

FIRST AMENDMENT TO
MASTER AGREEMENT BETWEEN THE STATE OF HAWAII
AND
THE RESEARCH CORPORATION OF THE UNIVERSITY OF HAWAII

This FIRST AMENDMENT TO MASTER AGREEMENT made on the _____ of June, 1999, and effective June 30, 1999, is entered into by and between the STATE OF HAWAII (hereinafter referred to as the "STATE"), on behalf of all Executive Branch departments and agencies except the University of Hawaii, and THE RESEARCH CORPORATION OF THE UNIVERSITY OF HAWAII (hereinafter referred to as "RCUH").

W I T N E S S E T H

WHEREAS, STATE and RCUH entered into that certain MASTER AGREEMENT BETWEEN THE STATE OF HAWAII AND THE RESEARCH CORPORATION OF THE UNIVERSITY OF HAWAII dated April 17, 1995 (hereinafter "Master Agreement"), to further their mutual interests in promoting education, research, and investigation in Hawaii, and maximizing the amount of federal and other non-state funding available to the State of Hawaii to pursue these mutually held objectives;

WHEREAS, STATE and RCUH entered into the Master Agreement to implement the provisions of Act 97, 1994 Session Laws of Hawaii, and provide uniform terms and conditions for departments and agencies of the Executive Branch of the State of Hawaii to secure the assistance of RCUH in managing and administering their research projects; more particularly, to specify the circumstances under which the RCUH would be available to assist Executive Branch departments and agencies of the State of Hawaii with the administration and management of individual research projects that a department or agency may undertake; and to provide a single uniform description of the services that RCUH is able to provide, and the procedures that need to be followed to secure those services from RCUH for individual research projects;

WHEREAS, Section 17 of the Master Agreement permits the agreement to be amended by written mutual agreement of STATE and RCUH;

WHEREAS, STATE and RCUH mutually agree that the Master Agreement should be amended to clarify the parties' respective responsibilities with respect to satisfying the requirements of applicable law, and the terms and conditions imposed upon the various research projects that STATE retains RCUH to manage and administer under this Master Agreement and individual project agreements;

NOW, THEREFORE, in consideration of the mutual agreements set forth in the Master Agreement, and this first amendment to the Master Agreement, STATE and RCUH agree to amend the Master Agreement by amending subsections b., e., f., and g. of Section 4, Responsibilities of the STATE, to read as follows:

- b. Obtain the Department of the Attorney General's review as to whether the provision of administrative services by RCUH for a particular project is appropriate under Chapter 307, Hawaii Revised Statutes, and any other applicable law and, also, approval as to the form and content of the specific requirements described in the project agreement, including amendments and continuations thereof.
- e. Fulfill all the terms and conditions imposed upon STATE in a project award, contract, or grant document.
- f. Supervise the project with responsibility for completion of the scope, workplan and schedule of the project, as described in a project award, contract, or grant document.
- g. STATE shall be ultimately responsible and accountable for the management and conduct of all projects covered by this MASTER AGREEMENT, including but not limited to compliance with all applicable state and federal laws, and state and federal program requirements in the management and conduct of each project.

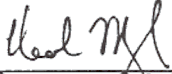
Since STATE is ultimately responsible and accountable for complying with all applicable laws and program requirements in managing and conducting a project, and for fulfilling all the terms and conditions imposed by any award, contract, or grant for a project, STATE retains all responsibility for paying all liabilities, penalties, interest, and expenses imposed for failure to satisfy applicable law, a program requirement, or term or condition of an award, contract, or grant, in the management and conduct of the project; provided, however, that STATE shall not be responsible for payment of liabilities, penalties, interest and other expenses incurred by RCUH if the Attorney General determines that a RCUH officer's or employee's action or omission to act (a) was material to the accrual of liability and (b) constitutes gross negligence, willful misconduct, or violation of the criminal law.

In rendering administrative services pursuant to this AGREEMENT, RCUH will be acting as an agent of STATE, and not as principal; provided, however, that in the event, pursuant to authorization by law, a project is transferred to RCUH by an Executive Branch department or agency for direct management thereof by RCUH, RCUH shall act as principal, not as an agent, and RCUH shall be responsible and accountable for the management and conduct of such transferred project, including but not limited to the payment of liabilities, penalties, interest, and expenses that may be incurred by STATE for such project.

IT IS FURTHER AGREED, that unless amended herein, the Master Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, STATE and RCUH execute this First Amendment to the Master Agreement by their signatures, on the dates below.

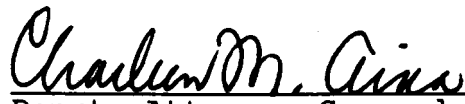
STATE OF HAWAII

By 
Its Director of Finance
Date: 7/14/99

THE RESEARCH CORPORATION OF
THE UNIVERSITY OF HAWAII

By 
Its Executive Director
Date: June 30, 1999

APPROVED AS TO FORM AND CONTENT


Deputy Attorney General
State of Hawaii