

GENERAL CONDITION (CONT.)

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



Fig 124 Built up Roof at Side Elevations



Fig 135 Built up Roof at End Elevation; Parapet Detail

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.

Maul Architectural Group, Inc.

2331 W. Main St
Walluku, Maui, HI
96793-1661

Phone: 808-244-9011
Fax: 808-242-1776
Email: mag@mauiarch.com
www.mauarch.com

Prepose Engineering Systems, Inc
1314 South King Street, Suite 1251
Honolulu, Hawaii 96814
Telephone: (808) 591-8175
Fax: (808) 596-0479

Date: March 13, 2003

Project: Old Lanai Electrical Plant
For Lanai Company

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 mechanically 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.

**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.

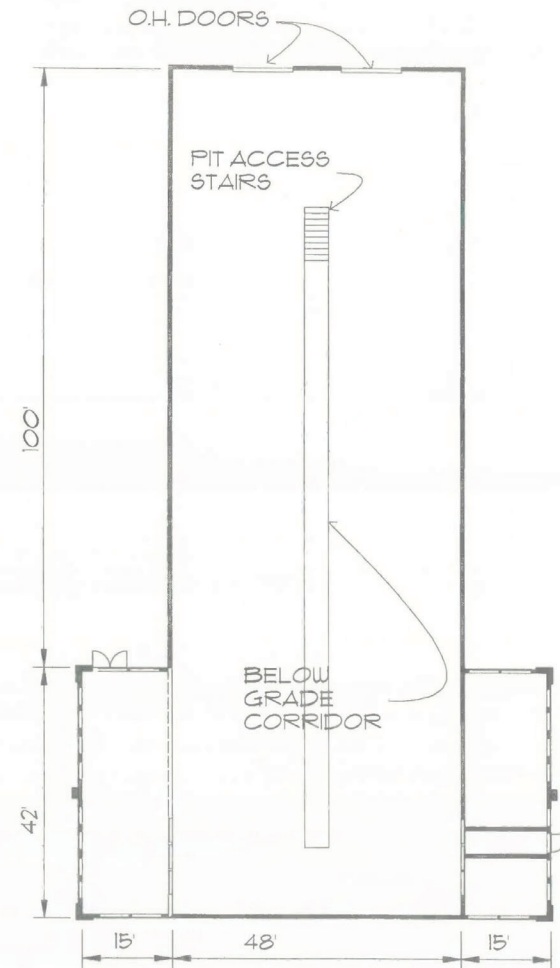
Convenience outlets are located sporadically in the building but could not be tested since the building is not energized.

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.



AS BUILT FLOOR PLAN
Scale: 1" = 20'-0"



**MAUI
ARCHITECTURAL
GROUP
INC.**
www.mauiarch.com
2331 WEST MAIN STREET
WAILUKU, MAUI, HAWAII 96793
TELEPHONE (808) 244-9011
FAX (808) 242-1776
email: mag@mauiarch.com

Fig. 1
Lanai Electric Plant
Lanai City, Lanai, Hawaii
TMK (2) 4-9-014:009

March 2005

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 uses. (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:

- Churches;
- Community centers;
- Fire and police stations;
- Government buildings and facilities;
- Hospitals;
- Kindergartens, elementary schools, high schools, colleges, and libraries;
- Nursery schools and day care centers;
- Offices for nonprofit charitable organizations;
- Private parking lots or structures serving public purposes;
- Public parking lots or structures; and
- 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:

- Minimum lot area, fifteen thousand square feet;
- Minimum lot width, one hundred feet;
- Minimum building setback:
 - Front yard, fifteen feet,
 - Side yard, ten feet,
 - Rear yard, fifteen feet;
- Maximum height, two stories not to exceed thirty-five feet. (Ord. 1597 § 1 (part), 1986)

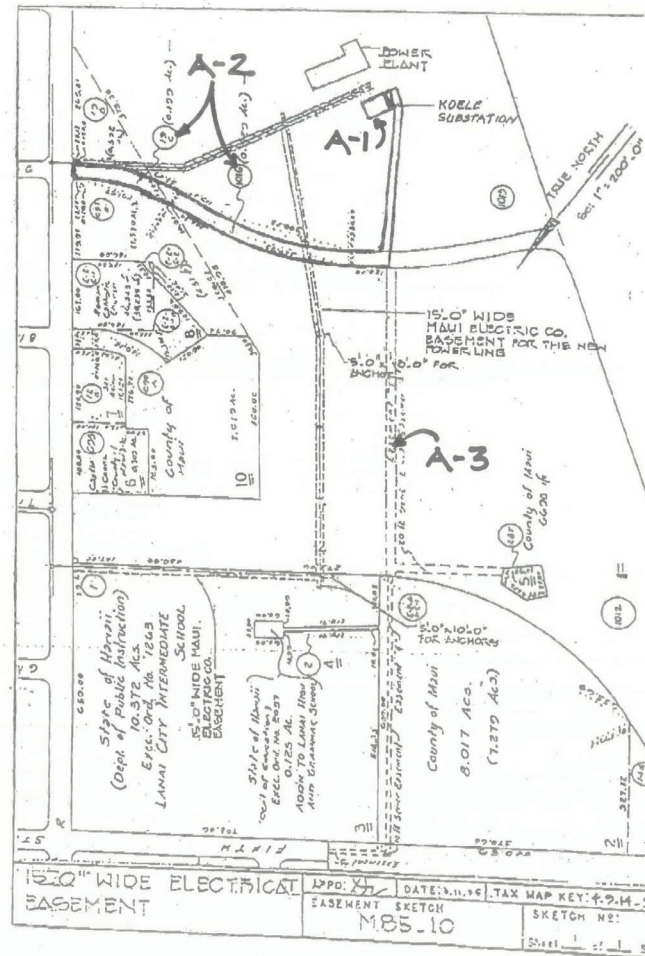


EXHIBIT B

VUICH ENVIRONMENTAL CONSULTANTS, INC.

1498 Lower Main Street, Suite C
Wailuku, Hawaii 96793
(808) 249-2777 Phone • (808) 249-2778 Fax
www.vuichenvironmental.com



Consultants, Inc.
Asbestos & Demolition Contractor License C-22329

Real Estate Environmental Investigation**Professional Services Agreement****Client Information**Name: **Katherine Propenuk**Company: **Maui Architectural Group**

Address:

Phone: **244-9011** Fax: **242-1776****Proposal Information**Subject: **Former Lanai Electric Plant**
Property: **Warehouse**

Lanai

VEC
Proposal
No: **031303**Date of
Proposal: **March 13, 2003**

VEC proposes to provide the following listed services:

	Description of Services	Fees
1	Asbestos Survey: <ul style="list-style-type: none">Conduct a Limited Asbestos Survey by a Certified Asbestos Building Inspector.Collect up to Twelve (12) Bulk material samples.Submit Asbestos Samples to a NVLAP accredited laboratory for analysis by polarized light microscopy method. <i>Any deletion or addition to the estimated Twelve (12) samples will be at a rate of \$25 per sample (deleted or added to the one lump sum cost).</i>	\$1,225.00
2	Lead-Based Paint Survey: <ul style="list-style-type: none">Conduct Limited Lead-Based Paint Survey by a Certified Lead-Based Paint Inspector.Collect up to Five (5) Paint Chip Samples.Submit paint chip samples to an AIHA-ELLAP or EPA-NLLAP accredited laboratory for analysis by flame, atomic absorption (AA) method. <i>Any deletion or addition to the estimated Five (5) samples will be at a rate of \$30 per sample (deleted or added to the one lump sum cost).</i>	
	Deliverables: <ul style="list-style-type: none">Summary letter of laboratory resultsLaboratory Report and Chain of Custody	
	GE Tax @ 4.166%	incl.
	TOTAL	\$1,225.00

Terms: \$900.00 upon acceptance, balance due upon delivery of report.**ACCEPTANCE OF PROPOSAL:**

The above prices, specifications and conditions are satisfactory and are hereby accepted. VEC is authorized to commence work as specified upon receipt of initial payment and the original signed agreement.

Authorized Signature

Print Name and Title

Date of Acceptance

All work shall be completed in a professional manner using the standard of care, skill and diligence normally provided by professionals in the performance of similar services under similar circumstances. VEC is not responsible for any indirect, incidental or consequential damages of any nature arising from any cause. Any alterations 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 contained herein are contingent upon strikes, accidents or delays beyond our control. VEC's WARRANTIES ARE AS DESCRIBED ABOVE AND THERE ARE NO OTHER WARRANTIES OF ANY KIND, EXPRESSED OR IMPLIED, REGARDING THE SERVICES.

Net due upon receipt of invoice, 1 1/4% monthly charge (18% per annum) may be accrued to past due account. Purchaser agrees to pay reasonable attorney collection fees.

Rev. 6/01

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Maui Electric Company, Ltd. • 210 West Kamehameha Avenue • PO Box 398 • Kahului, Maui, HI 96732-0398 • (808) 871-8461



RECEIVED

FEB 27 2003

February 26, 2003

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

Re: Former Lanai Power Plant Site

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 (89 parts per billion or 0.089 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.

An HEI Company



POLYCHLORINATED BIPHENYLS (PCB)
by SW846 Method 8080

Client: Ceimic-SD-Harding Lawson
Client Sample ID: 9751S002
Date Sampled: 12/18/97
Date Sample Received: 12/24/97
Matrix: Soil
Percent Solids: 85

Laboratory ID: 971190-02
Date Sample Extracted: 12/29/97
Date Sample Analyzed: 12/31/97
Associated Method Blank: P1229-B3
Final Extract Volume (mL): 10.0
Dilution Factor: 1
Concentration in: ug/Kg (ppb) +

Target Analyte	Sample Concentration	Quantitation Limit
Aroclor-1016	ND	39
Aroclor-1221	ND	78
Aroclor-1232	ND	39
Aroclor-1242	ND	39
Aroclor-1248	ND	39
Aroclor-1254	49.1	39
Aroclor-1260	40.2	39

ND = Not detected
+ Dry weight basis.

Surrogate Spike Recovery

Surrogate Compound	Recovery(%)	QC Limits(%)*
Tetrachloro-m-xylene	63	25 - 143
Decachlorobiphenyl	85	35 - 135

* These limits are provided for advisory purposes.

Reported by: Approved by:

Form I PCB

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

Very truly yours,

Maui Electric Company, Ltd.

Rodney Jung
Rodney Jung

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

Enclosure



Facsimile Cover Sheet

To: Mr. David Lundquist
Company: Maui Architectural Group
Phone: 244-9901
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:

1. Grant of Easement dated January 7, 1992, by and between Dole Food Company, Inc., and Maui Electric Company, Limited;
2. Letter of Agreement dated August 31, 2000, by and between Lana'i Company, Inc. and Maui Electric Company, Limited.

MAUI ELECTRIC COMPANY, LTD. • 210 West Kamehameha Avenue • PO Box 398 • Kahului, Maui, HI 96733-6898 • (808) 871-8461

RECEIVED
11/16/03



August 31, 2000

Mr. Vince Bagoyo
Vice President, Governmental Affairs
Lana'i Company, Inc.
P. O. Box 630310
Lanai City, Hawaii 96763

Subject: Request for Perpetual Easement
Expansion of Koele Substation 301B, Lanai City
Tax Map Key: (2) 4-9-014 : 009 (portion)

Dear Mr. Bagoyo:

The purpose of this letter is to request the grant of a perpetual easement over a portion of Tax Map Key: (2) 4-9-014 : 009. The easement is needed to facilitate the reconstruction of our existing substation located to the south of the former Lanai City Power Plant.

The overall dimensions of the existing substation are 22'-6" x 46'-0"; the new configuration proposed will measure approximately 40'-0" x 60'-0", resulting in a net increase in land area of approximately 1,365 square feet. In addition to the substation site, a 7'-0" x 16'-0" easement will be needed for the overhead utility lines to the substation. The proposed easement areas are shown highlighted in yellow on the attached sketch.

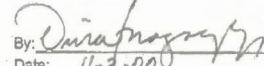
If the foregoing meets with your approval, we respectfully request that you sign and return this letter to our office; a copy of this letter is enclosed for your records.

Thank you for your consideration in this matter. If you should have any questions regarding this request, please contact me at 871-2367 to discuss.

Sincerely,
MAUI ELECTRIC COMPANY, LIMITED


Ralph Kubota
Land Agent

Approved:
LANA'I COMPANY, INC.

By:  VP
Date: 11-2-00

Enclosures

c: Mr. Clifton Kurasaki, Castle & Cooke Land Company
Neal Shinyama/Fred Oshiro, w/o encl. (route)

OFFICE OF THE
ASSISTANT REGISTRAR, LAND COURT
STATE OF HAWAII
(Bureau of Conveyances)

The original of this document was
recorded as follows:

DOCUMENT NO. 1879235
DATE 1-7-92 TIME 10:51 AM

LAND COURT SYSTEM REGULAR SYSTEM
AFTER RECORDATION, RETURN BY MAIL () PICK-UP ():

DOLE FOOD COMPANY, INC.
P.O. Box 2990
Honolulu, Hawaii 96802

4/1/92

M91-173

GRANT OF EASEMENTS

THIS INDENTURE, made this 7th day of January, 1992, by and between DOLE FOOD COMPANY, INC., a Hawaii corporation, hereinafter referred to as the "Grantor", and MAUI ELECTRIC COMPANY, LIMITED, a Hawaii corporation, whose business address is 210 Kamehameha Avenue, Kahului, County of Maui, State of Hawaii, and whose post office address is P.O. Box 398, Kahului, Maui, Hawaii, hereinafter referred to as the "Grantee",

W I T N E S S E T H:

That the Grantor, in consideration of the sum of Ten Thousand Dollars and other good and valuable consideration paid to it by the Grantee, the receipt of which is acknowledged, grants and conveys unto the Grantee, its successors and assigns, a) an exclusive easement to build, rebuild, construct, reconstruct, operate, maintain, repair, remove and replace a substation, and other appliances and equipment as may be necessary or desirable for the transmission and distribution of electricity for lights, power, communications and/or control circuits, hereinafter called the "Substation", over and across a portion of property described on Exhibit "A" as Substation Easement A-1, and outlined in red on Exhibit "B", attached hereto and made a part hereof, and b) the non-exclusive right of entry for ingress and egress, hereinafter called "Access Easement" "A" over and across portions of properties described in Exhibit "A"

p2.3

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 equipments, whether assessed to 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 and 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 Grantors' 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 party or 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 easements 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 each 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 damages 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.

DOLE FOOD COMPANY, INC.

By Thomas C. Leppert
Its Vice President

By Tomoe Komata
Its Assistant Secretary

Grantor

MAUI ELECTRIC COMPANY, LTD

By Thomas J. Leppert
Its President

By Tomoe Komata
Its Assistant Secretary

Grantee

APPROVED
Contents: _____
Form: STANDARD

Approved & Signed
Ed. R. R. R.

STATE OF HAWAII)
CITY AND COUNTY OF HONOLULU) SS.

On this 7th day of January, 1992 before me appeared THOMAS C. LEPPERT and TOMOEO KUMATA to me personally known, who, being by me duly sworn, did say that they are the VICE PRESIDENT and ASST. SECRETARY, 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.

Cynthia K. Keshava
Notary Public, State of Hawaii
My commission expires: 3/22/94

STATE OF HAWAII)
COUNTY OF MAUI) SS.

On this 9th day of December, 1991 before me appeared Thomas J. Jeleny and Jessie K. Akagi, to me personally known, who, being by me duly sworn, did say that they are the President and Assistant Secretary, 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.

Manda A. Otake
Notary Public, State of Hawaii
My commission expires: 8-15-93

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. 862, 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 .199 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

