LINDA LINGLE
GOVERNOR

RODNEY K. HARAGA
DIRECTOR

Deputy Directors
BRUCE Y. MATSUI
BARRY FUKUNAGA
BRENNON T. MORIOKA
BRIAN H. SEKIGUCHI

IN REPLY REFER TO:

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

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

CONSENT TO SUBLEASE RETAIL CONCESSION
DFS GROUP L.P. TO MAUI DIVERS OF HAWAII, LTD.
HONOLULU INTERNATIONAL AIRPORT OAHU

The Department of Transportation (DOT) is seeking the Board's consent for a sublease between the concessionaire under the Retail Concession Lease at Honolulu International Airport and Maui Divers of Hawaii, Ltd.

PURPOSE:

To sublease a portion of the concession premises.

LEGAL REFERENCE:

Chapters 102 and 171, Hawaii Revised Statutes, as amended.

LESSEE/SUBLESSOR (APPLICANT):

DFS Group, L.P.

SUBLESSEE:

Maui Divers of Hawaii, Ltd.

LOCATION AND TAX MAP KEY:

Honolulu International Airport, Terminal Complex, 1st Division, 1-1-03: Portion of 1, Honolulu International Airport, Honolulu, Island of Oahu, Hawaii.

**ITEM M-2**

ZONING:

State: Urban
County: Industrial (I-2)

LAND TITLE STATUS:

Section 5(a) and 5(b), Hawaii Admission Act
DHHL 30% entitlement lands: Yes ____ No _X_

LEASE TERM AND AREA:

The lease (Lease No. DOT-A-01-0003) for the Retail Concession at Honolulu International Airport began on March 15, 2001, and continues through March 14, 2009. Originally, the lease was to end on March 14, 2006, but was extended under authority of Act 201, 2004 Session Laws of Hawaii.

Area is comprised of the following:

Building 310, Space Nos. 203A and 203D.
Building 341, Space Nos. 202C, 203B, 207D, 245, 255B, 255C, 255D, 255E, 274
Building 342, Space Nos. 279, 281A, 281B, 281C, 281D, 281E, 282
Building 344, Spaces Nos. 208C, 208D, 240C, 240D, 245, 278A, 295A, 295B
Building 346, Space No. 269A
Building 350, Space Nos. 217, 218A, 247, 248, 249A
Building 360, Space Nos. 207C, 261, 262
Building 363, Space Nos. 218A
Building 373, Space Nos. 264, 265

SUBLEASE TERM AND AREA:

Term commences on March 1, 2006 and continues through the end of the lease term.

Area is comprised of Building 342, Space No. 281D, consisting of an area approximately 979 square feet

USE:

Sale of Maui Divers of Hawaii, Ltd. merchandise as part of the Retail Concession at Honolulu International Airport.

LEASE RENT:

Through the end of the lease term in March 2009, the lease rent shall be the greater of the minimum annual guarantee of $9.95 million or 20% of gross receipts.

SUBLEASE RENT:

The sublease rent that Maui Divers of Hawaii, Ltd. will be required to pay is the will be the greater of the minimum fee, $14,375.00 per month or 23% of gross receipts.

IMPROVEMENTS:

Under the Retail Concession the Lessee is required to make a minimum investment for all spaces of $2.5 million. Included in that total is $1.5 million for spaces to be created by the Overseas Terminal Improvements Project AO1042-21. The space to be occupied by Maui Divers under the sublease is part of the new spaces created by the project.

REMARKS:

The Retail Concession at Honolulu International Airport combines what previously had been four separate concessions, the Gift, Apparel and Luggage Concession; the Sundries and Toys Concession; the Jewelry and Shells Concession and the Packaged Foods Concession. It was anticipated that this combined concession would be able to maximize product exposure and sales penetration by placing the appropriate mix of products in the various stores. The concession also provides the master retail concessionaire the option to subcontract with other vendors to expand the product and service mix beyond what the concessionaire itself might be able to offer. This sublease provides the concessionaire the opportunity to make available to Maui Divers of Hawaii, Ltd. a separate space to exclusively offer its merchandise to travelers. Originally, Maui Divers was operating from a space shared with the Concessionaire.

The Land Board, at its meeting of January 23, 2004, authorized the DOT to consent to the sublease for the original space.

The DOT has reviewed the sublease and sublease rent and determined that the sublessee's obligations are reasonable with no excess sandwich profit to be gained by the Applicant (lessee/sublessor).

RECOMMENDATION:

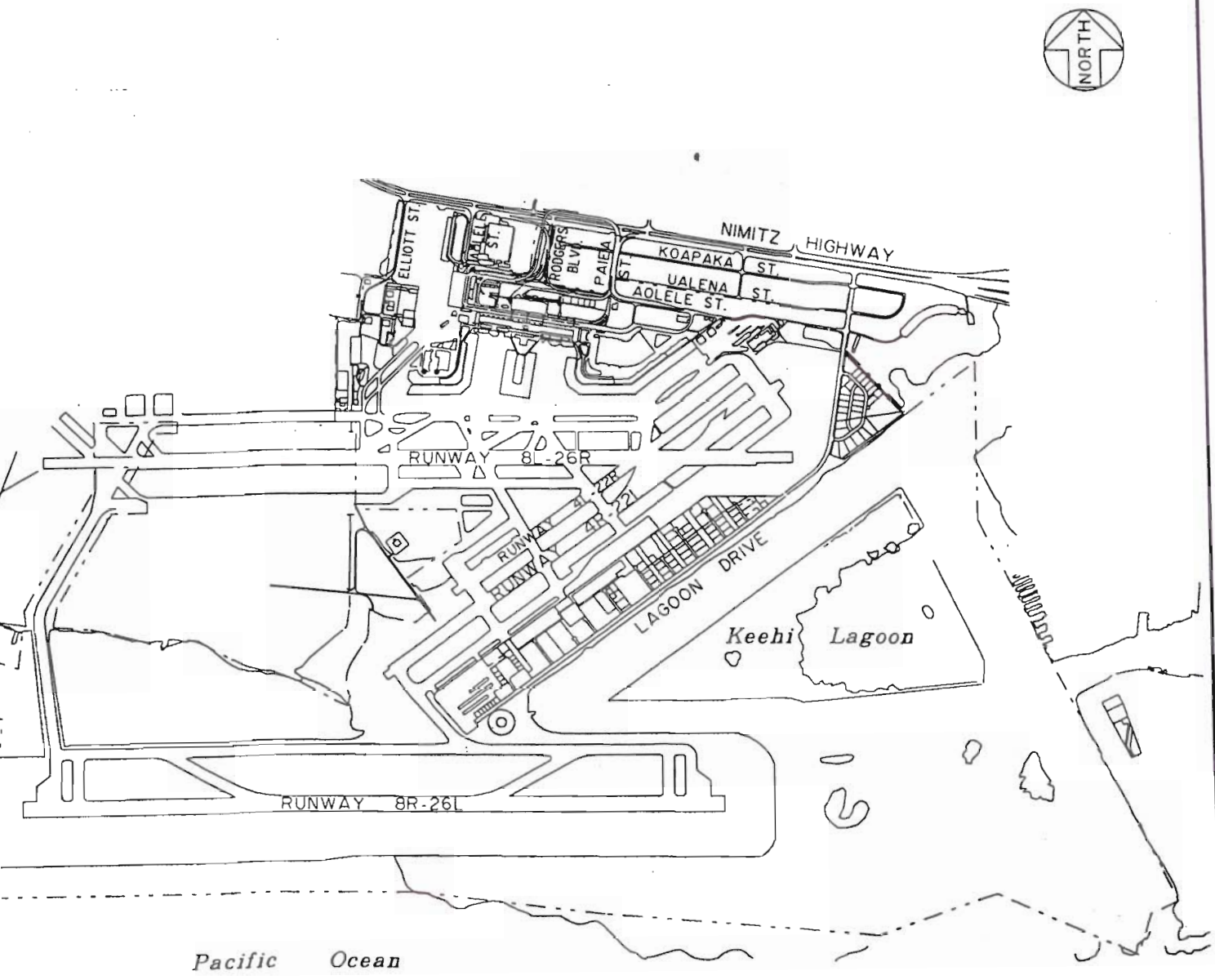
That the Board authorize the DOT to consent to the sublease as hereinabove outlined and to grant a Consent to Sublease so that the DOT may proceed to process the consent to allow the sublease to be consummated, subject to the review and approval of the Department of the Attorney General.

Respectfully submitted,

RODNEY K. HARAGA
Director of Transportation

APPROVED FOR SUBMITTAL:

PETER T. YOUNG
Chairperson and Member




SCALE: 1"=3000'

DATE: OCTOBER, 2000 EXHIBIT: **A**

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| Airports Division | | "AIRPORT" | PLAT 01 |

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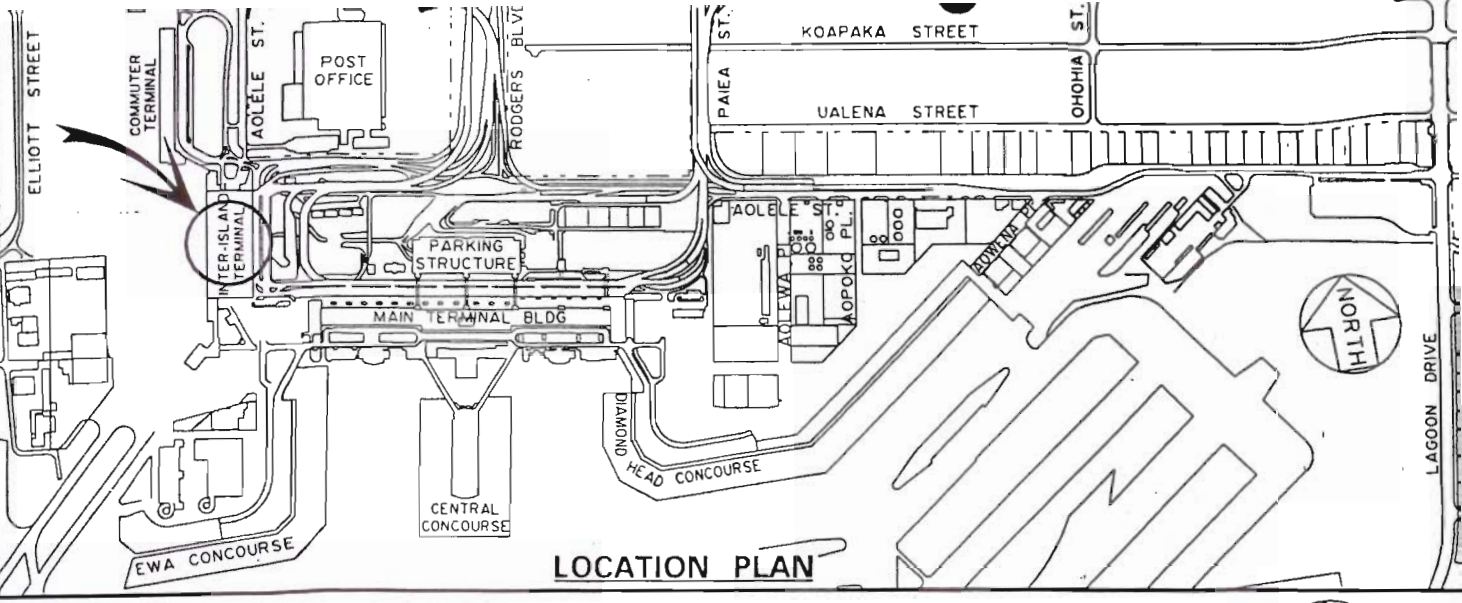
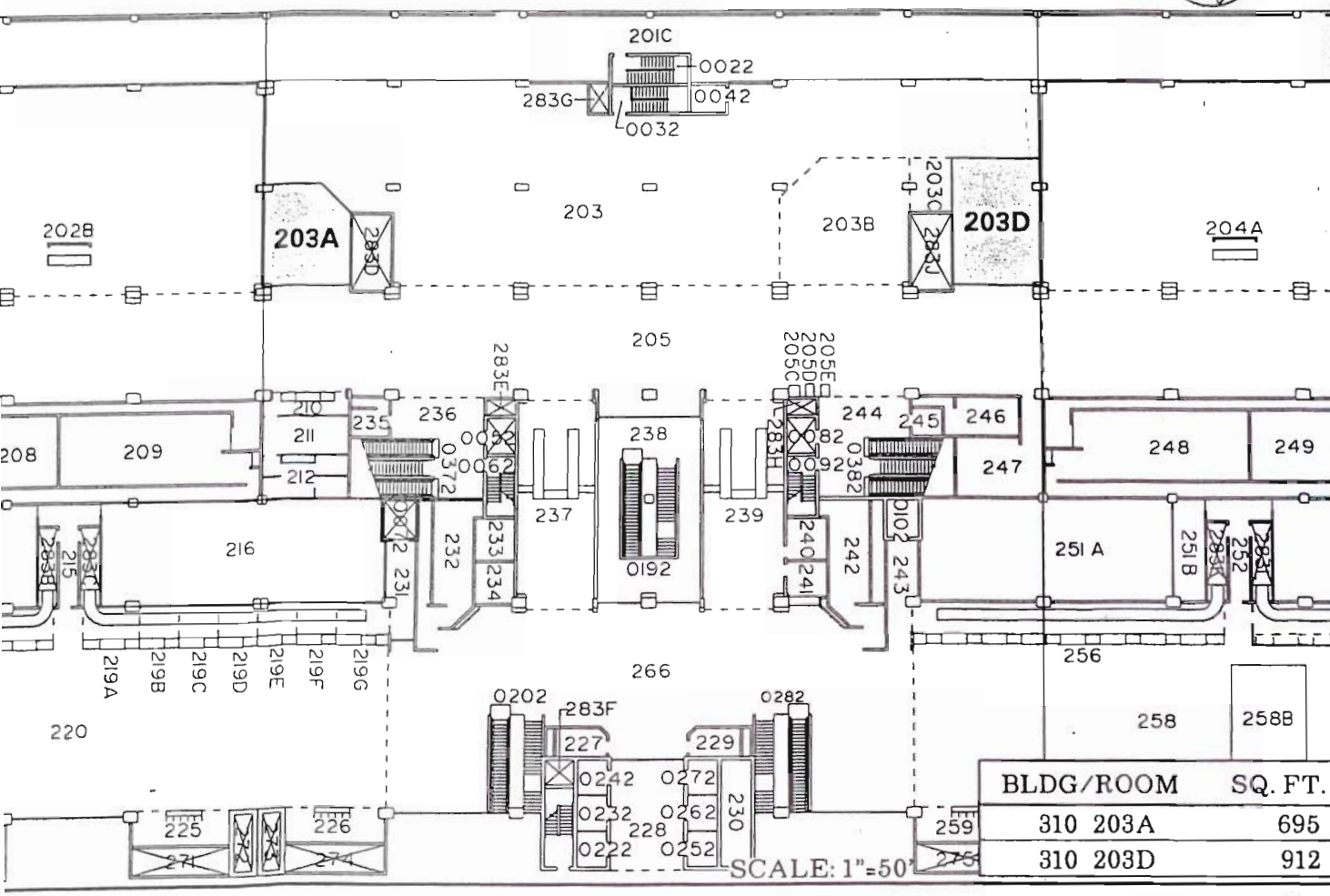
**HONOLULU INTERNATIONAL AIRPORT**




## BLDG 310




| BLDG/ROOM | SQ. FT. |
|---|---|
| 310 203A | 695 |
| 310 203D | 912 |

DATE: OCTOBER, 2000 EXHIBIT: **B**

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|---|---|---|---|
| Airports Division | RETAIL CONCESSION | BLDG 310 INTER-ISLAND TERMINAL COMPLEX SECOND LEVEL | 310203A 310203D PLAT E1 |

