STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Land Division
Honolulu, Hawaii 96813

November 10, 2016

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

PSF No.: 15MD-199
Maui

Approve Negotiated Development Agreement for Extension of General Lease No. S-4212, Ruby & Sons Hospitality, LLC, Lessee, Kamaole, South Kihei, Maui, Tax Map Key: (2) 3-9-004:029.

BACKGROUND:

At its meeting of December 11, 2015, under agenda Item D-8, the Board of Land and Natural Resources approved Lessee Ruby & Sons Hospitality, LLC’s development proposal to make substantial improvements to the hotel premises under General Lease No. S-4212 pursuant to Act 219, Session Laws of Hawaii 2011 (Act 219). Lessee’s proposed improvements include the installation of a photo-voltaic system and related electrical upgrades, improvements to guest rooms, lobby, roof and landscaping at a cost of not less than $1,461,950. The Board approved a 37-year extension of General Lease No. S-4212 for an aggregate term of 55 years expiring on September 3, 2070, approved the essential terms of the development agreement, and directed Lessee to return to the Board within one year with a formal, written development agreement for the improvements and lease extension. A copy of the approved Board action is attached as Exhibit 1.

REMARKS:

In accordance with the Board’s directive, staff now returns to the Board for approval of the formal, written Development Agreement for Ruby & Sons Hospitality, LLC, a copy of which is attached as Exhibit 2. Consistent with the prior Board action, the Development Agreement requires Lessee to make substantial improvements to the existing facilities on the lease premises worth at least $1,461,950. Attached as Exhibit B-1 to the Development Agreement is the development proposal Lessee submitted to the Board on December 11, 2015, and attached as Exhibit B-2 to the Development Agreement is the elaboration of Lessee’s development proposal received in September 2016. Under the proposed Development Agreement, Lessee has 36 months from the
execution of the Development Agreement to complete its substantial improvements, estimated to cost $1,768,470.29. The Development Agreement additionally requires Lessee to post a construction bond in the full amount of the improvements it makes, but not less than $1,461,950.

If the Board approves the Development Agreement, staff will procure an independent appraisal report and the newly determined rent will be incorporated into the extended, amended and restated General Lease No. S-4212 (the EAR Lease). The effective date of the EAR Lease will be the date of the prior Board approval, December 11, 2015, which will also be the date of valuation for purposes of the independent appraisal report. To facilitate fiscal management of the lease, rental reopenings in subsequent years will revert to September 4, so that the reopening schedule will be as follows:

- December 11, 2015
- September 4, 2025
- September 4, 2035
- September 4, 2045
- September 4, 2055
- September 4, 2065

As explained in the staff submittal of December 11, 2015, Item D-8, Act 219 expired on December 31, 2015. However, after consultation with the Department of the Attorney General, staff understands that any lease extension that the Board approved prior to the expiration of the act can be processed to completion.

**RECOMMENDATION:**

That the Board:

1. Approve the Development Agreement for Ruby & Sons Hospitality, LLC substantially in the form of Exhibit 2 attached hereto, under the terms and conditions cited above, which are by this reference incorporated herein and further subject to the following:

   a. Review and approval by the Department of the Attorney General; and

   b. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,

Kevin E. Moore
Assistant Administrator
APPROVED FOR SUBMITTAL:

Suzanne D. Case, Chairperson
Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii

State of Hawaii
Honolulu, Hawaii Maui

Approve Essential Terms and Conditions of Development Agreement, and Proposed Plans and Specifications for Improvements for General Lease No. S-4212, Ruby & Sons Hospitality, LLC, Lessee; Authorize Extension, Amendment and Restatement of General Lease No. S-4212, Ruby & Sons Hospitality, LLC, Lessee, for an Aggregate Term of 55 Years, Kamaole, South Kihei, Maui, Tax Map Key: (2) 3-9-004:029.

APPLICANT:
Ruby and Sons Hospitality, LLC, a California limited liability company.

PROPOSAL:
Lesse propose to make "substantial improvements" to the subject lease premises worth approximately $1,461,950 pursuant to Act 219 Session Laws of Hawaii Regular Session of 2011 (SLH 2011) within 36 months of Board approval in exchange for a 37-year extension of the lease.

LEGAL REFERENCE:
Sections 171-36(b), Hawaii Revised Statutes, as amended, and Act 219 SLH 2011.

LOCATION:
Portion of Government lands of Kamaole situated at 2980, S. Kihei Road, Maui, Hawaii, identified by Tax Map Key: (2) 3-9-004:029, as shown on the attached map labeled Exhibit A.

AREA:
1.119 acres, more or less.

APPROVED BY THE BOARD OF LAND AND NATURAL RESOURCES AT ITS MEETING HELD ON:
December 11, 2015

EXHIBIT 1
TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act

DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: YES ___ NO ___

CHARACTER OF USE:

Solely for apartment-motel cottages and accessory uses. Accessory uses shall include a restaurant-bar and other service facilities.

TERM OF LEASE:

Original term of 65 years, commencing on September 04, 1968, and expiring on September 03, 2033.

TERM OF LEASE EXTENSION:

Applicant requests a 37-year extension to GL S-4212 for an aggregate term of 55 years (18 years remaining on lease plus 37 years extension) commencing on September 04, 2033 and expiring on September 03, 2070.

ANNUAL RENTAL:

Current rent is $208,000, due in semi-annual installments of $104,000 on March 04 and September 04 of each year.

RENTAL REOPENINGS:

Reopening in the original term was at the end of the 20th, 35th, 45th and 55th years of the term. The last rental reopening occurred on September 04, 2013.

DCCA VERIFICATION:

Place of business registration confirmed: YES ___ NO ___
Registered business name confirmed: YES ___ NO ___
Applicant in good standing confirmed: YES ___ NO ___

HRS CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

In accordance with the Exemption List for the Department of Land and Natural Resources, approved by the Environmental Council on June 5, 2015, the subject request is exempt from the preparation of an environmental assessment pursuant to Exemption Class 1, "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.” See Exhibit C attached.

APPLICANT REQUIREMENTS:

Lessee shall:

1. Comply with requirements of Act 219 SLH 2011;

2. Pay for an appraisal to determine the minimum revised annual rent based on the fair market value of the lands to be developed, as determined by an appraiser for the Board, with such determination to address, as applicable, the percentage rent where gross receipts exceed a specified amount pursuant to Act 219;

3. Execute a formal, written development agreement and proceed with its proposed plans and specifications for improvements in connection with the extension of the lease term of GL S-4212 pursuant to Act 219 by December 10, 2016; and

4. Negotiate and execute the extended, amended and restated lease for the premises.

REMARKS:

In 1968 the subject premises were leased to Walter Witte and John Fagan under General Lease No. S-4212. In 1990, the Board of Land and Natural Resources consented to the assignment of the lease from Walter Witte and John Fagan, assignor, to Towa Shinyo Maui, Inc., assignee. In 2000, the Board consented to the assignment of the lease from Towa Shinyo Maui, Inc., assignor, to Western Apartment Supply and Maintenance Co., assignee. In 2007, the Board consented to a mortgage by Western Apartment Supply and Maintenance Co., as mortgagor, in favor of La Jolla Bank, as mortgagee, encumbering the subject premises.

In 2012, the lease was foreclosed on by the United States Bankruptcy Court and sold via public auction to USA Tainren Hotel Management, Inc. and Xiaoying Wang, doing business as Ruby & Sons Hospitality, LLC in the State of Hawaii, for $7.5 million dollars.

The subject site contains a gross land area of 1.119 acres and is comprised of a roughly rectangular shaped parcel of land that has generally level topography with the west boundary fronting along the ocean and a white sand beach. The property is currently utilized as a Days Inn and is improved with two, two-story wood frame motel structures with 187 rooms and a one-story masonry restaurant building, all constructed in 1974. The remainder of
the site is either landscaped or paved in concrete or asphalt and utilized as open sidewalk, parking or driveway areas.

GL S-4212 terminates in 2033. With 18 years remaining on the lease, the aging hotel is in need of significant repair and upgrades. Therefore, the applicant proposes to make "substantial improvements" in exchange for a lease extension pursuant to Act 219. Under Act 219, "substantial improvements" means any renovation, rehabilitation, reconstruction or construction of the existing improvements, including minimum requirements for off-site and on-site improvements, the cost of which equals or exceeds fifty per cent (50%) of the market value of the existing improvements that the lessee or the lessee and developer install, construct, and complete by the date of completion of the total development."

Act 219 sunsets on December 31, 2015. Applicant has ordered an appraisal report of the leasehold improvements, but has not yet received the report. The County of Maui Real Property Tax Office records indicate the value of the existing improvements as of 2015 is $2,923,900. Fifty percent of that amount is $1,461,950. Applicant proposes to install a photo-voltaic system and related electrical upgrades, improvements to guest rooms, lobby, roof and landscaping at a cost of not less than $1,461,950, or if the appraised value comes in higher than the tax assessed value of the improvements, the value of the renovations will not be less than 50% of the market value of the existing improvements as determined by appraisal.

The act also stipulates that prior to entering into a development agreement, the lessee shall submit to the Board the plans and specifications for the total development being proposed. The Board shall review the plans and specifications and determine: 1) Whether the development proposed is of sufficient worth and value to justify the extension; 2) The estimated time to complete the improvements and expected date of completion; 3) The minimum revised annual rent based on the fair market value of the lands to be developed, as determined by an appraiser for the Board, and the percentage rent where gross receipts exceed a specified amount.

Applicant is endeavoring to prepare plans and specifications for its hotel upgrade by the time of the Board meeting on December 11, 2015. Assuming that the plans and specifications detail applicant's proposed installation of a photo-voltaic system and related electrical upgrades, improvements to guest rooms, lobby, roof and landscaping at a cost meeting the requirements under Act 219, staff is recommending that the Board approve the lease.

1 Applicant anticipates receiving the completed appraisal report prior to the Board meeting date of December 11, 2015.
extension. In exchange for applicant committing to these upgrades, the Board is requested to authorize an extension of approximately 37 years to the existing lease. Applicant will have 36 months from the execution of the development agreement to complete the improvements. These are the essential terms and conditions of the development agreement. A formal, written development agreement confirming these essential terms and conditions will be prepared and brought back to the Board for approval at a later date.

By letters dated September 12, 2012 and January 24, 2014, the State notified the applicant of existing defaults related to operation and use of the subject premises. Noted defaults included: 1) an unauthorized rock revetment installed by the previous tenant as a result of an episodic shoreline erosion event in the early 1980’s, 2) overgrown vegetation that encroaches onto adjacent shoreline areas, 3) drainage issues related to an exterior beach shower, 4) drainage from the paved parking lot, and 5) drainage from the kitchen and patio areas of the Sarento’s on the Beach restaurant. All of these issues existed prior to the tenure of the existing tenant. The applicant has made recent efforts to rectify ongoing defaults by applying for necessary permits from the State of Hawaii and County of Maui in order to begin construction to resolve 3 of the 5 outstanding defaults noted above. For example, at this time, the applicant is in the process of obtaining approval from the State Department of Health for installation of an underground injection well to service necessary onsite drainage needs. Construction is estimated to begin in spring of 2016. Mitigation of the other two defaults is also anticipated to be resolved in 2016 by removal of the encroachments.

RECOMMENDATION:

That the Board, subject to the Applicant fulfilling the Applicant requirements and Conditions of Lease Extension listed above:

1. Declare that, after considering the potential effects of the proposed disposition as provided by Chapter 343, HRS, and Chapter 11-200, HAR, this project will probably have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment.

2. As required by Act 219, Session Laws of Hawaii 2011, determine that:

   a. The development proposed is of sufficient worth and value to justify the extension of General Lease No. S-4212, Ruby & Sons Hospitality, LLC, Lessee;
b. The estimated time to complete the improvements and expected date of completion is 36 months after execution of the formal, written development agreement; and

c. The minimum revised annual rent to be paid by the Lessee shall be based on the fair market value of the subject land to be developed as determined by and appraiser for the Board, with such determination to address, as applicable, the percentage of rent to be paid by Lessee when gross receipts exceed a specified amount.

3. Approve the essential terms of the development agreement as set forth above, and the proposed plans and specifications for improvements by applicant, in connection with an extension of the term of General Lease No. S-4212, Ruby & Sons Hospitality, LLC, Lessee. The formal, written development agreement shall be submitted to the Board within one year.

4. Subject to the applicant fulfilling all of the Applicant Requirements listed above, authorize the extension, amendment and restatement of General Lease No. S-4212, Ruby & Sons Hospitality, LLC, Lessee, covering the subject area under the terms and conditions cited above, which are by this reference incorporated herein and further subject to the following:

a. The standard terms and conditions of the most current extension, amendment and restatement of lease document form, as may be amended from time to time;

b. Review and approval by the Department of the Attorney General; and

c. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,

Daniel Ornellas
District Land Agent

APPROVED FOR SUBMITTAL:

Suzanne D. Case, Chairperson
View of the subject property from across South Kihei Road.

View of the subject property from the entrance driveway facing west.

View along the rear or west oceanfront boundary of the subject property.
EXEMPTION NOTIFICATION

regarding the preparation of an environmental assessment pursuant to Chapter 343, HRS and Chapter 11-200, HAR


Project / Reference No.: 15MD-199

Project Location: Portion of Government lands of Kamaole situated at 2980, S. Kihei Road, Maui, Hawaii, identified by Tax Map Key: (2) 3-9-004:029

Project Description: Lessee proposes to make “substantial improvements” to the subject lease premises worth approximately $1,461,950 pursuant to Act 219 Session Laws of Hawaii Regular Session of 2011 (SLH 2011) within 36 months of Board approval in exchange for a 37-year extension of the lease.

Chap. 343 Trigger(s): Use of State Land

Exemption Class No. and Description: In accordance with the Exemption List for the Department of Land and Natural Resources, approved by the Environmental Council on June 5, 2015, the subject request is exempt from the preparation of an environmental assessment pursuant to Exemption Class 1, “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.”

EXHIBIT C
Recommendation: It is anticipated this project will probably have minimal or no significant effect on the environment and is presumed to be exempt from the preparation of an environmental assessment.

Suzanne D. Case, Chairperson
DEVELOPMENT AGREEMENT

FOR

RUBY & SONS HOSPITALITY, LLC

*   *   *

Department of Land and Natural Resources
Land Division
State of Hawaii

EXHIBIT 2
DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (the "Agreement") is made and dated effective as of this _____ day of ________, 20__ ("Effective Date"), by and between the STATE OF HAWAII, by its Chairperson of the Board of Land and Natural Resources ("Chairperson") by the authority granted by the Board of Land and Natural Resources ("Board") at its meeting held on December 11, 2015, Item D-8, and __________, Item D-___, for the Department of Land and Natural Resources, Land Division, whose principal place of business and post office address is 1 151 Punchbowl Street, Room 220, Honolulu, Hawaii 96813 ("State"), and RUBY & SONS HOSPITALITY, LLC, a California limited liability company, whose principal place of business and post office address is c/o Jiejun Liao, Owner/Manager, 2980 S. Kihei Road, Kihei, HI 96753 ("Lessee").

RECITALS:

A. The State owns in fee simple that certain parcel of land, a portion of government lands, situated at Kamaole, South Kihei, Maui, shown as the shaded area on Exhibit A attached hereto, incorporated herein and made a part hereof. The parcel consists of approximately 1.119 acres and is identified by Tax Map Key No. (2) 3-9-004:029. The parcel is currently leased to Lessee under General Lease No. S-4212, for a term of sixty-five (65) years from September 4, 1968 to September 3, 2033 ("Lease"). The parcel shall be referred to hereinafter as the "Subject Property."

B. On December 11, 2015, under Agenda Item D-8, the Board agreed to the essential terms and conditions of a development agreement proposed by Lessee in order to qualify for the extension of the term of the Lease pursuant to Act 219, Session Laws of Hawaii 2011 ("Act 219"), and Section 171-36(b), Hawaii Revised Statutes ("HRS"), as amended. Act 219 authorized the Board to extend the term of hotel or resort leases that have not been sold or assigned within the last five (5) years for lessees who commit to substantial improvements to the existing improvements. Act 219 defined "substantial improvements" to mean "any renovation, rehabilitation, reconstruction, or construction of the existing improvements, including minimum requirements for off-site and on-site improvements, the cost of which equals or exceeds fifty per cent of the market value of the existing improvements...".

C. A summary appraisal report prepared for the Lessee determined the market value of the leasehold improvements on the Subject Property to be $2,431,600 as of November 20, 2015. Fifty per cent of this amount is $1,215,800. However, Lessee has committed to making substantial improvements in an amount not less than $1,461,950.

D. Pursuant to Act 219 and as a condition to the requested extension of the term of the Lease, Lessee is required to formalize a development agreement with the State for the terms and conditions of the proposed development and improvements to be constructed at the Subject Property, subject to review and approval by the Board. At its meeting of __________, Item D-___, the Board approved this Agreement.
E. This Agreement sets forth the terms and conditions that Lessee must satisfy and successfully perform in order for it to be issued, and retain the benefit of, an extension of the term of the Lease by the State for the Subject Property pursuant to Act 219.

AGREEMENT:

In consideration of the recitals and the mutual covenants, obligations and conditions set forth in this Agreement, the State and Lessee hereby mutually agree as follows:

1. Term. The term of this Agreement shall commence on the Effective Date and terminate on the Completion Date as defined in Paragraph 8 herein, unless terminated sooner pursuant to the terms of this Agreement.

2. Continuation of the Payment of Lease Rental. Lessee shall continue to pay to the State, throughout the term of this Agreement, all rent and other charges due by Lessee under the Lease pursuant to the terms and conditions of the Lease. Upon the execution of the instrument extending, amending and restating the Lease (the extended, amended and restated Lease, hereinafter called the “EAR Lease”), Lessee shall pay to the State the Revised Annual Rent as defined in Paragraph 3.A.3) herein, and all other rent and other charges due by Lessee under the EAR Lease pursuant to its terms and conditions.


A. Pursuant to Act 219, prior to entering into a development agreement, Lessee prepared and submitted to the Board the plans and specifications of its proposed development plan for the substantial upgrades to the existing improvements on the Subject Property, a copy of which is attached hereto as Exhibit B-1 incorporated herein and made a part hereof (“Development Plan”). All such plans and specifications of the Development Plan shall meet the requirements of and be in full compliance with this Agreement and all applicable municipal, county, state and federal regulations, rules, codes and ordinances. The Board reviewed the Development Plan at its meeting held on December 11, 2015, Item D-8, and determined that:

1) The Development Plan proposed in this Agreement is of sufficient worth and value to justify the extension of the term of the Lease;

2) The estimated period of time to complete the Development Plan shall be thirty-six (36) months; and

3) The minimum revised annual rent to be paid by Lessee shall be based on the fair market value of the Subject Property to be developed, as determined by an

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1 The Development Plan that was submitted to the Board on at its meeting of December 11, 2015, Item D-8, included the appraisal report for the improvements on the property. The appraisal report has been omitted from Exhibit B-1 of this Agreement.
appraiser for the Board, with such determination to address, as applicable, the percentage of rent to be paid by Lessee when gross receipts exceed a specified amount ("Revised Annual Rent").

B. Lessee has elaborated on the Development Plan as shown in Exhibit B-2 attached hereto and made a part hereof. The State granted final approval of this Agreement at its meeting held on ____________ , Item D-____, subject to Lessee’s acceptance of certain specified conditions, if any.

In the event of any certain specified conditions, Lessee shall notify the State in writing whether it accepts such conditions within thirty (30) days of Lessee’s receipt of notice of any such certain specified conditions to the State’s final approval of its Development Plan. If Lessee fails to accept such conditions within the thirty (30)-day period, the State shall be deemed to have denied final approval of the Development Plan and to have elected to terminate this Agreement effective as of the date that is one (1) day after the date of the expiration of such thirty (30)-day period. Neither Lessee nor the State shall have any further rights, duties or obligations under this Agreement, except as to any provisions of this Agreement which expressly survive its termination.

C. Lessee shall have submitted evidence reasonably satisfactory to the Chairperson that Lessee has adequate funding and/or financing to fully develop the Subject Property in accordance with the approved Development Plan, including without limitation, pro forma financial statements for the project, financing and/or equity commitment letters, and confirmations/evidence of tax credit eligibility.

D. Notwithstanding anything contained in this Agreement to the contrary, the approval of the Development Plan by the State shall not be deemed a warranty or other representation on its part that (1) Lessee will be able to obtain all necessary federal, state and county entitlements, permits or other approvals required to enable Lessee to develop the Subject Property in accordance with the approved Development Plan; or (2) such approved Development Plan by the State and the plans and specifications of substantial upgrades to the existing improvements on the Subject Property described therein are legal or structurally safe or sound.

E. In the event that Lessee does not accept the Revised Annual Rent to be paid by Lessee under the EAR Lease, and notifies the State in writing within thirty (30) days of Lessee’s receipt of written notice from the State of such Revised Annual Rent, the State shall deem that Lessee has elected to terminate this Agreement effective as of the date of Lessee’s written notice to the State. Neither Lessee nor the State shall have any further rights, duties or obligations under this Agreement, except as to any provisions of this Agreement which expressly survive its termination. In the event that Lessee fails to notify the State in writing that Lessee does not accept the Revised Annual Rent to be paid by Lessee under the EAR Lease within thirty (30) days of Lessee’s receipt of written notice from the State of such Revised Annual Rent, the State shall deem that Lessee has accepted the Revised Annual Rent to be paid by Lessee under the EAR Lease pursuant to its terms and conditions.

4. Condition of the Subject Property. The State makes no representations regarding the condition or suitability of the Subject Property and of the existing structures and
improvements at the Subject Property for the approved Development Plan. Lessee shall, at its sole cost and expense, be responsible for conducting its own investigations and due diligence regarding the Subject Property and the existing structures and improvements at the Subject Property, and any site work necessary to implement the approved Development Plan, including but not limited to the removal of hazardous materials, if any. Lessee acknowledges and agrees that it assumes all risks of development at the Subject Property.

5. Construction Period. Lessee shall have thirty-six (36) months from the Effective Date to complete the substantial upgrades to the existing improvements on the Subject Property in accordance with the approved Development Plan ("Construction Period").

Lessee shall, at Lessee’s sole cost and expense, expeditiously and diligently seek to obtain all necessary and appropriate permits and/or other regulatory approvals from the Federal Government, State of Hawaii (including the State Legislature if applicable), and/or County of Maui ("County") so as to enable Lessee to complete the substantial upgrades to the existing improvements on the Subject Property in accordance with the approved Development Plan. Lessee shall use diligent and all commercially reasonable efforts to obtain all required permits and/or other regulatory approvals from the Federal Government, State of Hawaii and/or County.

6. Hazardous Materials. Lessee shall not cause or permit the escape, disposal or release of any hazardous material in completing the approved Development Plan at the Subject Property, except as permitted by law. Lessee shall not allow the storage or use of such materials in any manner not sanctioned by law or by the highest standards prevailing in the industry for the storage and use of such materials, nor allow to be brought onto the Subject Property any such materials except to use in the ordinary course of Lessee’s business, and then only after written notice is given to the State of the identity of such materials and upon the State’s consent, which consent may be withheld at the State’s sole and absolute discretion. If any lender or governmental agency shall ever require testing to ascertain whether or not there has been any release of hazardous materials by the Lessee, then the Lessee shall be responsible for the reasonable costs thereof. In addition, Lessee shall execute affidavits, representations and the like from time to time at the State’s request concerning Lessee’s best knowledge and belief regarding the presence of hazardous materials on the Subject Property placed or released by Lessee.

Lessee agrees to indemnify, defend, and hold the State harmless, from any damages and claims resulting from the release of hazardous materials on the Subject Property occurring while Lessee is in possession, or elsewhere if caused by the Lessee or persons acting under the Lessee. These covenants shall survive the expiration or earlier termination of this Agreement.

For the purpose of this Agreement, “hazardous material” shall mean any pollutant, toxic substance, hazardous waste, hazardous material, hazardous substance, or oil as defined in or pursuant to the Resource Conservation and Recovery Act, as amended, the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, the Federal Clean Water Act, or any other federal, state, or local environmental law, regulation, ordinance, rule, or by-law, whether existing as of the date ordinance, rule, or by-law, whether
existing as of the date hereof, previously enforced, or subsequently enacted.

7. **Bonds.** Pursuant to Act 219, no construction shall commence until Lessee has filed with the State sufficient bonds conditioned upon the full and faithful performance of all the terms and conditions of this Agreement, which shall consist of a completion bond and a labor and materialmen’s bond in the full amount of the construction cost, but in any event not less than $1,461,950 in such form and upon such terms and conditions as may be approved by the State. The Development Plan proposes upgrades to the existing improvements at the Subject Property in the amount of at least $1,461,950 and up to $1,768,470.29.

The Lessee shall, at its own cost and expense, within fifteen (15) days from the Effective Date of this Agreement, procure and deposit with the State and thereafter keep in full force and effect during the term of this Agreement, such bonds acceptable to the State in the full amount of the construction cost, but in any event not less than $1,461,950 as aforesaid, which bonds shall name the State as obligee, conditioned upon the full and faithful observance and performance by Lessee of all the terms, conditions and covenants of this Agreement, including, but not limited to, the completion of the substantial improvements requirement in accordance with the approved Development Plan at the Subject Property on or before the date of completion, free from all liens and claims, pursuant to the approved Development Plan. Lessee shall indemnify, defend, and hold the State harmless from all liens, suits, actions or damages arising out of, caused from or attributable to the work performed pursuant to the substantial improvements requirement in accordance with the approved Development Plan at the Subject Property incorporated herein this Agreement. These bonds shall provide that in case of a breach or default of any of the terms of this Agreement, covenants, conditions and agreements of such bonds, the full amounts payable pursuant to the terms and conditions of such bonds shall be paid to the State as liquidated and ascertained damages and not as a penalty.

8. **Completion of Construction: Inspection.** Upon completion of the substantial upgrades to the existing improvements on the Subject Property in accordance with the approved Development Plan by Lessee, Lessee shall provide written notice to the State acknowledging and confirming the same. Representatives of the State and Lessee shall then conduct a final inspection and walk through of the Subject Property within fourteen (14) days of such written notice, and a “punchlist” shall be mutually prepared and agreed upon by representatives of the State and Lessee within seven (7) days of such inspection and walk through of the Subject Property. Such punchlist shall itemize any areas of construction that were not in accordance with the approved Development Plan, or any unauthorized construction or work not acceptable to the State or any other governmental agency having jurisdiction over such work. Lessee, at Lessee’s sole cost and expense, shall immediately repair all deficiencies identified as potential safety hazards on the punchlist, and all other deficiencies on the punchlist shall be remedied within fourteen (14) days of the preparation of the same.

If the State is satisfied that completion of the substantial upgrades to the existing improvements on the Subject Property have been performed in accordance with the approved Development Plan by Lessee, including any and all punchlist items, then the State shall confirm and notify Lessee of the same in writing (“Completion Date”), at which time Lessee shall have the right to terminate the bonds posted by Lessee pursuant to Paragraph 7 hereof.
9. **Justification of Sureties.** Any bonds required by this Agreement shall be supported by the obligation of a corporate surety organized for the purpose of being a surety and qualified to do business in the State of Hawaii, or by not less than two (2) personal sureties, corporate or individual, for which justifications shall be filed as provided in Section 78-20, HRS; provided, however, the Lessee may furnish a bond in like amount, conditioned as aforesaid, executed by it alone as obligor, if, in lieu of any surety or sureties, it shall also furnish and at all times thereafter keep and maintain on deposit with the State security in certified checks, certificates of deposit (payable on demand or after a period the State may stipulate), bonds, stocks or other negotiable securities properly endorsed, or execute and deliver to the State a deed or deeds of trust of real property, all of a character which is satisfactory to State and valued in the aggregate at not less than the principal amount of the bond. It is agreed that the value of any securities which may be accepted and at any time thereafter held by the State shall be determined by the State, and that the Lessee may, with the approval of the State, exchange other securities or money for any of the deposited securities if in the judgment of the State the substitute securities or money shall be at least equal in value to those withdrawn. It is further agreed that substitution of sureties or the substitution of a deposit of security for the obligation of a surety or sureties may be made by the Lessee, but only upon the written consent of the State and that until this consent is granted, which shall be discretionary with the State, no surety shall be released or relieved from any obligation, except for any bonds terminated by Lessee after the Completion Date pursuant to the terms of Paragraph 8 hereinabove.

10. **Waiver, Modification, Reimposition of Bond and Liability Insurance Provisions.** Upon substantial completion of the improvements contemplated herein and after forty-five (45) days after the filing and publication of the Notice of Final or Substantial Completion by Lessee, and upon substantial compliance by the Lessee with the terms, covenants, and conditions contained in this Agreement on its part to be observed or performed, the State at its discretion may in writing, waive or suspend the performance bond or improvement bond requirements or both or may, in writing, modify the particular bond(s) or liability insurance requirements by reducing its amount; provided, however, that except for any bonds terminated by Lessee after the Completion Date pursuant to the terms of Paragraph 8 hereinabove, the State reserves the right to reactivate the bonds or reimpose the bond(s) or liability insurance in and to their original tenor and form at any time throughout the term of this Agreement.

11. **Modifications to the Development Plan.** Lessee shall be entitled to make changes or modifications to the approved Development Plan as may be required to address and satisfy any comments made or issues raised by the appropriate agencies of the Federal Government, State of Hawaii and/or County without the further consent or approval by the State, provided that: (a) Lessee provides advance written notice to the State of such changes or modifications, including a reasonably specific explanation as to why such changes or modifications are being undertaken and their anticipated effect; and (b) such changes or modifications: (i) do not materially alter or change the Development Plan as approved by the State; (ii) do not reduce the rents and all other charges to be paid by Lessee under the Lease or EAR Lease; (iii) do not provide for uses that are not permitted by applicable laws or ordinances; or (iv) do not adversely affect or delay the Construction Period for more than one hundred and eighty (180) days.
In addition, the State recognizes that from time to time the approved Development Plan may require changes or modifications initiated by Lessee. Lessee may make any such changes or modifications to said approved Development Plan with the prior written consent of the State, which consent may be withheld by the State in its sole and absolute discretion, provided that such changes or modifications: (a) do not materially alter or change the Development Plan as approved by the State; (b) do not reduce the rents and all other charges to be paid by Lessee under the Lease or EAR Lease; (c) do not provide for uses that are not permitted by applicable laws or ordinances; or (d) do not adversely affect or delay the Construction Period for more than one hundred and eighty (180) days.

12. Agreement to Issue Extension of Term of Lease. Upon execution of this Agreement and acceptance of the Revised Annual Rent by Lessee, the State will request the Department of the Attorney General to prepare the EAR Lease. Pursuant to Act 219, the EAR Lease shall use the most current lease form and leasing practices and policies of the State, and shall reflect a period not longer than fifty-five (55) years. With approximately seventeen (17) years remaining on the current term of the Lease as of the date of the Board approval of December 11, 2015, the Lessee is eligible for an extension term of approximately thirty-seven (37) years. The EAR Lease will cover the aggregate term of fifty-five (55) years, and will provide that in the event that the Lessee fails to successfully perform, timely satisfy or fully comply with any of the terms and conditions of this Agreement and/or approved Development Plan, the EAR Lease will be rescinded and the Lease, together with its original termination date, will be reinstated. The State and Lessee will promptly sign the EAR Lease when the form thereof is approved by the Department of the Attorney General and Lessee.

13. Default; State's Right to Terminate Agreement and/or Rescind Lease Extension. The State may, at its option and in its sole and absolute discretion, upon written notice to Lessee without prejudice to any other remedy or right of action, terminate this Agreement and/or rescind the EAR Lease at any time for any one of the following reasons:

A. If Lessee fails to pay rent or any part thereof or any other charge, payment or amount it is obligated to pay or that is due by Lessee under the Lease or the EAR Lease, and this failure continues for a period of more than thirty (30) days after delivery by the State of a written notice of such breach or default and demand for cure, by personal service, registered mail or certified mail to Lessee that the same is past due;

B. If Lessee fails to observe or perform any of the material covenants, terms and conditions contained herein this Agreement, including but not limited to, those listed in subparagraphs (i) through (vi) herein, the Lease or the EAR Lease on the Lessee’s part to be observed and performed, and such breach or default continues for a period of more than sixty (60) days after delivery by the State of a written notice of such breach or default and demand for cure, by personal service, registered mail or certified mail to Lessee of such breach or default, or if such breach or default in observance and performance of such other covenants cannot reasonably be cured within said sixty (60)-day period, then such longer time as may be required, provided that Lessee shall within said period commence such cure and thereafter diligently prosecute the same to completion within sixty (60) days thereafter;
(i) If Lessee fails to obtain any and all Federal Government, State of Hawaii (including the State Legislature if applicable), and County permits and approvals required and necessary for the completion of the approved Development Plan;

(ii) If Lessee becomes bankrupt or insolvent, or seeks protection under any provision of any bankruptcy or insolvency law or any similar law providing for the relief of debtors, or abandons the project contemplated under the approved Development Plan, or if any assignment is made of Lessee’s rights hereunder for the benefit of creditors;

(iii) If the Subject Property or any part of the Subject Property, appurtenances or improvements are used, or intended to be used in any manner to commit or to facilitate the commission of a crime; or

(iv) If the Lessee is not in compliance with Section 171-36(a)(4), HRS.

Any default under this Agreement by the Lessee shall be cause by the State to terminate this Agreement and rescind the EAR Lease, and the State shall have all other rights and remedies provided herein, in the Lease or by law with respect to a default by the Lessee under this Agreement. In addition, any default by the Lessee under the Lease or EAR Lease shall be cause by the State to terminate this Agreement and rescind the EAR Lease, and the State shall have all other rights and remedies provided herein, in the Lease or the EAR Lease, as applicable, or as otherwise provided by law with respect to a default by the Lessee under the Lease or EAR Lease.

Upon any early termination by the State under this Agreement, this Agreement shall terminate on the date as provided for in the State’s written notice, and shall become null and void except as to any provisions which expressly survive termination in this Agreement. The EAR Lease shall be rescinded and Lessee shall not be entitled to an extension of the term of the Lease for the Subject Property pursuant to Act 219. Upon the effective date of termination and without waiving any other remedies to which it may be entitled, the State shall be entitled to: (1) prosecute any claim against Lessee for fees, costs or other payments or charges that accrued prior to the effective date of termination, including the interest thereon; and (2) assert any claim that it may have against Lessee for any damages, costs, or expenses, suffered or incurred by the State, which obligations shall survive termination of this Agreement, the Lease and/or EAR Lease.

14. **Non-Waiver.** The waiver by the State of any breach by the Lessee of any term, covenant, or condition of this Agreement or the Lease, nor of the State’s right of re-entry for breach of covenant, nor of the State’s right to declare and enforce a forfeiture for any breach, and the failure of the State to insist upon strict performance of any term, covenant, or condition, or to exercise any option conferred, in any one or more instances, shall not be construed as a waiver or relinquishment of any such term, covenant, condition or option.

15. **Liens.** Lessee will not commit or suffer any act or neglect whereby the Subject Property or any improvements thereon or the estate or interest of the State therein shall at any time during the term of this Agreement become subject to any attachment, judgment, lien, charge
or encumbrance whatsoever, and will indemnify, defend and hold the State harmless from and against all loss, cost or expense with respect thereto (including reasonable attorney’s fees). If any lien for work, labor, services or materials done for or supplied to the Subject Property by, on behalf of, or through Lessee is filed against the Subject Property, Lessee shall have sixty (60) days from the date of filing in which to cause such lien to be discharged of record by payment, deposit, bond or other reasonably satisfactory alternative approved by the State, as the case may be. The foregoing covenants of Lessee shall survive expiration or any early termination of this Agreement.

16. **Expenses to be Paid by Lessee.** Pursuant to Act 219, Lessee shall pay all costs and expenses incurred by the State in connection with the processing, analyzing and negotiating of any request for a lease term extension and document, and the development agreement.

17. **Observance of Laws, Ordinances and Regulations.** Each party hereto, and their respective officers, agents, assigns, employees, consultants and/or contractors, or persons acting for or on its behalf, shall at all times observe and comply with all applicable laws, ordinances, rules and regulations of the federal, state, county and municipal governments, now in force or which may be in force.

18. **Archaeology; Historic Preservation.** Lessee, including any agent or contractor, upon encountering any previously unidentified archaeological resources such as artifacts, shell, bone or charcoal deposits, human remains, or any historic properties or burials, on the Subject Property, will immediately stop all work and contact the State DLNR Historic Preservation Division in compliance with Chapter 6E, HRS.

19. **Recordation.** This Agreement shall not be recorded. However, upon request by either the State or Lessee, a short form memorandum of this Agreement shall be prepared by the State and shall be duly executed and acknowledged in proper form and may be placed of record so as to give public notice as to the existence of this Agreement.

20. **Notices.** Any notice or demand to the State or Lessee provided for or permitted by this Agreement shall be given in writing and: (a) mailed as registered or certified U.S. mail, return receipt requested, postage prepaid, addressed to such party at its post office address herein specified or the last such address designated by such party in writing to the other; or (b) delivered personally within the respective County as applicable, the State or to any officer of Lessee, or (c) sent by facsimile transmission (herein “Fax”) to the Fax number, if any, of such party as specified herein or such other Fax number designated by such party in writing to the other. Any such written notice shall be deemed conclusively to have been received at the time of such personal delivery, or receipt of Fax, or at 4:00 p.m. on the third business day after being deposited with the United States mail as aforesaid, as follows:
21. **Status Reports: Lessee Cooperation.** Lessee acknowledges that the State’s staff may be required to periodically report to the Board during the term of this Agreement on the status of Lessee’s progress of the approved Development Plan incorporated herein this Agreement. Lessee agrees to reasonably assist and meet with the State’s staff in making such reports, including without limitation, upon commercially reasonable advance written notice, having a representative available to answer questions at any meetings of the Board at which such reports are given, providing information that State’s staff reasonably requests for the purposes of making such reports, and being available to meet with the State’s staff prior to the time such reports are made.

22. **Costs and Attorney’s Fees.** Lessee shall pay all costs, including reasonable attorney’s fees, and expenses which may be incurred by or paid by the State in enforcing the covenants, terms and conditions of this Agreement, including, but not limited to, recovering possession of the Subject Property, or in the collection of delinquent fees, taxes, assessments, and any and all other amounts or charges. In case the State shall, without any fault on its part, be made a party to any litigation commenced by or against the State, the Lessee shall pay all costs, including reasonable attorney’s fees, and expenses incurred by or imposed on the State.
23. **Construction and Amendment.** This Agreement has been negotiated extensively by Lessee and the State with and upon the advice of their respective counsel, all of whom have participated in the drafting hereof. Consequently, the usual rule of construction shall not be applicable, which provides that the document is to be interpreted against the interests of the party who has primarily drafted the language in an agreement. No amendment or modification of this Agreement or any Exhibit attached hereto shall be effective unless incorporated in a written instrument executed by and between the State and Lessee. The State and Lessee agree to execute such other documents and instruments as may be reasonably requested by the other party and as may be necessary to effectuate the terms and conditions of this Agreement.

24. **Governing Law.** This Agreement shall be construed, interpreted, and governed by the laws of the State of Hawaii.

25. **Ratification.** To the extent of any conflict or inconsistency between the terms of this Agreement and the terms of the Lease, the terms of this Agreement shall govern and control to the extent only where there is any conflict or inconsistency with regard to the terms and conditions that Lessee must satisfy and successfully perform in order for it to be issued an extension of the term of the Lease by the State for the Subject Property pursuant to Act 219.

26. **Headings.** The article and paragraph headings herein are inserted only for convenience and reference and shall in no way define, describe or limit the scope or intent of any provision of this Agreement.

27. **Partial Invalidity.** In case any one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect which is not material to the transactions contemplated hereunder, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision or provisions had never been contained herein.

28. **Assignment.** Any and all rights under this Agreement granted to Lessee may not be sold, assigned, conveyed or transferred in any manner by Lessee to any other person or entity. Notwithstanding the foregoing, however, Lessee may assign this entire Agreement and the development rights provided for herein to an institutional lender or lenders providing financing for the development of all or any portion of the Subject Property as security for the repayment of such loan or loans, with the prior written consent of the State.

29. **State’s Right to Assign.** It is specifically understood and agreed that the State (through the Board) may convey or otherwise transfer the Subject Property subject to the terms and conditions of this Agreement, and assign this entire Agreement (including, but not limited to the assignment of any lease issued or to be issued under this Agreement) to any other department or agency of the State of Hawaii, subject to such department or agency affirmatively agreeing to accept such Subject Property subject to the terms and conditions of this Agreement and assuming all undertakings and obligations under this Agreement and/or the extension of the term of the Lease issued or to be issued under this Agreement. Upon any such assignment, Lessee agrees to
attorn to the assignee on the terms and conditions of this Agreement, the lease, or any other lease that is part of this Agreement.

30. **Development Rights.** Upon the expiration or any early termination of this Agreement by the State for whatever reason, all development rights, permits, approvals, plans, specifications, etc. prepared by or for Lessee in connection with Lessee’s efforts relating to the proposed development and improvements to be constructed at the Subject Property or under this Agreement shall, to the extent owned by and/or assignable by Lessee, vest with and become a part of the Subject Property of the State. At the request of the State, Lessee shall do all things reasonably necessary to assign to the State, all such development rights, permits, approvals, plans, specifications, etc.

31. **Modification.** This Agreement may only be amended or modified by written agreement signed by all parties; provided however, this Agreement may only be amended or modified with the approval of the Chairperson.

32. **DLNR.** Notwithstanding anything herein to the contrary, it is specifically understood and agreed by the parties that: (a) the “State” as used herein means the Department of Land and Natural Resources, State of Hawaii, and the “Chairperson” as used herein means the Chairperson of the Board of Land and Natural Resources; (b) whenever action is taken, or required to be taken by the “State” under this Agreement (e.g., approve, disapprove, consent or otherwise), it shall be deemed to be an act of only the Board of Land and Natural Resources, and shall not be construed to be the act of any other department or agency of the State of Hawaii. Lessee acknowledges and accepts the responsibility for obtaining all entitlements and governmental approvals from the other applicable governing boards, agencies and departments of the State, County and Federal Government.

33. **No Third Party Beneficiaries.** No third party beneficiaries are intended by this Agreement, and the terms and provisions of this Agreement shall not give rise to any right in third parties to enforce the provisions of this Agreement.

34. **Nondiscrimination.** The use of the Subject Property shall not be in support of any policy which discriminates against anyone based upon race, creed, color, national origin or a physical handicap.

35. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same instrument.

36. **Time is of the Essence.** Time is of the essence in all provisions of this Agreement.

37. **Exhibits.** The following exhibits are attached to this Agreement and deemed incorporated herein this Agreement by reference:

   Exhibit A: Map of Subject Property
Exhibit B: Lessee's Development Plan dated December 9, 2015 (Exhibit B-1) and September 2016 (Exhibit B-2).

[THE NEXT PAGE IS THE SIGNATURE PAGE.]
IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first above written.

Approved and Executed by the Chairperson pursuant to authority granted by the Board of Land and Natural Resources at its meetings held on December 11, 2015 and

APPROVED AS TO FORM:

__________________________
Name: ______________________
Deputy Attorney General
Dated: ______________________

STATE OF HAWAII

By __________________________
Chairperson of the Board of Land and Natural Resources
State

RUBY & SONS HOSPITALITY, LLC,
a California limited liability company

By __________________________
Name: ______________________
Its: __________________________
Lessee
STATE OF HAWAII

COUNTY OF _____________________________

On this ______ day of _____________________________, 20____, before me personally appeared _____________________________ to me personally known, who, being by me duly sworn, did say that he/she is the _____________________________ of RUBY & SONS HOSPITALITY, LLC, a California limited liability company, and that the foregoing instrument was signed in behalf of said company by authority of its _____________________________, and the said _____________________________ acknowledged said instrument to be the free act and deed of said company.

Notary Public, State of Hawaii

______________________________

My commission expires: ____________
<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Solar hot water system replacement</td>
<td>109000</td>
</tr>
<tr>
<td>Landscaping and parking lot upgrades</td>
<td>243030</td>
</tr>
<tr>
<td>Replace awnings</td>
<td>25000</td>
</tr>
<tr>
<td>Construct new laundry facility and renovate one building</td>
<td>585000</td>
</tr>
<tr>
<td>Epoxy walkway</td>
<td>40000</td>
</tr>
<tr>
<td>Roof repairs/replacement</td>
<td>60000</td>
</tr>
<tr>
<td>Replace guest room locks and front desk lock</td>
<td>35800</td>
</tr>
<tr>
<td>Replace vanities for guest rooms</td>
<td>15480</td>
</tr>
<tr>
<td>Replace handrails throughout property</td>
<td>11000</td>
</tr>
<tr>
<td>Photovoltaic system</td>
<td>437000</td>
</tr>
<tr>
<td>Total:</td>
<td>1561310</td>
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Design 1 Maui Oceanfront Inn, 2980 S Kihei Rd

**Report**

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<thead>
<tr>
<th>Project Name</th>
<th>Maui Oceanfront Inn</th>
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<tr>
<td>Project Address</td>
<td>2980 S Kihei Rd</td>
</tr>
<tr>
<td>Prepared By</td>
<td>Zephyr Warren <a href="mailto:zephyr@risingmasolar.com">zephyr@risingmasolar.com</a></td>
</tr>
</tbody>
</table>

**System Metrics**

- **Design**: Design 1
- **Module DC Nameplate**: 109.2 kW
- **Inverter AC Nameplate**: 86.4 kW
- **Annual Production**: 150.9 MWh
- **Performance Ratio**: 63.1%
- **kWh/kWp**: 1,382.0
- **Weather Dataset**: TMY, 10km grid (20.75.-156.45), NREL (prospector)
- **Simulator Version**: 152 (4420941bd-ec5f4d3ef-de569a0a1f623)

**Monthly Production**

- **January**: 20k kWh
- **February**: 15k kWh
- **March**: 10k kWh
- **April**: 5k kWh

**Sources of System Loss**

- AC System: 0.5%
- Inverters: 2.6%
- Clipping: 0.1%
- Wiring: 0.3%
- Optimizers: 11.7%
- Temperature: -3.5%
- Irradiance: 2.1%
- Soiling: 2.0%
- Reflection: 2.9%

**Annual Production**

<table>
<thead>
<tr>
<th>Description</th>
<th>Output</th>
<th>% Delta</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Global Horizontal Irradiance</td>
<td>2,138.9</td>
<td>0.0%</td>
</tr>
<tr>
<td>POA Irradiance</td>
<td>2,190.9</td>
<td>2.4%</td>
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<tr>
<td>Shaded Irradiance</td>
<td>1,649.9</td>
<td>-24.7%</td>
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<tr>
<td>Irradiance after Reflection</td>
<td>1,602.4</td>
<td>-2.9%</td>
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<tr>
<td>Irradiance after Soiling</td>
<td>1,570.3</td>
<td>-2.8%</td>
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<tr>
<td>Total Collector Irradiance</td>
<td>1,570.3</td>
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<tr>
<td>Nameplate</td>
<td>175,196.6</td>
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<tr>
<td>Output at Irradiance Levels</td>
<td>172,489.6</td>
<td>-2.1%</td>
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<td>Output at Cell Temperature Derate</td>
<td>165,367.7</td>
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<tr>
<td>Output After Mismatch</td>
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<td>Optimizer Output</td>
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<td>Optimal DC Output</td>
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<td>Constrained DC Output</td>
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<td>Inverter Output</td>
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<tr>
<td>Energy to Grid</td>
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<tr>
<td>Avg. Operating Ambient Temp</td>
<td>23.7 °C</td>
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<tr>
<td>Avg. Operating Cell Temp</td>
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**Simulation Metrics**

- Operating Hours: 4634
- Solved Hours: 4634
### Condition Set

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<thead>
<tr>
<th>Description</th>
<th>Weather Dataset</th>
<th>Solar Angle Location</th>
<th>Transposition Model</th>
<th>Temperature Model</th>
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</thead>
<tbody>
<tr>
<td>Condition Set</td>
<td>TMY, 10km grid (20.75°-156.45°)</td>
<td>Meteo Lat/Lng</td>
<td>Perez Model</td>
<td>Sandia Model</td>
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#### Temperature Model Parameters

<table>
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<tr>
<th>Rack Type</th>
<th>a</th>
<th>b</th>
<th>Temperature Delta</th>
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<tr>
<td>Fixed Tilt</td>
<td>-3.56</td>
<td>-0.075</td>
<td>3°C</td>
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<tr>
<td>Flush Mount</td>
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<td>-0.06</td>
<td>2°C</td>
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#### Soiling (%)

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<thead>
<tr>
<th>J</th>
<th>F</th>
<th>M</th>
<th>A</th>
<th>M</th>
<th>J</th>
<th>A</th>
<th>S</th>
<th>O</th>
<th>N</th>
<th>D</th>
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<td>2</td>
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<td>2</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Irradiation Variance</th>
<th>5%</th>
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<tbody>
<tr>
<td>Cell Temperature Spread</td>
<td>4°C</td>
</tr>
<tr>
<td>Module Binning Range</td>
<td>0% to 3%</td>
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<tr>
<td>AC System Derate</td>
<td>0.50%</td>
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#### Module Characterizations

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<tr>
<th>Module</th>
<th>Characterization</th>
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<tbody>
<tr>
<td>SPR-X20-327-COM (SunPower)</td>
<td>Sunpower_SPR_X20_327_COM_AdjustedFlashRating.PAN, PAN</td>
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#### Component Characterizations

<table>
<thead>
<tr>
<th>Device</th>
<th>Characterization</th>
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<tbody>
<tr>
<td>P400 (SolarEdge)</td>
<td>Mfg Spec Sheet</td>
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<tr>
<td>SE14.4KUS (SolarEdge)</td>
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### Components

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<thead>
<tr>
<th>Component</th>
<th>Name</th>
<th>Count</th>
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<tbody>
<tr>
<td>Inverter</td>
<td>SE14.4KUS (SolarEdge)</td>
<td>6</td>
</tr>
<tr>
<td>Combiner</td>
<td>1 pole Combiner</td>
<td>6</td>
</tr>
<tr>
<td>Combiner</td>
<td>3 pole Combiner</td>
<td>5</td>
</tr>
<tr>
<td>Combiner</td>
<td>4 pole Combiner</td>
<td>1</td>
</tr>
<tr>
<td>Strings</td>
<td>10 AWG (Copper)</td>
<td>19 (1,856.1 ft)</td>
</tr>
<tr>
<td>Optimizers</td>
<td>P400 (SolarEdge)</td>
<td>334</td>
</tr>
<tr>
<td>Module</td>
<td>SPR-X20-327-COM (SunPower)</td>
<td>334</td>
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### Wiring Zones

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<thead>
<tr>
<th>Description</th>
<th>Combiner Poles</th>
<th>String Size</th>
<th>Stringing Strategy</th>
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</thead>
<tbody>
<tr>
<td>Wiring Zone</td>
<td>12</td>
<td>18</td>
<td>Along Racking</td>
</tr>
</tbody>
</table>

### Field Segments

<table>
<thead>
<tr>
<th>Description</th>
<th>Racking</th>
<th>Orientation</th>
<th>Tilt</th>
<th>Azimuth</th>
<th>Intrarow Spacing</th>
<th>Frame Size</th>
<th>Frames</th>
<th>Modules</th>
</tr>
</thead>
<tbody>
<tr>
<td>Field Segment 1</td>
<td>Fixed Tilt</td>
<td>Horizontal (Landscape)</td>
<td>5°</td>
<td>175.992°</td>
<td>1.5 ft</td>
<td>1x1</td>
<td>55</td>
<td>55</td>
</tr>
<tr>
<td>Field Segment 2</td>
<td>Fixed Tilt</td>
<td>Horizontal (Landscape)</td>
<td>5°</td>
<td>175.485°</td>
<td>1.5 ft</td>
<td>1x1</td>
<td>56</td>
<td>56</td>
</tr>
<tr>
<td>Field Segment 3</td>
<td>Fixed Tilt</td>
<td>Horizontal (Landscape)</td>
<td>5°</td>
<td>174.009°</td>
<td>1.5 ft</td>
<td>1x1</td>
<td>56</td>
<td>56</td>
</tr>
<tr>
<td>Field Segment 4</td>
<td>Fixed Tilt</td>
<td>Horizontal (Landscape)</td>
<td>5°</td>
<td>176.207°</td>
<td>1.5 ft</td>
<td>1x1</td>
<td>51</td>
<td>51</td>
</tr>
<tr>
<td>Field Segment 5</td>
<td>Fixed Tilt</td>
<td>Horizontal (Landscape)</td>
<td>5°</td>
<td>175.575°</td>
<td>1.5 ft</td>
<td>1x1</td>
<td>51</td>
<td>51</td>
</tr>
<tr>
<td>Field Segment 6</td>
<td>Fixed Tilt</td>
<td>Horizontal (Landscape)</td>
<td>5°</td>
<td>172.683°</td>
<td>1.5 ft</td>
<td>1x1</td>
<td>65</td>
<td>65</td>
</tr>
</tbody>
</table>
109.22 kW (STC-DC) PV System proposal using Sunpower 327 Watt panels and Solar Edge 14400 Watt inverters

This PV system is designed to produce an annual average of 413.5 kWh per day and offset 47% of your last twelve month’s average daily electrical usage of 876.6 kWh per day.

Proposal Prepared By: Zephyr Warren
Phone: 808-280-6117
E-mail: zephyr@risingsunsolar.com

Cost Summary

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Total Materials/Shipping</td>
<td>$322,915.19</td>
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<tr>
<td>Total Labor</td>
<td>$96,076.95</td>
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<tr>
<td>State of HI GET</td>
<td>$17,972.26</td>
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<tr>
<td>Total Cost</td>
<td>$436,964.40</td>
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</table>

System Summary

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
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</thead>
<tbody>
<tr>
<td>System size (kW DC)</td>
<td>109.22</td>
</tr>
<tr>
<td>System size (kW CEC-AC)</td>
<td>97.65</td>
</tr>
<tr>
<td>Cost Per Watt (DC)</td>
<td>$4.00</td>
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<tr>
<td>Cost Per Watt (CEC-AC)</td>
<td>$4.47</td>
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Tax Credit Summary

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Cost</td>
<td>$436,964.40</td>
</tr>
<tr>
<td>Federal Tax Credit</td>
<td>$131,089.32</td>
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<tr>
<td>State of Hawaii Tax Credit</td>
<td>$152,937.54</td>
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<tr>
<td>After Tax Credit System Cost</td>
<td>$152,937.54</td>
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</tbody>
</table>

Production Summary

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peak Sun Hours</td>
<td>5.8</td>
</tr>
<tr>
<td>De-ration Factor</td>
<td>10.6%</td>
</tr>
<tr>
<td>Daily output (kWh)</td>
<td>413.5</td>
</tr>
<tr>
<td>Monthly output (kWh)</td>
<td>12,577</td>
</tr>
<tr>
<td>Yearly output (kWh)</td>
<td>150,928</td>
</tr>
</tbody>
</table>

Payback Summary

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>MECO Rate/kWh</td>
<td>$0.30</td>
</tr>
<tr>
<td>Avoided energy cost per month</td>
<td>$3,773</td>
</tr>
<tr>
<td>Avoided energy cost per year</td>
<td>$45,278</td>
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</table>

Equipment List

<table>
<thead>
<tr>
<th>Quantity</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>334</td>
<td>Sunpower 327 Watt modules</td>
</tr>
<tr>
<td>6</td>
<td>Solar Edge 14400 Watt Inverters</td>
</tr>
<tr>
<td>1</td>
<td>250V, NEMA 3R, 200 AC disconnect, to isolate PV system from MECO grid</td>
</tr>
<tr>
<td>334</td>
<td>Solar Edge Power Optimizers</td>
</tr>
<tr>
<td>1</td>
<td>250V, NEMA 3R, PV load center and PV breakers</td>
</tr>
<tr>
<td>1</td>
<td>Web based PV and load monitoring system including weather suite</td>
</tr>
<tr>
<td>1</td>
<td>PV racking system</td>
</tr>
</tbody>
</table>

Scope of Work and Warranty

Cost includes conduit, wires, and associated materials not listed, as required for a functional PV system.

As the contractor, Rising Sun Electric will offer a 10-Year warranty on the entire system.
The panels are warranted by the manufacturer for 25-Years and the inverter(s) for 10-Years.

The PV system proposed will meet all MECO/Maui County code requirements.
Labor costs include handling related paperwork with MECO/Maui County, & physical installation.
(Rising Sun Solar is Liability insured and all workers are covered by workers comp. insurance.)

Sunpower PV components offer an exclusive (Manufacturer to Customer) warranty

Proposal may be withdrawn if not accepted within 30-Days
810 Kokomo Road, Suite 160, Haiku, HI 96708
P (808) 579-8287 ~ F (808) 575-9878
Electrical Contractor License C-28184
# Maui Oceanfront Inn

## Conceptual Landscape Modifications

**December 8, 2015**

<table>
<thead>
<tr>
<th>ITEM</th>
<th>ESTIMATED UNIT COST</th>
<th>ESTIMATED TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large Specimen Tree</td>
<td>$5,000 each</td>
<td>$5,000</td>
</tr>
<tr>
<td>Refreshed Landscaping Along Road with New Irrigation (1,375 sq. ft.)</td>
<td>$8 per sq. ft.</td>
<td>$11,000</td>
</tr>
<tr>
<td>New Mature Coconut Palms (6 @ 15' Trunk Height)</td>
<td>$100 per foot</td>
<td>$9,000</td>
</tr>
<tr>
<td>New Entry Water Feature</td>
<td></td>
<td></td>
</tr>
<tr>
<td>New Stamped Colored and Concrete Entry (1,440 sq. ft.)</td>
<td>$8 per sq. ft.</td>
<td>$11,520</td>
</tr>
<tr>
<td>New Stone Privacy Wall (1,290 sq. ft.)</td>
<td>$25.00 per sq. ft.</td>
<td>$32,250</td>
</tr>
<tr>
<td>New Courtyard Water Features (3)</td>
<td>$8,000 each</td>
<td>$24,000</td>
</tr>
<tr>
<td>Stone Seatwalls with Concrete Caps (380 sq. ft.)</td>
<td>$30.00 per sq. ft.</td>
<td>$11,400</td>
</tr>
<tr>
<td>Natural Stone Paving in Courtyards (2,425 sq. ft.)</td>
<td>$20 per sq. ft.</td>
<td>$48,500</td>
</tr>
<tr>
<td>Refreshed Courtyard Landscaping with New Irrigation (1,170 sq. ft.)</td>
<td>$8 per sq. ft.</td>
<td>$9,360</td>
</tr>
<tr>
<td>New Trellis (1,000 sq. ft.)</td>
<td>$12 per sq. ft.</td>
<td>$12,000</td>
</tr>
<tr>
<td>Resurface Parking Lot</td>
<td></td>
<td>$15,000</td>
</tr>
<tr>
<td>Design and Permitting Fees</td>
<td></td>
<td>$20,000</td>
</tr>
<tr>
<td><strong>Estimated Grand Total</strong></td>
<td></td>
<td><strong>$234,030</strong></td>
</tr>
<tr>
<td>Proposed Improvement Work</td>
<td>Contractor</td>
<td>Additional Information</td>
</tr>
<tr>
<td>----------------------------------------------------------------</td>
<td>------------------------------------------------</td>
<td>----------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Solar hot water system replacement</td>
<td>Haleakala Solar</td>
<td>May include roof repairs as needed</td>
</tr>
<tr>
<td>Landscaping and parking lot upgrades</td>
<td>Chris Hart &amp; Partners, Inc.</td>
<td>Landscape upgrades, entry water feature, concrete entryway, stone wall and courtyards, irrigation</td>
</tr>
<tr>
<td>Replace awnings</td>
<td>Aloha Patio</td>
<td>Replace awnings with Mansard (option #1 in attached plans)</td>
</tr>
<tr>
<td>Construct new laundry facility and renovate one building</td>
<td>Vares Contracting, Inc.</td>
<td>Laundry room renovations</td>
</tr>
<tr>
<td></td>
<td>Maui Windows and Doors, LLC; Vares Contracting, Inc.; GM's Painting and Restoration; Johnson Controls, Yap's Electric</td>
<td>Renovate building, including replace lobby sliding doors &amp; related repairs to meet ADA requirements, renovation of housekeeping room and maintenance area, lobby repairs, bathroom painting and desk installation, and replacement of fire alarm system with related electrical work</td>
</tr>
<tr>
<td>Epoxy walkway</td>
<td>Structural Concrete Bonding &amp; Restoration, Inc.</td>
<td>Epoxy walkway</td>
</tr>
<tr>
<td>Roof repairs/replacement</td>
<td>(see solar above and PV below)</td>
<td></td>
</tr>
<tr>
<td>Replace guest room locks and front desk lock</td>
<td>KABA ADS</td>
<td></td>
</tr>
<tr>
<td>Replace vanities for guest rooms</td>
<td>AmericasHospitality</td>
<td></td>
</tr>
<tr>
<td>Replace handrails throughout property</td>
<td>Wailea Interiors &amp; Remodeling</td>
<td>Replace handrails throughout property, including repairs suggested by OSHA inspection</td>
</tr>
<tr>
<td>Photovoltaic system</td>
<td>Vares Contracting</td>
<td>May include roof repairs as needed</td>
</tr>
<tr>
<td></td>
<td>Rising Sun Solar &amp; Electric</td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL:** 1,768,470.29
Proposal

PROPOSAL SUBMITTED TO: DAY'S INN

STREET: 2980 S KIHEI RD

CITY, STATE and ZIP CODE: KIHEI HI 96753

ARCHITECT, BUILDER, ROOFER, ETC:

Luseane Moa

m.haney@haleakalasolar.com

Mike Haney Haleakala Solar 276-2359 m.haney@haleakalasolar.com

We hereby submit specifications and estimates for:

- 120 gal rooftop tanks
- (18) EC 32 Sunearth panels with 10 year warranty
- AC pump, timer and all necessary pipe and fittings
- (12) 80 gal backup storage tanks under stairwell with double heating elements

5 year warranty on materials and workmanship from date of installation

Price to reflect current HEEP rebate. Proposal valid until October 16, 2016

SYSTEM BASE PRICE: $140,544.00

with SALES TAX (4.167%): $146,400.00

HEEP rebate: -$12,000.00

PAYABLE TO HALEAKALA SOLAR: $134,400.00

Federal tax credit: -$40,320.00

HI tax credit: -$47,040.00

System cost after tax credits: $47,040.00

*NOTE: Haleakula Solar does not provide or guarantee rebate or tax credits. Consult your tax advisor for eligibility.

Payment to be made as follows:

1/2 down: $67,200.00

1/2 on completion: $67,199.99

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon utilities, assistants or delays beyond our control. Owner to carry fire, tornado and other necessary insurance. Our workers are fully covered by Workmen's Compensation Insurance.

Authorized Signature (for HSI):

Mike Haney

Note: This proposal may be withdrawn by HSI if not accepted before October 16, 2016

Acceptance of Proposal — The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Customer's printed name:

Date of Acceptance:

Customer's Approval of Proposal:
<table>
<thead>
<tr>
<th>ITEM</th>
<th>ESTIMATED UNIT COST</th>
<th>ESTIMATED TOTAL</th>
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</thead>
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<td>$9,000</td>
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<td>New Entry Water Feature</td>
<td></td>
<td>$25,000</td>
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<td>$48,500</td>
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<td></td>
<td>$15,000</td>
</tr>
<tr>
<td>Design and Permitting Fees</td>
<td></td>
<td>$20,000</td>
</tr>
<tr>
<td><strong>Estimated Grand Total</strong></td>
<td></td>
<td><strong>$178,380</strong></td>
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</table>
Natural Stone Paving in Courtyards, Typ.

Refreshed Courtyard Landscaping, Typ.

New Courtyard Water Feature

Resurface Parking Lot Overlay 1-3/2" of a.c. on existing pavement

New Courtyard Water Feature

New Large Specimen Tree

Refreshed Landscaping Along Road

New Mature Coconut Palms, Typ.

New Entry Water Feature

New Stamped and Colored Concrete Entry

Conceptual Landscape Modifications
Maui Oceanfront Inn
September 21, 2016
Luseane Moa  
Assistant General Manager  
Maui Oceanfront Days Inn  
2980 South Kihei Road  
Kihei Hawaii 96753

Aloha,

Thank you for allowing us the opportunity to provide a quotation for the Maui Oceanfront Days Inn. The following is our quote with suggested options to furnish awnings to replace the existing ones as listed below.

Description- Buildings

Option 1: Style 1 Manasard
1) Remove and haul away existing fabric awnings.
2) Fabricate and install new fabric awnings with frame using 1" and 3/4" 15 ga galvanized steel square tubing, style 1, mansard type, approximately 194 per building x 6 buildings, 36" projection, 36" drop,
3) Frames to be primed and painted with 2 coats of industrial enamel
4) Install awnings to existing building and seal attachment.
5) Fabric to be Sunbrella Firesist, Weblon Coastline Plus, Patio 500, Ferrari 502, fire rated fabric or equal.

Installed price $156,858.00
Tax 6,274.32
Total Installed Price 163,132.32
Option 304 stainless steel frames- add 30,195.00

Option 2: Style 3, Quarter Barrel

Installed price $194,891.00
Tax 7,795.66
Total Installed Price 202,687.70
Option: 304 Stainless steel frame- add 34,788.00

Option 3: Aluminum Louvered Awning

2" aluminum frame, 4" x 1" x 1/16" louvers, 2 coat fluoropolymer finish with support arms.

Installed price $341,349.00
Tax 13,653.96
Total Installed Price 355,002.96
Maui Oceanfront Days Inn - Awning quote  
June 20, 2016

**Option 4: Aluminum Standing Seam Awning**
1" sq aluminum frame, 16 ga aluminum standing seam panels, 2 coat fluoropolymer finish with support arms.

