

# ANNUAL COMPLIANCE REPORT

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Makakilo Quarry, Hawaii

Prepared By  
GRACE PACIFIC CORPORATION  
November 5, 2010



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## 1.0 INTRODUCTION

This Annual Compliance Report has been prepared pursuant to Condition No. 9 of the State Land Use Commission's Findings of Fact, Conclusions of Law, and Decision and Order, Special Use Permit, Docket No. SP73-147, filed and effective on November 7, 2008 (the "Special Use Permit" or "SUP"). This is Grace Pacific's second annual report demonstrating the status of compliance with each of the conditions of the Special Use Permit approval. This report covers the period from October 1, 2009 through September 30, 2010, Grace Pacific's year-end for record keeping.

The Decision and Order for the Conditional Use Permit No. 2007/CUP-91, dated July 17, 2009 (the "Conditional Use Permit" or "CUP") contains conditions which integrate with the reporting under the Special Use Permit. Grace Pacific proposes to combine reporting under the Special Use Permit and Conditional Use Permit in this annual report. This report covers the period from October 1, 2009 through September 30, 2010 for the purpose of demonstrating the status of compliance with each of the conditions of the Conditional Use Permit approval.

It is Grace Pacific's intent that this document and forthcoming annual reports create a clear record for all concerned.

## 2.0 ANNUAL COMPLIANCE REPORT FOR THE SPECIAL USE PERMIT (Special Use Permit, Docket No. SP73-147, adopted and approved on November 6, 2008, filed and effective on November 7, 2008)

### 2.1 SUP CONDITION #1

1. *Within six (6) months of the Land Use Commission's Decision and Order approving the Special Use Permit, the Applicant shall submit:*
  - a. *A new site plan with metes and bounds map and description delineating the approximately 541-acre Property, including the boundaries of the quarry excavation and berming areas, the processing site and conveyor tunnel, and the buffer area to the Director of Planning and Permitting for review and approval. The site plan shall also be submitted to the Land Use Commission.*
  - b. *A fire protection and control plan to Honolulu Fire Department for review and approval. A copy of the approved plan shall be submitted to the Director of Planning and Permitting within 30 days of approval.*

#### 2.1.1 GRACE PACIFIC'S RESPONSE TO SUP CONDITION #1.A

A new submittal of the site was requested by DPP in a letter dated August 24, 2010. A copy of the letter is attached as Appendix A, which states: "Please submit as soon as possible the final site plan, which reflects the current Land Use District Boundaries as interpreted by the State Land Use Commission in their Boundary Interpretation, dated April 28, 2010, for review and approval."

State Land Use Commission Boundary interpretation, dated April 20, 2010, is attached with supporting documents for reference as Appendix B.

As requested by DPP, an updated Site Plan Delineation Key Map and the Metes and Bounds of the Makakilo Quarry was submitted by Belt Collins, the Petitioner's agent, on October 27, 2010 for review and approval. A copy of that submittal is attached as Appendix C.

A copy of the Site Plan Delineation Key Map and Metes and Bounds Description was submitted to the State Land Use Commission on November 3, 2010. A copy of that submittal is attached as part of Appendix C.

### 2.1.2 GRACE PACIFIC'S RESPONSE TO SUP CONDITION #1.B

In a letter dated August 24, 2010 from DPP it was stated: "We acknowledge receipt of the Honolulu Fire Departments' approved Fire Protection and Control Plan dated February 17, 2010." A copy of the letter is attached as Appendix A.

The approved Fire Protection and Control Plan dated February 17, 2010 and additional supporting documents for reference are attached as Appendix D.

## 2.2 SUP CONDITION #2

*2. Within one (1) year of the Land Use Commission's Decision and Order approving the Special Use Permit, the Applicant shall submit to the Director of Planning and Permitting for review and approval a renaturalization plan in coordination with the proposed Closure Grading Plan for the quarry site and buffer area mauka of the H-1 Freeway showing landscaping details including plant types, sizing and spacing, irrigation facilities and distribution systems.*

### 2.2.1 GRACE PACIFIC'S RESPONSE TO SUP CONDITION #2

A Renaturalization Plan was submitted by Belt Collins on November 6, 2009 for review and approval. Modifications to the Renaturalization Plan were request by DPP in a letter dated August 24, 2010. A copy of the letter is attached as Appendix A. Clarification was requested from DPP by Belt Collins in a letter dated October 8, 2010. A copy of that letter is attached as Appendix E.