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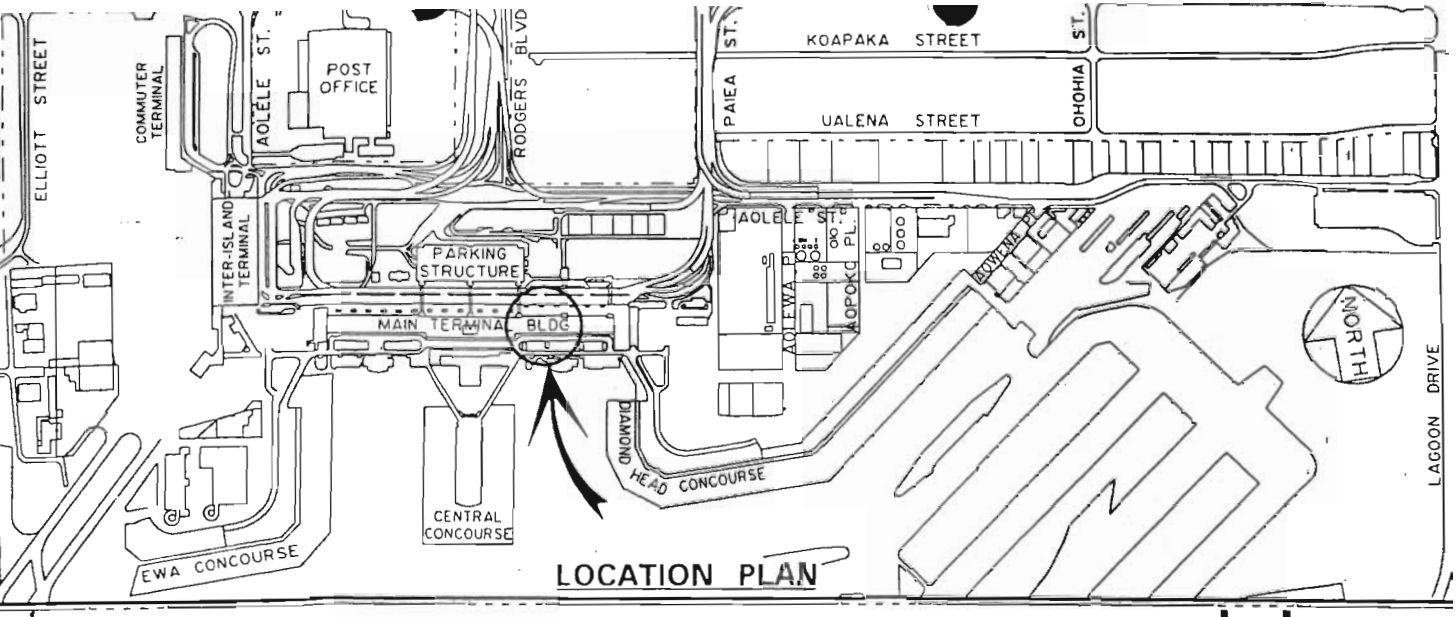
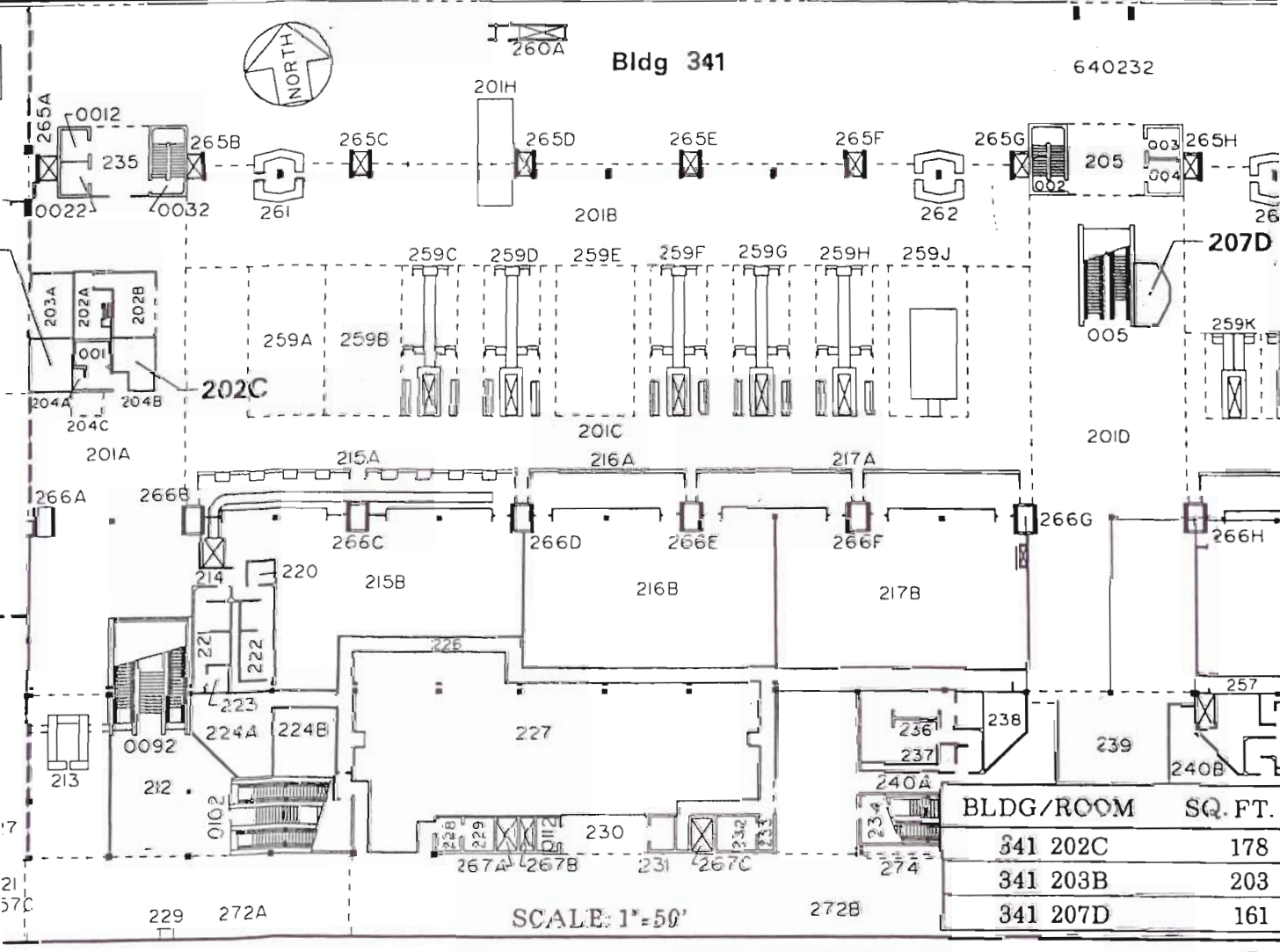
**HONOLULU INTERNATIONAL AIRPORT**




LOCATION PLAN




| BLDG/ROOM | SQ. FT. |
|---|---|
| 341 202C | 178 |
| 341 203B | 203 |
| 341 207D | 161 |

DATE: OCTOBER, 2000 EXHIBIT: C

| | | | |
|---|---|---|---|
| Airports Division | RETAIL CONCESSION | BLDG 341<br>DIAMOND HEAD<br>TICKET LOBBY<br>SECOND LEVEL | 341202C<br>341203B<br>341207D<br>PLAT A2 |

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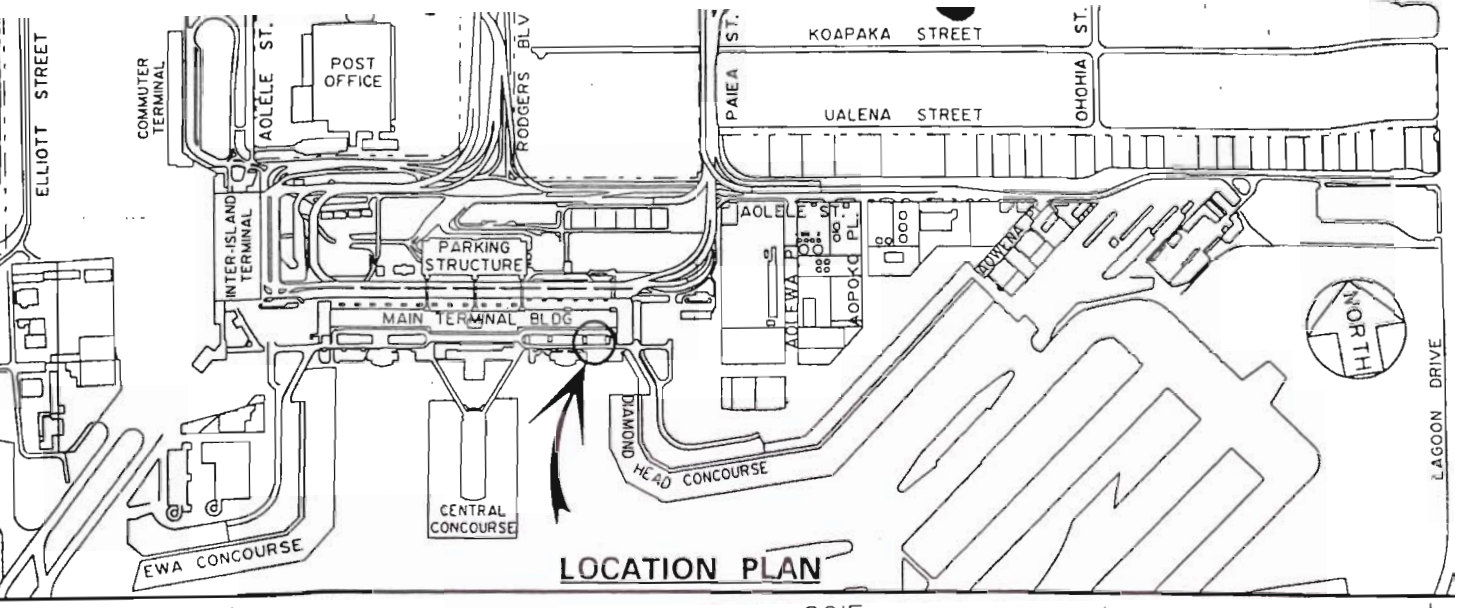
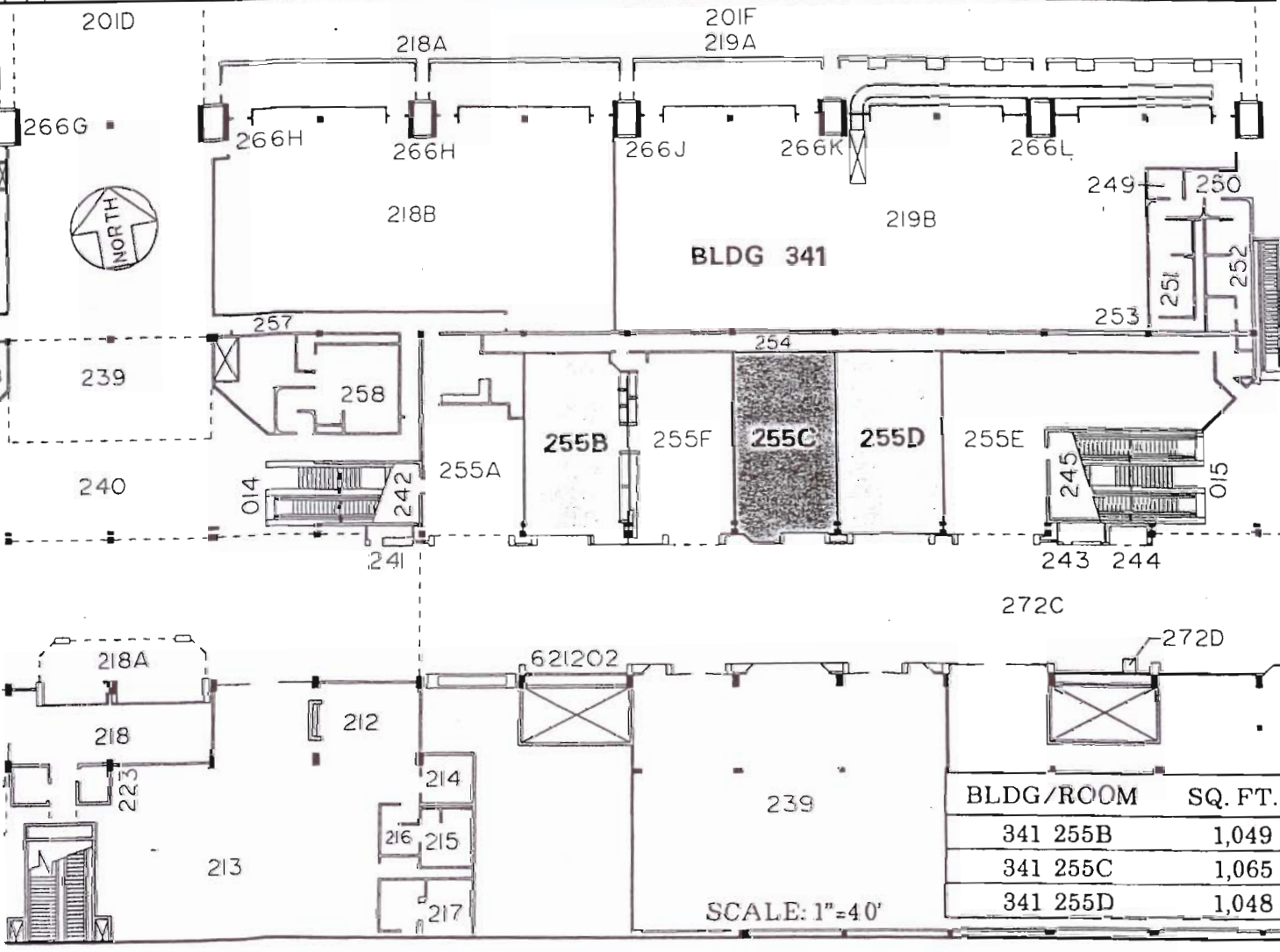
HONOLULU INTERNATIONAL AIRPORT




LOCATION PLAN




| BLDG/ROOM | SQ. FT. |
|---|---|
| 341 255B | 1,049 |
| 341 255C | 1,065 |
| 341 255D | 1,048 |

SCALE: 1"=40'

DATE: OCTOBER, 2000 EXHIBIT: D

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|---|---|---|---|
| Airports Division | RETAIL CONCESSION | BLDG 341 D.H. EXTENSION SECOND LEVEL | 341255B 341255C 341255D PLAT C2 |

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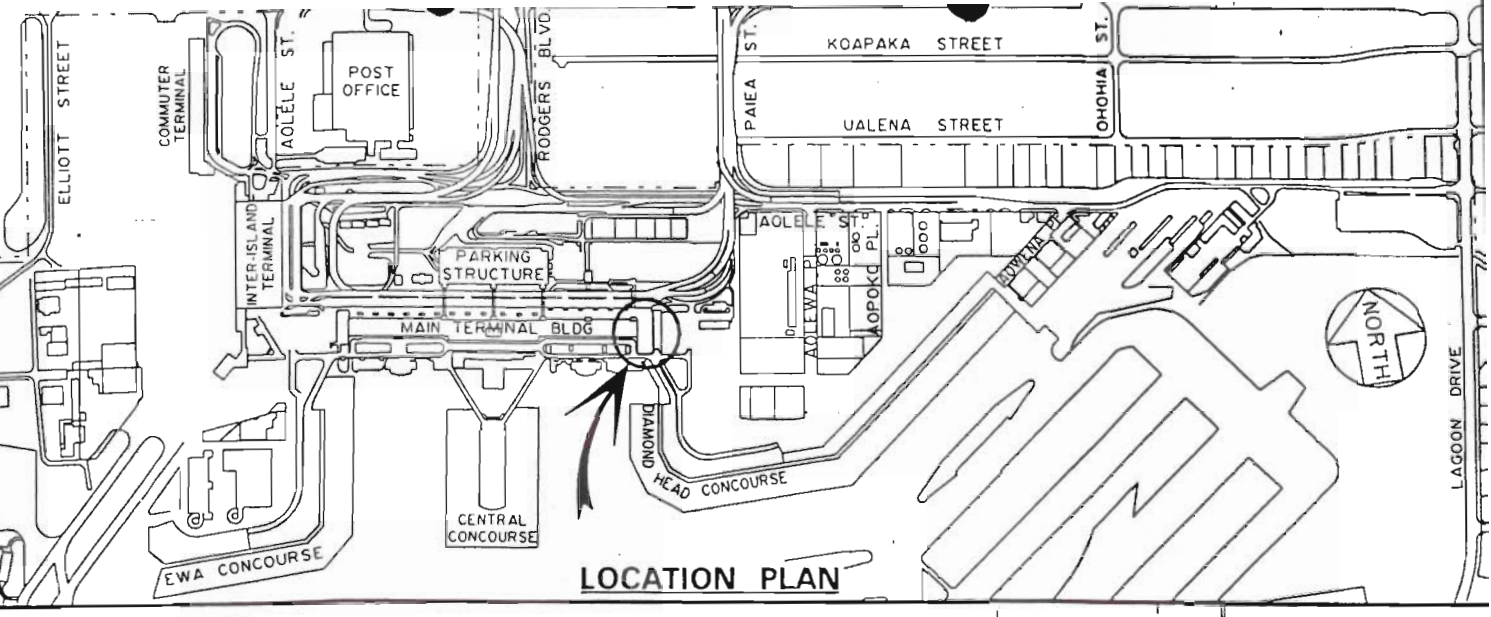
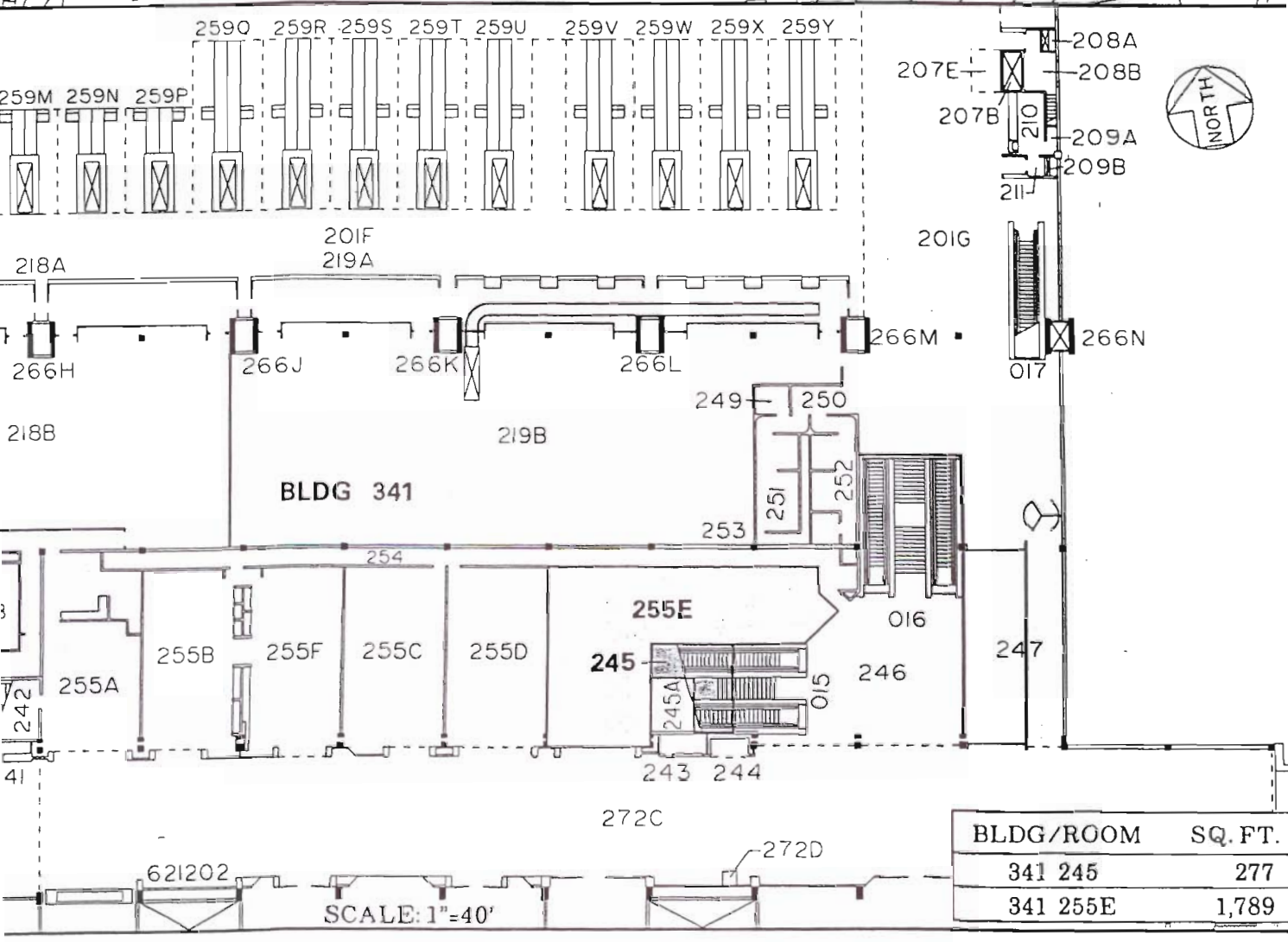
HONOLULU INTERNATIONAL AIRPORT




LOCATION PLAN




| BLDG/ROOM | SQ. FT. |
|---|---|
| 341 245 | 277 |
| 341 255E | 1,789 |

DATE: OCTOBER, 2000

EXHIBIT: **E**

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|---|---|---|---|
| Airports Division | RETAIL CONCESSION | BLDG 341<br>D.H. EXTENSION BLDG<br>SECOND LEVEL | 341245<br>341255E<br>PLAT C2 |

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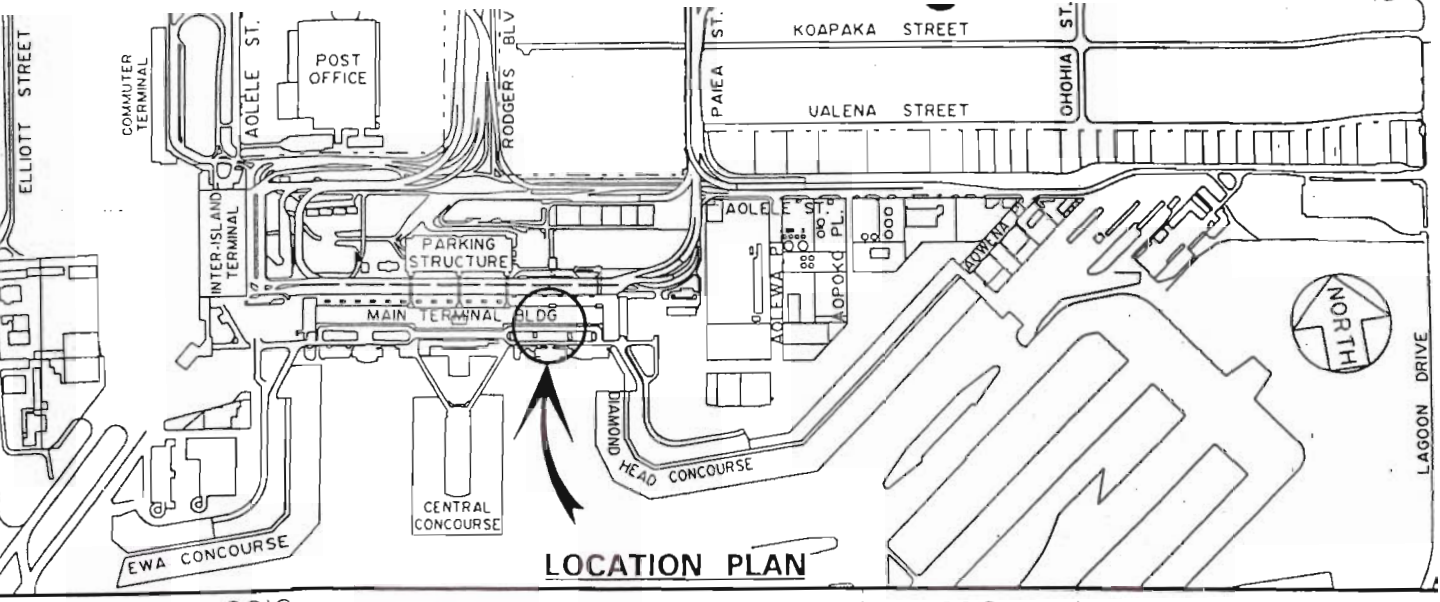
HONOLULU INTERNATIONAL AIRPORT

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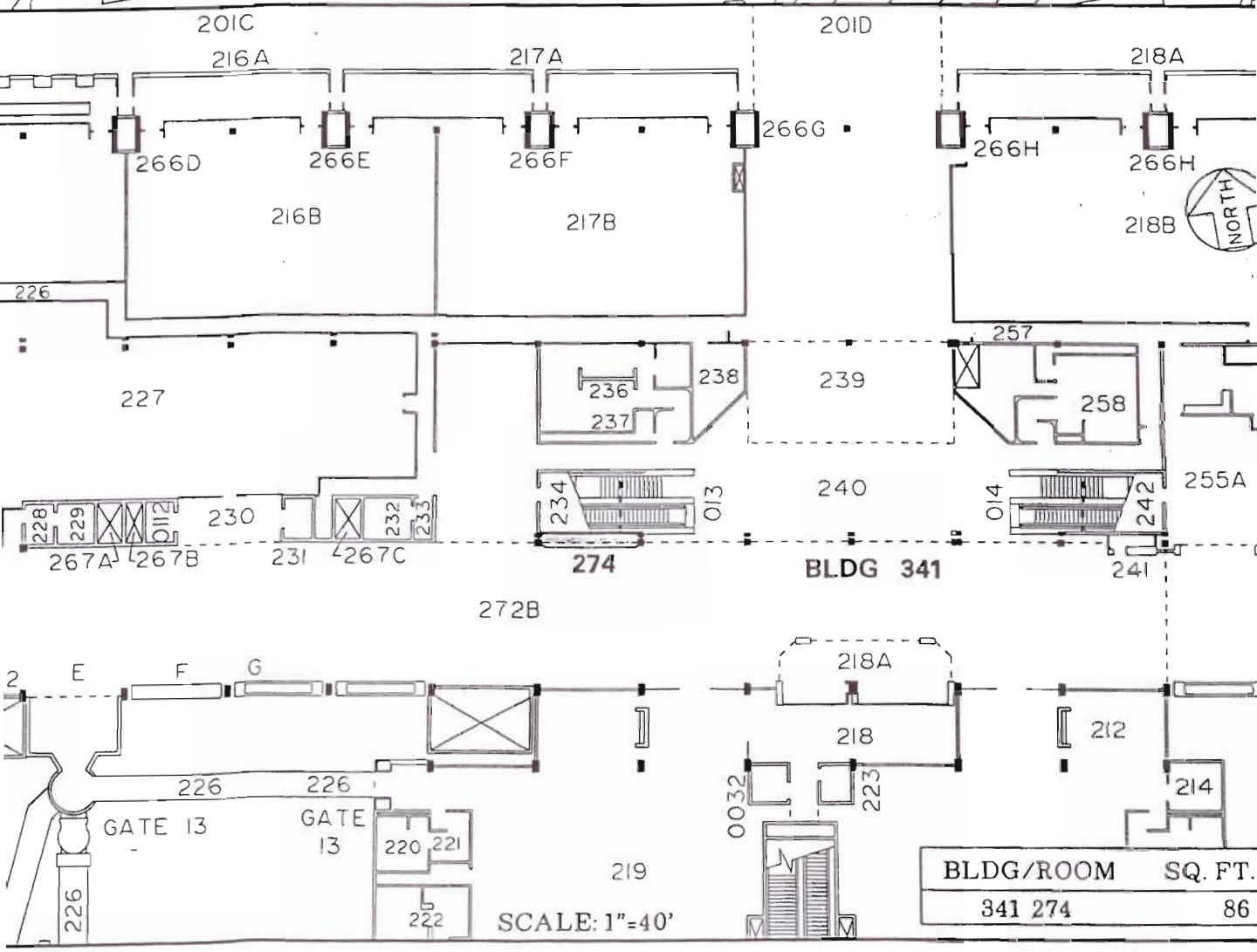


| BLDG/ROOM | SQ. FT. |
|---|---|
| 341 274 | 86 |

DATE: OCTOBER, 2000 EXHIBIT: **F**

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|---|---|---|---|
| Airports Division | RETAIL CONCESSION | BLDG 341<br>DIAMOND HEAD EXTENSION<br>SECOND LEVEL | 341274<br>PLAT M |

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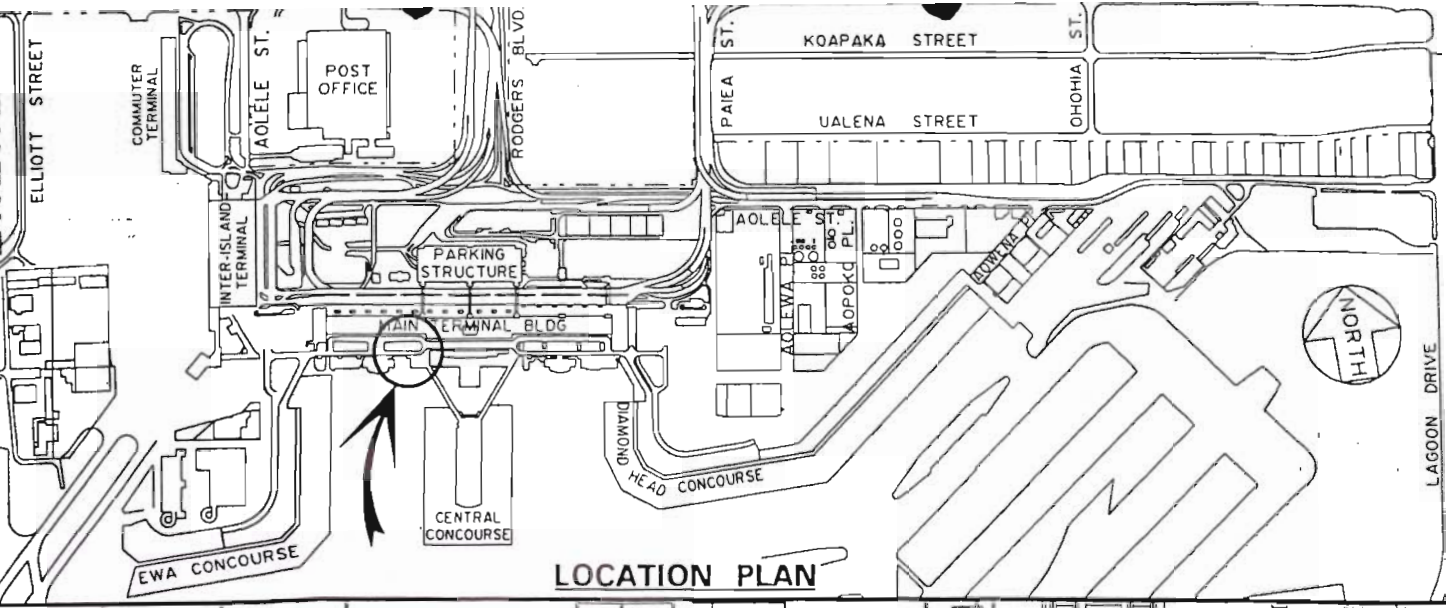
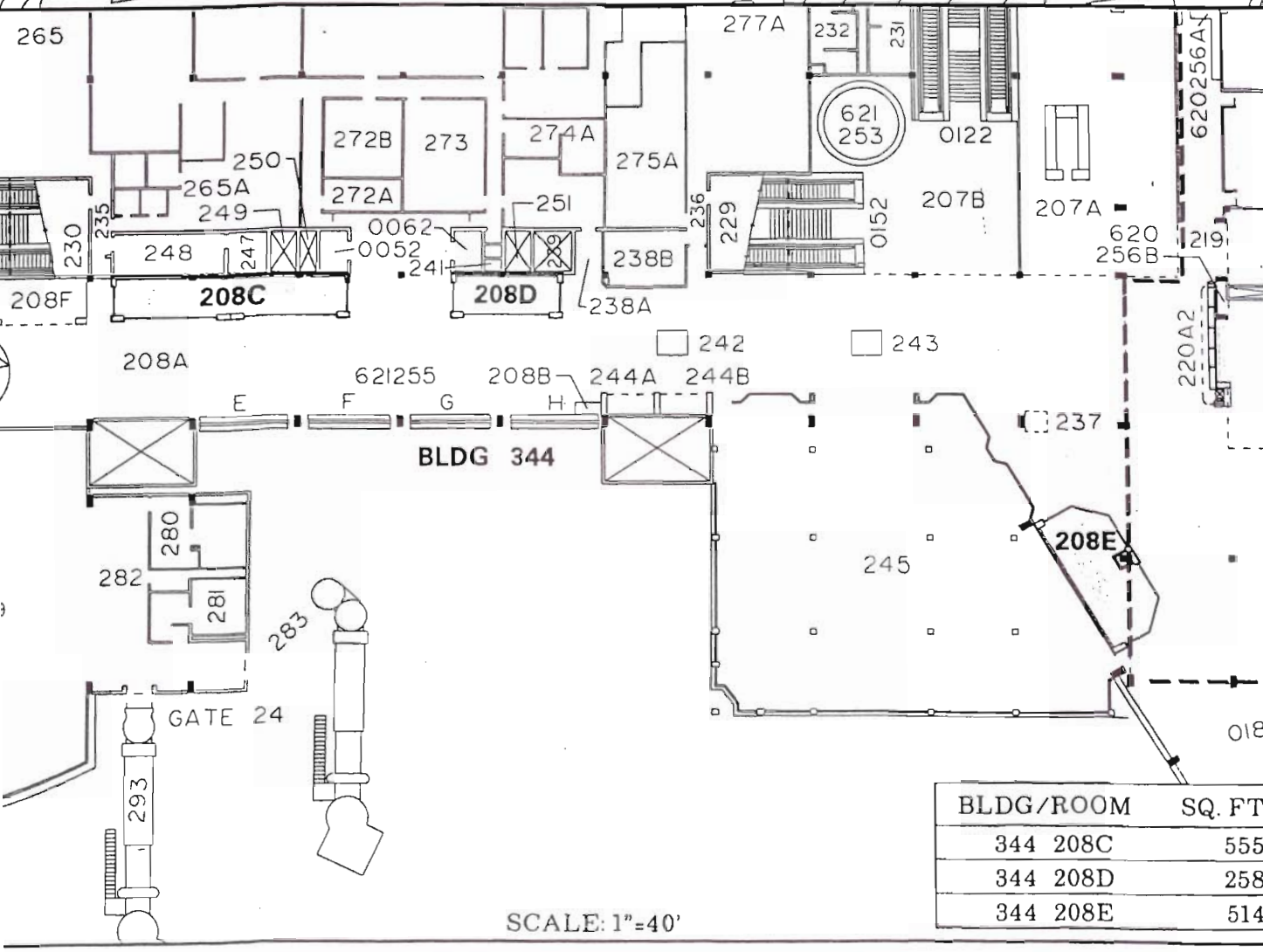
**HONOLULU INTERNATIONAL AIRPORT**




## LOCATION PLAN




| BLDG/ROOM | SQ. FT |
|---|---|
| 344 208C | 555 |
| 344 208D | 258 |
| 344 208E | 514 |

SCALE: 1"=40'

DATE: OCTOBER, 2000 EXHIBIT: J

| | | | |
|---|---|---|---|
| Airports Division | RETAIL CONCESSION | BLDG 344 EWA EXTENSION DOMESTIC SECOND LEVEL | 344208C 344208D 344208E PLAT A |

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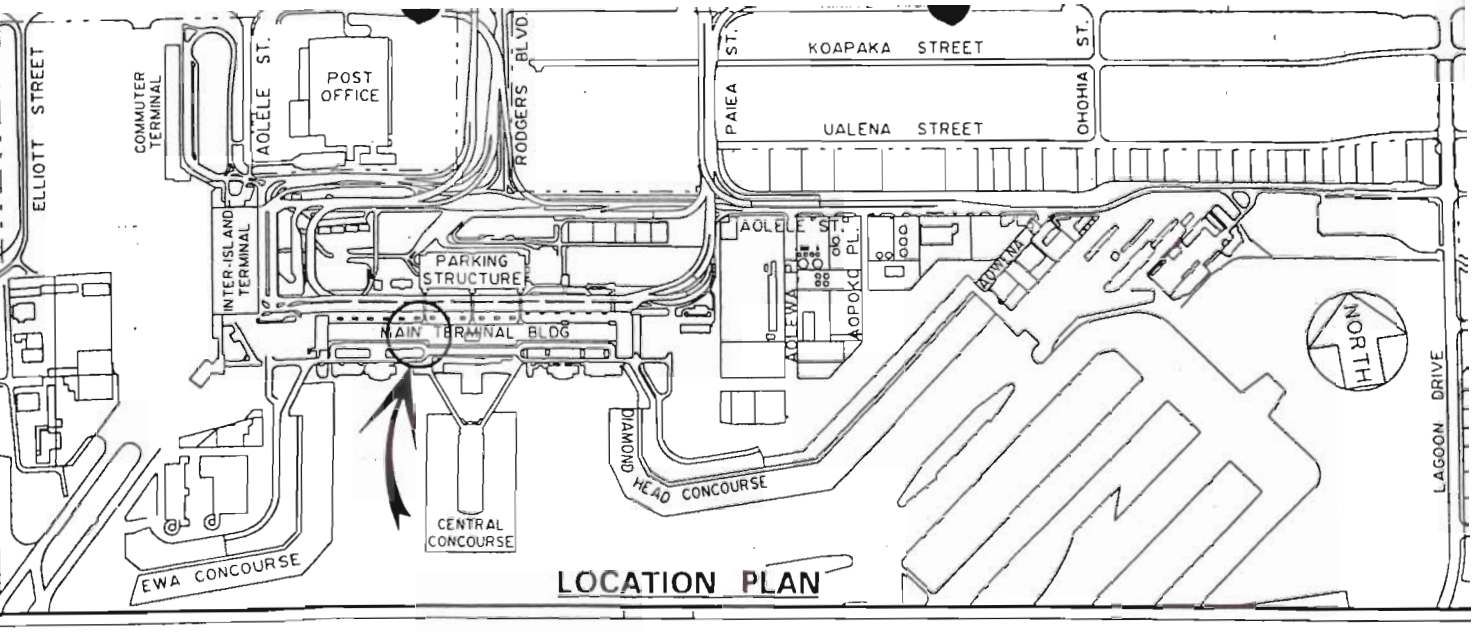
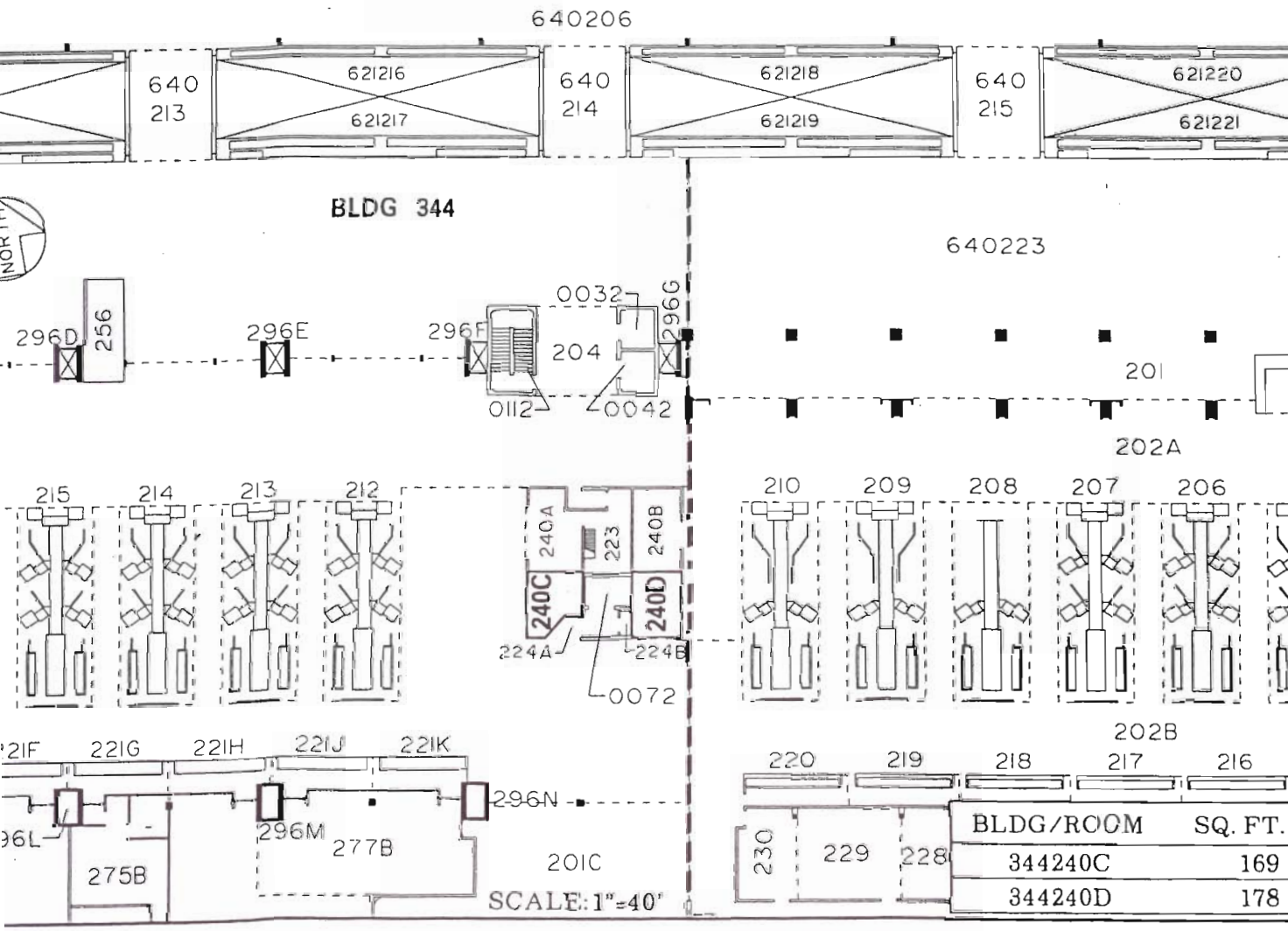
HONOLULU INTERNATIONAL AIRPORT




LOCATION PLAN




| BLDG/ROOM | SQ. FT. |
|---|---|
| 344240C | 169 |
| 344240D | 178 |

DATE: OCTOBER, 2000 EXHIBIT: **K**

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|---|---|---|---|
| Airports Division | RETAIL CONCESSION | BLDG 344 EWA EXTENSION DOMESTIC SECOND LEVEL | 344240C 344240D PLAT A2 |

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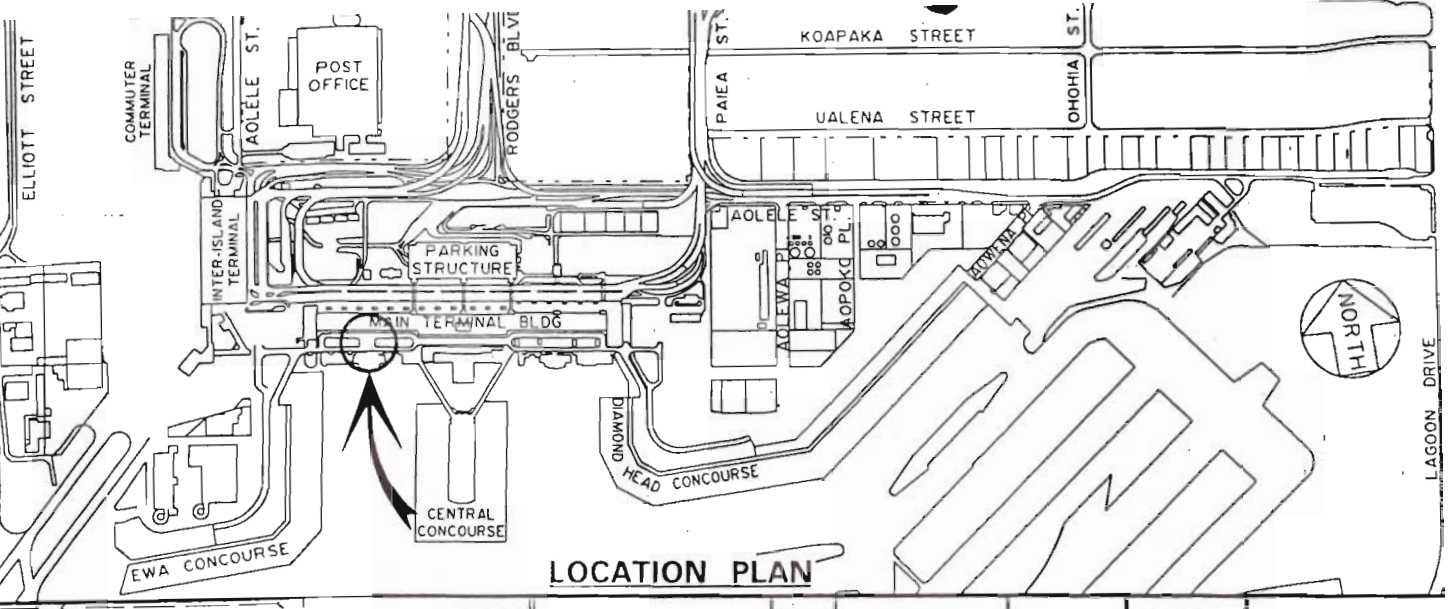
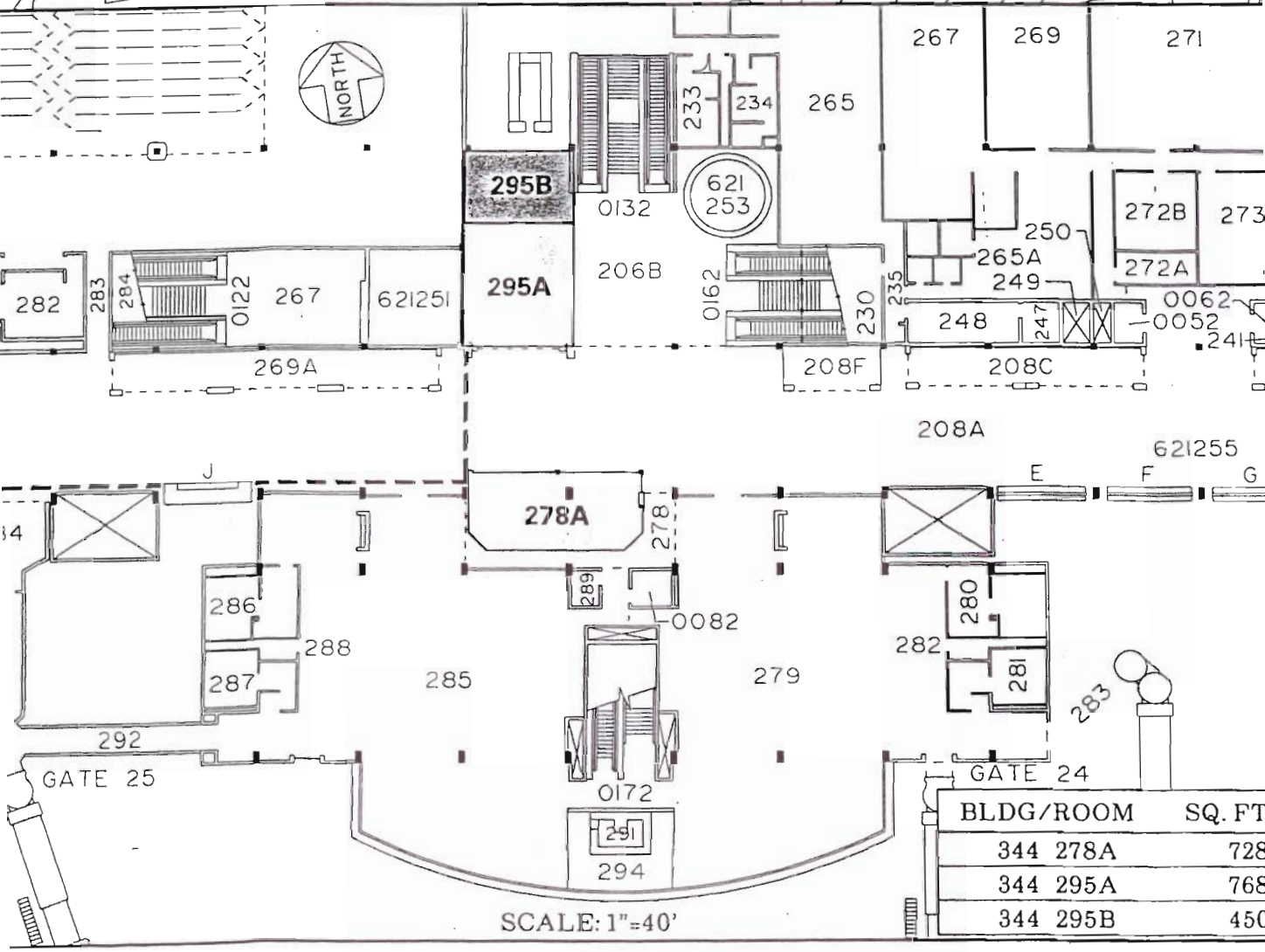
HONOLULU INTERNATIONAL AIRPORT




## LOCATION PLAN




| BLDG/ROOM | SQ. FT |
|---|---|
| 344 278A | 728 |
| 344 295A | 768 |
| 344 295B | 450 |

DATE: OCTOBER, 2000 EXHIBIT: L

| | | | |
|---|---|---|---|
| Airports Division | RETAIL CONCESSION | BLDG 344 EWA EXTENSION DOMESTIC SECOND LEVEL | 344278A 344295A 344295B PLAT A |

