



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

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

AMENDMENT NO. 1 TO STATE LEASE NO. DOT-A-12-0008
TO DELETE SPACE NO. 004139 AND ADD SPACE NOS. 004140 AND 004141
UNIVERSAL ENTERPRISES, INC. DBA AIR SERVICE HAWAII
LIHUE AIRPORT
TAX MAP KEY: (4) 3-5-01: PORTION OF 8

KAUAI

The Department of Transportation, Airports Division (DOTA) and Universal Enterprises, Inc. (UEI) entered into State Lease No. DOT-A-12-0008 and Addendum to said Lease (collectively referred to as the "Lease"), both of which are dated September 19, 2012, to develop, construct, operate and maintain a fixed base facility at Lihue Airport (LIH), Island of Kauai

REQUEST:

UEI desires to amend the Lease to delete Space No. 004139 previously approved by the Land Board under the Lease and add Space Nos. 004140 and 004141 to the Lease.

APPLICANT:

UNIVERSAL ENTERPRISES, INC., INC. DBA AIR SERVICE HAWAII, a Hawaii corporation, authorized to do business in the State of Hawaii.

LEGAL REFERENCE:

Subsection 171-59(b), Hawaii Revised Statutes (HRS), as amended

LOCATION AND TAX MAP KEY:

Portion of Lihue Airport, Lihue, Island of Kauai, identified by Tax Map Key: 4th
Division, 3-5-01: Portion of 8

BLNR – AMENDMENT NO. 1 TO LEASE NO. DOT-A-12-0008
TO DELETE SPACE NO. 004139 AND ADD SPACE NOS. 004140 AND 004141
UNIVERSAL ENTERPRISES, INDBA AIR SERVICE HAWAII
PAGE 2

AREAS:

Original: Area/Space Nos. 004-136, -137, -138 and -139, containing land areas of approximately 26,171, 26,172, 26,172 and 16,440 square feet, respectively of improved/unpaved general aviation lands, as shown and delineated on the attached Exhibit B, dated March 2012.

As Amended: Area/Space Nos. 004-136, -137, -138, -140 and -141, containing land areas of approximately 26,171, 26,172, 26,172, 16,440, and 16,440 square feet, respectively, of improved/unpaved general aviation lands, as shown and delineated on the attached Exhibit C dated September 2013.

ZONING:

State Land Use: Urban
County: Industrial (IG-STP)

LAND TITLE STATUS:

Section 5(a), Hawaii Admissions Act
DHHL, 30% entitlement lands Yes _____ No X

CURRENT USE STATUS:

Airport purposes

CHARACTER OF USE:

Development, construction, operation, use and maintenance of a fixed base facility

TERM OF LEASE:

Thirty (30) years

LEASE COMMENCEMENT DATE

October 1, 2012

ANNUAL LAND RENTALS:

<u>Original:</u>		<u>As Amended:</u>	
Lease years 1-5:	\$64,569.36	Lease years 1-5:	\$ 75,748.56
Lease years 6-10:	\$77,483.28	Lease years 6-10:	\$ 90,898.32

BLNR – AMENDMENT NO. 1 TO LEASE NO. DOT-A-12-0008
TO DELETE SPACE NO. 004139 AND ADD SPACE NOS. 004140 AND 004141
UNIVERSAL ENTERPRISES, INDBA AIR SERVICE HAWAII
PAGE 3

Lease years: 11-15: \$92,979.96	Lease years 11-15: \$109,077.96
Lease years: 16-20: \$111,576.00	Lease years: 16-20: \$130,893.60
Lease years: 21-25: \$133,891.20	Lease years: 21-25: \$157,072.32
Lease years: 26-30: \$160,669.44	Lease years: 26-30: \$188,486.76

REOPENING OF ANNUAL LAND RENTALS:

None

PERFORMANCE BOND:

Sum equal to the annual land rentals in effect

MINIMUM IMPROVEMENTS REQUIREMENT:

The Lessee shall invest the sum of not less than \$500,000.00 for upgrading and improving the leased premises and constructing fixed base facility improvements and other accessory leasehold improvements on the leased premises. The upgraded and improved leased premises and fixed base facility and other accessory improvements shall be constructed in accordance with construction plans, drawings, and specifications approved by the DOTA, in writing, prior to the commencement of any construction work.

