

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

September 22, 2023

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

PSF No. GL S-4201

Approval of a Development Agreement for a 25-Year Extension of Lease Term, General Lease No. S-4201, Jennifer Frank, Successor Trustee of the Stephen Harold Frank Living Trust dated March 27, 2014, also known as Stephen Harold Frank Revocable Trust (Frank Trust), Lessee; Authorize the Chairperson to Approve and Execute a Lease Extension for General Lease No. S-4201, Frank Trust, Lessee, Waiakea, South Hilo, Hawai'i, Tax Map Key: (3) 2-2-058:033.

APPLICANT:

Jennifer Frank, Successor Trustee of the Stephen Harold Frank Living Trust dated March 27, 2014, also known as Stephen Harold Frank Revocable Trust, hereafter referred to as "Lessee", requested an extension of General Lease S-4201 of 40 years, commencing on September 26, 2023, for an aggregate term of 95 years.

LEGAL REFERENCE:

Sections 171-36, -191 and -192, Hawaii Revised Statutes (HRS) and Act 149, Session Laws of Hawaii 2018 (Act 149).

LOCATION:

Portion of Government lands of Lot 5, Hilo Industrial Development, Pohaku Street Section, situated at Waiakea, South Hilo, Hawai'i, identified by Tax Map Key: (3) 2-2-058:033, as shown on the attached maps labeled **Exhibit 1**.

AREA:

20,648 square feet, more or less.

TRUST LAND) STATUS:

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

CHARACTER OF USE:

Light Industrial purposes. The present usage of the leased premises is as an automobile dealership.

TERM OF LEASE:

Original term of 55 years, commencing on September 26, 1968, and expiring on September 25, 2023. Last rental reopening occurred on September 26, 2013; there are no further rental re-openings.

ANNUAL RENTAL:

\$17,978.72

RENTAL REOPENINGS:

Last rental reopening occurred on September 26, 2013; there are no further rental re-openings.

DCCA VERIFICATION:

As a trust, Lessee is not required to register with the Department of Commerce and Consumer Affairs.

CHAPTER 343- ENVIRONMENTAL ASSESSMENT:

Hawaii Administrative Rules (HAR) § 11-200.1-16 and the Exemption List for the Department of Land and Natural Resources reviewed and concurred on by the Environmental Council on November 10, 2020, the subject request is exempt from the preparation of an environmental assessment pursuant to General Exemption Type 1 that states, "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." Part 1, Item 40 that states, "Leases of state land involving negligible or no expansion or change of use beyond that previously existing."

The proposed lease extension and improvements to existing structures (itemized under the PROPOSED IMPROVEMENTS heading directly below) are de minimis actions that will probably have minimal or no significant effect on the environment and should be declared exempt from the preparation of an environmental assessment and the requirements of § 11-200.1-17.

PROPOSED IMPROVEMENTS

The Lessee's *current* improvement proposal¹ consists of the following:

Item No.	Description	Estimated Cost
1.	Pressure wash, prep, prime and painting of existing walls and eaves	\$7,314.00
2.	Removal, rebuilding/replacing with custom built/sized painted doors	\$9,790.57
3.	Installation of mini-split air conditioning in offices 1 and 2	\$7,000.00
4.	Removal of existing metal roofing and front wall, replace entire back wall and installation of 4-rib roofing panels secured by self-tapping stainless-steel screws	\$42,982.00
5.	Removal of existing cesspool and replacement with commercial septic tank	\$33,272.24
6.	Removal of old electrical panel, upgrade with new breakers and installation of a 100 amp sub-panel	\$6,143.00
7.	Removal of existing fence and installation of 75 feet of 6-foot-tall chain-link fence	\$3,664.92
	Total:	\$110,166.73

The total cost of the proposed improvements (excluding the pavement over the septic system at \$5,000, to which Lessee appears not to have committed as of yet) is \$110,166.73 and the estimates detailing them are included as **Exhibit 2**.

BACKGROUND

General Lease No. S-4201 was awarded to Norona, Inc., a Hawaii corporation, the highest bidder at a public auction sale of government leases held on September 26, 1968.

From the onset, Norona, Inc. incurred financial difficulties. As a result, at its meeting of November 6, 1981, under agenda item F-1-c, the Board of Land and Natural Resources (Board) consented to the assignment of lease to Great Hawaiian Financial Corporation (GHFC), a Hawaii corporation.

Further, GHFC also experienced financial difficulties and filed for reorganization under Chapter 11 of the Bankruptcy Code (Bankruptcy No. 83-00078) in the U.S. Bankruptcy Court for the District of Hawaii. Subsequently, pursuant to the Order Confirming Modified Plan entered October 11, 1985, the Board, at its meeting of

¹ Lessee previously proposed a plan that staff analyzed and determined did not meet Act 149 requirements. Staff advised Lessee of its recommendation for denial, where upon Lessee submitted the current acceptable improvement proposal on September 6, 2023, that is the subject of this submittal. Staff has confirmed the presence of a cesspool on the property; however, the Lessee proposes to close the cesspool and install a commercial septic system in their proposed improvement plan.

January 10, 1986, under agenda item F-1-c, consented to the assignment of lease from GHFC to Thrift Guaranty Corporation of Hawaii, a Hawaii nonprofit corporation.

At its meeting of March 8, 1991, under agenda item F-1-f, the Board consented to the assignment of GL S-4201 from Thrift Guaranty Corporation of Hawaii, as Assignor, to Pacific Realty Exchange, Ltd., a Hawaii corporation, as Intermediary Assignee, and Pacific Realty Exchange, Ltd., Intermediary Assignor, to David S. De Luz, Sr., husband of Josephine De Luz (40% interest) and David S. De Luz, Sr., husband of Josephine De Luz (60% interest), as Assignee.

At its meeting of April 13, 2017, under agenda D-2, the Board consented to the assignment of GL S-4201 David S. De Luz, Sr., as Assignor, to Stephen Harold Frank, Trustee of The Stephen Harold Frank Living Trust dated March 27, 2014, also known as Stephen Harold Frank Revocable Trust, as Assignee.

Prior to the execution of the Consent to the Assignment of Lease document, Mr. David S. De Luz passed away.

At its meeting of April 22, 2022, under Agenda D-2, the Board amended its prior Board action of April 13, 2017, under agenda item D-2, by changing the assignor from David S. De Luz, Sr. to Jan K. De Luz, as Personal Representative of the Estate of David Stanley De Luz, Sr., also known as David S. De Luz, Sr., and David S. De Luz, Deceased. In this capacity, Jan K. De Luz is also known as Jan K. De Luz, Personal Representative for David S. De Luz, Sr.

Stephen Harold Frank passed away on April 22, 2023. Staff has received documentation from Lessee showing that Stephen Harold Frank's sister, Jennifer Frank, accepted appointment as Successor Trustee of The Stephen Harold Frank Living Trust dated March 27, 2014, also known as Stephen Harold Frank Revocable Trust. Lessee, through its wholly owned Hawaii corporation, Paradise Ohana Investments, Inc. (POI), has been operating a pre-owned vehicle sales business (under the trade name Credit Cars Hawaii) on this site for the past 15 years without a formal sublease in place. The use of the premises as an automobile dealership is consistent with the lease's character of use as light industrial purposes. If the Board approves the development agreement and lease extension, in conjunction with winding up the business of the Frank Trust, Lessee intends to apply for consent to assignment of the extended lease to POI.

Lessee has not had a lease, permit, easement or other disposition of State lands terminated within the last five years due to non-compliance with such terms and conditions. Last rental reopening occurred on September 26, 2013. There are no further rental re-openings.

There are no outstanding rental reopening issues. The Lessee is current with rent, insurance, and performance bond. No agency comments were solicited on the request because it involves a lease extension, not a new disposition.

LEASE EXTENSION:

Staff has learned from the Chair's office of allegations made by some lessees of public lands that Land Division has purposely been holding up applications for extensions when in fact processing requests for lease extensions consumes a significant amount of staff time. Multiple Land Division staff has been conducting due diligence review of extension applications, such as having the lessee's appraisal for existing improvements reviewed by a third-party appraiser for USPAP and methodology compliance, scrutinizing proposed improvements to make sure they qualify as a substantial improvement under Act 149 versus a mere maintenance obligation under the existing lease, and clearing up subleases of the property to which the Board has not previously consented. In cases where the lessee's appraisal or improvement plan does not meet statutory requirements, staff has spent a significant amount of time working with the lessee to ensure that its proposal can qualify under the Act 149 criteria so a lease extension request can be presented to the Board.

In the subject case, Lessee's lease is scheduled to expire on September 25, 2023. To avoid any potential claim that staff held up the processing of the extension application and allowed the lease to expire without presenting the extension request to the Board, staff intended to present the *initial* application to the Board "as is", i.e., with all of its deficiencies on September 8, 2023, recommending that the Board deny the request for lease extension. As staff noted in that submittal, even if the Lessee ultimately does not obtain a lease extension, due diligence is still required for denial of a lease extension as staff will need to assess the condition of improvements, ownership of which will revert to the State upon the expiration of the lease. However, while continuing to confer with Lessee in the meantime, Lessee provided a revised development plan that was acceptable to staff.

