

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

May 12, 2017

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

OAHU

Consent to Assignment of Lease of Non-Exclusive Easement S-5329, Jeffrey T. Long, as Lessee/Assignor, to Jeffrey T. Long and Jamie Felice Long, Co-Trustees of the Jeffrey T. Long 2001 Revocable Trust, dated September 7, 2001, as Assignee; Consent to Mortgage of Lease of Non-Exclusive Easement S-5329, Jeffrey T. Long and Jamie Felice Long, Co-Trustees of the Jeffrey T. Long 2001 Revocable Trust, dated September 7, 2001, as Lessee/Mortgagor, to Bank of Hawaii, as Mortgagee; Amendment of Lease of Non-Exclusive Easement S-5329, Jeffrey T. Long and Jamie Felice Long, Co-Trustees of the Jeffrey T. Long 2001 Revocable Trust, dated September 7, 2001, Lessee to provide that the easement shall run with the land and shall inure to the benefit of the private real property described as Tax Map Key Nos. (1) 4-3-010:079, 080, and 081, and be assignable without Board consent; Kailua, Koolaupoko, Oahu, Tax Map Key: (1) 4-3-010: portion of 083.

APPLICANT AND REQUEST:

Jeffrey T. Long and Jamie Felice Long, Co-Trustees of the Jeffrey T. Long 2001 Revocable Trust, dated September 7, 2001 (Applicant);

Requesting consent to mortgage from Bank of Hawaii, Mortgagee, in an amount not to exceed \$519,000.00.

LEGAL REFERENCE:

Section 171-13 and 22, Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government lands situated at Kailua, Koolaupoko, Oahu, identified by Tax Map Key: (1) 4-3-010: portion of 083, as shown on the maps labeled **Exhibit A1** and **A2**.

AREA:

5,229 square feet, more or less.

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act

DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: No

CHARACTER OF USE:

Roadway and utility purposes.

TERM OF LEASE:

65 years, commencing on 03/22/1994 and expiring on 03/21/2056.

ANNUAL RENTAL:

Not applicable. One-time payment (\$25,813) was paid.

RECOMMENDED PREMIUM:

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

USE OF LOAN PROCEEDS:

The lessee will take the favorable interest rate of the requested loan to pay off an existing mortgage on his properties.

REMARKS:

Amendment of Subject Easement (GL 5329)

GL 5329 was issued in 1994 to Jeffrey Long and Steven Golden to serve their jointly owned private properties further designated as tax map keys (1) 4-3-010:079, 080, and 081, adjacent to the subject driveway, as shown on Exhibits A1 and A2. Upon acquisition of Mr. Golden's interest in the private parcels and GL5329 in 1996, Mr. Long (Lessee), as an individual, became the sole lessee. The Board gave its consent to the assignment of the easement.

Around 1999, the Lessee developed three (3) separate condominium projects over his parcels, with two (2) units placed on each project. In 2004, Lessee transferred the fee simple interest, pursuant to apartment deeds recorded at the Bureau of Conveyances as document nos. 2004-036757 through 2004-036762 for all of the six (6) units and GL

5329 to himself and his wife, as co-trustees of the Jeffrey T. Long 2001 Revocable Trust, dated September 7, 2001 (Trust). The Department was not aware of such transfer.

Recently, the Trust was in the process of refinancing a mortgage for one of the units.¹ During the documentation process, the Department of the Attorney General noted that the lessee of record [Jeffrey Long] and the mortgagor [Trust] are different.

Upon review of the situation, staff believes seeking the Board's consent to (1) the assignment of the subject easement to the Trust, and (2) the mortgage described above is prudent.

In addition, in case of any further changes to the ownership of the private properties, staff recommends that the Board amend the easement to "run with the land" and inure to the benefit of the private properties to eliminate the Board consent requirement for any future assignment(s) of the easement. Staff's recommendation would serve to maintain consistency with the Board's current practice for issuing easements.

The Lessee is in compliance with the terms and conditions of the easement. Staff did not solicit comments from other governmental agencies as the request is of housekeeping purpose only. Staff has no objection to the request.

