

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

October 9, 2015

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

OAHU

Consent to Mortgage, General Lease No. S-3980, Brian Lester Sakamaki, Donna J. Walden, as Trustee under that unrecorded Donna J. Walden Revocable Living Trust dated September 14, 1988, and Giampaolo Paul Boschetti, Lessees, Makiki, Honolulu, Oahu, Tax Map Key: (1) 2-4-029:066.

APPLICANTS AND REQUEST:

Brian Lester Sakamaki, Donna J. Walden, as Trustee under that unrecorded Donna J. Walden Revocable Living Trust dated September 14, 1988, and Giampaolo Paul Boschetti, (“Applicants”), requesting consent to mortgage from First Hawaiian Bank, Mortgagee, in an amount not to exceed \$4,400,000.00.

LEGAL REFERENCE:

Section 171-22, Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government lands over and across Makiki Ditch situated at Makiki, Honolulu, Oahu, identified by tax map key: (1) 2-4-029:066, as shown on the map attached as **Exhibit A.**

AREA:

914 square feet, 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: No

CHARACTER OF USE:

Non-exclusive easement (bridge) for access purposes.

TERM OF LEASE:

Sixty-five (65) years, commencing on June 27, 1966 and expiring on June 26, 2031. Last rental reopening occurred on June 27, 2011; next rental reopening is scheduled for June 27, 2021.

ANNUAL RENTAL:

\$720.00, payable annually.

USE OF LOAN PROCEEDS:

Applicants will use the loan proceeds to acquire the adjacent apartment building situated on a private property. The leased area is used as the vehicular access for the residents and guests of the apartment. Both the private property and the subject lease are encumbered by the mortgage.

REMARKS:

The subject lease was sold at an auction in 1966 to Mrs. Esther K. Arinaga. Over the years, there were multiple changes to the ownership of the adjacent apartment building, which also triggered assignments of the subject lease.

The most recent consent to assignment happened at the Board meeting of May 8, 2015, under agenda item D-12, when the Board gave its consent to the assignment from Synergy Ventures LLC to the Applicants.

As explained in the Use of Loan Proceeds section, the Applicants will use the loan to finance the purchase of the adjacent apartment building. They request the Board's consent to the mortgage described above.

There are no lease compliance issues relating to the rent and insurance provision as required under the subject lease. Further, recent inspection revealed no violation issues.

There are no other pertinent issues and concerns, and staff does not have any objection to the request.

RECOMMENDATION:

That the Board consent to the mortgage between Brian Lester Sakamaki, Donna J. Walden, as Trustees under that unrecorded Donna J. Walden Revocable Living Trust

dated September 14, 1988, and Giampaolo Paul Boschetti, Mortgagor, and First Hawaiian Bank, Mortgagee, subject to the following:

1. The loan proceeds shall be used for the purposes as stated in "Use of Loan Proceeds" above. The Lessee shall maintain records of loan expenditures which may be inspected by the Department;
2. The standard terms and conditions of the most current consent to mortgage form, as may be amended from time to time;
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,



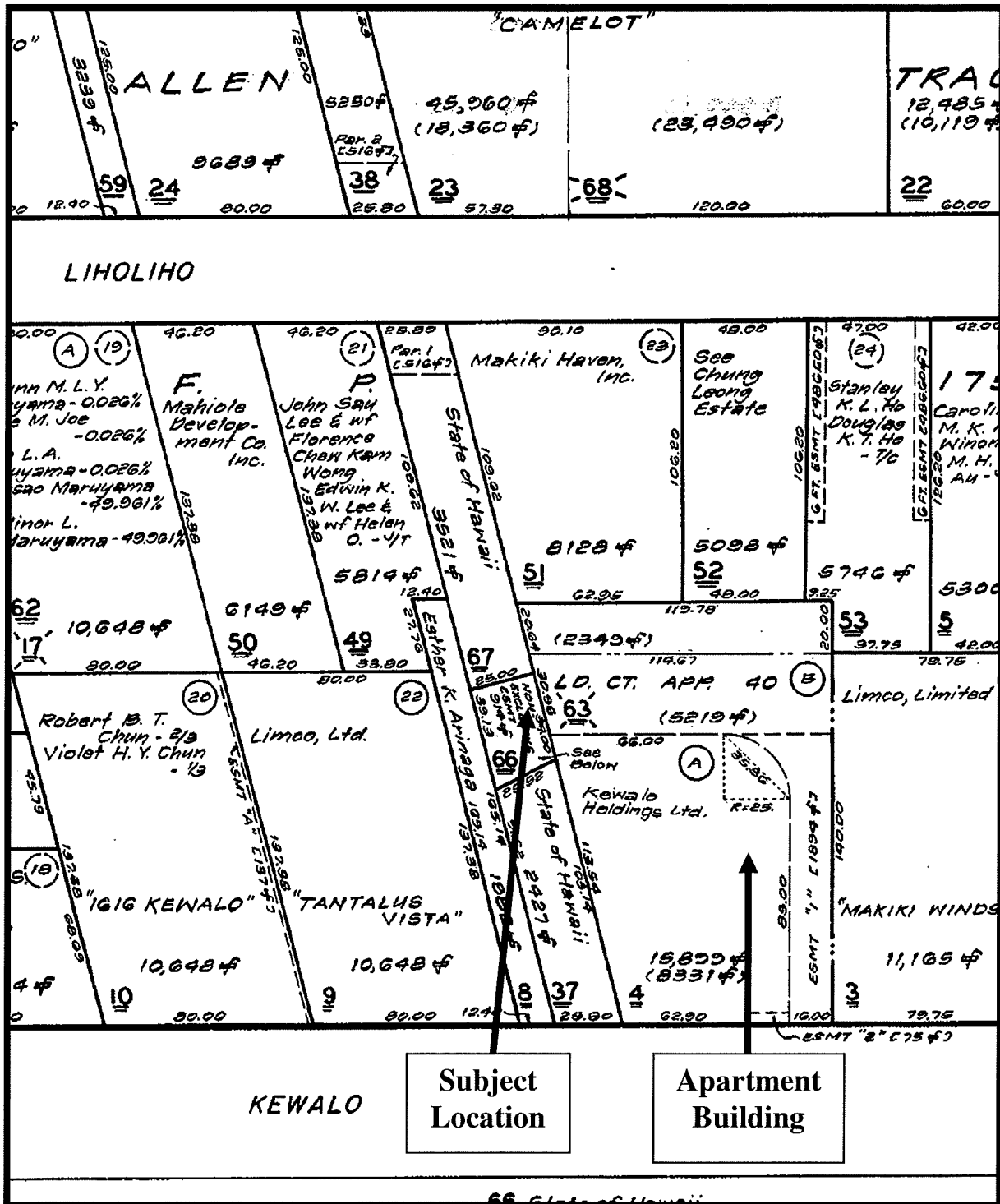
Barry Cheung
District Land Agent

APPROVED FOR SUBMITTAL



Suzanne D. Case, Chairperson





TMK (1) 2-4-029:066

EXHIBIT A