

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

December 13, 2013

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

Ref. No.: GLS-4962

HAWAII

Consent to Assign General Lease No. S-4962, Rose M. Olsen, Assignor, to Herman Sabino Martines, Milolii-Hoopuloa, South Kona, Hawaii, Tax Map Key: 3rd/ 8-9-014: 007.

APPLICANT:

Rose M. Olsen, as Assignor, to Herman Sabino Martines, married, husband of Lori L. Martines, Tenant in Severalty, as Assignee.

LEGAL REFERENCE:

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

LOCATION:

Portion of Government lands of Lot 7, Milolii-Hoopuloa Houselots, Phase I, situated at Milolii-Hoopuloa, South Kona, Hawaii, identified by Tax Map Key: Key: (3) 8-9-014: 007, as shown on the attached map labeled Exhibit A.

AREA:

.1148 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:

Residential purposes.

TERM OF LEASE:

65-years, commencing on July 12, 1985 and expiring on July 11, 2050. Last rental reopening occurred on July 12, 2010; next rental reopening is scheduled for July 11, 2020.

ANNUAL RENTAL:

\$480.00. Due in semi-annual installments of \$240.00, on the Twelfth of January and June, of each and every year.

CONSIDERATION:

Gratis.

RECOMMENDED PREMIUM:

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

DCCA VERIFICATION:

ASSIGNOR:

Not applicable, Assignor is an individual and is not required to register with DCCA.

ASSIGNEE:

Not applicable, Assignee is an individual and is not required to register with DCCA.

APPLICANT REQUIREMENTS:

1. Assignee shall provide evidence of homeowner's liability insurance acceptable to Land Division and the Department of the Attorney General prior to the execution of the Assignment.

REMARKS:

Act 62, Session Laws of Hawaii 1982, as amended by Act 83, Session Laws of Hawaii 1984, authorized the Department of Land and Natural Resources to negotiate and enter into long term leases to persons residing in Milolii who were dispossessed or displaced as a result of the 1926 volcanic eruption of Mauna Loa on the Island of Hawaii. Act 362, Session Laws of Hawaii 1987, as amended by Act 68, Session Laws of Hawaii 1989, and Act 86, Session Laws of Hawaii 1991, extended the sunset date to January 1, 1989,

providing sufficient time to process Phase III of the Milolii-Hoopuloa Lots.

At its meeting of June 22, 1984, and December 28, 1984, the Board under agenda Item H-2 and F-3, as amended, respectively, authorized the disposition of direct negotiation of residential leases to eleven grandfathered residences at Milolii, Phase I, pursuant to Act 62, Session Laws of Hawaii 1982, as amended by Act 83, Session Laws of Hawaii 1984.

At its meeting of April 26, 1985, Item F-2, the Board authorized the awarding of leases to "Grandfathered" residences in Milolii, Phase I. On July 12, 1985, Robelto Kaleianuinui Martines was awarded a residential lease under General Lease No. S-4962, Lot 7, Milolii-Hoopuloa Houselot, Phase I, at Milolii-Hoopuloa, South Kona, Hawaii, Tax Map Key: 3rd/ 8-9-014:007.

At its meeting of January 13, 2006, Item D-6, the Board of Land and Natural Resources approved consent to assignment of General Lease No. S-4962, Robelto K. Martines, Assignor, to Rose M. Olsen, Assignor.

At its meeting of January 13, 2012, Item D-12, the Land Board approved as amended, the reconsideration of rent for the Milolii-Hoopuloa Residential Leases in Phase I, consisting of twelve (12) general leases for residential purposes at Milolii and Hoopuloa, South Kona, Hawaii, Tax Map Key: (3) 8-9-014: 001-013 and 8-9-014:016. Subject Board action increased the annual rental rate from \$132.00 to \$480.00.

By letter dated August 22, 2013, Rose M. Olsen, Lessee/Assignor, requested that General Lease No. S-4962 be assigned to her nephew, Herman Sabino Martines, as Assignee. Due to her failing health, Mrs. Olsen requires medical treatment, thus requiring her to live in Hilo.

Mr. Herman Sabino Martines is a qualified applicant for a Milolii-Hoopuloa residential lease as he is the son of Robelto Kaleianuinui Martines, the original lessee of this lease, who was a survivor of the 1926 lava flow.

Staff reviewed the file and can report that for the past two (2) years, rent has been current. In 2011 and 2012 notices of default were sent for failure to provide the required liability insurance. To date, the insurance requirement has not been cured. No bond is required. Rose Olsen has not been cited for any illegal or unlawful activity on the State property. In order to resolve the insurance requirement, staff is recommending that the Board require Mr. Martines to provide acceptable evidence of insurance to the satisfaction of Land Division and the Attorney General prior to the execution of the assignment.

