GENERAL CONDITION (cont.)

Minimal surface corrosion was noted. The condition of the built-up roofing would need to be further examined. (124,135)

SUMMARY

It is apparent that the building was designed as an industrial facility. The structural system is stout and in generally good condition. The foundation, owing to heavy equipment mounting requirements in addition to superstructure loads, may be expected to be substantial. The problems with the slab floor, siding, and roofing will need to be addressed.

MECHANICAL REPORT

The facility consists of an 8,000 s.f. building and two small shed structures which were formerly occupied by the Lanai Electric plant. The building is a one story metal framed building with partial concrete masonry walls. The main building is 20 ft. high and the wings are 12 ft. high. The building is to be renovated as a storage facility for Lanai Company.

AIR CONDITIONING AND VENTILATION SYSTEMS:

There are no air conditioning or ventilation systems for the existing building. To air condition or mechanical ventilate is dependent on the items that are stored. For dry storage mechanical ventilation may be sufficient. If controlled temperatures and environment are required a separate area should be designated and only that area should be air conditioned.

If air conditioning is required, the system should be designed for 78 degF to minimize overcooling and mold growth. Depending on the total area to be air conditioned, the system would be a ducted split system. Window units may be used but it is not as energy efficient as a central system.

Mechanical ventilation should be used if gas or propane forklifts are used. Ventilation should provide a minimum of six air changes per hour.

PLUMBING SYSTEM:

The existing building is serviced by cesspools. The new facility would have to be serviced by County sewer and water systems. If the distance to the point of connection prohibits the hook-up to the county system then a septic tank with leaching field should be considered.

The existing cold water piping is galvanized piping. The new domestic piping shall be new and shall be minimum Type L hard drawn copper.
Because of the age of the building, new sewer pipes shall be Sch 40 PVC with drainage fittings.

Plumbing fixtures and faucets shall be low flow fixtures and shall meet ADA requirements. Fixtures shall be commercial grade and not residential type.

FIRE SPRINKLER SYSTEM:
The existing building does not have a fire sprinkler system. A fire sprinkler system shall be provided for the high piled and rack storage. System shall be designed in accordance to NFPA13. Because of the 20 ft. height, the system shall be designed for storage up to the underside of the roof with the allowed clearance from the roof. The design of the system will be dependent of the type and class of the commodities stored.

The fire sprinkler system shall be hydraulically calculated. Because of the higher demand of water for high piled and rack storage, the County water system shall be checked for the capacity for the required fire flow.

Fire sprinkler piping shall be Sch 40 black steel piping with threaded or grooved fittings. Exposed pipes outside of building shall be painted. Piping within the building shall remain as a factory coated black steel piping. Fire sprinkler heads shall be waxed coated corrosion heads.

Fire extinguishers, 4A: 60B: C shall be provided within the building at 150 feet apart.

The Fire Code will require smoke vents for the high piled and rack storage areas. The smoke vents shall consist of automatic vent doors on the roof in each of the compartmentalized ceiling. The ceiling compartments shall be constructed of gypsum board that is extended down 4 ft. from roof. The area of each compartment shall be in accordance to the Fire Code.

Report by:
Arnaldo E. Prepose, P.E.
Prepose Engineering Systems, Inc.

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ELECTRICAL SURVEY
FORMER MECO POWER PLANT
LANAI CITY, LANAI

A cursory review of the electrical system was conducted on February 4, 2003 by Clayton Pang of Electech Hawaii, Inc. Original electrical drawings for the building were not available.

The building is a single story building with large high ceiling room where the generators were placed. There is also a few small offices, restrooms and a work room adjacent to the large generator space. The building was not energized.

EXISTING CONDITION

Electric service to the building was disconnected. Since the building was used by Maui Electric for its own purposes, there is no meter loop installed.

