

House District 2

Senate District 1

**THE TWENTY-SIXTH LEGISLATURE
HAWAII STATE LEGISLATURE
APPLICATION FOR GRANTS & SUBSIDIES
CHAPTER 42F, HAWAII REVISED STATUTES**

Log No: 100-0

For Legislature's Use Only

REC'D JAN 26 2011

Type of Grant or Subsidy Request:

GRANT REQUEST – OPERATING

GRANT REQUEST – CAPITAL

SUBSIDY REQUEST

"Grant" means an award of state funds by the legislature, by an appropriation to a specified recipient, to support the activities of the recipient and permit the community to benefit from those activities.

"Subsidy" means an award of state funds by the legislature, by an appropriation to a recipient specified in the appropriation, to reduce the costs incurred by the organization or individual in providing a service available to some or all members of the public.

"Recipient" means any organization or person receiving a grant or subsidy.

STATE DEPARTMENT OR AGENCY RELATED TO THIS REQUEST (LEAVE BLANK IF UNKNOWN): THE ARC OF HILO ON PROPERTY LEASED THROUGH DEPARTMENT OF HUMAN SERVICES DIVISION OF VOCATIONAL REHABILITATION

STATE PROGRAM I.D. NO. (LEAVE BLANK IF UNKNOWN): _____

1. APPLICANT INFORMATION:

Legal Name of Requesting Organization or Individual: The Arc of Hilo

Db/a: The Arc of Hilo

Street Address: 1099 Waiianuenue Ave.

Mailing Address: Hilo, Hawaii 96720

2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:

Name MIICHAEL G. GLEASON

Title PRESIDENT & CEO

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3. TYPE OF BUSINESS ENTITY:

- NON PROFIT CORPORATION
- FOR PROFIT CORPORATION
- LIMITED LIABILITY COMPANY
- SOLE PROPRIETORSHIP/INDIVIDUAL

6. DESCRIPTIVE TITLE OF APPLICANT'S REQUEST:

THE ARC OF HILO AG PRODUCT DEVELOPMENT CENTER

4. FEDERAL TAX ID #: [REDACTED]

7. AMOUNT OF STATE FUNDS REQUESTED:

FY 2011-2012: \$ 742,292

5. STATE TAX ID #: [REDACTED]

8. STATUS OF SERVICE DESCRIBED IN THIS REQUEST:

- NEW SERVICE (PRESENTLY DOES NOT EXIST)
- EXISTING SERVICE (PRESENTLY IN OPERATION)

SPECIFY THE AMOUNT BY SOURCES OF FUNDS AVAILABLE AT THE TIME OF THIS REQUEST:

STATE \$ _____
 FEDERAL \$ _____
 COUNTY \$ _____
 PRIVATE/OTHER \$ 675,656

TYPE NAME & TITLE OF AUTHORIZED REPRESENTATIVE

[REDACTED SIGNATURE]

MICHAEL G. GLEASON, PRESIDENT & CEO

1/25/2011

AUTHORIZED SIGNATURE

NAME & TITLE

DATE SIGNED

Application for Grants and Subsidies

The Arc of Hilo

If any item is not applicable to the request, the applicant should enter "not applicable".

I. Background and Summary

This section shall clearly and concisely summarize and highlight the contents of the request in such a way as to provide the State Legislature with a broad understanding of the request. Include the following:

A brief description of the applicant's background;

The Arc of Hilo is developing the Agricultural Product Development Center, a 21st Century renewable energy project that will make space, labor, expertise and equipment available to small entrepreneurs and small farmers as they develop new products and value-added market solutions to diversify their product offerings and enhance their viability and sustainability. The Arc of Hilo, formed 57 years ago, serves low income people, including people with disabilities, through job creation, educational, vocational and skill training, employment placement, employment, quality of life enhancement, healthy lifestyle programming, recreation, arts and crafts, residential accommodations in affordable housing and an adult day health program. Creating jobs and assisting the low-income to become self-sufficient and not reliant on the public safety nets are the twin goals of The Arc. Through networks in all of East Hawaii, The Arc recruits clients from their current situation, provides an orientation that includes work ethic development and work place safety training, gives specialized skill development even with assistive technology for accessibility and eventually creates a job for the low wealth individual. If needed, transportation is provided; health screening and recreation also play an important role in the enhancement of their quality of life. They are given work readiness training, financial literacy training, motivational counseling, behavioral mentoring and job skill development. The Arc of Hilo places its trainees in jobs that are a part of the eight underlying social enterprises it operates or places them with job creator partners such as KTA Grocers, GW Construction, Sopogy or Burger King. With an annual budget of \$7.3 million, the Arc serves over 250 Hawaiian residents and currently employs 205 residents with 100 of them people with disabilities themselves. The most challenged of our clients get individualized support services 24 hours a day, seven days a week. The organization staff has grown from 35 employees to more than 120 in the last eight years. The Arc's rapid progress and growth has triggered a critical need for additional space. The ensuing growth will allow us to perform greater outreach to the low income including people with disabilities, but also Native Hawaiians, returning prisoners, returning veterans with disabilities, custodial and non-custodial parents, Temporary Assistance for Needy Families (TANF) recipients and those that may find themselves homeless, especially as a result of having a disability or multiple disabilities and other underemployed low wealth people. The Arc of Hilo has successfully trained, mainstreamed and placed over 1000 vulnerable Hawaiian residents in positions of greater self-sufficiency.

The goals and objectives related to the request;

The Arc's leadership has decided to respond to the challenges of the East Hawaii economy by expanding its operations and markets to all low wealth employment-challenged citizens in East Hawaii. The plan is to perform greater outreach to the low income including people with disabilities, but also Native Hawaiians, returning prisoners, returning veterans with disabilities, custodial and non-custodial parents, Temporary Assistance for Needy Families (TANF) recipients and those that may find themselves homeless, especially as a result of having a disability or multiple disabilities and other underemployed low wealth people. The Arc will double the number of citizens it serves from 170 to over 350 by expanding the eight underlying social enterprises that creates the jobs for people with disabilities now. These businesses will expand through greater recruitment and referrals of the hard-to-employ. Working with all of these populations, the goal is the same as The Arc has had for 57 years. To train people that are employment-challenged and provide jobs for them through The Arc or place them in jobs with the private sector or government; to enhance their quality of life by reducing isolation, encouraging education, building skills, helping them form coping techniques that lead them eventually to the highest level of self-sufficiency that is possible, given their challenges. The Arc has developed considerable expertise and has a significant track record in this arena. The Arc of Hilo has successfully trained, mainstreamed and placed over 1000 vulnerable Hawaiian residents in positions of greater self-sufficiency.

We propose the expansion of our social enterprises through the development of the Agricultural Product Development Center (APDC). The Arc is interested in these enterprises as a social entrepreneur with a need to train more people with disabilities and other hard-to-employ populations, create more jobs, and enhances existing job creation and small business development through the high growth sectors of value-added agriculture, recycling and renewable energy. The centerpiece of this strategy is the development of a site for industrial development through the redevelopment of the former Miko Meats Processing Facility, which The Arc is leasing in Hilo. The concept is to create jobs through the development of products from the agricultural sector. We will assist farmers and entrepreneurs as they develop products by providing space for processing and staging, technical assistance, market development, capital development and marketing. This effort is designed to increase the space for the job creation that will occur from local entrepreneurs who will develop new products or expand a cottage or small business enterprise within the facility at Miko, which has been named the Agricultural Product Development Center.

We are combining the packaging and processing with a demonstration of renewable energy in the building, where solar energy will drive the enterprise. The Miko site will be a demonstration of entrepreneurial development of small businesses and small farmers, doing workforce training and job creation, utilizing renewable energy from solar collection strategies for food processing and secondary food product development; and will create several new small businesses that result in the creation of new jobs for low income people

within the low income area of Hilo and the surrounding districts of Puna and Ka'u. The Arc of Hilo will concentrate its recruitment of worker-trainees from only the low income areas of the island, however it is necessary to locate the facility in Hilo so that it is convenient to the transportation hubs including the port and the airport. This will allow The Arc of Hilo to create 40 new jobs within 2 years in the fields of value-added agricultural product development and renewable energy and recycling and broaden the contracted services it provides its business clients as well as increase the number of trained low income workers and workers with disabilities its mission is to serve.

The total increase over five years after the facility is fully operational, will not only double the number of participants currently being served from 170 to 350+, but represents a permanent increase in the ability of the Arc of Hilo to serve these very important populations. Typically, 25-35% of the Arc's workers are Native Hawaiians. This plan speaks to the development and operation of the facility as a critical expansion of the on-going operation of this business of the Arc of Hilo. The development of this space will allow The Arc to expand its operations in the following ways:

- Train more low income people for meaningful earning wage jobs with benefits
- More entrepreneurial development of small rural businesses, job creation strategies and underlying social enterprises with a focus on the sustainable renewable energy and recycling businesses
- More penetration into hardcore unemployed populations including public assistance recipients, returning prisoners, returning veterans, custodial and non-custodial parents and non-college bound youth
- Greater self-sufficiency for the enterprises and programs of The Arc
- A huge increase in the numbers of participants and low income people served
- Demonstrate the use of high technology to create small business opportunities and training and employment opportunities for the low income through value-added agricultural product development

We have a significant track record in business development. The business service areas (janitorial, grounds keeping, plant nursery, commercial laundry, recycling, renewable energy food processing and agricultural product production and HI-5 Redemption) which The Arc of Hilo has developed to date, generate over \$3,500,000 in revenue each year. We are expanding two of our social enterprises in research and development, the APDC and the Laulima Construction / Deconstruction Resale Store. To develop these competitive businesses, The Arc of Hilo competes for private sector, county, state, and federal contracts to supply services to a variety of entities. We partner with other for-profit and not-profit organizations and we have dedicated professional staff. The Arc employs 179 people (now 42 with disabilities) who have been trained in our vocational training program. Our service programs are results driven or we wouldn't succeed in this competitive area. The APDC will open a new realm of activity that could blossom far beyond our original thinking as more and more entrepreneurs replicate our business plan. Our potential success will motivate thousands of others who perhaps without an example of succeeding

against tough odds would not create the jobs of the future that East Hawaii so desperately needs.

The development of this leased space for small farmers and entrepreneurs will give them the capacity to create jobs, sustain their businesses and grow more for Hawaii, because the Center will solve their three greatest hurdles to success, growth and job creation. With the additional staff and the participants who will be brought into the program, the Employment Training Services of The Arc will recruit new trainees and deepen the employment opportunities of others, giving them new opportunities in sustainable agriculture, secondary agricultural product development and renewable energy employment, which create the new jobs. We will significantly decrease the numbers of unemployed low income, including people with disabilities. The Staff of the Arc of Hilo will continue to develop innovative programming such as the renewable energy / agriculture project, the Agricultural Product Development Center and the Laulima Hana Construction / Deconstruction Resale Store. Working with small farmers and small businesses, the new Product Development Center will assist these businesses in creating viable marketable products, enabling them to diversify their product offerings and in a lot of cases, start brand new businesses. The eventual results that we expect from all of these activities over a 5 year period are the creation of 175+ jobs, quality of life enhancement for over 350+, a safer community, crime statistics that have gone down by at least ten percent, teen pregnancy rate down, unemployment rate will be down, tax base will grow, 100+ new self-sufficient families and less pressure on social safety net capacity, achievement in school will go up, drop-out rates will go down, and satisfaction with life will increase significantly. Finally, the economic viability of at least 175 families will be impacted positively in a sustainable manner.

State the public purpose and need to be served;

In America, we have determined that one of the things that separate us from the rest of the world is our dedication to those among us who have been saddled with a disability. Rather than view these Americans as a burden, we see them as the vulnerable population that they are, whose lives can be tremendously enhanced through skillful and caring assistance, while they add tremendously to the lives of the more fortunate. In Hawaii, our “Aloha Spirit” makes this even more imperative and caring for the “least” of our society is natural to the people of the Big Island. People with disabilities and other low wealth vulnerable populations add to society with their humor, their laughter, their ideas, their smiles and loving affection certainly, but at The Arc of Hilo they are trained to be productive, as independent as possible and to add value to our society as workers, taxpayers and consumers. It is the public purpose of The Arc and its ohana to mainstream these vulnerable populations as much as possible, thereby increasing their quality of life as well as their families and friends and the public. It is also important to recognize the public benefit of removing people from the ranks of the dependent to the ranks of the self-sufficient, reducing state and county outlays of funds for the needy and increasing the tax revenue of successful mainstreamed citizens paying taxes and consuming goods.

The need in Hilo and on the island of Hawai’i for services and mainstreaming of the poor and low income with disabilities is represented by the fact that over half of the hardcore unemployed are believed to be Hawaiian residents with disabilities. Many of those receiving mental health treatment for depression are people with disabilities. The chance to give them economic opportunity and remove social barriers to happiness presents an incredible double impact for any investment of federal funds. The economic development need for this investment is the need to improve the employment level of persons with developmental and other disabilities, but also those who are persistently low income and recipients of public assistance. It is also critical to develop living wage jobs for vulnerable populations in the growing business areas of secondary agricultural production and renewable energy. However, the island of Hawaii has several functional deficiencies as well that are being impacted by a combination of factors: The first is the underemployment of employable adults with disabilities. Without the work of The Arc of Hilo, these workers would never be able to realize their potential as tax-paying contributing consumers. 52% of the disabled population is unemployed (see Appendix –Disability and Unemployment Demographics) and this represents a grossly underemployed population as has been demonstrated by the number of viable workers created through the efforts of The Arc. Secondly, the area is still suffering from the loss of agricultural and manufacturing jobs as a result of the failure of the sugar cane industry in the 80’s. These twin issues, compounded by a slowdown in tourism traffic from both Asia and the mainland, have pushed the unemployment rate on Hawai’i up to 10%. These jobs for these populations will not be gotten through tourism, but only through investments in sustainable industry investment such as the Agricultural Product Development Center (APDC). The need has never been greater.

MARKET ANALYSIS**THE MARKETS**

The markets for the job creation industry in East Hawaii are the low income, the unemployed and underemployed, people with disabilities, returning veterans, custodial and non-custodial parents, returning prisoners and the homeless. All of these market segments are growing at this moment. The demographic analysis that follows will assist The Arc in quantifying and identifying its markets, capture ratio and penetration. Out of total job openings of 11,200, 1150 were due to growth. Food prep and serving and construction were the two highest areas of projected growth. This information drives what industries we develop to create jobs such as the Lualaba Construction and Deconstruction Resale Store and the Agricultural Product Development Center.

THE INDUSTRY

Job creation for the low income and particularly hard core hard to employ, like the target populations mentioned earlier, succeeds when the job fits the needs and there are plenty of support services to assist in the transition from unemployment or underemployment to living wage employment. It is the goal of the Arc of Hilo to provide a living wage opportunity and the support required for success and sustainability. This is extremely important when the prospective applicant may have a disability. Of the target populations, surveys done by The Arc show that over 60% may have one or more disabilities. For instance, 85% of prisoners are found to have at least one disability. Many returning veterans as well have a disability and many recipients of public assistance who have had difficulty with traditional education are found to have a learning disability. These conditions often make it difficult for the recipients to navigate basic life needs and to develop key life skills on their own. Attention deficit disorder, for example, makes it difficult to manage multiple priorities, keep track of appointments, make key decisions, follow instructions, and change actions based on new information or negative feedback. All of these problems confound the process of becoming self-sufficient. If most of these target populations evidence these problems, it is incumbent upon The Arc as a change agent operating interventions to create jobs for these populations, to be prepared to help remove these systemic and personal barriers to success and sustainability. Thus, the Arc of Hilo has developed particular expertise in achieving these interventions.

Describe the target population to be served; and

In Hawai'i, nearly 25% of the 1.2 million residents have some form of disability. In Hilo, 17.1% of all people are below the poverty level. In the state of Hawai'i, the percentage of people below the poverty level is 9.9%. Hilo's poverty level is 158% of the state level. In neighboring suburban areas, part of our market area in East Hawai'i, the poverty level varies from 20.1 to 36.6% more than double the state level). 14.8% of residents from 18-64 years of age are below the poverty level in the County of Hawai'i. Hawai'i County has 94,000 persons 16-64 years old of which 17,224 (18%) are listed as having disabilities. Of these 11,000 are prevented from work due to their disabilities. (County 2004 Data Book and U.S. Census) Wage rates on the island, while good when compared with some distressed areas on the mainland, still present a challenge because of the high prices of

Hawai'i. All listed wage rates, regardless of occupation represent a living wage on the Big Island. Bookkeeper, Warehouse worker and truck driver are all in high demand and pay a living wage. These occupations represent areas of concentration for future job development opportunities and are why we are developing the APDC. For example the use of trucks at several of the underlying social enterprises of The Arc to train and promote truck drivers for the broader employment community, shows how we analyze the marketplace to guide our actions. Utilizing workers with disabilities on the agricultural processing assembly line is another key opportunity. This is an example of how we create jobs to fit the employee market and the employer market.

There are 4,604 employers and 64,000 employees on the big Island of Hawai'i. Total payrolls equal \$2.086 billion. The average annual wage is \$32,000. Per capita income is \$18,220 in Hilo and median family income is \$34,395 in Ka'u. The state median is \$66,701. The state per capita is \$21,525. Income on the Big Island has traditionally lagged the state level of income and the problems is exacerbated in the vulnerable populations such as people with disabilities. This is why the Center is so needed. (Census Data)

There are 177,835 people on the Big Island of Hawai'i. Although unemployment is 9.3% for the whole island, unemployment in Puna and Ka'u in East Hawai'i can be as high as 16%. Among Native Hawaiians it is double these numbers. Among Micronesians and Hispanics it can be even worse. Of the districts of Hawai'i County, Ka'u, Puna, N. Hilo and Hamakua are all below the County of Hawai'i median income of \$51,402. In fact, across these districts, all within our market area, 22.9% of residents are under the 100% poverty level of \$25,360 for a family of 4. Average household size is close to 4 individuals within the poorer households.

On the Big Island of Hawai'i, there are 18,894 recipients of food stamps. There are 1615 recipients of TANF. There are 2,346 homeless receiving homeless aid. Filipino, White and Latino and Native Hawaiian are the three ethnicities that comprise the highest percentages among the unemployed. There are 1030 residents receiving unemployment. To study the unemployed and formulate intervention strategies, a more in-depth analysis is required. In order to address the high unemployment levels for low income and the low income including people with disabilities in the County of Hawai'i (Hawai'i Island or referred to as "The Big Island"), The Arc of Hilo proposes to create over 170+ permanent non-construction new jobs over a 5 year period once the APDC is fully operating. In the first year after opening of the facility, 30 of these jobs are for the low income including persons with disabilities and 4 are staff (some of which will have disabilities). For this project, we are guaranteeing the creation of these 34 jobs, 94% of which will be for people below 100% of poverty level. Typically, 25-35% of these staff and client-workers have been Native Hawaiian. The client job opportunities will not only be within The Arc of Hilo's Agricultural Product Development Center, but also on the farms, in distribution, transportation, renewable energy and manufacturing with many of the partnering entities in this venture.

According to the 2000 U.S. Census, almost one in five working age Americans (age 16 to 64), has at least one disability (33.2 million people). Nearly a fourth of Hawai'i's 1.2 million residents have some form of disability. According to Bob Stodden, Director of the

University of Hawai'i's Center on Disability Studies, 70% of disabled individuals are unemployed or underemployed and fewer than 20 percent who graduate from high school continue to college. (1) In the village of Kea'au (near Hilo), not only are a higher number of residents low-income than in other parts of the County, but 35% of the residents, twenty-one or older, report having a disability. (2)

One of the most significant statistics is in the East Hawai'i Census tract data for age 21-64, indicating that over 52% of those with disabilities are unemployed. This is a significant unemployment level among this predominately low-income group. (U.S. Bureau of Census, Census 2000). The Disability Child Count as of 2005 for Hawai'i County's schools stated that there were 3654 students listed as having a disability.

(1) University of Hawai'i's Center for Disability Studies. (2) U.S. Census Bureau (2000), www.census.gov, and County of Hawai'i Data Book 2004, Missouri Census Data Center.

Describe the geographic coverage.

The project will be located at the former Miko Meats industrial site in downtown Hilo just minutes from the port and the airport. Although, The Arc serves the entire Island of Hawaii with its HI-5 Recycling and Redemption partnership with the County, the main target area for the project is the east side of Hawai'i Island from Honoka'a on the north to Naalehu on the south, a distance of over 100 highway miles. This includes the following County Districts: Hamakua, North and South Hilo, Puna and Ka'u. The concentration of Native Hawaiians here represents about 12% of the base county population of 177,835, estimated by U.S. Census, 2005.

II. Service Summary and Outcomes

The Service Summary shall include a detailed discussion of the applicant's approach to the request. The applicant shall clearly and concisely specify the results, outcomes, and measures of effectiveness from this request.

1. Describe the scope of work, tasks and responsibilities;

Our goal is two-fold: to be workforce development trainer and job creator ourselves, guaranteeing the training, placement and the persistence of keeping these jobs available for people with disabilities and other low-wealth individuals and to develop many small entrepreneurs who will in turn create many more similar jobs for which we will train and develop hard-to-employ populations for living wage sustainable jobs. There are other community benefits to the role that The Arc will play in providing community space and capacity. The focus of this application will be the conversion and operation of the Agricultural Product Development Center at the Miko Meats site. The budget is based on the cost of adapting the space for renewable energy and product development, equipment, personnel, professional fees, and lease costs required to operationalize this bold progressive concept.

To address the systemic community and personal barriers that face small entrepreneurs and small farmers, especially in technology value-added businesses, The Arc of Hilo and its partners will provide access to technology, technical assistance, equipment, space and networking to support the new and growing businesses.

To address the systemic community and personal barriers to employment and self-sufficiency for the low income including people with disabilities, the Arc of Hilo is expanding its successful recycling and renewable energy job creation strategies in the following manner:

- growing existing business contracts for more work requiring more workers
- growing new businesses in food processing, agricultural secondary product manufacturing and renewable energy, developing new products requiring new workers
- growing its markets and its market segments by working with custodial and non-custodial parents, returning prisoners, returning veterans, the homeless, TANF recipients and persons with disabilities
- growing new markets for our products in food processing, agricultural secondary product manufacturing and renewable energy.
- collaborating with for-profit and non-profit partners to create business opportunities such as the Agricultural Product Development Center with East Hawai'i CDC and the Recycling and Renewable energy Project with the Livermore Labs (a letter of support and draft MOU is in the appendix).

The Arc of Hilo's eight businesses are all housed at the Community Support Services Building of the Job Creation, Recycling and Renewable Energy Project. The new facility, the Agriculture Product Development Center will allow The Arc to double the number of people it can serve by providing space for offices of staff, personal assistants and job coaches and training / operational space. The social enterprises will use this space to operate and grow their franchises to greater levels, thereby creating living wage, safe rewarding employment that is sustainable. The Renewable Energy Project will provide jobs in food service and secondary food production while demonstrating renewable energy. Workers will be trained in sustainable renewable energy jobs that will be some of the most marketable skill sets available. The Arc has a 57 year track record in providing job creation, training and quality services to assist the low income in becoming self-sufficient, even those with a disability.

The plan is to develop the 18,000 square foot former Miko Meats facility to be the Agricultural Product Development Center. Within this space there will be a main room that will house processing equipment, assembly lines, packaging equipment, and irradiation, labeling and drying facilities. The APDC will feature two commercial kitchen spaces, a prep kitchen, a bakery kitchen area and open space for food processing, drying and assembly. These capacities will be available to all of the small businesses working with us. This facility will also provide the space required to grow the number of workers that are assisted in worker skill training, basic life skills training, recreation, arts and crafts and self-sufficiency counseling. This increase should include 50-60 more Native Hawaiians,

perhaps more. The Arc of Hilo is implementing an outreach program that will target the core unemployed with disabilities, custodial and non-custodial parents, returning prisoners, returning veterans (especially with disabilities), the homeless and TANF recipients. Within the plan, a special focus is planned for the Native Hawaiian community, because as we study the demographics of poverty and unemployment on the Big Island, Native Hawaiians experience the most persistent poverty with 51.8% below the poverty level in household income. Of the total island population, more than 25% of the population is below the poverty level for a family of 4.

The development team will include Scott Fleming of Fleming and Associates, an architect that will help with the retrofitting of the facility for renewable energy. Scott will oversee the installation engineers as they install the innovative technology from Lawrence Livermore National Labs (LLNL) and the photovoltaic solar collectors that will be installed on the roof, which was recently replaced by the owner. There is also an alternate plan to create a solar farm in a nearby field area. The Arc has also planned the development of a demonstration of the renewable energy technologies on a mobile flatbed that can be used at multiple locations including farm areas. The engineering team will be led by Ted Lejeune of Hilo. Drs. Marge Gonzalez and Anne Marie Melke will lead the team from Lawrence Livermore Labs. Mike Gleason, the CEO of The Arc will oversee the space utilization. Marketing, market development, business plan development and customer service will be managed by twin positions that are part time marketing and operations management; they both will be housed onsite at the APDC. The retrofit process is assisted by Ted who is a Board Member of the Arc of Hilo as a volunteer and who is a facilities specialist for the University of Hawaii-Hilo, and has been invaluable in this process.

The Arc of Hilo is committed to the development of diverse economic development initiatives to increase the economic viability of East Hawaii. Although tourism is still an available economic engine for East Hawaii, there is no doubt that other industries must be developed to provide jobs and economic opportunities for the future of East Hawaii. Unemployment is rising and now approaches 13% if the numbers of those who have stopped seeking employment are added to the official numbers generated by the Department of Labor. Underemployment is epidemic and just as problematic as many residents work two-three jobs to make ends meet. The social costs are high and are exhibited in the statistics of crime, drug abuse, spouse and child abuse, infant mortality and outmigration of higher educated residents.

However, when an asset inventory of East Hawaii is performed, three conclusions can be drawn:

- East Hawaii has an underperforming agricultural sector
- East Hawaii has a readily trainable and available low wealth workforce
- East Hawaii has a burgeoning high tech sector that is creating jobs and economic opportunities

This analysis leads to the view that more agricultural strategic partnerships with technological input could produce significantly more sustainable jobs and small business

opportunities over time if there were a way to incubate these opportunities and nurture them into commercial viability.

The Arc of Hilo, in conjunction with the Lawrence Livermore National Labs of California believes that they have found a way. Together under a memorandum of agreement, this strategic alliance proposes to create an “agricultural product development lab and business center” in which all of the capacities required to take a product from concept to prototype to business plan are housed under one roof with ample technical assistance provided on all aspects of product development. This Center will work with entrepreneurs, farmers, agencies, companies and investors to develop concepts, test feasibility, perform product development and refinement, develop markets and prepare for commercialization of products, goods and services. All of these activities will be assisted through a workforce development and training program designed for people with disabilities, returning veterans, returning prison inmates, Native Hawaiians and other hard-to-employ low wealth residents.

The building will be equipped with cutting-edge facilities and materials that will assist the idea engineers with the capacity to develop their ideas and the production capabilities in a laboratory setting with a ready workforce to train and provide experiences with taking the products to the mass production level, albeit on a pilot basis. The facility and its resources will be leased to beta-stage entrepreneurs and used on a membership basis by entrepreneurs, farmers, agencies, companies, inventors and investors who are in early stage development. The customer will determine what plan is best for their particular product development, either leasing square footage or using common space and equipment on a sign-up basis and paid through a monthly membership, similar to the Tech Shop model of Palo Alto, California, which the development team visited last year. Concurrently, half of the space will be leased to individual entrepreneurs who are ready for near production quality runs of food processing or secondary food product development.

The facility has several key items already in place. The building was the former Miko Meats processing and packaging facility in downtown Hilo. The building has the following equipment on site:

- A flash freezer
- Fresh water well
- Steam boiler
- Warehouse storage
- Loading docks
- Office space
- Telecommunications
- Private power supply
- Heating and cooking elements
- Slicing and peeling equipment
- Assembly line equipment
- Various shelving
- Prep tables and carts

- **Sorting and packaging equipment**
- **Drying space**
- **Pest elimination**

To augment these capabilities (some materials and machines are older and will not be serviceable), the Arc of Hilo will provide a variety of newer printing and packaging assembly equipment as well as new processing equipment. Irradiation and other pest removal strategies will be employed. The facility will be outfitted with a wireless network and computer tracking for each stage of development. Common business equipment will be placed in a business center hub accessible to all and will include copier, standard laser printers, and three-dimensional laser printer and presentation materials. Light industrial equipment will be in place to include everything required to process vegetables and plants into secondary agricultural products as well as food products of varying utilities from retail to wholesale to restaurant and institution-ready products. We will canvass equipment manufacturers to donate and invest equipment to the product development center. These companies and others will be business resource partners and will provide advice and consultation on development as well. Mashers, strainers, separators, heating and cooling processers and other equipment will come from our business resources partners who will be given the opportunity to market to our product developers as they bring their business to scale.

This facility will be powered by three power systems. The private power system in the building will be maintained, however, a solar collector system will generate as much power as the rooftop area will allow given new high power focused energy collectors that will be installed by one of our company level collaborators. A local energy equipment developer, Sopogy has been identified and others will be canvassed by an RFQ. We will then utilize the technologies represented by Livermore labs to demonstrate cutting-edge alpha level technologies that are remarkably energy renewable and efficient for commercial industrial applications. We will have engineering support from Livermore and the actual inventors of the new systems will be available as part of the development team.

We are working with two programs at Livermore. The commercial applications interface program, the Industrial Partnerships Office and an intern program designed to advance the use of science and technology in the Pacific are our strategic partners. The former is led by Dr. Annemarie Melke and the latter is run by Dr. Marjorie Gonzalez. Annemarie has indicated that her office has a menu of technologies that may be applied to our enterprise including:

- **steam generation**
- **the flywheel**
- **heat energy generation**
- **thermal storage**
- **natural gas steam assisted hydrogen generators**

Marge has indicated that several of the East Hawaii trained interns, current and past will work with the development of the Center. Marge is also the main contact at this stage of the development of the project and has encouraged the participation of Livermore. She is a native of the Big Island and currently lives in Livermore.

Our idea is to demonstrate these renewable energy-based technologies through the product development process with small businesses by utilizing the technologies in our product development lab. We will create the small businesses that will utilize the new technology and the ability of The Arc to train people with disabilities and other low income, to create sustainable economic development. We will use conventional power from HELCO for the remainder of our power needs in the beginning, as we test the renewable energy technologies and enhance their power producing and storing capabilities. Eventually the goal is to demonstrate the technologies at the production level after we have developed the prototypes to proof of concept stage. Just before this occurs, we expect to also have the facility on 100% renewable energy.

The ultimate over-arching goal of our demonstration and the development of the product development lab is the generation of job training and placement opportunities for people with disabilities and other low wealth populations, while demonstrating sustainable renewable energy technologies that are viable on small business platforms.

The team will continue to work on a highly collaborative model, changing and augmenting the initial plans as learnings occur and as resources are developed. The results of this collaboration will have global significance as people and countries around the world struggle with the need for renewable energy, food and food by-product production, job creation and community economic development to sustain healthy communities. Its importance to isolated rural areas is to develop a scale that is replicable on the small business platform anywhere, including the most isolated island communities in the world.

2. The applicant shall provide a projected annual timeline for accomplishing the results or outcomes of the service;

Proposed Project Development Schedule

We will continue in predevelopment until a soft grand opening of the Product Development Center in January. We already have several tenants one who is preparing for papaya product production, one who is preparing value-added sweet potato production. Another tenant is storing equipment that will be used in food processing . The Agricultural Product Development Center design work for the retrofitting of the renewable energy equipment will begin in the first quarter with the solar collectors being donated by Sopogy, a local manufacturer of high tech solar collectors.

Action Items	Beginning of Activity	End of Activity
Concept Development	8-08	9-2009

Feasibility	9-08	12-2010
Grant Development	9-09	9-2013
Phase I-planning	9-09	12-2009
Permitting process	8-09	06-2011
Bid Process--equipment	9-09	12-2011
Contamination Remediation	12-09	9-2011
Design of Renewable Energy Interface	9-09	3-2011
Design of Processing Floor plan	12-09	3-2011
Recruitment of Entrepreneurs	9-09	3-2013
Inspections	3-09	10-2011
Equipment Installation	9-09	11-2011
Soft opening	3-2010	1-2012
Grand Opening	4-2012	4-2012

As stated before, the focus of this application is the job creation, training and small business assistance programming and needs of the Ag Product Development Center.

3. The applicant shall describe its quality assurance and evaluation plans for the request. Specify how the applicant plans to monitor, evaluate, and improve their results;

Project Management is being performed by the co-developer and consultant for the project, Irvin M. Henderson of Henderson & Company, out of North Carolina. He is working from a guideline of values and best practices developed by the development team. We have pledged to work with minority and women vendors. We are encouraging all vendors and entrepreneurs to hire vulnerable population trainees whenever possible, only if there is no displacement of current workers. The project management will utilize Microsoft Project to track progress, costs, cost savings, contract compliance, vendor participation timeline and timeline variance and installation scheduling. Henderson & Company will be the Administrator of the software, but both the Renewable Energy Practitioners and the Entrepreneurs will have editorial access. Mike Gleason, the CEO and Debbie Perkins the CFO will both have manual override access.

The facility will be evaluated for performance and delivery of the space goals which are the following:

- To provide a completely accessible facility for the listed vulnerable populations including people with disabilities
- To provide creative, inspiring and functional space for the job creation, training, skill development and supportive services that will enhance the quality of life and self-sufficiency of the listed vulnerable populations including people with disabilities
- To provide opportunity for farmers, farm associations, entrepreneurs, small businesses and the vulnerable low wealth populations.
- To develop a facility that is environmentally and economically sound with a neutral carbon footprint that will serve the Arc of Hilo and its vulnerable populations client

base as they find skills, develop expertise, work in a safe environment and move toward self-sufficiency.

It is critically important to the development of sustainable community economic development strategies that there is an enlightened and effective evaluation methodology in place. The Arc of Hilo will implement an evaluation methodology for the development of the APDC and the development of expanded and new services. The following items will be monitored and archived:

- Year over year revenue from services
- Year over year delivery of services to client workers—numbers and variety of services, as well as client-worker interviews about their satisfaction level
- Year over year expense/revenue ratios
- Full time equivalencies in staffing vs. productivity, revenue, expenses, complaints, awards and positive feedback, staff retention, clients served growth, business services delivered growth
- A self-sufficiency index for worker-clients
- A sustainability index for the organization
- Number of jobs created
- Number of jobs sustained
- Level of wages
- Number of persons removed from the social safety net
- Number of new businesses started
- Number of businesses expanded
- Number of vulnerable population individuals trained
- Total revenue created by going concerns associated with the APDC

Quality assurance with the APDC will mainly be determined by the entrepreneurs and small farmers that utilize the facility to develop their products and businesses. They will be surveyed on a monthly basis as to their satisfaction of the operations and policies of the APDC. Their feedback will be immediately implemented to improve the effectiveness of the APDC. We will also measure the following:

- Raw materials utilized
- Finished product count
- Utilities costs
- Equipment costs
- Equipment usage
- Equipment down-time due to repair
- Over-subscription of equipment and other resources
- Number of business plans completed
- New markets opened
- New customers developed
- Customer complaints
- Returned product
- Spoilage
- Pest and environmental issues

- **Full time equivalencies in staffing vs. productivity, revenue, expenses, complaints, awards and positive feedback, staff retention, clients served growth, business services delivered growth**
- **A self-sufficiency index for worker-clients**

- **A sustainability index for the organization**
- **Level and amount of electrical power developed from the photovoltaic solar collectors and the innovative applications from the Lawrence Livermore National Labs**
- **Metrics for each technology application and its effectiveness**

4. The applicant shall list the measure(s) of effectiveness that will be reported to the State agency through which grant funds are appropriated (the expending agency). The measure(s) will provide a standard and objective way for the State to assess the program's achievement or accomplishment. Please note that if the level of appropriation differs from the amount included in this application that the measure(s) of effectiveness will need to be updated and transmitted to the expending agency.

There are several goals for the workers in the program that are aligned with their mainstreaming, improvement of quality of life and development of their self-sufficiency. They include:

- **Increase in their overall health and wellness**
- **Increase in their independence**
- **Development of basic life skills**
- **Improvement of their ability to interact with others comfortably**
- **Enhancement of their ability to earn a living wage**

For the entrepreneurs, the measures of effectiveness will center on the efficacy of their small businesses operations. The goals are to develop viable businesses with new or expanded ideas and products that will provide training and job creation opportunities for the vulnerable populations mentioned earlier, including people with disabilities.

Measurements will be made on the following items:

- **Timeline for concept development**
- **Timeline for product development**
- **Timeline for the development of markets**
- **Revenue**
- **Expenses**
- **Net operating income**
- **Ability to service debt**
- **Grant viability**
- **Number of employees hired**
- **Living wage that is paid**
- **Business plan development**
- **Compliance with business plan**
- **Ability to leave the center and establish own plant and distribution**

In each area, each worker will be evaluated on a quarterly basis to adjust their program and reward progress. Files will be maintained over a long term basis for referral and review to additional types of assistance. Participants that are high performing will be encouraged to become volunteers in the program and to assist the recruitment of other low income people including those with disabilities.

The quarterly evaluation will include the following:

- Interview with the worker
- Interview with the worker's immediate supervisor
- Attendance records
- Job description
- Job effectiveness report
- Arts, crafts and recreation evaluation
- Independence indicators updated quarterly
- Social comfort indicators evaluated
- General quality of life matrix completed

The effectiveness of the facility and its space utilization plan will be evaluated quarterly. All entrepreneurs and employees will be surveyed 2 times during the first year, once during the second and once during the third. They will be asked about the space that they occupy and their use of common space as well as the general utility of the space in total. Visitors and infrequent users will be asked to complete an assessment of the building after their use of the facility. The development team and the development committee (three board members) will meet quarterly to assess the utility of the facility and its equipment and make any and all adjustments required during the break-in period or the first three months. The development team and the development committee will comprise the operations task force.

These reports will be reviewed by management, staff and Board of Directors during the appropriate retreat setting. The data will also be utilized in individual annual staff evaluations, based on the role of the employee as well.

The building process itself can be evaluated from the perspective of timeline, costs and effectiveness of design. However, the best way to review effectiveness is to monitor the improvements made by, for and with the clients that we serve.

The building process itself can be evaluated from the perspective of timeline, costs and effectiveness of design. However, the best way to review effectiveness is to monitor the improvements made by, for and with the clients that we serve. Secondly, the entrepreneurs and small farmers are the clients of the APDC and The Arc as well. The following metrics will be collected from the entrepreneurs:

- Overall effectiveness of the APDC for their needs
- Effectiveness of the equipment for their needs

- Effectiveness of the personnel and consultants of the APDC
- Improvements of their business since their interaction with the APDC began
- Before and after results on products developed, shipped, revenue, profits, employment, expenses and retained earnings for sustainability
- Growth of their businesses over time
- Yield per acre
- Profit per acre or per amount of crop or product

INDEPENDENT EVALUATOR

An independent third party evaluator has been selected for the project. Our criteria for the selection included the following:

Prior experience in program and project evaluation

Affiliation with a university and university protocols for evaluation

Advanced degrees

Some publishing history

Experience with evaluating self-sufficiency and/or capacity building for the low income

Experience with renewable energy development projects

Experience with workforce development

Native knowledge of the islands and especially the Big Island (Dr. Lovell is a native of East Hawaii)

Ability and inclination to serve now

Adequate time for meeting with development team as well as department heads of The Arc.

Dr. David Lovell was chosen and his resume is attached. He is a board member with East Hawaii CDC. We will contract with East Hawaii CDC for the independent evaluation. East Hawaii CDC is dedicated to the economic viability of East Hawaii and is trying to build alternative employment and small business opportunities. He is affiliated with University of Hawai'i-Hilo and has experience as an evaluator. He is currently assisting the university in building a robotics and engineering approach to workforce development for the low income and people with disabilities including returning war veterans.

III. Financial

Budget

The applicant shall submit a budget utilizing the enclosed budget forms as applicable, to detail the cost of the request.

Please see attached budget spreadsheets.

The applicant shall provide its anticipated quarterly funding requests for the fiscal year 2010-2011.

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Grant
\$296,000	\$216,000	\$186,000	\$44,292	\$742,292

The applicant shall provide a listing of all other sources of funding that they are trying to obtain for fiscal year 2010-2011.

Sources:

SOURCES OF FUNDING AND FINANCE

Lawrence Livermore National Labs \$400,000

The Arc of Hilo \$176,456

USDA Rural Business enterprise
Grant \$99,200

These funds are committed and being
spent now.

We will apply for \$500,000 from the
Job Opportunities for the Low Income
program under Health and Human
Services on the federal level.

We are talking with Hawaii
Community Foundations about
funding for outreach. (\$50,000) We are
also applying for their Innovative
Fund Grant for \$100,000.

We are talking with Cooke and
Atherton Foundations about support
for the leasehold improvements for
the APDC. (\$150,000)

We will compete for \$1,000,000 from a
new program with the Department of
Labor.

IV. Experience and Capability

A. Necessary Skills and Experience

The applicant shall demonstrate that it has the necessary skills, abilities, knowledge of, and experience relating to the request. State your experience and appropriateness for providing the service proposed in this application. The applicant shall also provide a listing of verifiable experience of related projects or contracts for the most recent three years that are pertinent to the request.

Working with national networks and government leaders, the Arc of Hilo is led by Michael Gleason, a seasoned and dedicated executive with a flair for social entrepreneurship. Mike is a nationally recognized executive in this field and leads an award-winning team that consistently is asked to serve on various boards and committees, regionally and nationally. Mike has spearheaded the development of many key stakeholder relations including the Shriner's hospital, Area Mental Health, The Department of Social Services, Habitat for Humanity, the Kiwanis Club, Hilo Rotary Clubs, KTA Super Stores, Business Services Hawai'i, Hawai'i Community College, the DID. Council, Easter Seals, the Chamber of Commerce, Bank of Hawai'i, First Hawaiian Bank, American Savings Bank, the Hawai'i Alliance for Community Based Economic Development and Federal, State and County Agencies. He currently serves on many boards in a leadership position including the Rotary, the Boys and Girls Clubs and the Chamber of Commerce. Michael Gleason joined the organization in July of 2000. Mr. Gleason holds a bachelor's degree in Education and worked as a special education teacher for 17 years, including 12 years in Hawai'i. In his last position at Pahoa Intermediate and High School, he was the Felix Student Coordinator and the Vice Principal, As the CEO he represents The Arc of Hilo in the Community and he provides leadership, management direction and support to the entire agency, including programs and services. Mike is in the unique position currently, of chairing the Workforce

Development Board for the County and being the incoming President of the Chamber of Commerce.

Mike's key colleagues and collaborators in the executive suite are Debbie Perkins, Chief Financial Officer, and Debra Carbaloc, Chief Administrative Officer.

Project Manager for the development of the facility is CFO Debbie Perkins, who has training, expertise and experience in working with larger scale projects. Debbie worked for years as the comptroller for a construction firm and is currently providing some of those services part-time for a realty business owned by her family for many years.

Debbie has been with The Arc since 2001 and has revolutionized the accounting systems of the organization. Debbie was a finalist in the CFO of the Year annual competition held by Pacific Business News this year. She has requested an accounting position for the project because of the difficulty of manufacturing and processing accounting. That position will make it easier to dedicate the duties required for good customer service.

Each division is led by a very qualified and capable leader. Administrative Services is led by Debra Cabarloc. She is The Chief Administrative and Operating Officer. Her employment with The Arc of Hilo began as its Human Resources Coordinator in 2001. Ron Penn, the Arc of Hilo's former Chief Financial Officer trained Ms. Cabarloc as his successor for administrative issues. Her background is in Accounting, Human Resources, Payroll, and Systems and Information Management. She is responsible for the overall administrative and operating management of the company and the accurate interpretation, compliance and implementation of the policies and procedures related to these areas. Previously, she was a Medical Claims Assistant for the Family Medicine Center of Hilo. Debra has a real knack for operational feasibility and is a planning resource for the division heads.

With the aim of improving the quality of life for those with developmental and other disabilities, the Arc activities are designed to reduce depression, improve health and to decrease isolation, exclusion, discrimination, poverty and substance abuse. This is done through therapeutic activities and exercises, but also training, education, workforce development, employment placement, employment, transportation and housing. Each of these program components were designed and developed from the Arc's 57 years of experience in learning what is effective for the clients. There is no more critical aspect of this planning and development than the opinions of the worker-clients themselves. Their relatives also give input to the process, as do seasoned professionals who understand the unique challenges of assisting the development of independence for the disabled. It is critical with this empowered setting to have excellent people-first staffs, who appreciate the incredible difficulties that our clients and their families deal with on a daily basis. Mike and staff are very successful at achieving a 100% contribution atmosphere that promotes input, sharing and corrective behavior that protects the spirit of the individual and motivates the clients in all aspects of their progress. The impact of the empowerment factors of the program and the peer bonding aspects cannot be overstated in the contribution made to the removal of victimization emotional scarring and the promotion of healthy self-image.

Through Mike Gleason and other staff's leadership, the Arc has successfully recruited many business relationships with the firms that employ the Arc and its vocational trainees. The partnerships with the employers are key to the ability of the organization to provide experiential employment opportunities that support the objectives listed above. Once participants with disabilities are trained in the program, many find employment in The Arc's Business Service areas:

Grounds keeping
Janitorial services
Commercial Laundry services
Boiling Pots Nursery
Agricultural Product Development Center
Laulima Hana Construction and Demolition Resale Store
Island-wide HI-5 plastics, glass and metal redemption / recycling program

The increase in self-esteem, self-worth and economic viability provided through the provision of a job helps the client-worker become a tax-paying, consuming contributor and reduces the amount of public assistance required to maintain the individual.

The Arc is organized into three divisions: Community Support Services, Employment Training Services, and Administrative Services. Currently, all of the divisions are housed in the 10,000 square foot Arc of Hilo Client Center. The development plan calls for the continued use of the 10,000 square foot facility for general administration and some employment training. The new development of the 17,600 square foot Job Creation, Training and Community Center will allow for specialized worker training classes using a computer lab. There will be assistive technology to provide greater access for the more severely challenged. Offices and staging areas for the eight underlying social enterprises will be included as well. It will provide space for arts and recreation, community outreach, exercise for people with disabilities and space for diverse community meetings. The Multi-purpose gymnasium will serve production and promotion needs for community-wide activity such as the Shriners' Open House Health day, East Hawaii Employment Job Fair 2011 and performing arts such as the PALS performing arts group for people with disabilities. Some of the workers who will be detailed to the APDC will receive their assistive technology training at the Job Creation and Community Center.

Employment Training Services is led by Charmaine Ka-ipo. With a wealth of experience, she is the Employment Training Services Group Manager – including task areas such as Evaluation, Training, and Placement She oversees The Arc of Hilo's Vocational Training Center which includes: the Job Placement and Retention and Supported Employment Program, and the Commercial Services businesses (Grounds keeping, Custodial Maintenance, Nursery, and Laundry). Ms. Ka-ipo has 17 years of experience in working with the low income including persons with disabilities. She has a Bachelor's Degree in Fashion Design/Merchandising and Business Administration from the University of Hawai'i at Manoa. Since she joined The Arc of Hilo in 1991 she provided case

management, evaluation, training and placement services. She has presided over the growth of the Arc's capacity to train the low income including people with disabilities while producing earned income for the Arc's operations. Before the Arc, she was a Customer Service Supervisor/Trainer to United Airlines and as a Program Director for the Y.M.C.A.

Client Support Services is led by Vicki Linter, whose career spans tremendous growth in the number of the low income including people with disabilities served by the Arc. The Client Support Services (CSS) Group Manager, Ms. Linter, has overseen the Client Support Services department through this period of rapid growth. Her department provides a day program for the most physically and mentally disabled. When she began at The Arc, she had 33 clients and is now working with more than 80. Ms. Linter holds a Bachelor's degree in Psychology and a certificate in Gerontology, and has extensive experience with long-term care of aging and disabled populations. As the CSS Group Manager she directly oversees the LASR program.

As CEO, Mike Gleason has assembled assets from the consulting worlds to assist the staff as they implement more complex projects like the He is working with Irvin M. Henderson & Company, a firm dedicated to the effective execution of public-private partnerships, with nonprofit and for-profit developers, as co-developer and development coach. A former Executive Director of The Arc, Ron Penn is providing consulting services to the CFO and is assisting with HUD housing administrative issues.

Ron Penn serves as a consultant to the Accounting Function. He held the position of Chief Financial Officer for The Arc for four years and retired in 2004. He now serves as a consultant to the Accounting Function on an as needed basis. He has a Bachelor's of Science in Business and is a Certified Public Accountant. Having served in management positions in the banking industry, he has extensive bank qualifications include success in start-up, restructure and management of diverse functions with proven abilities in financial planning, retirement, and benefit consulting.

Irvin M. Henderson is the principal of a consulting firm and development company with particular expertise in the areas of community development education and training, community development finance and capital structure, collaboration and community involvement, community reinvestment, organizational development, project design and management, strategic planning, commercial, residential and enterprise development. He brings a background in financial planning and community development that includes a range from brokering securities to grass roots empowerment. He is the former President and CEO of Henderson Financial Services, financial planning, securities and insurance full service company and the former President and CEO of Gateway Community Development Corporation.

He has co-developed or served as development consultant for thousands of units of housing and over a million square foot of commercial space. He has worked on industrial development space in Port Arthur, Texas and Durham, NC. He is committed to workforce development for the vulnerable populations. He is the former President and CEO of

Gateway Community Development Corporation. Irvin is Founding President of the Community Reinvestment Association of North Carolina, Chairperson of the National Community Reinvestment Coalition, Audit Committee Chair and Board member of the National Trust Community Investment Corporation, Trustee of the CRA Mutual Fund, founding Chair of the Banker Community Collaborative Council, founding Executive Committee member of the North Carolina Fair Housing Center and a trustee of the National Trust for Historic Preservation.

B. Facilities

The applicant shall provide a description of its facilities and demonstrate its adequacy in relation to the request. If facilities are not presently available, describe plans to secure facilities. Also describe how the facilities meet ADA requirements, as applicable.

The Miko Meats Facility is an older industrial facility that was not operating for five years. WE have cleaned the facility, repainted the exterior, made improvements to the roof and significantly renovated the freezer space and the rooms for irradiation and pest removal. However, the main space still will require sealing the floors, walls and ceilings to prevent any food contamination. This cost is in the GIA budget and will be the first thing to be completed.

Therefore, the objectives of this project of the Arc of Hilo are as follows:

- More job creation strategies and underlying social enterprises**
- More penetration into hardcore unemployed populations including public assistance recipients, returning prisoners, returning veterans, custodial and non-custodial parents and non-college bound youth**
- Greater self-sufficiency for the enterprises and programs of The Arc**
- Larger numbers of participants and low income people served**
- To make space available to partner organizations and the community at large for job creation and education, performing arts, meetings, training, community information dissemination and disaster relief**

The need in Hilo and on the island of Hawai'i for services and mainstreaming of the poor and low income with disabilities is represented by the fact that over half of the hardcore unemployed are believed to be Hawaiian residents with disabilities. Many of those receiving mental health treatment for depression are people with disabilities. The chance to give them economic opportunity and remove social barriers to happiness presents an incredible double impact for any investment of federal funds. The economic development need for this investment is the need to improve the employment level of persons with developmental and other disabilities, but also those who are persistently low income and recipients of public assistance. However the area has several functional deficiencies as well

that are being impacted by a combination of factors: The first is the underemployment of employable adults with disabilities. Without the work of The Arc of Hilo, these workers would never be able to realize their potential as tax-paying contributing consumers. 52% of the disabled population is unemployed and this represents a grossly underemployed population as has been demonstrated by the number of viable workers created through the efforts of The Arc. Secondly, the area is still suffering from the loss of agricultural and manufacturing jobs as a result of the failure of the sugar cane industry in the 80's. These twin issues compounded by a slowdown in tourism traffic from both Asia and the mainland have pushed the unemployment rate in Hawai'i up to 5.5%. This number does not include the layoffs from Aloha and ATA Airlines as they go out of business, costing another 4,000 jobs. The need to create living wage jobs has never been greater.

The Arc of Hilo's eight businesses are all housed at the Community Support Services Building of the Job Creation / Training and Community Center. The new facility will allow The Arc to double the number of people it can serve by providing space for offices of staff, personal assistants and job coaches and training / operational space. The social enterprises will use this space to operate and grow their franchises to greater levels, thereby creating living wage, safe rewarding employment that is sustainable. The Arc has a 55 year track record in providing job creation and quality services to assist the low income in becoming self-sufficient, even those with a disability.

V. Personnel: Project Organization and Staffing

A. Proposed Staffing, Staff Qualifications, Supervision and Training

The applicant shall describe the proposed staffing pattern and proposed service capacity appropriate for the viability of the request. The applicant shall provide the qualifications and experience of personnel for the request and shall describe its ability to supervise, train and provide administrative direction relative to the request.

The Arc has designed a team of two positions for the beginning efforts of the APDC. A marketing and market developer will be hired to work with the entrepreneurs to find markets, get access to markets and develop those markets. There will also be an operations specialist that will manage the traffic flow of entrepreneurs and small farmers. This position will run the sign-up process for use of space and/or machines, they will provide and maintain material inventories and support the professional staff of The Arc as they assist the entrepreneurs in building their businesses and creating jobs.

In working with the University and Professor Emmeline de Pillis, we have a large number of college interns who will assist in business plan development for the clients and other managerial support needs. At the County of Hawaii, the Agriculture office with Ms. Hopkins is providing a number of support services, advice, convening of the Ag sector and market development as well. We are collaborating with the School of Pharmacy, agricultural specialists and successful farmers such as Richard Ha to create a viable Agricultural Product Development Center.

As CEO, Mike Gleason has assembled assets from the consulting worlds to assist the staff as they implement more complex projects like the He is working with Irvin M. Henderson & Company, a firm dedicated to the effective execution of public-private partnerships, with nonprofit and for-profit developers, as co-developer and development coach. A former Executive Director of The Arc, Ron Penn is providing consulting services to the CFO and is assisting with HUD housing administrative issues.

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Our program managers have successfully worked in their positions from five to fifteen years. This demonstrates the strong and effective leadership we have in our organization. Other non-profits in the state have tried and failed to develop similar service industries. Our leadership serves on regional and national boards and has been awarded numerous designations, certifications and awards of excellence by peer, governmental and funding entities. The edge we maintain in obtaining competitive contracts demonstrates very performance-driven and successful management.

The Arc of Hilo's proven track record helps it develop new successful innovative ventures. It is easier for The Arc to attract investors and bank credit for ventures because of its track record. Many times, the staff is able to gather resources and raw materials with no cash outlay as a result of the productive reputation. The very nature of what we do advances productivity by taking those, who in many cases are not productive at all, and assisting them to develop into productive citizens. Because we begin with a nontraditional market of workers, the innovation is in concept, training and counseling methodology, community recreation and results. Additionally, many of the services that we utilize offer a great base for entrepreneurship. Staff and former workers have left the Arc and now operate successful ventures creating new jobs. Many of our vendors are small entrepreneurs and thus the operation of this facility creates a viable market for entrepreneurial enterprises as they try to serve the APDC.

We are prepared to take risks to develop new business enterprises. A recent example is the aforementioned County of Hawai'i HI-5 Redemption contract. It has received applause from the State Auditor and the general public. It has operated for the past 5 ½ years, and has received numerous awards for performance. It employs over 50 people and serves as a reservoir for creating jobs for new trainees from our programs. 5 of the workers in HI-5 are people with disabilities and they are all low income. Its innovation is exhibited by the fact that it brings together both able and disabled persons working together at work sites under The Arc of Hilo's influence and management. It requires innovative design, new training methods, worker coordination by management and flexible scheduling. Recently, the management has been reviewing the viability of the contract and through its analysis is developing options for the County to determine the best way to run the program cost effectively without sacrificing customer service. Changes will be made, but the community will be served.

Another example of a new entrepreneurial enterprise is the Lualima Hana Construction and Demolition Resale Store plan mentioned earlier. This enterprise concept was developed last year by a USDA Rural Development Grant and a CBED grant to the Arc to prepare the business plan for a C. & D. Resale store and Pre-apprenticeship carpentry training program. Led by The Arc of Hilo, it will use major for-profit and non-profit community partnerships to leverage further vocational training and employment opportunities in East Hawai'i. The enterprise is being piloted in the Miko and Shipman sites now. A potential site for further development has been located in the low-income area of Puna District south of Hilo. The idea is that the store will take donations of building supplies and materials from local General Contractors, process and place these materials in inventory to be sold/and or donated to other nonprofit businesses and low income individuals. Some of the materials will be utilized for affordable housing thereby reducing the materials cost and that reduction will be passed down to the consumer. It will initially create 10 regular jobs at the training center of the store. Going forward, the project should fund 30 jobs annually. These workers will receive on the job training while building 3 Habitat for Humanities homes per year as a training exercise. Considering that thousands of new homes are needed in Hawai'i County in the next few years, this general construction training program will find ready employment for trainees for years to come.

The Arc of Hilo has successfully demonstrated how to train the low income including people with disabilities and prepare them for employment in the community at large. It has gone a step further and developed basic business services which employ its trainees in grounds keeping, janitorial, laundry, nursery food production, and HI-5 Redemption. These business services have been developed specifically to match the capabilities of the low income including people with disabilities. Our work is based upon service industries in which the market demand will continue to escalate as our population matures. Studies have shown that the baby-boomer retiree is becoming more interested in leisure time and activities, thus creating additional demand. The environmental redemption and janitorial services are at a price they can afford and a quality level that they can trust. We provide this for our customers in a unique and effective manner. With a 52 % unemployment rate of persons with disabilities between 21 and 64 years old in East Hawai'i and an increasing demand for our goods and services, The Arc of Hilo has this work projected for decades into the future. And as Blayne Hanagami, the Director of the One Stop Jobs Center in Hilo says, "The persistent nature of the hard to employ here makes the services of The Arc of Hilo very needed as we struggle to find jobs for these low income underserved."

The Arc of Hilo, its staff and Board of Directors play the role of advocate in island-wide, state-wide and nationwide settings. In its role of advocating for rights, mainstream procedures and commitments, arts inclusion, access issues, recreation and independent decision-making, the Arc works independently and in coalition with other networks and nonprofits. It is one of our goals to promote the improvement of the quality of life of these low income Hawaiians.

As CEO, Mike Gleason is an accomplished individual with multi-disciplinary training. He is a Weinberg fellow and head of the Workforce Development Board, the former Private Industry Council, for Hawaii County. He is the incoming new President of the Chamber of Commerce, a seasoned registered and certified sea captain and is Vice Chair of the Hawaii Association of Nonprofit Organizations. He has a proven track record in leading large, complex projects as is evidence by the rapid seven 9 year growth curve in which he has led The Arc. During this period of time, the budget grew from \$1.5 million to \$7.2 million, staff grew from 35 to 120 and participant-clients grew from 89 to 250. The operations of the APDC will usher in a similar period of high growth and rapid response to those in need.

The value proposition of this project and future facility is that it will provide a permanent increase in the job creation, employment training and opportunity development infrastructure for the County. It will assist in the long-term diversification of the local and regional economy. This project will continue to deliver and transition non-working government-dependent citizens to working tax-paying consuming citizens. The activities at the APDC will promote the overall improvement in the quality of life of our program participants in the areas of self-esteem, life skills, employable skills, employment counseling and employment placement. These new employees will add to the enhancement of the low income Hawaiians' capacity to mainstream and contribute. The Arc's programs will continue to make this transition happen for the low income, including the developmentally challenged, custodial and non-custodial parents, returning prisoners, veterans, the

homeless and displaced Hawaiian workers, assisting them in making their contributions to society, improving their lives and enhancing their economic self-sufficiency despite their unique challenges.

B. Organization Chart

The applicant shall illustrate the position of each staff and line of responsibility/supervision. If the request is part of a large, multi-purpose organization, include an organizational chart that illustrates the placement of this request.

Please attach org chart here.

Mike Gleason, the CEO will guide and train the Operations Specialist, but Mike will also negotiate with the entrepreneurs the cost and logistics of the services of the APDC with the clients and the entrepreneurs. Irvin Henderson is the project management consultant and will also be a resource for the Specialist and the Marketing Specialist, but primarily, it is his function to bring funding into the project, coordinate with the LLNL team, assist with the design of the flow of products and product developers in the APDC, assist with regulatory approvals, recommend to the Staff of The Arc strategies for the development and efficacy of the APDC. He will also be a resource to the entrepreneurs in their development of their business plans. He is also primarily responsible for the development of the business plan of the APDC itself.

Charmaine Kai-po is the head of Employment Training Services and will manage the training and job creation process for the APDC. She will supervise the jobs coaches, design the training, assist in designing the floor plan and the flows of product development, assist with management of the distribution of products, assist with the assistive technology for workers and monitor the effectiveness of the workers, their supervisors and the entrepreneurs themselves.

VI. Other

The Arc of Hilo has brought an unprecedented team of organizations to the table to address these problems that include some of the more capable and effective partners anywhere. This team includes the Lawrence Livermore National Labs for collaboration on renewable energy. The Sopogy photovoltaic collector manufacturer will also collaborate on that project and consult on the Job Creation, Training and Community Center. The Arc collaborates with Boys and Girls Club, Division of Vocational Rehabilitation, Department

of Human Services, One Stop Employment Center, the University of Hawaii-Hilo, Alu Like, KIAA, the Chamber of Commerce, the County of Hawaii and its Workforce Development Board.

A. Litigation

The applicant shall disclose any pending litigation to which they are a party, including the disclosure of any outstanding judgments. If applicable, please explain.

NOT APPLICABLE

B. Licensure or Accreditation

Specify any special qualifications, including but not limited to licensure or accreditation that applicant possesses relevant to this request.

The Arc of Hilo has specialized services for people with disabilities and accordingly has many employees who have received special certifications, accreditations' and designations. In the appendix, there is a section with the resumes of key personnel, which lists some of these certifications or designations.

**DECLARATION STATEMENT
APPLICANTS FOR GRANTS AND SUBSIDIES
CHAPTER 42F, HAWAI'I REVISED STATUTES**

The undersigned authorized representative of the applicant acknowledges that said applicant meets and will comply with all of the following standards for the award of grants and subsidies pursuant to section 42F-103, Hawai'i Revised Statutes:

- (1) Is licensed or accredited, in accordance with federal, state, or county statutes, rules, or ordinances, to conduct the activities or provide the services for which a grant or subsidy is awarded;
- (2) Comply with all applicable federal and state laws prohibiting discrimination against any person on the basis of race, color, national origin, religion, creed, sex, age, sexual orientation, or disability;
- (3) Agree not to use state funds for entertainment or lobbying activities; and
- (4) Allow the state agency to which funds for the grant or subsidy were appropriated for expenditure, legislative committees and their staff, and the auditor full access to their records, reports, files, and other related documents and information for purposes of monitoring, measuring the effectiveness, and ensuring the proper expenditure of the grant or subsidy.

In addition, a grant or subsidy may be made to an organization only if the organization:

- (1) Is incorporated under the laws of the State; and
- (2) Has bylaws or policies that describe the manner in which the activities or services for which a grant or subsidy is awarded shall be conducted or provided.

Further, a grant or subsidy may be awarded to a non-profit organization only if the organization:

- (1) Has been determined and designated to be a non-profit organization by the Internal Revenue Service; and
- (2) Has a governing board whose members have no material conflict of interest and serve without compensation.

For a grant or subsidy used for the acquisition of land, when the organization discontinues the activities or services on the land acquired for which the grant or subsidy was awarded and disposes of the land in fee simple or by lease, the organization shall negotiate with the expending agency for a lump sum or installment repayment to the State of the amount of the grant or subsidy used for the acquisition of the land.

Further, the undersigned authorized representative certifies that this statement is true and correct to the best of the applicant's knowledge.

