February 28, 2011

Mr. Dan Davidson, Executive Officer
Land Use Commission
Department of Business, Economic Development & Tourism
State of Hawai'i
P.O. Box 2359
Honolulu, Hawaii 96804-2359

Status Report on Compliance with State Land Use Commission's Decision and Order re the Urban District Boundary Amendment for Tax Map Keys 9-1-075: 044 & 050, Kala'eloa, O'ahu (Docket No. BR94-711)

This is a status report on the Declarant's compliance with the conditions of approval for the above land use district boundary change. Please note that the original Declarant, HMC Irongate Hawaii Raceway Investors LLC, is no longer the owner of the subject property. The property was acquired in March, 2010, by AG/CW Raceway Owner I, LLC, and AG/CW Raceway Owner II, LLC. The smaller of the two lots (Parcel 44) was subsequently resold to Webco, which will develop the lot.

I am submitting this status report on behalf of both new owners.

Enclosed is a table that summarizes the steps towards compliance to the conditions of approval for the subject land use district boundary amendment. The table also includes, for your information, the status of compliance with conditions of approval contained in the Unilateral Agreement pertaining to the City and County of Honolulu's zone changes for subject property (Ordinance No. 07-42) and the Memorandum of Agreement executed with the Department of Transportation related to the development of the subject property.

If you have any questions on this matter, please contact me.

