

STATE OF HAWAI'I DEPARTMENT OF LAND AND NATURAL RESOURCES KA 'OIHANA KUMUWAIWAI 'ĀINA

DIVISION OF STATE PARKS ISLAND OF KAUA'I

PUBLIC AUCTION BID PACKET

FOR
THREE TIERED PUBLIC AUCTION SALE
OF UP TO SEVEN (7) RECREATION-RESIDENCE LEASES
ON THE ISLAND OF KAUA'I

PUBLIC AUCTION DATES: Thursday, April 18, 2024 and Friday, May 24, 2024

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INSTRUCTIONS TO BIDDERS

1. Purpose

This bid packet provides information, instructions, documents and forms related to the State of Hawai'i, Department of Land and Natural Resources, Division of State Parks, three tiered public auction of up to seven (7) State of Hawai'i recreation-residence leases scheduled for 1:00 PM, April 18, 2024 and any remaining leases, if any, on May 24, 2024, to be held at the Hanapepe Neighborhood Center, 4451 Puolo Road, Eleele, Hawai'i 96705, for the recreation-residence leases listed in the Notice of Sale. This auction may be canceled, postponed, held at a different location, time, or continued by order of the Chairperson of the Board of Land and Natural Resources (the "Chairperson").

2. Significant Dates

Advertisement of Public Auction and Application Pick-up	February 16, 2024
Exterior Site Inspections	February 25, and 26, 2024 between the Hours of 10:00 am to 3:30 pm (exterior only without appointment)
Applications Due – All Tiers (original + 5 copies)	4:00 PM HST, March 18, 2024
Compliance Review of Applications (Tier 1)	March 19-21, 2024
Substantive Review and Qualifications of Applications (Tier 1)	March 27, 2024 ¹
Notice of Qualification/ Disqualification (Tier 1)	March 28, 2024
Site Inspection (Qualified Applicants only)	April 14, and 15, 2024 – Interior Inspections – 10:00 am to 2:00 pm
Public Auction (Tier 1)	1:00 PM HST, April 18, 2024
All Required Auction Documents Signed (Tier 1)	April 19, 2024 ²
Compliance and Substantive Review of Tier 2 and 3 Applications	April 22-26, 2024
Notice of Qualification/ Disqualification (Tiers 2, 3)	April 26, 2024
Site Inspection (Qualified Applicants only Tiers 1-3)	May 19, and 20, 2024 – Interior Inspections by Appointment Only
Public Auction Tier 2 and 3 ³	10:00 AM HST, May 24, 2024
All Required Auction Documents Signed (Tiers 2,3)	May 28, 2024

¹ Estimated date.

² Estimated date.

³ The auction for Tier 3 will immediately follow the completion of Tier 2.

3. General Background Information

This auction is for up to seven (7) recreation-residence use leases in the Kōke'e and Waimea Canyon State Parks, Waimea, Kaua'i. Descriptions of the lots and summary appraisal information are attached as Appendix D. The auction is being conducted in three tiers pursuant to Act 223 SLH 2008 and approved by the Board of Land and Natural Resources at their August 26, 2022, meeting. The first tier will be for qualified applicants who are full-time residents of a county with a population of less than 100,000 in the State. The second tier will be opened to qualified full-time residents of the state of Hawai'i while the third tier will be opened to qualified applicants who are nonresidents.

Important information for recreation-residence leases

It is the bidder's responsibility to investigate all information necessary to make an informed decision as to whether or not a recreation-residence lease is right for them. The lease form, which is attached as Appendix C, describes the rights and responsibilities for lessees of the recreation leases. In the event there are any conflicts between this bid packet and the lease form, the terms and conditions contained in the lease form will control. Please read it in detail. The following are some key points to remember regarding these recreation-residence leases:

- a. Recreation-Residence Use. Recreation-residence leases restrict the lessee's use of the property. A recreation-residence is defined as being the use of the leased premises for occasional use and for continuous occupancy not exceeding 90 consecutive days by the Lessee, Lessee's family members, friends and guests. The premises shall not be occupied by the Lessee, Lessee's family members, friends, guests, caretaker, or any other person for more than a total of one hundred eighty (180) days during a one (1) calendar year period. Year-round occupancy of the leased premises is strictly prohibited.
 - Renting of the leased premises, for any period of time or for any amount of money or other valuable consideration is strictly prohibited. The premises may not be advertised in any way, including on the internet, social media, or world wide web, for availability or rental. There shall be no commercial activity of any kind on the premises or any portion thereof.
- b. **Assignments**. The lessee may not assign or transfer any interest in the lease except by way of devise, bequest or intestate succession or in accordance with industry standards.
- c. <u>Tax Clearances</u>. As part of the application process, interested bidders are required to include certified tax clearances from the State of Hawai'i and from the county in which the property is located. The tax clearances are a part of the complete application and applications without certified tax clearances will be deemed incomplete.
- d. <u>Fire Insurance</u>. Fire and extended insurance coverage is required pursuant the lease and may be challenging to obtain. Not all insurance carriers offer these types of policies, and the ones that do may have relatively high premiums.
- e. <u>Vehicular Access</u>. These recreation-residence lots are located in State parks and are usually accessed by dirt roads which may require the use of 4-wheel drive vehicles. Further, please understand that in times of inclement weather, the roads may be impassable and access to the lot may not be possible for undetermined periods.
- f. Water Systems. It will be the prospective bidder's responsibility to determine whether or not water service is available through the State's water system to the property, and if so, it will be lessee's responsibility to maintain and/or install a lateral line from the cabin to the water meter which is normally (but not always) located near or at the property line (if not already installed). The State will not be making new improvements to accommodate new users and please remember not all lots have access to the State's water system.
- g. <u>Individual Wastewater Systems.</u> In the event the use of cesspools is prohibited, the lessee may be responsible for closing the existing cesspool and installing an individual wastewater system.
- h. <u>Improvements</u>. Improvements to these properties will be necessary given their present condition. Improvements may not be made without the prior written consent of the Chairperson of the Department of Land and Natural Resources. Any lessee or their designee seeking approval to make improvements (including demolition), is responsible for obtaining all required governmental approvals or permits which, depending on the nature and scope of the work,

may include, but are not limited to, conservation district use permits, county building permits, Historic Preservation Division review and approvals, and others.

The Division of State Parks' Design Guidelines for the Historic Kōke'e, Halemanu and Pu'u ka Pele Camp Lots is finalized and provides historic preservation design standards and guidelines that lessees are expected to follow when making improvements. The latest draft of the design guidelines is available at the Division of State Park's website at: https://dlnr.hawaii.gov/dsp/files/2022/09/Kokee-Design-Guidelines June-2012.pdf. The three recreation-residence neighborhoods (i.e., Kōkee, Halemanu, and Pu'u ka Pele), have been recognized as significant historic districts and more specifically, 71 dwellings or camp facilities in these areas are assessed as being historic and contributing to the significance of the district. the design standards help facilitate the historic preservation review process and ensure that individual dwellings and the recreation-residence lots, as a whole, will maintain their historic character and setting. When evaluating applications or other requests for improvements, the Division of State Parks and/or the State Historic Preservation Division will be taking these circumstances into account in determining approval of proposed improvements. Improvements made without meeting these and other required governmental permits and/or approvals will be subject to removal at the lessee's expense and may trigger other consequences including but not limited to, a default of the terms of the lease.

- Term. The leases will expire on December 31, 2031. Presently there is no option to extend the lease and lessees will be expected to surrender possession of the premises at that time.
- j. Ownership of improvements. Existing improvements and improvements made during the term of the lease are subject to becoming the property of the State, however, the lessee will own a leasehold interest in the improvements during the lease and the lease rent would not be increased because of improvements made. At the end of the lease, all improvements are owned by the State as well.
- k. <u>Utilities</u>. The State makes no guaranty that utilities such as electricity and water will be available. Not all lots have access to potable water through the State's water system. The rates charged by the State are being reviewed and are subject to change. Cellular or mobile phone service is generally not available in the parks and not all lots have access to land lines.

4. Site Inspections

Interested bidders may inspect the lots during the inspection dates and times stated in Section 2. During the exterior inspection periods, interested bidders may view the lot and the exterior of the improvements or structures only. No State staff will be at the lots, so interested bidders are advised to use caution and not enter or attempt to enter the existing structures. Qualified Tier One applicants/bidders seeking to inspect the interior of the cabins will have the opportunity to do so on Sunday, April 14, 2024 and Monday, April 15, 2024 during the hours of 10:00 a.m. through 2:00 p.m. The inspection period for those qualified bidders seeking to view the interior of the cabins is also listed in Section 2 and is subject to State Parks staff availability.

5. General Qualifying Criteria to be met by all Bidders

Any natural person shall be entitled to participate in this public auction, except a person who:

- a. Is in arrears in the payment of taxes, rents or other obligations owing to the State of Hawai'i or to any of its political subdivisions;
- b. Is a minor;
- c. Has during the last five (5) years preceding the date of the public auction, had a previous sale, lease, license, permit or easement covering public lands cancelled for failure to satisfy the terms and conditions thereof:
- d. Fails to show upon demand of the Chairperson of the Board of Land and Natural Resources or his or her agent at the auction the amount of the upset bid, by cash, certified check, or cashier's check.

- e. Fails to submit, as part of the completed application, evidence satisfactory to the Chairperson that the bidder is duly authorized to bid at the auction and enter into the new recreation-residence lease if the bidder is the successful bidder; or,
- f. Fails to meet the eligibility criteria as outlined in Section 6 below.

No corporation, partnership, or organization may bid. If more than one person, joint and collectively bids together for a lot, all must individually qualify and the cabin lease will be held by all persons as joint tenants, tenants in common, or tenants by the entirety (husband and wife only). Bidders wishing to bid as a group must provide tax clearances for each member of the group, but only one person bidding on behalf of the group would need to provide a check required in Section 5 d.

Tax clearance certificates issued by both the State of Hawai'i Department of Taxation and the county in which the property is located are required and the State tax clearance must have an original green certified stamp and both certificates must be valid when submitted with the Application.

6. Pre-Qualification Criteria (Tiers one and two)

Pursuant to Act 223 (2008), bidders in the first tier of bidding ("Tier One") will be required to demonstrate they are bonafide full-time residents of a County with a population of less than 100,000 in the State. Bonafide full-time residents are those who live permanently in the County and return after any absence. In order to be eligible to be a bonafide resident for Tier One, the bidder must be physically present in the County and demonstrate residency for at least twelve (12) consecutive months preceding the Notice of Sale. The following documents may be used to help demonstrate the bidder is a bonafide full-time resident of a County with a population of less than 100,000 in the State. No one document is necessarily dispositive.

- a. State of Hawai'i personal income tax return, filing as a resident, provided that the address used for the filing indicates he/she is a resident of a County of a population of less than 100.000.
- b. Proof of voting or voter registration, or both in the County required under this section.
- c. Employment verification or holding of a business in the County as required in this section.
- d. Bank account active in the County required in this section.
- e. Lease agreement or proof of real property ownership in the County required in this section, including real property tax statements.
- f. Property Management may require other documents as needed demonstrating proof that the bidder is a bonafide full-time resident of a County with a population of less than 100,000 in the State.

Bidders will be deemed ineligible to bid in Tier One for any of the following reasons:

- a. If it is shown that inaccurate statements are made in the Application;
- b. If the applicant fails to demonstrate that he or she is a bonafide resident of a county with a population of less than 100,000 in the State.

For the purposes of bidding in the second tier, ("Tier Two"), bidders are required to be bonafide residents of the State of Hawai'i. In order for a bidder to be eligible to bid in Tier Two, he/she may demonstrate proof of same using the same documents described in this section which indicate an address within the State.

The determination of whether or not the bidder meets the requirements of this section will be made by the Chairperson with recommendations from the screening committee described below. Any such decision may be appealed in the matter described in Section 10 below.

7. Application Procedures

Eligibility to bid on a State recreation-residence lease shall be determined by the information supplied by prospective bidders in the Application and Qualification Questionnaire form ("Application"), Appendix A.

Any person who has not completed and submitted an Application by 4:00 pm (HST) March 18, 2024, will not be allowed to bid at the public auction. A person deemed ineligible to bid will not be allowed to bid.

One (1) original and five (5) copies of the completed Application with all required attachments must be received no later than 4:00 pm (HST), March 18, 2024 by the Department of Land and Natural Resources at any one of the District Offices listed in Section 17 below. Facsimile copies shall not be accepted. The official time shall be that recorded on the receiving District's Office's time stamp clock. These conditions apply regardless of whether an Application is mailed or hand-delivered. The State assumes no responsibility for lateness due to mail or other delivery service.

A prospective bidder, at the time an Application is submitted, must be capable of performing all of the terms and condition of the recreation-residence lease which may be awarded.

A prospective bidder, at the time of the auction understands the lot and any improvements thereon are being leased in an "AS IS" condition, without any representations or warranties made by the State or the Department of Land and Natural Resources as to the condition of the land or improvements thereon.

Each applicant shall be informed in writing in advance of the date of the auction as to his/her eligibility or non-eligibility to bid at the public auction. If space is limited at the auction location, preference will be given to eligible bidders first, then to other members of the public wishing to attend.

All information provided in the Application and Qualification Questionnaire shall remain confidential until the conclusion of the public auction. Thereafter, any information which is protected under Chapter 92F, Hawai'i Revised Statutes, including an individual's financial information, if any, will continue to be held confidential.

8. Review of Applications

All applications will be reviewed by a screening committee under the direction of the Division of State Parks. The screening committee will be guided by the general qualifying and pre-qualifying criteria in Sections 5, 6 and 7 above and shall make a recommendation to the Chairperson as to the eligibility of each applicant pursuant to Sections 5, 6 and 7 herein.

An application will be rejected for any of the following reasons:

- a. If the Application is late, conditional, incomplete or does not adhere to the format and instructions;
- b. If it is shown that inaccurate statements are made in the Application; or
- c. If the Application fails to meet any of the general qualifying or pre-qualifying criteria in Sections 5-6.

9. Modification of the Application

Modifications to a submitted Application may be made prior to the Application due date. One (1) original and five (5) copies of the modified sheets or replacement Application shall be submitted by the application due date.

10. Appeal of Rejection of Application

A person may appeal rejection of his/her application. Any such appeal shall be in writing and received by the Department of Land and Natural Resources, 1151 Punchbowl Street, Room 310, Honolulu, Hawai'i, 96813 within seven (7) calendar days from the day DLNR mailed the notice of disqualification to the applicant. The applicant shall state the reasons why he/she believes the rejection was improper and refer to evidence in his/her Application to support such reasons. The Chairperson's decision on any appeal shall be final.

