

**PUBLIC NOTICE OF NEGOTIATION FOR LEASE
VARIOUS AGRICULTURAL LANDS
ISLANDS OF OAHU AND HAWAII**

The Department of Agriculture ("DOA") is accepting applications to negotiate for agricultural leases. Applications and information regarding the lease dispositions are available at the DOA's Agricultural Resource Management Division, 1428 S. King Street, Honolulu and 16 E. Lanikaula Street, Hilo, or by calling the following toll free numbers from: Kauai, 274-3141, ext. 39493; Maui, 984-2400, ext. 39493; Molokai and Lanai, 1-800-468-4644 ext. 39493; or on Oahu, 973-9493, 7:45 a.m. to 4:30 p.m., Monday through Friday, except holidays. Information is also available on Department of Agriculture's website at <http://hawaii.gov/hdoa>.

Application forms shall be filed with the Agricultural Resource Management Division ("ARMD") at the above address no later than 3:00 p.m., February 28, 2013. The DOA will review all applications, verify applicant qualifications and determine those qualified. All applicants shall be notified of the result of the application review. Any questions or inquiries should be directed to the toll free number(s) above.

Eligibility of Applicants

1. Any person shall be eligible to apply if they are a U.S. citizen, who has resided in the State for 3 years; or
2. Is a permanent status alien who has resided in the State for 5 years; and
3. Is a bona fide farmer or new farmer as defined in §4-158-1, Definitions, Hawaii Administrative Rules ("HAR").

4. In the case of agricultural cooperatives, associations, partnerships, corporations and limited liability companies, the residence requirement must be met by 75% of the associates, partners, stockholders, officers, directors, and members, as applicable, who are bona fide farmers, new farmers, or qualified aquaculturalists.
5. No person shall be eligible to lease agricultural lands who, during the 5 years preceding the date of this notice, has had a previous sale, lease, license, permit, or easement covering public lands canceled for failure to satisfy its terms and conditions, or who is in arrears in the payment of taxes or other obligations to the State or any of its counties.

All persons interested in applying for the available farm lot(s), shall comply with §4-158-27, HAR, Application requirements and be subject to §4-158-28, HAR, Preference right.

Submission of Proposal

Upon notification by DOA that an applicant is qualified, a proposal for lease shall be submitted within 30 days after receipt of notification. The Board of Agriculture ("BOA") shall review all proposals received and shall accept the proposals with the highest bid. All applicants shall be contacted by the ARMD regarding the disposition of their proposals, of which the successful proposal shall be subject to the satisfactory completion of the conditions stated in §4-158-20, HAR, Additional terms and conditions. The awardee shall be required to attend and successfully complete a half-day workshop covering topics including conservation planning, review of the lease contract, and other related matters, attain cooperative status with the respective Soil and Water Conservation

District, submit a Conservation Plan (“CP”) approved by the USDA Natural Resources Conservation Service or its designated representative, and prepare a Plan of Utilization and Development (“PUD”) for the lot according to criteria established by the DOA and submit the CP and PUD for review and approval. Further, the awardee (qualified applicant) who successfully completes all the requirements for lease shall pay the costs incurred in the administration of the lease disposition, pursuant to §4-153-3 Fees and charges, HAR, which may include negotiation, appraisal, notices, publications, and closing costs.

A Right-of-Entry shall be issued to the awardee enabling access for the limited purpose of meeting the above conditions. Upon successful completion of the conditions, the lease will be executed and issued; until then, the awardee will have no interest in any subject lot.

If the above conditions are not satisfactorily met within 6 months after proposal is accepted, the award shall be rescinded.

Summary of Significant Lease Provisions

1. Uses will be permitted as shown on the list of parcel(s).
2. Lessee will be required to support the operations and maintenance costs of the irrigation project, as applicable. Lessee shall become a participant in an irrigation project as may be created under Chapter 167, Hawaii Revised Statutes, and abide by the irrigation project's rules, rates and charges.
3. No residential dwellings allowed, except as approved by the BOA.

4. Transfer, assignment or sublease of an agricultural land lease shall be only to persons or entities which satisfy qualification requirements and §4-153-33, HAR, Lease restrictions; generally.