Act 149 allows up to a 40-year extension of intensive agricultural, aquaculture, commercial, mariculture, special livestock, pasture, hotel, resort or industrial leases located in the Hilo Community Economic District defined under the act. Extensions under Act 149 must be based on "substantial improvements" to the lease premises:

"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 thirty per cent of the market value of the existing improvements that the lessee or the lessee and developer installs, constructs, and completes by the date of completion of the total development.

The estimated cost of Lessee's proposed improvements is \$110,166.73, which is equal to about 36.1% of the \$305,000.00 market value of the existing improvements as determined by Lessee's appraiser. However, staff views item 1 from the list of improvements above, "pressure wash, prep, prime and paint existing walls and eaves" at a cost of \$7,403.14, as a maintenance item that does *not* qualify as a substantial improvement.

Paragraph 10 of the Lease, states:

10. Repairs to improvements. That the Lessee shall, at its own expense, keep, repair and maintain all buildings and improvements now existing or hereafter constructed or installed on the demised premises in good order, condition and repair, reasonable wear and tear excepted.

As part of its due diligence and review process, staff notes that the Internal Revenue Service (IRS) has provided criteria to determine what would qualify as a capital improvement, which is an improvement that adds to the value of a property, extends its useful life, or adjusts it to new uses. The property is improved whenever it experiences a betterment, adaptation or restoration. An expenditure is for betterment if it facilitates a material condition or defect in the property that existed before it was acquired or when it was produced - it makes no difference whether or not you were cognizant of the defect when you received the unit of property; results in a material addition to the property - for instance, physically broadens, grows, or extends it, or results in a material increase in the property's capacity, productivity, power, or quality.

An expenditure is for a restoration if it returns a property that has plunged into disrepair to its ordinarily efficient operating condition; rebuilds the property to a like-new condition after the end of its useful economic life; replaces a significant part or important structural component of the property; replaces a piece of a property for which the owner has taken a loss, or repairs damage to a property for which the owner has taken a basis adjustment for a casualty loss.²

Generally, repairs are one-time expenditures to keep the property as currently existing in a usable and operating condition.³

² Information can be found at this link: <https://www.irs.gov/businesses/small-businesses-self-employed/tangible-property-final-regulations#Whatisthefactsandcircumstancesanalysis>.

³ The United States Supreme Court has recognized the highly factual nature of determining whether expenditures are for capital improvements or for ordinary repairs. See Welch v. Helvering, 290 U.S. 111, 114 (1933) (“[T]he decisive distinctions [between capital and ordinary expenditures] are those of degree and not of kind”); Deputy v. du Pont, 308 U.S. 488, 496 (1940) (observing that each case “turns on its special facts”). Because of the factual nature of the issue, the courts have articulated a number of ways to distinguish between deductible repairs and non-deductible capital improvements. For example:

Illinois Merchants Trust Co. v. Commissioner, 4 B.T.A. 103, 106 (1926), the court explained that repair and maintenance expenses are incurred for the purpose of keeping property in an ordinarily efficient operating condition over its probable useful life for the uses for which the property was acquired. Capital expenditures, in contrast, are for replacements, alterations, improvements, or additions that appreciably prolong the life of the property, materially increase its value, or make it adaptable to a different use.

Estate of Walling v. Commissioner, 373 F.2d 190, 192-193 (3rd Cir. 1967), the court explained that the relevant distinction between capital improvements and repairs is whether the expenditures are to “put” or “keep” property in efficient operating condition.

Accordingly, the “pressure wash, prep, prime and paint existing walls and eaves” item is more appropriately and accurately characterized as a repair and maintenance expense rather than a capital improvement sufficient to qualify as a “substantial improvement” under Act 149. Nonetheless, staff views the remaining items of the development proposal, costing \$97,852.73 (\$110,166.73 - \$7,314.00 = \$102,852.73), as qualifying improvements sufficient to meet the threshold statutory improvement valuation requirement in Act 149 (\$102,852.73 is 33.7% of \$305,000.00). Given the marginal excess to the minimum qualification, however, staff recommends that the Board approve an extension of GL S-4201 of 25 years only.

Even if all of the proposed work could qualify as improvements under Act 149, staff believes the total proposed improvement value of \$110,166.73 is insufficient consideration to warrant the full 40-year extension requested by the Lessee and recommends a compromise and proportionally shorter extension of 25 years, to which staff understands Lessee is agreeable.

Land Division procured the services of an appraiser to review and assess the appraisal submitted by the Lessee (“Appraisal Report”) relating to the value of the existing improvements expressly referenced in Act 149 in order to ensure the Lessee’s appraisal report and valuation is consistent with Uniform Standards of Professional Appraisal Practice (USPAP) and consistent with industry standards. The Department’s appraiser reviewed and analyzed the adequacy and methodology used in Lessee’s appraisal as it relates to the market value of existing improvements to determine compliance with USPAP and Act 149. Lessee is required to reimburse the Department for the cost of the appraisal review pursuant to Act 149.

Staff notes that GL S-4201 states:

24. Surrender. That the Lessee shall and will at the expiration or sooner termination of this lease, peaceably and quietly surrender and deliver possession of the demised premises to the Lessor, together with all buildings and improvements of whatever name or nature, now on or hereafter erected or placed upon the same, in good order and condition, reasonable wear and tear excepted.

GL S-4201 lease expires on September 25, 2023. If the Board denies the extension request, ownership of the improvements will revert to the Department. Staff has conducted an inspection on August 2, 2023, pursuant to the request for lease extension, which is attached as **Exhibit 3**, the property inspection found that the property is in compliance. However, the report also noted that portions of the roof and building rear and

Plainfield-Union Water Co. v. Commissioner, 39 T.C. 333, 338 (1962), the court stated that if the expenditure merely restores the property to the state it was in before the situation prompting the expenditure arose and does not make the property more valuable, more useful, or longer-lived, then such an expenditure is usually considered a deductible repair. In contrast, a capital expenditure is generally considered to be a more permanent increment in the longevity, utility, or worth of the property.

sides had rust damage and recommended replacement. Lessee's *current* development proposal addresses staff's concerns.

Based on the foregoing, staff recommends that the Board approve the proposed development agreement, a copy of which is attached hereto as **Exhibit 4**, and authorize the Chairperson to execute the development agreement as well as the lease extension document. The development agreement and the lease extension document will incorporate the following specific current lease terms and conditions for the 25-year extension in order to implement Act 149 and conform the terms of the extension period to current law. Below is a summary of the three substantive provisions that need to be updated in this lease originally issued in 1968:

- Lease Assignments. The current lease form includes an assignment of lease premium analysis that allows the State to share in the consideration paid for an assignment of a lease under some circumstances. This term is consistent with Section 171-36, HRS. GL S-4201 is silent on this provision, and the lease extension period should include this standard assignment of lease premium term.
- Sublease Rents. The current lease form includes language allowing the State to adjust the lease rent based on the sublease rent charged to the sublessee, which is also consistent with Section 171-36, HRS. GL S-4201 is silent on this provision, and the lease extension period should include this standard sublease rent participation language.
- Ownership of Improvements. The current lease form includes a provision on ownership of improvements at lease expiration giving the State the option of assuming ownership or requiring the lessee to remove them at lessee's expense. State leases have incorporated this provision since about the mid-1960s. GL S-4201 simply provides that at the expiration of the lease, lessee delivers possession of the demised premises to the lessor, together with all buildings and improvements in good order, reasonable wear and tear excepted, leaving open the question whether the State is responsible for removing improvements that have outlived their useful lives. The lease extension document and the development agreement should include the current standard terms clarifying the State's options relating to ownership of improvements.

At this time, staff is recommending that these updated lease terms and other current standard lease terms and conditions be limited to the 25-year extension period that the Board, at its discretion, may approve under Act 149.

Incorporating these substantive terms for the extension period is consistent with the legislative intent of Chapter 171, HRS, which allows the State to be paid its fair share of ancillary income arising from the tenant's leasehold interest.

Upon approval, Staff will order an appraisal report to determine the rent for the 25-year lease extension period in the manner previously described and will charge the cost of the appraisal to Lessee in accordance with Act 149. Rent will be set a fair market rates for the term of the extension in accordance with Section 171-17, HRS. There are no outstanding

rental reopening issues. The Lessee is current with rent, insurance, and performance bond. No agency comments were solicited on the request because it involves a lease extension, not a new disposition.