Sincerely,

John P. Whalen, FAICP
# ATTACHMENT A

## STATUS OF COMPLIANCE WITH CONDITIONS OF LAND USE ENTITLEMENTS

<table>
<thead>
<tr>
<th>Conditions To Be Satisfied</th>
<th>Status Of Satisfaction</th>
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<tr>
<td><strong>UNILATERAL AGREEMENT CONDITIONS (Ordinance No. 07-42; DPP File No. 2006/Z-14)</strong></td>
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<tr>
<td>1. The Declarant shall submit a Wastewater Master Plan (WMP) to address on-site and regional wastewater system issues for approval by the Department of Planning and Permitting (DPP) and Department of Environmental Services (DES).</td>
<td>COMPLETED The attached August 20, 2009, letter from DPP confirms compliance with this condition (see attached.)</td>
</tr>
<tr>
<td>2. The Declarant shall carry out the following requirements related to traffic and transportation improvements:</td>
<td></td>
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<tr>
<td>a. The Declarant shall prepare and receive approval for an updated Traffic Impact Analysis Report (TIAR) for the Land prior to the issuance of major building permits for this development. The TIAR shall further refine and identify traffic impacts and associated mitigation measures directly attributable to vehicular rates being generated by the Project. The TIAR shall include but not be limited to, locations warranting traffic signals, provisions for auxiliary turn lanes and lengths, channelized right turn lanes, size of pedestrian islands, and other traffic considerations, as required. The TIAR shall also include a possible extension of Komohana Street at Malakole Street through the Project site. The TIAR shall be reviewed and approved by the DPP in consultation with the State Department of Transportation (DOT) and the Department of Transportation Services (DTS).</td>
<td>IN PROGRESS A TIAR was submitted on 9/14/2006, per the Memorandum of Agreement (MOA) with the State Department of Transportation (DOT). An amendment to the MOA, recorded on September 15, 2010 (see attached, page 3), two updates are required. The first update occurs at the time improvement plans are submitted for Kalaeeoa Boulevard and Malakole Street. The second update occurs when building permits are issued for development of 80% of the land area of the property.</td>
</tr>
<tr>
<td>b. The Declarant shall prepare a Construction Management Plan (CMP) prior to the issuance of grading or demolition permits and shall identify the type, frequency and route of heavy trucks and construction related vehicles traversing in and around the construction site, as it relates to the use of any public street. Every effort shall be made to limit and minimize impacts from these vehicles and the associated construction activities. The CMP shall include provisions to limit vehicle activity to periods outside of the peak periods of traffic, utilizing alternate routes for heavy trucks, utilizing off-site parking areas for construction workers and other traffic related considerations, as required. The CMP shall be reviewed and approved by the DPP in consultation with the DOT and DTS.</td>
<td>COMPLETED The Final CMP was submitted to DPP on August 11, 2010 based on review comments by DPP, DOT and DTS on the draft report.</td>
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| c. The Declarant and/or the assigned responsible party shall prepare a transportation management plan (TMP) prior to the issuance of the Certificate of Occupancy for any major buildings for the Project. The TMP shall identify traffic demand management (TDM) strategies to be utilized by the management company of the industrial park to minimize vehicular traffic directly attributable to the Project. These TDM strategies could include transit incentives, car pool program for employees and other similar TDM measure to reduce overall traffic to the site. The TMP shall be reviewed and approved by the DPP in consultation with the SDOT and DTS. | COMPLETED  
The Final TMP was submitted to DPP on August 11, 2010, based on review comments by DPP, DOT and DTS on the draft report.                                                                                                           |
| d. The Declarant shall fund, construct or cause to be constructed, its fair share of roadway improvements to mitigate Project impacts directly attributable to the Project as described in the TIAR, and supplemental updates as may be required by State and City transportation agencies, prior to Project completion. | PENDING  
The property is subject to the Ewa Roadway Impact Fee requirements (see memo.) Actual road improvements can be applied as credit toward this impact fee requirement.                                                                                   |
| e. The Declarant has executed and duly recorded a Memorandum of Agreement (MOA) with the DOT dealing with the Declarant’s participation in the funding and construction of local and regional roadway improvements, including the dedication of rights-of-way. The MOA is attached to this Unilateral Agreement as Exhibit C and made a part hereof. The Declarant shall meet the applicable conditions of the MOA for highway improvements in the timeframe prescribed therein. The MOA maybe amended, provided that any amendment shall be approved by DOT. | IN PROGRESS  
As noted above, an amendment to the MOA was approved and recorded on September 15, 2010. The amendment is attached.                                                                                                              |
| 3. The Declarant shall determine the location of Well No. 1906-07. If the well is located within the Land and is not planned for future use, the Declarant shall properly abandon and seal the well and show Commission on Water Resource Management (CWRM) approval of the completed sealing of the well prior to building permit approval. If the well is located on the Land and is planned for future use, the Declarant shall show submittal of a Water Use Permit Application to the CWRM prior to building permit approval. | PENDING  
The parcel on which is well is located (TMK 9-1-075: 044) was recently sold to Webco. The new owner is currently evaluating whether to use the well or to cap it. They will follow the necessary permit procedures after they have made that determination. |
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| 4. The Declarant shall construct a nonpotable water system on the land and connect to the area nonpotable water system, as required by the Board of Water Supply (BWS) | PENDING  
Most likely, BWS will require that subdivision improvements include pipes to accommodate a dual water system. |
| 5. The Declarant shall, in order to ensure that all proposed uses, activities, and structures within the Land are screened for hazards to aircraft, either establish its own screening process that shall involve the DOT or else grant an avigation easement that shall allow DOT review, prior to the subdivision of the property into individual industrial lots or development of a condominium property regime to establish individual industrial lots. | COMPLETED  
DOT confirmed compliance in the attached August 11, 2010 letter. |
| 6. The Declarant shall inform all prospective purchasers or lessees of properties in the Project of the potential impacts, including but not limited to aircraft operations and noise in the vicinity. | COMPLETED  
DPP's July 9, 2010 letter and DOT's August 11, 2010 letter, both attached, confirmed compliance with this condition. |
| 7. The Declarant acknowledges that approval of the zone change does not constitute compliance with other LUO or other governmental requirements. They are subject to separate review and approval. The Declarant shall be responsible for ensuring that the final plans for the Project comply with all applicable LUO and other governmental provisions and requirements. | NO SPECIFIC ACTION NECESSARY |
| 8. On an annual basis, the Declarant shall submit a written status report to the DPP documenting its satisfaction of and/or describing its progress toward complying with each condition of approval for this zone change. The status report will be submitted to the DPP by December 31 of each year until such time as the DPP has determined that all conditions of approval have been satisfied. If a status report is not submitted within the time specified, the DPP may defer the processing of permits until a status report is submitted. | IN PROGRESS  
No annual status reports have been filed with DPP previously because the former owner encountered financial difficulties and the property was transferred to the present owner in early 2010. This report therefore constitutes the first status report. |
<p>| 9. In the event of noncompliance with any of the conditions set forth herein, the Director of DPP shall inform the Council and may initiate action to rezone the Land, seek civil enforcement, or take appropriate action to terminate or stop the Project until applicable conditions are met. Failure to fulfill any of the conditions to the zone | NO SPECIFIC ACTION NECESSARY |</p>
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<td>change may be grounds for revocation of the permits issued under this zoning and grounds for the enactment of ordinances making further zone changes, including revocation of the underlying zoning, upon initiation by the proper parties in accordance with the Revised City Charter.</td>
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<tr>
<td><strong>STATE LAND USE COMMISSION CONDITIONS (Docket No. BR94-711, 2/26/1996)</strong></td>
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</table>
| 1. The developer and/or landowner of the subject Property shall fund and construct adequate civil defense measures as determined by the County and State Civil Defense agencies.                                                                                                                                                                                      | PENDING  
As a result of the consultation with the City and State Civil Defense agencies, the City requested April 30, 2007, that a siren be installed near the east-southeast corner of the property. This will be done when that portion of the property is developed. |
