

NEIL ABERCROMBIE  
GOVERNOR



STATE OF HAWAII  
DEPARTMENT OF TRANSPORTATION  
869 PUNCHBOWL STREET  
HONOLULU, HAWAII 96813-5097

GLENN M. OKIMOTO  
DIRECTOR

Deputy Directors  
FORD N. FUCHIGAMI  
RANDY GRUNE  
AUDREY HIDANO  
JADINE URASAKI

IN REPLY REFER TO:

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

CONSENT TO ASSIGNMENT OF STATE LEASE NO. DOT-A-98-0006  
DOUGLAS AIRCRAFT, INC. TO GUARDIAN FLIGHT, INC.  
WAIMEA KOHALA AIRPORT  
TAX MAP KEY: (3) 6-7-001:PORTION OF 08

HAWAII

REQUEST:

Consent to Assignment of State Lease No. DOT-A-98-0006 from Douglas Aircraft, Inc. (DAI), as Lessee/Assignor, to Guardian Flight, Inc. (GFI), as Assignee at Waimea Kohala Airport (MUE)

LEGAL REFERENCE:

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

APPLICANTS:

LESSEE/ASSIGNOR: Douglas Aircraft, Inc., a Hawaii corporation, having a mailing address at 67-1601 Mamalahoa Highway, Kamuela, Hawaii, 96743

ASSIGNEE: Guardian Flight, Inc., an Alaska corporation, having a mailing address at 10888 S. 300W, South Jordan, Utah, 84095

AREAS:

Area/Space No. 001-102, containing a land area of approximately 3,000 square feet;  
Area/Space No. 001-103A, containing a land area of approximately 7,000 square feet;  
Area/Space No. 001-103B, containing a land area of approximately 6,000 square feet,  
Area/Space No. 001-108, containing a land area of approximately 1,230 square feet,  
Area/Space No. 001-109, containing a land area of approximately 50 square feet, all land areas as shown on the attached Exhibit "A"

LOCATION AND TAX MAP KEY:

Portion of Waimea Kohala Airport, Kamuela, Island of Hawaii, identified by Tax Map Key: 3rd Division, 6-7-001:Portion of 08

**ITEM M-3**

BLNR – Consent to Assignment  
Lease No. DOT-A-98-0006

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ZONING:

State Land Use District: Agricultural District  
County of Hawaii: A-40A Agriculture

LAND TITLE STATUS:

Section 5(a) lands (“non-ceded” lands) of the Hawaii Admission Act  
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: YES  NO

CURRENT USE STATUS:

Land presently encumbered by Governor’s Executive Order No. 4036, setting aside  
Waimea Kohala Airport under the control and management of the Department of  
Transportation, Airports Division, State of Hawaii, for airport Purposes.

CHARACTER OF USE:

Development, construction, operation, and maintenance of a hangar facility and fuel tank

TERM OF LEASE:

Twenty-five (25) years, commencing on November 1, 1998 and terminating on  
October 31, 2023

ANNUAL GROUND LEASE RENTAL:

\$6,165.76 per annum, payable in quarterly installments of \$1,541.44

REOPENING OF ANNUAL GROUND LEASE RENTAL:

Remaining One, 5-Year Rent Reopening Period: The reopening annual ground lease  
rental for the remaining one, 5-year rent reopening period shall be 100% of the fair  
market rental at the time of the reopening

CONSIDERATION:

\$450,000.00

RECOMMENDED PREMIUM:

\$81,182.00

DCCA VERIFICATION:

LESSEE/ASSIGNOR:

Place of business registration confirmed:	YES <u>X</u>	NO <u>    </u>
Registered business name confirmed:	YES <u>X</u>	NO <u>    </u>
Good standing confirmed:	YES <u>X</u>	NO <u>    </u>

ASSIGNEE:

Place of business registration confirmed:	YES <u>X</u>	NO <u>    </u>
Registered business name confirmed:	YES <u>X</u>	NO <u>    </u>
Good standing confirmed:	YES <u>X</u>	NO <u>    </u>

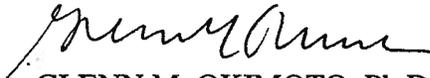
REMARKS:

By way of a letter dated November 12, 2013, Mr. Randy Douglas, President of DAI, requested the DOTA consent to an assignment of State Lease No. DOT-A-98-0006 (Lease) from DAI to GFI. An agreement for the Assignment and Assumption of the Lease along with a Purchase and Sale Agreement of the Hangar Facility Improvements, executed by the parties on November 11, 2013, establishes a desired closing date of December 31, 2013

RECOMMENDATION:

That the Board approves of and gives its consent to the Assignment of Lease No. DOT-A-98-0006 as herein outlined, subject to: (1) such terms and conditions as may be prescribed by the Director of Transportation to best serve the interests of the State; and (2) review and approval of the Department of the Attorney General as to the form and content of the Lessor’s Consent to the Assignment of Lease No. DOT-A-98-0006

Respectfully submitted,

  
 GLENN M. OKIMOTO, Ph.D.  
 Director of Transportation

APPROVED FOR SUBMITTAL:

  
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 WILLIAM J. AILA, JR.  
 Chairperson and Member