The Arc of Hilo
(Typed Name of Individual or Organization)



1/25/2011
(Date)

Michael G.Gleason
(Typed Name)

President & CEO
(Title)

LIST OF APPENDIXES

- 1. The Arc of Hilo ORGANIZATION CHART**
- 2. All APPLICATION BUDGETS FORMS:]**

- BUDGET REQUESTED BY SOURCE OF FUNDS**
- PERSONNEL-SALARIES AND WAGES**
- EQUIPMENT AND MOTOR VEHICLES**
- CAPITAL PROJECT DETAILS**

The  of Hilo

1099 Waianuenue Ave.
Hilo, Hawaii 96720

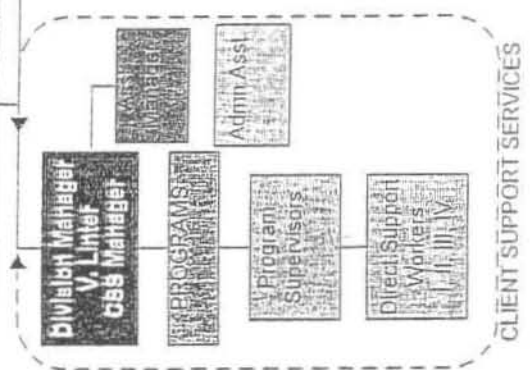
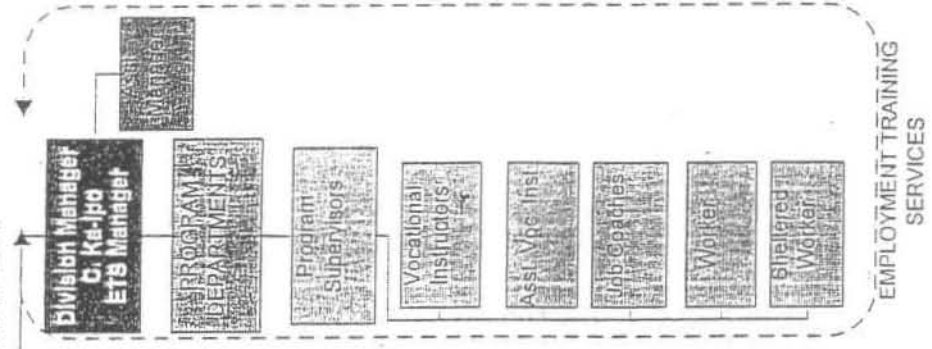
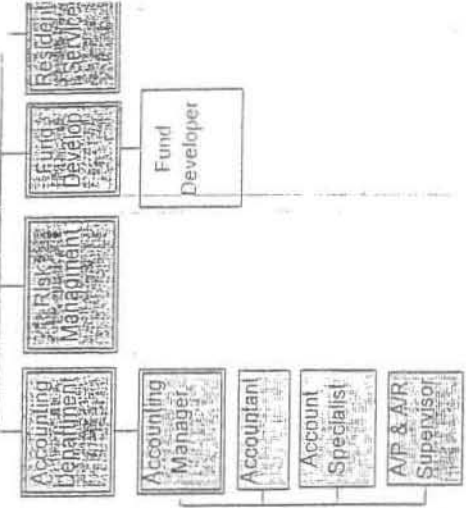
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NTS
BOARD OF DIRECTORS

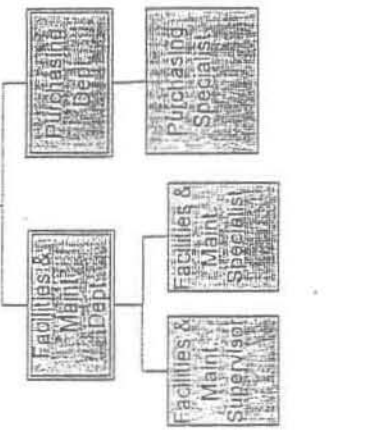
M. G. Giesch
Pres. & CEO

D. Cabaalob
Chief Administrative & Operating Officer

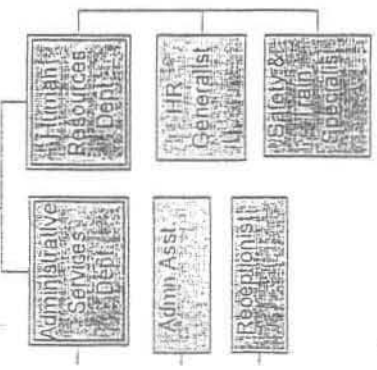
D. Perkins
Chief Financial Officer



OPERATIONS
Department Asslt. Manager (Facilities & Main)




ADMINISTRATIVE
Department Manager (Admin. & HR)



Information Services
Special Projects

BUDGET REQUEST BY SOURCE OF FUNDS
(Period: July 1, 2011 to June 30, 2012)

Applicant: _____

BUDGET CATEGORIES	Total State Funds Requested (a)	(b)	(c)	(d)
A. PERSONNEL COST				
1. Salaries	29,656			
2. Payroll Taxes & Assessments				
3. Fringe Benefits				
TOTAL PERSONNEL COST	29,656			
B. OTHER CURRENT EXPENSES				
1. Airfare, Inter-Island				
2. Insurance				
3. Lease/Rental of Equipment	0			
4. Lease/Rental of Space	222,749			
5. Staff Training				
6. Supplies				
7. Telecommunication				
8. Utilities				
9 Consulting	50,000			
10 Administration	54,985			
11 Construction	97,767			
12 Marketing	13,000			
13				
14				
15				
16				
17				
18				
19				
20				
TOTAL OTHER CURRENT EXPENSES	438,501			
C. EQUIPMENT PURCHASES	274,135			
D. MOTOR VEHICLE PURCHASES				
E. CAPITAL				
TOTAL (A+B+C+D+E)	742,292			
SOURCES OF FUNDING		Budget Prepared By:		
(a) Total State Funds Requested	742,292	Debbie Perkins	935-8534	
(b)		Name (Please type or print) Phone		
(c)				
(d)		Signature of Authorized Official Date		
TOTAL BUDGET	742,292	Michael Gleason	President & CEO	
		Name and Title (Please type or print)		

**BUDGET JUSTIFICATION
PERSONNEL - SALARIES AND WAGES**

Applicant: The Arc of Hilo

Period: July 1, 2011 to June 30, 2012

POSITION TITLE	FULL TIME EQUIVALENT	ANNUAL SALARY A	% OF TIME ALLOCATED TO GRANT REQUEST B	TOTAL STATE FUNDS REQUESTED (A x B)
marketing specialist	27040	\$13,520.00	100.00%	\$ 13,520.00
operations specialist	17680	\$8,840.00	100.00%	\$ 8,840.00
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
TOTAL:				22,360.00
JUSTIFICATION/COMMENTS: These positions will start as part time and increase				

BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES

The Arc of Hilo

Period: July 1, 2011 to June 30, 2012

DESCRIPTION EQUIPMENT	NO. OF ITEMS	COST PER ITEM	TOTAL COST	TOTAL BUDGETED
Xerox 3-D Laser Printer	1	\$18,400.00	\$ 18,400.00	
Two (2) Dell Workstations	2	\$1,370.00	\$ 2,740.00	
Microsoft Office and Autocad Software	1	\$4,000.00	\$ 4,000.00	
Xerox Printer 3600 DN	1	\$679.12	\$ 679.12	
Freeze Dryer (Hall Manufacturing)	1	\$56,000.00	\$ 56,000.00	
Slicers, Pans, Storage Cages, Prep Tables, Etc.	1	\$15,000.00	\$ 15,000.00	
TOTAL:	7		\$ 96,819.12	

JUSTIFICATION/COMMENTS:

The equipment required here will support the entrepreneurs and small farmers as they develop their products for years.

DESCRIPTION OF MOTOR VEHICLE	NO. OF VEHICLES	COST PER VEHICLE	TOTAL COST	TOTAL BUDGETED
Ford F-50 Crew Cab-Trailer 4WD	One (1)	\$44,000.00	\$ 44,000.00	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:			\$ 44,000.00	

JUSTIFICATION/COMMENTS:

**BUDGET JUSTIFICATION
CAPITAL PROJECT DETAILS**

The Arc of Hilo

Period: July 1, 2011 to June 30, 2012

FUNDING AMOUNT REQUESTED						
TOTAL PROJECT COST	ALL SOURCES OF FUNDS RECEIVED IN PRIOR YEARS		STATE FUNDS REQUESTED	OF FUNDS	FUNDING REQUIRED IN SUCCEEDING YEARS	
	FY: 2009-2010	FY: 2010-2011	FY:2011-2012	FY:2011-2012	FY:2012-2013	FY:2013-2014
PLANS, ADMINISTRATION, CONTRACTED SERVICES		79600	134641	50000	100000	
LEASE			222749		250000	
DESIGN / MARKETING	200000	200000	13000	100000		
CONSTRUCTION			97767	300000		
EQUIPMENT		20000	274135	100000		
TOTAL:			742,292	550,000	350,000	
JUSTIFICATION/COMMENTS:						
See attached sheet						

Justification/Comments for Funding Amount Requested:

The funds requested are critical to the development of the Center because, it is difficult to get investments to build a capacity for Hawaii like this. The facility is expensive to lease, but with an infrastructure that would require over \$10 million to duplicate. The construction will simply retrofit the space into the commercial kitchens and assembly/processing space that is required. The marketing is needed to develop markets for the products. The major asset for the APDC is the inventory of equipment from slicers to dryers to flash freezers to pest eradication to packaging and shipping. This endeavor requires a lot of consulting and contracted services to implement the idea develop funding and design operations.

LIST OF APPENDIXES

1 Lease

**1. MOU Between The Arc of Hilo and
Lawrence Livermore National
Laboratory**

2. Floor Plans

3. List of Board of Directors for 2010-2011

4. IRS 501 (c) (3)

5. Letters of Commitment

6. Letters of Support

7. Resumes

The  of Hilo

1099 Waianuenue Ave.

Hilo, Hawaii 96720

APPENDIX 1

Lease

LAND COURT SYSTEM

REGULAR SYSTEM

Return by Mail () Pickup () To:

ARC OF HILO
1099 Waianuenue Avenue
Hilo, HI 96720

Affects Tax Map Key Number: (3) 2-2-054-031

Total No. of pages: 25

AMENDMENT AND RESTATEMENT OF LEASE

on a month-to-month basis unless canceled with a 60-day notice or unless Tenant exercises any option to renew as provided below.

(3) Rent shall be as shown below:

<u>Period</u>	<u>Base Rent:</u>	<u>Excise Tax:</u>	<u>Total:</u>
<u>10/1/07 to 9/30/08</u>	<u>\$ 9,000.00</u>	<u>\$ 374.94</u>	<u>\$ 9,374.94</u>
<u>10/1/08 to 9/30/09</u>	<u>\$10,620.00</u>	<u>\$ 442.43</u>	<u>\$11,062.43</u>
<u>10/1/09 to 9/30/10</u>	<u>\$12,420.00</u>	<u>\$ 517.42</u>	<u>\$12,937.42</u>
<u>10/1/10 to 9/30/11</u>	<u>\$14,220.00</u>	<u>\$ 592.41</u>	<u>\$14,812.41</u>
<u>10/1/11 to 9/30/12</u>	<u>\$16,020.00</u>	<u>\$ 667.39</u>	<u>\$16,687.39</u>

(4) Common Area Expenses: Tenant shall pay for the Maintenance and Operating Expenses for the Premises, including but not limited to Trash removal, water, sewer, electricity, landscape maintenance, and janitorial services.

(5) Amount of Security Deposit: \$ 9,000.00

(6) Uses to be made of the Premises and for no other purpose without the express written consent of the Landlord:
Food processing, equipment service (to include automotive vehicles) and storage, recycling efforts and all related services.

(7) Tenant's address for notice if other than the Premises:
1099 Waianuenue Avenue Hilo, HI 96720

(8) Additional Terms and Conditions: Notwithstanding the General Conditions contained in Part B of this Lease, Landlord and Tenant agree to any additional terms and conditions attached as an Addendum or as Addenda to Lease. Said Addendum or Addenda shall not be valid unless signed by both Landlord and Tenant.

(9) Option to Renew: If this Lease is not in default, Tenant has the option to extend this Lease for an additional term of five (5) years by giving Landlord written notice of Tenant's intention to extend no later than 90 days before the end of this Lease. The rent to be paid by Tenant during the additional term shall be decided by Landlord and Tenant, but will not be less than the rent paid by Tenant for the immediately preceding term.

(10) Exhibits. The following exhibits are attached hereto and are hereby made a part of this Lease:

STATE OF HAWAII)
) SS:
COUNTY OF HAWAII)

On this 31st day of DECEMBER, 2008, before me appeared Nancy CABRAL, to me personally known, who, being by me duly sworn, did say that she is the PRESIDENT, of DAY-LUM RENTALS & MANAGEMENT, INC., a Hawaii corporation, and that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and said officer acknowledged said instrument to be the free act and deed of said corporation.

Document Date: October 1, 2007
Number of pages: 25 Circuit: THIRD
Document
Description: AMENDMENT AND RESTATEMENT
OF LEASE



Notary's
Name: SANDRA M. DUBCZAK
[Redacted Signature] 12-31-08
Signature Date
Notary Public, State of Hawaii
My Commission expires: 6-27-2009

STATE OF HAWAII)
) SS:
COUNTY OF HAWAII)

On this 31st day of DECEMBER, 2008, before me appeared MICHAEL E. GLEASON, to me personally known, who, being by me duly sworn, did say that he is the PRESIDENT + CEO, of THE ARC OF HILO, a Hawaii nonprofit corporation, and that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and said officer acknowledged said instrument to be the free act and deed of said corporation.

Document Date: October 1, 2007
Number of pages: 25 Circuit: THIRD
Document
Description: AMENDMENT AND RESTATEMENT
OF LEASE



Notary's
Name: SANDRA M. DUBCZAK
[Redacted Signature] 12-31-08
Signature Date
Notary Public, State of Hawaii
My Commission expires: 6-27-2009

thereunder, (vi) real property taxes and any and all other taxes and assessments, including any ground rent assessments or charges made under any betterment or improvement law, attributable to the Property or the land on which it is located, (vii) maintenance, repair and depreciation of machinery and equipment used in operating and maintaining the Premises and Property, (viii) all billing, auditing, management and legal expenses relating to the operation and maintenance of the Property, (ix) any expenses incurred in contesting real property assessments, arbitrating or determining Master Lease rentals, if any, and any assessments or charges made under any betterment or improvement law or otherwise, (x) Master Lease rent, if any, (xi) any utility charges for the Property or the Premises not separately metered or paid by Tenant and (xii) any other costs which the Landlord shall conclude, in its sole discretion, are reasonable and necessary for maintaining and operating the Premises and/or the Property. As used herein the term "equipment" shall be taken to include both personalty and fixtures.

Section 2. 02. **Gross Income Tax.** Tenant shall pay to Landlord as additional rent together with each payment of rental or other payment required hereunder which is subject to State of Hawaii general excise tax on gross income, as it may be amended from time to time, and all other similar taxes imposed upon Landlord on said rental or other payment in the nature of a gross receipts tax, sales tax, privilege tax or the like, excluding federal or state net income taxes, whether imposed by the United States of America, State of Hawaii or County of Hawaii, an amount (currently 4.166% of such payment) which, when added to such rental or other payment, shall yield to Landlord, after deduction of all such tax payable by Landlord with respect to all such payments a net amount equal to that which Landlord would have realized from such payments had such tax not been imposed.

Section 3.01. **Changes and Additions to Buildings.** Landlord hereby reserves the right at any time to make alterations to the Project, including additional improvements and/or alterations or additions thereto. Tenant agrees to accept the inconvenience of noise, dust and other disturbances from any such alterations, additions or construction and Landlord shall not be liable to Tenant for any inconvenience, interferences, annoyance, loss or damage resulting from such alterations, additions or construction. Landlord shall use reasonable efforts to minimize such inconvenience. Tenant agrees that it shall not protest the payment of rent, offset or withhold rent, when due and payable under the terms of the Lease, because of any ongoing construction at the Project.

Section 3.02. **Right to Relocate.** The purpose of the Site Plan attached hereto as Exhibit A is to show the approximate location of the Premises. Landlord reserves the right at any time to relocate automobile parking areas and other areas shown on the Site Plan.

Section 3.03. **No Interest in Air Space or Light or Air Easement.** Nothing herein shall be construed as creating or transferring to Tenant any interest in the land upon which the Premises are located or any interest in the air space above the Premises and the building in which the Premises are situated. Any diminution or shutting off of light or air by any structure which may be on lands adjacent to or in the vicinity of the Premises shall in no way affect this Lease, abate rent or otherwise imposed any liability on Landlord.

at its option, appropriate and apply any portion of said deposit to the payment of any such overdue rent or other sum.

Section 5.02. Use and Return of Deposit. In the event of failure of Tenant to keep and perform any of the terms, covenants and conditions of this Lease to be kept and performed by Tenant, then Landlord at its option may appropriate and apply all of the security deposit, or so much thereof of as may be necessary, to compensate Landlord for loss or damage sustained or suffered by Landlord due to such breach on the part of Tenant. The security deposit, or any portion thereof, may be appropriated and applied by Landlord for the payment of overdue rent or other sums due and payable to Landlord by Tenant hereunder, and Tenant shall, upon the written demand of Landlord, forthwith deliver to Landlord a sufficient amount in cash to restore the security deposit to the original sum set forth in the Special Conditions of this Lease, and Tenant's failure to do so within five (5) days after receipt of such demand shall constitute a breach of this Lease. Should Tenant comply with all of said terms, covenants and conditions and properly pay all of the rent required under this Lease as the same becomes due, and all other sums payable by Tenant to Landlord hereunder, at the end of the Term, or upon the earlier termination of this Lease, the security deposit shall be returned to Tenant.

Section 5.03. Transfer of Security Deposit. Landlord may deliver the funds deposited hereunder by Tenant to the purchaser of Landlord's interest in the Premises in the event that such interest be sold, and thereupon Landlord shall be discharged from any further liability with respect to such deposit.

ARTICLE VI PARKING AND COMMON AREAS AND FACILITIES

Section 6. 01. Right to Use Common Areas. It is understood that, subject to the control of such Common Areas by Landlord as set forth in section 6.02 below, Tenant and Tenant's employees and customers shall have the right in common with other tenants of the Landlord, and their employees and customers, to use the parking areas, driveways and entrances and exits in connection with the business to be conducted upon the Premises.

Section 6.02. Control of Common Areas by Landlord. All automobile parking areas, driveways, entrances and exits thereto and other facilities provided by Landlord in or near the Premises, exterior stairways and other areas and improvements provided by Landlord for the common use of all tenants of the Landlord, their officers, agents, employees and customers, shall at all times be subject to the exclusive control and management of Landlord, and Landlord shall have the right from time to time to establish, modify and enforce reasonable rules and regulations with respect to all facilities and areas mentioned in this Article. Tenant's employees shall park only in areas designated for employee parking, and Landlord shall have the right to take such action as shall be necessary to prevent unauthorized use of the parking areas. Landlord shall have the right, from time to time, to change the areas, level, location and arrangement of all facilities hereinabove referred to, and may restrict parking for Tenant, its officers, agents and employees to employee parking areas designated by Landlord; to close temporarily all or

agreement under this Lease shall not be removed from the Premises prior to the end of the Term care of without prior consent in writing from Landlord, which consent shall be in Landlord's sole discretion. Upon expiration of this Lease, or any renewal thereof, Tenant at Landlord's sole option shall remove all such alterations, decorations, additions and improvements, and restore the Premises as provided in section 8.04 hereof. If Tenant fails to remove such alterations, decorations, additions and improvements, and restore the Premises, then Landlord shall have the right to arrange for such removal and restoration at Tenant's cost and expense. Landlord shall have the right to deduct the cost of any such removal or restoration from Tenant's security deposit, and Tenant shall remain liable to Landlord for any remaining costs and the collection of those costs. If Landlord elects to not have Tenant remove all alterations, decorations, additions and improvements made by Tenant or on Tenant's behalf, the same shall become the property of Landlord on the termination of this Lease.

Section 7.03. **Bond Against Liens.** Prior to the commencing of any alterations, improvements or other construction on the Premises, Tenant shall furnish evidence satisfactory to Landlord that Tenant is financially able to pay the contractor, and shall furnish a copy of a bond in an amount equal to one hundred percent (100%) of the cost of construction, in a form and with a surety acceptable to Landlord, naming Landlord and Tenant as obligee and insuring completion of the proposed work be free and clear of all liens.

Section 7.04. **Signs, Awnings, and Canopies.** Tenant will not place or suffer to be placed or maintained on any exterior door, wall or window of the Premises any sign, awning or canopy, or advertising matter or other thing of any kind, and will not place or maintain any decoration, lettering or advertising matter on the glass of any window or door of the Premises without first obtaining Landlord's written approval and consent. Tenant further agrees to maintain such sign, awning, canopy, decoration, lettering, advertising matter or other thing as may be approved in good condition and repair at all times. Tenant shall maintain Landlord's installed awnings if applicable.

Section 7.05. **Lien and Encumbrances.** Tenant shall keep the Premises free from any mechanics' or materialmen's lien or any attachment, execution or judgment lien, and any charge or encumbrance whatsoever. If any such lien, charge or encumbrance or notice thereof is recorded against or attaches to the Premises, or any part thereof or any interest therein, then, unless Tenant shall elect promptly to contest the amount or validity of such lien, charge or encumbrance and post a bond to discharge the same, Tenant shall immediately pay off the same and cause the same to be satisfied and discharged of record. If Tenant neither promptly contests the amount or validity of the same and posts a bond, nor promptly pays off the same and causes it to be satisfied and discharged of record, Landlord may, at Landlord's option, pay off the same, and any amount so paid by Landlord shall thereupon be and become immediately due and payable by Tenant to Landlord. If Landlord is joined in such proceedings, Tenant shall pay all costs and attorneys' fees incurred by Landlord.

in upon delivery of possession thereto under this Lease, reasonable wear and tear excepted, and shall surrender all keys for the Premises to Landlord at the place then fixed for the payment of rent, and shall inform Landlord of all combinations on locks, safes and vaults, if any, in the Premises. Notwithstanding anything herein to the contrary, all air conditioning systems and equipment, air handlers and ducts servicing the Premises shall be and remain the property of the Landlord.

ARTICLE IX NON-LIABILITY OF LANDLORD

Section 9.01. **Assumption of Risk by Tenant.** Landlord shall not be liable to Tenant for any damages occasioned by electricity, plumbing, gas, water, sprinkler or other pipes and sewage system or by the bursting, leaking or overflowing or running of any tank, washstand, closet or waste or other pipes in or about the Premises or the building of which they are a part, nor for any damage occasioned by water coming into the Premises for any source whatsoever or for any damage arising from any act of neglect of a co-tenant, or other occupants of the Project, or of adjacent property, or the public. All property of Tenant kept or stored on the Premises shall be so kept or stored at the risk of Tenant only, and Tenant shall hold Landlord harmless from any claims arising out of damage to the same including subrogation claims by Tenant's insurance carriers unless such damage shall be caused by the willful act or gross neglect of Landlord.

ARTICLE X INSURANCE

Section 10.01. **Liability Insurance; Business Interruption Insurance.** Tenant will procure at its own expense, and, during the entire Term hereof, keep in full force and effect during the entire Term: (i) a policy of comprehensive general liability insurance with minimum coverage of not less than ONE MILLION AND NO/100 dollars (\$1,000,000.00) for each occurrence and not less than TWO MILLION AND NO/100 DOLLARS (\$2,000,000.00) in the general aggregate, and covering claims for property damage and/or bodily injury or death; (ii) a policy of Business Interruption (Use and Occupancy) Insurance insuring that the rent received hereunder shall be paid to Landlord for a period of up to one (1) year if the Premises are destroyed or rendered inaccessible by a risk insured against under a policy of standard fire and extended coverage insurance with vandalism and malicious mischief endorsements. Said policy or policies shall be with an insurance company authorized to do business in the State of Hawaii, shall name Landlord and Landlord's managing agent, if any, as additional insureds, and shall cover the entire Premises and the areas appurtenant thereto, including the sidewalks upon which the Premises abut; and a current certificate of said policy or policies shall be deposited with Landlord. The limits of said policies shall be increased from time to time with due regard to prevailing prudent business practices as is reasonably adequate for Landlord's protection. The insurance shall contain a provision that it will not be canceled without giving Landlord thirty (30) days written notice prior to the effective date of the proposed cancellation.

charge above that charged by insurance companies issuing policies without waiver of subrogation, the party undertaking to obtain the insurance shall notify the other party of this fact. The other party shall have a period of ten (10) days after receiving the notice either to place the insurance with a company that is reasonably satisfactory to the other party and that will carry the insurance with a waiver of subrogation, or to agree to pay the additional premium if such policy is obtainable at additional cost. If the insurance cannot be obtained or the party in whose favor a waiver of subrogation is desired refuses to pay the additional premium charged, the other party shall be relieved of the obligation to obtain waiver of subrogation rights with respect to the particular insurance involved.

ARTICLE XI UTILITIES

Section 11.01. **Utility Charges.** Tenant shall at its own expense install any meters recording the amount of electricity furnished exclusively to the Premises. Tenant will arrange for and procure, at Tenant's sole cost and expense, all utility hookups and to pay for all electricity, telephone, cable service and other similar utility rates for utilities to the Premises, and all other charges incurred by it in connection with its use and enjoyment of the Premises on or before the dates upon which such utility rates and charges become delinquent. In no event shall Landlord be liable for interruption or failure in the supply of any such utilities to the Premises.