<table>
<thead>
<tr>
<th>Component</th>
<th>Installed price</th>
<th>Tax</th>
<th>Total Installed Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Installed price</td>
<td>$412,243.00</td>
<td>16,489.72</td>
<td><strong>$428,732.72</strong></td>
</tr>
</tbody>
</table>

Re-cover existing fabric awnings-
1) Remove existing awning covers.
2) Fabricate and install new fabric awning covers using Coastline Plus, Patio 500, Ferrari 502 or equal.

<table>
<thead>
<tr>
<th>Component</th>
<th>Installed price</th>
<th>Tax</th>
<th>Total Installed Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office Entry</td>
<td>$3,324.00</td>
<td>132.96</td>
<td><strong>$3,456.96</strong></td>
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<tr>
<td>Refuse storage area:</td>
<td>$5,276.00</td>
<td>211.04</td>
<td><strong>$5,487.04</strong></td>
</tr>
<tr>
<td>Back shower cover:</td>
<td>$923.00</td>
<td>36.92</td>
<td><strong>$959.92</strong></td>
</tr>
</tbody>
</table>

Material, labor, installation, shop drawings, standard insurance provisions: included
Any frame repairs, building modifications, graphics, etc: not included. Terms:
Deposit, parogress payment schedule, balance upon completion Current lead time:
10 to 12 weeks minimum after all submittal approvals. 
Pricing good for 90 days. *Work done in conjunction with main buildings.

Please contact us if there are any questions or need for more information. Our phone 808 242-0004 and email alohapatio@hawaii.rr.com

Submitted by: Francis Ohudara   RME

---

Aloha Patio Cover & Awning, LLC  
PO Box 3029  
Wailuku, Hawaii 96793  
P:(808) 242-0004  
F:(808) 242-7430  
E. alohapatio@hawaii.rr.com
PROPOSAL

FROM: Edward Vares, Owner
Date: 08-25-2016

PROPOSAL SUBMITTED TO:
Name: Maui Oceanfront Days Inn, ATTN: Cherlyn Kong, General Manager

PROJECT: Renovation and remodel of Laundry Facility

Scope of Work: See attached line item list

Project Estimated Duration: 5-7 days

Included: See attached line item list

Excluded: Any necessary fees, permits, or assessments. Cost of any items that are listed separately as to be purchased by hotel (ie: cost of refrigerator, lockers, tv, shelving, storage sheds, etc). YTBD

All of the work is to be completed in a substantial and workmanlike manner for the sum of: LAUNDRY FACILITY $9,485.00 tax included

Payment Schedule: LAUNDRY: 50% Material deposit ($4,742.50), balance due upon completion.

Any alterations or deviation from the above specifications involving extra cost of material or labor will be executed upon written order for same, and will become an extra charge over the sum mentioned in this contract. All agreements must be made in writing.

This Proposal is valid for 30 days. TERMS: Net 15 days.

Authorized Signature  Edward Vares  Date 08-24-2016

ACCEPTANCE

Signature  Date
LINE ITEM LIST: Maui Oceanfront Days Inn, Laundry Facility & Maintenance Exterior Remodel

Exterior remodel:

**Removal:** In area between rock wall and Housekeeping room, and in planting area against Housekeeping room's west wall, removal of existing ground and landscaping, to provide access to underground propane and irrigation pipes. Leveling of exposed ground for concrete slab pour. Removal of walkway wooden handrails for access to area.

**Plumbing:** Removal of underground propane pipe under concrete walkway, relocation of outdoor water line for new outdoor utility sink in maintenance area.

**Masonry:** Construction of forms for concrete pad approximately 15' long x 40' wide. Pour of concrete pad with proper drainage slope and expansion joints as need. Installation of concrete footers for wooden pergola and new privacy walls and swinging doors. Concrete pad to terminate before reaching the rock wall to allow for planting area, and to terminate before the coconut tree stump near the soda machine, to allow for landscaping.

**Framing:** Construction of new privacy-fencing walls along concrete walkway between guest BBQ area and new Maintenance area. Design and construction of new swinging doors to access maintenance and housekeeping areas, front (by soda machine) and back (by loading ramp) entrances. Construction of new wooden pergola over maintenance work area, using 4"x4" or better posts, and 2"x6" or better overhead boards, anchored to concrete footers with brackets and to exterior of hotel.

**Finish Carpentry:** Installation of new window in break room requires new trim and exterior siding repair and painting. Construction of new privacy walls and swinging doors will require trim and siding repair, and painting. Pergola to be primed and painted to match buildings. New doors and privacy walls to be trimmed and painted to match existing.

**Storage:** Installation of new work tables and storage sheds not included.

Laundry Room remodel:

**Removal:** Removal and temporary storage of laundry machines (2 washers, 2 dryers), Vending machine, and Ice machine. Removal of existing damaged flooring, leveling of high and low spots as needed.

**Carpentry:** Installation of 12"x12" industrial-grade vinyl flooring and vinyl cove molding. Installation of 5 new wall-hung cabinets. Installation of new florescent ceiling lights with daylight effusion. Repair of drywall, as needed. All walls primed and re-painted.
## ESTIMATE

### ADDRESS
Days Inn Maui Oceanfront  
2980 South Kihel Road  
Kihel, Hawaii 96753

### ESTIMATE # ES2619
**DATE** 07/20/2016  
**EXPIRATION DATE** 10/31/2016

### REP
Trisha

### PROJECT
Days Inn Maui

<table>
<thead>
<tr>
<th>ACTIVITY</th>
<th>QTY</th>
<th>RATE</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Solar Innovations Commercial Swing Door with ADA threshold and Panic Hardware</td>
<td>1</td>
<td>10,812.31</td>
<td>10,812.31</td>
</tr>
<tr>
<td>Installation Services - Removal and Disposal of Existing Units, the Installation of New Units</td>
<td>1</td>
<td>3,700.00</td>
<td>3,700.00</td>
</tr>
</tbody>
</table>

Unless specifically noted it does not include reframing of opening, dry rot/termite damage.

**SUBTOTAL** | **14,512.31**
**TAX (4.166%)** | **604.58**
**TOTAL** | **$15,116.89**

Payment Terms:
50% to place order into production and 50% before the order ships from the manufacturer. Orders that are in stock on the west coast require 100% payment to proceed. All credit card transactions will incur an additional 3% administrative fee.
Solar Innovations, Inc.

**Quote**

**Job Name:** Days Inn Hl

**Job Address:** 2980 S. Kihei Road, Maui, HI 96743

**Contact:** Trisha Ege 808-877-3687

**E-Mail:** Trisha@maulwindowsanddoors.com

**Quantity Accepted**

<table>
<thead>
<tr>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit Price</td>
</tr>
<tr>
<td>---</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Item</th>
<th>Note</th>
<th>Unit Price</th>
<th>Total Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job Name</td>
<td>Days Inn Hl</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job Address</td>
<td>2980 S. Kihei Road, Maui, HI 96743</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quantity Accepted</td>
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<td></td>
<td></td>
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<tr>
<td>Quantity Requested</td>
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<td>Description</td>
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<tr>
<td>Unit Price</td>
<td>Total Price</td>
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</table>

**Note:** No specifications have been supplied at time of quote. Price is based on Solar Innovations, Inc. standard specifications.

**Note:** Job site address is within 1 mile of the coast.

**Note:** Product is NOT Impact rated.

| Frame Finish: Solar Innovation's Standard AAMA 2003 Finish in White |
|---|---|
| Glassing: 1" Insulated units. Make up to be 3/16" LcE 272 (#2) tempered over 7/16" clear annealed laminated with an .030 SEP interlayer (when filed) (Stainless steel spacers) |

**Note:** 1 key is supplied with keyed lock-set. If additional key(s) are required, additional costs will apply.

**Note:** Additional cost for Solar Innovations, Inc. Standard Panic Windows 6400 series mortise panic exit device, Clear Anodized or Dark Bronze Anodized (Note: Hardware finish may not match Silex frame finish) & 3093 series entry trim with exterior keyed mortise cylinder. Mortise Cylinder and panic device to be on primary (active) panel only. Secondary (inactive) panel to have dummy panel, and surface mounted flush bolts.

**Note:** If held open is required on surface mounted closer, customer must request and additional cost of $50.00 will apply.

- **Note:** If 10" bottom rail is required on door, additional costs will apply.
- **Note:** Additional cost for Unit A to receive Frame Finish: Solar Innovation's Standard AAMA 2003 Finish in one of the following - Black, White, Bronze, Sandstone, Hartford Green, or Clay (Note: Color must be chosen when order is sent in or lead times may be extended.)

**Note:** A limited supply of touch up paint is available for purchase on this job. Should stock be exhausted, additional costs (above and beyond the cost for the replacement paint supplied for the original job) will be applied. Additionally, this paint may not be guaranteed as an exact match to the original color (paint varies slightly by batch). Solar Innovations cannot be held liable for an exact match on touch up paint.

**Tentative Project Lead times to be 1-2 Weeks for Shop Drawings, 6-7 Weeks for Fabrication.**

Final project lead time schedule will be agreed upon in writing, by the parties upon receipt of signed quote. Note: Fabrication lead times do not include shop drawings approved by Customer WITHOUT ANY REVISIONS; and 6) receipt of all payments due from Customer in a timely fashion per the executed Quote. The fabrication lead time will not begin until all of the above have occurred. Each day delayed will result in a minimum of a day lost plus additional days based on Solar Innovations, Inc. current lead times. Solar Innovations, Inc. cannot guarantee this date or be held liable for not meeting this date, but will make every effort to meet the deadline. Note: Requested revisions to approved shop drawings not being the result of SI will result in additional drafting fees at the rate of $75 hour. Requested revisions will extend lead times.

**Note:** Glass make ups with Low-E applied directly to tinted pieces of glass are limited based on supplier inventory. Glass is only manufactured during certain times of the year. If glass is not in stock, lead times will be extended until glass is available from Silex's glass suppliers.

---

**Approved by:**

**Approved by:**

7/23/2016 3:31 PM
Note: Wood substrate was assumed for quoting. Standard substrates include wood, solid concrete, and up to 3/4" steel. Quotes are valid for any standard substrate. If substrate is later changed, additional costs may apply. Additional costs will apply if any other substrate is later specified. (See standard Terms and Conditions for typical substrate requirements).

Solar Innovations assumes a wood substrate unless specified otherwise by the customer. Additional costs apply if substrate is later specified to be hollow concrete, brick, steel, or any combination that includes these. (See standard Terms and Conditions for typical substrate requirements) (See above for assumed substrate)

Note: Due to potential variances in site and LOE estimations, glass color may not match exactly for all glass on the project. It reserves the right to adjust glass thickness in shop drawings to minimize color variations.

Note: It is the customer's responsibility to confirm that sizes and operation of window, including hardware, will meet local code requirements for glazing application. Customer sign off on drawings constitutes acceptance of the windows as designed by SII. SII accepts no responsibility for compliance to local code compliance concerns unless and until the customer accepts and signs off on all drawings and installation documentation.

SII's Quote assumes that the project's specifications does not require any licensing or registration requirements for contractors (other than general state-wide registration to do business). If SII learns of such a requirement after quote acceptance, SII may withdraw from the project and cancel the contract without penalty. This proviso shall not prevent customer from negotiating amended terms to delay or modify the contract, designed to allow SII compliance with licensing or registration requirements, if they are able to do so.

Note: SII installs flyscreens, only for window products listed in proposal above. If any other type of flashing is required, additional costs will apply unless specifically noted above.

Note: SII may require, in its sole discretion, to pre-inspection to verify installation site readiness, logistics, and other site accommodations necessary to ensure proper installation. Buyer shall pay the indicated fee to pre-inspection site inspection is required by SII.

Note: Openable products provide an inherent risk of falling injury during the operation of the unit. Care should be taken when opening any product. Solar Innovations, Inc. is not responsible for any injury sustained during opening of product or otherwise.

Note: Proper hardware maintenance is required for all of Solar Innovations' products to maintain optimal performance and product warranty. Bi-annual maintenance includes, but is not limited to cleaning, lubricating, and all necessary per product.

Note: This proposal is an interpretation of the submitted plans and specifications. Certain aspects of this proposal may not contain deviations from the plans and specifications in order to better accommodate our glazing systems. The customer is solely responsible for determining material conformity. Project not bid specifically or inclusively to plans and specifications. Specifications supplied after quote acceptance will result in appropriate adjustment to pricing.

Note: Customer is responsible to supply cabs and base units that are built to dimensions/dimensionality and structureurally in Solar Innovations, Inc. products as per Solar Innovations, Inc. engineering and drafting requirements, as reflected in approved shop drawings.

Note: Solar Innovations does not recommend operating windows on 2nd Story and above in high wind environments. Customer accepts all risk of failure in this application.

Note: Unless otherwise noted, screens are not included in pricing listed above. Screens may be available upon request for an additional cost.

Note: If Capillary Tubes are required, no Argon will be utilized. Customer to provide final installation height elevation to determine if Capillary Tubes are required.

Note: Anything not specifically included, is excluded.

Glass Area
Sq. Ft. - 45.00

Glass Weight- 379.69
Frame Weight- 126.81
Crane Weight- 600.00
Total Shipping Weight- 1,002.50

Subtotal for Quote as requested: Accepted Addns (see below)

Thermal Value
2.54

Packaging/Handling:
Shipping and Handling:
Subtotal:

Sales Tax:

Total:

Unless stated in base price, all accessories are shown as addns.

Unless otherwise noted as a line item, installation IS NOT Included in price.

Estimated budgetary Sales Tax amount based on a Sales Tax rate of 8%

$ 37.63

All sales tax due will be invoiced with the final invoice. This is a budgetary amount ONLY. Solar Innovations, Inc. will not be liable for calculation errors or rate differences. If Solar Innovations, Inc. is installing this product, tax will not be applicable. (See below for additional sales tax notes.)

Solar Innovations, Inc. may be required to collect sales tax in the following states: CA, CT, DE, FL, GA, IL, IN, KY, MA, MD, MA, ME, MI, NJ, NM, NY, OH, PA, RI, SC, TN, TX, VT, VA, WA, WV and DC.

Please note that this list may be updated from time to time. A state Solar Innovations, Inc. has recently registered in may not be reflected in the information you have received to date. Solar Innovations, Inc. may be required to collect sales tax in a state not listed above. If it is valid sales tax exemption form is received, Solar Innovations, Inc. will not be required to collect sales tax. Please call Solar Innovations, Inc. Accounts Receivable Department for additional information with regard to sales tax.

+ Solar Innovations, Inc. may include sales tax as part of the material cost for installation projects.

Due to the custom nature of our proposal and the information available, the Buyer is responsible for verifying all options selected.

The "Total" cell will not indicate if incorrect due to addition or errors in our programming. Customer must verify the total of all options selected. The sum total of all selected options will govern the final quote price.

Approved by:

3/20/2016 3:31 PM
Installation of system includes only the erection of frame and glazing if provided by Solar Innovations, Inc. Plumbing, Electrical, foundation work, any tie-in work, and any other work not specified in SOLAR INNOVATIONS, INC’s QUOTE are not included in the installation price. Price assumes no site-imposed restrictions on available daily installation hours or work days, including weekends.

Shop drawing lead time begins upon receipt of completed substrate forms, site verifications, and engineering form.

Fabrication lead time begins upon receipt of approved shop drawings.

Installation lead time begins upon completed fabrication of unit.

Water ponding and particle build up may occur on any horizontal framing on structures with a roof pitch below 3/12 (14.06°). Solar Innovations, Inc. does not recommend ridge vents to be used below a 3/12 (14.06°) pitch.

Due to the custom nature of our Quote and the options available, the Buyer is responsible for verifying all options selected.