## 2.3 SUP CONDITION #3

*3. All resource extraction, related aggregate processing and concrete and asphalt production activities, including recycling activities shall cease by December 31, 2032. Final beneficial re-use plans as approved by the Department of Planning and Permitting shall be implemented immediately upon the cessation of said resource extraction and related quarrying activities.*

### 2.3.1 GRACE PACIFIC'S RESPONSE TO SUP CONDITION #3

Grace Pacific acknowledges this condition of the Special Use Permit.

## 2.4 SUP CONDITION #4

4. *The Applicant shall close the processing site on Parcel 4 by relocating all uses on the site into the quarry pit or Campbell Industrial Park by December 31, 2012, and Parcel 4 shall be returned to landscaped open space use within six (6) years of the date of the Land Use Commission's Decision and Order. A landscape plan shall be submitted to the Director of Planning and Permitting for review and approval on the second anniversary date of the Land Use Commission's Decision and Order and the approved landscape plan shall be implemented within one (1) year of its approval. Landscaping shall be maintained in a natural state for the life of the Special Use Permit.*

### 2.4.1 GRACE PACIFIC'S RESPONSE TO SUP CONDITION #4

The complete removal of Hawaiian Cement's ready-mix concrete batch plant was completed as of January 2010. A copy of the Lower Quarry Labeled Topo Map from the September 28, 2010 Aerial Survey is attached as Appendix F.

## 2.5 SUP CONDITION #5

5. *Beginning January 1, 2012, quarry operations shall be limited to the following days/hours:*
- a. *Quarry excavation, crushing, stockpiling, equipment maintenance, and recycling facility – 6:00 a.m. to 6:00 p.m., Monday to Saturday.*
  - b. *Hot-mix asphalt plant - 6:00 a.m. to 6:00 p.m., Monday to Friday.*
  - c. *Unloading of cold-planed asphaltic concrete during re-paving jobs - 6:00 p.m. to 10:00 p.m., Sunday to Friday.*

### 2.5.1 GRACE PACIFIC'S RESPONSE TO SUP CONDITION #5

Grace Pacific acknowledges this condition of the Special Use Permit.

## 2.6 SUP CONDITION #6

6. *Except for quarry, recycling activities in the quarry, and renaturalization activities, the remainder of Tax Map Key: 9-2-03: 74 shall remain in open space buffer for the life of the quarry and related activities. Minor accessory uses or structure may be permitted on Parcel 74 with the express written consent of the Director of Planning and Permitting. Any other uses shall be processed pursuant to Section 205-6. Hawai'i Revised Statutes.*

### 2.6.1 GRACE PACIFIC'S RESPONSE TO SUP CONDITION #6

Grace Pacific acknowledges this condition of the Special Use Permit.

## 2.7 SUP CONDITION #7

7. *As may be required by the State Department of Health, the Applicant shall place in service additional dust control measures to control dust generation at the project such that no visible fugitive dust shall cross the combined property boundaries of Tax Map Key: 9-2-03: 74 and 82.*

### 2.7.1 GRACE PACIFIC'S RESPONSE TO SUP CONDITION #7

Grace Pacific acknowledges this condition of the Special Use Permit.

## 2.8 SUP CONDITION #8

8. *The Applicant shall, as a result of modifications to the final grading and beneficial re-use plans, submit an update of the drainage plan, prepared by a qualified civil engineer, as may be required by the Director of Planning and Permitting for review and approval.*

### 2.8.1 GRACE PACIFIC'S RESPONSE TO SUP CONDITION #8

Grace Pacific acknowledges this condition of the Special Use Permit.



## 2.9 SUP CONDITION #9

9. *On each anniversary date of the Land Use Commission's Decision and Order, the Applicant or its successor shall file with the Department of Planning and Permitting and the Land Use Commission a report and supporting documentation demonstrating the status of compliance with each of the conditions of the Special Use Permit approval. Included in the supporting documentation shall be an updated rectified aerial imagery of the quarry, buffer area and processing site and dust control management plan. The following items shall also be a part of the supporting documentation:*
- a. *Observations of fugitive dust.*
  - b. *A report on replanting activities, including the areas replanted, and the type of vegetation planted.*
  - c. *A report of any citizen's complaints relating to the operation along with the actions taken to ameliorate those complaints.*

*The Director may present its analysis and recommendations on the annual report to the Planning Commission and the State Department of Health for further action pursuant to the Rules of the Planning Commission.*

### 2.9.1 GRACE PACIFIC'S RESPONSE TO SUP CONDITION #9

A copy of the Makakilo Quarry Aerial Topography dated September 28, 2010 is attached as Appendix G. Also submitted with this report is a DVD containing electronic files of the Rectified Aerial Imagery, AutoCAD file of the Aerial Topography and electronic files of this Annual Report and related Appendixes.

