

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

July 13, 2012

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

PSF:12KD-088

Kauai

Consent to Assign General Lease No. S-4392, Lois N. Hashimoto, Assignor, to Lois N. Hashimoto, Clyde T. Hashimoto, and Lynne N. Tamashiro, Assignees, Lot 25, Hanapepe Rice & Kula Lots, Hanapepe, Waimea (Kona), Kauai, Tax Map Key: (4) 1-9-001:011

APPLICANT:

Lois N. Hashimoto as Assignor, to Lois N. Hashimoto, Clyde T. Hashimoto, and Lynne N. Tamashiro, Tenants in Common, as Assignees.

LEGAL REFERENCE:

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

LOCATION:

Portion of Government (Crown) lands of Hanapepe, Lot 25, Hanapepe Rice and Kula Lots situated at Hanapepe, Waimea (Kona), Kauai, Hawaii identified by Tax Map Key: (4) 1-9-001:011, as shown on the attached map labeled Exhibit B.

AREA:

4.08 acres, more or less.

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act

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

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CHARACTER OF USE:

Taro cultivation / residence purposes.

TERM OF LEASE:

58 years, commencing on December 20, 1973 and expiring on May 25, 2031. Last rental reopening occurred on December 20, 1998; next rental reopening is scheduled for December 20, 2013.

ANNUAL RENTAL:

\$1,450.00. Due in quarterly installments of \$362.50 on the first day of March, June, September and December of each and every year.

RECOMMENDED PREMIUM:

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

DCCA VERIFICATION:

ASSIGNOR:

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

ASSIGNEE:

Not applicable, Assignees are individuals and are not required to register with DCCA.

REMARKS:

This parcel has been in the Hashimoto family thru General Leases No. S-1742, S-2810, S-3557 and currently S-4392 from December 30, 1925 to present.

On December 20, 1973, public auction was held and Toshio Hashimoto and Lois N. Hashimoto were the winning bidders for item I described as a lease of a Portion of Government Land at Hanapepe, being Lot 25 of the Hanapepe Rice and Kula Lots, being also Parcel 11 of Tax Map Key 1-9-01 (Kauai). General Lease No. S-4392, with Toshio Hashimoto and Lois N. Hashimoto as lessees holding as tenants by the entirety, commenced on December 20, 1973.

On June 14, 2011, Toshio Hashimoto passed away. (See Exhibit C). As the survivor of the tenants by the entirety, Lois N. Hashimoto wishes to add her two (2) children to General Lease No. S-4392 thru Consent to Assignment. (See Exhibit D).

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Clyde T. Hashimoto and Lynne N. Tamashiro have grown-up on the property and are still participating in the farming activities.

The rent payment, insurance and bond for GL S-4392 are current.

The Assignees have not had a lease, permit, easement or other disposition of State lands terminated within the last five years due to non-compliance with such terms and conditions.

No government agencies or interested groups were solicited for comments as the assignment of this lease will not involve a new disposition or change in land use.

RECOMMENDATION: That the Board

Consent to the assignment of General Lease No. S-4392 from Lois N. Hashimoto, as Assignor, to Lois N. Hashimoto, Clyde T. Hashimoto, and Lynne N. Tamashiro as Assignees, 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,

