UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2020

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission file number 001-06510

MAUI LAND & PINEAPPLE COMPANY, INC.

(Exact name of registrant as specified in its charter)

Hawaii	**99-0107542**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

200 Village Road, Lahaina, Maui, Hawaii 96761
(Address of principal executive offices)

(808) 877-3351
(Registrant's telephone number, including area code)

None
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, no par value	MLP	NYSE

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☒	Smaller reporting company ☒
	Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	**Outstanding at July 27, 2020**
Common Stock, no par value	19,368,278 shares

MAUI LAND & PINEAPPLE COMPANY, INC.
AND SUBSIDIARIES

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PART I FINANCIAL INFORMATION

Item 1. Financial Statements

MAUI LAND & PINEAPPLE COMPANY, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 2020 (unaudited)	December 31, 2019 (audited)
	(in thousands except share data)	
ASSETS		
CURRENT ASSETS		
Cash	$ 340	$ 683
Accounts receivable, less allowance for doubtful accounts of $114 and $35, respectively	1,726	1,173
Prepaid expenses and other assets	146	101
Assets held for sale	7,615	7,597
Total current assets	9,827	9,554
PROPERTY	52,215	52,164
Accumulated depreciation	(33,091)	(32,445)
Property, net	19,124	19,719
OTHER ASSETS		
Deferred development costs	8,504	8,504
Other noncurrent assets	1,253	1,342
Total other assets	9,757	9,846
TOTAL ASSETS	$ 38,708	$ 39,119
LIABILITIES & STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ 521	$ 1,356
Payroll and employee benefits	559	928
Current portion of accrued retirement benefits	165	165
Deferred club membership revenue	312	35
Other current liabilities	633	468
Total current liabilities	2,190	2,952
LONG-TERM LIABILITIES		
Long-term debt	-	1,035
Accrued retirement benefits, net of current portion	9,453	9,702
Deferred license fee revenue	1,834	-
Deposits	2,649	2,674
Other noncurrent liabilities	64	64
Total long-term liabilities	14,000	13,475
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY		
Common stock--no par value, 43,000,000 shares authorized, 19,291,102 and 19,238,081 shares issued and outstanding	81,251	80,606
Additional paid-in-capital	9,184	9,184
Accumulated deficit	(47,531)	(46,300)
Accumulated other comprehensive loss	(20,386)	(20,798)
Total stockholders' equity	22,518	22,692
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	$ 38,708	$ 39,119

See Notes to Condensed Consolidated Interim Financial Statements.

MAUI LAND & PINEAPPLE COMPANY, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

(UNAUDITED)

	Three Months Ended June 30,	
	2020	2019
	(in thousands except per share amounts)	
OPERATING REVENUES		
Real estate	$ 90	$ 209
Leasing	1,436	2,038
Resort amenities and other	184	248
Total operating revenues	1,710	2,495
OPERATING COSTS AND EXPENSES		
Real estate	192	255
Leasing	827	714
Resort amenities and other	169	208
General and administrative	559	510
Share-based compensation	402	374
Depreciation	323	360
Total operating costs and expenses	2,472	2,421
OPERATING INCOME (LOSS)	(762)	74
Other income	894	-
Pension and other post-retirement expenses	(117)	(256)
Interest expense	(30)	(63)
LOSS FROM CONTINUING OPERATIONS	$ (15)	$ (245)
Income (Loss) from discontinued operations, net	(142)	64
NET LOSS	$ (157)	$ (181)
Other comprehensive income - pension, net	206	211
COMPREHENSIVE INCOME	$ 49	$ 30
EARNINGS (LOSS) PER COMMON SHARE-BASIC AND DILUTED		
Loss from Continuing Operations	$ -	$ (0.01)
Income (Loss) from Discontinued Operations	$ (0.01)	$ -
Net Loss	$ (0.01)	$ (0.01)

See Notes to Condensed Consolidated Interim Financial Statements.

MAUI LAND & PINEAPPLE COMPANY, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(UNAUDITED)

	Six Months Ended June 30,	
	2020	2019
	(in thousands except per share amounts)	
OPERATING REVENUES		
Real estate	$ 158	$ 366
Leasing	3,172	3,954
Resort amenities and other	414	509
Total operating revenues	3,744	4,829
OPERATING COSTS AND EXPENSES		
Real estate	367	521
Leasing	1,603	1,439
Resort amenities and other	740	533
General and administrative	1,318	1,350
Share-based compensation	827	972
Depreciation	645	722
Total operating costs and expenses	5,500	5,537
OPERATING LOSS	(1,756)	(708)
Other income	894	-
Pension and other post-retirement expenses	(234)	(509)
Interest expense	(76)	(110)
LOSS FROM CONTINUING OPERATIONS	$ (1,172)	$ (1,327)
Income (Loss) from discontinued operations, net	(59)	52
NET LOSS	$ (1,231)	$ (1,275)
Other comprehensive income - pension, net	412	423
COMPREHENSIVE LOSS	$ (819)	$ (852)
EARNINGS (LOSS) PER COMMON SHARE-BASIC AND DILUTED		
Loss from Continuing Operations	$ (0.06)	$ (0.07)
Income (Loss) from Discontinued Operations	$ -	$ -
Net Loss	$ (0.06)	$ (0.07)

See Notes to Condensed Consolidated Interim Financial Statements.

MAUI LAND & PINEAPPLE COMPANY, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

(UNAUDITED)

For the Three Months Ended and Six Months Ended June 30, 2020 and 2019

(in thousands)

	Common Stock		Additional Paid in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total
	Shares	Amount				
Balance, January 1, 2020	19,238	$ 80,606	$ 9,184	$ (46,300)	$ (20,798)	$ 22,692
Share-based compensation	68	865	186			1,051
Vested restricted stock issued	17	186	(186)			-
Shares cancelled to pay tax liability	(42)	(522)				(522)
Other comprehensive income - pension					206	206
Net loss				(1,074)		(1,074)
Balance, March 31, 2020	19,281	81,135	9,184	(47,374)	(20,592)	22,353
Share-based compensation			163			163
Vested restricted stock issued	14	163	(163)			-
Shares cancelled to pay tax liability	(4)	(47)				(47)
Other comprehensive income - pension					206	206
Net loss				(157)		(157)
Balance, June 30, 2020	19,291	$ 81,251	$ 9,184	$ (47,531)	$ (20,386)	$ 22,518
Balance, January 1, 2019	19,125	$ 79,411	$ 9,246	$ (35,934)	$ (21,804)	$ 30,919
Share-based compensation	52	889	208			1,097
Vested restricted stock issued	16	208	(208)			-
Stock option exercised	25	62	68			130
Shares cancelled to pay tax liability	(38)	(400)				(400)
Other comprehensive income - pension					212	212
Net loss				(1,094)		(1,094)
Balance, March 31, 2019	19,180	80,170	9,314	(37,028)	(21,592)	30,864
Share-based compensation			183			183
Vested restricted stock issued	17	183	(183)			-
Shares cancelled to pay tax liability	(5)	(56)				(56)
Other comprehensive income - pension					211	211
Net loss				(181)		(181)
Balance, June 30, 2019	19,192	$ 80,297	$ 9,314	$ (37,209)	$ (21,381)	$ 31,021

See Notes to Condensed Consolidated Interim Financial Statements.

