

# **Feasibility Assessment for a Master Lease Framework**

## **BANYAN DRIVE PARCELS**

**(TMK (3)2-1-005:020, 022, 033, 034, and 035)**

**Prepared for:**

**State of Hawaii,  
Department of Land and Natural Resources**

**July 2014**

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# **I. BACKGROUND AND ASSIGNMENT OVERVIEW**



# I. BACKGROUND AND ASSIGNMENT OVERVIEW

## A. INTRODUCTION

As part of its contract for Land Use Planning and Scoping Services for the Banyan Drive Working Group, Hilo, Hawaii, Munekiyo & Hiraga, Inc. (MHI) has been requested by the Department of Land and Natural Resources (DLNR) to assess the feasibility and desirability of placing management of selected State-owned parcels along Banyan Drive under a master lease for hotel, resort, commercial, or other uses permitted by applicable zoning. The affected parcels are identified in **Table 1**.

**Table 1.** Banyan Drive Parcels to be Assessed for Master Lease Potential

Parcel Identifier	Tax Map Key No.	Street Address	Business Entity
Parcel A	(3)2-1-005:022	175 Banyan Drive	Reed's Bay Resort
Parcel B	(3)2-1-005:033, 034, 035	85 Banyan Drive	Uncle Billy's Hilo Bay Hotel
Parcel C	(3)2-1-005:020	121 Banyan Drive	Country Club Condominium/Hotel

Banyan Drive traverses the shoreline extent of a peninsula which establishes a prominent geographic feature of Hilo Bay. Hotel and condominium properties border Banyan Drive along its makai or seaward side, while the Naniloa Golf Course lies along the mauka or landward side of the road. The Liliuokalani Gardens and the Waihonu Pond are located to the southwest of the subject properties. The Coconut Island Park is located to the west. All of the foregoing features provide a tranquil and scenic backdrop to Hilo Bay which is inviting to visitors and residents alike.

The locations of the subject parcels are shown in **Figure 1**, **Figure 2**, and **Figure 3**. The State of Hawaii has ownership of all parcels along the makai side of Banyan Drive. The leases for Parcel "A", "B", and "C" will all expire on March 14, 2015. This concurrent expiration date creates an opportunity for the State of Hawaii to consider the reasonability of managing the three (3) parcels under a single master lease.

Towards this end, the balance of this report addresses the following methodological steps in reaching a conclusion and recommendation.



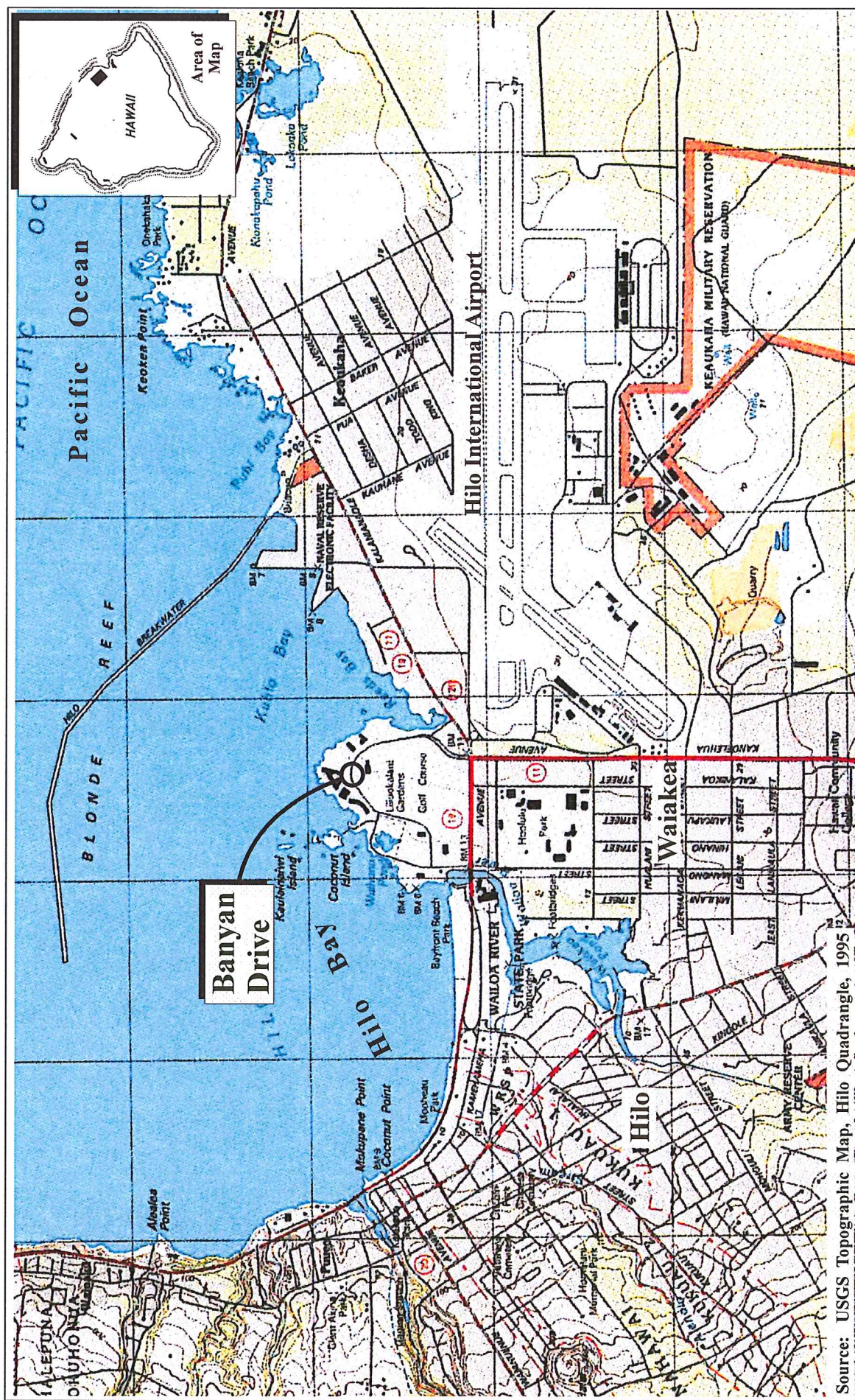
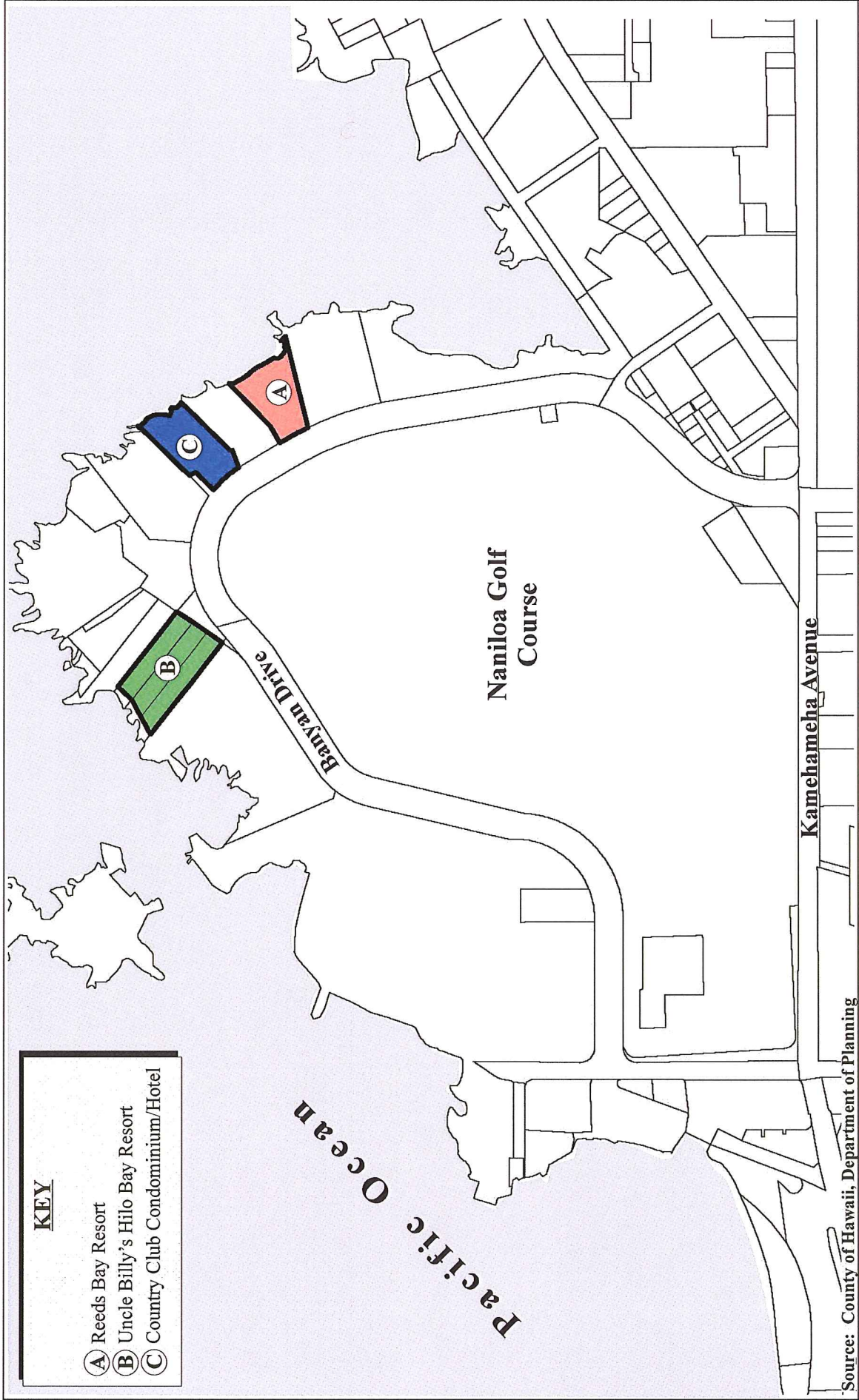


Figure 1 Feasibility Assessment for a Master Lease Framework  
Regional Location Map

**NOT TO SCALE**





**Figure 2 Feasibility Assessment for a Master Lease Framework**

**Parcel Identification Map**





**KEY**

- Ⓐ Reeds Bay Resort
- Ⓑ Uncle Billy's Hilo Bay Resort
- Ⓒ Country Club Condominium/Hotel



Source: Google Earth

**Figure 3** Feasibility Assessment for a Master Lease Framework

Aerial Photo of Banyan Drive



- **Chapter II. Master Lease Concept.** This chapter discusses the general management and operating parameters of a master lease. The information provided is intended to establish a framework for understanding opportunities and constraints associated with a master lease concept.
- **Chapter III. Assessment Criteria and Evaluation Results.** This chapter discusses decision-making factors which should be considered in determining whether a master lease concept would be appropriate. It also includes the analysis of the criteria with the specific set of circumstances presented by the three (3) Banyan Drive parcels.
- **Chapter IV. Analysis and Recommendation.** This final chapter summarizes key findings and recommendations arising from the assessment.

## **B. OVERVIEW OF PARCEL “A”, PARCEL “B”, AND PARCEL “C”**

Towards establishing context for the assessment of feasibility and desirability of placing the subject parcels under a master lease, relevant parcel data and information have been reviewed and summarized in this section.

### **1. Reeds Bay Resort (Parcel “A”)**

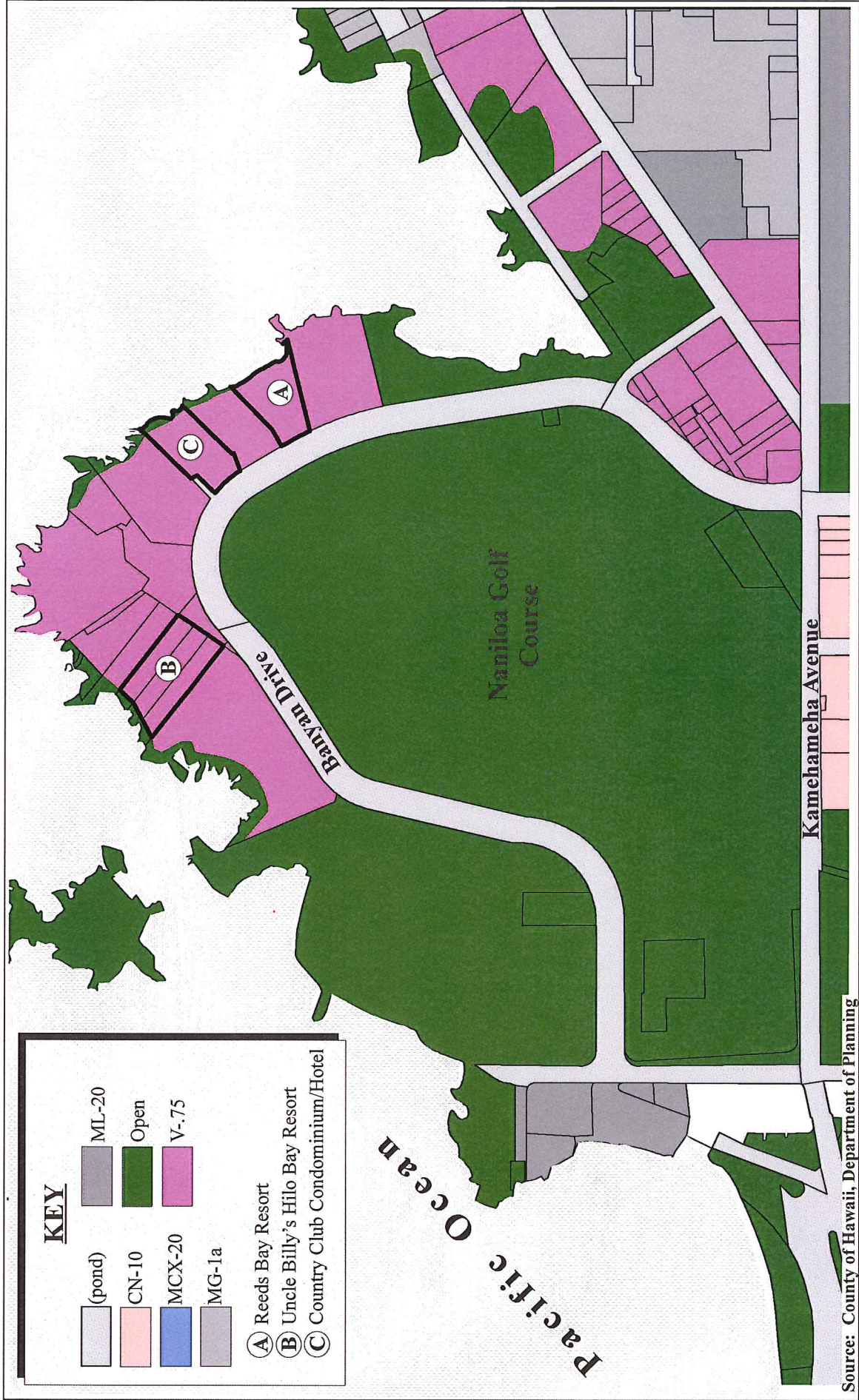
Reeds Bay Resort is a 60-unit facility. Units are used for both short-term (transient accommodations) and long-term use. Approximately 25 units are currently used for hotel operations.

The parcel encompasses an area of approximately 1.19 acres and includes a three (3)-story masonry building constructed in 1978. The County of Hawaii zoning for Parcel “A” is “V-.75, Resort-Hotel” district. See **Figure 4**. Permitted uses within the “V-.75 Resort- Hotel” zoning district include, among other uses, hotel, multi-family dwelling, and restaurants. See **Appendix “A”** for a complete listing of permitted uses in the “V, Resort-Hotel” district.

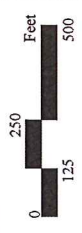
### **2. Uncle Billy’s Hilo Bay Hotel (Parcel “B”)**

Uncle Billy’s Hilo Bay Hotel is a 142-room hotel. Parcel “B” is comprised of three (3) separate TMK’s, as summarized in **Table 2**. Refer to **Figure 2**.





**Figure 4** Feasibility Assessment for a Master Lease Framework  
Zoning Classification Map



**Table 2.** Parcel “B” Summary for Uncle Billy’s Hilo Bay Hotel

TMK No.	TMK Size (Acre)
(3)2-1-005:033	0.586
(3)2-1-005:034	0.531
(3)2-1-005:035	0.495

The County of Hawaii zoning for Parcel “B” is “V-.75, Resort-Hotel” district. Refer to **Figure 4**.

**3. Country Club Condominium/Hotel (Parcel “C”)**

The Country Club Condominium/Hotel is a 138-unit condominium property. Units are individually owned. Units may be owner-occupied or rented for short-term or long-term purposes.

Approximately 1.17 acres in size, the parcel includes a 6-story condominium building constructed in 1969. Refer to **Figure 2** and **Figure 3**. The County of Hawaii zoning for Parcel “C” is “V-.75, Resort-Hotel” district. Refer to **Figure 4**.

**C. EXISTING LEASES FOR PARCELS “A”, “B”, AND “C”**

To further establish context for the assessment of master lease feasibility, the general terms and conditions of each parcel’s existing lease were reviewed and are documented in summary form in this section.

**1. Reeds Bay Resort (Parcel “A”) – General Lease No. 3029**

General Lease No. 3029 took effect on June 30, 1944, between the then Commissioner of Public Lands, Territory of Hawaii and Lessees, John N. and Charlotte H. Smith. The term of the original lease extended to September 13, 1966. A copy of General Lease No. 3029 is included in **Appendix “B”** of this report.

An Agreement for Extension of General Lease No. 3029, executed on November 13, 1962, sets forth the terms and conditions of the lease between the Board of Land and Natural Resources (BLNR) and lease assignees, Richard D. Furtado and Juliette S. Furtado. (The assignment of lease from the original lessees to Richard D. Furtado and Juliette S. Furtado was executed in July 1956.) The lease term, as reflected in the Agreement for Extension, is from November 13, 1962 to March 14,

2015. A copy of the Agreement for Extension of General Lease No. 3029 is included in **Appendix “B-1”** of this report.

2. **Uncle Billy’s Hilo Bay Hotel (Parcel “B”) - General Lease Nos. 3265, 3266, and 3267**

Parcel “B” is covered by three (3) separate general leases, each assigned to their respective TMKs comprising Parcel “B”. See **Table 3**.

**Table 3.** General Leases for Parcel "B", Uncle Billy's Hilo Bay Hotel

TMK No.	General Lease No.
(3) 2-1-005:033	3265
(3) 2-1-005:034	3266
(3) 2-1-005:035	3267

**General Lease No. 3265** was executed between the Commissioner of Public Lands, Territory of Hawaii and Lessee, Bernard K. Chock on June 15, 1948. The term of the original lease extended for a period of 21 years from June 1, 1949 until June 1, 1970. See **Appendix “C”** for a copy of General Lease 3265. Pursuant to the Agreement for Extension of General Lease No. 3265, dated September 6, 1962, between the BLNR and Rose Haena Chock, widow of Bernard K. Chock, the lease was extended to March 14, 2015. See **Appendix “C-1”**.