ANNUAL LAND RENTAL COMMENCEMENT:

The Lessee is current on its payment of the annual land rental. Upon execution of the amendment, Lessee shall be responsible for paying the amended land rental amount (which deletes the rent for Space 004139 and adds the rent for Space Nos. 004140 and 004141).

PROPERTY CHARACTERISTICS:

Utilities:	All utilities are available at the site
Improvements:	UEI desires to develop, construct, operate, use and maintain a fixed base facility on the proposed, amended leased premises

CHAPTER 343, HRS – ENVIRONMENTAL ASSESSMENT:

The subject land areas are covered by the Environmental Assessment for Lihue Airport Ahukini Road Realignment and General Aviation Subdivision dated March 6, 1997. This Environmental Assessment evaluated the environmental effects of the recommended Airport Plan to realign Ahukini Road and the development of a General Aviation Subdivision. The assessment was prepared by the State of Hawaii, DOTA.

BLNR – AMENDMENT NO. 1 TO LEASE NO. DOT-A-12-0008
TO DELETE SPACE NO. 004139 AND ADD SPACE NOS. 004140 AND 004141
UNIVERSAL ENTERPRISES, INDBA AIR SERVICE HAWAII
PAGE 4

DCCA VERIFICATION:

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

REMARKS:

The DOTA and UEI entered into the Lease dated September 19, 2012, to develop, construct, operate and maintain a fixed base facility at LIH. The original issuance of the direct Lease by negotiation was determined to encourage competition within the aeronautical, airport-related industries, and therefore, met the requirement set forth in Subsection 171-59(b), HRS, as amended. UEI now requests that Space No. 004139 be deleted from the Lease and replaced with Space Nos. 004140 and 004141 to operate a fixed-base facility at LIH. The DOTA, in the public interest, has no objection to UEI's request.

RECOMMENDATION:

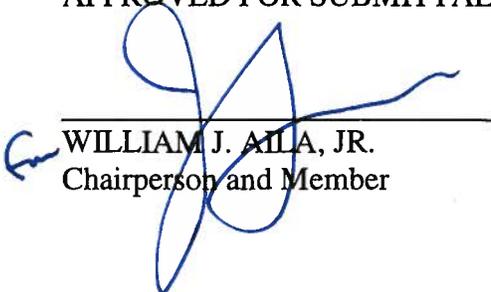
That the Board approves Amendment No. 1 to the Lease subject to: (1) terms and conditions herein outlined, which are by reference incorporated herein; (2) such other terms and conditions as may be prescribed by the Director of Transportation to best serve the interests of the State; and, (3) review and approval of the Department of the Attorney General as to the amendment's form and content.

