REQUEST APPROVAL TO EXTEND THE TERM OF LEASE NO. H-89-13, PACIFIC-WEST FUELS, INC., FOR AN ADDITIONAL FIFTEEN YEARS TO AMORTIZE THE COST OF SUBSTANTIAL IMPROVEMENTS SITUATED AT LAHAINA SMALL BOAT HARBOR, ISLAND OF MAUI, HAWAII, TAX MAP KEY (2) 4-6-001:014, 017 (POR.). FIND THAT THE EXTENSION OF THE LEASE IS BASED ON THE ECONOMIC LIFE OF THE IMPROVEMENTS THAT WERE MADE TO THE DEMISED PREMISES.

REQUEST:

The Division of Boating and Ocean Recreation (“DOBOR”) is seeking approval from the Board of Land and Natural Resources (“Board”) to authorize a Fifteen (15) year lease extension to amortize the cost of completed improvements to the demised premises in the total amount of $219,734.79 ($147,372.67 of cost incurred in the past two years & $72,362.12 spent in 2014-2015). DOBOR is also seeking Board approval to negotiate capital improvements to the Lahaina Small Boat Harbor. Pacific-West Fuels, Inc. stated “they are concerned about the state of disrepair of the wharf railings, steps, and marlin hoist and would be willing to cover the costs of making repairs up to $150,000 as part of the lease extension.”

LEGAL REFERENCE:

Sections 171-36 (b) (3), Hawaii Revised Statutes (HRS), as amended.

LOCATION:

Portion of Government lands situated at Lahaina Small Boat Harbor, Lahaina, Island of Maui, identified by Tax Map Key: (2) 4-6-001:014 and 017 (por.).

AREA:

The lease area contains approximately 1282 sq. ft. of fast land, consisting of approximately 146.5 sq. ft. for fuel dispensers and a non-exclusive easement of approximately 1,188 sq. ft. for subsurface fuel storage tanks and related equipment, see attached Exhibit A.
ZONING:

State Land Use District: Urban, County of Maui
CZO: HD-1 Historic District

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act. YES
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: NO

CURRENT USE STATUS:

Marine Fueling Facility open 24 hours per day, seven days per week, 365 days per year.

CHARACTER OF USE:

Marine Fueling Facility

ANNUAL RENTAL:

$1,770.00 per annum plus 5.25% of the annual gross receipts in excess of the minimum annual rent.

TERM OF LEASE:


REMARKS:

Pacific-West Fuels, Inc. (PWF) is presently occupying the Premises under the terms and conditions of Lease No. H-89-13 (the “Lease”) which originated on November 21, 1989 and expires on November 20, 2019. The last rental reopening occurred on November 20, 2004 in which the annual base rent increased by thirty percent. There is no future rental reopening.

The applicant desires to continue to use the Premises per the “Lease Character of Use” as a marine fueling facility. According to Pacific-West Fuels, Inc.’s lease, they will have to remove their equipment including fuel tanks prior to the end of lease and this would cause a major interruption in the Lahaina Small Boat Harbor.

PWF is requesting a 15-year lease extension to amortize the cost of already completed improvements to the demised premises in the amount of $219,734 (see Exhibit B). This lease extension would enable PWF to recover the $219,734 of capital improvement cost they incurred doing the following: (1) repaired the fuel equipment and related leasehold improvements that support it; (2) installed stainless steel ratcheting hose reels and extended reach hoses; and (3) upgraded all their electronic control equipment and software. PWF provided itemize invoices to DOBOR depicting most of the capital improvement cost (see Exhibit B).
PWF provided a consulting letter from M. Nakai Repair Service estimating the Economic Life of the improvements (See Exhibit C). DOBOR also worked with PWF to create an amortization table with the assumption that PWF would have financed all capital improvements in 2014 instead of using cash-on-hand and spreading the cost over multiple years (See Exhibit D). The Leasehold Improvement spreadsheet also provides additional leasehold improvement details. (See Exhibit D).

If the Board grants PWF a fifteen-year extension, PWF would like to work with the State of Hawaii to make the necessary safety repairs at Lahaina Small Boat Harbor up to $150,000. These safety repairs are the responsibility of the State of Hawaii, but PWF is willing to repair and fund the repair of the following: replace all existing railings, mounting brackets, gates with similar design; remove and replace all concrete stairs that are crumbling; and resetting the marlin hoist into reinforced concrete using corrosion resistant rebar. PWF is willing to manage the project, and or only fund the repairs. PWF’s only stipulation is that the State of Hawaii would provide the plans and specification for the desired repairs and assume the cost for any permits required.

PWF also provided a video which reveals the needed repairs at the Lahaina Small Boat Harbor, which can be viewed online: https://vimeo.com/249762621

DOBOR supports the continued use of the premises for the stated purpose since any disruption would cause a major interruption in the Lahaina Small Boat Harbor. Also, PWF has successfully and safely operated this fueling facility since 1990 with minimal interruptions in service except for maintenance repairs.

After consulting with DOBOR Engineering, DOBOR also recommends that the State provide PWF with the plans and specifications along with the right-of-entry permits required to complete the safety repairs detailed above.