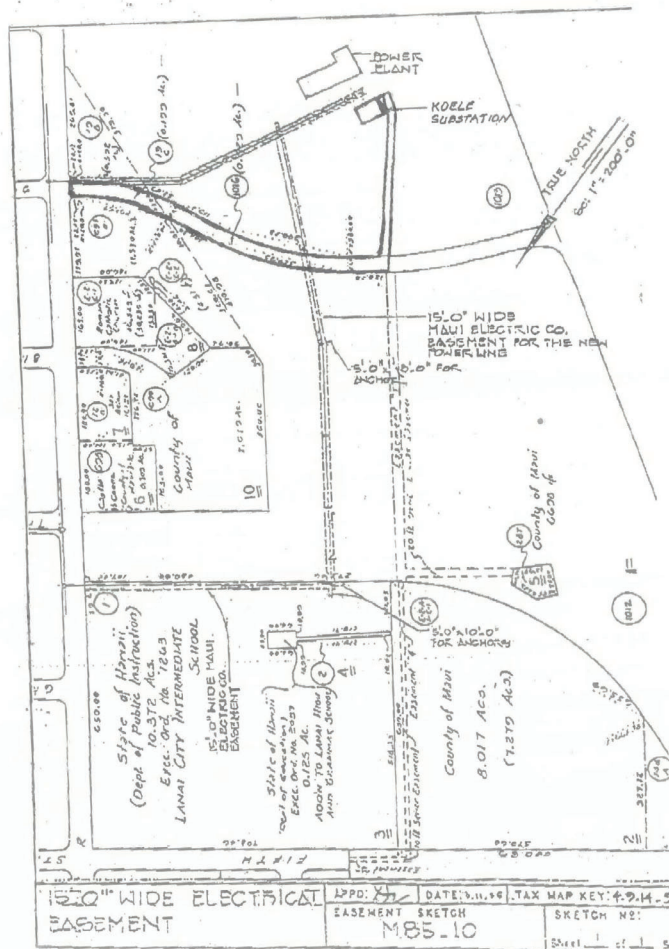


EXHIBIT B

Additional Security Mortgage and Financing Statement

KNOW ALL MEN BY THESE PRESENTS:

In order to comply with §506-3, Hawaii Revised Statutes, and the Uniform Commercial Code, and intending to create a mortgage lien under real property law and a security interest under the Uniform Commercial Code, and to further secure and comply with the after-acquired property provisions of that certain *Indenture of Mortgage and Deed of Trust* dated March 1, 1948, recorded in the Bureau of Conveyances of Hawaii in Book 2193, pages 227-306, as the same has been and may hereafter be amended and supplemented, hereinafter referred to as the *trust mortgage*, which trust mortgage was last amended by instrument dated December 1, 1972, recorded in Liber 8774 at page 469; and to further describe certain of the properties covered by various financing statements executed by Maui Electric Company, Limited, Debtor, and Bishop Trust Company, Limited, Secured Party, and recorded in said Bureau.

Maui Electric Company, Limited, a Hawaii corporation, having its principal office and place of business at 210 Kamehameha Avenue, Kahului, Maui, Hawaii 96712, mortgagor in the trust mortgage, a transmitting utility, and grantee in the grant to which this instrument is attached, does hereby grant, bargain, sell, convey, transfer, assign, mortgage, confirm, warrant, set over and deliver unto Bishop Trust Company, Limited, a Hawaii corporation, having its principal office and mailing address at 140 South King Street, Honolulu, Hawaii 96813, as trustee under the trust mortgage, and its successors in trust and assigns, all of its right, title and interest in said document to which this instrument is attached, and in and to the property affected thereby, together with all goods which are or are to become fixtures thereon and all improvements now or hereafter placed thereon and all additions, purchases, accretions and substitutions thereon and therefor, and the reversion, rents, issues and profits and proceeds thereof.

To have and to hold the same, together with all rights, easements, privileges and appurtenances thereto belonging or appertaining, unto the said trustee and its successors in trust and assigns.

In trust, nevertheless, under the trusts and subject to the conditions and provisions, including the defeasance clause, set forth in the trust mortgage.

Dated: December 9, 1991

Maui Electric Company, Limited

by Thomas J. Jerny
Its President

by Donk Oig
Its Assistant Secretary

STATE OF HAWAII
COUNTY OF MAUI

On this December 9, 1991, before me appeared Thomas J. Jerny and Jessie K. Akao, to me personally known, who being by me duly sworn, did say that they are the President and Assistant Secretary, respectively, of Maui Electric Company, Limited, a Hawaii corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors, and the said officers acknowledged said instrument to be the free act and deed of said corporation.

Frederic A. Otaoka
Notary Public, State of Hawaii
My commission expires: 11-15-93

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	\$ 00,000
Fire Protection	000,000
Builders Work in connection with above	00,000
Items: Landscaping (grassing) and paved areas	<u>104,950</u>
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
Tennite repair	60,000
Lead paint abatement	61,650
Asbestos abatement	49,000
Builders Work in connection with above items	<u>35,000</u>
Subtotal:	\$ 0

Additional Site Improvements

Net Cost Total:	\$2,325,100
General Contractor's Profit & Overhead (171/o)	410,700
Bonding & Insurance (1.50%)	41,000
Contingency (12%)	<u>333,200</u>

TOTAL COST: \$3,110,000