11. Auction Procedures

- a. All prospective bidders shall be qualified pursuant to Sections 5 and 6 above.
- b. All qualified bidders must be present in person at the auction.
- c. All qualified bidders must bring and present a government issued picture ID.
- d. All qualified bidders must bring and present the funds required pursuant to Section 5.d. above.
- e. In accordance with Act 223, the auction will be conducted in a three (3) tiered format. The first tier will be for bonafide full-time residents of a County with a population of less than 100,000 in the State. The second tier will be for those bonafide full-time residents of the State of Hawai'i and the third tier will be for non-residents of the State. Tiers 2 and 3 will be held on the same date.
- f. Bidding shall commence at the upset minimum annual rental as stated in the Notice of Sale and the qualified bidder making the highest bid at the fall of the hammer shall be the successful bidder of the lease.
- g. No person shall acquire directly or indirectly themselves or through an agent, nominee, third person or otherwise, an interest in more than one (1) recreation-residence lease offered at this auction. A bidder may bid on multiple lots, but will be limited to only one (1) recreation-residence lease. Evidence of more than one award shall be reason for forfeiture of all leases involved.
- h. Inspection of the properties subject to this auction may be made by prospective bidders. Such inspections may be conducted in accordance with the schedule in Section 2. Qualified bidders wishing to make interior inspections of existing improvements must do so on the date and time indicated in Section 2.

12. Duties and Obligations of the Successful Bidder

- a. Upon the fall of the hammer, the successful bidder shall:
 - i. Execute an Affidavit stating that the successful bidder is not in arrears in the payment of taxes, rents, or other obligations owing to the State of Hawai'i or any of its political subdivisions, and that the successful bidder has not during the five years preceding the date of the public auction had a previous sale, lease, license, permit or easement covering public lands cancelled for failure to satisfy the terms and conditions thereof (Section 171-13, HRS); and,
 - ii. Pay to DLNR with cash, certified check, or cashier's check, the amount set forth in Section 5.d. above for the upset bid.
- b. Within one (1) working day from the date of the auction, the successful bidder shall pay cash, certified check or cashier's check made payable to the Department of Land and Natural Resources:
 - i. All charges required by law, including the cost of the appraisal and descriptions (\$595.46 - \$916.23), documents, (estimated at \$30.00) related to the Notice of Sale (estimated at \$314.28), recording fees, and conveyance taxes, if any, and all such amounts being non-refundable; and,
 - ii. The difference between the minimum upset rent and the annual rent bid. The amounts paid pursuant to Section 12.a.ii. above and this Section 12.b.ii. shall be collectively referred to as the "Initial Deposit".

By failure to execute the lease, Affidavit and Non-Arrears (Appendix B), and make such payments within the stated time periods shall, at the option of the State of Hawai'i, the State of Hawai'i shall terminate any and all rights which such defaulting bidder may have acquired at said public auction, and shall cancel the public auction and retain as damages, the sums or any portions thereof, previously paid by the successful bidder, plus pursue all other rights and remedies including costs of re-auctioning the property and any diminution in rent.

In the event of default of the successful bidder, prior to the execution of the lease, DLNR may, at its option, award the lease to the next highest qualified bidder for that lot. If lessee defaults on the lease after the lease commences, the property will not be awarded to the next highest qualified bidder.

13. Commencement Date of the Lease

Sixty days after the date of the sale; provided that if such date is not on the first day on any month, the commencement date shall be the first day of the month following such date; and further provided that the Chairperson may amend the commencement date for good cause.

14. Effective Rental

The amount bid at public auction.

15. Condition of the Property

The property shall be leased in an "AS IS" condition, without any representations or warranties made by the State or the DLNR as to the condition of the land or its improvements.

16. Lease

The successful bidder shall be required to execute the lease, which shall set forth the terms and conditions that must be performed by the successful bidder as lessee under the lease and shall be substantially in the form of Appendix C.

17. Public Auction Bid Packet

A copy of this Public Auction Bid Packet containing the form lease document setting forth fully the terms and conditions to be observed and performed by the lessee together with the survey maps and descriptions of the lands to be leased may be examined at the following DLNR Division of State Parks offices or on the DLNR website at: https://dlnr.hawaii.gov/dsp/announcements/.

- OʻahuDistrict State Parks Office
 1151 Punchbowl Street, Room 310, Honolulu, Hawaiʻi 96813 (808) 587-0300
- Hawai'i District State Parks Office
 75 Aupuni Street, Room 204, Hilo, Hawai'i 96720 (808) 961-9540
- Maui District State Parks Office
 54 S. High Street, Room 101, Wailuku, Hawai'i 96793 (808) 984-8109
- Kaua'i District State Parks Office 3060 Eiwa Street, Room 306, Līhu'e, Hawai'i 96766 (808) 274-3444

Refer to the form lease document (Appendix C) for the obligations of the successful bidder, rent performance bond, liability insurance, and fire insurance and other provisions, insurance requirements and other terms and conditions.

Each prospective bidder shall carefully examine all documents. Failure on the part of any prospective bidder to make such examination shall not be grounds for any claim that the prospective bidder did not understand the conditions of the lease or auction. Each prospective bidder shall notify the Chairperson, in writing of any ambiguity, inconsistency or conflict in the documents prior to submitting an Application. No changes will be made to the lease document.

18. Effect of Sale

Following the public auction, a lease document in conformance with the purchase shall be sent to the successful bidder for execution. In the event the successful bidder shall fail to execute said lease document within thirty (30) calendar days after receipt, the State of Hawai'i, may, at its option, cancel the lease award and retain the sums or any portion or portions thereof, previously paid by the successful bidder as

liquidated damages. The retention of said sums shall be in addition to any other rights or remedies to which the State of Hawai'i may be entitled.

19. Default by Successful bidder

If the successful bidder fails to: execute the lease or perform any of the terms and conditions contained therein; provide the required tax clearance certification and other required documentation; make all payments; and perform all duties of the successful bidder within the time period stated in Section 12 above, DLNR, at its option, may terminate any and all right which such defaulting bidder may have acquired at said public auction. In the event of any termination due to the successful bidder's default prior to the execution of the lease, DLNR may retain the sums or any portion or portions thereof previously paid by the successful bidder as liquidated damages and DLNR shall retain any other rights or remedies to which the State of Hawai'i may be entitled. In addition, the State may pursue all other rights and remedies including costs of re-auctioning the property and any diminution in rent.

In the event of default of the successful bidder, prior to the execution of the lease, DLNR may, at its option, award the lease to the next highest qualified bidder for that lot. If lessee defaults on the lease after the lease commences, the property will not be awarded to the next highest qualified bidder.

20. Other

DLNR reserves the right to cancel or amend the public auction, to postpone or change the date of the public auction or any other deadlines, to reject any/all applications or request the submittal of additional information, and waive any defects when, in the opinion of the Chairperson, such action will be in the best interest of the State.

Done at the Office of the Department of Land and Natural Resources, State of Hawai'i, this _____day of February, 2024.

BOARD OF LAND AND NATURAL RESOURCES

Bv:

Dawn N.S. Chang, Chairperson

Appendix A – Application and Qualification Questionnaire

APPLICATION AND QUALIFICATION QUESTIONNAIRE

Write answers in the spaces provided. Attach additional sheets as necessary, clearly indicating the applicable section number.

<u>Part 1:</u>	General Information		
	Applicant's legal name:		
	Applicant's full mailing address:		
2.	Name of contact person to contact:		
	Phone number:	Fax:	
	Email:		
3.	Applicant intends to bid on the following parc	cels ⁴ :	
	Lot No.: Neighborhood:		
4.	Applicant intends to hold title to the lease as: Type of owner (check one): () Individual(s) () Husband and Wife	Tenancy (check one, if applicable () Tenant in Severalty () Joint Tenants () Tenants by Entirety () Tenants in Common	<u>:)</u> :
5.	Applicant intends to bid in the following tiers: (Check applicable Tier(s)) Tier 1 Tier 2 Tier 3		

For bidders in Tiers 1 and 2, please attach documents demonstrating residency in accordance with Section 6.

6. Attach tax clearances from both the State of Hawai'i and the county which the auctioned land is located (refer to Section 5).

State of Hawai'i – O'ahu District

⁴ Identifying a lot does not restrict the bidder to bidding on the lots listed. It is informational for the DLNR.

Princess Ruth Keelikolani Building 830 Punchbowl Street Honolulu, HI 96813-5094 Phone: (808) 587-4242 (Toll-Free 1-800-222-3229) https://files.Hawai'i.gov/tax/forms/2022/a6 i.pdf

State of Hawai'i – Kaua'i District Office State Office Building 3060 Eiwa Street #105 Līhu'e, HI 96766-1889 Phone: (808) 274-3456

County of Kaua'i
Department of Finance
Real Property Collections
4444 Rice Street, Suite 463
Līhu'e, HI 96766
Phone: (808) 241-4272
rpc@kauai.gov

Part II: Notarized Certification

I/We hereby certify that the statements and information contained in this Application and Questionnaire, including all attachments, are true and accurate to the best of my/our knowledge and understand that if any statements are shown to be false or misrepresented, I/we may be disqualified from bidding or my/our lease may be cancelled. The undersigned Applicant also authorizes the State of Hawai'i Department of Land and Natural Resources and any of its employees or representatives to conduct investigations regarding any of the information provided by this Applicant and contact any of the references named herein.

Applicant Name	Applicant Name
By: By: Its: Its: Subscribed and sworn to before me this day of, 20	By:
Its:	Its:
Subscribed and sworn to before me this	
, day of, 20	
Notary Public, State of Hawaii	
Print Name:	
My commission expires:	

Appendix B - Affidavit and Non-Arrears

STATE OF HAWAI'I DEPARTMENT OF LAND AND NATURAL RESOURCES HONOLULU, HAWAI'I

STATE OF Hawai	'i	`	AFFIDAVIT		
STATE OF Hawai	ı)) SS.			
COUNTY OF KAL	JA'I)			
(Pr	int Name)				
				rears in the payme political subdivisio	ent of taxes, rents or ons.
Da	ed this	_ day of	, 2024		
(Się	gnature)				
(Pr	int Name)				
Subscribed and substrate me this					
before me this day of	_, 2024				
Notary Public, Sta	te of Hawaii	İ	_		
My Commission e	xpires:		_		

Appendix C - Recreation-Residence Lease

BLANKET LEASE)
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)
LAND COURT SYSTEM) REGULAR SYSTEM
Return by Mail () Pickup (
Recall by Mail () lickup (, 10.

Total Number of Pages:

Tax Map Key No. (4) x-x-xxx:xxx

STATE OF HAWAII

DEPARTMENT OF LAND AND NATURAL RESOURCES

GENERAL LEASE NO. SP-0000

between

STATE OF HAWAII

and

SALE AT PUBLIC AUCTION

covering



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STATE OF HAWAII

DEPARTMENT OF LAND AND NATURAL RESOURCES

GENERAL LEASE NO. SP-0000

THIS LEASE, made this day of	,
, by and between the STATE OF HAWAII, hereinafter	
referred to as the "Lessor," by its Board of Land and Natural	
Resources, called the "Board," and SALE AT PUBLIC AUCTION	
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, whose address is	
, hereinafter referred to as the	
`Lessee."	
WITNESSETH:	
The Lessor, for and in consideration of the rent to paid and of the terms, covenants and conditions herein contained, all on the part of the Lessee to be kept, observed and performed, does lease unto the Lessee, and the Lessee does lease from the Lessor the premises and existing improvements situate at Waimea (Kona), Kauai, Hawaii, and identified as	
"," containing an area of, more particularly described in Exhibit "A" and as shown on the map marked Exhibit "B," attached hereto and made parts hereof.	
TO HAVE AND TO HOLD the leased premises unto the Lessee for the term of approximately eight (8) years, commence on the	d the te in
during the term as follows:	
A. The sum of	
DOLLARS (\$) per annum.	
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B. The interest rate on any and all unpaid or delinquent rentals shall be at one percent (1%) per month, plus a service charge of FIFTY AND NO/100 DOLLARS (\$50.00) a month for each delinquent payment.

RESERVING UNTO THE LESSOR THE FOLLOWING:

- Minerals and waters. (a) All minerals as hereinafter defined, in, on or under the premises and the right, on its own behalf or through persons authorized by it, to prospect for, mine and remove the minerals and to occupy and use so much of the surface of the ground as may be required for all purposes reasonably extending to the mining and removal of the minerals by any means whatsoever, including strip mining. "Minerals," as used herein, shall mean any or all oil, gas, coal, phosphate, sodium, sulphur, iron, titanium, gold, silver, bauxite, bauxitic clay, diaspore, boehmite, laterite, gibbsite, alumina, all ores of aluminum and, without limitation thereon, all other mineral substances and ore deposits, whether solid, gaseous or liquid, including all geothermal resources, in, on, or under the land, fast or submerged; provided, that "minerals" shall not include sand, gravel, rock or other material suitable for use and used in general construction in furtherance of the Lessee's permitted activities on the premises and not for sale to others. (b) All surface and ground waters appurtenant to the premises and the right on its own behalf or through persons authorized by it, to capture, divert or impound the same and to occupy and use so much of the premises required in the exercise of this right reserved; provided, however, that as a condition precedent to the exercise by the Lessor of the rights reserved in this paragraph, just compensation shall be paid to the Lessee for any of Lessee's improvements taken.
- 2. Ownership of improvements. The ownership of all improvements of whatever kind or nature, including but not limited to cabins, residences, cesspools, water system(s) and piping, and fences located on the land prior to or on the commencement date of this lease or constructed during the term of this lease.

SUBJECT TO the rights of native tenants and to regulatory rights and ownership rights (if any) of the State of Hawaii established pursuant to state law including chapter 6E, Hawaii Revised Statutes, over prehistoric or historic remains found in, on, or under the land.

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- Payment of rent. The Lessee shall pay the rent to the Lessor at the times, in the manner and form provided in this lease and at the place specified above, or at any other place the Lessor may from time to time designate, in legal tender of the United States of America.
- Taxes, assessments, etc. The Lessee shall pay or cause to be paid, when due, the amount of all taxes, rates, and assessments of every description as to which the premises or any part, or any improvements, or the Lessor or Lessee, are now or may be assessed or become liable by authority of law during the term of this lease; provided, however, that with respect to any assessment made under any betterment or improvement law which may be payable in installments, Lessee shall be required to pay only those installments, together with interest, which becomes due and payable during the term of this lease.
- Utility services. The Lessee shall be 3. responsible for obtaining any utility services and shall pay when due all charges, duties and rates of every description, including water, gas, electric, and phone, or any other charges, as to which the premises or any part, or any improvements, or the Lessor or Lessee may become liable for during the term, whether assessed to or payable by the Lessor or Lessee. provision shall not be deemed to be a requirement for Lessor to provide utility services to Lessee, and Lessee is notified that the remote rural nature of premises and improvements means such utilities may not necessarily continue to be available.
- Covenant against discrimination. The use and enjoyment of the premises shall not be in support of any policy which discriminates against anyone based upon race, creed, sex, color, national origin, religion, marital status, familial status, ancestry, physical handicap, disability, age or HIV (human immunodeficiency virus) infection.
- The Lessee shall keep the premises Sanitation. and improvements in a strictly clean, sanitary and orderly condition.
- Waste and unlawful, improper or offensive use of The Lessee shall not commit, suffer or permit to be

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committed any waste, nuisance, strip, or unlawful, improper or offensive use of the premises or any part, nor, without the prior written consent of the Lessor, cut down, remove or destroy, or suffer to be cut down, removed or destroyed, any trees now growing on the premises.

