

FEE AGREEMENT  
BETWEEN  
STATE OF HAWAII, DEPARTMENT OF BUDGET AND FINANCE  
AND

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(Name of Project Party)

In recognition of their relationship and until such time as this Agreement may be superseded, the State of Hawaii, Department of Budget and Finance (herein called the "Department") and

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(herein called the "Project Party") on this day \_\_\_\_ of \_\_\_\_\_ 20\_\_ do hereby mutually covenant and agree as follows:

- (1) That the Project Party is applying to the Department for possible assistance in the form of financing through bonds or notes of the Department to be sold for the benefit of the Project Party;
- (2) That the Project Party has been furnished with the Department's Loan Application and Review Procedures which establish certain requirements of the Department, in law or otherwise, which requirements pertain to the Department's needs in relation to proper review of such Project Party's request for assistance.

In this regard, if a financial feasibility study is deemed necessary for the issuance of bonds or notes, the Project Party may propose a feasibility consultant, subject to the approval by the Department. The Project Party shall make copies of the proposal of, or contract for services with, such consultant available to the Department, which shall be in complete form and include fees for the entire study taking into account the time expected to be spent by the consultant in aiding the Project Party to complete a bond or note issue, such as: attendance at Department meetings, rating agency meetings, and the pre-closing and closing; review of legal documents and completion of all necessary consent and comfort letters. The Project Party shall notify the Department of any subsequent requested changes in the fee for the study, together with explanations therefor, prior to incurring the additional time or charges. Any feasibility consultant so selected shall include within the scope of work to be performed, and fee to be charged to the Project Party, consultation with the Department concerning the Department's determination as to whether the Project Party is a responsible party, as required by statute, and the feasibility consultant's review of the Project Party's estimate of benefits to be derived by the financing contemplated by this Agreement, which review shall include consultation with the Department.

- (3) That both the Department and the Project Party acknowledge that, in order to provide for certain of the requirements mentioned in (2) above, certain expenses may be incurred prior to the time, if any, when the Department shall issue its bonds or notes for the benefit of the Project Party;
- (4) That, without limiting the generality of any of the foregoing, such expenses may comprise the costs of studies of financial feasibility (whether in preliminary form or otherwise), certain legal fees, including the Department's bond counsel, the costs of printing of certain documents of the Department which relate specifically to the Project Party, costs related to the time spent by employees of the Department in reviewing the Project Party's application and documents and documents relating to the financing and any other costs, fees or other expenses which the Department shall incur relating to the Project Party;
- (5) That, with respect to such expenses as mentioned in (3) and (4) above, the Project Party shall be liable for payment of any and all such expenses, and the Project Party has submitted with this Fee Agreement a certified or cashier's check in the amount of \$1,000 made payable to the Department representing a nonrefundable fee to be applied to the payment of said expenses and, with respect to the expenses in excess of \$1,000, the Project Party shall pay all such expenses as the same become due and payable, and the Department shall in no way be liable for any such expenses or their payment;
- (6) That the Project Party may be reimbursed by the Department for certain of such expenses, if the Department and the Project Party shall so agree, in writing, but any such reimbursement may be made only from moneys of the Department received as proceeds from the issuance of bonds or notes of the Department sold for the benefit of the Project Party.
- (7) That the costs of the underwriters and investment bankers for the transaction will be paid by the Project Party.
- (8) Anything to the contrary notwithstanding, the amount paid or reimbursed pursuant to (6) above and paid pursuant to (7) above shall not exceed that amount permitted to be paid from bond proceeds pursuant to applicable federal and state law. Unless otherwise mutually agreed upon, all costs as mentioned in (6) above and (7) above in excess of the amount permitted to be paid from bond proceeds pursuant to applicable federal and state law shall be the responsibility of the Project party.
- (9) It is understood that the Project Party will be liable to the firm that prepares its financial feasibility studies, to its attorneys, and to any others with whom it has independently contracted.

- (10) That nothing contained herein shall be construed as an agreement or indication of intent on the part of either the Department or the Project Party that the Department shall proceed to sell or issue bonds or notes of the Department for the benefit of the Project Party; and
- (11) That the Project Party agrees to abide by the statutory requirements regarding access to and public disclosure of its financial records.

The Department and the Project Party each have signified their acceptance of the terms and conditions of this Agreement by causing its execution, in duplicate, in the appropriate spaces provided below.

(Seal) By: \_\_\_\_\_  
 Director of Finance  
 State of Hawaii

(Seal) \_\_\_\_\_  
 (Name of Project Party)

APPROVED AS TO FORM By: \_\_\_\_\_  
 Its

\_\_\_\_\_  
 Deputy Attorney General  
 State of Hawaii By: \_\_\_\_\_  
 Its

STATE OF )  
 ) S.S.  
 )

On this \_\_\_\_\_ day of \_\_\_\_\_ before me appeared \_\_\_\_\_,  
to me personally known, who, being by me duly sworn did say that he is a \_\_\_\_\_  
of \_\_\_\_\_ and the seal affixed to the foregoing instrument is the  
corporate seal of the corporation, and that the instrument was signed and sealed on behalf of the  
corporation by authority of its board of directors and \_\_\_\_\_ acknowledged the  
instrument to be the free act and deed of the corporation.

[Seal]

\_\_\_\_\_  
Notary Public  
State of

My commission expires:

STATE OF )  
 ) S.S.  
 )

On this \_\_\_\_\_ day of \_\_\_\_\_ before me appeared \_\_\_\_\_,  
to me personally known, who, being by me duly sworn did say that he is a \_\_\_\_\_  
of \_\_\_\_\_ and the seal affixed to the foregoing instrument is the  
corporate seal of the corporation, and that the instrument was signed and sealed on behalf of the  
corporation by authority of its board of directors and \_\_\_\_\_ acknowledged the  
instrument to be the free act and deed of the corporation.

[Seal]

\_\_\_\_\_  
Notary Public  
State of

My commission expires: