



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

KAUAI

Consent to Assign Harbor Lease No. H-01-08, Equilon Enterprises, LLC, Assignor, to Aloha Petroleum, Ltd., Assignee, Nawiliwili Harbor, Lihue, Island of Kauai, Tax Map Key: 4th/3-2-04:17 and 40.

APPLICANT:

Equilon Enterprises, LLC, as Assignor, to Aloha Petroleum, Ltd., a Hawaii Corporation, whose business and mailing address is 1132 Bishop Street, Suite 1700, Honolulu, Hawaii 96813, as Assignee.

LEGAL REFERENCE:

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

LOCATION AND AREA:

Nawiliwili Harbor, Lihue, Island of Kauai, identified by Tax Map Key: 4th/3-2-04:17 and 40, consisting of approximately 54,153 square feet of fast land and a five (5)-foot wide non-exclusive subsurface pipeline easement consisting of an area of 1,410 square feet, as shown on the attached map labeled Exhibit A.

TRUST LAND STATUS:

Section 5(a) lands of the Hawaii Admission Act.

CHARACTER OF USE:

Construction, installation, operation, use, maintenance and repair of improvement for a petroleum bulk storage and distribution facility.

TERM OF LEASE:

35 years, commencing on January 1, 2002 and expiring on December 31, 2036. The last automatic rental step-up was January 1, 2007 and the next automatic rental step-up is scheduled for January 1, 2012.

ANNUAL RENTAL:

\$84,730.00

CONSIDERATION:

None

RECOMMENDED PREMIUM:

Not applicable as this assignment/transaction is merely a transfer of the entire lease interest and value of assets to the Assignee.

DCCA VERIFICATION:

ASSIGNOR:

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

ASSIGNEE:

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:

By letter dated May 17, 2010, Sheila Mitchell, Agent for Equilon Enterprises, LLC, requested consent to assignment of all of its rights and interests granted by Harbor Lease No. H-01-08 to Aloha Petroleum, Ltd. Aloha Petroleum will pay no consideration for the assignment of the lease.

Harbors has been informed that there is no consideration for the assignment since it is part of the sale of all Equilon Enterprises, LLC's assets in the State of Hawaii to Aloha Petroleum, Ltd., therefore, no premium is due to the Department of Transportation.

Staff has reviewed its files and report that Equilon Enterprises, LLC, Assignor, is in compliance with all lease terms and conditions. Insurance is current with expiration for January 1, 2011.

Aloha Petroleum, Ltd., Assignee, has not had a lease, permit, easement or other disposition of State lands terminated within the last five years due to non-compliance with such terms and conditions.

RECOMMENDATION:

That the Board consent to the assignment of Harbor Lease No. H-01-08 from Equilon Enterprises, LLC, as Assignor, to Aloha Petroleum, Ltd., as Assignee, subject to the following:

1. The standard terms and conditions of the most current consent to assignment form, as may be amended from time to time;
2. Review and approval by the Department of the Attorney General.

Respectfully Submitted,



MICHAEL D. FORMBY
Interim Director of Transportation

Attachment

APPROVED FOR SUBMITTAL:



LAURA H. THIELEN
Chairperson and Member

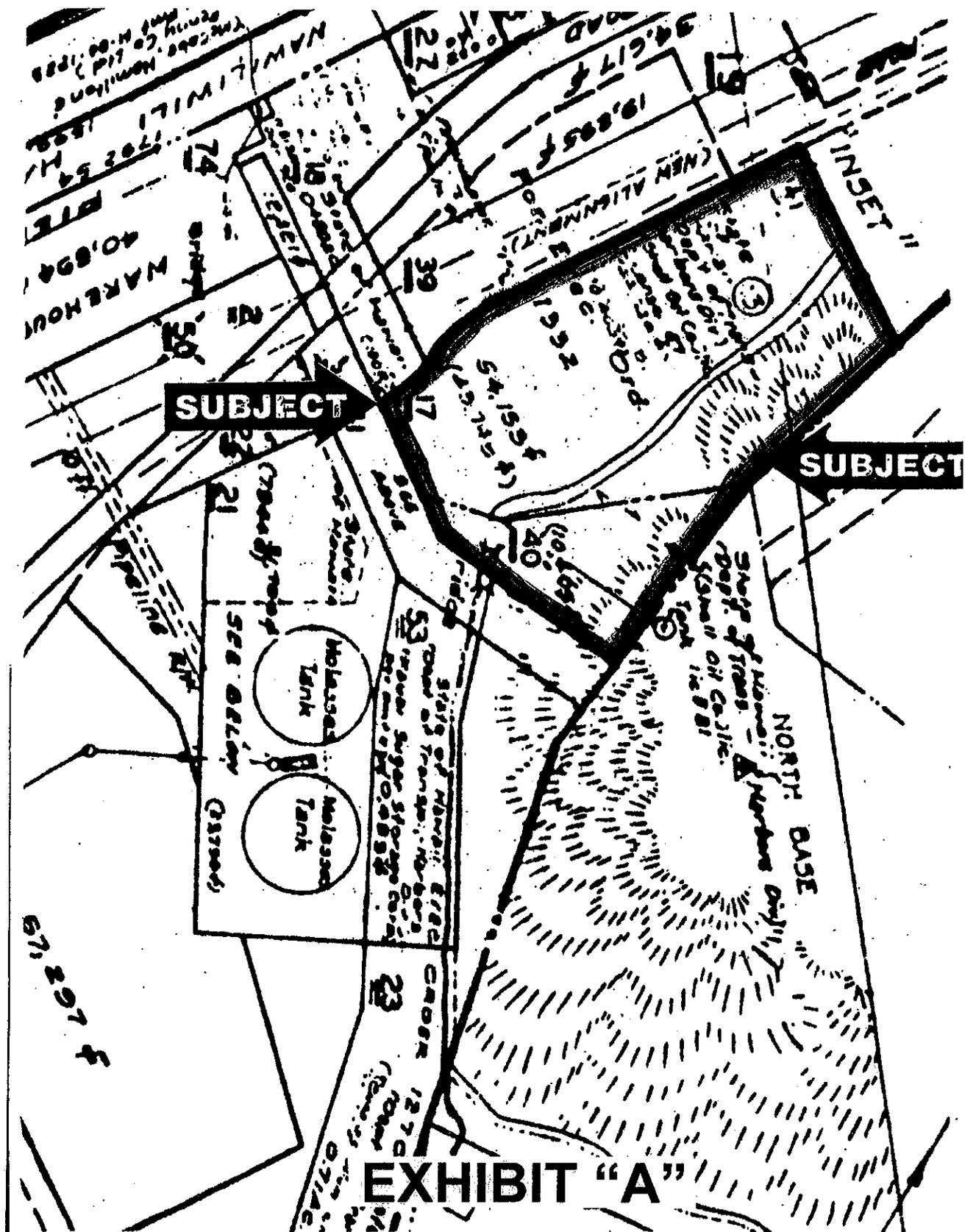
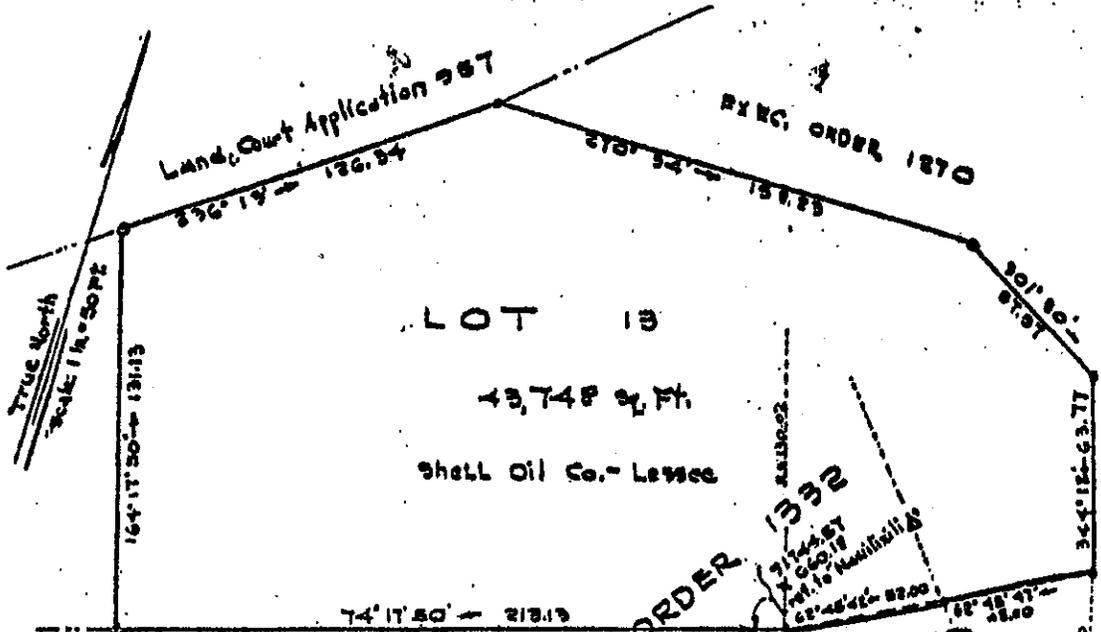
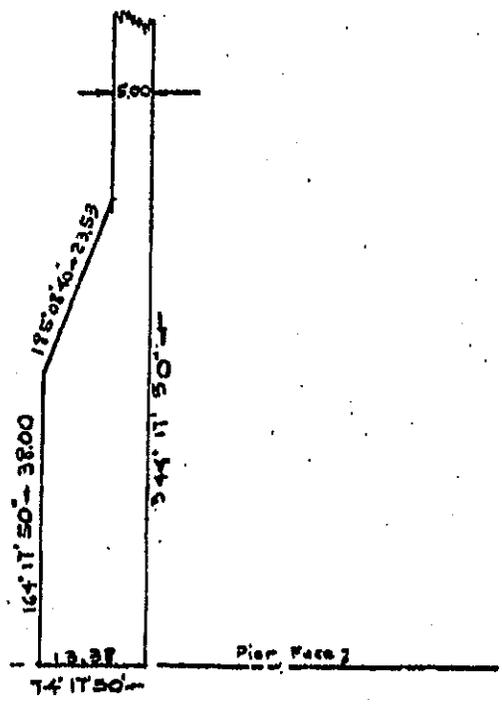
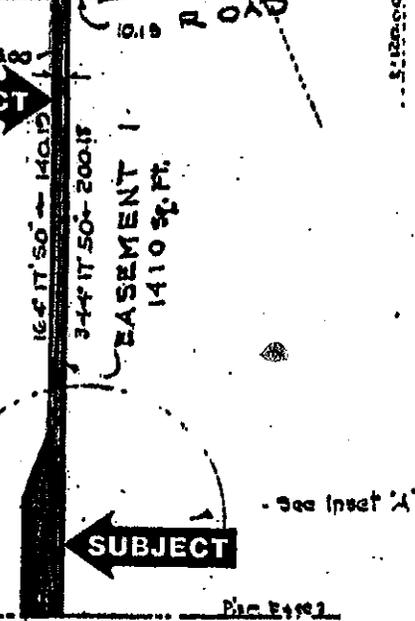


EXHIBIT "A"



POR. OF EXECUTIVE ORDER 1332
 SUBJECT



INSET 'A'
 Scale: 1" = 20'

MAP SHOWING
 EASEMENT I
 ACROSS
 POR. OF EXECUTIVE ORDER 1332
 SITUATED AT
 NAWILIWILI, LIHUE,
 KAUAI, HAWAII
 Scale: 1 inch = 50 Feet.

Registered Professional
 Certificate No. 210-199.
 Lihue, Hawaii
 July 3, 1970



EXHIBIT "A"