Lighting in the generator space consist of two lamps, 8 foot long, industrial fluorescent light fixtures, two fixtures per bay. These light fixtures are covered with soot from the generator exhaust. Lighting in the offices and workroom area are fluorescent luminaires. Restrooms have bare lamp incandescent luminaires. All fixtures in the workroom, offices and restrooms are in various states of disrepair.

There are a few floodlights also located on the exterior on the building. Convenience outlets are located sporadically in the building but could not be tested since the building is not energized.

An overhead service drop for telephone service is located on the Southwest corner of the building.
SUMMARY:
In general the electrical system is in poor condition and should be replaced entirely. Some areas of the building appear to have water leaks and it cannot be determined if water has penetrated the wiring system.

MECO has overhead primary lines on both the West and East side of the building. Transformers can be mounted on the poles and an overhead service drop to a new meter loop can be installed for the building. It is estimated that the entire electrical system for the building can be upgraded for approximately $80,000.00.
Chapter 19.31
PUBLIC/QUASI-PUBLIC DISTRICTS

Sections:
19.31.010 Purpose and intent.
19.31.020 P-1 public/quasi-public district.

19.31.010 Purpose and intent.
Public/quasi-public districts provide for public, nonprofit or quasi-public use. (Ord. 1597 § 1 part, 1986)

19.31.020 P-1 public/quasi-public district.
A. Permitted Uses. The following permitted uses are allowed in the P-1 public/quasi-public district:
1. Principal uses:
   a. Churches;
   b. Community centers;
   c. Fire and police stations;
   d. Government buildings and facilities;
   e. Hospitals;
   f. Kindergartens, elementary schools, high schools, colleges, and libraries;
   g. Nursery schools and day care centers;
   h. Offices for nonprofit charitable organizations;
   i. Private parking lots or structures serving public purposes;
   j. Public parking lots or structures; and
   k. Public utility substations, which will not be hazardous or a nuisance to the surrounding areas.
2. Accessory Uses and Structures.
B. Development Standards. The following development standards shall apply:
1. Minimum lot area, fifteen thousand square feet;
2. Minimum lot width, one hundred feet;
3. Minimum building setback:
   a. Front yard, fifteen feet;
   b. Side yard, ten feet;
   c. Rear yard, fifteen feet;
4. Maximum height, two stories not to exceed thirty-five feet. (Ord. 1597 § 1 part, 1986)
Re: Former Lanai Power Plant Site

February 26, 2003

Mr. David Lundquist
Maui Architectural Group, Inc.
2331 W. Main Street
Wailuku, Hawaii 96793

Dear Mr. Lundquist:

This is in response to your request to me for information MECO has regarding polychlorinated biphenyls (PCBs) at the former Lanai Power plant site. Our understanding is that Maui Architectural Group is working with the Lanai Company, the owner of the site, to design a records storage operation facility at the site.

By way of background, until 1988, Dole Company operated the power plant. In 1988, Maui Electric Company, Ltd. (MECO) took over the facility and operated the power plant utilizing existing equipment from 1988 until 1996. After removing the last two generating units in 2000, MECO vacated the premises.

During the period MECO leased the premises, it did not use or store any equipment at the site that contained PCBs. Furthermore, transformers were not used within the power plant structure itself. Based on our operations at the site, MECO believes that any PCBs (if any) that might be present resulted from earlier operations than MECO’s.

Nonetheless, as a precaution, before vacating the facility, we tested the soil at the former transformer storage area at the site for the presence of PCBs. We are pleased to report that the laboratory results show that only trace amounts of PCBs (99 parts per billion or 0.009 parts per million) were detected in the sample. As you may be aware, this is well below the Hawaii Department of Health cleanup level for PCBs in soil of 1000 parts per billion (1 part per million). A copy of the laboratory results is enclosed.
POLYCHLORINATED BIPHENYLS (PCB)
by SW846 Method 8080

Laboratory ID: 971190-02
Date Sample Extracted: 12/29/97
Date Sample Analyzed: 12/31/97
Associated Method Blank: P1229-83
Final Extract Volume (mL): 10.0
Dilution Factor: 1
Concentration in: ug/Kg (ppb)

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<th>Target Analyte</th>
<th>Sample Concentration</th>
<th>Quantitation Limit</th>
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<tr>
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<td>78</td>
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<tr>
<td>Aroclor-1260</td>
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<td>39</td>
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ND = Not detected
+ Dry weight basis.

