

STATE OF HAWAII
DEPARTMENT OF EDUCATION
OFFICE OF SCHOOL FACILITIES AND SUPPORT SERVICES
Honolulu, Hawaii 96813

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

Oahu

Lease of Federal Property for Lehua Elementary School at Pearl
City Peninsula, Oahu; Lease No. N62478-11-RP-00003, Tax Map Key:
9-7-16:01

APPLICANT AGENCY:

Department of Education (DOE)

LANDOWNER:

The United States of America, acting by and through the
Department of the Navy, hereinafter called the "Navy"

LEGAL REFERENCE:

Section 171-30, HRS, as amended

LOCATION:

Department of Navy controlled lands at 606 Lehua Avenue, Pearl
City, Hawaii 96782

AREA:

.350 acres

ZONING:

State Land Use District: Urban
City & County of Honolulu LUO: F-1

CURRENT USE:

Lehua Elementary School.

CONSIDERATION:

None. In lieu of cash rent, the Navy agrees to accept in-kind
consideration in the form of intangible benefits and essential
services.

PURPOSE:

Exclusive use and maintenance of real property for overflow
parking.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

This action before the Board involves a gratis lease that does not require the use of State funds. Therefore, this action is exempt from the provisions of Chapter 343, HRS, relating to environmental impact statements.

APPLICANT REQUIREMENTS:

None.

REMARKS:

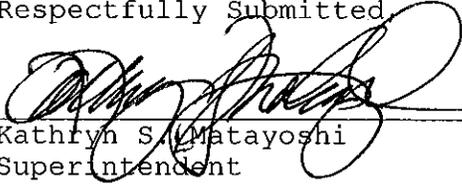
The purpose of this lease agreement is to enable Lehua Elementary School exclusive use of real property as an overflow parking lot.

The DOE reviewed a draft lease and had initial concerns regarding shared use with the State of Hawaii Office of Elections and the City and County of Honolulu Department of Parks and Recreation. The DOE was also concerned about a number of environmental findings relating to the parcel. After further review by various offices within the DOE, proposed revisions to the draft lease which were eventually incorporated by the Navy into the document which is the subject of this submittal. The Deputy Attorney General assigned to the DOE has reviewed and approved the attached lease.

RECOMMENDATION: That the Board:

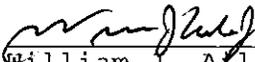
1. Authorize the Chairperson execute the lease for the subject lands under the terms and conditions cited in the lease and further subject to the following:
 - A. Review and approval by the Department of the Attorney General; and
 - B. Such other terms and conditions as prescribed by the Chairperson to best serve the interest of the State.

Respectfully Submitted



Kathryn S. Matayoshi
Superintendent

APPROVED FOR SUBMITTAL:



William J. Aila Jr., Chairperson

License for Non Federal Use of Real Property (NAVFAC 11011/29)

LICENSE FOR NONFEDERAL USE OF REAL PROPERTY NAVFAC 11011/29 (6-75) (Supersedes NAVDOCKS 2260) THIS LICENSE TO USE THE U.S. GOVERNMENT PROPERTY HEREIN DESCRIBED IS ISSUED BY THE DEPARTMENT OF THE NAVY TO THE LICENSEE NAMED BELOW FOR THE PURPOSE HEREIN SPECIFIED UPON THE TERMS AND CONDITIONS SET FORTH BELOW AND THE ATTACHED GENERAL PROVISIONS. BY THE EXECUTION HEREOF, THE LICENSEE AGREES TO COMPLY WITH ALL SUCH TERMS, CONDITIONS, AND GENERAL PROVISIONS.	LICENSE NUMBER N62478-11-RP-00003
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1. ACTIVITY (Property Location) Joint Base Pearl Harbor-Hickam	2. DATES COVERED (Inclusive) From 6 February 2011 To 5 February 2016
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3. DESCRIPTION OF PROPERTY (include room & building numbers where appropriate)
 Approximately .350 acre on Pearl City Peninsula as outlined in Exhibit "A" attached hereto and part hereof.

4. PURPOSE OF LICENSE
 Use of a temporary parking lot for Lehua Elementary School.

5. LICENSOR UNITED STATES OF AMERICA DEPARTMENT OF THE NAVY	5a. LOCAL REPRESENTATIVE, DEPARTMENT OF THE NAVY OFFICIAL (TITLE & ADDRESS) Commanding Officer, Naval Facilities Engineering Command, Hawaii 400 Marshall Road, Building X-11, Pearl Harbor, Hawaii 96860-3139
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6. LICENSEE (Name & Address) Department of Education P.O. Box 2360, Honolulu, HI 96804	6a. LOCAL REPRESENTATIVE (Name & Address) Superintendent, Department of Education Same address as item #6
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7. CASH PAYMENT BY LICENSEE (Payable in advance)
 (If no cash payment is required, enter "NONE" under item 7a "Amount")

a. AMOUNT (EACH PAYMENT) NONE	b. FREQUENCY PAYMENTS DUE	c. FIRST DUE DATE	d. TO (Title & address of local representative of the Government)
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8. DEPOSIT FOR UTILITIES AND SERVICES (Payable in Advance)
 (If no cash payment is required, enter "None" under item 8a "Amount")

a. AMOUNT (EACH PAYMENT) NONE	b. FREQUENCY PAYMENTS DUE	c. FIRST DUE DATE	d. TO (Mailing Address)
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9. INSURANCE REQUIRED AT EXPENSE OF LICENSEE
 (If any or all insurance requirements have been waived, enter "None" in a, b, c, or d as appropriate)

TYPE	MINIMUM AMOUNT	TYPE	MINIMUM AMOUNT
a. FIRE & EXTENDED COVERAGE	None	c. THIRD PARTY PERSONAL INJURY PER PERSON	None
b. THIRD PARTY PROPERTY DAMAGE	None	d. THIRD PARTY PERSONAL INJURY PER ACCIDENT	None

10. GENERAL PROVISIONS (See Attached)
 See Special Provisions, attached hereto and made a part hereof. Insurance requirements are waived in accordance with Paragraph 16, Chapter 20, NAVFAC P-73.

II. EXECUTION OF LICENSE

FOR	BY		DATE
	NAME AND TITLE (Typed)	SIGNATURE	
DEPARTMENT OF THE NAVY	STEVEN K. JOHNSTON Real Estate Contracting Officer Naval Facilities Engineering Command, Hawaii		
LICENSEE	Kathryn S. Matayoshi Superintendent, Department of Education		

If Licensee is a Corporation, Certification of signature is attached.

APPROVED AS TO FORM

 DEPUTY ATTORNEY GENERAL

**10. GENERAL PROVISIONS
LICENSE**

a. The Licensor hereby grants to the Licensee the right to use the premises or facilities described in Item 3, together with the necessary rights of ingress and egress.

b. This License shall be effective for the period stated in Item 2 and is revocable at any time without notice at the option and discretion of the Licensor or its duly authorized representative.

c. The use shall be limited to the purposes specified herein.

d. This License shall be neither assignable nor transferable by the Licensee.

e. If utilities and services are furnished the Licensee for its use of the premises the Licensee shall reimburse the Licensor for the cost thereof as determined by the Licensor in accordance with applicable statutes and regulations.

f. The Licensee, at its own cost and expense, shall protect, maintain, and keep in good order, the premises or facilities licensed hereby. At the discretion of the Licensor this obligation shall include, but not be limited to, contribution toward the expense of long-term maintenance of the premises or facilities, the necessity for which accrued during the period of Licensee's use. The amount of expense to be borne by the Licensee shall be determined by prorating the total expense of the item of long-term maintenance on the basis of fractional use by the Licensee. This fractional part of the total expense shall be prorated further if the item of long-term maintenance did not accrue in its entirety during the Licensee's use. Upon a determination by the Licensor that the necessity exists for an expenditure of funds for maintenance, protection, preservation or repair, the Licensee shall pay to the Licensor its proportionate share, on demand.

g. No additions to, or alterations of, the premises or facilities shall be made without the prior consent of the Licensor. Upon revocation of surrender of this License, to the extent directed by the Licensor, the Licensee shall remove all alterations, additions, betterments and improvements made, or installed, and restore the premises or facilities to the same, or as good condition as existed on the date of entry under this License, reasonable wear and tear excepted.

h. Deleted, please refer to special provisions.

i. Deleted, please refer to special provisions.

j. Deleted, please refer to special provisions.

k. No member of or Delegate to Congress, or Resident Commissioner shall be admitted to any share or part of this License or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this License if made with a corporation for its general benefit.

l. The Licensee warrants that it has not employed any person to solicit or secure this License upon any agreement for a commission, percentage, brokerage or contingent fee. Breach of this warranty shall give the Government the right to annul this License or in its discretion to recover from the Licensee the amount of such commission, percentage, brokerage or contingent fee in addition to the consideration herein set forth. This warranty shall not apply to commissions payable by the Licensee upon contracts or sales secured or made through bona fide established commercial or selling agencies maintained by the Licensee for the purpose of securing business.

m. In connection with the performance of work under this License, the Licensee agrees not to discriminate against any employee or applicant for employment because of race, religion, color, or national origin. The aforesaid provision shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Licensee agrees to post hereafter in

conspicuous places available for employees and applicants for employment, notices to be provided by the Licensor setting forth the provisions of the nondiscrimination clause. The Licensee further agrees to insert the foregoing provision in all subcontracts hereunder, except subcontracts for standard commercial supplies or raw materials.

n. All activities authorized hereunder shall be subject to such rules and regulations as regards supervision or otherwise, as may, from time to time, be prescribed by the local representative of the Licensor as designated in Item 5a.

o. Notwithstanding any other provision of this License, unless paid within thirty (30) days, all amounts that become payable by the Licensee to the Government under this License (net or any applicable tax credit under the Internal Revenue Code) shall bear interest from the date due until paid. The rate of interest will be the Current Value of Funds rate published by the Secretary of the Treasury pursuant to 31 U.S.C. § 3717 (Debt Collection Act of 1982). Amounts shall be due upon the earliest of: (a) the date fixed pursuant to this License, (b) the date of the first written demand for payment, consistent with this License, (c) the date of transmittal by the Government to the Licensee of a proposed supplemental agreement to confirm completed negotiations fixing the amount of debt, or (d) if this License provides for revision of prices, the date of written notice to the Licensee stating the amount of refund payable in connection with a pricing proposal or in connection with a negotiated pricing agreement not confirmed by license supplement.

SPECIAL CONDITIONS TO NAVY LICENSE NO. N62478-11-RP-00003

CONTAMINANTS

The Licensee is hereby informed and does acknowledge that the Site is located on an active Navy Installation Restoration site -- the Pearl City Peninsula Burn Area. The Navy is currently monitoring the area as part of an investigation and cleanup under a Federal Facilities Agreement (FFA) entered into on 17 March 1994 among the Navy, EPA Region 9, and the State of Hawaii Department of Health. The FFA sets forth the parties' agreement regarding the Navy's performance of investigations and cleanups at certain former Pearl Harbor Naval Complex (now Joint Base Pearl Harbor-Hickam) sites in accordance with the Comprehensive Environmental Response, Compensation, and Liability Act, as amended (CERCLA). The Licensee is hereby informed and does acknowledge that petroleum products, arsenic, benzo(a)pyrene, metals, pentachlorophenol, total polycyclic aromatic hydrocarbons (PAHs), and bis(2-ethylhexyl)phthalate have been detected at the Pearl City Peninsula Burn Area.

The Licensee is restricted to using the Site for parking only. Any other use of the Site is strictly prohibited. The Licensee is prohibited from conducting any ground disturbing activities on the Site.

The Navy, State Department of Health (DOH), the Environmental Protection Agency (EPA) and their officers, agents, employees, contractors, and subcontractors shall have unrestricted access to enter the Site for the following purposes:

- To review environmental records and conduct investigations and surveys, including, where necessary, drilling, soil and water samplings, test pitting, testing soil borings and other activities related to any environmental cleanup action;
- To inspect field activities of the Navy and its contractors and subcontractors;
- To conduct any test or survey required by the EPA or State DOH of environmental conditions at the Site or to verify any data submitted to the EPA by the Navy relating to such conditions; and
- To construct, operate, maintain or undertake any other response or remedial action as required or necessary, including, but not limited to, the installation, operation, maintenance, and closure of monitoring wells, pumping wells, injection wells, removal of soil and treatment facilities.

MONITORING WELL

The Licensee is hereby informed and does acknowledge that there is a monitoring well located on the Site. The Licensee shall not obstruct or disturb any monitoring well located on the Site. The Licensee shall not allow dumping or disposal into any monitoring wells on the Site.

CHANGES TO GENERAL PROVISIONS

In accordance with NAVFAC P-73, Real Estate Procedural Manual, General Provisions 10i and 10j of this License are deleted in their entirety and replaced as follows:

Licensee shall be responsible for any damage or injury caused by or resulting from any act or omission of the Licensee in connection with the Licensee's use of the premises to the extent provided under applicable laws.

General Provision 10h of the License is deleted in its entirety and replaced as follows:

The Licensee shall be responsible for damage or injury caused by or resulting from any act or omission of the Licensee in connection with the Licensee's use of the Premises described herein to the extent provided under applicable laws.

Licensee will take immediate action to clear the premises of litter and debris, including but not limited to abandoned vehicles and household appliances, upon notification from the Licensor to the point of contact for the Licensee, who is Principal of Lehua E1. of the State Department of Education who can be reached at (808)453-6490.

Licensee shall take action on a regular basis to keep the premises free of debris and litter.

C&C HONOLULU
(0.28 AC)

STATE OF HAWAII
(0.35 AC)

LEHUA AVENUE

NAVY UTILITY CORRIDOR
C&C HONO Bikeway

SEWAGE
PUMPING
STATION

PARKING

LEHUA
ELEMENTARY
SCHOOL
TENNIS
COURTS

BASEBALL
FIELD

PWC

PWC

Scale:
1" = 200'

PIPELINE

BERM

S87

PIPELINE

W
TANK

8

10

21

86

LEHUA
AVENUE

Alt-Force-ARGAS-line

20

15

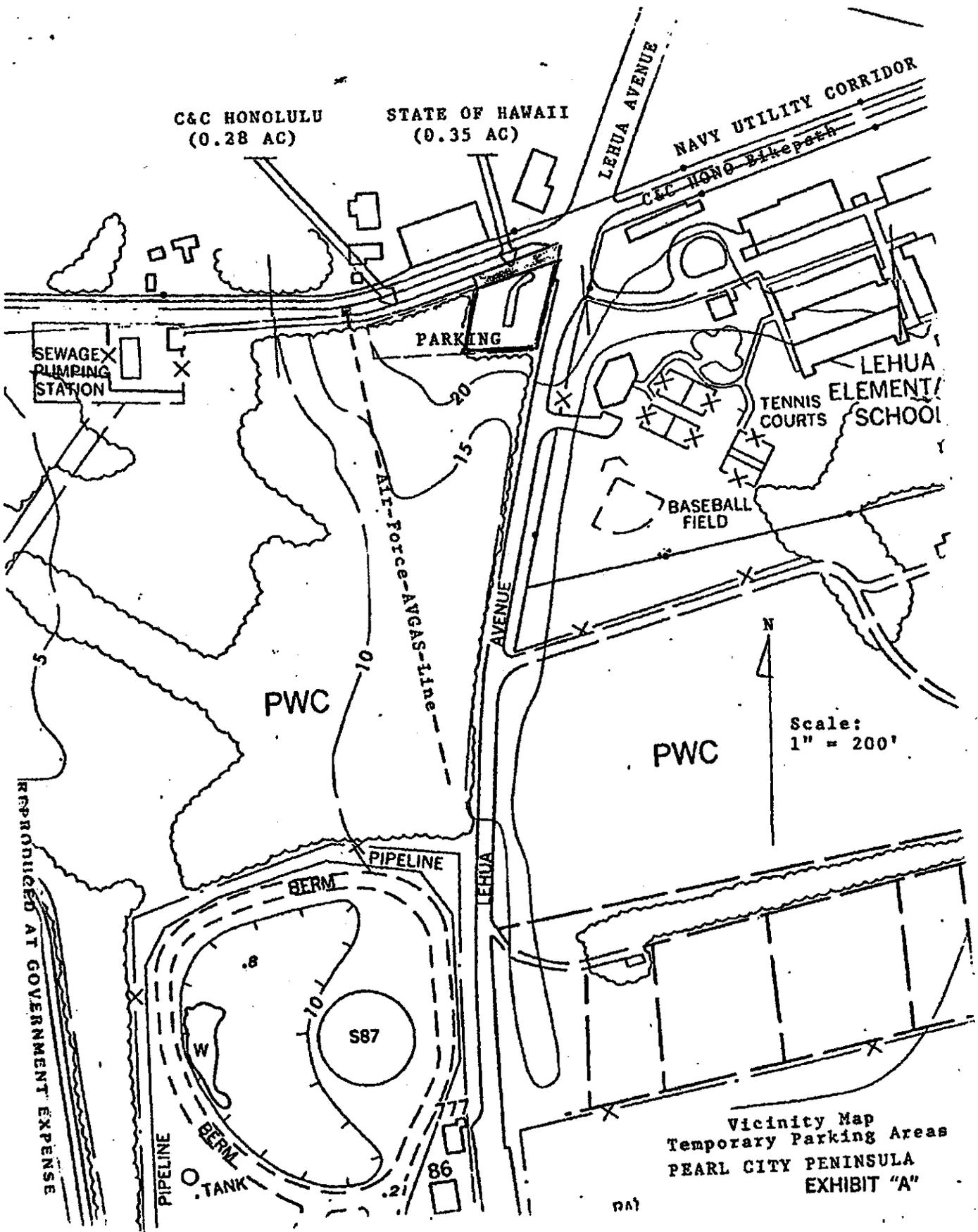
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Vicinity Map
Temporary Parking Areas
PEARL CITY PENINSULA
EXHIBIT "A"

DAI

REPRODUCED AT GOVERNMENT EXPENSE



ENVIRONMENTAL CONDITION OF PROPERTY (ECP) CHECKLIST

Page 1 of 5

Installation: Joint Base Pearl Harbor-Hickam (JBPHH), Pearl City Peninsula, Oahu, Hawaii

Parcel/Site Location and Description: Pearl City Peninsula is south of Pearl City, Oahu, at the north end of Pearl Harbor. The peninsula is bounded on the west by Middle Loch and on the east by East Loch. Lehua Elementary School is located on the northeastern portion of Pearl City Peninsula. A temporary parking area is located west of Lehua Elementary School, across of Lehua Avenue. This parking area is approximately 0.35 acres. This area is shown in Attachment (1) and will be referenced herein as the "Site".

Proposed Real Estate Action Description:

The Navy is proposing to allow the State of Hawaii Department of Education (State) use of the Site under a license, which will be valid for a 5-year term (beginning 6 February 2011 and ending 5 February 2016). The State will use the Site for a temporary parking lot for Lehua Elementary School and Office of the Lieutenant Governor Elections Division Staff. Use on a not-to-interfere basis will be allowed by the State for patrons of the school's playground after normal school/office working hours and when the school is not in session.

SITE SUMMARY INFORMATION

1. Information regarding site uses and any hazardous materials, contamination, or conditions. All available and pertinent files, records, and reports were reviewed and, where necessary, a site inspection and/or personal interviews were conducted to document the environmental conditions of the Site to support the proposed real estate action. A summary of the conditions, sources of information, and any required use restrictions are provided for each environmental condition.

The following documents were reviewed in support of this ECP:

- *PHNC Federal Facilities Agreement (FFA), PHNC, Hawaii, March 1994.*
- *Removal Site Evaluation for Pearl City Fuel Annex, PHNC, Oahu, Hawaii, March 1997.*
- *Removal Site Evaluation for Pearl City Peninsula Burn Area Site, PHNC, Oahu, Hawaii, October 2001.*
- *Site Summary Report for Pearl City Peninsula Geographic Study Area, PHNC, Oahu, Hawaii, April 2003.*
- *Site Assessment Report, Demolish Pearl City Fuel Annex, Pearl Harbor, Hawaii, July 2007.*
- *Final Remedial Investigation (RI) Report for Upper and Lower Sites/Valve Pits, Hickam Petroleum, Oils, and Lubricants (POL) Pipeline and Facilities, Hickam Air Force Base, Oahu, Hawaii, June 2009.*
- *Environmental Condition of Property for Air Force Remedial Investigation of POL Pipeline at Pearl City Peninsula, Oahu, Hawaii, January 2009.*
- *Email from Mr. Cowan Azuma, NAVFAC Hawaii OPHEV3, 13 December 2010.*
- *Email from Ms. Jan Kotoshirodo, NAVFAC Hawaii OPHEV3, 15 December 2010.*

A visual site inspection (VSI) was conducted by NAVFAC Hawaii OPHEV1 (M. Orimoto) on 20 December 2010. NAVFAC Hawaii AM1 (C. Sato) and OPHEV2 (A. Teekell) also attended the site visit. Photos from this VSI are shown in Attachment (2).

A. Parcel/Site Uses:

Prior Uses:

The Site is located on an active Navy Installation Restoration (IR) Site – the Pearl City Peninsula Burn Area. Operations at the Burn Area began in 1945. The Burn Area received a variety of wastes generated at PHNC. Operations ceased in 1965.

Current Uses:

The Burn Area is no longer in use and a majority of the land is vacant. Navy IR investigations are ongoing. The Site is currently being used by the State for temporary parking under an existing license. That license will expire on 5 February 2011.

Future Uses:

Navy IR investigations will continue. Upon execution of the proposed license, the Site will continue to be used for temporary parking by the State until 5 February 2016.

ENVIRONMENTAL CONDITION OF PROPERTY (ECP) CHECKLIST

Page 2 of 5

B. Contaminants: Yes No Unknown

The Site is located on an active Navy IR site – the Pearl City Peninsula Burn Area. Contaminants of concern for the portion of the Premises located on the Burn Area are arsenic, benzo(a)pyrene, metals, pentachlorophenol, total polycyclic aromatic hydrocarbons (PAHs), and bis(2-ethylhexyl)phthalate.

The Hickam POL pipeline runs near the Site. Potential contamination from the release of petroleum products from the Hickam POL Pipeline is being investigated as part of the Navy IR program.

Under the proposed license, the Site will be restricted to use as a parking lot. In addition, use restrictions will be required as a result of this ECP. Therefore, the contaminants associated with the Burn Area and the Hickam POL pipeline should not adversely affect the licensee or its use of the proposed license area.

Source of information: *Review of environmental documents listed above in Section 1.*

Restrictions or Land Use Controls: Yes No

If yes, please identify and explain in detail in Section 2 below.

C. Hazardous Materials Use: Yes No Unknown

Hazardous Materials Storage: Yes No Unknown

Source of information: *Review of environmental documents listed above in Section 1 and site reconnaissance.*

Restrictions or Land Use Controls: Yes No

If yes, please identify and explain in detail in Section 2 below.

D. Treatment, Storage, Disposal of Hazardous Waste: Yes No Unknown

Source of information: *Review of environmental documents listed above in Section 1 and site reconnaissance.*

Restrictions or Land Use Controls: Yes No

If yes, please identify and explain in detail in Section 2 below.

E. Underground Storage Tanks: Yes No Unknown

UST No. _____ Gals. _____

Source of information: *Review of environmental documents listed above in Section 1 and site reconnaissance.*

Restrictions or Land Use Controls: Yes No

If yes, please identify and explain in detail in Section 2 below.

F. Above-Ground Storage Tanks: Yes No

AST No. _____ Gals. _____

Source of information: *Review of environmental documents listed above in Section 1 and site reconnaissance.*

Restrictions or Land Use Controls: Yes No

If yes, please identify and explain in detail in Section 2 below.

G. Presence of Polychlorinated Biphenyls (PCBs): Yes No Unknown

Source of information: *Review of environmental documents listed above in Section 1 and site reconnaissance.*

Restrictions or Land Use Controls: Yes No

If yes, please identify and explain in detail in Section 2 below.

H. Asbestos: Yes No Unknown

If yes: Friable Non-friable Unknown

Source of information: *Review of environmental documents listed above in Section 1 and site reconnaissance.*

Restrictions or Land Use Controls: Yes No

If yes, please identify and explain in detail in Section 2 below.

I. Lead Paint: Yes No Unknown

Source of information: *Review of environmental documents listed above in Section 1 and site reconnaissance.*

Restrictions or Land Use Controls: Yes No

If yes, please identify and explain in detail in Section 2 below.

ENVIRONMENTAL CONDITION OF PROPERTY (ECP) CHECKLIST

J. Radon: Yes No Unknown

Source of information: *Review of environmental documents listed above in Section 1 and site reconnaissance.*

Restrictions or Land Use Controls: Yes No

If yes, please identify and explain in detail in Section 2 below.

K. Radiological Materials: Yes No Unknown

Source of information: *Review of environmental documents listed above in Section 1 and site reconnaissance.*

Restrictions or Land Use Controls: Yes No

If yes, please identify and explain in detail in Section 2 below.

L. Solid/Bio-Hazardous Waste: Yes No Unknown

Source of information: *Review of environmental documents listed above in Section 1 and site reconnaissance.*

Restrictions or Land Use Controls: Yes No

If yes, please identify and explain in detail in Section 2 below.

M. Munitions and Explosives of Concern: Yes No Unknown

Source of information: *Review of environmental documents listed above in Section 1 and site reconnaissance.*

Restrictions or Land Use Controls: Yes No

If yes, please identify and explain in detail in Section 2 below.