<table>
<thead>
<tr>
<th>Accepted (Y/N)</th>
<th>Quantity Accepted</th>
<th>Description</th>
<th>Cost per each</th>
<th>Extended cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Y</td>
<td></td>
<td>Additional cost for 1-4 Sets of PE ELECTRONIC (NOT RAISED) stamped engineering drawings or calculations. Additional drawings may be purchased at an additional cost. Please specify number of sets required.</td>
<td>$1,500.00</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>If required, PE ELECTRONIC (NOT RAISED) stamped engineering calculations with PE ELECTRONIC (NOT RAISED) stamped every page OR additional copies of either PE ELECTRONIC (NOT RAISED) stamped drawings or standard PE ELECTRONIC (NOT RAISED) stamped engineering calculations, an additional cost of approximately $100 to $250 will be added depending on the size of the project. Additional cost will be charged via change order.</td>
<td>TBD</td>
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<tr>
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<td></td>
<td>Additional cost for 1 Set of PE RAISED SEAL, stamped engineering drawings or calculations. Additional drawings may be purchased at an additional cost. Note: THIS ADD LINE MAY ONLY BE SELECTED IN CONJUNCTION WITH THE ELECTRONIC (NOT RAISED) ENGINEERED DRAWING AND MAY INCREASE LEAD TIMES.</td>
<td>$300.00</td>
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<td>Additional cost for all extras listed above to ensure Frame Paint: AAMA 2605 custom color to closely match &quot;A-2001&quot; (cost standard, non-arcific, non metallic, non mica). (Note: If Color Sample was not provided at time of order, (Note: Due to batch variances, color may not be an exact match.)</td>
<td>$2,600.00</td>
<td>$2,600.00</td>
</tr>
</tbody>
</table>

Note: A limited supply of touch up paint is available for purchase on this job. Should stock be exhausted, additional costs (above and beyond the cost for the replacement paint supplied for the original job) will apply. Additionally, this paint may not be guaranteed as an exact match to the original color. Solar Innovations’ current offer is valid for an exact match on touch up paint.

Solar Innovations, Inc. reserves the right to not accept adds for installation based on its work load at the time the quote is accepted. Lead times of installation by Solar Innovations, Inc. are extended according to current work load when the quote is accepted and when drawings are released to fabrication. All lead times for installation are subject to change depending on weather and other factors outside the control of Solar Innovations, Inc.

Note. This quote is an interpretation of the submitted plans and specifications. Certain aspects of this quote may contain deviations from the plans and specifications in order to better accommodate our glazing systems. The Buyer is solely responsible for determining material conformity. Project may not be bid specifically or inclusively to plans and specifications.

All data contained here is considered Company Confidential Information and is subject to our Confidentiality Agreement as set forth on our website at http://www.solarinnovations.com/contact/ Note: Any applicable licenses, fees, permits, and/or bonds are the responsibility of the Buyer, unless specifically included in quote.

**Quote Acceptance**

By signing below, the undersigned, an authorized representative of Buyer, acknowledges that he or she has read the General Terms and Conditions (Rev 02/16/2016) available on the website of Solar Innovations, Inc. at http://www.solarinnovations.com/contract/terms-and-conditions-21. On behalf of Buyer, the undersigned accepts and agrees that the General Terms and Conditions, effective February 16, 2016, are incorporated into and part of the parties’ contract.

SI reserves the right to adjust its quote at any time prior to acceptance for any reason. If this offer is not accepted, as hereinafter provided, within 30 days from the date it is submitted by SI, it shall be deemed to have been withdrawn and of no effect unless specifically renewed and/or updated by SI in writing.

The signature below verifies that you have read and accept Solar Innovations, Inc.’s Quote and General Terms and Conditions in their entirety.

Printed Name of Authorized Representative

Signature

Date

© COPYRIGHT 2016 SOLAR INNOVATIONS, INC. ALL RIGHTS RESERVED.

Approved by: ___________________________  
Date: ___________________________  
Approved by: ___________________________  
Date: ___________________________
NOTE: ALL UNITS ARE DRAWN FROM OUTSIDE/EXTERIOR LOOKING IN.
PROPOSAL

FROM: Edward Vares, Owner
Date: 08-25-2016

PROPOSAL SUBMITTED TO:
Name: Maui Oceanfront Days Inn, ATTN: Cherlyn Kong, General Manager

PROJECT: Renovation and remodel of Housekeeping room, to include employee break-room and shower room. Relocation of maintenance work area and supply/storage area.

Scope of Work: See attached line item list

Project Estimated Duration: 3-4 weeks

Included: See attached line item list

Excluded: Any necessary fees, permits, or assessments. Cost of any items that are listed separately as to be purchased by hotel (ie: cost of refrigerator, lockers, tv, shelving, storage sheds, etc). YTB

All of the work is to be completed in a substantial and workmanlike manner for the sum of: INTERIOR $86,452.72 tax included

Payment Schedule: INTERIOR: 50% Material deposit ($43,226.36), 50% balance due upon completion.

Any alterations or deviation from the above specifications involving extra cost of material or labor will be executed upon written order for same, and will become an extra charge over the sum mentioned in this contract. All agreements must be made in writing.

This Proposal is valid for 30 days. TERMS: Net 15 days.

Authorized Signature Edward Vares Date 08-24-2016

ACCEPTANCE

Signature Date

VARES CONTRACTING, INC. * Lic # BC 34423
645 Komo 'Ohia St, Wailuku HI 96793 * evares@gmail.com
Office (808) 757-0687 Cell (808) 757-0680
LINE ITEM LIST: Maui Oceanfront Days Inn, Housekeeping Interior remodel:

**Removal:** Removal of existing flooring, scraping of high spots and leveling of low spots on the existing concrete floor. Removal of existing 3’ wide interior non-load bearing wall separating storage areas. Removal of broken air-conditioning wall unit for installation of new window. Removal of existing toilet and utility tub in bathroom. Removal of existing drywall in bathroom. In new shower room area, removal of concrete to access utilities for drain and plumbing, and to re-slope the floor to access central floor drain.

**Framing:** Construction of new approximately 5’6” x 5’6” shower room, framing of walls. Installation of Durarock backer board for walls (wet area). Framing of window headers and blocking for installation of new window in break room area and bathroom area (if space allows). Repair of any framing or drywall necessary in location of former separation wall near storage. Framing needed for installation of new 30” – 36” door in bathroom.

**Electrical:** rough-in and installation of new electrical switches and wall plugs for new shower room, rough in and installation of new exhaust vents in bathroom and new shower room. New ceiling lights, 24”x48” florescent with natural light effusion, new flush mount lights in bathroom and shower room, new vanity light in bathroom.

**Plumbing:** Relocation of plumbing pipes and utilities for new toilet (moved away from wall) and new vanity sink in bathroom, new wall shower, shower valve, and floor drain in shower room, and new bar sink in break room.

**Tile:** Material and labor for installation of Industrial-grade 12”x12” vinyl tiles on the floor of Housekeeping/ break room. Material and installation of vinyl cove base. Material and installation of ceramic 12” x 12” floor tiles and 8 ½” x 12” wall tiles in bathroom, and ceramic 8 ½” x 12” wall tiles in shower room and 2” x 2” or smaller ceramic floor tiles for sloping floor in shower room. Bull-nose tiles on all trim, as needed.

**Finish Carpentry:** Installation of new window in break room and bathroom. Material and labor for installation of new wall cabinets in break room. Material and labor for installation of 10’ Formica countertop in break room, supported by custom legs to allow for under-counter storage. Material and installation on bar sink in Formica countertop. Trim and drywall repair as needed. All walls to be primed, as needed, and repainted.

**Appliances and Storage:** Installation of new full-sized refrigerator and wall-mounted television in break room, installation of 48” x 24” storage shelving in laundry storage area against interior wall, installation of employee lockers (3 banks of lockers, 6 lockers high.)
Giovanny Martinez  
DBA: GM's Painting & Restoration  
5100-L Hanawai Street  
Lahaina, HI 96761  
(808) 214-7605  
GMsPaintingAndRestoration@yahoo.com

ESTIMATE

ADDRESS
C/O Cherlyn Kong

Kihei, Hawaii 96753

ACTIVITY

Lobby Repairs:

- Ceilings:
  - Ceilings will be sanded down for proper adhesion
  - Drywall butt joints will be re-mudded to repair cracks
  - Retextured as needed
  - Smooth finished will be done
  - Fix lighting to have all matched
  - Repair ceiling around light cone
  - All ceiling will be primed and top coated

- Walls:
  - Remove all wallpaper
  - Fix dings after wallpaper removal as needed (*Note: Wallpaper removal process sometimes remove pieces of wall materials and needs to be patched for smooth surface)
  - Crown moulding to be done in same color as ceiling to optimize and enhance height
  - All walls will be primed and top coated after repairs
  - Window trims will be repaired and painted with color of choice (*We suggest white)
  - Build new trim around AC face
  - All new switch plate covers to be replaced to match all around

**Please note that this will mostly be night work.

- All above work to be completed in a workman like manner for the sum of: 8,700.00
  - This does not include taxes
ACTIVITY

Change Order:
***Work crew is not authorized to complete work beyond the specifications above without a written and signed change order. Please contact us for any estimate and any additional work.***

Payment Schedule to be as follow:
- Payments to be made by cash, check or money orders on the dates specified below:
  - Upon acceptance, a payment of 25% down of $2,175.00 to cover expenses needed for the project
  - Final payment to be made, in full, upon project completion, no later than 30 days (charges to be applied for late payments unless prior arrangements have been made BEFORE due date.)
**Any checks returned will be accessed a return fee of $30 and payment will be required to be in cash or money orders ONLY.**

<table>
<thead>
<tr>
<th>Acceptance:</th>
<th>AMOUNT</th>
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<tbody>
<tr>
<td>- The undersigned proposes to furnish materials and labor to complete the work mentioned above and for the amount in said proposal and according to the terms.</td>
<td>SUBTOTAL 8,700.00</td>
</tr>
<tr>
<td></td>
<td>TAX (4.16%) 361.92</td>
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<td>TOTAL $9,061.92</td>
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</table>

Giovanny Martinez (Project Estimator) Date
- I acknowledge and accept the terms and conditions of this proposal.

Home Owner(s)/Project Overseer Date

Accepted By Accepted Date
ESTIMATE

ADDRESS
Cherlyn Kong
Kihei, Hawaii 96753

ACTIVITY

Bathroom Painting:
- Prep walls for clean work surface (standard preparation)
- Patch any dings, nicks and dents
- Sand down surface areas as needed for a smooth surface
- Prime entire bathroom
- Top coat with color of choice

Desk Installation:
- Flush wall mount desk to be assembled and install in corner wall by reception area for guests use of computer and internet access

- All above work to be completed in a workman like manner for the sum of:
  - This does not include taxes

AMOUNT

1,484.00

Change Order:
*** Work crew is not authorized to complete work beyond the specifications above without a written and signed change order. Please contact us for any estimate and any additional work.***

Payment Schedule to be as follow...
- Payments to be made by cash, check or money orders on the dates specified below:
  - Upon acceptance, a payment of 25% down (without tax) of $371.00 to cover expenses will be needed for the project and to hold start date
  - Final payment to be made, in full, upon project completion, no later than 14 days (charges of 15% of balance to be applied for late payments unless prior arrangements have been made BEFORE due date.)

** Any checks returned will be accessed a return fee of $30 and payment will be required to be in cash or money orders ONLY.**
Acceptance:  
-The undersigned proposes to furnish materials and labor to complete the work mentioned above and for the amount in said proposal and according to the terms.

<table>
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<tr>
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<th>SUBTOTAL</th>
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<tr>
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<td>1,484.00</td>
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<td>TAX (4.16%)</td>
<td>61.73</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$1,545.73</td>
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</table>

Giovanny Martinez (Project Estimator) Date

-I acknowledge and accept the terms and conditions of this proposal.

Home Owner(s)/Project Overseer Date

Accepted By Accepted Date
Date: August 31, 2016

To: Maui OceanFront Days Inn
   2980 South Kihei Road
   Kihei, HI 96753

Attn: Cheriyn J. Kong

Project: Maui OceanFront Days Inn FA Replacement

We propose to furnish the materials and/or perform the work described below for the net price of:

$ 54,776.00 tax included.

For the above price, this proposal INCLUDES:

1. This proposal is based on replacement of the existing fire alarm system on a one for one basis.
2. A one for one replacement will require the approval of the Maui Fire Department.
3. Proposal includes the cost for the fire alarm panel and devices, creating CAD files from existing blue prints, installation/permit drawings and Professional engineer Stamp and review.
4. New fire alarm panel will be expandable for future renovations and upgrades.
5. Each building shall require:
   1 pair 12 AWG
   1 Pair 14 AWG Twisted overall shield.
6. New smoke detector will be mounted near the fire alarm control panel.

This proposal DOES NOT include:

1. Electrical installation and material.
2. Mechanical installation and material.
3. Elevator mechanic labor and elevator equipment.
4. All Hazardous work.
5. Overtime labor and rush shipping.
6. All permits and permitting fees.
7. Professional engineer stamped drawings and review services.
(IMPORTANT: This proposal incorporates by reference the terms and conditions on the reverse side hereof.)

This proposal and alternates listed below are hereby accepted and Johnson Controls is authorized to proceed with work; subject, however to credit approval by Johnson Controls, Inc., Milwaukee, Wisconsin.

Maui OceanFront Days Inn
Purchaser – Company Name

Name: .........._..... ................_._"... Name: .J,arry Neitzel
Title: __ ___ Title: Sales Executive
Date: 
PO #: 

Johnson Controls, Inc.

Signature

Name: Larry Neitzel
Title: Sales Executive
TERMS AND CONDITIONS

By accepting this proposal, Purchaser agrees to be bound by the following terms and conditions:

1. SCOPE OF WORK. This proposal is based upon the use of straight labor only. Plastering, patching and painting are excluded. "In-line" duct and piping devices, including, but not limited to, valves, dampers, humidifiers, walls, taps, flow meters, orifices, etc., if required hereunder to be furnished by Johnson, shall be distributed and installed by others under Johnson's supervision but at no additional cost to Johnson. Purchaser agrees to provide Johnson with required field utilities (electricity, toilets, drinking water, project hoist, elevator service, etc.) without charge. Johnson agrees to keep the job site clean of debris arising out of its own operations. Purchaser shall not back charge Johnson for any costs or expenses without Johnson's written consent.

Unless specifically noted in the statement of the scope of work or services undertaken by JCI under this agreement, JCI's obligations under this agreement expressly exclude any work or service of any nature associated or connected with the identification, abatement, clean up, control, removal, or disposal of environment Hazards or dangerous substances, to include but not be limited to asbestos or PCB's discovered in or on the premises. Any language or provision of the agreement elsewhere contained which may authorize or empower the Purchaser to change, modify, or alter the scope of work or services to be performed by JCI shall not operate to compel JCI to perform any work relating to Hazards without JCI's express written consent.

2. INVOICING & PAYMENTS. Johnson may invoice Purchaser monthly for all materials delivered to the job site or to an off-site storage facility and for all work performed on-site and off-site. Ten percent (10%) of the contract price is for engineering, drafting and other mobilization costs incurred prior to installation. This 10% shall be included in Johnson's initial invoice. Purchaser agrees to pay Johnson the amount invoiced upon receipt of the invoice. Purchaser acknowledges and agrees that any and all Johnson invoices for an amount greater than $25,000 shall be paid via wire transfer, check or money order, and that Purchaser shall not make, nor will JCI accept, payment in excess of $25,000 in the form of a credit card, debit card, or other similar payment device. Warrants of lien will be furnished upon request, as the work progresses, to the extent payments are received. If Johnson's invoice is not paid within 30 days of its issuance, it is delinquent.

3. MATERIALS. If the materials or equipment included in this proposal become temporarily or permanently unavailable for reasons beyond the control and without the fault of Johnson, then in the case of permanent unavailability, the time for performance of the work shall be extended to the extent thereof, and in the case of permanent unavailability, Johnson shall (a) be excused from furnishing said materials or equipment, and (b) be reimbursed for the difference between the cost of the materials or equipment permanently unavailable and the cost of a reasonably available substitute therefor.

4. WARRANTY. Johnson warrants that the equipment manufactured by Johnson shall be free from defects in material and workmanship arising from normal usage for a period of ninety (90) days from delivery of said equipment, or if installed by Johnson, for a period of ninety (90) days from installation. Johnson warrants that furniture furnished and/or installed but not manufactured by Johnson, Johnson will extend the same warranty terms and conditions which Johnson receives from the manufacturer of said equipment. For equipment installed by Johnson, if Purchaser provides written notice to Johnson of any such defect within thirty (30) days after the appearance or discovery of such defect, Johnson shall, at its option, repair or replace the defective equipment and return said equipment to Purchaser. All transportation charges incurred in connection with the warranty for equipment not installed by Johnson shall be borne by Purchaser. These warranties do not extend to any equipment which has been repaired by others, abused, altered or misused, which has not been properly and reasonably maintained. THESE WARRANTIES ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THOSE OF MERCHANTABILITY AND FITNESS FOR A SPECIFIC PURPOSE.

5. LIABILITY. Johnson shall not be liable for any special, indirect or consequential damages arising in any manner from the equipment or material furnished or the work performed pursuant to this agreement.

6. TAXES. The price of this proposal does not include duties, sales, use, excise, or other similar taxes, unless required by federal, state or local law. Purchaser shall pay, in addition to the stated price, all taxes legally required to be paid by Johnson or, alternatively, shall provide Johnson with acceptable tax exemption certificates. Johnson shall provide Purchaser with any tax payment certificate upon request and after completion and acceptance of the work.

