



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-13-0007
FOR THE PURPOSE OF ADDING LAND TO EXISTING LEASE PREMISES
AEKO KULA, INC. DBA ALOHA AIR CARGO
HONOLULU INTERNATIONAL AIRPORT
TMK: (1) 1-1-002:014 (PORTION)

OAHU

CONTROLLING AGENCY:

Department of Transportation, Airports Division (DOTA)

APPLICANT:

Aeko Kula, Inc., doing business as Aloha Air Cargo (Aeko Kula), a Hawaii domestic for profit corporation, whose principal place of business is 371 Aokea Place, Honolulu, Hawaii 96819.

LEGAL REFERENCE:

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

LOCATION:

Portion of Honolulu International Airport, Honolulu, Island of Oahu, identified by Tax Map Key: 1st Division, 1-1-002:014 (portion).

PREMISES:

Original Lease Area:

Lot/Space No. 004-148, containing a land area of 3.467 acres or 151,061 square feet of unimproved/unpaved land, as shown and delineated on the attached map labeled "Exhibit A".

Amended Lease Area:

Space No. 004-148 (as amended, dated June 2014), containing an aggregate total land area of 3.868 acres or 168,476 square feet as shown and delineated on the attached map labeled “Exhibit B”.

ZONING:

State Land Use District: Urban
City and County of Honolulu: F-1 (Federal & Military Reservation)

LAND TITLE STATUS:

Land presently encumbered by Governor’s Executive Order No. 3529, setting aside a portion of Honolulu International Airport under the control and management of the Department of Transportation, Airports Division, State of Hawaii, for Airport Purposes.

Non-ceded.

DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: YES__ NO X

CURRENT USE:

Vacant and unencumbered.

CHARACTER OF USE:

Development, construction, maintenance and operation of air cargo and aircraft maintenance facility to conduct other related commercial air transportation activities.

TERM OF LEASE:

Thirty (30) years. State Lease No. DOT-A-13-0007 (Lease) commenced on July 1, 2013 and expires on June 30, 2043.

COMMENCEMENT DATE AND TERM:

Effective commencement date of Amendment No. 1 to State Lease No. DOT-A-13-0007 shall be determined by the Director of Transportation, but the expiration date of Amendment No. 1 shall be co-terminus with State Lease No. DOT-A-13-0007, and shall expire on June 30, 2043.

ANNUAL GROUND LEASE RENTAL:

Original Rental Terms:

First Five (5) Years (Lease Years 1 through 5): \$400,311.65 per annum, payable in monthly installments of \$33,359.30, in advance, based upon present ground lease rental rate of \$2.65 per square foot, per annum for the premises at Honolulu International Airport

Second Five (5) Years (Lease Years 6 through 10): \$460,358.40 per annum, payable in monthly installments of \$38,363.20, in advance, based upon the product of the annual rental for the fifth (5th) year of the lease term (\$400,311.65) and 115%.

Third Five (5) Years (Lease Years 11 through 15): \$529,412.16 per annum, payable in monthly installments of \$44,117.68, in advance, based upon the product of the annual rental for the fifth (10th) year of the lease term (\$461,358.40) and 115%.

Amended Rental Terms:

First Five (5) Years (Lease Years 1 through 5): \$446,461.40 per annum, payable in monthly installments of \$37,205.12, in advance, based upon present ground lease rental rate of \$2.65 per square foot, per annum for the premises at Honolulu International Airport

Second Five (5) Years (Lease Years 6 through 10): \$513,430.61 per annum, payable in monthly installments of \$42,785.89, in advance, based upon the product of the annual rental for the fifth (5th) year of the lease term (\$446,461.40) and 115%.

Third Five (5) Years (Lease Years 11 through 15): \$590,445.21 per annum, payable in monthly installments of \$49,203.77, in advance, based upon the product of the annual rental for the fifth (10th) year of the lease term (\$513,461.40) and 115%.

REOPENING OF ANNUAL GROUND LEASE RENTAL:

For each of the three remaining five (5) year lease periods totaling fifteen (15) years, the fair market annual ground lease rental for each five (5)-year lease rental reopening period shall be determined separately when due at the time of reopening, in accordance with the provisions of Section 171-17, Hawaii Revised Statutes, relating to Appraisals, by an independent real estate appraiser whose services shall be contracted for and paid by the Department of Transportation.

