

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Land Division
Honolulu, Hawaii 96813

January 13, 2012

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

Ref. No.: GLS-5940

HAWAII

Consent to Assign General Lease No. S-5940, Gilbert K. Kealoha, Assignor, to Joseph K. Kealoha, Assignee, Kikala and Keokea, Puna, Hawaii, Tax Map Key: (3) 1-2-043: 066.

APPLICANT:

Gilbert K. Kealoha, as Assignor, to Joseph K. Kealoha, married, husband of Tammy Momilani Kealoha, Tenant in Severalty, as Assignee.

LEGAL REFERENCE:

Section 171-36(a)(5), Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government lands of Kikala-Keokea, Lot 24, situated at Kikala and Keokea, Puna, Hawaii identified by Tax Map Key: (3) 1-2-043: 066, as shown on the attached map labeled Exhibit A.

AREA:

1.00 acre, more or less.

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act

DHHL 30% entitlement lands pursuant to the Hawaii State Constitution:
YES ____ NO x

CHARACTER OF USE:

Residential purposes as Lessee's principal domicile, provided that the following additional

uses shall be permitted:

- a. Storage of boats, fish catch, fishing nets and other fishing-related implements.
- b. Raising and keeping of small livestock and poultry for subsistence purposes only, except that the raising of swine (also called hogs or pigs) on the premises shall be prohibited.
- c. Cultivation of farm and agricultural crops for subsistence purposes only (or home consumption only and not for sale,) including herbal plants.

TERM OF LEASE:

53-years, commencing on May 16, 2008 and expiring on December 31, 2061. First rental reopening is scheduled for January 1, 2022.

ANNUAL RENTAL:

\$480.00. For the first fourteen (14) years.

CONSIDERATION:

None.

RECOMMENDED PREMIUM:

Not applicable as the lease does not allow for a premium.

DCCA VERIFICATION:

Assignor/ Assignee, as individuals, are not required to register with DCCA.

REMARKS:

Pursuant to the authority granted by the Legislature of the State of Hawaii in Act 314, Session Laws of Hawaii 1991, as amended by Act 172, Session Laws of Hawaii 1993 and Act 81, Session Laws of Hawaii 1994, the Department was authorized to negotiate and enter into long term residential leases with former Kalapana residents who were dispossessed or displaced as a result of the volcanic eruptions on the island of Hawaii, which began January 3, 1983 and who met the qualifications of Section 13D-3(b), Hawaii Revised Statutes.

At its meeting of April 11, 2008, Item D-3, the Board authorized the awarding of direct residential leases, pursuant to Act 314 at Kikala-Keokea, Puna, Hawaii. A drawing of lots was conducted on May 16, 2008, and Gilbert K. Kealoha was awarded a 53-year residential lease under General Lease No. S-5940.

By letter dated November 10, 2011, Gilbert K. Kealoha, Lessee, requested to assign his rights and interest of General Lease No. S-5940 to his brother, Joseph K. Kealoha. Gilbert Kealoha has no immediate plans to reside on the Kikala-Keokea property. Joseph Kealoha is a displaced resident of Kalapana due to the 1983 lava flow, therefore, is a qualified applicant under the provisions of Act 314, Session Laws of Hawaii 1991, as amended.

Staff reviewed the file and reports that in the past two (2) years, a notice of default for rent was sent on 7/1/09, but was immediately cured. Liability insurance is current, expiring on 2/25/12. The Lessee has never been cited for any other illegal or unlawful activity on the State property.

Joseph K. Kealoha, assignee, has not had a lease, permit, easement or other disposition of State lands terminated within the last five years due to non-compliance with such terms and conditions.

No agency or interest groups were solicited for comments, as there will be no new disposition or change in land use.

There are no outstanding rental reopening issues.