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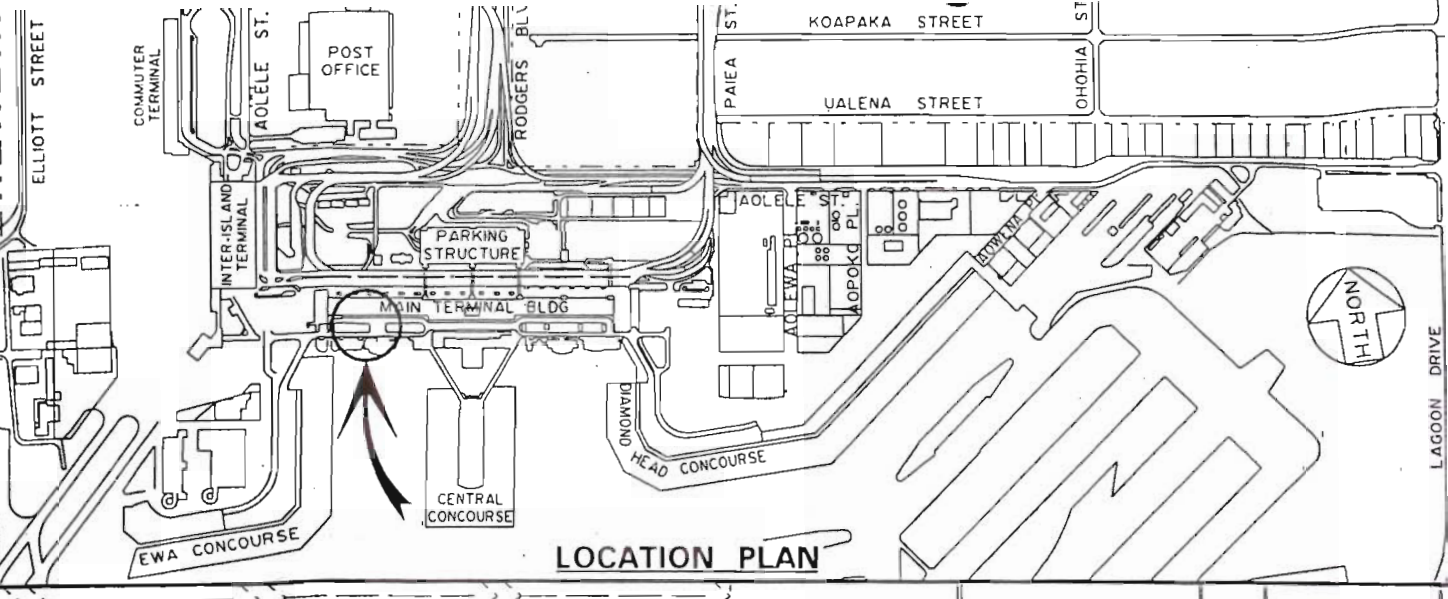
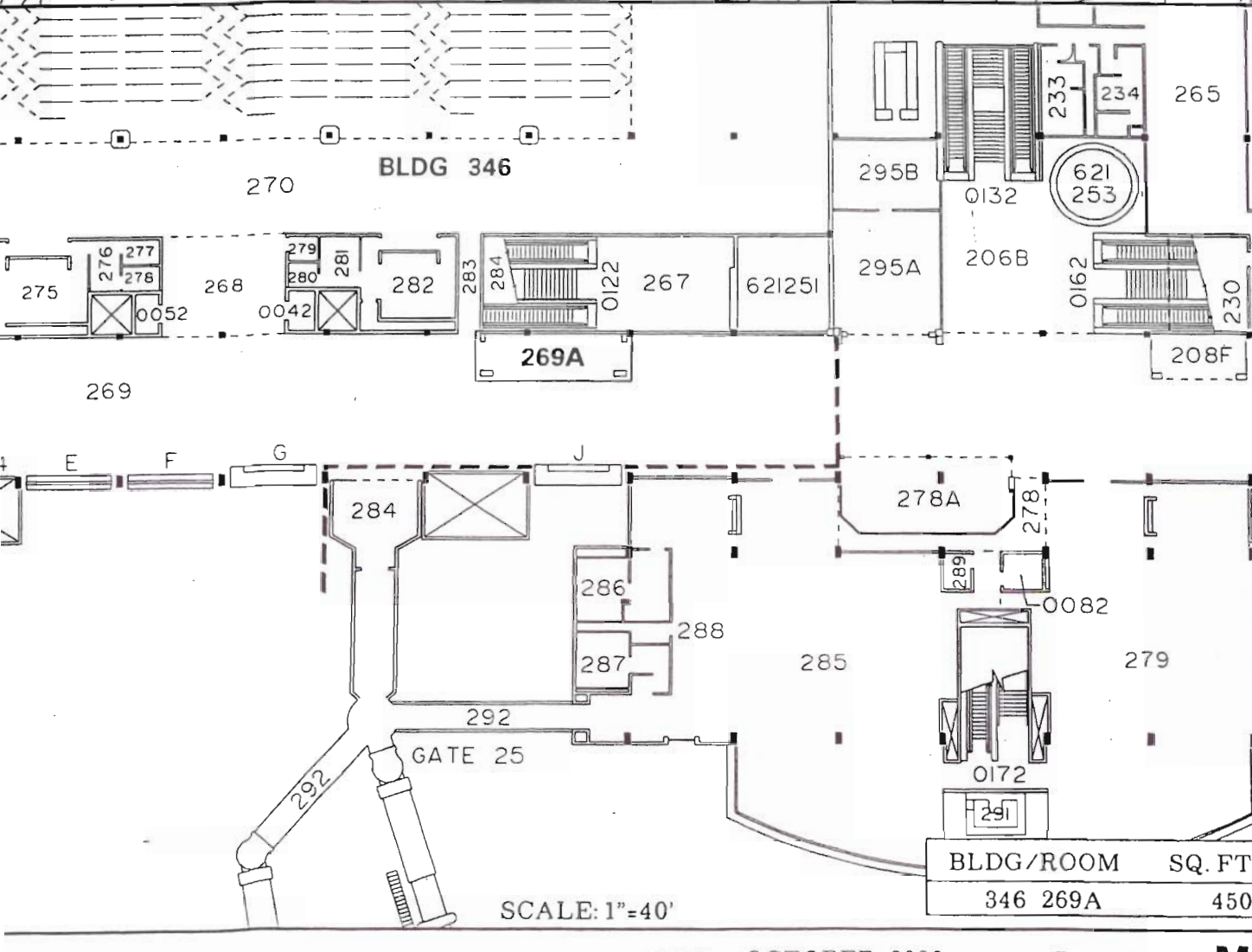
HONOLULU INTERNATIONAL AIRPORT




LOCATION PLAN




| BLDG/ROOM | SQ. FT |
|---|---|
| 346 269A | 450 |

DATE: OCTOBER, 2000 EXHIBIT: **M**

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|---|---|---|---|
| Airports Division | RETAIL CONCESSION | BLDG 346 INTL ARRIVAL BLDG SECOND LEVEL | 346269A PLAT A |

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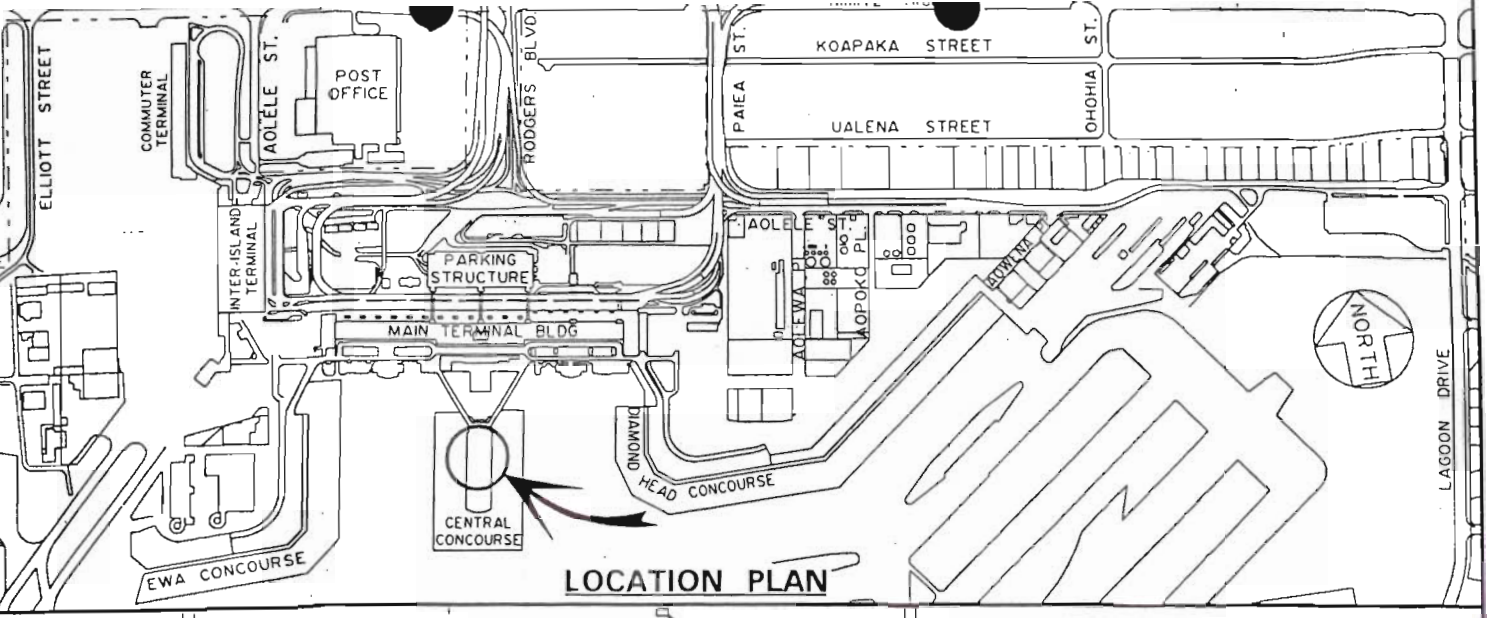
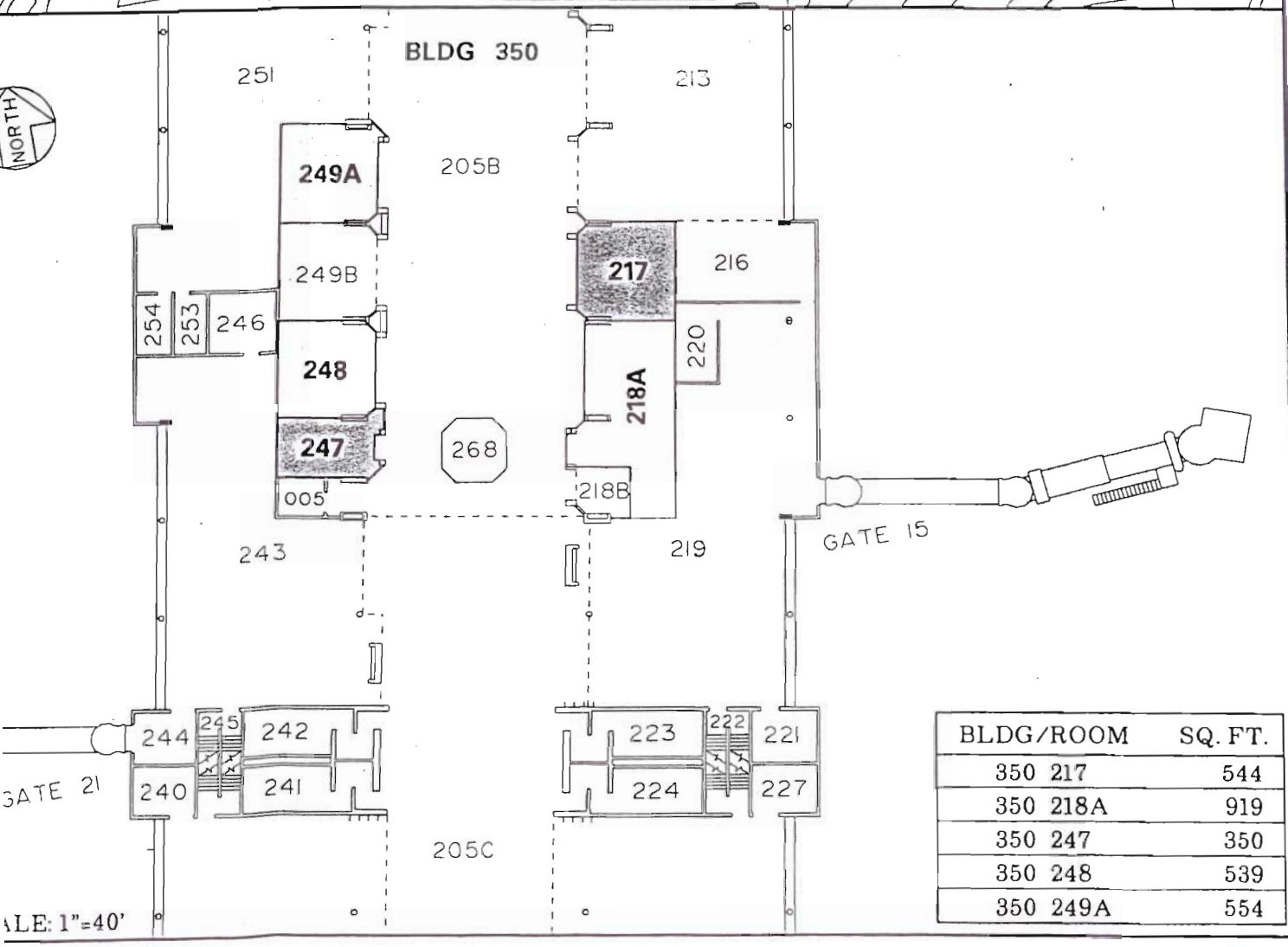
HONOLULU INTERNATIONAL AIRPORT




LOCATION PLAN




| BLDG/ROOM | SQ. FT. |
|---|---|
| 350 217 | 544 |
| 350 218A | 919 |
| 350 247 | 350 |
| 350 248 | 539 |
| 350 249A | 554 |

DATE: OCTOBER, 2000 EXHIBIT: **N**

| | | | |
|---|---|---|---|
| Airports Division | RETAIL CONCESSION | BLDG 350 CENTRAL CONCOURSE SECOND LEVEL | 350217, 350218A 350247, 350248 350249A PLAT B2 |

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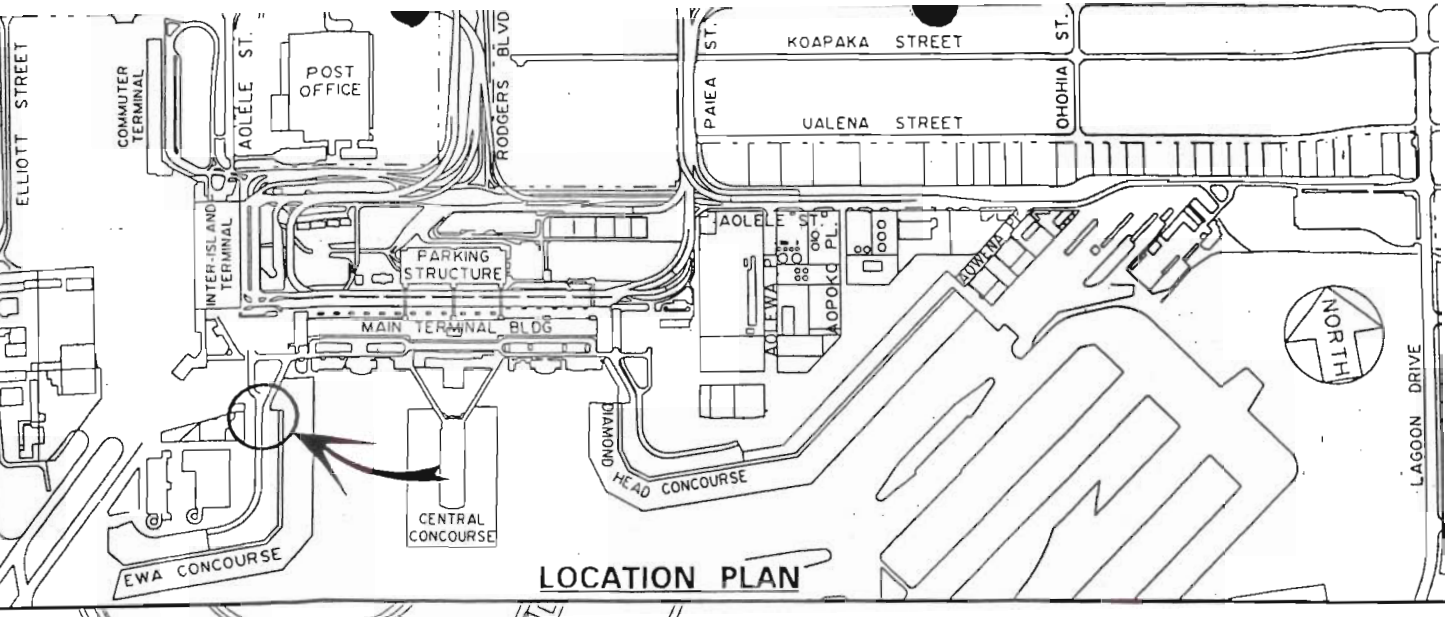
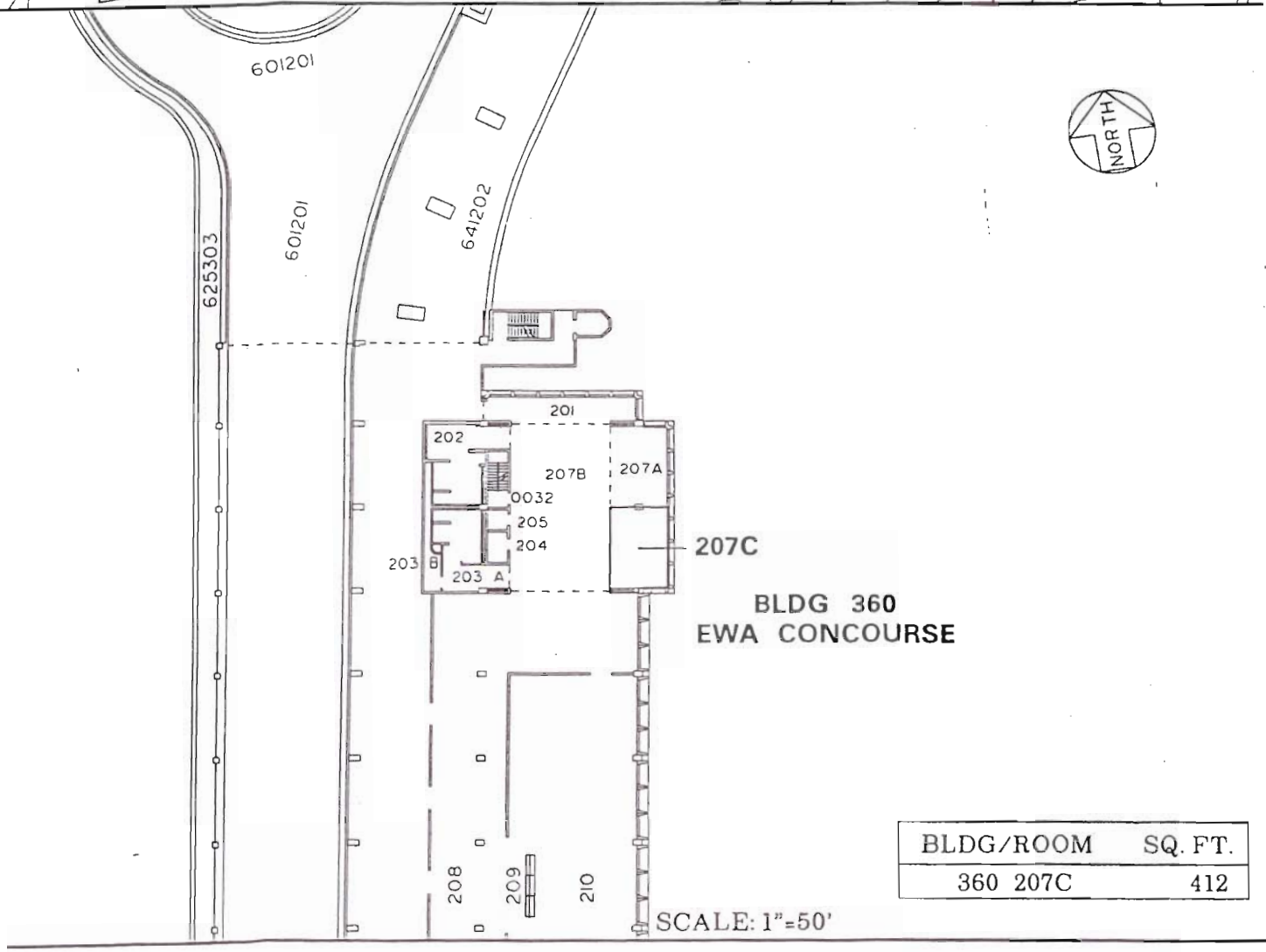
HONOLULU INTERNATIONAL AIRPORT