7. DELAYS. Johnson shall not be liable for any delay in the performance of the work resulting from or attributed to acts or circumstances beyond Johnson's control, including, but not limited to, acts of God, fire, riots, labor disputes, conditions of the premises, acts or omissions of the Purchaser, Owner, or other Contractors or delays caused by suppliers or subcontractors of Johnson, etc.

8. COMPLIANCE WITH LAWS. Johnson shall comply with all applicable federal, state and local laws and regulations and shall obtain all temporary licenses and permits required for the prosecution of the work. Licenses and permits of a permanent nature shall be procured and paid for by the Purchaser.

9. DISPUTES. All disputes involving more than $15,000 shall be resolved by arbitration in accordance with the rules of the American Arbitration Association. The prevailing party shall recover all legal costs and attorney's fees incurred as a result. Nothing here shall limit any rights under construction lien laws.

10. ATTORNEYS' FEES. Purchaser agrees that he will pay and reimburse Johnson for any and all reasonable attorneys' fees which are incurred by Johnson in the collection of amounts due and payable hereunder.

11. INSURANCE. Insurance coverage in excess of Johnson's standard limits will be furnished when requested and required. No credit will be given or premium paid by Johnson for insurance afforded by others.

12. INDEMNITY. The Parties hereto agree to indemnify each other from any and all liabilities, claims, expenses, losses or damages, including attorneys' fees, which may arise in connection with the execution of the work herein specified and which are caused, in whole or in part, by the negligent act or omission of the Indemnifying Party.

13. OCCUPATIONAL SAFETY AND HEALTH. The Parties hereto agree to notify each other immediately upon becoming aware of an inspection under, or any alleged violation of, the Occupational Safety and Health Act relating in any way to the project or project site.

14. ENTIRE AGREEMENT. This proposal, upon acceptance, shall constitute the entire agreement between the parties and supersedes any prior representations or understandings.

15. CHANGES. No change or modification of any of the terms and conditions stated herein shall be binding upon Johnson unless accepted by Johnson in writing.
TO: MAUI OCEAN FRONT DAYS INN
2980 SO. KIHEI ROAD
KIHEI, HI. 96753

We hereby submit specifications and estimates for:

| REMOVE ALL OLD FIRE ALARM DEVICES AND OLD CONTROL PANEL |
| REMOVE ALL OLD WIRING FROM BUILDING TO BUILDING |
| INSTALL ALL NEW FIRE ALARM WIRING FROM BUILDING TO BUILDING AND THE |
| REQUIRED WIRES PER JOHNSON CONTROLS REQUIREMENTS |
| INSTALL NEW FIRE ALARM PANEL - SUPPLIED BY JOHNSON - IN THE MAIN OFFICE |
| INSTALL FIRE ALARM WIRING TO NEW ALARM PANEL AND INSTALL POWER |
| TESTING BY JOHNSON CONTROLS |
| ELECTRICAL PERMIT INCLUDED IF NEEDED |

NOTE: YAP'S SUPPLY - WIRES, CONDUITS AND FITTINGS, AND LABOR

WE PROPOSE hereby to furnish material and labor – complete in accordance with these specifications. For the sum of:

TAX INCLUDED $97,500.31

Payable as follows:
6 PAYMENTS

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alterations or deviation from the above specifications involving extra cost will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado, and other necessary insurance. Our workers are fully covered by Workmen’s Compensation Insurance.

ACCEPTANCE OF PROPOSAL – The prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do work as specified. Payment will be made as outlined above.

Authorized Signature: MIKE YAP

NOTE: This proposal may be withdrawn by us if not accepted within 30 days.

Signature: Date: Signature: Date:
February 1, 2016

Ms. Luseane Moa
Assistant General Manager
Maui Oceanfront Days Inn
Kihei, HI 96753-8630

Phone: (808) 879-7744
Email: luseane@mauioceanfrontinn.com

Re: Maui Oceanfront Days Inn – Walkway Renovation

Scope of Work:

• 10,500 square feet of walkway area will be subject to:
  o Removal of existing topical surface.
  o Detailed with hand grinders at the edges and corners then pressure washed to
    remove dust and other loosened latents.
  o The entire surface will be prepared with a moisture barrier.
  o Coated with Super-Krete at 1/8th inch, textured with a broom finish, then color
    stained to the color of choice & sealed for protection.

• The resulting surface will be a light broom finish to provide a non-skid surface ideal for
  pedestrian traffic which is sealed to aid against staining and provide easier maintenance
  during wash downs.

• Maintenance:
  o An annual or biennial clean & seal will keep your surface protected and looking
    great. SCB&R can provide this service for a fee or provide training for your staff
    at no cost.

Exclusions

• Water, electrical power, parking and rest rooms will be provided for SCB&R personnel
  during the project.

Price

The project will be completed for the sum of $187,369.50. Included are labor, materials,
equipment rentals and State of Hawaii General Excise Tax.
Hidden Damages

As with any removal process there will be hidden damages to the concrete found in the form of cracks & spalls beneath the removal area. SCB&R offers a Time & Materials price of $95 / $85 for supervisor & technician (per hour) labor to address these discovery issues. Materials will be billed at cost plus 25% as they are needed. A full disclosure and account of time spent will be submitted to the Owners in daily reports for all T&M work performed.

Please contact us with any questions and comments or to arrange for a contract with scheduling.

Thank you and Best Regards,

Mike Kimura
Estimations & Sales
SCB&R, Inc.
# Quote Summary for Days Inn Maui Oceanfront Hotel

Quotation: Saflok Proposal for Days Inn Maui Oceanfront Hotel for Saflok MT-RFID Locks & System 6000 Front Desk Key Encoding System

**Bill To:** Days Inn Maui Oceanfront Hotel

**Address:** 2980 South Kihei Road

**City:** Kihei

**State:** HI

**Postal Code:** 96753

**Contact:** Luseane Moa, Assistant General Manager

**Ship To:** Days Inn Maui Oceanfront Hotel

**Address:** 2980 South Kihei Road

**City:** Kihei

**State:** HI

**Postal Code:** 96753

**Contact:** Luseane Moa, Assistant General Manager

**End User:** Days Inn Maui Oceanfront Hotel

**Quote No.:** QU045116-V4G1T8 : Rev: 0

**Currency:** USD

**Date Issued:** 30 June 2016

**Validity:** 90 days

**Sales Rep:** Suzanne Acker - Phone: - Email: suzanne.acker@kaba.com

## Product Description

<table>
<thead>
<tr>
<th>Product</th>
<th>Description</th>
<th>Qty</th>
<th>List</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>SK61-</td>
<td>System 6000, No Primary, Desktop</td>
<td>1</td>
<td>2,500.00</td>
<td>2,500.00</td>
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<tr>
<td>QRNETRH600-</td>
<td>Saflok System 6000 Front Desk Key Encoding Software System</td>
<td>1</td>
<td>3,200.00</td>
<td>3,200.00</td>
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<tr>
<td>CD6</td>
<td>Desktop Server, Server (PC) required to hold System 6000 software, Hotel may supply server on its own, is which case this line item can be removed from the quote. Saflok can provide hotel with Server Specs.</td>
<td>1</td>
<td>550.00</td>
<td>550.00</td>
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<td>CERP6000</td>
<td>Additional RFID Encoder for Front Desk</td>
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<td>1,045.00</td>
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<td>CH899099</td>
<td>System 6000 Handheld Kit</td>
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<td>15.00</td>
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**SW & Computer Equipment** 7,310.00

CONFIDENTIAL DOCUMENT
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<tbody>
<tr>
<td>10950</td>
<td>RFID MIFARE MINI 320 BYTE (GENERIC SAFLOK LOGO W/ operating instructions on back)</td>
<td>2,000</td>
<td>0.35</td>
<td>700.00</td>
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<td></td>
<td>Generic Saflok RFID Keycards for Guest Use and for Making Fail Safe Keycards for Emergency Use</td>
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<td></td>
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<tr>
<td>10620-1-BL</td>
<td>RFID FOB MIFARE BLUE</td>
<td>20</td>
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<td>50.00</td>
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<td>10620-1-YL</td>
<td>RFID FOB MIFARE YELLOW</td>
<td>20</td>
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<td>10620-4-GY</td>
<td>RFID FOB MIFARE APK 4K GRAY</td>
<td>6</td>
<td>3.50</td>
<td>21.00</td>
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<tr>
<td></td>
<td>4K RFID Key FOBS for Managers &amp; Security Personnel use, Gray Color Only</td>
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<td></td>
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<tr>
<td>QRFID-KIT</td>
<td>RF STARTUP KIT INT</td>
<td>1</td>
<td>0.00</td>
<td>0.00</td>
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<tr>
<td>INT</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MR1-11NBETOLAN000BSC</td>
<td>MT RFID Lock,American Standard Mortise,1 1/4&quot; Faceplate,No Primary,BLE Ready,Wood Exterior,Troy Lever,No Key Override,Horizontal,Left Hand,1.75&quot; (44mm),Standard,Standard,No Special Hardware or Functionality,Ocean Shipment,SC-Satin Chrome,</td>
<td>48</td>
<td>165.00</td>
<td>7,920.00</td>
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<tr>
<td></td>
<td>For 90 LEFT HAND GUEST ROOM ENTRY DOORS + 3 SPARE LOCKS. Exact # of LH locks must be specified by Hotel prior to ordering.</td>
<td></td>
<td></td>
<td></td>
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<tbody>
<tr>
<td>INST-FP-NF</td>
<td>Lock Install,No prep required, pre-prepped according to template,No Frame Prep required, or pre-prepped according to template</td>
<td>90</td>
<td>38.00</td>
<td>3,420.00</td>
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<tr>
<td></td>
<td>For 90 GUEST ROOM ENTRY DOORS</td>
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</tr>
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<tr>
<td>INST-SERV-TRC-001</td>
<td>Other Labor, Standard Trip charge - Min 4 Weeks Notice, Standard Trip Charge - For Saflok Lock Installers (Note: There are no Saflok lock installers based on Maui).</td>
<td>1</td>
<td>900.00</td>
<td>900.00</td>
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<tr>
<td>INST-SERV-RF-001</td>
<td>Other Labor, Resort Fee, Per Lock..... -- REQUIRED for installations involving multiple buildings - Days Inn Maui Oceanfront Hotel has 90 guest rooms spread out over multiple buildings.</td>
<td>90</td>
<td>15.00</td>
<td>1,350.00</td>
</tr>
</tbody>
</table>

**Installation** = 5,670.00

<table>
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<tbody>
<tr>
<td>INST-TRN-S6K-001</td>
<td>System Setup &amp; Training, System 6000 System Setup &amp; Training, Done during Project Install - Set Up System 6000 Front Desk Key Encoding Software System &amp; Conduct Staff Training. By certified Saflok Technician. Property responsible to provide complimentary room and parking onsite for technician for duration of training (approx 2 days).</td>
<td>1</td>
<td>3,500.00</td>
<td>3,500.00</td>
</tr>
</tbody>
</table>

**Training** = 3,500.00

**Equipment & Labor Subtotal:** 33,141.00

**less Total Discount:** 972.50

**Quotation Total:** 32,168.50

*Quote Description:*
*THIS QUOTE IS VALID FOR 90 DAYS FROM THE DATE OF ISSUE*

Please discuss specifics on lead time with your sales representative.

Installation price quoted does not include patching & painting, re-aligning doors, hinges or repairing other pre-existing abnormal conditions. Installers will typically use drop cloths and will broom clean. The property is responsible for any additional cleanup and it must not hinder or slow down the installation process. Installation price quoted does not include welding gate boxes.

Customer warrants that the doors & door openings are in compliance with either WDMA I.S.1A-04 or ANSI/SDI A250.8-2003 with regard to hang, door gaps, and structural integrity.

Installation charges are based upon all Kaba being installed in one(1) trip. A trip to install less than 80 locks and/or safes requires a $600 trip charge. A $500 day labor rate may apply for trips to install less than 25 locks and/or safes. Additional trips for technical training or grand opening support are to be reimbursed at $1,500.

If installation wages are subject to the Davis-Bacon Act (US Government Projects), Prevailing Wage Act, or union rates, installation charges will be adjusted to reflect these requirements and the purchaser agrees to pay such additional charges. If the Door preparation is found not to match that quoted the customer agrees to pay the appropriate per lock installation fee based on the actual preparation work required.

UNION LABOR: In the event that Union rates are included in the Sales contract, it is acknowledged that union rates vary from time to time and from state to state depending on local rules out of our control. Purchaser also acknowledges that rate changes are beyond the control of KABA Lodging and, in such cases where union rates have changed between the time of issuance or the proposal and the time of installation, it will be necessary to provide a change order for the difference in cost.

Assumes complimentary room(s) and parking during installation, training and opening support. Complimentary rooms provided must be furnished, fully functional and ready to occupy. If purchaser/customer does not have rooms available, or chooses not to provide rooms, purchaser/customer agrees to pay a comparable room rate per installer or trainer per day at a local facility and cover transportation costs. Purchaser will be invoiced for any accommodations, transportation, and/or parking expenses that are not provided free of charge to installers and trainers.

If installations are less than 20 per building, a $10 surcharge per lock will be added for job prep and transportation between buildings. The customer agrees to provide 30 consecutive rooms per day except in military, multi-housing, union and resort properties. If less than 30 rooms or non-consecutive rooms are provided for installation, the customer agrees to pay a $10 surcharge per lock/safe.

If the conditions of the property are such that an installer cannot install at least 10 locks and/or safes per day per installer, the property agrees to pay a minimum daily rate of $500 per day per installer for downtime in addition to all other charges. If the property does not allow installers to install six days per week, Monday through Saturday, minimum eight hour work day the customer agrees to pay each day not allowed at the downtime rates.

Installation dates must be scheduled a minimum of 14 days in advance of the first day of installation or customer agrees to pay an additional $500 expedite travel fee per installer.

This Quote is subject to our sales terms and conditions as in effect from time to time, which are incorporated herein by reference and available by calling and requesting a copy from the contract administration department at (248) 837-3700.

Licensed electrician required to complete final wiring hook up of Remote Control Unit and to run all low-voltage wiring. Contact KABA Installation Support at (248) 837-3700 for schematics and wiring diagrams.

The purchaser and/or proper owner is responsible for the procurement, installation and configuration of all networking devices, data cables and power lines that are used for the functionality of the Kaba system. Data cable installations must be terminated with RJ45 male connectors when terminated at networking devices and must comply with local regulations. If power lines are required, all must be terminated at receptacles that comply with local regulations.

Installation of Kaba elevator card reader hardware and applicable cabling, is the sole responsibility of the purchaser. KABA is not responsible for damages caused by improper installation or cabling. KABA suggests customers contract only certified elevator mechanics.

Product has two-year Warranty, excluding batteries and other expendable items.

On-site training is REQUIRED. (Hotel must provide trainee transportation, room and board). Training MUST be completed by a certified KABA technician. If property schedules on-site technical support and is not prepared when the technician arrives, property will be required to pay for an additional training session for second visit.

A unique hotel data file and mastering configuration program will be designed by KABA at no charge.
General Terms and Conditions of Sale

1. ENTIRE AGREEMENT: This Agreement constitutes the entire agreement between KABA ILCO Corp. dba Kaba Access Control ("KABA") and the Purchaser, and contains all of the terms and conditions relating to the sale of the product(s). This agreement supersedes all prior agreements, previous catalog terms and conditions, and other documents unless expressly incorporated herein.

2. PAYMENT TERMS: Unless otherwise stated, terms are net 30 days from the date of invoice. KABA reserves the right to charge interest at 1.5% per month (18% annually) on any overdue amounts. If KABA discovers that the Purchaser's financial condition does not warrant the above payment terms, then KABA, in its absolute discretion, may demand that the Purchaser pay in advance, pay cash upon delivery, or refuse Purchaser's order. In the latter case, KABA cannot be held liable for any damages of any nature whatsoever for its refusal to deliver goods in whole or in part.

3. PRICES: The product price(s) shall be according to KABA's price list in effect at the time of acceptance of the purchase order or according to its authorized quotation in force at the time of acceptance of the applicable purchase order.

4. TAXES: The price does not include any amounts for U.S. or International Federal Customs Duties, Canadian, U.S. or International, Federal, Provincial, State, Local Excise, Goods and Services, Sales or Use, or Value added taxes. However, should KABA be obligated to pay any of the foregoing taxes, the Purchaser, upon demand, shall, within fifteen (15) days, reimburse KABA the total amount disbursed in respect thereof.

5. MINIMUM ORDER REQUIREMENTS: The minimum order amount for all orders accepted is $400 USD, excluding the shipping and insurance charges. This does not apply to cut keys.