The 2009 Dust Control Management Plan is still in effect, and is attached as Appendix H.

### 2.9.2 GRACE PACIFIC'S RESPONSE TO SUP CONDITION #9.A

No observations of fugitive dust were reported to Grace Pacific or the State Department of Health, Clean Air Branch for the period October 1, 2009 through September 30, 2010.

### 2.9.3 GRACE PACIFIC'S RESPONSE TO SUP CONDITION #9.B

Grace Pacific has limited its replanting efforts to temporary erosion grass planting, awaiting approval of the Renaturalization Plan. Grace Pacific continues to maintain the plantings along Farrington Highway, the Kapolei Knolls buffer and the H-1 shoulder overlooking the Lower Quarry site.

#### 2.9.4 GRACE PACIFIC'S RESPONSE TO SUP CONDITION #9.C

No reports of citizen complaints relating to operations during the period October 1, 2009 through September 30, 2010 were received by Grace Pacific. A copy of the "Grace Pacific Makakilo Quarry Hotline" Phone Log is attached as Appendix I.

#### 2.10 SUP CONDITION #10

10. *The Applicant shall provide a beneficial re-use plan for lands disturbed by its quarry operations. The plan shall include planning and preparation of the design and implementation scenarios for the beneficial re-use of the pit area consistent with established land use policies for the site and surrounding area. The re-use planning document and accompanying scenarios and drawings shall be submitted to the Department of Planning and Permitting, for review and approval within the fifth (5th) year after the date of the Land Use Commission's Decision and Order approving this expansion. An updated re-use plan shall be submitted to the DPP for review and approval every five (5) years thereafter. The beneficial re-use planning and design document shall be an ongoing document prepared by a professional qualified in re-use planning and contain objectives, implementation and funding strategies for reclamation of the pit area for the purpose of achieving the area's long term land use policies. The Applicant will update the plan, as may be required by the Director of Planning and Permitting, to respond appropriately to any changes in the surrounding area's land use policies.*

*The beneficial re-use plan shall include at least one public access across Tax Map Key: 9-2-03: 74, connecting Tax Map Key: 9-2-03:81 and the extension of Makakilo Drive, across the project in which safe pedestrian/bicycling passage can be established. Access requirements, such as but not limited to, subdivision, nature of improvements, routing, hours accessible, shall be established as part of the final beneficial re-use plan. Suggested routing of the public access is shown on Exhibit A.*

### 2.10.1 GRACE PACIFIC'S RESPONSE TO SUP CONDITION #10

Grace Pacific acknowledges this condition of the Special Use Permit.

### 2.11 SUP CONDITION #11

*11. Approval of this Special Use Permit does not constitute compliance with other land use ordinances or governmental agencies' requirements. They are subject to separate review and approval. The Applicant shall be responsible for insuring that the final plans for the project approved under this permit comply with all applicable provisions of the Land Use Ordinance and other governmental agencies' provisions and requirements.*

#### 2.11.1 GRACE PACIFIC'S RESPONSE TO SUP CONDITION #11

Grace Pacific acknowledges this condition of the Special Use Permit.

### 2.12 SUP CONDITION #12

*12. The Applicant and/or landowner shall notify the Director of Planning and Permitting and the Land Use Commission of any changes in uses on the Property; termination of any uses on the Property; and/or transfer in ownership of the Property or any uses on the Property. The Planning Commission shall then, in consultation with the Director of Planning and Permitting, determine the appropriate disposition of this Special Use Permit and facilities.*

#### 2.12.1 GRACE PACIFIC'S RESPONSE TO SUP CONDITION #12

A change of ownership occurred affecting the parcels subject to this Special Use Permit, and letters notifying the DPP and LUC were sent on March 26, 2010. The letters are attached as Appendix J.

## 2.13 SUP CONDITION #13

13. *In the event of noncompliance with any of the conditions set forth herein, the Director of Planning and Permitting may terminate all uses approved under this Special Use Permit or the Director may declare this Special Use Permit null and void or seek available civil procedures to enforce compliance.*

### 2.13.1 GRACE PACIFIC'S RESPONSE TO SUP CONDITION #13

Grace Pacific acknowledges this condition of the Special Use Permit.