## LOCATION PLAN




**BLDG 360**
**EWA CONCOURSE**

| BLDG/ROOM | SQ. FT. |
|---|---|
| 360 207C | 412 |

SCALE: 1"=50'

DATE: OCTOBER, 2000 EXHIBIT: O

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|---|---|---|---|
| Airports Division | RETAIL CONCESSION | BLDG 360 EWA CONCOURSE SECOND LEVEL | 360207C PLAT F2 |

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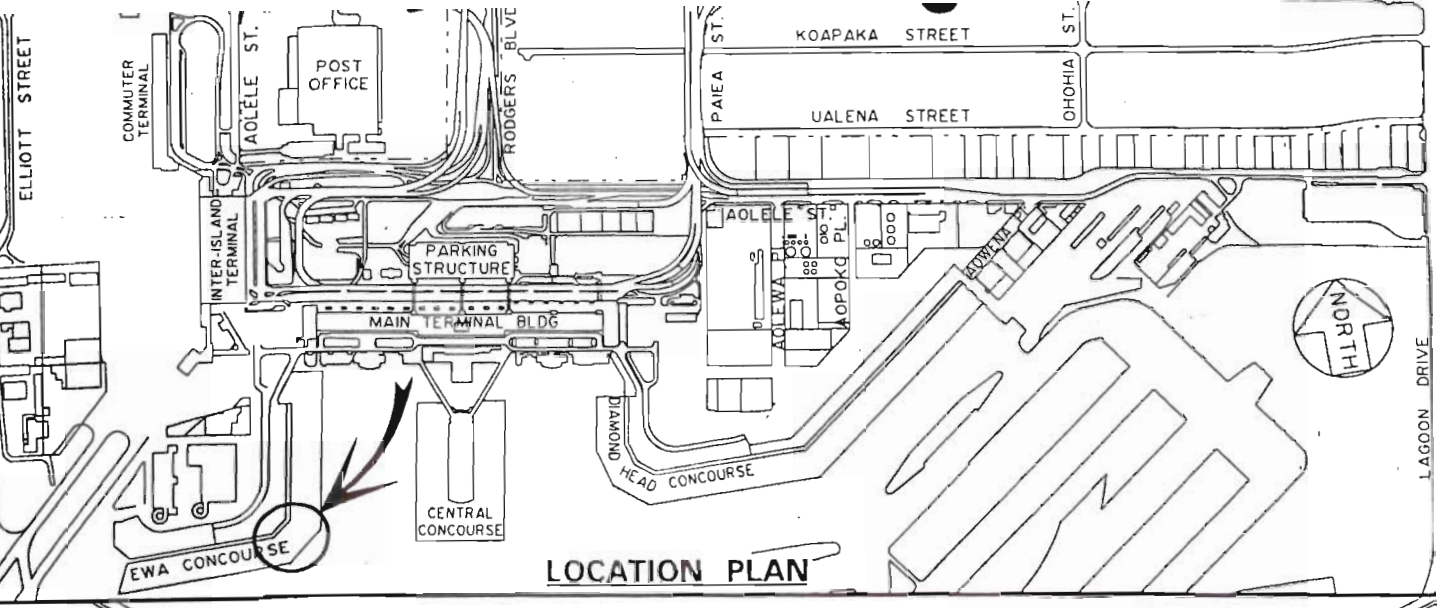
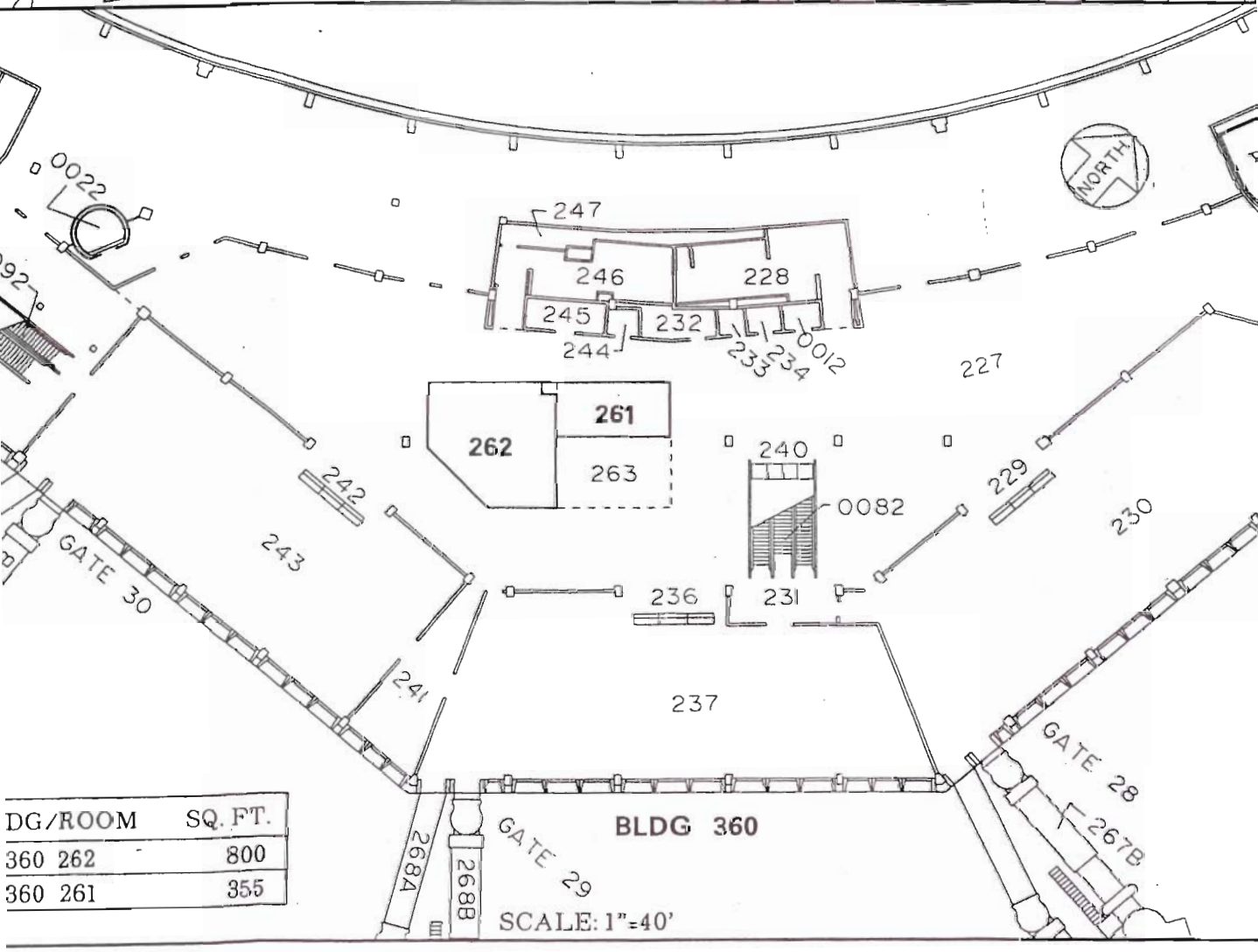
**HONOLULU INTERNATIONAL AIRPORT**




LOCATION PLAN




| DG/ROOM | SQ. FT. |
|---|---|
| 360 262 | 800 |
| 360 261 | 355 |

DATE: OCTOBER, 2000 EXHIBIT: P

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|---|---|---|---|
| Airports Division | RETAIL CONCESSION | BLDG 360 EWA CONCOURSE SECOND LEVEL | 360262 PLAT F |

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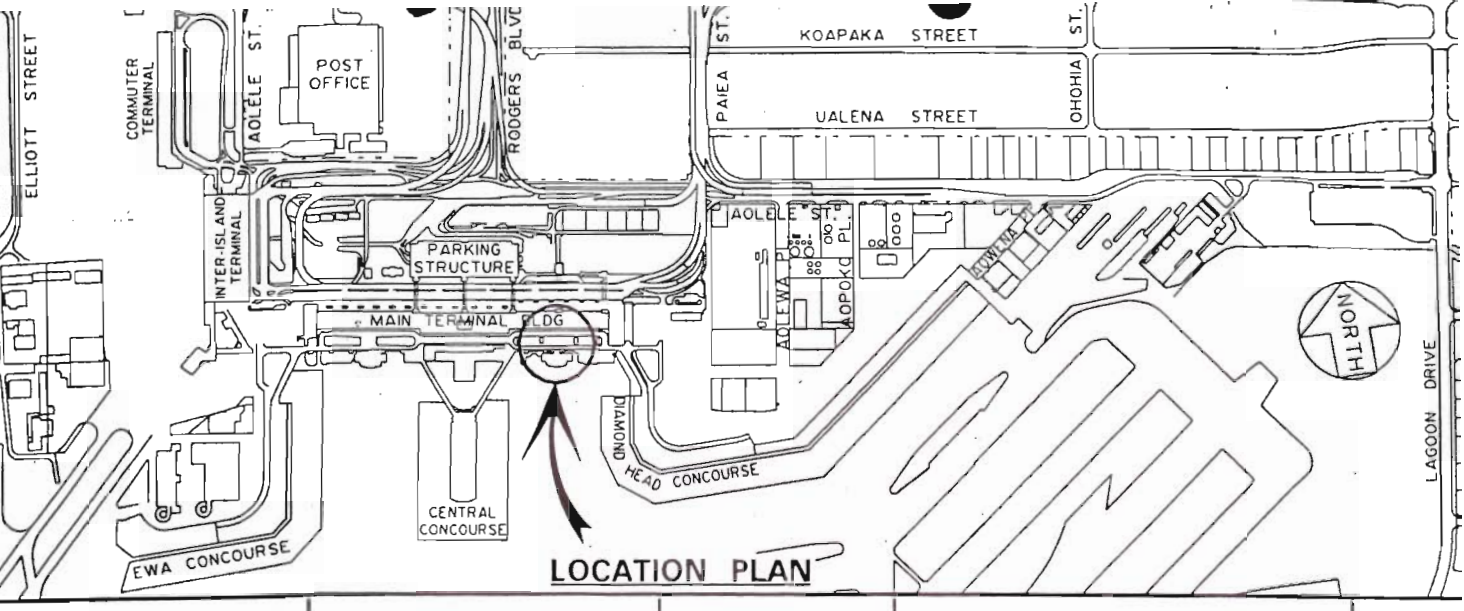
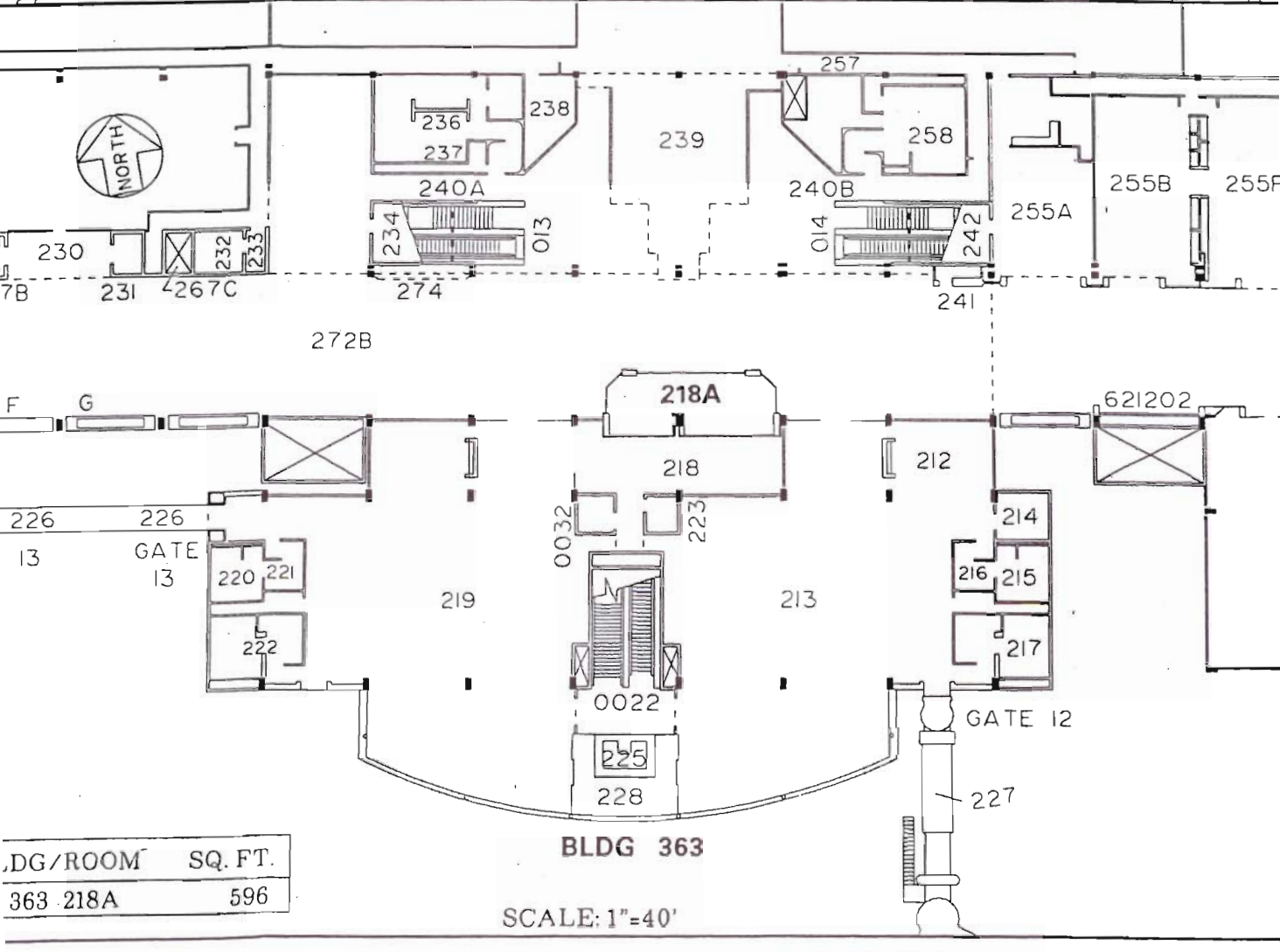
HONOLULU INTERNATIONAL AIRPORT




## LOCATION PLAN




BLDG 363

| BLDG/ROOM | SQ. FT. |
|---|---|
| 363 218A | 596 |

SCALE: 1"=40'

DATE: OCTOBER, 2000 EXHIBIT: **Q**

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|---|---|---|---|
| Airports Division | RETAIL CONCESSION | BLDG 363 D.H. CONNECTING LINK SECOND LEVEL | 363218A PLAT M2 |