RECOMMENDATION:

That the Board of Land and Natural Resources:

1. Find that the extension of the lease is based on the economic life of the improvements that were made to the demised premises.

2. Authorize the issuance of a 15-year lease extension with rental reopening’s every five years, covering the subject area for the purpose of a Marine Fueling Facility, Lahaina, Island of Maui, 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 lease form, as may be amended from time to time;

   b. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.
BLNR – Authorization to Boating
Lease No. H-89-13, Pacific-West Fuels, Inc.

Respectfully Submitted,

[Signature]

EDWARD R. UNDERWOOD, Administrator
Division of Boating & Ocean Recreation

APPROVED FOR SUBMITTAL:

[Signature]

SUZANNE D. CASE, Chairperson
Board of Land and Natural Resources

Attachment:
A. Aerial Map depicting Lahaina Marine Fueling Facility
B. PWF Letter / Invoices
C. Consultant Letter (Economic Life Estimation)
June 29, 2018

Mr. Kenyatta Russell, Property Manager
Hawaii Department of Land and Natural Resources,
Division of Boating and Ocean Recreation
4 Sand Island Access Road
Honolulu, HI 96819

Aloha Mr. Russell:

I am writing to request a negotiated extension, of not less than ten years, of Pacific West Fuels, Inc.‘s (PWF) lease with the State of Hawaii, Harbor Lease No. H-89-13 to enable PWF to recover the $147,372.67 of costs it has incurred to do the following: (a) repair our fuel equipment and the related leasehold improvements that support it; and (b) improve operational efficiency by installing stainless steel ratcheting hose reels and extended reach hoses. In 2014 and 2015 PWF also spent $72,362.12 replacing all its electronic control equipment and software. The accompanying schedule lists the safety and efficiency improvements made voluntarily by PWF during the two previous years to enable PWF to fulfill its obligations under this lease, which expires November 21, 2019.

PWF built and has now successfully and safely operated this fueling facility since 1990 with minimal interruptions in service on those few days when repairs were being done. Although the lease only requires PWF to dispense fuel 12 hours per day, for the convenience of our customers and the public, PWF makes fuel available 24 hours per day, seven days per week and 365 days per year.

PWF is concerned about the state of disrepair of the wharf railings, steps and marlin hoist and would be willing to contribute $150,000 towards the estimated costs of making such repairs, so that the wharf can be made safe for our customers and the general public. We’d need at least a 15-year extension of the lease to recover both our $219,734.79 of costs already incurred since 2014 ($147,372.67 in the past two years) and PWF’s proposed contribution to Hawaii of $150,000 towards the costs to be incurred for the safety repairs we’ve documented in a video sent to you recently. Attached is a rough estimate from a reputable Maui contractor, of such costs under two alternatives, to replace what exists with similar materials, and using superior materials that should require much less maintenance and last for many years.

If PWF were to make the repairs, we’d request that the State provide the plans and specifications for the desired repairs and any permits required for us to contract the work or preferably a right of entry permit. Alternatively, if the State was to do the repairs we’d reimburse the actual costs of such repairs against invoices up to a maximum of $150,000.

I’ve also attached some information about our Company and the reasons I think it is in Hawaii’s and our customers and the boating public’s best interest to extend our lease. Thank you in advance for consideration of our request.

Gary Strube, President, Pacific West Fuels, Inc.

EXHIBIT B
Why we Believe it is in Hawaii’s, our Customers and the Boating Public’s Interest

For the State of Hawaii to Negotiate an Extension of Lease Number H-89-13

1. Pacific West Fuels, Inc. (PWF) not only built the existing facility to be the safest fuel dock of its kind back in 1989 in partnership with the State of Hawaii but has also operated the site safely and efficiently for 28 years. Fuel has been made available to the boating public continuously for over 28 years on a 24 hour a day, seven days per week and 365 days per year basis. During the few brief interruptions of operation necessitated by safety repairs, diesel fuel was made available to our customers in cooperation with Hawaiian Petroleum.

2. Although the site was intended to be operated continuously on an unattended basis, PWF has a local employee to provide assistance to boaters when required.

3. Approximately 80% of every dollar PWF receives for fuel and service is spent in Hawaii, most in Maui.

4. PWF is committed to responsible operation as evidenced by its voluntary expenditure of approximately $220,000 between 2014 and today ($147,372.67 in the past two years) to renew and replace equipment it deemed to be a safety risk (despite passing local inspection). We made these investments to protect the public and to ensure continuous operation through the remaining two years of our existing lease, knowing that our subsequent request for lease extension to enable the Company to recover these costs might be denied.

5. PWF is willing to go beyond its requirements to keep its equipment in operating order, to include paying for a large portion of the maintenance deferred for two decades by Hawaii that we believe has now created safety hazards on the Lahaina Boat Harbor wharf. As stated in our cover letter, PWF is willing to fund up to $150,000 of the estimated $225,000 of costs to replace 200 lineal feet of badly deteriorated railings; replace and properly build new steps leading from the upper to lower landings; and to reseat the marlin hoist which presently is affixed to broken concrete and creates what we believe to be a life-threatening hazard.