MAUI LAND & PINEAPPLE COMPANY, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(UNAUDITED)

	Six Months Ended June 30, 2020	Six Months Ended June 30, 2019
	(in thousands)	
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	$ 435	$ (91)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from investment	894	-
Payments for property and deferred development costs	(68)	(256)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	826	(256)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term debt	947	1,500
Payments on long-term debt	(1,982)	(700)
Debt and common stock issuance costs and other	(569)	(455)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(1,604)	345
NET DECREASE IN CASH	(343)	(2)
CASH AT BEGINNING OF PERIOD	683	624
CASH AT END OF PERIOD	$ 340	$ 622
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the period for interest:	$ 19	$ 68

SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:

- Common stock issued to certain members of the Company's management totaled $865,000 and $951,000 for the six months ended June 30, 2020 and 2019, respectively.

See Notes to Condensed Consolidated Interim Financial Statements.

MAUI LAND & PINEAPPLE COMPANY, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the Three Months Ended and Six Months Ended June 30, 2020 and 2019

(UNAUDITED)

1. BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated interim financial statements have been prepared by Maui Land & Pineapple Company, Inc. (together with its subsidiaries, the "Company") in accordance with U.S. generally accepted accounting principles (GAAP) for interim financial information that are consistent in all material respects with those applied in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2019, and pursuant to the instructions to Form 10-Q and Article 8 of Regulation S-X. Accordingly, they do not include all of the information and notes to the annual audited consolidated financial statements required by GAAP for complete financial statements. In the opinion of management, the accompanying unaudited condensed consolidated interim financial statements contain all normal and recurring adjustments necessary to fairly present the Company's financial position, results of operations and cash flows for the interim periods ended June 30, 2020 and 2019. The unaudited condensed consolidated interim financial statements and notes should be read in conjunction with the annual audited consolidated financial statements and notes thereto included in the Company's Form 10-K for the fiscal year ended December 31, 2019.

2. USE OF ESTIMATES AND RECLASSIFICATIONS

The Company's reports for interim periods utilize numerous estimates of general and administrative expenses and other costs for the full year. Future actual amounts may differ from these estimates. Amounts reflected in interim statements are not necessarily indicative of results for a full year. Certain amounts in the June 30, 2019 condensed consolidated statements of operations and comprehensive loss were reclassified to conform to the current period's presentation. Such amounts had no impact on net loss and comprehensive loss previously reported.

3. SHARES – BASIC AND DILUTED

Basic and diluted weighted-average shares outstanding for the three and six months ended June 30, 2020 and 2019 were as follows:

	Three Months Ended June 30, (unaudited)		Six Months Ended June 30, (unaudited)	
	2020	**2019**	**2020**	**2019**
Basic and diluted	19,281,035	19,180,735	19,267,909	19,163,022
Potentially dilutive	-	2,500	-	11,389

Basic net loss per common share is computed by dividing net loss by the weighted-average number of common shares outstanding. Diluted net loss per common share is computed similar to basic net loss per common share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the dilutive potential common shares from share-based compensation arrangements had been issued.

Potentially dilutive shares arise from non-qualified stock options to purchase common stock. The treasury stock method is utilized to determine the number of potentially dilutive shares related to the outstanding non-qualified stock options.

4. PROPERTY

Property at June 30, 2020 and December 31, 2019 consisted of the following:

	June 30, 2020 (unaudited)	December 31, 2019 (audited)
	(in thousands)	
Land	$ 5,073	$ 5,073
Land improvements	13,153	13,153
Buildings	23,439	23,439
Machinery and equipment	10,529	10,495
Construction-in-progress	21	4
Total property	52,215	52,164
Less accumulated depreciation	33,091	32,445
Property, net	$ 19,124	$ 19,719

Land

Most of the Company's 22,800 acres of land were acquired between 1911 and 1932 and is carried in its consolidated balance sheets at cost. Approximately 20,700 acres of land are located in West Maui and comprise a largely contiguous parcel that extends from the sea to an elevation of approximately 5,700 feet. This parcel includes approximately 900 acres within the Kapalua Resort, a master-planned, destination resort and residential community located in West Maui encompassing approximately 3,000 acres. The Company's remaining 2,100 acres of land are located in Upcountry Maui in an area commonly known as Hali'imaile and are mainly comprised of leased agricultural fields, including related processing and maintenance facilities.

Land Improvements

Land improvements are comprised primarily of roads, utilities, and landscaping infrastructure improvements at the Kapalua Resort. Also included is the Company's potable and non-potable water systems in West Maui. The majority of the Company's land improvements were constructed and placed in service in the mid-to-late 1970's or conveyed in 2017. Depreciation expense would be considerably higher if these assets were stated at current replacement cost.

Buildings

Buildings are comprised of restaurant, retail and light industrial spaces located at the Kapalua Resort and Hali'imaile which are used in the Company's leasing operations. The majority of the buildings were constructed and placed in service in the mid-to-late 1970's. Depreciation expense would be considerably higher if these assets were stated at current replacement cost.

Machinery and Equipment

Machinery and equipment are mainly comprised of zipline course equipment installed in 2008 at the Kapalua Resort and used in the Company's leasing operations.

5. ASSETS HELD FOR SALE

Assets held for sale at June 30, 2020 and December 31, 2019 consisted of the following:

	June 30, 2020 (unaudited)	December 31, 2019 (audited)
	(in thousands)	
Kapalua Resort, 46-acre Kapalua Central Resort project	$ 2,956	$ 2,938
Kapalua Resort, Kapalua Water and Kapalua Waste Treatment Company assets	4,503	4,503
Upcountry Maui, 630-acre parcel of agricultural land	156	156
	$ 7,615	$ 7,597

In February 2020, the Company entered into an agreement to sell the Kapalua Central Resort project for $43.9 million. The closing of the transaction is contingent upon, among other things, the satisfaction of certain customary closing conditions, including a due diligence period. Due to the State of Hawaii's COVID-19 restrictions, such as a 14-day self-quarantine for transpacific travelers, the due diligence period was extended, ending four months after travel restrictions are lifted. The closing date of the sale is 30 days after the last day of the due diligence period.

In December 2019, the Company entered into an Asset Purchase Agreement to sell the PUC-regulated assets of Kapalua Water Company, Ltd. and Kapalua Waste Treatment Company, Ltd. located in the Kapalua Resort. The sale is subject to certain closing conditions, including completion of due diligence and PUC approval. These assets are used by Kapalua Water Company and Kapalua Waste Treatment Company to provide water and sewage transmission services for the Kapalua Resort. Results of discontinued operations related to the sale of the Kapalua Water Company and Kapalua Waste Treatment Company assets are reflected in Note 13.

The above assets held for sale have not been pledged as collateral under the Company's credit facility.

6. LONG-TERM DEBT

Long-term debt is comprised of amounts outstanding under the Company's $15.0 million revolving line of credit facility with First Hawaiian Bank (Credit Facility). The Credit Facility matures on December 31, 2021. Interest accrued on borrowings is based on LIBOR plus 3.50%. At June 30, 2020 and December 31, 2019, the Credit Facility's interest rates were 5.08% and 5.19%, respectively. The Company has pledged its 800-acre Kapalua Mauka project and approximately 30,000 square feet of commercial leased space in the Kapalua Resort as security for the Credit Facility. Net proceeds from the sale of any collateral are required to be repaid toward outstanding borrowings and will permanently reduce the Credit Facility's revolving commitment amount. There are no commitment fees on the unused portion of the Credit Facility.

