



PROJECT INITIATION PACKET (PIP)

Background Information & Application Guidelines for Prospective Clients

ATTENTION:

*All rates and fees are subject to change without prior notice.
Therefore, when making cost projections, please check with NELHA Staff for current rates.*

**Hawaii Ocean Science and Technology Park Administered by the
Natural Energy Laboratory of Hawaii Authority (NELHA)**

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HOST PARK'S MISSION STATEMENT:

*“To develop and diversify the Hawaii economy
by providing resources and facilities
for energy and ocean-related research, education, and commercial activities
in an environmentally sound and culturally sensitive manner.”*

ALOHA,

THANK YOU FOR YOUR INTEREST in becoming a client of the Hawaii Ocean Science and Technology (HOST) Park administered by the Natural Energy Laboratory of Hawaii Authority (NELHA), a state agency that is administratively attached to the Department of Business, Economic Development and Tourism.

HOST PARK is dedicated to fostering economic development and diversification to improve the Hawaii economy. Key to its success in achieving these goals is the growing community of HOST PARK clients with successful research, commercial, and education projects. These clients utilize the unique complement of natural resources and facilities at HOST PARK to create jobs, new economic activity, and innovative high-value products and services to contribute to economic growth and sustainable development in Hawaii.

This Project Initiation Packet (PIP) provides application guidelines for becoming a client at HOST PARK. In it you will find background information and guidelines for both commercial and non-commercial (research or education) endeavors. It also describes suitable topic areas, as determined by NELHA's legislative mandate, lists of permitted and prohibited uses, and other useful information.

If you believe your proposed project can make good use of HOST PARK's resources, is of an appropriate topic area, and has good potential for success, please contact HOST PARK at 327-9585 or by email at leasing@nelha.org. The NELHA Leasing Specialist will be your primary contact to guide you through the proposal and application process and will also link you with other NELHA staff as needed for consultation.

Again, thank you for your interest in doing business at HOST PARK. We look forward to learning about your ideas to utilize HOST PARK's unique complement of resources and how we can best assist you to facilitate the application process.

Sincerely,

NELHA Staff

TABLE OF CONTENTS

INTRODUCTION	3
<u>BACKGROUND INFORMATION:</u>	
HOST PARK'S KEY TO SUCCESS	3
HOST PARK'S LOCATION	6
RESOURCES	7
APPROPRIATE PROJECT AREAS	8
TYPES OF USE AREAS	10
PROHIBITED USES	11
HOST PARK'S SEAWATER RESOURCES	11
LEASING PROPERTY AT HOST PARK	12
GOVERNMENTAL PERMITS	15
HOST PARK SEAWATER SUPPLY SYSTEM	15
INSTALLATION OF CLIENT UTILITIES	18
HOST PARK EMERGENCY PROCEDURES	19
CLIENT PRECAUTIONARY MEASURES	19
SUMMARY OF CURRENT RATES	20
<u>APPLICATION GUIDELINES:</u>	
APPLICATION GUIDELINES OVERVIEW	22
INITIAL PROJECT SUMMARY (form)	23
BASIC RESEARCH PROJECT—Application Procedures	25
➤ EXAMPLE OF BASIC RESEARCH PROPOSAL	28
COMMERCIAL OR NON-PROFIT PROJECT—Application Procedures	30
➤ EXAMPLE OF COMMERCIAL OR NON-PROFIT PRELIMINARY PROPOSAL	35
➤ FINAL PROPOSAL/BUSINESS PLAN	38
○ BUSINESS PLAN CHECKLIST	39
CONFIDENTIALITY OF APPLICATION INFORMATION	42

INTRODUCTION

The Natural Energy Laboratory of Hawaii Authority (NELHA) is a state agency that manages a unique 870-acre ocean science and technology park (HOST PARK) at Keahole Point in Kailua-Kona, Hawaii, adjacent to the Kona International Airport at Keahole. HOST PARK and its clients capitalize on the natural resources found there, including pristine cold deep seawater and warm surface seawater as well as the highest rate of solar insolation in the coastal United States. These and other natural and logistical resources provide a unique setting for a wide array of project types to support local economic development and diversification.

Application guidelines are described in this document. Applications for tenancy must be reviewed and approved by the NELHA Board of Directors which sets policy and provides guidance for NELHA and HOST PARK. The thirteen (13) member Board consists of five (5) private sector directors (Governor's appointees including one each from the boards of two state agencies, the Hawaii Strategic Development Corporation and the High Technology Development Corporation), four (4) public sector directors (representatives of the University of Hawaii's President and School of Ocean and Earth Sciences & Technology, the Department of Business, Economic Development and Tourism, and the Department of Land and Natural Resources, as well as the Mayor of the County of Hawaii), two (2) directors which are members of the Research Advisory Committee (RAC Chair and RAC Secretary) and two (2) directors which are tenant representatives.

Personnel in key management positions at HOST PARK also participate in the application review process; these include: Executive Director, Chief Marketing Officer, Operations Manager, Leasing Agent, Laboratory Manager, Engineering Projects Coordinator, and Fiscal Officer.

Both NELHA Staff and NELHA Board members work closely with a number of government and private sector groups which provide information or assistance for conducting business in Hawaii. NELHA staff can assist applicants by making referrals to the appropriate divisions, offices or key individuals as needed.

All applications for tenancy should follow the guidelines detailed in this Project Initiation Packet (PIP). Questions regarding the application procedures or the PIP should be directed to the Leasing Specialist.

Background Information

HOST PARK'S KEY TO SUCCESS

HOST PARK's businesses and organizations are key to its success as an economic development agency. It is the clients who have established HOST PARK as a world-renown center for quality ocean science and technology in the past. To maintain this reputation and to meet projected economic development goals, HOST PARK seeks new client enterprises which have strong foundations backed by scientific rigor and solid practical plans for education/training, basic or applied research, or commercial production of high value products and associated services that make good use of HOST PARK's complement of resources.

Over the years, HOST PARK and its clients have earned a collective reputation for scientific integrity, high quality products, innovation, and commitment to excellence in research, education and commercial

development. Maintaining this well-deserved reputation is vital to the long term well-being of HOST PARK and to enhancing marketability of client products and services.

HOST PARK and its clients together foster the growth of new industries that both stimulate the local economy and participate in world markets beyond Hawaii's shores. HOST PARK itself generates work for the construction industry through state-funded capital improvement projects to develop the vital infrastructure that in turn provides essential support to its clients. HOST PARK hosts research organizations who conduct basic and applied research investigations that add to the growing body of scientific knowledge and advance mankind's understanding of the natural and technological worlds. Education organizations provide outreach, training and workforce development for specialized areas to support new industry growth in science and technology. And, finally, HOST PARK's commercial clients initiate land development and construction activities to build support facilities for new business enterprises that can capitalize on leading edge research results to bring new, high-value products and services to market, both in Hawaii and abroad.

HOST PARK master permits and environmental studies that are already in place allow clients to implement development plans within a shorter timeframe than if they had to acquire these on their own as independent projects. These benefits add up to fewer up-front costs and serve to minimize time delays.

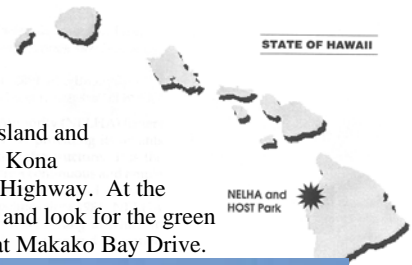
NELHA has evolved over three decades to arrive at its present identity as an economic development agency. In the 1970's it had been initially conceived as an alternative energy research support facility and was structured as a state corporation funded by public and private grants with no commercial activities. In the 1980's, supported wholly by annual state funding, it evolved into a small business incubator for entrepreneurial commercial ventures based on the promising results of its research successes. In the 1990's, as its first tenant companies established local and offshore markets and began to reach profitability, NELHA's revenue stream from fees for land rents, seawater purchases, and support services began to grow, building a Special Fund from which it could partially support its own operations. By the end of the 1990's, NELHA began to reap the first benefits of its tenant commercial successes through small amounts of percentage rents generated by the maturing tenant businesses whose startup phases it had nurtured, through the many job opportunities created for local residents, through the stimulation of business and enterprise in the local community, and through the growing stream of exports into the global marketplace.

Today, as the 21st century unfolds, NELHA is a self-sufficient agency that continues to provide land, facilities, services, unique natural resources which add up to an attractive venue for startups with promising technologies and knowledge to benefit the Hawaii economy. HOST PARK looks ahead with confidence as its growth continues and returns to its roots of cutting edge renewable energy goals. Each client's contribution to the revenue base is important, as it makes possible this economic development agency's success. HOST PARK's clients make substantial contributions each year to help grow and diversify the economy through job creation, economic stimulation, tax payments, and other economic impacts. In fact, total economic impacts by the activities of HOST PARK and its clients are estimated to approach \$100 million per year according to a 2012 analysis by the University of Hawaii (UHERO).

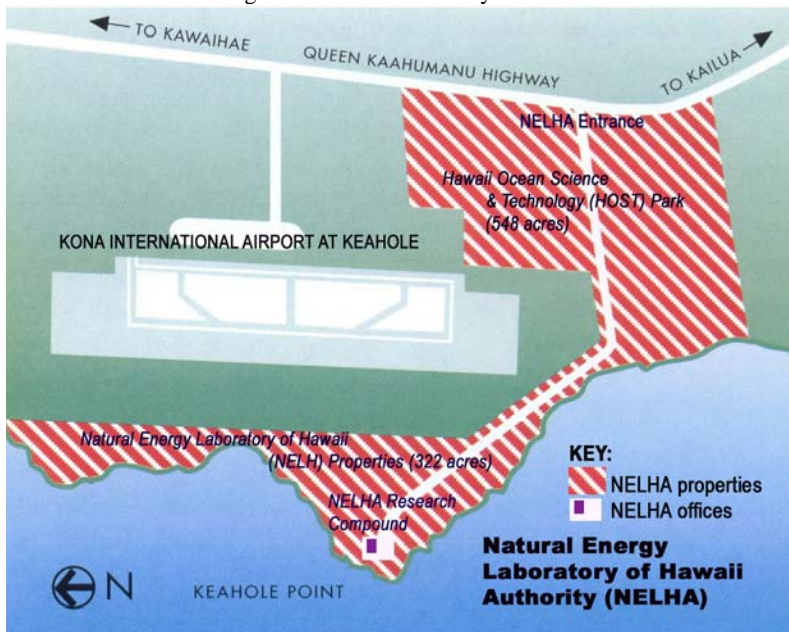
With the continuing activities of its diverse community of clients investing in this innovative green energy economic development park, HOST PARK hopes to serve the Hawaii economy and community for many years to come.

