly with all UD's and the COO to ensure all programs and activities are being run effectively and efficiently. Any issues that arise at the club are handled immediately through the chain of command.

All employees of BGCM must pass both a criminal background check and a drug test before they are hired.

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?

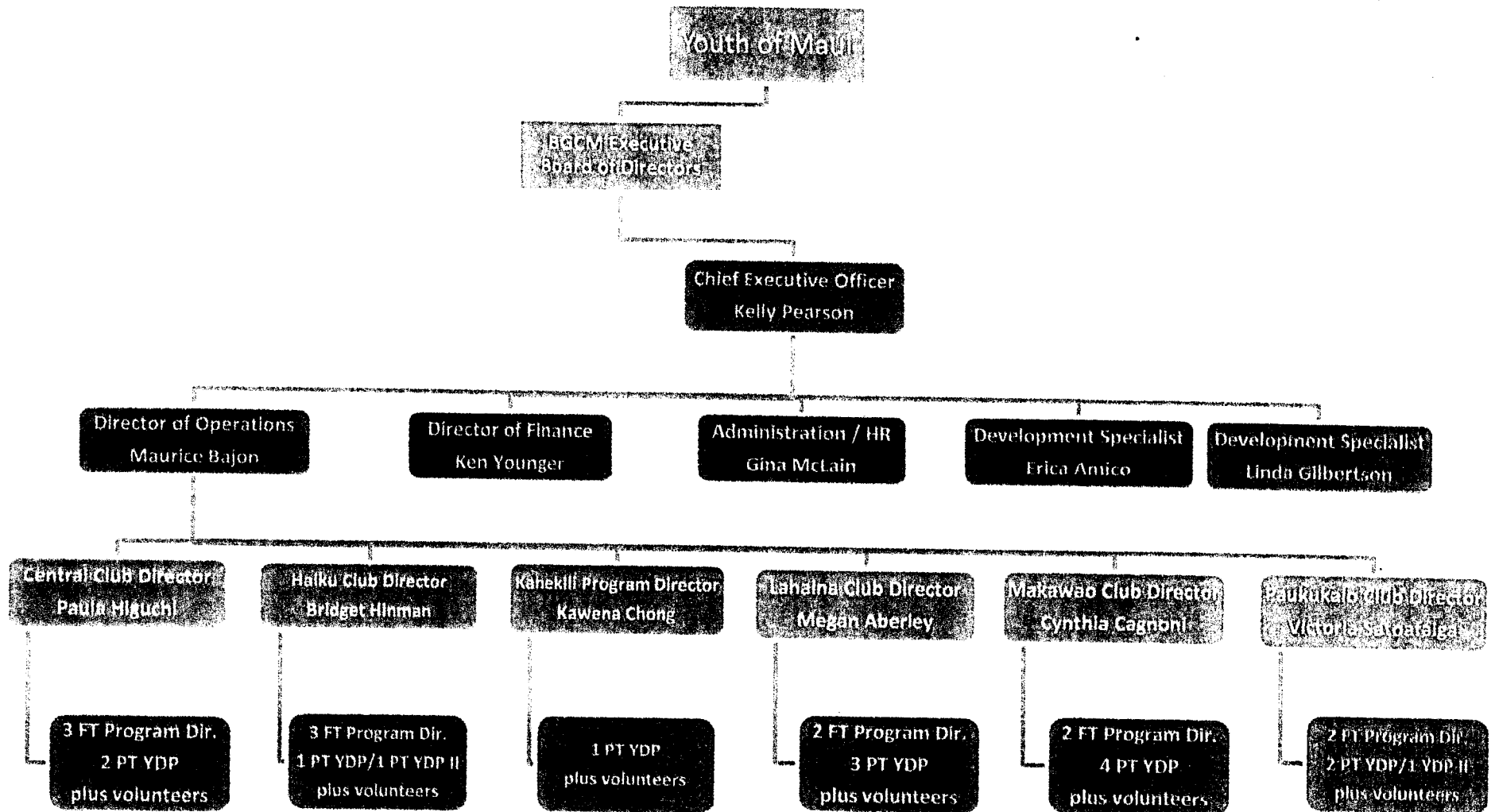
Boys & Girls Clubs of Maui relies on multiple sources of funding to run our programs and other activities, including federal, state and local grants, funds from corporations and foundations, as well as through our own fundraising efforts. Often, there is the requirement that we either own or have a long-term lease on the facility we use as a Clubhouse in order to receive grants and other types of funding. Without being able to prove we can legally use this facility for many years, we may lose out on funding resources, which will negatively affect our ability to provide needed programming to our members.

