

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

September 9, 2010

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

(Kauai)

Consent to Assign General Lease No. SP-0174, Thomas J.  
and Annette C. Cassidy, Assignor, to Kapua O Ka Maile  
Janai, Assignee

APPLICANT:

Thomas J. and Annette C. Cassidy, Assignor, to Kapua O  
Ka Maile Janai, Assignee.

LEGAL REFERENCE:

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

LOCATION:

Lot 62, Waimea (Kona), Kauai, Tax Map Key: (4)1-4-002:062,  
as shown on the attached map labeled Exhibit A.

AREA:

.95 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:

Recreation - residence.

TERM OF LEASE:

20 years, commencing January 1, 2009, and expiring on December 31, 2029. There is one rental reopening scheduled after ten years.

ANNUAL RENTAL:

\$6,500.00.

CONSIDERATION:

\$20,000.00.

RECOMMENDED PREMIUM:

\$10,000.00.

DCCA VERIFICATION:

N/a because all persons involved are individuals and not required to register with DCCA.

APPLICANT REQUIREMENTS:

Applicant/assignee shall prepare and submit fully executed assignment of lease.

REMARKS:

Thomas J. and Annette C. Cassidy held the previous lease covering the property.

Act 223 (2008) and board action directed staff to negotiate new leases with existing permit holders so the new lease was issued to Thomas J. and Annette C. Cassidy who now wish to assign to Kapua O Ka Maile Janai.

Staff recommends that a premium of \$10,000.00 be charged to the assignor.

Lessee is in compliance with all lease terms and conditions. There have been no prior defaults.

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.

Rent re- opening is not scheduled until after the first ten years of the lease. There are no outstanding rental reopening issues.

No comments have been received from any agency or the community.

RECOMMENDATION:

That the Board consent to the Assignment of General Lease No. SP-0174, attached as Exhibit B, from Thomas J. and Annette C. Cassidy, Assignor, to Kapua O Ka Maile Janai, Assignee, subject to the following:

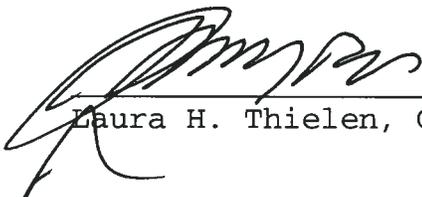
1. Premium of \$10,000.00 be charged;
2. The standard terms and conditions of the most current consent to assignment form, as may be amended from time to time;
3. Review and approval by the Department of the Attorney General; and
4. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully submitted,

