

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Division of State Parks
Honolulu, Hawaii 96813

August 22, 2014

Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawai'i

Kaua'i

Consent to Assign General Lease No. SP-0124 Paul and Arline Matsunaga,
Assignors, to Isaac and Debra Hookano, Assignees, Lot 63, Pu'u Ka Pele,
Waimea (Kona), Kaua'i, Hawai'i, TMK: (4) 1-4-002:063

APPLICANT:

Paul and Arline Matsunaga, Assignors, to Isaac and Debra Hookano, Assignees.

LEGAL REFERENCE:

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

LOCATION:

Lot 63, Waimea (Kona), Kaua'i, Tax Map Key: (4)1-4-002:063, Waimea Canyon State
Park, as shown on the attached description and survey map labeled Exhibit A.

AREA:

.90 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

CHARACTER OF USE:

Recreation - residence.

ITEM E-1

TERM OF LEASE:

Twenty (20) years, commencing January 1, 2009, and expiring on December 31, 2029.
There is one rental reopening scheduled after ten years.

ANNUAL RENTAL:

\$4,000.00.

CONSIDERATION:

\$10.00 pursuant to the Assignment of General Lease No. SP0124 attached as Exhibit B.

RECOMMENDED PREMIUM:

None.

DCCA VERIFICATION:

Not applicable because all persons involved are individuals and are not required to register with DCCA.

APPLICANT REQUIREMENTS:

Applicant/Assignee shall submit updated insurance certificates and provide justification for sureties as required under Section 28 (page 12) of the lease and meet other requirements as described herein.

REMARKS:

Mr. and Mrs. Paul and Arline Matsunaga (Matsunaga) entered in to the lease cited above effective January 6, 2009 as a result of direct negotiations with the Department of Land and Natural Resources pursuant to Act 223 SLH 2008 and held the previous lease covering the property. Matsunaga desires to assign the lease Mr. and Mrs. Isaac and Debra Hookano.

Lessee is in compliance with the lease terms and conditions of the lease with two exceptions. Pursuant to paragraph 18 of the lease, lessee is required to post a performance bond in the amount equal the annual rent of \$4,000. Although the file includes a surety bonds signed by two personal sureties (Elpidio Cadavona and Doreen N. Cadavona), there is no documentation as to the justification for the sureties pursuant to paragraph 28 of the lease. Therefore, staff recommends that any assignment be conditioned upon the lessee providing proper security pursuant to paragraph 28, or in the alternative, lessee may post a cash bond pursuant to paragraph 18.

Staff also notes that the term of the lease is for a period of 20 years commencing January 1, 2009. On the first page of the lease, however, the termination date is listed as December 31, 2029 in error. This would indicate a 21 year lease and is inconsistent with Act 223. Upon consultation with the Department of the Attorney General, staff recommends that a simple amendment be made to the lease correcting the termination date to read December 31, 2028. Staff recommends this be completed simultaneously with the other documents and/or payments necessary for the assignment.

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.

Rent re-opening is not scheduled until after the first ten years of the lease. There are no outstanding rental reopening issues.

RECOMMENDATION:

That the Board consent to the Assignment of General Lease No. SP0124, from Paul and Arline Matsunaga, Assignors, to Isaac and Debra Hookano, Assignees, subject to the terms and conditions herein, which are hereby incorporated by this reference and further subject to the following:

1. That the lessee or assignee deliver a surety bond(s) with adequate justification pursuant to paragraphs 18 and 28 of the lease prior to the completion of the consent agreement;
2. That the lease be amended to correct the termination date to read December 31, 2028;
3. The standard terms and conditions of the most current consent and/or amendment to lease forms, as may be amended from time to time;
4. Review and approval by the Department of the Attorney General; and,
5. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