RECOMMENDATION:

That the Board, subject to the Applicant fulfilling the requirements listed above:

1. Declare that, after considering the potential effects of the proposed disposition as provided by Chapter 343, HRS, and Sections 11-200.1-15 and -16, HAR, the lease extension and the substantial improvements to the lease premises are expected to have minimal or no significant effect on the environment and are therefore exempt from the preparation of an environmental assessment as a de minimis activity.
2. Determine that: a) the development proposed is of sufficient worth and value to justify the extension of the lease; b) the estimated time to complete the improvements is approximately 12 months from the execution of the development agreement referenced in recommendation 3 below; and c) the minimum revised annual rent for the extension shall be the fair market value as determined by independent appraisal procured by the State pursuant to Section 171-17, HRS.
3. Approve the development agreement with Lessee Jennifer Frank, Successor Trustee of The Stephen Harold Frank Living Trust dated March 27, 2014, also known as Stephen Harold Frank Revocable Trust, for a 25-year extension of General Lease No. S-4201, covering the State-owned parcel identified by Tax Map Key: (3) 2-2-058:033, pursuant to Act 149, under the terms and conditions cited above, which by this reference are incorporated herein, and further subject to the following terms and conditions:
 - A. The development agreement shall be substantially in the form of Exhibit 4 attached hereto and shall provide that the lease extension shall incorporate the standard terms and conditions, regarding, and including but not limited to Lease Assignment, Sublease Rent Participation, and Ownership of Improvements used by the Department of the Attorney General with respect to leasing of public lands.
 - 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.
4. Approve a 25-year extension of lease term of General Lease No. S4201, Jennifer Frank, Successor Trustee of the Stephen Harold Frank Living Trust dated March 27, 2014, also known as Stephen Harold Frank Revocable Trust, Lessee; Waiakea, South Hilo, Hawai'i, Tax Map Key: (3) 2-2-058:033, pursuant to Act 149, under the terms and conditions cited above, which by this reference are incorporated herein, and further subject to the following terms and conditions:


- A. Incorporation of the standard terms and conditions, regarding, and including but not limited to Lease Assignment, Sublease Rent Participation, and Ownership of Improvements used by the Department of the Attorney General with respect to leasing of public lands.
- 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,

for 

Gordon Heit
District Land Agent

APPROVED FOR SUBMITTAL:

RT 

Dawn N.S. Chang, Chairperson

GL S-4201

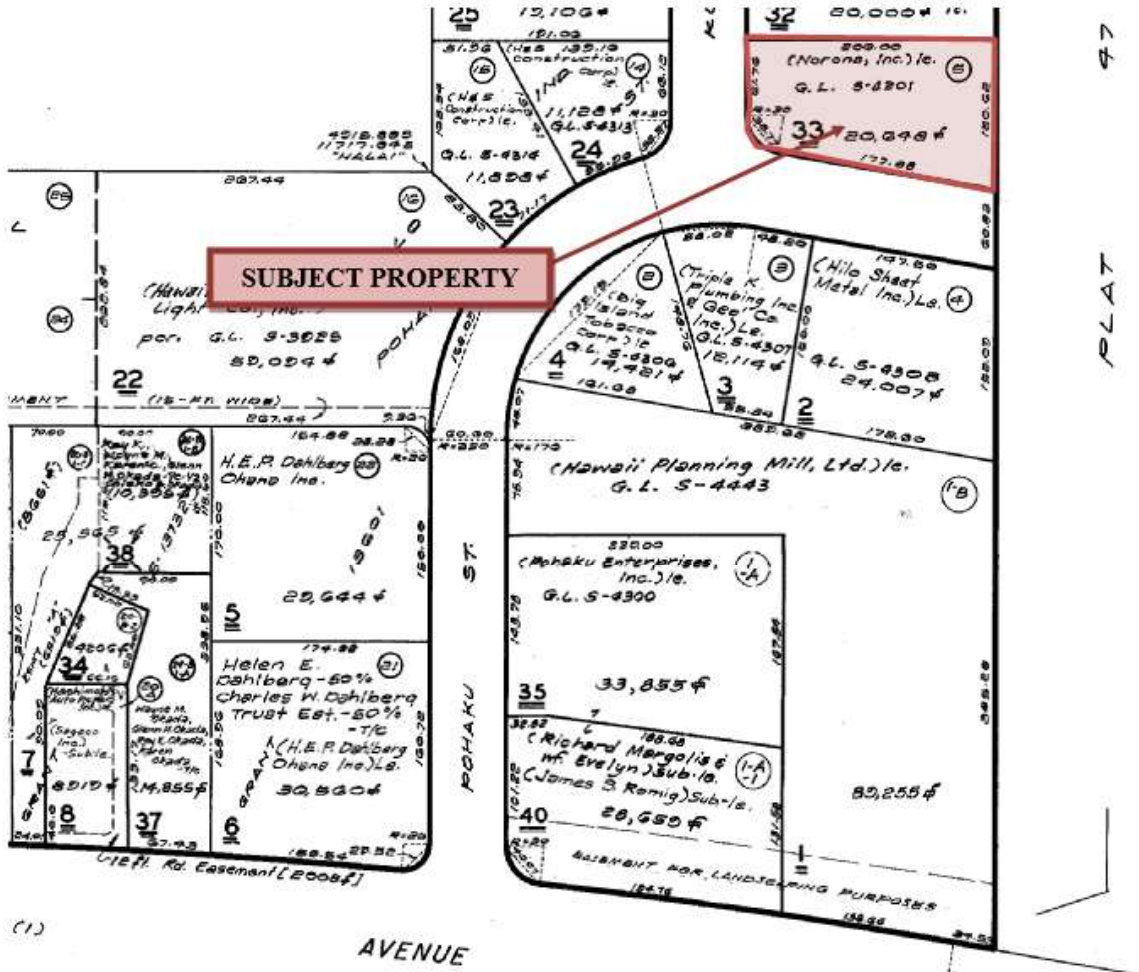
TMK: (3) 2-2-058:033



EXHIBIT 1

GL S-4201

TMK: (3) 2-2-058:033



GL S-4201

TMK: (3) 2-2-058:033



EXHIBIT 1

**State of Hawaii
Department of Land and Natural Resources
Land Division**

**REQUEST FOR CONSENT TO MORTGAGE AND/OR LEASE EXTENSION
APPLICATION FORM**

This Application Form is for current tenants requesting:

- Consent to mortgage
- Consent to mortgage with lease extension
- Lessee financed improvements with lease extension

Please note the following important points:

- 1) We will not process your request unless you are in full compliance with your lease terms and conditions, including but not limited to, the rent, insurance, performance bond, and Conservation Plan requirements.
- 2) Lease extensions may be granted only in certain circumstances, including the type of lease. Furthermore, the Board can extend a lease to the extent necessary to qualify the lease for mortgage lending or guaranty purposes or to qualify the lessee for a loan or to amortize the cost of improvements that are paid for by the Lessee. The aggregate of the initial term and any extensions cannot extend the original lease term by more than forty years). There are more specific requirements in Section 171-36(b), Hawaii Revised Statutes, Act 207 Session Laws of Hawaii 2011, and Act 149 Session Laws of Hawaii 2018.
- 3) If your lease is extended, we will conduct an immediate rent reopening and you will be responsible for paying for such independent appraisal.
- 4) You will be responsible for paying processing fees.

All applications must be complete to be considered for processing. Please submit two copies of the completed application form to the District Branch office in your county:

Oahu District Branch
1151 Punchbowl Street, Room 220
Honolulu, Hawaii 96813
Phone: (808) 587-0433; Fax: (808) 587-0455

Maui District Branch
54 High Street, Room 101
Wailuku, Hawaii 96793
Phone: (808) 984-8103; Fax: (808) 984-8111

Hawaii District Branch
75 Aupuni Street, Room 204
Hilo, Hawaii 96720
Phone: (808) 961-9590; Fax: (808) 961-9599

Kauai District Branch
3060 Eiwa Street, Room 205A
Lihue, Hawaii 96766
Phone: (808) 274-3491; Fax: (808) 241-3537

STATE OF HAWAII
DEPARTMENT OF LAND & NATURAL RESOURCES

REQUEST FOR CONSENT TO MORTGAGE

For DLNR use only:

Date of request: _____

Date request recvd: _____

Type of Request: _____

Assigned Land Agent: _____

I. GENERAL INFORMATION

General Lease No. S-4201

Type of Request:

() Consent to mortgage

() Consent to mortgage with lease extension

(X) Improvements financed by Lessee with lease extension

II. MORTGAGOR/MORTGAGEE

Should the consent be approved, the following information will be used in the preparation of the legal documents. Therefore, please include all applicable parties and legal names.

Mortgagor(s):

OWNED
Last name First Name

Last name First Name

Mortgagee:

Name of Lender

Mailing address:

No. and Street

City State Zip Code

Phone number: _____

III. AGENT

If you have an attorney, consultant or other person processing this request for you, please include the following information.

Agent name:

ADRIAN DEBRA
Last name First Name

Agent address:

No. and Street

Hilo HI 96720
City State Zip Code

Phone numbers:

(808) 969-7887 () _____
Work Home Cellular

808 934-9119

Fax

E-mail address

IV. MORTGAGE INFORMATION

The following information is required to process your request.