Description of Land(s)

The lot(s) have access only to paved roads; irrigation water and/or potable water service, telephone, electricity and other utilities shall be the responsibility of the awardee. The lot(s) will require clearing and grading before any agricultural activity can commence and will be leased on an "as is" basis. It is the awardee's responsibility to inspect and develop the lot in accordance with applicable county regulations and lease provisions.

Parcels to be disposed of include:

ITEM I:

LOCATION: Parcel 1 & 3, Kunia Agricultural Lands, Upper Pouhala, Waikele, Kunia, Ewa, Island of Oahu; 1st Div. (Oahu) 9-4-012:001 & 9-4-012:003; AREA: 91.216 gross acres ; TERM: 35 years; UPSET MINIMUM ANNUAL RENTAL: \$37,340.00 per annum; payable semi-annually, in advance; ADDITIONAL RENTAL: 1½% of gross proceeds; RENT REOPENING: To be determined; USE: Diversified agriculture only.

ITEM II:

LOCATION: Parcel 2, Kunia Agricultural Lands, Upper Pouhala, Waikele, Kunia, Ewa, Island of Oahu; 1st Div. (Oahu) 9-4-012:002; AREA: 487.049 gross acres; TERM: 35 years; UPSET MINIMUM ANNUAL RENTAL:

\$206,160.00 per annum; payable semi-annually, in advance; ADDITIONAL RENTAL: 1½% of gross proceeds; RENT REOPENING: To be determined; USE: Diversified agriculture only.

ITEM III:

LOCATION: Waimanalo Agricultural Lands, Koolaupoko, Waimanalo, Island of Oahu; 1st Div. (Oahu) 4-1-010:046; AREA: 5.137 gross acres; TERM: 35 years; UPSET MINIMUM ANNUAL RENTAL: \$5,020.00 per annum; payable semi-annually, in advance; ADDITIONAL RENTAL: 1½% of gross proceeds; RENT REOPENING: To be determined; USE: Diversified agriculture only.

ITEM IV:

LOCATION: Waimanalo Agricultural Lands, Koolaupoko, Waimanalo, Island of Oahu; 1st Div. (Oahu) 4-1-027:002; AREA: 1.002 gross acres; TERM: 35 years; UPSET MINIMUM RENTAL: \$1,628.00 per annum; payable semi-annually, in advance; ADDITIONAL RENTAL: 1½% of gross proceeds; RENT REOPENING: To be determined; USE: Diversified agriculture only.

ITEM V:

LOCATION: Waimanalo Agricultural Lands, Koolaupoko, Waimanalo, Island of Oahu; 1st Div. (Oahu) 4-1-018:048; AREA: 1.400 gross acres; TERM: 35 years; UPSET MINIMUM RENTAL: \$2,020.00 per annum; payable semi-annually, in advance; ADDITIONAL RENTAL: 1½% of gross proceeds; RENT REOPENING: To be determined; USE: Diversified agriculture only.

ITEM VI:

LOCATION: Hawi, North Kohala, Island of Hawaii; 3rd Div. (Hawaii) 5-5-007:005; AREA: 40.570 gross acres; TERM: 35 years; UPSET MINIMUM RENTAL: \$5,160.00; payable semi-annually, in advance; ADDITIONAL RENTAL: 1½% of gross proceeds; RENT REOPENING: To be determined; USE: Diversified Agriculture only; SPECIAL FEATURE: Subject parcel contains a portion of a reservoir, regulated by the Department of Land and Natural Resources, Engineering Division, Dam Safety Branch. Adjacent landowner responsible for balance of reservoir; annual registration and inspection fees required.

The draft lease document describing the terms and conditions, property map, lot descriptions, and Chapter 4-158, HAR, may be examined at the District offices, below:

1428 S. King Street, Honolulu, HI 96814-2512 Tel. 973-9493

16E Lanikaula Street, Hilo, HI 96720-4302 Tel. 974-4147

The disposition of lease(s) may be canceled, postponed or continued from time to time, as may be deemed necessary, by publication of notice to that effect by order of the Chairperson of the BOA.

Russell S. Kokubun, Chairperson

Board of Agriculture

(Advertise: Honolulu Star-Advertiser & West Hawaii Today-January 21, 2013)