

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Division of Forestry and Wildlife
Honolulu, Hawaii 96813

February 8, 2008

Chairperson and Members
Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii

Land Board Members:

SUBJECT: Request Approval of Contract with the Kokua Kalihi Valley to Participate in the State Forest Stewardship Program.

Background:

The Hawaii State Forest Stewardship (FS) Program provides technical and financial assistance to private landowners committed to the stewardship, conservation and enhancement of important forest resources that provide a variety of private and public benefits. This assistance encourages and enables private landowners to develop and implement long-term multi-resource management plans to restore and maintain primary forest values including timber productivity, watershed productivity, wildlife habitat availability, non-timber forest product diversity, recreational opportunities and native forest resources. The Program became effective through Act 327, SLH 1991. Annual funding is provided by the Conveyance Tax pursuant to Act 195, SLH 1993, Section 247-7, Hawaii Revised Statutes, whereby twenty-five percent of the amount collected from this tax is paid into the Natural Area Reserve fund from which funds are dispersed to the Forest Stewardship and Natural area Partnership Programs.

The Forest Stewardship Advisory Committee recommended assistance for the Kokua Kalihi Valley: Kalihi Valley Nature Park Reforestation Forest Stewardship Project on June 2, 2006. This is the second Stewardship project proposal on Oahu that has made it through the advisory process. The Kokua Kahili Valley Stewardship project proposes to restore and manage 30 acres of native forest systems on approximately 100 acre parcel corresponding to TMK 1-4-014:0026; 1-4-014:001; and 1-4-016:003 for the purposes of native species restoration and habitat improvement, soil and water protection and improvement, and forest recreation enhancement. Work to be done under the Forest Stewardship Management Plan involves the cultivate and regenerate a koa (*Acacia koa*) mesic forest with a mixed species understory; preserving, propagating and expanding existing koa; other native and Polynesian introduced tree species; and trail building activities to increase access for education, recreational and cultural purposes.

Exhibit A provides copies of the governor approval letter, project management plan, the proposed contract, project maps, and supporting documents.

The Kokua Kalihi Valley: Kalihi Valley Nature Park Reforestation Forest Stewardship project has three specific management objectives, which are explained below.

Native Species Restoration and Habitat Improvement: The project goal is to develop 20 acres of Koa mesic forest in a tiered, mixed species arrangement. Koa will comprise the forest canopy, followed by a diverse middle story of predominantly native species. The project utilizes koa as the primary overstory species based on the continued existence of a number of remaining Koa trees found within the 100 acre Nature Park at the 800 foot elevation level and beyond. A broad diversity of other native tree species will be planted throughout the reforestation area and will be allowed to fill in throughout the lower elevation reforestation areas. The reforestation area is currently dominated by albizzia, rose apple and strawberry guava. The reforestation plan involves clearing these invasive species, establishing a fast growing groundcover to assist with weed and erosion control, and to intersperse amongst this groundcover a first phase planting of Koa (overstory) seedlings followed by a second phase planting after 1 year with a variety of native and Polynesian introduced mid-story seedlings. Within the shade of the growing overstory and mid-story trees (after approximately 3 years), a wider variety of slower growing native and Polynesian introduced groundcovers will be planted.

Soil and Water Protection and Improvement: This objective will focus on maintaining or improving the productivity of the forest soils and preventing erosion of forest land within the native reforestation area. Strategies will include the use of native soil protecting plants in critical areas prone to erosion and maintaining existing water diversion channels in reforestation areas. The protection and improvement of soil and water throughout the reforestation area is an integral aspect of the Native Species Restoration and Habitat Improvement objective above and the Forest Recreation Enhancement objective below.

Forest Recreation Enhancement: Forest recreation enhancement will involve the development of hiking trails and walking paths throughout the Kalihi Valley Nature Park supporting increased recreational and educational uses. A network of interconnecting hiking trails will be created over the 12 acres within the 100 acre site. Some of these trails will be less strenuous and relatively flat and some trails will be designed to allow bicycle riding. Trails will lead people to sites of interest on the property including archaeological sites and a campground area. Access to the top of Kamanaiki ridge will be established by the construction of a switchback trail that climbs the southern slope. Trails will be developed and maintained to the standards created by the State Na Ala Hele program.

Through the Forest Stewardship Agreement with the Department, Kokua Kalihi Valley is committed to maintaining the Kalihi Valley Nature Park Reforestation project as a healthy, biologically diverse native forest area for conservation, restoration, and educational purposes through the year 2024. The costs associated with the proposed practices are consistent with the intensity of management required for these management practices.

A total of \$355,520.00 in State Forest Stewardship funding, is being requested to share costs associated with a variety of management practices including site preparation, weed control, seedling acquisition, planting, irrigation, fertilization and soil amendments, and trail construction. This cost-share funding will be provided in incremental reimbursement payments, matched equally or more by the landowner, as management practices are completed through the state fiscal year 2017.

RECOMMENDATIONS:

1. That the Board approve this contract agreement with the Kokua Kalihi Valley to participate in the implementation of the State Forest Stewardship Program subject to the following:
 - A. Availability of State Forest Stewardship funds.
 - B. Review of the contract and approval as to form by the Department of the Attorney general.
2. Authorize the Chairperson to finalize and execute the subject contract.

Respectfully submitted,



Paul J. Conry, Administrator
Division of Forestry and Wildlife

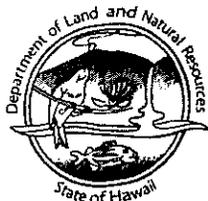
Attachment
(Exhibit A)

APPROVED FOR SUBMITTAL:



Laura H. Thielen, Chairperson

LINDA LINGLE
GOVERNOR OF HAWAII



STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

January 14, 2008

LAURA H. THIELEN
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

RUSSELL Y. TSUJI
FIRST DEPUTY

KEN C. KAWAHARA
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING

FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

MEMORANDUM

TO: Clyde W. Nāmu'o, Administrator
Office of Hawaiian Affairs

FROM: Paul J. Conry, Administrator
Division of Forestry and Wildlife

A handwritten signature in black ink that reads "Paul J. Conry".

SUBJECT: Request Approval of Contract with the Kokua Kahili Valley to Participate in the State Forest Stewardship Program.

LOCATION: O'ahu

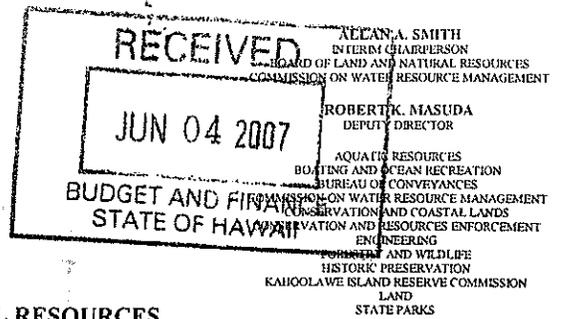
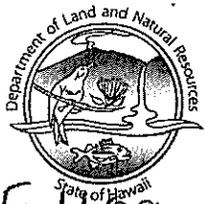
Attach for your review and comment is the Division of Forestry and Wildlife's board submittal we intend to present to the Board of Land and Natural Resources at its February 8, 2008 meeting. We would appreciate receiving any comments by January 23, 2008.

Should you have any questions, please contact Sheri Mann by phone (808) 587-4172 or email Sheri.S.Mann@hawaii.gov

Thank you for your time and consideration.

LINDA LINGLE
GOVERNOR OF HAWAII

07:0622216



B&F 11096
S: 6/12/07

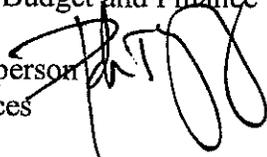
STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

MEMORANDUM

TO: THE HONORABLE LINDA LINGLE
Governor of Hawaii

THRU: HONORABLE GEORGINA KAWAMURA
Director of Finance Department of Budget and Finance

FROM:  ALLAN A. SMITH, Interim Chairperson
Board of Land and Natural Resources 

SUBJECT: Request Approval of a 10 year contract with a long term lessee Kokua Kalihi Valley, pursuant to Chapter 195F, HRS, and Act 327, SLH 1991, Forest Stewardship Program; Chapter 247-7, and Act 195, SLH 1993, Conveyance Tax.

In accordance with FY 2007 Budget Execution Policies and Instructions – Executive Memo No. 06-04, we are requesting Governor’s approval to enter into contracts of services for the Forest Stewardship and Natural Area Partnership Program for Projects that provide at least \$25,000 state cost-share contribution. The Forest Stewardship Program provides funding to assist private landowners to manage, protect, and restore important watersheds, native vegetation, fish and wildlife habitats, rare and endangered plants, and other important natural resources in Hawaii. Use of the Forest Stewardship Fund shall not exceed fifty percent of the cost of implementing the approved management plan.

Specifically, we are requesting your approval to enter into a contract with long-term lessee Kokua Kalihi Valley (KKV), to participate in the Forest Stewardship Program. The lease is with DLNR’s Division of State Parks and is in its second year of a 20 year lease. Kokua Kalihi Valley is a non-profit community organization located in Kalihi Valley that is interested in developing a nature park, active learning center, creating up to 20 acres of Hawaiian gardens, preserve and restore ancient Hawaiian agricultural walls and terraces, and restoring 20 acres of land that was once native forest and is now intermixed with invasive species. The applicant is seeking assistance from the Forest Stewardship Program for the 20 acres of forest restoration using all native species. The Forest Stewardship Advisory Committee approved the KKV Forest Stewardship management plan on June 2, 2006.

The projected total cost of the KKV management plan is \$707,850.00 of which \$355,520.00 in state funding assistance will be provided as periodic cost-share reimbursement payments to KKV during a ten-year contractual period. After the expected contract development

time, the total contract period is anticipated to be June 1, 2007 to June 1, 2026, which includes a 10-year cost-share period and an 8-year maintenance commitment by the applicant.

Annual appropriations and payments to KKV are subject to continued State funding of its fifty percent share of the approved management budget.

Attachments:

- 1) Approved Forest Management Plan and budget schedule
- 2) Copy of the twenty year lease with State Parks
- 3) Copy of the approved Conservation District Use Permit

RECOMMEND:

APPROVAL DISAPPROVAL



GEORGINA KAWAMURA
Director of Budget and Finance

6/21/07
DATE

APPROVED DISAPPROVED



Linda Lingle
Governor, State of Hawaii

6/25/07
DATE

**Request for Taxpayer
Identification Number and Certification**

Give form to the requester. Do not send to the IRS.

Print or type
See Specific Instructions on page 2.

Name (as shown on your income tax return)

Kokua Kalihii Valley

Business name, if different from above

Check appropriate box: Individual/Sole proprietor Corporation Partnership Other *Non-Exempt* Exempt from backup withholding

Address (number, street, and apt. or suite no.)

2239 N School St

City, state, and ZIP code

Honolulu HI 96819

List account number(s) here (optional)

Requester's name and address (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Social security number
| | + | + | | |

or

Employer identification number
91901149797

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Part II Certification

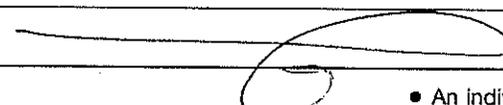
Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
- I am a U.S. person (including a U.S. resident alien).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (See the instructions on page 4.)

Sign Here

Signature of U.S. person



Date

9/14/07

Purpose of Form

A person who is required to file an information return with the IRS, must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

U.S. person. Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee.

In 3 above, if applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

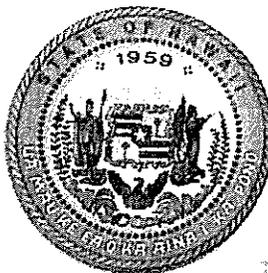
For federal tax purposes, you are considered a person if you are:

- An individual who is a citizen or resident of the United States,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States, or
- Any estate (other than a foreign estate) or trust. See Regulations sections 301.7701-6(a) and 7(a) for additional information.

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,



STATE OF HAWAII
STATE PROCUREMENT OFFICE

CERTIFICATE OF VENDOR COMPLIANCE

Pursuant to Section 103D-310, HRS, and Section 3-122-112, HAR, this document presents the compliance status of the vendor identified below on the issue date with respect to certificates required from the Hawaii Department of Taxation (DOTAX), the Internal Revenue Service, the Hawaii Department of Labor and Industrial Relations (DLIR), and the Hawaii Department of Commerce and Consumer Affairs (DCCA).

Vendor Name: **KOKUA KALIHI VALLEY (COMPREHENSIVE FAMILY SERVICES)**
 DBA/Trade Name: **KOKUA KALIHI VALLEY (COMPREHENSIVE FAMILY SERVICES)**
 Issue Date: **12/20/2006**
 Status: **Compliant**
 Hawaii Tax#: W20291036-01
 FEIN/SSN#: 99-0149797
 UI#: 0000845469
 DCCA FILE#: 22208

Status of Compliance for this Vendor on issue date:

Form	Department(s)	Status
A-6	Hawaii Department of Taxation Internal Revenue Service	Compliant Compliant
COGS	Hawaii Department of Commerce & Consumer Affairs	Exempt
LIR27	Hawaii Department of Labor & Industrial Relations	Compliant



Status Legend:

Status	Description
Exempt	The entity is exempt from this requirement
Compliant	The entity is compliant with this requirement
Pending	The entity is compliant with DLIR requirement
Submitted	The entity has applied for the certificate but it is awaiting approval
Not Compliant	The entity is not in compliance with the requirement and should contact the issuing agency for more information

STATE OF HAWAII — DEPARTMENT OF TAXATION
TAX CLEARANCE APPLICATION
PLEASE TYPE OR PRINT CLEARLY

1. APPLICANT INFORMATION: (PLEASE PRINT CLEARLY)

Applicant's Name Kokua Kalihi Valley Comprehensive Family Services
Address 2239 North School Street
City/State/Zip Code Honolulu, HI 96819
DBA/Trade Name _____

2. TAX IDENTIFICATION NUMBER(S): (Complete applicable ID numbers)

HAWAII TAX ID # W W2029103 - 02
FEDERAL EMPLOYER ID # 99 - 0149797
(FEIN)
SOCIAL SECURITY #(SSN) _____

3. APPLICANT IS A/AN: (CHECK ONLY ONE BOX)

- CORPORATION
- INDIVIDUAL
- LIMITED LIABILITY COMPANY
- Single Member LLC disregarded as separate from owner; enter owner's FEIN/SSN _____
- Subsidiary Corporation; enter parent corporation's name and FEIN _____
- S CORPORATION
- PARTNERSHIP
- LIMITED LIABILITY PARTNERSHIP
- TAX EXEMPT ORGANIZATION
- ESTATE
- TRUST

4. THE TAX CLEARANCE IS REQUIRED FOR:

- CITY, COUNTY, OR STATE GOVERNMENT CONTRACT IN HAWAII *
- REAL ESTATE LICENSE
- FINANCIAL CLOSING
- HAWAII STATE RESIDENCY
- SUBCONTRACT
- CONTRACTOR LICENSE
- PROGRESS PAYMENT
- FEDERAL CONTRACT
- OTHER _____
- LIQUOR LICENSE *
- BULK SALES**
- PERSONAL
- LOAN

* IRS APPROVAL STAMP IS ONLY REQUIRED FOR PURPOSES INDICATED BY AN ASTERISK.

** ATTACH FORM G-8A, REPORT OF BULK SALE OR TRANSFER

5. NO. OF CERTIFIED COPIES REQUESTED:

10

6. SIGNATURE:

Allen Kanno

PRINT NAME

all

SIGNATURE

Chief Financial Officer

PRINT TITLE: Corporate Officer, General Partner or Member, Individual (Sole Proprietor), Trustee, Executor

01/04/08

DATE

(808) 791 - 9411

TELEPHONE

(808) 791 - 9456

FAX

FOR OFFICE USE ONLY

BUSINESS START DATE IN HAWAII
IF APPLICABLE
03 / 01 / 97

HAWAII RETURNS FILED
IF APPLICABLE
20 ____ 20 ____ 20 ____

STATE OF HAWAII
DEPARTMENT OF TAXATION
APPROVED
JAN - 7 2008
per *[Signature]*
Department of Taxation

*IRS APPROVAL STAMP
OFFICE
019-00030
JAN 07 2008
[Signature]

CERTIFIED COPY STAMP
W & H HONOLULU
This copy is acceptable as
a substitute for the original
for reporting and taxable amount
[Signature]
INTERNAL REVENUE SERVICE

POWER OF ATTORNEY. If submitted by someone other than a Corporate Officer, General Partner or Member, Individual (Sole Proprietor), Trustee, or Executor, a power of attorney (State of Hawaii, Department of Taxation, Form N-848) must be submitted with this application. If a Tax Clearance is required from the Internal Revenue Service, IRS Form 8821, or IRS Form 2848 is also required. Applications submitted without proper authorization will be sent to the address of record with the taxing authority. UNSIGNED APPLICATIONS WILL NOT BE PROCESSED.
PLEASE TYPE OR PRINT CLEARLY — THE FRONT PAGE OF THIS APPLICATION BECOMES THE CERTIFICATE UPON APPROVAL.
SEE PAGE 2 ON REVERSE & SEPARATE INSTRUCTIONS. Failure to provide required information on page 2 of this application or as required in the separate instructions to this application will result in a denial of the Tax Clearance request.

Forest Stewardship Program Review and Approval Form

VENDOR

2006-0

Ko'oa Kalihini Valley, Oahu

Funding Rqst \$ _____

Cash Match \$ _____

In Kind Match \$ _____

Purchase Order No: _____

Background Information

Project Description

Reforestation, restoration

GRANT REVIEW PROCESS

1. Date Received:

3/1/06

Stewardship Response Comments

Coordinator Signature _____

Committee approved pre-proposal. Invited KKV to develop a full management plan. PS will pay for management plan.

Amount to be determined.

2. Applicant Response

3. Subcommittee Review

Subcommittee Review Comments*

Signature _____

4. Applicant revisions received

Yes No

5. Council Meeting

Date

3/24/06

Location

Kahului Maui

FINAL COUNCIL DECISION

Project Approved _____

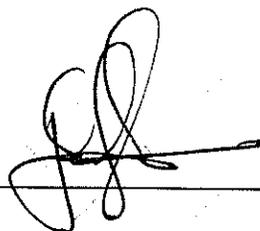
Amount Awarded \$ _____

Project Deferred or Pending. _____

Recommendations of Council/Members Abstaining from Vote: _____

NA

Signature of Forest Stewardship Advisory Chair _____



Date

3/24/06

*The subcommittee convenes to pre-review grant applications (Stewardship, Forest Lands Enhancement and Forest Legacy) between quarterly meetings.

FOREST STEWARDSHIP AGREEMENT

THIS AGREEMENT, made this _____ day of _____, 20____, by and between the STATE OF HAWAII, by its Department of Land and Natural Resources, Division of Forestry and Wildlife (hereafter "STATE"), subject to approval given by the Board of Land and Natural Resources, and **Kokua Kalihi Valley**, (hereafter "LANDOWNER") whose address and taxpayer identification number are as follows: **Kokua Kalihi Valley 2239 North School Street, Honolulu, Hawaii 96819 Tax payer ID # 99-0149797.**

WITNESSETH

WHEREAS, Chapter 195F, Hawaii Revised Statutes (HRS), provides for the establishment of a forest stewardship program to encourage and assist private landowners in managing, protecting, and restoring important watersheds, native vegetation, fish and wildlife habitats, isolated populations of rare and endangered plants, and other forest lands that are not recognized as potential natural area reserves; and

WHEREAS, in accordance with HRS Chapter 195F and Title 13, Subtitle 5, Part 1, Chapter 109 of the Hawaii Administrative Rules (HAR), the LANDOWNER has applied, and qualifies, for participation in the forest stewardship program; and

WHEREAS, the LANDOWNER has submitted a forest stewardship management plan, as set forth in Attachment 1 hereto, that the STATE agrees is consistent with the policies, goals, and objectives of the forest stewardship program; and

WHEREAS, the STATE desires to assist the LANDOWNER in implementing the forest stewardship management plan with financial and other assistance; and

WHEREAS, money is available to fund this agreement pursuant to: Act 195, SLH 1993, Hawaii Revised Statutes, Section 247-7.

NOW, THEREFORE, in consideration of the promises contained in this AGREEMENT, the STATE and the LANDOWNER agree as follows:

1. The LANDOWNER hereby agrees to implement the forest stewardship management plan, and the STATE, subject to the approval of the Board of Land and Natural Resources, agrees to assist the LANDOWNER in implementing the forest stewardship management plan, all in accordance with the terms and conditions set forth in Attachments 1, 2, 3, 4 and 5, attached hereto.

2. The Standards of Conduct Declaration attached hereto is made a part of this AGREEMENT. The term "CONTRACTOR" in the Standards of Conduct Declaration shall mean the LANDOWNER for the purposes of the AGREEMENT.

3. The General Conditions and any Special Conditions attached hereto are made part of this AGREEMENT. The term "CONTRACTOR" in the General Conditions shall mean the LANDOWNER for the purposes of the AGREEMENT. In the event of a conflict between the General Conditions and the Special Conditions, the Special Conditions shall control.