Surrogate Spike Recovery

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<th>Surrogate Compound</th>
<th>Recovery(%)</th>
<th>QC Limit(%)*</th>
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<tbody>
<tr>
<td>Tetrachloro-xylene</td>
<td>63</td>
<td>25 - 143</td>
</tr>
<tr>
<td>Decachlorobiphenyl</td>
<td>85</td>
<td>35 - 135</td>
</tr>
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</table>

* These limits are provided for advisory purposes.

I trust you will find this information helpful. If you have any questions, please do not hesitate to call me.

Very truly yours,

Rodney Jung

Cc: S. Kiyonaga
E. Oyama
S. Oppenheim
D. Fukuda

Enclosure
Facsimile Cover Sheet

To: Mr. David Lundquist
Company: Maui Architectural Group
Phone: 244-9801
Fax: 242-1776

From: Ralph Kubota, Land Agent
Company: Maui Electric Company, Limited
Phone: 871-2367
Fax: 871-2322

Date: March 3, 2003

Pages including this cover page: 12

Subject: Koele Substation Nos. 301 and 301-B
Lanai City, Lanai, Hawaii

As per your telephone request this date, transmitted herewith are copies of the following documents:

as Access Easement A-2 and being further outlined in blue on Exhibit "B", attached hereto and made a part hereof, on the Island of Lanai, County of Maui, State of Hawaii.

TO HAVE AND TO HOLD the same unto the Grantee, its successors and assigns, forever, subject, however, to the condition that if the Grantee shall abandon or cease to use all or any portion of the easements on which the substation is now existing for a period of two years, then all rights granted herein shall cease as to the portion or portions of the easements so abandoned or unused and further provided that right of entry over any or all of Easement Access dedicated as a public road to a government agency shall terminate.

RESERVING, HOWEVER, unto the Grantor, its successors, assigns and tenants, full use of the land within easement A-2, such reserved right to be used in such manner as will not interfere unreasonably with the access of Grantee to the facility.

AND THE GRANTEE does hereby covenant and agree that:

1. Taxes. It will pay when and as the same become due all taxes and assessments levied and assessed against and upon the substation, any improvements and equipment, whether assessed or payable by either the Grantor or its tenants or the Grantee, but this covenant shall not require the payment of taxes or assessments levied against the land over which the access easement passes;

2. Due Care and Diligence. It will use due care and diligence in the construction and operation of the substation, equipment and appurtenances and in the exercise of its rights hereunder and will also at all times exercise its rights hereunder in such manner as will cause the least possible interference with the use of the access easement area by the owners, lessees and occupants thereof and will not occasion any damage or injury to unnecessary damage or injury to the premises or to any lessees, agents, servants or employees of the Grantor;

3. Reimbursement for Damages. It will reimburse Grantor, its tenants and any other permitted occupants of the Grantor's lands for any and all damage or injury to their property caused by, sustained or resulting from the construction, maintenance, operation or removal of the substation, equipment and appurtenances or other exercise of the Grantee's rights hereunder;

4. Indemnity. It will indemnify and hold harmless the Grantor and all persons using the Access Easement or land immediately adjacent thereto, either under lease from or by permission of the Grantor, from any and all claims and demands against them for loss of or damage to property or injury or death to persons, caused by or resulting from or arising out of the exercise of the Grantee's rights hereunder, provided such loss,
damage, injury or death is not caused by the negligence of the parties, the parties to be indemnified. The Grantee will also indemnify the Grantor from and against all costs, counsel fees, and expenses incurred in or resulting from any such claim or demand, or any action or proceeding brought thereon;

