

 <p>HAWAII HEALTH SYSTEMS C O R P O R A T I O N "Touching Lives Everyday"</p> <p>Policies</p>	Department: Corporate Finance	Policy No.: FIN 0027
	Issued by: Kelley Roberson COO & CFO	Revision No.: NA
Subject: <i>Disposition of Real Property</i>	Approved by: HHSC Board of Directors By: Raymond Ono Its: Secretary/Treasurer	Effective Date: April 9, 2009
		Supersedes Policy: NA
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- I. **PURPOSE AND SCOPE:** To establish corporation policy governing the disposition of real property.
- II. **STATEMENT OF POLICY.** It is the policy of the Hawaii Health Systems Corporation to make best and most efficient use of all of its assets. Any disposition (sale or donation) of real property owned by HHSC at the time of transfer of custodial control to the regions, thereof, shall only be upon mutual consent of the Hawaii health systems corporation board and the appropriate regional system board(s), which consent shall not be withheld by either if the proposed disposition meets all of the following conditions:
1. The real property subject to disposition is not necessary for any of the regions or the system as a whole to meet its operating requirements;
 2. The proposed disposition of real property is consistent with and furthers the public interest, the interests of the regions, and the mission of corporation;
 3. The disposition is in accordance with all applicable State laws concerning disposition of real property;
 4. The method of disposition of the real property provides the best value to the region(s) or the system as a whole;
 5. The proposed disposition is not detrimental to the interests of any of the regions or operations of the system; and
 6. The disposition is not for the purpose of speculative investments in real estate.
- III. **RESPONSIBILITIES.** Management at every level of the HHSC system is responsible for implementing procedures and controls to properly manage any disposition of real property owned by HHSC at the time of transfer of custodial control to the regions, in accordance with this policy.

Governance at each level shall hold management accountable for compliance with this policy.

- IV. IMPLEMENTATION OF POLICY.** Any disposition of such real property owned by HHSC at the time of transfer of custodial control to the regions, with value of five million dollars (\$5,000,000) or more shall be approved in advance by the HHSC Corporate Board of Directors. Any disposition of such real property with value up to five million dollars (\$5,000,000) shall be approved by the governance of other corporations or business units of HHSC. When presenting request for approval for disposition of such real property, prior to approval by governance, management shall certify that it has determined the property is and will be excess to HHSC operating requirements. Management shall implement and maintain procedures for the disposition of real property in accordance with this policy and any applicable state law. Management may establish standard documents for disposition of real property.
- V. APPLICABILITY:** Governance for HHSC, and management and staff of HHSC. "HHSC" as used in this section and below means the entire system, including the corporation, the regions and the facilities therein, and any other entities and business ventures owned, operated, managed, or controlled by the corporation, its regions or facilities therein, or any one or more of the foregoing, including, but not limited to, nonprofit corporations, for profit corporations, limited liability companies, and partnerships. This policy is applicable to the disposition of real property owned by HHSC at the time of transfer of custodial control to the respective region. Property acquired by the region after establishment of the regional system board shall be governed by regional policies.
- VI. Regional Policies.** Regional System Boards of Directors and governance for other HHSC entities are authorized to issue regional policies consistent with this policy.
- VII. REFERENCE: HRS Chapter 323F-7©(18) and (19).**