Section 11.02. **Check Meters.** If Tenant is consuming or using an extraordinary amount of any utilities furnished to Tenant and others by Landlord as part of the common expenses, Landlord shall have the right, in Landlord's reasonable discretion, to require the installation of check meters. Tenant shall be responsible for the cost of the installation of such check meters and for the cost of the excess consumption or use.

ARTICLE XII SUBORDINATION

Section 12.1. **Lease Subject to Master Lease.** This Lease shall be subject and subordinate to any lease senior to this Lease and in the event of any inconsistency between the terms of this Lease and any senior lease, the terms of the senior lease shall control. Lessee shall not do or omit to do any act which could cause Lessor to be in default under any senior lease.

ARTICLE XIII ASSIGNMENT AND SUBLETTING

Section 13.01. **Restrictions on Assignment and Subletting.** Tenant shall not assign this Lease, or any interest herein, and shall not sublet the Premises or any part thereof, or any right or privilege appurtenant thereto, or suffer any other person (the agents and servants of Tenant excepted) to occupy or use the Premises, or any portion thereof, without the prior written consent of Landlord.

Tenant shall indemnify, defend and hold harmless Landlord, its partners, employees, agents, successors and assigns from any loss, damage, cost, expense or liability, direct or indirect, arising out of or attributable to the violation by Tenant or any person under Tenant of any Hazardous Materials Laws or the unlawful use, generation, manufacture, treatment, handling, refining, discharge, disposal or presence of Hazardous Materials in, on or under the Premises or the property of which the Premises are a part, including, without limitation, all foreseeable and unforeseeable consequential damages, the cost of any required or necessary repair, cleanup or detoxification of the Premises or of the property of which the Premises are a part, and the preparation and implementation of any closure, remedial or other required plans. In addition to the foregoing, Tenant shall immediately advise Landlord in writing, if Tenant, at any time, becomes aware of any violation of any Hazardous Materials Laws or any claims made pursuant to any Hazardous Materials Laws in respect of the Premises or the property of which the Premises are a part.

As used in this Lease, the term "Hazardous Materials" means and includes any and all radioactive materials, asbestos, organic compounds known as polychlorinated biphenyls, chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances, and any and all other substances or materials defined as or included in the definition of "Hazardous Substances", "Hazardous Wastes", "Hazardous Materials" or "Toxic Substances" under or for the purposes of the Hazardous Materials Laws.

If Tenant fails to comply with the provisions of this paragraph prior to the expiration or the earlier termination of the Term, or prior to Tenant's vacating the Premises, then upon the expiration or the earlier termination of the Lease Term or Tenant's vacation of the Premises, Landlord shall have the option either to consider this Lease as having ended or to treat Tenant as a holdover tenant in possession of the Premises. However, Tenant will still be responsible for any hazardous materials or contamination created during their tenancy, regardless of whether the lease has been terminated or expired.

ARTICLE XV DESTRUCTION OF OR DAMAGE TO BUILDINGS

Section 15.01. **Repairs by Landlord.** If the Premises or any portion of the building in which the Premises are located should be damaged or destroyed during the Term hereof by any casualty insured under the standard fire and extended coverage insurance policies, or should such building be damaged to an extent less than twenty-five percent (25 percent) of the then tax assessed value thereof by any other casualty, Landlord, subject to any delay for inability from causes beyond Landlord's control, shall repair and/or rebuild to the same substantial condition in which the same were immediately prior to such damage or destruction.

Section 15.02. **Non-insured Casualty.** If the building in which the Premises are located should be damaged or destroyed by a casualty not insurable under the standard fire and extended coverage policies to the extent of twenty-five percent (25 percent) or more of the then tax assessed value thereof, then Landlord may either terminate this

any type whatsoever awarded for any taking, whole or partial, shall belong to and shall be the property of Landlord except as hereinafter provided.

Section 16.03. Total Condemnation of Parking Area. If the whole of the common parking areas in the Project shall be acquired or condemned as aforesaid, then the Term shall cease and terminate as of the date possession is taken in such proceeding unless Landlord shall take immediate steps to provide other parking facilities substantially equal to the previously existing common parking areas, and such substantially equal parking facilities shall be provided by Landlord at Landlord's own expense within ninety (90) days from the date of acquisition. In the event that Landlord shall provide such other substantially equal parking facilities, then this Lease shall continue in full force and effect without any reduction or abatement of rent.

Section 16.04. Partial Condemnation of Parking Areas. If any part of the parking area in the Project shall be acquired or condemned as aforesaid, and if, as a result thereof there shall be less than one-half of the parking spaces existing prior to such acquisition, then the Term shall cease and terminate as of the date possession is taken in such proceeding, unless Landlord shall take immediate steps toward providing other parking facilities substantially equal to the previously existing common parking areas, in which event this Lease shall be unaffected and remain in full force and effect without any reduction or abatement of rent. In the event of termination of this Lease as aforesaid, Tenant shall have no claim against Landlord or the condemning authority for the value of any of unexpired Term and rent shall be adjusted to the date of said termination.

Section 16.05. Tenant's Damages. Tenant shall have the right to claim and recover from the condemning authority, but not from Landlord, such compensation as may be separately awarded and recoverable by Tenant in Tenant's own right on account of any cost or loss to which Tenant might be put in removing Tenant's merchandise, furniture, fixtures and equipment.

Section 16.06. Temporary Taking. In the event of condemnation of a leasehold interest, i.e., a temporary taking, in all or portion of the Premises without the condemnation of the fee simple title also, this Lease shall not terminate and such condemnation shall not excuse Tenant from full performance of all of its covenants hereunder, but Tenant in such event shall be entitled to present or pursue against the condemning authority its claim for and to receive all compensation or damages sustained by reason of such condemnation, and Landlord's right to recover compensation or damages shall be limited to compensation for and damages, if any, to its reversionary interest; it being understood, however, that during such time as Tenant shall be out of possession of the Premises by reason of such condemnation, this Lease shall not be subject to forfeiture for failure to observe and perform those covenants not calling for the payment of money. In the event the condemning authority shall fail to keep the Premises in the state of repair required hereunder, or to perform any other covenant not calling for the payment of money, Tenant shall have ninety (90) days after the restoration of possession to it within which to carry out its obligations under such covenant or covenants.

Section 17.03. Right to Relet. Should Landlord elect to re-enter, as herein provided, or should Landlord take possession pursuant to legal proceedings or pursuant to any notice provided for by law, then Landlord may either terminate this Lease, or Landlord may from time to time without terminating this Lease, make such alterations and repairs as may be necessary in order to relet the Premises, and relet the Premises or any part thereof for such term or terms (which may be for a term extending beyond the Term) and at such rental or rentals and upon such other terms and conditions as Landlord in Landlord's sole discretion may deem advisable; upon each such re-letting all rentals received by Landlord from such re-letting shall be applied, first, to the payment of any indebtedness other than rent hereunder from Tenant to Landlord; second, to the payment of any costs and expenses of such reletting, including brokerage fees and attorneys' fees and costs of such alterations and repairs; third, to the payment of rent due and unpaid hereunder, and the residue, if any, shall be held by Landlord and applied in payment of future rent as the same may become due and payable hereunder.

If such rentals received from such re-letting during any month are less than that required to be paid during that month by Tenant hereunder, Tenant shall pay any such deficiency to Landlord before the end of such month. No such re-entry or taking possession of the Premises by Landlord shall be construed as an election on Landlord's part to terminate this Lease unless written notice of such intention is given to Tenant or unless the termination thereof is decreed by a court of competent jurisdiction. Notwithstanding any such re-letting without termination, Landlord may any time thereafter elect to terminate this Lease for such previous breach.

Section 17.04 Non-Waiver. The waiver by Landlord of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or of any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, other than the failure of Tenant to pay the particular rental so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such rent. No covenant, term or condition of this Lease shall be deemed to have been waived by Landlord unless such waiver is in writing signed by Landlord.

Section 17.05. Interest on Unpaid Rent. Rent not paid when due shall bear interest from the date due until paid at the maximum rate an individual is permitted by law to charge, but in no event less than one and one-half percent (1½ %) per month.

Section 17.06. Late Charge. Tenant acknowledges that late payment by Tenant to Landlord of rent will cause Landlord to incur costs not contemplated by this Lease, the exact amount of such costs being extremely difficult and impractical to fix. Such costs include, without limitation, processing accounting charges, and late charges that may be imposed on Landlord by the terms of any encumbrance and note secured by an encumbrance covering the Premises. Therefore, if any installment of rent due from Tenant

have the option to require Tenant to pay, and Tenant shall pay as liquidated damages for each day possession is withheld, an amount equal to three hundred percent (300 %) of the amount of the daily rent computed on the thirty-day-month basis. Any holding over after the expiration of the Term or any renewal thereof, without the express written consent of Landlord, shall be construed to be a tenancy from month to month at the rents herein specified (prorated on a monthly basis) and shall otherwise be on the terms, covenants and conditions herein specified, so far as applicable.

ARTICLE XX ATTORNEYS' FEES

Section 20.01. **Tenant's Liability.** In case Landlord shall, without fault on its part, be made a party to any litigation commenced by or against Tenant arising out of Tenant's occupancy of the Premises in which Tenant shall be found at fault, or in case suit shall be brought for the recovery of possession of the Premises, for the recovery of rent or any other amount due under the provisions of this Lease, or because of the breach of any other covenant herein contained, on the part of Tenant to be kept and performed, and a breach shall be established, Tenant shall pay to Landlord all expenses incurred in connection therewith, including reasonable attorneys' fees.

ARTICLE XXI MISCELLANEOUS

Section 21.01. **Accord and Satisfaction.** No payments by Tenant or receipt by Landlord of a lesser amount than the monthly rent herein stipulated shall be deemed to be other than on account of the earliest stipulated rent, nor shall any endorsement or statement on any check or payment as rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such rent or pursue any other remedy provided in this Lease.

Section 21.02. **Entire Agreement.** This lease and the exhibits attached hereto and forming a part hereof set forth all the covenants, promises, agreements, conditions and understandings between Landlord and Tenant concerning the Premises, and there are no covenants, promises, agreements, conditions or understandings, either oral or written, between them other than as are herein set forth. Except as otherwise provided herein, no subsequent alteration, amendment, changes or additions to this Lease shall be binding upon Landlord or Tenant unless reduced to writing and signed by them.

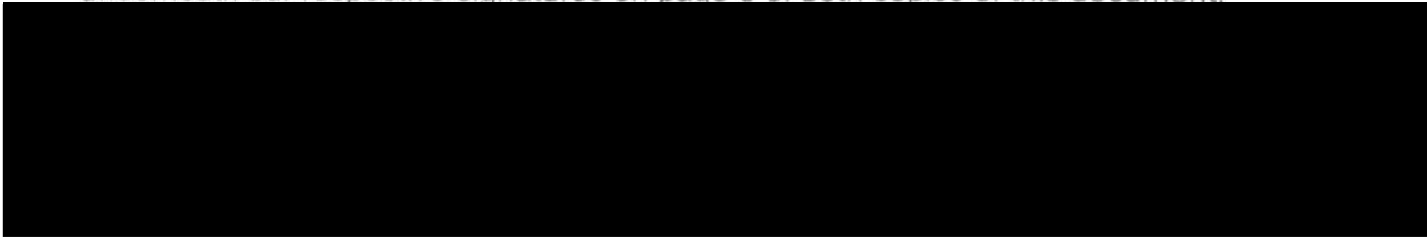
Section 21.03. **Landlord's Consent.** In any case where Landlord's approval or consent is required hereunder, except to the extent that it is otherwise expressly provided, such approval or consent shall not be unreasonably or arbitrarily withheld, nor shall Landlord require the payment of any money for the giving of such consent other than a reasonable charge for the processing of the application for the preparation of the consent;

Section 21.12. **Hold Harmless.** Landlord shall indemnify and hold harmless Tenant from all damages or losses suffered and claims advanced by third persons and arising out of Landlord's, its employees, or agent's negligence, which is, in any manner, connected with the use, ownership or occupancy of the Premises or arising out of or connected with any breach of any term or condition of this Lease by Landlord.

Section 21.13 **Recordation.** This Lease may be recorded at the option of the Tenant.

Section 21.14. **Joint and Several Obligations.** In any case where this Lease is signed by more than one (1) person, the obligations hereunder shall be joint and several.

We, Michael E. Gleason and Nancy Cabral do hereby authorize Notary Public, Sandra M. Dubczak, to change the body of the AMENDMENT AND RESTATEMENT OF LEASE as notarized by her on December 31, 2008, by inserting our typed names underneath our respective signatures on page 3 of both copies of this document.



APPENDIX 2

MOU Between The Arc of Hilo and Lawrence Livermore National Laboratory

The  of Hilo

1099 Waianuenue Ave.
Hilo, Hawaii 96720

Copy

Memorandum of Understanding
between the
The Arc of Hilo
and
Lawrence Livermore National Laboratory

June 2, 2009

I. Parties

The purpose of this Memorandum of Understanding (MOU) is to establish an agreement between The Arc of Hilo (The Arc) and the Lawrence Livermore National Security, LLC, who operates the U.S. Department of Energy's Lawrence Livermore National Laboratory (LLNL), for the demonstration of clean and sustainable technologies developed by LLNL at The Arc facilities located in Hilo, Hawai'i.

The purpose of the Arc of Hilo is to improve the quality of life and economic sustainability of people with disabilities and other underemployed people who reside on Hawai'i through employment, educational, vocational, and skills training, as well as residential opportunities.

LLNL is a U.S. national security laboratory whose purpose is to advance and apply science and technology in the nation's interests. Included are initiatives to enhance the energy and environmental security of the nation and strengthening the nation's economic competitiveness. LLNL's Industrial Partnership Office (IPO) is the conduit through which LLNL works with the private sector to help Laboratory scientists and engineers build collaborations with companies that can turn LLNL inventions into useful products. Through such collaborative efforts, LLNL enhances the value to the U.S. taxpayer of its investment in scientific and engineering development, promotes economic development and works to improve the quality of life for all Americans.

II. Purpose

The MOU is an agreement for cooperation between the parties. It documents their common interests in demonstrating and evaluating new and modified clean and sustainable technologies related to renewable energy and conservation of water and other resources for existing and new facilities managed and operated by The Arc.

The first project undertaken by The Arc under this MOU is to create an "Agricultural Product Development Lab and Business Center" at the "Miko Meats" building in which all of the capacities required to take a product from concept to prototype to business plan are housed under one roof with ample technical assistance provided on all aspects of product development. Through this Lab and Business Center, The Arc will work with entrepreneurs, farmers, agencies, companies and investors to develop concepts, test feasibility, perform product development and refinement, develop markets and prepare for commercialization of products, goods and services.

Copy

III. Roles and Responsibilities

The Arc of Hilo	<ul style="list-style-type: none">• Operate the former "Miko Meats" building as the new Agricultural Product Development Center• Incorporate clean and renewable energy prototypes developed from LLNL technology and by LLNL licensees within the scope of work of this memorandum• Design the assembly and processing systems, including packaging and shipping• Provide all decisions regarding all design and installation• Design training curricula for all of the target populations• Recruit, train and supervise the work crews, while being the principal operator of the facility in conjunction with its partners• With reasonable notice and when possible, provide access to LLNL licensees that have provided prototypes for demonstration at "Miko Meats" for monitoring and presentation to licensees' potential customers.
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LLNL

Industrial Partnership Office (IPO)	<p>The purpose of the LLNL IPO with regard to this MOU is to promote the demonstration of Clean and Sustainable Technologies that LLNL has developed. To that end, IPO will:</p> <ul style="list-style-type: none">• provide a menu of technologies, prototypes and costs, from which The Arc may choose for its project(s), and• provide introductions to potential licensees whose contributions toward demonstration of the technologies might be used to leverage the Hilo project.
National Security Office (NSO)/National Security Field Experience Initiative (NSFEI)	<p>The purpose of the LLNL NSO/NSFEI is to promote the growth of science and technology through collaborations that apply LLNL science and technology in the national interest, and support the defense, economic, and sustainability needs of the Pacific Region. For this specific MOU, NSO/NSFEI will:</p> <ul style="list-style-type: none">• integrate The Arc of Hilo demonstration(s) with other LLNL NSO programs in the Pacific Region, and• Identify and propose LLNL support and resources for facilitating successful demonstration to LLNL and The Arc Point of Contacts (POCs).
Project Management, Engineering and Construction (PMEC)	<p>The purpose of the LLNL PMEC is to provide a bridge between the scientific technology and facility infrastructure. PMEC will:</p> <ul style="list-style-type: none">• work with LLNL scientists to integrate the selected technology with the conventional facility systems, and• provide Leadership in Energy and Environmental Design (LEED) expertise to guide facility certification process (if desired).

Copy

This MOU is neither a fiscal nor a funds obligation document. Any transfer of funds or commitment of financial resources between the parties will also be set forth in a separate document as required by applicable laws and regulations.

The parties also share a common interest in the MOU encompassing local Historically Underutilized Business Zone (HUBZone) businesses, academic institutions, and other non-profit organizations in this collaboration in the future. Formal participation will be identified and established in revisions to this MOU or separate future agreements.

IV. Administration

The administration and adherence with the provisions of this MOU are the responsibility of the President and Chief Executive Officer, The Arc, and the Laboratory Director, LLNL. Each will represent their respective organizations or, if desired, will formally appoint a representative to act as the POC for routine administrative and operational elements of this MOU, and a POC for coordination of this arrangement with other programs being conducted by the respective parties.

For The Arc, the POC for the administrative and operational elements of this MOU will be the President and Chief Executive Officer, and the POC for coordination of the elements of this MOU with other Arc programs will be the Chief Operations Officer.

For LLNL, the POC for the administrative and operational elements of this MOU will be the IPO Business Development Executive managing the demonstration(s), and the POC for coordination of the elements of this MOU with other LLNL NSO efforts in the Pacific Region will be the leader of NSO/NSFEI.

V. Amendment and Termination

This MOU may be modified or amended by written agreement between the President and CEO of The ARC and the Laboratory Director, LLNL. It may be terminated by mutual written agreement by these responsible parties, or by either party with at least a 120-day written notice to the other party.

VI. Effective Date

This MOU is effective when the last party to this MOU signs.

Lawrence Livermore National Security, LLC Lawrence Livermore National Laboratory	The Arc of Hilo
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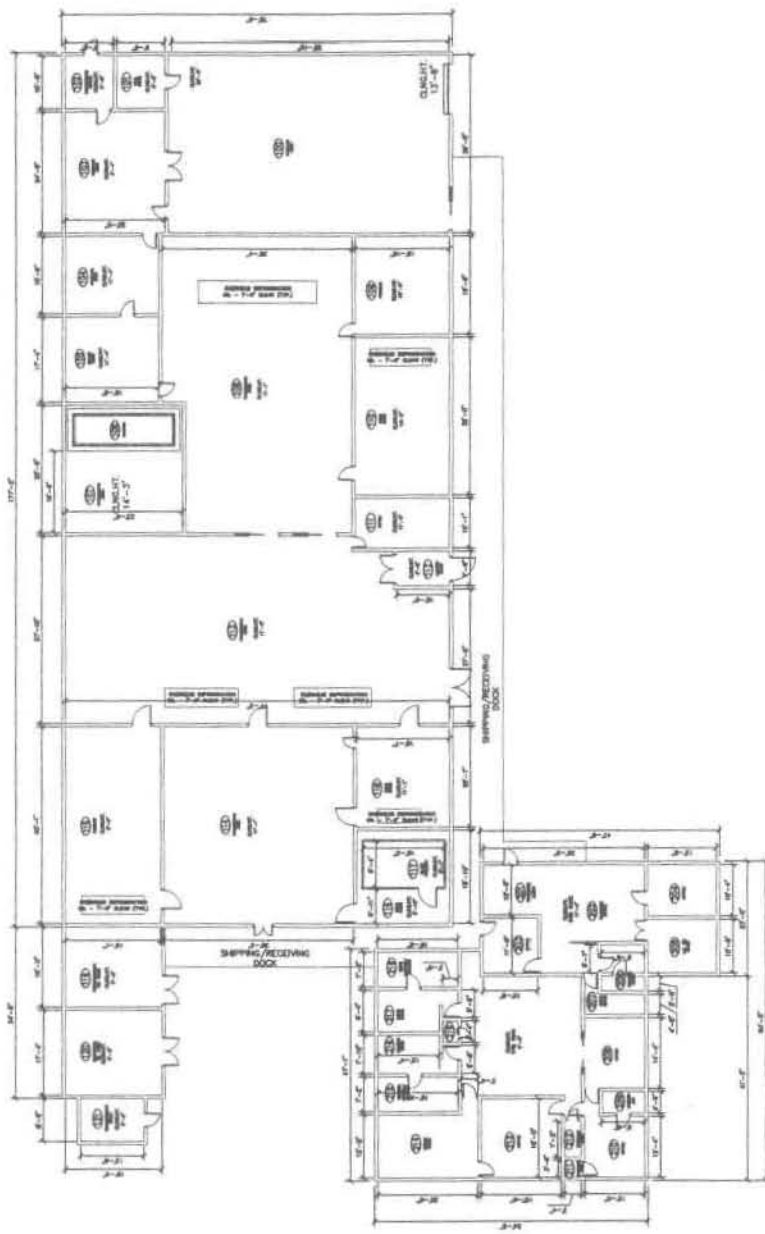
Director, LLNL <i>11 June 2009</i>	President and Chief Executive Officer <i>15 June 2009</i>
Date:	Date:

APPENDIX 3

Floor Plans

The  of Hilo

1099 Waianuenue Ave.
Hilo, Hawaii 96720



NO.	DATE	BY	REVISION
1	07/15/2018	PHIL LARUFF	
FIRST FLOOR LAYOUT PLAN			
MIKO MEATS WAREHOUSE 200 Kalamoon Bk. HLD. H 96770 <small>PHIL LARUFF ARCHITECTURE</small>			
<small>SCALE: 1/8" = 1'-0"</small> <small>DATE: 07/15/2018</small> <small>PROJECT: MI 208</small> <small>1</small>			



NET TO CLEARING

FIRST FLOOR FLOOR PLAN

APPENDIX 4

List of Board of Directors for 2010-2011

The  of Hilo

1099 Waianuenue Ave.
Hilo, Hawaii 96720



Board of Directors
July 1, 2010 through June 30, 2011

<u>Director/Address</u>	<u>Committees</u>	<u>Occupation</u>	<u>Contact Number</u>
Samuel R. Wallis <i>Chairman of the Board</i> 108 Lukia Place Hilo, HI 96720	Administrative & Finance *	Retired, Investment Advisor	961-6176 (H) samjr44@aol.com
Robert K. Zimmerman, Jr. <i>Vice Chairman of the Board</i> PO Box 11464 Hilo, HI 96721	Administration & Finance	Financial Consultant	989-5991 (H) rkzimm@hawaii.rr.com
Michelle Bauer <i>Secretary of the Board</i> 147 Likeke St. Hilo, HI 96720		Parent of Disabled Adult	959-2661 bauer11@hawaiiantel.net
Ted LeJeune <i>Treasurer of the Board</i> 101 Aupuni Street, Suite 722 Hilo, HI 96720			430-4648 (H&C) thl@hawaii.edu
Dr. Angie Miyashiro PO Box 1257 Volcano, HI 96785	Administration & Finance	Teacher Hilo High School Director E. HI Special Olympics	985-8519 (H) 960-2303 (C) 928-2088 (W) terqu2004@yahoo.com
William Horace Farr 505-A Ainalako Road Hilo, HI 96720	Vision & Development	Data Processing Coordinator Office of Aging, County of Hawaii <i>Brother-in-law of Disabled Adult</i>	959-0773 (H) 961-8600 (W) 961-8603 (F) whfarr@hawaiiantel.net
Paul Strauss 224 Haili Street, Suite B Hilo, Hawaii 96720			961-4083 (H) pstrauss@bayclinic.org
Michael E Gleason 1099 Waianuenue Ave Hilo HI 96720	President & CEO	President & CEO The Arc of Hilo	935-8535 ext 201 (W) mgleason@hiloarc.org

APPENDIX 5

IRS 501 (C) (3)

The  of Hilo

1099 Waianuenue Ave.
Hilo, Hawaii 96720

District
Director

P.O. Box 2350 Los Angeles, Calif. 90053

HILO ASSOCIATION FOR
RETARDED CITIZENS
1099 WAIANUENUE AVENUE
HILO, HI 96720-2096

Person to Contact:
LUCILLE BARRAGAN

Telephone Number:
(213) 894-2336

Refer Reply to:
EO(100593)

Date: NOV 03 1993

RE: HILO ASSOCIATION FOR RETARDED CITIZENS
EIN: 99-0109668

GENTLEMEN:

This letter is in response to your request for a copy of the determination letter for the above-named organization.

