

THE ORIGINAL OF THE DOCUMENT
RECORDED AS FOLLOWS:
STATE OF HAWAII

BUREAU OF CONVEYANCES
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LAND COURT SYSTEM

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Yamamoto & Settle
700 Bishop Street, Suite 200
Honolulu, Hawaii 96813

Tax Map Key: (3) 7-4-021-020

Pages 08

MEMORANDUM OF DEVELOPMENT AGREEMENT

This MEMORANDUM OF DEVELOPMENT AGREEMENT ("Memorandum"), dated as of March 31, 2009, is entered into by and between **HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION**, a public body and body corporate and politic of the State of Hawaii, whose principal place of business and post office address is 677 Queen Street, Suite 300, Honolulu, Hawaii 96813 ("HHFDC"), and **FOREST CITY HAWAII KONA, LLC**, a Hawaii limited liability company, whose business and post office address is 5173 Nimitz Road, Honolulu, Hawaii 96818, or its permitted assign ("Developer"). HHFDC and Developer are hereinafter collectively called the "Parties".

1. On or about the date hereof, the Parties entered into that certain unrecorded Development Agreement ("Development Agreement") affecting that certain real property described on Exhibit "A" attached hereto and incorporated herein. Unless otherwise defined herein, all initially capitalized terms shall have the meanings given them in the Development Agreement.

2. Pursuant to Section 1 of the Development Agreement, HHFDC, as owner of the Property, granted to Developer: (i) the sole and exclusive right to develop, sell, manage, rent and operate the Project or any portion thereof on the Property; and (ii) the first right and option to purchase, ground lease or otherwise acquire any and all finished development sites, building lots or pads within the Project, subject to and in accordance with the terms and conditions of the Development Agreement.

3. Pursuant to Section 6(a) of the Agreement, the term of the Development Agreement shall commence on the Effective Date and continue until terminated in accordance with the Development Agreement.

3. This Memorandum is intended to put third parties on notice of the Development Agreement, and is not meant to amend or modify any terms of the Development Agreement. In the event of any conflict between the provisions of this Memorandum and the provisions of the Development Agreement, the provisions of the Development Agreement shall prevail. This Memorandum may be executed in counterparts, each of which shall constitute an original and all of which shall constitute one document.

[Signatures on following page.]

IN WITNESS WHEREOF, the parties have executed this Memorandum as of the date first written above.

Approved by the HHFDC Board
of Directors at its meeting
held on

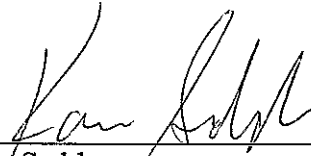
April 11, 2008

Approved as to Form:


Deputy Attorney General

3-25-09

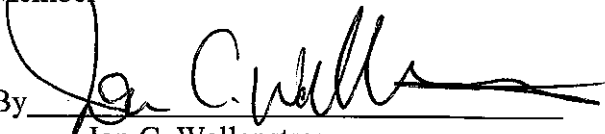
HAWAII HOUSING FINANCE AND
DEVELOPMENT CORPORATION

By 
Karen Seddon
Its Executive Director

“HHFDC”

FOREST CITY HAWAII KONA, LLC,
a Hawaii limited liability company

By: FOREST CITY HAWAII RESIDENTIAL,
INC., a Hawaii corporation
Its: Member

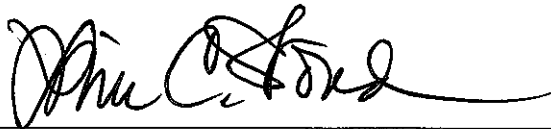
By 
Jon C. Wallenstrom
Its Senior Vice President

“Developer”

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

On this 31st day of March, 2009, before me appeared KAREN SEDDON, personally known to me, who, being by me duly sworn, did say that she 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 the seal affixed to the foregoing instrument is the corporate seal of the corporation, and that this 08-page DEVELOPMENT AGREEMENT FOR KAMAKANA VILLAGES AT KEAHUOLU dated March 31, 2009, was signed and sealed on behalf of the corporation by authority of its Board of Directors, and the said officer acknowledged the instrument to be the free act and deed of the corporation.





Notary Public, State of Hawaii

Print Name: Lisa C. Wong

My commission expires: 07.12.2011

Document Date:	<u>March 31, 2009</u>	# of Pages:	<u>08</u>
Notary Name:	<u>Lisa C. Wong</u>		<u>1st</u> Circuit
Doc. Description:	<u>Memorandum of Development Agreement</u>		
			
	Notary Signature		
NOTARY CERTIFICATION			



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

On this 18th day of March, 2009, before me personally appeared JON C. WALLENSTROM, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Olivia Federico

Notary Public, State of Hawaii

Print Name: Olivia Federico

My commission expires: 12/23/2011

07-668
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Document Date:	<u>NO DATE ON DOC.</u>	# of Pages:	<u>6</u>
Notary Name:	<u>Olivia Federico</u>		<u>1st</u> Circuit
Doc. Description:	<u>Memorandum of Development Agreement</u>		
<u>Olivia Federico</u>			
Notary Signature			
NOTARY CERTIFICATION			

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EXHIBIT "A"

LEGAL PROPERTY DESCRIPTION

THE LAND REFERRED TO IN THIS REPORT IS SITUATED IN THE COUNTY OF HAWAII, STATE OF HAWAII, AND IS DESCRIBED AS FOLLOWS:

PARCEL FIRST:

All of that certain parcel of land, being a portion of Royal Patent 6851, Land Commission Award 8452, Apana 12 to A. Keohokalole and also being a portion of Lot 1 of Keahuolu Subdivision, File Plan 2041, situate, lying and being at Keahuolu, North Kona, Island of Hawaii, State of Hawaii, being Lot A-1 more particularly described as follows:

Beginning at the east corner of this parcel of land, the southeast corner of Department of Hawaiian Home Lands and on the west side of Palani Road, the coordinates of said point of beginning referred to Government Survey Triangulation Station "KEAHUOLU" being 2,799.82 feet North and 14,497.60 feet East, thence running by azimuths measured clockwise from True South:

1. 7° 17' 20" 1122.82 feet along the west side of Palani Road;
2. Thence along the west side of Palani Road on a curve to the right with a radius of 1412.70 feet, the chord azimuth and distance being:
30° 41' 50" 1122.48 feet;
3. 54° 06' 20" 1059.35 feet along the west side of Palani Road;
4. 144° 06' 20" 160.00 feet along Reservoir Site;
5. 54° 06' 20" 160.00 feet along Reservoir Site;
6. 324° 06' 20" 156.41 feet along Reservoir Site;
7. Thence along the west side of Palani Road on a curve to the right with a radius of 30.00 feet, the chord azimuth and distance being:
103° 34' 11" 43.11 feet;
8. 149° 30' 1320.94 feet along Lot 2 of Keahuolu Subdivision, File Plan 2041;
9. Thence along Lot 2 of Keahuolu Subdivision, File Plan 2041 on a curve to the right with a radius of 6000.00 feet, the chord azimuth and distance being:

- 150° 59' 310.63 feet;
10. 152° 28' 1064.45 feet along Lot 2 of Keahuolu Subdivision, File Plan 2041;
11. Thence along Lot 2 of Keahuolu Subdivision, File Plan 2041 on a curve to the left with a radius of 10,000.00 feet, the Chord azimuth and distance being:
- 151° 49' 30" 223.98 feet;
12. 151° 11' 1288.73 feet along Lot 2 of Keahuolu Subdivision, File Plan 2041;
13. Thence along Lot 2 of Keahuolu Subdivision, File Plan 2041 on a curve to the right with a radius of 6000.00 feet, the chord azimuth and distance being:
- 153° 12' 55.9" 425.53 feet;
14. 234° 24' 898.10 feet along the remainder of Lot 1 of Keahuolu Subdivision, File Plan 2041;
15. Thence along the remainder of Lot 1 of Keahuolu Subdivision, File Plan 2041 on a curve to the right with a radius of 590.00 feet, the chord azimuth and distance being:
- 165° 59' 40" 676.91 feet;
16. 201° 00' 47.00 feet along the remainder of Lot 1 of Keahuolu Subdivision, File Plan 2041;
17. 255° 15' 280.45 feet along Lots 31 and 9 of the Villages of La'i'opua, Phase I, File Plan 2128;
18. 295° 11' 864.62 feet along the remainder of Lot 1 of Keahuolu Subdivision, File Plan 2041;
19. Thence along the remainder of Lot 1 of Keahuolu Subdivision, File Plan 2041 on a curve to the left with a radius of 2060.00 feet, the chord azimuth and distance being:
- 199° 01' 02" 629.16 feet;
20. 190° 14' 48.33 feet along the remainder of Lot 1 of Keahuolu Subdivision, File Plan 2041;
21. 254° 11' 02" 348.16 feet along Lots 37, 7 and 34 of the Villages of La'i'opua, Phase I, File Plan 2128

- 22. 280° 14' 787.44 feet along the remainder of Lot 1 of Keahuolu Subdivision, File Plan 2041;
- 23. 15° 00' 2449.46 feet along Department of Hawaiian Home Lands;
- 24. 284° 50' 1709.68 feet along Department of Hawaiian Home Lands to the point of beginning and containing an area 271.842 acres, more or less.

Being a portion of the lands conveyed by the following:

Quitclaim Deed

Grantor: Board of Land and Natural Resources
 Grantee: Hawaii Housing Finance and Development Corporation
 Dated: July 9, 2007
 Recorded: July 24, 2007 in the Bureau of Conveyances of the State of Hawaii, as Document No. 2007-131829.

PARCEL SECOND:

All of that certain parcel of land, being a portions of the Government Land of Kealakehe, situate, lying and being at Kealakehe, North Kona, Island of Hawaii, State of Hawaii being Lot 7, area 0.022 acre, more or less and Lot 9 area 0.198 acre, more or less of "THE VILLAGES OF LA'I'OPUA PHASE I", File Plan 2128, filed in the Bureau of Conveyances of the State of Hawaii.

Being all of the lands conveyed by the following:

Land Patent Grant No. S-16, 019

Grantor: State of Hawaii, by and through is Board of Land and Natural Resources
 Grantee: Hawaii Housing Finance and Development Corporation, a public body and a body corporate and politic
 Dated: July 9, 2007
 Recorded: July 24, 2007 in the Bureau of Conveyances of the State of Hawaii, as Document 2007-131844.

TMK: (3) 7-4-021-020