The terms of the Credit Facility include various representations, warranties, affirmative, negative and financial covenants and events of default customary for financings of this type. Financial covenants include a minimum liquidity (as defined) of $2.0 million, a maximum of $45.0 million in total liabilities, and a limitation on new indebtedness.

The Company believes that it is in compliance with the covenants under the Credit Facility as of June 30, 2020.

In March 2020, the Coronavirus Aid, Relief and Economic Security (CARES) Act was signed into law establishing the Paycheck Protection Program (PPP) administered by the United States Small Business Administration (SBA). The PPP authorized up to $349 billion in forgivable loans to small businesses. Loan amounts are forgiven to the extent proceeds are used to cover documented payroll, mortgage interest, rent, and utility costs. Loans have a maturity of 2 years and an interest rate of 1.0%. Prepayments may be made without penalty. The Company received loan funding of $246,500. On April 23, 2020, the United States Department of the Treasury and the SBA issued revised guidance related to the PPP. As a result, the Company returned the entire amount of the loan to comply with the subsequent guidance.

7. SHARE-BASED COMPENSATION

The Company's directors, officers and certain members of management receive a portion of their compensation in shares of the Company's common stock granted under the Company's 2017 Equity and Incentive Award Plan (Equity Plan). Share-based compensation is valued based on the average of the high and low share price on the date of grant. Shares are issued upon execution of agreements reflecting the grantee's acceptance of the respective shares subject to the terms and conditions of the Equity Plan. Restricted shares issued under the Equity Plan vest quarterly and have voting and regular dividend rights but cannot be disposed of until such time as they are vested. All unvested restricted shares are forfeited upon the grantee's termination of directorship or employment from the Company.

Share-based compensation is determined and awarded annually to the Company's officers and certain members of management based on their achievement of certain predefined performance goals and objectives under the Equity Plan. Such share-based compensation is comprised of an annual incentive paid in shares of common stock and a long-term incentive paid in restricted shares vesting quarterly over a period of three years.

Share-based compensation totaled $827,000 and $972,000 for the six months ended June 30, 2020 and 2019, respectively. Included in these amounts were $349,000 and $328,000 of restricted shares of common stock which vested during the first six months of 2020 and 2019, respectively.

8. ACCRUED RETIREMENT BENEFITS

Accrued retirement benefits at June 30, 2020 and December 31, 2019 consisted of the following:

	June 30, 2020 (unaudited)	December 31, 2019 (audited)
	(in thousands)	
Defined benefit pension plan	$ 7,435	$ 7,658
Non-qualified retirement plans	2,183	2,209
Total	9,618	9,867
Less current portion	(165)	(165)
Non-current portion of accrued retirement benefits	$ 9,453	$ 9,702

The Company has a defined benefit pension plan which covers substantially all of its former bargaining and non-bargaining full-time, part-time and intermittent employees. In 2011, pension benefits under the plan were frozen. The Company also has unfunded non-qualified retirement plans covering nine of its former executives. The non-qualified retirement plans were frozen in 2009 and future vesting of additional benefits was discontinued.

The net periodic benefit costs for pension and post-retirement benefits for the six months ended June 30, 2020 and 2019 were as follows:

	Three Months Ended June 30, (unaudited)		Six Months Ended June 30, (unaudited)	
	2020	2019	2020	2019
	(in thousands)		(in thousands)	
Interest cost	$ 408	$ 527	$ 816	$ 1,053
Expected return on plan assets	(497)	(482)	(994)	(967)
Amortization of net loss	206	211	412	423
Pension and other postretirement expenses	$ 117	$ 256	$ 234	$ 509

9. DEFERRED REVENUE

Deferred club membership revenue

The Company manages the operations of the Kapalua Club, a private, non-equity club program providing members special programs, access and other privileges at certain of the amenities within the Kapalua Resort. Deferred revenues from dues received from the private club membership program are recognized on a straight-line basis over one year.

Deferred license fee revenue

The Company entered into a trademark license agreement with the owner of the Kapalua Plantation and Bay golf courses, effective April 1, 2020. Under the terms and conditions set forth in the agreement, the licensee is granted a perpetual, terminable on default, transferable, non-exclusive license to use the Company’s trademarks and service marks to promote its golf courses and to sell its licensed products. The Company received a single payment royalty of $2.0 million in March 2020. Revenue from the license agreement is recognized on a straight-line basis over its estimated economic useful life.

10. INCOME TAXES

The Company uses a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The Company’s provision for income taxes is calculated using the liability method. Deferred income taxes are provided for all temporary differences between the financial statement and income tax bases of assets and liabilities using tax rates enacted by law or regulation. A full valuation allowance continues to be established for deferred income tax assets as of June 30, 2020 and December 31, 2019, respectively.

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11. REPORTABLE OPERATING SEGMENTS

The Company's reportable operating segments are comprised of the discrete business units whose operating results are regularly reviewed by the Company's Chief Executive Officer – its chief decision maker – in assessing performance and determining the allocation of resources. Reportable operating segments are as follows:

- Real Estate includes the development and sale of real estate inventory and the operations of Kapalua Realty Company, a general brokerage real estate company located within the Kapalua Resort.
- Leasing primarily includes revenues and expenses from real property leasing activities, license fees and royalties for the use of certain of the Company's trademarks and brand names by third parties, and the cost of maintaining the Company's real estate assets, including conservation activities. The operating segment also includes the management of ditch, reservoir and well systems that provide non-potable irrigation water to West and Upcountry Maui areas.
- Resort Amenities include a membership program that provides certain benefits and privileges within the Kapalua Resort for its members.

The Company's reportable operating segment results are measured based on operating income (loss), exclusive of interest, depreciation, general and administrative, share-based compensation, pension and other postretirement expenses.

Reportable operating segment revenues and income for the three and six months ended June 30, 2020 and 2019 were as follows:

	Three Months Ended June 30, (unaudited)		Six Months Ended June 30, (unaudited)	
	2020	2019	2020	2019
	(in thousands)		(in thousands)	
Operating Segment Revenues				
Real estate	$ 90	$ 209	$ 158	$ 366
Leasing	1,436	2,038	3,172	3,954
Resort amenities and other	184	248	414	509
Total Operating Segment Revenues	$ 1,710	$ 2,495	$ 3,744	$ 4,829
Operating Segment Income (Loss)				
Real estate	$ (102)	$ (46)	$ (209)	$ (155)
Leasing	609	1,324	1,569	2,515
Resort amenities and other	15	40	(326)	(24)
Total Operating Segment Income	$ 522	$ 1,318	$ 1,034	$ 2,336

12. LEASING ARRANGEMENTS

The Company leases land primarily to agriculture operators and space in commercial buildings, primarily to restaurant and retail tenants through 2048. In addition, the Company provides potable and non-potable water to West and Upcountry Maui areas. These operating leases generally provide for minimum rents and, in some cases, licensing fees, percentage rentals based on tenant revenues, and reimbursement of common area maintenance and other expenses. Certain leases allow the lessee an option to extend or terminate the agreement. There are no leases allowing a lessee an option to purchase the underlying asset. Total leasing income for the three and six months ended June 30, 2020 and 2019 were as follows:

	Three Months Ended June 30, (unaudited)		Six Months Ended June30, (unaudited)	
	2020	2019	2020	2019
	(in thousands)		(in thousands)	
Minimum rentals	$ 712	$ 737	$ 1,410	$ 1,448
Percentage rentals	37	458	304	865
Licensing fees	111	231	345	465
Other (primarily common area recoveries)	321	292	608	618
Water system sales	255	320	505	558
Total	$ 1,436	$ 2,038	$ 3,172	$ 3,954

