

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

July 12, 2019

Ref. No.: GLS-5579

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

Kauai

Consent to Assign General Lease No. S-5579, John Contrades, III, Assignor, to Adam Asquith, Assignee, Kapaa, Kawaihau, Kauai, Hawaii; Tax Map Keys: (4) 4-6-005: 007 & 008.

APPLICANT:

John Contrades, III, as Assignor, to Adam Asquith, a married man, Tenant in Severalty, as Assignee.

LEGAL REFERENCE:

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

LOCATION:

Portion of Government lands of Kapaa Homesteads, First Series situated at Kapaa, Kawaihau, Kauai, identified by Tax Map Keys: (4) 4-6-05: 007 & 008, as shown on the attached map labeled Exhibit A.

AREA:

5.11 acres, more or less.

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act

DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: YES \_\_\_\_ NO  
  X

CHARACTER OF USE:

For intensive agricultural use purposes.

TERM OF LEASE:

30 years, commencing on May 27, 1999 and expiring on May 26, 2029. Last rental reopening occurred on May 27, 2019; next rental reopening is scheduled for May 27, 2029.

ANNUAL RENTAL:

\$5,965.00

CONSIDERATION:

\$1.00

RECOMMENDED PREMIUM:

Based on the Assignment of Lease Premium Calculation attached as Exhibit B, there is no premium due to the State for the assignment of lease.

DCCA VERIFICATION:

ASSIGNOR:

Not applicable.

The assignor is a sole proprietor and is not required to register with DCCA.

ASSIGNEE:

Not applicable.

The assignor is a sole proprietor and is not required to register with DCCA.

REMARKS:

The subject property was originally leased to John Contrades, III, under General Lease No. S-5579. The 30-year lease commenced on May 27, 1999, for intensive agricultural use purposes at an annual rate of \$1,235.00.

In October 2018 the annual rental was reopened as per the terms of the original lease. An appraisal was prepared and determined the ground rent under the subject lease to be \$5,965.00 per annum for the final ten-year period from May 27, 2019 to May 26, 2029. On December 21, 2018, Mr. Contrades informed the Kauai District Land Office that he wanted to cancel his lease as he could no longer maintain the lease due to his age and increase in the rent. However, on April 8, 2019, the Mr. Contrades had a change of mind and requested that the lease be assigned to Adam Asquith. Agents visited the parcel in May 2019 and found that there was some overgrowth, but the property was otherwise left in acceptable

condition. A final inspection was completed on 6/19/19 and the property was found to be in acceptable condition, although it is becoming overgrown with Guinea grass and albezia trees. See Exhibit C.

Adam Asquith is qualified as a farmer capable of successfully acquiring and maintaining the subject land for agriculture and farming purposes. Mr. Asquith has a Ph.D. in biology and has worked for different government agencies in Hawaii and while managing the wildlife refuges for the Fish and Wildlife Service, he began working with taro. For the past 10 years, he has managed the Kealia Farm Market, where he also operates a 30-acre taro farm.

Adam Asquith has not had a lease, permit, easement or other disposition of State lands terminated within the last five years due to non-compliance with such terms and conditions.

There are no outstanding rental reopening issues.

No government agency or community comments were solicited as there will be no new disposition or change in land use.

RECOMMENDATION: That the Board:

- A. Consent to the assignment of General Lease No. S-5579 from John Contrades, III, as Assignor, to Adam Asquith, as Assignee, subject to the following:
1. The standard terms and conditions of the most current consent to assignment form, as may be amended from time to time;
  2. Review and approval by the Department of the Attorney General; and
  3. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,



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Alison Neustein  
Land Agent

APPROVED FOR SUBMITTAL:



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Suzanne D. Case, Chairperson

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TMKs: (4) 4-6-005:007  
and 008



**EXHIBIT A**

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STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES

POST OFFICE BOX 621  
HONOLULU, HAWAII 96809

July 12, 2019

MEMORANDUM

TO: Suzanne D. Case., Chairperson

THROUGH: Russell Y. Tsuji, Land Division Administrator

FROM: Alison Neustein, Kauai Land Agent

SUBJECT: Assignment Premium Calculation

GL No.: S-5579  
Lessee/Assignor: John Contrades, III  
Assignee: Adam Asquith  
Location: Kapaa, Kauai  
Lease Area: 5.11 acres  
Tax Map Keys: (4) 4-6-05: 007 & 008

Based on a review of the lease and information regarding the parties' purchase agreement, staff has applied the assignment of lease evaluation policy attached to the lease as follows.

Consideration for Transaction:	\$1.00
LESS Cost of Inventory:	\$0.00
Net Consideration Received:	\$1.00
Value of Improvements:	\$0.00
Value of Trade Fixtures:	\$0.00
Net Consideration:	\$1.00
LESS Adjusted Depreciated Improvement Cost:	\$0.00
LESS Adjusted Depreciated Trade Fixture Cost:	\$0.00 <sup>1</sup>
Excess:	\$1.00

<sup>1</sup> John Contrades, III did not report any trade fixtures on the property. However, the reporting of trade fixtures would only result in a smaller (and possibly negative) excess than shown in this analysis.

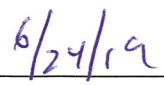
**EXHIBIT B**

Assignment Premium x .35:

\$0.35

Approved/Disapproved:

  
\_\_\_\_\_  
Suzanne D. Case, Chairperson

  
\_\_\_\_\_  
Date

cc: District Branch Files  
Central Files



Exhibit C



EXHIBIT C



Exhibit C

