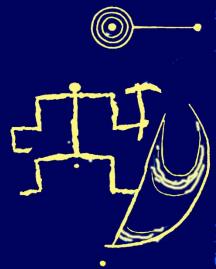


Department of Hawaiian Home Lands

December 17, 2018





Notification Process for Lease Transactions

Six (6) District Offices

- 1) Oahu District Office
- 2) East Hawaii
- 3) West Hawaii
- 4) Kauai
- 5) Maui
- 6) Molokai

Services Residential, Agricultural & Pastoral Homestead Leases

- 1) Oahu District Office 4,331
- 2) East Hawaii 1,258
- 3) West Hawaii 1,268
- 4) Kauai -745
- 5) Maui 1,406 (does not include 29 Lanai leases)
- 6) Molokai 840

Transactions:

Fiscal Year Ended 6/30/17

- 191 Transfers
- 196 Transfers Through Successorship

Fiscal Year Ended 6/30/18

- 226 Transfers
- 177 Transfers Through Successorship

Declaration of Covenant, Conditions, and

Restrictions:

Communities:

- Oahu Princess Kahanu Estates, Kaupea, Maluohai/Hoolilalima, and Kanehili
- 2) Maui Waiehu Kou II, III, and Leialii
- 3) West Hawaii Laiopua
- 4) Kauai Piilani Mai Ke Kai

There are other DDCR Homestead Associations but they may not be organized to the extent of collection of dues

Notification Process to Associations and Management Companies:

Lease Transfers involving monies being exchanged (sales)

- Lease Transfers with no monies being exchanged
 - Lease Transfers Through Successorship

Lease Transfers involving monies being exchanged (sales)

If a lender and escrow company is involved.

Lending process:

Lender requests Certification of Eligibility (COE) COE discloses existing obligations to lender Escrow process:

Upon escrow's request to record documents of a transfer, both the buyer and seller's "Settlement Statement" is submitted to ensure that all obligations are accounted for.
The respective DOs will notify the designated homestead association of the change in lessees.

Lease Transfers involving monies being exchanged (sales)

If the respective homestead association uses the services of a property management company, the company is notified then of the change in lessees. It is then the property management company who notifies and corresponds with the homestead association.

- Lease Transfers involving monies being exchanged (sales)
 - If it is a "cash" transaction an escrow company may or may not be involved however, there would be no COE submitted or completed.
 - DHHL's process (w/o escrow):
 - Written confirmation from both parties that
 requirements of the transaction have been met.
 (Requirement includes proof that association dues are satisfied)

Lease Transfers involving monies being exchanged (sales)
DHHL's process (w/escrow):
Same as if lender was involved, escrow company would be responsible to insure that all requirements of the transaction has been satisfied.

Lease Transfers with no monies being exchanged
DHHL's process (w/escrow):
Same as if a lender was involved.
DHHL's process (w/o escrow):
Same as "cash" process

- Lease Transfers Through Successorship:
 Homestead Assistant contacts association or property management company for status on dues
 Provide copy of recorded TTS document to respective party
 DHHL does not collect on any outstanding association
 - dues.

MAHALO!