Additionally, this location is ideal as a Boys & Girls Clubs of Maui facility. It meets all of our needs for accessibility, available square footage, outdoor space, and hours of operation. Currently, we know of no other facility that will meet our needs as well. Without an acceptable facility, we would not be able to offer our programs and services to the youth of this area.

6. If major improvements/construction is planned on the requested site, please provide the following:
- Budget including projected costs and funding sources and amounts. Please identify firm/committed funding sources and amounts.
 - Description of the planned improvement including plans or at least a conceptual drawing(s) of the facility.

We have no plans at this time to make any improvements or changes to the facility.

BOYS & GIRLS CLUBS OF MAUI
ORGANIZATIONAL CHART
Revised December 2015



Boys & Girls Clubs of Maui
SUMMARY OF OPERATING BUDGET - HAIKU CLUB
FY 15-16 Approved Budget

GRANTS	258,960
SNACK SHACK REVENUE	10,500
FAIR PARKING FEES	3,455
MEMBERSHIP REVENUE	1,250
CLUB MISC. REVENUE	625
OTHER INCOME	-
TOTAL REVENUE	274,789
PERSONNEL COSTS	259,017
CONTRACT SERVICE FEES	7,649
SUPPLIES	1,670
COMMUNICATIONS	4,505
OCCUPANCY	2,725
FURNITURE & EQUIPMENT	9,550
PRINTING & PUBLICATIONS	-
TRAVEL	4,600
CONFERENCES & MEETINGS	325
CLUB SUPPLIES & ACTIVITIES	18,400
BUSINESS EXPENSES	4,644
FR EVENT EXPENSES	-
INSURANCE	8,140
TOTAL EXPENSES	321,225
SURPLUS (DEFICIT)	(46,436)

