

**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 TO PRIOR BOARD ACTION OF JULY 13, 2007,
ITEM M-2, ISSUANCE OF A DIRECT LEASE
SCHUMAN AVIATION COMPANY, LTD.
HONOLULU INTERNATIONAL AIRPORT**

OAHU

On July 13, 2007, under agenda Item M-2, and pursuant to 171-59, Hawaii Revised Statutes, relating to Disposition by negotiation, the Land Board authorized the Department of Transportation (DOT) to issue a direct Hangar Facilities Lease (Lease) to Schuman Aviation Company, Ltd. (Schuman), a Hawaii corporation authorized to do business in the State of Hawaii, subject to various terms and conditions listed in said agenda item. The proposed Lease demised: (a) Area/ Space No. 009-158, containing a land area of approximately 21,236 square feet of improved/paved general aviation land located on the South Ramp Area of Honolulu International Airport and shown and delineated on the attached map dated April, 2007 and labeled as Exhibit A.

Due to unforeseen circumstances, the applicant, Schuman, now requests certain changes to the proposed Lease's general terms and conditions as previously approved by the Land Board. These Lease modifications are listed as follows:

TERM OF LEASE:

Original: Twenty-five (25) years

As Amended: Thirty (30) years

AREA AND LOCATION:

Original: Area/Space No. 009-158, containing a land area of 21,236 square feet of improved/paved land as shown and delineated on the attached Exhibit A dated April, 2007. Portion of Honolulu International Airport, Honolulu, Island of Oahu, identified by Tax Map Key No: 1st Division, 1-1-72:33.

As Amended: Area/Space Nos. 009-158A and -158B, containing land areas of 21,236 and 3,960 square feet, respectively of improved/paved lands as shown on the attached Exhibit A

dated August, 2007. Portions of Honolulu International Airport, Honolulu, Island of Oahu, identified by Tax Map Key No.: 1st Division, 1-1-72:33 for 009-158A and Tax Map Key No.: 1st Division, 1-1-72:32 (portion of) for 009-158B.

ANNUAL GROUND LEASE RENTAL:

Original:

First Five (5) Years (Lease Years 1 through 5): \$44,170.88 per annum, payable in quarterly installments of \$11,042.72, in advance, based upon present ground lease rental rate of \$2.08 per square foot per annum for improved/paved general aviation land at Honolulu International Airport

Second Five (5) Years (Lease Years 6 through 10): \$50,796.52 per annum, payable in quarterly installments of \$12,699.13, in advance, based upon the product of the annual rental for the fifth (5th) year of the lease term (\$44,170.88) and 115%.

Fourth Five (5) Years (Lease Years 16 through 20): An annual rental of 115% times the annual rental for the last year of the immediately preceding five-year period (15th year) of the lease term.

As Amended:

- For Area/Space No. 009-158A:

First Five (5) Years (Lease Years 1 through 5): \$44,170.88 per annum, payable in quarterly installments of \$11,042.72, in advance, based upon the present ground lease rental rate of \$2.08 per square foot per annum for improved/paved general aviation land at Honolulu International Airport

Second Five (5) Years (Lease Years 6 through 10): \$50,796.52 per annum, payable in quarterly installments of \$12,699.13, in advance, based upon the product of the annual rental for the fifth (5th) year of the lease term (\$44,170.88) and 115%.

Fourth Five (5) Years (Lease Years 16 through 20): An annual rental of 115% times the annual rental for the last year of the immediately preceding five-year period (15th year) of the lease term.

Sixth Five (5) Years (Lease Years 26 through 30): An annual rental of 115% times the annual rental for the last year of the immediately preceding five-year period (25th year) of the lease term.

- For Area/Space No. 009-158B:

First Five (5) Years (Lease Years 1 through 5): \$8,236.80 per annum, payable in quarterly installments of \$2,059.20, in advance, based upon the present ground lease rental rate of \$2.08 per square foot per annum for improved/paved general aviation land at Honolulu International Airport

Second Five (5) Years (Lease Years 6 through 10): \$9,472.32 per annum, payable in quarterly installments of \$2,368.08, in advance, based upon the product of the annual rental for the fifth (5th) year of the lease term (\$8,236.80) and 115%.

Fourth Five (5) Years (Lease Years 16 through 20): An annual rental of 115% times the annual rental for the last year of the immediately preceding five-year period (15th year) of the lease term.

