STATE AND LOCAL RATE AGREEMENT

DATE: December 22, 2005
FILING REF.: The preceding Agreement was dated September 30, 2004

DEPARTMENT/AGENCY:
Hawaii Department of Health
P.O. Box 3378
Honolulu, HI 96801

The rates approved in this agreement are for use on grants, contracts and other agreements with the Federal Government, subject to the conditions in Section III.

SECTION I: INDIRECT COST RATES*

<table>
<thead>
<tr>
<th>RATE TYPES: FIXED</th>
<th>FINAL</th>
<th>PROV. (PROVISIONAL)</th>
<th>PRED. (PREDETERMINED)</th>
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</thead>
<tbody>
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<td>TYPE</td>
<td>EFFECTIVE PERIOD</td>
<td>RATE (%)</td>
<td>LOCATIONS</td>
</tr>
<tr>
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<td>10.8</td>
<td>(1)</td>
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<td>10.0</td>
<td>(2)</td>
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<td>(3)</td>
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<td>(4)</td>
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<td>(6)</td>
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<td>(7)</td>
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<td>07/01/05 - 06/30/06</td>
<td>11.2</td>
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</tbody>
</table>
| PROV.             | 07/01/06 UNTIL AMENDED | Use same rates and conditions as those cited for fiscal year ending June 30, 2006.

(1) State Health Planning & Development
(2) Disability and Communications Access Board
(3) Developmental Disabilities Council
(4) Office of Environmental Quality Council
(5) Environmental Health Administration
(6) Behavioral Health Services Administration
(7) Health Resources Administration
(8) Health Status Monitoring
(9) Planning Policy & Program Development
(10) Executive Office on Aging

*BASE: Direct salaries and wages including all fringe benefits.
DEPARTMENT/AGENCY:
Hawaii Department of Health

AGREEMENT DATE: December 22, 2005

SECTION II: SPECIAL REMARKS

TREATMENT OF FRINGE BENEFITS:
This organization charges the actual cost of each fringe benefit direct to Federal projects. However, it uses a fringe benefit rate which is applied to salaries and wages in budgeting fringe benefit costs under project proposals. The fringe benefits listed below are treated as direct costs.

TREATMENT OF PAID ABSENCES:
Vacation, holiday, sick leave pay and other paid absences are included in salaries and wages and are claimed on grants, contracts and other agreements as part of the normal cost for salaries and wages. Separate claims for the costs of these paid absences are not made.

DEFINITION OF EQUIPMENT
Equipment is defined as tangible nonexpendable personal property having a useful life of more than one year and an acquisition cost of $250 or more per unit.

The following fringe benefits are treated as direct costs:
SOCIAL SECURITY TAXES, WORKERS COMPENSATION, UNEMPLOYMENT, HEALTH/DENTAL/LIFE INSURANCE, PENSION, POST RETIREMENT, AND RETIREMENT SYSTEM ADMINISTRATION.
DEPARTMENT/AGENCY:
Hawaii Department of Health

AGREEMENT DATE: December 22, 2005

SECTION III: GENERAL

A. LIMITATION:
The rates in this Agreement are subject to any statutory or administrative limitations and apply to a given grant, contract or other agreement only to the extent that funds are available. Acceptance of the rates is subject to the following conditions:
(1) only costs incurred by the organization were included in its indirect cost pool as finally accepted; such costs are legal obligations of the organization and are allowable under the governing cost principles;
(2) similar types of costs have been recorded consistently at other Federal Government. In such situations the rate(s) would be subject to renegotiation at the discretion of the Federal Government.

B. ACCOUNTING CHANGES:
This Agreement is based on the accounting system purported by the organization to be in effect during the Agreement period. Changes prior approval of the authorized representative of the organization are required to the method of accounting for costs which affect the amount of reimbursement resulting from the use of this Agreement. Such changes include, but are not limited to, changes in the charging of a particular type of cost from indirect to direct. Failure to obtain approval may result in cost disallowance.

C. FIXED RATES:
If a fixed rate is in this Agreement, it is based on an estimate of the costs for the period covered by the rate. When the actual costs for this period are determined, an adjustment will be made to a rate of a future year(s) to compensate for the difference between the costs used to establish the fixed rate and actual costs.

D. USE BY OTHER FEDERAL AGENCIES:
The rates in this Agreement were approved in accordance with the authority in Office of Management and Budget Circular A-87 Circular, and should be applied to grants, contracts and other agreements covered by this Circular, subject to any limitations in a Agreement.

BY THE DEPARTMENT/AGENCY:
Hawaii Department of Health

(DEPARTMENT/AGENCY)
Ann H. Kinningham

(SIGNATURE)

Ann H. Kinningham

(NAME)
Chief, Administrative Services Ofc.

(TITLE)

December 22, 2005

(DATE)

ON BEHALF OF THE FEDERAL GOVERNMENT:
DEPARTMENT OF HEALTH AND HUMAN SERVICES

(AGENCY)

Wallace Chan

(SIGNATURE)

Wallace Chan

(NAME)

DIRECTOR, DIVISION OF COST ALLOCATION

(TITLE)

December 22, 2005

(DATE) 0261

HHS REPRESENTATIVE, Jean Chui

(telephone) (415) 437-7829