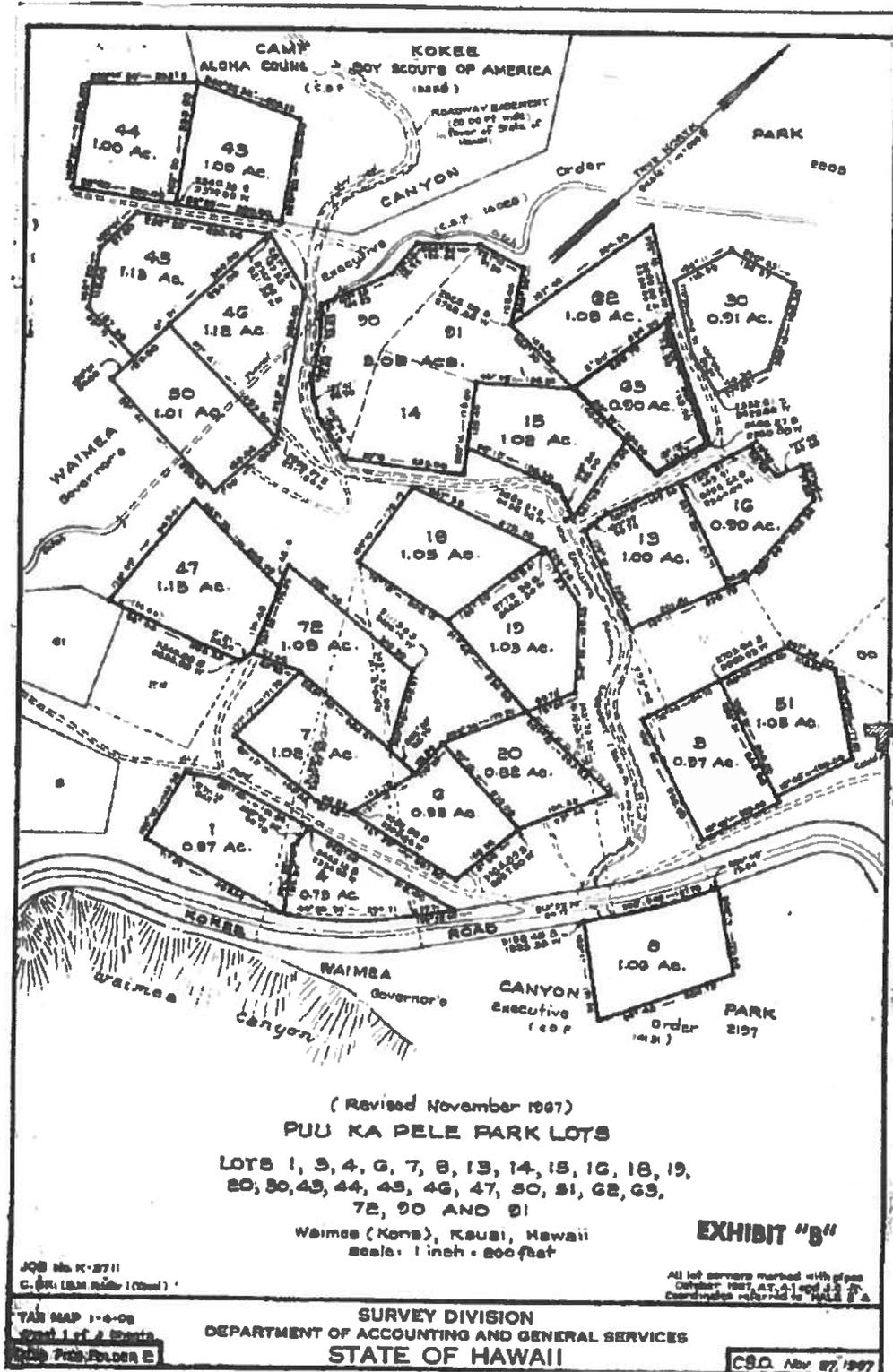
Respectfully submitted,



DANIEL S. QUINN
State Parks Administrator

APPROVED FOR SUBMITTAL:


WILLIAM J. AILA, JR., Chairperson



ASSIGNMENT OF GENERAL LEASE NO. SP-0124

THIS ASSIGNMENT OF LEASE NO. SP-0124 is made by and between PAUL & ARLINE MATSUNAGA, husband and wife, whose mailing address is P. O. Box 85, Hanapepe, Kauai, Hawaii 96716, hereinafter called the "Assignor", and ISAAC L. HOOKANO and DEBRA L. HOOKANO, husband and wife, whose mailing address is P. O. Box 1213, Kekaha, Kauai, Hawaii 96752, hereinafter called the "Assignee".