Respectfully submitted,

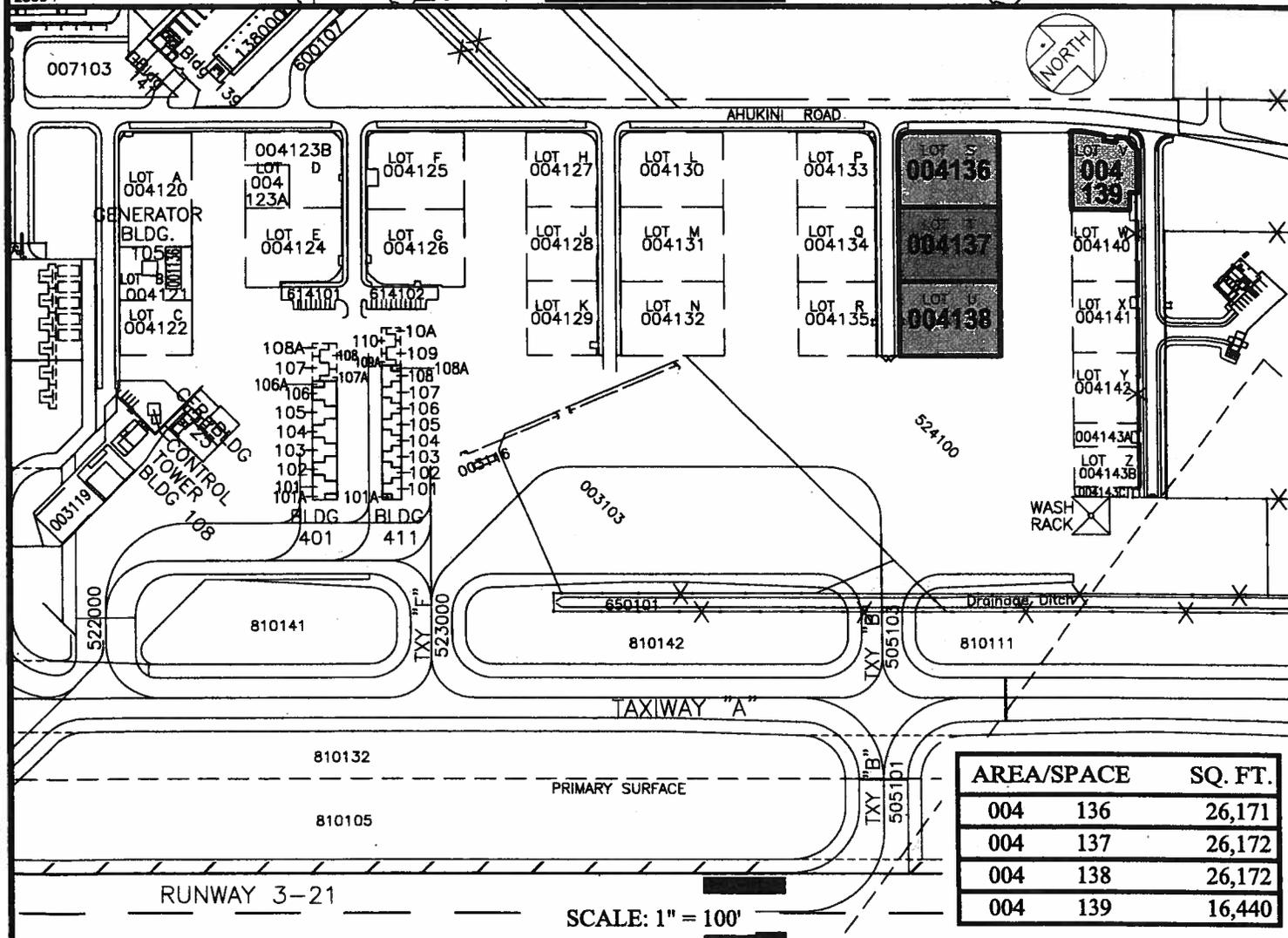
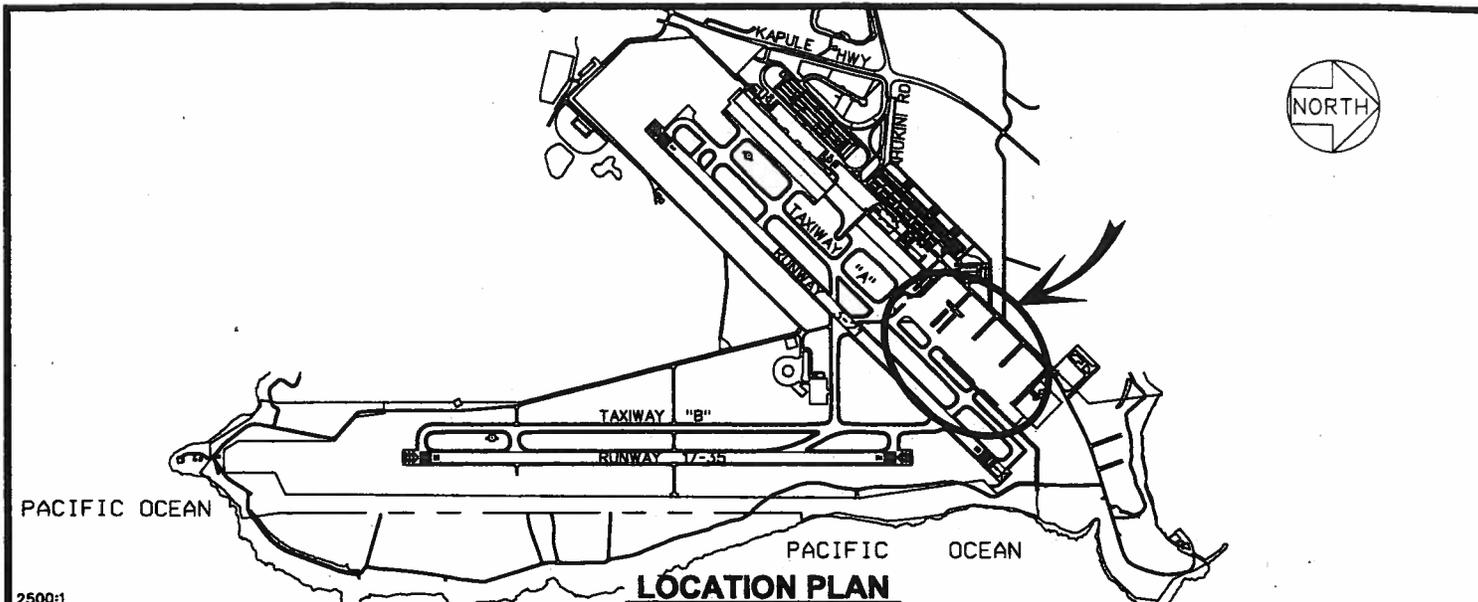