4. Any written notice required to be given by any party to this AGREEMENT shall be (a) delivered personally, or (b) sent by the United States first class mail, postage prepaid. Notice to be given to the STATE shall be sent to: Chairperson, Board of Land and Natural Resources, 1151 Punchbowl Street, Honolulu, Hawaii 96813. Notice to the LANDOWNER shall be sent to the address above written, or such other address as the LANDOWNER shall provide in writing to the STATE. A notice shall be deemed to have been received three (3) days after mailing or at the time of actual receipt, whichever is earlier.

IN WITNESS WHEREOF, the parties execute this AGREEMENT by their signatures to be effective as of the date first above written.

STATE

By _____
Chairperson of the Board of Land and
Natural Resources

Print Name

Date _____

8009 06/11/09 08

LANDOWNER

By David

DAVID DEBRAUF
Print Name

Date 12/1/09

Approved by the Board of
Land and Natural Resources on

APPROVED AS TO FORM:

Deputy Attorney General

LANDOWNER'S ACKNOWLEDGMENT

State of Hawaii)
) SS.
County of Honolulu)

On this 27th day of December, 2007, before me personally appeared David Derauf, to me personally known, who being by me duly sworn, did say the he/she is the Executive Director of Kookia, ^{Kalihi Valley} the LANDOWNER named in the foregoing instrument, and the he/she is authorized to sign said instrument on behalf of the LANDOWNER, and acknowledges that he/she executed said instrument as the free act and deed of the LANDOWNER.

LS.

Phyllis Keohohou
Notary Public, Phyllis Keohohou
My Commission Expires: August 20, 2008

Attachment I

SPECIAL CONDITIONS REGARDING PRIMARY OBJECTIVE AND SCOPE OF SERVICES

SECTION 1 - SCOPE OF WORK

- 1.1 MANAGEMENT AREA - The project area to be managed is the KOKUA KALIHI VALLEY native species restoration & habitat improvement, watershed protection & improvement, and forest recreation enhancement; TMK NUMBERS 1-4-014-:0026, 1-4-014:001, 1-4-016:003 designated on the map as Exhibit A to this AGREEMENT.

- 1.2 THE PRIMARY OBJECTIVES - The STATE and KOKUA KALIHI VALLEY. (hereinafter "LANDOWNER") shall direct their efforts under this AGREEMENT to do the following: fund the management of and manage the natural resources of the KOKUA KALIHI VALLEY project area in accordance with the MANAGEMENT PLAN, attached as Exhibit A to this AGREEMENT, and all approved amendments thereto, with the intention of native species restoration & habitat improvement, soil and water protection & improvement, and forest recreation enhancement, increase natural resource management capacity through environmental education in the Kalihi community.

- 1.3 SCOPE OF WORK - The LANDOWNER shall perform the following technical and professional services:
 - (a) Management plan. The LANDOWNER shall carry out the management activities outlined in the approved MANAGEMENT PLAN, attached as Exhibit A to this AGREEMENT.

 - (b) Consultation. The LANDOWNER shall be available for consultation regarding progress, upon request by the STATE.

1.4 AUTHORITY TO CARRY OUT MANAGEMENT PLAN - The LANDOWNER hereby represents that it has authority to carry out the MANAGEMENT PLAN and that it is the landowner of forest lands as defined in Section 195F-2, Hawaii Revised Statutes, as amended.

1.5 NO INCONSISTENT ACTIVITIES - The LANDOWNER shall not take any action on the KOKUA KALIHI VALLEY project area, which will undermine or conflict with the approved MANAGEMENT PLAN.

1.6 PERTINENT INFORMATION - The STATE shall furnish to the LANDOWNER without charge any pertinent information reasonably available to the STATE without significant expense.

II. SECTION 2 - CONTROL AND PROGRESS OF THE WORK

2.1 REPORTS - The LANDOWNER shall submit to the STATE, reports showing work accomplished at the following times:

- (a) Progress Reports. A progress report shall be due on December 31 of each year under this AGREEMENT for which funding has been approved. This report shall include a description of the approved MANAGEMENT PLAN accomplishments and activities, areas needing technical advice, an accounting of expenditures with documentation, and proposed modifications to the current year's management activities. This report shall be submitted to the STATE within 30 days following the due date. If the LANDOWNER would like more than 2 reimbursements per year, a progress report shall accompany each reimbursement request and the KOKUA KALIHI VALLEY project area shall be made available for a site visit by Department of Land and Natural Resources personnel.

(b) Annual Report. An annual report shall be due on or before June 30 of each year under this AGREEMENT for which funding has been approved in order to ascertain the need to amend the contract for the following year. In the event the contract is executed less than 6 months prior to June 30, then no annual report is due on June 30, 2007. This report shall include a description of MANAGEMENT PLAN accomplishments and activities, areas needing technical advice, and proposed modifications to the next year's approved management objectives, projects and budget. This report shall also include a detailed accounting of expenditures for the preceding 12-month period to provide the basis for the annual reconciliation of the STATE's and the LANDOWNER's respective shares of funding as determined pursuant to Attachment 3, Section 2.1. This report shall be submitted to the STATE within 60 days of due date. This report may also request, subject to approval by the STATE, changes to the management plan, for either or both the practice implementation schedule and/or the budget/payment schedule in order to best consolidate and rectify the past year's outcomes or lack thereof.

2.2 DELEGATION OF AUTHORITY - As used herein and throughout this AGREEMENT, unless the context clearly indicates otherwise, the STATE shall include the State of Hawaii Department of Land and Natural Resources and its authorized employees, agents and representatives.

Attachment 2

SPECIAL CONDITIONS REGARDING TIME OF PERFORMANCE

I. SECTION 1 - EXECUTION OF AGREEMENT

1.1 EXECUTION OF AGREEMENT - This AGREEMENT shall be promptly executed by the STATE and the LANDOWNER upon approval by each party.

1.2 CERTIFICATION AND APPROVAL OF AGREEMENT - This AGREEMENT shall not be considered binding upon the STATE, unless the availability of the funds therefore has been duly certified as prescribed by Section 103-39, Hawaii Revised Statutes, as amended. Further, this AGREEMENT shall not be considered to be fully executed unless the Office of the Attorney General of the State of Hawaii has approved this AGREEMENT as to form.

II. SECTION 2 - TERM

2.1 INITIAL TERM - The initial term will be for a minimum of 7 years following the completion of any and all management practices for which the LANDOWNER has received cost-share assistance – Ten Years. Accordingly, this AGREEMENT shall commence on the date of full execution hereof and shall be in effect until November 30, 2024; subject, however to earlier termination as provided in this AGREEMENT.

2.2 STATE FUNDING CONDITION - This AGREEMENT is subject to continued funding of the STATE's share of the approved management budget as outlined in Attachment 3, Section 1.1. Annual funding is provided by the Conveyance Tax pursuant to Act 195, SLH 1993, Section 247-7, Hawaii Revised Statutes, whereby twenty-five percent of the amount collected from this tax shall be paid into the natural area reserve fund from which funds are dispersed to the natural area

partnership and forest stewardship programs, and by way of Act 269, SLH 2000 to projects undertaken in accordance with watershed management plans. Payments are then made through the forest stewardship program to reimburse landowners for implementing approved stewardship management practices. Any balance remaining in this fund at the end of any fiscal year shall be carried forward into the fund for the next fiscal year. If in any fiscal year the STATE does not appropriate, and/or the STATE does not approve the expenditure of, funds sufficient to meet its share of the approved management budget, this AGREEMENT shall automatically terminate without penalty at the end of the last fiscal year for which any funds have been appropriated and approved, subject to Attachment 4, Section 4.1, regarding partial State funding.

SPECIAL CONDITIONS REGARDING COMPENSATION and PAYMENT SCHEDULE

I. SECTION 1 - PAYMENT

1.1 SCOPE OF PAYMENT -

- (a) STATE's Payment. In full satisfaction of the STATE's funding share of the approved MANAGEMENT PLAN, which is contingent upon satisfactory completion by the LANDOWNER of the management activities described in the approved MANAGEMENT PLAN, attached as Exhibit A to this AGREEMENT, the STATE agrees to pay the LANDOWNER a total sum not to exceed THREE HUNDRED FIFTY FIVE THOUSAND TWENTY and 00/100 Dollars (\$355,520.00) according to the schedule outlined below that includes fiscal year 2008 through 2028 for completion of the management activities described in the approved MANAGEMENT PLAN. Payments shall be made by the STATE to the LANDOWNER as partial annual reimbursements for actual expenditures made by the LANDOWNER in completing the management activities described in the approved MANAGEMENT PLAN only after the corresponding progress or annual report has been reviewed by the STATE and all reported management activity accomplishments have been verified following an inspection of the KOKUA KALIHI VALLEY area by the STATE. Actual expenditures may include but are not limited to in-kind services such as heavy equipment operation and sources of labor. All funds to be paid by the STATE to the LANDOWNER shall be encumbered on an annual basis for the forthcoming fiscal year provided that the STATE has approved the continuation of management activities outlined in Exhibit A of this AGREEMENT for the forthcoming fiscal year.

If the allocated annual funds are encumbered or fully exhausted due to the LANDOWNER not completing all of the management activities described in the MANAGEMENT PLAN for that year, the LANDOWNER may request that these funds be incorporated in the following year's encumbrances to complete the management activities which were not completed, if there are sufficient STATE funds to accommodate this request. If approved by the STATE, this will be incorporated in written amendment to the AGREEMENT.

If in any fiscal year the STATE does not appropriate, and/or the STATE does not approve the expenditure of, funds sufficient to meet the STATE's funding share of the approved MANAGEMENT PLAN, this AGREEMENT shall automatically terminate without penalty at the end of the last fiscal year for which any funds have been appropriated and approved, subject to Attachment 4, Section 4.1, regarding partial State funding.

- (b) LANDOWNER's Share. In full satisfaction of the LANDOWNER's funding share of the approved MANAGEMENT PLAN, the LANDOWNER agrees to fully complete the management activities described in the approved MANAGEMENT PLAN, and to initially assume all corresponding actual annual expenditures in expectation of the STATE's partial reimbursement for satisfactory completion of these management activities. Expenditures for implementation of the approved MANAGEMENT PLAN which are less than the amounts allocated in the approved budget may be made by the LANDOWNER in its discretion so long as the quality of materials and work as called for in the approved MANAGEMENT PLAN are not adversely affected.

KOKUA KAHILI VALLEY FOREST STEWARDSHIP

PROJECT BUDGET/PAYMENT SCHEDULE:

YEAR TOTAL BUDGET LANDOWNER SHARE STATE SHARE

Year	Total	Land Owner Share	State Share
1	\$144,845	\$72,823	\$72,022
2	\$105,445	\$52,723	\$52,722
3	\$125,945	\$62,973	\$62,972
4	\$46,445	\$23,223	\$23,222
5	\$46,945	\$23,473	\$23,472
6	\$47,445	\$23,723	\$23,722
7	\$47,945	\$23,973	\$23,972
8	\$48,445	\$24,223	\$24,222
9	\$48,945	\$24,473	\$24,472
10	\$49,445	\$24,723	\$24,722
Total	\$711,850	\$356,330	\$355,520

1.2 PAYMENT SCHEDULE –

- (a) Progress Payment. Within 30 days following receipt of the progress report as provided in Attachment 1, Section 2.1(a) for each year for which the STATE has agreed to pay the LANDOWNER as outlined in the schedule above and for which funding has been appropriated, the STATE shall pay to the LANDOWNER a portion of the STATE's funding share of the approved MANAGEMENT PLAN as a partial reimbursement of actual expenditures made to complete approved management activities. This payment shall be subject to the LANDOWNER's satisfactory completion of the corresponding approved management activities described in the approved MANAGEMENT PLAN, attached as Exhibit A to this AGREEMENT, and calculated on the basis of actual expenditures made

by the LANDOWNER. This payment shall also be subject to the STATE's approval of such progress report.

(b) Annual/Final Payment. Within 30 days of receipt of the annual report as provided in Attachment 1, Section 2.1(b), the STATE shall pay to the LANDOWNER the balance of the STATE's approved annual funding share. This payment shall be subject to the LANDOWNER's satisfactory completion of the corresponding annual management activities described in the approved MANAGEMENT PLAN, attached as Exhibit A to this AGREEMENT, and calculated on the basis of actual expenditures made by the LANDOWNER.

(1) Annual or Final Acceptance and Payment - Annual or final acceptance means a written notice from the STATE to the LANDOWNER advising the LANDOWNER of the satisfactory fulfillment of the AGREEMENT's annual or final requirements.

1.3 UNAUTHORIZED WORK - The LANDOWNER shall not receive matching STATE funds for management activities not designated in the approved MANAGEMENT PLAN. All work completed by the LANDOWNER prior to receipt of a fully-executed copy of this AGREEMENT, and prior to STATE approval of funding for any subsequent years and prior to STATE approval of any subsequent amendments to the approved MANAGEMENT PLAN, shall be at the LANDOWNER's own volition and risk, including work performed during the period of any deliberations by the STATE in anticipation of approval; provided, however, that if funding and/or amendments applicable to such work are subsequently approved, the LANDOWNER may be paid for such work even if performed prior to such approval.

II. SECTION 2 - FISCAL RECORDS MAINTENANCE, RETENTION, AND ACCESS

2.1 The LANDOWNER shall maintain, in accordance with generally acceptable accounting practices, fiscal records and supporting documents and related files, papers and reports that adequately reflect all direct and indirect expenditures and management and fiscal practices materially related to the LANDOWNER's performance of services paid for by State funds under this AGREEMENT.

(a) The STATE, the Comptroller of the State of Hawaii, and any of their authorized representatives, the committees (and their staffs) of the Legislature of the State of Hawaii, and the Legislative Auditor of the State of Hawaii shall have the right of access to any book, document, paper, file, or other records of the LANDOWNER that is materially related to the performance by the LANDOWNER of services funded by the STATE under this AGREEMENT, in accordance with generally accepted audit procedures, for the purposes of monitoring and evaluating the LANDOWNER's performance of services and the LANDOWNER's management program and fiscal practices to assure the proper and effective expenditure of funds under this AGREEMENT; provided, however, that no party conducting any such audit or examination shall copy, distribute, or retain any of such information or records, with the understanding that it is not the intention that the LANDOWNER's financial and other records and information be made public.

(b) The right of access shall not be limited to the required retention period but shall last as long as the records are retained. The LANDOWNER shall retain all records related to the LANDOWNER's performance of services funded under this AGREEMENT for at least 3 years after the date of submission of the LANDOWNER's annual reports for any designated period and payment for such expenditures by the STATE in accordance

with its matching share, except that if any litigation, claim, negotiation, investigation, audit, or other action involving the records has been started before the expiration of the 3-year period, the LANDOWNER shall retain the records until completion of the action and resolution of all issues that arise from it or until the end of the regular 3-year retention period, whichever occurs later.

Attachment 4

OTHER SPECIAL CONDITIONS

I. SECTION 1 - INSPECTIONS

1.1 The STATE shall have the right to make inspections of the KOKUA KALIHI VALLEY project area after prior notice to the LANDOWNER. In addition, the STATE shall be obligated to inspect the work on the KOKUA KALIHI VALLEY project not less frequently than once per year under this AGREEMENT, and more frequently in the case of a LANDOWNER default as provided in Section 4.1(d) below or when the LANDOWNER makes more than 2 reimbursement requests per year as provided in Attachment 1, Section 2.1. The STATE shall notify the LANDOWNER within a reasonable time thereafter of any perceived defaults in the LANDOWNER's implementation of the approved MANAGEMENT PLAN. The LANDOWNER hereby represents that it has authority to allow access to the KOKUA KALIHI VALLEY project area by the STATE in connection with this AGREEMENT, conditional upon receipt of a liability waiver, acceptable to the LANDOWNER for all state personnel visiting the KOKUA KALIHI VALLEY project area.

II. SECTION 2 - AMENDMENTS

2.1 The LANDOWNER may propose for approval by the STATE, and the STATE may approve, minor alterations to the approved MANAGEMENT PLAN, which will not have a material adverse impact on the achievement of the overall management objectives of the approved MANAGEMENT PLAN. This includes minor changes to the practice implementation schedule and/or changes in the budget/payments schedule so long as the total management activities do not subtract from or exceed the total scope of the approved MANAGEMENT PLAN and the budget/payments schedule does not exceed the total annual budget

allocations up to and including the budget request for that year, and so long as the STATE has sufficient funding available to accommodate such a request.

- 2.2 The LANDOWNER may propose for approval by the STATE, and the STATE may approve, significant changes to the approved MANAGEMENT PLAN or budget to adapt to current conditions. Significant amendments to the approved MANAGEMENT PLAN shall include an amended budget, which will increase the overall STATE's funding share above the total amount set forth in the approved budget/payment schedule. The STATE shall make the proposed amendments available for public review prior to final approval.
- 2.3 The proposed amendments may include, without limitation, re-establishment of management priorities, increase or reduction of the specified work, increases to the budget/payments schedule, or time for performance of specified tasks, all as determined considering the natural conditions of the KOKUA KALIHI VALLEY project area, existing management priorities, threats, potential for decline of the natural resource during any period under consideration, availability of specialized labor or technical expertise, permitting requirements and time needed to obtain permits, and other material factors.
- 2.4 Any proposed expenditures which will increase the overall STATE's funding share above the amount set forth in the approved budget of the approved MANAGEMENT PLAN, which are proposed either as a result of additional costs required to implement the approved MANAGEMENT PLAN or as a result of amendments to the approved MANAGEMENT PLAN, must be mutually agreed upon in advance by and between the STATE and the LANDOWNER. If so agreed upon the approval of these expenditures shall be incorporated in written amendment to this AGREEMENT.

2.5 Economic Hardship. Notwithstanding other provisions of this AGREEMENT, in the event that the LANDOWNER determines in good faith that it is financially unable without undue economic hardship to fulfill its funding share as provided in Attachment 3, Section 1.1(b), or to carry out fully the management activities described in the approved MANAGEMENT PLAN, attached as Exhibit A to this AGREEMENT, within the budget and time period established thereby, the LANDOWNER may apply to the STATE to renegotiate the terms thereof.

(a) Negotiation of Amendment. In such event, the STATE and the LANDOWNER shall meet and negotiate in good faith an acceptable amendment to the approved MANAGEMENT PLAN that seeks to accomplish the significant objectives of the approved MANAGEMENT PLAN reasonably within the LANDOWNER's financial means. The amendment may include, without limitation, re-establishment of management priorities and reduction and/or deferral of the specified work, involving significant costs, and/or extension of time for performance of specified tasks, all as determined considering the natural conditions of the KOKUA KALIHI VALLEY project area, existing management priorities, threats, potential for decline of the natural resource during any period under consideration, other potential sources of funding, and other material factors.

(b) Disputes. If the STATE and the LANDOWNER are unable to agree reasonably and in good faith on a suitable amendment to the approved MANAGEMENT PLAN, the parties shall refer any such disputes to arbitration as provided in Attachment 5, the General Conditions, Section 11.

(c) No Termination for Economic Hardship. This provision shall not be construed to allow the LANDOWNER or the STATE to terminate this

AGREEMENT for economic hardship; it is rather intended to provide a mechanism for reasonable revisions to the approved MANAGEMENT PLAN for economic hardship.

III. SECTION 3 - PAYBACK OF STATE FUNDS

3.1 In the event that the LANDOWNER sells, conveys, or otherwise transfers LANDOWNER's right, title, or interest in the KOKUA KALIHI VALLEY project area, or any portion thereof, during the initial term of this AGREEMENT as defined in Attachment 2, Section 2.1, the LANDOWNER shall within 90 days of the sale, conveyance or transfer of title or interest in the KOKUA KALIHI VALLEY project area, pay back to the STATE a portion of the amount paid by the STATE to the LANDOWNER pursuant to this AGREEMENT. The amount to be paid back to the STATE shall be that fraction of the total matching funds received by the LANDOWNER under this AGREEMENT that is equal to the fraction of the KOKUA KALIHI VALLEY project area that is sold, conveyed or otherwise transferred by the LANDOWNER.

3.2 In the event that the LANDOWNER sells, conveys, or otherwise transfers LANDOWNER's right, title, or interest in the KOKUA KALIHI VALLEY project area, or any portion thereof, during the initial term of this AGREEMENT as defined in Attachment 2, Section 2.1, the LANDOWNER will not be required to reimburse the STATE as set forth in Attachment 4, Section 3.1 for the cost-share assistance received if the person (s) who acquire the property contractually agree to assume full responsibility for this Agreement for the initial term of the AGREEMENT, including but not limited to management and financial responsibilities and penalties contained herein. See Agenda Item C-1, approved at the Board of Land and Natural Resources May 24, 2002 meeting. Nothing in

this provision shall relieve the LANDOWNER of its obligations under this AGREEMENT.

IV. SECTION 4 - TERMINATION; DEFAULT; PENALTY PAYBACK

4.1 TERMINATION OF THE AGREEMENT - It is mutually agreed that this AGREEMENT may be terminated for any one of the following reasons on the following terms:

(a) No State Funding. This AGREEMENT shall be terminated if the STATE does not approve funding for the forthcoming fiscal year of the approved MANAGEMENT PLAN.

(1) In such event, this AGREEMENT shall automatically terminate without penalty at the end of the funding period then in effect.

(b) Partial State Funding. This AGREEMENT may be terminated by the LANDOWNER if the STATE approves only a portion of its share of funding for the forthcoming fiscal year as outlined in the budget provided in the approved MANAGEMENT PLAN.