**General Lease No. 3266** was executed between the Commissioner of Public Lands, Territory of Hawaii and Lessee, Bernard K. Chock on June 15, 1948. The term of the original lease extended for a period of 21 years from August 10, 1949 until August 10, 1970. See **Appendix “D”** for a copy of General Lease No. 3266. An Agreement for Extension of General Lease No. 3266 was executed on September 6, 1962, granting an extension of the lease to March 14, 2015. See **Appendix “D-1”**.

**General Lease No. 3267** was executed between the Commissioner of Public Lands, Territory of Hawaii and Lessees, Frank M. Carr and Alice Carr on June 15, 1948. The term of the original lease extended for a period of 21 years from June 1, 1949 until June 1, 1970. See **Appendix “E”** for a copy of General Lease No. 3267. On January 10, 1963, an Agreement for Extension of General Lease No. 3267 was executed, granting an extension of the lease to March 14, 2015. See **Appendix E-1”**. Mark Norman Olds is the named assignee of the lease, pursuant to the Assignment of Lease date May 15, 1951.



**3. Country Club Condominium/Hotel (Parcel “C”) - General Lease No. 3269**

General Lease No. 3269, between the Commissioner of Public Lands, Territory of Hawaii, and Lessee, A. M. M. Osorio took effect on June 15, 1948. Similar to the other leases described in this section, this lease covered a 21-year term from June 1, 1949 to June 1, 1970. See **Appendix “F”**.

The Agreement for Extension of General Lease No. 3269, executed on November 16, 1962, extended the term of the lease to March 14, 2015. See **Appendix “F-1”**. The Lessee under the Agreement for Extension is Constantine Roumanis, the assignee (via Assignment of Lease dated December 14, 1953).

## **II. MASTER LEASE CONCEPT**

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### **A. MASTER LEASE CONCEPT**

The master lease concept is intended to simplify the management of public lands by allocating responsibility and authority of land and property management from the State of Hawaii to a third party, approved by the Department of Land and Natural Resources (DLNR). The master lease would contain all provisions required to protect the State's interest in the lands that would fall within the master lease. The parallel model in the private sector is the use of a property management company to handle the affairs of a condominium homeowners association. The DLNR has employed this model for the Sand Island Industrial Park.

### **B. MASTER LEASE AUTHORITY**

The master lease, prepared and executed in accordance with Chapter 171, Hawaii Revised Statutes (HRS) relating to the Management and Disposition of Public Lands, would address the roles and responsibilities of the parties to the master lease. Pursuant to Section 171-14, all dispositions of public lands shall be made at public auction after appropriate public notice.

Under the anticipated terms of a master lease, the lessor would be the State of Hawaii, DLNR with the lessee taking the form of a managing entity (e.g., association).

### **C. GENERAL TERMS OF A MASTER LEASE**

Terms of the master lease shall conform to Chapter 171, HRS and shall address conditions of use, rent, improvements to be made, as well as identify restrictions and reservations to be held by the DLNR.

The master lease would also specify the lessee's overall management responsibilities of tenants (sublessees) under the master lease. Such responsibilities would include, but not be limited to, those described in **Table 4**.

**Table 4. Master Lessee Responsibilities**

<b>Responsibility</b>	<b>Comments</b>
Provision and maintenance of improvements to common areas to ensure the safe and functional use of all parcels falling under the master lease	The master lessee would be responsible for providing upkeep for those areas of the properties deemed to be “common” or shared areas providing benefits to all tenants. This responsibility is intended to ensure safe, functional, and code-compliant conditions for all areas deemed to be shared and in the common interest.
Payment of Lease Rent	The master lessee shall be solely responsible for payment of rents under the terms set forth in the master lease. In this regard, the master lessee, shall establish a management and accounting framework for collecting rents from each tenant or sublessee.
Collection and Management of Assessments	The master lessee shall be responsible for establishing and implementing a tenant assessment program which involves the collection from each tenant, fees for administration, common area improvements, debt financing (as applicable), and any other fees and assessments required to maintain the fiscal integrity of the master lessee and, therefore, the ability of the master lessee to meet its obligations under the master lease.
Establishment of Rules and Regulations Governing Tenant Responsibilities and Obligations	<p>The rules and regulations would bind each tenant or sublessee to comply with the terms and conditions set forth in the rules and regulations to ensure that the master lessee will meet its obligations under the master lease. Such terms and conditions, for example, may address:</p> <ul style="list-style-type: none"><li>• tenant rent or assessment payment delinquencies</li><li>• tenant violations of a sublease agreement</li><li>• tenants responsibility to maintain their respective properties in a clean, safe, and habitable condition.</li></ul>
Managing the Transfer of Tenants	The master lessee, in coordination and with approval of the lessor, shall be responsible for managing transfer of sublessees, in the event there is a change in tenant.
Overall Management Responsibilities	The master lessee shall be responsible for the overall management of its tenants and their respective subleased properties. In this regard, the master lessee shall have the authority to select and contract with vendors to provide services, such as garbage collection, common area landscape maintenance, insurance, and accounting.

While the list of responsibilities provided in **Table 4** may not be exhaustive, it is indicative of the role and authority anticipated to be granted to the master lessee, in order to ensure that the State’s interest in the affected parcels are appropriately preserved and protected.

### **III. ASSESSMENT CRITERIA AND EVALUATION RESULTS**

### III. ASSESSMENT CRITERIA AND EVALUATION RESULTS

As noted previously, the purpose of this report is to assess the feasibility and desirability of placing management of Parcels “A”, “B”, and “C” under a master lease for hotel, resort, commercial, or other uses permitted by applicable zoning. To establish a logic and method for undertaking the assessment, the following assessment criteria have been formulated.

- Do uses to be covered by the master lease provide value warranting a master lease framework?
- What are the perceived risks and benefits to a potential master lessee and its tenants?
- What are the operational tradeoffs with the master lease model?

#### A. DO USES TO BE COVERED BY THE MASTER LEASE PROVIDE VALUE WARRANTING A MASTER LEASE FRAMEWORK?

The Hawaii County zoning ordinance (**Appendix “A”**) identifies a number of permitted uses within the “V-.75, Resort-Hotel District”. In addition to hotels, such uses include adult day care homes, commercial parking lots, parks and playgrounds, and single-family dwellings. While the master lease may be framed in a way which allows all uses permitted by applicable zoning, it appears that use of the subject properties for those which are not deemed of a “highest and best use” land use category would not result in a viable revenue generation option from the State’s perspective. In this regard, the historic use of the subject properties for hotel, apartment and condominium-related uses, suggests that the master lease would be reasonable if the master lessee is willing to continue use of the property for hotel, apartment and condominium-related uses.

This limitation appears consistent with provisions set forth in the Agreements for Extension General Lease Nos. 3029, 3265, 3266, 3267, and 3269, all of which reserve the following right of the State of Hawaii:

*All or any part of the demised premises may at any time during the term of this agreement be withdrawn by the Lessor for resort and related development.*

In this regard, in formulating the terms and conditions of the extensions of the general leases, the State of Hawaii recognized the value of resort related uses, above all others, in

terms of opportunities for utilizing the subject parcels for uses compatible with its shoreline location.

**B. WHAT ARE THE PERCEIVED RISKS AND BENEFITS TO A POTENTIAL MASTER LESSEE AND ITS TENANTS?**

The appeal of the master lease concept to potential tenants and a potential master lessee is anticipated to be based on risks and benefits associated with this model. From a potential master lessee and/or tenant's standpoint, considerations and issues likely to arise are summarized in **Table 5**.

**Table 5.** The Master Lease Model – Tenant/Master Lessee Considerations

<b>Issues/Considerations</b>	<b>Risk or Benefit</b>	<b>Master Lessee or Tenant Concern</b>	<b>Comment</b>
Identifiable common areas to be managed	Risk	Tenant	Parcels "A", "B", and "C" are noncontiguous, with each tenant responsible for improvements, repairs, and maintenance on their respective parcels. Banyan Drive is a County of Hawaii roadway and, therefore, there is no tenant shared responsibility for its repair and maintenance. There does not appear to be a significant shared interest in common areas among the three (3) properties.
Obligations and risks in the event of payment default by a tenant	Risk	Master Lessee and Tenant	The operations of the master lessee shall be funded by assessments paid by each tenant or sublessee. Given the limited number of tenants (3) to be covered by the master lease, the nonpayment of assessments by one or more of the tenants will adversely affect the financial capacity of the master lessee to conduct its business. As a corollary to this condition, tenants may be at risk of compromised service or default by the master lessee.
Incremental costs of subleasing through a master lessee	Risk	Tenant	This issue/consideration relates to the perceived and real benefits of working through a master lessee as opposed to entering into a direct lease with the State. If added costs are anticipated via the master lease model, such added costs may affect overall lease rents.
Sufficient economies of scale	Risk	Master Lessee	The issue for organizing a master lessee entity for purposes of entering into a master lease for the Banyan Drive parcels is one of economies of scale. The three (3) parcels to be managed will form the basis for the management oversight for the master lessee. The shift in management responsibilities from the individual tenant to the master lessee (per Table 4) will need to be considered.
Consolidation of Operational Functions (e.g., trash, maintenance, insurance)	Benefit	Tenant	Under a master lease, the management of selected operational functions would be consolidated as a responsibility of the master lessee. Such functions may include, but not be limited to, trash collection, insurance management, and common area maintenance. Assuming the extent of operational responsibilities assumed by the master lessee is viewed as contributing to the overall efficiency of the individual tenant's management purview, such a framework would be viewed as beneficial to the tenant.

**C. WHAT ARE THE OPERATIONAL TRADEOFFS WITH THE MASTER LEASE MODEL?**

This question considers the value created under a master lease model versus that provided by a traditional general lease model utilized in the leasing of other State-owned parcels.

The management and oversight of a single master lease versus three (3) separate leases hold advantages from a direct management standpoint (three versus a single lease). The master lease may also serve as a vehicle to create a stronger organizational “voice” in dealing with off-site issues affecting the State’s Banyan Drive properties. Such issues, for example, may relate to the Banyan Drive roadway conditions or other non-State interests.

The context for a Banyan Drive master lease, however, may not necessarily provide advantages which, for example, may be observed in the Sand Island Industrial Park master lease, which covers a total of 111 separate subleased lots. The economies of scale created by the three (3) Banyan Drive parcels may not provide sufficient incentive for the creation of a master leasing entity given the risk-benefit considerations described herein.

From a risk standpoint, given the limited number of tenants to be potentially covered by a Banyan Drive master lease, the exposure of adverse financial hardship on the part of the master lessee creates concern for organizational and management stability of the master lessee over the long term. This uncertainty, while not assigned a specific probability, is deemed to be a warranted consideration in determining whether the master lease model should be pursued.



## **IV. ANALYSIS AND RECOMMENDATIONS**

## IV. ANALYSIS AND RECOMMENDATIONS

The objective of this assignment is to assess the feasibility and desirability of placing management of Parcel “A”, Parcel “B”, and Parcel “C” at Banyan Drive under a master lease from the State of Hawaii for hotel, resort, commercial, or other uses permitted by applicable zoning.

The key assessment element which drives decision-making on the question of master lease feasibility and desirability is one of economies of scale, given that a single management entity (master lessee) would be responsible for managing three (3) tenants. Issues which arise from the limited tenant base include benefits to tenants, which, given the limited shared or common interests of the three (3) parcels, do not appear to be significant from a property management standpoint

Related to the limited tenant base are the risks associated with potential default on the part of any tenant. Inasmuch as the master lessee’s assessment revenues can be significantly impacted in the case of payment default by a single tenant, the concern of the master lessee’s potential to maintain financial stability over the term of the lease creates a higher level of exposure not only to the remaining tenants, but also the State of Hawaii.

The limited economies of scale and related associated risks translates to practical questions which must also be considered in the decision-making process. These include: (1) is there sufficient incentive for a master leasing entity to be organized; and (2) will such a model limit tenant interest in the subject parcels (when compared to the traditional general lease model).

While the master lease model may provide advantages from the land management efficiency standpoint, such a model should be assessed on a case-by-case basis. In this instance, given the limitations of scale, the master lease model is not considered feasible or desirable.

While the analysis presented herein suggests that the master lease model is not feasible or desirable for the three (3) parcels described above, there may be other alternatives to improve management efficiencies.

### **1. Consolidation of the three (3) leases for Parcel “B” (Uncle Billy’s Hilo Bay Hotel):**

Uncle Billy’s Hilo Bay Hotel is currently covered by three (3) separate leases (General Lease Nos. 3265, 3266, 3267), each associated with a unique TMK which underlies the property. Lease management efficiency can be achieved with the consolidation of the three (3) leases into a single lease to enable a single lease framework for the property. Concurrently, consideration should be given to the consolidation of the three (3) parcels

into a single parcel. A single consolidated parcel will provide greater potential to the redevelopment and reuse of the property.

**2. Incorporate a lease provision to allow for coordination and cooperation with other lessees:**

To the extent permitted by law, the new leases for Parcels “A”, “B” and “C” may provide that each lessee, as directed by the State, participate with other lessees along Banyan Drive in organizing a lessees’ association managed by a third party entity. As leases for other parcels expire, the respective leases for those parcels would incorporate a similar provision, thus enabling the creation of a formal, recognized organization of a Banyan Drive lessees association. The lessees would be responsible for funding the association.

The incremental cost of funding the association would be offset by the following potential benefits:

- a. The association will provide a venue for addressing broader issues of planning, development, and management of the Banyan Drive parcels. Such a venue would be beneficial to both the lessees and the State of Hawaii, as the association would provide a formal and organized means of discussing matters of mutual interest among lessees and between lessees and the State. Such an association is anticipated to simplify and facilitate communications and resolution of issues among the various parties.
- b. The association would create a governance framework for collaboration and coordination among lessees. Such a framework may, for example, include a board of directors with representation from each leased parcel.
- c. The association provides an opportunity for teaming with the State of Hawaii to address issues which extend beyond the purview of the State. For example, if concerns arise with respect to Banyan Drive operations (e.g. traffic, parking, roadway maintenance, etc.), the association and the State would have an opportunity to collaborate in discussing solutions and presenting these solutions to the appropriate agency or organization.

Although the formation of a fully functional association may not be possible until all Banyan Drive leases are renewed, during the interim, the lessees of Parcels “A”, “B”, and “C” would have the option to organize such an association. Such a forum may also provide non-association members the opportunity to discuss issues and concerns of mutual interest.

## **APPENDIX A.**

**Excerpts from Hawaii County  
Code, Section Relating To The  
“V, Resort-Hotel Zoning Districts**

- (c) For accessory uses such as plastic roofed and shade cloth wooden or metal framed structures used in controlling the amount of sunlight, rainfall, wind and other elements of nature in the raising of fruits, vegetables and similar agricultural products, rear, side and front yards shall be at least ten feet except where:
    - (1) Exterior walls of any type other than shade cloth are added to the wooden or metal framed structure;
    - (2) The specific use allowed is abandoned; and
    - (3) The IA district shares common boundaries with urban zones and main government roads.
- (1996, Ord. No. 96-160, sec. 2; ratified April 6, 1999; Am. 1999, Ord. No. 99-110, sec. 2.)

**Section 25-5-87. Other regulations.**

- (a) If any building site in the IA district has an area of less than five acres, then the minimum yards shall be the same as the yards in an FA district having an area requirement nearest to that of the subject building site in the IA district.
  - (b) One farm dwelling shall be permitted on any building site in the IA district, if it is located on or used in connection with a farm or if the agricultural activity provides income to the family occupying the dwelling. In the case where agricultural activity has not been established, a farm dwelling agreement shall be entered into with the County to insure that agricultural activity will be established by the applicant within three years from the date that the building permit for the farm dwelling is issued.
  - (c) Additional farm dwellings may be permitted in the IA district only upon the following conditions:
    - (1) A farm dwelling agreement for each additional farm dwelling, on a form prepared by the director, shall be executed between the owner of the building site, any lessee having a lease on the building site with a term exceeding one year from the date of the farm dwelling agreement, and the County. The agreement shall require the dwelling to be used for farm-related purposes.
    - (2) The applicant shall submit an agricultural development and use program, farm plan or other evidence of the applicant's continual agricultural productivity or farming operation within the County to the director. Such plan shall also show how the farm dwelling will be utilized for farm-related purposes.
  - (d) Exceptions to the regulations for the IA district regarding heights, building site areas, building site average widths and yards, may be approved by the director within a planned unit development.
- (1996, Ord. No. 96-160, sec. 2; ratified April 6, 1999.)

**Division 9. V, Resort-Hotel Districts.**

**Section 25-5-90. Purpose and applicability.**

The V (resort-hotel) district applies to areas to accommodate the needs and desires of visitors, tourists and transient guests. It applies to specific areas where public roads and public utilities are available or where suitable alternate private facilities are assured. It may apply to a single isolated hotel or resort with or without a commercial mall or shopping section.

(1996, Ord. No. 96-160, sec. 2; ratified April 6, 1999.)

**Section 25-5-91. Designation and density of V districts.**

- (a) Each V (resort-hotel) district shall be designated on the zoning map by the symbol "V" followed by a number which indicates the required land area, in thousands of square feet, for each dwelling unit or for each separate rentable unit in the case of hotels, resorts, inns, lodges, motels, motor hotels, motor lodges, or other similar rentable units.

- (b) In case any of the permitted uses have dormitories, two beds shall be equivalent to one separate rentable unit for purposes related to the required land area in the V district.
  - (c) Maximum density designation in the V district shall be .75 or seven hundred fifty square feet of land area for each dwelling unit or separate rentable unit.
  - (d) In the V district, no limitation shall be placed on the increments used between the various density designations; however, the recommended incremental density designations are: .75, 1, 1.25, 1.5 and upward in 0.25 increments.
- (1996, Ord. No. 96-160, sec. 2; ratified April 6, 1999.)

**Section 25-5-92. Permitted uses.**

- (a) The following uses shall be permitted in the V district:
  - (1) Adult day care homes.
  - (2) Amusement and recreational facilities, indoor.
  - (3) Art galleries, museums.
  - (4) Automobile service stations.
  - (5) Bars, night clubs and cabarets.
  - (6) Bed and breakfast establishments, as permitted under section 25-4-7.
  - (7) Business services.
  - (8) Cemeteries and mausoleums, as permitted under chapter 6, article 1 of this Code.
  - (9) Churches, temples, and synagogues.
  - (10) Commercial parking lots and garages.
  - (11) Community buildings, as permitted under section 25-4-11.
  - (12) Day care centers.
  - (13) Dwellings, double-family or duplex.
  - (14) Dwellings, multiple-family.
  - (15) Dwellings, single-family.
  - (16) Family child care homes.
  - (17) Financial institutions.
  - (18) Group living facilities.
  - (19) Home occupations, as permitted under section 25-4-13.
  - (20) Hotels.
  - (21) Lodges.
  - (22) Medical clinics.
  - (23) Meeting facilities.
  - (24) Major outdoor amusement and recreation facilities.
  - (25) Model homes, as permitted under section 25-4-8.
  - (26) Parks, playgrounds, tennis courts, swimming pools, and other similar open area recreational facilities.
  - (27) Personal services.
  - (28) Photography studios.
  - (29) Public uses and structures, as permitted under section 25-4-11.
  - (30) Restaurants.
  - (31) Retail establishments.
  - (32) Telecommunication antennas, as permitted under section 25-4-12.
  - (33) Temporary real estate offices, as permitted under section 25-4-8.
  - (34) Theaters.