HOST PARK'S LOCATION

HOST PARK is located at Keahole Point, in the town of Kailua-Kona, District of Kona, Island and County of Hawaii, State of Hawaii, USA. To get to the HOST PARK offices by car from Kona International Airport at Keahole, proceed from the airport terminal to Queen Kaahumanu Highway. At the first set of traffic lights, make a right turn heading south. Pass another set of traffic lights and look for the green highway sign "Natural Energy Lab." Make a right turn into the HOST PARK entrance, at Makako Bay Drive.



Proceed down Makako Bay Drive. Please do not disturb proprietary HOST PARK client businesses or HOST PARK infrastructure. NELHA administrative offices are located in the fenced Research Campus marked by a HOST PARK sign at the very end of the 2-mile access road. Just inside the compound entrance gates, look for the two-story Administration Building and enter the double glass doors into the lobby.



LEFT: Entrance to NELHA properties from Queen Kaahumanu Highway.



ABOVE: HOST PARK Research Campus entrance at end of 2-mile access road. Two-story HOST PARK administration building is visible beyond palm trees.

RESOURCES

- **COLD DEEP SEAWATER**

Pumped from three sources: two from approximately 2,000 ft. depths with source water temperature at 6° Celsius (43° Fahrenheit); and one from approximately 3,000 ft. depth with source water temperature at 4° Celsius. Virtually pathogen-free, pristine quality

- **WARM SURFACE SEAWATER**

Pumped ashore from intakes located at less than 100 foot depth from waters rated by the state Department of Health as Class AA (unchanged by human impact); temperature of source water is between 24-28.5° Celsius (75-83° Fahrenheit).

- **HIGH SOLAR INSOLATION AND LOW ANNUAL RAINFALL**

Annual average of 505 cal/cm²/day and less than 15 inches rainfall per year. A state of the art meteorological station was installed in the Research Campus in the fall 2012; real time and historical data is available at <http://www.nrel.gov/midc/nelha/> starting November 2012.

- **LAND**

870 acres of coastal property including both graded and ungraded leaseable acreage, turnkey and open area research spaces for rent, and approximately 145 acres of conservation setback areas, archaeological preserves, and HOST PARK infrastructure and roadways.

- **OCEAN USE CORRIDOR**

Permitted ocean use corridor covering approximately 3,290 acres located directly offshore for HOST PARK-approved research and commercial activities

- **NATURAL OFFSHORE CIRCULATION GYRE**

- **COASTAL SUB-TROPICAL MARINE ENVIRONMENT**

- **EXTENSIVELY EQUIPPED ENVIRONMENTAL LABORATORY**

- **COMPREHENSIVE ENVIRONMENTAL MONITORING PROGRAM (CEMP)**

Quarterly monitoring of effluent discharges, groundwater and the nearshore environment including a yearly survey of the biota and benthic communities insures the pristine quality of the surrounding Class AA Ocean as a resource for tenant operations and public enjoyment.

- **AQUATIC SPECIES HEALTH MANAGEMENT PROGRAM (ASHMP)**

Provides for quarantine and biosecure aquatic species culturing conditions

OTHER ADVANTAGES

- **MASTER PERMITS**

Conservation District Use Permit (HA-1862, HA-1862A), Special Management Area Use Permits (77, 239), and various Environmental Assessments and Impact Statements pertaining to activities at Keahole Point are already in place

- **HAWAII ENTERPRISE ZONE PROGRAM**

Qualifying businesses may receive state tax benefits for up to seven years, such as 100% exemption for General Excise Tax and Use Tax as well as county of Hawaii real property tax benefits.

- **FOREIGN TRADE ZONE**

HOST PARK has been approved for Foreign Trade Zone status.

- **PROXIMITY TO ROUTES OF COMMERCE/TRANSPORT**

Kona International Airport at Keahole, Kawaihae Deep Draft Harbor, Honokohau Small Boat Harbor

- **PROXIMITY TO RESIDENTIAL AREAS AND LOCAL BUSINESS DISTRICT**

A thriving residential community sprawls on the hillside five minutes from HOST PARK's front gate, and the heart of the Kailua-Kona village business district is only a 15-minute drive away.

APPROPRIATE PROJECT AREAS

Pursuant to Chapter 227D, Hawaii Revised Statutes, as amended, NELHA's purpose is to "facilitate research, development, and commercialization of natural energy resources and ocean-related research, technology, and industry in Hawaii and to engage in retail, commercial, or tourism activities that will financially support that research, development and commercialization..." Appropriate project areas are listed below:

ENERGY AND OCEAN, RESEARCH AND TECHNOLOGY DEVELOPMENT projects that support national and state interests, use facilities and infrastructure in Hawaii, and foster potential commercial development, such as:

- OCEAN THERMAL ENERGY CONVERSION (OTEC)—Open- and closed-cycle processes, including enhanced OTEC development in conjunction with existing plant effluent, solar ponds, geothermal resource uses.
- DIRECT SOLAR ENERGY USE—Photovoltaics, thermal applications.
- RENEWABLE ENERGY STORAGE – Compressed Air Energy Storage, Batteries
- SOLAR GRADIENT PONDS
- AQUACULTURE—Cold seawater, warm seawater, or brackish water
- DESALINATION—Direct, by-product, or co-product
- MARINE BIOMASS UTILIZATION—Energy, fertilizer.
- HYDROGEN FROM SEAWATER—Solar or OTEC energy source
- MATERIALS TESTING—Corrosion, biofouling, atmospheric
- REFRIGERATION AND COOLING—Deep seawater applications, cold seawater air conditioning (SWAC)
- MARINE SYSTEMS AND EQUIPMENT TESTING
- CONTAINERIZED TECHNOLOGIES – For marine and energy applications
- AGRICULTURE—Saline, hydroponics, coldwater agriculture using cold seawater for temperature control
- EDUCATION—Research and training, information dissemination, outreach
- MANUFACTURING & PROCESSING SYSTEMS—Using natural resources
- MARINE BIOTECHNOLOGY
- MISCELLANEOUS—Related project support activities, including:
 - Sciences using the unique resources at Keahole Point
 - Personnel training
 - Environmental studies
 - Project staging, e.g., submersible and research vessel cruises

- CERTAIN RETAIL, COMMERCIAL, AND TOURISM ACTIVITIES that are not related to facilitating research, development, and commercialization of natural energy resources in Hawaii, but that will financially support that research, development and commercialization, subject to NELHA Board approval.

TYPES OF USE AREAS

HOST PARK's Keahole Point properties are divided into three (3) types of use areas which are considered in the placement of new projects.

OCEAN WATER AREA

This area is designated for research and development and/or commercialization of projects that utilize the ocean water resources available at Keahole Point. Priority is given to those projects utilizing cold deep seawater resources. Permitted uses within this area shall include, but not be limited to:

- AQUACULTURAL APPLICATIONS including, but not limited to, production of abalone, clams, oysters, and other mollusks; lobster, shrimp, prawns and other crustaceans; micro- and macro-algae; and finfish
- AGRICULTURAL APPLICATIONS which use the ocean water or brackish water resources
- OCEAN-RELATED TECHNOLOGIES and their research, development and commercialization
- OCEANOGRAPHIC STUDIES
- ALTERNATE ENERGY APPLICATIONS
- COMMERCIAL/NON-COMMERCIAL DESALINATION of seawater and brackish water
- RESEARCH, DEVELOPMENT, AND COMMERCIALIZATION of technologies which use the ocean water as an integral part of the process.

INDUSTRIAL SUPPORT AREA AND ECONOMIC DRIVER AREA

This area is designated for ocean-related science and technology uses and tenant support services that require smaller acreages of land. This area is intended to be developed as a low density industrial area with low-lying buildings and planned landscaping to convey a park-like atmosphere. Permitted uses within this area shall include, but not be limited to:

- BIOTECHNOLOGICAL, MICROBIOLOGICAL, PHARMACEUTICAL businesses
- DESIGN, MANUFACTURE AND ASSEMBLY of ocean-related equipment of an electrical, electronic, electromechanical, or optic nature, only if such equipment requires the special facilities at HOST PARK for its manufacture and/or testing
- SUPPORT BUSINESSES, including, but not limited to, processing and packing services, production and sale of ice for the packing and shipment of products, and refrigerated warehouses
- RESTAURANT OPERATIONS specializing in the preparation of organisms produced in the ocean water use area
- OFFICE BUILDINGS

EDUCATION/INFORMATION AREA

This area is intended to be developed as a low-density area primarily for education, training and public information dissemination purposes. Permitted uses within this area shall include, but not be limited to:

- RESEARCH AND TRAINING facilities
- VISITOR INFORMATION CENTER
- LIBRARIES, research resources
- ADMINISTRATIVE OFFICES AND LABORATORY FACILITIES of tenants who maintain operations within other HOST PARK areas

PROHIBITED USES

The following uses and operations, including uses not listed that are similar in character or effect, shall not be permitted on any lot at HOST PARK properties:

- Airports and heliports;
- Residential and commercial hotel uses of any type;
- Auctions;
- Junk yards or recycling facilities provided, however, that the foregoing does not prohibit recycling that is carried out in conjunction with a primary permitted use when necessary to comply with emission control standards, or required as an element or elements of waste control facilities;
- Commercial excavation of building or construction materials or quarrying of any material except in the course of approved site preparation and construction;
- Dumping, disposal, incineration or reduction of garbage or other forms of refuse;
- The raising, fattening, fat rendering, stockyard or slaughter of non-aquatic animals such as cattle, swine, fowl and the like;
- Refining of petroleum or its products;
- Smelting of petroleum or its products;
- Smelting of iron, tin, zinc, or other metallic ores;
- Saw or wood planing mills;
- Manufacturing or production of cement, lime, asphalt, gypsum, firewood, wood pulp, etc.;
- Cemeteries;
- Truck or bus maintenance or storage facilities *not related to approved operations*
- Automobile, go-cart, motorcycle, or other motorized vehicle race tracks;
- Oil or propane storage facilities except in an enclosed yard of a tenant's lot only when such tanks are limited for use in the servicing of vehicles owned or used by the tenant;
- Processing of sugar or pineapple;
- Automobile or truck dealerships, auto wrecking, auto repair or auto painting establishments, or car wash facilities;
- Jail or honor farms;
- Labor or migrant worker farms;
- Storage and handling of radioactive and other hazardous substances unless incidental to a permitted use, and then only in accordance with applicable governmental regulations and the hazardous materials standards established by HOST PARK;
- Contractor's construction yards;
- Establishments that rent, sell, or service heavy equipment;
- Veterinary establishments and commercial kennels

HOST PARK'S SEAWATER RESOURCES

The State of Hawaii and NELHA have invested heavily in developing its unique seawater supply system for the express use of its client business, education, and research enterprises. To assure HOST PARK clients of this exclusive access, raw seawater may not be sold as a commodity by HOST PARK clients to other businesses.