7. Compliance with laws. The Lessee shall comply with all of the requirements of all municipal, state, and federal authorities and observe all municipal, state and federal laws applicable to the premises, now in force or which may be in force, including but not limited to resource protection laws and regulations as applicable in state parks. Lessee shall not use or allow the property to be used for any illegal activity. Specifically, but without limitation, growing or storing of marijuana on or from the premises (except as may be allowed by Part IX of Chapter 329, Hawaii Revised Statutes(HRS)) and any and all other manufacturing or growing of prohibited substances is strictly prohibited.

Lessee understands and acknowledges that the premises are located in the conservation district. Lessee shall obtain a conservation district use permit for any activity related to the premises to the extent required by law.

- 8. <u>Inspection of premises</u>. The Lessee shall permit the Lessor and its agents, at all reasonable times during the lease term, to enter the premises and examine the state of its repair and condition.
- 9. <u>Improvements</u>. The Lessee shall not at any time during the term construct, place, or install on the premises any building, structure or improvement of any kind and description except with the prior written approval of the Chairperson and upon those conditions the Chairperson may impose, in the Chairperson's sole discretion, provided that such condition shall not include any increase in rent.

The Lessee shall not at any time during the term demolish, remove, modify, or relocate any existing building, structure or improvement of any kind and description except with the prior written approval of the Chairperson and upon those conditions the Chairperson may impose in the Chairperson's sole discretion, including any adjustment of rent, unless otherwise provided in this lease.

Any new construction, improvement, rehabilitation,



relocation, demolition, or major site work that affects the historic integrity of a historic recreation-residence or the historic district shall be in strict compliance with the Design Guidelines for the Historic Kōke'e, Halemanu and Pu'u ka Pele Camp Lots (Kōke'e and Waimea Canyon Recreation Residences Historic District) State of Hawai'i, Division of State Parks June 2012 ("Design Guidelines"), in particular the residence design standards and guidelines. Lessee acknowledges that it has been provided with a copy of or internet access to the Design Guidelines for the Historic Kōke'e, Halemanu and Pu'u ka Pele Camp Lots.

Lessee does not have the right to enforce, invoke, or attempt to enforce the Design Guidelines with respect to other leased properties.

- 10. Repairs to improvements. Lessee understands there may be significant repairs and maintenance costs involved with bringing the structures up to habitable standards. The Lessee shall, at its own expense, keep, repair, and maintain all buildings, structures, improvements, and landscaping now existing or hereafter constructed or installed on the premises in substantially the same order, condition and repair as upon completion of initial improvements.
- 11. <u>Liens</u>. The Lessee shall not commit or suffer any act or neglect which results in the premises, any improvement, or the leasehold estate of the Lessee becoming subject to any attachment, lien, charge, or encumbrance, except as provided in this lease, and shall release, indemnify, defend, and hold the Lessor harmless from and against all attachments, liens, charges, and encumbrances and all resulting expenses.
- 12. Character of use. The Lessee shall use or allow the premises leased to be used solely for recreation-residence purposes as defined in paragraph 42 hereof and not as a principal place of residence. Lessee shall have and maintain a separate principal place of residence.
- 13. Assignments, etc. The Lessee shall not transfer or assign the premises, or any portion, or transfer or assign this lease or any interest, either voluntarily or by operation of law, except by way of devise, bequest, or intestate succession, and any transfer or assignment made shall be null and void; provided that with the prior written approval of the Board the assignment and transfer of this lease, or any portion,

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may be made in accordance with current industry standards, as determined by the Board; provided, further, that prior to the approval of any assignment of lease, the Board shall have the right to review and approve the consideration paid by the Assignee.

- 14. <u>Subletting</u>. The Lessee shall not rent or sublet the whole or any portion of the premises. No person other than Lessee shall use the premises or any portion thereof in return for any consideration or payment whatsoever.
- Release and indemnity. The Lessee shall release, indemnify, defend, and hold the Lessor harmless from and against any claim or demand for loss, liability, or damage, including claims for bodily injury, wrongful death, or property damage, arising out of or resulting from: 1) any act or omission on the part of Lessee relating to Lessee's use, occupancy, maintenance, or enjoyment of the premises; 2) any failure on the part of the Lessee to maintain the premises and including any accident, fire or nuisance, growing out of or caused by any failure on the part of the Lessee to maintain the premises in a safe condition; and 3) from and against all actions, suits, damages, and claims by whomsoever brought or made by reason of the Lessee's non-observance or non-performance of any of the terms, covenants, and conditions of this lease or the rules, regulations, ordinances, and laws of the federal, state, municipal or county governments.
- 16. Costs of litigation. In case the Lessor shall, without any fault on Lessor's part, be made a party to any litigation commenced by or against the Lessee (other than condemnation proceedings), the Lessee shall pay all costs, including reasonable attorney's fees, and expenses incurred by or imposed on the Lessor; furthermore, the Lessee shall pay all costs, including reasonable attorney's fees, and expenses which may be incurred by or paid by the Lessor in enforcing the covenants and agreements of this lease, in recovering possession of the premises, or in the collection of delinquent rental, taxes, and any and all other charges.
- 17. <u>Liability insurance</u>. The Lessee shall procure and maintain, at its cost and expense and acceptable to the Lessor, in full force and effect throughout the term of this lease, general liability insurance, or its equivalent, with an insurance company or companies licensed or authorized to do business in the State of Hawaii with an AM Best rating of not

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less than "A- VIII" or other comparable and equivalent industry rating, in an amount of at least \$1,000,000.00 for each occurrence and \$2,000,000.00 aggregate, and with coverage terms acceptable to the Chairperson of the Board. The policy or policies of insurance shall name the State of Hawaii as an additional insured. A copy of the policy or other documentation required by the Lessor shall be filed with the State of Hawaii, Department of Land and Natural Resources. The insurance shall cover the entire premises, including all buildings, improvements, and grounds and all roadways or sidewalks on or adjacent to the premises in the use or control of the Lessee.

The Lessee, prior to entry and use of the premises or within fifteen (15) days from the effective date of this lease, whichever is sooner, shall furnish the Lessor with a policy(s) or other documentation required by the Lessor showing the policy(s) to be initially in force, keep the policy(s) or other documentation required by the Lessor on deposit during the entire lease term, and furnish a like policy(s) or other documentation required by the Lessor upon each renewal of the policy(s). This insurance shall not be cancelled, limited in scope of coverage, or nonrenewed until after thirty (30) days written notice has been given to the Lessor. The Lessor may at any time require the Lessee to provide Lessor with copies of the insurance policy(s) that are or were in effect during the lease period or other documentation required by the Lessor.

The Lessor shall retain the right at any time to review the coverage, form, and amount of the insurance required by this lease. If, in the opinion of the Lessor, the insurance provisions in this lease do not provide adequate protection for the Lessor, the Lessor may require Lessee to obtain insurance sufficient in coverage, form, and amount to provide adequate protection. The Lessor's requirements shall be reasonable but shall be designed to assure protection for and against the kind and extent of the risks which exist at the time a change in insurance is required. The Lessor shall notify Lessee in writing of changes in the insurance requirements and Lessee shall deposit copies of acceptable insurance policy(s) or other documentation required by the Lessor thereof, with the Lessor incorporating the changes within thirty (30) days of receipt of the notice.

The procuring of the required policy(s) of insurance shall not be construed to limit Lessee's liability under this lease nor to release or relieve the Lessee of the

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indemnification provisions and requirements of this lease. Notwithstanding the policy(s) of insurance, Lessee shall be obligated for the full and total amount of any damage, injury, or loss caused by Lessee's or the Lessee's employees, agents, officers, or invitees' negligence or neglect connected with this lease.

It is agreed that any insurance maintained by the Lessor will apply in excess of, and not contribute with, insurance provided by Lessee's policy.

- 18. Bond, performance. The Lessee shall, at its own cost and expense, within fifteen (15) days from the effective date of this lease, procure and deposit with the Lessor and thereafter keep in full force and effect during the term of this lease a good and sufficient surety bond, conditioned upon the full and faithful observance and performance by Lessee of all the terms, conditions, and covenants of this lease, in an amount equal to the annual rental then payable. This bond shall provide that in case of a breach or default of any of the lease terms, covenants, conditions, and agreements, the full amount of the bond shall be paid to the Lessor as liquidated and ascertained damages and not as a penalty. In the alternative, Lessee may place with Lessor cash or equivalent in this amount.
- 19. Lessor's lien. The Lessor shall have a lien on all property kept or used on the premises, whether the same is exempt from execution or not for all Lessor's costs, attorney's fees, rent reserved, for all taxes and assessments paid by the Lessor on behalf of the Lessee, and for the payment of all money provided in this lease to be paid by the Lessee, and this lien shall continue until the amounts due are paid.
- 20. Mortgage. Lessee shall not mortgage, hypothecate, or pledge the premises, any portion, or any interest in this lease and any mortgage, hypothecation, or pledge shall be null and void.
- 21. <u>Breach</u>. Time is of the essence in this agreement. If the Lessee shall fail to pay the rent, or any part thereof, at the times and in the manner provided in this lease and this failure shall continue for a period of more than thirty (30) days after delivery by the Lessor of a written notice of breach or default and demand for cure, by personal service, registered mail or certified mail to the Lessee at the address stated herein or at such other address as the Lessee shall

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state, in writing, and to each holder of record having a security interest in the premises, or if the Lessee shall become bankrupt, or shall abandon the premises, or if this lease and premises shall be attached or taken by operation of law, or if any assignment is made of the Lessee's property for the benefit of creditors, or if Lessee shall fail to observe and perform any of the covenants, terms, and conditions contained in this lease and on its part to be observed and performed, and this failure shall continue for a period of more than sixty (60) days after delivery by the Lessor of a written notice of breach or default and demand for cure, by personal service, registered mail or certified mail to the Lessee at the address stated herein or at such other address as the Lessee shall state, in writing and to each holder of record having a security interest in the premises, the Lessor may, subject to the provisions of Section 171-21, HRS, at once re-enter the premises, or any part, and upon or without the entry, at its option, terminate this lease without prejudice to any other remedy or right of action for arrears of rent or for any preceding or other breach of contract; and Lessee shall have no right, title, or interest in and to the premises or any improvements thereon.

22. Right of holder of record of a security interest. In the event the Lessor seeks to forfeit the privilege, interest, or estate created by this lease, each recorded holder of a security interest may, at its option, cure or remedy the default or breach of rent payment within thirty (30) days or any other default or breach within sixty (60) days, from the date of receipt of the Lessor's notice, or within an additional period allowed by Lessor for good cause, and add the cost to the mortgage debt and the lien of the mortgage. Upon failure of the holder to exercise its option, the Lessor may: (a) pay to the holder from any moneys at its disposal, including the special land and development fund, the amount of the mortgage debt, together with interest and penalties, and secure an assignment of the debt and mortgage from the holder or if ownership of the privilege, interest, or estate shall have vested in the holder by way of foreclosure, or action in lieu thereof, the Lessor shall be entitled to the conveyance of the privilege, interest, or estate upon payment to the holder of the amount of the mortgage debt, including interest and penalties, and all reasonable expenses incurred by the holder in connection with the foreclosure and preservation of its security interest, less appropriate credits, including income received from the privilege, interest, or estate subsequent to the foreclosure; or (b) if the property cannot be reasonably reassigned without loss



to the State, then terminate the outstanding privilege, interest, or estate without prejudice to any other right or remedy for arrears of rent or for any preceding or other breach or default and use its best efforts to redispose of the affected land to a qualified and responsible person free and clear of the mortgage and the debt secured; provided that a reasonable delay by the Lessor in instituting or prosecuting its rights or remedies shall not operate as a waiver of these rights or to deprive it of a remedy when it may still otherwise hope to resolve the problems created by the breach or default. proceeds of any redisposition shall be applied, first, to reimburse the Lessor for costs and expenses in connection with the redisposition; second, to discharge in full any unpaid purchase price or other indebtedness owing the Lessor in connection with the privilege, interest, or estate terminated; third, to the mortgagee to the extent of the value received by the State upon redisposition which exceeds the fair market lease value of the land as previously determined by the State's appraiser; and fourth, to the owner of the privilege, interest, or estate.

The rights stated in this paragraph are as stated in Section 171-21, HRS, and in no way modify or limit the prohibition on mortgaging the premises or this lease.

Condemnation. If at any time, during the term of this lease, any portion of the premises should be condemned, or required for public purposes by any federal government agency, county or city and county, the rent shall be reduced in proportion to the value of the portion of the premises condemned. All such condemnation proceeds shall be paid only to Lessor and shall be and remain the sole property of the Lessor. The Lessee shall not by reason of the condemnation be entitled to any claim against the Lessor. Lessee may, at Lessee's own expense and in compliance with all applicable laws including obtaining any necessary conservation district use permit, relocate improvements to the remainder of the premises occupied by the Lessee. In the event of any such condemnation, the Lessee shall have the option to terminate this lease. If Lessee elects to do so and provides Lessor with notice of this election in writing, then this lease shall be terminated as of the date of Lessor's receipt of the notice and the parties shall have no further liabilities or duties hereunder except as otherwise provided herein as to the parties' duties upon termination, and Lessee shall have no right, title, or interest in and to the premises or any improvements thereon. Lessor shall return to

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Department of the Attorney General Lessee the prorated portion of any lease rent paid in advance.

- 24. Right to enter. The Lessor or the County and their agents or representatives shall have the right to enter and cross any portion of the premises for the purpose of performing any public or official duties; provided, however, in the exercise of these rights, the Lessor or the County shall not interfere unreasonably with the Lessee or Lessee's use and enjoyment of the premises.
- The Lessor shall have the right to authorize any person or persons to enter upon and inspect the premises at all reasonable times for purposes of rent re-determination and at all reasonable times during the last two years of the term of the lease or during any holdover of the lease for purposes of appraising the demised premises or improvements or for purposes of informing and apprising that person or persons of the condition of the lands and improvements thereon; provided, however, that any entry into any improvements on the premises shall be conducted during reasonable hours after notice to enter is first given to the Lessee. Lessee or designated agents of Lessee may accompany Lessor during any entry into improvements.
- of rent by the Lessor shall not be deemed a waiver of any breach by the Lessee of any term, covenant, or condition of this lease, nor of the Lessor's right of re-entry for breach of covenant, nor of the Lessor's right to declare and enforce a forfeiture for any breach, and the failure of the Lessor to insist upon strict performance of any term, covenant, or condition, or to exercise any option conferred, in any one or more instances, shall not be construed as a waiver or relinquishment of any term, covenant, condition, or option.
- 27. Extension of time. Notwithstanding any provision contained in this lease, when applicable, the Lessor may for good cause shown, allow additional time beyond the time or times specified in this lease for the Lessee to comply with, observe, and perform any of the lease terms, conditions, and covenants.
- 28. <u>Justification of sureties</u>. Any bonds required by this lease shall be supported by the obligation of a corporate surety organized for the purpose of being a surety and qualified to do business in the State of Hawaii, or by not less than two personal sureties, corporate or individual, for which

Department of the Attorney General justifications shall be filed as provided in Section 78-20, HRS; provided, however, the Lessee may furnish a bond in like amount, conditioned as aforesaid, executed by it alone as obligor, if, in lieu of any surety or sureties, it shall also furnish and at all times thereafter keep and maintain on deposit with the Lessor security in certified checks, certificates of deposit (payable on demand or after a period the Lessor may stipulate), bonds, stocks or other negotiable securities properly endorsed, or execute and deliver to the Lessor a deed or deeds of trust of real property, all of a character which is satisfactory to Lessor and valued in the aggregate at not less than the principal amount of the bond. It is agreed that the value of any securities which may be accepted and at any time thereafter held by the Lessor shall be determined by the Lessor, and that the Lessee may, with the approval of the Lessor, exchange other securities or money for any of the deposited securities if in the judgment of the Lessor the substitute securities or money shall be at least equal in value to those withdrawn. It is further agreed that substitution of sureties or the substitution of a deposit of security for the obligation of a surety or sureties may be made by the Lessee, but only upon the written consent of the Lessor and that until this consent is granted, which shall be discretionary with the Lessor, no surety shall be released or relieved from any obligation.

- 29. Waiver, modification, reimposition of bond and liability insurance provisions. Upon substantial compliance by the Lessee with the terms, covenants, and conditions contained in this lease on its part to be observed or performed, the Lessor at its discretion may in writing, waive or suspend the performance bond or improvement bond requirements or both or may, in writing, modify the particular bond(s) or liability insurance requirements by reducing its amount; provided, however, that the Lessor reserves the right to reactivate the bonds or reimpose the bond(s) or liability insurance in and to their original tenor and form at any time throughout the term of this lease.
- 30. Quiet enjoyment. The Lessor covenants and agrees with the Lessee that upon payment of the rent at the times and in the manner provided and the observance and performance of these covenants, terms, and conditions on the part of the Lessee to be observed and performed, the Lessee shall and may use and enjoy the premises for the term of the lease, without hindrance or interruption by the Lessor or any other person or persons lawfully claiming by, through, or under it.

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- 31. <u>Surrender</u>. The Lessee shall, at the end of the term or other sooner termination of this lease, peaceably deliver unto the Lessor possession of the premises in a clean and orderly condition, together with all improvements existing or constructed thereon; or Lessee shall remove such improvements, at the option of the Lessor, said option to be exercised by the Lessor on or about the end of the term or sooner termination. Lessee understands and specifically agrees that Lessee does not own the improvements, has no rights in or to the improvements after the end of the lease, and under no circumstances is entitled to compensation for or relating to the improvements. Any personal property abandoned on the premises will be dealt with pursuant to Section 171-31.5, HRS, as from time to time amended.
- 32. Non-warranty. The Lessor does not warrant the conditions of the premises or any improvements or structures thereon, as the same are being leased in strictly as is condition. Lessor does not warrant the exact boundaries or size of the premises. Lessee specifically agrees that the boundaries and size of the premises are not material and any variation in the same shall not affect the rent to be paid or otherwise excuse Lessee from performance of any of the covenants of this lease.
- Hazardous materials. Lessee shall not cause or permit the escape, disposal or release of any hazardous materials except as permitted by law. Lessee shall not allow the storage or use of such materials in any manner not sanctioned by law or by the highest standards prevailing in the industry for the storage and use of such materials, nor allow to be brought onto the premises any such materials except with the Lessor's written consent which consent may be withheld at Lessor's sole and absolute discretion. If any lender or governmental agency shall ever require testing to ascertain whether or not there has been any release of hazardous materials by Lessee, then the Lessee shall be responsible for the reasonable costs thereof. In addition, Lessee shall execute affidavits, representations and the like from time to time at Lessor's request concerning Lessee's best knowledge and belief regarding the presence of hazardous materials on the premises placed or released by Lessee.

Lessee agrees to release, indemnify, defend, and hold Lessor harmless, from any damages and claims resulting from the release of hazardous materials on the premises occurring while Lessee is in possession, or elsewhere if caused by Lessee or persons acting under Lessee. These covenants shall survive the expiration or earlier termination of the lease.

For the purpose of this lease "hazardous material" shall mean any pollutant, toxic substance, hazardous waste, hazardous material, hazardous substance, or oil as defined in or pursuant to the Resource Conservation and Recovery Act, as amended, the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, the Federal Clean Water Act, or any other federal, state, or local environmental law, regulation, ordinance, rule, or by-law, whether existing as of the date hereof, previously enforced, or subsequently enacted.

- 34. <u>Hawaii law</u>. This lease shall be construed, interpreted, and governed by the laws of the State of Hawaii.
- 35. Exhibits Incorporation in lease. All exhibits referred to are attached to this lease and hereby are deemed incorporated by reference.
- 36. <u>Headings</u>. The article and paragraph headings herein are inserted only for convenience and reference and shall in no way define, describe or limit the scope or intent of any provision of this lease.
- 37. Partial invalidity. If any term, provision, covenant or condition of this lease should be held to be invalid, void or unenforceable, the remainder of this lease shall continue in full force and effect and shall in no way be affected, impaired or invalidated thereby.
- 38. <u>Time is of the essence</u>. Time is of the essence in all provisions of this lease.
- 39. <u>Historic preservation</u>. In the event any previously unidentified historic properties, burial sites, or human remains are discovered during land alteration or utilization activities on the premises, the Lessee or the Lessee's agents, employees and representatives shall immediately stop all work or activities or both and contact the Historic Preservation Division. In the event that burial sites or human remains are discovered, the Lessee or the Lessee's agents, employees, and representatives shall comply with Section 6E-43.6, HRS, (Inadvertent discovery of burial sites), and any implementing regulations. Under Section 6E-11(a) and (b), HRS, it is unlawful to excavate or alter historic properties or



burial sites unless permitted by the State of Hawaii, Department of Land and Natural Resources.

40. Construction and installation of utilities. Lessee shall be solely responsible, at Lessee's own cost and expense, for the construction and installation of all necessary on-site utilities and improvements, including water and sewage, which shall be in conformance with prevailing State of Hawaii and County of Kauai building and health requirements applicable thereon.

In the event that use of the existing cesspool is prohibited or found to be contrary to existing law for any reason or if Lessor is subjected to any monetary fine or penalty of any kind based on or by reason of the existing cesspool, then Lessor may require Lessee at Lessee's sole expense and within one (1) year from the date of written notice from Lessor, to close the existing cesspool on the premises and install an individual approved wastewater treatment system. Closure of the cesspool and installation of the treatment system shall be in conformance with all applicable laws and codes and must obtain acceptance by the Department of Health of the State of Hawaii. Lessee shall apply for and obtain a conservation district use permit and any other required permits before beginning any such closure or installation.

Lessor may require closure of any cesspool and installation of an individual approved wastewater treatment system in order to protect the well head area or to comply with best management practices in connection with protecting the well head area. If Lessor does so require, then Lessor shall be responsible for closure and installation and shall bear all costs of doing so.

41. Maintenance of water pipelines. Lessee shall be responsible for maintenance of water supply laterals to and from the premises (including all pipe and fixtures on the premises) including the point at which connection is made to the main water lines, three (3) inches in diameter or larger, or to such other point as may be directed by the Chairperson. Lessee's responsibility shall include the installation, maintenance and repair of all such laterals at no cost to the Lessor and, further, shall be in accordance with plans and specifications first submitted to and approved by the Lessor. Lessor makes no representation that water service will be available throughout the term of the lease.

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42. Recreation-residence purposes defined. For purposes of paragraph 12, entitled "Character of use" herein, recreation-residence purposes is defined as being the use of the leased premises for occasional use and for continuous occupancy not exceeding ninety (90) consecutive days by the Lessee, Lessee's family members, friends and/or guests.

Any other provision of this lease notwithstanding, the premises shall not be occupied by the Lessee, Lessee's family members, friends, guests, caretaker, or any other person for more than a total of one hundred eighty (180) days during a one (1) calendar year period. Year-round occupancy of the leased premises is strictly prohibited.

The premises may not be advertised in any way, including on the internet or World Wide Web, for availability or rental. There shall be no commercial activity of any kind on the premises or any portion thereof.

Renting of the leased premises, for any period of time or for any amount of money or other valuable consideration is strictly prohibited.

Lessee shall make available to Lessor upon request copies of any and all of Lessee's tax records and returns for purposes of verifying compliance with these provisions. Documents requested pursuant to this paragraph may be reviewed and notes made upon review but shall not be copied unless Lessor explains in writing to Lessee why review is not sufficient and copying is required under the circumstances. Nothing in this paragraph limits any other right Lessor may have to obtain copies pursuant to any other law, rule, procedure, or agreement.

Lessee acknowledges that the premises are in an isolated, rural, mountaintop area in a state park and that the structures on the premises are rustic and historic, suitable and intended for part time use only. Lessee shall not expect the level of services that might be available in more developed and accessible areas. Lessee shall expect that use of the premises will entail certain hardships and limitations, including but not limited to: unreliable water system, electrical system, and other utilities; the need for Lessee to haul their own trash out of the park; lack of sewers; cabin which need significant repair work and that require the work to be done in a manner that maintains the character of the community; substandard roads that may not be



suitable for all vehicles, that may limit the ability of emergency vehicles to access the area, and that may be completely closed for unpredictable periods.

Specifically, but without limitation, Lessee acknowledges and agrees that Lessor does not guarantee or covenant to provide running water or potable water or electrical service. Lessee has been advised of problems with water quality. Lessor specifically reserves the right to shut down existing water service or electrical service rather than repair or update the service. In the event that Lessor decides to shut down existing water service or electrical service, Lessor will advise Lessee in writing. Lessee will have sixty (60) days from the date such notice is mailed within which to notify Lessor in writing of Lessee's election to cancel this lease. If Lessee does so, then this lease shall be terminated as of the date of Lessor's receipt of the notice and the parties shall have no further liabilities or duties hereunder except as otherwise provided herein as to the parties' duties upon termination, and Lessee shall have no right, title, or interest in and to the premises or any improvements thereon. Lessor shall return to Lessee the prorated portion of any lease rent paid in advance.

If existing water service is shut down and Lessee does not exercise its right to terminate the lease as provided in the preceding paragraph, then Lessee shall be responsible for obtaining water. Lessee is responsible for obtaining water at his/her own expense.

- 44. Proof of principal place of residence. The Lessee shall, upon request by the Lessor, furnish evidence that Lessee maintains a full-time residence at a location other than the premises. Such information may include, but is not limited to a street address, a mailing address, or a telephone number for the Lessee at said principal place of residence. The Lessor may, at its option, require other and additional confirmation of principal residency at a location other than the premises.
- 45. <u>Fire prevention</u>. Lessee shall consult with the Division of Forestry and Wildlife, Department of Land and Natural Resources, for advice on fire prevention and fire suppression equipment.
- 46. <u>Dangerous animals</u>. Lessee shall not place, keep and/or maintain on the premises, or the surrounding public lands, any animals that present a threat or danger to life,

PRELIM. APPR'D. Department of the Attorney General property or the environment, or whose presence constitutes a nuisance to others, as determined by the Chairperson. This provision shall include animals banned by the Department of Agriculture, State of Hawaii.

- 47. Prevention and control of noxious and exotic plants. The introduction of noxious and exotic plant species to the premises shall not be permitted, except with the prior written approval of Lessor. The Lessee shall be solely responsible for the removal, at no cost to the Lessor, of any and all noxious and exotic plant species introduced by Lessee on to the premises and which are found to have adverse impacts upon the environment, notwithstanding the fact that prior written approval may have been obtained from the Lessor.
- 48. <u>Hunting and fishing</u>. No hunting or fishing shall be allowed on the premises during the term of this lease.
- 49. Abandoned vehicles. Lessee shall take all steps necessary to prevent the placing or storing of abandoned vehicles within the premises. Any and all abandoned vehicles within the premises shall be removed by Lessee at Lessee's cost and expense.
- 50. Environmental regulations. Lessee shall comply with all applicable federal, state and county environmental impact regulations, including but not limited to Chapter 343, HRS, as amended, and regulations governing historic preservation.
- 51. Fire and extended coverage insurance. The Lessee, at its cost and expense, shall procure and maintain at all times during the term of this lease, fire and extended coverage insurance with an insurance company(s) licensed or authorized to do business in the State of Hawaii, insuring all buildings, structures and improvements erected on the leased land in the joint names of Lessor and Lessee, with the standard mortgage clause for Mortgagee, if any, as their interest may appear, in an amount equal to the replacement cost of the facilities, and shall pay the premiums at the time and place required under the policy.

In the event of total or partial loss, any proceeds derived from the policy(s) shall be used by the Lessee for rebuilding, repairing, or otherwise reinstating the same buildings in a good and substantial manner according to plans



and specifications approved in writing by the Board; provided, however, that with the written approval of the Lessor, the Lessee may instead elect to terminate this lease. If Lessee elects to do so and provides Lessor with notice of this election in writing, then this lease shall be terminated as of the date of the notice and the parties shall have no further liabilities or duties hereunder except as otherwise provided herein as to the parties' duties upon termination, and Lessee shall have no right, title, or interest in and to the premises or any improvements thereon. Lessor shall return to Lessee the prorated portion of any lease rent paid in advance.

Any and all insurance proceeds not used to rebuild or repair the buildings or improvements shall be paid to and retained by the Lessor.

The Lessee shall furnish the Lessor on or before the commencement date of this lease, a policy or other documentation required by the Lessor showing the policy(s) or other documentation required by the Lessor to be in full force and effect and shall furnish a like policy or other documentation required by the Lessor upon each renewal of the policy(s). Each policy(s) or other documentation required by the Lessor shall contain or be accompanied by an assurance of the insurer not to cancel the insurance, limit the scope of the coverage, or fail or refuse to renew the policy(s) until after thirty (30) days written notice has been given to the Lessor.

All rights or claims of subrogation against the State of Hawaii, its officers, employees, and agents are waived.

- 52. Removal of trash. The Lessee shall be responsible for the removal of all trash upon the premises, whether or not placed on the premises by Lessee or with or without Lessee's consent, and whether or not placed on the premises prior to the term of this lease. There shall be no outdoor fires for burning of trash or any other purpose, except with the written approval of the Chairperson.
- 53. Phase I environmental site assessment. Prior to termination or revocation of the subject lease or the assignment of the leasehold, Lessor may require Lessee to conduct a Phase I environmental site assessment and conduct a complete abatement and disposal, if necessary, satisfactory to the standards required by the Federal Environmental Protection Agency, the Department of Health, and the Department of Land and Natural

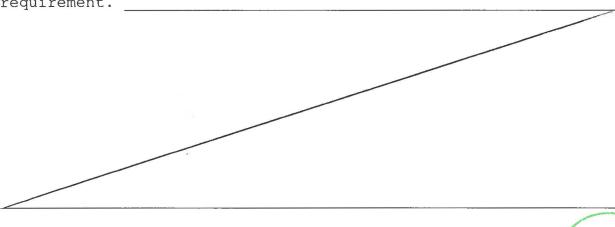


Resources. Failure to comply with the provisions of this paragraph shall not extend the term of this lease or automatically prevent termination or revocation of the lease. The Board, at its sole option, may refuse to approve termination, revocation, or assignment unless this evaluation and abatement provision has been performed. In addition or in the alternative, the Board may, at its sole option if Lessee does not do so, arrange for performance of the provisions of this paragraph, all costs and expenses of such performance to be charged to and paid by Lessee.