| 2. The developer and/or landowner of the subject Property shall participate in the funding and construction of adequate wastewater transmission and disposal facilities, on a pro-rata basis, as determined by the State Department of Health and the County Department of Public Works.                                                                                                           | IN PROGRESS  
The former owner (Estate of James Campbell) participated in the development of a relief sewer line extending from Ko Olina to the Honouliuli Sewage Treatment Plan along the OR&L right-of-way and developed a sewer mainline from the OR&L right-of-way through an existing industrial subdivision and a proposed industrial subdivision and along Kalaeloa Boulevard fronting the property to a sewage pump station. The Estate of James Campbell (now James Campbell Properties) has committed certain sewer connection credits to this property, subject to payment for the sewer connection credits. The amount that the property owner pays for these credits are, in turn, applied to the payment to the City for the |
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<td>3. The developer and/or landowner of the subject Property shall have an archaeological inventory survey conducted by a professional archaeologist prior to submitting an application to the City and County of Honolulu for rezoning or prior to applying for a building permit if county rezoning is not required. The findings of this survey shall be submitted to the State’s Historic Preservation Division in report format for adequacy review. This Division must verify that the survey report is acceptable, must approve significance evaluations, and must approve mitigation commitments for significant historic sites prior to the landowner and/or developer submitting an application to the county for rezoning or prior to applying for a building permit if county rezoning is not required.</td>
<td>Wastewater Facilities Charge (see cover memo.)&lt;br&gt;COMPLETED&lt;br&gt;The archeological survey report was submitted in February 2007 and approved by the State Historic Preservation Division as having fulfilled this condition by letter dated March 21, 2007.</td>
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<td>4. If significant historic sites are present, then the developer and/or landowner of the subject Property shall agree to develop and execute a detailed historic preservation mitigation plan prior to any ground altering construction in the area. The State’s Historic Preservation Division must approve this plan, and that Division must verify in writing to the Land Use Commission that the plan has been successfully executed.</td>
<td>IN PROGRESS&lt;br&gt;The archaeological survey found no cultural or paleontological remains in the single documented sinkhole on the property and the report recommended no further historic preservation work. The State Historic Preservation Division (SHPD) concurred with this recommendation, but with the following caveat: “We are concerned about the possibility of future construction impacting undocumented sinkholes that are presently buried under fill sediments, and request that the SHPD be immediately contacted if any subterranean sinkholes are exposed during future construction activities in the project area.”</td>
</tr>
<tr>
<td>5. Should any human burials or any historic sites such as artifacts, charcoal deposits, or stone platforms, pavings or walls be found, the developer and/or landowner of the subject Property shall stop work in the immediate vicinity and contact the State’s Historic Preservation Division. The significance of these finds shall then be determined and approved by the Division, and an acceptable mitigation plan shall be approved by the Division (if needed). The Division must verify that the fieldwork portion of the mitigation plan has been successfully executed prior to work proceeding in the immediate vicinity of the find. Burials must be treated under specific provisions of Chapter 6E, Hawaii Revised Statutes.</td>
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<tr>
<td>6. The developer and/or landowner of the subject Property shall conduct a flora and fauna survey and prepare and agree to execute a mitigation plan which meets the</td>
<td>COMPLETED&lt;br&gt;The flora and fauna survey report was</td>
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<td>requirements of the Department of Land and Natural Resources prior to the developer and/or landowner applying for county zoning or prior to the developer and/or landowner applying for building permits if county rezoning is not required. The Department of Land and Natural Resources must approve the plan and a copy of the approved plan must be submitted to the Land Use Commission prior to the developer and/or landowner applying for county zoning or prior to the developer and/or landowner applying for building permits if county rezoning is not required.</td>
<td>submitted by biologist Phillip L. Bruner on February 24, 2007, and its findings were approved by the Department of Land and Natural Resources on April 4, 2007. No rare or endangered plants were found and no mitigation is necessary.</td>
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<tr>
<td>7. The developer and/or landowner of the subject Property shall conduct a site characterization of the Property prior to submitting an application to the City and County of Honolulu for rezoning or prior to applying for a building permit if county rezoning is not required. Before conducting the site characterization, the Office of Hazard Evaluation and Emergency Response of the State Department of Health shall be consulted to develop the scope of investigation and determine the type of analysis to be conducted. Findings of the site characterization shall be submitted to the Office to determine if further action is required. If the Office determined that the site poses a threat, the developer and/or landowner, prior to development, shall implement measures to mitigate the threat. Such measures shall be acceptable to the Office.</td>
<td>COMPLETED After reviewing a Phase II Environmental Site Assessment (site characterization), the Hawaii Department of Health, Hazard Evaluation and Emergency Response (HEER) Office wrote in a November 9, 2006, letter: “The HEER Office has determined that the Phase II ESA was sufficient in scope and design to adequately address our outstanding concerns and that no contaminants remain on State at levels of concern. Therefore, no further environmental action is necessary at this time.”</td>
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<tr>
<td>8. The developer and/or landowner of the subject Property shall prepare a Traffic Impact Analysis Report prior to applying for county zoning or prior to the developer and/or landowner applying for county building permits if county rezoning is not required. The developer and/or landowner shall also participate in the funding and construction of local and regional transportation improvements and programs including dedication of rights-of-way as determined by the State Department of Transportation (DOT) and County Department of Transportation Services (DTS). Agreement by the State Department of Transportation on the level of funding and participation shall be obtained prior to the developer and/or landowner applying for Traffic Impact Analysis Report (TIAR) submitted on 9/14/2006 and approved by DOT and DTS. Based on the TIAR, the previous owner (Irongate) entered into a Memorandum of Agreement (MOA) to implement various roadway improvements and transportation management measures. The key provisions of the MOA are found in the later part of this</td>
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<td>Status Of Satisfaction</td>
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<td>county zoning or prior to the developer and/or landowner applying for county building permits if county rezoning is not required.</td>
<td>table.</td>
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</table>
| 9. The developer and/or landowner of the subject Property shall monitor the traffic attributable to the proposed project at on-site and off-site locations and shall undertake subsequent mitigative measures that may be reasonably required. These activities shall be coordinated with and approved by DOT and DTS. | IN PROGRESS
The MOA with DOT (cited above) requires two updates of the TIAR: one at the submittal of off-site improvement plans for Kalaeloa Boulevard and Malakole Street, and the second at the time that building permits are issued for 80% of the land area of the property. |
| 10. The developer and/or landowner of the subject Property shall appoint a permanent transportation manager whose function is the formulation, use, and continuation of alternative transportation opportunities that would optimize the use of existing and proposed transportation systems. This shall be done at no cost to the State if the developer and/or landowner is not the State of Hawaii. In the alternative, the developer and/or landowner of the subject Property may participate in a regional program for transportation management with other developers and/or landowners. This program shall address the transportation opportunities that would optimize the use of existing and proposed transportation systems. Either option will continue to be in effect unless otherwise directed by the State Department of Transportation. The program for either option shall be reviewed by the State Department of Transportation and the County Department of Transportation Services prior to implementation. The transportation manager or developer and/or landowner of the subject Property shall conduct periodic evaluations of the program’s effectiveness and shall make reports of these evaluations available to the State Department of Transportation for program review and modification, if necessary. | COMPLETED
The MOA with DOT includes a provision for the creation of a lot owners’ association to fulfill this function (see below.)                                                                         |
| 11. The landowner/developer of the subject Property shall provide drainage improvements for the Property which are needed as a result of development of the Property and shall, to the extent necessary as determined by the City and County of Honolulu, coordinate off-site improvements with the Estate of James Campbell, the Barber’s Point Naval Air Station, adjoining landowners and developers, and/or other | IN PROGRESS
