



STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS
P.O. BOX 1875
HONOLULU, HAWAII 96805

LETTER AGREEMENT

The Hawaiian Home Lands Recovery Act, Public Law 104-42, 109 Stat. 357 (the "Recovery Act"), authorized the Secretary of the Interior (the "Secretary") to convey certain federal property to the Department of Hawaiian Home Lands ("DHHL") in exchange for full settlement and release of claims arising from the United States' continued use of Hawaiian home lands set aside for native Hawaiians under the Hawaiian Homes Commission Act of 1921, 42 Stat. 108.

On August 31, 1998, a Memorandum of Agreement ("MOU") was signed by the Secretary and Chairman of the Hawaiian Homes Commission (the "Chairman") to implement the Recovery Act. The MOU was entered into after the Secretary consulted with the Department of Defense and the General Services Administration.

Pursuant to Section 2(a) on Page 2 of the MOU, the Secretary and Chairman have entered into this Letter Agreement and agree to the following:

1. The Waipahu FCC Monitoring Station site did not become available for conveyance to DHHL by the deadline of August 31, 2000. As provided for in the MOU, all of the State's rights, interests and title to the Waipahu FCC Monitoring Station site are terminated and of no further force and effect, and a credit with a value of \$16.9 million is hereby established to the benefit of the DHHL.
2. The Secretary shall notify the Department of Defense and General Services Administration that the provisions of Section 203 of the Recovery Act are in full force and effect until the \$16.9 million credit is fully satisfied. These include Recovery Act requirements to define eligible federal property for exchange under Section 203(b)(5) and to notify the Chairman of excess federal property being screened for possible transfer under Section 203(f).
3. Upon request of the Chairman, but no later than six months prior to any conveyance of federal property to DHHL, the Secretary agrees to provide or cause to have provided to DHHL all information and the full disclosure

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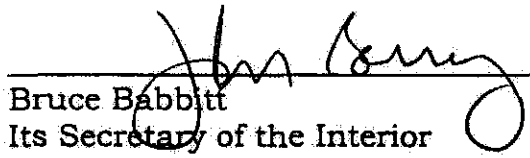
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of material facts pertaining to each property, including reports, maps, covenants, easements, deed restrictions, and other rights that affect the use and value of the property.

4. When the Secretary and Chairman agree that a particular federal property is appropriate for conveyance to DHHL pursuant to Section 203(f) of the Recovery Act, the appraised value of such federal property shall be established pursuant to Section 203(a) as of the date of the MOA, that is, August 31, 1998.
5. The Secretary and Chairman shall enter into a LETTER AGREEMENT when the \$16.9 million credit is fully satisfied and completed.

The parties have executed this LETTER AGREEMENT.

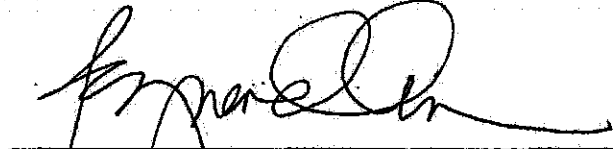
For UNITED STATES OF AMERICA



for Bruce Babbitt
Its Secretary of the Interior

10/30/2000
Date

For DEPARTMENT OF HAWAIIAN HOME LANDS



Raynard C. Soong
Its Chairman, Hawaiian Homes Commission

11/3/2000
Date

Copies to:

Honorable Daniel K. Inouye, U.S. Senate
Honorable Daniel K. Akaka, U.S. Senate
Honorable Neil Abercrombie, U.S. House of Representatives
Honorable Patsy Mink, U.S. House of Representatives
Honorable Benjamin Cayetano, Governor of Hawaii
William J. Cassidy, Jr., Deputy Assistant Secretary of the Navy
Kenn Kojima, Regional Administrator, General Services Administration
Members, Hawaiian Homes Commission