The Assignor, in consideration of the sum of Ten Dollars (\$10.00) and other valuable consideration paid to the Assignor by the Assignee, the receipt of which is acknowledged, and of the covenants and agreements contained herein on the part of the Assignee to be observed and performed, sells and assigns unto the Assignee, as tenants by the entirety with full rights of survivorship, their heirs and assigns, the lease described in Exhibit "A" and as shown on the map marked Exhibit "B", attached hereto and made a part hereof, hereinafter called the "Lease".

TO HAVE AND TO HOLD the Lease and all the right, interest and estate of the Assignor in and to the premises demised by and described in the Lease, and all buildings, improvements, rights, privileges, TO HAVE AND TO HOLD the Lease and all the right, interest and estate of the Assignor in and to the premises demised by and described in the Lease, and all buildings, improvements, rights, privileges, and appurtenances belonging or appertaining to or held and enjoyed in connection with the Lease, unto the Assignee according to the tenancy set forth herein for and during the unexpired term of the Lease, subject, however, to the payment of the rents reserved by the Lease, to the covenants and conditions contained in the Lease which are to be observed and performed by the Lessee named in the Lease, and to the encumbrances, exceptions, and reservations set forth in Exhibit "A".

The Assignor covenants with the Assignee that the Assignor is the lawful owner of the Lease; that the Lease is in full force and effect in accordance with its terms and is not in default in any respect; that the Lease and leasehold estate are free and clear of and from all liens and encumbrances, except for the lien of real property taxes not yet by law required to be paid and except as set forth herein; that the Assignor has good right to sell and assign the Lease; and that the Assignor will WARRANT AND DEFEND the Lease unto the Assignee against the lawful claims and demands of all persons, except as aforesaid.

The Assignee covenants with the Assignor that the Assignee will pay the rents reserved by the Lease as and when the rents become due and payable and will faithfully observe and perform all the covenants and conditions contained in the Lease which are to be observed and performed by the lessee named in the Lease and will indemnify the Assignor against the nonpayment of the rents and the nonobservance or nonperformance of the covenants and conditions contained in the Lease.

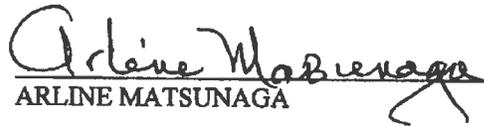
This instrument and the respective covenants of the Assignor and the Assignee shall be binding upon and inure to the benefit of the Assignor and the Assignee, respectively. The terms "Assignor" and "Assignee" as and when used herein, or any pronouns used in place thereof, shall

mean and include the singular or plural number, individuals, partnerships, trustees and corporations, and each of their respective heirs, personal representatives, successors and assigns. All covenants and obligations undertaken by two or more persons shall be deemed to be joint and several unless a contrary intention is clearly expressed herein.

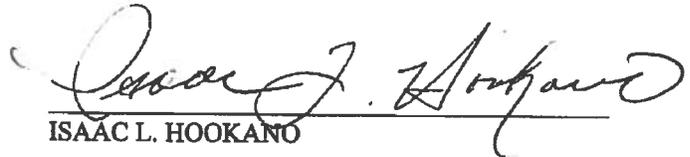
The parties agree that this instrument may be executed in counterparts, each of which shall be deemed an original, and the counterparts shall together constitute one and the same instrument, binding all parties notwithstanding that all of the parties are not signatory to the same counterparts. For all purposes, including, without limitation, recordation, filing and delivery of this instrument, duplicate unexecuted and unacknowledged pages of the counterparts may be discarded and the remaining pages assembled as one document.

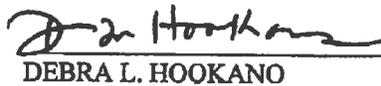
WPH The parties agree that this Assignment of General Lease No. SP-0124 shall be dated this day of November, 2012.


PAUL MATSUNAGA


ARLINE MATSUNAGA

Assignor


ISAAC L. HOOKANO


DEBRA L. HOOKANO

Assignee

STATE OF HAWAII)
) SS:
COUNTY OF KAUAI)

On this 6th day of November, 2012, before me appeared PAUL MATSUNAGA, to me personally known, who, being by me duly sworn or affirmed, did say that such persons executed the foregoing ASSIGNMENT OF GENERAL LEASE NO. SP-0124 dated November 6, 2012, which document consists of 7 pages, as the free act and deed of such person, and if applicable, in the capacities shown, having been duly authorized to execute such instrument in such capacities.

