

Application Submittal Checklist

The following items are required for submittal of the grant application. Please verify and check off that the items have been included in the application packet.

- 1) Hawaii Compliance Express Certificate (If the Applicant is an Organization)
- 2) Declaration Statement
- 3) Verify that grant shall be used for a public purpose
- 4) Background and Summary
- 5) Service Summary and Outcomes
- 6) Budget
 - a) Budget request by source of funds ([Link](#))
 - b) Personnel salaries and wages ([Link](#))
 - c) Equipment and motor vehicles ([Link](#))
 - d) Capital project details ([Link](#))
 - e) Government contracts, grants, and grants in aid ([Link](#))
- 7) Experience and Capability
- 8) Personnel: Project Organization and Staffing



AUTHORIZED SIGNATURE

Wesley Lo, Chief Executive Officer
PRINT NAME AND TITLE

1/22/2026
DATE



STATE OF HAWAII
STATE PROCUREMENT OFFICE

CERTIFICATE OF VENDOR COMPLIANCE

This document presents the compliance status of the vendor identified below on the issue date with respect to certificates required from the Hawaii Department of Taxation (DOTAX), the Internal Revenue Service, the Hawaii Department of Labor and Industrial Relations (DLIR), and the Hawaii Department of Commerce and Consumer Affairs (DCCA).

Vendor Name: **Hale Makua Health Services**

Issue Date: **12/29/2025**

Status: **Compliant**

Hawaii Tax#: [REDACTED]
New Hawaii Tax#: [REDACTED]
FEIN/SSN#: [REDACTED]
UI#: XXXXXX0020
DCCA FILE#:

Status of Compliance for this Vendor on issue date:

Form	Department(s)	Status
A-6	Hawaii Department of Taxation	Compliant
8821	Internal Revenue Service	Compliant
COGS	Hawaii Department of Commerce & Consumer Affairs	Exempt
LIR27	Hawaii Department of Labor & Industrial Relations	Compliant

Status Legend:

Status	Description
Exempt	The entity is exempt from this requirement
Compliant	The entity is compliant with this requirement or the entity is in agreement with agency and actively working towards compliance
Pending	A status determination has not yet been made
Submitted	The entity has applied for the certificate but it is awaiting approval
Not Compliant	The entity is not in compliance with the requirement and should contact the issuing agency for more information

**DECLARATION STATEMENT OF
APPLICANTS FOR GRANTS PURSUANT TO
CHAPTER 42F, HAWAII REVISIED STATUTES**

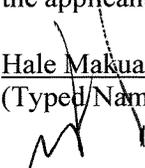
The undersigned authorized representative of the applicant certifies the following:

- 1) The applicant meets and will comply with all of the following standards for the award of grants pursuant to Section 42F-103, Hawaii Revised Statutes:
 - a) Is licensed or accredited, in accordance with federal, state, or county statutes, rules, or ordinances, to conduct the activities or provide the services for which a grant is awarded;
 - b) Complies with all applicable federal and state laws prohibiting discrimination against any person on the basis of race, color, national origin, religion, creed, sex, age, sexual orientation, or disability;
 - c) Agrees not to use state funds for entertainment or lobbying activities; and
 - d) Allows the state agency to which funds for the grant were appropriated for expenditure, legislative committees and their staff, and the auditor full access to their records, reports, files, and other related documents and information for purposes of monitoring, measuring the effectiveness, and ensuring the proper expenditure of the grant.
- 2) If the applicant is an organization, the applicant meets the following requirements pursuant to Section 42F-103, Hawaii Revised Statutes:
 - a) Is incorporated under the laws of the State; and
 - b) Has bylaws or policies that describe the manner in which the activities or services for which a grant is awarded shall be conducted or provided; and
- 3) If the applicant is a non-profit organization, it meets the following requirements pursuant to Section 42F-103, Hawaii Revised Statutes:
 - a) Is determined and designated to be a non-profit organization by the Internal Revenue Service; and
 - b) Has a governing board whose members have no material conflict of interest and serve without compensation.
- 4) The use of grant-in-aid funding complies with all provisions of the Constitution of the State of Hawaii (for example, pursuant to Article X, section 1, of the Constitution, the State cannot provide "... public funds ... for the support or benefit of any sectarian or nonsectarian private educational institution...").