- 1) Amount of mortgage: \$ 0
- 2) Itemized breakdown of how loan funds will be used: (attach separate sheet if required)
- 3) Number of additional years required for loan/mortgage: _____

V. ATTACHMENTS

- 1) Attach independent appraisal report determining market value of the existing improvements.
- 2) Attach two (2) copies the mortgage document.
- 3) Attach development agreement

VI. IMPROVEMENTS FINANCED BY LESSEE

The following information is required to process your request.

- 1) ✓ Attach receipts of expenditures.
- 2) ✓ Attach a copy of improvement specs.
- 3) ✓ Attach 3-years Federal and State tax returns. *PERMAN*
- 4) ✓ Attach a credit report.
- 5) Attach a copy of bank or savings account.
- 6) ✓ Attach independent appraisal report determining economic life of the improvements.
- 7) Number of additional years required: 40

For DLNR Use Only:	TO CLOSE REQUEST:
Reason for closing: _____	

Approved by DLA: _____	
Date request closed: _____	

REVISED TOTALS FOR
IMPROVEMENTS

7,403.14 +
9,790.57 +
7,000.00 +
42,982.00 +
28,072.24 +
5,000.00 +
6,143.00 +
106,590.95 *

ALTON'S PAINTING SVC

808-936-9499

Hilo #1 96720

ESTIMATE

ESTIMATE # 128

DATE: 9.2.2023

CUSTOMER BILL TO:

Stephen H. Frank, Trust

Hilo #1 96720

CUSTOMER JOB LOCATION:

75 pohaka st

Hilo #1 96720

QTY.	DESCRIPTION	UNIT PRICE	EXT. PRICE
LABOR	PRESSURE WASH JOB METAL PREP & RUST CONVERSION EAVES PREP & PRIME WALLS & EAVES PAINT 2 COATS FINISH		\$4500.00
MATERIALS:	RUST CONVERTER - 2 GAL	250	
	METAL PRIMER - 4 GAL	420	
	10 GAL FINISH PAINT	650	
	SCISSORS LIFT RENTAL - 5 DAYS	1250	
			\$2570.00
		SALES TAX IF APPLIC.	333.14
		TOTAL AMOUNT	7403.14

FORM# EIWO-1 (Rev. 07-02)

Henry A. Giraud

September 1, 2023

[REDACTED]
Kurtistown, Hawaii 96760
[REDACTED]

PROPOSAL FOR REQUESTED WORK

The following is a proposal for the requested work for the barn style doors at Credit Cars Hawaii, 75 Pohaku Street, Hilo, Hawaii.

The scope of work covers the removal, rebuilding/replacing, and rehangng of the:

1. metal, single barn style door on the North (Kukila St) side of building
2. metal, double barn style doors on the West (Pohaku St) side of building
3. wooden, double hung doors on the West (Pohaku St) side of building

The metal barn doors are custom built and/or sized and no common or readily available replacements are available. It is therefore necessary they are removed, rebuilt, replaced with new updated hardware/skins to provide many years of future security and industrial use. Work will include the treating (Corroseal) of lightly rusted parts/areas, refabrication and/or replacement of heavily rusted parts/areas of the frame and main structure of the doors. They will be painted with a top-grade oil based enamel to match the exterior color of the new siding.

The required work will be highly labor intensive, some of the materials will be available as stock items, but many will be special ordered or fabricated on site in order to complete the scope of work.

PROPOSED ESTIMATE:

Materials	\$ 3,200.00
Labor	<u>6,150.00</u>
	9,350.00
Tax	<u>440.57</u>
	\$ 9,790.57

This proposal is good for 30 days, and if not accepted by then, a new updated proposal is required. Deposit of 50% is due on signing and required before work will be scheduled and material ordered.

Thank you,



Henry A. Giraud

Keanu Giraud
P.O. Box 1408
Kurtistown, HI
96760

PROPOSAL

Credit Cars Hawaii
75 Pohaku St
Hilo, HI
96720

Date 05/03/2023

Item	Description	Unit Price	Quantity	Amount
Service	Provide and Install Durastar (1) DRA3U28M1B, (1) DRAW12F1B, (1) DRAW18F1B Mini-Split AC in Offices 1 and 2. Includes: Piping, Wiring, Line Set Covers, and Misc. Installation Materials. Does NOT Include 30 amp 220V circuit for AC.	7000.00	1.00	7,000.00
NOTES: We look forward to hearing from you!		Subtotal		7,000.00
		Total		7,000.00
		Amount Paid		0.00
		Balance Due		\$7,000.00

PROPOSAL



YAMA'S ROOFING INC.

45 Pohaku Street / Suite #101
 Hilo, HI 96720
 Phone: (808) 961-9248/ Kona (808) 329-3044
 Fax : (808) 961-3258
 www.yamasroofing.com
 LIC # C-21133



Proposal Submitted To: Credit Cars Hawaii	Phone: 808-969-7887	Date: 9/1/23
Street: 75 Pohaku Street	Job Name: Same	
City, State and Zip Code: Hilo, Hawaii 96720	Job Location: Same	
Contact: creditcars808@gmail.com	Prop#:	Fax:

We hereby submit specifications and estimates for:

Tear off 50 ft. of both sides of existing metal roofing (two bays) on the Hamakua side of the building. Includes the front wall for a total of 2500 sq. ft. Owner to keep torn off roofing panels.
Install DuraCoat, 26 gauge, zincalum, 4-rib roofing panels from HPM.
Secure with self-tapping stainless steel screws.
Replace entire back wall (1980 sq. ft.) with DuraCoat, 26 gauge, zincalum, 4-rib roofing panels from HPM.
Secure with self-tapping stainless steel screws.

COLOR CHOICE:

THANK YOU FOR CONSIDERING US!

We hereby propose to furnish material and labor, complete in accordance with above specifications, for the sum of:

Forty-two thousand, nine hundred eighty-two dollars and no cents.....\$42,982.00

Payment to be made as follows: 65% down / Balance due upon job completion.

*Please note that work will commence within 3 weeks to 3 months after receiving deposit

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 the 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 strikes, accidents, or delays beyond our control. Owner to carry fire and other necessary insurance. Our workers are fully covered by Workman's Compensation Insurance.

Authorized Signature:

Brian P. Peterson

Brian P. Peterson/ RME

Note: This proposal may be withdrawn by us if not accepted WITHIN 30 DAYS.

Acceptance of Proposal: The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. I/We understand that Final Payment is due upon completion. A Penalty Fee will be assessed on all accounts outstanding beyond 14 days at 1.5% per week. I/We have read and will abide by the contract terms.

Date of Acceptance: _____

Signature: _____

Signature: _____

Barros Enterprises, Inc. dba Sewer Solutions



Kurtistown, HI 96760
808-430-2323
sewersolutions@rocketmail.com

Estimate

ADDRESS

Credit Cars Hawaii
75 Pohaku St.
Hilo, HI 96720

ESTIMATE # 1084
DATE 08/10/2023

DATE	ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
	Service	Commercial septic system install Including the following: -Engineer fees -Mobile of machinery to job site -Materials included (infiltrator septic tank 1500g, traffic rated chambers for leach field, distribution box, main line plumbing to connect to existing, backfill material needed, cinder, drain rock) -Labor included (existing cesspool pumped and drained, excavation as need to fit tank, cut and remove asphalt for leach field area, excavation of leach field area, hauling and removal of excavated material, installation of tank and leach field chambers, backfill after engineer inspection to level grade) *Tank area will not be traffic rated, will need to be blocked off from traffic or anything heavy over it. -Please note: \$1,000 due upon acceptance to start engineer process -Half deposit due 1 week before project start date -Remaining half due at job site completion *Price is quoted at 50 chambers,			27,000.00T

DATE	ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
		actual chambers determined upon engineer drawing. If less chambers, \$100 deducted for each less chamber than \$50.			
		With paving included: add \$5,000			
SUBTOTAL					27,000.00
TAX					1,272.24
TOTAL					\$28,272.24

Accepted By

Accepted Date

\$ 28,272.24
 + 5000.00 +
 PAVING

 34K - 35K
 ESTIMATE

Iwamoto electric llc
Electrical Contractor, License #C-27719
910 Hoalauna Way, Hilo, HI 96720 Cellular Ph #808-987-2233

Owners: Credit Cars Hawaii
75 Pohauku Street
ATTN: Debbie Abran
Proposal Date: August 31, 2023

Price includes: All labor and materials to remove old panel and upgrade to larger 42 circuit panel in same location with new breakers. Install new 100 amp sub panel approx. 60' away on office wall corner by mid entry. Quote based on M-F work, between 7:30a-4p workday Retrofit total of 9 - 8' fixtures with tandem kit and ballast bypass LED lamps in warehouse.

