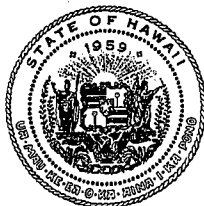


DAVID Y. IGE
GOVERNOR OF HAWAII



STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

SUZANNE D. CASE
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

ROBERT K. MASUDA
FIRST DEPUTY

JEFFREY T. PETERSON
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

March 27, 2018

Chairperson and Members
Board of Land and Natural Resources
State of Hawai'i
Honolulu, Hawai'i

Land Board Members:

SUBJECT: Request approval and authorization to accept a Promissory Note from Simon Velaj to pay fines owed, through a 12-month instalment plan

I. SUMMARY

Request approval and authorization to accept a Promissory Note (hereby known as Exhibit "A") from Simon Velaj for the collection of \$52,165.52 in fines. The fines were originally approved by the Board of Land and Natural Resources (Board) at its October 27, 2017 meeting as part of an enforcement action against Mr. Velaj for alterations of historic properties during the course of land alteration activities without a permit.

The Historic Punalu'u Wharf.

Punalu'u Ahupua'a, Ka'u, Island of Hawai'i.

TMK: (3) 9-6-001:002

II. BACKGROUND

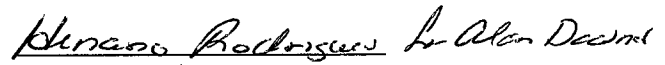
- a. On October 27, 2017, the Board approved the SHPD's request to assess a \$52,165.52 fine against Simon Velaj as part of an enforcement action for alterations of historic properties during the course of land alteration activities without a permit.
- b. On November 22, 2017, an invoice (hereby known as Exhibit "B") was sent by the SHPD via certified mail/return receipt and email attachment to Simon Velaj requesting payment in full of \$52,165.52.
- c. On December 13, 2017, the SHPD received an email from Simon Velaj (hereby known as Exhibit "C") informing us that he was unable to pay the total fine in a lump sum amount and was requesting to pay the fine by way of an installment plan over a 12-month period.
- d. On February 13, 2018, Bill Wynhoff, Deputy Attorney General and Administrator of the Transportation and Land Division, reviewed the SHPD's submission and provided a best practices draft of a promissory note hereby known as, Exhibit "A".
- e. On February 26, 2018, Simon Velaj responded via email acknowledging his review and acceptance of the draft promissory note.

ITEM I-1

III. RECOMMENDATION:

That the Board approve and authorize the acceptance of a \$52,165.52 promissory note from Simon Velaj to pay fines owed, through a 12-month instalment plan.

Respectfully Submitted



Alan S. Downer, Administrator
State Historic Preservation Division

APPROVED FOR SUBMITTAL

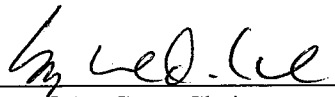

Suzanne D. Case, Chairperson

Exhibit A

PROMISSORY NOTE

\$52,165.52

_____, Hawaii
_____, 2018

FOR VALUE RECEIVED, Simon Velaj, whose post office address is _____, Hawai'i 96____ hereinafter called "Maker", hereby promises to pay to the order of Department of Land and Natural Resources and its successors and/or assigns, hereinafter called "Payee", in lawful money of the United States of America the principal sum of FIFTY TWO THOUSAND, ONE HUNDRED SIXTY FIVE DOLLARS and FIFTY TWO CENTS (\$52,165.52) without interest except upon default as herein provided.

The Maker shall pay to Payee the sum of \$4347.13 on or before _____, 2018, and eleven payments of the same amount on or before the first of each month thereafter to and including _____, 2019, unless sooner paid in full.

Payments shall be made at the State Historic Preservation Division, 601 Kamokila Boulevard, Room 555, Kapolei, Hawaii 96707, attn: Randolph Lee or such other place as Payee shall designate in writing.

The Maker shall have the option to pay off the entire principal balance of this Promissory Note, or any portion thereof, before said amount is due and payable as per the above stated terms. Such payment will not result in any prepayment penalty. Any prepayment of a portion of the principal amount of this Promissory Note shall not reduce the monthly payment as long as there is any principal remaining unpaid pursuant to this Promissory Note.

If the Maker fails to make any of the installments as aforesaid, or any portion thereof, within 15 calendar days of when the payment is due Maker shall be deemed in default and the entire debt shall become due and payable without notice at the option of Payee. In such event, any remaining unpaid principal balance shall accrue interest until paid at the rate of 6% per annum. Failure to exercise this option shall not constitute a waiver of the right to exercise the same at a later time or in the event of any subsequent default.

If this Promissory Note or any part of the indebtedness represented hereby is not paid in accordance with the terms hereof, or is placed in the hands of an attorney for collection, or if suit is brought hereon, the undersigned Maker further shall pay, in any case, all costs and fees of prejudgment and post judgment collection efforts on this Promissory Note to the maximum amount allowed by law.

Payee may accept late payments or partial payments even though marked "payment in full" without losing any of Payee's rights under this note. No such partial payments shall be deemed an accord and satisfaction.

It is hereby expressly understood and agreed that any requirement for presentment for payment of this Promissory Note, demand to pay the same, protest and notice of protest and dishonor thereof, is hereby waived.

