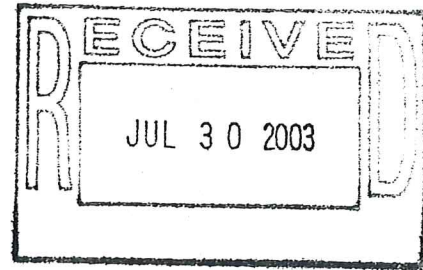


C-7



**MAKAKILO QUARRY
CONDITIONAL USE PERMIT NO. 72/CUP-15
ENGINEERING REPORT**

Prepared for:

GRACE PACIFIC CORPORATION
P.O Box 78
Honolulu, Hawaii 96810

Prepared by:

PARAMETRIX, INC.
5808 Lake Washington Blvd. N.E., Suite 200
Kirkland, Washington 98033

Prepared by:

John Long

Checked by:

D. H. I. Mall

Approved by:

D. H. I. Mall

July 1998

CERTIFICATE OF ENGINEER

The technical material contained in this document was prepared under the supervision and direction of the undersigned, whose seal, as a professional engineer licensed to practice as such, is affixed below:



This work was prepared by
me or under my supervision

Dwight E. Miller 7/16/98

Dwight E. Miller, P.E.
Project Manager
Parametrix, Inc.

Please see Exhibit J
for the full document.

**AMENDMENT TO
MAKAKILO QUARRY
(Tax Map Key 9-2-3: 82)
CONDITIONAL USE PERMIT NO. 72/CUP-15
ENGINEERING REPORT**

Prepared for:

GRACE PACIFIC CORPORATION
P.O. Box 78
Honolulu, Hawaii 96810

Prepared by:

BELT COLLINS HAWAII, LTD.
2153 North King Street, Suite 200
Honolulu, Hawaii 96819

March 2004

This work was prepared by me or under my supervision.

Exhibit C-7

Please see Exhibit J
for the full document.

C-8

RECORDATION REQUESTED BY:

AFTER RECORDATION: ADDRESSEE:

When Completed: Mail ()
Pick up () Phone:

DECLARATION OF CONDITIONS

This Declaration, made this 22nd day of June, 1973, by PACIFIC CONCRETE & ROCK CO., LIMITED, a Hawaii corporation, having its principal place of business and post office address at 2344 Pahounui Drive, Honolulu, Hawaii, hereinafter referred to as the "Declarant";

W I T N E S S E T H:

WHEREAS, the Trustees under the Will and of the Estate of James Campbell, Deceased, hereinafter collectively referred to as the "Trustees", are owners of land containing basaltic rock of use as a construction material, the land referred to being colored blue on the map marked Exhibit "A" attached hereto and made a part hereof, and are owners of the "Plant Site" more particularly described in Exhibit "B" attached hereto and made a part hereof; and

WHEREAS, by unrecorded Contract to Sell Rock in Place dated April 18, 1972 by and between Trustees and Declarant, Trustees granted and Declarant accepted separate options to excavate and purchase rock and other material from Option Areas A through J indicated on Exhibit "A" and Trustees agreed to lease to Declarant the real property more particularly described in Exhibit "B"; and

WHEREAS, Declarant has filed with the Planning

31st August, 1973
James A. Smith
Rep.

ED BY:

Director of the City and County of Honolulu an application for a permit for a conditional use and an application for a permit for a special use of the property colored blue on the map marked Exhibit "A" and the property described in Exhibit "B"; and

WHEREAS, the Planning Director has transmitted his findings and recommendations to the Planning Commission recommending approval of said applications and issuance of said permits subject to those certain conditions hereinafter set forth;

NOW, THEREFORE, Declarant hereby declares that use for excavation and processing of rock and other material on the land colored blue on the map marked Exhibit "A" and on the land described in Exhibit "B" shall be subject to the conditions hereinafter set forth in this Declaration, which conditions shall run with the land and shall be binding upon all persons having or who acquire any right, title or interest to excavate and process rock and other material therefrom;

1. The provisions set forth in the submitted application marked Exhibit "B" and on file with the Planning Department shall be complied with except as may be altered by any of the conditions stated hereunder;

2. The Declarant shall prepare and submit to the Planning Director for his review and approval a revised grading plan for the quarry area;