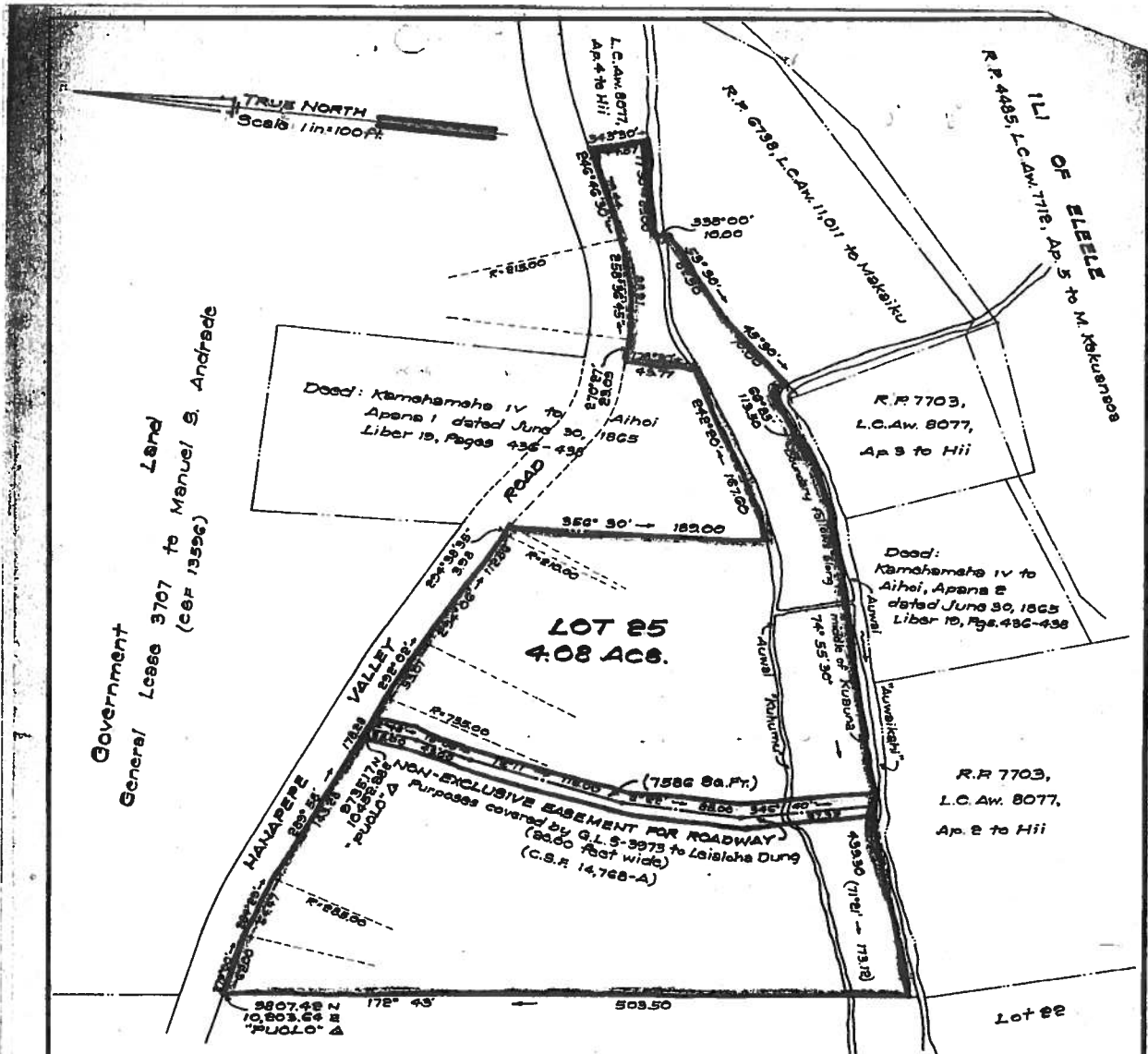


Marvin Mikasa
Acting District Land Agent

APPROVED FOR SUBMITTAL:



William J. Aila, Jr., Chairperson



R.P. 7452, L.C.Aw. 3284, Apans 2 to Wahineaea

(Revised - January 1972)
HANAPEPE RICE AND KULA LOTS
LOT 25
Hanapepe, Waimoa (Kona), Kauai, Hawaii
Scale: 1 inch = 100 feet

JOB K-5534
C. BK #7 Wilder

TAX MAP 1-6-01

SURVEY DIVISION
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
STATE OF HAWAII

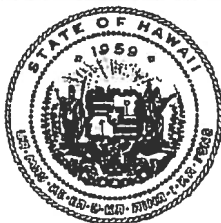
EXHIBIT "B"

KAUAI FILE CANTON 20

R.R. Jan. 7, 1972

CERTIFICATE OF DEATH

STATE OF HAWAII
DEPARTMENT OF HEALTH



CERTIFICATE NC

Name of Decedent

TOSHIO HASHIMOTO

City, Town or Location of Death

HANAPEPE

County of Death

KAUAI

Island of Death

KAUAI

Actual or Presumed Date of Death

June 14, 2011

Actual or Presumed Time of Death

2:30 AM

Date of Birth

[REDACTED]

Age at Death

85 YEAR(s)

Sex

MALE

Race

Japanese

Citizenship

USA

Ever in Armed Forces?

