

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

April 13, 2012

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

Kauai

Consent to Assign General Lease No. S-4573, Hanapepe Place Associates, Inc., Assignor, to Hanapepe Commercial Properties LLC, a Hawaii Limited Liability Company, Assignee, Hanapepe, Waimea, Kauai, Tax Map Key: (4) 1-8-008: 064.

APPLICANT:

Hanapepe Place Associates, Inc., as Assignor, to Hanapepe Commercial Properties LLC, a Hawaii Limited Liability Company, as Assignee.

LEGAL REFERENCE:

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

LOCATION:

Portion of Government lands of Hanapepe situated at Hanapepe, Waimea, Kauai, identified by Tax Map Key: (4) 1-8-008: 064, as shown on the attached map labeled Exhibit A.

AREA:

42,522 Square Feet, more or less.

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act

DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: NO

CHARACTER OF USE:

General Commercial purposes.

TERM OF LEASE:

50 years, commencing on November 30, 1977 and expiring on November 29, 2027. Last rental reopening occurred on November 29, 2007; next rental reopening is scheduled for November 29, 2017.

ANNUAL RENTAL:

\$49,500.00

CONSIDERATION:

\$ 325,000.00

RECOMMENDED PREMIUM:

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

DCCA VERIFICATION:

ASSIGNOR:

Place of business registration confirmed: YES
Registered business name confirmed: YES
Good standing confirmed: YES

ASSIGNEE:

Place of business registration confirmed: YES
Registered business name confirmed: YES
Good standing confirmed: YES

REMARKS:

General Lease S-4573 was issued to Richard K. Ueoka for fifty (50) years commencing on November 30, 1977 and will expire on November 29, 2027 for General Commercial purposes.

The Board at its July 28, 1978 meeting under Item F-1-d approved the assignment of General Lease S-4573 from Richard K. Ueoka assignor to RKU Enterprises, Inc. a registered Hawaii corporation, assignee.

Due to economical hardship the Board at its December 18, 1987 meeting under Item F-1-j approved the assignment of General Lease S-4573 from RKU Enterprises, Inc. a registered Hawaii corporation, assignor, to Hanapepe Place Associates, Inc. (Hanapepe Place Associates Inc., a Hawaii Corporation), assignee.

Kauai District Land Office on October 21, 2011 received from Hanapepe Place Associates Inc. a letter and application requesting the assignment of General Lease S-4573 to Hanapepe Commercial Properties LLC.

John W. Watts of NAI ChaneyBrooks who represents Hanapepe Place

April 13, 2012

Associates Inc. in a letter dated November 9, 2011, indicated that the closing of the assignment of General Lease S-4573 is being handled by an escrow company.

Hanapepe Place intends to apply to the Board for consent to sublease under General Lease S-4573 to Kauai Voyager Cruises LLC, Sublessee, Big Save Inc., dba Kauai Kookie Kompany, Sublessee, and Da Imu Hut Café & Catering Inc., Sublessee. Hanapepe Place will return to the Board at a later date to secure the required consent to sublease.

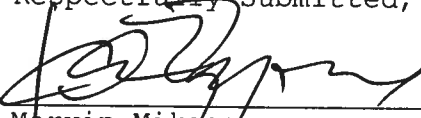
Lessee is in compliance with all lease terms and conditions.

RECOMMENDATION:

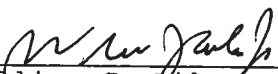
That the Board consent to the assignment of General Lease No. S-4573 from Hanapepe Place Associates, Inc., as Assignor, to Hanapepe Commercial Properties LLC, a Hawaii Limited Liability Company, as Assignee, subject to the following:

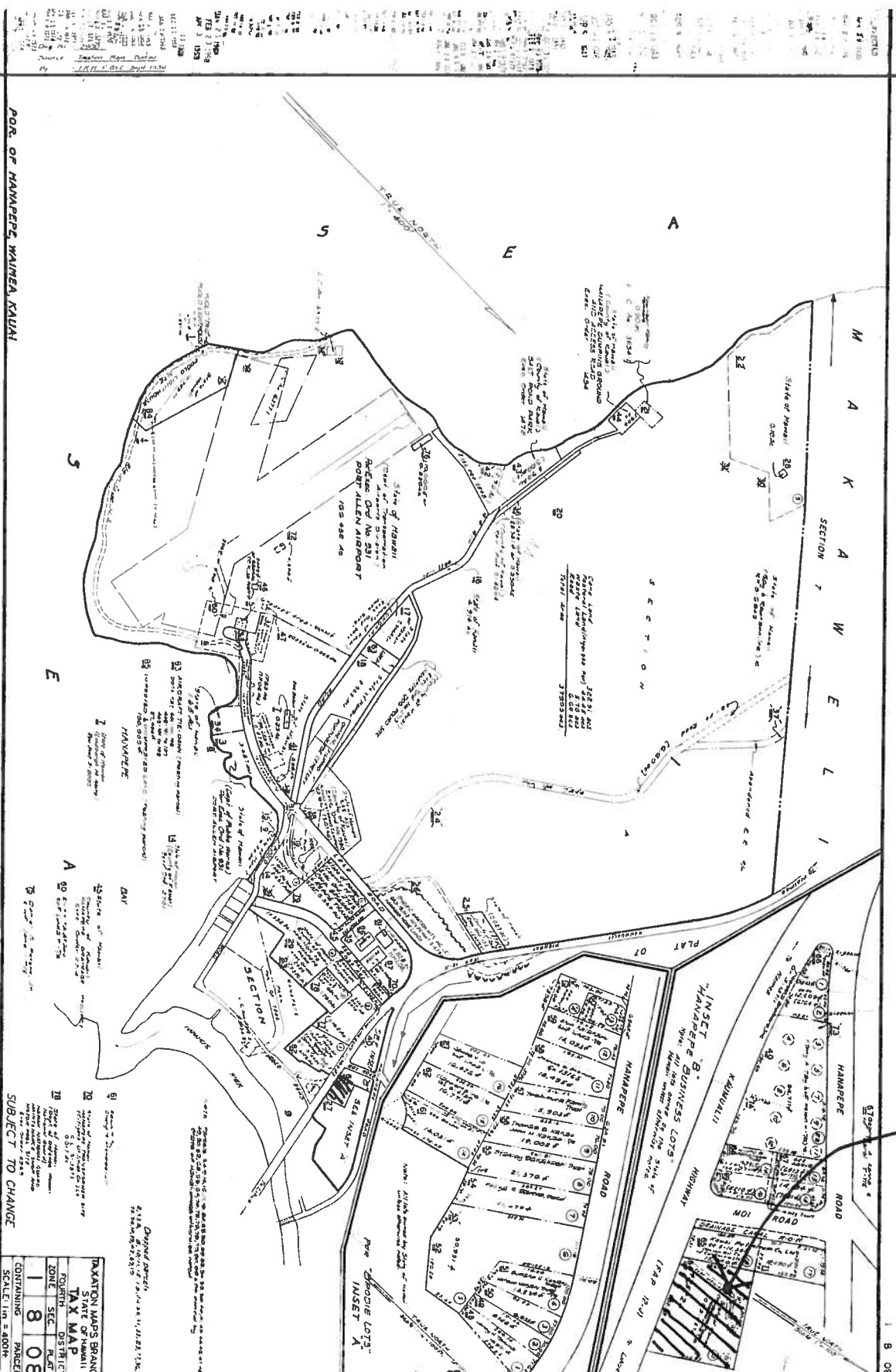
1. The standard terms and conditions of the most current consent to assignment form, as may be amended from time to time;
2. Review and approval by the Department of the Attorney General; and
3. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,


Marvin Mikasa
Acting District Land Agent

APPROVED FOR SUBMITTAL:


William J. Aila, Jr., Chairperson



FOR. OF HAMAKUA, MAINE, KAUAI

SUBJECT TO CHANGE

HAMAKUA LANDS BRANCH			
TAX MAP			
FOURTH	SEC	DISTRICT	PLAT
1	8	08	
CONTAINING PARCELS			
SCALE 1" = 400'			

EXHIBIT "A"