BOYS & GIRLS CLUBS OF MAUI

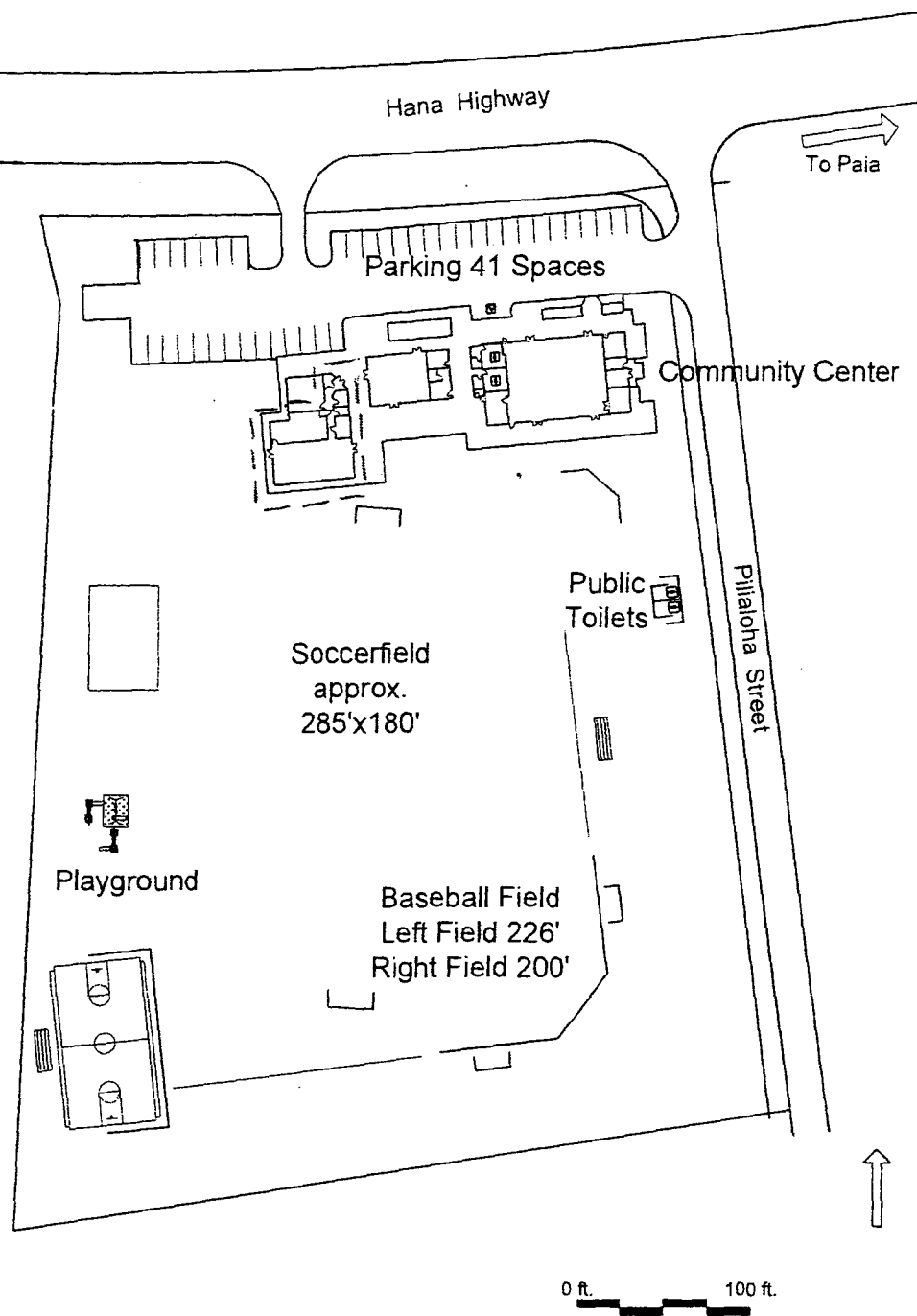
BOARD OF DIRECTORS

INTERNAL BOARD ROSTER 2015-2016

Name	Position	Start Date	Term Limits	Business Name	Title
Wally Prestidge	President	4/25/2012	12/31/2017	Law Enforcement	Retired
Leslie-Ann Yokouchi	Vice President	11/26/2014	12/31/2019	Windermere Valley Isle Properties	Owner
Craig Bode	Treasurer/Secretary	4/26/2007	12/31/2018	Hawaii National Bank	Asst. Vice President Loan Officer
Chris Minford	President Elect	12/29/2008	12/31/2020	Maui News	Circulation Manager
Dave Gomes	Director	2/25/2015	12/31/2020	Maui Concrete & Aggregate Division	General Manager
Don Couch	Director	1/31/2014	12/31/2018	Maui County	Councilmember, South Maui
Eileen Wachi	Director	10/1/2012	12/31/2017	Maui Electric Company	Administration Manager
Helen Giron	Director	1/31/2014	12/31/2018	First Hawaiian Bank, Kihei Branch	Asst. Vice President & Branch Manager
Jason Donez	Director	9/24/2014	12/31/2019	Leilani's on the Beach	General Manager
Jeff Murray	Director	4/30/2009	12/31/2019	Maui County Fire Dept.	Fire Chief
Jim Hendricks	Director	5/28/2014	12/31/2018	Financial Planner	Maui Wealth Management, Inc.
Joe Balangitao	Director	6/23/2010	12/31/2020	Maui Interscholastic League	Executive Director
Karey Kapoi	Director	9/24/2014	12/31/2019	Maui Memorial Medical Ctr. (MMMC)	Hospital Management Officer
Keone Ball	Director	9/24/2014	12/31/2019	Carol Ball & Associates	President
Ryan Ouye	Director	9/24/2014	12/31/2019	Service Rentals & Supplies	General Manager
Stephen Smith	Director	11/26/2014	12/31/2019		Retired
Terry Watanabe	Director	7/31/2013	12/31/2018	Saint Theresa's Church	Pastor
Tivoli Faaumu	Director	10/29/2014	12/31/2019	County of Maui Police Department	Police Chief
Toni Rojas	Director	10/29/2014	12/31/2019	Sterling Performance Group, Inc.	President
Yvonne Biegel	Director	9/24/2014	12/31/2019	Grand Wailea	Director of Public Relations
Kelly Pearson	Chief Executive Officer			Boys & Girls Clubs of Maui	
Maurice Bajon	Director of Operations			Boys & Girls Clubs of Maui	
Ken Younger	Director of Finance			Boys & Girls Clubs of Maui	
Erica Amico	Development Specialist			Boys & Girls Clubs of Maui	
Linda Gilbertson	Development Specialist			Boys & Girls Clubs of Maui	
Gina McLain	Administration / HR			Boys & Girls Clubs of Maui	

