

NEIL ABERCROMBIE
GOVERNOR



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

FORD N. FUCHIGAMI
INTERIM DIRECTOR

Deputy Directors
RANDY GRUNE
AUDREY HIDANO
JADINE URASAKI
ROSS HIGASHI

IN REPLY REFER TO:

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

CONSENT TO ASSIGNMENT OF STATE LEASE NO. DOT-A-98-0017
FROM UNITED AIR LINES, INC. TO CONTINENTAL AIRLINES, INC.
(NOW KNOWN AS UNITED AIRLINES, INC.)
HONOLULU INTERNATIONAL AIRPORT
TAX MAP KEY: (1) 1-1-03: 218

O'AHU

REQUEST:

Consent to Assignment of State Lease No. DOT-A-98-0017
United Air Lines, Inc. to Continental Airlines, Inc.
at Honolulu International Airport.

LEGAL REFERENCE:

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

APPLICANTS:

LESSEE/ASSIGNOR: United Air Lines, Inc., a Delaware corporation, authorized to do business in the State of Hawaii.

ASSIGNEE: Continental Airlines, Inc., a Delaware corporation authorized to do business in the State of Hawaii.

AREA:

Area/Space No. 001-124, also designated as United Airlines Cargo Facility Lot A, containing a land area of approximately 256,766 square feet or 5.895 acres of improved/paved land, and

Area/Space No. 001-125, also designated as United Airlines Cargo Facility Lot B, containing a land area of approximately 63,829 square feet or 1.465 acres of unpaved, improved land, all as show on the attached Exhibit A.

ITEM M-13

LOCATION AND TAX MAP KEY:

Portion of Honolulu International Airport, Honolulu, Island of O’ahu, identified by
Tax Map Key: 1st Division, 1-1-03: 218

ZONING:

State Land Use District: Urban
City and County of Honolulu: Industrial (I-2)

LAND TITLE STATUS:

Section 5(a) lands of the Hawaii Admissions Act – Non-Ceded
DHHL 30% entitlement lands: No X

CURRENT USE STATUS:

Land presently encumbered by Governor’s Executive Order No. 3201, dated June 8, 1983
setting aside 3,152,177 acres designated as Honolulu International Airport under the
control and management of the Department of Transportation, Airports Division, State of
Hawaii, for Airport purposes.

CHARACTER OF USE:

Air cargo base facilities.

TERM OF LEASE:

Commencing on February 1, 1998 for a term of thirty (30) years and ending on
January 31, 20128.

CONSIDERATION:

No consideration.

RECOMMENDED PREMIUM:

No premium due.

DCCA VERIFICATION:

LESSEE/ASSIGNOR: Merged (see remarks)
ASSIGNEE: Change of name (see remarks)

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:

On or about October 1, 2010, Continental Airlines, Inc. (Continental) became a subsidiary of United Continental Holdings, Inc. (UCH). Both United Air Lines, Inc. (United) and Continental continued to exist as separate wholly owned subsidiaries of UCH until the integration and merger process was completed on or about March 31, 2013, when United and Continental, both corporations organized and existing under the laws of the State of Delaware, merged into a single entity Continental. Specifically United merged with and into Continental, with Continental being the surviving corporation. Immediately after the merger was completed, Continental was renamed “United Airlines, Inc.” which is registered with and in good standing with the DCCA.

This merger did not change control of the surviving corporation nor did it change the corporate leadership. UCH continues to be the parent company of the surviving corporation, just as if UCH owned all the stock of United and Continental.

Upon closing of the merger, all of United’s rights and obligations under the various agreements which includes, but is not limited to this Base Facilities Cargo Agreement DOT-A-98-0017 (Lease), are deemed by operation of Delaware law covering this merger, vested in, and assumed by, Continental, as if Continental had entered into such agreements.

Continental did not pay United any consideration for its assumption, by operation of law of United’s assets and liabilities nor did United and Continental enter into a separate assignment instrument.

Although the transaction that took place between United and Continental was a merger, for the purpose of this consent, Article XXVI.C. (Assignment and Other Transfers) of the Lease prescribes in part: “ The LESSEE shall not transfer, assign, or permit any other person to occupy or use the Premises or any portion thereof, or transfer or assign this Lease or any interest therein, either voluntarily or by operation of law ... provided that with the prior written approval of the LESSOR the assignment and transfer of this Lease or any portion hereof may be made pursuant to Section 171-36, Hawaii Revised Statutes, ...

If the LESSEE is a partnership, joint venture or corporation, the sale or transfer of twenty percent (20%) or more of ownership interest or stocks by dissolution, merger or any other means must be reported to the LESSOR and shall be deemed an assignment for purposes of this paragraph and subject to the right of the LESSOR to impose the foregoing

premium on the difference between the selling price and the cost of the investment appreciated.... ”

RECOMMENDATION:

That the Board approves of and gives its approval to the Consent to the Assignment of Lease No. DOT-A-98-0017 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.

Respectfully submitted,



FORD N. FUCHIGAMI
Interim Director of Transportation

APPROVED FOR SUBMITTAL:



WILLIAM J. AILA, JR.
Chairperson and Member