5. Abandonment, Termination or Removal. Upon the abandonment or termination of use of all or any portion of the easements hereby granted, the Grantee will remove its substation and equipment at its expense, if not already removed, and restore the easement area as nearly as is reasonably possible to its condition existing immediately prior to such work being initiated, and will prepare, execute and record appropriate instruments terminating its interests and removing the encumbrance caused by this instrument with respect to all or such portions of the easement areas; it being understood that any such abandonment, termination or removal will not affect or release any liability of the Grantee existing at such time by reason of the breach of any of the terms hereof;

6. Relocation. The Grantor reserves the right to relocate all or portion of the Access Easement from time to time, and the Grantee shall cooperate by execution of any necessary document, to such substitute easement area or areas within the Grantor’s property or to public roadways.

AND IT IS MUTUALLY AGREED:

A. Survey Description. If at any time the Grantor or the Grantee shall desire to designate easements or create Land Court lots on Land Court maps of the easement areas granted hereunder, or is required pursuant to Paragraph B below, the Grantor agrees to grant, without payment of additional sums, an easement over the easement or lots designated and approved by the Land Court. The Grantee will be responsible for all costs of surveying the location of the specific easement, of improvements required to obtain subdivision approval, and of obtaining governmental approvals, and relocating or constructing the facilities and equipment of the Grantee, if required. The parties agree to join in all applications for permits or other governmental approvals that may be necessary or desirable and to cooperate with the other party to accomplish the foregoing.

B. Subdivision Condition. Anything herein to the contrary notwithstanding, it is understood that said Substation Easement area is not designated as an easement or a separate lot on a subdivision approved by the Department of Land Utilization of the County of Maui and the Land Court of the State of Hawaii. In the event this grant of easements is deemed in violation of County ordinances or any law, this grant of easements shall terminate in the event Grantor or the Grantee is not able to secure such approvals after such party has cooperated and made good faith efforts to secure such approvals; it being understood that Grantor may have said easement area so designated pursuant to Paragraph A above, provided nothing herein shall be deemed to require Grantor to expend more than usual and normal expenses ordinarily involved in obtaining such subdivision approvals excluding any improvements in or outside of the easement areas required to obtain such approval.

C. Access Easement Width. Easements for access over Access Easement A-2 shall be twenty feet wide.

D. Condemnation. If at any time the land or any substitute land then subject to the easement hereby granted, or any part thereof or interest therein, shall be taken or condemned by any authority having the power of eminent domain, then and in every such case all compensation and damages payable for or on account of such land and any adjoining property of the Grantor, including any part of the easement so taken or condemned, shall be paid to and be the property of the Grantor without any apportionment thereof to the Grantee, provided that the Grantee shall be entitled to recover only from the condemning authority full compensation for its Substation Easement, substation, equipment and appurtenances and any severance damage to its rights of way, including the cost of obtaining and relocating to a substitute right of way.

E. Definitions. The term “Grantor” in these presents shall include the Grantor, its successors and assigns, and all subsequent owners of the easement area or portion or portions thereof, and the term “Grantee” shall include the Grantee and its successors and assigns, and that this instrument shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, the undersigned have executed this instrument as of the day and year first above mentioned.

DALE FOOD COMPANY, INC. MAUI ELECTRIC COMPANY, LTD

By Thomas C. Lepper By Thomas A. Higginson
 Its Vice President Its President

By Tomo Konoa By Thomas R. Aki
 Its Assistant Secretary Its Assistant Secretary

Grantee

APPROVED
Contents: Form: STANDARD

[Signature] [Signature]
STATE OF HAWAI'I
) SS.
CITY AND COUNTY OF HONOLULU
)

On this 7th day of January, 1994 before me appeared

THOMAS LEFFERTS and YOKO KAWATA, to me personally known, who,
being by me duly sworn, did say that they are the VICE PRESIDENT
and TREASURER, respectively, of DOLE FOOD COMPANY, INC., a
Hawaii corporation; that the seal affixed to the foregoing
instrument is the corporate seal of said corporation, that the
instrument was signed and sealed in behalf of said corporation
by authority of its Board of Directors, and the officers
acknowledged the instrument to be the free act and deed of the
corporation.