- 54. Survey and boundary stakeout. The Lessee shall be solely responsible for any survey and boundary stakeout of the leased premises.
- 55. <u>Easements</u>. The Lessee shall cooperate as reasonably necessary in the issuance and documentation of easements in favor of Lessor or other lessees of easements for installation, repair, and maintenance of utilities.
- Notice. Any notice required or permitted to be given hereunder shall be in writing, given by personal delivery or by certified mail, postage prepaid, unless another form of delivery is required in a specific section of this lease. all cases, notice to Lessee shall be delivered or addressed to the address stated above. Unless otherwise specified, mailing notices to Lessee shall be deemed given upon actual receipt, or two business days following deposit in the mail, postage prepaid, whichever occurs first. Notice to Lessor shall be delivered or addressed to the Chairperson of the Board at 1151 Punchbowl Street, Room 130, Honolulu, Hawaii 96813. Unless otherwise specified, notices to Lessor shall be deemed given upon actual receipt. Either party may by notice to the other specify a different address for notice purposes, provided that Lessee's mailing address shall at all times be the same for both billing and notice. In the event there are multiple Lessees hereunder, notice to one Lessee at the address stated above (or any different address specified as permitted by this paragraph) shall be deemed notice to all Lessees.
- 57. Approvals. Any permission, approvals, or authorizations of any kind by the Lessor required by or relating to this lease shall be in writing signed by the Chairperson with (where required) authorization of the Board.
 - 58. Withdrawal. The Lessor shall have the right to

PRELIM. APPR'D. Department of the Attorney General withdraw the premises, or any portion, at any time during the term of this lease upon giving reasonable notice and without compensation, except as otherwise provided in the lease, for public uses or purposes, including residential, commercial, industrial, or resort developments, for constructing new roads or extensions, or changes in line or grade of existing roads, for rights of way and easements of all kinds, and shall be subject to the right of the Board to remove soil, rock or gravel as may be necessary for the construction of roads and rights of way within or without the premises; provided, that upon the withdrawal, or upon the taking which causes any portion of the land originally leased to become unusable for the specific use or uses for which it was leased, the rent shall be reduced in proportion to the value of the land withdrawn or made unusable, and if any permanent improvement constructed upon the land by the Lessee is destroyed or made unusable in the process of the withdrawal or taking, the proportionate value shall be paid based upon the unexpired term of the lease; provided, further, that no withdrawal or taking shall be had of those portions of the land harvested, unless the Board pays to the Lessee the value of those crops.

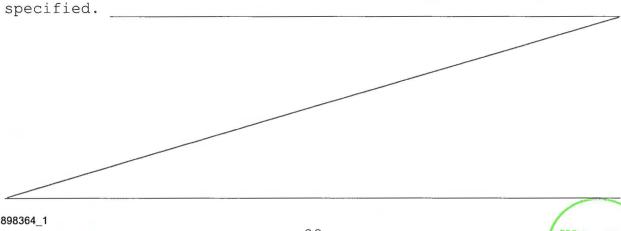
59. Bond, improvement. The Lessee, upon submittal and written approval of any construction plan shall within sixty (60) days procure and deposit with the Lessor a surety bond in the amount equal to the cost of the improvements, acceptable to the Chairperson, which bond shall name the State of Hawaii as obligee, conditioned upon the faithful observance and performance of the building requirement contained in this lease, the completion of the building and improvements on or before the specified date of completion free from all liens and claims, and that the Lessee shall hold the State of Hawaii harmless from all liens, suits, actions or damages arising out of, caused from or attributable to the work performed pursuant to the building requirement.



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Definitions.

- 1. The use of any gender shall include all genders, and if there is more than one lessee, then all words used in the singular shall extend to and include the plural.
- 2. As used in this lease, unless clearly repugnant to the context:
- (a) "Chairperson" means the Chairperson of the Board of Land and Natural Resources of the State of Hawaii or his successor.
- (b) "Lessee" means and includes the Lessee, its officers, employees, invitees, successors or permitted assigns.
- (c) "Holder of record of a security interest" means a person who is the owner or possessor of a security interest in the land leased and who has filed with the Department of Land and Natural Resources and with the Bureau of Conveyances of the State of Hawaii a copy of this interest.
- (d) "Premises" means the land leased and all buildings and improvements now or hereinafter constructed and installed on the land leased.
- (e) "Waste" includes, but is not limited to, (1) permitting the premises, or any portion, to become unduly eroded or failure to take proper precautions or make reasonable effort to prevent or correct the erosion; (2) permitting a substantial increase in noxious weeds in uncultivated portions of the premises; and (3) failure to employ all of the usable portions of the premises.
- (f) "Days" shall mean calendar days, unless otherwise specified.



IN WITNESS WHEREOF, the STATE OF HAWAII, by its Board of Land and Natural Resources, has caused the seal of the Department of Land and Natural Resources to be hereunto affixed and the parties hereto have caused these presents to be executed the day, month and year first above written.

Approved by the Board of Land and Natural	STATE OF HAWAII					
Resources at its meeting held on August 26, 2022.	DAWN N. S. CHANG Chairperson Board of Land and					
APPROVED AS TO FORM:	Natural Resources					
	LESSOR					
COLIN J. LAU Deputy Attorney General						
Dated:						
	SALE AT PUBLIC AUCTION					
	LESSEE					



STATE OF HAWAII COUNTY OF)) SS.)
<pre>the person(s) described in and</pre>	, 20, before me, to me known to be who executed the foregoing at executed the same as
	Notary Public, State of Hawaii
	My commission expires:
STATE OF HAWAII COUNTY OF)) SS.)
who, being by me duly sworn or person(s) executed the foregoideed of such person(s), and if	, 20, affirmed, did say that such ang instrument as the free act and applicable in the capacity shown, execute such instrument in such
	commission expires:





SURVEY DIVISION

DEPT. OF ACCOUNTING AND GENERAL SERVICES HONOLULU

C.C.F. No KAUAI FILE FOLDER 3

November 3, 1966

KOKEE CAMP SITE LOTS

LOT 71

Waimea (Kona), Kauai, Hawaii

Being a portion of Kokee Park (Governor's Executive Order 1509)

Beginning at a pipe at the northerly corner of this lot, the coordinates of said point of beginning referred to Government Survey Triangulation Station "KOKEE" being 1449.93 feet North and 635.47 feet West, as shown on H.S.S. Plat 3096, thence running by azimuths measured clockwise from True South:-

ı.	329°	08 '	189.36							
				Park						
				Order	1509) to	a	pip	e;	

- 2. 63° 19' 117.92 feet along the remainder of Kokee Park (Governor's Executive Order 1509) to a pipe;
- 3. 147° 59' 194.38 feet along the remainder of Kokee Park (Governor's Executive Order 1509) to a pipe;
- 4. 245° 30' 30" 122.25 feet along the remainder of Kokee
 Park (Governor's Executive
 Order 1509) to the point of
 beginning and containing an
 Area of 0.53 Acre.

SURVEY DIVISION
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
STATE OF HAWAII

Akira Taga

Land Surveyor

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Compiled from maps by Henry Sumida and Associates, Inc. and Govt. Survey Records.

PRELIM APPRID
Department of the
Attorney General

EXHIBIT "A"

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SURVEY DIVISION

DEFT. OF ACCOUNTING AND GENERAL SERVICES HONOLULU

C.S.F. No. KAUAI FILE FOLDER 2

November 27, 1967

(REVISED - NOVEMBER, 1967)

PUU KA PELE PARK LOTS

LOT 83

Waimea (Kona), Kauai, Hawaii

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

Beginning at the north corner of this lot, the southeast corner of Lot 12 of Puu Ka Pale Park Lots, the coordinates of said point of beginning referred to Government Survey Triangulation Station "HALE 2" being 4674.64 feet South and 3288.47 feet West, as shown on H.S.S. Plat 3095, thence running by azimuths measured clockwise from True South:-

1. 336° 41' 258.04 feet along remainder of Waimea Park (Governor's Executiv 2209) and Lot 70 of Puu K Park Lots;	e Order
--	---------

2.	51°	26'	161.85	feet	along remainder of Waimea Canyon
					Park (Governor's Executive Order 2209);

3.	149°	28'	240.70	feet	along remainder of Waimea Canyon Park (Governor's Executive Order 2209).
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4. 228°	20' 196.37	feet along Lot 12 of Puu Ka Pele Park
		Lots, to the point of beginning
		and containing an Area of 1.00

PRELIM. APPR'D. Department of the Attorney General

SURVEY DIVISION
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
STATE OF HAWAII

Akira Ishida

EXHIBIT "A"

Compiled from survey by J. Chrystal, Jr., A. Ishida and Govt. Survey Records. Akira Ishida Land Surveyor

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4674.645 3188.47 W Rylemann Dec. 20, 1967 Bt 2



KAUAI FILE

SURVEY DIVISION DEPT. OF ACCOUNTING AND GENERAL SERVICES HONOLULU

November 27, 1967

(Revised - November, 1967)

PUU KA PELE PARK LOTS

LOT 82

Waimea (Kona), Kauai, Hawaii

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

Beginning at the northwest corner of this lot, the coordinates of said point of beginning referred to Government Survey Triangulation Station "HALE 2" being 1224.66 feet South and 1877.85 feet West, as shown on H.S.S. Plat 3095, thence running by azimuths measured clockwise from True South:-

1.	256°	01'	183.65 feet	<pre>along remainder of Waimea Canyon Park (Governor's Executive Order 2209);</pre>
2.	296°	37'	109.66 feet	along remainder of Waimea Canyon Park (Governor's Executive Order 2209);
3.	1.	18'	68.59 feet	along remainder of Waimea Canyon Park (Governor's Executive Order 2209);
4.	33°	40'	128.72 feet	along remainder of Waimea Canyon Park (Governor's Executive Order 2209);
5.	100°	47 '	216.94 feet	along remainder of Waimea Canyon Park (Governor's Executive Order 2209);
6.	184°	00'	140.21 feet	along remainder of Waimea Canyon Park (Governor's Executive Order 2209), to the point of beginning and containing an Area of 1.11 Acres.



EXHIBIT "A"

November 27, 1967

SURVEY DIVISION
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
STATE OF HAWAII

Akira Ishida Land Surveyor

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

N 5 E W AREA COORDS Ryknyam Dec. 20,1967 224.84 224.83 286.03 286.03 1.1124 DE. 1224.66 S B& 2. 1877.85 N Pg. 91

> PRELIM, APPR'D. Department of the Attorney General



SURVEY DIVISION

DEPT. OF ACCOUNTING AND GENERAL SERVICES HONOLULŮ

SECUL KAUAI FILE FOLDER 3

14

November 2, 1966

KOKEE CAMP SITE LOTS

LOT 91

Waimea (Kona), Kauai, Hawaii

Being a portion of Kokee Park (Governor's Executive Order 1509)

Beginning at a pipe at the northwest corner of this lot, the northeast corner of Lot 90 of Kokee Camp Site Lots, the coordinates of said point of beginning referred to Government Survey Triangulation Station "KOKEE" being 1623.86 feet North and 1572.00 feet West, as shown on H.S.S. Plat 3096, thence running by azimuths measured clockwise from True South:-

1.	246°	18'	30"	161.96	feet	along	the	remai	ind	er of	Kokee
			91			Park Order					

2.	333°	421	129.59	feet	along	Lot	92	of	Kokee	Camp
					Site I	Lots	to	a j	pipe;	_

3.	440	18'	30"	61.88 feet along the remainder of Kokee
				Park (Governor's Executive
				Order 1509) to a pipe;

4.	74°	17 •	135.46 feet along the remainder of Kokee
-			Park (Governor's Executive
			Order 1509) to a pipe:

5. 166° 20' 30" 135.92 feet along Lot 90 of Kokee Camp Site Lots to the point of beginning and containing an AREA OF 0.58 ACRE.

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

Land Surveyor

PRELIM, APPRID. Department of the Altorney General

Compiled from maps by Henry Sumida and Associates, Inc. and Govt. Survey Records.

18M Closure (Pa.91) Area Coo

0.004N 0.013E

Area Q.582 Ac.

J. Chrystal. Jr. 11/15/66

EXHIBIT "A"



SURVEY DIVISION

KAUAI FILE C.E.F. No FOLDER 2

DEPT. OF ACCOUNTING AND GENERAL SERVICES KONOLULU

November 27, 1967

(Revised - November, 1967)

PUU KA PELE PARK LOTS

LOT 29

Waimea (Kona), Kauai, Hawaii

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

Beginning at the northwest corner of this lot, the east boundary of Lot 52 of Puu Ka Pele Park Lots, the coordinates of said point of beginning referred to Government Survey Triangulation Station "HALE 2" being 1482.18 feet South and 1979.80 feet West, as shown on H.S.S. Plat 3095, thence running by azimuths measured clockwise from True South:-

ι.	2/3-	34 '		225.01	reet	Canyon Park (Governor's Executive Order 2209);
2.	3°	34'		200.00	feet	along remainder of Waimea Canyon Park (Governor's Executive Order 2209);
3.	93°	34'		210.00	feet	along remainder of Waimea Canyon Park (Governor's Executive Order 2209);
4.	179°	16'	30"	200.56	feet	along remainder of Waimea Canyon Park (Governor's Executive Order 2209) and Lot 52 of Puu Ka Pele Park Lots, to the point of beginning and containing an Area of 1.00 Acre.

SURVEY DIVISION DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES STATE OF HAWAII

Compiled from survey by J. Chrystal, Jr., A. Ishida and Govt. Survey Records.

Akira Ishida

Land Surveyor

Attorney General

PRELIM. APPR'D. Dapartment of the

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SURVEY DIVISION

DEPT. OF ACCOUNTING AND GENERAL SERVICES

<u>KAUAI FI</u>LE FOLDER 2

HONOLULU

November 27, 1967

(REVISED - NOVEMBER, 1967)

PUU KA PELE PARK LOTS

LOT 12

Waimea (Kona), Kauai, Hawaii

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

4cova MA 14. 50 c. 50 c. 36.2

120 12, 20C

Beginning at the southeast corner of this lot, the north corner of Lot 83 of Puu Ka Pele Park Lots, the coordinates of said point of beginning referred to Government Survey Triangulation Station "HALE 2" being 4674.64 feet South and 3288.47 feet West, as shown on H.S.S. Plat 3095, thence running by azimuths measured clockwise from True South:-

AREA	0.95 Ac
7	20

48° 20 ' 214.98 feet along Lot 83 of Puu Ka Pele Park Lots and remainder of Waimea Canyon Park (Governor's Executive Order 2209);

121° 13' 99.78 feet along remainder of Waimea Canyon Park (Governor's Executive Order 2209);

192° 45' 111.40 feet along remainder of Waimea Canyon Park (Governor's Executive Order 2209);

105.60 feet along Lot 23 of Puu Ka Pele Park Lots;

282° 481

183°

46'

202.20 feet along remainder of Waimea Canyon Park (Governor's Executive Order 2209);

347° 331

79.90 feet along remainder of Waimea Canyon Park (Governor's Executive Order 2209), to the point of beginning and containing an Area of 0.95 Acre.