RECOMMENDATION: That the Board

1. Consent to the Assignment of Lease of Non-Exclusive Easement S-5329 from Jeffrey T. Long, as Assignors, to the Jeffrey T. Long 2001 Revocable Trust, dated September 7, 2001, as Assignees, subject to the following:
 - A. The standard terms and conditions of the most current consent to assignment form, as may be amended from time to time;
 - B. Review and approval by the Department of the Attorney General; and
 - C. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.
2. Consent to the mortgage between the Jeffrey T. Long 2001 Revocable Trust, dated September 7, 2001, Mortgagor, and Bank of Hawaii, Mortgagee, subject to the following:
 - A. The loan proceeds shall be used for the purposes as stated in "Use of Loan Proceeds" above. The Lessee shall maintain records of

¹ There were consents to mortgage given in the past to the lessee notwithstanding the lessee on record and the mortgagor were different.

loan expenditures which may be inspected by the Department;

- B. The standard terms and conditions of the most current consent to mortgage form, as may be amended from time to time;
 - C. Review and approval by the Department of the Attorney General;
and
 - D. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.
3. Authorize the amendment of Lease of Non-Exclusive Easement S-5329 by adding the following condition:

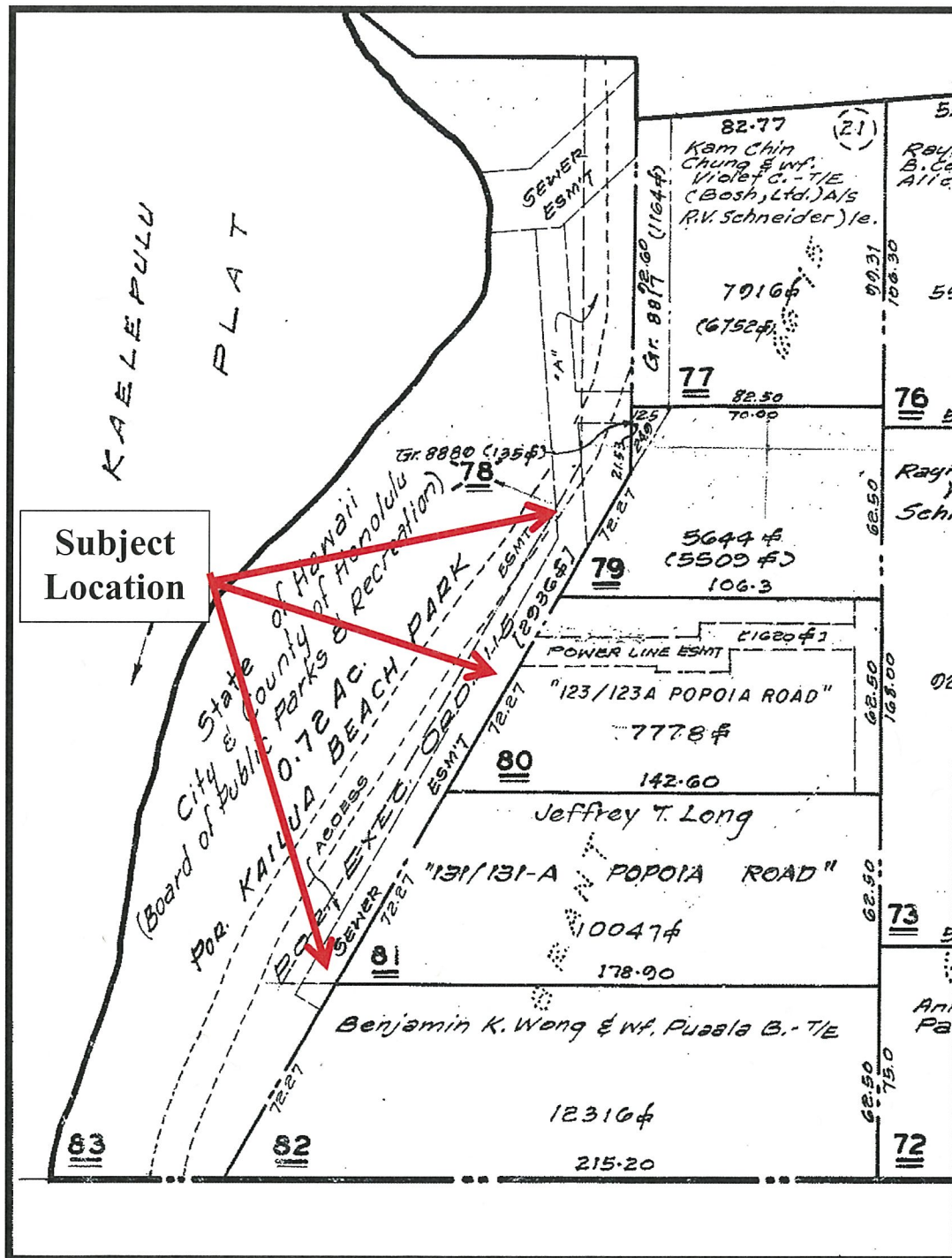
“Throughout the term (unless sooner abandoned or otherwise terminated herein) this easement shall run with the land and shall inure to the benefit of the real property described as tax map key nos. (1) 4-3-010:079, 080, and 081, provided however, that the Lessee shall carry the required liability insurance covering the easement area and comply with all other terms and conditions as provided herein, and that the Lessee, or authorized representative of the Lessee’s estate, shall notify the Lessor in writing when this easement is sold, assigned, conveyed, or otherwise transferred, and Lessee shall notify the Lessee’s successors or assigns of the insurance requirement in writing, separate and apart from this easement document.”