3. The proposed use shall adhere to the noise regulations of the Comprehensive Zoning Code and to any further regulations as may be promulgated by the Department of Health. If necessary, the Planning Director may require the Declarant to conduct a noise study. Said study, if required, shall be conducted in a manner acceptable to the Planning Director and

ED BY:

its results shall be submitted to the Planning Director for his review and approval. If the results of said study indicate noise levels to be in excess of applicable standards, the Declarant shall be required to take corrective actions in a manner acceptable to the Planning Director;

4. Prior to commencing the quarry operation, the Declarant in cooperation with the United States Department of the Navy shall conduct studies necessary to determine the probable effect of the proposed quarry operation on the Navy's water distribution system at Barber's Point. If such studies indicate that said water distribution system may be adversely affected, the Declarant shall revise the proposed operation in a manner acceptable to the Planning Director and the United States Department of the Navy.

5. The Declarant shall submit regularly on a six month basis a report indicating the status of the operation noting his affirmative actions taken to comply with the conditions herein contained. This report shall also contain:

- 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.

6. Signs shall be provided in accordance with the regulations set forth under Section 21-404 of the Comprehensive Zoning Code;

7. If for any reason either the Conditional Use Permit or the Special Use Permit is denied, the other shall

automatically be declared null and void;

8. After the issuance of the subject permits, the City Council may at any time upon finding that any one of the conditions imposed herein is not being complied with by the Declarant, authorize the Planning Director to suspend such operation until compliance of said conditions is obtained to revoke the permit;

9. Any modification to the conditions stated herein shall be subject to the approval of the City Council;

10. The City Council may impose additional conditions after the approval of subject permits when it becomes apparent that a modification is necessary and appropriate.

IN WITNESS WHEREOF, the Declarant has executed this Declaration the day and year first above written.

PACIFIC CONCRETE & ROCK CO.,
LIMITED

By 
Its **President**

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

On this 22nd day of June, 1973, before me
appeared Robert B. Robinson,
to me personally known, who being by me duly sworn, did say
that he is President of
PACIFIC CONCRETE & ROCK CO., LIMITED, a Hawaii corporation;
that the seal affixed to the foregoing instrument is the
corporate seal of said corporation and that said instrument
was signed and sealed on behalf of said corporation by authority
of its Board of Directors; and said Robert B. Robinson
acknowledged said instrument as the free
act and deed of said corporation.

(SEAL)

Karen Y. Carmichael
Notary Public, First Judicial
Circuit, State of Hawaii
My commission expires: **9/20/74**

The Trustees under the Will and of the Estate of James Campbell, Deceased hereby consent to the entry upon Certificate of Title No. 15790 and the owner's duplicate thereof of a memorandum of the attached Declaration of Conditions dated June 22, 1973 by Pacific Concrete & Rock Co., Limited.

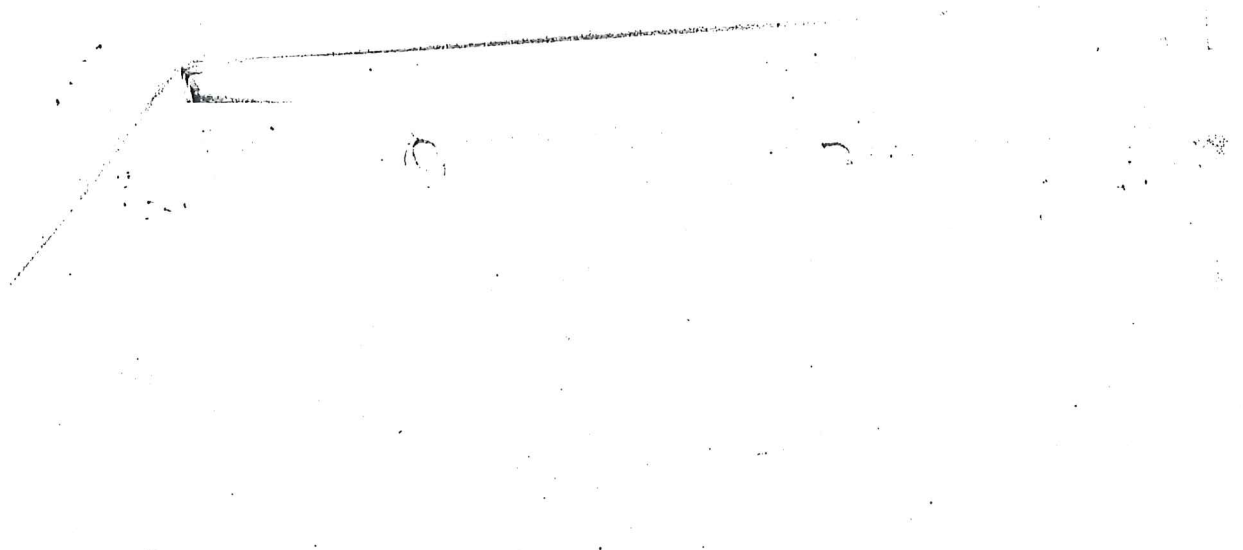
DATED: Honolulu, Hawaii, September 18, 1973.