PRELIM. APPR'D. Department of the Afforney General

SURVEY DIVISION DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES STATE OF HAWAII

Compiled from survey by J. Chrystal, Jr., A. Ishida and Govt. Survey Records.

Akira Ishida Land Surveyor



SURVEY DIVISION

DEPT. OF ACCOUNTING AND GENERAL SERVICES

C.S.F. No KAUAI FILE FOLDER 3

November 3, 1966

KOKEE CAMP SITE LOTS

LOT 81

Waimea (Kona), Kauai, Hawaii

Being a portion of Kokee Park (Governor's Executive Order 1509)

Beginning at a pipe at the westerly corner of this lot, the northerly corner of Lot 86 and the northeast corner of Lot 85 of Kokee Camp Site Lots, the coordinates of said point of beginning referred to Government Survey Triangulation Station "KOKEE" being 1458.40 feet North and 1030.36 feet West, as shown on H.S.S. Plat 3096, thence running by azimuths measured clockwise from True South:-

- 1. 251° 50' 30" 117.07 feet along the remainder of Kokee
 Park (Governor's Executive
 Order 1509) to a pipe;
- 2. 305° 34' 30" 167.40 feet along the remainder of Kokee Park (Governor's Executive Order 1509) to a pipe;
- 3. 45° 09' 144.70 feet along Lot 80 of Kokee Camp Site Lots to a pipe;
- 4. 137° 54' 30" 148.97 feet along Lot 86 of Kokee Camp Site Lots to a pipe;
- 5. 139° 23' 30" 69.05 feet along Lot 86 of Kokee Camp Site
 Lots to the point of beginning
 and containing an Area of 0.55
 Acre.

PRELIM, APPR'D. Department of the Attorney General SURVEY DIVISION
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
STATE OF HAWAII

Akira Taga Land Surveyor

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Compiled from maps by Henry Sumida and Associates, Inc. and Govt. Survey Records.

EXHIBIT "A"

1.B.M Closure (Pg. 81)

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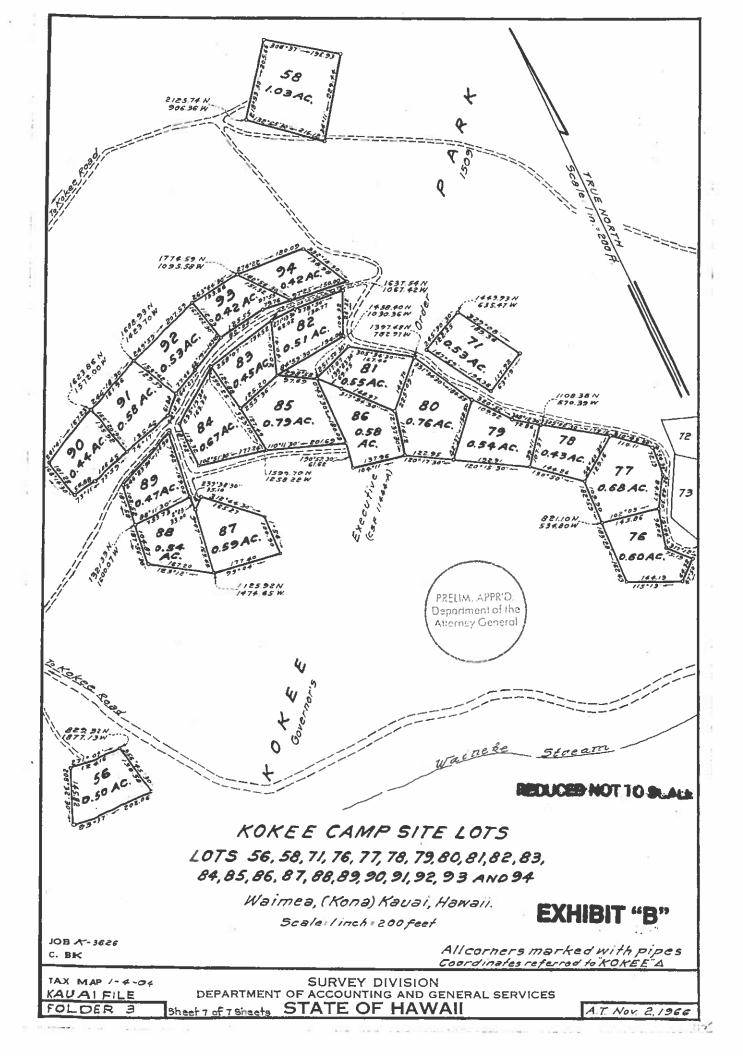
J. Chrystal Jr.

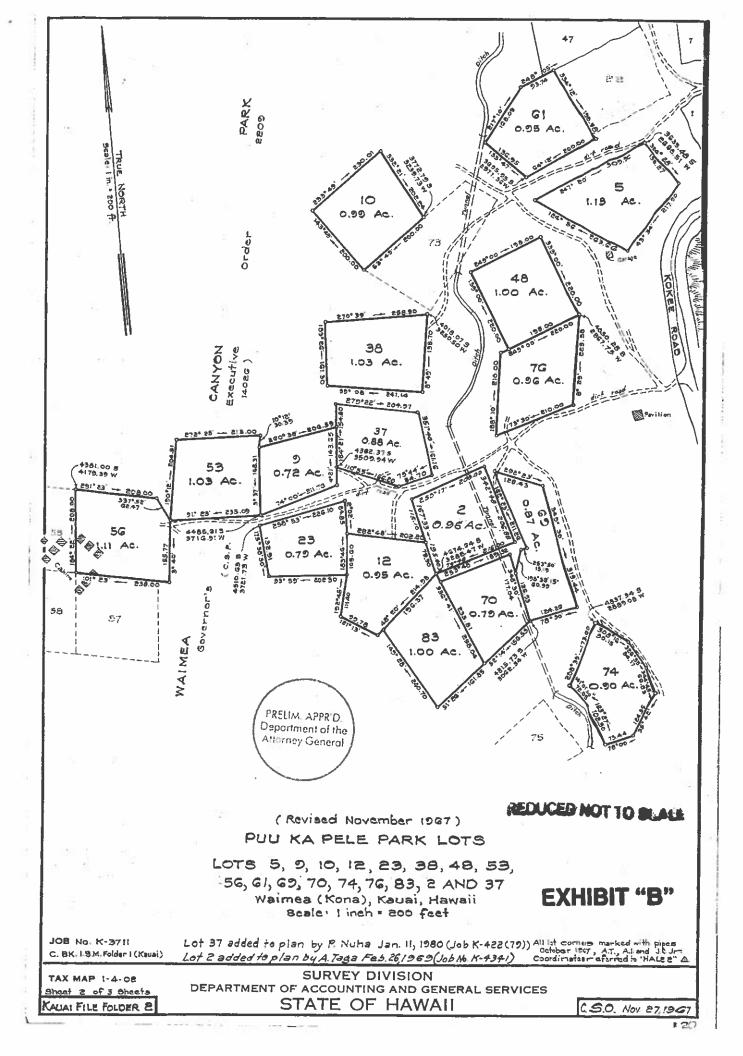
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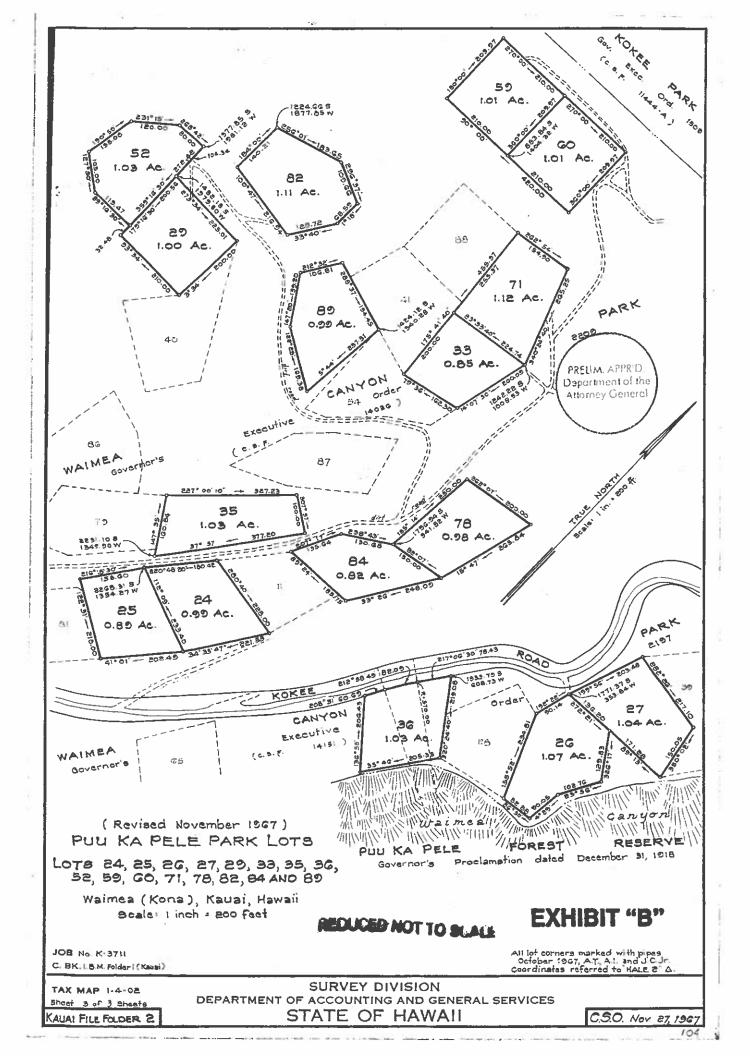
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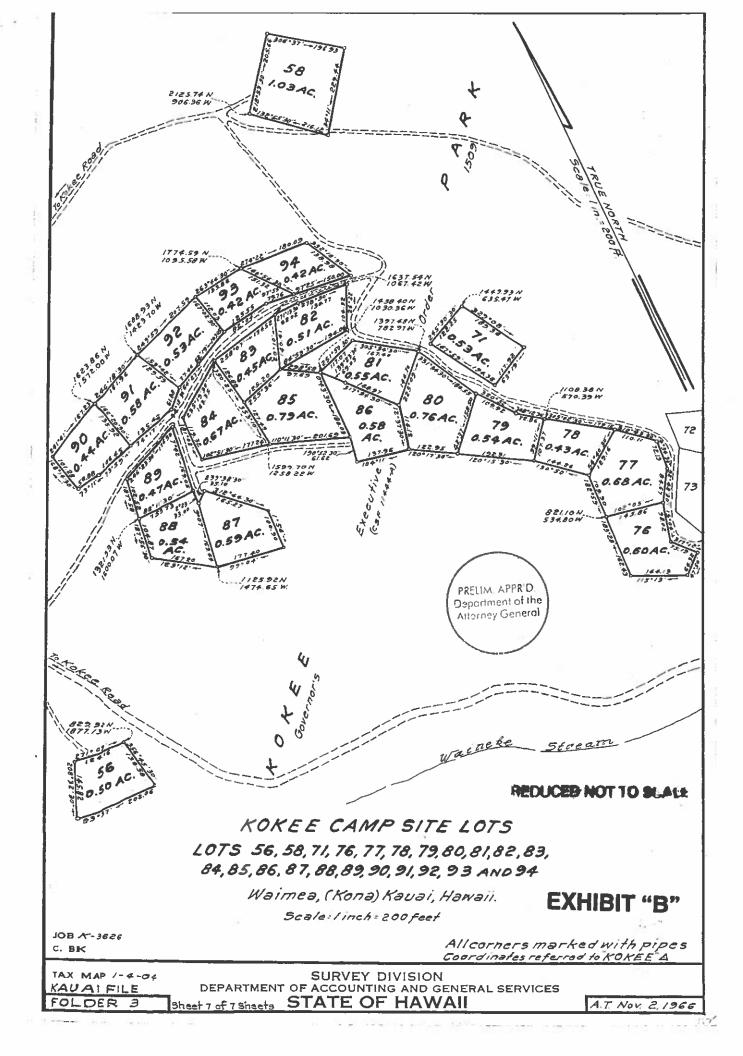
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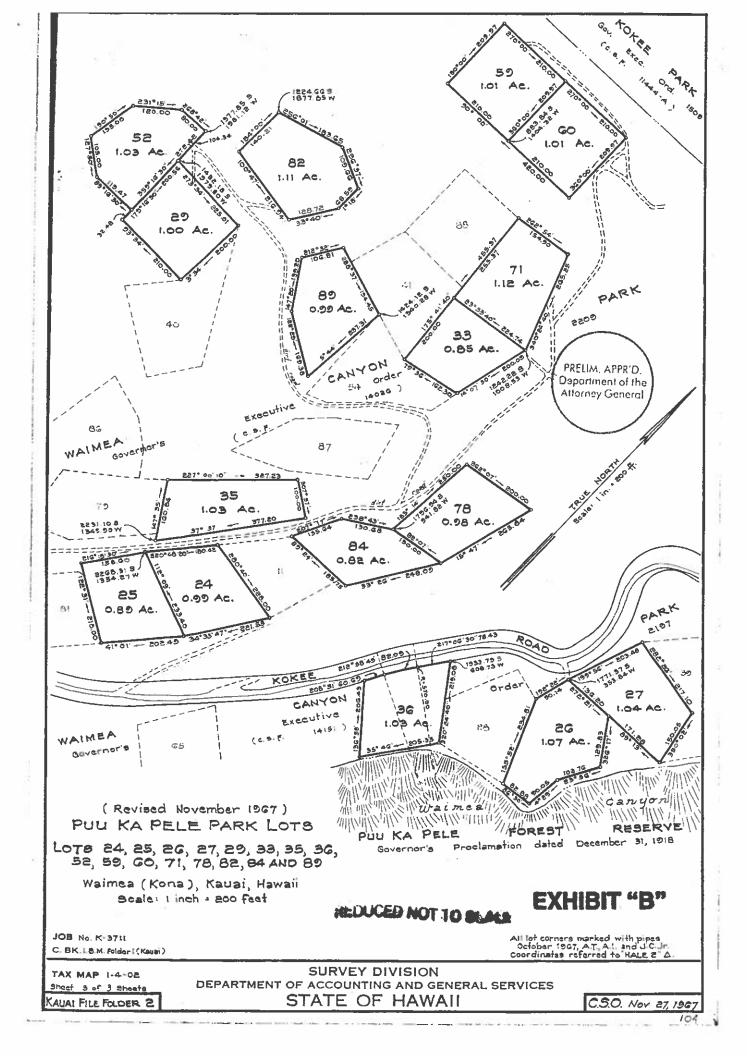
Exhibit B – Maps (of the Premises to be attached to the leases) [ATTACHED]