Please contact NELHA staff for current policies defining the allowed and prohibited uses of these valuable seawater resources.

LEASING PROPERTY AT HOST PARK

The Natural Energy Laboratory of Hawaii Authority (NELHA) administers 870 acres of state property at Keahole Point in the District of Kona on the island of Hawaii which are accessed by a single, 2-mile access road, Makako Bay Drive, from the Queen Kaahumanu Highway, and are leased from the State of Hawaii Department of Land and Natural Resources (DLNR) by NELHA. The lands may be subleased by tenants whose projects and plans have been previously approved by the NELHA Board of Directors through the application process detailed in this PIP.

LAND AVAILABILITY

Three general categories of land are available for lease by tenants at HOST PARK. Please check with the NELHA staff for current space availability.

RESEARCH CAMPUS. This is a 5.8-acre fenced, improved area at the end of the 2.2 -mile Makako Bay Drive access road. This is also where the NELHA administrative offices, conference room, and water quality laboratory are located. Research projects with space requirements of less than 10000 square feet are encouraged to locate here. In addition to small 'improved' land parcels of variable sizes, enclosed office and laboratory space are also available for rent. Only short term rental agreements are available for the Research Campus. Incubation rates may be available for projects located in the Research Campus. Many projects at NELHA start in the Research Campus before transitioning to the technical park. Access is provided to basic utilities, restrooms, and paved parking areas. Currently land is available at this compound.

SMALL BUSINESS COMPOUND AND SMALL BUSINESS INCUBATOR. There is a 6.76-acre unfenced, improved area subdivided into four lots of approximately 1-2 acres each for commercial projects with small land requirements. At present, there is no land available in this compound. NELHA has future plans for another small business compound. Please inquire with NELHA staff with respect to the status of this project.

TECHNICAL PARK. The Technical Park consists of over 700 acres of open lands available for lease in both the northern and southern sections of the HOST PARK property. Approximately 35% is still available for development. The majority of these properties consist of unimproved land, covered by weathered *pahoehoe* or *a'a* lava flows and scrub grasses. Although the lot sizes are variable depending on tenant requirements, Hawaii County zoning has set the minimum lot size as three (3) acres in the southern section of the park and one (1) acre in the northern section. Note that the volume of seawater required by a project is a major determining factor in placing a tenant within the Technical Park, with higher volume users placed at lower elevations where possible to save on pumping costs. Currently land is available in the Technical Park area.

TYPE OF USES

ENERGY: The intended use of the land is to produce energy or an energy related product. The intended use of the seawater delivered to an energy tenant could be to produce an energy product (such as biofuels), to provide low cost cooling (solar) or as an integral part of the energy production (OTEC). Examples of energy use: solar projects, OTEC, and biofuels.

EXTRACTIVE: The intended use of the land and the seawater delivered to an extractive user is to extract either the water or some other marketable product contained in the water and export the water or product generated from the site. Examples of extractive use: deep sea water desalination and bottling, salt extraction, and nigari production.

PRODUCTIVE: The intended use of the land and the seawater delivered to a productive user is to produce a product using the seawater as a medium or low cost cooling alternative and to export the product from the site. Aquaculture tenants are productive tenants. Examples of productive use are: aquaculture including shrimp, shellfish and finfish production, cold water agriculture, microalgae and seaweed production.

OFFSHORE: This category is for projects that take place in the NELHA offshore corridor. Examples of offshore use are: wind, wave and ocean current energy, compressed air energy storage and aquaculture. There may be additional approvals that need to be obtained from DLNR for offshore projects.

OTHER: This category is for any use that does not fit into the other four categories (energy, extractive, productive and offshore). This may include education, outreach, research and retail projects or any other type of project that is considered appropriate for the mission of NELHA.

LAND RATES

BASE RENT. Rental rates for determination of base rent as adopted by the NELHA Board on November 20, 2012 are provided in this PIP document (see Summary of Current Rates). A performance bond will be required to be issued to NELHA for the amount owed. Please contact NELHA staff for the most current leasing and rent policy.

No rent will be charged for easements for existing infrastructure and support facilities, archaeological preservation areas, conservation areas, or beachfront setback areas where they occur within the boundaries of leased lands. All beachfront properties include a 125-foot setback from the certified shoreline in which no construction may take place.

PERCENTAGE RENT. When the established percent of the tenant's gross sales (as defined in the HOST PARK sublease) for any calendar year exceeds the fixed rental fee, then this "percentage rent," or the established percent of gross sales less the fixed rental fee, is also due to HOST PARK.

LAND USE AGREEMENTS

To become a tenant at HOST PARK, a NELHA Board-approved project must be in good standing in the State of Hawaii and have its authorized representative sign a NELHA land use agreement. There are three types of land use agreements.

MEMORANDUM OF UNDERSTANDING (MOU): An MOU is used for short research projects with durations less than three months. The MOU contains the minimum State requirements with respect to Liability and Indemnification. An MOU is appropriate for researchers/students visiting from Universities and other research institutions to carry out short term projects using NELHA's unique resources. For resident researchers, a rental agreement is more appropriate. An MOU may not be assigned or transferred to a third party. Board approval is not required for an MOU.

RENTAL AGREEMENT (RA): A Rental Agreement is used for research, pre-commercial and other projects. It can cover any type of space including office, open, lab, mixed, research campus, Gateway and

technical park space. The term of a Rental Agreement does not exceed one year and is renewed on a yearly basis. A Rental Agreement may be assigned upon written approval of the NELHA Executive Director. Certain clauses may be struck out of a rental agreement depending on the project categorization. For example, the % rent clause is struck out of the agreement for all but pre-commercial projects. Board approval is not required for a Rental Agreement with a term of one year or less.

SUBLEASE: A sublease document is used for long term projects regardless of categorization although most long term subleases are for commercial projects. The sublease term is subject to negotiation with the maximum allowable term being 30 years. The standard sublease contains provisions for standard terms including percentage rent, offsets and exclusions. NELHA Board approval is required after a review of the company's long term plans, summarized in a Final Proposal/Business Plan. Existing clients transitioning from pre-commercial research and short term agreements(s) to commercial status must submit a Final Proposal/Business Plan and obtain NELHA Board approval prior to signing a Sublease. A Sublease may be assigned upon NELHA Board approval. Board approval is required for a Sublease.

COMMERCIAL TENANT PROJECT STATUS

The project status of HOST PARK clients who have commercial goals may change as their activities develop and mature from R&D projects into commercial entities. NELHA classifies projects into four categories: research, pre-commercial, commercial and other. The type of lease agreement used will depend on the type of project and its projected duration.

BASIC RESEARCH

A basic research project is concerned with contributing to the knowledge base of science and technology. It may have no immediate commercial application. These are often University or Government Lab projects. MOUs or RAs are typically used for these projects.

PRE-COMMERCIAL OR INCUBATOR

A pre-commercial or incubator project is transitioning or scaling-up to commercial categorization. RAs are usually the appropriate lease agreement for these projects. Occasionally, a Sublease may make sense for a long term R&D operation depending on the duration of the project and the amount of capital invested.

COMMERCIAL A commercial project has immediate commercial goals. There are two types of commercial projects: 1) projects that rely on NELHA unique resources and 2) projects that are independent of NELHA resources such as retail or purely industrial support services. Long term subleases are typical for these types of projects. RAs with one year term limits may be used as bridging documents to a sublease.

OTHER

This category includes non-profit projects such as education, outreach, conservation which are considered appropriate for the mission of NELHA but do not fit in the other three categories. Either RAs or Subleases may be appropriate for these projects.

GOVERNMENTAL PERMITS

HOST PARK operates under the umbrella of the federal, state, and county governments, therefore, all clients are responsible for compliance with all applicable federal, state, and county permitting requirements including those relating to shoreline management area, shoreline setback requirements, importation requirements, state conservation district requirements, subdivision permits, building standards, and any others. However, it must be noted that HOST PARK cannot warrant or guarantee that the applicable federal, state, or county authority will permit the activities, or construction or installation of improvements that may be required by the client, and, regarding costs of permitting, those associated with obtaining the building and any other permits or approvals will be borne by the client.

HOST PARK SEAWATER SUPPLY SYSTEM

The HOST PARK seawater supply system is the only one of its size and capacity in the world, and its cold seawater supply pipes, in particular, are the deepest largest diameter pipelines in the world's oceans. Since completion of its first pipeline in 1981, HOST PARK has compiled an excellent record of continuous seawater delivery to its clients, and continues to incorporate supportive measures as the seawater system expands to service the whole technical park.

HOST PARK NORTH SEAWATER SYSTEM. Pristine cold deep seawater from a consistent 6°C (43°F) source is brought to shore from 2,000 foot depths off Keahole Point through a 6,284 foot long, 40-inch (1 meter) diameter pipeline made of high density polyethylene (HDPE). The durability, strength, flexibility, buoyancy and inert properties of HDPE makes it the preferred material for cold deep seawater pipelines in the deep ocean.

Surface waters offshore of Keahole Point that supply HOST PARK's seawater systems are rated as Class AA by the Hawaii State Department of Health, essentially unaffected by human influences and representative of clean open ocean tropical surface seawater. The intake for HOST PARK's main surface seawater supply pipe is located 69 feet under the ocean surface over a 90-foot bottom depth. A 28-inch HDPE pipeline carries the pristine water to a sump in the Main Pump Station onshore. Surface seawater temperatures remain in the narrow range of 24° to 28.5°C (75 to 83°F) year 'round.

Multiple submersible pumps push the seawater from the Main Pump Station through the distribution system in the park. Warm seawater is delivered throughout the north section of the park via a 28-inch HDPE distribution pipeline while cold seawater is delivered through a 24-inch distribution pipeline. The system is capable of delivering up to 13,400 gpm (~0.84m³/s) of cold seawater and 9,700 gpm (~0.61m³/s) of warm seawater. Variable frequency drive motor control devices maintain the water pressure between 10 and 12 psig, precisely controlling water flow in both distribution lines.

The 24-inch cold seawater distribution line continues beyond the north section of the property to also service the south section of the park. The Booster Pump Station, built in 1998, provides the additional pressures needed to pump deep cold seawater to elevations up to 110 feet above sea level in HOST Park. At present, up to 6,500 gpm (~0.41m³/s) of cold seawater can be delivered to this section of the park as an emergency backup to HOST PARK new 55" seawater distribution system. Similarly, the 55: deep sea water can also be delivered to the north section of the park in case of emergency.