N. Use of Adjacent Property:

A Hawaiian Electric Company, Inc. (HECO) substation is located directly west of the Site. The HECO substation is fenced (see Attachment (2), Photo #3). Lehua Elementary School is located to the east of the Site, across of Lehua Avenue. The Pearl Harbor Bike Path is located directly to the north of the Site. The State of Hawaii Office of the Lieutenant Governor Elections Division Office is located north of the Site, across of the Pearl Harbor Bike Path.

There is another IR area located south of the Site – the Pearl City Fuel Annex. See Attachment (1). The Fuel Annex became active in 1944 and was used to store fuel. Operations ceased in 2001. IR investigations are currently ongoing in this area. Contaminants of concern for the portion of the Premises located on the Fuel Annex are arsenic, antimony, lead, petroleum, and PAHs. This area should not affect the proposed license area or use thereof.

Source of information: *Review of environmental documents listed above in Section 1.*

Restrictions or Land Use Controls: Yes No

If yes, please identify and explain in detail in Section 2 below.

O. Has the site had any Notices of Violation? Yes No

If yes, please explain:

Source of information: *Review of environmental documents listed above in Section 1.*

Restrictions or Land Use Controls: Yes No

If yes, please identify and explain in detail in Section 2 below.

ENVIRONMENTAL CONDITION OF PROPERTY (ECP) CHECKLIST

Page 4 of 5

P. Additional information or comments regarding questions shown above (*attach sheet(s) if additional room is needed*):

The Site is a part of the JBPHH, which consists, in part, of the former Pearl Harbor Naval Complex (PHNC). The PHNC is on the National Priorities List under the Comprehensive Environmental Response, Compensation, and Liability Act, as amended (CERCLA). A Federal Facilities Agreement (FFA) was entered into by the Environmental Protection Agency (EPA) Region 9, the State of Hawaii Department of Health (DOH), and the Navy on 17 March 1994. The general purpose of the FFA is to ensure that the environmental impacts associated with past and present Navy activities within the former PHNC are investigated and appropriate remedial action is taken by the Navy with respect to contamination resulting from those Navy activities in order to protect human health and the environment.

Utility Pole

There is one utility pole located on the Site. See Attachment (2), Photos #5 and #6. It is possible that the utility pole contains creosote. Creosote is a wood preservative. PAHs, phenol, and cresols are commonly found in creosote. During the VSI, the utility pole was in good condition and should not pose a concern for the use of the proposed license area.

Monitoring Well located on the Site:

There is a monitoring well located on the Site. This well is currently being used in IR investigations. See Attachment (2), Photo #4. See Attachment (3) for restrictions and land use controls relating to this monitoring well.

Source of information: *Review of environmental documents listed above in Section 1.*

Restrictions or Land Use Controls: Yes No

If yes, please identify and explain in detail in Section 2 below.

2. List of Notifications and Land Use Controls required for Real Estate Action:

See Attachment (3) for applicable notifications, covenants, and restrictions relating to the environmental condition of property.

3. Signature:

Based on records reviews, site inspections, and interviews conducted for the proposed real estate action, the environmental professional below certifies that the environmental conditions of the Site are as stated in this document and that the Site is suitable for the proposed outgrant, subject to the notifications, covenants, and restrictions set forth in Attachment (3).

Environmental Professional:


Wayne Yonehara, P.E.
Environmental Compliance Branch
Naval Facilities Engineering Command, Hawaii

Date: 11 January 2011

The realty specialist below acknowledges the notifications, covenants, and restrictions set forth in Attachment (3) and will ensure they are made a part of the outgrant document.

Real Estate Professional:


Niru Santos
Realty Specialist
Naval Facilities Engineering Command, Hawaii

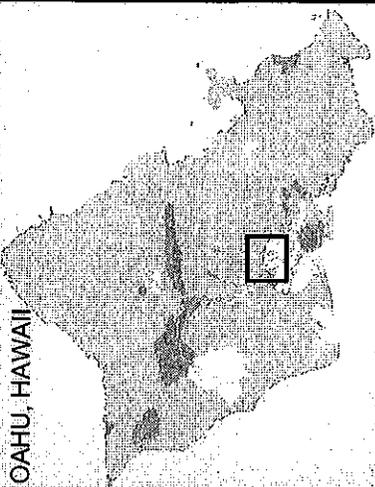
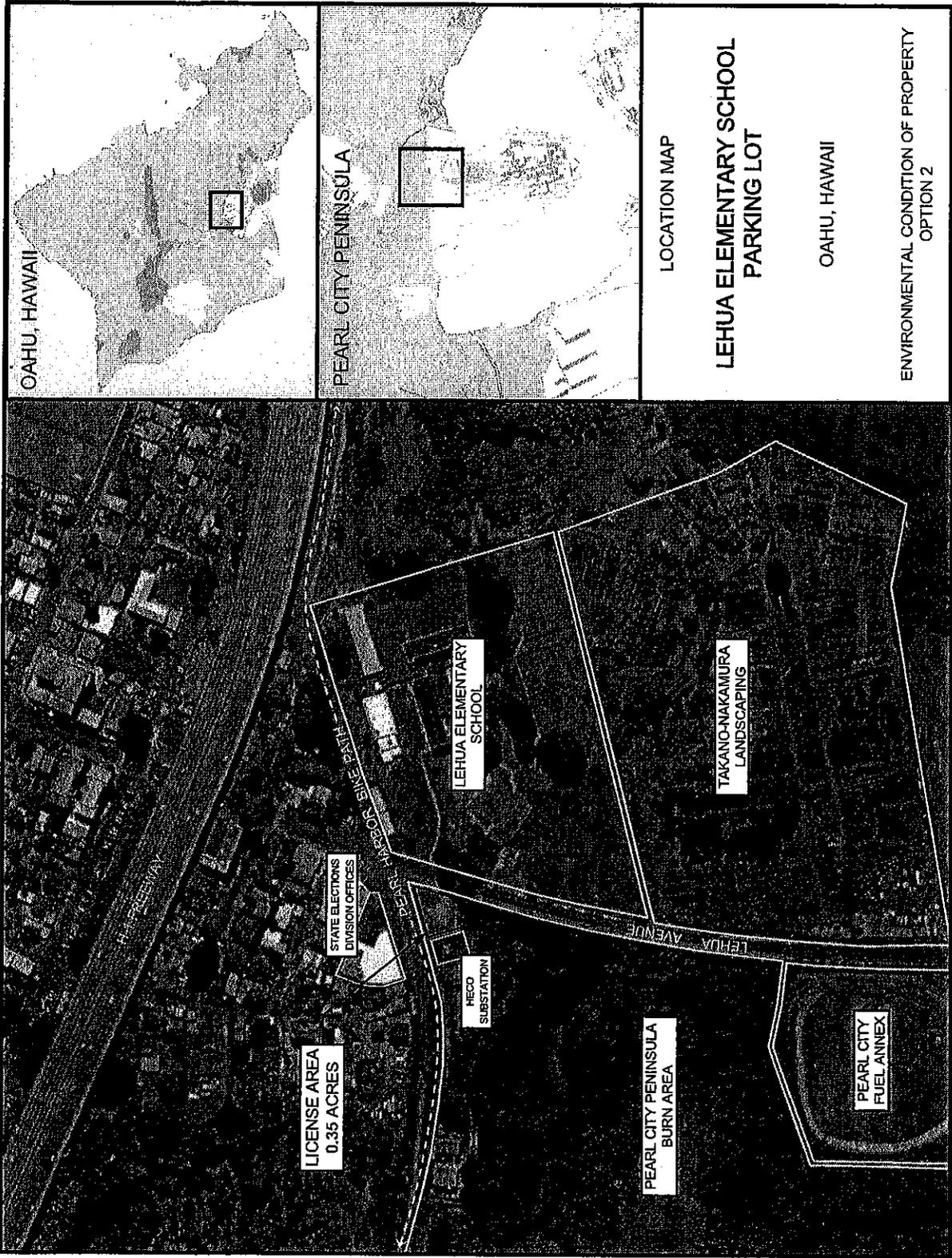
Date: January 11, 2011

The Property Owner (Activity or Region) below acknowledges and accepts the foregoing statement of environmental conditions and the notifications, covenants, and restrictions set forth in Attachment (3), which are required for the proposed real estate outgrant.

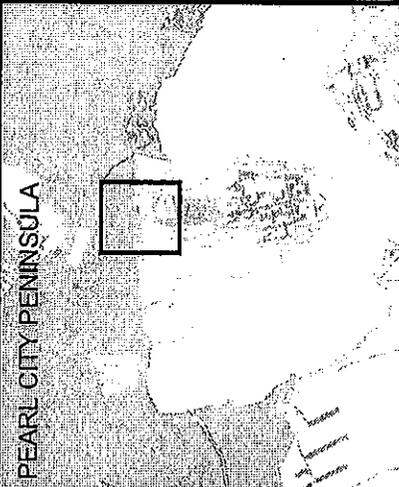
Property Owner (Activity or Region):


Aaron Poentis, P.E.
Director, Region Environmental Department
By Direction of
Commander, Navy Region Hawaii

Date: 1/19/11



OAHU, HAWAII



PEARL CITY PENINSULA

LOCATION MAP

**LEHUA ELEMENTARY SCHOOL
PARKING LOT**

OAHU, HAWAII

ENVIRONMENTAL CONDITION OF PROPERTY
OPTION 2

*Lehua Elementary Parking Area, Pearl City Peninsula, Oahu, Hawaii
Environmental Condition of Property – Option 2*

SITE PHOTOS
Taken 20 December 2010



Photo 1 – On the Site facing northeast towards the intersection of the bike path and Lehua Avenue.



Photo 2 – On the Site facing east towards Lehua Elementary School.

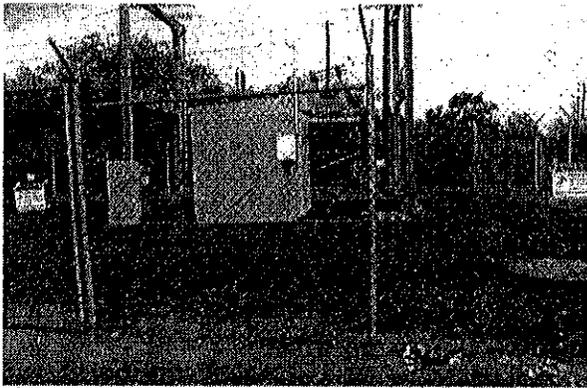


Photo 3 – On the Site facing west towards the HECO substation.