NOTE: MEETINGS ARE HELD THE LAST WEDNESDAY OF EVERY OTHER MONTH, 12 NOON, AT CENTRAL CLUB UNLESS OTHERWISE STATED.

EXHIBIT " B "



Maui Parks :
SITE M
Haiku Park and
Overview
TMK#:

EXHIBIT " B "

RESERVATIONS, COVENANTS, TERMS AND CONDITIONS

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. Prehistoric and Historic Remains. All prehistoric and historic remains found on the Premises, 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 FOLLOW:

1. Taxes, Assessments, Etc. 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

EXHIBIT "C"

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.

2. Utility Services. 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.

3. No Residential Use. 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.

4. Indemnification. To the extent permitted by law, Lessee shall indemnify, release, and hold harmless the County, its departments, agencies, officers, directors, employees, and agents from any and all manner of actions and claims, suits, damages, judgments, costs and expense, including reasonable attorney's fees, arising from the Lessee's use of the Premises or arising 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 by reason of any such claim, even though such claim be based on alleged fault of Lessor, Lessee agrees to pay the reasonable costs and expenses thereof, secured against Lessee by reason of such action or proceeding. The obligations of Lessee under this section shall survive the expiration or earlier termination of the Lease without limitation.

5. Costs of Litigation. In case Lessor without any fault on their 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 attorney's fees, incurred by or imposed on Lessor. Lessee shall pay all costs and expenses, including attorney's 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 rental, 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.

6. 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 Lessor. 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.

7. "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.

8. Mortgage. Lessee may mortgage or create a security interest in the demised premises or any portion thereof with the prior written approval of the Director, Department of Parks and Recreation, provided that, in the case of default the leasehold interest may be foreclosed only by judicial action pursuant to Chapter 667, Hawaii Revised Statutes, and the leasehold interest shall be transferred to the purchaser by assignment of lease for the remainder of the lease term only.

9. Liens. 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 (10) 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 attorney's fees.

10. 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.

11. Alterations and Improvements. 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, Department of Parks and Recreation. Alterations or improvements on the Premises approved by the Director, Department of Parks and Recreation, 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.

12. Fixed Improvements. 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.

13. 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.

14. Sanitation. Lessee shall keep the Premises and improvements in a strictly clean, sanitary and orderly condition.

15. Waste 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, Department of Parks and Recreation, cut down, remove or destroy, or suffer to be cut down, removed or destroyed, any trees growing on the Premises at the commencement of the this Lease, as well as any trees that are growing on the Premises during the duration of the 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.

16. 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.

17. 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, without limitation, including 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.

18. Access to Information. 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.

19. Liability Insurance, Required Coverage. In order to protect itself as well as the County under the indemnification agreement set forth herein, the Lessee shall obtain, pay for, and keep in force throughout the period of this Lease comprehensive liability insurance issued by an insurance company (the "Carrier") authorized to do business in the State of Hawaii (an "Admitted Carrier"), or by a company not authorized to do business in the State of Hawaii (a "Non-Admitted Carrier") only through a general insurance agent or broker licensed in the State of Hawaii. The Carrier shall be rated no less than "A-" as established by "AM Best" or "Standard and Poor" ratings.