6. PWF has many hundreds of thousands of dollars invested in its equipment. The existing lease requires PWF to remove all the equipment it installed by the end of the lease. Doing so would severely disrupt wharf operations for not less than six months and possibly a year or longer. And all the equipment would need to be replaced at great cost to a new lessee, who would likely then need to pass such additional costs on to the boaters in the form of higher fuel prices. By extending the lease Hawaii would avoid any disruption in operations.

7. Hawaii has vetted PWF for 28 years and PWF has proven to be reliable and responsible. New operators might not be as capable and dependable.

8. PWF has timely paid the State of Hawaii over $100,000 per year in rent for each of the last ten years is confident future annual rents paid to the State would exceed $100,000 annually.
When Gary Strutz became President of PWF in late 2015, he obtained an A/B UST Operator’s license from Hawaii and then did a thorough inspection of PWF’s operating equipment for safe, continuous and efficient operations. His inspection raised his concern about the north side dispenser’s ability to continue operating safely through the end of the lease despite being passed by independent inspectors. He then got his shareholders to approve making the following expenditures to ensure safe and continuous operations despite lease expiring 11-21-19. There wasn’t time to request a lease extension prior to commencement, due to narrow window between cruise ship moorings which was a condition imposed by the Hawaii Dept. of Land and Natural Resources.

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<thead>
<tr>
<th>Vendor/Description</th>
<th>Date</th>
<th>Cost</th>
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<tbody>
<tr>
<td>Valley Oil Co./Stainless ratcheting reels &amp; extra long hoses</td>
<td>4/6/2016</td>
<td>$5,886.24</td>
</tr>
<tr>
<td>M. Nakai Repairs Services/Install reels and hoses</td>
<td>5/25/2016</td>
<td>2,463.42</td>
</tr>
<tr>
<td>Valley Oil Co./Stainless ratcheting reels &amp; extra long hoses</td>
<td>8/8/2016</td>
<td>5,940.04</td>
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<tr>
<td>Valley Oil Co./Stainless ratcheting reels &amp; extra long hoses</td>
<td>11/1/2016</td>
<td>2,313.85</td>
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<tr>
<td>M. Nakai/Major Repair Project</td>
<td>6/25/2017</td>
<td>1,350.00</td>
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<td>M. Nakai/Major Repair Project</td>
<td>9/25/2017</td>
<td>82,913.52</td>
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<tr>
<td>M. Nakai/Major Repair Project</td>
<td>10/9/2017</td>
<td>1,256.13</td>
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<td>M. Nakai/Major Repair Project</td>
<td>10/9/2017</td>
<td>3,652.49</td>
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<td>M. Nakai/Major Repair Project</td>
<td>10/5/2017</td>
<td>10,843.46</td>
</tr>
<tr>
<td>Various Vendors/Miscellaneous Project Expenses (see below *)</td>
<td>Aug-Sep 2017</td>
<td>30,753.52</td>
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<tr>
<td></td>
<td></td>
<td>$147,372.67</td>
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</table>

*Miscellaneous project expenses include: Miscellaneous labor costs for onsite workers; cable ramps to protect pedestrians; completion bonus to John Pender for Project supervision; bonuses paid to M. Nakai and Hawaii Petroleum employees for overtime; flat bed truck rental and forklift to move large concrete planters to temporary location and then to return to wharf when project completed; trash hauling and dump fees, etc.

Note that PWF also spent $72,362.12 from 10/27/14 - 9/1/2015 for new electronic control equipment. Not listed above as outside of two years.
## PACIFIC / WEST FUELS, INC.
### Leasehold Improvements
#### For Year Ending December 31, 2017

<table>
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<tr>
<th>Date</th>
<th>Description of Work / Vendor</th>
<th>Capital Cost</th>
<th>Source of Capital</th>
<th>Original Installation Date</th>
<th>Expected Life Span (YRS)</th>
<th>Comments</th>
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<tbody>
<tr>
<td>4/6/2016</td>
<td>Installed stainless ratcheting reels &amp; extra long hoses (Valley Oil Co.)</td>
<td>$5,886.24</td>
<td>Accumulated Savings</td>
<td>1989</td>
<td>10</td>
<td>Originally reels were not ratcheting nor stainless and hoses were short.</td>
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<td>5/25/2016</td>
<td>Installed new reels &amp; hoses (M. Nakai)</td>
<td>$2,463.42</td>
<td>Accumulated Savings</td>
<td>1989</td>
<td>10</td>
<td>PWF upgraded to stainless to prolong life and to long hoses to accommodate harbor master request.</td>
</tr>
<tr>
<td>8/8/2016</td>
<td>Installed stainless ratcheting reels &amp; extra long hoses (Valley Oil Co.)</td>
<td>$5,940.04</td>
<td>Accumulated Savings</td>
<td>1989</td>
<td>10</td>
<td>Ditto previous comments.</td>
</tr>
<tr>
<td>11/1/2016</td>
<td>Stainless ratcheting reels &amp; extra long hoses (Valley Oil Co.)</td>
<td>$2,313.85</td>
<td>Accumulated Savings</td>
<td>1989</td>
<td>10</td>
<td>Ditto previous comments.</td>
</tr>
<tr>
<td>6/25/2017</td>
<td>Major Repair Project Freight Charges (M. Nakai)</td>
<td>$1,350.00</td>
<td>Accumulated Savings</td>
<td>1989</td>
<td>20-25</td>
<td>Charges listed on lines 9-14 were all part of major renovation project paid at different times.</td>
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<tr>
<td>10/9/2017</td>
<td>Replaced faulty leak detector</td>
<td>$1,256.13</td>
<td>Accumulated Savings</td>
<td>1989</td>
<td>10</td>
<td>Ditto comment immediately above.</td>
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<tr>
<td>10/5/2017</td>
<td>Installed new unleaded pump / major work replacing rusted conduit</td>
<td>$10,843.46</td>
<td>Accumulated Savings</td>
<td>1989</td>
<td>20-25</td>
<td>Ditto comment immediately above.</td>
</tr>
<tr>
<td>08/2017 - 09/2017</td>
<td>Miscellaneous Project Expenses (See Exhibit B page 2)</td>
<td>$30,753.52</td>
<td>Accumulated Savings</td>
<td>1989</td>
<td>20-25</td>
<td>Ditto comment immediately above.</td>
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<tr>
<td>*10/2014 - 09/2015</td>
<td>Installed new electronic control equipment</td>
<td>$72,362.12</td>
<td>Accumulated Savings</td>
<td>1989</td>
<td>10-15</td>
<td>*DOBOR will use 10/2014 as the finance commencement date for the loan amortization projection on next page</td>
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**TOTAL:** $219,734.79
# IT Solutions Done Right