## 2.14 SUP CONDITION #14

14. *The Applicant shall, for the life of the Special Use Permit, establish and disclose to the community, a telephone number dedicated to receiving and recording complaints relating to quarry and recycling operations. A continuous volume of complaints shall warrant reconsideration of the Special Use Permit by the Planning Commission.*

### 2.14.1 GRACE PACIFIC'S RESPONSE TO SUP CONDITION #14

Grace Pacific has posted the Makakilo Quarry Hotline information 671-GRACE (671-4722) on its website, [www.gracepacificcorp.com](http://www.gracepacificcorp.com), for disclosure to the community.

In addition, Grace Pacific has established a process to enhance its communication with the community by establishing a Community Advisory Group. The Community Advisory Group will provide an opportunity for Grace Pacific to share information about its operations with area residents and obtain feedback from the community. The Community Advisory Group is composed of representatives from neighboring community associations as well as from Neighborhood Board No. 34, Makakilo/Kapolei/Honokai Hale.

Community Advisory Group members:

James D. Brown, Kapolei Knolls Community Association

Judy Cocke, Anuhea Community Association

Ken Dorner, Villages of Kapolei Community Association

Maeda Timson, Neighborhood Board No. 34, Makakilo/Kapolei/Honokai Hale

Thad Spreg, Wai Kalo'i Community Association

On April 27, 2010, the Community Advisory Group held its initial meeting with Grace Pacific representatives. Subsequently during August and September, Grace Pacific conducted tours of Makakilo Quarry with the individual members of the Community Advisory Group to familiarize them with the property and the quarry operations. The Community Advisory Group has agreed to a regular schedule of meetings to be held on a quarterly basis, ensuring channels of communication are maintained between Grace Pacific and the community.

## 2.15 SUP CONDITION #15

15. *The uses in the quarry excavation area shall be limited to rock excavation, crushing, stockpiling, a new hot-mix asphalt plant, recycling of concrete rubble, glass, and asphaltic concrete pavement, equipment maintenance, employee support, parking, administration, and a water well and pump. No other uses shall be permitted without the approval of the Land Use Commission.*

### 2.15.1 GRACE PACIFIC'S RESPONSE TO SUP CONDITION #15

Grace Pacific acknowledges this condition of the Special Use Permit.

## 2.16 SUP CONDITION #16

16. *The Applicant shall establish the quarry expansion in substantial compliance with the representations made to the Land Use Commission in obtaining the Land Use Commission Special Use Permit. Failure to do so may result in the revocation of the permit.*

*IT IS FURTHER ORDERED that the conditions imposed by the LUC on March 23, 1973, in this docket that are applicable to the sanitary landfill operations shall remain in full force and effect.*

### 2.16.1 GRACE PACIFIC'S RESPONSE TO SUP CONDITION #16

Grace Pacific acknowledges this condition of the Special Use Permit.

### 3.0 ANNUAL COMPLIANCE REPORT FOR THE CONDITIONAL USE PERMIT

(Conditional Use Permit, No. 2007/CUP-91, dated July 17, 2009)

#### 3.1 CUP CONDITION #1

1. *Blasting shall be restricted to the hours of 8:00 am to 12:00 noon, Mondays through Fridays.*

##### 3.1.1 GRACE PACIFIC'S RESPONSE TO CUP CONDITION #1

Grace Pacific acknowledges this condition of the Conditional Use Permit.

#### 3.2 CUP CONDITION #2

2. *Within one year of this Decision and Order, the applicant shall submit to the Director of the DPP for review and approval, final grading plans with contour intervals of five feet in areas where the slope is greater than ten percent; two feet in areas where the slope is ten percent or less.*

##### 3.2.1 GRACE PACIFIC'S RESPONSE TO CUP CONDITION #2

In a letter from DPP it was acknowledged that this condition was met by the submitted "2032 Closure Grading Plan Makakilo Quarry" dated November 5, 2009. A copy of the letter is attached as Appendix A.

#### 3.3 CUP CONDITION #3

3. *On the fifth anniversary date of this Decision and Order, and an updated every fifth year thereafter, as may be required by the Director, the applicant shall submit a beneficial reuse plan which shall show how the property is to be left in a form suitable*

*for reuse for purposes permissible in the district, relating such reuses to existing or proposed uses of surrounding properties. Among items to be included in the plan are feasible circulation patterns in and around the site, the treatment of exposed soil or subsoil, including measures to be taken to replace topsoil or establish vegetation in excavated areas in order to make the property suitable for the proposed reuse, treatment of slopes to prevent erosion and delineation of floodways and floodplains (if any) to be maintained in open usage. Submittal of the beneficial reuse plan under Condition 12 of the Land Use Commission Decision and Order, dated November 7, 2008, may satisfy the requirements of this condition (providing the reuse plan complies with Land Use Ordinance Section 5.520, Specific Use Development Standards, for Resource Extraction).*

### 3.3.1 GRACE PACIFIC'S RESPONSE TO CUP CONDITION #3

Grace Pacific acknowledges this condition of the Conditional Use Permit.