Our records indicate that this organization was recognized to be exempt from Federal income tax in FEBRUARY 1955 as described in Internal Revenue Code Section 501(C)(03). It is further classified as an organization that is not a private foundation as defined in Section 509(a) of the code, because it is an organization described in Section 170(b)(1)(A)(i).

The exempt status for the determination letter issued in FEBRUARY 1955, continues to be in effect.

If you need further assistance, please contact our office at the above address or telephone number.

Sincerely,


Disclosure Assistant

11/15/93

Internal Revenue Service

Department of the Treasury

District
Director

THE ARC OF HILO
1099 WAIANUENUE AVE
HILO, HI 96720-2096

Person to Contact: HARVEY REED

Telephone Number: (213) 725-1235

Refer Reply to: EOMF Coordinator

Date: SEP 11 1996

EIN# 99-0109668

Internal Revenue Code Section:
501(c)(03)

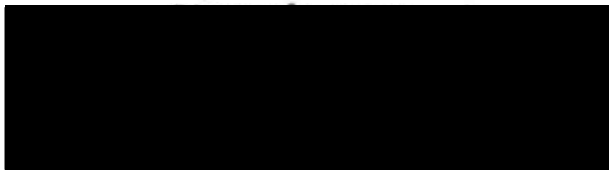
-Dear Sir or Madam:

Thank you for submitting the information shown below or on the enclosure. We have made it a part of your file.

The changes indicated do not adversely affect your exempt status and the exemption letter issued to you continues in effect.

Please let us know about any future change in the character, purpose, method of operation, name or address of your organization. This is a requirement for retaining your exempt status.

Thank you for your cooperation.



District Director

Item Changed

From

To

(Name)

Hilo Association For Retarded
Citizens

(SEE ABOVE)

EP/EO Division
McCaslin Industrial Park
Z Cupania Circle
Monterey Park, CA 91755-7406

Letter 976(00) (Rev. 1-87)

APPENDIX 6

Letter of Commitment

The  of Hilo

1099 Waianuenue Ave.

Hilo, Hawaii 96720

1.RECIPIENT
Department of Health and Human Services
Administration for Children and Families
Financial Assistance Award (FAA)

SAI NUMBER:

PMS DOCUMENT NUMBER:
90EE095401

1. AWARDING OFFICE: Office of Community Services	2. ASSISTANCE TYPE: Discretionary Grant	3. AWARD NO.: 90EE0954/01	4. AMEND. NO.:
--	---	-------------------------------------	-----------------------

5. TYPE OF AWARD: DEMONSTRATION	6. TYPE OF ACTION: New	7. AWARD AUTHORITY: PL 97-35 SEC 681
---	----------------------------------	--

8. BUDGET PERIOD: 09/30/2010 THRU 09/29/2015	9. PROJECT PERIOD: 09/30/2010 THRU 09/29/2015	10. CAT NO.: 93570
--	---	------------------------------

11. RECIPIENT ORGANIZATION: The Arc of Hilo 1099 Waiuanuenue Avenue Hilo HI 96720 Michael E. Gleason, Chief Executive Officer	12. PROJECT / PROGRAM TITLE: Community Economic Development
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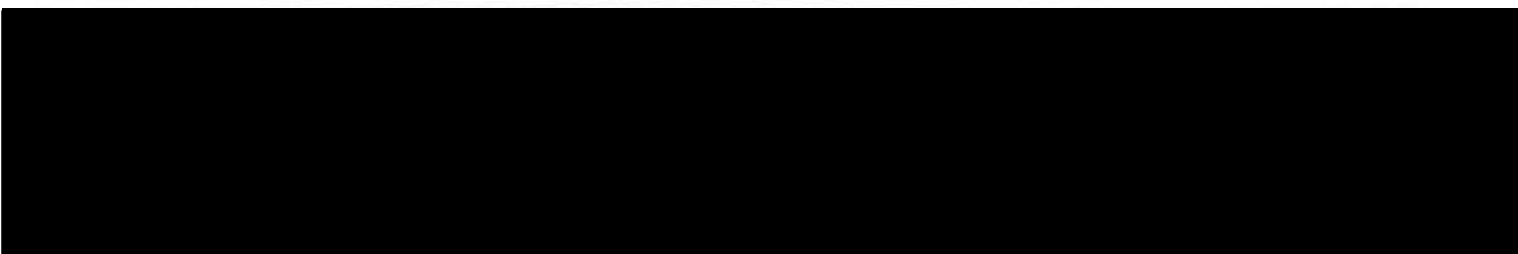
13. COUNTY: HAWAII	14. CONGR. DIST.: 02	15. PRINCIPAL INVESTIGATOR OR PROGRAM DIRECTOR: Debbie Perkins , Chief Financial Officer
------------------------------	--------------------------------	--

16. APPROVED BUDGET:		17. AWARD COMPUTATION:		
Personnel.....	\$ 0	A. NON-FEDERAL SHARE.....	\$ 0	0.00 %
Fringe Benefits.....	\$ 0	B. FEDERAL SHARE.....	\$ 800,000	100.00 %
Travel.....	\$ 0	18. FEDERAL SHARE COMPUTATION:		
Equipment.....	\$ 0	A. TOTAL FEDERAL SHARE.....	\$ 800,000	
Supplies.....	\$ 0	B. UNOBLIGATED BALANCE FEDERAL SHARE.....	\$	
Contractual.....	\$ 0	C. FED. SHARE AWARDED THIS BUDGET PERIOD.	\$ 800,000	
Facilities/Construction.....	\$ 0	19. AMOUNT AWARDED THIS ACTION:		
Other.....	\$ 800,000			\$ 800,000
Direct Costs.....	\$ 800,000	20. FEDERAL \$ AWARDED THIS PROJECT PERIOD:		
Indirect Costs.....	\$ 0			\$ 800,000
At % of \$		21. AUTHORIZED TREATMENT OF PROGRAM INCOME:		
In Kind Contributions.....	\$ 0	ADDITIONAL COSTS		
Total Approved Budget(**)..	\$ 800,000	22. APPLICANT EIN: 1-990109668-A1	23. PAYEE EIN: 1-990109668-A1	24. OBJECT CLASS: 41.45

25. FINANCIAL INFORMATION:					DUNS: 077666568	
ORGN	DOCUMENT NO.	APPROPRIATION	CAN NO.	NEW AMT.	UNOBLIG.	NONFED %
OCS	90EE095401	75-0-1536	2010 G994001	\$800,000		

26. REMARKS: (Continued on separate sheets)

Paid by DHHS Payment Management System (PMS), see attached for payment information.
This award is subject to the requirements of the HHS Grants Policy Statement (HHS GPS) that are applicable to you based on your recipient type and the purpose of this award.
This includes requirements in Parts I and II (available at <http://www.hhs.gov/grantsnet/adminis/gpd/index.htm>) of the HHS GPS. Although consistent with the HHS GPS, any applicable statutory or regulatory requirements, including 45 CFR Part 74 or 92, directly apply to this award apart from any coverage in the HHS GPS.
This award is subject to the requirements of Section 106 (g) of the Trafficking Victims Protection Act of 2000, as amended (22 U.S.C. 7104).
For the full text of the award term, go to http://www.acf.hhs.gov/grants/award_term.html.



DEPARTMENT OF HEALTH AND HUMAN SERVICES
 ADMINISTRATION FOR CHILDREN AND FAMILIES
 FINANCIAL ASSISTANCE AWARD

PMS DOCUMENT NUMBER:
 90EE095401

1. AWARDING OFFICE: Office of Community Services		2. ASSISTANCE TYPE: Discretionary Grant	3. AWARD NO.: 90EE0954/01	4. AMEND. NO.
5. TYPE OF AWARD: DEMONSTRATION		6. TYPE OF ACTION: New		7. AWARD AUTHORITY: PL 97-35 SEC 681
8. BUDGET PERIOD: 09/30/2010 THRU 09/29/2015		9. PROJECT PERIOD: 09/30/2010 THRU 09/29/2015		10. CAT NO.: 93570
11. RECIPIENT ORGANIZATION: The Arc of Hilo				

26. REMARKS: (Continued from previous page)

This grant is subject to the requirements as set forth in 45 CFR Part 87.
 This grant is subject to the requirements set forth in 45 CFR part 74 (for non-profit organizations and educational institutions) or 45 CFR Part 92 (for state, local, and federally recognized tribal governments).
 Initial expenditure of funds by the grantee constitutes acceptance of this award.
 No future support is anticipated. (**) Reflects only federal share of approved budget.

RESTRICTION PLACED ON FEDERAL FUNDS

Subject to release of Funds, within 30 days from the start of the grant award, grantee and the Office of Grants Management must finalize the budget. Questions regarding this FAA should be submitted to Anthony Speight at 202-401-4647.



DEPARTMENT OF HEALTH & HUMAN SERVICES

ADMINISTRATION FOR CHILDREN AND FAMILIES
370 L'Enfant Promenade, S.W.
Washington, D.C. 20447

Mr. Michael E. Gleason
Chief Executive Officer
The Arc of Hilo
1099 Waiianuenue Avenue
Hilo, HI 96720

SEP 27 2010

RE: Grant Number: 90EE0954

Dear Mr. Gleason:

It is my pleasure to inform you that The Arc of Hilo's application to the Office of Community Services' (OCS) for the Community Economic Development (CED) Program has been approved for funding. The number referenced above is assigned to your grant and should be used on all related correspondence. The Financial Assistance Award, which specifies the amount and duration of the award, is enclosed.

The Administration for Children and Families (ACF) Grants Managements Specialist assigned to your project and available to assist you in the non-programmatic aspects of the grant is:

Anthony Speight
Grants Management Specialist
Division of Discretionary Grants
Office of Grants Management
Administration for Children and Families
370 L'Enfant Promenade, S.W. – 6th Floor
Washington, D.C. 20447
Phone: (202)-401-4647
Email: Anthony.Speight@acf.hhs.gov

The Office of Community Services Program Specialist responsible for monitoring and assisting in the programmatic activities of the CED Program is:

Karen Harris
Program Specialist
Division of Discretionary Grants
Office of Community Services
Administration for Children and Families
370 L'Enfant Promenade, S.W. – 5th Floor
Washington, D.C. 20447
Phone: 202-205-2674
Email: Karen.Harris@acf.hhs.gov

Page 2 – Mr. Michael E. Gleason

In accordance with regulations of the U.S. Department of Health and Human Services, grantees are required to submit semi-annual program performance reports and semi-annual financial status reports (SF-269, Long Form). The original of all correspondence and reports related to your grant should be transmitted to the Grants Management Specialist and a copy to the Program Specialist.

I wish you success in operating your project.

Sincerely,



Acting Director
Office of Community Services

Enclosures

December 28, 2009

Mike Gleason, President and CEO
Arc of Hilo
1099 Waiianuenue Avenue
Hilo, HI 96720

Re: Arc of Hilo Community and Training Center
Hilo, Hawaii

Dear Mike:

The purpose of this letter is to express the National Trust Community Investment Corporation's (NTCIC) interest in participating as the New Markets Tax Credit provider and investor in the Arc of Hilo Community and Training Center project.

As you know, NTCIC is a for-profit subsidiary of the National Trust for Historic Preservation. Since inception, NTCIC has invested approximately \$340 million in equity and debt into similar projects over the past 9 years. We offer expertise in both federal historic and New Markets Tax Credits investments.

NTCIC has completed a review of the financial projections which were provided to us on November 15, 2009. The projections show a total development cost of approximately \$10,638,994, which could generate \$4.15 million in New Markets Credits. The actual credit pricing and the resulting amount of our investment will depend on the market price for New Markets Tax Credits at the time of closing.

Please note that this letter is neither a commitment nor an offer to invest. Any investment by NTCIC will be contingent upon your agreement to investment terms, completion of the NTCIC's standard due diligence review, approval by NTCIC's Investment Committee, and closing on NTCIC's standard form of operating agreement and related documents.

Thank you for giving the NTCIC an opportunity to express its interest in assisting in the development of the Arc of Hilo Community and Training Center. I look forward to working with you on this very exciting project in the coming months. Please feel free to call me at (202) 588-6064, if you have any questions.

Protecting the Irreplaceable

1785 MASSACHUSETTS AVENUE, NW • WASHINGTON, DC 20036
202.588.6000 • FAX: 202.588.6436 • WWW.NTCICFUNDS.COM

Very truly yours,

John Leith-Tetrault
National Trust Community Investment Corporation

By: _____
John Leith-Tetrault
President



UNITED STATES DEPARTMENT OF COMMERCE
The Assistant Secretary for Economic Development
Washington, D.C. 20230

JUN 25 2007

In Reply Refer to:
Investment No.: 07-01-06018

Mr. Michael Edwin Gleason
President and Chief Executive Officer
Arc of Hilo
1099 Waianuenue Avenue
Hilo, Hawaii 96720-2019

Dear Mr. Gleason:

I am pleased to announce that the Department of Commerce's Economic Development Administration (EDA) has approved your application for an EDA investment. This \$993,000 investment funds multiple infrastructure improvements to a building site necessary for construction of a facility to provide educational and business opportunities to Hilo's large population of disabled and unemployed residents, creating 229 new jobs and generating more than \$865,500 in private investment, as a part of President Bush's commitment to keep America working.

President Bush is committed to ensuring that no community or demographic group is excluded from the opportunity to achieve the American dream. To that end, this EDA investment will serve as a foundation for future economic successes that will benefit both families and businesses in your area. EDA is committed to providing financial assistance to meet the economic development needs of distressed communities throughout the United States. Our mission is to lead the federal economic development agenda by promoting innovation and competitiveness, preparing American regions for growth and success in the worldwide economy.

Please be assured that EDA's Seattle regional office will be in contact with you to assist in the implementation of EDA's investment in our partnership. I have requested that Gail Fujita, Economic Development Representative, contact you to make all necessary arrangements. Ms. Fujita can be contacted at the Economic Development Administration, Federal Building, Room 5180, 300 Ala Moana Boulevard, Honolulu, Hawaii 96850, or (808) 541-3391.

I share your expectations regarding the impact of this investment and look forward to working with you to see to its successful completion. I am confident that this project will be an important asset in your economic development strategy and will provide lasting improvements in your community.

Sincerely,

A large black rectangular redaction box covering the signature of Sandy K. Baruah.

Sandy K. Baruah
Assistant Secretary of Commerce
for Economic Development



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410-1000

OFFICE OF COMMUNITY PLANNING
AND DEVELOPMENT

OCT 02 2009

Mrs. Deborah A. Perkins
Chief Financial Officer
The Arc of Hilo
1099 Waianuenue Avenue
Hilo, HI 96720-2019

Dear Mrs. Perkins:

The Department is pleased to announce approval of the following Special Project grant, as funded by the Congress in the Department of Housing and Urban Development Appropriations Act, 2009 (PL 111-8) and as described in the Committee Print of the Committee on Appropriations U.S. House of Representatives, March 2009.

Project No.: B-09-SP-HI-0014 (Grant #)
Project Funding: \$190,000
Recipient: The Arc of Hilo

This letter transmits the following documents and guidance needed to activate your FY 2009 special project grant.

1. Grant Agreement. Enclosed are four copies. Please read the agreement carefully, noting any attachments which have modifications or special conditions on this grant. Please sign and date three copies with original signatures and return them as noted below. The fourth copy is for your records pending receipt of a countersigned copy.
2. Assistance Award - Form 1044. Four copies are enclosed. Please sign and date three copies with original signatures and return them as noted below. The fourth copy is for your records pending receipt of a countersigned copy.
3. Forms and Instructions for Drawing Down Funds. HUD uses the Line of Credit Control System (LOCCS) for financial management of grant funds. Under this system, you identify the bank account into which you want HUD to deposit funds electronically. Then you request scheduled payments, using a voice response system.



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410-1000

OFFICE OF COMMUNITY PLANNING
AND DEVELOPMENT

JAN 29 2009

Mr. Glen A. Calvert
Fund & Project Developer
The Arc of Hilo
1099 Waianuenue Avenue
Hilo, HI 96720-2019

Dear Mr. Calvert:

The Department is pleased to announce approval of the following Special Project grant, as funded by the Congress in the Consolidated Appropriations Act, 2008 (PL 110-161) and as described in the Congressional Record of December 17, 2007. Please note that the amount shown below is 98.00% of the amount specified in the Congressional Record of December 17, 2007, because of a 2.00% reduction mandated by the Act.

Project No.: B-08-SP-HI-0705 (Grant No)
Project Funding: \$262,640
Recipient: The Arc of Hilo

This letter transmits the following documents and guidance needed to activate your FY 2008 special project grant.

1. Grant Agreement. Enclosed are four copies. Please read the agreement carefully, noting any attachments which have modifications or special conditions on this grant. Please sign and date three copies with original signatures and return them as noted below. The fourth copy is for your records pending receipt of a countersigned copy.
2. Assistance Award - Form 1044. Four copies are enclosed. Please sign and date three copies with original signatures and return them as noted below. The fourth copy is for your records pending receipt of a countersigned copy.
3. Forms and Instructions for Drawing Down Funds. HUD uses the Line of Credit Control System (LOCCS) for financial management of grant funds. Under this system, you identify the bank account into which you want HUD to deposit funds electronically. Then you request scheduled payments, using a voice response system.



Cooke Foundation, Limited
 54 Bishop Street • 8th Floor
 Honolulu, Hawaii 96813

May 23, 2008

Mr. Michael E. Gleason
 President and CEO
 The Arc of Hilo
 1099 Waianuenue Ave.
 Hilo, HI 96720

TRUSTEES
 Samuel A. Cooke
 President
 S. Bachman
 President
 Anna D. Blackwell
 President & Secretary
 P. Dunford
 President & Treasurer
 E. Johnson
 President
 Charles C. Spalding, Jr.
 President

Grant number: 20080462 Grant amount: \$100,000.00
 Grant purpose: Arc of Hilo Training & Community Center (sponsored by Anna Blackwell)
 Grant conditions: First payment of \$25,000 in July 2009. Subsequent payments of \$25,000 in July 2010, 2011, and 2012 are contingent on satisfactory progress reports.
 Grant period: July 1, 2009 – July 1, 2013

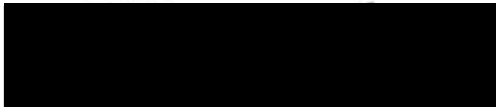
Dear Mr. Gleason:

On behalf of the Trustees of the Cooke Foundation, I am pleased to inform you that the Foundation has awarded the grant described above to your organization. The following terms apply to this grant. By accepting this grant, you agree to these terms:

- (1) You must use this grant only for the purpose described in your application, subject to any additional conditions set forth in this letter.
- (2) You must submit a progress report no later than July 1, 2010. Report guidelines are posted at www.cookefdn.org. The Foundation does not accept grant applications from organizations with overdue reports.
- (3) The Foundation reserves the right to conduct site visits and require interim progress reports.
- (4) You return unexpended funds remaining at the end of the grant period.
- (5) You must notify the Foundation immediately if your organization (a) cannot perform in accordance with the terms of this grant, (b) loses its exemption from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, or (c) materially changes its programs, activities, or mission.

If you have questions, please contact Terry Savage at tsavage@hcf-hawaii.org or (808) 566-5508. We wish you success and look forward to hearing about your work.

Aloha.



Samuel A. Cooke
 President



ATHERTON FAMILY
FOUNDATION

June 17, 2008

Mr. Michael E. Gleason
President and CEO
The Arc of Hilo
1099 Waianuenue Ave.
Hilo, HI 96720

Grant number: 20080841 Grant amount: \$50,000.00
Grant purpose: Arc of Hilo Community & Training Center
Grant conditions: Initial payment of \$25,000 in June 2008. Second payment of \$25,000 in June 2009 is contingent on a satisfactory progress report.
Grant period: June 17, 2008– June 17, 2010

Dear Mr. Gleason:

On behalf of the Directors of the Atherton Family Foundation, I am pleased to inform you that the Foundation has awarded the grant described above to your organization. The following terms apply to this grant. By accepting this grant, you agree to these terms:

- (1) You must use this grant only for the purpose described in your application, subject to any additional conditions set forth in this letter.
- (2) You must submit a progress report no later than June 17, 2009. Report guidelines are posted at www.athertonfamilyfoundation.org. The Foundation does not accept applications from organizations with overdue reports.
- (3) The Foundation reserves the right to conduct site visits and require interim progress reports.
- (4) You must return unexpended funds remaining at the end of the grant period.
- (5) You must notify the Foundation immediately if your organization (a) cannot perform in accordance with the terms of this grant, (b) loses its exemption from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, or (c) materially changes its programs, activities, or mission.
- (6) You must refer to the grant number shown above in any correspondence with the Foundation regarding this grant.