(1) In such event, the LANDOWNER shall elect, by written notice to the STATE, either:

(A) to terminate this AGREEMENT without penalty at the end of the funding period then in effect; or

(B) to revise the approved MANAGEMENT PLAN and budget in the LANDOWNER's reasonable discretion to accomplish significant management goals which can

reasonably be funded with the amount of STATE funding actually approved.

- (c) Transfer to Government Agency. This AGREEMENT may be terminated without penalty if the KOKUA KALIHI VALLEY project area is transferred or sold to a government agency committed to forest stewardship and that possesses the technical and professional skills to manage the KOKUA KALIHI VALLEY project area natural resources.

- (d) LANDOWNER Default. This AGREEMENT may be terminated by the STATE upon substantial evidence that progress being made by the LANDOWNER in carrying out the approved MANAGEMENT PLAN is inadequate, incorrect, or insufficient to substantially complete on a timely basis the work called for in the approved MANAGEMENT PLAN subject to the lack of performance notification provisions set forth below.
 - (1) Penalties Apply. In the event of termination for default in accordance with these provisions, the penalty payback provisions set forth below shall apply.

 - (2) Lack of Performance Notification. In such event, the STATE may terminate for default, provided the STATE adheres to the following procedures for notice and opportunity to cure prior to termination:
 - (A) The STATE shall first notify the LANDOWNER in writing of any perceived inadequacy, incorrectness or insufficient progress. The STATE and the LANDOWNER shall meet within two weeks thereafter, and every three months thereafter until one year following the date of the notice,

and discuss in good faith the perceived failure and the reasons therefore and any subsequent progress or lack thereof. If the reason for the failure is a good faith inability of the LANDOWNER to carry out the terms of the MANAGEMENT PLAN for reasons beyond the LANDOWNER's reasonable control, including without limitation economic hardship as described in Attachment 4, Section 2.5 above, the STATE and the LANDOWNER shall specifically consider the need to amend the approved MANAGEMENT PLAN, including extending the time to carry out the work called for in the approved MANAGEMENT PLAN and/or revising the budget established in the approved MANAGEMENT PLAN, subject to the provisions of Attachment 1, Section 1.5 and Attachment 4, Section 2 of this AGREEMENT regarding amendments to this AGREEMENT and the approved MANAGEMENT PLAN. Following the date of the notice, the STATE shall be obligated to inspect the KOKUA KALIHI VALLEY project area once each quarter after notifying the LANDOWNER, to determine the updated status of the perceived default.

- (B) Following the expiration of the one year period following notice of default given by the STATE to the LANDOWNER and failure of the LANDOWNER to remedy the default, or to make significant progress to remedy the default if by its nature the default cannot reasonably be remedied within one year, the STATE may elect to notify the LANDOWNER of its intention to

terminate this AGREEMENT for default. Such notice shall be in writing, shall state that the STATE will terminate the AGREEMENT for default on a date not less than 3 months thereafter if the LANDOWNER does not remedy the default, or to make significant progress to remedy the default if by its nature the default cannot reasonably be remedied within 3 months, and shall specify that penalties as provided under this AGREEMENT shall apply.

- (C) If the LANDOWNER fails to remedy the default within 3 months thereafter, or to make significant progress to remedy the default if by its nature the default cannot reasonably be remedied within 3 months, the STATE may terminate this AGREEMENT effective immediately for default by written notice thereof to the LANDOWNER.
 - (D) The STATE shall be deemed to have complied with these provisions if it attempts in good faith to meet with the LANDOWNER and to inspect the KOKUA KALIHI VALLEY project area as provided above, whether or not the LANDOWNER cooperates in such procedures.
- (3) All disputes regarding default and termination under this AGREEMENT, which cannot be resolved by the parties, shall be referred to arbitration as provided in Attachment 5, the General Conditions, Section 11.
 - (4) If the LANDOWNER has not fully performed its work under this AGREEMENT on expiration or termination of this AGREEMENT, the STATE may withhold the final payment to the

LANDOWNER pending full completion of the LANDOWNER's work. This withheld payment shall be paid by the STATE to the LANDOWNER on final acceptance and tax clearance as provided in Attachment 3, Section 1.2 (b) and Attachment 5, Section 17.

4.2 PENALTY PAYBACK -

(a) Payback and Penalties. In the event that the LANDOWNER defaults on this AGREEMENT as provided in Attachment 4, Section 4.1(d) above and the STATE has followed the Lack of Performance Notification procedures as outlined in Attachment 4, Section 4.1(d)(2) above, the LANDOWNER shall promptly pay to the STATE the following payback and penalty monies:

(1) Refund of State Funds - 3 Years. All funds paid from the initial date of this AGREEMENT by the STATE to the LANDOWNER in the previous 3 years (or such portion thereof as STATE shall have funded if this AGREEMENT shall have been in effect for less than 3 years) shall be returned to the STATE. In the event that this AGREEMENT shall have been in effect for more than 3 years, the LANDOWNER shall be liable to pay back State funds for the immediately preceding 3 years. In addition, the LANDOWNER shall pay to the STATE a penalty of two percent of the total of funds that are returned to the STATE.

(b) No Other Party Liable. Only the LANDOWNER receiving State funding under the FOREST STEWARDSHIP PROGRAM shall be liable to the STATE under this AGREEMENT for the payback and penalty.

- (c) Disputes. The LANDOWNER shall have the right to submit any disputes to the arbitration procedure as outlined in Attachment 5, Section 11 if it feels that the imposition of payback, and/or additional penalties is unwarranted.

4.3 VIOLATIONS OF AGREEMENT - It is expressly understood and agreed that violations which are not caused by the LANDOWNER shall not constitute or give rise to a default by the LANDOWNER under this AGREEMENT and no penalty provisions shall apply to the LANDOWNER.

4.4 EFFECT OF EMINENT DOMAIN -

- (a) Full Condemnation. If any action in eminent domain for the condemnation of the fee title of the entire KOKUA KALIHI VALLEY project area described herein is filed, or if the KOKUA KALIHI VALLEY project area is acquired in lieu of eminent domain for a public improvement by a public agency or person or whenever there is any such action or acquisition by the federal government or the state government or any person, instrumentality or agency acting under authority or power of the federal government or the state government, this AGREEMENT shall be deemed null and void without penalty as to the land actually being condemned or so acquired as of the date the action is filed, and upon the termination of such a proceeding, this AGREEMENT shall be null and void without penalty for all land actually taken or acquired.

- (b) Partial Condemnation. When such an action to condemn or acquire less than all the entire KOKUA KALIHI VALLEY project area is filed, this AGREEMENT shall be deemed null and void without penalty as to the portion so condemned or acquired.

- (c) Adjustment of approved MANAGEMENT PLAN. The land actually taken by the means set forth above in this Section shall be removed from this AGREEMENT and the approved MANAGEMENT PLAN and budget adjusted accordingly on a reasonable basis by the STATE and the LANDOWNER.

V. SECTION 5 - INCORPORATION OF CHAPTER 195F, HAWAII REVISED STATUTES

- 5.1 Incorporation. The provisions of chapter 195F, Hawaii Revised Statutes, as amended, are incorporated by reference into this AGREEMENT. In the event that there is any conflict between the provisions of this AGREEMENT and the provisions of chapter 195F, Hawaii Revised Statutes, the latter shall be controlling.

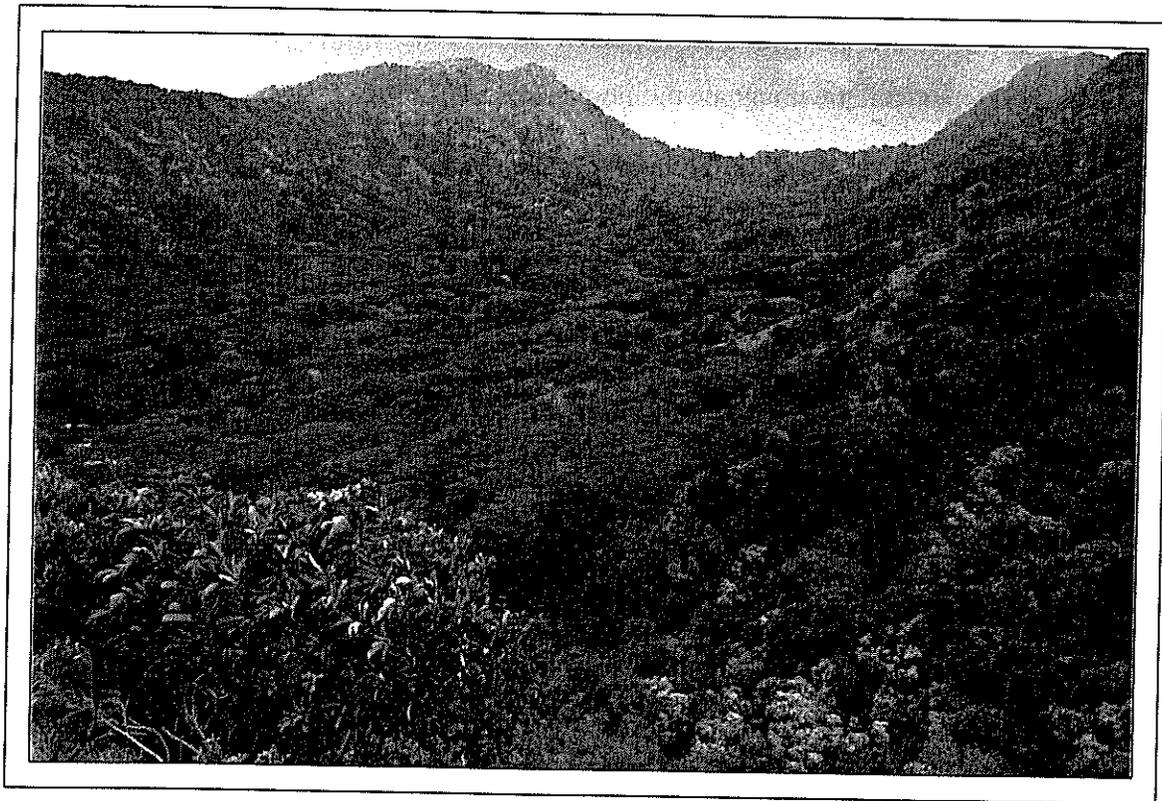
- 5.2 Renumbering. In the event that chapter 195F, or any of the sections under chapter 195F, Hawaii Revised Statutes, are renumbered, any references to the chapter or sections in this AGREEMENT shall be deemed renumbered accordingly.

EXHIBIT A

KOKUA KALIHI VALLEY: Kalihi Valley Park Reforestation Project - Forest Stewardship Management Plan.

Final Stewardship Plan
State of Hawaii, Department of Land and Natural Resources
Department of Forestry and Wildlife
Forest Stewardship Program

Kokua Kalihi Valley: Kalihi Valley Nature Park Reforestation Project



February, 2007
KOKUA KALIHI VALLEY
(Comprehensive Family Services)
2239 North School Street, Honolulu, HI 96819
Phone (808) 791-9400 ♦ Fax (808) 848-0979

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I. Cover Sheet

Name: Kokua Kalihi Valley

Address: 2239 North School Street
Honolulu, HI 96819

Email: lisaf@kkv.net or david@kkv.net

Phone: 808-791-9400 or 808-791-9469

Fax: 808-845-9905

TMK No.: 1-4-014:0026, 1-4-014:001, 1-4-016:003

State Land Use Classification: Urban and Conservation

County Zoning Designation: P1 and P2 General Preservation

Total Acreage: 99.65

Stewardship Management Area: 30 acres

Consultant's Name: Bill Sager, Forestry Consultant

Address: 53-567 Kamehameha Hwy.
Honolulu, HI 96717

Phone: 235-0757 or 375-1114

Email: bsager@lava.net

Date of Plan Completion: February 21, 2007

II. SIGNATURE PAGE

Kalihi Valley Nature Park Reforestation Project Forest Stewardship Plan Signature Page

Professional Resource Consultant Certification: I have prepared this Forest Stewardship Plan. Resource Professionals have been consulted and/or provided input as appropriate during the preparation of this plan.

Prepared by:
Bill Sager, Forestry Consultant
44-211 Mikiola Drive
Honolulu, HI 96744

Professional Resource Consultant's Signature/ Date:



Professional Resource Consultant's Name

Bill Sager

Applicant Certification: I have reviewed this Forest Stewardship Plan and hereby certify that I concur with the recommendations contained within. I agree that resource management activities implemented on the lands described shall be done so in a manner consistent with the practices recommended herein.

Prepared for:
Kokua Kalihi Valley
2239 North School St.
Honolulu, HI 96819

Applicant's Signature/ Date



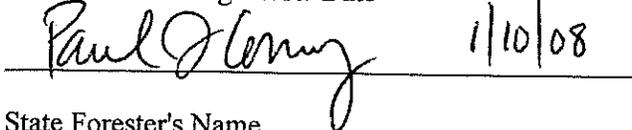
Applicant's Name

Dr. David Derauf, Executive Director, Kokua Kalihi Valley

State Forester's Approval: This plan meets the criteria established for Forest Stewardship Plans by Hawaii's Forest Stewardship Advisory Committee. The practices recommended in the plan are eligible for funding according to state of Hawaii Forest Stewardship Program guidelines and administrative rules.

Approved by:

State Forester's Signature/ Date

 1/10/08

State Forester's Name

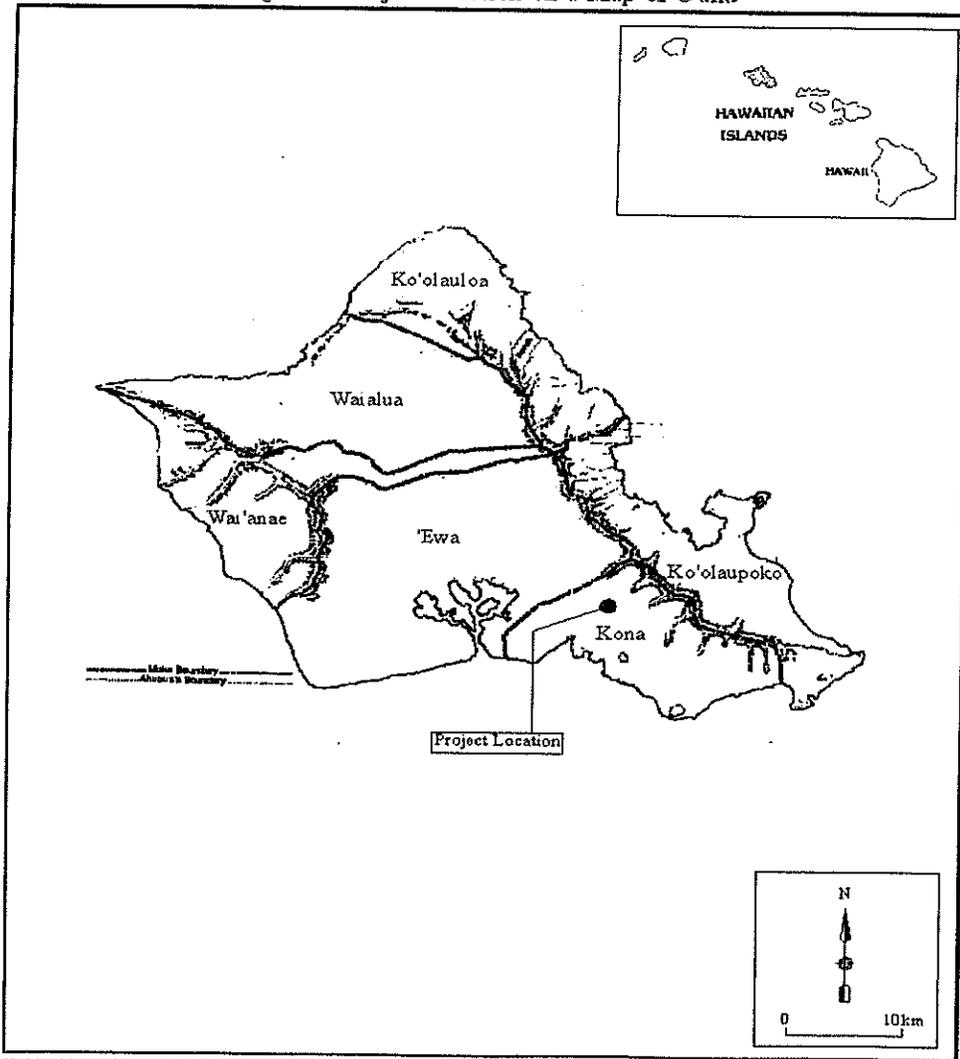
III. INTRODUCTION

1. General Description

A. Property size and location

The Kalihi Valley Nature Park is located on 99.65 acres of land at the head of Kalihi Valley. The property stretches from the center of Kalihi Stream to the top of Kamañaiiki Ridge. Access to the site is at the mauka end of Kalihi Street, past the last wooden bridge. The historic land division (ili) of Maluawai and a portion of Ouaua combine to make the park site.

Figure 1: Project Location on a Map of O'ahu



Kalihi Ahupua'a TMK: 1-4-14 01 & 26 and 1-4-16: 03

source: Adapted from Nogelmeier in Snakenberg 1990

The 100-acre site includes two residential structures, agricultural terraces that may date to prehistoric times and the remains of facilities from a defunct nursery operation. The lower elevation of the site is covered by introduced species while some native plants remain nearer the Kamaikai ridge summit. Parts of the property are littered with old, rusting abandoned vehicles, car parts, trash and nursery equipment. Mauka of the site is undeveloped watershed and forest land. Makai of the site lie private residences on either side of Kalihi Street.

B. Description of access routes to property

Access to the site is at the mauka end of Kalihi Street, past the last wooden bridge.

At one time, three residences were occupied on the site. The house at 3635 Kalihi St. was once occupied by the proprietors of a nursery operation on the upper slopes of the park site. This home will be converted into a bunkhouse as part of a nature camp.

Several old driveways remain on the property. A long driveway to the mauka nursery site is overgrown and eroded and can only be traveled by foot as a walking path.

C. Property tax map key

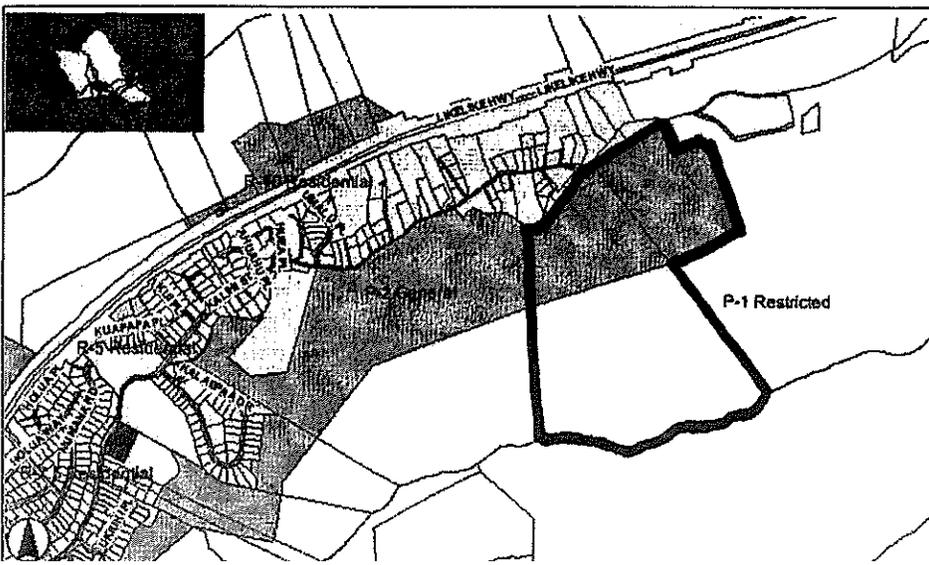
Tax Map Keys: 1-4-014:0026, 1-4-014:001, 1-4-016:003

D. Property zoning

State Land Use Classification: Urban and Conservation
County Zoning Designation: P1 and P2 General Preservation

The portion of the site nearest to Kalihi Stream (about 42 acres) is designated as Urban by the state. Approximately 57 acres of up-slope land nearest the crest of Kamaikai Ridge are designated as Conservation land and therefore more tightly regulated. The City zoning of the site is Preservation (P1 and P2) consistent with park lands on Oahu.

Figure 2: Zoning map of Kalihi Nature Park. The lower 44 acres zoned P2 is also in the state Urban District. The P1 zoned area is in the state Conservation District.



E. Topography, elevation and climate

The project site ranges in altitude from a low point of nearly 500 feet above sea level at the Kalihi Stream channel to a height of approximately 1,400 feet along the top of Kamaikai Ridge. Kalihi Stream runs through a steep sided channel in places nearly 40 feet deep. Immediately above the stream channel much of the project site is relatively level, gently sloping land. Some of the land on the stream side of the property has been graded into wide terraces or excavated during the time of commercial nursery operations. A series of shallow gullies run generally perpendicular to the stream up to the valley ridge to the south. Slopes along the lower portion of these gullies are generally moderate and easily traversed. A wide plateau lies about halfway up the slope to the ridgeline. This is the site of the mauka nursery operation. Evidence of significant earth movement and grading are clearly visible at this location. Above this plateau, the valley walls become steeper. The gullies climb to become narrow gulches stepping up with sheer rock cliffs and dry waterfalls. Steep side ridges reach up from the lower valley and intersect the top of Kamaikai Ridge.