PERFORMANCE BOND:

Sum equal to the annual ground lease rental then in effect.

MINIMUM IMPROVEMENTS REQUIREMENT:

The Lessee shall, within twelve (12) months of the effective commencement date of Amendment No. 1 to State Lease No. DOT-A-13-0007, complete the construction of an aircraft maintenance hangar and other related, fixed improvements on the amended Lot/Space No. 004-148. The completed aircraft maintenance hangar and other related, fixed improvements shall be constructed, built, or erected in accordance with construction plans, drawings, and specifications approved by the Department of Transportation, Airports Division, in writing, prior to the commencement of any construction work.

CHAPTER 343, HRS - ENVIRONMENTAL ASSESSMENT:

The final Environmental Assessment acceptance notice for the subject project was published in the OEQC's Environmental Notice on February 8, 2013.

DCCA VERIFICATION:

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:

The Department of Transportation (DOT) entered into State Lease No. DOT-A-13-0007, dated July 1, 2013, with Aeko Kula Inc. doing business as Aloha Air Cargo for the purpose of developing, constructing, operating and maintaining an air cargo facility and aircraft maintenance hangar. In order to build the second phase of their operations, the aircraft maintenance hangar portion, Aeko Kula will require the additional land and the DOT feels such air transportation and operation activities are in the public interest and concur with Aeko Kula's request for expansion.

RECOMMENDATION:

That the Board:

Subject to the Applicant fulfilling all of the Applicant requirements, authorize DOTA to amend the lease to Aeko Kula, which are by this reference incorporated herein and further subject to the following:

1. The standard terms and conditions of the most current lease document from, 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 Director of Transportation or the Chairperson of the Board of Land and Natural Resources to best serve the interest of the State.

Respectfully submitted,



FORD N. FUCHIGAMI
Interim Director of Transportation

APPROVED FOR SUBMITTAL:



WILLIAM J. AILA, JR.
Chairperson and Member

HICKAM AIR FORCE BASE

R. P. 7858, L. C. Aw. 7715, Ap. 2 to Lot Kamehameha

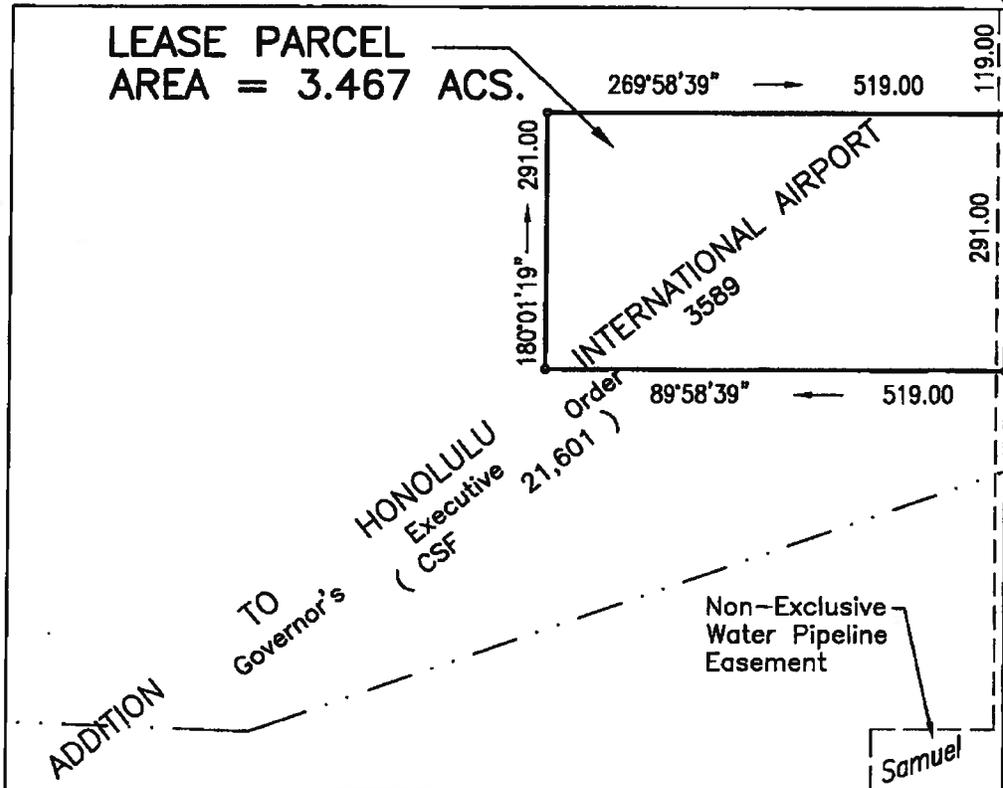
tie: brass disk fnd
"HICKAM AFB"
0°01'19" 955.63