- (35) Time share units.
  - (36) Utility substations, as permitted under Section 25-4-11.
  - (37) Visitor information centers.
  - (b) In addition to those uses permitted under subsection (a) above, the following uses may be permitted in the V district, provided that a use permit is issued for each use:
    - (1) Crematoriums, funeral homes, funeral services, and mortuaries.
    - (2) Golf courses and related golf course uses, including golf driving ranges, golf maintenance buildings and golf club houses.
    - (3) Hospitals, sanitariums, old age, convalescent, nursing and rest homes.
    - (4) Schools.
    - (5) Yacht harbors and boating facilities.
  - (c) Buildings and uses normally considered directly accessory to the uses permitted in this section shall also be permitted in the V district.
- (1996, Ord. No. 96-160, sec. 2; ratified April 6, 1999; Am. 2011, Ord. No. 11-26, sec. 2; Am. 2012, Ord. No. 12-28, sec. 11.)

**Section 25-5-93. Height limit.**

- (a) The height limit in the V district shall be forty-five feet, except in those areas designated in subsections (b) and (c) below.
  - (b) The height limit in the V district in the City of Hilo shall be one hundred twenty feet.
  - (c) The height limit in the V district at Keauhou Bay and Kahaluu Bay shall be ninety feet.
- (1996, Ord. No. 96-160, sec. 2; ratified April 6, 1999.)

**Section 25-5-94. Minimum building site area.**

The minimum building site in the V district shall be fifteen thousand square feet.

(1996, Ord. No. 96-160, sec. 2; ratified April 6, 1999.)

**Section 25-5-95. Minimum building site average width.**

Each building site in the V district shall have a minimum average width of ninety feet.

(1996, Ord. No. 96-160, sec. 2; ratified April 6, 1999.)

**Section 25-5-96. Minimum yards.**

The minimum yards in the V district shall be as follows:

- (1) Front and rear yards, twenty feet; and
  - (2) Side yards, eight feet for one story, and an additional two feet for each additional story.
- (1996, Ord. No. 96-160, sec. 2; ratified April 6, 1999.)

**Section 25-5-97. Landscaping.**

Landscaping shall be provided on a minimum of twenty percent of the total land area of any building site in the V district, except for lots containing only one single-family dwelling and accessory buildings. Parking areas shall not be included within the area required for landscaping on any building site.

(1996, Ord. No. 96-160, sec. 2; ratified April 6, 1999; Am. 2005, Ord. No. 05-155, sec. 8.)

**Section 25-5-98. Other regulations.**

- (a) More than one main building may be situated on any building site in the V district.
  - (b) The distance between main buildings on one building site in the V district shall be at least fifteen feet.
  - (c) Plan approval shall be required for all new structures and additions to existing structures in the V district, except for construction of one single-family dwelling and any accessory buildings per lot.
  - (d) Exceptions to the regulations for the V district regarding heights, building site areas, building site average widths and yards, may be approved by the director within a planned unit development.
- (1996, Ord. No. 96-160, sec. 2; ratified April 6, 1999; Am. 2005, Ord. No. 05-155, sec. 9.)

## **APPENDIX B.**

**General Lease No. 3029  
(Reeds Bay Resort – Parcel “A”)**



O. L. 1671.....  
L. B. ....  
Ad. Bk. 17-22:11  
Grant.....  
Ex. Or.....  
N. L.....  
Rev. Pmt.....

OFFICE OF THE  
COMMISSIONER OF PUBLIC LANDS  
TERRITORY OF HAWAII

**GENERAL LEASE No.** 3029

**This Indenture** OF LEASE, made this 30th day of JUNE, A. D. 1944.

by and between the Territory of Hawaii, by its COMMISSIONER OF PUBLIC LANDS, for and on its behalf, party of the first part, hereinafter called the LESSOR, and

JOHN N. & CHARLOTTE H. SMITH  
Hilo, Hawaii  
American citizens

party of the second part, hereinafter called the LESSEE, the said Lessee being the highest qualified bidder for this lease which was duly advertised and sold at public auction, on the day mentioned above, in conformity with Section 73 of the Hawaiian Organic Act and the Laws of the Territory of Hawaii:

**WITNESSETH**, That for and in consideration of the rents, covenants, conditions and agreements hereinafter reserved and contained, including such additional covenants, conditions and agreements contained on separate sheet hereto attached as Schedule B, (if there be one) and made a part hereof, all on the part of the said Lessee to be paid, kept and performed, the said Lessor has demised and by these presents does demise and lease unto the said Lessee all that portion of the Government land of WATAKEA, HILO CITY, SOUTH HILO, HAWAII, hereinafter more particularly described on separate sheet hereto attached as Schedule A and made a part hereof and as shown on map also hereto attached and also made a part hereof.

**TO HAVE AND TO HOLD**, all and singular the said premises herein mentioned and described, with the appurtenances, unto the said Lessee, for and during the term of TWENTY-ONE (21) years, to commence from the 13th day of SEPTEMBER, A. D. 1945:

**YIELDING AND PAYING** therefor the annual rent of TWO HUNDRED EIGHTY & NO/100 Dollars (\$ 280.00), in lawful money of the United States, payable by equal SEMI-ANNUAL payments in advance at the office of the Commissioner of Public Lands, in Honolulu, Oahu, on the 13th of Sept. & Mar. of each and every year over and above all taxes, charges and assessments to be levied or imposed thereon by Legislative Authority, and subject, moreover, to the further provisions set forth in Schedule C (if there be one) hereto attached and made a part hereof.

**THE LESSEE** does hereby **COVENANT** with the Lessor that the said rent shall be paid in manner aforesaid, and that all covenants, conditions and agreements herein set forth and all covenants, conditions and agreements contained in any schedules hereto attached will be observed and performed.

**AND ALSO**, That the Lessee shall and will from time to time during the term of this lease, bear, pay and discharge all taxes, impositions and assessments, ordinary or extraordinary, which may hereafter, at any time during the continuance of the said term, be laid, imposed, assessed or charged on the said demised premises, or any part thereof, or upon any improvements made or to be made thereon.

**AND ALSO**, That the Lessee shall and will comply with all laws, ordinances, rules or regulations, federal, territorial, municipal or county, applicable to said premises or the operations conducted thereon, whether now or hereafter put into effect; that the Lessee shall and will bear, pay and discharge without cost to the Lessor, all costs and charges for fencing the whole or any part of the above described premises, if such fencing shall be required by the Lessor, or should be so required by any law now in force, or that may be hereafter enacted, and shall and will maintain the fences so constructed, or previously constructed, in a stock-proof condition during the full term of this lease; and that the Lessee shall and will indemnify the said Lessor and the Commissioner of Public Lands from and against all damages, costs, expenses and charges which he or the Territory of Hawaii may at any time sustain by reason of any neglect or refusal of the Lessee to faithfully observe and perform all or any of the covenants in this paragraph contained.

**AND ALSO,** That the Lessee shall not do or commit, or permit or suffer to be done, any willful or voluntary waste, spoil or destruction, in and upon the above demised premises, or any part thereof, or cut down, or permit to be cut down, any trees now growing, or being, or which shall hereafter grow, or be in and upon the above demised premises, or any part thereof, except as special permission for the same may herein be given.

**AND ALSO,** That the Lessee shall and will at the end, or other sooner determination of the said term hereby granted, peaceably and quietly yield up unto the Lessor all and singular the premises herein demised, with all erections, buildings and improvements of whatever name or nature, now on or which may be hereafter put, set up, erected or placed upon the same, in as good order and condition in all respects (reasonable use, wear and tear excepted), as the same are at present or may hereafter be put by the Lessee.

**AND ALSO,** That the Lessee shall not demise, let, set or assign over the said premises, or any part thereof, or assign this lease or any interest therein to any person or persons whomsoever, for any term or time whatsoever, without the prior consent in writing of the Lessor.

**AND THE LESSOR** does hereby covenant with the Lessee, that the Lessee shall at all times during the term hereby granted; so long as the Lessee shall pay the annual rent, and keep and observe the covenants, conditions and agreements herein contained, peaceably and quietly have, hold, occupy, possess and enjoy all of the said demised premises, and every part and parcel thereof, with appurtenances.

**IT IS MUTUALLY AGREED AND UNDERSTOOD,** That this Lease, issued in accordance with law, is subject to the following:

- (1) That, the land herein leased, or any part thereof, may at any time during the term of this lease be withdrawn from the operation hereof for homestead or public purposes, in which case the rent herein reserved shall be reduced in proportion to the value of the part so withdrawn; provided, that, with the approval of the Governor and the Board of Public Lands, such withdrawal provision shall not apply to any lease of any lands suitable for the cultivation of sugar cane;
- (2) That, the Lessor may, at any time, with reasonable notice and without compensation, except for improvements taken, take possession of any part of the land covered by this lease which may be required for laying out and constructing new roads or improving or changing the line or grade of old roads, and taking such soil, rock or gravel as may be necessary for the construction or improvement of such roads; provided, that such taking without compensation, shall not extend to such parts of the land herein leased, as are under cultivation with annual crops or sugar cane until such crops have been harvested, nor to such parts of the land herein leased as are planted and cultivated with coffee, fruit trees, or other perennial crops, or permanent improvements, except fences; provided, further, that in lieu of proceeding under this paragraph the Lessor may proceed by the method stated in paragraph (1);
- (3) That any Hawaiian Homes Commission Available Lands, as listed in the Hawaiian Homes Commission Act, 1920, Section 203 (Section 1662 Revised Laws of Hawaii, 1935) as amended, covered by this General Lease, will be withdrawn by the Commissioner of Public Lands for the purpose of said Hawaiian Homes Commission Act, 1920, as required by said Act, Section 204 (2) (Section 1663, Subsection 2, Revised Laws of Hawaii, 1935) as amended upon the Hawaiian Homes Commission giving at its option not less than one (1) nor more than five (5) years' notice of such withdrawal.

**IT IS ALSO MUTUALLY AGREED AND UNDERSTOOD,** That the Lessor reserves unto itself, its agents and representatives and the agents and representatives of the County or City and County wherein the land herein leased is located, the right to, at any time, in the performance of their duties, enter the land herein leased, for inspection purposes or to cross same to gain access to any adjoining Forest Reserve or other Government lands.

**PROVIDED ALWAYS,** And these presents are upon these conditions, that if the rent herein reserved shall remain unpaid for thirty (30) days after the same is due, or if the Lessee shall fail to well and truly observe, keep or perform any of the covenants and agreements on the part of the Lessee to be observed, kept and performed, or in case the Lessee shall be adjudged bankrupt, then, and from thenceforth, in any of the said cases, it shall be lawful for the Lessor to take possession of the demised premises without notice, demand or previous entry and with or without legal process and thereby determine the estate created by this lease; and provided, further, that in the event of default in the payment of taxes upon the demised premises for sixty (60) days after such taxes have become delinquent, this lease shall be void, pursuant to Section 1613, Revised Laws of Hawaii 1935.

SCHEDULE A

DESCRIPTION OF LAND COVERED  
BY GENERAL LEASE NO. 3029  
TO JOHN N. & CHARLOTTE H. SMITH

---

Lot 12  
Ocean View Lots  
Waiakea, Hilo City, Hawaii

Beginning at a + cut in lava at sea-coast, at the North angle of this lot, the approximate coordinates being 4193.0 feet North and 11523.0 feet East, referred to Government Survey Trig. Station "Halai", as shown on Government Survey Registered Map No. 2537, the boundary runs by true bearings:-

1. S. 44° 54' W. 193.6 feet along Lot 11;
2. S. 30° 14' E. 128.0 feet along government land;
3. N. 76° 23' E. 254.0 feet along Lot 13 to extreme Easterly corner on projecting spur of sea-coast cliff;
4. Thence along sea-coast to point of beginning, the direct bearing and distance being:  
N. 42° 45' W. 257.0 feet.

AREA 1-00/100 ACRE, MORE OR LESS

Lot 12-A  
Ocean View Lots  
Waiakea, Hilo City, South Hilo, Hawaii

Being portion of the Government (Crown) Land of Waiakea

Beginning at the west corner of this lot, the south corner of Lot 11-A, Ocean View Lots, and on the east side of

Banyan Drive, the coordinates of said point of beginning referred to Government Survey Triangulation Station "MOKUOLA 2" being 964.05 feet South and 1691.99 feet East, as shown on Government Survey Registered Map 2537, and running by azimuths measured clockwise from True South:-

1. 239° 54' 30" 68.95 feet along Lot 11-A, Ocean View Lots;
2. 329° 46' 00" 128.00 feet along Lot 12, Ocean View Lots;
3. 76° 23' 00" 77.06 feet along Lot 13, Ocean View Lots to the east side of Banyan Drive;
4. Thence along the east side of Banyan Drive on a curve to the left having a radius of 1181.80 feet to the point of beginning, the chord azimuth and distance being 152° 23' 36" 106.24 feet;

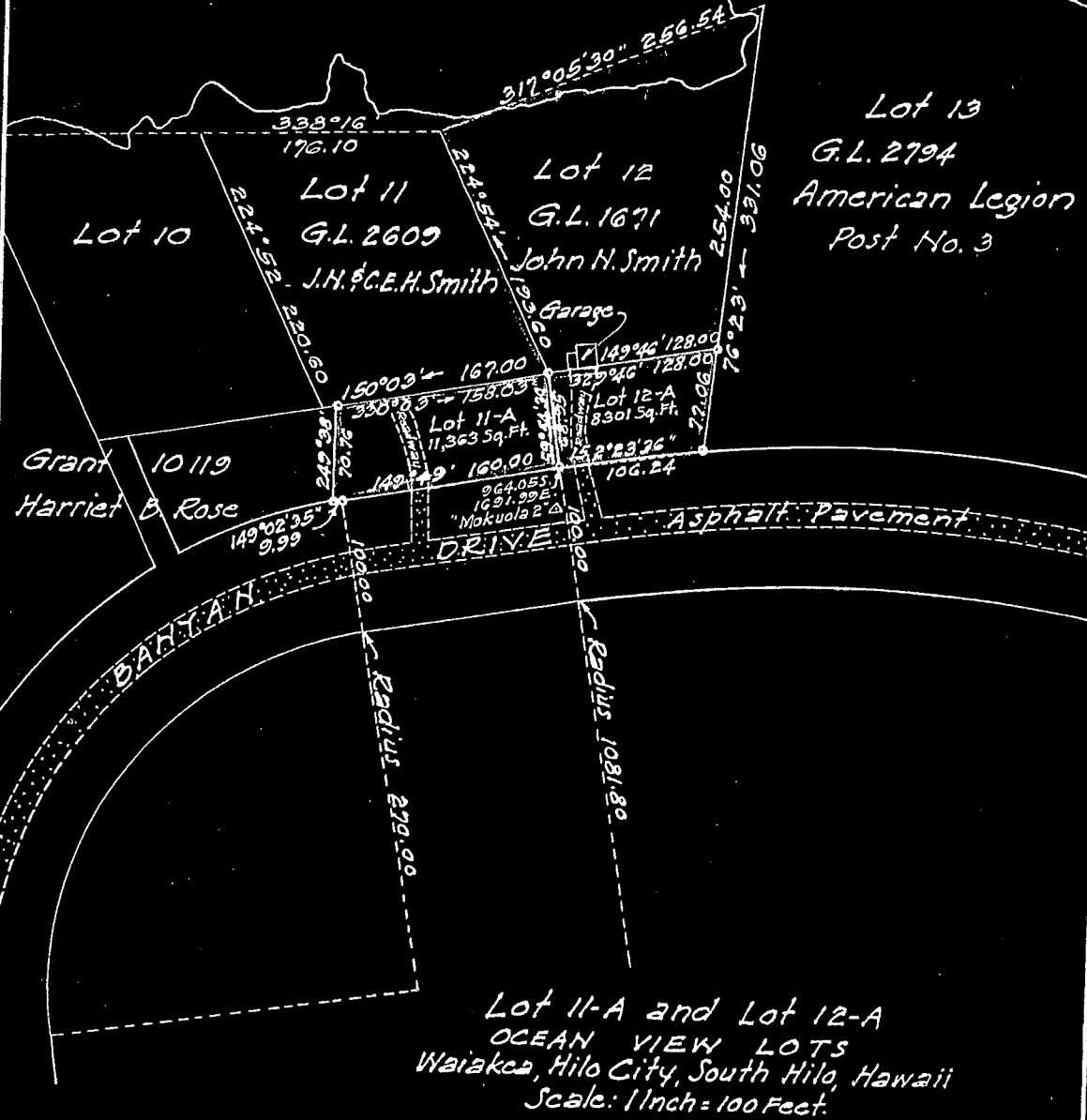
← AREA 8301 SQUARE FEET →

— CONTAINING A TOTAL AREA OF 1.19 ACRES —

MORE OR LESS

True North  
Scale: 1 in. = 100 ft.

SEA



Tex Mapkey: 2-1-05  
Caption: 162

SURVEY DEPARTMENT  
TERRITORY OF HAWAII

C.L.M. Nov. 22, 1943

**PROVIDED LASTLY,** That the Lessor and Lessee, the successors of the said Lessor, and the heirs, executors, administrators and permitted assigns, or the successors and permitted assigns, of the said Lessee, as the case may be, shall be respectively bound by and entitled to the benefit of these presents and to the covenants, conditions and amends herein contained, in like manner as if the word "successors" was inserted next after the word "Lessor" throughout and as if the words "heirs, executors, administrators and permitted assigns" or the words "successors and permitted assigns," as the case may be, were inserted after the word "Lessee" throughout, so far as the nature of the case will permit and unless the context may require a different construction; AND ALSO, Should this Lease be with more than one individual as "Lessee," then, and in that case the word "Lessee" herein contained shall mean and automatically be read as "Lessees" throughout as though the word "Lessee" had been changed accordingly throughout, and the said Lessees shall be jointly and severally liable for the faithful performance of this lease.

**IN WITNESS, WHEREOF** The said Lessor has caused this lease and TWO other copies of like date and tenor herewith to be duly executed, in its behalf, by its Commissioner of Public Lands under his official seal, this 19<sup>th</sup> day of July, A. D. 1944, as of the day and year first above written, and said Lessee, should such Lessee be a corporation, has caused its corporate seal to be hereto affixed and its corporate name to be signed by its proper officers thereto duly authorized, this \_\_\_\_\_ day of \_\_\_\_\_, A. D. \_\_\_\_\_, also as of the day and year first above written, and should such Lessee be one or more persons, then as such Lessee, has hereunto set his, her or their hand or hands this 17<sup>th</sup> day of July, A. D. 1944, also as of the day and year first above written.

TERRITORY OF HAWAII

By A. Lester Marks  
Its Commissioner of Public Lands.

John N. Smith  
JOHN N. SMITH Lessee.

Charlotte H. Smith  
CHARLOTTE H. SMITH Lessee

TERRITORY OF HAWAII,  
City & County of Honolulu } ss.  
City and

On this 19<sup>th</sup> day of July, A. D. 1944, before me personally appeared A. LESTER MARKS, Commissioner of Public Lands of the Territory of Hawaii, to me known to be the person who executed the foregoing instrument, under his official seal, and acknowledged that he executed the same, as his free act and deed as such Commissioner of Public Lands, on behalf of the Territory of Hawaii.