It is the intention of the parties hereto that this Promissory Note and the performance hereunder, and all suits and special proceedings hereunder, be construed in accordance with, under and pursuant to the laws of the State of Hawaii, and that in an action, special proceeding or other proceeding that may be brought arising out of, in connection with, or by reason of this Promissory Note, the laws of the State of Hawaii shall be applicable and shall govern to the exclusion of the laws of any other forum, without regard to the jurisdiction in which any action or special proceeding may be instituted.

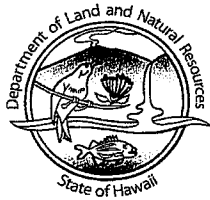
The parties hereto shall and they hereby do waive trial by jury in any action, proceeding or counterclaim brought by any of the parties hereto against the other on any matters whatsoever arising out of or in any way connected with this Promissory Note.

The Maker has executed this Promissory Note on _____ 2018.

SIMON VELAJ

"Maker"

DAVID Y. IGE
GOVERNOR OF
HAWAII



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LAND
STATE PARKS

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

November 22, 2017

INVOICE

NO. SHPD18-001

Certified Mail
Return Receipt

Mr. Simon Velaj
75-5707 Alii Drive
Kailua-Kona, Hawaii 96740

Dear Mr. Velaj:

Pursuant to the Board of Land and Natural Resources approval, at its October 27, 2017 meeting of the State Historic Preservation Division's (SHPD) submittal and request for an enforcement action in the amount of fines and fees totaling \$52,165.52 against Simon Velaj for the alteration of historic properties during the course of land alteration activities without a permit, situated at the Historic Punalu'u Wharf, Punalu'u Ahupua'a, Ka'u Moku, Island of Hawai'i, Tax Map Key: (3) 9-6-001:002, the SHPD is requesting payment of \$52,165.52 in the form of a cashier's check drawn on a local bank or credit union. Please make the cashier's check payable to: Hawaii Historic Preservation Special Fund.

Please contact me at (808) 692-8040 or Randolph M. K. Lee III at (808) 692-8033 if you have any questions.

Respectfully yours,

Alan S. Downer, Ph.D., Administrator
State Historic Preservation Division

c: Sam Lemmo, Administrator
Office of Conservation and Coastal Land

Lee, Randolph M

From: Downer, Alan S
Sent: Wednesday, February 07, 2018 4:17 PM
To: Lee, Randolph M
Subject: FW: Payment options
Attachments: Document 1.pdf

From: Hang Loose Boat Tours [mailto:hanglooseboat@gmail.com]
Sent: Wednesday, December 13, 2017 12:32 PM
To: Downer, Alan S <alan.s.downer@hawaii.gov>; Lee, Randolph M <randolph.m.lee@hawaii.gov>
Subject: Re: Payment options

Attached is my letter proposing Payment Option for my fine.

Please, let me know if you have any other questions.

Thank you,

Simon Velaj

On Wed, Nov 29, 2017 at 2:46 PM, Downer, Alan S <alan.s.downer@hawaii.gov> wrote:

Aloha Mr. Vilaj:

In response to your email to Mr. Randolph Lee regarding payment options for the Board of Land and Natural Resources \$52,165.52 assessment, the Division needs a concrete proposal from you describing the amount you propose to pay in each installment and the number of payments. Please be aware that the Division has a very strong preference for the total amount be paid in the shortest time possible, preferably no more than 12 months. Once we have reached agreement on the amount to be paid, and the number of payment, the Division will prepare the necessary documents and submit them to the Board of Land and Natural Resources (BLNR) for approval. The decision on whether or not this assessment can be paid in installments over time is entirely up to the BLNR. If the BLNR approves, the proposal would become a binding agreement.

Simple interest of 1% per month will be charged against any unpaid balance.

If you have further questions, please feel free to contact me.

Sincerely,

Alan S. Downer, Ph.D.

Administrator

State Historic Preservation Division

601 kamokila Blvd, Suite 555

Kapolei, Hawai'i 96707

808.692.8015

Hang Loose Boat Tours
Office: (808) 345.4262
Email: HangLooseBoat@gmail.com
Website: HawaiiTourBoat.com
75-5707 Alii Dr. Kailua-Kona, HI 96740

Simon Velaj
75-5707 Alii Drive
Kailua Kona, HI 96740
(203) 940-0553
Hanglooseboat@gmail.com

Dear Board of Land and Natural Resources,

I am writing this letter to request a payment option for the fine I have been assigned. I have been fined total of \$52,165.52 assessment. I would like to propose a payment plan on 12-month instalments with 1% interest on amount owed. The proposed payment plan would look as follows:

Monthly Payment for 12 months in total of \$4,347.13 each month with 1% interest on amount owed.

<u>Month</u>	<u>Instalment</u>	<u>Amount Owed</u>	<u>1% Interest</u>
		\$52,165.52	
1	\$4,347.13	\$47,818.39	\$478.18
2	\$4,347.13	\$43,471.26	\$434.71
3	\$4,347.13	\$39,124.13	\$391.24
4	\$4,347.13	\$34,777.00	\$347.77
5	\$4,347.13	\$30,429.87	\$304.30
6	\$4,347.13	\$26,082.74	\$260.83
7	\$4,347.13	\$21,735.61	\$217.36
8	\$4,347.13	\$17,388.48	\$173.88
9	\$4,347.13	\$13,041.35	\$130.41
10	\$4,347.13	\$8,694.22	\$86.94
11	\$4,347.13	\$4,347.09	\$43.47
12	\$4,347.09	\$0	\$0

Sincerely,

Simon Velaj