Former owner, Estate of James Campbell, prepared a regional drainage master plan that included the property and was coordinated and reviewed with surrounding landowners and |
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<tr>
<td>Federal, State and County agencies.</td>
<td>relevant public agencies. The new owner will need to prepare a submit a more site-specific drainage master plan for the property when application for subdivision and/or grading approval is made.</td>
</tr>
</tbody>
</table>
| 12. The developer and/or landowner of the subject Property shall participate in an air quality monitoring program as specified by the State Department of Health. | IN PROGRESS
In an April 20, 2007, letter to the previous owner (IronGate), the Department of Health (DOH) stated that “Hawaii is in attainment with the National Ambient Air Quality Standards for the criteria air pollutants and since a monitoring station is located in Kapolei, no further action is required of you.” DOH recommends that a dust control management plan be prepared for all phases of construction activities. This is normally required as part of the grading permit application to DPP. |
| 13. The developer and/or landowner of the subject Property shall cooperate with the State Department of Health and City and County of Honolulu Department of Public Works to conform to the program goals and objectives of the Integrated Solid Waste Management Act, Chapter 342G, Hawaii Revised Statutes, and the County’s approved integrated solid waste management plans in accordance with a schedule and timeframe satisfactory to the Department of Health. | PENDING
This will take effect when specific uses of the property are identified. |
| 14. The developer and/or landowner of the subject Property shall be responsible for implementing sound attenuation measures to bring noise levels from vehicular traffic on the Property down to levels acceptable to the State Department of Health and the State Department of Transportation. | NOT COMPLETED
This refers to conditions that were present when the Hawaii Raceway Park (HRP) was in operation. Since the lease for HRP expired on April 30, 2006, the owner may petition the SLUC for a release from this condition (see item #18, below.) |
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<tr>
<td>15. The developer and/or landowner of the subject Property shall develop the Property in</td>
<td>NO SPECIFIC ACTION NECESSARY</td>
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<td>substantial compliance with the representations made to the Land Use Commission.</td>
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<td>Failure to do so may result in reclassification of the Property to its former</td>
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<td>classification, or change to a more appropriate classification.</td>
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<td>16. The developer and/or landowner of the subject Property shall give notice to the</td>
<td>COMPLETED</td>
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<td>Commission of any intent to sell, lease, assign, place in trust, or otherwise voluntarily</td>
<td>The present landowner notified the LUC about</td>
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<td>alter the ownership interests in the Property.</td>
<td>the ownership change by letter dated March 12, 2010 (see attached.)</td>
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<td>17. The developer and/or landowner of the subject Property shall timely provide without</td>
<td>PARTIALLY COMPLETED</td>
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<td>any prior notice, annual reports to the Land Use Commission, the Office of State</td>
<td>The most recent annual status report to the</td>
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<tr>
<td>Planning, and the City and County of Honolulu Planning Department in connection</td>
<td>State Land Use Commission by the previous</td>
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<td>with the status of the existing development and the developer’s and/or landowner’s</td>
<td>owner (Irongate) is dated May 4, 2007. No</td>
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<td>progress made in complying with the conditions imposed herein. The annual report</td>
<td>report has been filed since that date due to</td>
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<td>shall be submitted in a form prescribed by the Executive Officer of the Commission.</td>
<td>financial difficulties encountered by the previous owner. The present status report is</td>
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<td>the first to be filed since the new owner assume</td>
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<td>title to the property in March 2010.</td>
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<td>18. The Land Use Commission may fully or partially release these conditions provided</td>
<td>NO ACTION NECESSARY</td>
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<td>herein as to all or any portion of the Property upon timely motion and upon the</td>
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<td>provision of adequate assurance of satisfaction of these conditions by the developer</td>
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<td>and/or landowner of the subject Property.</td>
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<td>19. Within 7 days of the issuance of the Commission’s Decision and Order for the</td>
<td>COMPLETED</td>
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<td>subject reclassification, the developer and/or landowner shall a) record with the</td>
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<td>Bureau of Conveyances a Statement that the Property is subject to conditions imposition</td>
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<td>herein by the Land Use Commission in the reclassification of the Property, and b) shall</td>
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<td>file a copy of such recorded statement with the Commission.</td>
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<td>20. The developer and/or landowner of the subject Property shall record the conditions</td>
<td>COMPLETED</td>
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<td>imposed herein by the Commission with the Bureau of Conveyances pursuant to</td>
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<td><strong>MEMORANDUM OF AGREEMENT WITH DEPARTMENT OF TRANSPORTATION (9/17/2007, as amended in 2010)</strong></td>
<td><strong>PENDING</strong></td>
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<tr>
<td>1. [Developer] shall construct the following improvements recommended by the Traffic Impact Study:</td>
<td>These improvements were identified in the 2006 Traffic Impact Assessment Report (TIAR). As noted in item #2 on the following page, two updates are required for the TIAR, through which alternative transportation improvements could be proposed. The first of the updates should coincide with the application for subdivision approval, which is when DPP will make decisions about the street layout, connecting roads and intersection improvements.</td>
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<tr>
<td>a. Kalaeloa Boulevard at Malakole Street</td>
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<tr>
<td>i. Add a second (double) left-turn lane on the makai-bound Kalaeloa Boulevard approach. The dual left turn lanes shall provide 300 feet of full storage width per lane with appropriate taper.</td>
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<tr>
<td>ii. Widen Malakole Street to accommodate the dual makai-bound left-turn lanes. Widening is proposed to extend from Kalaeloa Boulevard to Oihana Street.</td>
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<td>iii. Construct an exclusive left turn lane on the westbound approach of Malakole Street. The turn lane shall provide 250 feet of full storage with appropriate taper.</td>
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<tr>
<td>iv. Extend the westbound right turn lane on Malakole Street to provide 300 feet of full storage with appropriate taper.</td>
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<td>b. Revise the traffic signal phasing and timing to reflect the recommended geometric changes.</td>
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<tr>
<td>i. In conjunction with the Malakole Street widening to accommodate the dual left turn lanes, construct a left turn lane of the eastbound approach of Malakole Street at Access 1. The left-turn lane shall be a continuation of the widening of Malakole Street based on the dual southbound left-turn lanes proposed for the Malakole Street/Kalaeloa Boulevard intersection. In effect, the through lane adjacent to the centerline would end as the left-turn lane at the Oihana Street intersection.</td>
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<tr>
<td>ii. Construct a westbound right-turn lane on Malakole Street at Access 1. The turn lane shall provide 100 feet of storage with appropriate taper.</td>
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<tr>
<td>iii. Construct separate left- and right-turn lanes on the Access 1 approach to Malakole Street.</td>
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<td>iv. Monitor and give consideration to installing a traffic signal if warranted</td>
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<tr>
<td><strong>c.</strong> Malakole Street at Komohana Street / Access 2</td>
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</tr>
<tr>
<td>i. Construct a left turn-lane on eastbound Malakole Street at Access 2. The turn lane shall provide 100 feet of storage with appropriate taper.</td>
<td></td>
</tr>
<tr>
<td>ii. Construct a right turn-lane on westbound Malakole Street at Access 2. The turn lane shall provide 100 feet of storage with appropriate taper.</td>
<td></td>
</tr>
<tr>
<td>iii. Construct separate left-and right-turn lanes on the Access 1 approach to Malakole Street.</td>
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</table>

