

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

August 8, 2008

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

Oahu

Forfeiture of General Lease No. S-4007, God's Love Mission, Inc., Lessee,
Waimanalo, Koolaupoko, Oahu, TMK:(1)4-1-027:23 and 24.

PURPOSE:

Forfeiture of General Lease No. S-4007, God's Love Mission, Inc., Lessee.

LEGAL REFERENCE:

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

LOCATION:

Portion of Government lands situated at Waimanalo, Koolaupoko, Oahu, identified by Tax
Map Key:(1) 4-1-027:23 and 24, as shown on the attached map labeled Exhibit A.

AREA:

34.538 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:

General agriculture purposes.

TERM OF LEASE:

55 years, commencing on September 12, 1966 and expiring on September 11, 2021.

ANNUAL RENTAL:

\$26,300 (due quarterly for \$6,575).

REMARKS:

Pursuant to the authority granted the Chairperson by the Board of Land and Natural Resources at its meeting of January 13, 1980 and the breach provision contained in General Lease S-4007, God's Love Mission, Lessee, was served a Notice of Default (NOD) by certified mail dated April 25, 2008 for:

X Failure to keep lease rental payments current (\$6,625 for the period from January 28 to April 27, 2008) For Board's information, the amount also covers the portion of rent owed and brought forward from the previous quarter.

X Failure to post required performance bond

Said notice for the rental payments, accepted by the Lessee on April 30, 2008, offered the Lessee a thirty day cure period to correct the default. This cure period expired on May 30, 2008. NOD for the performance bond was accepted by the Lessee on May 2, 2008, offered the Lessee a sixty day cure period to correct the default. This cure period expired on July 2, 2008. At the time of writing this submittal, none of these breaches has been cured, and the current status of all lease compliance items is as follows:

RENT:

Last payment received by this Department was made on June 27, 2008 for \$6,600 i.e. after the expiration of the 30-day cure period. Therefore, there is a \$25 short (\$6,625 - \$6,600) of the amount owed.

At the time of writing this submittal, the rent for the quarters from April to July 2008 and July to October 2008 have not been paid yet. Staff recently found that no NOD was issued for the rent owed for the period from April to July 2008. Accordingly, NOD was issued prior to this meeting, and staff will bring this default to the Board at a later date, if necessary.

In short, at the time of writing this submittal, total rent and late fee owed is \$13,425.

INSURANCE:

The Lessee has posted the required liability insurance policy.

PERFORMANCE BOND:

There is certificate of deposit in the name of Alofa Corporation which meets the requirement of the performance bond amount. After the assignment of lease to the current lessee in 2006, lessee is required to post performance bond under the current lessee name. Staff notes that the lessee is in the process of obtaining a new time certificate of deposit from the bank under the current name of the lessee to satisfy the performance bond requirement.

CONSERVATION PLAN:

The Lessees has not submitted a conservation plan. Upon checking with NRCS, the Lessees have not made any effort to contact NRCS regarding a conservation plan.

The Board at its meeting of January 27, 2006, under agenda item D-8, approved the consent to assignment of the subject lease from Alofa Corp., to God's Love Mission, Inc.

The current Lessee has been served notice of defaults in December 2006, February 2007, and December 2007 for delinquent rental payments.

Staff tried to contact Mr. Julius Ah Sam, President of God's Love Mission, Inc. regarding the defaults. Mr. Ah Sam travels constantly thus making contact with him very difficult.

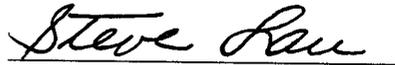
In the presence of Mr. Ah Sam, the subject property was inspected on July 24, 2008. The premises is overgrown with vegetative overgrowth and the various fruit trees (banana trees, coconut trees, papaya trees avocado trees, ti-leaf plants, ulu plants etc.) which are located throughout the property were not being satisfactorily maintained.

RECOMMENDATION: That the Board:

1. Authorize the cancellation of General Lease No. S-4007 in the manner specified by law;
2. Authorize the retention of all sums heretofore paid or pledged under General Lease No. S-4007 to be applied to any past due amounts;
3. Terminate the lease and all rights of Lessee and all obligations of the Lessor effective as of August 8, 2008, provided that any and all obligations of the Lessee which have accrued up to said effective date or which are stated in the lease to survive termination shall endure past such termination date until duly fulfilled, and further provided that Lessor reserves all other rights and claims allowed by law; and

4. Authorize the Department of the Attorney General, the Department of Land and Natural Resources, or their agents to collect all monies due the State of Hawaii under General Lease No. S-4007 and to pursue all other rights and remedies as appropriate.