Pursuant to Section 42F-103, Hawaii Revised Statutes, for grants used for the acquisition of land, when the organization discontinues the activities or services on the land acquired for which the grant was awarded and disposes of the land in fee simple or by lease, the organization shall negotiate with the expending agency for a lump sum or installment repayment to the State of the amount of the grant used for the acquisition of the land.

Further, the undersigned authorized representative certifies that this statement is true and correct to the best of the applicant's knowledge.

Hale Makua Health Services
(Typed Name of Individual or Organization)


(Signature)

1/16/26
(Date)

Wesley Lo
(Typed Name)

Chief Executive Officer
(Title)

Application for Grants

If any item is not applicable to the request, the applicant should enter "not applicable".

I. Certification – Please attach immediately after cover page

1. Hawaii Compliance Express Certificate (If the Applicant is an Organization)

If the applicant is an organization, the applicant shall submit one (1) copy of a Hawaii Compliance Express Certificate from the Comptroller of the Department of Accounting and General Services that is dated no earlier than December 1, 2025.

See attached Certificate of Vendor Compliance.

2. Declaration Statement

The applicant shall submit a declaration statement affirming its compliance with [Section 42F-103, Hawaii Revised Statutes](#).

See attached Declaration Statement.

3. Public Purpose

The applicant shall specify whether the grant will be used for a public purpose pursuant to [Section 42F-102, Hawaii Revised Statutes](#).

If awarded State Grant-in-Aid funding, the grant will be used for a public purpose pursuant to Section 42F-102, Hawaii Revised Statutes. Funds will support the establishment of Molokai's first Adult Day Health program, addressing a critical healthcare gap.

II. Background and Summary

This section shall clearly and concisely summarize and highlight the contents of the request in such a way as to provide the State Legislature with a broad understanding of the request. Please include the following:

1. A brief description of the applicant's background;

Hale Makua Health Services is a private, non-profit 501(c)(3) corporation, established in 1946 to provide elder care for those lacking financial means. Today Hale Makua is one of Maui's largest non-government employers with over 450 staff members delivering post-acute care to more than 1,000 individuals from Maui County annually.

The organization operates two nursing homes and rehabilitation centers offering inpatient and outpatient physical, occupational, and speech therapies; a home health care agency; and adult day health center; an adult residential care home; and a care management program. Hale Makua seeks support to expand adult day health services to Molokai, where such services are critically needed.

2. The goals and objectives related to the request;

Molokai currently has no adult day health programs and minimal adult day care services. Adult day health (ADH) programs provide daytime medical care, supervision, and therapeutic services for adults, typically kupuna, who need support but don't require full-time residential care, enabling them to continue living at home.

Hale Makua's goal is to establish and operate Molokai's only ADH program, ensuring adequate kupuna support services that allow the community to age in place for as long as possible, keeping pace with the rapidly changing healthcare environment, particularly as there are no other providers of post-acute healthcare services on the island of Molokai.

As part of this project, Hale Makua anticipates accomplishing the following major objectives:

- Provide essential adult day health programming to serve Molokai's rapidly aging population
- Create post-acute care capacity allowing higher-acuity patients to discharge home with wrap-around supportive services, decompression Maui County's overcrowded hospital system
- Transform healthcare delivery from "sick care" to rehabilitation and aging in place by providing outpatient services and expanding Hale Makua's home and community-based services into Molokai communities
- Generate workforce development opportunities for Molokai residents through new ADH program jobs, diversifying the island's economy

3. The public purpose and need to be served;

Hale Makua Health Services is Maui County's largest long-term provider, operating nearly 80% of the county's long term care beds across two campuses: Wailuku (90 long-term care beds and 22 care home beds) and Kahului (254 long-term care beds). On Maui, Hale Makua also operates home and community-based services including an adult day health program, home health, and in-home care coordination.

The demand for elder care services is rapidly accelerating. According to the U.S. Census, more than one-fifth of the nation's population will be 65 years or older by 2030. AARP Hawaii reveals that in less than 10 years, long-term care systems will face overwhelming demand for services as baby boomers turn 80. In only 6 years, seniors over age 65 will represent 20% of Maui's population (35,337 people), compared to only 5.88% of Maui's population over 65 in the 70s. This issue will be exacerbated by an income decline

in populations earning between \$50,000 - \$75,000, thereby increasing the demand for lower cost services.