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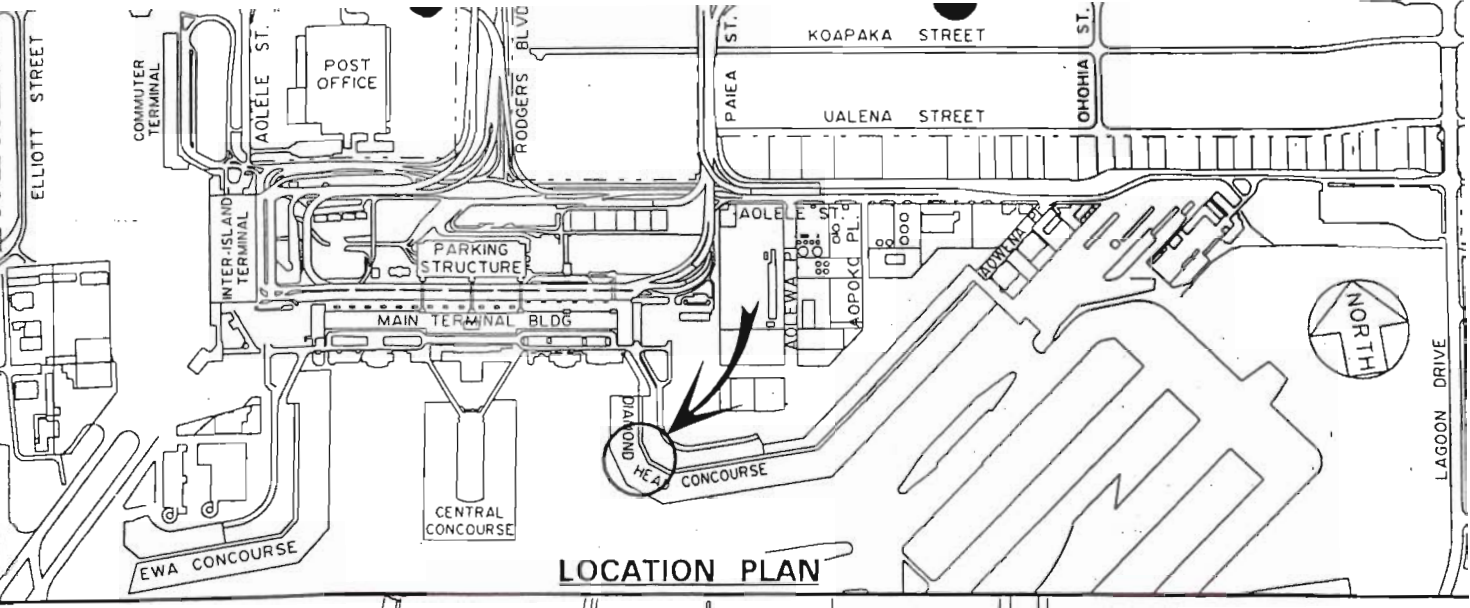
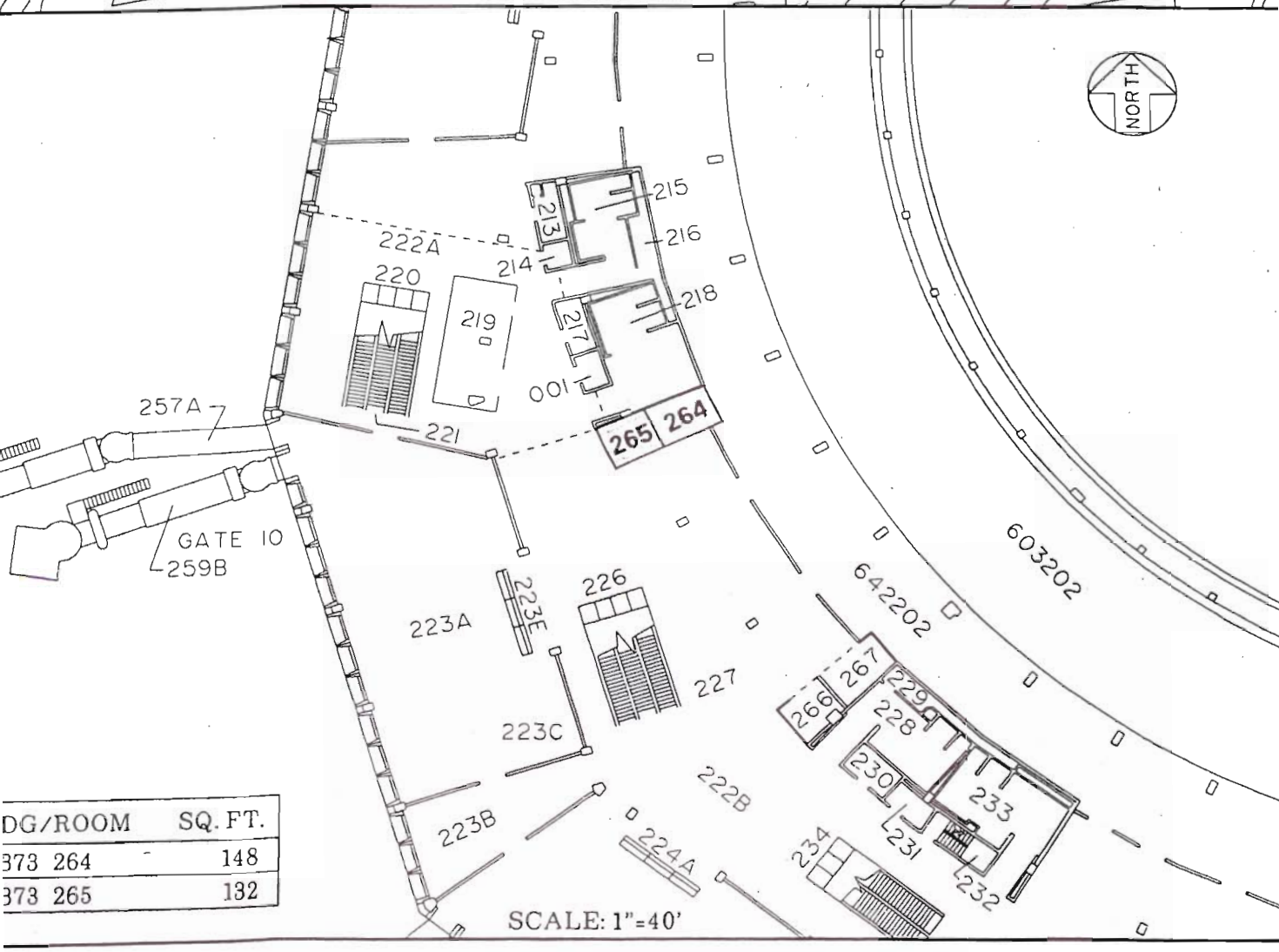
HONOLULU INTERNATIONAL AIRPORT




LOCATION PLAN




| DG/ROOM | SQ. FT. |
|---|---|
| 373 264 | 148 |
| 373 265 | 132 |

DATE: OCTOBER, 2000 EXHIBIT: **R**

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|---|---|---|---|
| Airports Division | RETAIL CONCESSION | BLDG 373 D.H. CONCOURSE SECOND LEVEL | 373264 373265 PLAT M2 |

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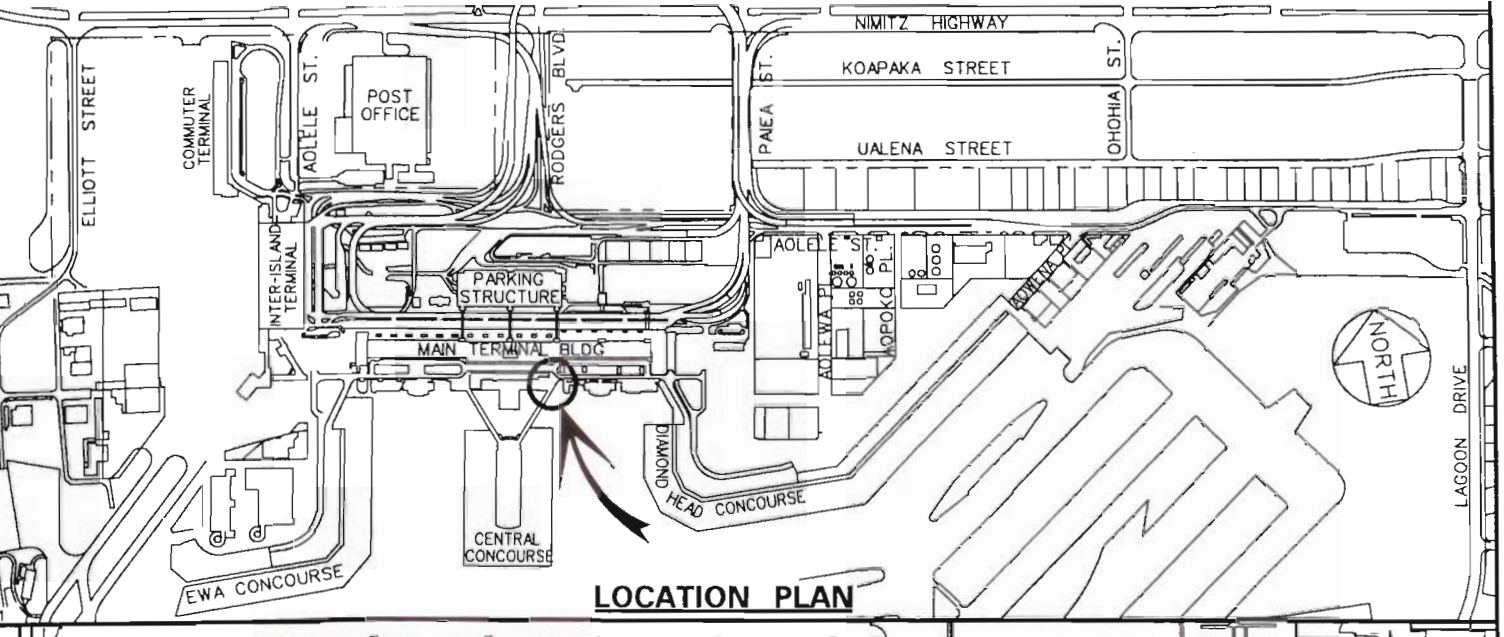
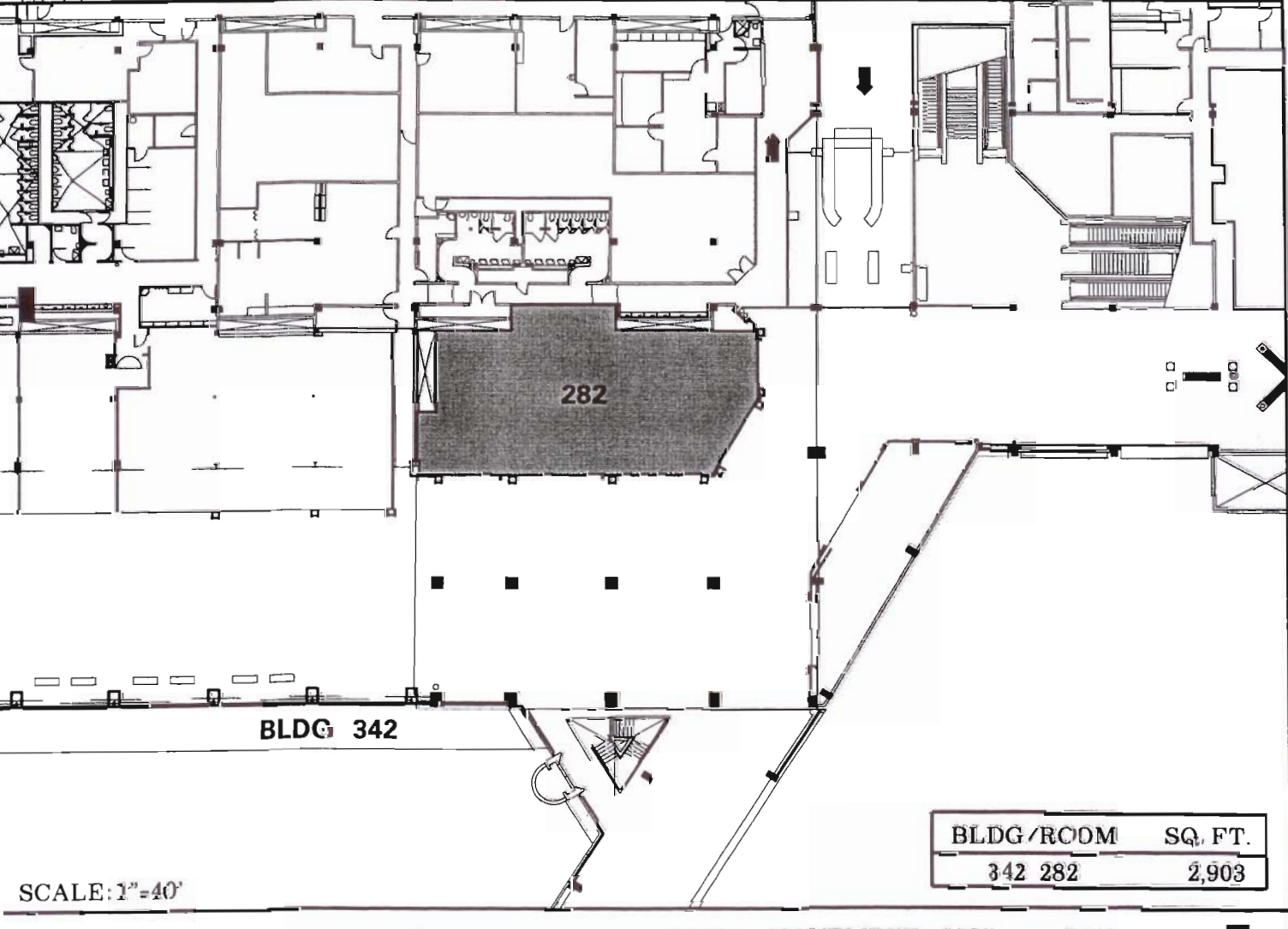
HONOLULU INTERNATIONAL AIRPORT




LOCATION PLAN




| BLDG/ROOM | SQ. FT. |
|---|---|
| 342 282 | 2,903 |

SCALE: 1"=40'

DATE: NOVEMBER 2005 EXHIBIT: T

| | | | |
|---|---|---|---|
| Airports Division | RETAIL CONCESSION | BLDG 342<br>WAITING LOBBY<br>SECOND LEVEL | 342282<br>PLAT A2 |

HONOLULU INTERNATIONAL AIRPORT

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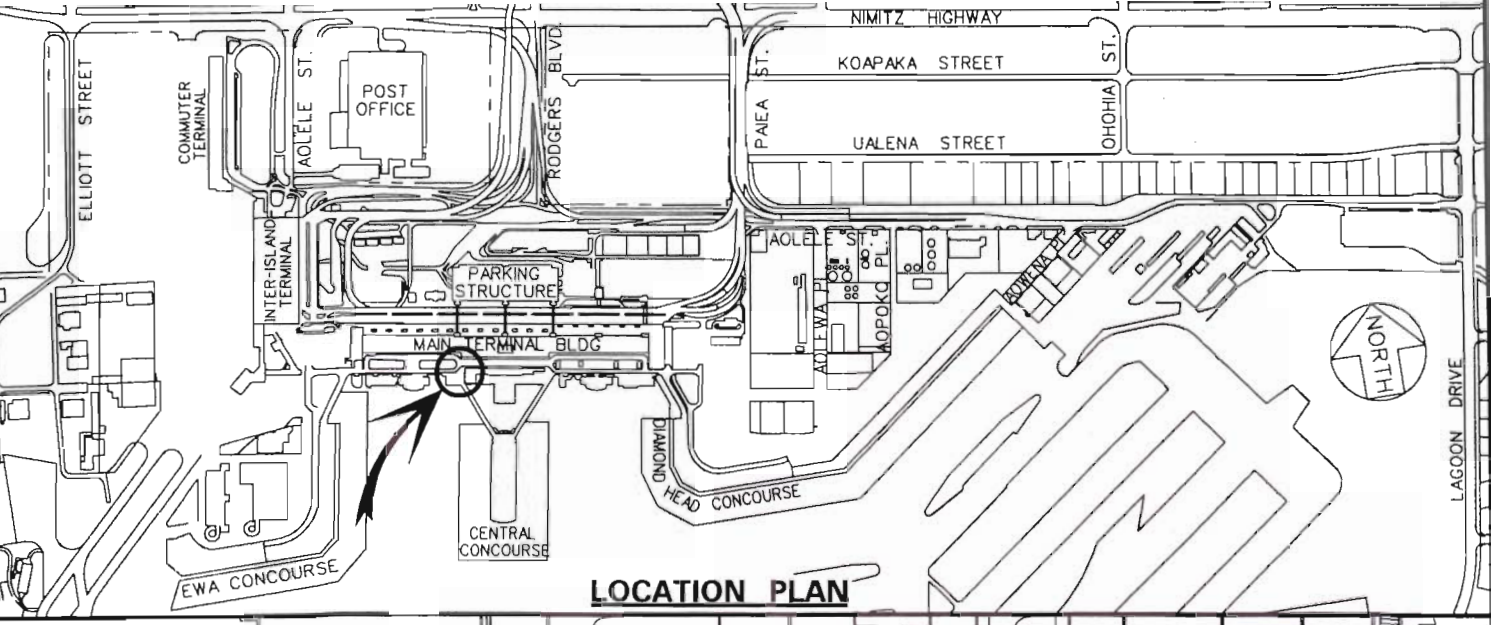
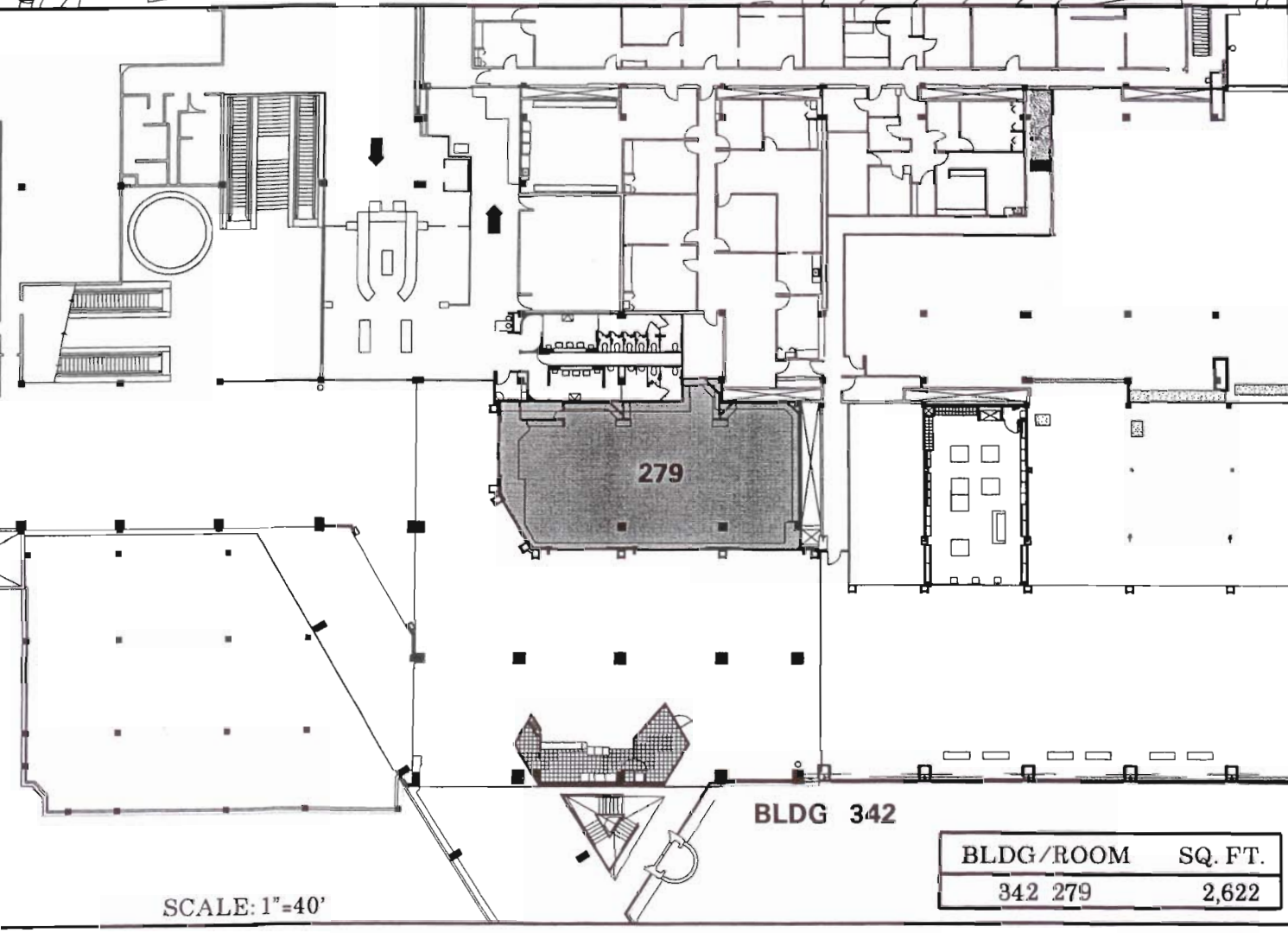