Robert S. Dunn  
Notary Public, First  
Judicial Circuit, Territory of Hawaii.  
My Commission Expires Nov 20, 1945

TERRITORY OF HAWAII,  
County of Hawaii } ss.  
City and

On this 17<sup>th</sup> day of July, A. D. 1944, before me personally appeared JOHN N. & CHARLOTTE H. SMITH to me known to be the persons described in and who executed the foregoing instrument and acknowledged that they executed the same as their free act and deed.

Frank J. Ferraro  
Notary Public, Third  
Judicial Circuit, Territory of Hawaii.

Written by syf

Checked by lcl

## **APPENDIX B-1.**

### **Agreement for Extension of General Lease No. 3029 (Reeds Bay Resort – Parcel “A”)**

AGREEMENT FOR EXTENSION OF  
GENERAL LEASE NO. 3029

THIS AGREEMENT, entered into this *13<sup>th</sup>* day of *November*, 1962, between the STATE OF HAWAII, by its Board of Land and Natural Resources, hereinafter referred to as the "LESSOR", and RICHARD D. FURTADO and JULIETTE S. FURTADO, husband and wife, whose residence and post office address is 60 Apapane Road, Hilo, County and Island of Hawaii, State of Hawaii, hereinafter referred to as the "LESSEES",

WITNESSETH THAT:

WHEREAS, the Lessees are designated as "ASSIGNEES" of General Lease No. 3029 in that certain Assignment of Lease dated the 5th day of July, 1956; and

WHEREAS, the Lessees have been found to be victims of a natural disaster qualified under Section 87 of Act 32, Session Laws of Hawaii 1962, by the Board of Land and Natural Resources; and

WHEREAS, the Board of Land and Natural Resources upon the application of said Lessees for an extension of said lease, has agreed to the extension of said lease with additional provisions contained hereinafter in its meeting held on July 27, 1962;

NOW, THEREFORE, in consideration of the rents, covenants and conditions herein contained and the terms, covenants and conditions contained in General Lease No. 3029 (except where they conflict with the provisions contained herein, in which event the terms, covenants and conditions contained herein shall



control), and on the part of the Lessees to be paid, kept and performed, the Lessor extends the term of General Lease No. 3029 to March 14, 2015, upon the following terms and conditions:

- (1) The Lessees shall pay an annual rental of TWO HUNDRED EIGHTY AND NO/100 DOLLARS (\$280.00) payable by equal semi-annual payments in advance at the Department of Land and Natural Resources in Honolulu, Oahu, State of Hawaii, on the 13th day of each September and March of each and every year until the expiration of said General Lease No. 3029, which is the 12th day of September, 1966.
- (2) The annual rental for the next twenty (20) years shall be fixed by negotiation on the basis of an appraisal of the then current market value for rental purposes of the demised premises (including improvements), put to its highest and best use, taking into consideration, but not limited to, the then existing zoning.
- (3) The annual rental for the next twenty (20) year period shall be fixed in like manner.
- (4) The annual rental for the remainder of the term shall also be set in like manner.
- (5) In the event the Lessees shall prior to September 12, 1966, decide to put the demised premises to a use other than the present use, and such use is permitted by the then existing zoning laws or regulations, there shall be an immediate re-negotiation of the rental for a twenty (20) year period with the new rate to be established on the basis of an ap-

- praisal at the then current market value for rental purposes of said premises (including improvements) taking into consideration the contemplated new use.
- (6) The annual rental for the next twenty (20) year period shall be fixed in like manner and the annual rental for the remainder of the term of this agreement shall be fixed in like manner.
- (7) All or any part of the demised premises may at any time during the term of this agreement be withdrawn by the Lessor for resort and related development, in addition to the reasons enumerated in the withdrawal provisions contained in General Lease No. 3029. In case of withdrawal for resort and related development only, the rental payable herein shall be reduced in proportion to the value of the part so withdrawn and compensation shall be paid to the Lessees for any damages to improvements resulting from such withdrawal to be determined by an appraisal to be made at the time of withdrawal reflecting the number of years remaining in the lease as extended by this agreement.
- (8) The parties hereto agree that should the Lessor and Lessees fail to agree upon the rental as determined above, the Lessees may appoint their own appraiser, who together with the Lessor's appraiser shall appoint the third appraiser and the value shall be determined by arbitration as provided for under Chapter 188, Revised Laws of Hawaii 1955. The Lessees shall pay for their own appraiser and the cost of the third appraiser shall be borne equally.
- (9) Credit shall be given to the Lessees under this agreement toward the payment of the new rent for any pay-

ment made in advance by said Lessees pursuant to General Lease No. 3029.

- (10) No substantial improvements for residential purposes shall be undertaken by the Lessees without the prior written consent of the Lessor.
- (11) Except where the abovementioned rentals, terms, covenants and conditions conflict with the terms, covenants and conditions contained in the aforementioned General Lease No. 3029, dated the 30th day of June, 1944, the terms, covenants and conditions contained in said General Lease No. 3029 are continued in full force and effect until the termination date stated in this agreement.

IN WITNESS WHEREOF, the STATE OF HAWAII, the Lessor herein, by its Board of Land and Natural Resources, has caused the seal of the Department of Land and Natural Resources to be hereunto affixed and these presents to be duly executed by its Director of Land and Natural Resources and countersigned by a member of the Board of Land and Natural Resources, this 14th day of November, 1962, as of the day and year first above written; and RICHARD D. FURTADO and JULIETTE S. FURTADO, the Lessees herein, have hereunto set their hands this 13th day of November, 1962, also as of the day and year first above written.

COUNTERSIGNED:

By: R. L. Summers  
Member  
Board of Land and Natural  
Resources

STATE OF HAWAII

By: E. I. P. P.  
Director  
Department of Land and  
Natural Resources

APPROVED AS TO FORM:

M. J. B. Brown  
Deputy Attorney General

Richard D. Furtado  
RICHARD D. FURTADO

Juliette S. Furtado  
JULIETTE S. FURTADO

STATE OF HAWAII )  
: ss  
COUNTY OF HAWAII)

On this 13<sup>th</sup> day of *November*, 1962, before me  
personally appeared RICHARD D. FURTADO and JULIETTE S.  
FURTADO, to me known to be the persons described in and  
who executed the foregoing instrument and acknowledged that  
they executed the same as their free act and deed.

*Lay Yunko Nakai*  
Notary Public, Third Judicial  
Circuit, State of Hawaii.

My Commission expires: *November 22, 1964*

bys  
Checked by: *jb*

## **APPENDIX C.**

**General Lease No. 3265  
(Uncle Billy's Hilo Bay Hotel –  
Parcel "B")**

O. L. 1889  
L. B. 2806  
Ad. Bk. 19-25:13  
Grant.  
Ex. Or.  
N. L.  
Rev. Pmt.

OFFICE OF THE  
COMMISSIONER OF PUBLIC LANDS  
TERRITORY OF HAWAII

**GENERAL LEASE No. 3 2 6 5**

**This Indenture** OF LEASE, made this 15th day of JUNE, A. D. 1948,  
by and between the Territory of Hawaii, by its COMMISSIONER OF PUBLIC LANDS, for and on its behalf,  
party of the first part, hereinafter called the LESSOR, and

BERNARD K. CHOCK  
Hilo, Hawaii

party of the second part, hereinafter called the LESSEE, the said Lessee being the highest qualified bidder for this lease which was duly advertised and sold at public auction, on the day mentioned above, in conformity with Section 73 of the Hawaiian Organic Act and the Laws of the Territory of Hawaii.

**WITNESSETH**, That for and in consideration of the rents, covenants, conditions and agreements hereinafter reserved and contained, including such additional covenants, conditions and agreements contained on separate sheet hereto attached as Schedule B, (if there be one) and made a part hereof, all on the part of the said Lessee to be paid, kept and performed, the said Lessor has demised and by these presents does demise and lease unto the said Lessee all that portion of the Government land of WAIAKEA, SOUTH HILO,  
HAWAII, hereinafter more particularly described on separate sheet hereto attached as Schedule A and made a part hereof and as shown on map also hereto attached and also made a part hereof.

**TO HAVE AND TO HOLD**, all and singular the said premises herein mentioned and described, with the appurtenances, unto the said Lessee, for and during the term of TWENTY-ONE (21)  
years, to commence from the 1st day of JUNE, A. D. 1949:

**YIELDING AND PAYING** therefor the annual rent of TWO HUNDRED EIGHTY AND NO/100 Dollars (\$ 280.00), in lawful money of the United States, payable by equal semi-annual payments in advance at the office of the Commissioner of Public Lands, in Honolulu, Oahu, on the 1st of June & Dec. of each and every year over and above all taxes, charges and assessments to be levied or imposed thereon by Legislative Authority, and subject, moreover, to the further provisions set forth in Schedule C (if there be one) hereto attached and made a part hereof.

**THE LESSEE** does hereby **COVENANT** with the Lessor that the said rent shall be paid in manner aforesaid, and that all covenants, conditions and agreements herein set forth and all covenants, conditions and agreements contained in any schedules hereto attached will be observed and performed.

**AND ALSO**, That the Lessee shall and will from time to time during the term of this lease, bear, pay and discharge all taxes, impositions and assessments, ordinary or extraordinary, which may hereafter, at any time during the continuance of the said term, be laid, imposed, assessed or charged on the said demised premises, or any part thereof, or upon any improvements made or to be made thereon.

**AND ALSO**, That the Lessee shall and will comply with all laws, ordinances, rules or regulations, federal, territorial, municipal or county, applicable to said premises or the operations conducted thereon, whether now or hereafter put into effect; that the Lessee shall and will bear, pay and discharge without cost to the Lessor, all costs and charges for fencing the whole or any part of the above described premises, if such fencing shall be required by the Lessor, or should be so required by any law now in force, or that may be hereafter enacted, and shall and will maintain the fences so constructed, or previously constructed, in a stock-proof condition during the full term of this lease; and that the Lessee shall and will indemnify the said Lessor and the Commissioner of Public Lands from and against all damages, costs, expenses and charges which he or the Territory of Hawaii may at any time sustain by reason of any neglect or refusal of the Lessee to faithfully observe and perform all or any of the covenants in this paragraph contained.

**AND ALSO,** That the Lessee shall not do or commit, or permit or suffer to be done, any willful or voluntary waste, spoil or destruction, in and upon the above demised premises, or any part thereof, or cut down, or permit to be cut down, any trees now growing, or being, or which shall hereafter grow, or be in and upon the above demised premises, or any part thereof, except as special permission for the same may herein be given.

**AND ALSO,** That the Lessee shall and will at the end, or other sooner determination of the said term hereby granted, peaceably and quietly yield up unto the Lessor all and singular the premises herein demised, with all erections, buildings and improvements of whatever name or nature, now on or which may be hereafter put, set up, erected or placed upon the same, in as good order and condition in all respects (reasonable use, wear and tear excepted), as the same are at present or may hereafter be put by the Lessee.

**AND ALSO,** That the Lessee shall not demise, let, set or assign over the said premises, or any part thereof, or assign this lease or any interest therein to any person or persons whomsoever, for any term or time whatsoever, without the prior consent in writing of the Lessor.

**AND THE LESSOR** does hereby covenant with the Lessee, that the Lessee shall at all times during the term hereby granted, so long as the Lessee shall pay the annual rent, and keep and observe the covenants, conditions and agreements herein contained, peaceably and quietly have, hold, occupy, possess and enjoy all of the said demised premises, and every part and parcel thereof, with appurtenances.

**IT IS MUTUALLY AGREED AND UNDERSTOOD,** That this Lease, issued in accordance with law, is subject to the following:

- (1) That, the land herein leased, or any part thereof, may at any time during the term of this lease be withdrawn from the operation hereof for homestead or public purposes, in which case the rent herein reserved shall be reduced in proportion to the value of the part so withdrawn; provided, that, with the approval of the Governor and the Board of Public Lands, such withdrawal provision shall not apply to any lease of any lands suitable for the cultivation of sugar cane;
- (2) That, the Lessor may, at any time, with reasonable notice and without compensation, except for improvements taken, take possession of any part of the land covered by this lease which may be required for laying out and constructing new roads or improving or changing the line or grade of old roads, and taking such soil, rock or gravel as may be necessary for the construction or improvement of such roads; provided, that such taking without compensation, shall not extend to such parts of the land herein leased, as are under cultivation with annual crops or sugar cane until such crops have been harvested, nor to such parts of the land herein leased as are planted and cultivated with coffee, fruit trees, or other perennial crops, or permanent improvements, except fences; provided, further, that in lieu of proceeding under this paragraph the Lessor may proceed by the method stated in paragraph (1);
- (3) That any Hawaiian Homes Commission Available Lands, as listed in the Hawaiian Homes Commission Act, 1920, Section 203 (Section 1662 Revised Laws of Hawaii, 1935) as amended, covered by this General Lease, will be withdrawn by the Commissioner of Public Lands for the purpose of said Hawaiian Homes Commission Act, 1920, as required by said Act, Section 204 (2) (Section 1663, Subsection 2, Revised Laws of Hawaii, 1935) as amended upon the Hawaiian Homes Commission giving at its option not less than one (1) nor more than five (5) years' notice of such withdrawal.

**IT IS ALSO MUTUALLY AGREED AND UNDERSTOOD,** That the Lessor reserves unto itself, its agents and representatives and the agents and representatives of the County or City and County wherein the land herein leased is located, the right to, at any time, in the performance of their duties, enter the land herein leased, for inspection purposes or to cross same to gain access to any adjoining Forest Reserve or other Government lands.

**PROVIDED ALWAYS,** And these presents are upon these conditions, that if the rent herein reserved shall remain unpaid for thirty (30) days after the same is due, or if the Lessee shall fail to well and truly observe, keep or perform any of the covenants and agreements on the part of the Lessee to be observed, kept and performed, or in case the Lessee shall be adjudged bankrupt, then, and from thenceforth, in any of the said cases, it shall be lawful for the Lessor to take possession of the demised premises without notice, demand or previous entry and with or without legal process and thereby determine the estate created by this lease; and provided, further, that in the event of default in the payment of taxes upon the demised premises for sixty (60) days after such taxes have become delinquent, this lease shall be void, pursuant to Section 1613, Revised Laws of Hawaii 1935.

LILIOKALANI  
GARDENS  
Ex. Ord. 378

KAUIKEAOULI PARK  
Ex. Ord. 660

MAKAOKU  
HOUSE LOTS

KANAKEA

SEA

TELE. NORTH  
342.15  
1/4" = 50 ft.

Government  
102.05  
78.25  
Spike in Con.

Spike in Con.  
231.22  
70.02

64.55  
225° 37' 30"

Spike in Con.

LOT 1  
0.562 Ac.  
270.00  
129° 15'

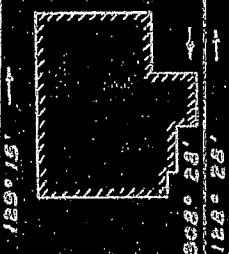
LOT 2  
0.566 Ac.  
410.45  
410.45

LOT 3  
0.531 Ac.  
374.56  
374.56

LOT 4  
0.495 Ac.  
342.81  
342.81

LOT 5  
308.42  
308.42

Sewer right of Way  
(3 ft. wide)



757.743  
999.41 E  
Mokuia 2A

650.905  
1069.08 E  
Mokuia 2A

KILOHANA ST.

BAYAN DRIVE

ROAD

(Revised August 1948)  
Lots 1, 2, 3 and 4  
Ocean View Lots  
Waiakea, Hilo City,  
South Hilo, Hawaii  
Scale 1 in. = 50 ft.

Tax Map, 2-1-05  
Carter 162

SURVEY DEPARTMENT  
TERRITORY OF HAWAII

R.L. 5/11/48



SCHEDULE A

DESCRIPTION OF LAND COVERED  
BY GENERAL LEASE NO. 3265  
TO BERNARD K. CHOCK

REVISED AUGUST 1948

Lot 2  
Ocean View Lots  
Waiakea, Hilo City, South Hilo, Hawaii

Being portion of the Government (Crown) Land of Waiakea

BEGINNING at the south corner of this lot, and the east corner of Lot 1; Ocean View Lots, the coordinates of said point of beginning referred to Government Survey Triangulation Station "MOKUOLA 2" being 757.74 feet South and 995.41 feet East, as shown on Government Survey Registered Map 4016 and running by azimuths measured clockwise from True South:-

1. 128° 28' 410.45 feet along Lot 1, Ocean View Lots to a spike in concrete;
2. 244° 18' 72.25 feet along Government Land to a spike in concrete;
3. 308° 28' 374.56 feet along Lot 3, Ocean View Lots;
4. 34° 35' 65.18 feet along the northwest side of road to the point of beginning.

AREA 0.586 ACRE.

Subject, however, to an easement in favor of the Territory of Hawaii for the sewer right-of-way (3 feet wide) across this lot as shown on plan hereto attached and made a part hereof, together with the right of ingress and egress to and from said sewer right-of-way for construction, maintenance and repair.

SCHEDULE B

SCHEDULE OF ADDITIONAL CONDITIONS AS  
CONTAINED IN THE NOTICE OF SALE OF THIS  
LEASE, DATED APRIL 6, 1948 (AD BK 19-25:13)  
WHICH SCHEDULE IS ATTACHED HERETO, TO GENERAL  
LEASE NO. 3265, AND MADE A PART HEREOF.

---

IT IS MUTUALLY AGREED AND UNDERSTOOD, in  
accordance with the Notice of Sale of this lease,  
dated April 6, 1948, (Ad Bk 19-25:13) the Lessor may  
withdraw any portion or whole of said lot when required  
for public use; and that upon such withdrawal, the rent  
contained in said lease will be reduced proportionately.

IT IS ALSO MUTUALLY AGREED AND UNDERSTOOD, also  
in accordance with the Notice of Sale aforesaid, that should  
the whole of the lot be withdrawn, and the covering lease  
cancelled, the Lessee of such cancelled lease will be per-  
mitted to remove the improvements thereon; but should this  
lease not be cancelled, nor any portion of the leased lot  
be withdrawn during the full term of said lease, all im-  
provements thereon will then revert to the Territory at  
the end of said lease.

**PROVIDED LASTLY**, That the Lessor and Lessee, the successors of the said Lessor, and the heirs, executors, administrators and permitted assigns, or the successors and permitted assigns, of the said Lessee, as the case may be, shall be respectively bound by and entitled to the benefit of these presents and to the covenants, conditions and amends herein contained, in like manner as if the word "successors" was inserted next after the word "Lessor" throughout and as if the words "heirs, executors, administrators and permitted assigns" or the words "successors and permitted assigns," as the case may be, were inserted after the word "Lessee" throughout, so far as the nature of the case will permit and unless the context may require a different construction; **AND ALSO**, Should this Lease be with more than one individual as "Lessee," then, and in that case the word "Lessee" herein contained shall mean and automatically be read as "Lessees" throughout as though the word "Lessee" had been changed accordingly throughout, and the said Lessees shall be jointly and severally liable for the faithful performance of this lease.