The insurance policy, as evidenced by issuance of a "Policy Endorsement", shall name the County of Maui, its departments, agencies, officers, directors, employees and agents as "Additional Insured", and shall include a duty to defend the County, its departments, agencies, officers, directors, employees and agents against any loss, liability, claims, and demands for injury or damage, including but limited to, claims for property damage, personal injury, or wrongful death, arising out of, or in connection with Lessee's actions and/or use of Premises.

Unless otherwise agreed to by the, the insurance policy shall contain the following minimum requirements:

- 1) No less than a Combined Single Limit ("CSL") of liability coverage of \$1,000,000;
- 2) No erosion of limit by payment of defense costs; and
- 3) Minimum annual aggregate limit of \$2,000,000.

Prior to or upon the execution of this Agreement, Lessee shall furnish the Lessor with a copy of the insurance policy certificate together with the required endorsements verifying such insurance coverage. If the scheduled expiration date of a current insurance policy is sooner than the specified termination date of this Lease, the Lessee shall, upon renewal of the insurance policy, provide the County with a copy of the renewed insurance policy certificate together with the required endorsements throughout the term of this Lease. Unless waived by the County, the insurance policy shall expressly state that the coverage provided under such policy shall not be cancelled or terminated, unless the Carrier has first given Lessor thirty (30) calendar days prior written notice of the

intended cancellation or termination.

20. Property Insurance. Lessee shall, unless otherwise agreed to by the Director, Department of Parks and Recreation, procure and, during the entire term of this Lease, keep in force and effect special form property insurance covering all of Lessee's leasehold improvements, trade fixtures, inventory, equipment and personal property from time to time in, on or upon the Premises, in an amount not less than the full replacement cost thereof without deduction for depreciation, providing protection against all risks of loss not otherwise excluded for the Premises, together with insurance against sprinkler damage, vandalism, and malicious mischief, including demolition and debris removal and extended coverage, hurricane/wind coverage, and with inflation guard endorsement, if available in any insurance company qualified to do business in the State of Hawaii and shall, from time to time, deposit promptly with Lessor the policy and premium receipts therefor or a current certificate that such insurance is in full force and effect and shall not be cancelled without written notice to Lessor sixty (60) days prior to the effective date of such cancellation. All such policies shall be made payable to Lessor and Lessee as their interests may appear (it being understood and agreed that Lessor's interest shall be limited to permanent fixtures and other installations which are not removable by Lessee upon the termination of this Lease), and shall provide for a deductible of not more than \$5,000.00. All policy proceeds shall be used for the repair or replacement of the property damaged or destroyed unless this Lease shall cease and terminate in accordance with the provisions of this Lease.

21. Fire Insurance. Lessee shall, unless otherwise agreed to by the Director, Department of Parks and Recreation, procure, at its own cost and expense, and maintain during the period of this Lease, a policy or policies of fire insurance, on all buildings and improvements on the Premises, against loss or damage by fire in an amount equal to one hundred percent (100%) of the replacement value of the Premises as established by the insurance appraiser and as approved by the Director of Finance, and shall pay premiums thereon at the time and place the same are payable. The policy or policies of insurance shall be made payable in the case of loss to the County of Maui, as its interest may appear, and shall be deposited with the County. Any proceeds derived therefrom in the event of total or partial loss shall be immediately available to, and as soon as reasonably possible be used by Lessee for rebuilding, repairing, or otherwise reinstating the same buildings in a good and substantial manner according to the plans and specifications approved in writing by the County; provided, however that with the approval of the County, Lessee may surrender this Lease and Lessee shall then receive that portion of said proceeds which constitute the proportionate value of permanent improvements made by Lessee, if any, in relation to the

unexpired term of this Lease and useful life of the improvements at the time of the loss, if any, with the County retaining the remaining proceeds of said proceeds.