## LOCATION PLAN




| BLDG/ROOM | SQ. FT. |
|---|---|
| 342 279 | 2,622 |

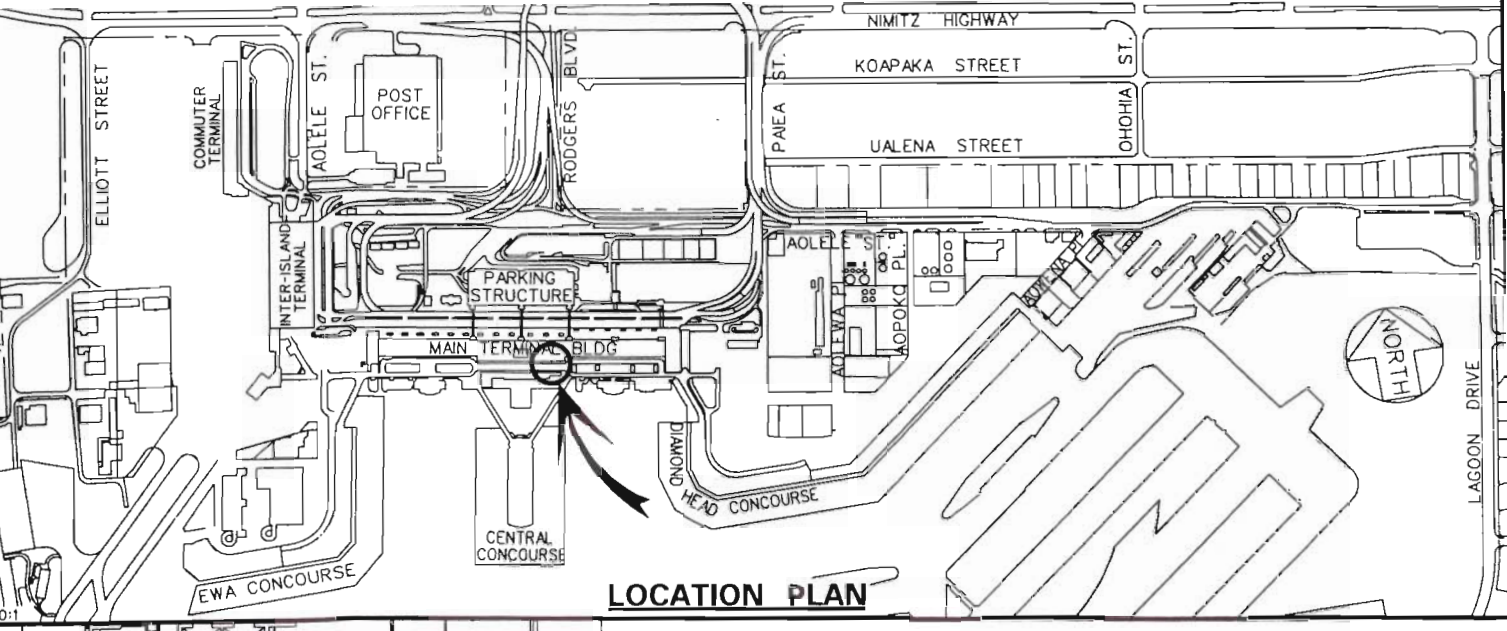
SCALE: 1"=40'

DATE: SEPTEMBER 2005 EXHIBIT: U

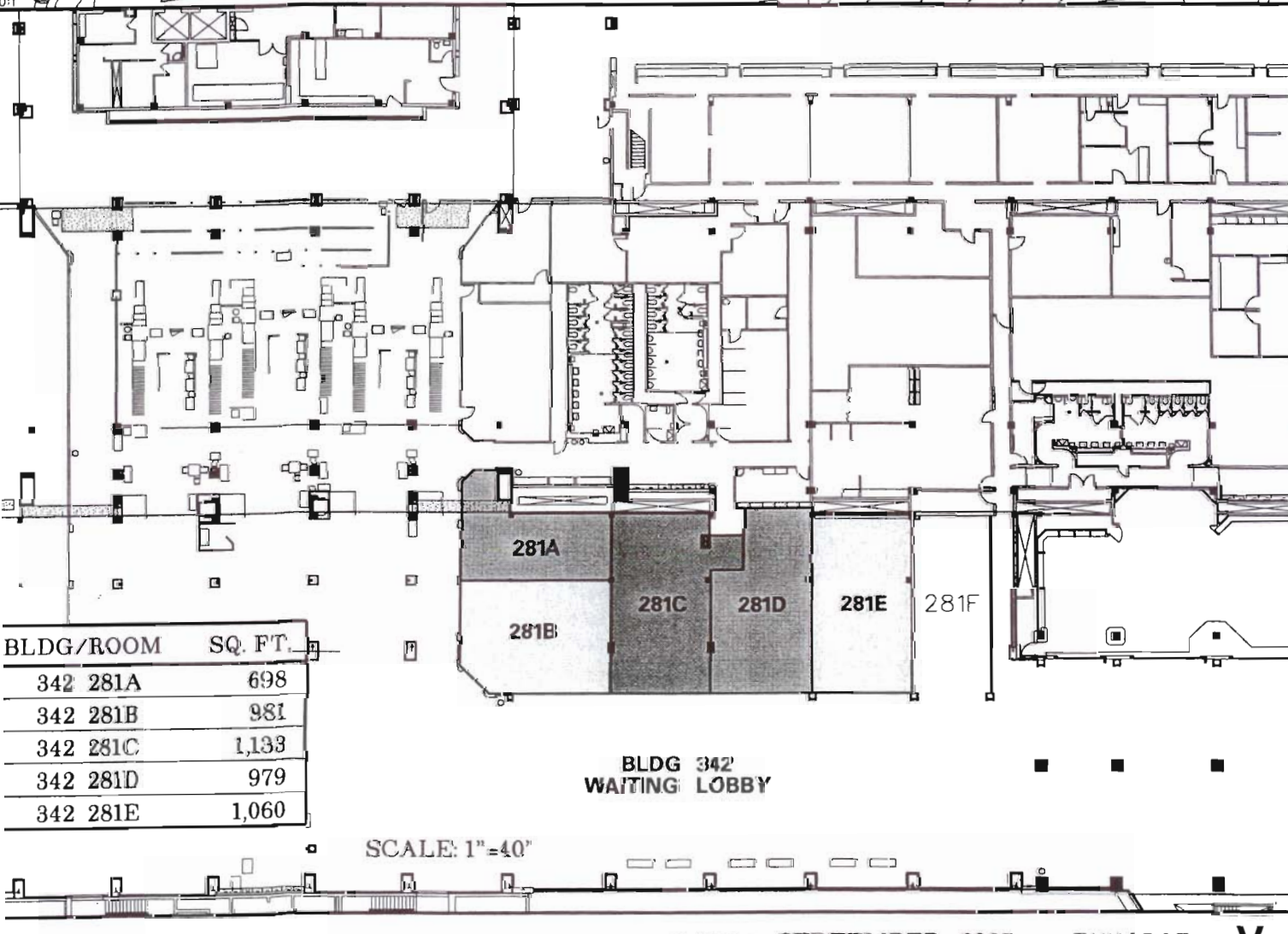
| | | | |
|---|---|---|---|
| Airports Division | RETAIL CONCESSION | BLDG 342<br>WAITING LOBBY<br>SECOND LEVEL | 342279<br>PLAT A2 |

\d2112640\oahu_cad\hnl projects
pm\ross smith\ 342279.h

HONOLULU INTERNATIONAL AIRPORT




## LOCATION PLAN



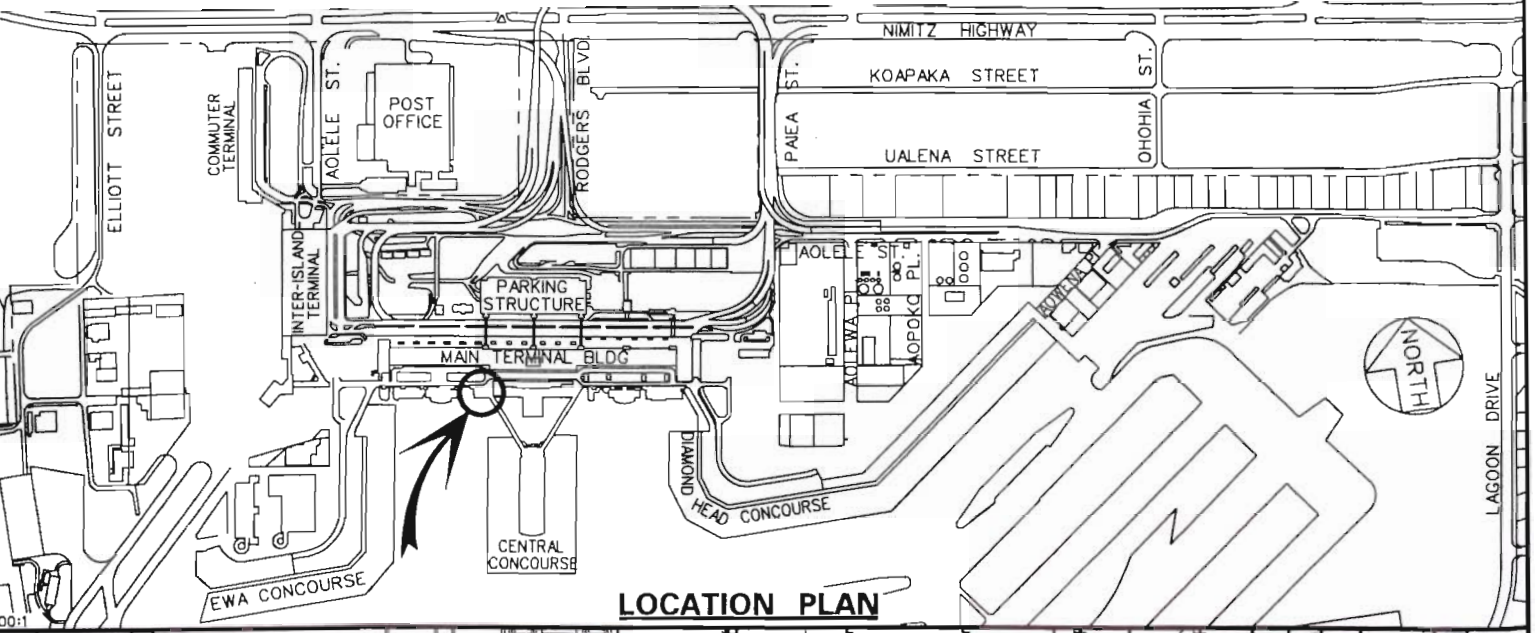

| BLDG/ROOM | SQ. FT. |
|---|---|
| 342 281A | 698 |
| 342 281B | 981 |
| 342 281C | 1,133 |
| 342 281D | 979 |
| 342 281E | 1,060 |

DATE: SEPTEMBER 2005 EXHIBIT: **V**

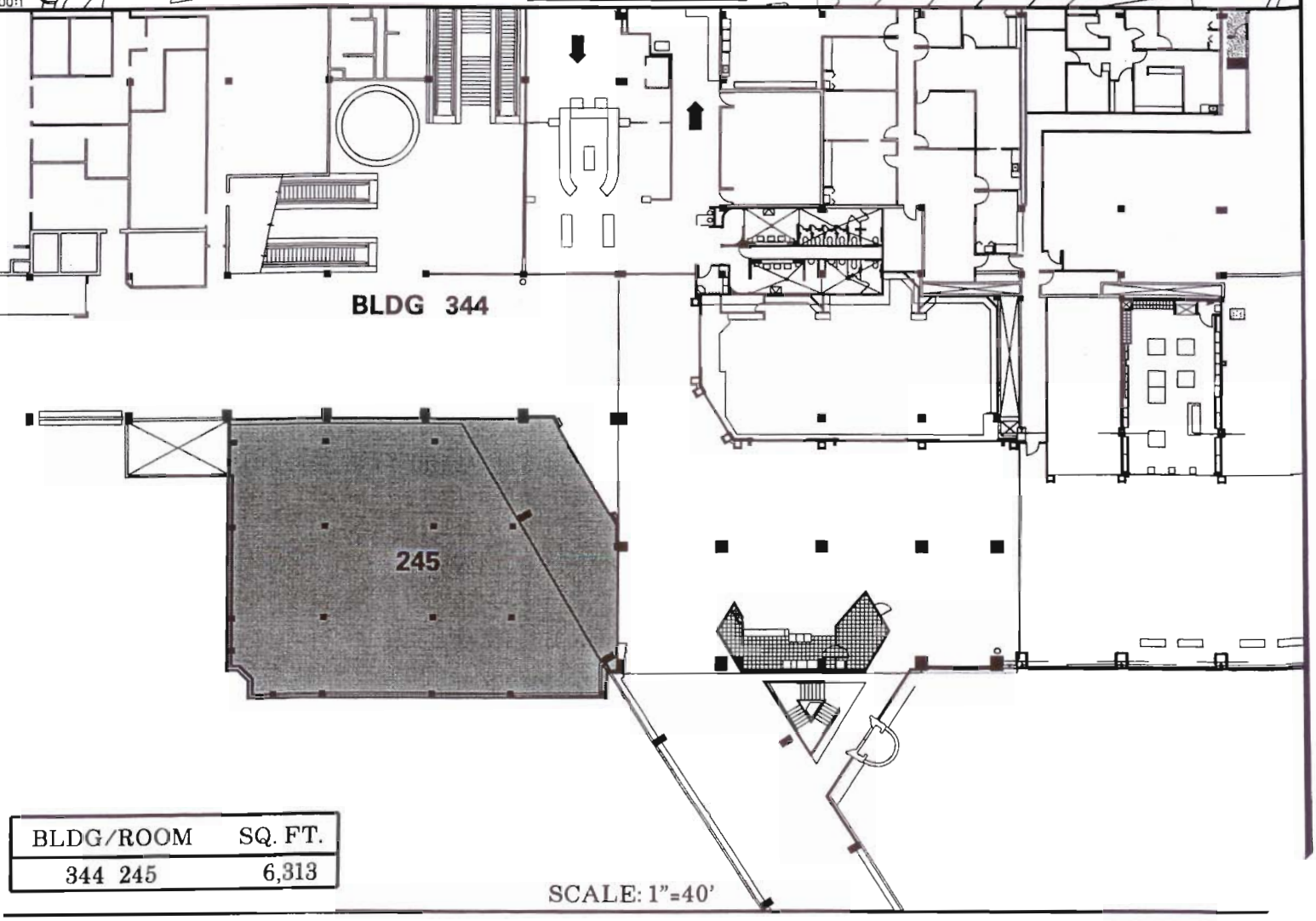
| | | | |
|---|---|---|---|
| Airports Division | RETAIL CONCESSION | BLDG 342<br>WAITING LOBBY<br>SECOND LEVEL | 342281A - 342281E<br>PLAT A2 |

\d2\12640\oahu_cad\hnl project pm\ross smith\ost lv2 exhibit 0905.d

**HONOLULU INTERNATIONAL AIRPORT**




## LOCATION PLAN




| BLDG/ROOM | SQ. FT. |
|---|---|
| 344 245 | 6,313 |

SCALE: 1"=40'

DATE: MAY 2005

EXHIBIT: W

| | | | |
|---|---|---|---|
| Airports Division | RETAIL CONCESSION | BLDG 344<br>EWA DOMESTIC EXT<br>SECOND LEVEL | 3442<br>PL |

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**HONOLULU INTERNATIONAL AIRPORT**