The improvements noted in parts a through c of this paragraph 1 may be modified by [the Developer], subject to the prior written consent of DOT, based on the updates to the Traffic Impact Study discussed in paragraph 2 below.

2. [Developer] shall provide two updates of the Traffic Impact Study. An update of the Traffic Impact Study shall be done at the time that off-site improvements plans (widening of Kalaeloa Boulevard and/or Malakole Street) are submitted to the City for review, and a second update to the Traffic Impact Study shall be submitted at the time that building permits are issued for Lots totaling eighty percent (80%) of the land area of developable Lots on the Property. [Developer] shall undertake subsequent mitigative measures that may be reasonably required and recommended by the updates to the Traffic Impact Study. These updates to the Traffic Impact Study and subsequent reasonable mitigative measures shall be coordinated with and approved by DOT and the City’s Department of Transportation Services (“DTS”).

3. [Developer] shall establish an association which shall include all owners of the proposed Lots (“Association”) that will have as one of its responsibilities the promotion of alternative transportation opportunities that would optimize the use of existing and proposed transportation systems. The Association shall either: (1) designate a transportation manager who shall facilitate the coordination of actions and promotions with DOT and DTS; or (2) join the Leeward Oahu Transportation Management Agency which serves to provide transportation management services to its members.
FINAL
CONSTRUCTION MANAGEMENT PLAN

For
Malakole Industrial Park Development
Kapolei, Hawaii

Prepared For:
Core Raceway Asset Manager, LLC
1288 Ala Moana Boulevard
Suite 26E
Honolulu, HI 95814

Prepared By:
Wilbur Smith Associates
421 Fayetteville Street, Suite 1303
Raleigh, NC 27601
(919) 755-0583

August 11, 2010
(WSA Project No. 104593)
I. Introduction

The proposed Malakole Industrial Park Development is planned to be located northeast of the intersection of Kalaeloa Boulevard and Malakole Street in Kapolei, Hawaii. This proposed development is planned to consist of approximately 65 acres of industrial park. The site location is illustrated in Figure 1.

The purpose of this construction management plan is to coordinate the activities of the contractor to ensure a smooth construction phase which will reduce the impacts to the surrounding industrial and commercial areas and to the transportation network.

II. Construction Traffic

For this area, traffic volume is generally at its highest from 6:00-8:00am and 4:00-6:30pm during the weekday, particularly in the area surrounding the Kalaeloa Boulevard / Kapolei Parkway intersection. It is during these times of the day that it is recommended the contractor keep heavy and large vehicle movements to and from the property that require turning movements to/from Kapolei Parkway to a minimum. This will help reduce impacts to an already congested intersection. Current conditions at the Kalaeloa Boulevard / Malakole Street intersection are not heavily congested in the AM or PM peak hour, and should not require any restrictions. Signage should be placed on Malakole Street to advise travelers of construction entrances and truck traffic with appropriate caution/warning signs and speed limit signs (if needed).

III. Summary of Traffic Study Findings

Based on the findings of the Final Traffic Impact Analysis Report (TIAR) for Malakole Industrial Park, the development will require the installation and construction of some improvements in order for safe and efficient traffic operations. The timing of these improvements should be coordinated with HDOT and the City/County of Honolulu.

IV. Construction Equipment Staging and Storage

The contractor is expected to utilize on-site staging areas during construction for the storage of any construction equipment. No off-site storage or staging areas will be permitted without the expressed permission from the property owner. Figure 2 shows the allowed staging areas which encompass the Phase I and II property areas.