Prices Exclude:
Painting and patching
Permit and EE drawing (required for permit)
Repair/upgrade/removal on existing service

Materials: \$2,300.00
Labor: \$1,600.00
LED Retrofit kit and lamps: 1,467.00
Labor to retrofit: \$500.00
GET: \$276.00

Total : \$6,143.00

Estimated start date:
Number of days for completion (duration of project): 4 days
Proposal is valid for 30 days.

Acceptance of proposal:

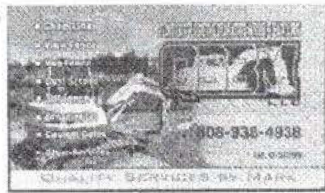
Signature: _____

Print Name: _____

Date: _____

Notice required by law: Do not make payments to a sales-representative. Make all payments directly to Iwamoto Electric; otherwise payments may not be credited to your job. All payments are due in full at project completion, failure of full payment will result in a Mechanic's lien being filed on the property.

ESTIMATE



Prepared For

Debbie Abran (Credit cars Hawaii)
(808) 969-7887

Quality Services By Mark LLC

Keaau, HI 96749
Phone: (808) 938-4938
Email: qsbm808@gmail.com

Estimate # 389
Date 09/03/2023
Business / Tax # Lic- CT - 38680-0

Description	Total
Chainlink	\$3,500.00
Provide and install approximately 75 ft of 6ft tall chainlink. Take out existing fence and dispose of metal. Replace with sch40 pipe 2 3/8 corner pole and 1 7/8 line post and 1 5/8 top rail. With 9 gauge chainlink 6fttall. Labor ,Material, machine rental, cement, hardener, etc. Included in price.	
Subtotal	\$3,500.00
Ge	\$164.92
Total	\$3,664.92
Deposit Due	\$1,832.46

Notes:

Quote good for 7days due to increase of prices on material.

By signing this document, the customer agrees to the services and conditions outlined in this document.

Debbie Abran (Credit cars Hawaii)

INSPECTION REPORT
Commercial/Industrial/Resort/Other Business

General Information

Document Number: GLS 4201 or RPS _____

Character of Use Light Industrial

Inspection Date: 8/02/2023 Inspection Time: 9:30 a.m.

Land Agent: Gordon Heit

TENANT INFORMATION

Name: The Stephen Harold Frank Revocable Trust

Home Phone: _____

Address: 75 Pohaku Street.

Business Phone: (808) 969-7887

Hilo, Hawaii 96720

Fax: _____

Contact Person: Debbie

Contact Phone: ██████████

SITE INFORMATION

TMK: (3) 2-2-058:033

Area: 20,648 square feet

Site Address: 75 Pohaku Street

Hilo, Hawaii 96720

FISCAL INFORMATION

ITEM	N/A	CURRENT= COMPLIANCE	DEFAULT = NON-COMPLIANCE	COMMENTS
Rent		X		\$17,978.72 annually
Liability Insurance		X		12/01/2023 \$2M - \$1M
Fire Insurance		X		12/01/2023 \$3,110,000.00
Bond		X		\$35,957.50 CD

FIELD INSPECTION RESULTS (refer to Field Inspection Worksheet)

ITEM	N/A	COMPLIANCE	NONCOMPLIANCE	COMMENTS
Subleases	X			
Improvements		X		
Premises		X		
Character of Use		X		Light industrial purposes

Field Inspection Worksheet
Commercial/Industrial/Resort/Other Business

File Review

LICENSES/PERMITS/CONSENTS

ITEM	DLNR Approval Docs in File			COMMENTS/NOTES/LISTS
	N/A	YES	NO	
Subletting			X	attach copy of list or map if applicable
Improvement Construction Buildings		X		note deadlines for % completion building plans approved 5/19/1971 construction completed 11/14/1971
Improvement Construction Other structures/misc.	X			note deadlines for % completion

Field Inspection

ITEM	SATISFACTORY?			COMMENTS/NOTES
	N/A	YES	NO	
SUBLEASES				
Consents approved	X			
Use adheres to lease purpose	X			
IMPROVEMENTS				
<u>Buildings/Residences:</u> roof			X	Portions of roof indicate rust damage and should be replaced.
paint		X		Front of building satisfactory
exterior			X	Rear and sides of building show advanced rust and should be replaced.
interior		X		No improvements to interior.
<u>Structures:</u> roads	X			No roadways or sidewalks within property.
walkways	X			
fencelines		X		Fence is in fair to good condition.
others				
PREMISES				
clean, sanitary, orderly		X		Property is generally clean. Some weeds and vines growing on portions of fence.
appropriate storage/use of hazardous materials		X		None visible.
CHARACTER OF USE				
adheres to lease purpose		X		Light industrial purposes.. Used car lot is consistent with allowed county zoning

ITEM	SATISFACTORY?			COMMENTS/NOTES
	N/A	YES	NO	
Other:				<p>Lessee is proposing to make improvements in the amount of approximately \$93,500.00 to qualify for a lease extension pursuant to Act 149.</p> <p>These improvements included the partial replacement of the roof, painting of the exterior walls, landscaping and replacement of electrical panels.</p> <p>Staff explained to the property manager on site that some of the listed items are not considered improvements, but rather maintenance work.</p> <p>In addition, it was explained that the existing wastewater system will need upgrading to a septic system as mandated by Federal EPA and State DOH requirements.</p>