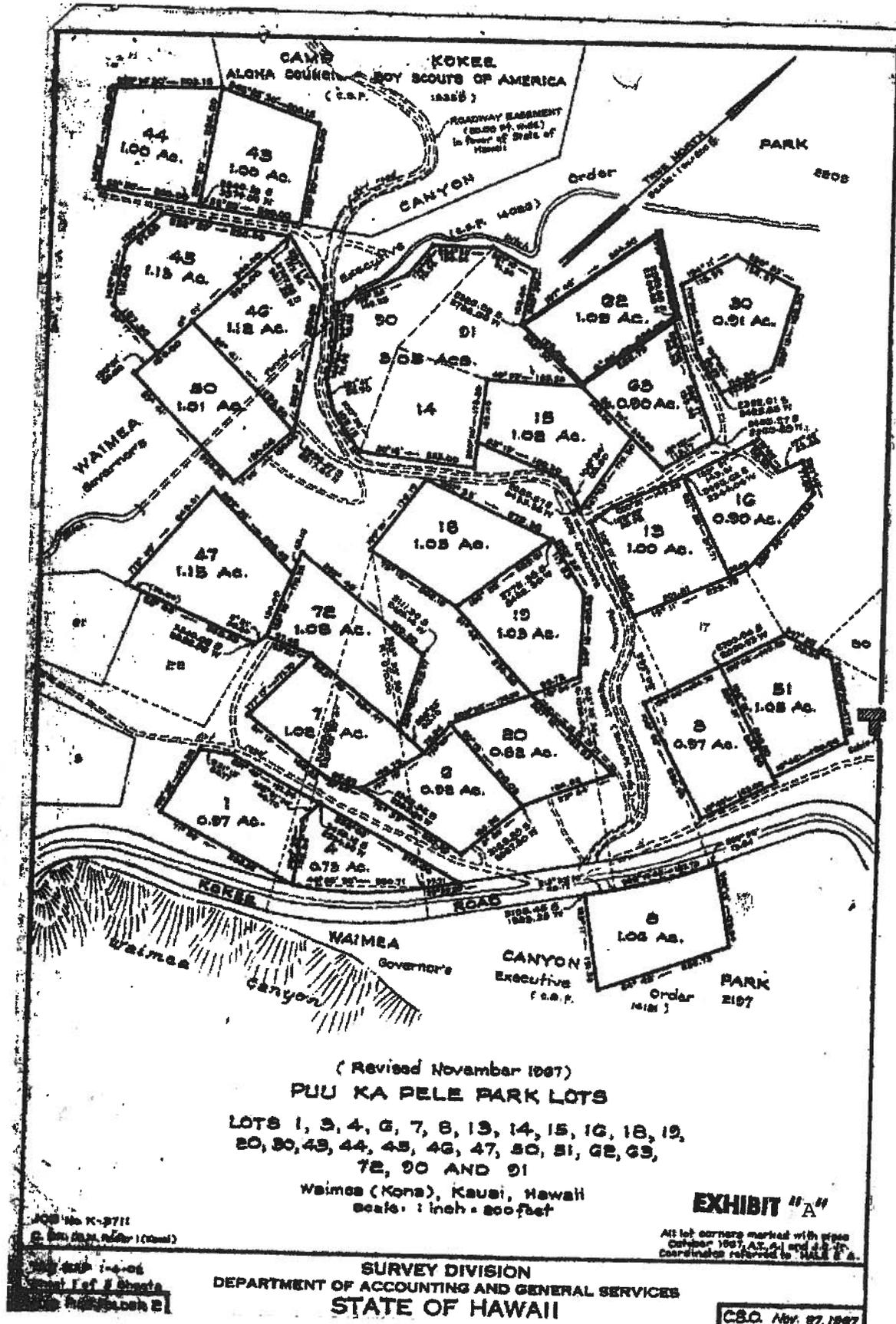


\_\_\_\_\_  
Daniel S. Quinn  
State Parks Administrator

APPROVED FOR SUBMITTAL:



\_\_\_\_\_  
Laura H. Thielen, Chairperson



( Revised November 1967 )  
**PUU KA PELE PARK LOTS**

- LOTS 1, 3, 4, 6, 7, 8, 13, 14, 15, 16, 19,  
20, 30, 43, 44, 45, 46, 47, 50, 51, 62, 63,  
72, 90 AND 91

Waimea (Kona), Kaula, Hawaii  
scale: 1 inch = 200 feet

**EXHIBIT "A"**

All lot corners marked with pipe  
Cabinet 1967, A.S. 61 and 117  
Coordinate referred to 1967 U.S.A.

**SURVEY DIVISION**  
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES  
**STATE OF HAWAII**

C.S.O. Nov. 27, 1967

1000 No. K-3711  
© 1967 State of Hawaii  
1-4-68  
1-4-68  
1-4-68

**EXHIBIT B**

LAND COURT SYSTEM

REGULAR SYSTEM

Return by Mail ( ) Pick up ( ) To:

Anthony P. Locricchio

903 Maunawili Circle

Kailua, HI 96734

Tax Map Key No.: (4)1-4-002:062

**ASSIGNMENT OF LEASE**

THIS INDENTURE made on this \_\_\_\_\_ day of \_\_\_\_\_, 2010, by and between Thomas J. Cassidy and Annette C. Cassidy, whose post office address is 5306 Kula Mau'u Street, Kapaa, Hawaii 96746, hereinafter referred to as the "Assignor", and Kapua O Ka Maile Janai, as tenant in severalty, whose residential address is 4377 A Ahopueo Dr., Kalaheo, Hawaii 96741, and mailing address is P.O. Box 907, Waimea, Hawaii 96796, hereinafter called the "Assignee",

**WITNESSETH**

That for valuable consideration paid by the Assignee for \$20,000.00 (Twenty Thousand Dollars), the receipt of which is hereby acknowledged, and in consideration of the covenants and agreements of the Assignee hereinafter

expressed, the Assignor does hereby sell, assign, transfer, set over and deliver unto Assignee, all of the estate, right, title and interest of the Assignor in and to that certain unrecorded State of Hawaii, Department of Land and Natural Resources General Lease No. SP-0174 dated January 1, 2009, covering Lot 62, and area of .96 acres, more or less; tax map key No. (4) 1-4-002:062 situate at Puu Ka Pele Park Lots, Waimea (Kona), Kauai, Island of Hawaii .