An 18-inch pipeline for cold seawater and a 24-inch pipeline for warm seawater provide the reassurance of redundant supplies for the main 40-inch and 28-inch seawater supply lines. Seawater from these pipelines at HOST PARK's Ka'u Pump Station is added to the main supply lines. The 24-inch pipeline provides up to 5,400 gpm (~0.34m³/s) of warm surface seawater while the 18-inch pipeline has a capacity of up to 3,000 gpm (~0.19m³/s) deep seawater.

Regular operations of the HOST PARK seawater supply system are further enhanced by the following:

- 1) An automated alarm system
- 2) Operations personnel on call 24 hours a day
- 3) A 1-megawatt generator to provide complete electrical redundancy for the HOST PARK Main Pump Station and facilities controlled from within the Research Campus.
- 4) A mobile 200-kilowatt generator to provide electrical redundancy to any location within the HOST PARK properties
- 5) A 125-kilowatt generator to provide electrical redundancy for the 24-inch warm seawater supply pipeline.

HOST PARK SOUTH SEAWATER SYSTEM. HOST PARK concluded a major expansion to the existing Seawater Supply System with the addition of two oceanic 55-inch diameter supply pipelines for deep and surface seawater in 2001, and two onshore components: an underground pump station, installed in 2002, and a system of 40-inch deep seawater and 28-inch surface seawater delivery pipelines. Fully built out system pumping capacities are up to 40,500 gpm (2.56m³/s) of surface seawater and 27,000 gpm (1.80m³/s) of deep seawater. The surface seawater intake is located offshore at a depth of approximately 80-feet below the ocean surface. The 10,247 foot long deep seawater pipe has an intake at 3,000 feet below the ocean surface to access 4°C (39°F) source seawater. It is the deepest seawater pipe ever deployed in the world's oceans. Completion of Phase I of the seawater delivery pipeline system in the Summer of 2005 now allows delivery of 14,000 gpm flow for both surface and deep seawater in the southern section of the Technical Park. The HOST PARK seawater system expansion has been designed to accommodate a wide range of potential water uses, such as ocean thermal energy conversion power production, air conditioning, industrial cooling, aquaculture, coldwater agriculture, and desalination facilities.

TABLE 1. HOST PARK SEAWATER SUPPLY SYSTEM

OFFSHORE PIPE INNER DIAMETER	OFFSHORE PIPE INTAKE DEPTH	OFFSHORE PIPE LENGTH	OFFSHORE PIPE INSTALLED	SYSTEM MAXIMUM PUMPING CAPACITY**	ONSHORE DISTRIBUTION SYSTEM STATUS
DEEP SEAWATER (DSW)					
40-inch (100 cm)	2,210 ft. (674 m)	6,284 ft. (1,916 m)	Aug. 1987	13,400 gpm (0.84 m ³ /s)	Fully operational
18-inch (45 cm)	2,060 ft. (628 m)	6,180 ft. (1,884 m)	Oct. 1987	3,000 gpm (0.19 m ³ /s)	Fully operational
55-inch (140 cm)	3,000 ft. (915 m)	10,247 ft. (3,124 m)	Dec. 2001	27,000 gpm (1.80 m ³ /s)***	Phase I fully operational (to 14,000 gpm)
SURFACE SEAWATER (SSW)					
28-inch (71 cm)	69 ft. (21 m)	535 ft. (163 m)	Aug. 1987	9,700 gpm (0.61 m ³ /s)	Fully operational
24-inch (61 cm)	33 ft. (10 m)	266 ft. (81 m)	June 1993	5,400 gpm (0.34 m ³ /s)	Fully operational
55-inch (140 cm)	79 ft. (24 m)	540 ft. (165 m)	Dec. 2001	40,500 gpm (2.56 m ³ /s)***	Phase I fully operational (to 14,000 gpm)

* Actual intake depths may vary by several meters as the pipeline moves slightly during each semi-diurnal tidal current cycle.

** Listed figures reflect the sum of maximum ratings of the multiple pumps at each pump station. Actual delivery capacities will be less than listed pumping capacities as they are affected by individual characteristics of the distribution systems associated with each pump station.

*** Phase II development of onshore distribution system to be determined at a future date.

TABLE 2. MEAN VALUES OF KEY PARAMETERS IN HOST PARK'S SEAWATER SUPPLY

PARAMETER	SURFACE SEAWATER (SSW) 68 ft. (21 meters) depth	DEEP SEAWATER (DSW) 2,000-ft. (674 meters) depth	DEEP SEAWATER (DSW) 3,000-ft. (915 meters) depth
Number of Samples	n=1040	n=728	n=90
Temperature °F (°C)	75 – 83 °F (24 – 28.5 °C)	43 – 46 °F (6 – 8 °C)*	40 – 44 °F (4.7 – 6.5 °C)
Salinity PSU	34.7o	34.4	34.5
pH unit	8.3 unit	7.6 unit	7.6 unit
Alkalinity milligrams of CaCO ₃ /liter	2.31 mg CaCO ₃ /L	2.36 mg CaCO ₃ /L	2.37 mg CaCO ₃ /L
NO ₃ / NO ₂ micromoles/liter (micrograms/liter)	0.26 μm N/l (3.7 μg N/L)	41 μm N/l (577 μg N/L)	43 μm N/l (595 μg N/L)
PO ₄ micromoles/liter (micrograms/liter)	0.13 μm P/l (4.2μg P/L)	3.0μm P/l (94 μg P/L)	3.0 μm P/l (93 μg P/L)
Si micromoles/liter (micrograms/liter)	2.93 μm Si/l (82.2 μg Si/L)	85 μm Si/l (2378 μg Si/L)	99 μm Si/l (2772 μg Si/L)
NH ₄ micromoles/liter (micrograms/liter)	0.3 μm N/l (3.6 μg N/L)	0.2 μm N/l (2.3 μg N/L)	0.2 μm N/l (3.1 μg N/L)
Dissolved Organic Nitrogen micromoles/liter (micrograms/liter)	5.22 μm N/l (73.3 μg N/L)	44 μm N/l (617 μg N/L)	45 μm N/l (627 μg N/L)
Dissolved Organic Phosphorous micromoles/liter (micrograms/liter)	0.36 μm/l (11.1 μg N/L)	3.1 μmP/l (98 μg P/L)	3.0 μm P/l (93 μg P/L)
Dissolved Oxygen milligrams/liter	6.69 mg/l	1.27 mg/l	1.62 mg/L
Total Organic Carbon milligrams/liter	0.92 mg/l	0.7 mg/l	.6 mg/L
Total Suspended Solids milligrams/liter	1.13 mg/l	0.7 mg/l	0.8 mg/L

* The deep seawater intake temperature is estimated to be less than 6°C. Higher recorded temperatures are due to warming in the delivery system.

INSTALLATION OF CLIENT UTILITIES

Clients are responsible for installing and maintaining service connections to the nearest supply line for all utilities. HOST PARK provides access to the underground supply lines for all utilities along the Access Road and utility corridors. Clients must make arrangements for the connections and pay all associated installation costs, as described below. HOST PARK does not supply meters, service laterals, parts, material, or labor. Installation costs can vary greatly from client to client, as each service connection is quite unique depending on location, size, and client needs. Meters for all utilities are read monthly by NELHA staff and the utility companies, so all meters must be standardized and should be clearly visible from the nearest roadway access.

SERVICE PROVIDERS. HOST PARK is responsible for the main supply lines for cold and warm seawater as well as freshwater along the Access Road and certain utility corridors. Hawaiian Telcomm (formerly Verizon, or GTE Hawaiian Tel) maintains telephone lines, and Hawaii Electric Light Company (HELCO) provides electrical service. Clients must make arrangements with each utility provider for its service connections.

SEAWATER SUPPLY. To ensure accurate monitoring of seawater usage, clients are required to install metering devices downstream of the primary service connections. Estimated cost for each meter assembly is at least \$1,200. Most clients will require both warm and cold seawater supply lines and therefore two separate meter assemblies. HOST PARK uses Signet brand seawater flow meters, on which this cost estimate is based. Costs of installation labor must also be added to this estimate.

FRESHWATER. The Hawaii County Department of Water Supply (DWS) supplies freshwater (portable water) to HOST PARK properties. A 12-inch distribution line, owned and maintained by HOST PARK, runs along the Access Road. HOST PARK operates the distribution lines and metering systems within its properties according to DWS standards. A licensed plumber/contractor is required to install the client's service lateral off of the main distribution pipeline (estimated to be at least \$300-500), as well as a pressure regulator (estimated at \$50-75), a backflow preventer (estimated to be at least \$250-350), and a water meter (estimated at \$100-150 with fittings). These estimates were based on 2006 retail prices. Costs of labor must also be added.

ELECTRICAL SUPPLY. The client must submit engineering plans with electrical drawings to HELCO. When the plans are approved, the company will issue a work order to initiate the job. Installation of the PME and transformer necessary for an electrical power hookup may cost in the neighborhood of \$20,000 to \$35,000, based on 2005 costs, depending on the client's individual requirements. This fee is based on the size of the client's electrical load and the payback period for the utility to recover their installation and equipment costs.

TELEPHONE SERVICE. The client must contact Hawaiian Telcomm to arrange for hookup to telephone service. Estimated cost is about \$200-300 for phone line installation.

HOST PARK EMERGENCY PROCEDURES

In the event of supply line interruption, the following emergency procedures are in place.

SEAWATER OUTAGES. As part of its emergency response procedures HOST PARK will inform all affected clients of water outages longer than one (1) hour. Exceptions will be made if a client has special needs that require notification for shorter interruptions of seawater service.

ELECTRICAL OUTAGES. Affected clients will be notified as quickly as possible regarding the onset of any electric power outages, usually within one (1) hour of NELHA staff alert to the event.

In addition, HOST PARK provides 48-72 hours written notice in advance of any planned outages for seawater, freshwater, or electrical power supply. Whenever possible, planned service outages are kept to within a 2 hours schedule.

CLIENT PRECAUTIONARY MEASURES

HOST PARK takes as many precautions as possible to enhance the reliability of its unique seawater supply to clients, however, it cannot guarantee continuous flow in the event of acts of nature or other events beyond its control. Therefore, it is incumbent upon each client to responsibly assess its own risks and liabilities and provide reasonable system redundancies to backup sensitive or otherwise vulnerable systems. Clients need to take appropriate precautionary measures on their own property sufficient to sustain themselves during emergencies or scheduled maintenance.