RECOMMENDATION:

That the Board consent to the assignment of General Lease No. S-5940 from Gilbert K. Kealoha, as Assignor, to Joseph K. Kealoha, as Assignee, subject to the following:

1. The standard terms and conditions of the most current consent to assignment form, as may be amended from time to time;
2. Review and approval by the Department of the Attorney General; and
3. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,



Wesley T. Matsunaga
Land Agent 

APPROVED FOR SUBMITTAL:



William J. Aila, Jr., Chairperson 

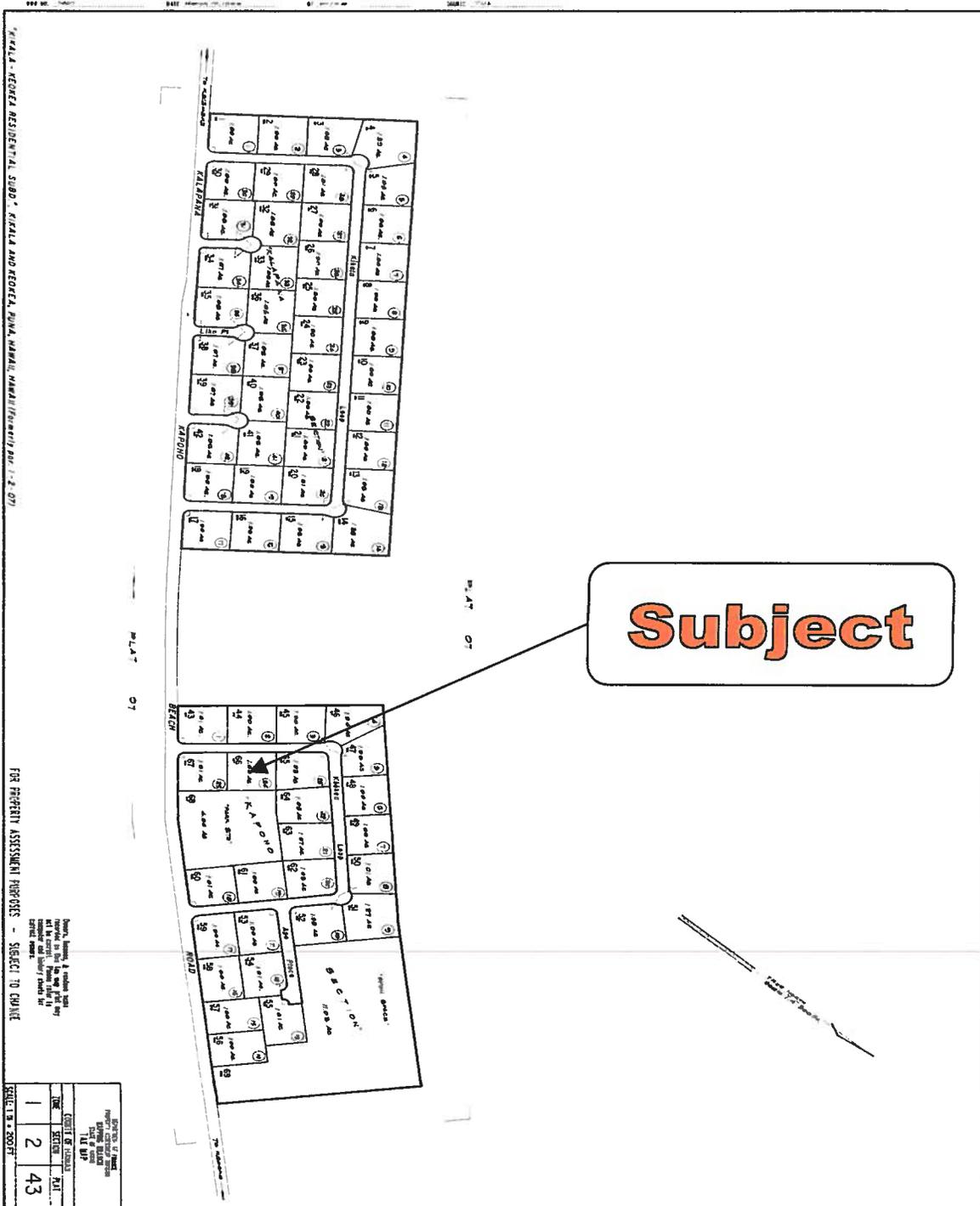


EXHIBIT A