13. DISCONTINUED OPERATIONS

The results of discontinued operations related to the sale of the Kapalua Water Company and Kapalua Waste Treatment Company assets for the three and six months ended June 30, 2020 and 2019 were as follows:

	Three Months Ended June 30, (unaudited)		Six Months Ended June 30, (unaudited)	
	2020	2019	2020	2019
	(in thousands)		(in thousands)	
Operating revenues	$ 577	$ 821	$ 1,317	$ 1,488
Operating costs and expenses	(719)	(686)	(1,376)	(1,294)
Depreciation expense	-	(71)	-	(142)
Income (loss) from discontinued operations	$ (142)	$ 64	$ (59)	$ 52

14. COMMITMENTS AND CONTINGENCIES

On December 31, 2018, the State of Hawaii Department of Health (DOH) issued a Notice and Finding of Violation and Order (Order) for alleged wastewater effluent violations related to the Company's Upcountry Maui wastewater treatment facility. The DOH has agreed to defer the Order without a hearing date while the Company continues working on a previously approved corrective action plan to resolve and remediate the facility's wastewater effluent issues. A new design plan for additional disposal leach fields has been approved by the DOH. Construction of the additional leach fields is expected to be completed by December 31, 2020.

The Company is presently unable to estimate the amount, or range of amounts, of any probable liability, if any, related to the Order and no provision has been made in the accompanying interim unaudited condensed consolidated financial statements.

There are various other claims and legal actions pending against the Company. The resolution of these other matters is not expected to have a material adverse effect on the Company's consolidated financial position or results of operations after consultation with legal counsel.

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic. As a result, public health measures were taken to minimize exposure to the virus. Quarantine, travel restrictions, and other governmental restrictions and guidelines to reduce the spread of COVID-19 has caused and is likely to continue to have an adverse impact on economic activity, including business closures, increased unemployment, financial market instability, and reduced tourism to Maui. The duration of the disruption on global, national, and local economies cannot be reasonably estimated at this time. However, should the existence of the COVID-19 pandemic continue for an extended period, the Company's future business operations, including the results of operations, cash flows and financial position will be significantly affected.

15. FAIR VALUE MEASUREMENTS

GAAP establishes a framework for measuring fair value, and requires certain disclosures about fair value measurements to enable the reader of the interim unaudited condensed consolidated financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. GAAP requires that financial assets and liabilities be classified and disclosed in one of the following three categories:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

The Company considers all cash on hand to be unrestricted cash for the purposes of the interim unaudited condensed consolidated balance sheets and interim unaudited condensed consolidated statements of cash flows. The fair value of receivables and payables approximate their carrying value due to the short-term nature of the instruments. The fair value of income tax receivables approximate their carrying value due to the certainty of collection or short-term nature of the instruments. The valuation is based on settlements of similar financial instruments all of which are short-term in nature and are generally settled at or near cost. The fair value of debt was estimated based on borrowing rates currently available to the Company for debt with similar terms and maturities. The carrying amount of debt, which approximated fair value, was approximately $1.0 million at December 31, 2019. The fair value of debt was measured using the level 2 inputs, noted above.

16. RECENT ACCOUNTING PRONOUCEMENTS

In June 2016, the FASB issued ASU 2016-13 to update the methodology used to measure current expected credit losses (CECL). This ASU apples to financial assets measured at amortized cost, including loans, held-to-maturity debt securities, net investments in leases, and trade accounts receivable as well as certain off-balance sheet exposures, such as loan commitments. This ASU requires consideration of a broader range of reasonable and supportable information to explain credit loss estimates. The guidance must be adopted using a modified retrospective transition method through a cumulative-effect adjustment to retained earnings/(accumulated deficit) in the period of adoption. ASU 2019-10 was subsequently issued delaying the effective date to the first quarter of 2023. The Company is in the process of assessing the impact of the ASU on its consolidated financial statements.

In August 2018, the FASB issued ASU 2018-13 related to fair value measurement disclosures. This ASU removes the requirement to disclose the amount of and reasons for transfers between Levels 1 and 2 of the fair value hierarchy, the policy for determining that a transfer has occurred, and valuation processes for Level 3 fair value measurements. Additionally, this ASU modifies the disclosures related to the measurement uncertainty for recurring Level 3 fair value measurements (by removing the requirement to disclose sensitivity to future changes) and the timing of liquidation of investee assets (by removing the timing requirements in certain instances). The guidance also requires new disclosures for Level 3 financial assets and liabilities, including the amount and location of unrealized gains and losses recognized in other comprehensive income/(loss) and additional information related to significant unobservable inputs used in determining Level 3 fair value measurements. This ASU was effective beginning in 2020 and did not have a significant impact on the Company's consolidated financial statements and related disclosures.

In August, 2018, the FASB issued ASU 2018-14 which amends ASC Topic 715 to add, remove, and clarify disclosure requirements related to defined benefit pension and other postretirement plans. The ASU's changes related to disclosures are part of the FASB's disclosure framework project which aimed to improve the effectiveness of disclosures in notes to financial statements. This ASU is effective for public business entities for annual reporting periods ending after December 15, 2020, with early adoption permitted. The Company expects to adopt the new disclosure requirements on January 1, 2021.

In August 2018, the FASB issued ASU 2018-15 related to accounting for implementation costs incurred in hosted cloud computing service arrangements. Under the new guidance, implementation costs incurred in a hosting arrangement that is a service contract should be expensed or capitalized based on the nature of the costs and the project stage during which such costs are incurred. If the implementation costs qualify for capitalization, they must be amortized over the term of the hosting arrangement and assessed for impairment. Companies must disclose the nature of any hosted cloud computing service arrangements. This ASU also provides guidance for balance sheet and income statement presentation of capitalized implementation costs and statement of cash flows presentation for the related payments. The ASU was effective beginning in the first quarter of 2020 and did not have a significant impact on the Company's consolidated financial statements and related disclosures.

In December 2019, the FASB issued ASU 2019-12 to simplify the accounting in ASC Topic 740, *Income Taxes*. This guidance removes certain exceptions related to the approach for intraperiod tax allocation, the methodology for calculating income taxes in an interim period, and the recognition of deferred tax liabilities for outside basis differences. The guidance also clarifies and simplifies other areas of ASC Topic 740. This ASU will be effective beginning in the first quarter of 2021. Early adoption is permitted. Certain adjustments in this update must be applied on a prospective basis, certain amendments must be applied on a retrospective basis, and certain amendments must be applied on a modified retrospective basis through a cumulative-effect adjustment to retained earnings/(accumulated deficit) in the period of adoption. The Company is currently evaluating the impact of the ASU on the Company's consolidated financial statements and related disclosures.

In March 2020, the FASB issued ASU 2020-04 as an update to provide optional guidance to ease the potential burden in accounting for (or recognizing the effects of) reference rate reform (ASC Topic 848) on financial reporting. The amendments in the ASU are elective and apply to all entities, subject to meeting certain criteria, that have contracts, hedging relationships, and other transactions that reference LIBOR or another reference rate expected to be discontinued because of reference rate reform. The ASU provides optional expedients and exceptions for applying generally accepted accounting principles (GAAP) to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. The ASU is effective through December 31, 2022. Management is evaluating its impact on the Company's consolidated financial statements and related disclosures, if elected.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our unaudited interim condensed consolidated financial condition and results of operations should be read in conjunction with our annual audited consolidated financial statements and related notes included in our Annual Report on Form 10-K for the year ended December 31, 2019 and the unaudited condensed consolidated financial statements and related notes included in this Quarterly Report on Form 10-Q. Depending upon the context, the terms the "Company," "we," "our," and "us," refer to either Maui Land & Pineapple Company, Inc. alone, or to Maui Land & Pineapple Company, Inc. and its subsidiaries collectively.