Sixth Five (5) Years (Lease Years 26 through 30): An annual rental of 115% times the annual rental for the last year of the immediately preceding five-year period (25th year) of the lease term.

RECOMMENDATION:

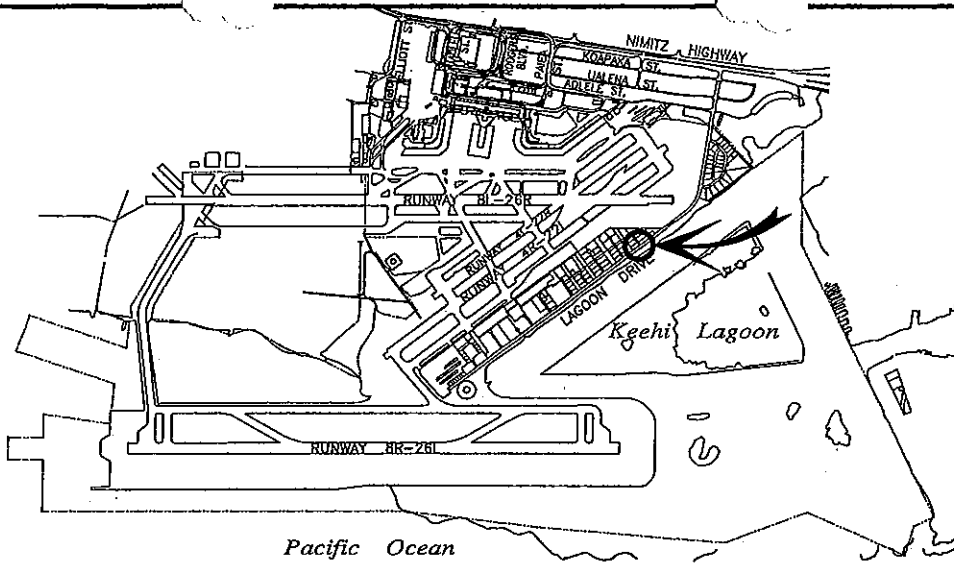
That the Board: 1) amends its prior action of July 13, 2007, under agenda Item M-2, by approving Lease modifications relating to term of lease, area and location, and annual ground lease rentals in the proposed Lease by and between the DEPARTMENT OF TRANSPORTATION, as "STATE," and SCHUMAN, as "Lessee," as herein outlined, which are by reference incorporated herein, and 2) subject to 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 approve by the Attorney General.