Molokai faces a critical gap in post-acute care services. The island currently has only one 49-capacity adult day care program (Na Puuwai) that lacks the medical and dietary support services that an adult day health program provides, and one unlicensed home health agency (CareResource Hawaii). There are no nursing home beds, no adult residential care homes, and no Medicare-certified home health agencies on Molokai. Residents requiring comprehensive post-acute care must leave the island, separating them from family and community during vulnerable times.

The Molokai community has consistently expressed the need for more island-based post-acute care services. This project will create options for Molokai kupuna to age in place close to their families with culturally sensitive care, support higher-acuity patients, decompress the overcrowded hospital system, and transform healthcare delivery toward rehabilitation and wellness rather than institutional sick care.

4. Describe the target population to be served; and

This project will serve Molokai's kupuna and their families while expanding the island's healthcare workforce through local community employment to meet the growing needs of the vulnerable elderly population.

Adult day health programs typically serve:

- Older adults requiring daytime medical supervision and support
- Adults with chronic illnesses or disabilities
- People with cognitive impairments (such as dementia)
- Adults recovering from illness or injury who need monitoring or therapy

5. Describe the geographic coverage.

This project will serve residents from all geographic locations on the island of Molokai.

III. Service Summary and Outcomes

The Service Summary shall include a detailed discussion of the applicant's approach to the request. The applicant shall clearly and concisely specify the results, outcomes, and measures of effectiveness from this request. The applicant shall:

1. Describe the scope of work, tasks and responsibilities;

The Hale Makua Molokai Adult Day Health program will provide comprehensive medical and therapeutic care services delivered by licensed health professionals, distinguishing it from adult day care programs that offer primarily social and recreational support.

Services that the Molokai ADH program will provide include:

- **Nursing care** – Medication management, health monitoring, and clinical assessment by licensed nurses
 - **Personal care** – Assistance with activities of daily living including bathing, dressing, and mobility
 - **Therapies** – Physical, occupational, and speech therapy delivered by licensed therapists
 - **Meals and nutrition support** – Medically appropriate meals and dietary counseling
 - **Social and recreational activities** – Structured programming to support cognitive and social engagement
 - **Case management and care planning** – Coordinated care planning with families, physicians, and community resources
 - **Transportation** – transportation services provided or coordinated to ensure access
2. Provide a projected annual timeline for accomplishing the results or outcomes of the service;

Hale Makua will file for a Certificate of Need (CON) for the Molokai ADH program with the State Health Planning and Development Agency (SHPDA) by March 2026, with CON approval by SHPDA and issuance expected by May 2026.

Projected Timeline:

- March 2026 – File CON application
 - May 2026 – CON approval anticipated
 - June 2026 – Commence ADH program operations
 - July 2027 – Achieve full capacity of 12 patients (second year of operations)
3. Describe its quality assurance and evaluation plans for the request. Specify how the applicant plans to monitor, evaluate, and improve their results; and

Hale Makua will implement the same quality assurance protocols used at its established Maui-based ADH program to ensure consistent, high-quality care delivery on Molokai.

Quality assurance measures include:

- Annual satisfactory surveys of patients and caregivers to assess service quality, care outcomes, and areas for improvement
- Regular program evaluation monitoring patient census, health outcomes, and service utilization
- Clinical quality metrics tracking incident reports and adherence to care plans
- Staff performance reviews ensuring licensed professionals that maintain clinical competencies

- Continuous quality improvement using survey results and clinical data to refine services and address identified gaps

Hale Makua will share satisfaction survey results and program outcomes with the State on an ongoing basis to demonstrate program effectiveness and accountability for Grant-in-Aid funding.

4. List the measure(s) of effectiveness that will be reported to the State agency through which grant funds are appropriated (the expending agency). The measure(s) will provide a standard and objective way for the State to assess the program's achievement or accomplishment. Please note that if the level of appropriation differs from the amount included in this application that the measure(s) of effectiveness will need to be updated and transmitted to the expending agency.

Hale Makua will report the following measures of effectiveness to demonstrate program achievement and accountability:

Primary Measures:

- Patient census – Achieve 10-12 patients enrolled by the second year of operation, representing 83-100% of maximum capacity
- Program utilization – Track average daily attendance and total patient-days of services provided annually
- Patient and caregiver satisfaction – annual satisfaction survey results measuring quality of care, service accessibility, and family support

Secondary Measures:

- Workforce development – Number of local Molokai residents employed by the ADH program
- Service delivery – Number of meals provided and care plans developed

IV. Financial

Budget

1. The applicant shall submit a budget utilizing the enclosed budget forms as applicable, to detail the cost of the request.
 - a. Budget request by source of funds ([Link](#))
 - b. Personnel salaries and wages ([Link](#))
 - c. Equipment and motor vehicles ([Link](#))
 - d. Capital project details ([Link](#))
 - e. Government contracts, grants, and grants in aid ([Link](#))
2. The applicant shall provide its anticipated quarterly funding requests for the fiscal year 2027.