1181 Capri Dr.
Campbell, CA 95008
408-409-4544
chris@itsolutionsdoneright.com

## Bill To

<table>
<thead>
<tr>
<th>Larry Renslow</th>
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## Invoice

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## IT SOLUTIONS Done Right

## P.O. No. | Due Date | Project |
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<tr>
<td>11/12/2014</td>
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<td>Fuel pump controller re...</td>
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<th>QTY / HRS</th>
<th>Description</th>
<th>Rate / Price</th>
<th>Amount</th>
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| 4.75      | Took a look at pump controller computer  
found how to get into the main control panel  
found how to get into the admin / settings control panel  
Was able to get the system communicating through LAN2 port on the computer  
Was not able to get the system to talk outside the firewall or was unable to get through the firewall from the outside this included setting the pump as a DMZ  
The ISP has that building on a dynamic IP which complicates things for communicating over the internet since the IP address changes all the time  
Without changing equipment or changing settings that may interfere with the company I was unable to get the system to communicate remotely | 80.00        | 380.00 |

Thank you for your business.

**Tax (9.0%)** $0.00

**Total** $380.00

All money owed must be paid in full before we release your equipment back to you.

If you do not pick up your equipment within 30 days of the repair or service we will assume you would like your equipment recycled. We will do our best to contact you by phone and email before we recycle any equipment. In the event that you will not be available to pick up your equipment within that time please inform us so we can note it in our system to avoid any problems.

By using our services you agree to our terms and conditions that can be read at itsolutionsdoneright.com/termsandconditions
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SALES TAX 8.750 % OF $13,189.33 = $1,154.07

FRONT INCOME
DELIVERY CHARGES
TOTAL INVOICE $14,561.61

Sellers accepts orders only upon the terms and conditions attached. Original invoice

(PAGE 1 OF 1)

1.50 % PER MONTH
PLEASE PAY LAST AMOUNT THIS COLUMN
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**INVOICE NUMBER:** 62207

**INVOICE DATE:** 12/12/14
### Order Details

**Order Date:** 11/17/14  
**Customer Order No.:** GASBOY STARTUP/COMM 0  
**S.O. No.:** 977777  
**S.O. From S.O.:** 1  

**Sold To:**  
- **PWG Inc.**  
  - 665138  
  - 900 E. Hamilton Ave.  
  - Suite 450  
  - Pacific West Fuels  
  - Campbell, CA 95008

**Shipped To:**  
- **Lahaina Harbor**  
  - 675 Wharf Street  
  - Maui, HI 96761

### Invoice Details

- **VIA:** Delivered by J. NELS  
- **TERM:** 66  
- **CLASS:** 03  
- **DATE SHIPPED:** 11/17/14  

### Total Invoice

- **TOTAL INVOICE:** 1,995.80

---

**Seller Accepts Orders Only Upon The Following Conditions On The Back Hereof:**

**Original Invoice:**

- **Page 2 of 2**
- **Past Due Accounts Charged 1.50% Per Month To Reimburse Seller For Delinquent Account Costs.**

**Terms:**  
- **Net 30 Days**

**PLEASE PAY LAST AMOUNT THIS COLUMN**
<table>
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<tr>
<th>ORDER DATE</th>
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<td>03</td>
<td>5/14/15</td>
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</table>