**IN WITNESS, WHEREOF** The said Lessor has caused this lease and two other copies of like date and tenor herewith to be duly executed, in its behalf, by its Commissioner of Public Lands under his official seal, this 20th day of September, A. D. 1948, as of the day and year first above written, and said Lessee, should such Lessee be a corporation, has caused its corporate seal to be hereto affixed and its corporate name to be signed by its proper officers thereto duly authorized, this \_\_\_\_\_ day of \_\_\_\_\_, A. D. \_\_\_\_\_, also as of the day and year first above written, and should such Lessee be one or more persons, then as such Lessee, has hereunto set his, ~~her or their~~ hand or hands this 17th day of September, A. D. 1948, also as of the day and year first above written.

TERRITORY OF HAWAII

By Francis H. Kamehale  
His Commissioner of Public Lands.

Bernard K. Chock  
BERNARD K. CHOCK Lessee.

TERRITORY OF HAWAII,

County of \_\_\_\_\_ ss.  
City and \_\_\_\_\_

On this \_\_\_\_\_ day of \_\_\_\_\_, A. D. 19\_\_\_\_, before me personally appeared \_\_\_\_\_, Commissioner of Public Lands of the Territory of Hawaii, to me known to be the person who executed the foregoing instrument under his official seal, and acknowledged that he executed the same, as his free act and deed as such Commissioner of Public Lands on behalf of the Territory of Hawaii.

Notary Public, \_\_\_\_\_  
Judicial Circuit, Territory of Hawaii.

TERRITORY OF HAWAII,

County of HAWAII ss.  
City and \_\_\_\_\_

On this 17th day of September, A. D. 1948, before me personally appeared BERNARD K. CHOCK to me known to be the person described in and who executed the foregoing instrument and acknowledged that he executed the same as his free act and deed.

Notary Public, Third  
Judicial Circuit, Territory of Hawaii.

Written by bys

Checked by jk

## **APPENDIX C-1.**

### **Agreement for Extension of General Lease No. 3265 (Uncle Billy's Hilo Bay Hotel – Parcel "B")**

AGREEMENT FOR EXTENSION OF  
GENERAL LEASE NO. 3265

THIS AGREEMENT, entered into this 6<sup>th</sup> day of September, 1962, between the STATE OF HAWAII, by its Board of Land and Natural Resources, hereinafter referred to as the "LESSOR", and ROSE HAENA CHOCK, widow, whose residence and post office address is 2705 Kilauea Avenue, Hilo, County and Island of Hawaii, State of Hawaii, hereinafter referred to as the "LESSEE",

WITNESSETH THAT:

WHEREAS, the Lessee is designated as the owner of General Lease No. 3265 in Decree of Distribution of Real Property, dated May 28, 1951, Probate No. 2246 of the Third Circuit Court; and

WHEREAS, the Lessee has been found to be a victim of a natural disaster qualified under Section 87 of Act 32, Session Laws of Hawaii 1962, by the Board of Land and Natural Resources; and

WHEREAS, the Board of Land and Natural Resources upon the application of said Lessee for an extension of said lease, has agreed to the extension of said lease with additional provisions contained hereinafter in its meeting held on July 27, 1962;

NOW, THEREFORE, in consideration of the rents, covenants and conditions herein contained and the terms, covenants and conditions contained in General Lease No. 3265 (except where they conflict with the provisions contained herein, in which event the terms, covenants and conditions contained herein shall

control), and on the part of the Lessee to be paid, kept and performed, the Lessor extends the term of General Lease No. 3265 to March 14, 2015, upon the following terms and conditions:

- (1) The Lessee shall pay an annual rental of TWO HUNDRED EIGHTY AND NO/100 DOLLARS (\$280.00) payable by equal semi-annual payments in advance at the Department of Land and Natural Resources in Honolulu, Oahu, State of Hawaii, on the 1st day of each June and December of each and every year until the expiration of said General Lease No. 3265, which is the 31st day of May, 1970.
- (2) The annual rental for the next twenty (20) years shall be fixed by negotiation on the basis of an appraisal of the then current market value for rental purposes of the demised premises (including improvements), put to its highest and best use, taking into consideration, but not limited to, the then existing zoning.
- (3) The annual rental for the next twenty (20) year period shall be fixed in like manner.
- (4) The annual rental for the remainder of the term shall also be set in like manner.
- (5) In the event the Lessee shall prior to May 31, 1970, decide to put the demised premises to a use other than the present use, and such use is permitted by the then existing zoning laws or regulations, there shall be an immediate re-negotiation of the rental for a twenty (20) year period with the new rate to be established on the basis of an appraisal at the then current market value for rental purposes of said premises (including improvements) taking into consideration the contemplated new use.

- (6) The annual rental for the next twenty (20) year period shall be fixed in like manner and the annual rental for the remainder of the term of this agreement shall be fixed in like manner.
- (7) All or any part of the demised premises may at any time during the term of this agreement be withdrawn by the Lessor for resort and related development, in addition to the reasons enumerated in the withdrawal provisions contained in General Lease No. 3265. In case of withdrawal for resort and related development only, the rental payable herein shall be reduced in proportion to the value of the part so withdrawn and compensation shall be paid to the Lessee for any damages to improvements resulting from such withdrawal to be determined by an appraisal to be made at the time of withdrawal reflecting the number of years remaining in the lease as extended by this agreement.
- (8) The parties hereto agree that should the Lessor and Lessee fail to agree upon the rental as determined above, the Lessee may appoint her own appraiser, who together with the Lessor's appraiser shall appoint the third appraiser and the value shall be determined by arbitration as provided for under Chapter 188, Revised Laws of Hawaii 1955. The Lessee shall pay for her own appraiser and the cost of the third appraiser shall be borne equally.
- (9) Credit shall be given to the Lessee under this agreement toward the payment of the new rent for any payment made in advance by said Lessee pursuant to General Lease No. 3265.



- (10) No substantial improvements for residential purposes shall be undertaken by the Lessee without the prior written consent of the Lessor.
- (11) Except where the abovementioned rentals, terms, covenants and conditions conflict with the terms, covenants and conditions contained in the aforementioned General Lease No. 3265, dated the 15th day of June, 1948, the terms, covenants and conditions contained in said General Lease No. 3265 are continued in full force and effect until the termination date stated in this agreement.

IN WITNESS WHEREOF, the STATE OF HAWAII, the Lessor herein, by its Board of Land and Natural Resources, has caused the seal of the Department of Land and Natural Resources to be hereunto affixed and these presents to be duly executed by its Director of Land and Natural Resources and countersigned by a member of the Board of Land and Natural Resources, this 11th day of September, 1962, as of the day and year first above written; and ROSE HAENA CHOCK, the Lessee herein, has hereunto set her hand this 6th day of September, 1962, also as of the day and year first above written.

COUNTERSIGNED:

By: R. L. Summers  
Member  
Board of Land and Natural  
Resources

STATE OF HAWAII

By: E. I. Rook  
Director  
Department of Land and  
Natural Resources

APPROVED AS TO FORM:

Leo D. Souza  
Deputy Attorney General

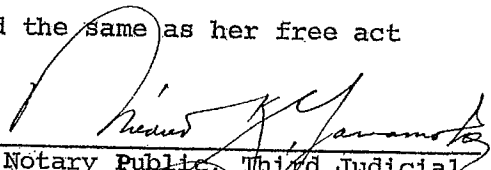
Rose Haena Chock  
ROSE HAENA CHOCK

STATE OF HAWAII )

: ss

COUNTY OF HAWAII)

On this 6<sup>th</sup> day of *September*, 1962, before me personally appeared ROSE HAENA CHOCK, to me known to be the person described in and who executed the foregoing instrument and acknowledged that she executed the same as her free act and deed.

  
Notary Public, Third Judicial  
Circuit, State of Hawaii.

My Commission expires: *Sept. 13, 1963.*

bys

Checked by: *ff*

## **APPENDIX D.**

**General Lease No. 3266  
(Uncle Billy's Hilo Bay Hotel –  
Parcel "B")**

O. L. 1940.....  
L. B. 2806.....  
Ad. Bk 19-25:14  
Grant.....  
Ex. Or.....  
N. L.....  
Rev. Pmt.....

OFFICE OF THE  
COMMISSIONER OF PUBLIC LANDS  
TERRITORY OF HAWAII

**GENERAL LEASE No. 3 2 6 6**

**This Indenture** OF LEASE, made this 15th day of JUNE, A. D. 1948,

by and between the Territory of Hawaii, by its COMMISSIONER OF PUBLIC LANDS, for and on its behalf, party of the first part, hereinafter called the **LESSOR**, and

BERNARD K. CHOCK,  
Hilo, Hawaii

party of the second part, hereinafter called the **LESSEE**, the said Lessee being the highest qualified bidder for this lease which was duly advertised and sold at public auction, on the day mentioned above, in conformity with Section 73 of the Hawaiian Organic Act and the Laws of the Territory of Hawaii:

**WITNESSETH**, That for and in consideration of the rents, covenants, conditions and agreements hereinafter reserved and contained, including such additional covenants, conditions and agreements contained on separate sheet hereto attached as Schedule B, (if there be one) and made a part hereof, all on the part of the said Lessee to be paid, kept and performed, the said Lessor has demised and by these presents does demise and lease unto the said Lessee all that portion of the Government land of WAIAKEA, SOUTH HILO, HAWAII, hereinafter more particularly described on separate sheet hereto attached as Schedule A and made a part hereof and as shown on map also hereto attached and also made a part hereof.

**TO HAVE AND TO HOLD**, all and singular the said premises herein mentioned and described, with the appurtenances, unto the said Lessee, for and during the term of TWENTY-ONE (21) years, to commence from the 10th day of AUGUST, A. D. 1949:

**YIELDING AND PAYING** therefor the annual rent of THREE HUNDRED AND NO/100 Dollars (\$300.00), in lawful money of the United States, payable by equal semi-annual payments in advance at the office of the Commissioner of Public Lands, in Honolulu, Oahu, on the 10th of Aug. & Feb. of each and every year over and above all taxes, charges and assessments to be levied or imposed thereon by Legislative Authority, and subject, moreover, to the further provisions set forth in Schedule C (if there be one) hereto attached and made a part hereof.

**THE LESSEE** does hereby **COVENANT** with the Lessor that the said rent shall be paid in manner aforesaid, and that all covenants, conditions and agreements herein set forth and all covenants, conditions and agreements contained in any schedules hereto attached will be observed and performed.

**AND ALSO**, That the Lessee shall and will from time to time during the term of this lease, bear, pay and discharge all taxes, impositions and assessments, ordinary or extraordinary, which may hereafter, at any time during the continuance of the said term, be laid, imposed, assessed or charged on the said demised premises, or any part thereof, or upon any improvements made or to be made thereon.

**AND ALSO**, That the Lessee shall and will comply with all laws, ordinances, rules or regulations, federal, territorial, municipal or county, applicable to said premises or the operations conducted thereon, whether now or hereafter put into effect; that the Lessee shall and will bear, pay and discharge without cost to the Lessor, all costs and charges for fencing the whole or any part of the above described premises, if such fencing shall be required by the Lessor, or should be so required by any law now in force, or that may be hereafter enacted, and shall and will maintain the fences so constructed, or previously constructed, in a stock-proof condition during the full term of this lease; and that the Lessee shall and will indemnify the said Lessor and the Commissioner of Public Lands from and against all damages, costs, expenses and charges which he or the Territory of Hawaii may at any time sustain by reason of any neglect or refusal of the Lessee to faithfully observe and perform all or any of the covenants in this paragraph contained.

**AND ALSO,** That the Lessee shall not do or commit, or permit or suffer to be done, any willful or voluntary waste, spoil or destruction, in and upon the above demised premises, or any part thereof, or cut down, or permit to be cut down, any trees now growing, or being, or which shall hereafter grow, or be in and upon the above demised premises, or any part thereof, except as special permission for the same may herein be given.

**AND ALSO,** That the Lessee shall and will at the end, or other sooner determination of the said term hereby granted, peaceably and quietly yield up unto the Lessor all and singular the premises herein demised, with all erections, buildings and improvements of whatever name or nature, now on or which may be hereafter put, set up, erected or placed upon the same, in as good order and condition in all respects (reasonable use, wear and tear excepted), as the same are at present or may hereafter be put by the Lessee.

**AND ALSO,** That the Lessee shall not demise, let, set or assign over the said premises, or any part thereof, or assign this lease or any interest therein to any person or persons whomsoever, for any term or time whatsoever, without the prior consent in writing of the Lessor.

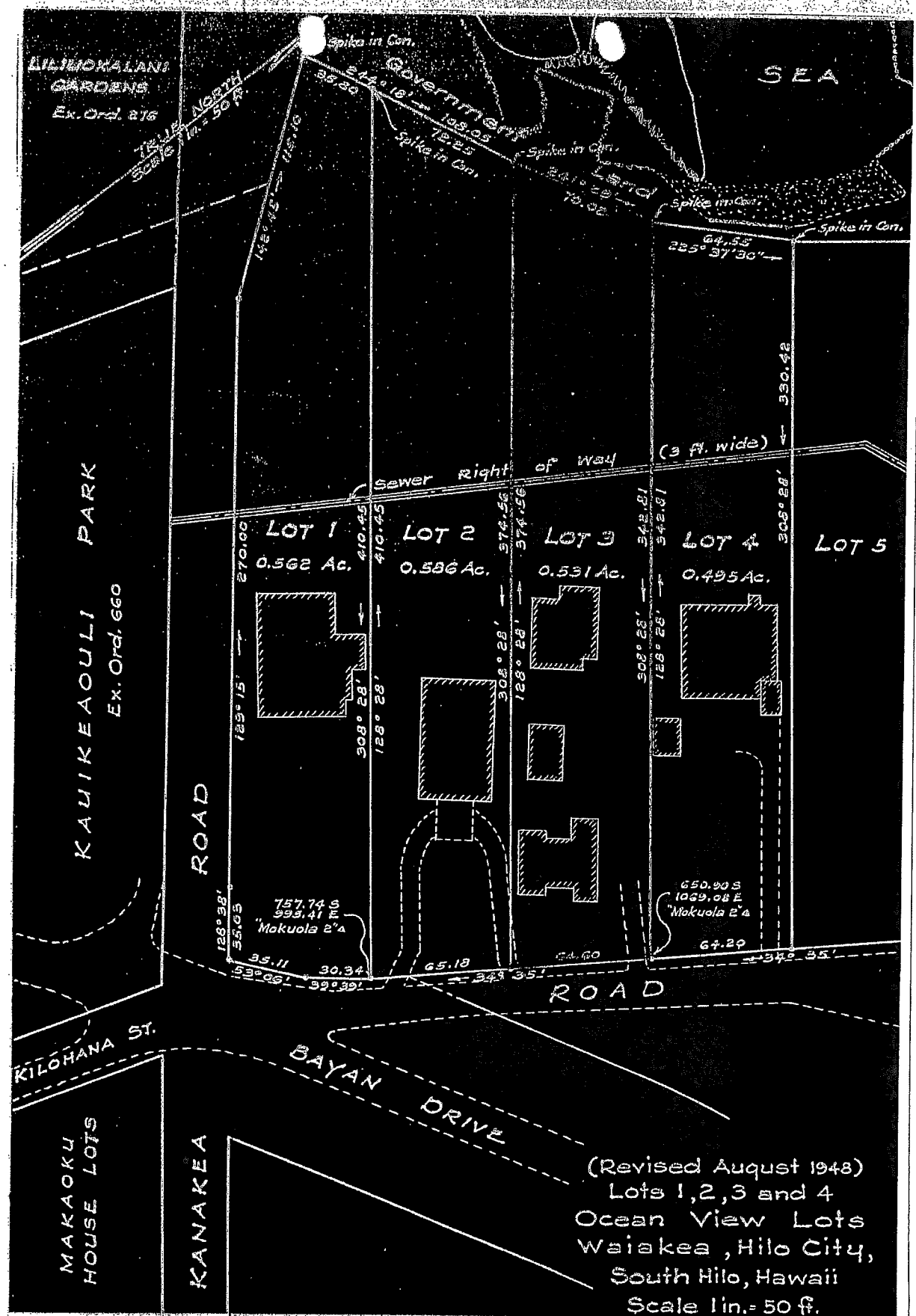
**AND THE LESSOR** does hereby covenant with the Lessee, that the Lessee shall at all times during the term hereby granted, so long as the Lessee shall pay the annual rent, and keep and observe the covenants, conditions and agreements herein contained, peaceably and quietly have, hold, occupy, possess and enjoy all of the said demised premises, and every part and parcel thereof, with appurtenances.

**IT IS MUTUALLY AGREED AND UNDERSTOOD,** That this Lease, issued in accordance with law, is subject to the following:

- (1) That, the land herein leased, or any part thereof, may at any time during the term of this lease be withdrawn from the operation hereof for homestead or public purposes, in which case the rent herein reserved shall be reduced in proportion to the value of the part so withdrawn; provided, that, with the approval of the Governor and the Board of Public Lands, such withdrawal provision shall not apply to any lease of any lands suitable for the cultivation of sugar cane;
- (2) That, the Lessor may, at any time, with reasonable notice and without compensation, except for improvements taken, take possession of any part of the land covered by this lease which may be required for laying out and constructing new roads or improving or changing the line or grade of old roads, and taking such soil, rock or gravel as may be necessary for the construction or improvement of such roads; provided, that such taking without compensation, shall not extend to such parts of the land herein leased, as are under cultivation with annual crops or sugar cane until such crops have been harvested, nor to such parts of the land herein leased as are planted and cultivated with coffee, fruit trees, or other perennial crops, or permanent improvements, except fences; provided, further, that in lieu of proceeding under this paragraph the Lessor may proceed by the method stated in paragraph (1);
- (3) That any Hawaiian Homes Commission Available Lands, as listed in the Hawaiian Homes Commission Act, 1920, Section 203 (Section 1662 Revised Laws of Hawaii, 1935) as amended, covered by this General Lease, will be withdrawn by the Commissioner of Public Lands for the purpose of said Hawaiian Homes Commission Act, 1920, as required by said Act, Section 204 (2) (Section 1663, Subsection 2, Revised Laws of Hawaii, 1935) as amended upon the Hawaiian Homes Commission giving at its option not less than one (1) nor more than five (5) years' notice of such withdrawal.

**IT IS ALSO MUTUALLY AGREED AND UNDERSTOOD,** That the Lessor reserves unto itself, its agents and representatives and the agents and representatives of the County or City and County wherein the land herein leased is located, the right to, at any time, in the performance of their duties, enter the land herein leased, for inspection purposes or to cross same to gain access to any adjoining Forest Reserve or other Government lands.

**PROVIDED ALWAYS,** And these presents are upon these conditions, that if the rent herein reserved shall remain unpaid for thirty (30) days after the same is due, or if the Lessee shall fail to well and truly observe, keep or perform any of the covenants and agreements on the part of the Lessee to be observed, kept and performed, or in case the Lessee shall be adjudged bankrupt, then, and from thenceforth, in any of the said cases, it shall be lawful for the Lessor to take possession of the demised premises without notice, demand or previous entry and with or without legal process and thereby determine the estate created by this lease; and provided, further, that in the event of default in the payment of taxes upon the demised premises for sixty (60) days after such taxes have become delinquent, this lease shall be void, pursuant to Section 1613, Revised Laws of Hawaii 1935.



