

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

September 9, 2011

Ref. No.: GLS-2535

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

HAWAII

Consent to Assign General Lease No. S-5235, Sally Kahikinaokala Dacallio,
Assignor, to Kaialii Kahele, Assignee, Milolii-Hoopuloa, South Kona, Hawaii,
Tax Map Key: (3) 8-9-014: 053.

APPLICANT:

Sally Kahikinaokala Dacalio, as Assignor, to Kaialii Kahele, single, Tenant in Severalty,
as Assignee.

LEGAL REFERENCE:

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

LOCATION:

Portion of Government lands Lot 12, Milolii-Hoopuloa Houselots, Phase III, situated at
Milolii and Hoopuloa, South Kona, Hawaii, identified by Tax Map Key: (3) 8-9-014:
053, as shown on the attached map labeled Exhibit A.

AREA:

.2296 acres (10,000 s.f.), 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:

Solely for residential purposes as the Lessee's principle domicile.

TERM OF LEASE:

65-years, commencing on March 3, 1994 and expiring on March 2, 2059. First rental reopening is scheduled for March 3, 2019.

ANNUAL RENTAL:

\$132.00. Due in semi-annual installments of \$66.00 on the First Day of December and June, of each and every year.

CONSIDERATION:

\$ 35,000.00.

RECOMMENDED PREMIUM:

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

DCCA VERIFICATION:

ASSIGNOR:

Not applicable. Assignor is an individual and is not required to register with DCCA.

ASSIGNEE:

Not applicable. Assignee is an individual and is not required to register with DCCA.

APPLICANT REQUIREMENTS:

Applicant shall be required to:

1. Submit a basic homeowner's insurance or a Certificate of Liability Insurance for the property as required under the lease, within sixty (60) days of this approval;

REMARKS:

Act 62, Session Laws of Hawaii 1982, as amended by Act 83, Session Laws of Hawaii 1984, authorized the Department of Land and Natural Resources to negotiate and enter into long term leases to persons residing in Milolii who were dispossessed or displaced as a result of the 1926 volcanic eruption of Mauna Loa on the Island of Hawaii. Act 362,

Session Laws of Hawaii 1987, as amended by Act 68, Session Laws of Hawaii 1989, and Act 86, Session Laws of Hawaii 1991, extended the sunset date to January 1, 1989, providing sufficient time to process Phase III of the Milolii-Hoopuloa Lots.

At its meeting of July 22, 1988, Item F-3, the Board approved the direct lease for residential purposes at Milolii-Hoopuloa Lots, Phase III, Hoopuloa, South Kona, Hawaii. On December 18, 1992, Sally Kahikinaokala Dacalio was issued a direct residential lease encumbered under General Lease Number S-5235.

At its meeting of September 15, 1995, Item F-10, the Land Board approved to amend its prior Board action of July 22, 1988 (Item F-3), to change the commencement date of General Lease No. S-5235 from December 1, 1992 to March 3, 1994 and expiration date from November 30, 1957 to March 2, 2059.

On May 18, 2011, the Hawaii District Land Office received a consent to assignment application, together with an Offer to Purchase Real Estate and Transfer Lease Agreement between Sally K. Dacalio (also known as Sally Kahikinaokala Dacalio), Lessee/Assignor, and Kaialii Kahele, as Grantee.

Reason for the assignment is that Ms. Dacalio's immediate plans are to relocate out of Milolii, and as such, would no longer reside on the premises as required under the lease. As a result, she decided to assign the lease to a qualified relative intending to reside in Milolii.

Staff reviewed the file and can report that for the past two years, rent has been current. A notice of default was sent on 4/29/11 for failure to provide the required liability insurance certificate. A renewal certificate is currently in process, with an expiration of 4/03/12. There is no bond requirement for this lease. The Lessee has never been cited for any illegal or unlawful activity on the State property.

Kaialii Kahele, as 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.

The first rental reopening is scheduled for March 3, 2019. There is no outstanding rental reopening issues.

No government agencies or interest groups we solicited for comments as the assignment of this lease will not involve a new disposition or change in land use.

RECOMMENDATION: That the Board:

A. Consent to the assignment of General Lease No. S-5235 from Sally

Kahikinaokala Dacalio, as Assignor, to Kaialii Kahele, as Assignee, subject to the following:

1. The standard terms and conditions of the most current consent to assignment form, as may be amended from time to time;
2. Review and approval by the Department of the Attorney General; and
3. 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:



William J. Aila, Jr., Chairperson