6. PRODUCT INFORMATION: Unless expressly stated in this Agreement, all information contained in the product brochures, pamphlets, or information circulars, are for reference purposes only and based on information available at time of publication. KABA reserves the right to make reasonable changes in its products or discontinue certain products from time to time and to deliver the modified products, or to offer replacement product in the event a product has been discontinued without any liability whatsoever. Purchaser shall have the option to purchase any other product in the event of a discontinued product, provided however, Purchaser shall be responsible to pay any price difference.

7. INSTALLATION: Unless otherwise expressly stated, the costs and materials required for installation are not included in the prices and/or quotations.

8. POINT OF DELIVERY & SHIPPING: Delivery points and terms are FOB KABA warehouses in the Continental USA and Canada for KABA products. Should Purchaser request a shipping method or carrier different than KABA's standard, then the full amount of the shipping cost will be invoiced to the Purchaser. Drop shipments to a third party are subject to a $25 surcharge, which is invoiced to Purchaser. Kaba will no longer ship to third parties in Canada.

9. DELIVERY TERMS: KABA will notify the Purchaser if for any reason, it is unable to deliver the products as scheduled, and KABA cannot be held liable for any damages of any nature resulting from these delays.

10. FORCE MAJEURE: Should a delay in delivery be caused by a Force Majeure event, the time of delivery shall be extended by a reasonable amount of time with regard to all applicable circumstances. Upon mutual agreement, the parties shall set a new date for delivery. Except as to payments due hereunder, neither party shall be liable for failure to perform hereunder for the duration of and to the extent such failure is occasioned by a Force Majeure event, which is defined as follows: war, riots, insurrections, fire, flood, explosions, strikes and other labor or industrial disturbances, inevitable accidents, Government, State, Provincial or Municipal regulations and/or ordinances, an act of God, embargoes, blockades, delay in obtaining materials, legal restrictions, currency regulations, or any cause or condition beyond the reasonable control of the parties. Where such conditions continue for more than three (3) months, either party shall be free to terminate the Agreement. In the case of termination, KABA shall be paid the value proportionate to the Agreement price for the finished product and/or the work-in-progress as of the date of termination and the supportable costs.

11. FAILURE TO ACCEPT DELIVERY: If Purchaser fails to accept delivery at the scheduled time, the purchase price shall become due and payable in accordance with the original payment schedule and all risks associated with the product or parts of the product to be delivered, shall be borne by the Purchaser. Purchaser shall be responsible for all storage and handling costs incurred and to be incurred as a result thereof.

12. TITLE: Unless otherwise stipulated in this Agreement, ownership of the goods shall remain with KABA until full payment of the sale price has been received. Until complete payment has been received, Purchaser undertakes to warrant and keep the goods free and clear of all liens, other charges or encumbrances.

CONFIDENTIAL DOCUMENT
13. RETURN POLICY: Purchaser must obtain a Return Goods Authorization (RGA) number from KABA's Customer Service by calling in North America: (800) 849-8324 or Worldwide: (336) 725-1331, before returning any products whatsoever. The Purchaser must have the product serial number and invoice number pertaining to the original purchase available to give to the Customer Service Agent. KABA will send via Facsimile or email (as indicated by Purchaser) the Return Goods Authorization form, which includes the RGA number along with the "Ship To" address and RGA return instructions. RGAs expire after sixty (60) days from date of issuance. Returns of product by Purchaser are FOB KABA.

14. WARRANTY: Subject to the limitations herein, KABA warrants its new products from the date received by Purchaser from material or workmanship flaws. Specific new product warranties may vary according to products and if different, they are listed in the respective product section of the Access Control catalog or the respective product installation manual. Third party product(s) sold by KABA are warranted only to the extent provided by the original manufacturer’s warranty and Purchaser must refer to the original manufacturer's warranty in such case. Refurbished or reconditioned KABA products are warranted for a ninety (90) day period from date of shipment. Failure of the Purchaser to notify KABA within the time limit set in this section shall constitute Purchaser's waiver to have the malfunction or damage remedied. The express warranties as set out herein, are the exclusive warranties given and accepted in lieu of any and all other warranties, expressed or implied, statutory or otherwise, including but not limited to warranty of fitness for a particular purpose and merchantability. To the extent that they cannot be disclaimed, the implied warranties are limited in duration to the life of the express warranty. Incidental and consequential damages are excluded from coverage under this warranty. Some States/jurisdictions do not allow for the disclaimers, limitations and exclusions identified above; as a result, they may not apply to you. This warranty gives you specific rights; and you may also have other legal rights which may vary from State to State, or from one jurisdiction to another. No distributor, dealer, sales representative nor any other person has been authorized to make any affirmations, representations or warranty regarding the product, other than those contained in this limited warranty, and if made, shall not be enforceable against KABA. KABA reserves the right to modify this warranty at any time, it being understood that such modification will not alter the warranty conditions applicable to the products sold while this warranty is in effect.

• KABA will, at their discretion and at no charge, either repair, exchange or replace the product provided it is returned complete to KABA during the warranty period. However, Purchaser is responsible for the labor to remove and reinstall the product(s) from Purchaser's premises.
• Defective parts, which have been replaced, become the property of KABA who may dispose of them in any manner. Replacement parts become the property of the Purchaser upon their delivery.
• KABA is not liable for any defects in materials, designs, drawings or information provided by the Purchaser, nor for information which is missing and could not be reasonably identified as such, by KABA.
• KABA does not warrant the following:
  (a) Normal wear and tear from use;
  (b) Printer ribbons, batteries, key cards and other consumable parts used or supplied with the product;
  (c) Damage of any nature to hardware finishes;
  (d) Faulty or defective product operation(s) caused by unusual or unforeseeable use or conditions;
  (e) Improper installation, operation or maintenance of the product;
  (f) Any product or system in which KABA's product(s) is incorporated;
  (g) Force Majeure as defined by Section 10 of this Agreement;
  (h) Repairs or alterations carried out by anyone other than KABA;

14.1 VARIANCE: Any claims that the quantity and description of goods delivered and the quantity and description of goods ordered do not conform to this Agreement are waived unless the Purchaser advises KABA's Customer Service department in writing, within fifteen (15) days from the date of receipt of the product(s).

14.2 RETURNS FOR CREDIT: In order to return new merchandise, the Purchaser must obtain a Returned Goods Authorization (RGA) number from KABA Customer Service department. There is a twenty-five percent (25%) restocking charge applied to all returns of new product. Custom products cannot be returned for credit for any reason other than product failure. Credit will not be offered for product that is returned incomplete or damaged.

15. LIMITATION OF LIABILITY: The total liability of KABA for all claims of any kind, whether in contract, liability or otherwise, arising out of, connected with or resulting from KABA's performance or breach of this Agreement or services furnished hereunder shall in no event exceed the total purchase price expressed in this Agreement. KABA shall not under any circumstances be held liable for loss of profits or revenues, loss of use of product or any other product software, system, or facility, loss of data or information, lock or loss of productivity, interest charges or cost of capital cost of substitute product, software, systems or services, cost of purchases or replacement power, downtime costs. Incidental, special, consequential damages are excluded from coverage under this warranty.

16. ASSIGNMENT: KABA may assign this Agreement in whole or in part, to any parent, subsidiary or affiliated corporation. Subject to the prior written approval of KABA, Purchaser may assign the present Agreement to any parent, subsidiary or affiliated corporation.
17. DAMAGES: If Purchaser does not fulfill its obligations or is in default or breach of contract by the terms of this Agreement, KABA may then terminate the Agreement by notice in writing as set out on the face of KABA’s acknowledgement. KABA has the right to claim compensation for any loss it incurs as a result of Purchaser’s default, in addition to any other rights or recourse in equity and in law.

18. APPLICABLE LAW: This Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina, USA.

19. TERMINATION: If the Purchaser terminates this Agreement, in whole or in part, by written notice, KABA will, upon receipt of the termination notice, cease the performance of the contract according to the instructions of the Purchaser. In such a case, Purchaser may be invoiced for costs incurred depending on the nature of the product and shall be responsible for payment of same.

20. SEVERABILITY: Any term, condition or provision of this Agreement, or any part thereof, which is or may be found to be prohibited or unenforceable in any jurisdiction shall, as regards such jurisdiction and to the extent of such prohibition or unenforceability, be deemed to be severed from this Agreement, and the remaining terms, conditions and provisions of this Agreement shall remain in full force and effect.

21. WAIVER: Any act or omission by KABA will not constitute or be deemed to be a waiver of the rights granted to KABA by the terms of this Agreement.

Disclaimer: While reasonable efforts were made to ensure the accuracy of this document at the time of printing, Kaba assumes no liability for any errors or omissions. This information is subject to be revised without notice, and changes may be incorporated in future releases.
DAYS INN ROOM RENOVATION PROPOSAL FOR 85 UNITS

For a total of $2900 plus tax, we will complete the following improvements:

1. Remove and dispose of the old bath vanities and mirrors & all old plumbing feeding the vanities.
2. We will patch and paint the walls behind the old vanities where needed.
3. We will install a modern “Kohler” pedestal sink, which has the most ledge storage area around it as any other available. It will fit the 24 inch space needed and all specs on it are supplied with this proposal.
4. A modern design, single handle, “Kohler” chrome faucet will be installed.
5. New shut off valves, angle stops, will be installed for the safety from future leakage. If they are the original, there could be eminent problems of water damage.
6. The new vanity mirrors supplied by Debbie Beaver, at her added cost, will be installed under the existing wall sconce.
7. For those units with exhaust fans, we will replace them with new “quieter” models. The old fans are very noisy.

The purpose of this renovation is to offer an upgrade to your guests that includes the Tropical look they all appreciate when coming to Maui.

We feel safe in being able to do as many as 5 to 10 units every week until all units are complete. We could start the project June 1, 2016.

We have extensive experience with working in and amongst vacation rentals. We did full remodels of over 100 units across the street from you at the Maui Hill Resort a few years back. We were completing 5 units every 6 weeks and this included extensive floor tile, two showers and counter tops along with numerous other components. Dennis Costa, the General Manager, can attest to our professionalism, attention to detail and our constant concern for the comfort of the guests in residence.
Please visit my Website www.waileainteriorsandremodeling.com to see many of the projects we have completed. My greatest accomplishment with all these projects is the fact that we have “never” had a displeased client. Our A+ rating with the BBB is a result of this.

We hope we may be able to work with you on this project.

Mahalo
Ron Brown

TOTAL COSTS FOR 85 UNITS:

$2900 PER UNIT PLUS TAX FOR THE 85 UNITS EQUALS:

$256,770

PAYMENT SCHEDULE TO BE:

10% Good faith payment for us to secure the time for the project
60% 90 days prior to start of the project in order to obtain materials needed
20% For each 10 units completed = $51,354
10% Balance upon completion of the final units.
PROPOSAL SUBMITTED TO:
Name: Maui Oceanfront Days Inn, ATTN: Cherlyn Kong, Gen. Manager

PROJECT: Replacement of Staircase hand rail systems, all stairways.

SCOPE OF WORK: Removal, replacement and repair of wooden stairway handrails leading from 1st to 2nd floor, and replacement of handrail supports in second floor hallways for 2 sets of stairways in Buildings A, B, C, D, E, and F. Removal of existing picket and railing system, and relocation of hallway handrails from "floating" off of the edge of second floor landing, and attaching the pickets and handrail 4"x4" posts to floor of the landing for more stability. The pickets will be replaced with standard 2" x 2" pickets, primed and painted. New stairway 2" x 6" caps will be installed, primed and painted. On 1st floor stairway handrail system, existing railings will be removed and replaced with standard 2"x2" pickets and new 2"X6" top cap, which will span the whole length of the stairway. A new metal pipe handrail will be installed, which will span the whole length of the stairway. All siding, trim, and paint repair will be completed, as needed.

PROJECT ESTIMATED DURATION: 4-5 weeks

INCLUDED: All labor, material, and tools required to complete project.

EXCLUDED: Any permits, fees, or assessments. Costs of any architectural plans or drafting services. Cost of bonding will be additional.

All of the work is to be completed for the sum of: $68,745.60 (tax included)

Payment Schedule: 50% material deposit, 50% balance due upon completion.

Any alterations or deviations from the above specifications involving extra cost of material or labor will be executed upon written order of same, and will become an extra charge over the sum mentioned.

Authorized Signature

Date
From: Edward Vares, President Date: 09-21-2016 Project #: 2016-30

PROPOSAL SUBMITTED TO:
Name: Maui Oceanfront Days Inn, ATTN: Cherlyn Kong, Gen. Manager

PROJECT: Installation of metal pipe handrails along property walkways.

SCOPE OF WORK: Installation of custom fabricated metal pipe handrails along property walkways, as shown on attached map. The metal pipe handrails will be fabricated and welded on-site to match existing terrain and walkway contours. Pipe will be mounted with concrete footings and primed and painted with rust-inhibiting paint.

PROJECT ESTIMATED DURATION: 2 weeks

INCLUDED: All labor, material, and tools required to complete project.

EXCLUDED: Any permits, fees, or assessments. Costs of any architectural plans or drafting services. Cost of bonding will be additional.

All of the work is to be completed for the sum of: $46,872.00 (tax included)

Payment Schedule: 50% material deposit, 50% balance due upon completion.

Any alterations or deviations from the above specifications involving extra cost of material or labor will be executed upon written order of same, and will become an extra charge over the sum mentioned.
RISINGSUN SOLAR ELECTRIC

Paul Ocean Front Inn,
2980 S. Khele Rd,
Kailua, HI 96734

109.22 kW (STC-DC) PV System proposal using Sunpower 327 Watt panels and Solar Edge 14400 Watt Inverters

This PV system is designed to produce an annual average of 413.5 kWh per day and offset 47% of your last twelve month's average daily electrical usage of 876.8 kWh per day.

Proposal Prepared By: Zephyr Waniga
Phone: 808-293-6177
Email: zephyr@risingsunsolar.com

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost Summary</th>
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<tbody>
<tr>
<td>Total Materials/Shipping</td>
<td>$322,915.19</td>
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<tr>
<td>Total Labor</td>
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<td>State of HI GET</td>
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<td>Total Cost</td>
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<table>
<thead>
<tr>
<th>System Summary</th>
<th>Cost Summary</th>
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<tbody>
<tr>
<td>System size (KW-DC)</td>
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<tr>
<td>System size (KW-CEC-AC)</td>
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<tr>
<td>Cost Per Watt (DC)</td>
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<td>Cost Per Watt (CEC-AC)</td>
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| Federal Tax Credit                   | $131,039.32 |
| State of Hawaii Tax Credit           | $152,937.54 |
| After Tax Credit System Cost         | $152,937.54 |

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<tr>
<th>Production Summary</th>
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<tbody>
<tr>
<td>Peak Sun Hours</td>
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<td>Generation Factor</td>
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<td>Daily output (kWh)</td>
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<td>Monthly output (kWh)</td>
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<tr>
<td>Yearly output (kWh)</td>
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<th>Payback Summary</th>
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<tbody>
<tr>
<td>MECO Rate/kWh</td>
<td>$0.30</td>
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<tr>
<td>Avoided energy cost per month</td>
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<td>Avoided energy cost per year</td>
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<table>
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<tr>
<th>Equipment List</th>
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<tbody>
<tr>
<td>Sunpower 327 Watt modules</td>
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<tr>
<td>Solar Edge 14400 Watt Inverters</td>
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<td>250V, NEMA-14, 200 AC disconnect, to isolate PV system from MECO grid</td>
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<tr>
<td>Solar Edge Power Optimizers</td>
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<tr>
<td>250V, NEMA-14, PV loadcenter and RV breakers</td>
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<tr>
<td>20 amp AC and DC monitoring systems including weather suite</td>
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<tr>
<td>PV tracking system</td>
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| Sunpower PV components offer an exclusive (Manufacturer to Customer) Warranty |

| Proposal dated: December 2, 2017 |

Cost includes wiring, panels and associated materials not listed, are valued for a functional PV system.

As the contractor, Rising Sun Electric will offer a 10-Year warranty on the entire system.

The panels are warranted by the manufacturer for 25 Years and the inverter(s) for 10-Years.

The PV system proposed will meet all MECO/Hau County code requirements.

Labor costs include handling, related paperwork with MECO/Hau County, & physical installation.

Zephyr Waniga is licensed, insured & bonded contractors are covered by workers comp. insurance.

Sunpower PV components offer an exclusive (Manufacturer to Customer) Warranty.

(Proposal: not bid binding) (not accepted within 30-Days)

811 Kekaha Road, Suite 160, Kailua, HI 96734
P: (808) 579-8287 / F: (808) 575-9828
Electrical Contractor License # 25193