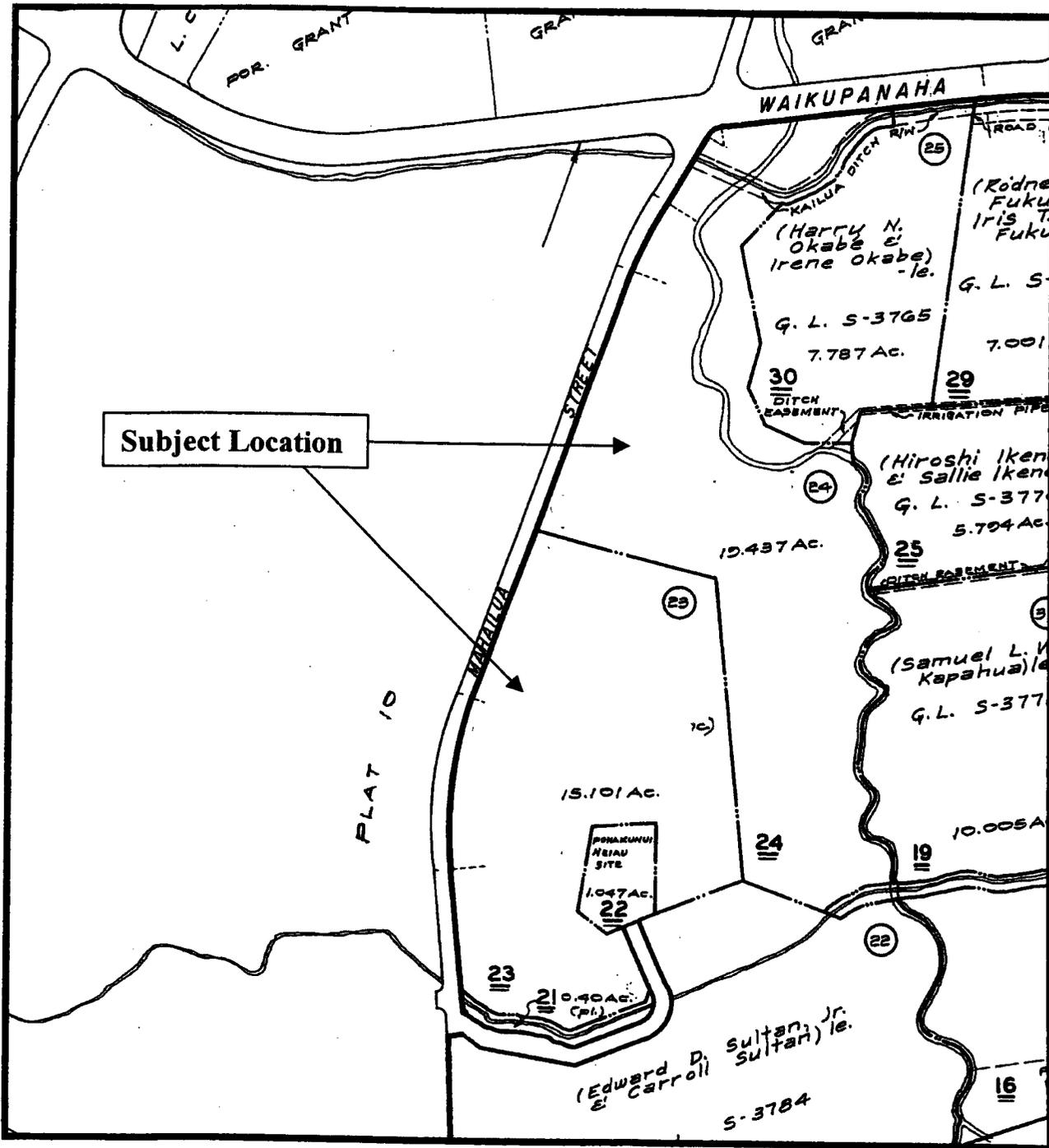
Respectfully Submitted,



Steve Lau
Land Agent

APPROVED FOR SUBMITTAL:


for _____
Laura H. Thielen, Chairperson 



TMK (1) 4-1-27:23 & 24

EXHIBIT A