Respectfully Submitted,


Barry Cheung
District Land Agent

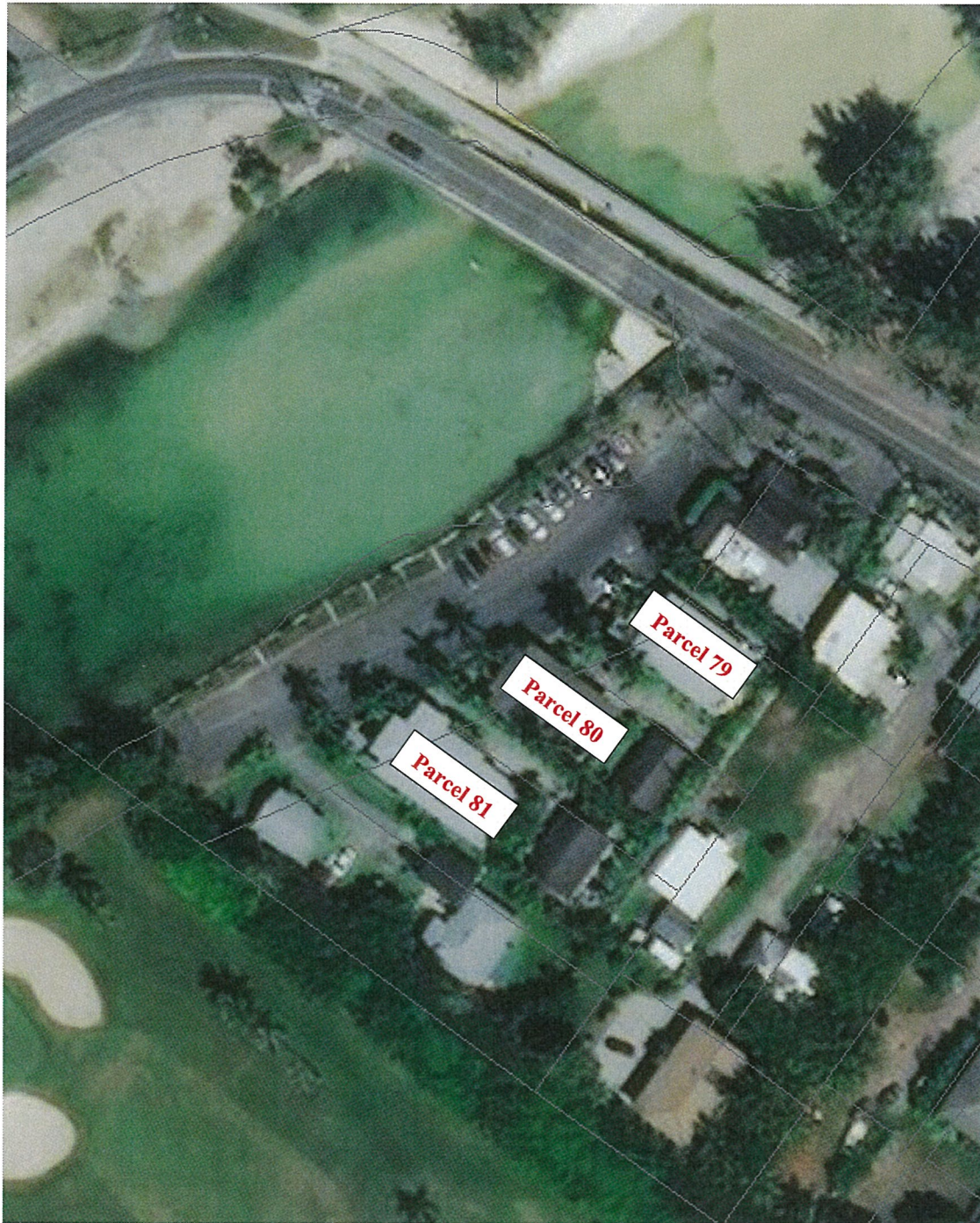
APPROVED FOR SUBMITTAL:


Suzanne D. Case, Chairperson



TMK (1) 4-3-010:079, 080, and 081

Exhibit A1



TMK (1) 4-3-010:079, 080, and 081

Exhibit A2