



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

IN REPLY REFER TO:

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

OAHU

REQUEST CONSENT FOR ALOHA PETROLEUM, LTD TO ASSIGN LEASE
NO. H-96-1, AT KALAELOA BARBERS POINT HARBOR, OAHU, TAX
MAP KEY NO. 1ST/9-1-14:08 (PORTION),

LEGAL

REFERENCE: Chapter 171-36(a) (5), Hawaii Revised Statutes.

APPLICANT: Aloha Petroleum, Ltd.

LOCATION: Government land situated at Kalaeloa Barbers Point Harbor, Oahu, Tax Map Key No. 1st/9-1-14, Portions of 8, consisting of 10,454 square feet pipeline easement, as shown on the attached map labeled Exhibit "A."

LAND TITLE

STATUS: Subsection 5(a) of the Hawaii Admission Act (non-ceded).

LEASE AREA: 10,454 square feet pipeline easement, Kalaeloa Barbers Point Harbor, Oahu. Exhibit B indicating .240 acres is the 10,454 square foot pipeline easement.

CHARACTER OF

USE: Easement areas used solely for the construction, installation, maintenance, use and repair of four subsurface 8-inch fuel pipelines for distribution of petroleum fuels.

LEASE TERM: 35-year lease, commencing on October 1, 1996 and expiring on September 30, 2031. The last automatic rental step-up was October 1, 2011 and the next automatic rental step-up is scheduled for October 1, 2016.

ANNUAL RENTAL:

\$12,875.00

CONSIDERATION: None

RECOMMENDED

PREMIUM: Not applicable.

DCCA

VERIFICATION: ASSIGNOR:

Place of business registration confirmed: YES

Registered business name confirmed: YES

Good standing confirmed: YES

REMARKS:

The State of Hawaii, Department of Transportation (the "Department"), is the lessor under Harbor Lease No. H-96-1, to Aloha Petroleum, Ltd. Aloha Petroleum Ltd. is owned by Henger BV Inc. which is Aloha Petroleum Ltd.'s sole shareholder. Henger has agreed to sell all of its capital stock to Susser Petroleum Property Company LLC and its parent Susser Petroleum Partners LP. 100% of Aloha Petroleum Ltd's stock will be owned by Susser Petroleum Property Company LLC. The sale is expected to close on December 16, 2014. Susser Petroleum Partners LP is listed on the NY Stock Exchange under the symbol "SUSP".

Aloha Petroleum, Ltd will remain the tenant on the DOT lease and will continue to be responsible for the lease. No changes will be made with Aloha Petroleum's existing management and operations.

The purchase transaction between Henger BV Inc. and Susser Petroleum Property Company LLC and its parent Susser Petroleum Partners LP triggers the assignment provision in the DOT lease. However, the Department has determined that no lease premium is due.

Aloha Petroleum Ltd. will remain a Top-10 Hawaii company according to Hawaii Business magazine.

Susser Petroleum Partners LP is the highest-volume independent wholesale distributor of motor fuels in Texas, with additional distribution in New Mexico, Oklahoma and Louisiana.

Susser Petroleum Partners LP has supplied more than 1.7 billion gallons of motor fuel in the last 12 months; and

For over 70 years, Susser Petroleum Partners LP has established a solid reputation for integrity, transparency and outstanding customer service.

BLNR CONSENT NEEDED:

Consent to assignment of the lease from Aloha Petroleum, Ltd. To Susser Petroleum Property Company LLC is needed.

RECOMMENDATION:

That the Board consent to the assignment of the lease from Aloha Petroleum, Ltd to Susser Petroleum Property Company LLC and consent that no premium will be owed to DOT under the lease, subject to the following conditions:

1. Review and approval by the Department of the Attorney General; and
2. Such other terms and conditions as may be prescribed by the Director of Transportation to best serve the interests of the State.

Respectfully submitted,



ROSS M. HIGASHI
Interim Director of Transportation

Attachment

APPROVED FOR SUBMITTAL:



WILLIAM J. AILA, JR.
Chairperson and Member
Board of Land and Natural Resources