Respectfully submitted,


BARRY FUKUNAGA
Director of Transportation

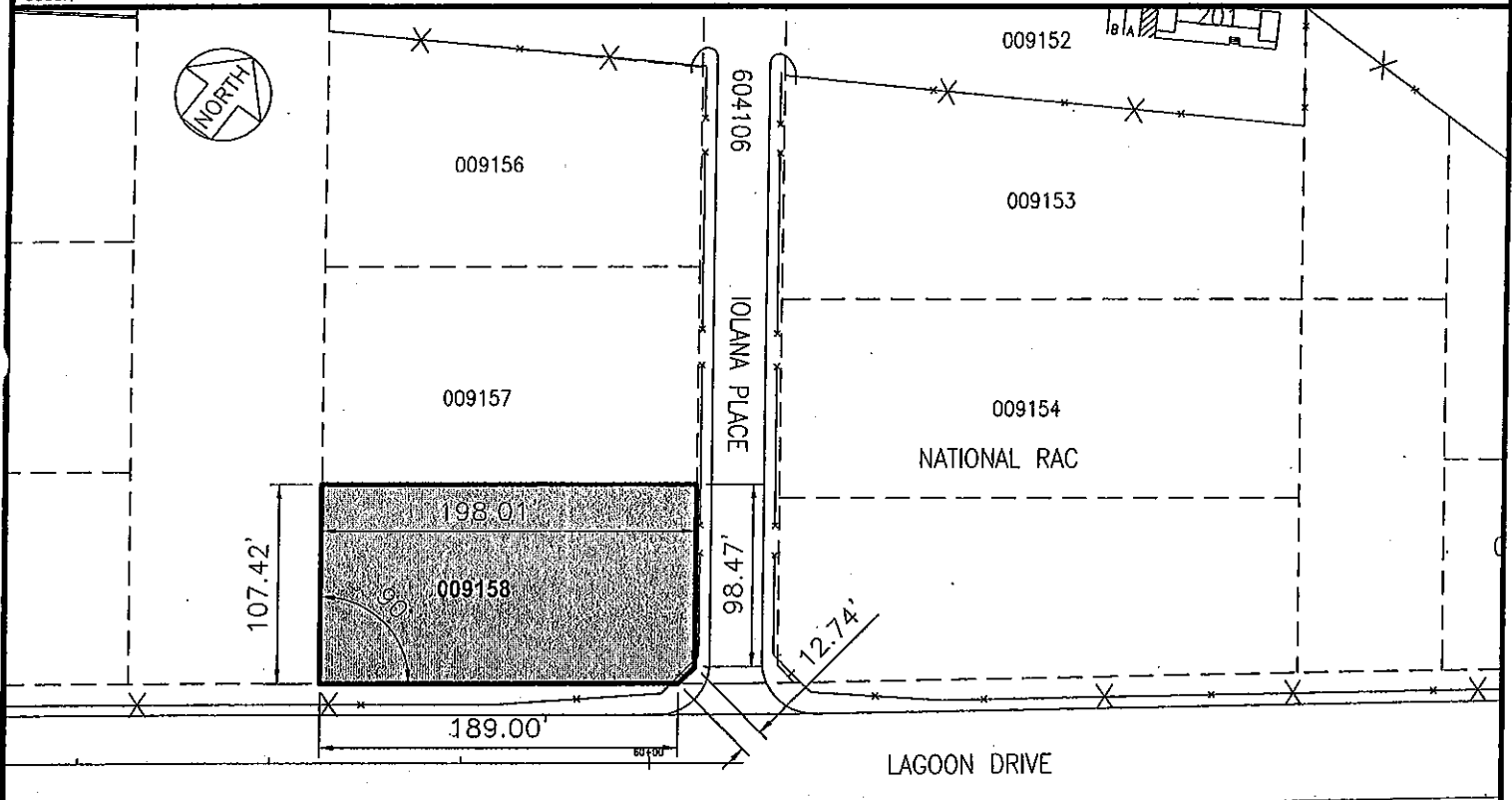
APPROVED FOR SUBMITTAL:


for LAURA H. THIELEN
Interim Chairperson



LOCATION PLAN

5000:1



AREA/SPACE	SQ. FT.
009 158	21,236.00

SCALE: 1" = 100'

DATE : APRIL 2007

EXHIBIT: **A**



Airports Division

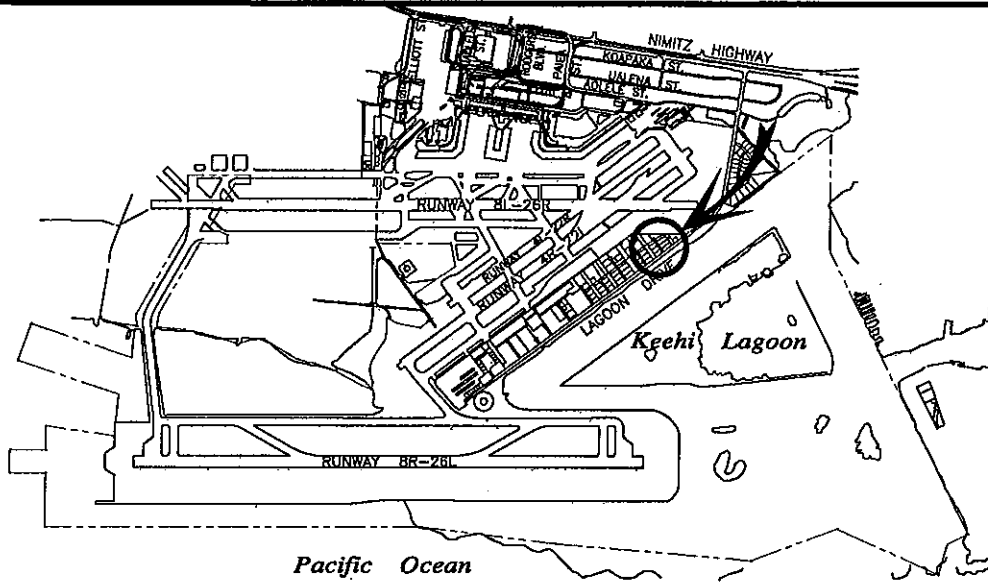
SCHUMAN AVIATION
COMPANY, LTD.

