

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

March 13, 2015

Ref. No.: GLS-5405

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

HAWAII

Rescind Prior Board Actions of February 14, 2014, Item D-2, Consent to Assign General Lease No. S-5405, Yvonne K. Okamoto, Lessee, to Deanna Piliialoha Kahookaulana, Assignee, Kikala-Keokea, Puna, Hawaii, Tax Map Key: (3) 1-2-043:005.

Authorize the Mutual Cancellation of General Lease No. S-5405 to Yvonne K. Okamoto, Lessee.

APPLICANT:

Yvonne K. Okamoto, as Lessee.

LEGAL REFERENCE:

Section 171-39, Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government lands of Lot 5, Kalapana Section situated at Kikala-Keokea, Puna, Hawaii, identified by Tax Map Key: (3) 1-2-043:005, as shown on the attached map labeled Exhibit A.

AREA:

1.2050 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:

YES \_\_\_\_ NO x

CHARACTER OF USE:

Residential purposes.

TERM OF LEASE:

65-years, commencing on January 1, 1997 and expiring on December 31, 2061. First scheduled rental reopening is for January 1, 2022.

ANNUAL RENTAL:

\$132.00 Payable in advance, in semi-annual installments of \$66.00 on the First Day of January and July of each and every year.

CONSIDERATION:

Not Applicable.

RECOMMENDED PREMIUM:

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

APPLICANT REQUIREMENTS:

None

REMARKS:

At its meeting of December 16, 1994, Item F-3, the Board of Land and Natural Resources, pursuant to Act 314, authorized the awarding of direct residential leases at Kikala-Keokea, Puna, Hawaii. A drawing of lots was conducted on December 9, 1995, and Yvonne K. Okamoto was awarded a 65-year residential lease, under General Lease No. S-5405.

On October 3, 2013, Mr. Calvin Okamoto, husband of Yvonne Okamoto, made a payment of \$4,092 to bring the account current. Mr. Okamoto provided staff with a written request from Yvonne Okamoto to cancel the lease because they were unable to comply with the lease terms and conditions and no longer intended to reside on the property.

At its meeting of December 13, 2013, Agenda item D-7, the Board of Land and Natural Resources approved the cancellation of General Lease No. S-5405, Yvonne Okamoto, Lessee. Mrs. Okamoto explained that she and her family had no plans to reside in Kikala-Keokea, therefore, wished to cancel the lease.

By letter dated, December 28, 2013, Mrs. Yvonne K. Okamoto, Lessee, requested that the Land Board rescind its prior actions of December 13, 2013, D-7, as she had recently been approached by a Deanna Piliialoha Kahookaulana, who wanted to take over the lease. Mrs. Okamoto explained that she intended to assign the lease to Ms. Kahookaulana as a qualified applicant interested in residing in the Kikala-Keokea, Kalapana area.

At its meeting of February 14, 2014, the Board approved to rescind its prior action of December 13, 2013 (D-7), cancellation of General lease No. S-5405, and to authorize the assignment of General Lease No. S-5405, Yvonne Okamoto, Lessee/Assignor, to Deanna Piliialoha Kahookaulana, Assignee.

In the processing of the assignment of lease, Ms. Kahookaulana has failed to provide the Hawaii District Land Office with the required tax clearances, document fees and proof of insurance. Several attempts to contact Ms. Kahookaulana by phone and correspondence have been unsuccessful; therefore, it is now being recommended that the Land Board rescind its prior Board actions of February 14, 2014 (D-2) and again proceed with the original proposal for Yvonne Okamoto's mutual cancellation of the lease.

Mrs. Okamoto withdrew her prior request for cancellation of the lease on the understanding that Ms. Kahookaulana would handle any and all expenses during the assignment process. Due to unexpected delays and the unsuccessful processing of the assignment, which were not the fault of Mrs. Okamoto, staff recommends that the Fiscal Office reverse any rents and late fees assessed the account after December 13, 2013, and to close the account upon confirming the Land Board's authorization to cancel the lease.

There are no residential improvements on the property. It remains in an undeveloped state, apart from grubbing and grading that occurred during the creation of the subdivision. Due to the potential of the June 27, 2014 lava flow to disrupt the main highway access between Keaau and Kikala-Keokea, it may become increasingly difficult to find qualified assignees willing to take over the Kikala-Keokea leases.

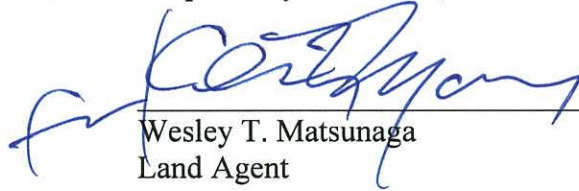
No comments were solicited as there will be no new dispositions or change in land use.