GLENN M. OKIMOTO, Ph.D.
Director of Transportation

APPROVED FOR SUBMITTAL:



WILLIAM J. AILA, JR.
Chairperson and Member



DATE : MARCH 2012

EXHIBIT: **B**



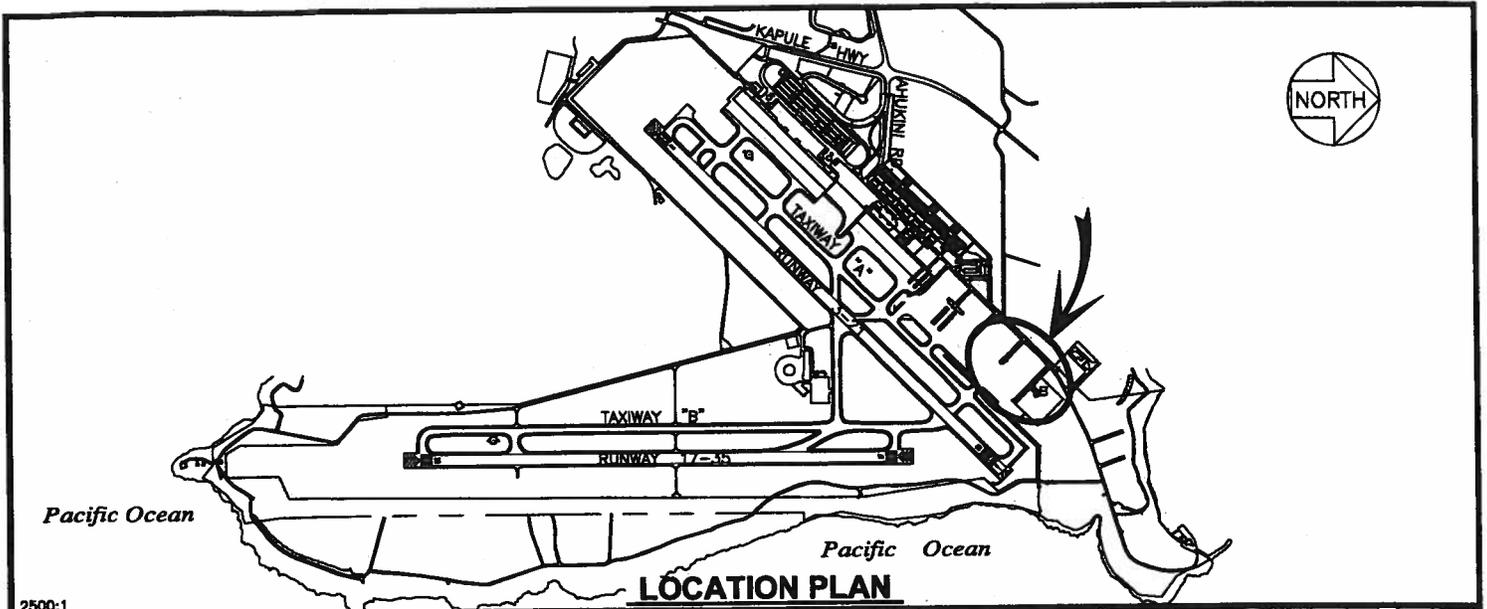
Airports Division

UNIVERSAL ENTERPRISES INC.
dba
AIR SERVICE HAWAII

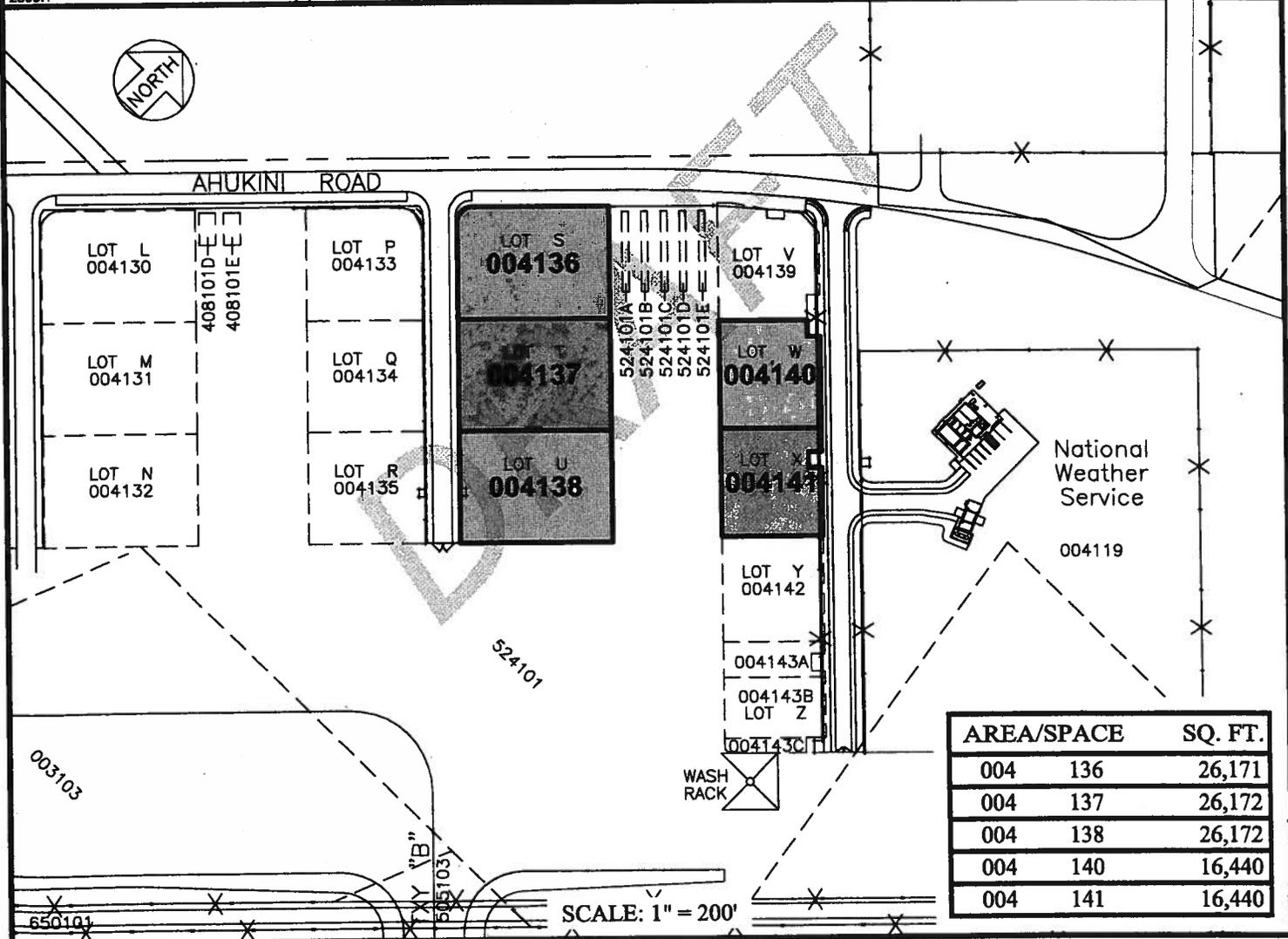
LOTS
FBO SUBDIVISION
GROUND LEVEL

004136
004137
004138
004139
PLATS 26,35,36

LIHUE AIRPORT



2500:1



AREA/SPACE	SQ. FT.
004 136	26,171
004 137	26,172
004 138	26,172
004 140	16,440
004 141	16,440

Amendment No. 1 to State Lease No. DOT-A-12-0008 DATE : SEPTEMBER 2013 EXHIBIT: **C**

<p>Airports Division</p>	<p>UNIVERSAL ENTERPRISES INC. dba AIR SERVICE HAWAII</p>	<p>LOTS FBO SUBDIVISION GROUND LEVEL</p>	<p>004136</p>
			<p>PLATS 35, 36</p>

LIHUE AIRPORT

N:\AIRPORTS\LIH_Lihue\CAD\PM\lih_004136-01_draft.dwg