1/2" pipe set
59,324.62 ft. N
1,664,060.40 ft. E
NAD 83(1993), Zone 3

TRUE NORTH
1 in. = 200 ft.

HICKAM AIR FORCE BASE

LEASE PARCEL
AREA = 3.467 ACS.



ADDITION

TO
Governor's
HONOLULU
Executive
(CSF
21,601)

Grant

4776

to

Samuel

Non-Exclusive
Water Pipeline
Easement

M.

HONOLULU INTERNATIONAL AIRPORT

Part 2

Governor's Executive Order 3201
(CSF 19,643)

Damon

ALOHA AIR CARGO
LEASE PARCEL
HONOLULU INTERNATIONAL AIRPORT

At Moanalua, Honolulu, Oahu, Hawaii

Date: December 17, 2010

Tax Map Key (1) 1-1-002: 014 portion

Scale: 1 in. = 100 ft.



This map was prepared by me or
under my direct supervision

Arden J. Torcuato

LICENSED PROFESSIONAL LAND SURVEYOR
CERTIFICATE NUMBER 10257
Exp. 4/30/2012

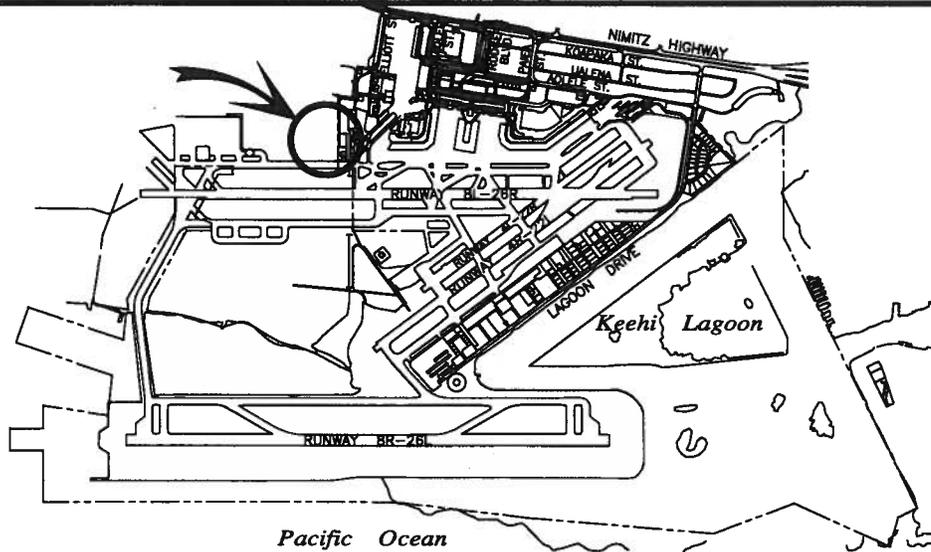
F.B. 35:32

Hon. Int. Airport, Honolulu

LEAPS & BOUNDARIES, INC.
2016 WATERHOUSE ST., STE. 101 PH. (808) 484-5701
HONOLULU, HI 96819 FAX (808) 455-8076

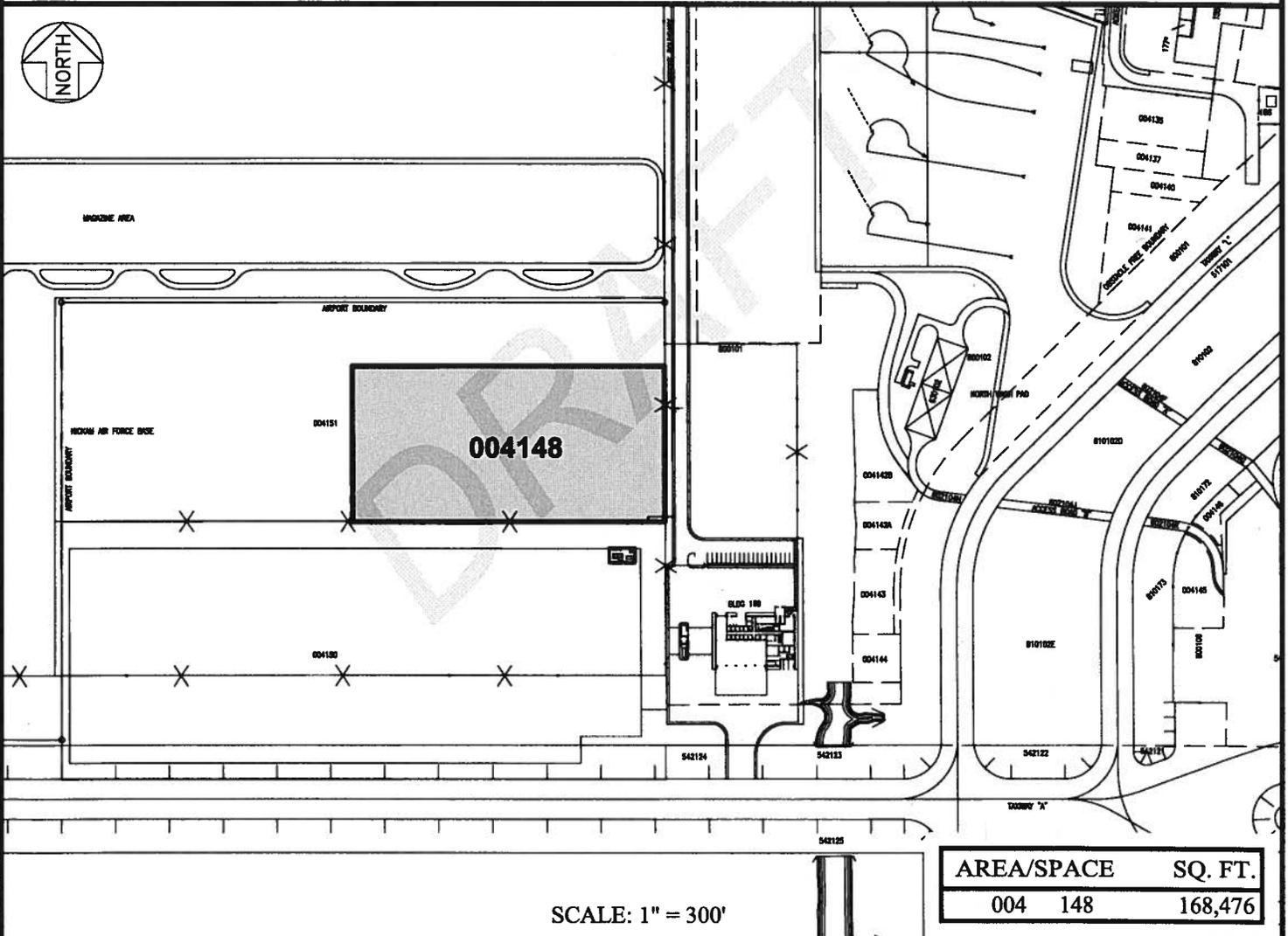
8 1/2" x 11"

Exhibit A



LOCATION PLAN

5000:1



SCALE: 1" = 300'

Amendment #1 to DOTA-13-0007

DATE : JUNE 2014

EXHIBIT: **B**



AEKO KULA, INC.

**INTER-ISLAND
MAINTENANCE AREA**

004148

PLAT 24

HONOLULU INTERNATIONAL AIRPORT

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