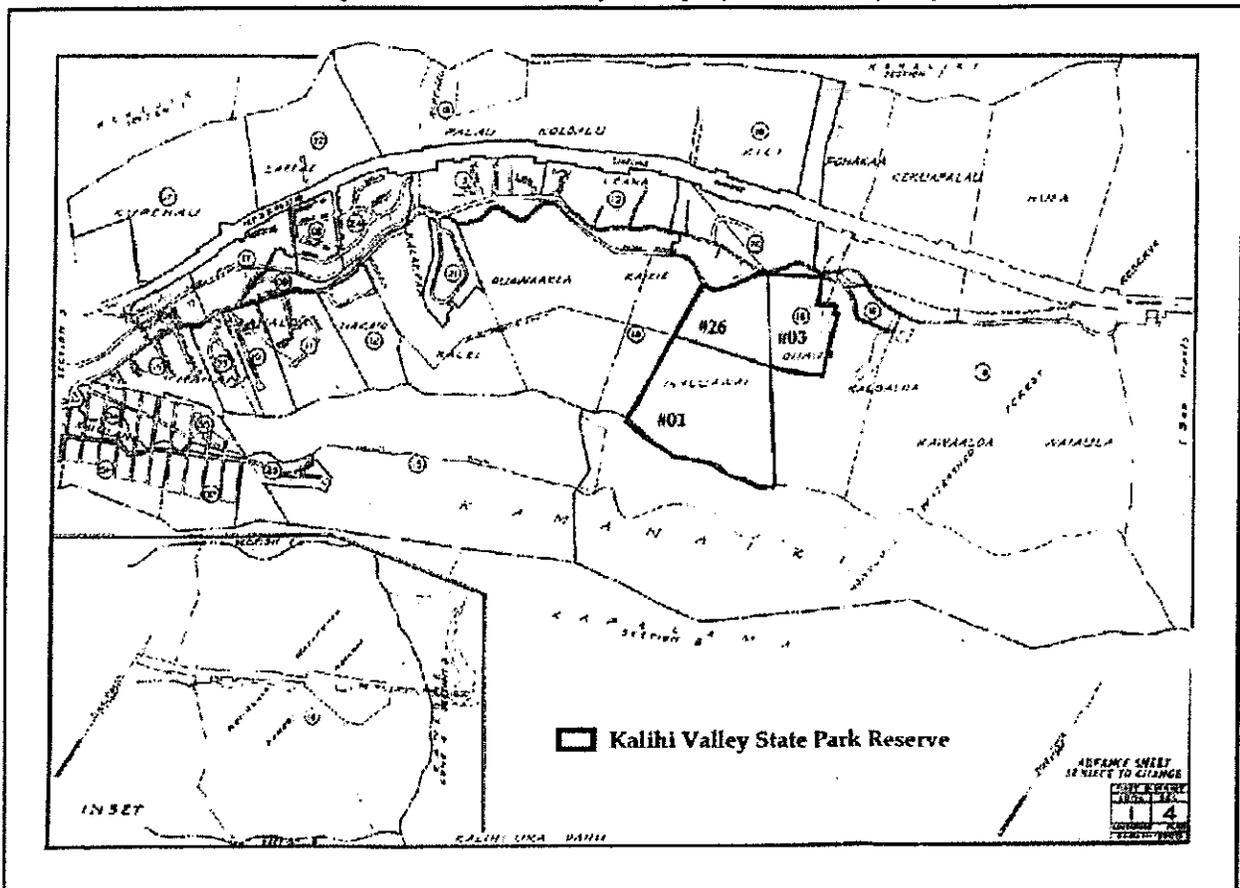
The climate of Kalihi Valley is typical of lands near the Koolau Mountains. Rainfall is moderately heavy in the area averaging well over 100 inches annually at the BWS Kalihi Reservoir and the upper portions of the valley. The majority of precipitation occurs between November and April when winter storms add to trade wind rainfall. Predominant trade winds from the Northeast blow through the windward pass of the Koolau summit and down the valley toward Honolulu. Temperatures at Honolulu International Airport range between 70 and 84 degrees Fahrenheit. Upper Kalihi Valley can be expected to be somewhat cooler than the temperature recorded at the Airport.

F. Brief history of uses/description of present condition

This region of Kalihi Valley was once intensively cultivated by Hawaiian people prior to western contact. Three complexes of stone-lined water channels and surrounding agricultural terraces remain in varying stages of disrepair. It is assumed that these stone features date from pre-historic times. An agricultural heiau is reported to have once been located not on, but nearby the park site. At the time of the Great Mahele, when land in the islands was first converted to private ownership, the ili of Maluwai was deeded to Kamamalu, the sister of King Kamehameha IV and V.

In historic times the land was used for grazing cattle. By the mid-1800s, few trees stood in the valley floor and most of the property was grassland. In the later part of the 19th century and most of the 20th century, trees began to grow again in the area as a result of re-forestation efforts by the government and private land owners. Today, nearly the entire site is covered by exotic species such as albizzia, rose apple and bamboo.

Figure 3: Location of Subject Property on a Tax Key Map



Kalihi Ahupua'a TMK: 1-4-14: 01 & 26 and 1-4-16: 03

source: Department of Taxation, Tax Maps Bureau 1932

The properties that now make up the park have changed hands a number of times over the years. Much of the land mauka of the park site was condemned to preserve a watershed to protect Honolulu's drinking water supply and is currently owned by the Honolulu Board of Water Supply. In the 1970's a developer proposed to construct a residential subdivision on the site. In response to community concerns, in 1980, the City and County of Honolulu purchased the 100 acres for a park.

After years of inaction by the City, the park land was conveyed to the State in a land exchange that concluded in 1997. The State Parks Division currently has jurisdiction over the site. Unable to secure funding to develop a nature park, State Parks sought the involvement of private organizations to make the park a reality. In 2004 Kokua Kalihi Valley began discussions with State Parks to seek a long-term lease of the site for the purpose of finally bringing the park to life. In December of 2004, the Board of Land and Natural Resources approved a 20 year lease over the 99-acre park land to KKV.

KKV began a community-based planning effort to design the park in keeping with the expressed interest of Kalihi residents and parameters established by the state. This plan is a byproduct of guidance by a community park planning committee and input by many members of the public.

IV. LAND AND RESOURCE DESCRIPTION

1. Existing vegetation/cover types

The forest below 800 ft is mostly dominated by naturalized alien tree species, with only small patches of native vegetation remaining. Much of the forest canopy is composed of albizzia (*Falcataria moluccana*). Other common alien trees are rose apple (*Syzygium jambos*), gunpowder tree (*Trema orientalis*), black bamboo (*Phyllostachys nigra*), koka (*Bischofia javanica*), strawberry guava (*Psidium cattleianum*), common guava (*Psidium guajava*), shoebutton ardisia (*Ardisia elliptica*), ironwood (*Casuarina equisetifolia*), fiddlewood (*Citharexylum caudatum*), kukui (*Aleurites moluccana*) and Formosan koa (*Acacia confusa*). There are also some trees in the parcel that were planted in the early 1900's, but have not spread very much, such as the Cook pine (*Araucaria columnaris*), and eucalyptus (*Eucalyptus* sp.).

The vegetation below 700 ft is almost totally alien in composition. Above 700 ft native plants within the alien forest are more frequently encountered. The native plants observed here include `ohi`a (*Metrosideros* spp.), koa (*Acacia koa*), hapu`u pulu (*Cibotium chamissoi*), `ie`ie (*Freycinetia arborea*), papala kepau (*Pisonia umbellifera*), mamaki (*Pipturus albidus*), lama (*Diospyros sandwicensis*), alahe'e (*Psydrax odorata*), and uluhe (*Dicranopteris linearis*). Polynesian introductions seen below 800 ft included kukui, kamani (*Calophyllum inophyllum*), ti (*Cordyline fruticosa*), `ohi`a `ai (*Syzygium malaccensis*), coconut (*Cocos nucifer*), and hau (*Hibiscus tileaceus*; possibly native). A variety of ornamental plant species persists around abandoned nursery structures and residences.

The vegetation of the steep valley wall portion of the parcel is largely dominated by alien plant species, but a larger percentage of the vegetation here is native compared to the alien forest of the valley bottom portion. The native plants observed here were common mesic forest plants.

2. Existing forest health

Prior to western contact, the park site was intensively used by Hawaiians for agriculture. At that time, the valley floor was stripped of much of its original flora to make way for native food crops. In the past 200 years, grazing animals such as cows converted much of the valley into grasslands. The site has been reforested by the introduction of exotic tree species planted by the government and private land owners. A botanical survey found that no rare or endangered plants were found anywhere on the 100-acre park site. While the upper reaches of the valley walls remain home to some native species such as Koa and Ohia, most of the site is completely overrun by exotic trees and weeds.

The notorious exotic weed miconia was introduced to the site by the previous nursery operation. Crews of volunteers have been working to remove miconia from the site. This eradication effort will be supported and accelerated as part of the Nature Park operation. Other exotic flora such as rose apple trees, bamboo and clidemia that blanket the park site will be removed and replaced by native plants.

3. Soils and their conditions, general slope and aspect

Geologically, the Kalihi Valley Nature park site is situated in a very old valley eroded into Koolau volcanic shield. Older alluvium underlies the floor and slopes of the valley. Younger Kalihi lava of the Honolulu Volcanic Series were deposited 450,000 years ago from vents in Kalihi and Kamaikai Valleys. Kalihi Stream cut a channel and deposited stream terraces of younger alluvium. The slope of Kamaikai Ridge on the southern half of the site is classified as rock land. Soil underlying the more gently sloping valley floor is classified as lokekaa silty clay.

4. Water resources and their condition

Groundwater:

The project site overlies aquifers perched within the alluvium and Kalihi basalt. Rainfall over areas underlain by Koolau basalt infiltrates deeply into the volcanic rock of Oahu to recharge dike-confined aquifers and the basal aquifer water. An average of approximately 10 million gallons of water each day enters the Kalihi groundwater system. Both the perched and basal aquifers are tapped as drinking water sources for Honolulu. There are 10 drinking water wells currently operated by the Honolulu Board of Water Supply in the Kalihi area and two by Kamehameha Schools in the basal aquifer. BWS also has an artesian perched well above the park site. The sustainable yield of the Kalihi aquifer is estimated by the Commission on Water Resource Management to be 9 million gallons per day. The average pumpage from the Kalihi system is 9 million gallons per day.

Surface Water:

Kalihi Stream flows perennially along the northern boundary of the project site. The average stream flow of Kalihi Stream is 7.3 mgd but minimum flow may fall below 0.5 mgd in dry years. Upstream of the project site, the stream drains the relatively undeveloped Kalihi watershed. The watershed is host to the Likelike Highway, a major transportation corridor between windward Oahu and Honolulu's downtown. Old Kalihi Street also penetrates the watershed and serves the Board of Water Supply reservoir and water pipelines. Negative impacts on stream water quality in this upper region include alien plants and animals that hinder the ability of the land to absorb rainwater and increase muddy runoff into the stream. During heavy rain events, flow increases dramatically and stream water typically becomes brown and turbid. Kalihi Stream flows down slope through residential and industrial districts of Honolulu to meet the sea at Keehi Lagoon. Kalihi Stream has been listed as an impaired water body by the State Department of Health under the provisions of the federal Clean Water Act.

The park site includes 4 gullies that host small fresh water seeps or springs. Each spring sends its water trickling down slope and into Kalihi Stream.

5. Wood resources

Wood resources available within the park site are limited to the predominant alien exotic species mentioned above. Of these, the albizzia is the only species currently identified to be utilized as a

resource for the making of canoes by schools. Any other wood available from alien species removed will be used on site for park purposes such as benches, signs, and shelters.

6. Wetland resources

No significant wetland resources exist on site.

7. Significant historic and cultural resources

The site contains numerous archeological structures that are presumed to date to pre-historic times. These structures include a network of stone-lined irrigation channels and agricultural terraces that bear witness to the long history of agricultural use in Kalihi Valley. The Kalihi Valley area also has a prominent place in Hawaiian legends and is claimed to have been the dwelling place of the original male and female progenitors of the Hawaiian race, Wakea and Papahānaumoku. The close proximity of the Project site to the urban center of Honolulu makes it an accessible and significant resource recalling the former agricultural foundations and cultural history of the area.

8. Threatened and endangered species existing on property

No listed endangered or threatened native plants nor any other rare native plants were found during a botanical reconnaissance in June, 2005. This was not unexpected, given the long history of alteration and destruction of native vegetation of the valley bottoms in the Honolulu area in pre-Western times up until today. There is little potential for the discovery of rare plants that may have been missed on this reconnaissance based on the documented patterns of occurrence of rare and endangered native plants in the valleys in the Honolulu area.

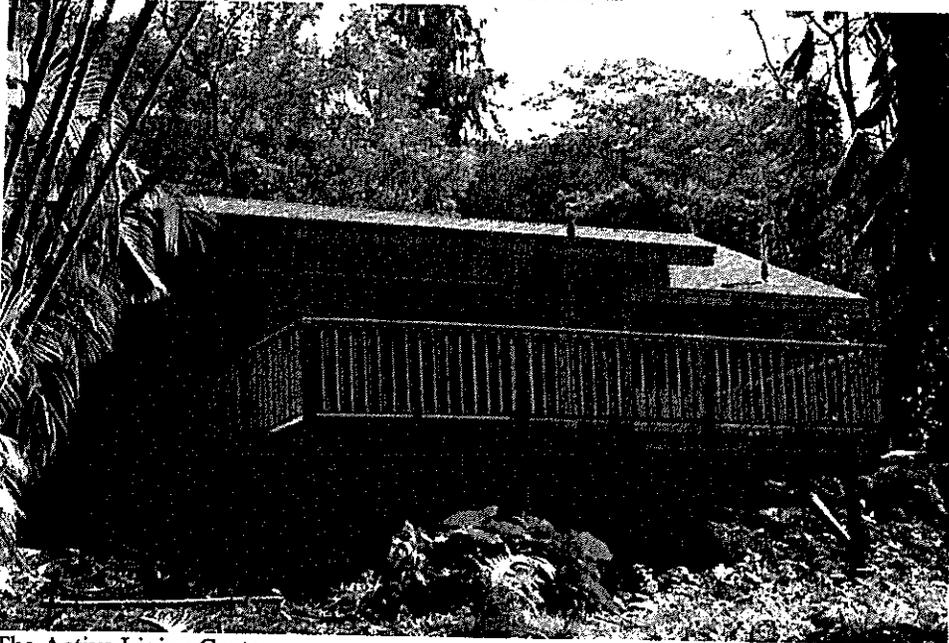
The potential for the discovery of rare plants is greater in the valley wall part of the property than in the valley bottom portion. These upper elevations would require further survey for rare and endangered plants should any park development be planned there.

The predominant exotic plant forest in the valley bottom is not known to provide habitat for any native animal. The higher slopes of the Koolau Range provide habitat for the Hawaiian forest bird, `elepaio. There have not been any recorded `elepaio sightings on the park property and such sightings would not be expected at this elevation.

Alien animal species that are known to inhabit the park property include a wide range of introduced bird species such as thrushes, doves, mynahs and finches. Feral pigs are known to visit the property to feed on fallen fruit and roots. A colony of Australian Brush-Tailed Rock Wallaby has been established nearby and there is evidence that some wallabies visit the park site. Introduced mosquitoes are common at the park site, multiplying in great numbers in the dark, wet forest environment.

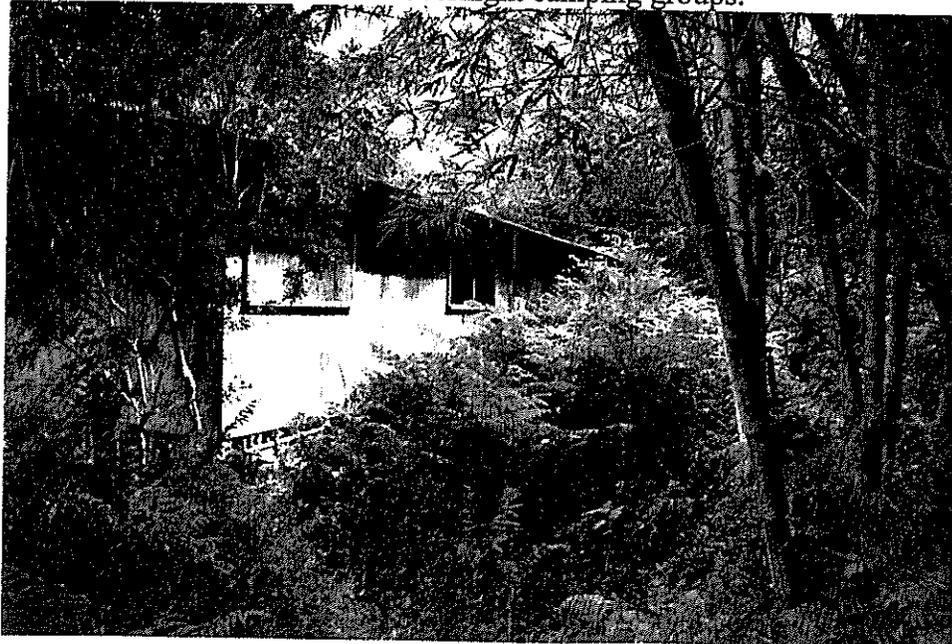
9. Existing recreational and aesthetic values

The Active Living Center – KKV has raised and invested over \$200,000 in funds over the last year, and over 2,000 hours of volunteer community labor, to convert a 3-bedroom 1930's residence, attached studio, courtyard and surrounding grounds within the 100-acre park site into the Kalihi Valley Active Living Center. The Center will be the central meeting point and program headquarters for all the environmental, health and recreational related activities being developed throughout the 100-acre Nature Park.



The Active Living Center

An additional 3-bedroom residence is located on the upper slope of the park site near the abandoned nursery operation. This home is in relatively intact condition and is scheduled to be renovated as a bunk house for overnight camping groups.



Nature Camp Bunkhouse

V. RECOMMENDED TREATMENTS AND PRACTICES

The primary goal of the Kalihi Valley Reforestation Project is to cultivate and regenerate a Koa (*Acacia koa*) mesic forest with a mixed species understory (mid story and groundcover) on 20 acres of the 100-acre Kalihi Valley Nature Park. The Reforestation Project will focus on preserving, propagating and expanding existing Koa and other native and Polynesian Introduced (PI) tree species currently growing on-site (mamaki, lama, ie'ie, alahe'e, papala kepau), as well as propagating and establishing new native/PI tree species not on site, but which are appropriate for the Kalihi Valley habitat (naio, ahahea lau li'i, palapalai, 'akala, 'akoko, 'a'ali'i, u'ala, kokio keokeo, etc.). Additionally, the Reforestation Project will involve trail building activities within the reforestation area to increase access for educational, recreational and cultural purposes.

The three specific management objectives of this Reforestation Project are 1) Native Species Restoration and Habitat Improvement, 2) Soil and Water Protection and Improvement, and 3) Forest Recreation Enhancement. These three objectives are described in more detail below.

1. Native Species Restoration and Habitat Improvement

Forest Type Planned – The project goal is to develop 20 acres of Koa mesic forest in a tiered, mixed species arrangement. Koa will comprise the forest canopy, followed by a diverse middle story of predominantly native species.

While the project site is at a low elevation for the healthy development of a Koa forest, we are seeking to utilize Koa as the primary overstory species based on the continued existence of a number of remaining Koa trees found within the 100-acre Nature Park at the 800 foot elevation level and beyond. A broad diversity of other native tree species are being planted throughout the reforestation area and will be allowed to fill in throughout the lower elevation reforestation areas wherever the Koa seedlings and maturing trees do not survive

Groundcover throughout the reforestation area will be planted in two phases. The first phase will involve fast growing, weed suppressing native/PI cover crops that will later be cut back and supplemented in phase two with less aggressive native/PI groundcover and fern species.

Overall Reforestation Strategy – The reforestation area is currently dominated by albizzia, rose apple and strawberry guava. The reforestation plan involves clearing these invasive species, establishing a fast growing groundcover to assist with weed and erosion control, and to intersperse amongst this groundcover a first phase planting of Koa (overstory) seedlings followed by a second phase planting after 1 year with a variety of native/PI mid-story seedlings. Within the shade of the growing overstory and mid-story trees (after approximately 3 years), a wider variety of slower growing native/PI groundcovers will be planted.

Arrangement in Landscape – The 20-acre project area can be classified into two different landscape types – lower elevation disturbed lands and steeper side ridges that lead up to the main

Kamanaiki ridge. While both will be included within the overall tiered Koa mesic forest, they will all involve slightly different reforestation strategies

- **Lower Elevation Disturbed Areas**— Totaling 10 acres in area, the reforestation area will be just above a growing community garden area and surrounding a traditional agricultural terrace area currently being restored. The area contains the more gentle sloping lower ridges, steeper ridges towards the top and an eroding intermittent stream valley.

Within the lower elevations, *Carex*, 'ilie'e, palapalai, other natives and sweet potato ('uala) will be the dominant groundcovers planted. Seedlings of koa and other mesic tree species listed by Wagner and Herbst as components of koa mesic forests will be planted in an offset, diamond pattern at 10 feet on center. This is based on an attrition or thinning rate of 50% so that developing trees will be approximately 20 feet on center. We will start with species that still remain on the property (in very small numbers) and expand according to availability of seed or nursery stock.