NO

Social Security Number

[REDACTED]

Marital Status

MARRIED

Surviving Spouse (If Wife, Name Prior to First Marriage)

Lois Yamamoto

Father's Name

[REDACTED]

Mother's Name (Prior to First Marriage)

[REDACTED]

Disposition

CREMATION

Date: June 15, 2011

Permit #: 58063

Cemetery/Crematory: GARDEN ISLAND MORTUARY, LTD.

Location: LAWAI, HI 96765

Funeral Home: GARDEN ISLAND MORTUARY

Certifier: C. Mitchell Jenkins MD PRIVATE PHYSICIAN

Date Certified: June 14, 2011

Original Date Certified: June 14, 2011

Date Pronounced Dead: June 14, 2011

Time Pronounced Dead: 2:30 AM

Cause of Death:

a. Prostate Cancer

PHS:34:03

Manner of Death: NATURAL CAUSES

JUN 15 '12

DLNR Kolo Kol

EXHIBIT "c"

Date Filed by State Registrar: June 14, 2011

OHSM 1.2 (Rev 10/08)

This copy serves as prima facie evidence of the fact of death in any court proceeding. [HRS 338-13(b), 338-19]

1168742

ANY ALTERATIONS INVALIDATE THIS CERTIFICATE

STATE OF HAWAII
DEPARTMENT OF LAND & NATURAL RESOURCES
REQUEST FOR CONSENT TO ASSIGNMENT

For DLNR use only:
Date of request: _____
Date request recvd: _____
Type of Request: _____
Assigned Land Agent: _____

I. GENERAL INFORMATION

General Lease No. S-4392

Type of Request:

- () Consent to agreement of sale
(X) Consent to assignment of lease
() Consent to assignment of sublease
() Consent to assignment of grant of easement

II. ASSIGNOR/ASSIGNEE INFORMATION

Should the consent be approved, the following information will be used in the preparation of the legal documents. Therefore, please include all applicable parties and legal names.

Assignor: Hashimoto Lois N.
Last name First Name

Last name First Name

Last name First Name

Assignee(s): Hashimoto Lois N.
Last name First Name

Marital status: () Single (X) Widow/widower () Married - spouse of: _____
Held as: () Tenant in Severalty () Tenants in Common (X) Joint Tenants () Tenants by Entirety
Percentage held: 33 1/3%

Hashimoto Clyde T.
Last name First Name

Marital status: () Single () Widow/widower (X) Married - spouse of: Sulyn S. Hashimoto
Leslie S. Tamashiro
Held as: () Tenant in Severalty () Tenants in Common (X) Joint Tenants () Tenants by Entirety
Percentage held: 33 1/3%

Tamashiro Lynne N.
Last name First Name

Marital status: () Single () Widow/widower (X) Married - spouse of: Leslie S. Tamashiro
Held as: () Tenant in Severalty () Tenants in Common (X) Joint Tenants () Tenants by Entirety
Percentage held: 33 1/3%

Mailing address:

No. and Street

Lihue HI 96766
City State Zip Code

Contact person: Hashimoto Clyde T.
Last name First Name

Phone number:

()
Work



Home

()
Cellular

()
Pager

()
Fax

E-mail address

Assignee intends to hold title as:

Type of owner (check one):

- Individual
- Husband and Wife
- Sole Proprietorship
- Joint Venture
- Trust
- Association
- Other (specify): Joint Tenants
- Partnership
- Limited Partnership
- Limited Liability Partnership
- Corporation
- Non-Profit Corporation
- Limited Liability Corporation

For partnership or corporation, State of incorporation: _____

II. AGENT

If you have an attorney, consultant or other person processing this request for you, please include the following information.

Agent name:

Shiraishi
Last name

Sherman
First Name

Agent address:

No. and Street

Lihue
City

HI
State

96766
Zip Code

Phone numbers:

(808)
Work

()
Home

()
Cellular

()
Pager

()
Fax

E-mail address

III. ASSIGNMENT INFORMATION

The following information is required to process your request. Please furnish evidence of the actual cost for improvements or renovations as well as trade fixtures (copy of construction contract, receipts, inventory of all personal property, etc.).