Alan P. Davis

M. P. Pundak

Fred E. Vetter

Trustees under the Will and of
the Estate of James Campbell,
Deceased



ALL that portions of Lots 226A and 228
as shown on Map 36 filed in the Office
of the Assistant Registrar of the Land
Court of the State of Hawaii, which is
situated makai of H-1 Highway and mauka
of Farrington Highway as shown on said
map, all being a portion of land
described in Land Court Certificate of
Title #15790 and containing approximately
50 acres more or less.

C-9

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

The origin of this document was
as follows:

LCO NO. 153196
OCT 7 2003 TIME 1:00

LAND COURT

REGULAR SYSTEM

Return By Mail Pick-Up To:

CARLSMITH BALL LLP
Kapolei Building, Suite 318
1001 Kamokila Boulevard
Kapolei, Hawaii 96707
Attention: Rodd H. Yano
Telephone: 808.523.2500

TITLE OF DOCUMENT:

PETITION AND ORDER

PARTIES TO DOCUMENT:

PETITIONER: C.R. CHURCHILL, D.A. HEENAN, RICHARD W. GUSHMAN, II
and RONALD J. ZLATOPER, the duly appointed, qualified and acting
TRUSTEES UNDER THE WILL AND OF THE ESTATE OF
JAMES CAMPBELL, DECEASED, acting in their fiduciary and not in
their individual capacities

TAX MAP KEY(S): (Oahu) 9-2-003-082
Certificate of Title No. 473,478

(This document consists of 30 pages.)

Exhibit C-9

IN THE LAND COURT OF THE STATE OF HAWAII

In the Matter of the Application of) LAND COURT APPLICATION NO.
) 1069
 THE TRUSTEES UNDER THE WILL AND)
 OF THE ESTATE OF JAMES CAMPBELL,) PETITION TO AMEND LAND
 DECEASED,) COURT ORDER
)
 to register and confirm title to land situated)
 at Honouliuli, District of Ewa,)
 City and County of Honolulu, State of Hawaii)

LAND COURT
 STATE OF HAWAII
 FILED
 2003 OCT - 1 AM 9:05
 HOWARD A. MATSUI
 REGISTRAR

PETITION TO AMEND LAND COURT ORDER

COMES NOW, C.R. CHURCHILL, D.A. HEENAN, RICHARD W. GUSHMAN, II and RONALD J. ZLATOPER, the duly appointed, qualified and acting TRUSTEES UNDER THE WILL AND OF THE ESTATE OF JAMES CAMPBELL, DECEASED, acting in their fiduciary and not in their individual capacities ("Petitioner"), whose address is James Campbell Building, 1001 Kamokila Boulevard, Kapolei, Hawaii 96707, and petitions the Court as follows:

Petitioner is the owner in fee simple of the following property, all maps referenced hereinbelow being filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 1069:

Lot	Map	Certificate of Title
Lot 11727	Map 842	473,478

1. Among other things, Land Court Order No. 124071, filed April 19, 1996 created Lot 11727. A certified copy of Land Court Order 124071, filed April 19, 1996 is attached as Exhibit A and incorporated herein by this reference.

2. Through inadvertent error, the statement of encumbrances for Lot 11727 set forth in Exhibit A to Land Court Order 124071, filed April 19, 1996 did not contain a reference to that certain Declaration of Conditions dated June 22, 1973, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 647233. Lot 11727 is subject to the Declaration of Conditions dated June 22, 1973, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 647233.

