STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Division of State Parks
Honolulu, Hawaii 96813

July 10, 2015

Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawai‘i

Kaua‘i

Consent to Assign General Lease No. SP-0167 Damascus and Thelma Ruiz, Assignors, to Russell Fu and Tracy Fu, Assignees, Lot 38 Pu‘u Ka Pele, Waimea Canyon State Park, Waimea (Kona), Kaua‘i, TMK: (4) 1-4-002:043

APPLICANT:

Damascio and Thelma Ruiz, Assignors.

LEGAL REFERENCE:

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

LOCATION:

Lot 38, Pu‘u Ka Pele, Waimea Canyon State Park, Waimea (Kona), Kaua‘i, Tax Map Key: (4) 1-4-002:043, as shown on the attached legal description and survey map labeled Exhibit A.

AREA:

1.03 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

ITEM E-1
CHARACTER OF USE:

Recreation - residence.

TERM OF LEASE:

Twenty (20) years, commencing January 1, 2009, and expiring on December 31, 2028 (see Remarks). There is one rental reopening after ten years.

ANNUAL RENTAL:

$4,800.00

CONSIDERATION:

$10.00

RECOMMENDED PREMIUM:

None.

DCCA VERIFICATION:

Not applicable because all parties involved are individuals and are not required to register with DCCA.

APPLICANT REQUIREMENTS:

None.

REMARKS:

General Lease SP0167 was entered into on January 6, 2009 between the Board of Land and Natural Resources ("Board") and Lessees Damascio and Thelma Ruiz through direct negotiation pursuant to Act 223 (SLH2008). Summary appraisal information together with an area map and picture of the cottage are attached as Exhibit B.

Lessee’s held the previous lease covering the property. On April 8, 2015, Lessee’s provided an executed Assignment of Lease dated November 19, 2014, evidence of liability and fire insurance and a cashier’s check for $4,800.00 representing the performance bond. Mr. and Mrs. Ruiz are requesting the assignment of the lease to Mrs. Ruiz’s nephew, Russell Fu and his wife Tracy Fu, due to their age and needing assistance with their financial obligations.
Staff notes that the term of the lease is for a period of 20 years commencing January 1, 2009. On the first page of the lease, however, the termination date is listed as December 31, 2029 in error. This would indicate a 21 year lease and is inconsistent with Act 223. Upon consultation with the Department of the Attorney General, staff recommends that a short amendment be made to the lease correcting the termination date to read December 31, 2028. Staff recommends this be completed simultaneously with the other documents necessary for the assignment.

Assignee has 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 comments have been received from any agency or the community.

RECOMMENDATION:

That the Board consent to the Assignment of General Lease No. SP-0167, from Damascio and Thelma Ruiz, Assignors to Russell Fu and Tracy Fu, Assignees subject to the following:

1. That the Lease be amended to correct the termination date to December 31, 2028;

2. The standard terms and conditions of the most current consent and/or amendment to lease forms, as may be amended from time to time,

3. Review and approval by the Department of the Attorney General; and,

4. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully submitted,

DANIEL S. QUINN
State Parks Administrator

APPROVED FOR SUBMITTAL:

SUZANNE D. CASE
Chairperson
STATE OF HAWAII
SURVEY DIVISION
DEPT. OF ACCOUNTING AND GENERAL SERVICES
HONOLULU

November 27, 1967

(Revised - November, 1967)

FUU KA PULE PARK LOTS
LOT 38

Waimea (Kona), Kauai, Hawaii

Being a portion of Waimea Canyon Park
(Governor's Executive Order 2209)

Beginning at the northeast corner of this lot, the
coordinates of said point of beginning referred to Government
Survey Triangulation Station "MAE 2" being 4018.07 feet South
and 1230.50 feet West, as shown on H.S.S. Plat 3095, thence
running by azimuths measured clockwise from True South:

1. 8° 49' 198.70 feet along remainder of Waimea Canyon
   Park (Governor's Executive Order 2209);

2. 49° 08' 241.14 feet along remainder of Waimea Canyon
   Park (Governor's Executive Order 2209);

3. 13° 26' 161.30 feet along remainder of Waimea Canyon
   Park (Governor's Executive Order 2209);

4. 270° 39' 258.90 feet along remainder of Waimea Canyon
   Park (Governor's Executive Order 2209), to the point of beginning
   and containing an Area of 1.03
   Acres.