SUMMARY OF CURRENT RATES

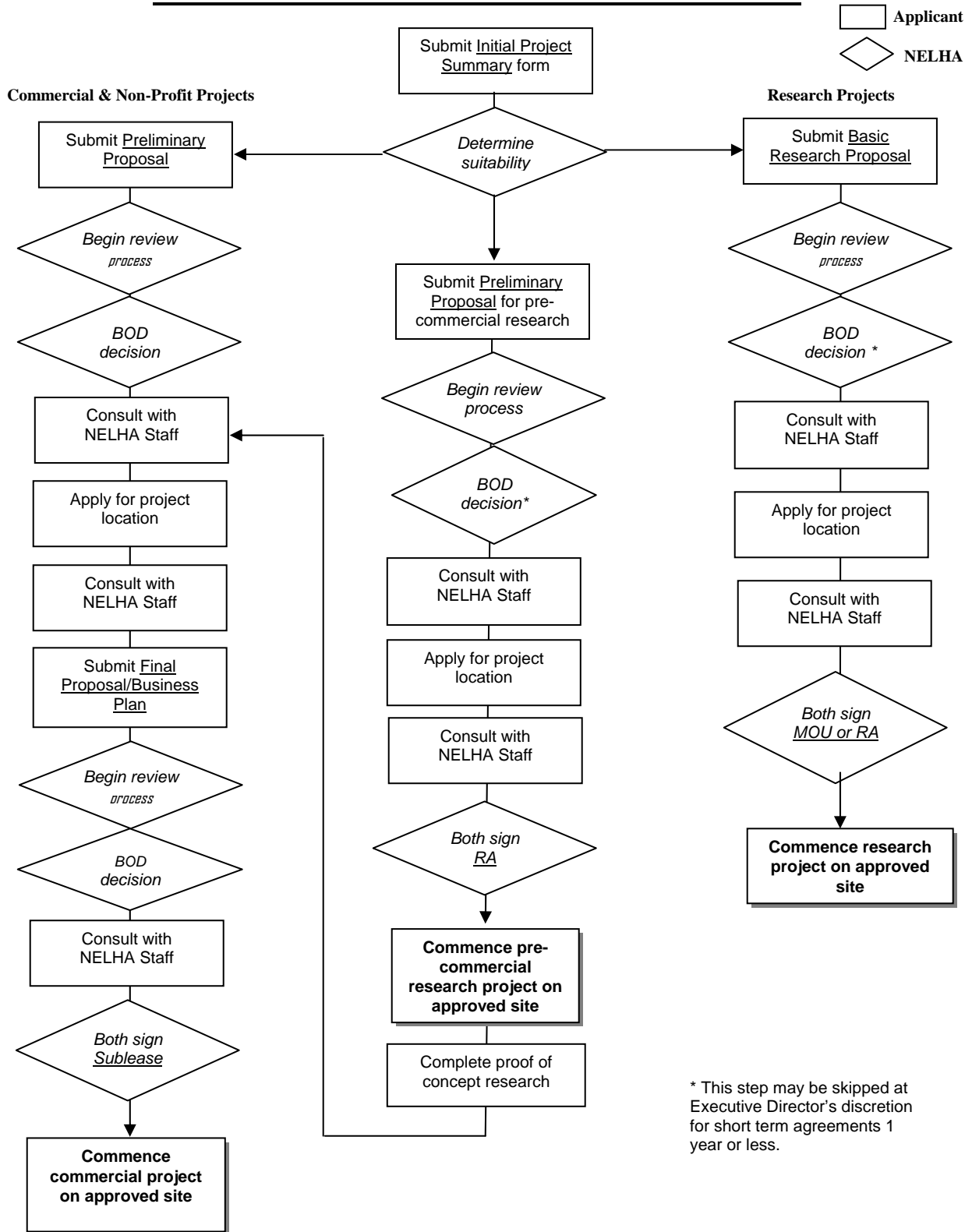
All land use and support services listed below are available exclusively to clients at the HOST PARK Keahole facilities on its north and south properties through written agreements with NELHA. Special conditions and instructions may be included for certain items. Listed rates are effective as of November 20, 2012, and are subject to change. Therefore, when making cost projections, please check with NELHA Staff for the most current rates.

FIXED RENT RATES		
Energy Use	\$1,800.00/acre/month	
Extractive Use	\$1,800.00/acre/month	
Productive Use	\$342.75/acre/month	Or most recent arbitrated rate for 10 acre parcel
Office	\$1.75/sf/month	Research Campus/Gateway
Laboratory Space	\$2.00/sf/month	Research Campus
Covered space/tent areas	\$0.75/sf/month	Research Campus
Open air wet lab	\$1.50/sf/month	Research Campus
Improved land/open space	\$0.50/sf/month	Research Campus/Gateway
Other Uses	Case by case	
Minimum Monthly Rental Rate	\$200.00/month	
PERCENT RENT RATES		
Productive Wholesale Products	2%-3%	
Productive Retail Products	5%-7%	
Extractive Wholesale Products	5%-7%	
Extractive Retail Products	7%-9%	

LABORATORY SUPPORT SERVICES	Commercial Per Sample Rate	Gov/Edu/Non-Profit Per Sample Rate
Chemistry		
Ammonia	\$40.00	\$7.00
Nitrate & Nitrite	\$40.00	\$7.00
Ortho Phosphate	\$40.00	\$7.00
Silcate	\$40.00	\$7.00
Nitrate	\$40.00	\$10.00
Nitrite	\$40.00	\$10.00
<i>Ammonia, Nitrate & Nitrite, Ortho Phosphate, & Silicate</i>	\$160.00	\$15.00
Total Nitrogen	\$40.00	\$12.00
Total Nitrogen Dissolved	\$40.00	\$12.00
Total Phosphorous	\$50.00	\$12.00
Total Phosphorous Dissolved	\$50.00	\$12.00
<i>Total Dissolved Nitrogen & Phosphorous</i>	\$90.00	\$20.00
Total Organic Carbon	\$40.00	\$12.00
Dissolved Oxygen (Winkler Titration)	\$35.00	\$12.00

Dissolved Oxygen (YSI)	\$35.00	\$7.00
Salinity (Salinometer)	\$25.00	\$12.00
Salinity (YSI)	\$25.00	\$7.00
Total Suspended Solids	\$20.00	\$11.00
Turbidity	\$25.00	\$11.00
pH	\$12.00	\$5.00
Alkalinity	\$25.00	\$10.00
Chlorophyll a (corrected for Phaeophytin)	\$35.00	\$10.00
Laboratory Services		
Autoclave Run/Service	\$15.00	\$15.00
Microscopy - per day	\$25.00	\$25.00
Miscellaneous Labor - per hour	\$70.00	\$70.00
Water - per gallon	\$1.00	\$1.00
Reverse Osmosis-Deionized Water (gal)	\$2.00	\$2.00

APPLICATION GUIDELINES OVERVIEW



INITIAL PROJECT SUMMARY

1) APPLICANT NAME: _____

2) LEGAL STATUS: _____

3) ADDRESS: _____

4) PRIMARY CONTACT: _____

a) PHONE 1: _____

b) PHONE 2: _____

c) FAX: _____

d) EMAIL: _____

5) PROJECT TYPE:

___ Research

___ Pre-Commercial Research

___ Commercial

___ Education

6) SUMMARY OF PROJECT CONCEPT:

7) HOW DID YOU FIND OUT ABOUT HOST PARK AS A POTENTIAL LOCATION FOR YOUR PROJECT?

a) Website b) Word of Mouth c) Other: _____

8) ESTIMATED NEEDS FOR HOST PARK RESOURCES:

a) Land area

Research Campus (s.f.): ___ office space ___ laboratory space ___ open space

Technical Park (acres): _____ unimproved space

b) Freshwater (FW): ___ Kgal/month

FW Recycling: ___ %

c) Deep seawater (DSW): ___ Kgal/day

Estimated flow rates: Average = ___ gpm

DSW Recirculation: ___ %

Peak* = ___ gpm

d) Surface seawater (SSW): ___ Kgal/day

Estimated flow rates: Average = ___ gpm

SSW Recirculation: ___ %

Peak* = ___ gpm

e) Electricity: ___ kwh/month

Estimated peak use*: ___ kw

9) SEAWATER RETURN ESTIMATES:

- a) Volume of effluent seawater to be returned to environment: _____ Kgal/month
- b) Type of treatment to be employed: _____
 _____ settling basin _____ filtration _____ other treatment: _____
- c) Type of seawater return facility: _____
 _____ injection well _____ disposal trench _____ other method: _____

10) SUMMARY OF ESTIMATED ANNUAL RESOURCE USE AND OTHER PROJECTIONS:

DESCRIPTION	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
a) SSW flow rate (maximum gpm)										
b) SSW volume (kgal/mo.)										
c) DSW flow rate (maximum gpm)										
d) DSW volume (kgal/mo.)										
e) Electricity—HELCO (average kWh/mo.)										
f) Electricity—self-generated (average kWh/month)										
g) Freshwater—County Dept. of Water Supply (average Kgal/month)										
h) Freshwater—Self-generated (ave. Kgal/mo.)										
i) Capital Investment—Private Sources (\$)										
j) Capital Investment—Federal Grants										
k) Capital Investment—Other Grants (specify type)										
l) New Acres Developed										
m) Total Acres in Use										
n) Base Rent to HOST PARK (\$/year)										
o) Gross Sales (\$/year)										
p) Percentage Rent to HOST PARK ** (\$/year)										
q) Royalty Payments to HOST PARK (\$/year)										
r) Number of Employees (FTE)										

**Percentage rent = 2% of Gross Sales less base rent/year

BASIC RESEARCH PROJECT APPLICATION PROCEDURES

[1] CONSULTATION SESSION

The basic research project is concerned with topics that contribute to the knowledge base of science and technology but have no immediate commercial application. Applicants should begin by scheduling a Consultation Session with the NELHA **Leasing Specialist**. Discussing the project concept with a NELHA staff member will help applicants to determine whether the proposed project is appropriate for HOST PARK, and whether the resources HOST PARK has to offer appear to meet its needs. If appropriate, consultation with other NELHA staff may also be recommended at this time.

The entire HOST PARK project application process will also be reviewed to help applicants plan ahead.

[2] INITIAL PROJECT SUMMARY

Next, applicants need to provide a brief summary of the project concept on the **Initial Project Summary** form, including all estimated resource requirements. This summary should be submitted to the **Leasing Specialist** so that a quick review may be completed to determine whether appropriate resources are currently available.