V. Parking

Construction and employee parking will be provided via space available on-site. The contractor will encourage all workers to carpool to reduce the need for additional space that may be possibly needed off-site. On-street parking along Kalaeloa Boulevard and Malakole Street will not be allowed. Figure 2 shows the allowed areas where construction and employee parking will be allowed.
VI. Sanitary Facilities and Waste Control
Temporary construction toilets will be placed around the construction site to provide access to all workers. The contractor will also be responsible for trash and waste disposal throughout the construction process.

VII. Erosion Control
The site will have proper erosion and sediment control which will be adequately maintained throughout the construction process. Erosion and sediment may be adjusted as necessary to changing site conditions.
FINAL
TRANSPORTATION MANAGEMENT PLAN

For
Malakole Industrial Park Development
Kapolei, Hawaii

Prepared For:
Core Raceway Asset Manager, LLC
1288 Ala Moana Boulevard
Suite 26E
Honolulu, HI 95814

Prepared By:
WilburSmith
421 Fayetteville Street, Suite 1303
Raleigh, NC 27601
(919) 755-0583

August 11, 2010

(WSA Project No. 104593)
I. Introduction

The proposed Malakole Industrial Park Development is planned to be located northeast of the intersection of Kalahea Boulevard and Malakole Street in Kapolei, Hawaii. This proposed development is planned to consist of approximately 65 acres of industrial park. The site location is illustrated in Figure 1.

The purpose of this transportation management plan is to detail possible strategies for vehicle trip reductions which will reduce the impacts to the transportation network.

II. Promote Transit Ridership

In an effort to reduce additional vehicles on the area roadways, it is recommended that the future tenants, and their employees, of Malakole Industrial Park be encouraged to use The Bus transit service. Route 413 currently travels along Kalahea Boulevard and Malakole Street with several stops within close proximity to the proposed development. Schedules and maps should be made available to tenants/employees.

III. Pedestrian Mobility

On site pedestrian mobility should be provided in the form of sidewalks and wheelchair ramps. Sidewalks should be considered to allow for future expansion along Kalahea Boulevard, Malakole Street, and the Komohana Street Extension and allow for ease of access to transit stops.

IV. Bicycle Use

Bicycle use to and from the Malakole Industrial Park should be encourage to reduce additional vehicles on the area roadway network. Bicycle racks should be provided for employees and patrons. Signs and roadway markers should also be provided to designate the presence of bicyclists within the site.

V. Car and Vanpooling

Employees of the Malakole Industrial Park should be encouraged to carpool with others to minimize the number of single occupied vehicles traveling to and from the site. Other carpool and vanpool opportunities are available and should be provided to employees through the Leeward Oahu Transportation Management Association (LOTMA). In order to provide some incentives to carpool, preferred parking should be provided for employees who carpool to work.

VI. Maximize Internal Capture

In an effort to reduce lunchtime trips to and from the Malakole Industrial Park, on site lunch service and/or catering is recommended to eliminate the need for off site lunches and increase the site’s internal capture.
VII. Concentrate Employment Hires within the Region

As tenants of Malakole Industrial Park begin to hire employees, it is recommended that they target areas for ad placement specifically within the Kapolei area. This will reduce the possibility for long commutes and dependency on the interstate/freeway, and allow for more reliable employee job arrival.
August 20, 2009

David B. Bills, President
BILLS ENGINEERING INC.
1124 Fort Street Mall, Suite 200
Honolulu, Hawaii 96813

Dear Mr. Bills:

Subject: Malakole Industrial Park Project
(Area formerly known as "Irongale")
TMK: 9-1-075: 044 & 050

This is in response to your August 18, 2009 letter asking for written confirmation on Condition 1 of the Unilateral Agreement (UA) being satisfied.

The Master Plan was submitted by Engineering Concepts, Inc., in October 2008 under the project title, Kapolei Business Park Phase I & II. The Master Plan has not been approved yet; however, submittal of the Master Plan satisfies Condition 1 of the UA and the Declaration for Conditional Zoning. It does not specify that approval is required prior to project approval.

The condition in the UA states “The Declarant shall submit a Wastewater Master Plan to address on-site and regional wastewater system issues for approval by the Department of Planning and Permitting (DPP) and Department of Environmental Services.”

Should you have any questions, please contact Dennis Nishimura of our Wastewater Branch at 768-8197.

Very truly yours,

Dennis M. Nishimura
For David K. Tanoue, Director
Department of Planning and Permitting

cc: Planning Division
August 11, 2010

Mr. Jon Gomes
Jon Gomes Development, L.L.C.
1288 Ala Moana Boulevard, Suite 26E
Honolulu, Hawaii 96814

Dear Mr. Gomes:

Subject: Malakole Industrial Park (Former Hawaii Raceway Park),
       Proposed Title Deed Incorporating Required Conditions IAW Memorandum of
       Agreement with HDOT dated September 17, 2007 and Unilateral Agreement with
       City and County of Honolulu
       Ewa, Oahu, TMK: (1) 9-1-075: 050

Malakole Industrial Park is a proposed industrial park under a condominium property regime. A
proposed title deed has been submitted for review, on behalf of AG/CW Raceway Owner II,
LLC, that will inform and convey to unit owners the various conditions that HDOT and City and
County of Honolulu required of this development. These conditions relate to road access,
collateral impacts due to aircraft operations from the nearby Kalaeloa airport, and limitations or
requirements necessitated by that proximity.

A review of the proposed title document indicates that it satisfactorily includes all required
conditions as detailed in Condition 7 of the MOA (HDOT) and Conditions 5 and 6 of the
Unilateral Agreement (C&C).

If you have any questions, please contact Ken Tatsuguchi, Head Planning Engineer, at
587-1830.