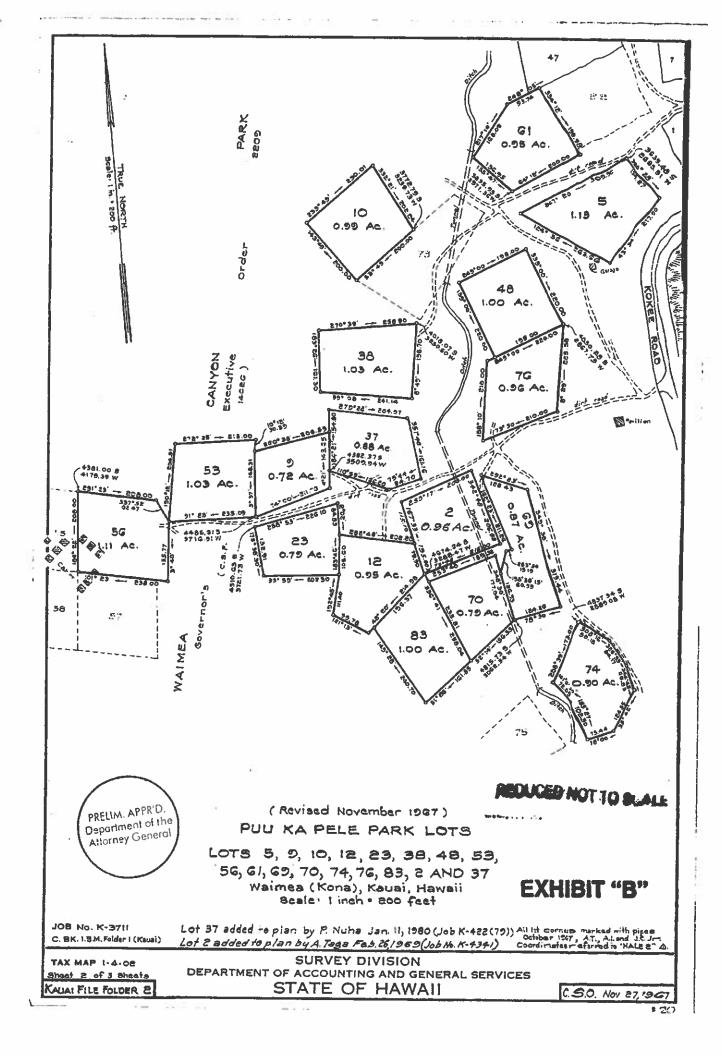


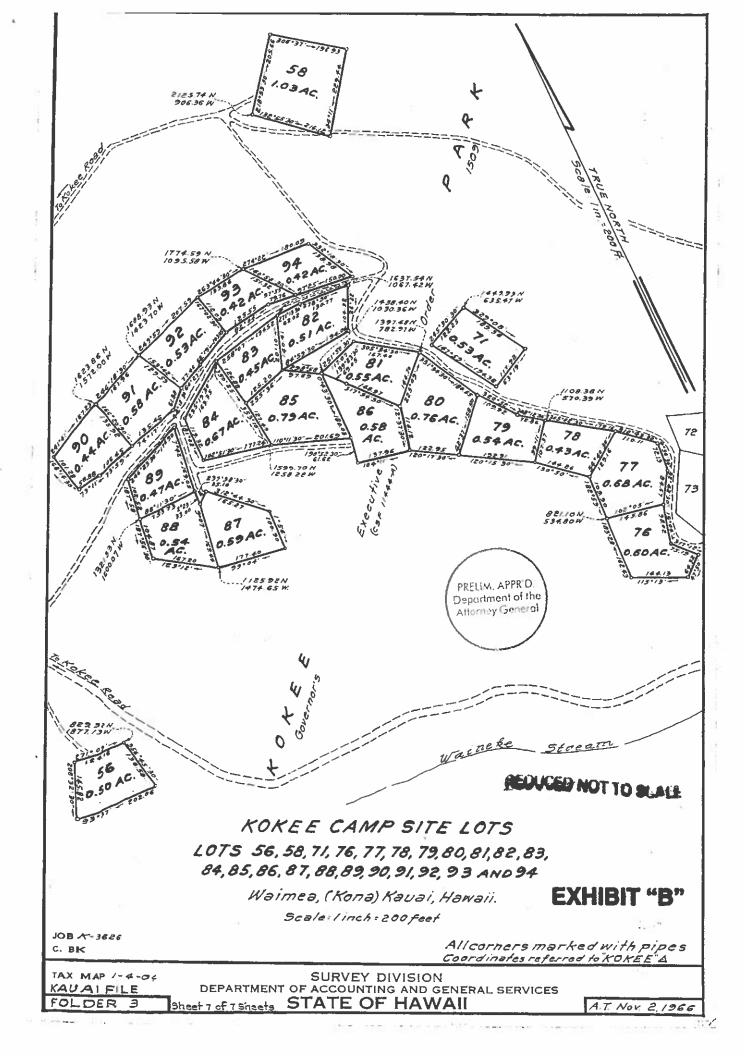


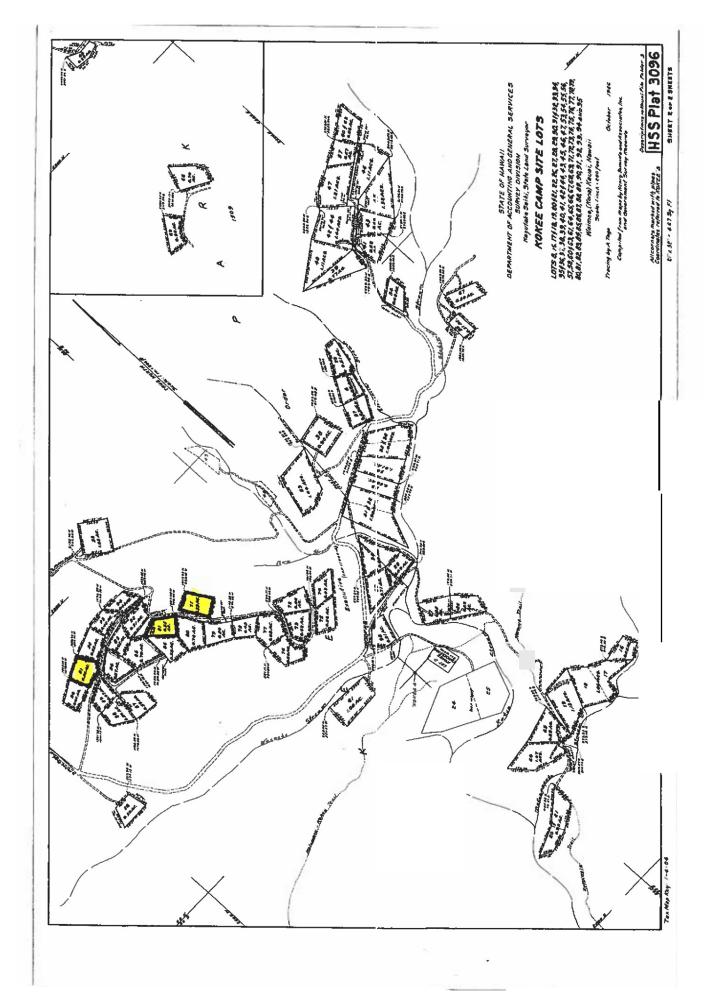


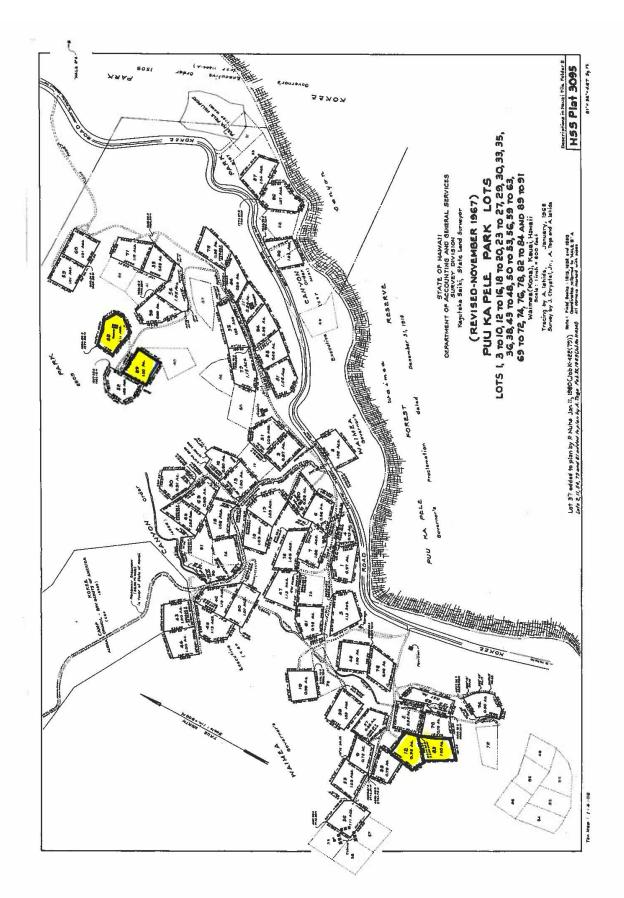












Appendix D - Appraisal Information and Lot Inventory.

DIVISION OF STATE PARKS AUCTION INVENTORY KŌKE'E AND WAIMEA CANYON STATE PARKS DIVISION OF STATE PARKS

Updated 10/03/11 PSF: SP110402

Lot ID	Lot	Plat (Camp Lots)	TMK	Land Area (sq. ft.)	Minimum Upset Bid (An- nual Rent)	Dwelling Area (sq. ft.)	Wellhead Protection Zone ⁵	Dwelling Assessed as Contributing Historic Property ⁶
K71	71	Kōke'e	1-4-04:062	23,087	\$4,500	623	Yes	No
K81	81	Kōke'e	1-4-04:060	23,958	\$5,500	416	No	Yes
K91	91	Kōke'e	1-4-04:048	25,265	\$6,800	868	No	No
P12	12	Puu ka Pele	1-4-02:047	41,382	\$4,500	908	No	Yes
P83	83	Puu ka Pele	1-4-02:081	43,560	\$6,800	1,033	No	No
P29	29	Puu ka Pele	1-4-02:010	43,560	\$5.500	1,092	No	Yes
P82	82	Puu ka Pele	1-4-02:079	48,351	\$9,500	1,760	No	No

⁵ Use of cesspools in wellhead protection zone is subject to certain conditions contained in the lease.

⁶ "Yes" means dwelling is historic (i.e., built over 50 years ago) and assessed in the 2003 architectural inventory as having maintained sufficient historic integrity and character to contribute to the overall significance of the recreation-residence historic district. Historic preservation design standards and guidelines have been prepared to assist lessees in maintaining the historic character of the dwellings and their setting when making needed repairs and desired alterations or additions.

SUMMARY APPRAISAL DATA: TAX MAP KEY 1-4-02, PARCEL 47

Property Data

Property Location: Puu ka Pele.

DLNR Lot Number: 12.

Existing DLNR G.L. No. (Existing Lessee): N.A. [Vacant].

Total Assessed Value: \$78,000.

Physical Lot Characteristics:

Gross Land Area 0.95 acres; or 41,382 square feet.

Utilities Water and electricity present.

Lot Shape Irregular (pentagonal); average width and depth.

Topography Level.

Landscape Typology Forest Clearing.

Landscape Condition Average.

View(s) Average; surrounding uplands.

Existing Dwelling Improvements:

Year Built Circa 1937.

Dwelling Areas Living: 838 sq. ft.; Deck/Patio: 70 sq. ft.

Dwelling Foundation Wood post on pier. Exterior Wall Construction Vertical board.

Roof Construction Hipped; corrugated metal.

Duensing Rating Level 3.

Overall Condition Fair to Average.

Additional Structure(s) Shed/Garage (285 sq. ft.).

Notable Characteristics: Level, elevated lot with modest view potential; minimal

landscaping; modest, simple dwelling maintained in

average condition.

Value Conclusions

Fourth Division, Tax Map Key 1-4-02-47.

Effective Date of the Appraisal: January 1, 2022.

Subject Rental Period: Approximately 8 Years through December 31, 2031.

Property Rating (Land Only): Rating 2

Concluded Market Ground Rent (Land Only): \$4,500.

Property Rating (Land & Buildings): Rating 1

Concluded Market Property Rent (Land & Buildings): \$4,500.



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SUMMARY APPRAISAL DATA: TAX MAP KEY 1-4-02, PARCEL 81

Property Data

Property Location: Puu ka Pele.

DLNR Lot Number: 83.

Existing DLNR G.L. No. (Existing Lessee): N.A. [Vacant].

Total Assessed Value: \$92,500.

Physical Lot Characteristics:

Gross Land Area 1.00 acres; or 43,560 square feet. Utilities Water and electricity present.

Lot Shape Irregular (trapezoidal); average width and depth.

Topography Slight slope.

Landscape Typology Overgrown/Cottage Garden.

Landscape Condition Fair to Average.

View(s) Average; surrounding uplands.

Existing Dwelling Improvements:

Year Built 1955.

Dwelling Areas Living: 883 sq. ft.; Deck/Patio: 150 sq. ft.

Dwelling Foundation Wood post on pier.
Exterior Wall Construction Vertical board.
Roof Construction Gable; composition.

Duensing Rating N.A.
Overall Condition Good.

Additional Structure(s) Shed (399 sq. ft.).

Notable Characteristics: Relatively private, secluded lot; landscaping includes some

fruit trees and ornamentals; currently overgrown with several downed trees; contemporary dwelling maintained in

average to good condition.

Value Conclusions

Fourth Division, Tax Map Key 1-4-02-81.

Effective Date of the Appraisal: January 1, 2022.