If you have questions, please contact Jeanne Hamilton at jhamilton@hcf-hawaii.org or (808) 566-5537. We wish you success and look forward to hearing about your work.

Aloha,

Judith M. Dawson
President



OFFICE OF HAWAIIAN AFFAIRS

December 6, 2007

Debbie Perkins
Chief Financial Officer
The Arc of Hilo
1099 Waiianuenue Avenue
Hilo, Hawai'i 96720

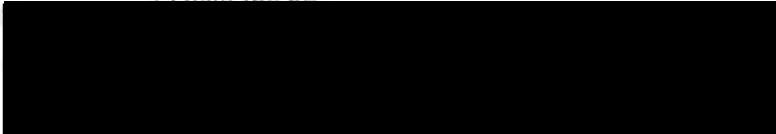
Dear Ms. Perkins

The Office of Hawaiian Affairs (OHA) is pleased to inform you that the Board of Trustees has approved an award of \$100,000 to The Arc of Hilo. This award is to support development and construction of a community education, health and employment center for persons with disabilities.

A grant agreement with OHA must be signed prior to commencement of program activities and disbursement of funds. This grant agreement will list any and all provisos as indicated by the Board of Trustees. Your grant will be forwarded to our Economic Development division for monitoring by programmatic staff with expertise in your area. A member of the Economic Development staff will be contacting you shortly to negotiate your agreement with OHA.

Your organization is required to issue a press release announcing the receipt of an OHA grant award. This can be submitted attention to Karyle Saiki, Grants Specialist, via mailed hardcopy, fax 594-0267, or email to karyles@oha.org. Please call her at 594-1763 to discuss any fiscal or general concerns you may have relating to this grant award.

We look forward to working with you to ensure the success of this endeavor.



Trustee S. Haunani Apoliona, MSW
Chairperson, Board of Trustees

cc: Board of Trustees
Clyde W. Namu'o, Administrator
Glen Calvert, Project & Fund Developer - Arc of Hilo

TRUSTEES

- Haunani Apoliona
Chairperson
Trustee-At-Large
- John D. Waihe'e IV
Vice-Chair
Trustee-At-Large
- Lawena N. Akana
Trustee-At-Large
- Donald B. Cataluna
Trustee, Kaua'i & Niihau
- Michael W. Green
Trustee, O'ahu
- Bert Lindsey, Jr.
Trustee, Hawai'i
- Letty Y. Machado
Trustee, Moloka'i & Maui
- Richard P. Mossman
Trustee, Maui
- Robert K. Stender
Trustee-At-Large
- Clyde W. Namu'o
Administrator



AMERICAN
Savings Bank

January 16, 2007

Mr. Michael Gleason, President & Chief Executive Officer
The Arc of Hilo
1099 Waiianuenue Avenue
Hilo, Hawaii 96720

Re: The Arc of Hilo's Client Support Services Center

Dear Mike:

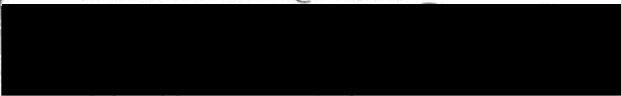
We are pleased to inform you that American Savings Bank has approved a \$750,000 credit commitment to fund Phase II of The Arc of Hilo's Client Support Services Center. We understand that Phase II of the Client Support Services Center includes site work, a parking lot and related services associated with the parking lot.

The availability of the loan proceeds is subject to the preparation and execution of all documents evidencing, securing and/or related to the Loan (the "Loan Documents") in form and substance satisfactory to the Bank and the satisfaction of all conditions precedent as set forth in the Loan Documents. Otherwise, the Bank shall be under no obligation to continue the availability of the Guidance Terms as outlined in this Letter.

Should you have any questions, please feel free to contact me at 808-539-7841 or via email at jmukaigawa@asbhawaii.com. Thank you for considering American Savings Bank for your financing needs.

Sincerely,

American Savings Bank


Jody Mukaigawa
Vice President



AMERICAN
Savings Bank

June 15, 2008

Glen Calvert
Fund and Project Developer
The Arc of Hilo
1099 Waiianuenue Avenue
Hilo, HI 96720

Dear Glen,

This letter is in regards to your financing request for construction and permanent financing of The Arc of Hilo ("Arc") Client Support Services Community Center. American Savings Bank ("ASB") has reviewed the information you provided which outlined the project's scope, estimated costs, and anticipated funding sources. Our preliminary analysis indicates that the Arc qualifies for a USDA-guaranteed loan that will provide an interim source of funding during the construction period.

Once committed contributions have been received from your various donors, the projected remaining balance under the loan is estimated to be \$1,300,000. Based on the cash flow projections you provided to the Bank, the Arc would be able to service payments on the remaining \$1,300,000 loan balance.

Please note that this prequalification performed by ASB does not constitute a financing commitment. A financing commitment is subject to additional underwriting, due diligence and formal approval by ASB.

Feel free to contact me at (808) 539-7841 if you have any questions or if I can be of further assistance.

Sincerely,

AMERICAN SAVINGS BANK

Jody Mukaigawa
Vice President

Jody Mukaigawa

Vice President
Commercial Banking
Commercial Markets Division

American Savings Bank Tower
P.O. Box 2300
Honolulu, Hawaii 96804-2300
Phone 808.539.7841
Fax 808.531.7370
jukaigawa@asbhawaii.com

Subject: akaka-dki release / grant for hilo job training center

Date: 6/26/2007 1:24:06 PM Hawaiian Standard Time

From: Mike_Yuen@inouye.senate.gov

To: Dora_AhSue@inouye.senate.gov, Rachel_Armstrong@inouye.senate.gov, Aaron_Auna@inouye.senate.gov, Marie_Blanco@inouye.senate.gov, James_Chang@inouye.senate.gov, Daniel_Chun@inouye.senate.gov, Patrick_DeLeon@inouye.senate.gov, Virginia_Finnell@inouye.senate.gov, Kamakana_Fitchett@inouye.senate.gov, Jana_Swamidoss@inouye.senate.gov, Frank_Kelly@inouye.senate.gov, Jessica_Lee@inouye.senate.gov, Van_Luong@inouye.senate.gov, Beverly_MacDonald@inouye.senate.gov, Erin_Masui@inouye.senate.gov, Kawe_Mossman@inouye.senate.gov, Lianne_NishidaCostello@inouye.senate.gov, Larissa_Nojek@inouye.senate.gov, Melissa_Shimizu@inouye.senate.gov, Brian_Stout@inouye.senate.gov, Teal_Takayama@inouye.senate.gov, Gloria_Wong@inouye.senate.gov, Mary_Yoshioka@inouye.senate.gov, Mike_Yuen@inouye.senate.gov, Sara_Daly@inouye.senate.gov, Bob_Dods@inouye.senate.gov, Intern1@inouye.senate.gov, MaryLou_Jardine@inouye.senate.gov, Aaron_Leong@inouye.senate.gov, Alexis_Lum@inouye.senate.gov, Milton.T.Yoshimoto@usace.army.mil, Dayna_Mora@inouye.senate.gov, Jinny_Okubo@inouye.senate.gov, Jennifer_Sabas@inouye.senate.gov, Barbara_Sakamoto@inouye.senate.gov, Sheila_Yamamoto@inouye.senate.gov, Arlis_Muraoka@inouye.senate.gov, wakutagawa@napuuwai.com, Dnishim888@aol.com, eaczon@hawaii.rr.com, rms@ronsakoda.com, barbin@maui.net, tanakaw013@hawaii.rr.com

CC: Charlie_Houy@appro.senate.gov, Betsy_Schmid@appro.senate.gov, Margaret_Cummisky@commerce.senate.gov, jeniilee_keefer@commerce.senate.gov

FOR IMMEDIATE RELEASE

June 26, 2007

Contact: Jesse Broder Van Dyke
(202) 224-6361

AKAKA & INOUE HELP SECURE NEARLY \$1 MILLION FEDERAL GRANT FOR HILO JOB TRAINING CENTER

WASHINGTON, D.C. – U.S. Senators Daniel K. Akaka (D-HI) and Daniel K. Inouye (D-HI) are pleased to announce today that the Department of Commerce Economic Development Administration (EDA) has awarded a \$993,000 investment to the Arc of Hilo for construction of a new Employment Training Services Center (ETS) training facility.

The EDA announcement stated that the facility will provide educational and business opportunities to disabled residents, creating 229 new jobs and generating over \$865,000 in private investment.

Senator Akaka said: *"This grant will help the Arc of Hilo be better able to provide essential job and life-skills training for their clients. I have been proud to support the work of the Arc of Hilo and I will continue to do so."*

Senator Inouye said: *"The Arc of Hilo is a valuable resource for the Big Island. This grant will provide valuable tools for the Training Center to complete its mission of helping our disabled residents learn skills and gain employment."*

0-

HACBED

Hawai'i Alliance for Community-Based Economic Development
677 Ala Moana Blvd., Suite 702 Honolulu, HI 96813
Ph. 808.550.2661 Fax 808.534.1199
Email info@hacbed.org www.hacbed.org

Board Members

Jason Okuhama, *President*
Executive VP and Partner
Hawai'i Lending Specialists

Akoni Akana, *Vice-
President*
Executive Director
Friends of Moku'ula

Norm Baker, *Treasurer*
VP, Community Building
Aloha United Way

Stacy Crivello
Executive Director
Ke Aupuni Lokahi

Gary & Kukui Maunakea-
Forth
WCRC/Maia Ai 'Opio

Puni Kekauoha/Adrienne
Dillard
Papakolea CDC

Kialoha Kekipi &
Susie Osborne
Ho'oulu Lahui/ Kua O Ka
La Public Charter School

Kipukai Kualii
Anahola Kaua'i
Agribusiness
Microenterprise Project

Kukui & Gary Maunakea-
Forth
WCRC/Mala Ai 'Opio

Wayne Tanna
Asset Building Coalition &
Chaminade University

HACBED Staff

Robert Agres, Jr
Executive Director

Brent Dillabaugh
Deputy Director

Larissa Meinecke
Public Policy Associate

Tim Kamlong
*Associate Project
Coordinator*

Kehau Padilla
Administrative Officer

May 24, 2007

Mike Gleason, President and CEO
Arc of Hilo
1099 Waianuenue Avenue
Hilo, HI 96720

Aloha Mike:

We are writing to express our strong support for the Arc of Hilo's application to the Office of Community Services of the Department of Health & Human Services. Through Arc of Hilo's participation in *The Community Connection* (HACBED's 9 month training and technical support program), we have come to know and believe in the power of your work in community. We continue to be impressed with the Arc of Hilo's community and economic development initiatives and the range of support programs and services you provide that work to improve the quality of life for people on Hawai'i island with developmental and other disabilities.

The Hawai'i Alliance for Community Based Economic Development (HACBED) is a statewide non-profit organization established in 1992 to encourage increased investments in sustainable and community-based approaches to economic development. HACBED supports community economic development organizations that are implementing economic initiatives and strategies that are rooted in community vision and values, and that promote economic and social justice for the people of Hawai'i.

It is for this reason that we support the Arc of Hilo's on-going community and economic development work. We believe your mission incorporates an important element of community-based economic development, that is, the incorporation of economic self-sufficiency and promotion of community-based development while advancing the quality of life of individuals with developmental and other disabilities, and in the process benefiting the broader community.

Again, we would like to commit to you our on-going support of your initiative and hope that the Office of Community Services will act favorably on your funding request.

Sincerely,

Robert Agres Jr.
Executive Director



EXECUTIVE CHAMBERS
HONOLULU

LINDA LINGLE
GOVERNOR

February 8, 2007

Mr. Michael E. Gleason, President and CEO
The Arc of Hilo
1099 Waianuenue Avenue
Hilo, Hawaii 96720

Dear Mr. Gleason:

I am pleased to inform you that I am releasing a grant of \$200,000 in general obligation bond funds for the Arc of Hilo to build an Employment Training and Client Support Services Center in Hilo. The new facility will enable the Arc to expand its ability to provide employment training and placement services for a growing number of persons with disabilities on the Island of Hawaii.

I understand that construction will proceed in two phases, and that the State grant will be used for the initial phase of site preparation. I also understand that additional State funds will be requested from the 2007 Legislature to support subsequent construction phases of the project; however, the amount has yet to be determined.

The Vocational Rehabilitation (VR) program in the Department of Human Services, which is the expending agency for the grant, will be working with your organization to develop the scope and terms of the contract for the \$200,000 grant. Please contact VR to facilitate the release of funds.

Sincerely,

A black rectangular redaction box covering the signature of Linda Lingle.

LINDA LINGLE

c: Honorable Lillian B. Koller



GOV. MSG. NO. 984

EXECUTIVE CHAMBERS
HONOLULU

LINDA LINGLE
GOVERNOR

June 27, 2007

The Honorable Colleen Hanabusa, President
and Members of the Senate
Twenty-Fourth State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

Dear Madam President and Members of the Senate:

This is to inform you that on June 27, 2007, the following bill was signed into law:

HB500 HD1 SD1 CD1

A BILL FOR AN ACT RELATING TO THE STATE
BUDGET.
(ACT 213)

Sincerely,


LINDA LINGLE

This bill includes a \$250,000 allocation for The Arc of Hilo "Center"

H.B. NO. 500
H.D. 1
S.D. 1
C.D. 1

CAPITAL IMPROVEMENT PROJECTS

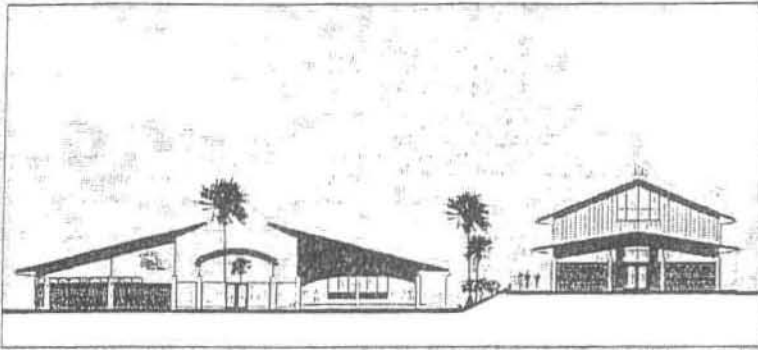
ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN K00'S)			
				FISCAL YEAR 2007-2008	M O F	FISCAL YEAR 2008-2009	M O F
1	HMS802	- VOCATIONAL REHABILITATION					
2							
3	11.	ARC OF HILO, HAWAII					
4							
5		CONSTRUCTION FOR THE CLIENT SUPPORT					
6		SERVICES COMMUNITY AND TRAINING CENTER.					
7		THIS PROJECT QUALIFIES AS A GRANT,					
8		PURSUANT TO CHAPTER 42F, HRS.					
9		CONSTRUCTION			250		
10		TOTAL FUNDING	HMS		250 C		C
11							



THE ARC OF HILO

is proud to announce a

Job Training and Community Center *Hilo, HI*



The Arc of Hilo is proud to announce a high-impact New Markets Tax Credit opportunity in the Arc of Hilo Job Training and Community Center Project.

The Arc of Hilo is developing a 17,600 sf workforce development center in Hilo, Hawaii, an additionally distressed census tract with an unemployment rate 1.71 times the national average. This expansion project will not only nearly double the number of

workers currently being served from 270 to 500, but will result in a permanent increase in the ability of The Arc of Hilo to fulfill its non-profit mission -- to provide employment training and essential services to low-income persons with disabilities. The additional space will also allow Arc to begin programs for returning veterans with disabilities, returning prisoners (85% of whom have a learning disability), and the homeless.

The Arc of Hilo, formed 53 years ago, serves people with disabilities through educational, vocational and skill training, employment, residential accommodations and an adult day health program. With an annual budget of \$6 million, Arc serves 270 people and currently employs 115 on a full-time basis and 85 on flex schedules. The most challenged of Arc clients get individualized support services 24 hours a day, seven days a week. The organization staff has grown 400% in five years. The Arc's rapid progress and growth has triggered a critical need for additional space.

The Arc's activities are designed to reduce depression, improve health, decrease isolation, exclusion, discrimination, poverty and substance abuse. This is done through therapeutic activities and exercises, but also training, education, workforce development, employment placement, transportation and housing. The Arc will sustain and expand its programming with this new space and capacity.

The Arc of Hilo Job Training and Community Center hopes to attract up to \$10.6 million in NMTC-enhanced permanent loans and equity from another CDE.

Offers of any size allocation amount are welcome and closings can occur immediately.

Total project costs are estimated at \$10.6 million. The project is supported by \$1.8 million in grants from the County of Hawaii, the Office of Hawaiian Affairs, the Economic Development Administration and state grants-in-aid. The Arc of Hilo is also making a \$1 million equity investment through a capital campaign and expects the project to carry no long-term debt. The design phase is complete and construction will begin in Fall 2008, with completion anticipated by Spring 2010.

FOR MORE INFORMATION, CDEs SHOULD CONTACT:

Irvin Henderson, President

Irvin M. Henderson & Company

ihend@ncol.net (252) 438-8513

APPENDIX 7

Letter of Support

The  of Hilo
1099 Waianuenue Ave.
Hilo, Hawaii 96720



AMERICAN
Savings Bank

June 15, 2008

Glen Calvert
Fund and Project Developer
The Arc of Hilo
1099 Waiianuenue Avenue
Hilo, HI 96720

Dear Glen,

This letter is in regards to your financing request for construction and permanent financing of The Arc of Hilo ("Arc") Client Support Services Community Center. American Savings Bank ("ASB") has reviewed the information you provided which outlined the project's scope, estimated costs, and anticipated funding sources. Our preliminary analysis indicates that the Arc qualifies for a USDA-guaranteed loan that will provide an interim source of funding during the construction period.

Once committed contributions have been received from your various donors, the projected remaining balance under the loan is estimated to be \$1,300,000. Based on the cash flow projections you provided to the Bank, the Arc would be able to service payments on the remaining \$1,300,000 loan balance.

Please note that this prequalification performed by ASB does not constitute a financing commitment. A financing commitment is subject to additional underwriting, due diligence and formal approval by ASB.

Feel free to contact me at (808) 539-7841 if you have any questions or if I can be of further assistance.

Sincerely,

AMERICAN SAVINGS BANK



Vice President

ody Mukaigawa
ice President
mmercial Banking
mmercial Markets Division

merican Savings Bank Tower
0, Box 2300
hilo, Hawaii 96704-2300
one 808.539.7841
808.532.7370
mukaigawa@asbhawaii.com

DANIEL K. AKAKA
HAWAII

WASHINGTON OFFICE:

141 HART SENATE OFFICE BUILDING
WASHINGTON, DC 20510
TELEPHONE: (202) 224-6361

HONOLULU OFFICE:

3106 PRINCE JONAH KUHIO
KALANIANAOLE FEDERAL BUILDING
P.O. BOX 50144
HONOLULU, HI 96850
TELEPHONE: (808) 522-8970

United States Senate

WASHINGTON, DC 20510-1103

COMMITTEES:

ARMED SERVICES
ENERGY AND NATURAL RESOURCES
HOMELAND SECURITY AND
GOVERNMENTAL AFFAIRS
INDIAN AFFAIRS
VETERANS' AFFAIRS

June 7, 2006

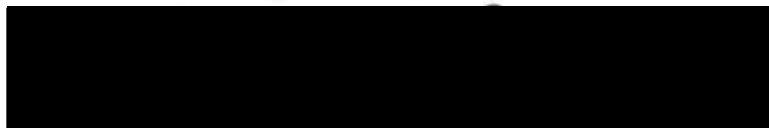
Mr. Glen Calvert
Project and Fund Developer
The Arc of Hilo
1099 Waianuenue Avenue
Hilo, Hawaii 96720

Dear Mr. Calvert:

Thank you for contacting me regarding a Pre-application for Federal Assistance submitted by The Arc of Hilo to the Department of Commerce Economic Development Administration (EDA) for funding of its Employment Training Services Center (ETS) training facility.

I am pleased to inform you that I have written a letter of support for The Arc of Hilo's application to the EDA. I appreciate your keeping me apprised of efforts to help individuals with disabilities acquire job skills, and I look forward to the completion of the ETS training facility. Again, mahalo for taking the time to contact me.

Aloha pumehana,



U.S. Senator



HOUSE OF REPRESENTATIVES

STATE OF HAWAII
STATE CAPITOL
HONOLULU, HAWAII 96813

March 6, 2007

Mr. Michael E. Gleason
President and CEO
The Arc of Hilo
1099 Waianuenue Avenue
Hilo, HI 96720

Dear Mr. Gleason:

Thank you for updating me on the progress being made at The Arc of Hilo and also for the letters of support.

Your commitment to providing services such as educational, skills training, and vocational skills as well as employment and residential opportunities to individuals with disabilities is such a wonderful service to our community. I truly believe that The Arc of Hilo is a positive and motivating support system and an essential part of the lives' of individuals who have utilized your facilities.

During this legislative session, I will favorably consider your GIA request. If you have any questions or concerns please feel free to contact me directly at (808) 586-6790 or via email repcarroll@capitol.hawaii.gov.

Sincerely,

[REDACTED]
Mele Carroll
State House Representative
13th District

MC: ck

Harry Kim
Mayor



Dixie Kaetsu
Managing Director

Barbara J. Kossow
Deputy Managing Director

County of Hawai'i

891 Ululani Street • Hilo, Hawai'i 96720-3982 • (808) 961-8211 • Fax (808) 961-6553
KONA: 75-5706 Kuakini Highway, Suite 103 • Kailua-Kona, Hawai'i 96740
(808) 329-5226 • Fax (808) 326-5663

March 15, 2007

To Whom It May Concern:

I am writing in support of The Arc of Hilo, an organization which works to improve the lives of people with disabilities in our community.

The County of Hawai'i has had ongoing and continued cooperation with The Arc of Hilo on its Community and Training Center project.

Several County of Hawai'i departments have worked with The Arc of Hilo either with funding or detailed reviews of The Arc of Hilo's development plans.

Without reservation, I support the invaluable contributions The Arc of Hilo makes to our community through its work on behalf of people with disabilities.

Thank you for this opportunity to express my gratitude to this organization for the great work they do.