Approximately one year after Koa seedlings have been planted (approximately 5 feet of growth), a variety of mid-story native/PI seedlings will be planted. Within each 10'x10' diamond perimeter created by Koa seedlings, 2-4 mid-story seedlings will be planted, depending upon plant species.

After approximately 3 years, any remaining 'uala groundcover will be replaced with a wider variety of slower growing ferns and groundcovers.

- **Side Ridges** – There are two main side ridges in the project area. Reforestation efforts will not cover the entire ridges, but will be concentrated only in the area immediately surrounding hiking trails leading up to Kamanaiki ridge. This area covers approximately 10 acres. Existing natives will be freed from encroachment by alien species. In some areas, koa and other mesic tree seedlings will be planted alongside the hiking trail at 20' intervals, followed 1 year later with intermittent plantings of mid-story seedlings every 5' – 7' feet. After 3 years, or once adequate shade is provided, native/PI groundcovers will be planted within this corridor.
- **Trail Corridors** – Approximately 10 acres of trail corridor will be established. Alien species will be controlled and native trees and groundcovers planted to replace them within the corridors.

Site Preparation -- Large albizzia and banyan trees as well as remnant junk such as old cars and farm equipment will require mechanical removal. This will require the use of heavy equipment that will remove these trees and remnant junk from the plateaus and gulleys in the reforestation area during the first year of the Stewardship/Reforestation plan. Any skid roads resulting from the use of heavy equipment will have water bars installed to prevent erosion and will be coordinated with groundcover plantings to cover exposed areas and reduce weed repopulation.

Any additional weed growth in these areas caused by heavy equipment removal and uncontrolled by groundcover plantings will be hand cleared at the appropriate time, as described below.

After heavy equipment removal of remnant junk and large albizzia trees, primary site preparation will involve hand clearing one acre of the lower elevation reforestation area each year for a total of 10 years. In addition, each year one acre where there are existing natives on the ridges will have alien species removed and native trees and groundcovers will be planted to replace them. Hand clearing will involve the use of chain saws, power trimmers and other hand tools. After cutting down unwanted alien trees, where practical, wood will be chipped using a power chipper to create a weed suppressing, organic mulch around new plantings. Additional trees will be piled in low stacks for quick decomposition and to prevent the harboring and proliferation of harmful pests.

Weed Control – Weed control will be practiced through the use of aggressively growing, leafy groundcovers (‘uala, mamaki and others) and a wood chip mulch created on-site from removed trees. If these practices are not able to adequately control weed regeneration, a chemical herbicide such as Roundup or Garlon will be utilized. Beyond these practices, additional light hand weeding will be required around seedlings until they are firmly established (approximately 3 years). Where practical, biofilm mulch plastic (highly biodegradable) will be utilized.

Seedling Acquisition – The majority of plants will be grown in a nursery established in the community gardens area of the Kalihi Valley Nature Park. Plant stock/seed will be collected from plant materials as near the site as possible. While this is not an area of native forest and the goal is to establish a demonstration forest, care will be taken to minimize genetic contamination by not introducing plant material from other islands and to the extent possible working with local plant materials.

Seedlings will be grown in 4” plastic tree pots that are wedge-shaped and approximately a foot deep. These pots allow for deeper root growth before being hardened off and transplanted. Poorly growing seedlings will be thinned out during this stage. Transplanted seedlings will be grown to at least a foot in height before being out planted. Most seedlings will initially be grown in a shade house but before planting they will be placed in an open environment and allowed to harden off.

If seeds or stock material is not available on site, seedlings will be purchased from a native/PI nursery for either immediate out planting or for further growth and hardening off on-site in the Kalihi Valley Nature Park.

Seeds/Stock material located on-site for Reforestation Project include:

- Koa (*Acacia koa*)
- ‘Ohi’a (*Metrosideros polymorpha*)
- Mamaki (*Pipturis albidus*)
- Lama (*Diospyros sandwicensis*)
- Ie’ie (*Freycinetia arborea*)
- Alahe’e (*Psydrax rubiaceae*)

Papala kepau (*Pisonia brunoniana*)
 Hapu`u pulu (*Cibotium chamissoi*)
 Ti (*Cordyline fruticosa*)

Seedlings/Stock material needed to be obtained off-site include:

Palapalai (*Microlepis strigosa*)
 Kupukupu (*Nephrolepis exaltata*)
 ‘Ahahea lau li’i (*Bobea brevipes*)
 ‘Akoko (*Chamaesyce multiformis*)
 ‘Uki’uki (*Dianella sandwicensis*)
 ‘A’ali’i (*Dodonaea viscosa*)
 Manono (*Hedyotis terminalis*)
 Naio (*Myoporum sandwicensis*)
 Ho’awa (*Pittosporum confertiflorum*)
 ‘Akia (*Wikstroemia oahuensis*)
 ‘Akala (*Rubus Hawaiensis*)
 Koki’o ke’oke’o (*Hibiscus arnottianus*)
 ‘Uala (*Ipomoea batatas*)

Planting – After hand clearing an identified reforestation area of alien, shade-producing trees and chipping the removed trees for mulch, initial plantings of koa will be done. Competing vegetation and weeds will be removed throughout the area, with special attention for weed removal in a one and a half foot radius around the planting site. Koa seedlings will be out planted in an offset pattern, 10’ on center. Plantings will be done by hand and planter will look for the best micro-site within a few feet of the planting location. Particularly, the planter will look for shade from the afternoon sun and pick a site with the best possible drainage. Plantings of Koa will be immediately followed with intermittent groundcover plantings in each 10’ x 10’ perimeter of either ‘uala cuttings, mamaki seedlings, or other natives depending upon site location.

After 1 year, additional plantings of 2-4 mid-story seedlings will be included within each 10’ x 10’ perimeter. As in Koa plantings, an area of approximately three feet in radius will be cleared, and holes will be dug by hand.

Weeding is expected to be necessary in years two and three after planting, and definitely will be required until plantings are well established.

Feral pigs in the area are currently being controlled by local pig hunters who have hunted in Kalihi Valley for many years.

Irrigation – A rainfall catchment system will be installed above the lower elevation reforestation areas to allow watering in of seedlings and occasional irrigation during summer drought periods. Small catchment systems like those at Hono`uli`uli may be installed for the upper elevation areas if it is determined they are necessary after the first year of plantings. These areas will be planted in the rainiest season or mid-winter.

Fertilization and Soil Amendments – Soil tests show that phosphorus fertilizer will be helpful for koa and mid-story tree plantings. A wide variety of vegetation thrives within this soil and climate, and all plants to be utilized in this project have been selected for their adaptability within the Kalihi Valley environment so rates should be minimal and will follow the recommendations of the UH Diagnostic Lab Services. Seedlings will be fertilized in the nursery as necessary.

For groundcover plantings, a one-time treatment of 15-15-15 fertilizer will be used to help cuttings in their initial establishment and to promote greater leaf and vine growth.

Mulch from chipped alien trees in the area will also be applied as a weed suppressant and to provide additional organic material to the soil.

Archeological Sites in Reforestation Area – There will be no structural disturbance and minimal soil disturbance around all archeological sites in the reforestation area. Plantings of new seedlings and groundcovers will all be done at a sufficient distance from these sites. KKV is working closely with the Department of Land and Natural Resources to follow all regulations regarding protection and preservation of these cultural resources.

Number of Seedlings Anticipated (may vary in some areas depending on existing species)

<u>Overstory</u>	
Koa	4,788
<u>Mid-Story</u>	
‘Ohi’a	1,000
Lama	1,000
Ie’ie	1,000
Alahe’e	1,000
Papala kepau	1,000
Ti	2,770
‘Ahahea lau li’i	1,000
‘Akoko	1,000
‘Uki’uki	1,000
‘A’ali’i	1,000
Manono	1,000
Ho’awa	1,000
‘Akia	1,000
‘Akala	1,000
Koki’o ke’oke’o	1,000
<u>Groundcovers</u>	
‘Uala	32,000
Mamaki	2,000
Palapalai	1,522
Kupukupu	1,522
Hapu’u pulu	1,522

Naio 1,522

Planting Schedule – The Table below outlines the planting schedule for each of the different forest tiers. Reforestation activities during the first four years will take place in the plateaus. Reforestation activities during the next four years will take place in the gullies. Reforestation in the final two years will take place along the trail corridor.

YEAR	KOA	MID-STORY	GROUNDCOVERS PHASE I	GROUNDCOVERS PHASE II
1	435/acre 870 total		2,000/acre 4,000 total	
2	435/acre 870 total	1,306/acre 2,612 total	2,000/acre 4,000 total	
3	435/acre 870 total	1,306/acre 2,612 total	2,000/acre 4,000 total	
4	435/acre 870 total	1,306/acre 2,612 total	2,000/acre 4,000 total	435/acre 870 total
5	109/acre 218 total	1,306/acre 2,612 total	1,750 acre 3,500 total* *3,000 'uala 500 mamaki	435/acre 870 total
6	109/acre 218 total	653/acre 1,306 total	1,750 acre 3,500 total*	435/acre 870 total
7	109/acre 218 total	653/acre 1,306 total	1,750 acre 3,500 total*	435/acre 870 total
8	109/acre 218 total	653/acre 1,306 total	1,750 acre 3,500 total*	435/acre 870 total
9	109/acre 218 total	653/acre 1,306 total	1,000 acre 2,000 total	435/acre 870 total
10	109/acre 218 total	270/acre 540 total	1,000 acre 2,000 total	435/acre 870 total

2. Soil and Water Protection and Improvement

These practices will focus on maintaining or improving the productivity of the forest soils and preventing erosion of forest land within the native reforestation area. Strategies will include the use of native soil protecting plants in critical areas prone to erosion and maintaining existing water diversion channels in reforestation areas. The protection and improvement of soil and water throughout the reforestation area is an integral aspect of the Native Species Restoration and Habitat Improvement objective above and the Forest Recreation Enhancement objective below.

3. Forest Recreation Enhancement

Forest recreation enhancement will involve the development of hiking trails and walking paths throughout the Kalihi Valley Nature Park supporting increased recreational and educational uses.

A network of interconnecting hiking trails will be created over the 12 acres within the 100 acre site. Some of these trails will be less strenuous and relatively flat. Some trails will be designed to allow bicycle riding. It is likely that these trails will be mulched or gravel paved to minimize slippery and muddy conditions. Trails will lead people to sites of interest on the property including archaeological sites and camp ground area. Access to the top of Kamanaiki ridge will be established by the construction of a switchback trail that climbs the southern slope. Trails will be developed and maintained to the standards created by the State Na Ala Hele program.

Trails will be built by hand, 3 feet wide and with a grade of not more than 10% except on the steep upper ridges. Power wheelbarrows or tractors may be used for the hauling of gravel. Clearing will be done 3 feet on each side of the trail with 7 foot vertical clearance. Exceptions may be made when required by topography or where native species or other considerations make such exceptions necessary or desirable.

Care will be taken to remove water build up from the trail. Trail surface will be slightly sloped to the outside of the trail and waterbars will be provided as necessary. Most importantly, trails will be physically located to provide good drainage. If it is necessary for a trail to cross an archeological feature, steps will be taken to protect the feature from damage. Sign posts will be constructed on all trail intersections and at points where the direction of the trail may not be clear.

4. Human Resources

To successfully implement this project throughout the ten-year time period a variety of skilled and unskilled labor is needed. Skilled labor needed for the project includes both Kokua Kalihi Valley staff and a few contracted consultants involved with heavy equipment operation and professional tree cutting. Kokua Kalihi Valley staff involved in this project includes the Active Living by Design Program Coordinator, recently hired Park Arborist, and the Kalihi Valley Nature Park Caretaker. These staff will be responsible for coordinating volunteers and school groups, scheduling and organizing work days, purchasing supplies and materials, collecting and propagating seeds, selecting and hiring consultants, record keeping and report writing.

The majority of site prep work for this project will be accomplished by staff. Planting will be done primarily by volunteers. Kokua Kalihi Valley has already secured over 4,000 hours of volunteer labor at the Kalihi Valley Nature Park for structural renovation, site clearing and initial trail building activities. So far, volunteer groups have included the Kalakaua Lion's Club, the U.S. Army, Kuhio Park Terrace Teen Club, the Sierra Club, Hawaii Trail and Mountain Club, Boy Scouts, Kaiser Permanente, Farrington High School biology classes, Radford High School Peace Club and the KKV Chuukese Women's Gardening group. Two schools in the area, Halau Lokahi Charter School and Farrington High School, have adopted the Nature Park as a regular

site for outdoor science and cultural learning activities. They will be involved in all reforestation efforts and will be including an average class size of 15-20 students each month.

As the Nature Park and Active Living Center continues to develop as a natural and cultural resource in the community, additional volunteers and schools in the area are anticipated. Publicity continues to grow, support from the Kokua Kalihi Valley Health Center is extremely strong, and there continues to be a high degree of interest throughout Hawaii for environmental projects that promote sustainable development and cultural appreciation.

VI: PRACTICE IMPLEMENTATION SCHEDULE

Year 1

Practice Component	Units	Cost/Unit	Total Cost	Land Owner Share	State Share
Management Plan	1 Plan	\$6,400	\$6,400	\$1,600	\$4,800
Special Areas*	6 acres	10,000	\$62,000	\$32,000	\$30,000
Site Preparation	2 acre	2000	\$4,000	\$2,000	\$2,000
Seedling Acquisition	2 acres @ 435 seedlings per acre	\$3.50/seedling (plus \$2000 greenhouse const.)	\$5,045	\$3,523	\$1,522
	2,000 cuttings per acre	\$.50/cutting	\$2,000	\$1,000	\$1,000
Planting	2 acres	1000/acre	\$2,000	\$1,000	\$1,000
Ground Cover Establishment	2 acres	2000/acre	\$4,000	\$2,000	\$2,000
Weed Control and Mulching	2 acres	\$600/acre	\$1,200	\$600	\$600
Fertilization/Soil Amendments	2 acres	\$500/acre	\$1,000	\$500	\$500
Trail Signs	4 signs	\$200/sign	\$800	\$400	\$400
Trail Construction	5280 feet	\$5.00/ft.	\$26,400	\$13,200	\$13,200
Irrigation	Catchment	30,000	30,000	15,000	15,000
TOTALS			\$144,845	\$72,823	\$72,022

Year 2

Practice Component	Units	Cost/Unit	Total Cost	Land Owner Share	State Share
Site Preparation	2 acres	\$2,000/acre	\$4,000	\$2,000	\$2,000
Special Areas*	6 acres	10,000	\$60,000	\$30,000	\$30,000
Seedling Acquisition	2 acres @ 435 seedlings per acre	\$3.50/seedling	\$3,045	\$1,523	\$1,522
	2,000 cuttings per acre	\$.50/cutting	\$2,000	\$1,000	\$1,000
Planting	2 acres	1000/acre	\$2,000	\$1,000	\$1,000
Ground Cover Establishment	2 acres	2000/acre	\$4,000	\$2,000	\$2,000
Weed Control and Mulching	2 acres	\$600/acre	\$1,200	\$600	\$600
Fertilization/Soil Amendments	2 acres	\$500/acre	\$1,000	\$500	\$500
Trail Construction	5,280 ft.	\$5.00/ft.	\$26,400	\$13,200	\$13,200
Trail Signs	4 signs	\$200/sign	\$800	\$400	\$400
Tree Protection (control pigs)	4 acres	\$250/acre	\$1,000	\$500	\$500
TOTALS			\$105,445	\$52,723	\$52,722

Year 3

Practice Component	Units	Cost/Unit	Total Cost	LO Share	State Share
Site Preparation	2 acres	\$2,000/acre	\$4,000	\$2,000	\$2,000
Special Areas*	6 acres	10,000	\$60,000	\$30,000	\$30,000
Seedling Acquisition	2 acres @ 435 seedlings per acre	\$3.50/seedling	\$3,045	\$1,523	\$1,522
	2,000 cuttings per acre	\$0.50/cutting	\$2,000	\$1,000	\$1,000
Planting	2 acres	1000/acre	\$2,000	\$1,000	\$1,000
Ground Cover Establishment	2 acres	2000/acre	\$4,000	\$2,000	\$2,000
Weed Control and Mulching	2 acres	\$600/acre	\$1,200	\$600	\$600
Fertilization/Soil Amendments	2 acres	\$500/acre	\$1,000	\$500	\$500
Trail Construction	5,280 ft.	\$5.00/ft.	\$26,400	\$13,200	\$13,200
Trail Signs	4 signs	\$200/sign	\$800	\$400	\$400
Tree Protection (control pigs)	6 acres	\$250/acre	\$1,500	\$750	\$750
Streambank Restoration	2 acres	\$10,000/acre	\$20,000	\$10,000	\$10,000
TOTALS			\$125,945	\$62,973	\$62,972

Year 4

Practice Component	Units	Cost/Unit	Total Cost	LO Share	State Share
Site Preparation	2 acres	\$2,000/acre	\$4,000	\$2,000	\$2,000
Seedling Acquisition	2 acres @ 435 seedlings per acre	\$3.50/seedling	\$3,045	\$1,523	\$1,522
	2,000 cuttings per acre	\$.50/cutting	\$2,000	\$1,000	\$1,000
Planting	2 acres	1000/acre	\$2,000	\$1,000	\$1,000
Ground Cover Establishment	2 acres	2000/acre	\$4,000	\$2,000	\$2,000
Weed Control and Mulching	2 acres	\$600/acre	\$1,200	\$600	\$600
Fertilization/Soil Amendments	2 acres	\$500/acre	\$1,000	\$500	\$500
Trail Construction	5,280 ft.	\$5.00/ft.	\$26,400	\$13,200	\$13,200
Trail Signs	4 signs	\$200/sign	\$800	\$400	\$400
Tree Protection (control pigs)	8 acres	\$250/acre	\$2,000	\$1,000	\$1,000
TOTALS			\$46,445	\$23,223	\$23,222

Year 5** (Please see note below)

Practice Component	Units	Cost/Unit	Total Cost	LO Share	State Share
Site Preparation	2 acres	\$2,000/acre	\$4,000	\$2,000	\$2,000
Seedling Acquisition	2 acres @ 435 seedlings per acre	\$3.50/seedling	\$3,045	\$1,523	\$1,522
	2,000 cuttings per acre	\$.50/cutting	\$2,000	\$1,000	\$1,000
Planting	2 acres	1000/acre	\$2,000	\$1,000	\$1,000
Ground Cover Establishment	2 acres	2000/acre	\$4,000	\$2,000	\$2,000
Weed Control and Mulching	2 acres	\$600/acre	\$1,200	\$600	\$600
Fertilization/Soil Amendments	2 acres	\$500/acre	\$1,000	\$500	\$500
Trail Construction	5,280 ft.	\$5.00/ft.	\$26,400	\$13,200	\$13,200
Trail Signs	4 signs	\$200/sign	\$800	\$400	\$400
Tree Protection (control pigs)	10 acres	\$250/acre	\$2,500	\$1,250	\$1,250
TOTALS			\$46,945	\$23,473	\$23,472

Year 6

Practice Component	Units	Cost/Unit	Total Cost	LO Share	State Share
Site Preparation	2 acres	\$2,000/acre	\$4,000	\$2,000	\$2,000
Seedling Acquisition	2 acres @ 435 seedlings per acre	\$3.50/seedling	\$3,045	\$1,523	\$1,522
	2,000 cuttings per acre	\$.50/cutting	\$2,000	\$1,000	\$1,000
Planting	2 acres	1000/acre	\$2,000	\$1,000	\$1,000
Ground Cover Establishment	2 acres	2000/acre	\$4,000	\$2,000	\$2,000
Weed Control and Mulching	2 acres	\$600/acre	\$1,200	\$600	\$600
Fertilization/Soil Amendments	2 acres	\$500/acre	\$1,000	\$500	\$500
Trail Construction	5,280 ft.	\$5.00/ft.	\$26,400	\$13,200	\$13,200
Trail Signs	4 signs	\$200/sign	\$800	\$400	\$400
Tree Protection (control pigs)	12 acres	\$250/acre	\$3,000	\$1,500	\$1,500
TOTALS			\$47,445	\$23,723	\$23,722

Year 7

Practice Component	Units	Cost/Unit	Total Cost	LO Share	State Share
Site Preparation	2 acres	\$2,000/acre	\$4,000	\$2,000	\$2,000
Seedling Acquisition	2 acres @ 435 seedlings per acre	\$3.50/seedling	\$3,045	\$1,523	\$1,522
	2,000 cuttings per acre	\$.50/cutting	\$2,000	\$1,000	\$1,000
Planting	2 acres	1000/acre	\$2,000	\$1,000	\$1,000
Ground Cover Establishment	2 acres	2000/acre	\$4,000	\$2,000	\$2,000
Weed Control and Mulching	2 acres	\$600/acre	\$1,200	\$600	\$600
Fertilization/Soil Amendments	2 acres	\$500/acre	\$1,000	\$500	\$500
Trail Construction	5,280 ft.	\$5.00/ft.	\$26,400	\$13,200	\$13,200
Trail Signs	4 signs	\$200/sign	\$800	\$400	\$400
Tree Protection (control pigs)	14 acres	\$250/acre	\$3,500	\$1,750	\$1,750
TOTALS			\$47,945	\$23,973	\$23,972