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Grant
\$50,000	\$50,000	\$50,000	\$50,000	\$200,000

- The applicant shall provide a listing of all other sources of funding that they are seeking for fiscal year 2027.

To date, Hale Makua is seeking a \$350,000 State Grant-in-Aid Award to support the operational needs of a care management program.

- The applicant shall provide a listing of all state and federal tax credits it has been granted within the prior three years. Additionally, the applicant shall provide a listing of all state and federal tax credits they have applied for or anticipate applying for pertaining to any capital project, if applicable.

Tax Credits Granted Within Prior Three Years:

Hale Makua Health Services received Employee Retention Credits (ERC) in 2025:

- August 2025: \$2,867,243
- December 2025: \$2,906,249

Tax Credits Applied for or Anticipated (Capital Projects):

Not applicable.

- The applicant shall provide a listing of all federal, state, and county government contracts, grants, and grants in aid it has been granted within the prior three years and will be receiving for fiscal year 2027 for program funding.

<u>Funding Source</u>	<u>Amount</u>
ARPA - Workforce Development	\$2,500,000
CDBG - Roofing & Electrical Panels	\$500,000
DHHC - Physician Services	\$200,000
DOM - Fire Doors	\$200,000
Earmark CDS - Bed Replacement	\$1,800,000
HRSA - Design of Rehab Facility	\$3,000,000
OED - Eldercare Pathways	\$47,000
OED - Workforce Development	13,000
State DLIR - Workforce Development	\$25,000
State GIA - Home Health	\$450,000
State GIA - Molokai ADH CIP	\$150,000
State GIA - Rehab Center CIP	\$800,000

6. The applicant shall provide the balance of its unrestricted current assets as of December 31, 2025.

As of December 31, 2025, our unaudited unrestricted current assets are \$14,600,000.

V. Experience and Capability

1. Necessary Skills and Experience

The applicant shall demonstrate that it has the necessary skills, abilities, knowledge of, and experience relating to the request. State your experience and appropriateness for providing the service proposed in this application. The applicant shall also provide a listing of verifiable experience of related projects or contracts for the most recent three years that are pertinent to the request.

Hale Makua possesses the necessary skills, expertise, and operational experience to successfully establish and operate the Molokai Adult Day Health program. With 80 years of elder care experience and over 450 employees, Hale Makua is well-equipped to deliver comprehensive healthcare services for Maui County's frail elderly and disabled populations.

Relevant Experience:

Hale Makua owns and operates two of the three skilled nursing facilities on Maui, both located in Central Maui. The organization has successfully operated:

- A **CHAP-accredited home health agency** for over 46 years, providing skilled nursing and therapy to homebound individuals
- A **state-licensed Adult Day Health program** for over 26 years – currently the only ADH program on Maui – serving approximately 75 kupuna annually
- A **state-licensed adult residential care home** since 2013

In the past year, Hale Makua served over 750 individuals through its nursing facilities, successfully discharge over 50% back to their own homes, and approximately 400 individuals through the home health program. This proven track record demonstrates Hale Makua's capacity to operate ADH services effectively.

Collaborative Partnerships:

Hale Makua has established strong community partnerships essential for successful ADH operations:

- **Healthcare coordination** – Six years of collaboration with Maui Memorial Medical Center and Kula Hospital to address Maui County's aging population needs, improving care coordination and strengthening the continuum from acute to post-acute settings
- **Transportation services** – Long-standing partnership with Maui Economic Opportunity providing transportation for nursing home residents and community-dwelling ADH clients

- **Workforce development** – Nine-year collaboration with University of Hawaii Maui College operating an on-site Licensed Practical Nurse training program with plans to expand it to include LPN to RN pathways.

These partnerships position Hale Makua to replicate its successful Maui-based ADH model on Molokai, adapting services to meet the unique needs of the island community while leveraging existing expertise and operational systems.