22. Condemnation. If at any time during the term of this Lease any portion of the leased 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 permanent 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.

23. Lessor's Lien. 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.

24. Assignment. Lessee may not assign the Lease for the remainder of the Lease term.

25. Sublease. Lessee may not sublease the premises without written authorization of Lessor.

26. Lessee's Right to Terminate. If Lessee is not in default of the terms of this Lease to be observed and performed, Lessee may terminate this Lease by giving Lessor at least sixty (60) days prior written notice of such termination.

27. Surrender of Premises. 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.

28. Termination. If Lessee becomes bankrupt, dissolves, becomes inactive, or abandons the leased Premises for a period of four (4) consecutive months, or if this Lease and the leased 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 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 (30) 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 of 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.

29. 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.

30. ADA Compliance. 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), as amended. Lessee shall be responsible for complying with the ADA and Lessee shall defend, indemnify and hold harmless Lessor against any and all claims regarding non-compliance with any requirement of the ADA. All costs relating to any required improvements or modifications to the Premises, and any existing improvements thereon, shall be borne by Lessee. Notwithstanding

any other provision of this Lease to the contrary, any improvements to the Premises constructed by Lessee shall be in compliance with the ADA.

31. Compliance with Laws. 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.

32. Interpretation Under Hawaii Law. 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.

33. 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.

34. Paragraph Headings. 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.

35. Time of the Essence. Time is of the essence of this Lease and all of the terms, provisions, covenants, and conditions hereof.

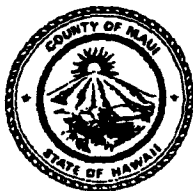
36. Notices. All notices or demands that are required or may be given under this Lease by one party to another party, or that are required by law, shall be in writing and shall be deemed to have been validly given or served in the following manner: (a) by delivery to the intended addressee; or (b) by 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 (15) days in advance. A notice of change of address is effective under this Lease only when actually received.

37. Assistance of Legal Counsel. 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.

END OF EXHIBIT "C"



DEPARTMENT OF PARKS AND RECREATION

700 Hali'a Nakoa Street, Unit 2, Wailuku, Hawaii 96793

ANNUAL REAL PROPERTY GRANT REPORT

Report Period: Fiscal Year July 1, _____ - June 30, _____

ORGANIZATION: _____

Tax Map Key Number(s): _____

Department of Parks and Recreation's Mission: The purpose of the Department of Parks and Recreation is to provide safe, satisfying and cost-effective recreational opportunities for the residents of and visitors to Maui County.

INSTRUCTION

Provide a narrative response to each question below for each quarter and fiscal year.

I. Program Data/Status Summary

- a. List each program goal/benchmark for the leased/licensed site and how it contributes towards the Parks Department's mission (noted above).
- b. What objectives/action steps were completed this fiscal year for each goal?
- c. What measurable outcomes were achieved this fiscal year?
- d. Were your organization's programs/activities open to the public? If so, how were they promoted to residents and visitors?
- e. Give actual number of people attended at activities, programs and events on property for each quarter of the fiscal year.
- f. What objectives/actions steps will be accomplished during the next fiscal year?

II. Narrative Report

- a. What program challenges occurred this fiscal year and how were they addressed and/or resolved?
- b. Describe any staff changes in your organization.
- c. Were there any fundraising activities on leased/licensed property? If so, please indicate how many, type of activity, primary beneficiary of the fundraising, and how your organization participated and benefited from the activity.
- d. Describe improvements on the property, its condition, and your risk evaluation program. How often are site inspections done and by who?
- e. Disclosure of any organizational conflict of interest and criminal violations.
- f. Were audits done this fiscal year? When is the next audit planned for your organization?

Please submit the following information with this report:

- a. Board of Directors' Minutes.
- b. Updated list of Board of Directors
- c. Financial status report including but not limited to the total revenue generated on the property leased/licensed.
- d. Update Tenant Contact Information Form.
- e. Current Liability Insurance Certificate naming the County of Maui as additional insured.

Report Prepared by: _____

Print Name/Title

Signature

Date

EXHIBIT " D "