Aloha,

[Redacted Signature]

Harry Kim
MAYOR



February 28, 2007

The Arc of Hilo
1099 Waianuenue Avenue
Hilo, Hawaii 96720

To Whom It May Concern:

I am Chief of Staff at the Shriners Hospitals for Children – Honolulu. Our hospital staff has been involved with The Arc of Hilo since December 2003 and is tremendously impressed with the value of services The Arc of Hilo provides to the lives of the people they serve. They have also been of great assistance the Shriners Hospitals for Children – Honolulu and the patients that we serve.

I support their proposal for a new Client Support Services Community Center. This facility is badly needed and would be an asset to the clients of The Arc of Hilo and to the Big Island in general. It would continue to be an asset to the patients and families who are cared for by the Shriners Hospitals for Children – Honolulu. We look forward to continuing our association with The Arc of Hilo in the future. We would certainly continue to use the facility if we continue to be welcomed, to meet with our families there. I have known Michael Gleason, President and CEO, since our affiliation with The Arc of Hilo. I have been impressed with the dedication that he has shown in his work.

In conclusion, I wish to recommend funding requested by The Arc of Hilo. It would be money well spent and would assist a worthy organization to continue to supply a valuable service to the community.

[REDACTED]
Ellen M. Raney, M.D.
Chief of Staff

Shriners Hospitals for Children – Honolulu
1310 Punahou Street
Honolulu, HI 96826-1099
(808)951-3638
eranev@shrinenet.org

EMR:tlm



February 8, 2006

To Whom It May Concern:

KTA Super Stores is writing in support of the ARC of Hilo's ("ARC") Client Support Services Community Center. We have been involved with the ARC and have seen the difference the programs make in the lives of their client and the community. One of the current programs we are actively supporting is the Beverage Container Redemption Centers contract ARC has with the County of Hawaii Solid Waste Division, where clients work at the redemption centers at various County Transfer Stations. This program is a "win-win" program for the ARC, the County and the community.

The 2004 Hawaii County Data Book shows that 18% or 17,224 persons of Hawaii County's population between 16 and 64 are disabled. The ARC serves a small percentage of that population and needs this facility to increase their services to this target population.

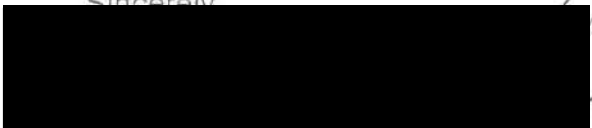
In the past five years, the ARC has more than doubled their client base. They extended services and programs without expanding their facility. In order to continue their services and expanding their client base, this proposed facility is needed to provide the areas needed to continue services to their current and new clients.

We have supported the ARC through their fundraising events, client projects, and contributions to their Annual campaigns.

The ARC of Hilo provides a needed service to disabled people in our community. We believe the funds requested will be wisely used to continue expansion of essential programs to disabled persons in our community.

If you have any questions or need further information, please feel free to contact me at (808) 959-4575 ext. 317 in Hilo or via email at barry_taniguchi@ktasuperstores.com.

Sincerely,



Barry K. Taniguchi
President

Jesus & Alberdine Pascua
162 Nahale'a Ave.
Hilo, Hawaii 96720
Phone: (808) 969-3366

February 06, 2006

To Whom It May Concern:

This letter is being sent in support for funding a new Client Services Support Community Facility, which will include a 3,500 sq. ft. gymnasium/auditorium at The Arc of Hilo.

Our son, Jason has been a client at The Arc of Hilo for about 3 years and our focus has been and continues to be to improve his quality of life through specific programs and activities that are available to him in our community. As parents, we have had the responsibility of choosing the agency that would best fit our son and considering his disabilities, which facility and staff could best help us achieve the goals that we currently have in place for him. Prior to his transition from high school, we had researched and visited other agencies and found that The Arc of Hilo was the best fit for Jason. In saying this, I mean in comparison to the other agencies, but there is room for many improvements as well.

The number of clients with disabilities is increasing every year and in just the past three years there has been a noticeable reduction in space to accommodate the current activities. This trend will continue as the number of students exiting the special education school system is rising each year. We support The Arc of Hilo's goal to expand and improve the delivery of the present programs and also their desire to develop new programs meeting the growing needs of persons with disabilities. This multifaceted expansion project is overdue for our community and there is no other of this magnitude available to target the goals of persons with various levels of functioning.

As volunteer coaches with Special Olympics East Hawaii for the past eleven years, our drive is the improved health and fitness and social benefits for our son and other athletes with mental disabilities. The biggest challenge we have every sport season is securing a training facility in a community that has limited resources and numerous community sporting programs competing for the same space. With the construction of this facility, the health and fitness goals of persons with disabilities can be met through the activities provided by The Arc of Hilo and a possible partnership with Special Olympics would offer a double benefit by extending the facility usage to the same people and other athletes from various agencies in the community, all participating in their year round sport training sessions.

We applaud the efforts of The Arc of Hilo. They recognized the need and sought a plan to improve their current facility. Please support this proposal and enrich our community and the lives of persons with disabilities.

Sincerely,


Jesus & Alberdine Pascua

Michael E. Gleason
ARC of Hilo
1099 Waianuenue Ave.
Hilo, HI 96720

March 26, 2007

Dear Michael E. Gleason,

I welcome the opportunity to support the plan of ARC to construct a larger complex which will better serve the needs of the organization and its clientele.

As a 25 year volunteer in working with challenged persons through the PALS program (Performing Artists Lengthening Strides) I feel I have an appreciation of the Big Island's needs regarding this special population as a part of my lifetimes career in founding and managing a community theater. ARC has been a strong advocate and provider of services over the years and has added services by responding to community needs.

The organization now has the opportunity to support a multi-service complex which can work to bring monetary support to its programs, but, as well, to interact with the community in ways which will benefit both.


ARC reached out to my PALS program by giving us a place to teach classes and have been most supportive to our activities. I believe that by including a multipurpose space in the new complex, ARC can realize a rental income which it can rely on.

My experience in the East Hawaii Community has emphasized the great and continuing need for workable performance space for local theater as a major one. I know the proposed multipurpose area in the new complex would be well-used year-round at a fair rental. Nearness to central Hilo and parking space will only enhance the usage.

I stand ready to assist in every way possible ARC's planning for the future.

Sincerely,

Arval Shipley
Director of PALS


Arval Shipley
1310 Wailuku Dr.
Hilo, HI 96720
arvship@yahoo.com

APPENDIX 8

Resumes

The  of Hilo

1099 Waianuenue Ave.
Hilo, Hawaii 96720

Mike Gleason

Objective

Community Building

Experience

2000 - Present The Arc of Hilo Hilo Hawaii

President & CEO

- Increased budget, staff size and client base by 60%
- Assisted start up of State Waiver Provider's Association
- Started Self-Determination Programs that were among first in State

1997 - 2000 Pahoa High School Pahoa Hawaii

Student Services Coordinator

- Responsible for IEP meetings for Special Ed. Students.
- Responsible for Transition Services for Special Ed. Students
- Responsible for Records of Special Ed. Students.

1995 - 1997 Pahoa High School Pahoa Hawaii

Vice Principal

- Responsible for oversight of Teachers and Students of 400-student Middle School.
- Assisted Teachers in development of curriculum.
- Administered discipline for 400-student Middle School

1988 - 1995 Pahoa H.S. Pahoa Hawaii

Special Education Teacher/Department Head

- Chairman of Pahoa High and Intermediate Special Ed. Department
- Taught all courses in Special Ed. Department over 7-year period.
- Developed Pahoa High School Alternative Learning Center

1972 - 1978 Taught English as Second Language at PICS H.S. Ponape

Education

1986 - 1988 Western Oregon State University Monmouth Ore.

- Master's Program in Special Education

1965 - 1971

- B.S. in K - 12 Education

Interests

Sailing, Fishing, Golf, Travel

Community Service

President Hilo Bay Rotary Club 2003-2004, Chairman Mayor's Committee on People with disabilities 2000 - present, Vice President Hawaii State Waiver Provider's Association 2001- present, Chairman Membership Committee Hawaii Island Chamber of Commerce.

Deborah A. Perkins
P.O. Box 10115
Hilo, Hawaii 96720

OBJECTIVE

To secure a position with a well established organization with a stable environment which will enable me to utilize my management skills to successfully analyze an organizations critical business requirements, identify deficiencies and potential opportunities, and develop innovative and cost-effective solutions for enhancing competitiveness and increasing revenues.

PROFESSIONAL EXPERIENCE

The Arc of Hilo – Hilo, Hawaii - June 2003 to Present

Chief Financial Officer – July 07 to Present

Controller – Dec. 04 to June 07

Accounting Manager – June 03 to Nov. 04

Accountable for strategic planning, development and leadership of finance department as well as, day-to-day operations management of the company. Recruited, developed and managed team of finance professionals, managers and support staff. Directed general accounting, cash management, financial and tax reporting, banking relations, credit and collections and data processing functions of the organization. Managed a staff of nine in the Accounting Department and three in the purchasing and Maintenance Department.

Operations Achievements:

- Instrumental in increasing revenue from \$3.2 M to \$7 M, over a three-year period, by the startup of successful new ventures.
- Obtained grant funding from both County and private foundations to formulate and implement a plan to upgrade the companies technology systems. Plan included upgrading of computers, accounting software programs, copiers and telephone communications systems.
- Reorganization of the current Procurement department with updating the purchasing software, Procurement procedures manual, Procurement policies, staff training and development.
- Conducted meeting with program managers to analyze, streamline and implement procedures that will increase productivity and decrease labor cost by eliminating redundancy.
- Formulated budget worksheet and procedures thereby providing manages a system to plan and project future growth and a tool to measure their successes against their projected plan.

Financial Achievements:

- Worked with consultant in the development process of obtaining funding for current operations as well as capital funding for the construction of a new facility. Funding has been secured for the site work from Federal Organizations (examples EDI and EDA), Private Foundations as well as State and County sources. Instrumental in the review of all grants written, complied tracking and documentation of information required for grant reporting, developed budgets, completed final reports which reflected both grant successes and areas of concern with suggested improvements.

- Evaluated all RFP's received from Federal, State, and County, worked in conjunction with grant writer in the application and pre-award process, upon contract award reviewed requirements for post contract procedures and assembled all documents required. Performed all bid contracting in compliance with company procurement procedures. Submittal of all reporting (financial and narrative) as required by contract. Maintained compliance with all regulatory requirements for Federal, State, County and Private grants.
- Turned around organization-wide resistance toward automation and streamlined procedures that significantly improved efficiency while reducing costs.
- Maintained receivable write-offs by developing credit policies, instituting aggressive collection strategies and establishing constructive dialogue with delinquent accounts.

J.E. Merk and Associates – Hilo, Hawaii – April 96 to May 03

Office Manager/Full Charge Bookkeeper

- Prepared and submitted AIA billing to Architects. Coordinated payments to Main Contractor as well as sub-contractors.
- Worked with Auditor on the completion of the annual financial statements and taxes.
- Prepared monthly financial statements, preparation and maintenance of payroll system, payroll taxes, TDI, workers compensation, insurance, and excise taxes.
- In charge of A/R, A/P, bank reconciliation and analyze the accuracy of the general ledger and all subsidiary accounts, the daily maintenance of the monthly journal entries for accruals and prepaid accounts.
- Operated in a singular office environment, responsible for all functions including phones and handling daily customer and vendor concerns.

South Shore Equipment – Hilo, Hawaii – Nov. 95 to April 96

Full Charge Bookkeeper

- Preparation and maintenance of A/P, bank reconciliation's, payroll, payroll taxes, TDI, Workers Compensation, Excise taxes and analysis of the G/L for accuracy and correctness.
- Use of excel spreadsheets in the tracking and maintenance for flooring reports.

Mauna Loa Macadamia Nut Corp. (C. Brewer Subsidiary) –Hilo, Hawaii –March 92 to Nov. 95

Customer Service Manager – April 1994 to Nov. 1995

Accounts Receivable Manager – March 1992 to April 1994

- Revamped the customer service department.
- Hired and fired staff to acquire the competency necessary to meet the demands of the department and organization.
- Implemented training seminars/new product training programs to provide excellent customer relations.
- Reconciliation and collections of serious problem accounts. Reducing \$1M of delinquent receivables to a \$200 thousand level.
- Creation and implementation of procedure manuals for department.
- Supervision of five customer service clerks.

Other Positions Held: Information will be provided upon request.

Continental Cars, LTD., **Accountant** -Honolulu, Hawaii from March 1988 to March 1992

Testron International, **Operations Manager** - Honolulu, Hawaii from January 1983 to February 1988

Contract Office Group, **Marketing Secretary & Sales Support** – San Jose, California, June 1982 to December 1982.

Thom Mc An, **Store Manager** – Cupertino, California, September 1980 to June 1982

EDUCATION

University of Santa Clara, June 1980, Bachelor of Science, Management/Marketing, Santa Clara, California.

University of Hawaii at Manoa, Post Baccalaurate Accounting Course Work, Honolulu, Hawaii

ACHIEVEMENTS

THE ARC OF HILO – Selected as a finalist for the Pacific Business News for CFO of the year. Attended a banquet on Oahu and presented with a plaque and the newspaper article that appeared in the March 2009 Issue.

TESTRON INTERNATIONAL - Awarded outstanding achievement award in 1984 and 1986 (plaques).

THOM MC AN - Awarded for the greatest percentage increase in sales over last year for the Pacific District.

UNIVERSITY OF SANTA CLARA - Marketing class – During the fall quarter in my senior year as part of a marketing class, I entered a contest with two other classmates. The contest entailed a paper – 2 pages in length – dealing with how we would promote energy conservation on campus. We placed 1st. from the University of Santa Clara and 2nd in the final competition which was sponsored by Pacific Gas and Electric.

THANK YOU FOR CONSIDERING ME FOR THIS POSITION.

P.O. Box 117
Papaikou, HI 96781

Phone (808) 964-1956
E-mail damc@hawaii.rr.com

Debra A. Medeiros Cabarloc

Objective:

To obtain and sustain employment that will afford me the opportunity to utilize my diverse skills to contribute to the success of an organization.

Statement:

Throughout my work history a common theme has been that whenever necessary there is a natural gravitation towards

Work Experience:

7/05 – Present The Arc of Hilo Hilo, HI
Chief Administrative & Operating Officer

- Responsible for the overall administrative and operating management of the company and the accurate interpretation and implementation of policies related to these areas.
- Assist the President and Chief Executive Officer in the overall day-to-day management of the company and in the absence of the President and Chief Executive Officer performs the duties of the President and Chief Executive Officer under the direction of the Chairman of the Board of Directors.
- Assist in providing leadership that ensures an on-going company-wide strategic and operational planning involving the Board of Directors.

3/05- Present The Arc of Hilo Hilo, HI
Director of Operations Supervisor: Michael E. Gleason

- Management oversight to ensure overall business and program management of The Arc of Hilo. The position provides assistance to the President and Chief Executive Officer for the development, implementation and maintenance of programs, funding and strategies in keeping with the mission of The Arc of Hilo and in accordance with its by-laws and policies promulgated by the Board of Directors.
- Information Systems Management: Evaluate, assess and ensure program systems in place are conducive to productivity.

9/01 - 3/05 The Arc of Hilo Hilo, HI
Human Resources Manager Supervisor: Ronald E. Penn

- Develop, implement and coordinate the policies and programs of human resource management. Continuously evaluate policies, procedures and programs in Human Resources relating to the effectiveness of results, relative costs, obsolescence, competitiveness and compliance with contractual and regulatory authorities.
- Originate policies for the approval by the Board of Directors; and implement and monitored policies after approval.

- General bookkeeping for both AM and FM radio stations
- Billing, sales reports, accounts receivable, accounts payable, payroll and related reports, maintained checking account, prepared journal entries and trial balance. Assisted company president, performed receptionist duties as needed and prepared daily "traffic logs" when necessary for both stations.

12/88 - 4/89 H & R Block Hilo, HI
 Bookkeeper Supervisor: Patty O'Brien

- Receipt count, recorded bank deposits and maintained account balances for minimum requirements, transferred bank funds, prepared payroll and reconciliations.
- Qualified Tax Preparer and assisted with customers as needed.

5/82 - 9/85 Life Care Center of Hilo Hilo, HI
 Purchasing/Payroll Clerk Supervisor: Ivan Yamamoto

- Set up and maintained stock control and inventory system.
- Performed purchasing duties for 240 bed facility
- Assist Business Manager with accounts payable and receivable
- Assist Administrator as necessary
- Prepared bi-weekly payroll for 260 employees; manually computed timecards for shift employees and prepared transmittal to payroll service for payment.
- Assisted with Medicaid and Medicare billing.
- Filled-in for Patient Accounts Representative and Receptionist as necessary.

Education:

Waiakea High School Graduate Hilo, HI
 155 Kawili St., Hilo, HI 96720

8/81 - 12/81 Hawaii Community College Hilo, HI
 1175 Manono St., Hilo, HI 96720

Special Training and Skills:

Microsoft Office User Specialist Certified for Word August 2001
 Microsoft Office User Specialist Certified for Excel August 2001

Advanced computer skills include networking, intranet and Internet; ability to troubleshoot most computer problems and provide training.

Experienced in Microsoft Office and various accounting software

References:

Stacy Higa, Pacific Image Co., Owner
 720 A. Laukapu St., Hilo, HI 96720 Ph: (808) 961-6492

Wayne K. DeLuz, Hilo Mazda/Subaru, General Manager
 1 Kesa St., Hilo, HI 96720 Ph: (808) 961-4411

Resume

Charmaine T. Ka-ipo
HCR 2 Box 6862
Keeau, HI 96720
808 965-8996

Education:

St. Joseph High School College Prep Diploma, University of Hawai'i Manoa:
June 1967 -BA Fashion Design & Merchandising, Minor: Business Admin.

Special Courses and Training: The Apollo System-International Reservations, Ual, Inc.
UAL Management Training & Industrial Relations. Transport Haz Mat Training-UAL,
Disaster, Emergency Training, UAL Trauma Training, Hilton Hotel Management (Front
of the House). Marketing and Public Relations -Communications, Human
Communications-Chaminade University. Numerous courses in VR and related
employment classes and workshops from 1991-present.

Employment History:

1962-1970-Kahala Hilton Hotel, Hilton Hawaiian Village-Conventions, Group
Incentives, Front Reception, Conventions Coordinator, Promotional Team, Management
Trainee.

1970-1971-Naniloa Surf Hotel-Public Relations/Social Director/Marketing Director

1971-1985-United Airlines, Inc. Customer Service Supervisor/Trainer

1985-1987-Travel Camp of Hawaii-Manager

1987-1989-St. Joseph Schools, Development Director, Life Skills Instructor

1989-1991-Y.M.C.A. Program Director

1991-Present-The Arc of Hilo, Employment Training Services Manager, Placement
Specialist, Community Services Manager.

Pamela Cabreira
HCR 2 Box 6501
Keaau, Hawaii 96749
Phone: (808) 938-3352

Objective: To obtain an entry-level position in administration, clerical and data entry.

Work History:

October 2005-Present: Assistant Manager

Attend and document evaluation, intake, and orientation meetings, discussions and reviews. Schedule and conduct meetings, if required or requested.

Assist Clients for job searches, including writing resumes, completing job applications, personal grooming interviewing skills, etc. Maintain Clients files regarding placement data, dates of placements, and employer information.

Prepare and verify contract cost information submitted by Sr. Vocational Instructors and assist department Manager in the completion of contracts and any needed documentation.

Manage and maintain files for vocational program contracts.

Assist Sr. Vocational Instructors with their department's employee issues.

Schedule training and meetings for group's employees.
Attend required meetings and training sessions.

Maintain basic knowledge of laws and (ADA Compliance laws, State and Federal Labor).

Assist Manager with Job Seeking Skills Classes.

Perform other job related duties as assigned by the Manager.

August-September 2005 Clerical
Nani Mau Gardens

Accounts receivables and payables. File documents, code documents, inventory, and data entry.

February 1999- June 2005

Hawaii Processing Center: Administrative/Manager/Human Resources
Supervise, manage and train 5-person office staff.

VICKI LINTER
PO BOX 956
PAHOA, HI 96778
965-0289(H)

Education

1978	Associate Arts Degree, Honors	Los Angeles Pierce College	Liberal Studies
1990	Baccalaureate Degree, Honors	Sonoma State University	Psychology
1990	Special Certificate, Honors	Sonoma State University	Gerontology

Experience

2000 to present Manager, Community Support Services Group, The Arc of Hilo
Responsible for the overall administration of programs under the Community Support Services Group. Specific Responsibilities include: preparing and managing annual budget for all programs, developing, implementing and evaluating the program's policies and procedures in accordance with the budgets and policies of the company and funding sources. Developing and proposing changes in programs as funding sources change. Establishing and maintaining harmonious relationships with clients, clients' primary caregivers/personal representatives, businesses, volunteers and the community that will enhance the programs to better serve the clients. Establishing and maintaining harmonious relationships with private and governmental agencies. Preparing, negotiating, administering and assuring compliance with contracts funding these programs. Ensuring that all reports to funding sources as required by contracts are completed in a timely manner to assure compliance with those contracts. Planning, organizing and directing the work of the group. Responsible for hiring, training, development, promotions, transfers, discipline and termination of employment of the staff within the department in accordance with the policies and procedures of the company.

1991-2000 Case Manager, Big Island AIDS Project.

Clinical responsibilities: 1) Counseling and case management for people with HIV/AIDS, including assessment, planning for needed services and benefits, linking clients to services, and monitoring progress and effectiveness of service delivery, while encouraging self-sufficiency in the client and providing support and information for the client and their families. 2) Record keeping through the use of clinical/case management computer program, COMPIS, as well as traditional medical charting; keeping all client related documents confidential. 3) Attending clinical and care coordination meetings with staff and community service providers.

Administrative responsibilities: 1) Supervision and training of case management staff, creating and maintaining client services monthly budget, monitoring/evaluating the Case Management Program, completing financial reports, budgets, and statistics for the program. 2) Assisting with all aspects of grant writing and administration, preparing budgets, gathering data, writing narratives, site visits, presentation, utilizing the funding, billing, tracking budgets, submitting required reports and other documentation. 3) Public relations, including community education and resource development; provide in-service trainings for social service and medical facilities, such as Kaiser Permanente, Department of Human Services and Hilo Medicaid Center.

Committees served on: HIV/AIDS State Care Services Planning Group, AIDS Education Project Conference Planning Groups, Hawaii AIDS Task Group, State-wide Case Managers Group, East Hawaii AIDS related Services Group[, BIAP Board of Directors Personnel Committee, and BIAP Board of Directors Program Planning Committee.