Overview

Maui Land & Pineapple Company, Inc. is a Hawaii corporation and the successor to a business organized in 1909. The Company consists of a landholding and operating parent company, its principal subsidiary, Kapalua Land Company, Ltd. and certain other subsidiaries of the Company.

We own approximately 23,000 acres of land on the island of Maui, Hawaii and develop, sell, and manage residential, resort, commercial, agricultural and industrial real estate through the following business segments:

• Real Estate—Our real estate operations consist of land planning and entitlement, development and sales activities. This segment also includes the operations of Kapalua Realty Company, Ltd., a general brokerage real estate company located in the Kapalua Resort.

• Leasing—Our leasing operations include residential, resort, commercial, agricultural and industrial land and property leases, licensing of our registered trademarks and trade names, sales of potable and non-potable water in West and Upcountry Maui and stewardship and conservation efforts.

• Resort Amenities—We manage the operations of the Kapalua Club, a private, non-equity club program providing our members special programs, access and other privileges at certain amenities at the Kapalua Resort.

The Company's reportable operating segment results are measured based on operating income (loss), exclusive of interest, depreciation, general and administrative, share-based compensation, pension and other postretirement expenses.

Results of Operations

Three and Six Months Ended June 30, 2020 Compared to Three and Six Months Ended June 30, 2019

CONSOLIDATED

	Three Months Ended June 30, (unaudited)		Six Months Ended June 30, (unaudited)	
	2020	2019	2020	2019
	(in thousands)		(in thousands)	
Operating revenues	$ 1,710	$ 2,495	$ 3,744	$ 4,829
Operating costs and expenses	(1,188)	(1,177)	(2,710)	(2,493)
General and administrative	(559)	(510)	(1,318)	(1,350)
Share-based compensation	(402)	(374)	(827)	(972)
Depreciation	(323)	(360)	(645)	(722)
Operating income (loss)	(762)	74	(1,756)	(708)
Other income	894	-	894	-
Pension and other postretirement expenses	(117)	(256)	(234)	(509)
Interest expense	(30)	(63)	(76)	(110)
Loss from Continuing Operations	(15)	(245)	(1,172)	(1,327)
Income (Loss) from Discontinued Operations	(142)	64	(59)	52
Net loss	$ (157)	$ (181)	$ (1,231)	$ (1,275)
Loss from Continuing Operations per Common Share	$ -	$ (0.01)	$ (0.06)	$ (0.07)
Income (Loss) from Discontinued Operations per Common Share	$ (0.01)	$ -	$ -	$ -
Net loss per Common Share	$ (0.01)	$ (0.01)	$ (0.06)	$ (0.07)

REAL ESTATE

	Three Months Ended June 30, (unaudited) 2020	Three Months Ended June 30, (unaudited) 2019	Six Months Ended June 30, (unaudited) 2020	Six Months Ended June 30, (unaudited) 2019
	(in thousands)		(in thousands)	
Operating revenues	$ 90	$ 209	$ 158	$ 366
Operating costs and expenses	(192)	(255)	(367)	(521)
Operating loss	$ (102)	$ (46)	$ (209)	$ (155)

Included in our real estate operating revenues were sales commissions earned from resales of properties owned by private residents in the Kapalua Resort and surrounding areas by our wholly owned subsidiary, Kapalua Realty Company, Ltd. During the three and six months ended June 30, 2020, four and seven properties were sold, respectively, compared to seven and thirteen in the three and six months ended June 30, 2019, respectively.

The corresponding decrease in commission expenses paid resulted in lower operating costs and expenses for the three and six months ended June 30, 2020 compared to the three and six months ended June 30, 2019. In addition, legal defense costs related primarily to the project formerly known as The Ritz-Carlton Club and Residences, Kapalua Bay were incurred in 2019.

Effective July 1, 2020, we entered into an office lease agreement and license agreement with a real estate company to provide general brokerage services to the area. Under terms of the license agreement, we will collect monthly royalty fees for the use of certain of our trademarks in exchange for a covenant not to compete. As a result of this agreement, we will no longer receive commission income on resales of properties in the Kapalua Resort and surrounding areas.

There were no sales of our owned real estate in the three or six months ended June 30, 2020 and June 30, 2019, respectively

There were no significant real estate development expenditures in the first six months of 2020 and 2019.

Real estate development and sales are cyclical and depend on a number of factors. Results for one period are therefore not necessarily indicative of future performance trends in this business segment. Uncertainties associated with the novel coronavirus (COVID-19) pandemic may, among other things, reduce demand for real estate and impair prospective purchasers’ ability to obtain financing, which would adversely affect revenues from our real estate operations.

LEASING

	Three Months Ended June 30, (unaudited) 2020	Three Months Ended June 30, (unaudited) 2019	Six Months Ended June 30, (unaudited) 2020	Six Months Ended June 30, (unaudited) 2019
	(in thousands)		(in thousands)	
Operating revenues	$ 1,436	$ 2,038	$ 3,172	$ 3,954
Operating costs and expenses	(827)	(714)	(1,603)	(1,439)
Operating income	$ 609	$ 1,324	$ 1,569	$ 2,515

The decrease in operating revenues for the three and six months ended June 30, 2020 compared to the three and six months ended June 30, 2019 was due to lower percentage rental income recognized from our commercial leasing portfolio associated with the effects of COVID-19 on tenants’ sales activity. Percentage rental income for the three months ended June 30, 2020 was approximately $37,000, compared to approximately $458,000 for the three months ended June 30, 2019. We do not expect any significant amount of percentage rental income for the remainder of 2020. Continued restrictions on public gatherings, such as stay-at-home orders and guidelines, and the threat of COVID-19 or other infectious disease may adversely affect our tenants’ ability to pay rent. Additional reserves to our allowance for doubtful accounts in the amounts of $18,000 and $80,000, respectively, were recorded for the three and six months ended June 30, 2020, resulting in increased operating costs for such periods.

Our leasing operations face substantial competition from other property owners in Maui and Hawaii.

RESORT AMENITIES AND OTHER

	Three Months Ended June 30, (unaudited)		Six Months Ended June 30, (unaudited)	
	2020	2019	2020	2019
	(in thousands)		(in thousands)	
Operating revenues	$ 184	$ 248	$ 414	$ 509
Operating costs and expenses	(169)	(208)	(740)	(533)
Operating income (loss)	$ 15	$ 40	$ (326)	$ (24)

Our Resort Amenities segment includes the operations of the Kapalua Club, a private, non-equity club providing its members special programs, access and other privileges at certain of the amenities at the Kapalua Resort including a 30,000 square foot full-service spa and a private pool-side dining beach club. The Kapalua Club does not operate any resort amenities and the member dues collected are primarily used to pay contracted fees to provide access for its members to the spa, beach club, golf courses and other resort amenities.