2. Facilities

The applicant shall provide a description of its facilities and demonstrate its adequacy in relation to the request. If facilities are not presently available, describe plans to secure facilities.

Hale Makua operates two nursing homes that include rehabilitation services: one in Kahului with 254 beds and the other in Wailuku with 90 beds. Home Health by Hale Makua occupies 2,000 square feet of the Wailuku location.

The new Molokai Adult Day Health program will operate out of Home Pumehana, a senior housing site on Molokai that is operated by Hale Mahaolu, a private non-profit corporation that has been a sponsor, developer, owner and manager of 17 different properties (approximately 1,300 units) in Maui County. Hale Makua is under a letter of intent to lease this space from Hale Mahaolu and is in the process of securing a lease agreement to utilize community-use space for the ADH operations. The space provides adequate capacity to accommodate the program's maximum of 10-12 patients, with access to bathrooms and kitchen facilities to support daily programming. No renovations are required as the space is suitable for ADH operations.

VI. Personnel: Project Organization and Staffing

1. Proposed Staffing, Staff Qualifications, Supervision and Training

The applicant shall describe the proposed staffing pattern and proposed service capacity appropriate for the viability of the request. The applicant shall provide the qualifications and experience of personnel for the request and shall describe its ability to supervise, train and provide administrative direction relative to the request.

In addition to 80 years of experience operating nursing homes and elder care services on Maui, Hale Makua has assembled a highly qualified leadership to oversee the Molokai ADH program:

- **Wesley Lo, CEO** – Provides executive leadership for the project. With over 19 years of healthcare industry experience on Maui, Lo most recently served as CEO of Maui Memorial Medical Center and led the transition of the public hospital to a partnership with Kaiser Permanente.
- **Suanne Morikuni, CFO** – Manages financial aspects of the project including oversight of financial assessments, billing, fiscal reporting, and quarterly reports to the State. Morikuni has over 20 years of business and finance experience in the healthcare sector.
- **Greg Schlais, VP of Administration** – Provides administrative oversight and project management for the Molokai ADH program implementation. Schlais brings legal expertise and healthcare administration experience to ensure regulatory compliance and operational excellence.

2. **Organization Chart**

The applicant shall illustrate the position of each staff and line of responsibility/supervision. If the request is part of a large, multi-purpose organization, include an organization chart that illustrates the placement of this request.

See attached Organization Chart.

3. **Compensation**

The applicant shall provide an annual salary range paid by the applicant to the three highest paid officers, directors, or employees of the organization by position title, not employee name.

Chief of Staff - \$180,000
Administrator - \$169,950
Administrator - \$162,318

VII. Other

1. **Litigation**

The applicant shall disclose any pending litigation to which they are a party, including the disclosure of any outstanding judgement. If applicable, please explain.

Not applicable.

2. **Licensure or Accreditation**

The applicant shall specify any special qualifications, including but not limited to licensure or accreditation that the applicant possesses relevant to this request.

Hale Makua Health Services:

- Licensed healthcare facilities operating under State of Hawaii Department of Health regulations
- Medicare and Medicaid certified provider
- National Provider Identifier (NPI): 1861089906
- Healthcare provider organization registered with National Plan and Provider Enumeration System (NPPES)

3. Private Educational Institutions

The applicant shall specify whether the grant will be used to support or benefit a sectarian or non-sectarian private educational institution. Please see [Article X, Section 1, of the State Constitution](#) for the relevance of this question.

Not applicable.

4. Future Sustainability Plan

The applicant shall provide a plan for sustaining after fiscal year 2027 the activity funded by the grant if the grant of this application is:

- (a) Received by the applicant for fiscal year 2027, but
- (b) Not received by the applicant thereafter.

If Grant-in-Aid funding is received for fiscal year 2027 but not received thereafter, Hale Makua is committed to sustaining the Molokai Adult Day Health program given the critical need for post-acute care services on the island.

Sustainability strategies include:

- **Diversified funding sources** – Pursue federal, state, county, and private foundation grants to support program operations
- **Philanthropic fundraising** – Engage individual donors and community supporters through targeted fundraising campaigns
- **Partnership development** – Explore collaborative funding opportunities with healthcare partners and community organizations

Hale Makua’s 80-year history of sustainable healthcare operations on Maui, combined with demonstrated ability to maintain multiple service lines, positions the organization to successfully sustain the Molokai ADH program. The deep community need and lack of alternative post-acute care options on Molokai underscore Hale Makua’s commitment to program continuity.