[3] BASIC RESEARCH PROPOSAL

BASIC RESEARCH PROPOSAL CONTENT. Once it has been determined that HOST PARK's resources can meet the project needs, the applicant will need to clearly and succinctly describe the planned research project in the **Basic Research Proposal**. The contents of this document should follow the **Basic Research Proposal Outline** provided following this section of the PIP.

The **Basic Research Proposal** will be the first formal introduction of the project to the HOST PARK reviewers, so it is extremely important that only pertinent information on the planned research project is clearly presented in this document.

TIMING. Due dates for the final documents are one month before the Board meeting date. These dates have been set to allow sufficient time for the review process prior to each scheduled NELHA Board meeting. It is preferable to start working with the Leasing Specialist well before the due date of the finished proposal.

PROPOSAL SUBMISSION. The **Leasing Specialist** can provide helpful feedback and advice to applicants who submit a draft of the **Basic Research Proposal** for informal review well in advance of the formal submission. This draft for informal feedback may be in electronic format. Applicants should plan for two weeks turnaround time once the draft has been submitted for informal review, and an additional week to prepare the final version.

The completed **Basic Research Proposal** should be submitted to NELHA in either hard copy or electronically on or before the listed due dates found on the last page of this PIP document. Once received by NELHA, the proposal may be considered for approval at the next scheduled Board meeting.

[4] STAFF AND RAC PROPOSAL REVIEW

Each proposal received on or before the posted due date will be put into the review cycle. **NELHA management staff** will review the proposal first, submitting their comments and recommendations to the

Executive Director. All proposal documents are kept in strict confidence, to the extent permitted by law, throughout the review process.

The proposal will also be distributed to the **Research Advisory Committee (RAC)** for their review and recommendations. The RAC is composed of experts from various technical fields (e.g., energy, aquaculture, finance, environmental science, geothermal resources, etc.). They advise the NELHA Board as to the merit, scientific interest, industrial importance, and/or suitability of the proposed project to HOST PARK's mission, goals, and resources.

If the review process is successfully completed, the **Executive Director** will consider placing the proposal on the agenda of the next available monthly meeting of the NELHA Board of Directors and distributing the proposal to Board members for their review. However, if, through the review process, it is determined that the proposal is lacking important information, scheduling for Board review may be postponed. The applicant would then be notified and would need to resubmit the information in an acceptable format (as an attachment or as a completely rewritten proposal) for review in a subsequent review cycle.

Board Approval is not mandatory for short term agreements of 1 year or less. Depending on the nature of the project, the Executive Director may decide to skip the following step.

[5] **BOARD REVIEW (*Optional at Executive Director discretion)**

When the applicant's **Basic Research Proposal** is scheduled for NELHA Board review, the applicant will be notified in writing. NELHA Board meetings are usually held on the third Tuesday every other month. Actual meeting dates are available at the NELHA website. All NELHA Board meetings are open to the public and Board agendas are publicized 6 days before the meeting.

The **Executive Director** brings project proposals which have been successfully reviewed by NELHA staff to the Board for discussion. During the meeting, he/she will present staff recommendations to the Board members for their consideration. Similarly, the RAC Chairman will bring RAC recommendations.

Applicants are encouraged to personally attend NELHA Board meetings at which their proposals are discussed to support their project ideas and should be prepared to answer any questions that Board members may have. Attendance is not required but may prevent delays should the Board raise new questions regarding an applicant's proposal.

Board decisions are based on the information provided in the written proposal and by the applicants during the Board meeting, as well as on comments and recommendations from the RAC, the staff, and from the Board members themselves.

If the Board finds a proposal favorable, an "approval in concept" will be granted. However, if the Board determines that a proposal is favorable but there is insufficient information to render a decision, the proposal may receive a "conditional approval in concept" with final approval pending submission of necessary additional information to the Board at a subsequent meeting. If a proposal is determined to be inconsistent with HOST PARK's development plans, approval may be denied.

Applicants will be formally notified of the Board's decision with a letter from the **Executive Director** following the meeting. Notification of any special conditions/restrictions placed on the project will also be given at this time.

[6] **LOGISTICS**

Upon approval of the **Basic Research Proposal** the staff will identify and apply for an appropriate site and to plan ahead for next steps toward implementation. Logistical details must be worked out with the

assistance of the **Engineering Projects Coordinator**, and the **Operations Manager**. A tentative site assignment for the approved project will be made by the **Executive Director** with consideration of staff recommendations based on the project's logistical requirements and HOST PARK's resource availability. Note that applicants must complete the entire application process and sign a land use agreement in order to finalize commitment of an appropriate area for their use.

[7] PERMITS, INSURANCE & LEASE AGREEMENT

Once the project needs for HOST PARK resources are determined and a project site is identified, official documentation for tenancy will be prepared. The **Engineering Projects Coordinator** will prepare a map with the dimensions and total area of the planned project site. The **Leasing Specialist** will complete a **Facilities Use Fees (FUF)** form to determine monthly billing of fixed fees and estimated variable charges and a **Rental Agreement (RA)** between NELHA and the applicant for review. The map, **FUF**, and NELHA-approved **Basic Research Proposal** will be included as Exhibits attached to the **RA**.

Once the appropriate insurance documentation and a security deposit or performance bond are in place at NELHA, the **RA** may be signed by a project representative. The signed **RA** will then be sent to NELHA's **Deputy Attorney General** for approval as to form and then will be signed by the NELHA **Executive Director**. Once signed by both HOST PARK and the tenant, the **RA** is recognized as a legal agreement between both parties and the project may officially commence its operations as a new tenant on the approved site. The **NELHA Fiscal Office** will initiate billing of the fixed fee one month prior to the effective date of the **RA**.

The applicant is responsible for researching and obtaining all necessary permits to satisfy applicable regulations pertinent to the subject of the research project. The **NELHA Operations Manager, Engineering Projects Coordinator, Water Quality Laboratory Manager and/or Electrician** may also assist the project principals in determining these requirements and in referring them to the appropriate regulating agencies (e.g., import permits, building and grading permits, Special Management Area (SMA) permits). Advanced NELHA approval is required of all tenant construction plans.

- (ii) Surface seawater: Estimated Kgal/day
Estimated flow rates: Average rate in gpm
Peak rate in gpm

c) Space requirements—office space, laboratory space, Research Compound square footage, or acreage in the technical park, including any relevant criteria required for selecting a location.

10. **BUDGET**

Provide an itemized summary of capital requirements for project development for full duration of research project. Provide operating budget as well.

11. **FUNDING**

Provide a summary of funding resources and their status.

12. **IMPLEMENTATION SCHEDULE**

Provide timing and implementation schedule. Note that rental agreements for short term basic research projects are limited to one year but are annually renewable.

13. **ENVIRONMENTAL IMPACT**

Describe anticipated general impact on the local environment and specific effluent and waste description/treatment/disposal needs and requirements.

14. **CREATION OF EMPLOYMENT OPPORTUNITIES**

Provide anticipated number and types of jobs to be created on site.

15. **COMMUNITY BENEFITS**

Describe potential benefits to the community in terms of impacts on economy, quality of life, etc.

16. **PRELIMINARY SITE PLANS**

Sketch site development plans/layout (e.g., plumbing and electrical needs, construction layout, building plans).

17. **OTHER INFORMATION**

Provide any other information on the research project which may affect HOST PARK or would be helpful in clarifying proposal content.

18. **REFERENCES**

Include footnoted citations of published literature relevant to the subject of the proposed research topic.

COMMERCIAL or NON-PROFIT PROJECT APPLICATION PROCEDURES

[1] CONSULTATION SESSION

Applicants should begin by scheduling a Consultation Session with the NELHA **Leasing Specialist**. Discussing the project concept with a NELHA staff member will help applicants to determine whether the proposed project is appropriate for HOST PARK, and whether the resources HOST PARK has to offer appear to meet its needs. If appropriate, consultation with other NELHA staff may also be recommended at this time.

The entire HOST PARK project application process will also be reviewed to help applicants plan ahead. Note that submissions may be made electronically by email to avoid time delays, and costs of paper copies and delivery charges.

[2] INITIAL PROJECT SUMMARY

Next, applicants need to complete the **Initial Project Summary** form, including a brief summary of the project concept and all estimated resource requirements. This form should be submitted to the **Leasing Specialist** so that a quick review may be completed to determine whether appropriate resources are currently available.

[3] PRELIMINARY PROPOSAL

PRELIMINARY PROPOSAL CONTENT. Next, the applicant needs to prepare a clearly and succinctly written description of the planned commercial project and its development phases, in the **Preliminary Proposal** following the outline provided below the **Preliminary Proposal** will be the first formal introduction of the project to the NELHA reviewers, so it is extremely important that only pertinent information on the planned project and its development phases are clearly presented in this document.

TIMING Due dates for the final documents are one month before the Board meeting date. These dates have been set to allow sufficient time for the review process prior to each scheduled NELHA Board meeting. It is preferable to start working with the Leasing Specialist well before the due date of the finished proposal.

STATEMENT OF REQUEST. The statement of request must clearly indicate which of the following approvals are being requested:

- a) "Approval" for a pre-commercial research project, subject to terms and conditions of a Rental Agreement
- b) "Approval in concept" for a commercial or non-profit project, with "final approval" subject to NELHA review of a Final Proposal/Business Plan.

PROPOSAL SUBMISSION. The **Leasing Specialist** can provide helpful feedback and advice to applicants who submit a draft of the **Preliminary Proposal** for informal review well in advance of the formal submission. This draft for informal feedback may be in electronic format. Applicants should plan for two weeks turnaround time once the draft has been submitted for informal review, and an additional week to prepare the final version.

The completed **Preliminary Proposal** should be submitted in hard copy form or electronically to NELHA on or before the listed due dates found on the last page of this PIP document. Once received by NELHA, the proposal may be considered for approval at the next scheduled Board meeting.

[4] STAFF and RAC PROPOSAL REVIEW

Each proposal will be put it into the monthly review cycle. **NELHA management staff** review the proposal first, submitting their comments and recommendations to the **Executive Director**. All proposal documents are kept in strict confidence, to the extent permitted by law, throughout the review process.

The proposal will also be distributed to the **Research Advisory Committee (RAC)** for their review and technical recommendations. The RAC is composed of experts with various commercial and business fields. They advise the NELHA Board with the expertise in business, commercial and financial activities and/or suitability of the proposed project to HOST PARK's mission, goals, and resources.

Once the review has been completed, the **Executive Director** will consider placing the proposal on the agenda of the next available meeting of the NELHA Board of Directors for a final review and decision-making. However, if, through the review process, it is determined that the proposal is lacking important information, scheduling for Board review may be postponed. The applicant would then be notified and would need to resubmit the information in an acceptable format (as an attachment or as a completely rewritten proposal) for review in a subsequent review cycle.

