

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

October 26, 2012

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

OAHU

Extending the Cure Period for Notice of Default, General Lease No. 5376; Shawn C. Kadooka and Dominic K. Kadooka, Lessee, Waimanalo, Koolaupoko, Oahu, Tax Map Key: (1) 4-1-008:079.

PURPOSE:

Forfeiture of General Lease No. S-5376, Shawn C. Kadooka and Dominic K. Kadooka, Lessee.

LEGAL REFERENCE:

Section 171-20, Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government lands of situated at Waimanalo, Koolaupoko, Oahu, identified by Tax Map Key: (1) 4-1-008:079, as shown on the attached map labeled Exhibit A.

AREA:

52.022 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

CHARACTER OF USE:

For diversified agriculture and residential purposes. "Diversified agriculture" means the cultivation and harvesting of truck, orchard, flower or nursery crops and shall not include or embrace the cultivation and harvesting of grasses or forage crops.

TERM OF LEASE:

35 years, commencing on December 1, 1994 and expiring on November 30, 2029.

ANNUAL RENTAL:

\$20,290.00 due in semi-annual payments.

REMARKS:

Pursuant to the authority granted the Chairperson by the Board of Land and Natural Resources at its meeting of January 11, 1980 and the breach provision contained in General Lease S-5376, Shawn C. Kadooka and Dominic K. Kadooka, Lessee, was served a Notice of Default by certified mail dated March 2, 2012 for:

 x Failure to keep lease rental payments current

Said notice, accepted by the Lessee on March 7, 2012, offered the Lessee a thirty-day cure period to correct the default. This cure period expired on April 7, 2012. As of October 2, 2012, this breach has not been cured.

As of October 2, 2012, the current status of all lease compliance items is as follows:

RENT: The Lessee has a rental delinquency plus applicable late fees in an amount of \$18,240.00 for the time period from December 1, 2011 to November 30, 2012.

INSURANCE:

The Lessee has posted the required liability insurance policy.

PERFORMANCE BOND:

The Lessee has posted the required performance bond.

On October 14, 2010, under agenda item D-22, the Board approved the extension of the cure period of the subject lease to rectify the default (rental delinquency). The rental owed was subsequently paid by the Lessee.

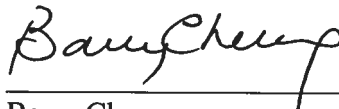
Lessees explain that due to an unforeseen viral attack on corn crop, their harvesting has been pushed back three months. Therefore, the Lessees request an extension of the cure period for the Notice of Default to November 30, 2012, by their letter attached as Exhibit B.

Staff does not have objection to the requested extension since the virus attack was not foreseen and the Lessee had kept their promise in 2010 by settling the outstanding rental owed. Further, staff recommends the Board authorize the Chairperson further extend the cure period for good cause.

RECOMMENDATION: That the Board:


1. Extend the cure period of the Notice of Default received by the Lessee on March 7, 2012 to November 30, 2012; and
2. Authorize the Chairperson extend the cure period of the Notice of Default received by the Lessee on March 7, 2010 beyond November 30, 2012 for good cause.