Herman Martines 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.

There are no outstanding rental reopening issues.

No comments were solicited as there will be no new dispositions or change in land use.

RECOMMENDATION:

That the Board consent to the assignment of General Lease No. S-4962 from Rose M. Olsen, as Assignor, to Herman Sabino Martines, 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. Assignee shall provide evidence of homeowner's liability insurance acceptable to Land Division and the Department of the Attorney General prior to the execution of the Assignment;
3. Review and approval by the Department of the Attorney General; and
4. 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



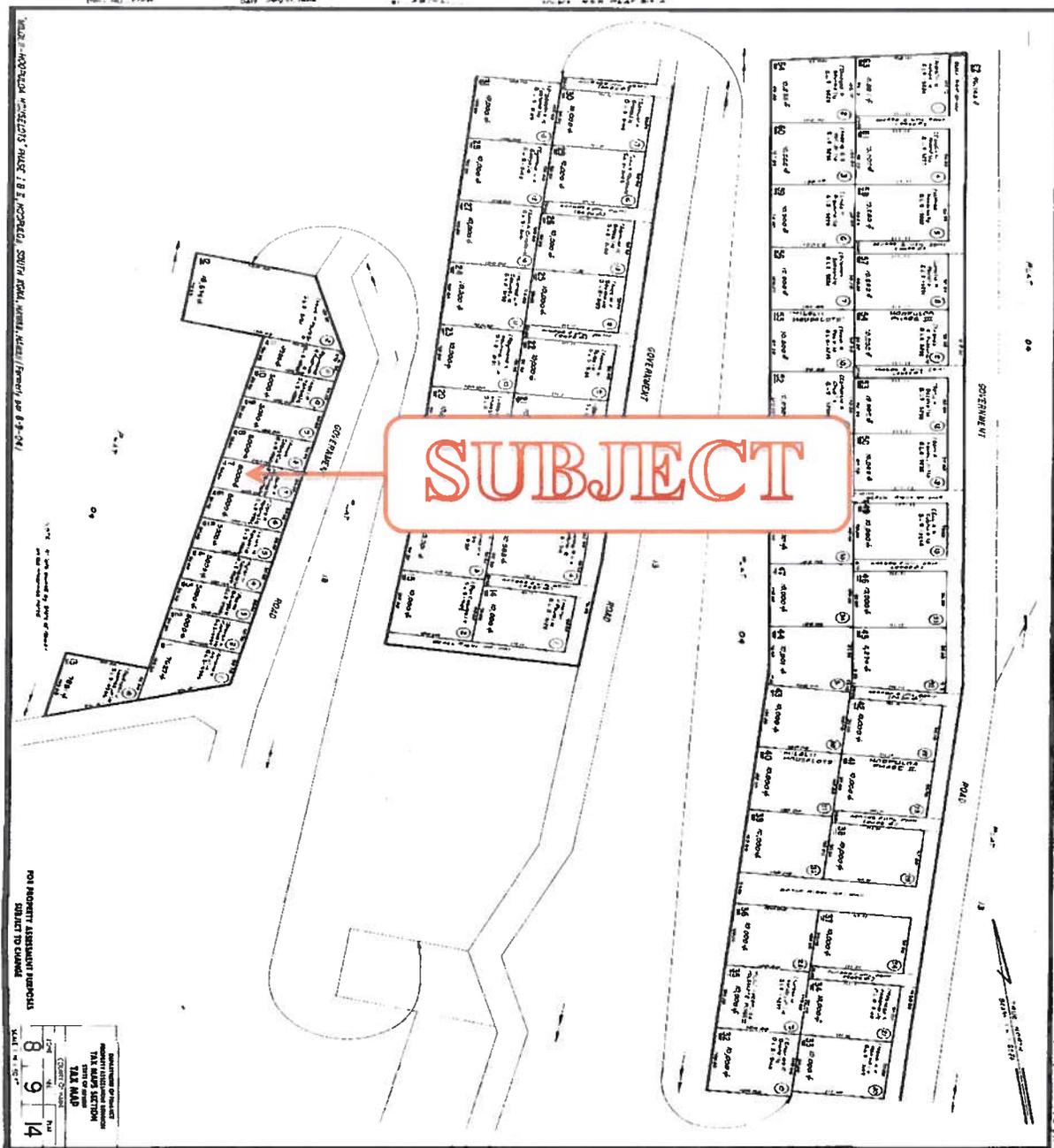


EXHIBIT A