- 1) Cost of improvements: \$ _____
- 2) Cost of trade fixtures: \$ _____
- 3) Value of inventory: \$ _____
- 4) Consideration: \$ -0-
- 5) What is the reason for the assignment?

Lease No. S-4392 was held by Toshio Hashimoto & Lois N. Hashimoto, husband and wife, as tenants by the entirety. Toshio Hashimoto is deceased and Lois N. Hashimoto desires to assign the Lease to herself and her children, Clyde T. Hashimoto and Lynne N. Tamashiro, as joint tenants. Son has lived on the leased premises for many years and has been and is still active in taro farming on the leased premises. Daughter also assists in farm operations.

- 6) Has any of the assignees had a sale, lease, permit, easement, license or any other land disposition canceled within the past five years for failure to satisfy the terms and conditions of such disposition? No

III. ATTACHMENTS

- 1) Attach two (2) copies the assignment document, both bearing original signatures.
- 2) If the subject lease is for pasture or agricultural use, the proposed Assignee is required to complete Attachment A.
- 3) Attach copy of State and county tax clearances for the Assignee(s). Refer to Attachment B for information.

IV. CERTIFICATION

I/We hereby certify that the statements and information contained in this application, including all attachments, are true and accurate to the best of my/our knowledge and understand that if any statements are shown to be false or misrepresented, this application may be rejected.

Lois N. Hashimoto
Printed Name

X Lois N. Hashimoto
Signature

Printed Name

X _____
Signature

4/25/12
Date

For DLNR Use Only:

TO CLOSE REQUEST:

Reason for closing: _____

| |
|----------------------------|
| |
| |
| |
| |
| Approved by DLA: _____ |
| Date request closed: _____ |

Attachment A
Qualification Questionnaire

Qualifications and Experience

1. Indicate experience to qualify as a bona fide farmer pursuant to Section 171-14.5, HRS. For husband and wife, at least one individual shall qualify. For partnerships, joint ventures and corporations, "Applicant" in the following questions refers to the entity itself, and, therefore, only 1.A, 1.B, 1.G and 1.J below will apply.
- A. Has the Applicant spent not less than two years, full-time, in farming operations? If yes, explain in Question 3. (x) Yes () No
- B. Is the Applicant an owner-operator of an established farm conducting a substantial farming operation? If yes, explain in Question 3. (x) Yes () No
- C. Has the Applicant, for a substantial period of the individual's adult life, resided on a farm and depended on farm income for a livelihood? If yes, explain (number of years, location, income, etc):
Lois N. Hashimoto has lived on the property since approximately 1977 and assisted her husband, Toshio Hashimoto (now deceased) in farming activities on the property. While residing on the property, the Hashimoto children (including Clyde T. Hashimoto and Lynne N. Tamashiro) assisted with farming activities. (x) Yes () No
- D. Is the Applicant an individual who has been a farm tenant or farm laborer or other individual, who has for the two years last preceding the auction obtained the major portion of their income from farming operations? If yes, explain in Question 3. () Yes (x) No
- E. Does the Applicant have a college degree in agriculture? If yes, explain in Question 2. () Yes (x) No
- F. Is the Applicant an individual who, by reason of ability, experience, and training as a vocational trainee, is likely to successfully operate a farm? If yes, explain in Question 2. (x) Yes () No
- G. Has the Applicant received a commitment for a loan under the Bankhead-Jones Farm Tenant Act for the acquisition of a farm? If yes, attach copy of executed loan document or notification letter. () Yes (x) No
- H. Is the Applicant an individual who is displaced from employment in an agricultural production enterprise? If yes, explain in Question 3. () Yes (x) No
- I. Is the Applicant a member of the Hawaii Young Farmer Association or a Future Farmer of America graduate with two years of training with farming projects? If yes, attach letter confirming membership and training and explain in Question 2. () Yes (x) No
- J. Does the Applicant possess the qualifications under the new farmer program pursuant to section 155-1(3), HRS? If yes, explain: () Yes (x) No