**SOLD TO**
- PWF Inc.
- 900 E. Hamilton Ave.
- Suite 450
- Pacific West Fuels
- Campbell, CA 95008

**SHIPPED TO**
- Johnny Pender
- 934 Kualua Place
- Lahaina, HI 96761

**INVOICE NUMBER**
- 662170
- 05/22/15

**DESCRIPTION**
- GA 026296-028808 GASBOY
  - 026296 DEA 87ETW (PLZ)

**DELIVERY CHGS**

**TOTAL INVOICE**
- 1,076.76
- 324.00
- 1,400.76

**PLEASE PAY LAST AMOUNT IN THIS COLUMN**

**ORIGINAL INVOICE**

**PAGE 1 OF 1**

**Sellers accepts orders only upon the terms and condition attached.**

**Past due accounts charged 1.50% per month to reimburse seller for delinquent account costs.**

**Terms**
- Net 30 Days
<table>
<thead>
<tr>
<th>CODE</th>
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<th>DESCRIPTION</th>
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<th>SHIPPED</th>
<th>UNIT PRICE</th>
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<td>655138</td>
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<tr>
<td>5</td>
<td>SP1-110-0-B</td>
<td>SPECIAL EQUIPMENT 110VAC single output</td>
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<td>245.00</td>
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<td>1,225.00</td>
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<td>5</td>
<td>SP1-EXT-FLEX</td>
<td>SPECIAL EQUIPMENT 7 in long flexible extension</td>
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<td>25.00</td>
<td>NET</td>
<td>125.00</td>
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<td>5</td>
<td>SP1-EXT-DP</td>
<td>SPECIAL EQUIPMENT Machined aluminum extension shaft f/SP1 pulser</td>
<td>5</td>
<td>5</td>
<td>9.60</td>
<td>NET</td>
<td>48.00</td>
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DELIVERY CHGS

TOTAL INVOICE

INVOICE NUMBER: 665210
INVOICE DATE: 06/25/15
M. NAKAI REPAIR SERVICE, LTD.
288 MOKAUEA STREET
HONOLULU, HI 96819
PHONE: (808)841-7581
FAX: (808)842-7012

Bill To: PACIFIC WEST FUELS, INC.
900 E HAMILTON AVE # 450
CAMPBELL, CA 95008

Service At: LAHAINA BOAT HARBOR
100 VIEW ST., SUITE 208
MOUNTAIN VIEW, CA 94041

Customer ID: PACWES

<table>
<thead>
<tr>
<th>Description</th>
<th>Quantity</th>
<th>Unit Price</th>
<th>Amount</th>
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<tbody>
<tr>
<td>LABOR AND TRAVEL TIME</td>
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<tr>
<td>ELECTRICIAN</td>
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<td>2,241.67</td>
<td>2,241.67</td>
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<tr>
<td>ROUTER</td>
<td>1.00</td>
<td>100.00</td>
<td>100.00</td>
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<td><strong>Miscellaneous</strong></td>
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<td></td>
<td><strong>26,206.17</strong></td>
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<tr>
<td>.PLUG 1/2&quot; GALV PIPE</td>
<td>6.00</td>
<td>1.83</td>
<td>10.98</td>
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<tr>
<td>3/8&quot;X5&quot; ANCHOR BOLTS</td>
<td>4.00</td>
<td>1.15</td>
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<tr>
<td>.3/8&quot; LRG ROUND FLAT WASHER</td>
<td>4.00</td>
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<td>5&quot; PATCH CABLE</td>
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<td><strong>Parts</strong></td>
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<td><strong>37.18</strong></td>
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Subtotal: 26,243.35
Sales Tax: 1,093.31
Total Due: 27,336.66

Terms: Net 30 Days. Interest at 1% per month will be charged on all overdue amounts.
Date: August 31, 2015

PACIFIC WEST FUELS
900 E. HAMILTON AVE, STE 450
CAMPBELL, CA 95008

Invoice #: 61637
Client ID: 42625

Statement of Account


For the following professional services rendered related to purchase of new computer equipment and software at Lahaina Boat Harbor and transmitting and receiving equipment housed at Storek, Carlson & Strutz CPA’s:


Alana Xu 82.5 hours at $120.00 per hour $ 9,900.00
Gary Strutz 1.0 hour at $310.00 per hour 310.00

Amount due this billing 10,210.00
Prior balance forward 0.00
Less payment received 0.00
Total amount due $ 10,210.00

Aged Balances

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<td>0.00</td>
<td>$10,210.00</td>
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</tbody>
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Please make your check payable to STOREK, CARLSON & STRUTZ LLP,
FEIN # 94-3040933

call 650.961.5520 • fax 650.961.0503 • www.scscpas.com
900 East Hamilton Avenue, Suite 450 • Campbell, CA 95008
VALLEY OIL COMPANY
785 YUBA DRIVE
MOUNTAIN VIEW, CA 94041
650-967-2253

REMIT PAYMENTS TO:
VALLEY OIL COMPANY
DEPT #35101
PO BOX 39000
SANFRANCISCO, CA 94139

*** I N V O I C E ***

CUSTOMER: 02999
GARY STRUTZ
STOREK CARLSON STRUTZ LLP
900 E. HAMILTON AVE, STE 450
CAMPBELL, CA 95008

SHIP TO:
PACIFIC WEST FUELS

P.O.:

INVOICE: 33545

DATE: 04/06/16

TERMS: NET DUE 10 DAYS

<table>
<thead>
<tr>
<th>PART</th>
<th>DESCRIPTION</th>
<th>UNITS</th>
<th>PRICE</th>
<th>EXTENDED</th>
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<tbody>
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<td>LABOR</td>
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<td>1643.50</td>
<td>1,643.50</td>
</tr>
<tr>
<td>998002</td>
<td>LABOR</td>
<td>1.00</td>
<td>1643.50</td>
<td>1,643.50</td>
</tr>
<tr>
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<td>LABOR</td>
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<td>493.40</td>
<td>493.40</td>
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<tr>
<td>998002</td>
<td>LABOR</td>
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<td>998002</td>
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<tr>
<td>998002</td>
<td>LABOR</td>
<td>1.00</td>
<td>683.94</td>
<td>683.94</td>
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TOTAL 5,886.24

GARY 650-961-5520 --- HANNARY REEL $1643.50, HANNARY REEL $1643.50; .75"X100' MARINE HOSE 493.40; 1"X75' MARINE HOSE 414.30; FREIGHT TO SAC 1007.60; FREIGHT TO HAWAII 683.94

*** RETAIN THIS INVOICE FOR YOUR RECORDS ***

A SERVICE CHARGE OF 1-1/2% PER MONTH (ANNUAL RATE of 18%) ***

WILL BE CHARGED ON OVERDUE ACCOUNTS ***

TERMS: NET DUE 10 DAYS
**INVOICE**

<table>
<thead>
<tr>
<th>Customer ID: PACWES</th>
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</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Quantity</th>
<th>Unit Price</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>PROJECT: LAHAINA BOAT HARBOR SERVICE DATE: MARCH 31, 2016</td>
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<tr>
<td>FURNISHED ALL NECESSARY LABOR AND MATERIALS TO REMOVE AND REPLACE FUEL HOSE AND HOSE REELS FOR DISPENSER #1 UNLEADED AND #2 DIESEL. INSTALLED NEW HOSE AND REELS AND PURGED. TESTED AND ALL FUNCTIONS ARE NORMAL.</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Miscellaneous</td>
<td>24.00</td>
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<td>2,352.00</td>
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<tr>
<td>Parts</td>
<td>1.00</td>
<td>12.90</td>
<td>12.90</td>
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</table>

**Total Due:** 2,463.42

Terms: Net 30 Days. Interest at 1% per month will be charged on all overdue amounts.
### INVOICE

**CUSTOMER :** 03154  
**PACIFIC WEST FUELS**  
**900 E HAMILTON AVE**  
**SUITE 450**  
**CAMPBELL, CA 95008**

**SHIP TO :**  
**934 KUIA LUA PLACE**  
**LAHIANNA, HI 96761**

**P.O. :**

**INVOICE :** 843177

<table>
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<th>PART</th>
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<td>HANNA REELS</td>
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<td>1643.50</td>
<td>4,930.50</td>
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<tr>
<td>009999</td>
<td>FREIGHT</td>
<td>1.00</td>
<td>1009.54</td>
<td>1,009.54</td>
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**TOTAL** 5,940.04

---

3 HANNA REELS

---

*** RETAIN THIS INVOICE FOR YOUR RECORDS ***

*** A SERVICE CHARGE OF 1-1/2% PER MONTH (ANNUAL RATE of 18%) ***

*** WILL BE CHARGED ON OVERDUE ACCOUNTS ***

**TERMS: NET DUE 10 DAYS**
**VALLEY OIL COMPANY**  
785 YUBA DRIVE  
MOUNTAIN VIEW, CA 94041  
650-967-2253

**REMIT PAYMENTS TO:**  
VALLEY OIL COMPANY  
DEPT #35101  
PO BOX 39000  
SAN FRANCISCO, CA 94139

***INVOICE***

**CUSTOMER:** 03154  
PACIFIC WEST FUELS  
900 E HAMILTON AVE  
SUITE 450  
CAMPBELL, CA 95008

**P.O.:**

**SHIP TO:**  
PACIFIC WEST FUELS  
900 E HAMILTON AVE  
SUITE 450  
CAMPBELL, CA 95008

**TERMS:** NET DUE 10 DAYS

**DATE:** 11/01/16

**INVOICE:** 852770

**DIVISION 01 / WAREHOUSE 01**

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<td>FREIGHT CHARGE</td>
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**TOTAL** 2,313.85

**GARY STRUTZ 650-961-5520**

***RETAIN THIS INVOICE FOR YOUR RECORDS***

***A SERVICE CHARGE OF 1-1/2% PER MONTH (ANNUAL RATE OF 18%)***

***WILL BE CHARGED ON OVERDUE ACCOUNTS***

**TERMS:** NET DUE 10 DAYS
M. NAKAI REPAIR SERVICE, LTD.
288 MOKAUEA STREET
HONOLULU, HI 96819
PHONE: (808)841-7581
FAX: (808)842-7012

INVOICE

Invoice No.: 110710
Date: 9/25/2017
Work Order: 29819
PO Number: 
Service Date: 9/25/2017