Very truly yours,

BRENNON T. MORIOKA, Ph.D., P.E.
Director of Transportation
July 9, 2010

Mr. Jon Gomes
Jon Gomes Development, LLC
1288 Ala Moana Boulevard, Suite 26E
Honolulu, Hawai‘i 96814

Dear Mr. Gomes:

Subject: HMC Irongate Hawai‘i Raceway Investors, LLC
(former Hawai‘i Raceway Park)
Ordinance No. 07-42
TMK 9-1-75: 44, 50, 51, por 52

This is in response to your June 23, 2010 letter regarding Condition Nos. 5 and 6 of the Unilateral Agreement (UA) and the Memorandum of Agreement (MOA) for the former Hawai‘i Raceway Park property.

We have reviewed your sample deed which includes the disclosures and restrictions of airport uses in the vicinity of the property. We have determined that the language of the deed complies with Condition No. 6 of the UA.

Please note that we will need written confirmation from the Department of Transportation that the UA Condition No. 5 meets the MOA requirements.

If you have any questions, please contact Adrian Siu-Li of our staff at 768-8018.

Very truly yours,

David K. Tanoue, Director
Department of Planning and Permitting

DKT:bgk
783404
November 9, 2006

Mr. Joshua Crane  
HMC Irongate Hawaii Raceway Investors LLC  
10880 Wilshire Boulevard, Suite 1460  
Los Angeles, California 90024

Facility/Site: Hawaii Raceway Park  
91-201 Malakole Street  
Kapolei, Hawaii

Subject: No Further Action Determination

Dear Mr. Crane:

The Hawaii Department of Health (HDOH) Hazard Evaluation and Emergency Response (HEER) Office has completed our review of the Phase II Environmental Site Assessment (ESA) for the above referenced Site. The Phase II Investigation was designed to assess soil and groundwater impacts from previous site uses and practices, including: (1) spraying of bilge water and waste oil for dust control, (2) use of the Site for various motor sports, (3) operation of maintenance shops and a paint booth, (4) various materials storage, (5) a vehicle holding area, (6) reported on-Site disposal of sand blast grit, and (6) complaints of improper disposal of various hazardous materials.

A multi-increment sampling approach was utilized to address Site soils. Twelve decision units were identified and soil samples from each were analyzed for Total Petroleum Hydrocarbons as gasoline, diesel, and motor oil (TPH-G/D/O), Semi-volatile Organic Compounds (SVOCs), Resource Conservation and Recovery Act (RCRA) (8) Metals, and Polychlorinated Biphenyls (PCBs). Five groundwater monitoring wells were installed and groundwater samples were analyzed for Volatile Organic Compounds (VOCs), TPH-G/D/O, SVOCs, RCRA 8 Metals, and PCBs.

Analytical results indicate that no Contaminants of Concern (COC), as listed above, were identified in groundwater and no COCs were identified in soil above the HDOH Environmental Action Levels (EALs) for “Groundwater IS NOT Current or Potential Source of Drinking Water” and “>= 150m to Surface Water Body.”
Mr. Joshua Crane
November 9, 2006
Page 2 of 2

The HEER Office has determined that the Phase II ESA was sufficient in scope and design to adequately address our outstanding concerns and that no contaminants remain on Site at levels of concern. Therefore, no further environmental action is necessary at this time. However, please be advised that if new information becomes available indicating that soil or groundwater contamination is present at the Site at levels that pose a risk to human health or the environment, the HEER Office may require the performance of additional investigative and cleanup work.

If you have any questions concerning this letter, please contact Ms. Diane England at (808) 586-0958.

Sincerely,

[Signature]

Keith E. Kawaoka, D.Env., Program Manager,
Hazard Evaluation and Emergency Response Office

cc: Valerie Marshall (PSI)
AMENDMENT TO MEMORANDUM OF AGREEMENT

RECITALS:

1. HMC IRONGATE HAWAII RACEWAY INVESTORS LLC, a Delaware limited liability company ("IRONGATE") and the DEPARTMENT OF TRANSPORTATION, a department of the State of Hawaii ("DOT"), the business address of which is 869 Punchbowl Street, Honolulu, Hawaii 96813-5097, entered into that certain Memorandum of Agreement dated September 17, 2007 ("Agreement"), which Agreement was recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 3656886, noted on Certificate of Title Nos. 976,479 and 976,480;

2. The Agreement provides, among other things, for commitments by IRONGATE to mitigate traffic impacts of the proposed development of the Property, in accordance with recommendations of the Traffic Impact Study and further recommendations of DOT staff; and

3. AG/CW Raceway Owner I, L.L.C., a Delaware limited liability company, whose mailing address is c/o Core Raceway Asset Manager LLC, 10877 Wilshire Boulevard, Suite 1605, Los Angeles, California 90024, is the owner of Lot 3801-A-1, in accordance with that Limited
Warranty Deed, which was filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 3949874; and

4. AG/CW Raceway Owner II, L.L.C., a Delaware limited liability company, whose mailing address is c/o Core Raceway Asset Manager LLC, 10877 Wilshire Boulevard, Suite 1605, Los Angeles, California 90024, is the owner of Lot 3801-B, in accordance with that Limited Warranty Deed, which was filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 3949875; and

5. AG/CW Raceway Owner I, L.L.C. and AG/CW Raceway Owner II, L.L.C. (collectively, “Owner”) desires to develop and sell the Property in two phases, with the first phase (“Phase 1”) to consist of the areas of the Property shown on the map attached hereto as Exhibit 1 (“Map”) as Lot 3801-A-1 and proposed condominium Unit 1, Unit 1A, Unit 2, Unit 3 and Unit 4 (or such other condominium units created in place of such units); and

6. The second phase (“Phase 2”) will consist of the remainder of the Property, as indicated on the Map attached hereto as Exhibit 1; and