K. Does the Applicant possess such other qualifications? () Yes (x) No
 If yes, briefly describe any other information which you may consider pertinent to assessing your qualifications and experience and which is not contained in your responses to Questions 2 & 3:

2. Education and Training

A. List all vocational training, business, trade, college or university, graduate or professional schools:

| Name & Location of School (and Name of Person, if applicable) | Field of Study | Degree Type | Date Received |
|--|----------------|-------------|---------------|
| University of Hawaii at Manoa (Clyde T. Hashimoto) | Elem Ed | BA | 1983 |
| Kauai Community College (Lynne N. Tamashiro) | Business | Associates | 1987 |
| | | | |
| | | | |
| | | | |

B. Attach evidence of your graduation from college (copy of transcripts or diploma).

C. Describe any vocational or other training you have received which relates to your qualifications and experience to successfully operate your farm/ranch:

Clyde T. Hashimoto has worked on the farm for over 40 years.

Lynne N. Tamashiro has worked on the farm for approximately 35 years.

3. In chronological order starting with the Applicant's most current experience, briefly describe Applicant's farming/ranching experience and business experience (management, financial and marketing) as it relates to the land intended to be bid on. For partnerships, joint ventures and corporations, include both experience of business entity itself as well as experience of principals or managers. **Copy and attach additional sheets as needed.**

| | |
|--|---|
| Business Name <u>Lois N. Hashimoto, owner</u> Address _____ Name & Title of Supervisor _____ Your Position _____ Commodity Produced <u>Taro</u> Size of Operations (no. of employees , acres) _____ Duties & Responsibilities <u>Plant, irrigate, fertilize, harvest.</u> _____ _____ _____ | From: <u>1977</u> Month Year To: <u>Present</u> Month Year Full-time (x) Part-time (x) Average hours worked per week: _____ |
| Business Name _____ Address _____ Name & Title of Supervisor _____ Your Position _____ Commodity Produced _____ Size of Operations (no. of employees , acres) _____ Duties & Responsibilities _____ _____ _____ _____ | From: _____ Month Year To: _____ Month Year Full-time () Part-time () Average hours worked per week: _____ |
| Business Name _____ Address _____ Name & Title of Supervisor _____ Your Position _____ Commodity Produced _____ Size of Operations (no. of employees , acres) _____ Duties & Responsibilities _____ _____ _____ _____ | From: _____ Month Year To: _____ Month Year Full-time () Part-time () Average hours worked per week: _____ |

4. For any experience listed above which the Applicant would like to be considered in order to qualify as a bona fide farmer pursuant to Section 171-14.5, HRS, under Question 11, attach verification, including but not limited to: 1) pay stubs or W-2 forms where Applicant was employed as an individual or 2) Schedule F of federal income tax returns or General Excise tax returns where Applicant was a self-employed individual or a corporation.
5. Attach at least two (2) reference letters from people, who are not related to you, verifying agricultural background (applies to farm laborer or previous farm experience).

Business Plan

6. What will the land be used for? List the goals and objectives to utilize and develop the land:

The land will be used for taro farming.

7. What products will be sold?

Taro

8. What is the projected yearly level of production?

300-400 bags of taro per year.

9. What is the demand for your products in the near- and long-term?

Great. Currently selling all that the farm produces.

10. Who are your primary customers and how will the products be distributed?

Honolulu Poi Company Wholesalers

11. What is your pricing strategy?

Market price established by Honolulu Poi Company.

12. How will you market your products?

It is sold to Honolulu Poi Company, who then markets the product.

13. Who are your major competitors and what is your competitive strategy?

There are at least 2 other taro farmers in Hanapepe Valley. The farmers can sell all their products at prevailing market prices.

14. What improvements to the land do you intend to make and at what cost?

No further improvements are needed.

15. How will you develop the land from the beginning of your use of the lease area until it is in full operation? Give estimated times required by each major activity and projected percentages of development.

It is fully operational.

16. How will you finance the operations?

Self-financed.

17. What is the most lease rent that you can pay before net profit will be zero? \$ 1,450 per year

18. What problems are anticipated in carrying out this plan and how will you resolve them?

Increasing labor cost. Currently operating the farm with assistance from family and friends who are committed to continuing taro farming.