STREET VIEW – SOUTHEAST ENTRANCE



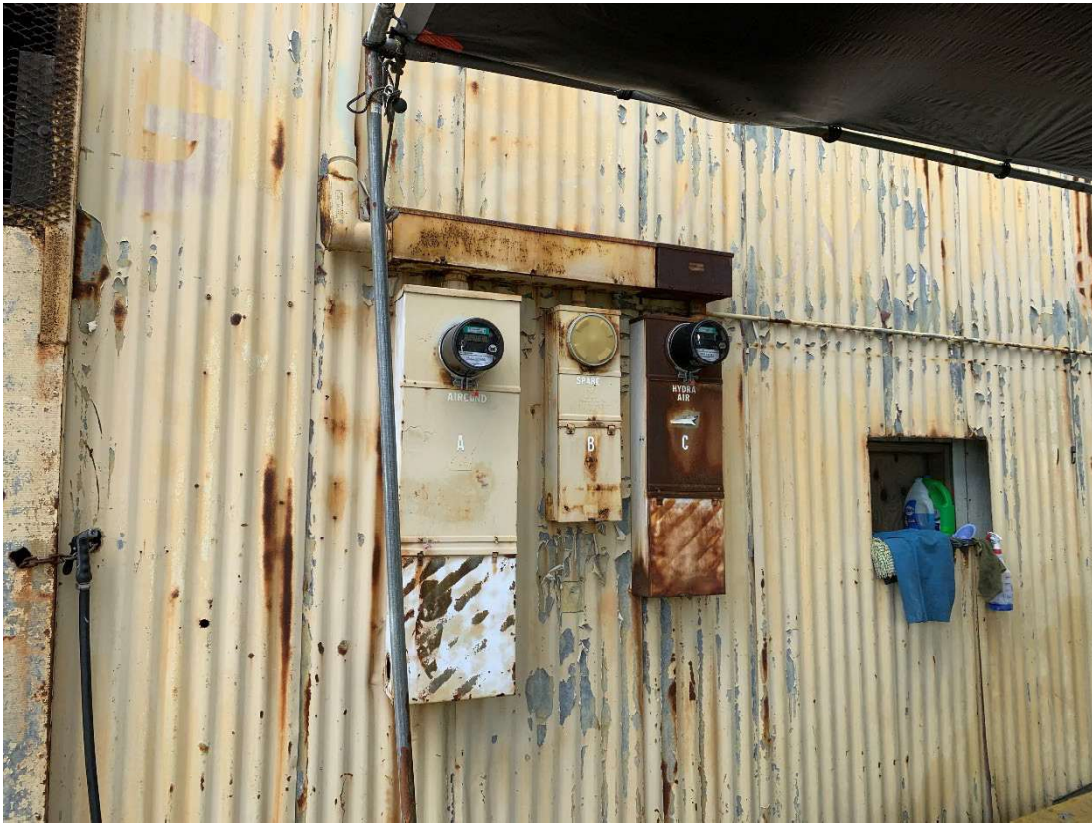
VIEW FROM PARKING LOT



VIEW FROM POHAKU STREET



FRONT OF WAREHOUSE



SIDE VIEW OF WAREHOUSE WITH METER BOXES



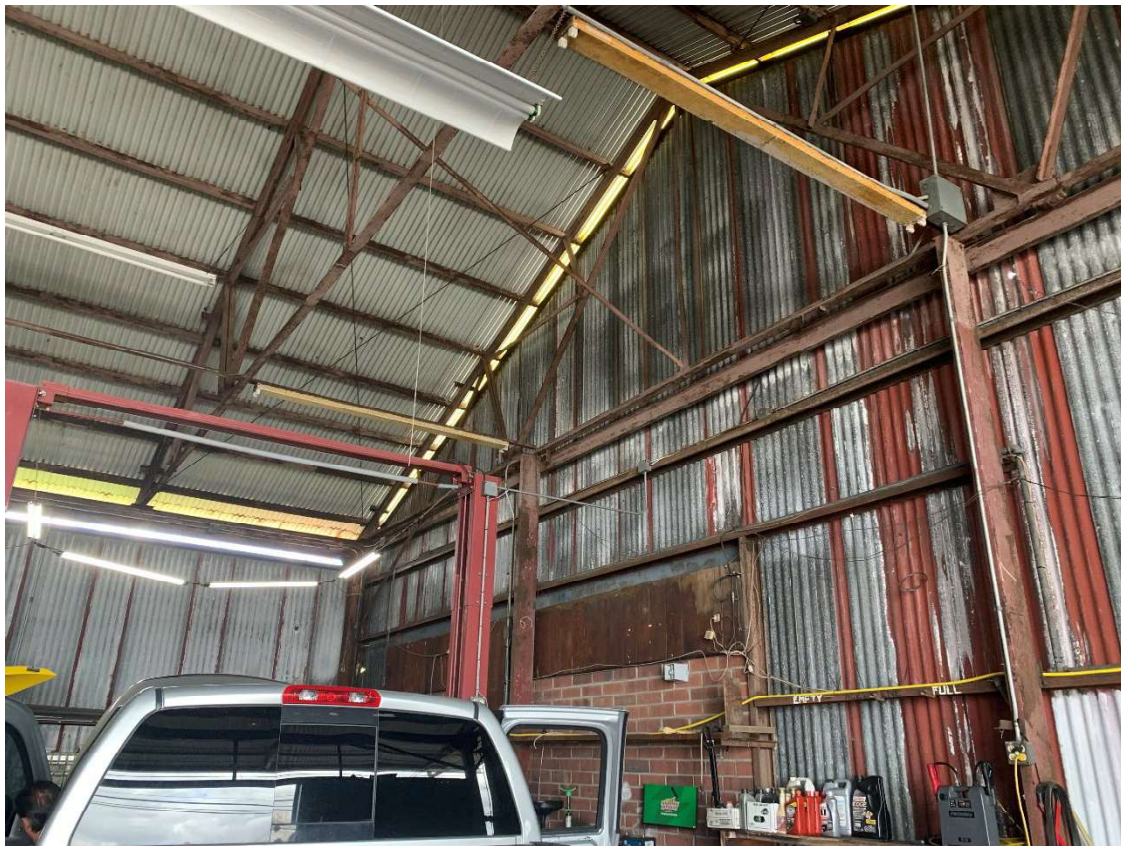
REAR VIEW OF WAREHOUSE



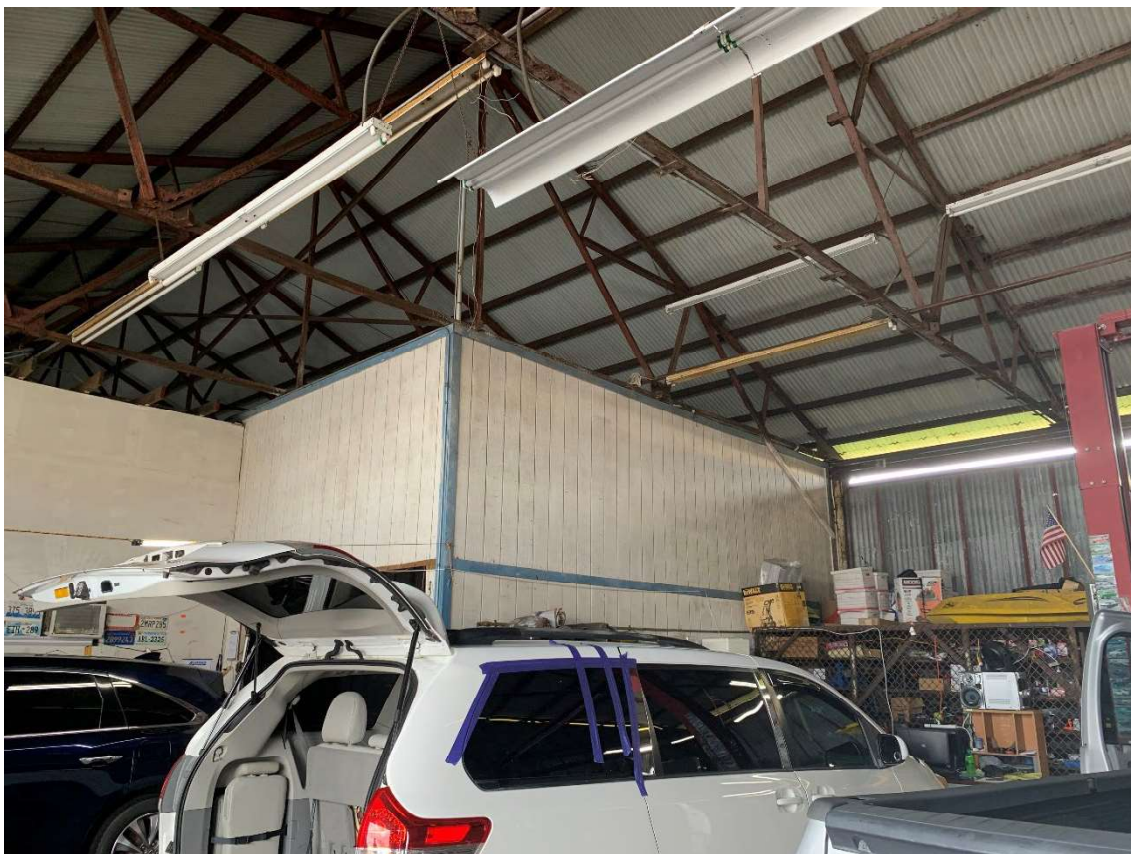
APPROXIMATE LOCATION OF CESSPOOL



CESSPOOL LOCATION



INTERIOR VIEW OF WAREHOUSE



INTERIOR WAREHOUSE USED FOR VEHICLE SERVICE



WAREHOUSE INTERIOR USED FOR STORAGE



STAIRWAY TO LOFT STORAGE AREA

DEVELOPMENT AGREEMENT

FOR

**JENNIFER FRANK, SUCCESSOR TRUSTEE OF THE STEPHEN
HAROLD FRANK LIVING TRUST DATED MARCH 27, 2014, ALSO
KNOWN AS THE STEPHEN HAROLD FRANK REVOCABLE TRUST**

* * *

**Department of Land and Natural Resources
Land Division**

State of Hawaii

EXHIBIT 4

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (the “**Agreement**”) is made and dated effective as of this _____ day of _____, 2023 (“**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 September ___, 2023, under agenda Item D-___, for the Department of Land and Natural Resources, Land Division, whose principal place of business and post office address is 1151 Punchbowl Street, Room 220, Honolulu, Hawaii 96813 (“**State**”), and **JENNIFER FRANK, SUCCESSOR TRUSTEE OF THE STEPHEN HAROLD FRANK LIVING TRUST DATED MARCH 27, 2014, ALSO KNOWN AS THE STEPHEN HAROLD FRANK REVOCABLE TRUST**, whose business address is 352 Naniakea Street, Hilo, Hawaii 96720 (“**Lessee**”).

RECITALS:

- A. The State owns in fee simple that certain parcel of land, a portion of government lands, situated at Waiakea, South Hilo, Hawaii, shown on **Exhibit A** attached hereto, incorporated herein and made a part hereof. The parcel consists of approximately 20,648 square feet and is identified by Tax Map Key No.: (3) 2-2-058:033 (“**Subject Property**”).
- B. The parcel is currently leased to Lessee under General Lease No. S-4201 for a term of fifty-five (55) years from September 26, 1968 to September 25, 2023 (“**Lease**”).
- C. Act 149 Session Laws of Hawaii 2018 ("**Act 149**"), codified at Sections 171-191 and 171-192(a), Hawaii Revised Statutes ("**HRS**"), as amended, create the Hilo community economic district which includes the Subject Property. The purpose for creating the district was to allow the State to “facilitate efficient and effective improvement, and economic opportunity, in the area for lessees who commit to making substantial improvements to the existing improvements or constructing new substantial improvements.”
- D. Act 149 authorizes the Board to extend the term of leases for public lands within the Hilo community economic district for lessees who commit to substantial improvements to the existing improvements or to new substantial improvements so long as the length of the extension granted does not extend the original lease term by more than forty (40) years, and/or to extend the terms of such leases to the extent needed to qualify the lessee for loans or to amortize the cost of substantial improvements to the premises paid for by the lessee without institutional financing.
- E. Act 149 defines "substantial improvements" to mean “any renovation, rehabilitation, reconstruction, or construction of existing improvements, including minimum requirements for off-site and on-site improvements, the cost of which equals or exceeds thirty per cent 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.”