Year 8

Practice Component	Units	Cost/Unit	Total Cost	LO Share	State Share
Site Preparation	2 acres	\$2,000/acre	\$4,000	\$2,000	\$2,000
Seedling Acquisition	2 acres @ 435 seedlings per acre	\$3.50/seedling	\$3,045	\$1,523	\$1,522
	2,000 cuttings per acre	\$.50/cutting	\$2,000	\$1,000	\$1,000
Planting	2 acres	1000/acre	\$2,000	\$1,000	\$1,000
Ground Cover Establishment	2 acres	2000/acre	\$4,000	\$2,000	\$2,000
Weed Control and Mulching	2 acres	\$600/acre	\$1,200	\$600	\$600
Fertilization/Soil Amendments	2 acres	\$500/acre	\$1,000	\$500	\$500
Trail Construction	5,280 ft.	\$5.00/ft.	\$26,400	\$13,200	\$13,200
Trail Signs	4 signs	\$200/sign	\$800	\$400	\$400
Tree Protection (control pigs)	16 acres	\$250/acre	\$4,000	\$2,000	\$2,000
TOTALS			\$48,445	\$24,223	\$24,222

Year 9

Practice Component	Units	Cost/Unit	Total Cost	LO Share	State Share
Site Preparation	2 acres	\$2,000/acre	\$4,000	\$2,000	\$2,000
Seedling Acquisition	2 acres @ 435 seedlings per acre	\$3.50/seedling	\$3,045	\$1,523	\$1,522
	2,000 cuttings per acre	\$.50/cutting	\$2,000	\$1,000	\$1,000
Planting	2 acres	1000/acre	\$2,000	\$1,000	\$1,000
Ground Cover Establishment	2 acres	2000/acre	\$4,000	\$2,000	\$2,000
Weed Control and Mulching	2 acres	\$600/acre	\$1,200	\$600	\$600
Fertilization/Soil Amendments	2 acres	\$500/acre	\$1,000	\$500	\$500
Trail Construction	5,280 ft.	\$5.00/ft.	\$26,400	\$13,200	\$13,200
Trail Signs	4 signs	\$200/sign	\$800	\$400	\$400
Tree Protection (control pigs)	18 acres	\$250/acre	\$4,500	\$2,250	\$2,250
TOTALS			\$48,945	\$24,473	\$24,472

Year 10

Practice Component	Units	Cost/Unit	Total Cost	LO Share	State Share
Site Preparation	2 acres	\$2,000/acre	\$4,000	\$2,000	\$2,000
Seedling Acquisition	2 acres @ 435 seedlings per acre	\$3.50/seedling	\$3,045	\$1,523	\$1,522
	2,000 cuttings per acre	\$.50/cutting	\$2,000	\$1,000	\$1,000
Planting	2 acres	1000/acre	\$2,000	\$1,000	\$1,000
Ground Cover Establishment	2 acres	2000/acre	\$4,000	\$2,000	\$2,000
Weed Control and Mulching	2 acres	\$600/acre	\$1,200	\$600	\$600
Fertilization/Soil Amendments	2 acres	\$500/acre	\$1,000	\$500	\$500
Trail Construction	5,280 ft.	\$5.00/ft.	\$26,400	\$13,200	\$13,200
Trail Signs	4 signs	\$200/sign	\$800	\$400	\$400
Tree Protection (control pigs)	20 acres	\$250/acre	\$5,000	\$2,500	\$2,500
TOTALS			\$49,445	\$24,723	\$24,722

***Special Areas-** Large senescing, dangerous albizzia and rapidly spreading Chinese banyan trees need to be removed in the first three years from most of the area to make them safe for reforestation and trail construction. Removal is expensive and requires the services of a certified arborist.

** After Year 5, practice rates (cost/unit) will be increased to reflect updated hold-down rates after they are approved.

Cost Justification

Higher cost rates have been used in this budget for Site Preparation and Planting. This is due to the extremely overgrown quality of the forest environment where reforestation efforts are planned, for the hilly terrain and side ridges that limit vehicular access and increase access time by foot, and for the aggressive number of reforestation seedlings and cuttings that are being planned for planting activities.

VII. Budget Summary

Year	Total	Land Owner Share	State Share
1	\$144,845	\$72,823	\$72,022
2	\$105,445	\$52,723	\$52,722
3	\$125,945	\$62,973	\$62,972
4	\$46,445	\$23,223	\$23,222
5	\$46,945	\$23,473	\$23,472
6	\$47,445	\$23,723	\$23,722
7	\$47,945	\$23,973	\$23,972
8	\$48,445	\$24,223	\$24,222
9	\$48,945	\$24,473	\$24,472
10	\$49,445	\$24,723	\$24,722
	\$711,850	\$356,330	\$355,520

VI: PRACTICE IMPLEMENTATION SCHEDULE

Year 1

Practice Component	Units	Cost/Unit	Total Cost	Land Owner Share	State Share
Management Plan	1 Plan	\$6,400	\$6,400	\$1,600	\$4,800
Special Areas*	6acres	10,000	\$62,000	\$32,000	\$30,000
Site Preparation	2 acre	2000	\$4,000	\$2,000	\$2,000
Seedling Acquisition	2 acres @ 435 seedlings per acre	\$3.50/seedling (plus \$2000 greenhouse const.)	\$5,045	\$3,523	\$1,522
	2,000 cuttings per acre	\$.50/cutting	\$2,000	\$1,000	\$1,000
Planting	2 acres	1000/acre	\$2,000	\$1,000	\$1,000
Ground Cover Establishment	2 acres	2000/acre	\$4,000	\$2,000	\$2,000
Weed Control and Mulching	2 acres	\$600/acre	\$1,200	\$600	\$600
Fertilization/Soil Amendments	2 acres	\$500/acre	\$1,000	\$500	\$500
Trail Signs	4 signs	\$200/sign	\$800	\$400	\$400
Trail Construction	5280 feet	\$5.00/ft.	\$26,400	\$13,200	\$13,200
Irrigation	Catchment	30,000	30,000	15,000	15,000
TOTALS			\$144,845	\$72,823	\$72,022

Year 2

Practice Component	Units	Cost/Unit	Total Cost	Land Owner Share	State Share
Site Preparation	2 acres	\$2,000/acre	\$4,000	\$2,000	\$2,000
Special Areas*	6acres	10,000	\$60,000	\$30,000	\$30,000
Seedling Acquisition	2 acres @ 435 seedlings per acre	\$3.50/seedling	\$3,045	\$1,523	\$1,522
	2,000 cuttings per acre	\$.50/cutting	\$2,000	\$1,000	\$1,000
Planting	2 acres	1000/acre	\$2,000	\$1,000	\$1,000
Ground Cover Establishment	2 acres	2000/acre	\$4,000	\$2,000	\$2,000
Weed Control and Mulching	2 acres	\$600/acre	\$1,200	\$600	\$600
Fertilization/Soil Amendments	2 acres	\$500/acre	\$1,000	\$500	\$500
Trail Construction	5,280 ft.	\$5.00/ft.	\$26,400	\$13,200	\$13,200
Trail Signs	4 signs	\$200/sign	\$800	\$400	\$400
Tree Protection (control pigs)	4 acres	\$250/acre	\$1,000	\$500	\$500
TOTALS			\$105,445	\$52,723	\$52,722

Year 3

Practice Component	Units	Cost/Unit	Total Cost	LO Share	State Share
Site Preparation	2 acres	\$2,000/acre	\$4,000	\$2,000	\$2,000
Special Areas*	6 acres	10,000	\$60,000	\$30,000	\$30,000
Seedling Acquisition	2 acres @ 435 seedlings per acre	\$3.50/seedling	\$3,045	\$1,523	\$1,522
	2,000 cuttings per acre	\$.50/cutting	\$2,000	\$1,000	\$1,000
Planting	2 acres	1000/acre	\$2,000	\$1,000	\$1,000
Ground Cover Establishment	2 acres	2000/acre	\$4,000	\$2,000	\$2,000
Weed Control and Mulching	2 acres	\$600/acre	\$1,200	\$600	\$600
Fertilization/Soil Amendments	2 acres	\$500/acre	\$1,000	\$500	\$500
Trail Construction	5,280 ft.	\$5.00/ft.	\$26,400	\$13,200	\$13,200
Trail Signs	4 signs	\$200/sign	\$800	\$400	\$400
Tree Protection (control pigs)	6 acres	\$250/acre	\$1,500	\$750	\$750
Streambank Restoration	2 acres	\$10,000/acre	\$20,000	\$10,000	\$10,000
TOTALS			\$125,945	\$62,973	\$62,972

Year 4

Practice Component	Units	Cost/Unit	Total Cost	LO Share	State Share
Site Preparation	2 acres	\$2,000/acre	\$4,000	\$2,000	\$2,000
Seedling Acquisition	2 acres @ 435 seedlings per acre	\$3.50/seedling	\$3,045	\$1,523	\$1,522
	2,000 cuttings per acre	\$.50/cutting	\$2,000	\$1,000	\$1,000
Planting	2 acres	1000/acre	\$2,000	\$1,000	\$1,000
Ground Cover Establishment	2 acres	2000/acre	\$4,000	\$2,000	\$2,000
Weed Control and Mulching	2 acres	\$600/acre	\$1,200	\$600	\$600
Fertilization/Soil Amendments	2 acres	\$500/acre	\$1,000	\$500	\$500
Trail Construction	5,280 ft.	\$5.00/ft.	\$26,400	\$13,200	\$13,200
Trail Signs	4 signs	\$200/sign	\$800	\$400	\$400
Tree Protection (control pigs)	8 acres	\$250/acre	\$2,000	\$1,000	\$1,000
TOTALS			\$46,445	\$23,223	\$23,222

Year 5** (Please see note below)

Practice Component	Units	Cost/Unit	Total Cost	LO Share	State Share
Site Preparation	2 acres	\$2,000/acre	\$4,000	\$2,000	\$2,000
Seedling Acquisition	2 acres @ 435 seedlings per acre	\$3.50/seedling	\$3,045	\$1,523	\$1,522
	2,000 cuttings per acre	\$.50/cutting	\$2,000	\$1,000	\$1,000
Planting	2 acres	1000/acre	\$2,000	\$1,000	\$1,000
Ground Cover Establishment	2 acres	2000/acre	\$4,000	\$2,000	\$2,000
Weed Control and Mulching	2 acres	\$600/acre	\$1,200	\$600	\$600
Fertilization/Soil Amendments	2 acres	\$500/acre	\$1,000	\$500	\$500
Trail Construction	5,280 ft.	\$5.00/ft.	\$26,400	\$13,200	\$13,200
Trail Signs	4 signs	\$200/sign	\$800	\$400	\$400
Tree Protection (control pigs)	10 acres	\$250/acre	\$2,500	\$1,250	\$1,250
TOTALS			\$46,945	\$23,473	\$23,472

Year 6

Practice Component	Units	Cost/Unit	Total Cost	LO Share	State Share
Site Preparation	2 acres	\$2,000/acre	\$4,000	\$2,000	\$2,000
Seedling Acquisition	2 acres @ 435 seedlings per acre	\$3.50/seedling	\$3,045	\$1,523	\$1,522
	2,000 cuttings per acre	\$.50/cutting	\$2,000	\$1,000	\$1,000
Planting	2 acres	1000/acre	\$2,000	\$1,000	\$1,000
Ground Cover Establishment	2 acres	2000/acre	\$4,000	\$2,000	\$2,000
Weed Control and Mulching	2 acres	\$600/acre	\$1,200	\$600	\$600
Fertilization/Soil Amendments	2 acres	\$500/acre	\$1,000	\$500	\$500
Trail Construction	5,280 ft.	\$5.00/ft.	\$26,400	\$13,200	\$13,200
Trail Signs	4 signs	\$200/sign	\$800	\$400	\$400
Tree Protection (control pigs)	12 acres	\$250/acre	\$3,000	\$1,500	\$1,500
TOTALS			\$47,445	\$23,723	\$23,722

Year 7

Practice Component	Units	Cost/Unit	Total Cost	LO Share	State Share
Site Preparation	2 acres	\$2,000/acre	\$4,000	\$2,000	\$2,000
Seedling Acquisition	2 acres @ 435 seedlings per acre	\$3.50/seedling	\$3,045	\$1,523	\$1,522
	2,000 cuttings per acre	\$.50/cutting	\$2,000	\$1,000	\$1,000
Planting	2 acres	1000/acre	\$2,000	\$1,000	\$1,000
Ground Cover Establishment	2 acres	2000/acre	\$4,000	\$2,000	\$2,000
Weed Control and Mulching	2 acres	\$600/acre	\$1,200	\$600	\$600
Fertilization/Soil Amendments	2 acres	\$500/acre	\$1,000	\$500	\$500
Trail Construction	5,280 ft.	\$5.00/ft.	\$26,400	\$13,200	\$13,200
Trail Signs	4 signs	\$200/sign	\$800	\$400	\$400
Tree Protection (control pigs)	14 acres	\$250/acre	\$3,500	\$1,750	\$1,750
TOTALS			\$47,945	\$23,973	\$23,972

Year 8

Practice Component	Units	Cost/Unit	Total Cost	LO Share	State Share
Site Preparation	2 acres	\$2,000/acre	\$4,000	\$2,000	\$2,000
Seedling Acquisition	2 acres @ 435 seedlings per acre	\$3.50/seedling	\$3,045	\$1,523	\$1,522
	2,000 cuttings per acre	\$.50/cutting	\$2,000	\$1,000	\$1,000
Planting	2 acres	1000/acre	\$2,000	\$1,000	\$1,000
Ground Cover Establishment	2 acres	2000/acre	\$4,000	\$2,000	\$2,000
Weed Control and Mulching	2 acres	\$600/acre	\$1,200	\$600	\$600
Fertilization/Soil Amendments	2 acres	\$500/acre	\$1,000	\$500	\$500
Trail Construction	5,280 ft.	\$5.00/ft.	\$26,400	\$13,200	\$13,200
Trail Signs	4 signs	\$200/sign	\$800	\$400	\$400
Tree Protection (control pigs)	16 acres	\$250/acre	\$4,000	\$2,000	\$2,000
TOTALS			\$48,445	\$24,223	\$24,222

Year 9

Practice Component	Units	Cost/Unit	Total Cost	LO Share	State Share
Site Preparation	2 acres	\$2,000/acre	\$4,000	\$2,000	\$2,000
Seedling Acquisition	2 acres @ 435 seedlings per acre	\$3.50/seedling	\$3,045	\$1,523	\$1,522
	2,000 cuttings per acre	\$.50/cutting	\$2,000	\$1,000	\$1,000
Planting	2 acres	1000/acre	\$2,000	\$1,000	\$1,000
Ground Cover Establishment	2 acres	2000/acre	\$4,000	\$2,000	\$2,000
Weed Control and Mulching	2 acres	\$600/acre	\$1,200	\$600	\$600
Fertilization/Soil Amendments	2 acres	\$500/acre	\$1,000	\$500	\$500
Trail Construction	5,280 ft.	\$5.00/ft.	\$26,400	\$13,200	\$13,200
Trail Signs	4 signs	\$200/sign	\$800	\$400	\$400
Tree Protection (control pigs)	18 acres	\$250/acre	\$4,500	\$2,250	\$2,250
TOTALS			\$48,945	\$24,473	\$24,472

Year 10

Practice Component	Units	Cost/Unit	Total Cost	LO Share	State Share
Site Preparation	2 acres	\$2,000/acre	\$4,000	\$2,000	\$2,000
Seedling Acquisition	2 acres @ 435 seedlings per acre	\$3.50/seedling	\$3,045	\$1,523	\$1,522
	2,000 cuttings per acre	\$.50/cutting	\$2,000	\$1,000	\$1,000
Planting	2 acres	1000/acre	\$2,000	\$1,000	\$1,000
Ground Cover Establishment	2 acres	2000/acre	\$4,000	\$2,000	\$2,000
Weed Control and Mulching	2 acres	\$600/acre	\$1,200	\$600	\$600
Fertilization/Soil Amendments	2 acres	\$500/acre	\$1,000	\$500	\$500
Trail Construction	5,280 ft.	\$5.00/ft.	\$26,400	\$13,200	\$13,200
Trail Signs	4 signs	\$200/sign	\$800	\$400	\$400
Tree Protection (control pigs)	20 acres	\$250/acre	\$5,000	\$2,500	\$2,500
TOTALS			\$49,445	\$24,723	\$24,722

***Special Areas-** Large senescing, dangerous albizzia and rapidly spreading Chinese banyan trees need to be removed in the first three years from most of the area to make them safe for reforestation and trail construction. Removal is expensive and requires the services of a certified arborist.

** After Year 5, practice rates (cost/unit) will be increased to reflect updated hold-down rates after they are approved.

Cost Justification

Higher cost rates have been used in this budget for Site Preparation and Planting. This is due to the extremely overgrown quality of the forest environment where reforestation efforts are planned, for the hilly terrain and side ridges that limit vehicular access and increase access time by foot, and for the aggressive number of reforestation seedlings and cuttings that are being planned for planting activities.

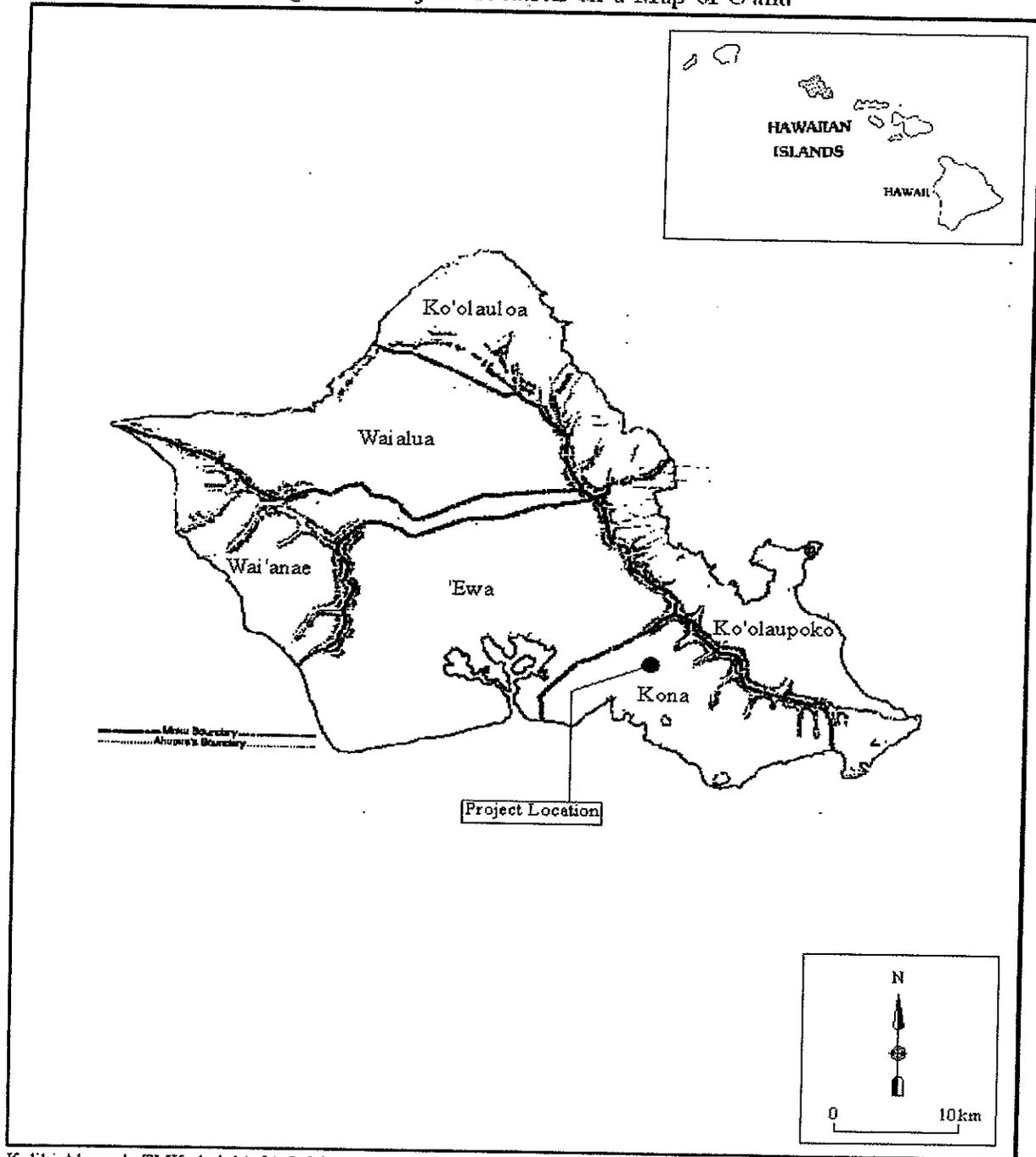
VII. Budget Summary

Year	Total	Land Owner Share	State Share
1	\$144,845	\$72,823	\$72,022
2	\$105,445	\$52,723	\$52,722
3	\$125,945	\$62,973	\$62,972
4	\$46,445	\$23,223	\$23,222
5	\$46,945	\$23,473	\$23,472
6	\$47,445	\$23,723	\$23,722
7	\$47,945	\$23,973	\$23,972
8	\$48,445	\$24,223	\$24,222
9	\$48,945	\$24,473	\$24,472
10	\$49,445	\$24,723	\$24,722
	\$711,850	\$356,330	\$355,520

