

MEMORANDUM OF UNDERSTANDING BETWEEN
THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
AND STATE OF HAWAII DEPARTMENT OF DEFENSE

THIS MEMORANDUM OF UNDERSTANDING (“MOU”) made this _____ day of AUG 29 2019, 2019, by and between the HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION, a public body and a body corporate and politic of the State of Hawaii (hereinafter referred to as “HHFDC”), whose address is 677 Queen Street, Suite 300, Honolulu, Hawaii 96813, and the STATE OF HAWAII DEPARTMENT OF DEFENSE (hereinafter referred to as “DOD”), whose address is 3949 Diamond Head Road, Honolulu, Hawaii 96816 (the HHFDC and DOD referred to collectively as “Parties”).

RECITALS

WHEREAS, the HHFDC is the Master Developer of the Villages of Kapolei, situated at Honouliuli, District of Ewa, City and County of Honolulu, State of Hawaii (hereinafter collectively the “Villages of Kapolei”); and

WHEREAS, the HHFDC owns the fee simple title to that certain property identified as the Northwest Corner, located in the Villages of Kapolei, and further identified as Tax Map Key: (1) 9-1-016-035, as shown on the map attached hereto as Exhibit A (“Northwest Corner”); and

WHEREAS, the HHFDC issued a Letter of Intent to DOD on November 14, 2018 indicating its willingness to lease a portion of the Northwest Corner to DOD for the proposed Hawaii State Veterans Home (“HSVH”); and

WHEREAS, the DOD intends to build the HSVH on an approximately 6-7 acre portion of the Northwest Corner to be leased to the DOD (hereinafter “Lease Area”), a map of which is attached hereto as Exhibit B. The HSVH will be owned and managed by

DOD. A private agency will be contracted by DOD to operate the HSVH. The HSVH will be a 120 single-occupancy room facility to serve the nation's veterans with a wide range of services; and

WHEREAS, the HHFDC plans to establish a Condominium Property Regime upon the Northwest Corner in order to more particularly identify the Lease Area; and

WHEREAS, the HHFDC and the DOD both desire that the landscaped and irrigated areas that front the Lease Area to be properly managed, maintained, cared for and controlled by DOD; and

WHEREAS, the HHFDC currently maintains the Backbone Roadway Lots, the Roadway Lots and certain Common Area Lots or lots to be designated as common areas under its control, pursuant to the Villages of Kapolei Association Declaration of Covenants, Conditions and Restrictions of the Villages of Kapolei ("DCC&R"), and

WHEREAS, the HHFDC intends to dedicate to the City and County of Honolulu (hereinafter "City") all of the HHFDC owned Backbone Roadway Lots and the Roadway Lots in the Villages of Kapolei and any additional streets owned by HHFDC that may be in the future developed as roadway lots in the Villages of Kapolei; and

WHEREAS, the HHFDC plans to consolidate and resubdivide certain lands in the Villages of Kapolei Lands; and

WHEREAS, it is the intent of this MOU to provide a method to effectuate the recitals and understandings as well as any other mutually agreed upon terms herein described; and

WHEREAS, the parties hereto, the HHFDC and the DOD, agree to negotiate a long-term lease (hereinafter "Lease") at a later date to accomplish the intent of this MOU; and

WHEREAS, it is intended that the Lease Area is to be more particularly described in the future Lease; and

WHEREAS, the long-term lease cost will be set at substantially below market rates; and

WHEREAS, DOD performed a traffic impact analysis report for the proposed HSVH project and no traffic mitigation measures were recommended at this time; and

WHEREAS, DOD performed a Cultural Impact Study of the proposed HSVH projects to support an Environmental Impact Statement (EIS) completed by HHFDC in 1988.

NOW THEREFORE, in consideration of the mutual covenants and promises herein made, the Parties hereby agree as follows:

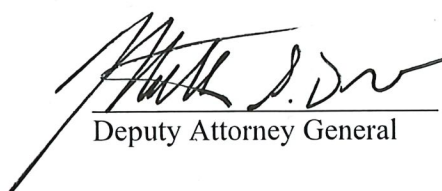
1. The Parties shall act in good faith and use reasonable efforts to execute all required processes and to negotiate and execute a Lease based on the parameters described in this MOU.
2. In developing the HSVH, DOD shall implement the policies, principles and guidelines of the Rezoning Ordinance 01-07 and Unilateral Agreement And Declaration For Conditional Zoning dated March 6, 2001 including, but not limited to, the following:

- a. The HHFDC reserves the right to assess the HSVH their share of future traffic improvements when the remainder of the site is developed.
3. DOD shall coordinate all road connection efforts with the City and ensure that it will not impede HHFDC's road dedication efforts. DOD agrees to reconfigure lot boundaries and/or driveway circulation if HHFDC requires reconfiguring of the main entry driveway.
4. HHFDC agrees to allow the HSVH to connect to the HHFDC sewer connection located at the midpoint of the Northwest Corner south boundary. The HSVH shall have a maximum of 84 Equivalent Single-Family Dwelling Units (EDSU). DOD shall coordinate sewer connection efforts with the City and ensure it will not impede HHFDC's sewer connection application to the City for the Northwest Corner.
5. DOD shall, in good faith, negotiate a rate for monthly dues with the Villages of Kapolei Association for the Lease Area.
6. DOD shall fully cooperate with HHFDC's efforts to consolidate and re-subdivide lots owned by HHFDC in the Villages of Kapolei.
7. DOD shall pay for and provide all services including professional architectural/engineering, surveying and legal services for the preparation and recordation of a Condominium Property Regime for the Northwest Corner.
8. DOD shall maintain, repair and care for the landscaped and irrigated areas fronting the Lease Area.

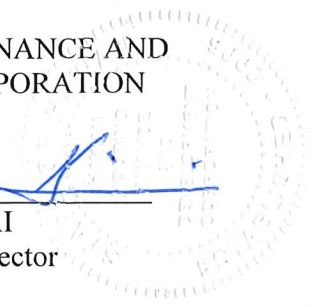
IN WITNESS WHEREOF, the HHFDC and the DOD, by their duly authorized officers, have caused this MOU to be executed as of the day and year first above written.

APPROVED AS TO FORM:

HAWAII HOUSING FINANCE AND
DEVELOPMENT CORPORATION


Deputy Attorney General


By 
CRAIG K. HIRAI
Its Executive Director



APPROVED AS TO FORM:

STATE OF HAWAII DEPARTMENT OF
DEFENSE


Deputy Attorney General

By 
ARTHUR J. LOGAN
Its Adjutant General

STATE OF HAWAII)
) SS
CITY AND COUNTY OF HONOLULU)

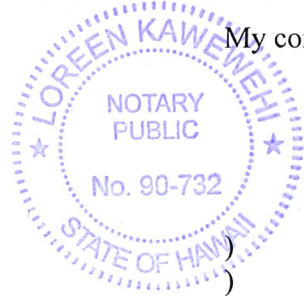
On this 29 day of AUG 29 2019, before me personally appeared CRAIG K. HIRAI, to me personally known, who, being by me duly sworn, did say that he is the Executive Director of the HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION, a public body and a body corporate and politic of the State of Hawaii; that said instrument was signed ^{and sealed} in behalf of said corporation by authority of its Board of Directors; and said CRAIG K. HIRAI acknowledged said instrument to be the free act and deed of said corporation. ^{and that the seal is the corporate seal of the corporation.}

[Signature] N.P.
[Signature] N.P.

[Signature]
Loreen Kawewehi
Notary Public, State of Hawaii

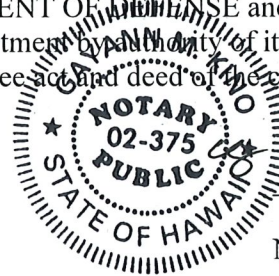
NOTARY PUBLIC CERTIFICATION
LOREEN KAWEWEHI First Judicial Circuit
Doc. Description: MOU Between HHFDC & State DOD for Northwest corner of 15-9-1-D16-035
Doc. Date: undated # Pages: 8
[Signature] AUG 29 2019
Notary Signature Date

My commission expires: DEC - 5 2022



STATE OF HAWAII)
) SS
CITY AND COUNTY OF HONOLULU)

On this 21st day of August, 2019, before me personally appeared Arthur J. Logan, to me personally known, who, being by me duly sworn, did say that he is the Adjutant General of the STATE OF HAWAII DEPARTMENT OF DEFENSE and that the foregoing instrument was signed in behalf of said department by authority of its Director; and he/she acknowledged the instrument to be the free act and deed of the corporation.