Tax Map. 2-1-05  
Carton 162

SURVEY DEPARTMENT  
TERRITORY OF HAWAII

R.L. 5/10/48

SCHEDULE A

DESCRIPTION OF LAND COVERED  
BY GENERAL LEASE NO. 3266  
TO BERNARD K. CHOCK

REVISED AUGUST 1948

Lot 3  
Ocean View Lots  
Waiakea, Hilo City, South Hilo, Hawaii

Being portion of the Government (Crown) Land of Waiakea

BEGINNING at the east corner of this lot, and the south corner of Lot 4, Ocean View Lots, the coordinates of said point of beginning referred to Government Survey Triangulation Station "MOKUOLA 2" being 650.90 feet South and 1069.08 feet East, as shown on Government Survey Registered Map 4016 and running by azimuths measured clockwise from True South:-

1. 34° 35' 64.60 feet along the northwest side of road;
2. 128° 28' 374.56 feet along Lot 2, Ocean View Lots to a spike in concrete;
3. 241° 29' 70.02 feet along Government Land to a spike in concrete;
4. 308° 28' 342.81 feet along Lot 4, Ocean View Lots to the point of beginning.

— AREA 0.531 ACRE. —

Subject, however, to an easment in favor of the Territory of Hawaii for the sewer right-of-way (3 feet wide) across this lot as shown on plan hereto attached and made a part hereof, together with the right of ingress and egress to and from said sewer right-of-way for construction, maintenance and repairs.



SCHEDULE B

SCHEDULE OF ADDITIONAL CONDITIONS AS  
CONTAINED IN THE NOTICE OF SALE OF THIS  
LEASE, DATED APRIL 6, 1948 (AD BK 19-25:14)  
WHICH SCHEDULE IS ATTACHED HERETO, TO GENERAL  
LEASE NO. 3266, AND MADE A PART HEREOF.

IT IS MUTUALLY AGREED AND UNDERSTOOD, in  
accordance with the Notice of Sale of this lease,  
dated April 6, 1948, (Ad Bk 19-25:14) the Lessor may  
withdraw any portion or whole of said lot when required  
for public use, and that upon such withdrawal, the rent  
contained in said lease will be reduced proportionately.

IT IS ALSO MUTUALLY AGREED AND UNDERSTOOD, also  
in accordance with the Notice of Sale aforesaid, that  
should the whole of the lot be withdrawn, and the covering  
lease cancelled, the Lessee of such cancelled lease will  
be permitted to remove the improvements thereon; but should  
this lease not be cancelled, nor any portion of the leased  
lot be withdrawn during the full term of said lease, all  
improvements thereon will then revert to the Territory at  
the end of said lease.

**PROVIDED LASTLY,** That the Lessor and Lessee, the successors of the said Lessor, and the heirs, executors, administrators and permitted assigns, or the successors and permitted assigns, of the said Lessee, as the case may be, shall be respectively bound by and entitled to the benefit of these presents and to the covenants, conditions and amends hereip. contained, in like manner as if the word "successors" was inserted next after the word "Lessor" throughout and as if the words "heirs, executors, administrators and permitted assigns" or the words "successors and permitted assigns," as the case may be, were inserted after the word "Lessee" throughout, so far as the nature of the case will permit and unless the context may require a different construction; AND ALSO, Should this Lease be with more than one individual as "Lessee," then, and in that case the word "Lessee" herein contained shall mean and automatically be read as "Lessees" throughout as though the word "Lessee" had been changed accordingly throughout, and the said Lessees shall be jointly and severally liable for the faithful performance of this lease.

**IN WITNESS, WHEREOF** The said Lessor has caused this lease and two other copies of like date and tenor herewith to be duly executed, in its behalf, by its Commissioner of Public Lands under his official seal, this 20th day of September, A. D. 1948, as of the day and year first above written, and said Lessee, should such Lessee be a corporation, has caused its corporate seal to be hereto affixed and its corporate name to be signed by its proper officers thereto duly authorized, this \_\_\_\_\_ day of \_\_\_\_\_, A. D. \_\_\_\_\_, also as of the day and year first above written, and should such Lessee be one or more persons, then as such Lessee, has hereunto set his, ~~her or their~~ hand or hands this 17th day of September, A. D. 1948, also as of the day and year first above written.

TERRITORY OF HAWAII

By Francis H. Kamehaha  
His Commissioner of Public Lands.

Bernard K. Chock  
BERNARD K. CHOCK

TERRITORY OF HAWAII,

County of \_\_\_\_\_ } ss.  
City and \_\_\_\_\_

On this \_\_\_\_\_ day of \_\_\_\_\_, A. D. 19\_\_\_\_, before me personally appeared \_\_\_\_\_ Commissioner of Public Lands of the Territory of Hawaii, to me known to be the person who executed the foregoing instrument, under his official seal, and acknowledged that he executed the same, as his free act and deed as such Commissioner of Public Lands, on behalf of the Territory of Hawaii.

Notary Public, \_\_\_\_\_  
Judicial Circuit, Territory of Hawaii.

TERRITORY OF HAWAII,

County of HAWAII } ss.  
City and \_\_\_\_\_

On this 17th day of September, A. D. 1948, before me personally appeared BERNARD K. CHOCK to me known to be the person described in and who executed the foregoing instrument and acknowledged that he executed the same as his free act and deed.

Notary Public, Third  
Judicial Circuit, Territory of Hawaii.

Written by bys

Checked by jk

## **APPENDIX D-1.**

### **Agreement for Extension of General Lease No. 3266 (Uncle Billy's Hilo Bay Hotel – Parcel "B")**

AGREEMENT FOR EXTENSION OF  
GENERAL LEASE NO. 3266

THIS AGREEMENT, entered into this 6<sup>th</sup> day of September, 1962, between the STATE OF HAWAII, by its Board of Land and Natural Resources, hereinafter referred to as the "LESSOR", and ROSE HAENA CHOCK, widow, whose residence and post office address is 2705 Kilauea Avenue, Hilo, County and Island of Hawaii, State of Hawaii, hereinafter referred to as the "LESSEE",

WITNESSETH THAT:

WHEREAS, the Lessee is designated as the owner of General Lease No. 3266 in Decree of Distribution of Real Property, dated May 28, 1951, Probate No. 2246 of the Third Circuit Court; and

WHEREAS, the Lessee has been found to be a victim of a natural disaster qualified under Section 87 of Act 32, Session Laws of Hawaii 1962, by the Board of Land and Natural Resources; and

WHEREAS, the Board of Land and Natural Resources upon the application of said Lessee for an extension of said lease, has agreed to the extension of said lease with additional provisions contained hereinafter in its meeting held on July 27, 1962;

NOW, THEREFORE, in consideration of the rents, covenants and conditions herein contained and the terms, covenants and conditions contained in General Lease No. 3266 (except where they conflict with the provisions contained herein, in which event the terms, covenants and conditions contained herein shall

control), and on the part of the Lessee to be paid, kept and performed, the Lessor extends the term of General Lease No. 3266 to March 14, 2015, upon the following terms and conditions:

- (1) The Lessee shall pay an annual rental of THREE HUNDRED AND NO/100 DOLLARS (\$300.00) payable by equal semi-annual payments in advance at the Department of Land and Natural Resources in Honolulu, Oahu, State of Hawaii, on the 10th day of August and February of each and every year until the expiration of said General Lease No. 3266, which is the 9th day of August, 1970.
- (2) The annual rental for the next twenty (20) years shall be fixed by negotiation on the basis of an appraisal of the then current market value for rental purposes of the demised premises (including improvements), put to its highest and best use, taking into consideration, but not limited to, the then existing zoning.
- (3) The annual rental for the next twenty (20) year period shall be fixed in like manner.
- (4) The annual rental for the remainder of the term shall also be set in like manner.
- (5) In the event the Lessee shall prior to August 9, 1970, decide to put the demised premises to a use other than the present use, and such use is permitted by the then existing zoning laws or regulations, there shall be an immediate re-negotiation of the rental for a twenty (20) year period with the new rate to be established on the basis of an ap-

- praisal at the then current market value for rental purposes of said premises (including improvements) taking into consideration the contemplated new use.
- (6) The annual rental for the next twenty (20) year period shall be fixed in like manner and the annual rental for the remainder of the term of this agreement shall be fixed in like manner.
- (7) All or any part of the demised premises may at any time during the term of this agreement be withdrawn by the Lessor for resort and related development, in addition to the reasons enumerated in the withdrawal provisions contained in General Lease No. 3266. In case of withdrawal for resort and related development only, the rental payable herein shall be reduced in proportion to the value of the part so withdrawn and compensation shall be paid to the Lessee for any damages to improvements resulting from such withdrawal to be determined by an appraisal to be made at the time of withdrawal reflecting the number of years reflecting the number of years remaining in the lease as extended by this agreement.
- (8) The parties hereto agree that should the Lessor and Lessee fail to agree upon the rental as determined above, the Lessee may appoint her own appraiser, who together with the Lessor's appraiser shall appoint the third appraiser and the value shall be determined by arbitration as provided for under Chapter 188, Revised Laws of Hawaii 1955. The Lessee shall pay for her own appraiser and the cost of the third appraiser shall be borne equally.
- (9) Credit shall be given to the Lessee under this agreement toward the payment of the new rent for any pay-

ment made in advance by said Lessee pursuant to  
General Lease No. 3266.

- (10) No substantial improvements for residential purposes shall be undertaken by the Lessee without the prior written consent of the Lessor.
- (11) Except where the abovementioned rentals, terms, covenants and conditions conflict with the terms, covenants and conditions contained in the aforementioned General Lease No. 3266, dated the 15th day of June, 1948, the terms, covenants and conditions contained in said General Lease No. 3266 are continued in full force and effect until the termination date stated in this agreement.

IN WITNESS WHEREOF, the STATE OF HAWAII, the Lessor herein, by its Board of Land and Natural Resources, has caused the seal of the Department of Land and Natural Resources to be hereunto affixed and these presents to be duly executed by its Director of Land and Natural Resources and countersigned by a member of the Board of Land and Natural Resources, this 11th day of September, 1962, as of the day and year first above written; and ROSE HAENA CHOCK, the Lessee herein, has hereunto set her hand this 6th day of September, 1962, also as of the day and year first above written.

COUNTERSIGNED:

By: [Signature]  
Member  
Board of Land and Natural  
Resources

STATE OF HAWAII  
By: [Signature]  
Director  
Department of Land and  
Natural Resources

APPROVED AS TO FORM:

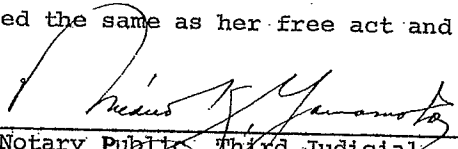
[Signature]  
Deputy Attorney General

[Signature]  
ROSE HAENA CHOCK



STATE OF HAWAII )  
                              : ss  
COUNTY OF HAWAII)

On this 6<sup>th</sup> day of *September*, 1962, before me  
personally appeared ROSE HAENA CHOCK, to me known to be the  
person described in and who executed the foregoing instrument  
and acknowledged that she executed the same as her free act and  
deed.

  
\_\_\_\_\_  
Notary Public, Third Judicial  
Circuit, State of Hawaii.

My Commission expires: *Sept. 13, 1963*.

bys  
Checked by: *jj*

## **APPENDIX E.**

**General Lease No. 3267  
(Uncle Billy's Hilo Bay Hotel –  
Parcel "B")**

O. L. 1813  
L. B. 2806  
Ad. Bk. 19-25:15  
Grant.  
Ex. Or.  
N. L.  
Rev. Pmt.

OFFICE OF THE  
COMMISSIONER OF PUBLIC LANDS  
TERRITORY OF HAWAII

**GENERAL LEASE No.** 3 2 6 7

**This Indenture** OF LEASE, made this 15th day of JUNE, A. D. 1948.,  
by and between the Territory of Hawaii, by its COMMISSIONER OF PUBLIC LANDS, for and on its behalf,  
party of the first part, hereinafter called the LESSOR, and

FRANK M. CARR & ALICE CARR  
Hilo, Hawaii

party of the second part, hereinafter called the LESSEE, the said Lessee being the highest qualified bidder for this lease which was duly advertised and sold at public auction, on the day mentioned above, in conformity with Section 73 of the Hawaiian Organic Act and the Laws of the Territory of Hawaii:

**WITNESSETH**, That for and in consideration of the rents, covenants, conditions and agreements hereinafter reserved and contained, including such additional covenants, conditions and agreements contained on separate sheet hereto attached as Schedule B, (if there be one) and made a part hereof, all on the part of the said Lessee to be paid, kept and performed, the said Lessor has demised and by these presents does demise and lease unto the said Lessee all that portion of the Government land of WAIAKEA, SOUTH HILO, HAWAII, hereinafter more particularly described on separate sheet hereto attached as Schedule A and made a part hereof and as shown on map also hereto attached and also made a part hereof.

**TO HAVE AND TO HOLD**, all and singular the said premises herein mentioned and described, with the appurtenances, unto the said Lessee, for and during the term of TWENTY-ONE (21) years, to commence from the 1st day of JUNE, A. D. 1949.:

**YIELDING AND PAYING** therefor the annual rent of THREE HUNDRED AND NO/100 Dollars (\$300.00), in lawful money of the United States, payable by equal semi-annual payments in advance at the office of the Commissioner of Public Lands, in Honolulu, Oahu, on the 1st of June & Dec. of each and every year over and above all taxes, charges and assessments to be levied or imposed thereon by Legislative Authority, and subject, moreover, to the further provisions set forth in Schedule C (if there be one) hereto attached and made a part hereof.

**THE LESSEE** does hereby **COVENANT** with the Lessor that the said rent shall be paid in manner aforesaid, and that all covenants, conditions and agreements herein set forth and all covenants, conditions and agreements contained in any schedules hereto attached will be observed and performed.

**AND ALSO**, That the Lessee shall and will from time to time during the term of this lease, bear, pay and discharge all taxes, impositions and assessments, ordinary or extraordinary, which may hereafter, at any time during the continuance of the said term, be laid, imposed, assessed or charged on the said demised premises, or any part thereof, or upon any improvements made or to be made thereon.

**AND ALSO**, That the Lessee shall and will comply with all laws, ordinances, rules or regulations, federal, territorial, municipal or county, applicable to said premises or the operations conducted thereon, whether now or hereafter put into effect; that the Lessee shall and will bear, pay and discharge without cost to the Lessor, all costs and charges for fencing the whole or any part of the above described premises, if such fencing shall be required by the Lessor, or should be so required by any law now in force, or that may be hereafter enacted, and shall and will maintain the fences so constructed, or previously constructed, in a stock-proof condition during the full term of this lease; and that the Lessee shall and will indemnify the said Lessor and the Commissioner of Public Lands from and against all damages, costs, expenses and charges which he or the Territory of Hawaii may at any time sustain by reason of any neglect or refusal of the Lessee to faithfully observe and perform all or any of the covenants in this paragraph contained.

**AND ALSO,** That the Lessee shall not do or commit, or permit or suffer to be done, any willful or voluntary waste, spoil or destruction, in and upon the above demised premises, or any part thereof, or cut down, or permit to be cut down, any trees now growing, or being, or which shall hereafter grow, or be in and upon the above demised premises, or any part thereof, except as special permission for the same may herein be given.

**AND ALSO,** That the Lessee shall and will at the end, or other sooner determination of the said term hereby granted, peaceably and quietly yield up unto the Lessor all and singular the premises herein demised, with all erections, buildings and improvements of whatever name or nature, now on or which may be hereafter put, set up, erected or placed upon the same, in as good order and condition in all respects (reasonable use, wear and tear excepted), as the same are at present or may hereafter be put by the Lessee.

**AND ALSO,** That the Lessee shall not demise, let, set or assign over the said premises, or any part thereof, or assign this lease or any interest therein to any person or persons whomsoever, for any term or time whatsoever, without the prior consent in writing of the Lessor.

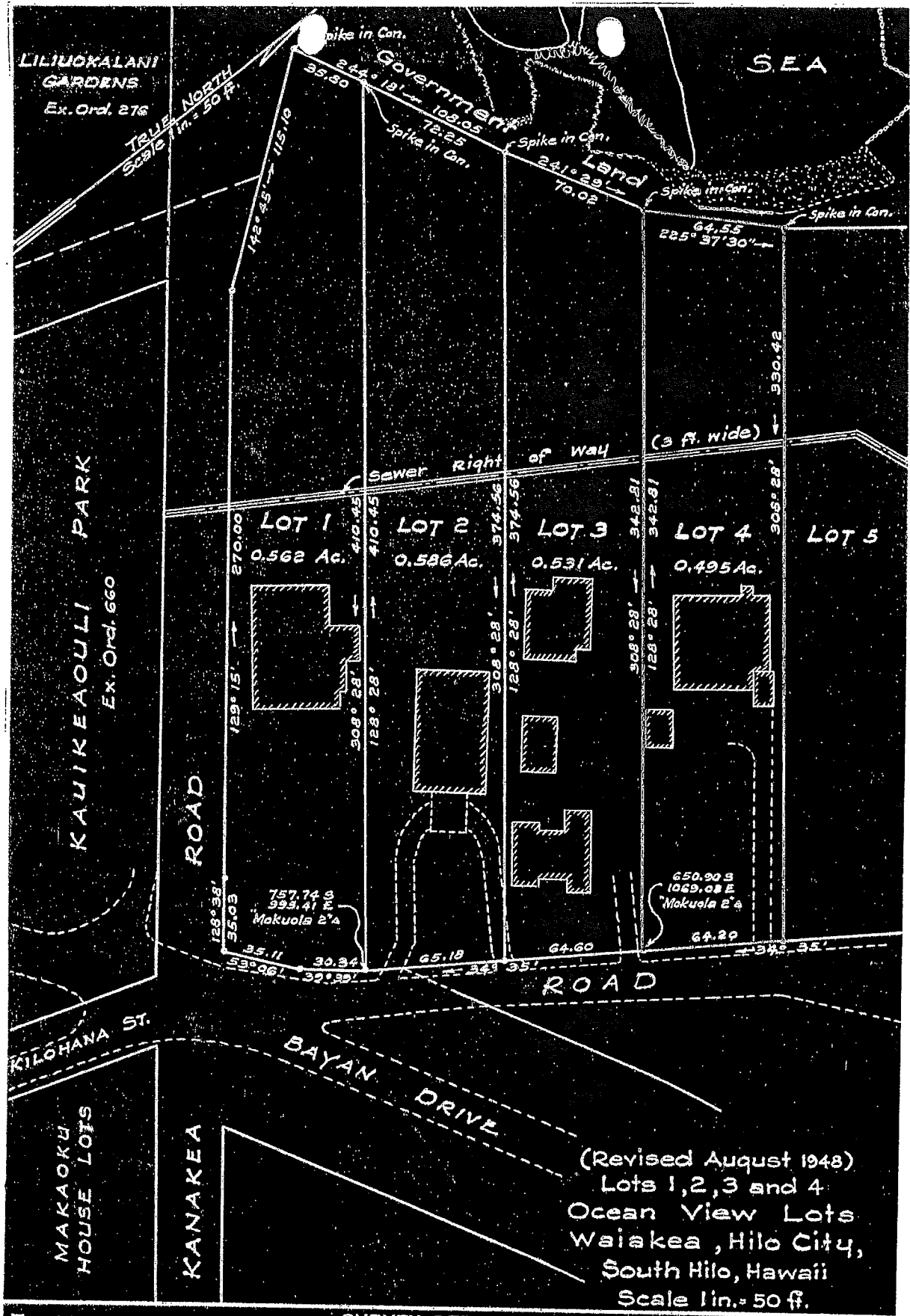
**AND THE LESSOR** does hereby covenant with the Lessee, that the Lessee shall at all times during the term hereby granted, so long as the Lessee shall pay the annual rent, and keep and observe the covenants, conditions and agreements herein contained, peaceably and quietly have, hold, occupy, possess and enjoy all of the said demised premises, and every part and parcel thereof, with appurtenances.