- F. An Appraisal Report prepared for the Lessee determined the market value of the leasehold improvements on the Subject Property to be \$305,000.00 as of September 1, 2023. Thirty percent of this amount is \$91,500.00.
- G. Lessee initially applied for a 40-year extension, which is the maximum allowed under Act 149, and is planning to make substantial improvements to the Subject Property in an amount exceeding the minimum required to be eligible for a lease extension under Act 149, as the total cost of Lessee’s substantial improvements will be approximately \$102,852.73.
- H. Lessee’s plans and specifications for its substantial improvements to the Subject Property were presented to the Board at its meeting of September __, 2023, under agenda Item D-__, together with the State staff recommendation that the Board approve a 25-year extension of the Lease to amortize the cost of the substantial improvements. The Board reviewed the plans and specifications and statutory requirements for a lease extension Act 149 and _____ the extension of the Lease.
- I. This Agreement sets forth the terms and conditions that Lessee must satisfy and successfully perform in order for the requested extension of the Lease to be issued, and for Lessee to retain the benefit of the requested extension of the term of the Lease for the Subject Property pursuant to Act 149.

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, or the extension of the Lease provided for under this Agreement (the “**Extended Lease**”), pursuant to the terms and conditions of the Lease or the Extended Lease, as applicable, including the Revised Annual Rent as defined in Paragraph 3.A.(iii) herein, and all other rent and other charges due by Lessee under the Lease or Extended Lease pursuant to their terms and conditions.

3. Development Plan.

A. Pursuant to Act 149, prior to entering into this Agreement, Lessee prepared and submitted to the Board the plans and specifications of its proposed

development plan for the substantial improvements to the Subject Property dated September 6, a copy of which is attached hereto as **Exhibit B** incorporated herein and made a part hereof (such plans and specifications are collectively referred to as the “**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 September ____, 2023, under agenda Item D-__, and determined that:

- (i) The Development Plan proposed in this Agreement is of sufficient worth and value to justify the extension of the term of the Lease to September 25, 2048;
- (ii) The estimated period of time to complete the Development Plan shall be twelve (12) months from the Effective Date of this Agreement, which is reasonable; and
- (iii) The minimum revised annual rent to be paid by Lessee shall be based on the fair market value of the lands comprising the Subject Property to be developed, as determined by independent appraisal in accordance with Section 171-17, HRS ("**Revised Annual Rent**").

B. The Board granted final approval of the Development Plan and this Agreement at its meeting held on September ____, 2023, Item D-__.

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.

D. Notwithstanding anything contained in this Agreement to the contrary, no such final approval of the Development Plan by the State shall 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 improvements to the to the Subject Property described therein are legal or structurally safe or sound.

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 Agreement, 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 twelve (12) 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 Hawaii (“**County**”) so as to enable Lessee to complete the substantial improvements to the to 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. Lessee shall not commence construction of the improvements 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, including a completion bond for the full, faithful and timely completion of this Agreement, free from all liens and claims, including the completion of the substantial improvements described in this Agreement, and a labor and materialmen’s bond in the amount of \$102,852.73, in such form and upon such terms and conditions as may be approved by the State. 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 amount of \$102,852.73 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 Lessee's completion of the substantial improvements on the Subject Property in accordance with the approved Development Plan, 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 "punch list" 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 punch list 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 punch list, and all other deficiencies on the punch list shall be remedied, or the work to remedy has commenced if a remedy may not reasonably be completed within the timeframe specified herein, within fourteen (14) days of the preparation of the same.

If the State is satisfied that completion of the substantial improvements to the Subject Property has been performed in accordance with the approved Development Plan by Lessee, including any and all punch list items, and forty-five (45) days have elapsed after the filing and publication of the Notice of Final or Substantial Completion by Lessee without any applications for mechanic's or materialmen's liens, or other suits or claims relating to such substantial improvements, being filed against the Subject Property, 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 without any applications for mechanic's or materialmen's liens, or other suits or claims relating to such substantial improvements, being filed against the Subject Property, 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 the Extended 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 shall not be unreasonably withheld, 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

Extended 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, the State will request the Department of the Attorney General to prepare the Extended Lease document. Pursuant to Act 149, the Extended Lease document (heretofore and hereinafter sometimes also simply referred to as the “Extended Lease”) shall reflect an extension term of twenty-five (25) years and shall contain the Department’s and the Department of the Attorney General’s most current lease terms and conditions for leasing of public lands to for-profit entities, including but not limited to Lease Assignment, Sublease Rent Participation, and Ownership of Improvements. The Extended Lease document will cover the aggregate extended term between September 26, 2023 through September 25, 2048, 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 Extended Lease term will be rescinded and the Lease, together with its current termination date of September 25, 2023, will be reinstated. The State and Lessee will promptly sign the Extended Lease document when the form thereof is approved by the Department of the Attorney General.

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 Extended 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 Extended 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 in this Agreement, including but not limited to, those listed in subparagraphs (i) through (iv) herein, the Lease or the Extended 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 Sections 171-191 and -192, HRS.

Any default under this Agreement, the Lease, or Extended Lease by the Lessee shall be cause by the State to terminate this Agreement and rescind the Extended Lease, and the State shall have all other rights and remedies provided herein, in the Lease or the Extended Lease, as applicable, or as otherwise provided by law with respect to a default by the Lessee under this Agreement, the Lease or Extended Lease. Provided further, a default under this Agreement shall cause the Extended Lease to be void ab initio.

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 Extended 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 149. 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 Extended 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, nor of 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 149, 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 this 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:

If to the State: Board and Department of Land and Natural Resources
1151 Punchbowl Street, Room 220
Honolulu, Hawaii 96813
Attention: Chairperson
Fax No.: (808) 587-0390

And a copy to: Department of the Attorney General
Attention: Land/Transportation Division
Kekuanaoa Building
465 South King Street, Suite 300
Honolulu, Hawaii 96813
Fax No.: (808) 587-2999

If to Lessee:

Stephen Frank Trust

[REDACTED]
Hilo, Hawaii 96720

Attention: Debra Abran

Fax No.: (808) 969-7887

And a copy to: _____

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 in 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; provided however, this Agreement may only be amended or modified with the approval of the Chairperson. 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 149.

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 or Extended 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. 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.

32. 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.

33. 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.

34. 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.

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

36. 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 _____.

[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 meeting held on September __, 2023

STATE OF HAWAII

By _____
DAWN N. S. CHANG
Chairperson of the Board of Land and Natural Resources

APPROVED AS TO FORM:

Name: _____

Deputy Attorney General

Dated: _____

**JENNIFER FRANK, SUCCESSOR
TRUSTEE OF THE STEPHEN HAROLD
FRANK LIVING TRUST DATED MARCH
27, 2014, ALSO KNOWN AS THE
STEPHEN HAROLD FRANK
REVOCABLE TRUST**

Lessee

STATE OF HAWAII)
) SS.
COUNTY OF _____)

On this _____ day of _____, 20____, before me personally appeared JENNIFER FRANK to me personally known, who, being by me duly sworn, did say that she is the successor trustee of **THE STEPHEN HAROLD FRANK LIVING TRUST DATED MARCH 27, 2014, ALSO KNOWN AS THE STEPHEN HAROLD FRANK REVOCABLE TRUST** and acknowledged said instrument to be the free act and deed of said trust.

Notary Public, State of Hawaii

My commission expires: _____

EXHIBIT A

TMK: (3) 2-2-058:033



EXHIBIT B
LESSEE’S DEVELOPMENT PLAN DATED SEPTEMBER 6, 2023

The Project currently entails the following work which will be done concurrently as a single construction project (subject to availability of materials):

Item	Estimated Cost
1. Remove, rebuild, replace and rehang (a) metal, single barn style door on north side of building; (b) metal, double barn style doors on the west side of building; and (c) wooden, double hung doors on west side of building.	\$9,790.57 (See Exhibit 1)
2. Provide and install new split air conditioners in office.	\$7,000.00 (See Exhibit 2)
3. Replace 4,480 sf of roof and wall panels with DuraCoat, 26 Gauge, zincaluminum, 4-rib roofing panels.	\$42,982.00 (See Exhibit 3)
4. Close existing cesspool and install septic system for wastewater disposal. The estimated cost of this item could increase by \$5,000 if Lessee elects to pave the surface above the septic system.	\$33,272.24 (See Exhibit 4)
5. Remove existing electrical panel and replace with larger 42 circuit panel in same location with new breakers. Install new 100 amp sub panel approximately 60’ away on office wall corner by middle entry.	\$6,143.00 (See Exhibit 5)
6. Replace 75 linear feet of 6-foot tall chain link fence.	\$3,664.92 (See Exhibit 6)
Total:	\$102,852.73*

The total estimated cost for the Project is \$102,852.73, which is 33.7% of the market value of the existing improvements (based on Lessee’s appraisal) and exceeds the 30% threshold required under HRS Section 171-192.

