AMENDMENT NO. 1 TO CONCESSION AGREEMENT NO. DOT-A-15-0019
FOR THE ADDITION OF MASSAGE CHAIRS AT HILO INTERNATIONAL
AIRPORT, KAHULUI AIRPORT AND LĪHU‘E AIRPORT
TAX MAP KEY: (3) 2-1-12: PORTION OF 9
TAX MAP KEY: (2) 3-8-01: PORTION OF 19
TAX MAP KEY: (4) 3-5-01: PORTION OF 8

PURPOSE:

To amend the existing Statewide Vended Massage Chairs Concession Agreement No. DOT-A-15-0019 for the addition of massage chairs at Hilo International Airport, Kahului Airport, and Līhu‘e Airport.

LEGAL REFERENCE:

Chapter 102 and Section 261-7, Hawai‘i Revised Statutes, as amended.

APPLICANT:

Smarte Carte, Inc., whose business address is 4455 White Bear Parkway, St. Paul, Minnesota 55110-7641.

LOCATION AND TAX MAP KEY:

Hilo International Airport
Kahului Airport
Līhu‘e Airport

3rd Division – 2-1-12: Portion of 9
2nd Division – 3-8-01: Portion of 19
4th Division – 3-5-01: Portion of 8

ZONING:

Hilo International Airport
Kahului Airport
Līhu‘e Airport

Land Use: Urban/County: Industrial (ML20)
Land Use: Urban/County: Airport
Land Use: Urban/County: Industrial (IG-STP)
LAND STATUS:

<table>
<thead>
<tr>
<th>Location</th>
<th>Section</th>
<th>Remarks</th>
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<tbody>
<tr>
<td>Hilo</td>
<td>5(b)</td>
<td>Ceded, Hawai‘i Admissions Act DHHL 30% entitlement lands Yes <em>X</em> No</td>
</tr>
<tr>
<td>Kahului</td>
<td>5(a)</td>
<td>Non-Ceded, Hawai‘i Admissions Act DHHL 30% entitlement lands Yes <em>X</em> No</td>
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<tr>
<td>Līhu‘e</td>
<td>5(a)</td>
<td>Non-Ceded, Hawai‘i Admissions Act DHHL 30% entitlement lands Yes <em>X</em> No</td>
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</table>

TERM:

The term of the existing Concession Agreement expires on October 31, 2020.

RENTAL:

All gross receipts generated for the additional massage chairs will be included with the gross receipts of the Concession. Currently, Smarte Carte’s concession fee is the greater of the minimum annual guaranteed fee of $24,000.00 or 17.5% of its gross receipts.

DCCA VERIFICATION:

<table>
<thead>
<tr>
<th>Verification</th>
<th>YES <em>X</em></th>
<th>NO</th>
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<tr>
<td>Place of business registration</td>
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</tr>
<tr>
<td>Registered business name confirmed</td>
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<td></td>
</tr>
<tr>
<td>Good standing confirmed</td>
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CHAPTER 343, HRS - ENVIRONMENTAL ASSESSMENT:

Pursuant to Section 11-200-8(a), Environmental Impact Statement Rules of the Department of Health, State of Hawai‘i, this disposition is exempt from requirements regarding preparation of an environmental assessment, negative declaration, or environmental impact statement as required by Chapter 343, Hawai‘i Revised Statutes, as amended, relating to Environmental Impact Statements because the proposed action falls within Exemption Class #1, Comprehensive Exemption List for the State of Hawai‘i, Department of Transportation, amended November 15, 2000, as approved by the Environmental Quality Council. Exemption Class #1 covers operations, repairs, or maintenance of existing structures, facilities, equipment, or topographical features involving negligible or no expansion or change of use beyond that previously existing.
BLNR – AMENDMENT NO. 1 TO CONCESSION LEASE NO. DOT-A-15-0019 FOR THE
ADDITION OF MASSAGE CHAIRS AT HILO INTERNATIONAL AIRPORT, KAHULUI
AIRPORT AND LĪHU‘E AIRPORT, SMARTÉ CARTE, INC.
Page 3

The DOTA consulted with the U.S. Federal Aviation Administration as to the
appropriateness of the citation of the Environmental Exemption Class from the
Comprehensive list for the Department of Transportation dated November 15, 2000.
The FAA concurred on the appropriateness.

REMARKS:

The massage chairs are located at various locations at the airports passenger terminal
buildings. Massage chairs are increasingly in demand for its circulation, flexibility and
relaxation benefits. Significantly, the additional massage chairs are integral to Smarte
Carte’s revenue stream.

RECOMMENDATION:

That the Board approve the Department of Transportation to amend the existing
Concession Agreement No. DOT-A-15-0019, subject to: 1) terms and conditions herein
outlined, which are by reference incorporated herein; 2) 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 approval by the Department of the Attorney General.

Respectfully submitted,

JADE T. BUTAY
Director of Transportation

APPROVED FOR SUBMITTAL:

SUZANNE D. CASE
Chairperson and Member