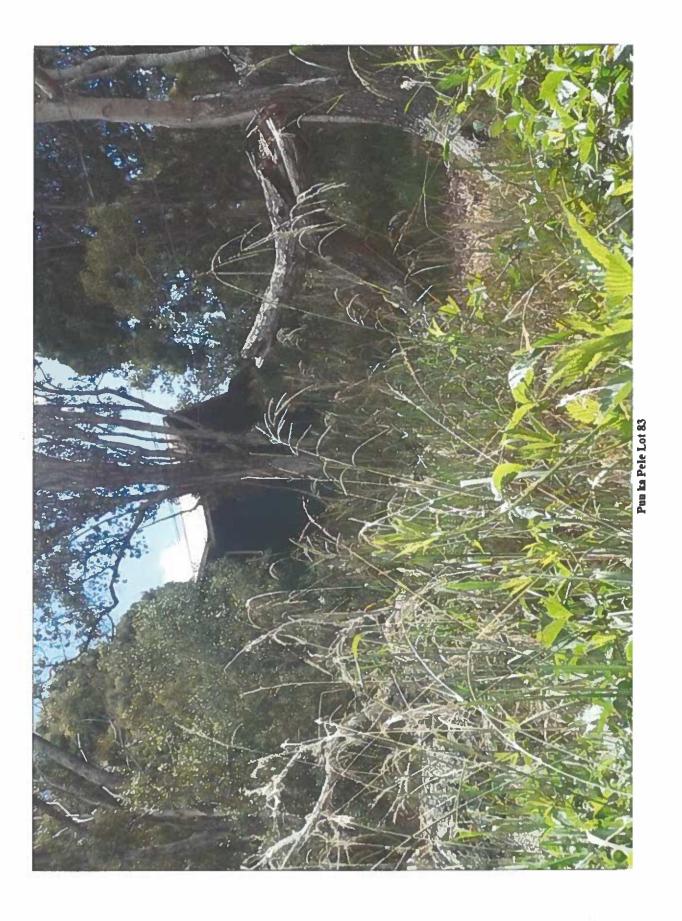
Subject Rental Period: Approximately 8 Years through December 31, 2031.

Property Rating (Land Only): Rating 2

Concluded Market Ground Rent (Land Only): \$4,500.

Property Rating (Land & Buildings): Rating 3

Concluded Market Property Rent (Land & Buildings): \$6,800.



SUMMARY APPRAISAL DATA: TAX MAP KEY 1-4-04, PARCEL 48

Property Data

Property Location: Kokee. DLNR Lot Number: 91.

Existing DLNR G.L. No. (Existing Lessee): SP0112 (James Hackett).

Total Assessed Value: \$116,700.

Physical Lot Characteristics:

Gross Land Area 0.58 acres; or 25,264 square feet. Utilities Water and electricity present.

Lot Shape Irregular (pentagonal); average width and depth.

Topography Level.

Landscape Typology Forest Clearing.
Landscape Condition Average to Good.

View(s) Average to Good; surrounding uplands and valley.

Existing Dwelling Improvements:

Year Built Circa 1959.

Dwelling Areas Living: 768 sq. ft.; Deck/Patio: 100 sq. ft.

Dwelling Foundation Wood post on pier. Exterior Wall Construction Vertical board.

Roof Construction Hipped; corrugated metal.

Duensing Rating Level 1.

Overall Condition Average to Good.

Additional Structure(s) None.

Notable Characteristics: Located in "Water Tank Lots" area; open view across

valley; landscaping and contemporary dwelling maintained

in average to good condition.

Value Conclusions

Fourth Division, Tax Map Key 1-4-04-48.

Effective Date of the Appraisal: January 1, 2022.

Subject Rental Period: Approximately 8 Years through December 31, 2031.

Property Rating (Land Only): Rating 3

Concluded Market Ground Rent (Land Only): \$4,800.

Property Rating (Land & Buildings): Rating 3

Concluded Market Property Rent (Land & Buildings): \$6,800.



SUMMARY APPRAISAL DATA: TAX MAP KEY 1-4-04, PARCEL 60

Property Data

Property Location: Kokee. DLNR Lot Number: 81.

Existing DLNR G.L. No. (Existing Lessee): N.A. [Vacant].

Total Assessed Value: \$59,800.

Physical Lot Characteristics:

Gross Land Area 0.55 acres; or 23,958 square feet. Utilities Water and electricity present.

Lot Shape Irregular (trapezoidal); average width and depth.

Topography Elevated lot with moderate slope.

Landscape Typology Forest Clearing.

Landscape Condition Average.

View(s) Average; surrounding uplands.

Existing Dwelling Improvements:

Year Built Circa 1960.

Dwelling Areas Living: 416 sq. ft.; Deck/Patio: N.A.

Dwelling Foundation Wood post on pier.
Exterior Wall Construction Board and batten.
Roof Construction Gable; tar paper.

Duensing Rating Level 4.

Overall Condition Average.

Additional Structure(s) Shed (75 sq. ft.); carport (200 sq. ft.).

Notable Characteristics: Located in "Water Tank Lots" area; elevated lot with a

degree of enhanced view potential; modest landscaping and small contemporary dwelling maintained in average

conditions.

Value Conclusions

Fourth Division, Tax Map Key 1-4-04-60.

Effective Date of the Appraisal: January 1, 2022.

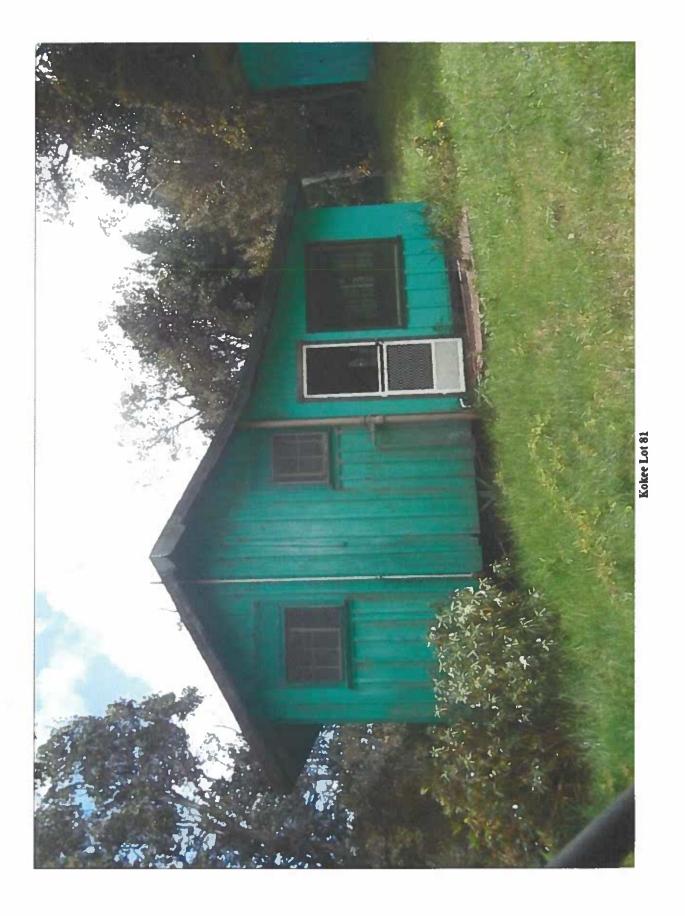
Subject Rental Period: Approximately 8 Years through December 31, 2031.

Property Rating (Land Only): Rating 2

Concluded Market Ground Rent (Land Only): \$4,500.

Property Rating (Land & Buildings): Rating 2

Concluded Market Property Rent (Land & Buildings): \$5,500.



SUMMARY APPRAISAL DATA: TAX MAP KEY 1-4-04, PARCEL 62

Property Data

Property Location: Kokee. DLNR Lot Number: 71.

Existing DLNR G.L. No. (Existing Lessee): SP0144 (Bradley & Margret Soria).

Total Assessed Value: \$98,600.

Physical Lot Characteristics:

Gross Land Area 0.53 acres; or 23,087 square feet. Utilities No electricity; water present.

Lot Shape Rectangular; average width and depth.

Topography Slight to moderate slope.

Landscape Typology Forest Clearing.
Landscape Condition Fair to Poor.

View(s) Average; surrounding uplands.

Existing Dwelling Improvements:

Year Built Circa 1954.

Dwelling Areas Living: 513 sq. ft.; Deck/Patio: 110 sq. ft.

Dwelling Foundation Wood post on pier. Exterior Wall Construction Board and batten.

Roof Construction Gable; corrugated metal.

Duensing Rating Level 3.

Overall Condition Fair to Poor.

Additional Structure(s) None.

Notable Characteristics: Located in "Water Tank Lots" area with no immediate

neighbor; minimal landscaping with overgrown vegetation; no particular view; small, lower-quality dwelling in below-

average condition.

Value Conclusions

Fourth Division, Tax Map Key 1-4-04-62.

Effective Date of the Appraisal: January 1, 2022.

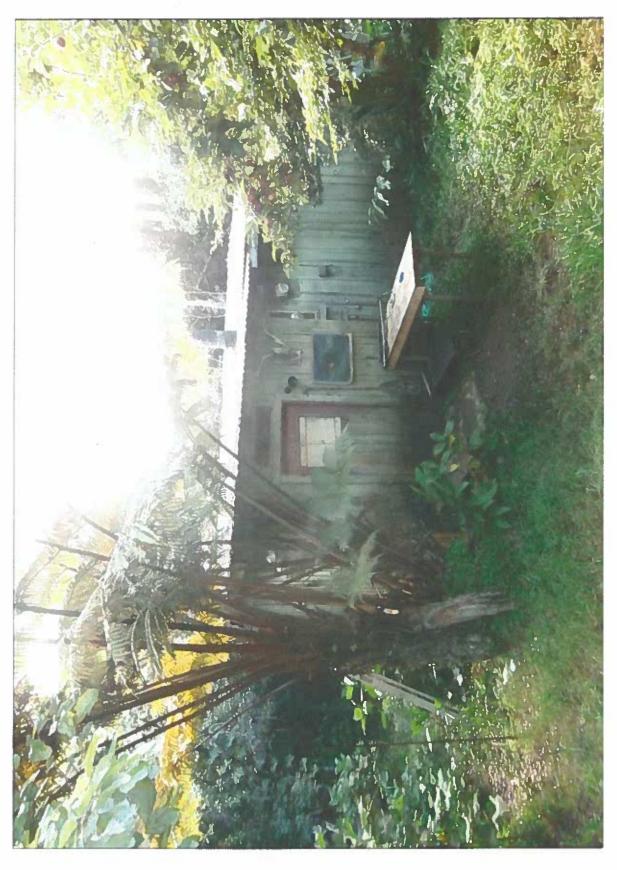
Subject Rental Period: Approx through December 31, 2031.

Property Rating (Land Only): Rating 2

Concluded Market Ground Rent (Land Only): \$4,500.

Property Rating (Land & Buildings): Rating 1

Concluded Market Property Rent (Land & Buildings): \$4,500.



SUMMARY APPRAISAL DATA: TAX MAP KEY 1-4-02, PARCEL 10

Property Data

Property Location: Puu ka Pele.

DLNR Lot Number: 29.

Existing DLNR G.L. No. (Existing Lessee): SP0123 (Judith Matthews & Ellen Gallimore-

White).

Total Assessed Value: \$85,000.

Physical Lot Characteristics:

Gross Land Area

1.00 acres; or 43,560 square feet.

Utilities

Water and electricity present.

Square; average width and depth.

Topography

Moderate to steep slope, with terracing.

Landscape Typology Cottage Garden.
Landscape Condition Fair to Average.

View(s) Good; overlooking stream and valley.

Existing Dwelling Improvements:

Year Built Circa 1929.

Dwelling Areas Living: 822 sq. ft.; Deck/Patio: 270 sq. ft.

Dwelling Foundation Wood post on pier. Exterior Wall Construction Vertical board.

Roof Construction Hipped; corrugated metal.

Duensing Rating Level 3.

Overall Condition Average to Good. Additional Structure(s) Carport (543 sq. ft.).

Notable Characteristics: Lot located at end of road (superior privacy); sloping view

lot overlooking stream/gulch; above-average landscaping and dwelling but appearance is under-maintained due to

possible abandonment.

Value Conclusions

Fourth Division, Tax Map Key 1-4-02-10.

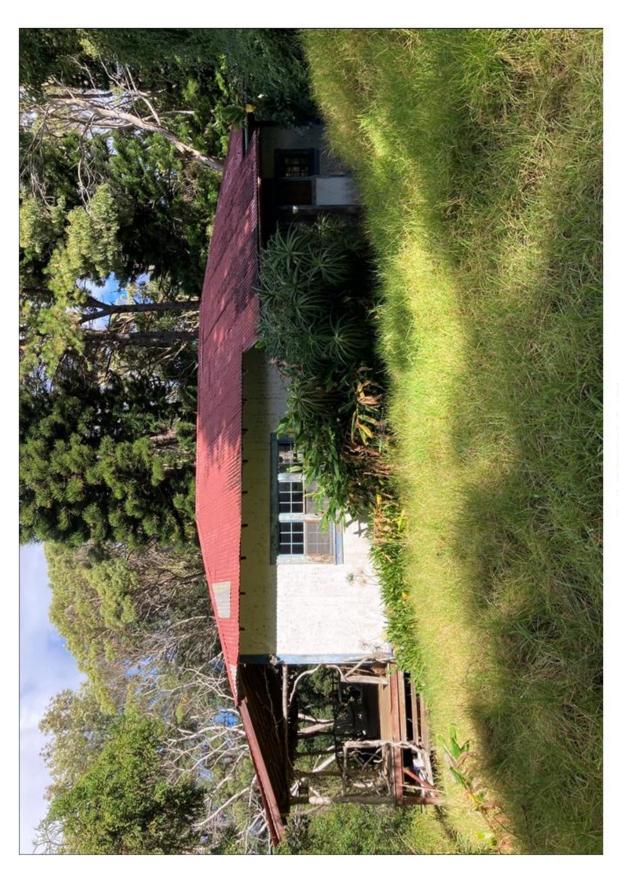
Effective Date of the Appraisal: January 1, 2022.

Property Rating (Land Only): Rating 3

Concluded Market Ground Rent (Land Only): \$4,800.

Property Rating (Land & Buildings): Rating 2

Concluded Market Property Rent (Land & Buildings): \$5,500.



SUMMARY APPRAISAL DATA: TAX MAP KEY 1-4-02, PARCEL 79

Property Data

Property Location: Puu ka Pele.

DLNR Lot Number: 82.

Existing DLNR G.L. No. (Existing Lessee): SP0186 (Anthony Locricchio, et al.).

Total Assessed Value: \$301,400.

Physical Lot Characteristics:

Gross Land Area 1.11 acres; or 48,351 square feet. Utilities Water and electricity present.

Lot Shape Irregular (hexagonal); average width and depth.

Topography Slight to moderate slope.

Landscape Typology Woodland Park.
Landscape Condition Excellent.

View(s) Average; surrounding uplands.

Existing Dwelling Improvements:

Year Built 1989.

Dwelling Areas Living: 1,310 sq. ft.; Deck/Patio: 450 sq. ft.

Dwelling Foundation Wood post on pier. Exterior Wall Construction Space tile siding.

Roof Construction Gable; corrugated metal.

Duensing Rating N.A.
Overall Condition Excellent.
Additional Structure(s) None.

Notable Characteristics: Relatively private lot with no immediate neighbor; building

site lower in elevation than the adjoining roadway; large,

contemporary dwelling in excellent condition.

Value Conclusions

Fourth Division, Tax Map Key 1-4-02-79.

Effective Date of the Appraisal: January 1, 2022.

Property Rating (Land Only): Rating 4

Concluded Market Ground Rent (Land Only): \$5,100.

Property Rating (Land & Buildings): Rating 4

Concluded Market Property Rent (Land & Buildings): \$9,500.