*In its application, Lessee additionally itemized a contract for cleaning and painting of existing improvements on the premises in the estimated amount of \$7,403.14. However, the value of the painting contract is not being included in the total improvement value under the Development Agreement as it is considered maintenance as opposed to a substantial improvement.

Henry A. Giraud
P.O. Box 1408
Kurtistown, Hawaii 96760
(808) 895-5863
hgiraud64@yahoo.com

September 1, 2023

PROPOSAL FOR REQUESTED WORK

The following is a proposal for the requested work for the barn style doors at Credit Cars Hawaii, 75 Pohaku Street, Hilo, Hawaii.

The scope of work covers the removal, rebuilding/replacing, and rehangng of the:

1. metal, single barn style door on the North (Kukila St) side of building
2. metal, double barn style doors on the West (Pohaku St) side of building
3. wooden, double hung doors on the West (Pohaku St) side of building

The metal barn doors are custom built and/or sized and no common or readily available replacements are available. It is therefore necessary they are removed, rebuilt, replaced with new updated hardware/skins to provide many years of future security and industrial use. Work will include the treating (Corroseal) of lightly rusted parts/areas, refabrication and/or replacement of heavily rusted parts/areas of the frame and main structure of the doors. They will be painted with a top-grade oil based enamel to match the exterior color of the new siding.

The required work will be highly labor intensive, some of the materials will be available as stock items, but many will be special ordered or fabricated on site in order to complete the scope of work.

PROPOSED ESTIMATE:

Materials	\$ 3,200.00
Labor	<u>6,150.00</u>
	9,350.00
Tax	<u>440.57</u>
	<u>\$ 9,790.57</u>

This proposal is good for 30 days, and if not accepted by then, a new updated proposal is required. Deposit of 50% is due on signing and required before work will be scheduled and material ordered.

Thank you,



Henry A. Giraud

EXHIBIT 1

Keanu Giraud
P.O. Box 1408
Kurtistown, HI
96760

PROPOSAL

Credit Cars Hawaii
75 Pohaku St
Hilo, HI
96720

Date 05/03/2023

Item	Description	Unit Price	Quantity	Amount
Service	Provide and Install DuraStar (1) DRA3U28M1B, (1) DRAW12F1B, (1) DRAW18F1B Mini-Split AC in Offices 1 and 2. Includes: Piping, Wiring, Line Set Covers, and Misc. Installation Materials. Does NOT Include 30 amp 220V circuit for AC.	7000.00	1.00	7,000.00
NOTES: We look forward to hearing from you!		Subtotal		7,000.00
		Total		7,000.00
		Amount Paid		0.00
		Balance Due		\$7,000.00

EXHIBIT 2

PROPOSAL



YAMA'S ROOFING INC.

45 Pohaku Street / Suite #101
Hilo, HI 96720

Phone: (808) 961-9248/ Kona (808) 329-3044

Fax : (808) 961-3258

www.yamasroofing.com

LIC # C-21133



Proposal Submitted To: Credit Cars Hawaii	Phone: 808-969-7887	Date: 9/1/23
Street: 75 Pohaku Street	Job Name: Same	
City, State and Zip Code: Hilo, Hawaii 96720	Job Location: Same	
Contact: creditcars808@gmail.com	Prop#:	Fax:

We hereby submit specifications and estimates for:

Tear off 50 ft. of both sides of existing metal roofing (two bays) on the Hamakua side of the building. Includes the front wall for a total of 2500 sq. ft. Owner to keep torn off roofing panels.

Install DuraCoat, 26 gauge, zincalum, 4-rib roofing panels from HPM.

Secure with self-tapping stainless steel screws.

Replace entire back wall (1980 sq. ft.) with DuraCoat, 26 gauge, zincalum, 4-rib roofing panels from HPM.

Secure with self-tapping stainless steel screws.

COLOR CHOICE:

THANK YOU FOR CONSIDERING US!

We hereby propose to furnish material and labor, complete in accordance with above specifications, for the sum of: **Forty-two thousand, nine hundred eighty-two dollars and no cents.....\$42,982.00**

Payment to be made as follows: 65% down / Balance due upon job completion.

**Please note that work will commence within 3 weeks to 3 months after receiving deposit*

<p>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 the 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 strikes, accidents, or delays beyond our control. Owner to carry fire and other necessary insurance. Our workers are fully covered by Workman's Compensation Insurance.</p>	<p>Authorized Signature:</p> <p style="font-size: 1.2em;">Brian P. Peterson</p> <p>Brian P. Peterson/ RME</p> <p>Note: This proposal may be withdrawn by us if not accepted WITHIN 30 DAYS.</p>
--	---

<p>Acceptance of Proposal: The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. I/We understand that Final Payment is due upon completion. A Penalty Fee will be assessed on all accounts outstanding beyond 14 days at 1.5% per week. I/We have read and will abide by the contract terms.</p> <p>Date of Acceptance: _____</p>	<p>Signature: _____</p> <p>Signature: _____</p>
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EXHIBIT 3

Barros Enterprises, Inc. dba Sewer Solutions
 PO Box 262
 Kurtistown, HI 96760
 808-430-2323
 sewersolutions@rocketmail.com

Estimate

ADDRESS

Credit Cars Hawaii
 75 Pohaku St.
 Hilo, HI 96720

ESTIMATE # 1084

DATE 08/10/2023

DATE	ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
	Service	<p>Commercial septic system install Including the following: -Engineer fees -Mobile of machinery to job site -Materials included (infiltrator septic tank 1500g, traffic rated chambers for leach field, distribution box, main line plumbing to connect to existing, backfill material needed, cinder, drain rock) -Labor included (existing cesspool pumped and drained, excavation as need to fit tank, cut and remove asphalt for leach field area, excavation of leach field area, hauling and removal of excavated material, installation of tank and leach field chambers, backfill after engineer inspection to level grade)</p> <p>*Tank area will not be traffic rated, will need to be blocked off from traffic or anything heavy over it.</p> <p>-Please note: \$1,000 due upon acceptance to start engineer process -Half deposit due 1 week before project start date -Remaining half due at job site completion *Price is quoted at 50 chambers.</p>			27,000.00T

EXHIBIT 4

DATE	ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
		actual chambers determined upon engineer drawing. If less chambers, \$100 deducted for each less chamber than \$50. With paving included: add \$5,000			
				SUBTOTAL	27,000.00
				TAX	1,272.24
				TOTAL	\$28,272.24

Accepted By

Accepted Date

\$ 28,272.24
 + 5000.++
 PAVING
 ----->
 34K - 35K
 ESTIMATE

EXHIBIT 4

Iwamoto electric llc
Electrical Contractor, License #C-27719
910 Hoalauna Way, Hilo, HI 96720 Cellular Ph #808-987-2233

Owners: Credit Cars Hawaii
75 Pohauku Street
ATTN: Debbie Abran
Proposal Date: August 31, 2023

Price includes: All labor and materials to remove old panel and upgrade to larger 42 circuit panel in same location with new breakers. Install new 100 amp sub panel approx. 60' away on office wall corner by mid entry. Quote based on M-F work, between 7:30a-4p workday Retrofit total of 9 - 8' fixtures with tandem kit and ballast bypass LED lamps in warehouse.

Prices Exclude:

Painting and patching
Permit and EE drawing (required for permit)
Repair/upgrade/removal on existing service

Materials: \$2,300.00
Labor: \$1,600.00
LED Retrofit kit and lamps: 1,467.00
Labor to retrofit: \$500.00
GET: \$276.00

Total : \$6,143.00

Estimated start date:
Number of days for completion (duration of project): 4 days
Proposal is valid for 30 days.

Acceptance of proposal:

Signature: _____

Print Name: _____

Date: _____

Notice required by law: Do not make payments to a sales-representative. Make all payments directly to Iwamoto Electric; otherwise payments may not be credited to your job. All payments are due in full at project completion, failure of full payment will result in a Mechanic's lien being filed on the property.

EXHIBIT 5

Development Agreement

ESTIMATE



Quality Services By Mark LLC

HC2 BOX 5747
Keaau, Hi 96749
Phone: (808) 938-4938
Email: qsbm808@gmail.com

Prepared For

Debbie Abran (Credit cars Hawaii)
(808) 969-7887

Estimate # 389
Date 09/03/2023
Business / Tax # Lic- CT - 38680-0

Description	Total
Chainlink Provide and install approximately 75 ft of 6ft tall chainlink. Take out existing fence and dispose of metal. Replace with sch40 pipe 2 3/8 corner pole and 1 7/8 line post and 1 5/8 top rail. With 9 gauge chainlink 6ft tall. Labor ,Material, machine rental, cement, hardener, etc. Included in price.	\$3,500.00
Subtotal	\$3,500.00
Ge	\$164.92
Total	\$3,664.92
Deposit Due	\$1,832.46

Notes:
Quote good for 7days due to increase of prices on material.

EXHIBIT 6