SURVEY DIVISION
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
STATE OF HAWAII

Compiled from survey
by J. Chryystal, Jr.,
A. Ishida and Gov't.
Survey Records.

By: Akira Ishida
Land Surveyor

EXHIBIT A
SUMMARY APPRAISAL DATA: TAX MAP KEY 1-4-02, PARCEL 43

Property Data

Property Location: Puu ka Pele.
DLNR Lot Number: 38.
Existing Permitee: Mr. & Mrs. Damascio Ruiz, Jr.

Physical Lot Characteristics:

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Land Area</td>
<td>1.03 acres; or 44,866 square feet.</td>
</tr>
<tr>
<td>Land Assessment Value</td>
<td>$30,200.</td>
</tr>
<tr>
<td>Utilities</td>
<td>Water and electricity present.</td>
</tr>
<tr>
<td>Lot Shape</td>
<td>Irregular (trapezoidal); average width and depth.</td>
</tr>
<tr>
<td>Topography</td>
<td>Level.</td>
</tr>
<tr>
<td>Landscape Typology</td>
<td>Forest Clearing.</td>
</tr>
<tr>
<td>Landscape Condition</td>
<td>Average.</td>
</tr>
<tr>
<td>View(s)</td>
<td>Average; surrounding uplands.</td>
</tr>
</tbody>
</table>

Existing Dwelling Improvements:

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year Built</td>
<td>1943.</td>
</tr>
<tr>
<td>Building Assessment Value</td>
<td>$47,500.</td>
</tr>
<tr>
<td>Dwelling Areas</td>
<td>Living: 820 sq. ft.; Deck/Patio: 200 sq. ft.</td>
</tr>
<tr>
<td>Dwelling Foundation</td>
<td>Wood post on pier.</td>
</tr>
<tr>
<td>Exterior Wall Construction</td>
<td>Vertical board.</td>
</tr>
<tr>
<td>Roof Construction</td>
<td>Gable; asphalt shingle.</td>
</tr>
<tr>
<td>Duensing Rating</td>
<td>N.A.</td>
</tr>
<tr>
<td>Overall Condition</td>
<td>Average to Good.</td>
</tr>
<tr>
<td>Additional Structure(s)</td>
<td>None.</td>
</tr>
</tbody>
</table>

Notable Characteristics: Large, open lot located at end of road (superior privacy); modest dwelling improvements of average quality.

Value Conclusions

Fourth Division, Tax Map Key 1-4-02-43.
Effective Date of the Appraisal: January 1, 2009.
Subject Rental Period: 10 Years from January 1, 2009 through December 31, 2018.

Property Rating (Land Only): Rating 3
Concluded Market Ground Rent (Land Only): $3,000.

Property Rating (Land & Buildings): Rating 2
Concluded Market Property Rent (Land & Buildings): $5,000.
Data Last Updated: 5/19/2006

Disclaimer:
The County of Kauai Real Property Assessment and Treasury Divisions make every possible effort to produce and publish the most current and accurate information available. No warranties, expressed or implied, are provided for the data herein, its use, or its interpretation. Utilization of the search facility indicates understanding and acceptance of this statement by the user.

TO MAKE A PAYMENT
Make your check or money order payable to:
DIRECTOR OF FINANCE
Mail to or pay in person at the following address:
TAX MAP KEY 1-4-02-43
Puu ka Pele DLNR Lot No. 38

Photograph taken June 17, 2008.