### 3.4 CUP CONDITION #4

4. *Prior to the issuance of a building permit for any structures within and/or the relocation of any structures to the Project Site, the applicant shall submit to the Director for review and approval:*
  - a. A site plan showing compliance with all development standards of the Land Use Ordinance, including but not limited to, parking and loading, structure heights and setbacks, and building coverage.
  - b. A water source and distribution plan approved by the Board of Water Supply. The plan shall include the disposition of the existing water source in the processing site.
  - c. An outdoor lighting plan showing all existing and proposed outdoor lighting fixtures. All exterior lighting shall be fully shielded to prevent glare and light spillage on surrounding lots and public rights-of-way. Lighting for unloading of cold-planed asphalt shall be directed away from adjoining residential uses and be turned off upon completion of unloading operations.

### 3.4.1 GRACE PACIFIC'S RESPONSE TO CUP CONDITION #4

Grace Pacific acknowledges this condition of the Conditional Use Permit.

### 3.5 CUP CONDITION #5

5. *The applicant shall stabilize exposed soils during the construction of any berms to minimize runoff impacts to the area's natural drainage features. Landscaping of any berms shall commence within 30 days of completion of berm construction.*

#### 3.5.1 GRACE PACIFIC'S RESPONSE TO CUP CONDITION #5

Grace Pacific acknowledges this condition of the Conditional Use Permit.

### 3.6 CUP CONDITION #6

6. *Operation of the resource extraction facility and accessory uses shall be in general conformance with the approved project, as described herein and shown on plans on file with the DPP. Any modification to the project and/or plans shall be subject to the prior review and approval by the Director. Major modifications shall require a new Conditional Use Permit.*

#### 3.6.1 GRACE PACIFIC'S RESPONSE TO CUP CONDITION #6

Grace Pacific acknowledges this condition of the Conditional Use Permit.

### 3.7 CUP CONDITION #7

7. *This application has only been reviewed and approved pursuant to the provisions of Section 21-5.520 (Resource Extraction), and its approval shall not constitute compliance with the requirements of other governmental agencies. These are subject to separate review and approval. The application shall be responsible for insuring that the final plans for the project approved under this permit comply with all applicable government agencies' provisions and requirements, including compliance with all other provisions of the Land Use Ordinance.*

#### 3.7.1 GRACE PACIFIC'S RESPONSE TO CUP CONDITION #7

Grace Pacific acknowledges this condition of the Conditional Use Permit.



### 3.8 CUP CONDITION #8

8. *The applicant and/or landowner shall submit written notification to the Director of DPP of any changes in use, including the addition of any accessory uses and/or structure, termination of any use on the property; and/or transfer in ownership of the property or of any use on the property. In the case of any addition and/or change in use, the Director shall determine if the proposed change requires a minor or major modification of the Conditional Use Permit. In the event of a change in ownership, the Director shall notify the new owner (by copy of this report) that the site and/or facility is permitted and/or governed by the Conditional Use Permit, and that compliance with all conditions of approval is required.*

#### 3.8.1 GRACE PACIFIC'S RESPONSE TO CUP CONDITION #8

A change of ownership has occurred affecting the parcels under this Conditional Use Permit, and letters notifying the DPP and LUC were sent on March 26, 2010. The letters sent are attached as Appendix J.

### 3.9 CUP CONDITION #9

9. *The Director may modify the conditions of this permit by imposing additional conditions, modifying existing conditions, or deleting conditions deemed satisfied upon a finding that circumstances related to the approved project have significantly changed so as to warrant a modification to the conditions of approval. In the event of the noncompliance with any of the conditions set forth herein, the Director may terminate all uses approved under this permit or halt their operation until all conditions are met or may declare this Conditional Use Permit null and void or seek civil enforcement.*

#### 3.9.1 GRACE PACIFIC'S RESPONSE TO CUP CONDITION #9

Grace Pacific acknowledges this condition of the Conditional Use Permit.

----- End of Annual Report -----