BUDGET REQUEST BY SOURCE OF FUNDS

Period: July 1, 2026 to June 30, 2027

Applicant: Hale Makua Health Services

BUDGET CATEGORIES	Total State Funds Requested (a)	Total Federal Funds Requested (b)	Total County Funds Requested (c)	Total Private/Other Funds Requested (d)
A. PERSONNEL COST				
1. Salaries	136,060			
2. Payroll Taxes & Assessments				
3. Fringe Benefits	34,015			
TOTAL PERSONNEL COST	170,075			
B. OTHER CURRENT EXPENSES				
1. Airfare, Inter-Island				
2. Insurance	10,000			
3. Lease/Rental of Equipment				
4. Lease/Rental of Space	5,000			
5. Staff Training				
6. Supplies	7,250			
7. Telecommunication				
8. Utilities	2,500			
9. Patient Meals	5,175			
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TOTAL OTHER CURRENT EXPENSES	29,925			
C. EQUIPMENT PURCHASES				
D. MOTOR VEHICLE PURCHASES				
E. CAPITAL				
TOTAL (A+B+C+D+E)	200,000			
SOURCES OF FUNDING		Budget Prepared By:		
(a) Total State Funds Requested		Natacha Tome 808.873.6620		
(b) Total Federal Funds Requested		Name (Please type or print) Phone		
(c) Total County Funds Requested		1/22/27		
(d) Total Private/Other Funds Requested		Signature of Authorized Official Date		
TOTAL BUDGET		Wesley Lo, CEO Name and Title (Please type or print)		

BUDGET JUSTIFICATION - CAPITAL PROJECT DETAILS

Period: July 1, 2026 to June 30, 2027

Applicant: Hale Makua Health Services

FUNDING AMOUNT REQUESTED						
TOTAL PROJECT COST	ALL SOURCES OF FUNDS RECEIVED IN PRIOR YEARS		STATE FUNDS REQUESTED	OTHER SOURCES OF FUNDS REQUESTED	FUNDING REQUIRED IN SUCCEEDING YEARS	
	FY:2024-2025	FY:2025-2026	FY:2026-2027	FY:2026-2027	FY:2027-2028	FY:2028-2029
PLANS	0	0	0	0	0	0
LAND ACQUISITION	0	0	0	0	0	0
DESIGN	0	0	0	0	0	0
CONSTRUCTION	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
TOTAL:	0	0	0	0	0	0
JUSTIFICATION/COMMENTS: Not applicable. This is not a capital improvement project request.						