**IT IS MUTUALLY AGREED AND UNDERSTOOD,** That this Lease, issued in accordance with law, is subject to the following:

- (1) That, the land herein leased, or any part thereof, may at any time during the term of this lease be withdrawn from the operation hereof for homestead or public purposes, in which case the rent herein reserved shall be reduced in proportion to the value of the part so withdrawn; provided, that, with the approval of the Governor and the Board of Public Lands, such withdrawal provision shall not apply to any lease of any lands suitable for the cultivation of sugar cane;
- (2) That, the Lessor may, at any time, with reasonable notice and without compensation, except for improvements taken, take possession of any part of the land covered by this lease which may be required for laying out and constructing new roads or improving or changing the line or grade of old roads, and taking such soil, rock or gravel as may be necessary for the construction or improvement of such roads; provided, that such taking without compensation, shall not extend to such parts of the land herein leased, as are under cultivation with annual crops or sugar cane until such crops have been harvested, nor to such parts of the land herein leased as are planted and cultivated with coffee, fruit trees, or other perennial crops, or permanent improvements, except fences; provided, further, that in lieu of proceeding under this paragraph the Lessor may proceed by the method stated in paragraph (1);
- (3) That any Hawaiian Homes Commission Available Lands, as listed in the Hawaiian Homes Commission Act, 1920, Section 203 (Section 1662 Revised Laws of Hawaii, 1935) as amended, covered by this General Lease, will be withdrawn by the Commissioner of Public Lands for the purpose of said Hawaiian Homes Commission Act, 1920, as required by said Act, Section 204 (2) (Section 1663, Subsection 2, Revised Laws of Hawaii, 1935) as amended upon the Hawaiian Homes Commission giving at its option not less than one (1) nor more than five (5) years' notice of such withdrawal.

**IT IS ALSO MUTUALLY AGREED AND UNDERSTOOD,** That the Lessor reserves unto itself, its agents and representatives and the agents and representatives of the County or City and County wherein the land herein leased is located, the right to, at any time, in the performance of their duties, enter the land herein leased, for inspection purposes or to cross same to gain access to any adjoining Forest Reserve or other Government lands.

**PROVIDED ALWAYS,** And these presents are upon these conditions, that if the rent herein reserved shall remain unpaid for thirty (30) days after the same is due, or if the Lessee shall fail to well and truly observe, keep or perform any of the covenants and agreements on the part of the Lessee to be observed, kept and performed, or in case the Lessee shall be adjudged bankrupt, then, and from thenceforth, in any of the said cases, it shall be lawful for the Lessor to take possession of the demised premises without notice, demand or previous entry and with or without legal process and thereby determine the estate created by this lease; and provided, further, that in the event of default in the payment of taxes upon the demised premises for sixty (60) days after such taxes have become delinquent, this lease shall be void, pursuant to Section 1613, Revised Laws of Hawaii 1935.



SCHEDULE A

DESCRIPTION OF LAND COVERED  
BY GENERAL LEASE NO. 3267  
TO FRANK M. CARR & ALICE CARR

REVISED AUGUST 1948

Lot 4  
Ocean View Lots  
Waiakea, Hilo City, South Hilo, Hawaii

Being portion of the Government (Crown) Land of Waiakea

BEGINNING at the south corner of this lot and the east corner of Lot 3, Ocean View Lots, the coordinates of said point of beginning referred to Government Survey Triangulation Station "MOKUOLA 2" being 650.90 feet South and 1069.08 feet East, as shown on Government Survey Registered Map 4016 and running by azimuths measured clockwise from true south:-

1. 128° 28' 342.81 feet along Lot 3, Ocean View Lots,  
to a spike in concrete;
2. 225° 37' 30" 64.55 feet along Government Land to a spike  
in concrete;
3. 308° 28' 330.42 feet along Lot 5, Ocean View Lots;
4. 34° 35' 64.20 feet along the northwest side of  
road to the point of beginning.

AREA 0.495 ACRES.

Subject, however, to an easement in favor of the Territory of Hawaii for the sewer right-of-way (3 feet wide) across this lot as shown on plan hereto attached and made a part hereof, together with the right of ingress and egress to and from said sewer right-of-way for construction, maintenance and repairs.

SCHEDULE B

SCHEDULE OF ADDITIONAL CONDITIONS AS  
CONTAINED IN THE NOTICE OF SALE OF THIS  
LEASE, DATED APRIL 6, 1948 (AD BK 19-25:15)  
WHICH SCHEDULE IS ATTACHED HERETO, TO GENERAL  
LEASE NO. 3267, AND MADE A PART HEREOF.

---

IT IS MUTUALLY AGREED AND UNDERSTOOD, in  
accordance with the Notice of Sale of this lease,  
dated April 6, 1948, (Ad Bk 19-25:15) the Lessor may  
withdraw any portion or whole of said lot when required  
for public use, and that upon such withdrawal, the rent  
contained in said lease will be reduced proportionately.

IT IS ALSO MUTUALLY AGREED AND UNDERSTOOD, also  
in accordance with the Notice of Sale aforesaid, that  
should the whole of the lot be withdrawn, and the covering  
lease cancelled, the Lessee of such cancelled lease will  
be permitted to remove the improvements thereon; but should  
this lease not be cancelled, nor any portion of the leased  
lot be withdrawn during the full term of said lease, all  
improvements thereon will then revert to the Territory at  
the end of said lease.

**PROVIDED LASTLY**, That the Lessor and Lessee, the successors of the said Lessor, and the heirs, executors, administrators and permitted assigns, or the successors and permitted assigns, of the said Lessee, as the case may be, shall be respectively bound by and entitled to the benefit of these presents and to the covenants, conditions and amends herein contained, in like manner as if the word "successors" was inserted next after the word "Lessor" throughout and as if the words "heirs, executors, administrators and permitted assigns" or the words "successors and permitted assigns," as the case may be, were inserted after the word "Lessee" throughout, so far as the nature of the case will permit and unless the context may require a different construction; AND ALSO, Should this Lease be with more than one individual as "Lessee," then, and in that case the word "Lessee" herein contained shall mean and automatically be read as "Lessees" throughout as though the word "Lessee" had been changed accordingly throughout, and the said Lessees shall be jointly and severally liable for the faithful performance of this lease.

**IN WITNESS, WHEREOF** The said Lessor has caused this lease and.....two.....other copies of like date and tenor herewith to be duly executed, in its behalf, by its Commissioner of Public Lands under his official seal, this 24th day of September, A. D. 1948, as of the day and year first above written, and said Lessee, should such Lessee be a corporation, has caused its corporate seal to be hereto affixed and its corporate name to be signed by its proper officers thereto duly authorized, this ..... day of....., A. D....., also as of the day and year first above written, and should such Lessee be one or more persons, then as such Lessee, has hereunto set his, her or their hand or hands this 22nd day of September, A. D. 1948, also as of the day and year first above written.

TERRITORY OF HAWAII

By.....James H. Kanahele.....  
ACTING Its Commissioner of Public Lands.

Frank M. Carr  
FRANK M. CARR Lessee.s

Alice Carr  
ALICE CARR

TERRITORY OF HAWAII,

County of..... } ss.  
City and

On this ..... day of ..... A. D. 19....., before me personally appeared  
....., Commissioner of Public Lands of the Territory of Hawaii, to  
me known to be the person who executed the foregoing instrument, under his official seal, and acknowledged that he executed  
the same, as his free act and deed as such Commissioner of Public Lands, on behalf of the Territory of Hawaii.

Notary Public, .....  
Judicial Circuit, Territory of Hawaii.

TERRITORY OF HAWAII,

County of HAWAII } ss.  
City and

On this 22nd day of September, A. D. 1948, before me personally appeared  
FRANK M. CARR & ALICE CARR to me known to be the person.s described in and who executed  
the foregoing instrument and acknowledged that they executed the same as their free act and deed.

[Signature]  
Notary Public, THIRD  
Judicial Circuit, Territory of Hawaii.

Written by bys

Checked by jk



## **APPENDIX E-1.**

### **Agreement for Extension of General Lease No. 3267 (Uncle Billy's Hilo Bay Hotel – Parcel "B")**

AGREEMENT FOR EXTENSION OF

GENERAL LEASE NO. 3267

THIS AGREEMENT, entered into this <sup>1963</sup>~~1962~~ <sup>10th</sup> day of <sup>January</sup>,  
<sup>W.H.P.</sup> between the STATE OF HAWAII, by its Board of Land and  
Natural Resources, hereinafter referred to as the "LESSOR",  
MARK NORMAN OLDS, whose residence and post office address is  
451 Kilohana Street, Hilo, County and Island of Hawaii, State  
of Hawaii, and DONNA B. OLDS, whose residence and post office  
address is 451 Kilohana Street aforesaid, hereinafter referred  
to as the "LESSEES",

WITNESSETH THAT:

WHEREAS, the Lessees are designated as "ASSIGNEES"  
of General Lease No. 3267 in that certain Assignment of Lease  
dated the 15th day of May, 1951; and

WHEREAS, the Lessees have been found to be victims  
of a natural disaster qualified under Section 87 of Act 32,  
Session Laws of Hawaii 1962, by the Board of Land and Natural  
Resources; and

WHEREAS, the Board of Land and Natural Resources upon  
the application of said Lessees for an extension of said lease,  
has agreed to the extension of said lease with additional pro-  
visions contained hereinafter in its meeting held on July 27,  
1962;

NOW, THEREFORE, in consideration of the rents, cove-  
nants and conditions herein contained and the terms, covenants  
and conditions contained in General Lease No. 3267 (except where  
they conflict with the provisions contained herein, in which  
event the terms, covenants and conditions contained herein shall

control), and on the part of the Lessees to be paid, kept and performed, the Lessor extends the term of General Lease No. 3267 to March 14, 2015, upon the following terms and conditions:

- (1) The Lessees shall pay an annual rental of THREE HUNDRED AND NO/100 DOLLARS (\$300.00) payable by equal semi-annual payments in advance at the Department of Land and Natural Resources in Honolulu, Oahu, State of Hawaii, on the 1st day of each June and December of each and every year until the expiration of said General Lease No. 3267, which is the 31st day of May, 1970.
- (2) The annual rental for the next twenty (20) years shall be fixed by negotiation on the basis of an appraisal of the then current market value for rental purposes of the demised premises (including improvements), put to its highest and best use, taking into consideration, but not limited to, the then existing zoning.
- (3) The annual rental for the next twenty (20) year period shall be fixed in like manner.
- (4) The annual rental for the remainder of the term shall also be set in like manner.
- (5) In the event the Lessees shall prior to May 31, 1970, decide to put the demised premises to a use other than the present use, and such use is permitted by the then existing zoning laws or regulations, there shall be an immediate re-negotiation of the rental for a twenty (20) year period with the new rate to be established on the basis of an ap-

- praisal at the then current market value for rental purposes of said premises (including improvements) taking into consideration the contemplated new use.
- (6) The annual rental for the next twenty (20) year period shall be fixed in like manner and the annual rental for the remainder of the term of this agreement shall be fixed in like manner.
- (7) All or any part of the demised premises may at any time during the term of this agreement be withdrawn by the Lessor for resort and related development, in addition to the reasons enumerated in the withdrawal provisions contained in General Lease No. 3267. In case of withdrawal for resort and related development only, the rental payable herein shall be reduced in proportion to the value of the part so withdrawn and compensation shall be paid to the Lessees for any damages to improvements resulting from such withdrawal to be determined by an appraisal to be made at the time of withdrawal reflecting the number of years remaining in the lease as extended by this agreement.
- (8) The parties hereto agree that should the Lessor and Lessees fail to agree upon the rental as determined above, the Lessees may appoint their own appraiser, who together with the Lessor's appraiser shall appoint the third appraiser and the value shall be determined by arbitration as provided for under Chapter 188, Revised Laws of Hawaii 1955. The Lessees shall pay for their own appraiser and the cost of the third appraiser shall be borne equally.
- (9) Credit shall be given to the Lessees under this agreement toward the payment of the new rent for any pay-

ment made in advance by said Lessees pursuant to General Lease No. 3267.

- (10) No substantial improvements for residential purposes shall be undertaken by the Lessees without the prior written consent of the Lessor.
- (11) Except where the abovementioned rentals, terms, covenants and conditions conflict with the terms, covenants and conditions contained in the aforementioned General Lease No. 3267, dated the 15th day of June, 1948, the terms, covenants and conditions contained in said General Lease No. 3267 are continued in full force and effect until the termination date stated in this agreement.

IN WITNESS WHEREOF, the STATE OF HAWAII, the Lessor herein, by its Board of Land and Natural Resources, has caused the seal of the Department of Land and Natural Resources to be hereunto affixed and these presents to be duly executed by its Director of Land and Natural Resources and countersigned by a member of the Board of Land and Natural Resources, this ~~10th~~ day of ~~January~~, <sup>1963</sup> ~~1962~~, as of the day and year first above written; and MARK NORMAN OLDS and DONNA B. OLDS, the Lessees herein, have hereunto set their hands this ~~10th~~ day of ~~January~~, <sup>1963</sup> ~~1962~~, also as of the day and year first above written.

COUNTERSIGNED:

By: R. L. Summers  
Member  
Board of Land and Natural Resources

STATE OF HAWAII  
By: E. I. Pook  
Director  
Department of Land and Natural Resources

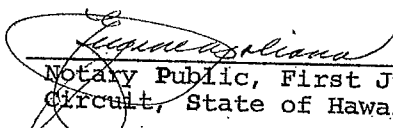
APPROVED AS TO FORM:

L. Akita  
Deputy Attorney General

Mark Norman Olds  
MARK NORMAN OLDS  
Donna B. Olds  
DONNA B. OLDS

STATE OF HAWAII                    )  
  : ss  
CITY AND COUNTY OF HONOLULU)

On this 10th day of January, 1963, before me personally appeared MARK NORMAN OLDS and DONNA B. OLDS, to me known to be the persons described in and who executed the foregoing instrument and acknowledged that they executed the same as their free act and deed.

  
Notary Public, First Judicial  
Circuit, State of Hawaii.

My Commission expires: 7/25/63

bys  
Checked by: mm

I hereby certify that the figures "1962", appearing on Line 2 of Page 1 and on lines 20 and 22 of Page 4, were corrected to read "1963", prior to execution.

  
EUGENE APOLIONA  
Notary Public

## **APPENDIX F.**

**General Lease No. 3269  
(Country Club  
Condominium/Hotel –  
Parcel “C”)**

O. L. 1890

L. B. 2806

Ad. Bk. 19-25:17

OFFICE OF THE  
COMMISSIONER OF PUBLIC LANDS

TERRITORY OF HAWAII

Grant

Ex. Or.

N. L.

Rev. Pmt.

**GENERAL LEASE No. 3269**

**This Indenture OF LEASE**, made this 15th day of JUNE, A. D. 1948,

by and between the Territory of Hawaii, by its COMMISSIONER OF PUBLIC LANDS, for and on its behalf, party of the first part, hereinafter called the LESSOR, and

A. M. M. OSORIO  
Hilo, Hawaii

party of the second part, hereinafter called the LESSEE, the said Lessee being the highest qualified bidder for this lease which was duly advertised and sold at public auction, on the day mentioned above, in conformity with Section 73 of the Hawaiian Organic Act and the Laws of the Territory of Hawaii.

**WITNESSETH**, That for and in consideration of the rents, covenants, conditions and agreements hereinafter reserved and contained, including such additional covenants, conditions and agreements contained on separate sheet hereto attached as Schedule B, (if there be one) and made a part hereof, all on the part of the said Lessee to be paid, kept and performed, the said Lessor has demised and by these presents does demise and lease unto the said Lessee all that portion of the Government Land of WIAKEA, SOUTH HILLO, HAWAII, hereinafter more particularly described on separate sheet hereto attached as

Schedule A and made a part hereof and as shown on map also hereto attached and also made a part hereof.

**TO HAVE AND TO HOLD** all and singular the said premises herein mentioned and described, with the appurtenances, unto the said Lessee, for and during the term of TWENTY-ONE (21) years, to commence from the 1st day of JUNE, A. D. 1949:

**YIELDING AND PAYING** therefor the annual rent of FIVE HUNDRED AND NO/100 (500.00) Dollars (\$500.00) in lawful money of the United States, payable by equal semi-annual payments in advance at the office of the Commissioner of Public Lands, in Honolulu, Oahu, on the 1st of June & Dec. of each and every year over and above all taxes, charges and assessments to be levied or imposed thereon by Legislative Authority, and subject, moreover, to the further provisions set forth in Schedule C (if there be one) hereto attached and made a part hereof.

**THE LESSEE** does hereby **COVENANT** with the Lessor that the said rent shall be paid in manner aforesaid, and that all covenants, conditions and agreements herein set forth and all covenants, conditions and agreements contained in any schedules hereto attached will be observed and performed.

**AND ALSO**, That the Lessee shall and will from time to time during the term of this lease, bear, pay and discharge all taxes, impositions and assessments, ordinary or extraordinary, which may hereafter, at any time during the continuance of the said term, be laid, imposed, assessed or charged on the said demised premises, or any part thereof, or upon any improvements made or to be made thereon.

**AND ALSO**, That the Lessee shall and will comply with all laws, ordinances, rules or regulations, federal, territorial, municipal or county, applicable to said premises or the operations conducted thereon, whether now or hereafter put into effect; that the Lessee shall and will bear, pay and discharge without cost to the Lessor, all costs and charges for fencing the whole or any part of the above described premises, if such fencing shall be required by the Lessor, or should be so required by any law now in force, or that may be hereafter enacted, and shall and will maintain the fences so constructed, or previously constructed, in a stock-proof condition during the full term of this lease; and that the Lessee shall and will indemnify the said Lessor and the Commissioner of Public Lands from and against all damages, costs, expenses and charges which he or the Territory of Hawaii may at any time sustain by reason of any neglect or refusal of the Lessee to faithfully observe and perform all or any of the covenants in this paragraph contained.



**AND ALSO**, That the Lessee shall not do or commit, or permit or suffer to be done, any willful or voluntary waste, spoil or destruction, in and upon the above demised premises, or any part thereof, or cut down, or permit to be cut down, any trees now growing, or being, or which shall hereafter grow, or be in and upon the above demised premises, or any part thereof, except as special permission for the same may herein be given.