In March 2020, access to certain facilities and amenities, including the Kapalua Club, was restricted due to COVID-19. The decrease in operating revenues for the three months ended June 30, 2020 compared to the three months ended June 30, 2019 was due to a partial refund of member dues as a result of this restricted access. The restricted access to these facilities also reduced contracted fees for the three months ended June 30, 2020 as compared to the three months ended June 30, 2019. Partial member dues are expected to continue until restricted access is lifted.

The increase in operating costs and expenses for the six months ended June 30, 2020 compared to the six months ended June 30, 2019 was due to the closure of the Kapalua Plantation Golf Course for renovations in February 2019 and an increase in golf course rates charged to the Company in the first quarter of 2020.

OTHER INCOME

The Company had a 51% ownership interest in Kapalua Bay Holdings, LLC (KBH). In 2009, the investment was written down to zero. As part of the dissolution of KBH, the Company received $894,000 as a return of cash collateral related to an owner controlled insurance program.

COVID-19

In March 2020, the World Health Organization declared the outbreak of COVID-19 as a pandemic. As a result, public health measures were taken to minimize exposure to the virus. These measures, some of which are government-mandated, have been implemented globally resulting in a dramatic decrease in economic activity.

In the State of Hawaii, the Governor issued “stay-at-home” orders for its residents and visitors beginning in March 2020, followed by subsequent “safer-at-home” and “act with care” proclamations. In addition, the Governor issued emergency proclamations ordering all transpacific passengers to a mandatory 14-day self-quarantine. Beginning September 1, 2020, travelers to the State of Hawaii may avoid the quarantine rules if proof of a negative result from a valid COVID-19 Nucleic Acid Amplification Test is presented upon arrival.

Quarantine, travel restrictions and other governmental restrictions to reduce the spread of COVID-19 will continue to have an adverse impact on most businesses in Hawaii, including our own. According to visitor statistics from the Hawaii Tourism Authority, passenger volume to Maui County during the three and six months ended June 30, 2020 decreased to approximately 4,000 and 445,000, respectively, as compared to 608,000 and 1,089,000 in the comparable three and six months ended June 30, 2019. The State of Hawaii’s Department of Business, Economic Development & Tourism projects Hawaii’s economic growth rate, as measured by the real gross domestic product, will drop by 12.1 percent in 2020.

The duration of the disruption on global, national, and local economies cannot be reasonably estimated at this time. However, should the existence of the COVID-19 pandemic continue for an extended period, our future business operations, including the results of operations, cash flows and financial position will be significantly affected. We continue to monitor the economic impact of the COVID-19 pandemic, as well as mitigating emergency assistance programs, such as the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), on us, our customers, and our vendors. Appropriate remote work arrangements have been established for our employees in order to maintain our financial reporting systems.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

We had cash on hand of approximately $340,000 and $683,000 (audited) at June 30, 2020 and December 31, 2019, respectively.

The $15.0 million revolving line of credit facility with First Hawaiian Bank (Credit Facility) matures on December 31, 2021. Interest on borrowings is at LIBOR plus 3.50%. We have pledged our 800-acre Kapalua Mauka project and approximately 30,000 square feet of commercial leased space in the Kapalua Resort as security for the Credit Facility. Net proceeds from the sale of any collateral are required to be repaid toward outstanding borrowings and will permanently reduce the Credit Facility's revolving commitment amount. The full amount of our Credit Facility is currently available for borrowing. There are no commitment fees on the unused portion of the Credit Facility.

The terms of the Credit Facility include various representations, warranties, affirmative, negative and financial covenants and events of default customary for financings of this type. Financial covenants include a minimum liquidity (as defined) of $2.0 million, a maximum of $45.0 million in total liabilities, and a limitation on new indebtedness.

As of June 30, 2020, we were in compliance with the covenants under the Credit Facility. If the current economic conditions created by the COVID-19 pandemic persist, we expect to borrow under our Credit Facility.

Cash Flows

Net cash flow provided by our operating activities was approximately $435,000 for the six months ending June 30, 2020.

In March 2020, we received $2.0 million for a perpetual, non-exclusive licensing agreement granting the use of our trademarks and service marks effective April 1, 2020.

In May 2020, we received $894,000 from our investment in KBH. The proceeds relate to a return of cash collateral held in an owner controlled insurance program. In absence of the return of this cash collateral, we would have borrowed funds under our Credit Facility to maintain a positive cash balance.

The outstanding balance of our Credit Facility was reduced to zero as of June 30, 2020. Interest payments on our Credit Facility totaled $19,000 and 68,000 for the six months ended June 30, 2020 and 2019, respectively.

We were not required to make any minimum funding contributions to our defined benefit pension plan during the six months ended June 30, 2020. The CARES Act includes limited funding relief provisions for single employer defined benefit plans. The CARES Act allows us to defer until January 1, 2021 the required contributions of approximately $542,000 that would otherwise be due in 2020.

Paycheck Protection Program

In April 2020, we received a loan of approximately $246,000 under the Paycheck Protection Program (PPP) of the CARES Act. On April 23, 2020, the United States Department of Treasury and the SBA issued revised guidance related to the PPP. As a result, we returned the entire amount of the loan to comply with the subsequent guidance. There were no prepayment penalties associated with the loan.

Future Cash Inflows and Outflows

Our business initiatives for the next year include investing in our operating infrastructure, continued planning and entitlement efforts on our development projects, and addressing the impact of COVID-19 on our business segments. Our income from real estate commissions, leasing activities and Kapalua Club membership dues, were all impacted for the six months ended June 30, 2020, and may continue to be impacted in the future for an uncertain period of time. This may require borrowing under our Credit Facility or other indebtedness, repayment of which may be dependent on selling of our real estate assets at acceptable prices in condensed timeframes.

Our indebtedness could have the effect of, among other things, increasing our exposure to general adverse economic and industry conditions, limiting our flexibility in planning for, or reacting to, changes in our business and industry, and limiting our ability to borrow additional funds.

Critical Accounting Policies and Estimates

The preparation of the interim unaudited condensed consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of accounting estimates. Changes in these estimates and assumptions are considered reasonably possible and may have a material effect on the interim unaudited condensed consolidated financial statements and thus actual results could differ from the amounts reported and disclosed herein. Our critical accounting policies that require the use of estimates and assumptions were discussed in detail in our most recently filed Form 10-K. There have been no significant changes in our critical accounting policies during the six months ended June 30, 2020.

Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q and other reports filed by us with the U.S. Securities and Exchange Commission (SEC) contain “forward-looking statements” intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. These statements relate to future events or our future financial performance and are subject to known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to differ materially from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. These statements include all statements included in or incorporated by reference to this Quarterly report on Form 10-Q that are not statements of historical facts, which can generally be identified by words such as “may,” “will,” “project,” “might,” “expect,” “believe,” “anticipate,” “intend,” “could,” “would,” “estimate,” “continue” or “pursue,” or the negative or other variations thereof or comparable terminology. We caution you that the foregoing list may not include all of the forward-looking statements made in this Quarterly Report. Actual results could differ materially from those projected in forward-looking statements as a result of the following factors, among others:

- the impacts of the COVID-19 pandemic, including its impacts on us, our operations, or our future financial or operational results;
- unstable macroeconomic market conditions, including, but not limited to, energy costs, credit markets, interest rates and changes in income and asset values;
- risks associated with real estate investments generally, and more specifically, demand for real estate and tourism in Hawaii;
- risks due to joint venture relationships;
- our ability to complete land development projects within forecasted time and budget expectations, if at all;
- our ability to obtain required land use entitlements at reasonable costs, if at all;
- our ability to compete with other developers of real estate in Maui;
- potential liabilities and obligations under various federal, state and local environmental regulations with respect to the presence of hazardous or toxic substances;
- changes in weather conditions, the occurrence of natural disasters, or threats of the spread of contagious diseases;
- our ability to maintain the listing of our common stock on the New York Stock Exchange;
- our ability to comply with funding requirements of our defined benefit pension plan;
- our ability to comply with the terms of our indebtedness, including the financial covenants set forth therein, and to extend maturity dates, or refinance such indebtedness, prior to its maturity date;
- our ability to raise capital through the sale of certain real estate assets;
- availability of capital on terms favorable to us, or at all; and
- failure to maintain security of internal and customer electronic information.