L.S.



Name of Notary: **SHARI E. OGATA**
Notary Public, Fifth Judicial Circuit,
State of Hawaii.

My commission expires: 10/05/2016

STATE OF HAWAII)
) SS:
COUNTY OF KAUAI)

On this 6th day of November, 2012, before me appeared ARLINE MATSUNAGA, to me personally known, who, being by me duly sworn or affirmed, did say that such persons executed the foregoing ASSIGNMENT OF GENERAL LEASE NO. SP-0124 dated November 6, 2012, which document consists of 7 pages, as the free act and deed of such person, and if applicable, in the capacities shown, having been duly authorized to execute such instrument in such capacities.

L.S.



Name of Notary: **SHARI E. OGATA**
Notary Public, Fifth Judicial Circuit,
State of Hawaii.

My commission expires: 10/05/2016

STATE OF HAWAII)
) SS:
COUNTY OF KAUAI)

On this 6th day of November, 2012, before me appeared ISAAC L. HOOKANO, to me personally known, who, being by me duly sworn or affirmed, did say that such persons executed the foregoing ASSIGNMENT OF GENERAL LEASE NO. SP-0124 dated November 6, 2012, which document consists of 4 pages, as the free act and deed of such person, and if applicable, in the capacities shown, having been duly authorized to execute such instrument in such capacities.

L.S.

Shari E. Ogata
Name of Notary: SHARI E. OGATA
Notary Public, Fifth Judicial Circuit,
State of Hawaii.

My commission expires: 10/05/2016

STATE OF HAWAII)
) SS:
COUNTY OF KAUAI)

On this 6th day of November, 2012, before me appeared DEBRA L. HOOKANO, to me personally known, who, being by me duly sworn or affirmed, did say that such persons executed the foregoing ASSIGNMENT OF GENERAL LEASE NO. SP-0124 dated November 6, 2012, which document consists of 4 pages, as the free act and deed of such person, and if applicable, in the capacities shown, having been duly authorized to execute such instrument in such capacities.

L.S.

Shari E. Ogata
Name of Notary: SHARI E. OGATA
Notary Public, Fifth Judicial Circuit,
State of Hawaii.

My commission expires: 10/05/2016

EXHIBIT "A"

All of Assignor's right, title and interest in and to that certain General Lease No. SP-0124 dated January 6, 2009, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. _____, made by and between STATE OF HAWAII, by its Board of Land and Natural Resources, as Lessor, and PAUL and ARLINE MATSUNAGA, as Lessee.

Said Lease demising the following described premises:



STATE OF HAWAII
SURVEY DIVISION
DEPT. OF ACCOUNTING AND GENERAL SERVICES
HONOLULU

C.S.F. FILE
KAMUY FILE
FOLDER 2

November 27, 1967

(REVISED - NOVEMBER, 1967)

Puu Ka Pele Park Lots

LOT 63

Waimaa (Kona), Kauai, Hawaii

Being a portion of Waimaa Canyon Park
(Governor's Executive Order 2209)

Beginning at the northeast corner of this lot, the coordinates of said point of beginning referred to Government Survey Triangulation Station "HALE 2" being 2405.27 feet south and 2360.88 feet West, as shown on H.S.S. Plat 3095, thence running by azimuths measured clockwise from True South:-

- 1. 12° 12' 113.17 feet along remainder of Waimaa Canyon Park (Governor's Executive Order 2209);
- 2. 88° 30' 230.00 feet along remainder of Waimaa Canyon Park (Governor's Executive Order 2209) and Lot 15 of Puu Ka Pele Park Lots;
- 3. 186° 50' 272.79 feet along Lot 62 of Puu Ka Pele Park Lots;
- 4. 294° 02' 116.26 feet along remainder of Waimaa Canyon Park (Governor's Executive Order 2209);
- 5. 295° 17' 133.98 feet along remainder of Waimaa Canyon Park (Governor's Executive Order 2209), to the point of beginning and containing an Area of 0.90 Acre.

SURVEY DIVISION
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
STATE OF HAWAII

BY: Akira Ishida
Akira Ishida
Land Surveyor

Compiled from survey
by J. Chrystal, Jr.,
A. Ishida and Govt.
Survey Records.

EXHIBIT "A"

EXHIBIT "B"