7. Owner has requested that DOT not require construction of the improvements set forth in Paragraphs 1 and 2 of the Agreement as a condition to the sale, rental and development of Phase 1, but that such requirements apply only to the development and sale and rental of Phase 2; and

8. DOT is willing to so amend the Agreement and to make other related changes.

NOW THEREFORE,

1. Paragraph 3 of the Agreement is amended to read:

“3. COMPLETION OF IMPROVEMENTS. Owner shall complete the improvements to be constructed pursuant to paragraphs 1 and 2, above, as follows:

a. Subdivision. If the Property is subdivided, the improvements shall be a condition of final subdivision approval and Owner shall comply with normal City procedures and requirements for subdivision approval.

b. Condominium. If the Property is submitted to a condominium property regime, the improvements shall be completed or the Owner of the Lot 3801-B shall provide DOT with sufficient assurance of completion acceptable to DOT, in its sole discretion, prior to the issuance of a certificate of occupancy for any building erected on Phase 2 of the Property and prior to the rental or conveyance of any condominium unit located on Phase 2 of the Project to a third party. Certificates of occupancy for any building erected on Phase 1 may be issued, and rental or conveyance of any condominium unit located in Phase 1 may occur prior to completion of the improvement required to be made.

c. Other Development. If the Property is not subdivided or submitted to a
condominium property regime, the improvements shall be completed or the Owner shall provide DOT with sufficient assurance of completion acceptable to DOT, in its sole discretion, prior to the issuance of a certificate of occupancy for any building erected on Phase 2 of the Property and prior to the rental or conveyance of any property interest or portion of Phase 2 of the Property to a third party. Certificates of occupancy for any building erected on Phase 1 may be issued, and rental or conveyance of any structure located on Phase 1 may occur prior to completion of the improvement required to be made."

2. Paragraph 5 is amended to read:

"5. TRAFFIC IMPACT STUDIES. Owner shall provide two updates of the Traffic Impact Study. An update of the Traffic Impact Study which incorporates the current site plan shall be done prior to or at the time that off-site improvement plans are submitted to the City for review for Phase 2, and a second update to the Traffic Impact Study shall be submitted at the time that building permits are issued for Lots totaling eighty percent (80%) of the land area of developable area on the Property. Owner shall undertake subsequent mitigative measures that may be reasonably required and recommended by the updates to the Traffic Impact Study. These updates to the Traffic Impact Study and subsequent reasonable mitigative measures shall be coordinated with and approved by DOT and the City’s Department of Transportation Services ("DTS")."

3. Continuing Duties and Obligations.

Owner understands and agrees that except to the extent of the revisions provided in this amendment, Owner is responsible for complying with all provisions, terms, conditions and covenants that IRONGATE had agreed to in the Agreement. By agreeing to this amendment, the DOT does not waive any legal or equitable rights it may have against IRONGATE or Owner for the failure, if any, to comply with the provisions, terms, conditions, and covenants of the Agreement and any amendment thereto.

The parties hereto agree that this instrument may be executed in counterparts, each of which shall be deemed an original, and said counterparts shall together constitute one and the same agreement, binding all of the parties hereto, notwithstanding all of the parties are not signatory to the original or the same counterparts. For all purposes, including, without limitation, recordation, filing and delivery of this instrument, duplicate unexecuted and unacknowledged pages of the counterparts may be discarded and the remaining pages assembled as one document.
IN WITNESS WHEREOF, Owner and DOT have caused these presents to be executed as of the day and year first above written.

AG/CW RACEWAY OWNER I, L.L.C., a Delaware limited liability company

By: AG/CW Raceway Holdings, L.L.C., a Delaware limited liability company, its sole member

By: AG Real Estate Manager, Inc., a Delaware corporation, its manager

WILLIAM ABBATE
VICE PRESIDENT

Name:
Its:

AG/CW RACEWAY OWNER II, L.L.C., a Delaware limited liability company.

By: AG/CW Raceway Holdings, L.L.C., a Delaware limited liability company, its sole member

By: AG Real Estate Manager, Inc., a Delaware corporation, its manager

By:

WILLIAM ABBATE
VICE PRESIDENT

Name:
Its:

“Owner”

STATE OF HAWAII DEPARTMENT OF TRANSPORTATION

By

Name:
Its: Director

“DOT”
Approved as to Form:

OFFICE OF THE ATTORNEY GENERAL
STATE OF HAWAII

[Signature]

Name: Michael C.Y. Lum
Deputy Attorney General
STATE OF CALIFORNIA  
COUNTY OF LOS ANGELES  

On this June 8th, 2010, before me personally appeared William A. dated , to me personally known/proved to me on the basis of satisfactory evidence, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

(Stamp or Seal)
RANOLD EDELMAN  
Commission # 1863472  
Notary Public - California  
Los Angeles County  
My Comm. Expires Sep 30, 2013  

Name:  
Notary Public, State of CA  
My commission expires: 09.30.2013  

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STATE OF HAWAII  
CITY AND COUNTY OF HONOLULU  

On this , 2010, before me personally appeared , to me personally known/proved to me on the basis of satisfactory evidence, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

(Stamp or Seal)

Name:  
Notary Public, State of Hawaii  
My commission expires:  

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ACKNOWLEDGMENT

State of California
County of Los Angeles

On June 8, 2010 before me, Randolph Edelman, Notary Public, (insert name and title of the officer)

personally appeared William Addate who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: Randolph Edelman

(SEAL)

OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

Amendment to Amendment

(Titile or description of attached document)

OP ACCESSION

(Title or description of attached document continued)

Number of Pages: 6  Document Date: 06-08-2010

(Additional information)