

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

July 26, 2013

Ref. No.: GLS-5330

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

HAWAII

Consent to Assign General Lease No. S-5330, Masatsu Kawamoto, Eunice M. Kawamoto, and Maverick Masatsu Kawamoto, Assignor, to Jeremy S. Lewis, Assignee, Kahei and Hualua, North Kohala, Hawaii, Tax Map Key: (3) 5-5-003: 013 & 019.

APPLICANT:

Masatsu Kawamoto, Eunice M. Kawamoto, and Maverick Masatsu Kawamoto, as Assignor, to Jeremy S. Lewis, married, husband of Cindy L. Lewis, Tenant in Severalty, as Assignee.

LEGAL REFERENCE:

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

LOCATION:

Portion of Government lands situated at Kahei and Hualua, North Kohala, Hawaii, identified by Tax Map Key: (3) 5-5-003: 013 & 019, as shown on the attached map labeled Exhibit A.

AREA:

Parcel 13:	70.361 acres, more or less.
<u>Parcel 19:</u>	<u>86.954 acres, more or less.</u>
Total:	160.155 acres, 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:

Pasture purposes.

TERM OF LEASE:

35 years, commencing on October 1, 1993 and expiring on September 30, 2028. Last rental reopening occurred on October 1, 2013; next rental reopening is scheduled for October 1, 2023.

ANNUAL RENTAL:

Currently: \$ 2,069.00

Rental re-opening, scheduled for October 1, 2013, has been determined to be \$ 4,290.00.

CONSIDERATION:

Gratis

RECOMMENDED PREMIUM:

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

DCCA VERIFICATION:

Assignors and Assignee, as individuals, are not required to register with DCCA.

REMARKS:

Subject parcel was originally encumbered under Revocable Permit No. S-5788, to Masatsu Kawamoto, for pasture purposes.

Act 237, Session Laws of Hawaii 1988, authorized the Department of Land and Natural Resources to negotiate long-term leases under specific terms, conditions, and restrictions with certain qualified permittees of agricultural or residential/home gardening lands. The intent of the foregoing legislation was to assist qualified permittees to be issued long-term leases by negotiation, which would provide them security and ability to obtain financing to improve their parcel of land.

At its meeting of April 26, 1996, Item D-5, the Board of Land and Natural Resources approved consent to assignment of General Lease No. S-5330, between Masatsu Kawamoto, Assignor, to Masatsu Kawamoto, Eunice M. Kawamoto, and Maverick Masatsu Kawamoto, Assignees.

By letter dated November 17, 2012, Masatsu Kawamoto, Eunice M. Kawamoto, and Maverick Masatsu Kawamoto have collectively decided and now request that General Lease No. S-5330 be assigned to Mr. Jeremy S. Lewis. Mr. Lewis, a relative of the Kawamoto Family, possesses good working knowledge of the subject parcel and in ranching. The Kawamotos have been ranching the property for over twenty years and have decided to pass on the lease to their nephew because they are all getting too old to perform the necessary duties to properly operate the cattle operation.

Mr. Lewis began his ranching career first as a ranch-hand with Kumau Cattle Company, LLC/ Puu o Kumau, in 2002. In 2005, Mr. Lewis started his own cattle business under the name of the Lewis Cattle Company, LLC, which maintained approximately 75 head of cattle.

Mr. Jeremy S. Lewis 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.

Staff reviewed the file and can report that for the past two (2) years, Lessee has been in compliance with all lease terms and conditions. Rent is current with insurance scheduled to expire in May 24, 2014. A bond in the form of a Time Certificate Deposit in the amount of \$12,586 is deposited with Budget and Finance. The Lessee has never been cited for any illegal or unlawful activity on the State property.

There are no outstanding rental reopening issues. The next rental reopening is scheduled for October 1, 2013.

Staff has no objections to the request.

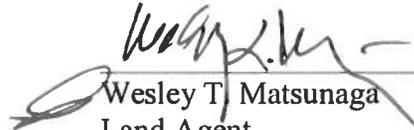
No government agencies or interest groups were solicited for comments, as there will be no new disposition or change in land use.