Such risks and uncertainties also include those risks and uncertainties discussed in the sections entitled “Business,” “Risk Factors,” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Annual Report on Form 10-K for the year ended December 31, 2019 and the section entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Risk Factors” in this Quarterly Report on Form 10-Q, as well as other factors described from time to time in our reports filed with the SEC. Although we believe that our opinions and expectations reflected in the forward-looking statements are reasonable as of the date of this report, we cannot guarantee future results, levels of activity, performance or achievements, and our actual results may differ substantially from the views and expectations set forth in this report. Thus, you should not place undue reliance on any forward-looking statements. New factors emerge from time to time, and it is not possible for us to predict which factors will arise. In addition, we cannot assess the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Further, any forward-looking statements speak only as of the date made and, except as required by law, we undertake no obligation to publicly revise our forward-looking statements to reflect events or circumstances that arise after the date of this report. We qualify all of our forward-looking statements by these cautionary statements.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We have no material exposure to changes in interest rates related to our borrowing and investing activities used to maintain liquidity and to fund business operations. We have no material exposure to foreign currency risks.

We are subject to potential changes in consumer behavior and regulatory risks through travel restrictions due to our location. Potential tenant deferrals and abatements may impact our base and percentage rental income.

Item 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

In designing and evaluating the disclosure controls and procedures, our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As required by Rules 13a-15(b) and 15d-15(b) under the Exchange Act, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the fiscal quarter covered by this report. Based upon the foregoing, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by us in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in applicable SEC rules and forms.

Changes in Internal Controls Over Financial Reporting

There have been no significant changes in our internal controls over financial reporting (as such term is defined in Exchange Act Rule 13a-15(f) or 15d-15(f)) during the three months ended June 30, 2020.

PART II OTHER INFORMATION

Item 1A. RISK FACTORS

Potential risks and uncertainties include, among other things, those factors discussed in the sections entitled “Business,” “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Annual Report on Form 10-K for the year ended December 31, 2019 and the section entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in this Quarterly Report on Form 10-Q. Readers should carefully review those risks and the risks and uncertainties disclosed in other documents we file from time to time with the SEC. We undertake no obligation to publicly release the results of any revisions to any forward-looking statements to reflect anticipated or unanticipated events or circumstances occurring after the date of such statements.

The novel coronavirus, or COVID-19, pandemic, or an outbreak of another highly infectious or contagious disease, could adversely affect our business, financial condition, results of operations and cash flow.

The spread of a highly infectious or contagious disease, such as COVID-19, has caused and could continue to cause severe disruptions in the U.S. economy, which could in turn disrupt the business, activities, and operations of our customers, as well as our business and operations. The COVID-19 pandemic has caused significant disruption in business activity and the financial markets both globally and in the United States. Many states and localities have imposed limitations on commercial activity and public gatherings and events, as well as moratoria on evictions. Concern regarding the spread of COVID-19 has caused and is likely to continue to cause quarantines, business shutdowns, reduction in business activity and financial transactions, increased unemployment, restrictions on travel, reduced tourism to Maui, reduced real estate development activity and overall economic and financial market instability, all of which may result a decrease in our business. Such conditions are likely to exacerbate many of the risks described elsewhere in the section entitled "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2019. Therefore, to the extent that economic activity, travel, real estate development and business conditions generally remain poor or deteriorate further, our business, financial condition, results of operations and cash flows could be materially adversely affected. While we do not expect any adjustments to the closing date or our ability to fulfill any related conditions to the sale of our Kapalua Water Company, Ltd and Kapalua Waste Treatment Company, Ltd. assets, COVID-19 related government restrictions including "stay-at-home" orders and mandatory 14-day self-quarantine rules for transpacific travelers have extended the due diligence period for the sale of Kapalua Central Resort. If COVID-19 related uncertainties impact the buyers' determinations during the respective due diligence periods, the sales of these assets may be adversely impacted.

We are continuing to monitor the spread of COVID-19 and related risks, although the rapid development and fluidity of situation precludes any prediction as to its ultimate impact on us.

Item 6. EXHIBITS

10.1	CFO's Offer of Employment.
31.1	Certification of Chief Executive Officer Pursuant to Rule 13a-14(d) / 15d-14(a) of the Securities Exchange Act of 1934.
31.2	Certification of Chief Financial Officer Pursuant to Rule 13a-14(d) / 15d-14(a) of the Securities Exchange Act of 1934.
32.1	Certification of Chief Executive Officer Pursuant to Rule 13a-14(b) / 15d-14(b) of the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350.
32.2	Certification of Chief Financial Officer Pursuant to Rule 13a-14(b) / 15d-14(b) of the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350.
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Link Document

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	MAUI LAND & PINEAPPLE COMPANY, INC.
August 5, 2020	/s/ MICHAEL S. HOTTA
Date	Michael S. Hotta *Chief Financial Officer* (Principal Financial Officer)

EXHIBIT INDEX

Exhibit Number	Description
10.1	CFO's Offer of Employment (1)(3)
31.1	Certification of Chief Executive Officer Pursuant to Rule 13a-14(d) / 15d-14(a) of the Securities Exchange Act of 1934. (1)
31.2	Certification of Chief Financial Officer Pursuant to Rule 13a-14(d) / 15d-14(a) of the Securities Exchange Act of 1934. (1)
32.1	Certification of Chief Executive Officer Pursuant to Rule 13a-14(b) / 15d-14(b) of the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350. (2)
32.2	Certification of Chief Financial Officer Pursuant to Rule 13a-14(b) / 15d-14(b) of the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350. (2)
101.INS	XBRL Instance Document (2)
101.SCH	XBRL Taxonomy Extension Schema Document (2)
101.CAL	XBRL Taxonomy Extension Calculation Document (2)
101.DEF	XBRL Taxonomy Extension Definition Linkbase (2)
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document (2)
101.PRE	XBRL Taxonomy Extension Presentation Link Document (2)

(1) Filed herewith.

(2) Furnished herewith and not "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

(3) Management contract or compensatory plan or arrangement.

Offer of Employment between the Company and Michael Hotta, dated April 24, 2020

Name:	**Michael Hotta**
Job Title:	**Chief Financial Officer (CFO)**
Reports To:	**Chief Executive Officer (CEO)**
Offer Date:	**April 21,2020**
Start Date:	**May 26, 2020**

Primary Responsibilities

The Chief Financial Officer is responsible for managing the accounting operations of the Company, including the preparation of periodic financial reports, maintenance of the system of accounting controls, policies and procedures, monitoring of budgets, and filing of all regulatory reports with the Securities and Exchange Commission ("SEC"). The Chief Financial Officer will ensure that the Company's reported financial results are in compliance with generally accepted accounting principles and will coordinate all quarterly reviews and annual audits with the Company's internal and external auditors.