[Signature]
GayAnn M. Kino
Notary Public, State of Hawaii

Doc. Date: undated # Pages: 7
Notary Name: GAYANN M. KINO First Circuit
Doc. Description: MOU Between HHFDC & State DOD
[Signature] 8/21/2019
Notary Signature Date

My commission expires: 8/4/2022



NOTARY CERTIFICATION

EXHIBIT A

MAP OF 26.67 ACRE NORTH-WEST CORNER
HHFDC Owned North-west Corner lot, TMK (1) 9-1-016:035)

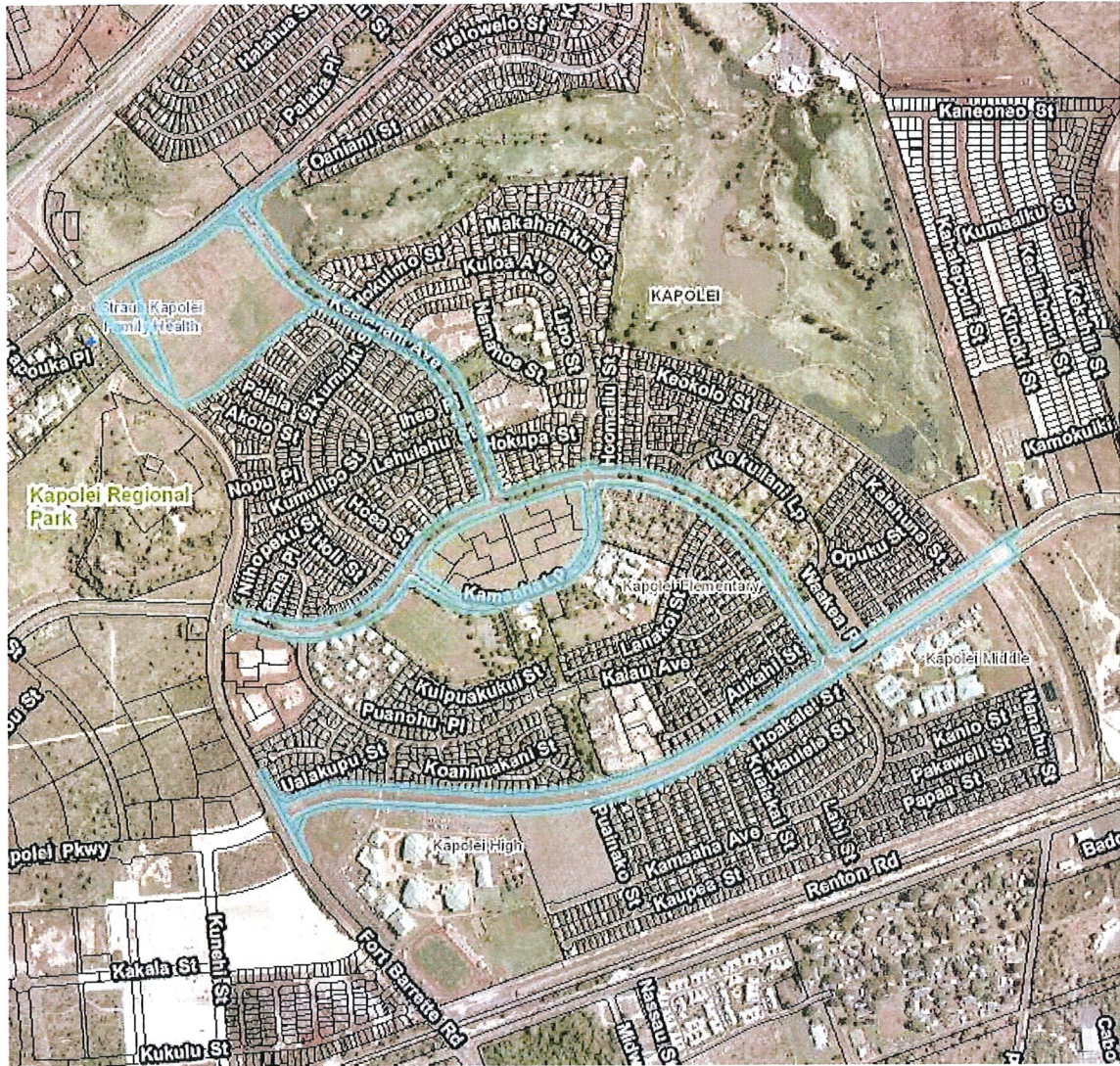


EXHIBIT B

MAP OF 7 ACRE LEASE AREA

(Portion of HHFDC Owned North-west Corner lot, TMK (1) 9-1-016:035)