19. Attach a completed Cash Flow Projection. You must show **all** income and expenses applicable to your business for a five-year period or one crop rotation **whichever is greater**. Attachment C provides a sample form. You may use your own format.

20. Attach a Preliminary Map Plan (can be drawn free hand). Please note:

- A. Pasture leases should show fencing, stock watering troughs, water distribution system if needed and topography with physical features to be protected, such as streams, eroded land, steep areas, etc.
- B. Intensive agriculture leases should show crop rows, roadways, structures, windbreaks if necessary and water distribution system plus topography with physical features such as streams, gullies, step areas, etc. If you are proposing crops that are not prevalent in the area, letters from agricultural experts testifying to the viability of the crop within the area should be included.

Financial Capacity

21. All Applicants must attach the following:

- a. Federal income tax returns for the most recent three years. If the most recent year of operation will not be submitted, please explain why:
- b. At least one (1) credit reference letter from a bank or other financial institution with which the Applicant regularly does business.
- c. If Applicant is an individual, husband and wife, sole proprietorship or partnership, attach Personal Financial Statement for each person (Attachment D).
- d. If Applicant is as a corporation, attach financial statements (current balance sheet and income/expense statement) for the most recent two years.

e. If Applicant is a corporation, partnership or joint venture which was formed within the last three years, Applicant must also submit Personal Financial Statements (Attachment D) for each principal stockholder in the case of a corporation, each partner in the case of a partnership, or each member in the case of a joint venture, for the years previous to the formation of the organization so that a minimum of three consecutive years of statements are submitted.

22. Are there any outstanding judgments against you? If yes, explain: Yes No

23. Have you filed bankruptcy within the past seven years? Yes No

24. Have you had property foreclosed upon or given title or deed in lieu thereof in the last seven years? Yes No

25. Are you a party in any legal action? If yes, explain: Yes No

26. Have you directly or indirectly been obligated on any loan, which resulted in foreclosure, transfer of title in lieu of foreclosure, or judgment? If yes, provide details, including date, name and address of lender and reasons for the action: Yes No

27. Are you presently delinquent or in default on any Federal, State or county rent, debt or any other loan, mortgage, financial obligation, bond, or loan guarantee? If yes, explain: Yes No

Criminal Convictions

28. Have you ever been convicted of the crime of cruelty to animals and/or have you been convicted of a violation of law? If yes, explain: Yes No

Attachment B
Information on Obtaining Tax Clearances

For information on obtaining State tax clearances, contact the State Department of Taxation:

State District Tax Offices:

Oahu District Tax Office
830 Punchbowl Street
Post Office Box 259
Honolulu, Hawaii 96809-0259
Phone: (808) 587-4242
Toll-free: 1-800-222-3229

Kauai District Tax Office
3060 Eiwa Street, #105
Lihue, Hawaii 96766-1889
Phone: (808) 274-3456

Hawaii District Tax Office
75 Aupuni Street
Post Office Box 833
Hilo, Hawaii 96721-0833
Phone: (808) 974-6321

Maui District Tax Office
54 South High Street
Post Office Box 1169
Wailuku, Hawaii 96793-1169
Phone: (808) 984-8511

Tax Clearance Application (Form A-6): <http://www.hawaii.gov/tax/current/a6.pdf>
Instructions for filing Form A-6: <http://www.hawaii.gov/tax/current/a6ins.pdf>

For information on obtaining county tax clearances, contact the Real Property Tax Office in your county.

City & County of Honolulu
City Hall
Treasury Office, Room 115
530 South King Street
Honolulu, Hawaii 96813
OR call 523-4856 (tax clearance forms
can be mailed or e-mailed to you)

County of Hawaii
Real Property Tax Office/Collections Div
Aupuni Center
101 Pauahi Street, Suite 4
Hilo, Hawaii 96720
Phone: (808) 961-8282
Fax: (808) 961-8415

County of Kauai
Real Property Tax Collection
4444 Rice Street, Suite 463
Lihue, Hawaii 96766
Phone: (808) 241-6555

County of Maui
Real Property Tax Division
70 E. Kaahumanu Avenue, Suite A-16
Kahului, Hawaii 96732
Phone: (808) 270-7697