Board Approval is not mandatory for short term agreements of 1 year or less. If there is an initial phase is of a short term nature, the Executive Director may decide to skip the Board review and enter into a short term rental agreement. If the project extends beyond the initial year, it will at that point need to be presented to the Board for approval.

[5] BOARD REVIEW

When the **Preliminary Proposal** is scheduled for a NELHA Board meeting, the published Board Agenda will be emailed, faxed or mailed to the applicant. NELHA Board meetings are usually held on the third Tuesday every other month. Actual meeting dates are available at the NELHA website. In accordance with Sunshine Laws, all NELHA Board meeting Agendas are published no later than six (6) days prior to the meeting date by posting with the Lieutenant Governor's office.

The **Executive Director** presents the NELHA Staff recommendations for project proposals to the Board for their consideration during their monthly meetings. Similarly, the RAC Chairman will bring RAC recommendations to the Board for their review.

Applicants are encouraged to personally attend NELHA Board meetings at which their proposals are discussed to support their project ideas and should be prepared to answer any questions that may arise. Attendance is not required but may prevent delays should the Board raise new questions regarding an applicant's proposal.

Board decisions are based on the information provided in the written proposal and by the applicants during the Board meeting, and on comments and recommendations from the RAC, the staff, and from the Board members themselves.

If the Board finds a proposal favorable, an "approval in concept" will be granted. However, a decision may be deferred if the Board determines that there is insufficient information to render an informed decision, or the proposal may receive a "conditional approval in concept" pending submission of additional information. If a proposal is determined to be incompatible with HOST PARK's development plans, approval may be denied.

The **Executive Director** will notify the applicant in writing of the Board's decision following the Board meeting date. All commercial projects must receive Board "approval in concept" before proceeding further to request final approval.

[6] LOGISTICS

Upon receiving “approval in concept” of the **Preliminary Proposal**, staff will identify and apply for an appropriate site and/or to plan ahead for next steps toward implementation. Logistical details must be worked out with the assistance of the **Engineering Projects Coordinator**, and the **Operations Manager**. A tentative site assignment for the approved project will be made by the **Executive Director** with consideration of staff recommendations based on the project’s logistical requirements and HOST PARK’s resource availability.

NOTE: If the applicant has obtained NELHA Board approval for a pre-commercial project, then the next step would be [10] FINAL CONSULTATION & ORIENTATION. However, if the applicant has obtained “approval in concept” and will NOT be including a separate pre-commercial research phase in its development plans, then the next step would be [7] FINAL PROPOSAL/BUSINESS PLAN.

[7] FINAL PROPOSAL/BUSINESS PLAN

FINAL PROPOSAL/BUSINESS PLAN CONTENT. Once sufficient logistical information is obtained, the applicant should prepare a **Final Proposal/Business Plan (FP/BP)**. Suggested content for the **FP/BP** is provided in the Business Plan checklist following this section. The body of the **FP/BP** should be well-organized and contain a succinct description of the commercial venture and its development phases.

The **FP/BP** will be the first detailed description of the planned commercial project to the HOST PARK reviewers, so it is extremely important that only pertinent information on the planned project is clearly presented in this document.

TIMING. Due dates for the final documents are one month before the Board meeting date. These dates have been set to allow sufficient time for the review process prior to each scheduled NELHA Board meeting. It is preferable to start working with the Leasing Specialist well before the due date of the FB/BP.

PROPOSAL SUBMISSION. The **Leasing Specialist** can provide helpful feedback and advice to applicants who submit a draft of the **Final Proposal/Business Plan** for informal review well in advance of the formal submission. This draft for informal feedback may be in electronic format. Applicants should plan for two weeks turnaround time once the draft has been submitted for informal review, and an additional week to prepare the final version.

The completed **Final Proposal/Business Plan** should be submitted in hard copy form or electronically to NELHA on or before the listed due dates found on the last page of this PIP document. Once received by NELHA, the proposal may be considered for approval at the next scheduled Board meeting.

[8] FINAL STAFF AND RAC PROPOSAL REVIEW

The **Final Proposal/Business Plan** is distributed to the **NELHA management staff** and **RAC** members for comments and recommendations, as described in step [4], above. All documents are kept in strict confidence, to the extent permitted by law, throughout the review process.

If the review process is successfully completed, the **Executive Director** will consider placing the proposal on the agenda of the next available monthly meeting of the NELHA Board of Directors and distributing the proposal to Board members for their review. However, if it is determined that the proposal is lacking important information, scheduling for Board review may be postponed. The applicant would then be

notified and would need to resubmit the information in an acceptable format (as an attachment or as a completely rewritten proposal) for review in a subsequent review cycle.

[9] FINAL BOARD REVIEW

When the applicant's **Final Proposal/Business Plan** is scheduled for hearing at a NELHA Board meeting, the applicant will be notified in writing after the Board meeting Agenda is published. Actual meeting dates are available at the NELHA website. All NELHA Board meetings are open to the public and Board agendas are publicized one week before the meeting.

The **Executive Director** will introduce the project proposal to the Board members for discussion during their monthly meeting, and present a Staff recommendation for their consideration. Similarly, the **RAC** Chairman will bring **RAC** recommendations.

It is important that the project principal(s) or representatives be present at this Board meeting to support their project and answer any questions that may arise. Attendance at the Board meeting can prevent delays should the Board raise new questions regarding the applicant's **FP/BP**.

Board decisions are based on the information provided in the written proposal and by the applicants during the Board meeting, as well as on comments and recommendations from the RAC, the staff, and from the Board members themselves.

If the Board finds a **FP/BP** favorable, "final approval" will be granted. However, if the Board determines that there is insufficient information to render a final decision, the proposal may receive a "conditional approval" with final approval subject to certain conditions as specified by the Board. If a proposal is determined to be incompatible with HOST PARK's development plans, final approval may be denied.

Applicants will be formally notified of the Board's decision with a letter from the **Executive Director** following the meeting. Written notification of any special conditions/restrictions placed on the project will also be given at this time.

[10] FINAL LOGISTICAL CONSULTATION & ORIENTATION

Upon receiving "final approval" from the NELHA Board, the applicant should schedule another consultation session soon thereafter with the **Leasing Specialist** to identify an appropriate site and to plan ahead for next steps toward implementation. Logistical details must be worked out with the assistance of the **Engineering Projects Coordinator**, and the **Operations Manager**. A site assignment for the approved project will be made by the **Executive Director** with consideration of staff recommendations based on the project's logistical requirements and HOST PARK's resource availability.

[11] PERMITS, INSURANCE & LEASE AGREEMENT

Once the project needs for HOST PARK resources are determined and a project site is assigned, official documentation for tenancy will be prepared. The **Engineering Projects Coordinator** will prepare a map with the dimensions and total area of the project site. The **Leasing Specialist** will complete a **Facilities Use Fees (FUF)** form to determine monthly billing of fixed fees and estimated variable charges and a **Rental Agreement (RA)** or **Sublease** between HOST PARK and the applicant for review. The map, **FUF**, and HOST PARK-approved **FP/BP** will be included as Exhibits attached to **RA** or **Sublease**.

Once the appropriate insurance documentation and a security deposit or performance bond are in place at HOST PARK, the **RA** or **Sublease** may be signed by a project representative. The signed **RA or Sublease** will then be sent to NELHA's **Deputy Attorney General** for approval as to form and then will be signed by the NELHA **Executive Director**. Once signed by both HOST PARK and the tenant, the **RA** or

Sublease is recognized as a legal agreement between both parties and the project may officially commence its operations as a new tenant on the approved site. The **NELHA Fiscal Office** will initiate billing of the fixed fee one month prior to the effective date of the **RA** or **Sublease**.

The applicant is responsible for researching and obtaining all necessary permits to satisfy applicable regulations pertinent to the subject of the research project. The **NELHA Operations Manager, Engineering Projects Coordinator, Water Quality Laboratory Manager, and/or Electrician** may also assist the project principals in determining these requirements and in referring them to the appropriate regulating agencies (e.g., import permits, building and grading permits, Special Management Area (SMA) permits). Advanced NELHA approval is required of all tenant construction plans.

EXAMPLE OF A COMMERCIAL OR NON-PROFIT PRELIMINARY PROPOSAL

STEP ONE for Commercial and Non-Profit Project Applications

The completed Preliminary Proposal document should contain the following information. Please use the topic headings listed below and consecutively number all pages of the document body.

1. **APPLICANT NAME**
State name of individual, business, organization, or institution making the application for tenancy.
2. **CONTACT INFORMATION**
Provide name of primary contact person representing the applicant and current mailing/billing address, telephone number(s), fax number, email address, website URL (if applicable).
3. **LEGAL STATUS**
Describe legal status of business (sole proprietorship, partnership, type of corporation or other legal status and state or country under whose laws the business was created and operates), non-profit organization, institution, agency, or individual applying for tenancy.
4. **APPLICANT PROJECT PRINCIPALS**
List individuals, partners, officers/major stockholders, and provide title and a brief background for each. If applicable, include technical staff and relevant background.
5. **STATEMENT OF REQUEST**
 - a) Begin with a statement of request for one of the following types of approval:
 - (i) “Approval” for a pre-commercial research project, subject to terms and conditions of a Rental Agreement with NELHA.
This will allow the project to commence on an R&D basis only, with no or minimal commercial activity, with the understanding that a Final Proposal/Business Plan will be submitted later when sufficient data has been collected to determine commercial viability.
 - (ii) “Approval in concept” for a commercial or non-profit project, with “final approval” subject to NELHA review of a Final Proposal/Business Plan.
This will authorize the applicant to work with NELHA staff to further define logistical and utility needs with the understanding that a Final Proposal/Business Plan will be submitted next, prior to commencement of the project.
 - b) Follow this statement of request with a succinct description of the proposed project activities.
6. **BRIEF HISTORY**
Provide a brief history of the applicant, including accomplishments and background relevant to the success of the proposed activities at HOST PARK.
7. **PROJECTED GOALS**
Provide a list of project goals that will be met through the implementation of the proposed activities, including preliminary market studies as relevant.
8. **PROPOSED ACTIVITIES**
Describe proposed activities needed to meet projected goals as stated above.
For pre-commercial research activities to develop marketable products or services, describe contents of

planned test products or nature of services, any planned test marketing activities, and how value-added production would occur.

NOTE: Test marketing activities must be defined and approved in advance by HOST PARK to maintain research project status).

Show tentative long term plans for commercialization and projected profitability.

9. **RATIONALE FOR HOST PARK LOCATION**

Summarize how the project will use the unique resources at HOST PARK and provide a rationale explaining why the project must be carried out at HOST PARK instead of at another location.