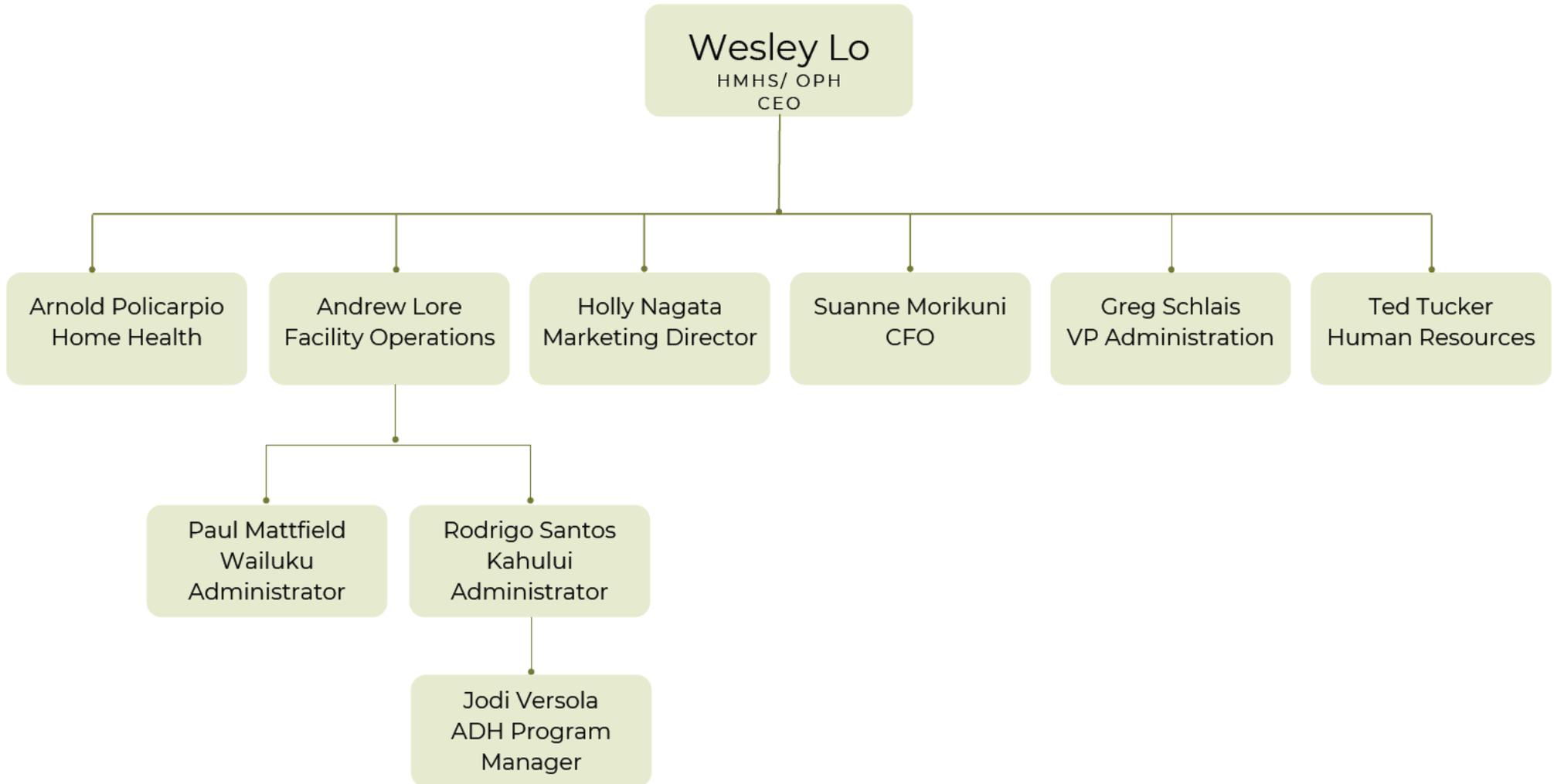
GOVERNMENT CONTRACTS, GRANTS, AND / OR GRANTS IN AID

Applicant: Hale Makua Health Services

Contracts Total: 4,150,000

	CONTRACT DESCRIPTION	EFFECTIVE DATES	AGENCY	GOVERNMENT ENTITY (U.S./State/Hawaii/ Honolulu/ Kauai/ Maui County)	CONTRACT VALUE
1	Physicians Services	7/1/24-6/30/26	DHHC	Maui County	200,000
2	Congressional Earmark	9/1/22-8/31/26	OFAM/DGMO/HSB	Federal	3,000,000
3	Molokai Adult Day Health - CIP	7/1/24-6/30/26	GIA	State	150,000
4	Design Dev for Rehab Center - CIP	9/1/25-8/31/26	GIA	State	800,000
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27		10			Application for Grants

HALE MAKUA HEALTH SERVICES



January 14, 2026

Hale Makua Health Services
472 Kaulana Street
Kahului, HI 96732

RE: Nonbinding Letter of Intent to Lease

Dear Wes:

The purpose of this Letter of Intent (this "Letter"), which is made and entered into as of the date above (the "Effective Date"), is to set forth certain nonbinding understandings between Hale Mahaolu, a Hawaii nonprofit corporation ("Hale Mahaolu"), on the one hand, and Hale Makua Health Services ("Hale Makua"), on the other, with respect to leasing certain space owned by Hale Mahaolu at its Home Pumehana campus located in Kaunakakai, Molokai (290 Kolapa Place Kaunakakai, HI 96748) for Hale Makua's use as an Adult Day Health program ("ADH").

We understand that Hale Makua seeks to obtain a Certificate of Need ("CON") from the State of Hawaii Health Planning and Development Agency ("SHPDA") over the next several months and thus, the terms of this letter are nonbinding and are not intended to create or constitute any legally binding obligations between the parties. Upon Hale Makua's receipt of a CON from SHPDA for the Molokai ADH program, the parties shall then negotiate and enter into a lease for the subject space.

The parties, acting through their duly authorized representatives, have executed this Letter as of the Effective Date.

HALE MAHAOLU

By: 

Name: Anders Lyons

Title: President

HALE MAKUA HEALTH SERVICES

By: 

Name: Wesley Lo

Title: CEO