RECOMMENDATION: That the Board:

- A. Consent to the assignment of General Lease No. S-5330 from Masatsu Kawamoto, Eunice M. Kawamoto, and Maverick Masatsu Kawamoto, as Assignor, to Jeremy S. Lewis, 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

SUBJECT

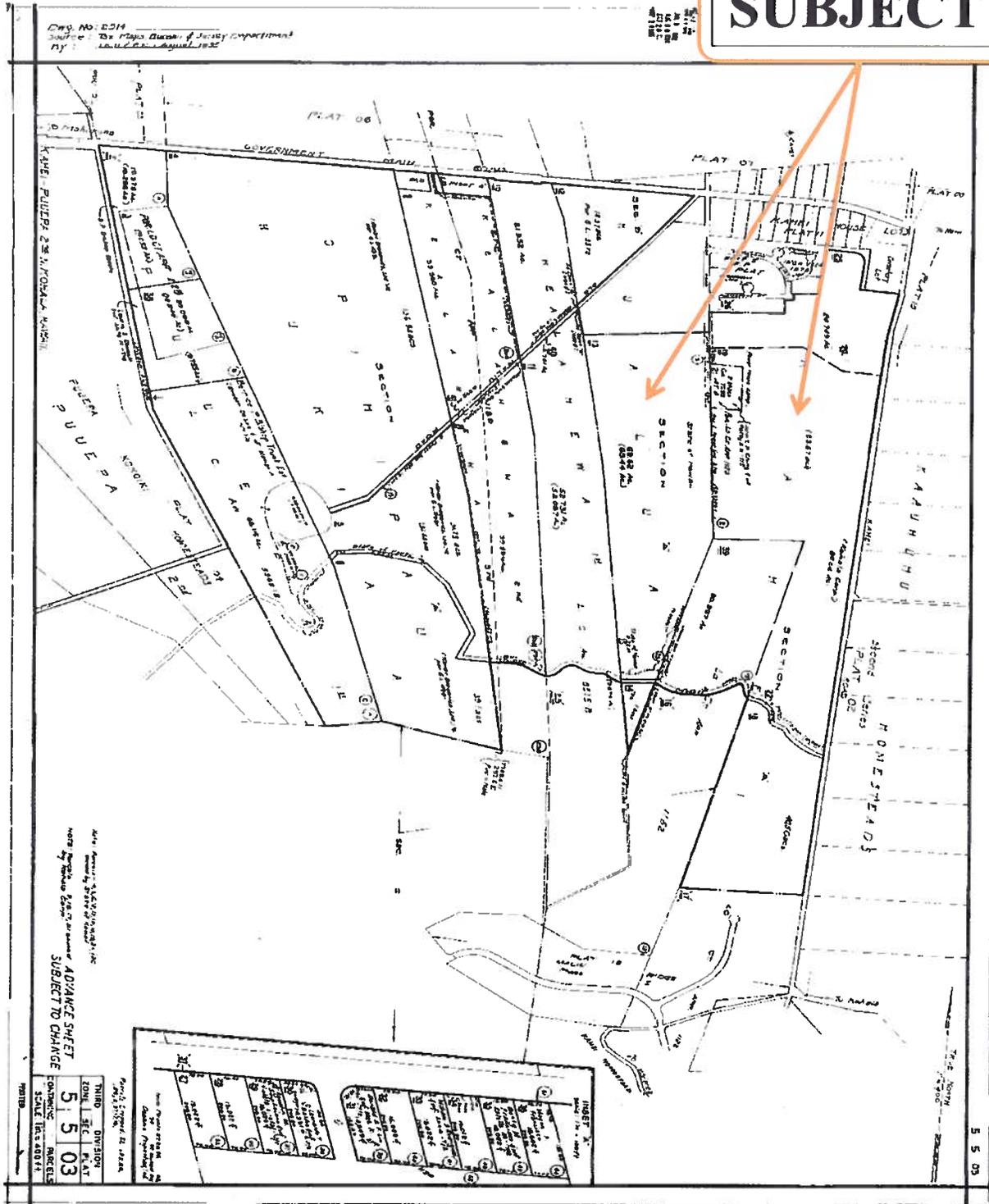


EXHIBIT A