Bill To: PACIFIC WEST FUELS, INC.
900 E HAMILTON AVE # 450
CAMPBELL, CA 95008

Service At: LAHAINA BOAT HARBOR

Customer ID: PACWES

<table>
<thead>
<tr>
<th>Description</th>
<th>Quantity</th>
<th>Unit Price</th>
<th>Amount</th>
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<tbody>
<tr>
<td>PROJECT: LAHAINA BOAT HARBOR APPROVED BY: GARY STRUTZ</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>THIS INVOICE IS FOR SPECIAL AIR FREIGHT HANDLING CHARGES FROM GREENSBORO, NORTH CAROLINA TO LAHAINA, MAUI, HAWAII.</td>
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<tr>
<td>AIR FREIGHT</td>
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<td>1,296.01</td>
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<tr>
<td>Miscellaneous Subtotal</td>
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Subtotal: 1,296.01
Sales Tax: 53.99
Total Due: 1,350.00

Terms: Net 30 Days. Interest at 1% per month will be charged on all overdue amounts.
**INVOICE**

**M. NAKAI REPAIR SERVICE, LTD.**
288 MOKAUEA STREET
HONOLULU, HI 96819
PHONE: (808)841-7581
FAX: (808)842-7012

**Bill To:** PACIFIC WEST FUELS, INC.
900 E HAMILTON AVE # 450
CAMPBELL, CA 95008

**Service At:** LAHAINA BOAT HARBOR

**Invoice No.:** 110709
**Date:** 9/25/2017
**Work Order:** 29819
**PO Number:** 
**Service Date:** 9/25/2017

**Customer ID:** PACWES

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<tr>
<td>PROJECT: LAHAINA BOAT HARBOR</td>
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<tr>
<td>QUOTE NO.: 85858.47218</td>
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<tr>
<td>AMOUNT: $82,913.52</td>
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<tr>
<td>FURNISHED ALL NECESSARY LABOR, MATERIALS AND EQUIPMENT TO SAWCUT, EXCAVATE TO REMOVE AND REPLACE NEW DISPENSER, MANHOLE COVERS AND TURBINE ASSEMBLY. ALL WORK COMPLETED AS PER OUR QUOTATION NO. 85858.47218.</td>
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**NOTE:** ADDITIONAL INVOICE TO FOLLOW FOR ELECTRICAL WORK AND EXCAVATION FOR ELECTRICAL WIRINGS

**Miscellaneous**

| AS PER QUOTE:                      | 1.00     | 79,597.49  | 79,597.49 |

**Miscellaneous Subtotal**

| Amount | 79,597.49 |

| Subtotal: | 79,597.49 |
| Sales Tax: | 3,316.03 |
| Total Due: | 82,913.52 |

Terms: Net 30 Days. Interest at 1% per month will be charged on all overdue amounts.
M. NAKAI REPAIR SERVICE, LTD.
288 MOKAUEA STREET
HONOLULU, HI 96819
PHONE: (808)841-7581
FAX: (808)842-7012

INVOICE

Invoice No.: 110828
Date: 10/9/2017
Work Order: 29937
PO Number: W.O# 40793
Service Date: 8/31/2017

Bill To: PACIFIC WEST FUELS, INC.
900 E HAMILTON AVE # 450
CAMPBELL, CA 95008

Service At: LAHAINA BOAT HARBOR
100 VIEW ST., SUITE 208
MOUNTAIN VIEW, CA 94041

Customer ID: PACWES

<table>
<thead>
<tr>
<th>Description</th>
<th>Quantity</th>
<th>Unit Price</th>
<th>Amount</th>
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<tr>
<td><strong>SERVICE DATE: 8/31/17</strong></td>
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<tr>
<td>FURNISHED LABOR, MATERIALS</td>
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</tr>
<tr>
<td>AND EQUIPMENT TO PERFORM</td>
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<tr>
<td>ANNUAL CERTIFICATION FOR</td>
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<tr>
<td>VEEDEER ROOT TANK MONITORING</td>
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<td>SYSTEM. FOUND AND REPLACED</td>
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<tr>
<td>FAULTY LEAK DETECTOR FOR 6 K</td>
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<td>DIESEL.</td>
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<td><strong>Total Due</strong></td>
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Terms: Net 30 Days. Interest at 1% per month will be charged on all overdue amounts.
M. NAKAI REPAIR SERVICE, LTD.
288 MOKAUEA STREET
HONOLULU, HI 96819
PHONE: (808)841-7581
FAX: (808)842-7012

Bill To: PACIFIC WEST FUELS, INC.
900 E HAMILTON AVE # 450
CAMPBELL, CA 95008

Service At: LAHAINA BOAT HARBOR
100 VIEW ST., SUITE 208
MOUNTAIN VIEW, CA 94041

Customer ID: PACWES

<table>
<thead>
<tr>
<th>Description</th>
<th>Quantity</th>
<th>Unit Price</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>SERVICE DATES: 8/30/17 - 8/31/17 FURNISHED LABOR AND MATERIALS TO REMOVE AND REPLACE FAULTY INVENTORY PROBE AND FLOAT KIT FOR E-FREE UST. LABOR/TRAVEL 2.50 HOURS .50 HOUR OVERTIME</td>
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<tr>
<td>Labor</td>
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<td>48.80</td>
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<tr>
<td>Parts</td>
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<tr>
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<tr>
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<td>3,122.86</td>
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Subtotal: 3,506.41
Sales Tax: 146.08
Total Due: 3,652.49