10. **ESTIMATED INFRASTRUCTURE AND RESOURCE DEMANDS**

Quantify estimates of demand on HOST PARK infrastructure, land area, and other resources, including projected estimates of anticipated scale-up to commercialization, over a five-year period.

a) Utilities (provided by local utility companies)

- | | |
|-------------------|---|
| (i) Electricity: | Number of kwh/month
Estimated peak use in kw |
| (ii) Telephone: | Number of phone lines required |
| (iii) Freshwater: | Estimated total Kgal/month |

b) Seawater (provided by HOST PARK distribution system)

- | | |
|------------------------|---|
| (i) Deep seawater: | Estimated Kgal/day |
| Estimated flow rates: | Average rate in gpm
Peak rate in gpm |
| (ii) Surface seawater: | Estimated Kgal/day |
| Estimated flow rates: | Average rate in gpm
Peak rate in gpm |

c) Space requirements—office space, laboratory space, Research Campus square footage, or acreage in the technical park, including any relevant criteria required for selecting a location.

11. **BUDGET**

Provide an itemized summary of capital requirements for project development over a minimum of five years.

12. **FUNDING**

Provide a summary of funding resources and their status.

13. **PROFITABILITY**

Provide a discussion of projected profitability, including estimated percentage rent projections.

14. **IMPLEMENTATION SCHEDULE**

Provide timing and implementation schedule. Note that land use agreements for pre-commercial research projects are limited to one year but are annually renewable up to three years.

15. **ENVIRONMENTAL IMPACT**

Describe anticipated general impact on the local environment and specific effluent and waste description/treatment/disposal needs and requirements.

16. **CREATION OF EMPLOYMENT OPPORTUNITIES**

Provide anticipated number and types of employment opportunities to be created on site.

17. **COMMUNITY BENEFITS**
Describe potential benefits to the community in terms of impacts on economy, quality of life, etc.
18. **PRELIMINARY SITE PLANS**
Provide preliminary site development plans/layout (e.g., construction, building plans drawn to scale).
19. **OTHER INFORMATION**
Provide any other information on the project which may affect HOST PARK, or would be helpful in clarifying proposed activities, goals, and impacts.
20. **REFERENCES**
If needed, include footnoted citations of published literature relevant to the subject of the proposed activities.

FINAL PROPOSAL/BUSINESS PLAN

STEP TWO for Commercial and Non-Profit Project Applications

GENERAL INFORMATION

The **Final Proposal/Business Plan (FP/BP)** is required for final approval of all commercial projects, non-profit projects, and for commercialization of research projects at HOST PARK. The **FP/BP** must provide sufficient information to allow NELHA Staff and Board adequate data to evaluate:

- 1) Is the proposed concept for products or services technically viable?
- 2) Is there an accessible and viable market for the proposed products or services?
- 2) Do the project principals have the experience and knowledge to carry out the proposed activities?
- 3) Is the proposed project adequately capitalized?
- 4) What quantified goals and timeframes can be set as measurable benchmarks of success?
- 5) How much land and other HOST PARK resources will be required?
- 6) How long an incubation period will be required?
- 7) In addition to minimum ground rents, what level of percentage rent revenues will the proposed project be able to yield for HOST PARK?
- 8) By its participation as a HOST PARK client, will the proposed project bring any other benefits to HOST PARK as an agency, other HOST PARK clients, the local Kona community, and/or the State of Hawaii?

The **FP/BP** needs to succinctly present all the information shown below on the **Business Plan Checklist** that is necessary for a fair representation of your company's plans for commercialization at HOST PARK. It should show how your company's plans will produce a commercially viable product or service based on the resources at HOST PARK and how commercialization will benefit the community and HOST PARK/State of Hawaii.

Please consecutively number all pages of the document body.

The FP/BP Application Summary form which follows should be completed and accompanied with the Final Proposal/Business Plan.

A sample business plan outline is provided below for your information, but the **FP/BP** may vary according to need. Applicants may wish to consult other references or professionals for more information on business plan development; there are many.

BUSINESS PLAN CHECKLIST

COVER PAGE - Title “Final Proposal/Business Plan for _____ (company name)”

TABLE OF CONTENTS

EXECUTIVE SUMMARY (2-5 pages)

COMPANY & TECHNOLOGY

Brief company introduction

- *Mission*
- *Legal Name and form of business*
- *Names of management staff—include technical and business experience*
- *Location, size, history*
- *Overview of company capabilities*
- *Customers & past performance*

Technology

- *Brief description*
- *Applications*

Product/Service

- *Brief description*
- *Intellectual property status*
- *Commercialization strategy—brief overview*

INDUSTRY OVERVIEW

Industry definition and description

Size and growth trends (analysis of demand; historical data and trend analysis of supply; historical data and correlation analysis of price; communications with potential product buyers, etc.)

Maturity of industry

Vulnerability of economic factors

Seasonal factors

Technological factors

Regulatory factors

Supply and distribution

Financial considerations

Legislation and policies driving the industry

- *Future and historical trends*

CUSTOMERS

Customers & end-user

- *Need addressed by the technology/product/service*
- *How the need is currently filled?*
- *Features, advantages, and benefits; price point*
- *Who has the need? - Differentiate between end-users and customer needs*
- *Distribution channels used by customers and end-users*

Buying behavior

- *Decision makers*
- *Who makes the decision to buy*
- *Who influences the purchase decision*
- *Characterization of decision makers*

Basis for purchase decisions

- *Frequency of purchase decisions*
- *Basis for purchase decisions*

TARGET MARKET

Market definition
Demographics
Primary market
Secondary markets
Lifestyle and psychographics
Purchasing patterns
Buying sensitivities
Size and trends of market
Primary suppliers and customers

COMPETITORS

Indirect customers
Direct competitors

- *Who are they?*
- *Strengths and weaknesses*
- *Market share of competitors*

Market share distribution
Barriers to entry
Future competition

MARKETING/SALES PLAN

Marketing and sales objectives
Marketing tools
Current customers (if appropriate)
Pricing

- *Basis for targeted price point*
- *Margins and levels of profitability at various levels of production and sales*

Sales Plan

- *Sales force analysis (reps, distributors, direct)*
- *Sales expectations for each salesperson and each distribution channel*
- *margins given to intermediaries*
- *Service and warranties*
- *Organizational chart for sales/marketing staff, indicating planned growth for 3 – 5 years*

Advertising

- *Year 1 – Detailed marketing communications plan*
- *Year 2-5 (general)*

Sales/Marketing Budget

- *Assumptions*

OPERATIONS PLAN

Plant and facilities (site development plans/layout; construction, building plans)
Manufacturing/production plan
Equipment and/or technology
Labor requirements (local employment; community benefits)
Future growth/expansion expected
Safety, health and environmental concerns (waste description/treatment)
Supply and distribution

RESEARCH & DEVELOPMENT PLAN

R&D Objectives
Milestones and current status

- *What remains to be done to make the product marketable?*

Difficulties and risks

R&D Budget

MANUFACTURING/ENGINEERING PLAN

Objectives

Use of subcontractors

Quality control

Staffing

Manufacturing/Engineering budget

HUMAN RESOURCE PLAN

Staffing objectives

Organizational structure – phased over 3-5 years

- *Introduction of management team*
- *Key individuals to be recruited and plans for doing so*
- *Board of Directors, Advisory Board*
- *Incentives for commitment*

Human Resource Budget

CONTINGENCIES

Potential risks

- *Impact and responses*

FINANCIALS

Financial objectives

- *Commercialization strategy*
- *Use of funds*
- *Terms and conditions of any previous financing arrangements*

Plans for obtaining investors or strategic alliance

- *Profile of investor or partner sought*
- *Leveraging advantage for investor/partner*
- *Detailed plans for obtaining investor/partner*
- *Costs and time associated with securing investor/partner*

Pro Forma Profit and Loss statements

Pro Forma Cash Flow projections

Pro Forma Balance Sheet

Alternative return scenarios

- *Exit scenarios*

APPENDICES

Could include:

- Analysis of potential teaming partners
- Patent information
- Detailed market surveys
- Customer endorsements
- More detailed technical information

REFERENCES

- Bibliography
- Industry experts consulted

CONFIDENTIALITY OF APPLICATION INFORMATION

NELHA is a government agency that is subject to federal and state laws regarding public access to government records. Therefore any information submitted as part of the application process may be subject to public disclosure under the provisions of the U.S. Freedom of Information Act (“FOIA”) and Hawaii state Uniform Information Practices Act (“UIPA”) that governs open records. At the same time, NELHA also recognizes that an application and related documents submitted by a prospective tenant (collectively referred to as the “application”) may contain trade secrets and/or privileged or confidential commercial and/or financial information (hereinafter collectively and singularly referred to as “data”) that the applicant does not want used or disclosed for any purpose other than evaluation of the application.

Pursuant to Section 3.5 of Chapter 227D, Hawaii Revised Statutes, certain records received by HOST PARK may be kept confidential and not be subject to public disclosure if they:

- 1) consist of business trade secrets,
- 2) consist of confidential or proprietary commercial or financial information,
- 3) relate to the competitive position in the business or field of endeavor

Should the applicant elect to include such information in an application and related documents, restricted use and disclosure of that certain data may be requested by marking the cover sheet of the application with the following legend specifying the pages of the application which are to be restricted in accordance with the conditions of the legend:

"The data contained in pages _____ of this application have been submitted in confidence and contain proprietary information, and such data shall be used or disclosed exclusively for evaluation purposes."

Similarly, each page containing such data would be specifically identified and marked with the legend similar to the following:

"Use or disclosure of the data set forth above is subject to the restriction on the cover page of this application."

Notwithstanding the foregoing, the applicant is reminded that the application and the data, whether marked or unmarked, still may be subject to release and disclosure under the provisions of the FOIA or the UIPA, if NELHA or a court determines that the material so marked is not exempt under the FOIA or the UIPA, or otherwise. Therefore, the applicant must assume the risk of such disclosure and release of the application and any data (whether marked or unmarked) when submitting an application. NELHA shall not be liable for any disclosure, release, use, or otherwise, of the application or the data (whether marked or unmarked).

Additionally, applicants should be aware that, in evaluating an application and the data submitted, NELHA may use assistance deemed advisable in accordance with applicable regulations, including calling upon qualified personnel from other State agencies, other Government entities, universities, private industry, and NELHA contractors (collectively “outside evaluators”), as needed, to review and analyze the application and the data submitted (whether marked or unmarked).

In conclusion, applicants must consider carefully the nature of all data included in an application. While NELHA treats all submitted documents as confidential, it can only do so to the extent permitted by law.



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