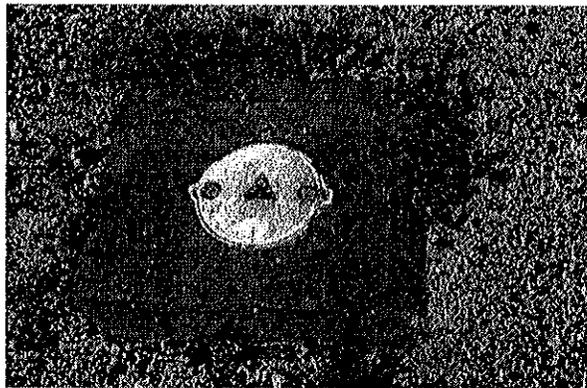


Photo 4 – Monitoring well located on the Site.



Photo 5 – Utility pole located on the Site. There was no evidence of any staining during the VSI.

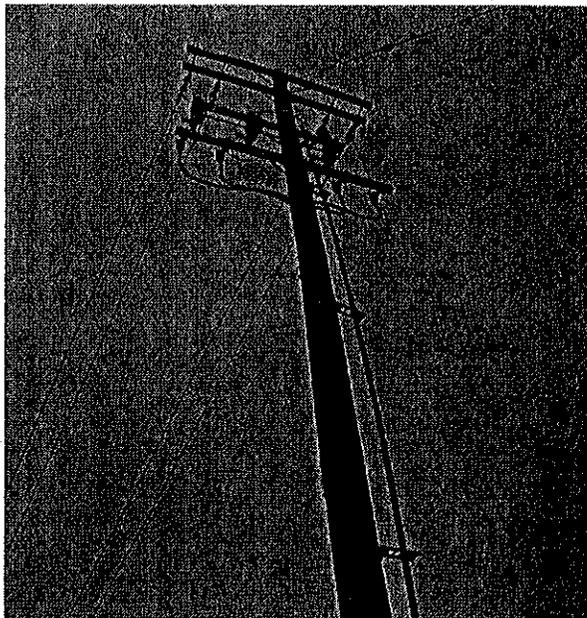


Photo 6 – Utility pole located on the Site. There were no transformers on the utility pole.

**ENVIRONMENTAL CONDITION OF PROPERTY FOR THE PROPOSED
LICENSE TO THE STATE OF HAWAII
FOR USE OF CERTAIN LAND AT PEARL CITY PENINSULA;
REQUIRED NOTICATIONS, COVENANTS, AND RESTRICTIONS**

The following land use controls (i.e., notifications, covenants, and restrictions) are required for inclusion in the proposed license to ensure the protection of human health and the environment. Navy property covered under the proposed license, as described in the Environmental Condition of Property (ECP) to which this document is attached, shall be referred to as "the Site" in the paragraphs below.

CONTAMINANTS

The Licensee is hereby informed and does acknowledge that the Site is located on an active Navy Installation Restoration site – the Pearl City Peninsula Burn Area. The Navy is currently monitoring the area as part of an investigation and cleanup under a Federal Facilities Agreement (FFA) entered into on 17 March 1994 among the Navy, EPA Region 9, and the State of Hawaii Department of Health. The FFA sets forth the parties' agreement regarding the Navy's performance of investigations and cleanups at certain former Pearl Harbor Naval Complex (now Joint Base Pearl Harbor – Hickam) sites in accordance with the Comprehensive Environmental Response, Compensation, and Liability Act, as amended (CERCLA). The Licensee is hereby informed and does acknowledge that petroleum products, arsenic, benzo(a)pyrene, metals, pentachlorophenol, total polycyclic aromatic hydrocarbons (PAHs), and bis(2-ethylhexyl)phthalate have been detected at the Pearl City Peninsula Burn Area.

The Licensee is restricted to using the Site for parking only. Any other use of the Site is strictly prohibited. The Licensee is prohibited from conducting any ground disturbing activities on the Site.

The Navy, State Department of Health (DOH), the Environmental Protection Agency (EPA) and their officers, agents, employees, contractors, and subcontractors shall have unrestricted access to enter the Site for the following purposes:

- To review environmental records and conduct investigations and surveys, including, where necessary, drilling, soil and water samplings, test pitting, testing soil borings and other activities related to any environmental cleanup action;
- To inspect field activities of the Navy and its contractors and subcontractors;
- To conduct any test or survey required by the EPA or State DOH of environmental conditions at the Site or to verify any data submitted to the EPA by the Navy relating to such conditions; and
- To construct, operate, maintain or undertake any other response or remedial action as required or necessary, including, but not limited to, the installation, operation, maintenance, and closure of monitoring wells, pumping wells, injection wells, removal of soil and treatment facilities.

MONITORING WELL

The Licensee is hereby informed and does acknowledge that there is a monitoring well located on the Site. The Licensee shall not obstruct or disturb any monitoring well located on the Site. The Licensee shall not allow dumping or disposal into any monitoring wells on the Site.