In addition, the CFO's responsibilities will also include cash and risk management and tax reporting. The CFO will also actively participate and assist in the Company's business initiatives including real estate development activities, community relations, and project management.

The primary place of employment will be at the Company's corporate office at 200 Village Road in the Kapalua Resort. The expectations are that the CFO will be on Maui at least 3-4 days per week.

It is understood by the parties that the specific duties and responsibilities of the CFO are subject to modification, supplementation, change or deletion by the Chief Executive Officer ("CEO").

During the term of employment, the CFO shall provide services exclusively on behalf of the Company and shall render services to no other person, organization or company, except as may be approved in writing by the CEO or other officers of the Company.

Compensation

Your annual base salary will be $190,000. You will also be eligible to participate in the Company's 2019
Equity and Incentive Award Plan (the "Plan"), effective as of, and to be pro-rated, upon your achieving proficiency in and being capable of preparing and filing the Company's periodic SEC reports on your own. This determination will be made by the Company's CEO, at his full discretion. Your initial annual incentive target is 35% of your annual salary or $66,500, and your long-term incentive target is 35% of your annual salary or $66,500. Both the annual incentive and the long-term incentive awards are paid in restricted stock units (RSUs). The annual incentive is paid following the Compensation Committee's approval, which typically happens in February of each year, and the entire RSUs vest immediately. The long-term incentive is also awarded in the February timeframe and has a 3-year vesting period, meaning that it will vest ratably over 12 quarters. In total, your target total annual direct compensation is $323,000.

Your compensation shall be paid in accordance with the Company's regular pay practices. All compensation shall be subject to applicable withholdings and deductions.

Benefits

You may participate in the benefit plans and programs currently provided by the Company including medical, dental and vision coverage with the Company covering the premiums of the lowest cost plan; flexible spending account; group life insurance, accidental death and dismemberment coverage; travel accident insurance; temporary and long-term disability insurance; 401(k) plan; and other benefit plans generally available commensurate with your position.

Paid Time Off

Fifteen days of paid time off in your first year, which accrues at 4.615 hours per pay period.

Executive Severance Plan

The Company maintains an Executive Severance Plan, or Severance Plan, to retain key executives and encourage such executives to use their best business judgment in managing the affairs of the Company. The Severance Plan is administered by our Compensation Committee and provides certain severance benefits in the event an executive is involuntary terminated. The Severance Plan generally covers the Company's named executive officers, which includes the CFO.

Your coverage under the Severance Plan needs to be approved by the Compensation Committee and will be brought before them for consideration in February 2021. We will consider the initial period of your employment, from the start date until February 2021, as a probationary period to determine your capabilities to grow into the Chief Financial Officer position.

Confidential Information

During your employment with the Company and at all times after termination of such employment, regardless of the reason for such termination, you shall hold all Confidential Information relating to the Company in strict confidence and shall not use, disclose or otherwise communicate the Confidential Information to anyone other than the Company without the prior written consent of the Company. "Confidential Information" includes, without limitation, business, operations and financial information (such as costs, profits and plans for future expansion or development, plans for rendering additional services, methods of operation and marketing concepts of Company, as well as employment policies and plans), trade secrets and other proprietary business information of the Company. "Confidential Information" shall not include information that is or becomes in the public domain through no action by you or information that is generally disclosed by the Company to third parties without restrictions on such third parties. Upon termination of employment, you shall return all Confidential Information to the Company.

Code of Business Conduct and Ethics

In accordance with the Company's Code of Business Conduct and Ethics ("Code"), all employees are required to annually sign an acknowledgment stating that they have reviewed, understand and agree to comply with the Code. The Code can be reviewed on the Company's website: http://mauiland.com/documents/MLPCodeofBusinessConductandEthics20150101.pdf

Arbitration

In the event of a dispute arising out of the terms and conditions of this Offer of Employment, such dispute shall, absent settlement of the parties, be promptly resolved by final and binding arbitration in the State of Hawaii in accordance with the provisions of the Hawaii Uniform Arbitration Act, Hawaii Revised Statutes, Chapter 658A, by a single arbitrator mutually agreed upon by the parties. The arbitrator shall be required to abide by the provisions of this Offer of Employment and the arbitrator shall not modify or alter same. A judgment upon the award may be entered in any court having jurisdiction of the parties.

In arbitration, each party shall bear the costs, fees and expenses of presenting its own case, and one-half of the arbitrator's fees and administration expenses, unless otherwise ordered by the arbitrator for cause shown.

Pre-Employment Testing

This offer of employment is contingent upon the candidate's successful completion of the Company's pre-employment testing and screening.

Severability

Each provision in this Offer of Employment is separate. If necessary to effectuate the purpose of a particular provision, the Offer of Employment, in whole or in part, is held to be invalid or unenforceable, the parties agree that any such provision shall be deemed modified to make such provision enforceable to the maximum extent permitted by applicable law. As to any provision held to be invalid or unenforceable, the remaining provisions of this Offer of Employment shall remain in effect.

Offer of Employment is accepted this 24 day of April 2020.

Signature: /s/ Michael S. Hotta

Name: Michael S. Hotta

Maui Land & Pineapple Company, Inc.

/s/ Warren H. Haruki
Warren H. Haruki
Chief Executive Officer

Exhibit 31.1

**Certification of CEO Pursuant to
Securities Exchange Act Rules 13a-14 and 15d-14 as Adopted Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002**

I, Warren H. Haruki, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Maui Land & Pineapple Company, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 5, 2020

/s/ WARREN H. HARUKI

Name: Warren H. Haruki
Title: Chairman & Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

Certification of CFO Pursuant to
Securities Exchange Act Rules 13a-14 and 15d-14 as Adopted Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002

I, Michael S. Hotta, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Maui Land & Pineapple Company, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrants fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 5, 2020

/s/ MICHAEL S. HOTTA
Name: Michael S. Hotta
Title: Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

The following certifications are being furnished solely to accompany the Report pursuant to 18 U.S.C. § 1350 and in accordance with SEC Release No. 33-8238. These certifications shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall be incorporated by reference in any filing of the Company under the Securities Act of 1933, as amended, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Certification
Pursuant to 18 U.S.C. Section 1350,
as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Maui Land & Pineapple Company, Inc. (the "Company") on Form 10-Q for the quarter ended June 30, 2020 as filed with the Securities and Exchange Commission (the "Report"), I, **Warren H. Haruki,** Chairman & Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. Section 78m or 78o(d)); and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ WARREN H. HARUKI
Warren H. Haruki
Chairman & Chief Executive Officer
(Principal Executive Officer)

Date: August 5, 2020

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

The following certifications are being furnished solely to accompany the Report pursuant to 18 U.S.C. § 1350 and in accordance with SEC Release No. 33-8238. These certifications shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall be incorporated by reference in any filing of the Company under the Securities Act of 1933, as amended, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Certification
Pursuant to 18 U.S.C. Section 1350,
as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Maui Land & Pineapple Company, Inc. (the “Company”) on Form 10-Q for the quarter ended June 30, 2020 as filed with the Securities and Exchange Commission (the “Report”), I, **Michael S. Hotta**, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. Section 78m or 78o(d)); and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ MICHAEL S. HOTTA
Michael S. Hotta
Chief Financial Officer
(Principal Financial Officer)

Date: August 5, 2020

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.