Terms: Net 30 Days. Interest at 1% per month will be charged on all overdue amounts.
M. NAKAI REPAIR SERVICE, LTD.
288 MOKAUEA STREET
HONOLULU, HI 96819
PHONE: (808)841-7581
FAX: (808)842-7012

Bill To: PACIFIC WEST FUELS, INC.
900 E HAMILTON AVE # 450
CAMPBELL, CA 95008

Service At: LAHAINA BOAT HARBOR

Customer ID: PACWES

<table>
<thead>
<tr>
<th>Description</th>
<th>Quantity</th>
<th>Unit Price</th>
<th>Amount</th>
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<tbody>
<tr>
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</tr>
<tr>
<td>QUOTE NO. 86026.42412</td>
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<tr>
<td>AMOUNT: $10843.46</td>
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</tbody>
</table>

FURNISHED ALL NECESSARY LABOR, MATERIALS AND EQUIPMENT TO DISCONNECT RUSTED CONDUTS, J-BOXES AND WIRINGS IN UNLEADED SUMP AS NEEDED TO MAKE ROOM FOR WORK ON MANWAY AND PUMP RISER. HOOKED-UP CONDUIT, J-BOXES AND WIRINGS WITH NEW UNLEADED PUMP. CUT BACK DISPENSER RIGID CONDUTS TO MAKE ROOM TO REPLACE DISPENSER 1 AND 2 DISPENSER PAN. CUT BACK CONDUIT 12 FEET MORE DUE TO CHICO LEAKING INTO CONDUIT AND DAMAGING WIRES. PULLED OUT WIRES AND REPLACED BAD CONDUIT, AND REPULLED NEW WIRES TO DISPENSER. TRACED WIRES FOR CARD READER AND HOOKED-UP WIRING TO DISPENSER AND CARD READER. TESTED FOR PROPER OPERATION.

Miscellaneous
AS PER QUOTE: 1.00 10,409.79 10,409.79

<table>
<thead>
<tr>
<th>Description</th>
<th>Quantity</th>
<th>Unit Price</th>
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<tr>
<td>Miscellaneous Subtotal</td>
<td></td>
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<td>10,409.79</td>
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Terms: Net 30 Days. Interest at 1% per month will be charged on all overdue amounts.
July 31, 2018

Department of Land and Natural Resources,
Division of Boating and Ocean Recreation
4 Sand Island Access Road
Honolulu, HI 96819


I have been engaged by Pacific West Fuels, Inc. to estimate the life and value of the improvements made by Pacific West Fuels, Inc. to their operating equipment at the Lahaina Small Boat Harbor in connection with their request for an extension of the above-named lease that will expire on November 29, 2019. Improvements are summarized as follows:

Completed in 2017:

Removed and replaced new Gasboy dual stainless steel panels dispenser on North Side of wharf; removed and replaced manhole covers and turbine assembly; replaced faulty leak detector; replaced faulty probe and float kit; installed new unleaded pump; excavated and replaced rusted conduit, and removed and replaced concrete.

Project cost: $130,769.12 Estimated Useful Life: More than 20 years

Completed in 2016:

Installed new stainless steel gas hose reels at all dispensers.

Project cost: $16,603.55 Estimated Useful Life: Fifteen or more years

Completed in 2015:

Installed new electronic Fuel Management Unit equipment including card readers, onsite computer controller, dispenser regulators, and related.

Project cost: $72,362.12 Estimated Useful Life: More than fifteen years

Projects Total Costs: $219,734.79 Overall estimated useful life: 15-25 years.
I am the senior service and installation supervisor of M. Nakai Repair Service, Ltd. I prepared the specifications, procured the equipment, and supervised the repairs and equipment installation for the major repair project. M. Nakai Repair Service, Ltd. is a fuel service and contractor Company that installs and maintains many of the fueling facilities throughout the Hawaiian Islands and has been in this business for several decades. As such, we are highly familiar with the capabilities, performance, cost and estimated useful lives of such equipment and repairs that were done by M. Nakai Repair Service, Ltd as described above.

The equipment that was replaced by Pacific West Fuels, Inc. was originally installed at lease inception in 1989 and 1990 and was still in operating condition when it was replaced last year. Through extensive assessment and studies, it has been determined, along with our recommendation, by Pacific West Fuels, Inc. that the equipment may not be operational through the end of its lease. Therefore, as a precautionary measure to maintain a safe and uninterrupted fuel supply, Pacific West Fuels, Inc. voluntarily ordered the improvements and upgrades of the equipment. The new equipment is of the same or better quality as that of replaced one. Based on my experience with other Hawaiian based fueling facilities and the fact that the replaced equipment has been operational for 28 years, I have concluded that the overall useful life of the projects described above, if properly maintained as has been Pacific West Fuels, Inc.’s practice, is from 15 to 25 years from the date of this letter.

Respectfully submitted,

Jhon Guzman, R & M Supervisor, and Estimator
M. Nakai Repair Service, Ltd.