[Signature]
Notary Public, State of Hawaii
My commission expires: 1/1/94

STATE OF HAWAI'I
) SS.
COUNTY OF MAUI
)

On this 9th day of December, 1994 before me appeared

THOMAS LEFFERTS and YOKO KAWATA, to me personally known, who,
being by me duly sworn, did say that they are the PRESIDENT
and TREASURER, respectively, of MAUI ELECTRIC COMPANY,
LIMITED, a Hawaii corporation; that the seal affixed to the
foregoing instrument is the corporate seal of the corporation,
that the instrument was signed and sealed in behalf of said
corporation by authority of its Board of Directors, and said
officers acknowledged said instrument to be the free act and deed
of said corporation.

[Signature]
Notary Public, State of Hawaii
My commission expires: 1/1/94

EXHIBIT A

Easement A-1 - Substation Easement

Being a portion of Lot 1013 as shown on Map 82, filed in the
Office of the Assistant Registrar of the Land Court of the State
of Hawaii with Land Court Application No. 882, and being a
portion of the land described in Transfer Certificate of Title
No. 332,446, containing an area of 2,576 square feet.

Easement A-2 - Access Easement

a) Being all of Lot 19-C as shown on Map 23, filed in the
Office of the Assistant Registrar of the Land Court of the State
of Hawaii with Land Court Application No. 862, and being a
portion of the land described in Transfer Certificate of Title
No. 96,990, containing an area of 2.159 acres.

b) Being a portion of Lot 1016 as shown on Map 82, filed in
the Office of the Assistant Registrar of the Land Court of the State
of Hawaii with Land Court Application No. 862, and being a
portion of the land described in Transfer Certificate of Title
No. 332,446, containing an area of 1.234 acres.

c) Being a portion of Lot 1013 as shown on Map 82, filed in
the Office of the Assistant Registrar of the Land Court of the State
of Hawaii with Land Court Application No. 862, and being a
portion of the land described in Transfer Certificate of Title
No. 332,446, containing an area of approximately 7,600 square
feet and being a distance of approximately 380 feet.

END OF EXHIBIT A
The following is a cost estimate of recommended improvements. The cost of building renovation and upgrades is approximately $70.00 per square foot excluding general contractor's profit and overhead. See appendix for detailed cost summary along with reports from all consultants involved with this study.

### RENOVATION COST SUMMARY

#### Site Work
- Clear, grub and grade site: $15,000
- Sewer System: $0
- Fire Protection: $0
- Builders Work in connection with above: $0
- Items: Landscaping (grassing) and paved areas: $104,950

Subtotal: $0

#### Buildings
- Demolition Work: $12,000
- Alterations and Renovations to existing buildings: $13,500
- Structural Repair: $46,800
- Staircases: $8,500
- Roof, Fascia and Gutters Repair: $290,838
- External Wall Repair: $43,180
- Window Replacement: $109,515
- External Door Replacement: $17,450
- Internal Wall Repair including rated corridors and fire separation walls: $56,990
  - Internal Doors: $72,130
  - Internal Wall Finishes/Painting: $40,570
  - Floor Finishes Replacement: $64,638
- Kitchen, Laundry & Bathroom Fit-Out: $95,000
- Sanitary Fixtures: $112,820
- Air conditioning (window units): $16,800
- Electric, telephone & fire alarm: $47,500
- Tennon repair: $60,000
- Lead paint abatement: $61,650
- Asbestos abatement: $49,000
- Builders Work in connection with above items: $35,000

Subtotal: $0

### Additional Site Improvements

- Net Cost Total: $2,325,100
- General Contractor's Profit & Overhead (17%): $410,700
- Bonding & Insurance (1.50%): $41,000
- Contingency (12%): $333,200

TOTAL COST: $3,110,000