VIII. ATTACHMENTS

1. Location Map

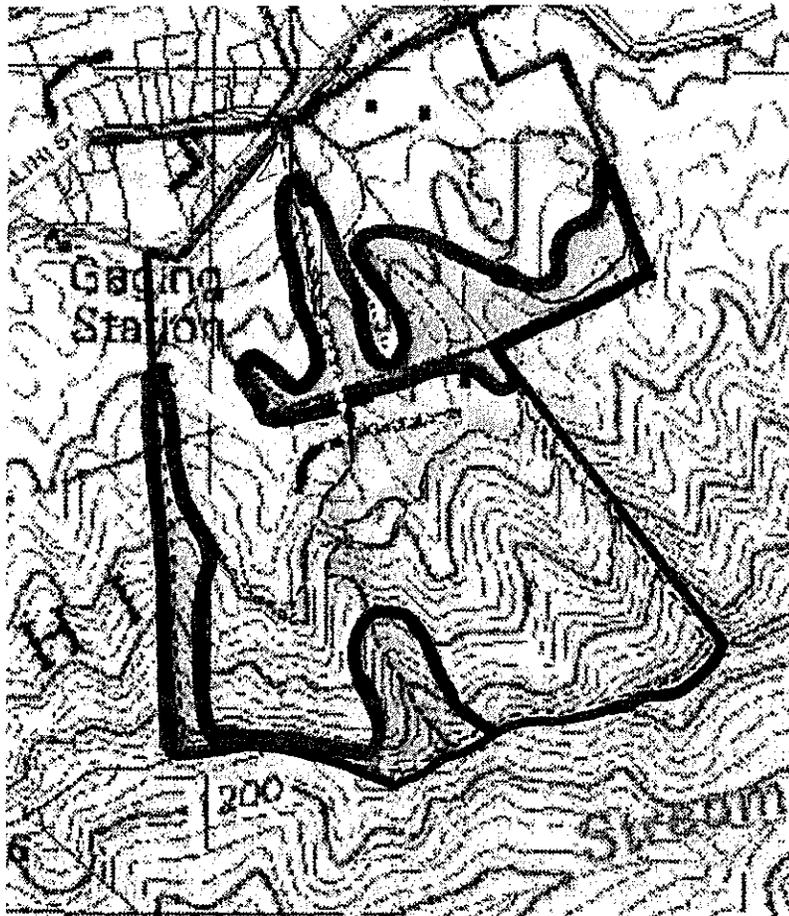
Figure 1: Project Location on a Map of O'ahu



Kalihi Ahupua'a TMK: 1-4-14: 01 & 26 and 1-4-16: 03

source: Adapted from Nogelmeier in Snakenberg 1990

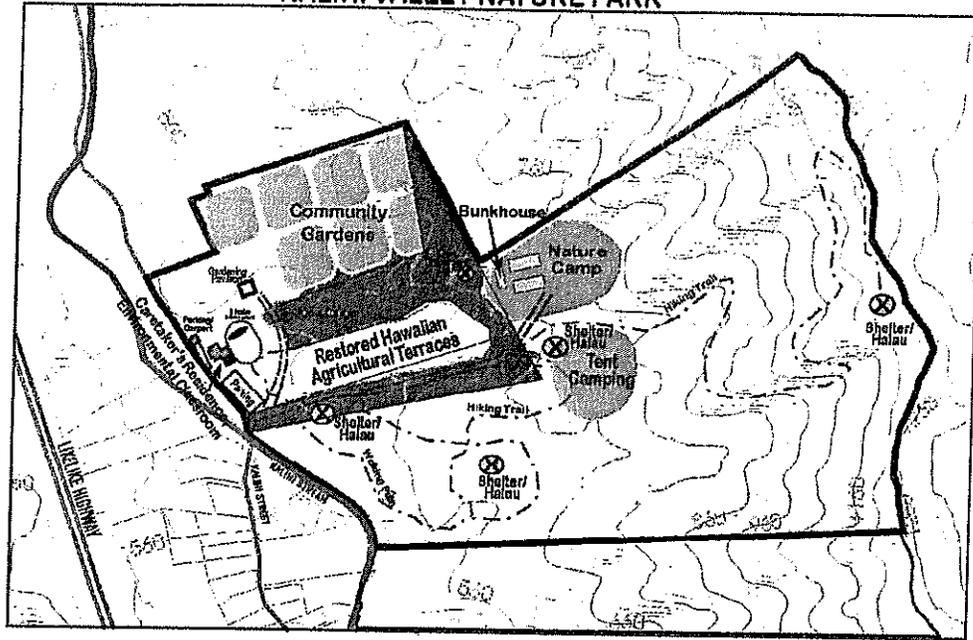
2. Topographic Map



KALIHI VALLEY NATURE PARK FOREST STEWARDSHIP AREAS

Stewardship areas are highlighted in yellow.
Trails are marked with dotted lines highlighted in yellow.

**PRELIMINARY MASTER PLAN MAP OF THE ACTIVE LIVING CENTER
KALIHI VALLEY NATURE PARK**



0 1/8 Mile 1/4 Mile 1/2 Mile

LEGEND

- Project Area
- Existing Improved Roads
- - - Proposed Trail System
- Kalihi Stream
- Roads
- 100-Foot Contour Lines
- 20-Foot Contour Lines

LINDA LINGLE
GOVERNOR OF HAWAII



STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
OFFICE OF CONSERVATION AND COASTAL LANDS
POST OFFICE BOX 621
HONOLULU, HAWAII 96809

PETER T. YOUNG
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

ROBERT K. MASUDA
DEPUTY DIRECTOR - LAND

DEAN NAKANO
ACTING DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

REF:OCCL:TM

CDUP: OA-3351

Ms. Lisa Ferentinos, Project Coordinator
Kokua Kalihi Valley
2239 North School Street
Honolulu, Hawaii 96819

OCT 13 2006

Dear Ms. Ferentinos,

SUBJECT: Conservation District Use Permit (CDUP) OA-3351

This is to inform you that on October 13, 2006, the Board of Land and Natural Resources approved Conservation District Use Application OA-3351 for the Kalihi Valley Nature Park and Active Lining Center located at Kalihi-uka, island of Oahu, TMK: (1) 1-4-014:001 subject to the following conditions:

1. The applicant shall comply with all applicable statutes, ordinances, rules, regulations, and conditions of the Federal, State, and County governments, and applicable parts of the Hawaii Administrative Rules, Chapter 13-5;
2. The applicant, its successors and assigns, shall indemnify and hold the State of Hawaii harmless from and against any loss, liability, claim or demand for property damage, personal injury or death arising out of any act or omission of the applicant, its successors, assigns, officers, employees, contractors and agents under this permit or relating to or connected with the granting of this permit;
3. The applicant shall comply with all applicable Department of Health administrative rules. Particular attention should be paid to Hawaii Administrative Rules (HAR) Section 11-60.1-33, "Fugitive Dust" and to Chapter 11-46, "Community Noise Control" if applicable;
4. All hazardous materials discovered within the Conservation District shall be removed utilizing best management practices and standard precautions;
5. Any work done or construction to be done on the land shall be initiated within two years of the approval of such use, in accordance with construction plans that have been signed by the Chairperson, and, unless otherwise authorized, shall be completed within three (3) years of the approval. The applicant shall notify the Department in writing when construction activity is initiated and when it is completed;

6. All representations relative to mitigation set forth in the accepted environmental assessment or impact statement for the proposed use are incorporated as conditions of the permit;
7. The applicant understands and agrees that this permit does not convey any vested rights or exclusive privilege;
8. In issuing this permit, the Department and Board have relied on the information and data that the applicant has provided in connection with this permit application. If, subsequent to the issuance of this permit, such information and data prove to be false, incomplete or inaccurate, this permit may be modified, suspended or revoked, in whole or in part, and/or the Department may, in addition, institute appropriate legal proceedings;
9. Where any interference, nuisance, or harm may be caused, or hazard established by the use, the applicant shall be required to take the measures to minimize or eliminate the interference, nuisance, harm, or hazard;
10. Cleared areas shall be revegetated within thirty (30) days unless otherwise provided for in a plan on file with and approved with the department;
11. All activities connected with the project shall be contained within the project area as identified in the application;
12. The approved work shall not hamper, impede or otherwise limit the exercise of traditional, customary or religious practices in the immediate area, to the extent such practices are provided for by the Constitution of the State of Hawaii, and by Hawaii statutory and case law;
13. All new landscaping shall be endemic, indigenous or appropriate Polynesian plant species;
14. Should historic remains such as artifacts, burials or concentration of charcoal be encountered during construction activities, work shall cease immediately in the vicinity of the find, and the find shall be protected from further damage. The contractor shall immediately contact HPD (692-8015), which will assess the significance of the find and recommend an appropriate mitigation measure, if necessary;
15. A preservation plan shall be drafted and approved by the State Historic Preservation Division to assure that any activities shall not endanger the existing sites;
16. Other terms and conditions as may be prescribed by the Chairperson; and

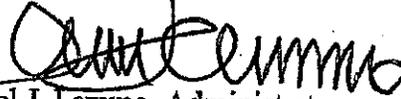
Ms. Lisa Ferentinos, Project Coordinator
Kokua Kalihi Valley

CDUP: OA-3351

17. Failure to comply with any of these conditions shall render this Conservation District Use Permit null and void.

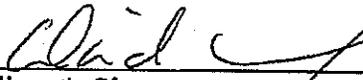
Please acknowledge receipt of this approval, with the above noted conditions, in the space provided below. Please sign two copies. Retain one and return the other within thirty (30) days. Should you have any questions on any of these conditions, please feel free to contact Tiger Mills at 587-0382.

Sincerely,



Samuel J. Lemmo, Administrator
Office of Conservation and Coastal Lands

Receipt acknowledged:


Applicant's Signature

Date 10/17/06

- c: Chairperson
Administrator, DLNR-State Parks Division
Oahu District Land Office
City and County of Honolulu, Department of Planning and Permitting

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STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES

GENERAL LEASE NO. SP-0042

THIS LEASE, made this 9th day of JANUARY, 2006,
by and between the STATE OF HAWAII, hereinafter referred to as
the "Lessor," by its Board of Land and Natural Resources, called
the "Board," and KOKUA KALIHI VALLEY (COMPREHENSIVE FAMILY
SERVICES), a Hawaii nonprofit corporation, whose address is 2239
North School Street; Honolulu, Hawaii 96819,
hereinafter referred to as the "Lessee."

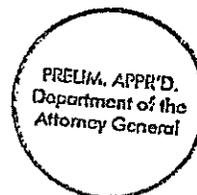
WITNESSETH:

The Lessor, pursuant to Section 171-43.1, Hawaii
Revised Statutes, and for and in consideration of the rent to be
paid and of the terms, covenants and conditions herein contained,
all on the part of the Lessee to be kept, observed and performed,
does lease unto the Lessee, and the Lessee does lease from the
Lessor the premises situate at Kalihi Valley, Honolulu, Oahu,
Hawaii, identified as "Kalihi Valley Park," being Lots 3, 4 and 7
of Map 1, Land Court Application No. 1457, and Land Court
Application 653 of Map 1, covered by Transfer Certificate of
Title Nos. 493,843 and 496,133, all more particularly described
in Exhibit "A" which is attached hereto and made a part hereof.

TO HAVE AND TO HOLD the leased premises unto the Lessee
for the term of twenty (20) years, commencing on the 1st day of
November, 2005, up to and including the 31st day of October,
2025, unless sooner terminated as hereinafter provided, the
Lessor reserving and the Lessee yielding and paying to the Lessor
at the Office of the Department of Land and Natural Resources,
Honolulu, Oahu, State of Hawaii, an annual rental as provided
hereinbelow, payable in advance, without notice or demand, in
equal annual installment on November 1st of each and every year
during the term as follows:

A. For the twenty (20) years, the sum of ONE HUNDRED
FORTY FOUR AND NO/100 DOLLARS (\$144.00) per annum.

B. The interest rate on any and all unpaid or
delinquent rentals shall be at one percent (1%) per month, plus a
service charge of FIFTY AND NO/100 DOLLARS (\$50.00) a month for
each delinquent payment.



RESERVING UNTO THE LESSOR THE FOLLOWING:

1. Minerals and waters. (a) All minerals as hereinafter defined, in, on or under the premises and the right, on its own behalf or through persons authorized by it, to prospect for, mine and remove the minerals and to occupy and use so much of the surface of the ground as may be required for all purposes reasonably extending to the mining and removal of the minerals by any means whatsoever, including strip mining. "Minerals," as used herein, shall mean any or all oil, gas, coal, phosphate, sodium, sulphur, iron, titanium, gold, silver, bauxite, bauxitic clay, diaspore, boehmite, laterite, gibbsite, alumina, all ores of aluminum and, without limitation thereon, all other mineral substances and ore deposits, whether solid, gaseous or liquid, including all geothermal resources, in, on, or under the land, fast or submerged; provided, that "minerals" shall not include sand, gravel, rock or other material suitable for use and used in general construction in furtherance of the Lessee's permitted activities on the premises and not for sale to others. (b) All surface and ground waters appurtenant to the premises and the right on its own behalf or through persons authorized by it, to capture, divert or impound the same and to occupy and use so much of the premises required in the exercise of this right reserved; provided, however, that as a condition precedent to the exercise by the Lessor of the rights reserved in this paragraph, just compensation shall be paid to the Lessee for any of Lessee's improvements taken.

2. Ownership of improvements. The ownership of all improvements of whatever kind or nature, including but not limited to fences and stockwater system(s) located on the land prior to or on the commencement date of this lease, excluding those improvements constructed during the term of this lease unless provided otherwise.

SUBJECT TO the rights of native tenants and to regulatory rights and ownership rights (if any) of the State of Hawaii established pursuant to state law including chapter 6E, Hawaii Revised Statutes, over prehistoric or historic remains found in, on, or under the land.

THE LESSEE COVENANTS AND AGREES WITH THE LESSOR AS FOLLOWS:

1. Payment of rent. The Lessee shall pay the rent to the Lessor at the times, in the manner and form provided in this lease and at the place specified above, or at any other place the Lessor may from time to time designate, in legal tender of the United States of America.

2. Taxes, assessments, etc. The Lessee shall pay or cause to be paid, when due, the amount of all taxes, rates, and assessments of every description as to which the premises or any part, or any improvements, or the Lessor or Lessee, are now or may be assessed or become liable by authority of law during the term of this lease; provided, however, that with respect to any assessment made under any betterment or improvement law which may be payable in installments, Lessee shall be required to pay only those installments, together with interest, which becomes due and payable during the term of this lease.

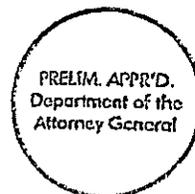
3. Utility services. The Lessee shall be responsible for obtaining any utility services and shall pay when due all charges, duties and rates of every description, including water, sewer, gas, refuse collection or any other charges, as to which the premises or any part, or any improvements, or the Lessor or Lessee may become liable for during the term, whether assessed to or payable by the Lessor or Lessee.

4. Covenant against discrimination. The use and enjoyment of the premises shall not be in support of any policy which discriminates against anyone based upon race, creed, sex, color, national origin, religion, marital status, familial status, ancestry, physical handicap, disability, age or HIV (human immunodeficiency virus) infection.

5. Sanitation. The Lessee shall keep the premises and improvements in a strictly clean, sanitary and orderly condition.

6. Waste and unlawful, improper or offensive use of premises. The Lessee shall not commit, suffer or permit to be committed any waste, nuisance, strip or unlawful, improper or offensive use of the premises or any part, nor, without the prior written consent of the Lessor, cut down, remove or destroy, or suffer to be cut down, removed or destroyed, any trees now growing on the premises.

7. Compliance with laws. The Lessee shall comply with all of the requirements of all municipal, state, and federal



authorities and observe all municipal, state and federal laws applicable to the premises, now in force or which may be in force.

8. Inspection of premises. The Lessee shall permit the Lessor and its agents, at all reasonable times during the lease term, to enter the premises and examine the state of its repair and condition. Lessee to turn over to Lessor in a timely manner copies of all plans, studies, and (or) reports prepared by or for Lessee with respect to the Premises.

9. Improvements. The Lessee shall not at any time during the term construct, place, maintain and install on the premises any building, structure or improvement of any kind and description except with the prior written approval of the Chairperson and upon those conditions the Chairperson may impose, including any adjustment of rent, unless otherwise provided in this lease. The Lessee shall own these improvements until the expiration or other termination of the lease, at which time the ownership shall at the option of the Lessor, remain and becomes the property of the Lessor or shall be removed by Lessee at Lessee's sole cost and expense.

Upon termination and/or expiration of the lease and if desired by the Lessor, the Lessee at its expense, shall remove any and all improvements installed or constructed upon the premises and restore said premises to a condition satisfactory to the Lessor.

10. Repairs to improvements. The Lessee shall, at its own expense, keep, repair, and maintain all buildings and improvements now existing or hereafter constructed or installed on the premises in good order, condition and repair, reasonable wear and tear excepted.

11. Liens. The Lessee shall not commit or suffer any act or neglect which results in the premises, any improvement, or the leasehold estate of the Lessee becoming subject to any attachment, lien, charge, or encumbrance, except as provided in this lease, and shall indemnify, defend, and hold the Lessor harmless from and against all attachments, liens, charges, and encumbrances and all resulting expenses.

12. Character of use. The Lessee shall use or allow the premises leased, solely for the purpose of operating and maintaining cultural, educational, and recreational programs and activities for the general public and for no other purpose. There shall be no commercial activity of any kind as defined under



Hawaii Revised Statutes Chapter 102, unless approved by the Chairperson, Board of Land and Natural Resources.

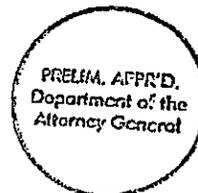
13. Assignments, etc. The Lessee shall not transfer, assign, or permit any other person to occupy or use the premises or any portion or transfer or assign this lease or any interest, either voluntarily or by operation of law, and any transfer or assignment made shall be null and void; provided that with the prior written approval of the Board the assignment and transfer of this lease or any portion may be made only if it is to a non-profit corporate successor of the Lessee.

14. Subletting. The Lessee shall not rent or sublet the whole or any portion of the premises.

15. Indemnity. The Lessee shall indemnify, defend, and hold the Lessor harmless from and against any claim or demand for loss, liability, or damage, including claims for bodily injury, wrongful death, or property damage, arising out of or resulting from: 1) any act or omission on the part of Lessee relating to Lessee's use, occupancy, maintenance, or enjoyment of the premises; 2) any failure on the part of the Lessee to maintain the premises and sidewalks, roadways and parking areas adjacent thereto in Lessee's use and control, and including any accident, fire or nuisance, growing out of or caused by any failure on the part of the Lessee to maintain the premises in a safe condition; and 3) from and against all actions, suits, damages, and claims by whomsoever brought or made by reason of the Lessee's non-observance or non-performance of any of the terms, covenants, and conditions of this lease or the rules, regulations, ordinances, and laws of the federal, state, municipal or county governments.

16. Costs of litigation. In case the Lessor shall, without any fault on Lessor's part, be made a party to any litigation commenced by or against the Lessee (other than condemnation proceedings), the Lessee shall pay all costs, including reasonable attorney's fees, and expenses incurred by or imposed on the Lessor; furthermore, the Lessee shall pay all costs, including reasonable attorney's fees, and expenses which may be incurred by or paid by the Lessor in enforcing the covenants and agreements of this lease, in recovering possession of the premises, or in the collection of delinquent rental, taxes, and any and all other charges.

17. Liability insurance. The Lessee shall procure and maintain, at its cost and expense and acceptable to the Lessor, in full force and effect throughout the term of this lease,



commercial general liability insurance, in an amount acceptable to the Board, with an insurance company(s) licensed to do business in the State of Hawaii. The policy or policies of insurance shall name the State of Hawaii as an additional insured. The insurance shall cover the entire premises, including all buildings, improvements, and grounds and all roadways or sidewalks on or adjacent to the premises in the use or control of the Lessee.

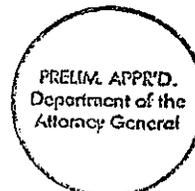
The Lessee, prior to entry and use of the premises or within fifteen (15) days from the effective date of this lease, whichever is sooner, shall furnish the Lessor with a certificate(s) showing the policy(s) to be initially in force, keep the certificate(s) on deposit during the entire lease term, and furnish a like certificate(s) upon each renewal of the policy(s). This insurance shall not be cancelled, limited in scope of coverage, or nonrenewed until after thirty (30) days written notice has been given to the Lessor.

The Lessor shall retain the right at any time to review the coverage, form, and amount of the insurance required by this lease. If, in the opinion of the Lessor, the insurance provisions in this lease do not provide adequate protection for the Lessor, the Lessor may require Lessee to obtain insurance sufficient in coverage, form, and amount to provide adequate protection. The Lessor's requirements shall be reasonable but shall be designed to assure protection for and against the kind and extent of the risks which exist at the time a change in insurance is required. The Lessor shall notify Lessee in writing of changes in the insurance requirements and Lessee shall deposit copies of acceptable insurance policy(s) or certificate(s) thereof, with the Lessor incorporating the changes within thirty (30) days of receipt of the notice.