**AND ALSO**, That the Lessee shall and will at the end, or other sooner determination of the said term hereby granted, peaceably and quietly yield up unto the Lessor all and singular the premises herein demised, with all erections, buildings and improvements of whatever name or nature, now on or which may be hereafter put, set up, erected or placed upon the same, in as good order and condition in all respects (reasonable use, wear and tear excepted), as the same are at present or may hereafter be put by the Lessee.

**AND ALSO**, That the Lessee shall not demise, let, set or assign over the said premises, or any part thereof, or assign this lease or any interest therein to any person or persons whomsoever, for any term or time whatsoever, without the prior consent in writing of the Lessor.

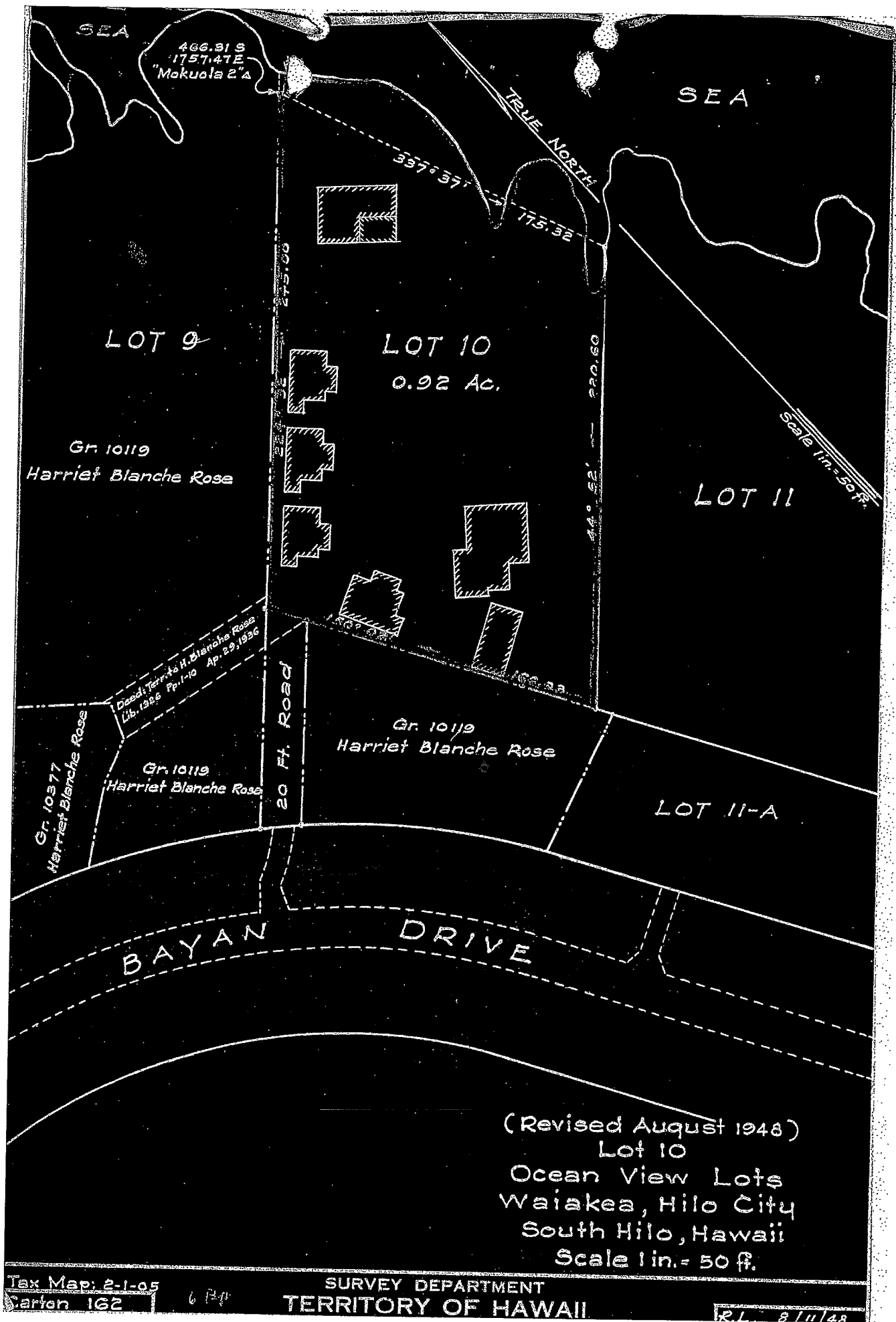
**AND THE LESSOR** does hereby covenant with the Lessee, that the Lessee shall at all times during the term hereby granted, so long as the Lessee shall pay the annual rent, and keep and observe the covenants, conditions and agreements herein contained, peaceably and quietly have, hold, occupy, possess and enjoy all of the said demised premises, and every part and parcel thereof, with appurtenances.

**IT IS MUTUALLY AGREED AND UNDERSTOOD**, That this Lease, issued in accordance with law, is subject to the following:

- (1) That, the land herein leased, or any part thereof, may at any time during the term of this lease be withdrawn from the operation hereof for homestead or public purposes; in which case the rent herein reserved shall be reduced in proportion to the value of the part so withdrawn; provided, that, with the approval of the Governor and the Board of Public Lands, such withdrawal provision shall not apply to any lease of any lands suitable for the cultivation of sugar cane;
- (2) That, the Lessor may, at any time, with reasonable notice and without compensation, except for improvements taken, take possession of any part of the land covered by this lease which may be required for laying out and constructing new roads or improving or changing the line or grade of old roads, and taking such soil, rock or gravel as may be necessary for the construction or improvement of such roads; provided, that such taking without compensation, shall not extend to such parts of the land herein leased, as are under cultivation with annual crops or sugar cane until such crops have been harvested, nor to such parts of the land herein leased as are planted and cultivated with coffee, fruit trees, or other perennial crops, or permanent improvements, except fences; provided, further, that in lieu of proceeding under this paragraph the Lessor may proceed by the method stated in paragraph (1);
- (3) That any Hawaiian Homes Commission Available Lands, as listed in the Hawaiian Homes Commission Act, 1920, Section 203 (Section 1662 Revised Laws of Hawaii, 1935) as amended, covered by this General Lease, will be withdrawn by the Commissioner of Public Lands for the purpose of said Hawaiian Homes Commission Act, 1920, as required by said Act, Section 204 (2) (Section 1663, Subsection 2, Revised Laws of Hawaii, 1935) as amended upon the Hawaiian Homes Commission giving at its option not less than one (1) nor more than five (5) years' notice of such withdrawal.

**IT IS ALSO MUTUALLY AGREED AND UNDERSTOOD**, That the Lessor reserves unto itself, its agents and representatives and the agents and representatives of the County or City and County wherein the land herein leased is located, the right to, at any time, in the performance of their duties, enter the land herein leased, for inspection purposes or to cross same to gain access to any adjoining Forest Reserve or other Government lands.

**PROVIDED ALWAYS**, And these presents are upon these conditions, that if the rent herein reserved shall remain unpaid for thirty (30) days after the same is due, or if the Lessee shall fail to well and truly observe, keep or perform any of the covenants and agreements on the part of the Lessee to be observed, kept and performed, or in case the Lessee shall be adjudged bankrupt, then, and from thenceforth, in any of the said cases, it shall be lawful for the Lessor to take possession of the demised premises without notice, demand or previous entry and with or without legal process and thereby determine the estate created by this lease; and provided, further, that in the event of default in the payment of taxes upon the demised premises for sixty (60) days after such taxes have become delinquent, this lease shall be void, pursuant to Section 1613, Revised Laws of Hawaii 1935.



SCHEDULE A

DESCRIPTION OF LAND COVERED  
BY GENERAL LEASE NO. 3269  
TO A. M. M. OSORIO

REVISED AUGUST 1948

Lot 10  
Ocean View Lots  
Waiakea, Hilo City, South Hilo, Hawaii

Being portion of the Government (Crown) Land of Waiakea

BEGINNING at the north corner of this lot near edge of sea bluff and at the east corner of Grant 10,119 to Harriet Blanche Rose (Lot 9, Ocean View Lots) the coordinates of said point of beginning referred to Government Survey Triangulation Station "MOKUOLA 2" being 466.31 feet South and 1757.47 feet East, as shown on Government Survey Registered Map 4016 and running by azimuths measured clockwise from true south:-

1. Along sea bluff at highwater mark to the north corner of Lot 11, Ocean View Lots, the direct azimuth and distance being:  $337^{\circ} 37'$  175.32 feet;
2.  $44^{\circ} 52'$  220.60 feet along Lot 11, Ocean View Lots;
3.  $150^{\circ} 02'$  166.03 feet Grant 10119 to Harriet Blanche Rose (Lot 9, Ocean View Lots) and 20-foot roadway;
4.  $224^{\circ} 32'$  245.00 feet along abandoned roadway conveyed by Territory of Hawaii to Mrs. Harriet Blanche Rose and Grant 10119 to Harriet Blanche Rose (Lot 9, Ocean View Lots) to the point of beginning.

AREA 0.92 ACRE

SCHEDULE B

SCHEDULE OF ADDITIONAL CONDITIONS AS  
CONTAINED IN THE NOTICE OF SALE OF THIS  
LEASE, DATED APRIL 6, 1948 (AD BK 19-25:17)  
WHICH SCHEDULE IS ATTACHED HERETO, TO GENERAL  
LEASE NO. 3269, AND MADE A PART HEREOF.

IT IS MUTUALLY AGREED AND UNDERSTOOD, in  
accordance with the Notice of Sale of this lease,  
dated April 6, 1948, (Ad Bk 19-25:17) the Lessor may  
withdraw any portion or whole of said lot when required  
for public use, and that upon such withdrawal, the rent  
contained in said lease will be reduced proportionately.

IT IS ALSO MUTUALLY AGREED AND UNDERSTOOD, also  
in accordance with the Notice of Sale aforesaid, that  
should the whole of the lot be withdrawn, and the covering  
lease cancelled, the Lessee of such cancelled lease will  
be permitted to remove the improvements thereon; but should  
this lease not be cancelled, nor any portion of the leased  
lot be withdrawn during the full term of said lease, all  
improvements thereon will then revert to the Territory at  
the end of said lease.

PROVIDED LASTLY, That the Lessor and Lessee, the successors of the said Lessor, and the heirs, executors, administrators and permitted assigns, or the successors and permitted assigns, of the said Lessee; as the case may be, shall be respectively bound by and entitled to the benefit of these presents and to the covenants, conditions and amends herein contained, in like manner as if the word "successors" was inserted next after the word "Lessor" throughout and as if the words "heirs, executors, administrators and permitted assigns" or the words "successors and permitted assigns," as the case may be, were inserted after the word "Lessee" throughout, so far as the nature of the case will permit and unless the context may require a different construction; AND ALSO, Should this Lease be with more than one individual as "Lessee," then, and in that case the word "Lessee" herein contained shall mean and automatically be read as "Lessees" throughout as though the word "Lessee" had been changed accordingly throughout, and the said Lessees shall be jointly and severally liable for the faithful performance of this lease.

IN WITNESS, WHEREOF The said Lessor has caused this lease and two other copies of like date and tenor herewith to be duly executed, in its behalf, by its Commissioner of Public Lands under his official seal, this 20th day of September, A. D. 1948, as of the day and year first above written, and said Lessee, should such Lessee be a corporation, has caused its corporate seal to be hereto affixed and its corporate name to be signed by its proper officers thereto duly authorized, this \_\_\_\_\_ day of \_\_\_\_\_, A. D. \_\_\_\_\_, also as of the day and year first above written, and should such Lessee be one or more persons, then as such Lessee, has hereunto set his, ~~her or their~~ hand or hands this 16th day of September, A. D. 1948, also as of the day and year first above written.

TERRITORY OF HAWAII

By Francis H. Kameh  
His Commissioner of Public Lands.

A. M. M. OSORIO

Lessee.

TERRITORY OF HAWAII,

County of \_\_\_\_\_ ss.  
City and \_\_\_\_\_

On this \_\_\_\_\_ day of \_\_\_\_\_, A. D. 19\_\_\_\_, before me personally appeared \_\_\_\_\_, Commissioner of Public Lands of the Territory of Hawaii, to me known to be the person who executed the foregoing instrument, under his official seal, and acknowledged that he executed the same, as his free act and deed as such Commissioner of Public Lands, on behalf of the Territory of Hawaii.

Notary Public, \_\_\_\_\_  
Judicial Circuit, Territory of Hawaii.

TERRITORY OF HAWAII,

County of HAWAII ss.  
City and \_\_\_\_\_

On this 16th day of September, A. D. 1948, before me personally appeared A. M. M. OSORIO to me known to be the person described in and who executed the foregoing instrument and acknowledged that he executed the same as his free act and deed.

Notary Public, Third  
Judicial Circuit, Territory of Hawaii.

MY COMMISSION EXPIRES MAY 10, 1951

Written by bys

Checked by jk

GENERAL LEASE

Commissioner of  
Public Lands

TO

Land of  
District of  
Island of  
Area  
Term  
Annual Rental, \$  
Payable  
on

Printed—6645

IN WITNESS WHEREOF, the said Commissioner of Public Lands has hereunto set his hand and the seal of the Department of the Interior at Washington, D. C., this 1st day of January, 1900.

COMMISSIONER OF PUBLIC LANDS

DEPARTMENT OF THE INTERIOR

WASHINGTON, D. C.

## **APPENDIX F-1.**

### **Agreement for Extension of General Lease No. 3269 (Country Club Condominium/Hotel – Parcel “C”)**

AGREEMENT FOR EXTENSION OF  
GENERAL LEASE NO. 3269

THIS AGREEMENT, entered into this 16th day of November, 1962, between the STATE OF HAWAII, by its Board of Land and Natural Resources, hereinafter referred to as the "LESSOR", and CONSTANTINE ROUMANIS, whose residence and post office address is 1096 Spencer Street, Honolulu, State of Hawaii, hereinafter referred to as the "LESSEE",

WITNESSETH THAT:

WHEREAS, the Lessee is designated as "ASSIGNEE" of General Lease No. 3269 in that certain Assignment of Lease dated the 14th day of December, 1953; and

WHEREAS, the Lessee has been found to be a victim of a natural disaster qualified under Section 87 of Act 32, Session Laws of Hawaii 1962, by the Board of Land and Natural Resources; and

WHEREAS, the Board of Land and Natural Resources upon the application of said Lessee for an extension of said lease, has agreed to the extension of said lease with additional provisions contained hereinafter in its meeting held on July 27, 1962;

NOW, THEREFORE, in consideration of the rents, covenants and conditions herein contained and the terms, covenants and conditions contained in General Lease No. 3269 (except where they conflict with the provisions contained herein, in which event the terms, covenants and conditions contained herein shall



control), and on the part of the Lessee to be paid, kept and performed, the Lessor extends the term of General Lease No. 3269 to March 14, 2015, upon the following terms and conditions:

- (1) The Lessee shall pay an annual rental of FIVE HUNDRED AND NO/100 DOLLARS (\$500.00) payable by equal semi-annual payments in advance at the Department of Land and Natural Resources in Honolulu, Oahu, State of Hawaii, on the 1st day of each June and December of each and every year until the expiration of said General Lease No. 3269, which is the 31st day of May 1970.
- (2) The annual rental for the next twenty (20) years shall be fixed by negotiation on the basis of an appraisal of the then current market value for rental purposes of the demised premises (including improvements), put to its highest and best use, taking into consideration, but not limited to, the then existing zoning.
- (3) The annual rental for the next twenty (20) year period shall be fixed in like manner.
- (4) The annual rental for the remainder of the term shall also be set in like manner.
- (5) In the event the Lessee shall prior to May 31, 1970, decide to put the demised premises to a use other than the present use, and such use is permitted by the then existing zoning laws or regulations, there shall be an immediate re-negotiation of the rental for a twenty (20) year period with the new rate to be established on the basis of an ap-

- praisal at the then current market value for rental purposes of said premises (including improvements) taking into consideration the contemplated new use.
- (6) The annual rental for the next twenty (20) year period shall be fixed in like manner and the annual rental for the remainder of the term of this agreement shall be fixed in like manner.
- (7) All or any part of the demised premises may at any time during the term of this agreement be withdrawn by the Lessor for resort and related development, in addition to the reasons enumerated in the withdrawal provisions contained in General Lease No. 3269. In case of withdrawal for resort and related development only, the rental payable herein shall be reduced in proportion to the value of the part so withdrawn and compensation shall be paid to the Lessee for any damages to improvements resulting from such withdrawal to be determined by an appraisal to be made at the time of withdrawal reflecting the number of years remaining in the lease as extended by this agreement.
- (8) The parties hereto agree that should the Lessor and Lessee fail to agree upon the rental as determined above, the Lessee may appoint his own appraiser, who together with the Lessor's appraiser shall appoint the third appraiser and the value shall be determined by arbitration as provided for under Chapter 188, Revised Laws of Hawaii 1955. The Lessee shall pay for his own appraiser and the cost of the third appraiser shall be borne equally.
- (9) Credit shall be given to the Lessee under this agreement toward the payment of the new rent for any pay-

ment made in advance by said Lessee pursuant to General Lease No. 3269.

- (10) No substantial improvements for residential purposes shall be undertaken by the Lessee without the prior written consent of the Lessor.
- (11) Except where the abovementioned rentals, terms, covenants and conditions conflict with the terms, covenants and conditions contained in the aforementioned General Lease No. 3269, dated the 15th day of June, 1948, the terms, covenants and conditions contained in said General Lease No. 3269 are continued in full force and effect until the termination date stated in this agreement.

IN WITNESS WHEREOF, the STATE OF HAWAII, the Lessor herein, by its Board of Land and Natural Resources, has caused the seal of the Department of Land and Natural Resources to be hereunto affixed and these presents to be duly executed by its Director of Land and Natural Resources and countersigned by a member of the Board of Land and Natural Resources, this 16th day of November, 1962, as of the day and year first above written; and CONSTANTINE ROUMANIS, the Lessee herein, has hereunto set his hand this 16th day of November, 1962, also as of the day and year first above written.

COUNTERSIGNED:

STATE OF HAWAII

By: Paul M. Ferguson  
Member  
Board of Land and Natural Resources

By: [Signature]  
Director  
Department of Land and Natural Resources

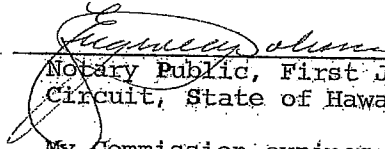
APPROVED AS TO FORM:

Constantine Rumanis  
CONSTANTINE ROUMANIS

Michael J. Byrne  
Deputy Attorney General

STATE OF HAWAII                    )  
  : ss  
CITY AND COUNTY OF HONOLULU)

On this 16th day of November, 1962, before me  
personally appeared CONSTANTINE ROUMANIS, to me known to be  
the person described in and who executed the foregoing instru-  
ment and acknowledged that he executed the same as his free act  
and deed.

  
Notary Public, First Judicial  
Circuit, State of Hawaii.

My Commission expires: 7-25-63

bys  
Checked by: H