LOTS
SOUTHRAMP

009158
PLAT 36

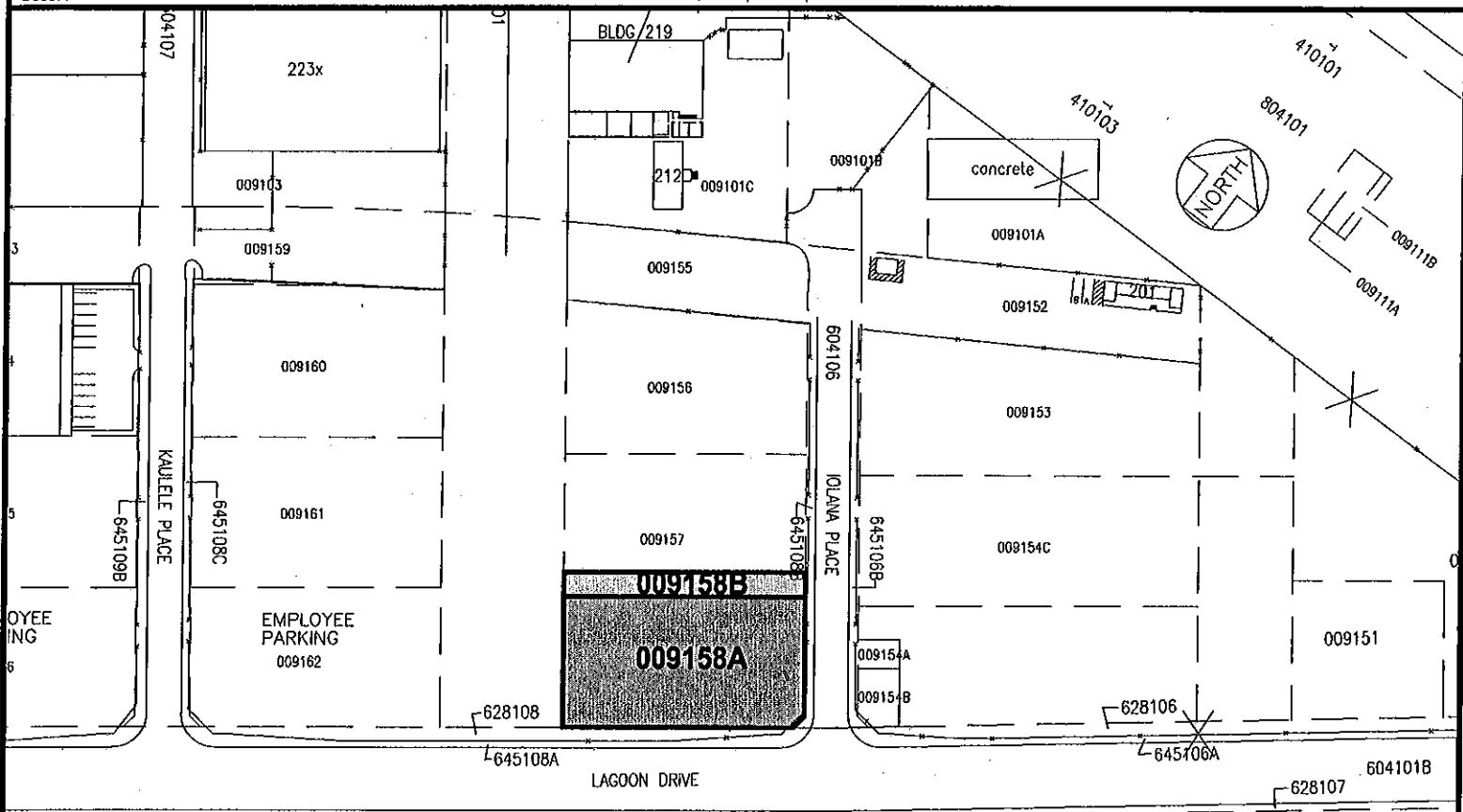
HONOLULU INTERNATIONAL AIRPORT

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LOCATION PLAN

5000:1



SCALE: 1" = 150'

AREA/SPACE	SQ. FT.
009 158A	21,236
009 158B	3,960

DOT-A-07-0004

DATE : AUGUST 2007

EXHIBIT: **A**



**SCHUMAN AVIATION
COMPANY, LTD.**

**LOTS
SOUTH RAMP**

**009158A
009158B
PLAT 36**