The procuring of the required policy(s) of insurance shall not be construed to limit Lessee's liability under this lease nor to release or relieve the Lessee of the indemnification provisions and requirements of this lease. Notwithstanding the policy(s) of insurance, Lessee shall be obligated for the full and total amount of any damage, injury, or loss caused by Lessee's negligence or neglect connected with this lease.

It is agreed that any insurance maintained by the Lessor will apply in excess of, and not contribute with, insurance provided by Lessee's policy.

18. Bond, performance. The Lessee shall, at its own cost and expense, within fifteen (15) days from the effective

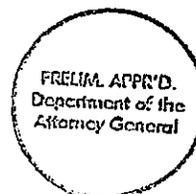


date of this lease, procure and deposit with the Lessor and thereafter keep in full force and effect during the term of this lease a good and sufficient surety bond, conditioned upon the full and faithful observance and performance by Lessee of all the terms, conditions, and covenants of this lease, in an amount of FIVE HUNDRED AND NO/100 DOLLARS (\$500.00). This bond shall provide that in case of a breach or default of any of the lease terms, covenants, conditions, and agreements, the full amount of the bond shall be paid to the Lessor as liquidated and ascertained damages and not as a penalty.

19. Lessor's lien. The Lessor shall have a lien on all the buildings and improvements placed on the premises by the Lessee, on all property kept or used on the premises, whether the same is exempt from execution or not and on the rents of all improvements and buildings located on the premises for all Lessor's costs, attorney's fees, rent reserved, for all taxes and assessments paid by the Lessor on behalf of the Lessee, and for the payment of all money provided in this lease to be paid by the Lessee, and this lien shall continue until the amounts due are paid.

20. Mortgage. Lessee shall not mortgage, hypothecate, or pledge the premises, any portion, or any interest in this lease.

21. Breach. Time is of the essence in this agreement. If the Lessee shall fail to pay the rent, or any part thereof, at the times and in the manner provided in this lease and this failure shall continue for a period of more than thirty (30) days after delivery by the Lessor of a written notice of breach or default and demand for cure, by personal service, registered mail or certified mail to the Lessee and to each holder of record having a security interest in the premises, or if the Lessee shall become bankrupt, or shall abandon the premises, or if this lease and premises shall be attached or taken by operation of law, or if any assignment is made of the Lessee's property for the benefit of creditors, or if Lessee shall fail to observe and perform any of the covenants, terms, and conditions contained in this lease and on its part to be observed and performed, and this failure shall continue for a period of more than sixty (60) days after delivery by the Lessor of a written notice of breach or default and demand for cure, by personal service, registered mail or certified mail to the Lessee at its last known address and to each holder of record having a security interest in the premises, the Lessor may, subject to the provisions of Section 171-21, Hawaii Revised Statutes, at once re-enter the premises, or any part, and upon or without the entry, at its option, terminate

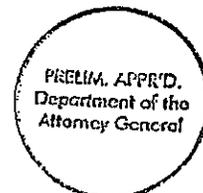


this lease without prejudice to any other remedy or right of action for arrears of rent or for any preceding or other breach of contract; and in the event of termination, at the option of the Lessor, all buildings and improvements shall remain and become the property of the Lessor or shall be removed by Lessee; furthermore, Lessor shall retain all rent paid in advance to be applied to any damages.

22. Condemnation. If at any time, during the term of this lease, any portion of the premises should be condemned, or required for public purposes by any county or city and county, the rental shall be reduced in proportion to the value of the portion of the premises condemned. The Lessee shall be entitled to receive from the condemning authority (a) the value of growing crops, if any, which Lessee is not permitted to harvest and (b) the proportionate value of the Lessee's permanent improvements so taken in the proportion that it bears to the unexpired term of the lease; provided, that the Lessee may, in the alternative, remove and relocate its improvements to the remainder of the premises occupied by the Lessee. The Lessee shall not by reason of the condemnation be entitled to any claim against the Lessor for condemnation or indemnity for leasehold interest and all compensation payable or to be paid for or on account of the leasehold interest by reason of the condemnation shall be payable to and be the sole property of the Lessor. The foregoing rights of the Lessee shall not be exclusive of any other to which Lessee may be entitled by law. Where the portion taken renders the remainder unsuitable for the use or uses for which the premises were leased, the Lessee shall have the option to surrender this lease and be discharged and relieved from any further liability; provided, that Lessee may remove the permanent improvements constructed, erected and placed by it within any reasonable period allowed by the Lessor.

23. Right to enter. The Lessor or the County and their agents or representatives shall have the right to enter and cross any portion of the premises for the purpose of performing any public or official duties; provided, however, in the exercise of these rights, the Lessor or the County shall not interfere unreasonably with the Lessee or Lessee's use and enjoyment of the premises.

24. Inspection by prospective bidders. The Lessor shall have the right to authorize any person or persons to enter upon and inspect the premises at all reasonable times following a published notice for its proposed disposition for purposes of informing and apprising that person or persons of the condition of the lands preparatory to the proposed disposition; provided,

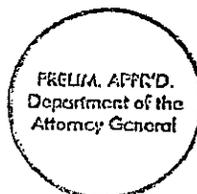


however, that any entry and inspection shall be conducted during reasonable hours after notice to enter is first given to the Lessee, and shall, if the Lessee so requires, be made in the company of the Lessee or designated agents of the Lessee; provided, further, that no authorization shall be given more than two years before the expiration of the term of this lease.

25. Acceptance of rent not a waiver. The acceptance of rent by the Lessor shall not be deemed a waiver of any breach by the Lessee of any term, covenant, or condition of this lease, nor of the Lessor's right of re-entry for breach of covenant, nor of the Lessor's right to declare and enforce a forfeiture for any breach, and the failure of the Lessor to insist upon strict performance of any term, covenant, or condition, or to exercise any option conferred, in any one or more instances, shall not be construed as a waiver or relinquishment of any term, covenant, condition, or option.

26. Extension of time. Notwithstanding any provision contained in this lease, when applicable, the Board may for good cause shown, allow additional time beyond the time or times specified in this lease for the Lessee to comply, observe, and perform any of the lease terms, conditions, and covenants.

27. Justification of sureties. Any bonds required by this lease shall be supported by the obligation of a corporate surety organized for the purpose of being a surety and qualified to do business in the State of Hawaii, or by not less than two personal sureties, corporate or individual, for which justifications shall be filed as provided in Section 78-20, Hawaii Revised Statutes; provided, however, the Lessee may furnish a bond in like amount, conditioned as aforesaid, executed by it alone as obligor, if, in lieu of any surety or sureties, it shall also furnish and at all times thereafter keep and maintain on deposit with the Lessor security in certified checks, certificates of deposit (payable on demand or after a period the Lessor may stipulate), bonds, stocks or other negotiable securities properly endorsed, or execute and deliver to the Lessor a deed or deeds of trust of real property, all of a character which is satisfactory to Lessor and valued in the aggregate at not less than the principal amount of the bond. It is agreed that the value of any securities which may be accepted and at any time thereafter held by the Lessor shall be determined by the Lessor, and that the Lessee may, with the approval of the Lessor, exchange other securities or money for any of the deposited securities if in the judgment of the Lessor the substitute securities or money shall be at least equal in value to those withdrawn. It is further agreed that substitution of



sureties or the substitution of a deposit of security for the obligation of a surety or sureties may be made by the Lessee, but only upon the written consent of the Lessor and that until this consent is granted, which shall be discretionary with the Lessor, no surety shall be released or relieved from any obligation.

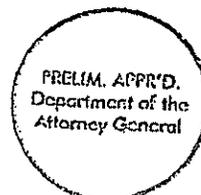
28. Waiver, modification, reimposition of bond and liability insurance provisions. Upon substantial compliance by the Lessee with the terms, covenants, and conditions contained in this lease on its part to be observed or performed, the Lessor at its discretion may in writing, waive or suspend the performance bond or improvement bond requirements or both or may, in writing, modify the particular bond(s) or liability insurance requirements by reducing its amount; provided, however, that the Lessor reserves the right to reactivate the bonds or reimpose the bond(s) or liability insurance in and to their original tenor and form at any time throughout the term of this lease.

29. Quiet enjoyment. The Lessor covenants and agrees with the Lessee that upon payment of the rent at the times and in the manner provided and the observance and performance of these covenants, terms, and conditions on the part of the Lessee to be observed and performed, the Lessee shall and may have, hold, possess, and enjoy the premises for the term of the lease, without hindrance or interruption by the Lessor or any other person or persons lawfully claiming by, through, or under it.

30. Surrender. The Lessee shall, at the end of the term or other sooner termination of this lease, peaceably deliver unto the Lessor possession of the premises in a clean and orderly condition, together with all improvements existing or constructed thereon or Lessee shall remove such improvements, at the option of the Lessor. Furthermore, upon the expiration, termination, or revocation of this lease, should the Lessee fail to remove any and all of Lessee's personal property from the premises, after notice thereof, the Lessor may remove any and all personal property from the premises and either deem the property abandoned and dispose of the property or place the property in storage at the cost and expense of Lessee, and the Lessee does agree to pay all costs and expenses for disposal, removal, or storage of the personal property. This provision shall survive the termination of the lease.

31. Non-warranty. The Lessor does not warrant the conditions of the premises, as the same are being leased as is.

32. Hazardous materials. Lessee shall not cause or permit the escape, disposal or release of any hazardous materials



except as permitted by law. Lessee shall not allow the storage or use of such materials in any manner not sanctioned by law or by the highest standards prevailing in the industry for the storage and use of such materials, nor allow to be brought onto the premises any such materials except to use in the ordinary course of Lessee's business, and then only after written notice is given to Lessor of the identity of such materials and upon Lessor's consent which consent may be withheld at Lessor's sole and absolute discretion. If any lender or governmental agency shall ever require testing to ascertain whether or not there has been any release of hazardous materials by Lessee, then the Lessee shall be responsible for the reasonable costs thereof. In addition, Lessee shall execute affidavits, representations and the like from time to time at Lessor's request concerning Lessee's best knowledge and belief regarding the presence of hazardous materials on the premises placed or released by Lessee.

Lessee agrees to indemnify, defend, and hold Lessor harmless, from any damages and claims resulting from the release of hazardous materials on the premises occurring while Lessee is in possession or elsewhere if caused by Lessee or persons acting under Lessee. These covenants shall survive the expiration or earlier termination of the lease.

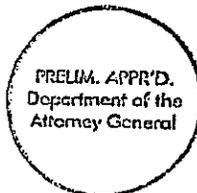
For the purpose of this lease "hazardous material" shall mean any pollutant, toxic substance, hazardous waste, hazardous material, hazardous substance, or oil as defined in or pursuant to the Resource Conservation and Recovery Act, as amended, the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, the Federal Clean Water Act, or any other federal, state, or local environmental law, regulation, ordinance, rule, or by-law, whether existing as of the date hereof, previously enforced, or subsequently enacted.

33. Hawaii law. This lease shall be construed, interpreted, and governed by the laws of the State of Hawaii.

34. Exhibits - Incorporation in lease. All exhibits referred to are attached to this lease and hereby are deemed incorporated by reference.

35. Headings. The article and paragraph headings herein are inserted only for convenience and reference and shall in no way define, describe or limit the scope or intent of any provision of this lease.

36. Partial invalidity. If any term, provision, covenant or condition of this lease should be held to be invalid,



void or unenforceable, the remainder of this lease shall continue in full force and effect and shall in no way be affected, impaired or invalidated thereby.

SPECIAL CONDITIONS:

37. Withdrawal. The Lessor shall have the right to withdraw the premises, or any portion, at any time during the term of this lease upon giving reasonable notice and without compensation, except as otherwise provided in the lease, for public uses or purposes, including residential, commercial, industrial, or resort developments, for constructing new roads or extensions, or changes in line or grade of existing roads, for rights of way and easements of all kinds, and shall be subject to the right of the Board to remove soil, rock or gravel as may be necessary for the construction of roads and rights of way within or without the premises; provided, that upon the withdrawal, or upon the taking which causes any portion of the land originally leased to become unusable for the specific use or uses for which it was leased, the rent shall be reduced in proportion to the value of the land withdrawn or made unusable, and if any permanent improvement constructed upon the land by the Lessee is destroyed or made unusable in the process of the withdrawal or taking, the proportionate value shall be paid based upon the unexpired term of the lease.

38. Improvements. The Lessee shall, at its own cost and expense, within two (2) years after the date of the lease, complete the construction of Marek House, garage, and gardening pavilion at a cost of not less than ONE HUNDRED THOUSAND AND NO/100 DOLLARS (\$100,000.00), in accordance with plans and specifications submitted by the Lessee to and approved in writing by the Chairperson and in full compliance with all applicable laws, ordinances, rules and regulations.

39. Bond, improvement. The Lessee, upon submittal and written approval of the construction plan shall within sixty (60) days procure and deposit with the Lessor a surety bond in the amount of ONE HUNDRED THOUSAND AND NO/100 DOLLARS (\$100,000.00), acceptable to the Chairperson, which bond shall name the State as obligee, conditioned upon the faithful observance and performance of the building requirement contained in this lease, the completion of the building and improvements on or before the specified date of completion free from all liens and claims, and that the Lessee shall hold the State harmless from all liens,

suits, actions or damages arising out of, caused from or attributable to the work performed pursuant to the building requirement.

40. Fire and extended coverage insurance. The Lessee, at its cost and expense, shall procure and maintain at all times during the term of this lease, fire and extended coverage insurance with an insurance company(s) licensed to do business in the State of Hawaii, insuring all buildings and improvements erected on the land leased in the joint names of Lessor and Lessee, with the standard mortgage clause for Mortgagee, if any, as their interest may appear, in an amount equal to the replacement cost of the facilities and shall pay the premiums at the time and place required under the policy.

In the event of total or partial loss, any proceeds derived from the policy(s) shall be used by the Lessee for rebuilding, repairing, or otherwise reinstating the same buildings in a good and substantial manner according to plans and specifications approved in writing by the Board; provided, however, that with the approval of the Lessor, the Lessee may surrender this lease and pay the balance owing on any mortgage and the Lessee shall then receive that portion of the proceeds which the unexpired term of this lease at the time of the loss or damage bears to the whole of the term, the Lessor to be paid the balance of the proceeds.

The Lessee shall furnish the Lessor on or before the commencement date of this lease, a certificate showing the policy(s) to be in full force and effect and shall furnish a like certificate upon each renewal of the policy(s). Each certificate(s) shall contain or be accompanied by an assurance of the insurer not to cancel the insurance, limit the scope of the coverage, or fail or refuse to renew the policy(s) until after thirty (30) days written notice has been given to the Lessor.

All rights or claims of subrogation against the State of Hawaii, its officers, employees, and agents are waived.

41. Non-use and abandonment. If the Lessee shall, at any time for a continuous period of one (1) year, fail or cease to use said premises for the purposes stated in Paragraph 12 herein, or abandon all or any portion of said premises, this lease shall cease and terminate.

42. Audit and examination of books, etc. Lessee shall at all times maintain full and accurate records relating to

Lessee's operations and activities upon and in connection with said leased premises. Lessor reserves the right to audit, examine, and to make copies of all Lessee's books, accounts, records, and receipts, during regular working hours upon reasonable notice given by Lessor. Lessee to provide Lessor annually upon completion, copies of their consolidated financial statements, statements of activities, expenses, and cash flows for the year then ended. A Performance Review be conducted by the Lessor at the end of the first, third, fifth, tenth and fifteenth year of the Lease. The Lessee will cooperate by meeting with the Lessor and providing reasonable documentation of the previous period's activities toward meeting their public benefit obligation under the Lease.

43. Termination by either party. The Lessor and Lessee, by mutual agreement, may terminate this lease at any time without cause, provided that the Lessor and the Lessee are not in breach of any condition herein at the time of the mutual agreement to terminate. This provision can be waived by the parties, provided such waiver is in writing and signed by both parties.

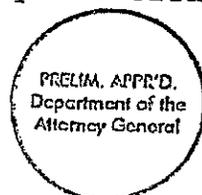
44. Clearances. The Lessee shall be responsible for obtaining all necessary federal, state or county clearances.

45. Certification of tax exemption. The Lessee shall be certified to be tax exempt under Sections 501(c) (1) or 501(c) (3) of the Internal Revenue Code of 1986, as amended. The premises shall be used by the Lessee for the purposes for which its charter was issued and for which it was certified by the Internal Revenue Service.

46. Time of essence. Time is of the essence in all provisions of this lease.

47. Historic preservation. In the event any historic properties or burial sites, as defined in section 6E-2, Hawaii Revised Statutes, are found on the premises, the Lessee and the Lessee's agents, employees and representatives shall immediately stop all land utilization or work or both and contact the Historic Preservation Office in compliance with chapter 6E, Hawaii Revised Statutes.

48. Removal of trash. The Lessee shall be responsible for the removal of all trash upon the premises. Within one (1) year from the date of execution of the lease, the Lessee shall clear the urban designated area being defined as parcels zoned P-2 General Preservation District and within three (3) years clear



the balance of the park and shall so notify the Lessor in writing at the end of the one (1) and three (3) year periods of required trash removal.

49. Phase I environmental site assessment. Prior to the termination of this lease or the assignment of the leasehold, Lessee shall conduct a Phase I environmental site assessment and conduct a complete abatement and disposal, if necessary, satisfactory to the standards required by the Federal Environmental Protection Agency and the Department of Land and Natural Resources. Any assignment or voluntary termination by the Lessee will not be approved by the Board of Land and Natural Resources unless this evaluation and abatement provision has been executed. This provision shall survive and continue in effect after termination of this lease.

50. Survey and boundary stakeout. The Lessee shall be solely responsible for any survey and boundary stakeout of the leased premises.

Definitions.

1. The use of any gender shall include all genders, and if there is more than one lessee, then all words used in the singular shall extend to and include the plural.

2. As used in this lease, unless clearly repugnant to the context:

(a) "Chairperson" means the Chairperson of the Board of Land and Natural Resources of the State of Hawaii or his successor.

(b) "Lessee" means and includes the Lessee, its officers, employees, invitees, successors or permitted assigns.

(c) "Holder of record of a security interest" means a person who is the owner or possessor of a security interest in the land leased and who has filed with the Department of Land and Natural Resources and with the Bureau of Conveyances of the State of Hawaii a copy of this interest.

(d) "Premises" means the land leased and all buildings and improvements now or hereinafter constructed and installed on the land leased.

(e) "Waste" includes, but is not limited to, (1) permitting the premises, or any portion, to become unduly eroded

or failure to take proper precautions or make reasonable effort to prevent or correct the erosion; (2) permitting a substantial increase in noxious weeds in uncultivated portions of the premises; and (3) failure to employ all of the usable portions of the premises.

(f) "Days" shall mean calendar days, unless otherwise specified.

IN WITNESS WHEREOF, the STATE OF HAWAII, by its Board of Land and Natural Resources, has caused the seal of the Department of Land and Natural Resources, to be hereunto affixed and the parties hereto have caused these presents to be executed the day, month and year first above written.

Approved by the Board of Land and Natural Resources at its meeting held on December 10, 2004.

STATE OF HAWAII

By [Signature]
Chairperson
Board of Land and
Natural Resources

LESSOR

KOKUA KALIHI VALLEY (COMPREHENSIVE FAMILY SERVICES), a Hawaii Non-profit corporation

By [Signature]
Its [Signature]

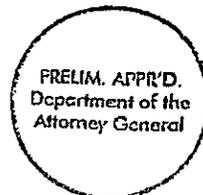
And By _____
Its _____

LESSEE

APPROVED AS TO FORM:

[Signature]
Deputy Attorney General

Dated: 11/9/05



STATE OF HAWAII)
City & COUNTY OF Honolulu) SS.

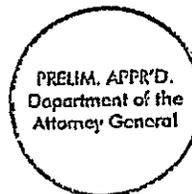
On this 5th day of January, 2006,
before me appeared David Derauf and

_____ to me personally known, who,
being by me duly sworn, did say that ^{he is} they are the Executive Director
and _____, respectively of KOKUA KALIHI VALLEY
(COMPREHENSIVE FAMILY SERVICES), a Hawaii nonprofit corporation,
and that said instrument was signed in behalf of said corporation
by authority of its Board of Directors, and the said Executive Director
_____ and _____
acknowledged said instrument to be the free act and deed of said
corporation.

Phyllis Keohohou
Notary Public, State of Hawaii
Phyllis Keohohou

My commission expires: August 20, 2008

15.



January 27, 1999

4. Easement for Sanitary Sewer as shown on Map 2 of Land Court Application 653 as set forth by Land Court Order 21729.
5. Grant in favor of the City and County of Honolulu for Sanitary Sewer purposes, filed as Land Court Document No. 316098.

Kalihi Valley Park is subject, also, to any other encumbrances that may be noted on Transfer Certificate of Title Nos. 493,843 and 496,133.

SURVEY DIVISION
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
STATE OF HAWAII

By: Ronald S. K. Sumida
Ronald S. K. Sumida
Land Surveyor gm

Compiled from Ld.Ct.App.
653 and 1457, CSF 21767 and
other Govt. Survey Records.
TMK: 1-4-14
1-4-16

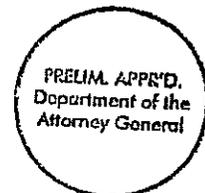


EXHIBIT "A"