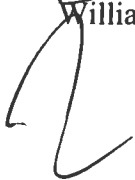
Respectfully Submitted,

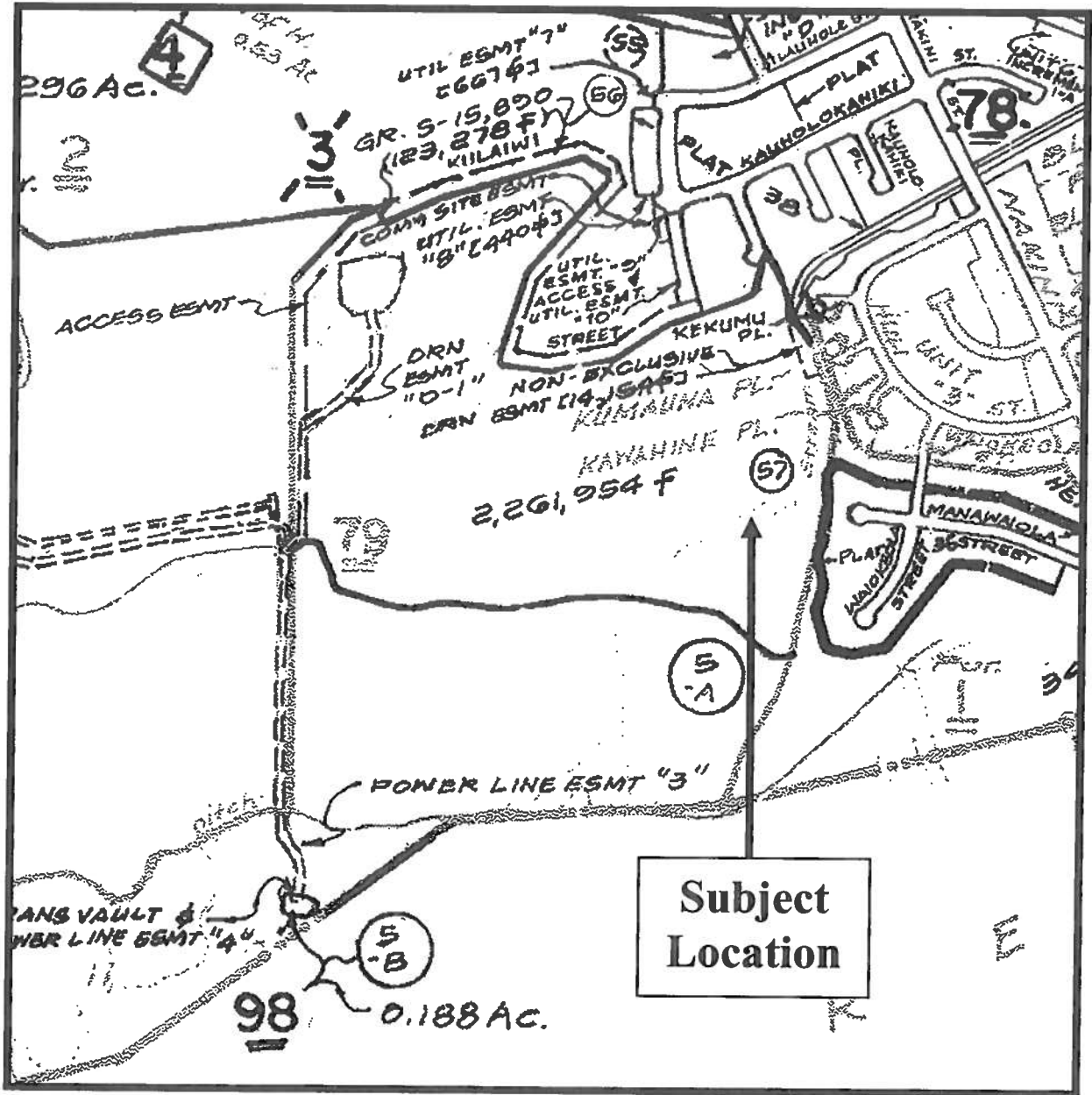


Barry Cheung
District Land Agent

APPROVED FOR SUBMITTAL:



William J. Aila, Jr., Chairperson



TMK (1) 4-1-009:079

EXHIBIT A

September 26, 2012

Department of Land and Natural Resources
Land Division
Board of Land and Natural Resources
P.O. Box 621
Honolulu, HI 96809

Dear Board of Directors,

I am writing to you to ask for an extension on our Notice of Default and to explain our current situation for General Lease No. S-5376, Shawn Kadooka and Dominic Kadooka, Lessees, Waimanalo, Koolaupoko, Oahu: Tax Map Key: (1)4-1-008:079.

Our Season started late this year due to excessive rain in January and February. Then we were hit with the maize dwarf mosaic virus that wiped out most of the corn crop as were a lot of other corn farmers. We followed Department of Agriculture steps to get rid of the virus and replanted our fields. We have been harvesting since July and have made progress however, we have been pushed back 3 months and with our bills piled up and no option but to replant in order to earn income. Therefore, we had to use whatever income that came in, to buy new seeds and use for other production costs. We currently have 8 fields in the ground and the harvest is starting to come in but the bills have also piled up. I am expecting this harvest to be more than enough to get us current.

I am writing to ask you to please extend our notice of default until November 30, 2012 at which time we will be able to have harvested our crops and collected outstanding account receivables. From now until November 30, 2012 I will send in at least \$1000 per month as the income comes in as a commitment to decrease our debt as soon as possible. Please know that these are circumstances beyond our control and we would not like to have to give up farming because of these unfortunate events.

Thank you for your time and consideration in this matter. If you have any questions please call me at [REDACTED]

Sincerely,



Shawn C. Kadooka

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NATURAL RESOURCES
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