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

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

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 X

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

DCCA VERIFICATION:

LESSEE/ASSIGNOR:
Place of business registration confirmed: YES X NO ___
Registered business name confirmed: YES X NO ___
Good standing confirmed: YES X NO ___

ASSIGNEE:
Place of business registration confirmed: YES X NO ___
Registered business name confirmed: YES X NO ___
Good standing confirmed: YES X NO ___

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:

WILLIAM J. AILA, JR.
Chairperson and Member