And all of the estate, right, title and interest of the Assignor in and to the land thereby demised, and all buildings, improvements, rights, easements, privileges and appurtenances situated on or built on or used, occupied and enjoyed in connection with said lease and the land thereby demised.

TO HAVE AND TO HOLD the same unto the Assignee for and during the remaining portion of the term of said lease, absolutely.

SUBJECT, HOWEVER, to the payment of the rents reserved by said lease and subject also to the observance and performance by the Assignee of all of the covenants and conditions in said lease contained which, according to the terms and provisions of said lease, are or ought to be observed and performed by the Lessee therein named;

AND, in consideration of the premises, the Assignor does hereby covenant with the Assignee that the Assignor is the lawful owner of the herein described

property; that said lease is in full force and effect and is not in default; that said property is free and clear of and from all liens and encumbrances, except for the lien of real property taxes not yet by law required to be paid, and except as may hereinabove specifically be set forth; that the Assignor has good right to sell and convey said property, as aforesaid; and, that the Assignor will WARRANT AND DEFEND the same unto the Assignee against the lawful claims and demands of all persons, except as aforesaid.

AND, in consideration of the foregoing, the Assignee does hereby promise, covenant and agree to and with the Assignor and to and with Lessor named in said lease, that the Assignee will, effective as of and from the date of the execution and delivery of this instrument and during the residue of the term of said lease, pay the rents thereby reserved as and when the same become due and payable pursuant to the provision of said lease, and will also faithfully observe and perform all of the covenants and conditions contained in said lease which are or ought to be observed and performed by the Lessee therein named, and will at all times hereafter indemnify and save harmless the Assignor and said Lessor from and against the nonpayment of said rents and the nonobservance or nonperformance of said covenants and conditions of each of them.

The rights and obligations of the Assignor and the Assignee shall be binding upon and inure to the benefit of their respective successors and assigns. All obligations undertaken by two or more persons shall be deemed to be joint and several unless a contrary intention shall be clearly expressed elsewhere herein.

The terms "Assignor" and "Assignee", as and when used herein, or any pronouns used in place thereof, shall mean and include the masculine or feminine, the singular or plural number, individuals or corporation and their and each of their respective successors and assigns, according to the context thereof. If these presents shall be signed by two or more Assignors or by two or more Assignees, all covenants of such parties shall for all purposes be joint and several.

IN WITNESS WHEREOF, the Assignor and the Assignee have executed these presents on the day and year first above written.

By \_\_\_\_\_

Thomas J. Cassidy  
Assignor

\_\_\_\_\_

Annette C. Cassidy  
Assignor

By \_\_\_\_\_

Kapua O Ka Maile Janai  
Assignee

STATE OF HAWAII )  
 ) SS  
CITY AND COUNTY OF HONOLULU )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2010, before me personally appeared Thomas J. Cassidy and Annette C. Cassidy, to me personally known, who, being by me duly sworn or affirmed, did say that such persons executed the foregoing instrument as their free act and deed of such persons, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Notary Public Certification

\_\_\_\_\_  
Notary Public, State of Hawaii

\_\_\_\_\_  
My commission expires: \_\_\_\_\_

STATE OF HAWAII )  
 ) SS  
CITY AND COUNTY OF HONOLULU )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2010, before me personally appeared Kapua O Ka Maile Janai, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as her free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Notary Public Certification