RECOMMENDATION: That the Board:

1. Rescind its Prior Board Action of February 14, 2014, Item D-2, Consent to Assignment of General Lease No. S-5405, Yvonne Okamoto, Assignor, to Deanna Piliialoha Kahookaulana, Assignee;
2. Authorize the mutual cancellation of General Lease No. S-5405, as previously approved at its meeting of December 13, 2013, Item D-7;
  - A. The standard terms and conditions of the most current cancellation of lease document form, as may be amended from time to time;

- B. Effective date of cancellation shall be December 13, 2013.
- C. Review and approval by the Department of the Attorney General; and
- D. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

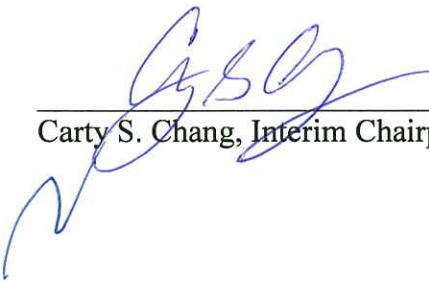
Respectfully Submitted,



---

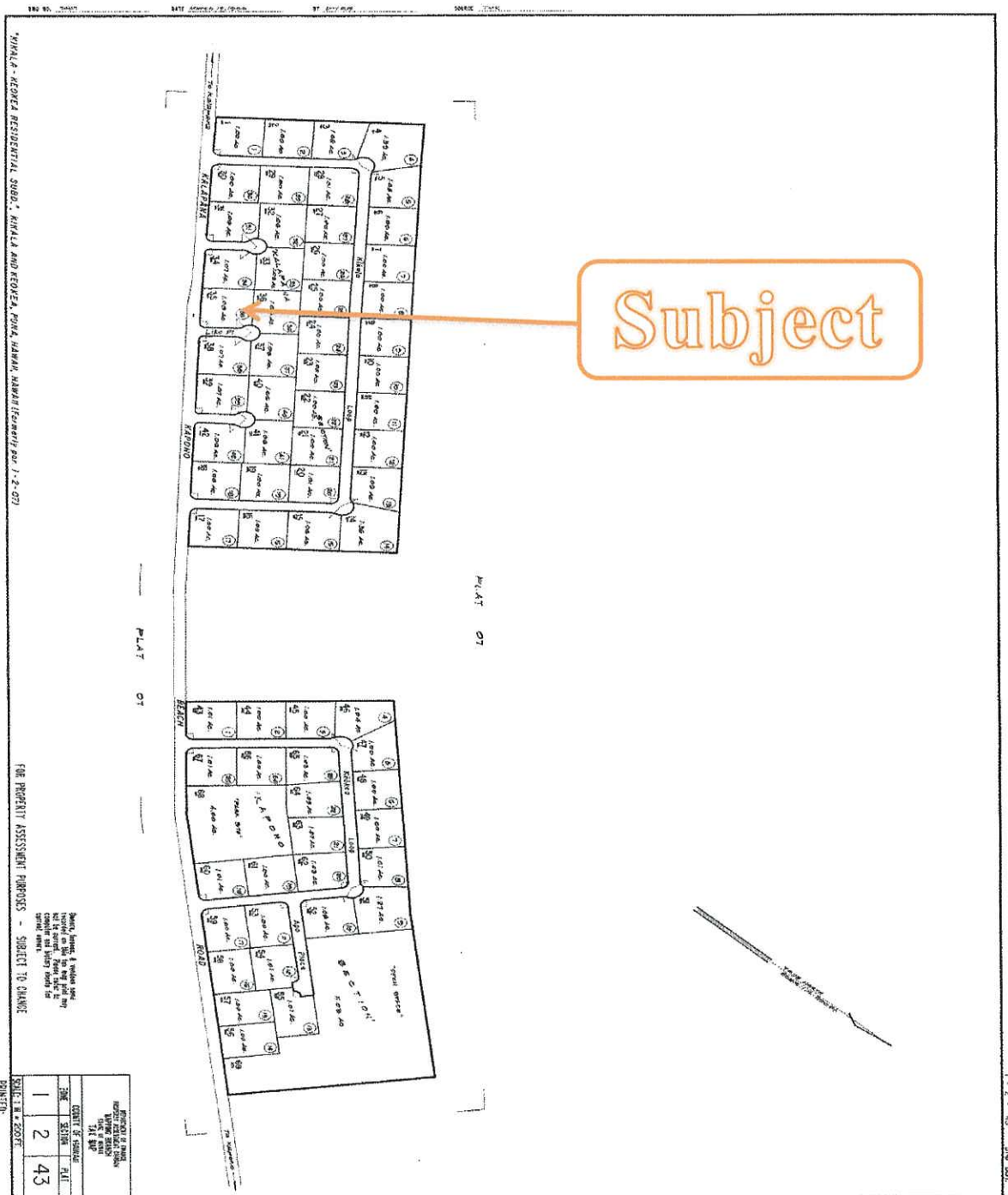
Wesley T. Matsunaga  
Land Agent

APPROVED FOR SUBMITTAL:



---

Carty S. Chang, Interim Chairperson



# EXHIBIT A