

## HALE MOILIILI – SUMMARY OF GROUND LEASE

The following is a summary of the terms of a Ground Lease from the Department of Hawaiian Home Lands to Hale Moiliili, LP for the development of the Hale Mo`ili`ili Rental Housing Project.

Lessee	Hale Moiliili LP, a Hawai`i limited partnership, Stanford Carr Development, LLC, general partner
Property	1.8 acres at 820 Isenberg Street, Honolulu, location of former Stadium Bowl-O-Drome
Term	65 years, 10 year option to extend
Lease Rent	\$1.00 per year, Lessee pays all taxes and costs
Project Improvements	271 unit high rise tower containing studio, 1-bedroom, 2-bedroom and 3-bedroom apartments and low rise building containing 7 attached 3 bedroom townhome units, plus 280-stall parking structure, 24 surface parking stalls and 4,680 sq. ft. of retail space
Low to Median Income Tenants	Native Hawaiian beneficiaries earning up to 100% of HUD annual median income. Income mix 5% of tenants below 30% AMI, 65% of tenants 30% to 60% AMI, 20% of tenants 60% to 80% AMI and 10% of tenants 80% to 100% AMI. If there is an insufficient number of low to median income Beneficiaries to rent the units, Lessee may rent available units to income qualified Hawaii residents, giving preference to less than one-half (1/2) Native Hawaiian residents, to the extent permitted by law.
Reversion	Ownership of building and improvements revert to DHHL at end of lease term
Insurance	Lessee to insure Premises, DHHL will be additional insured
Financing	FHA-HUD insured loan secured by first mortgage, HHFDC loan secured by second mortgage, tax exempt bonds, and low income housing tax credits
HUD Provisions	HUD requires standard form rider to lease and agreement that in the event Leasehold Mortgage secures a FHA-insured loan, and the Lender has forecloses on the Leasehold Mortgage, DHHL waives its rights, if any, to purchase the lease under Title IX, Section 962(b)(2) of the Cranston-Gonzales National Affordable Housing Act of 1990, as amended, and Leasehold Mortgagee may sell the leasehold interest to a new lessee, regardless of whether the new lessee is a native Hawaiian entity.