\_\_\_\_\_  
Notary Public, State of Hawaii

\_\_\_\_\_  
My commission expires: \_\_\_\_\_

53532

Annette and Tom Cassidy

5306 Kula Mau`u St.

Kapaa, HI 96746

February 2, 2010

RECEIVED  
STATE PARKS DIV

10 FEB -8 11:07

DEPT OF LAND &  
NATURAL RESOURCES

DLNR

Division of State Park Administration

Attn: Daniel Quinn

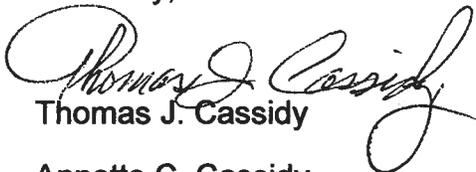
Box 621

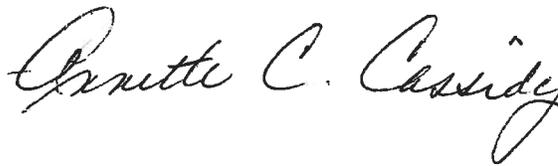
Honolulu, HI 96809

Dear Sir:

We request that Lot 62, Waimea (Kona), Kauai TMK (4) 1-4-002:062 assign general lease transference of lease SP-0174 from Thomas J Cassidy and Annette C. Cassidy, 5306 Kula Mau`u St., Kapaa, HI 96746, to Kapua O Ka Maile Jenai, 3584 Kalohe, Kalaheo, HI 96741, a new assignee, for the remaining term of lease expiring on December 31, 2029, and be placed on the agenda for the February meeting. The convenience transfer consideration is \$20,000. Thank you for your assistance on this matter.

Sincerely,

  
Thomas J. Cassidy

  
Annette C. Cassidy

Annette C. Cassidy



STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES  
LAND DIVISION

POST OFFICE BOX 621  
HONOLULU, HAWAII 96809

July 20, 2010

MEMORANDUM

TO: Laura H. Thielen, Chairperson

THROUGH: Morris M. Atta, Acting Administrator *[Signature]*

FROM: Cyrus C. Chen, Real Estate Appraisal Manager *[Signature]*

SUBJECT: In-House Valuation Recommendation – Assignment of Lease Calculation

GL No.: SP-174  
 Lessee/Assignor: Thomas J. & Annette C. Cassidy  
 Assignee: Kapua O Ka Maile Janai  
 Location: Lot 62, Waimea, Kauai  
 Land Area: 0.95 acres  
 Tax Map Key: (4) 1-4-2: 62  
 Char. of Use: Recreation-residence

We have been requested to provide an in-house evaluation of the assignment premium due to the State for an assignment of GL SP-174. The subject lease is administered and managed by the Division of State Parks but have requested assistance from Land Division staff to determine assignment of lease premiums due, if any.

A review of the lease documents and information provided by lessee was reviewed and analyzed. Staff applied the formula approved by the Land Board on December 15, 1989, agenda item F-10, comprising of the Assignment of Lease Evaluation Policy. No construction records or receipts were available. A letter from the lessee states that they have no receipts due to their divesting of many things over the years, but provided repair cost estimates based on memory. The office of the Attorney General has instructed staff to strictly adhere to the Assignment of Lease Evaluation Policy which requires construction contracts or receipts be provided for consideration for improvement cost.

Net consideration	\$20,000
Actual improvement cost	\$0 (no construction records)
Adjusted improvement cost	\$0
Trade fixture cost	<u>\$0</u>

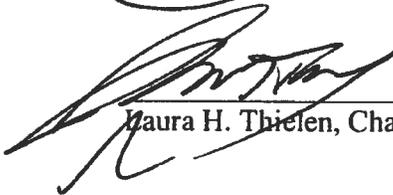
Total improvement and trade fixture cost	\$0	
Less depreciation	<u>(\$0)</u>	
Depreciated value of improvements & fixtures	\$0	
Less adjusted improvement cost (inc. trade fixtures)		<u>(\$0)</u>
Excess		\$20,000
Premium % (1-5 years elapsed)		<u>50%</u>
Premium		\$10,000

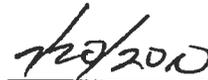
The calculations, as summarized above were based on the fact that there were no construction records or receipts, resulting in no value attributed to the improvements. Therefore, the calculation results in a premium of \$10,000 due to the State.

Special Conditions and Limiting Assumptions

- 1) The subject property was not inspected by the staff appraiser.
- 2) This memo does not comply with USPAP and is to be used for determining the assignment premium due the State only.

Approved/~~Dis~~approved:

  
 \_\_\_\_\_  
 Laura H. Thielen, Chairperson

  
 \_\_\_\_\_  
 Date

cc: District Branch Files  
 Central Files