3. Petitioner, as owner of Lot 11727, and the only party in interest herein, desires to amend Land Court Order 124071 to correctly reflect that Lot 11727 is subject to the Declaration of Conditions dated June 22, 1973, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 647233, and to have a notation of that certain Declaration of Conditions dated June 22, 1973, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 647233 made on **Certificate of Title No. 473,478.**

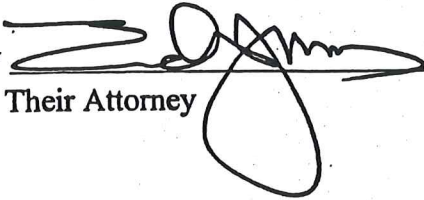
4. There are no other parties in interest with respect to the lot being affected by the amendment referenced above.

WHEREFORE, the Petitioner prays that an order issue approving and authorizing: (i) the amendment of Land Court Order 124071 to correct the statement of encumbrances for Lot 11727 as set forth in paragraph 3 above, and (ii) directing the Assistant Registrar of this Court to endorse on **Certificate of Title No. 473,478** a notation of that certain Declaration of Conditions dated June 22, 1973, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 647233,

all in accordance with Chapter 501, Hawaii Revised Statutes, or any amendments thereto.

DATED: Honolulu, Hawaii, September 15, 2003.

TRUSTEES UNDER THE WILL AND OF
THE ESTATE OF JAMES CAMPBELL,
DECEASED

By 
Their Attorney

Subscribed and sworn to before
me this 15th day of September, 2003.

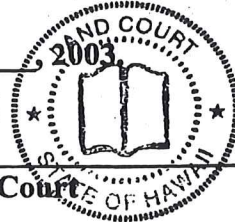
Jody L. Thomas
Name: Jody L. Thomas
Notary Public, State of Hawaii
My commission expires: 2-17-2006

Upon the record and the evidence herein, the prayer of the petition is
hereby granted and the Assistant Registrar of this Court is so ordered.

DATED: Honolulu, Hawaii, OCT - 1 2003

HOWARD A. MATSUURA

REGISTRAR for the Judge of the Land Court



C-10

July 18, 1975

Department of Land Utilization
City and County of Honolulu
650 So. King Street, 7th Floor
Honolulu, Hawaii 96813

Gentlemen:

In accordance with condition number 12 of the City Council Resolution Number 95 issued to Pacific Concrete, enclosed for your files is a copy of our Declaration of Conditions for our Puu Makakilo Quarry operation. The document has been recorded and is on file with the Bureau of Conveyances.

Sincerely,

ROBERT B. ROBINSON
President

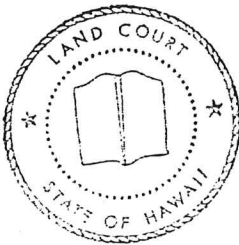
Enclosure

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

Honolulu, Hawaii, AUG 31 1973.....

DOC NO 647233

The attached instrument is a true copy of _____, received
for registration in this office, AUG 31 1973, at 3:19 o'clock P M, and
noted on Certificate (S) of Title Number (S) 15790
and from which Certificate (S) of Title Number (S) _____ has (have) been issued.



Attest: Betty Antea
Assistant Registrar, Land Court
State of Hawaii

C-11

Grace Pacific

C O R P O R A T I O N
P.O. Box 78 / Honolulu, Hawaii 96810

Administrative Office (808) 674-8383 fax (808) 674-1040
Paving Office (808) 845-3991 fax (808) 842-3206
Quarry Office (808) 672-3545 fax (808) 672-3998



April 12, 2007

Mr. Henry Eng, Director
Department of Planning and Permitting
City and County of Honolulu
650 South King Street, 7th Floor
Honolulu, Hawaii 96813

regarding Use Permits 72/CUP-15 and 73/SUP-147

Dear Mr. Eng,

In accordance with condition number 12 of City Council Resolution 95 issued to Pacific Concrete & Rock in 1973, and arising from the 1988 creation of tax map parcel 9-2-03-82, I am enclosing for your files evidence of the notation on Transfer Certificate of Title 476478 of the Declaration of Conditions dated June 22, 1973 filed in the land Court as Document no. 647233, for the operation of the Makakilo Quarry. Please contact myself with any questions at 674-5201.

Sincerely,

Robert M. Creps
Senior Vice President Administration
Grace Pacific Corporation

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

The return of this document was
as follows:

LCO NO. 153196
OCT 7 2003 TIME 1:00

LAND COURT

REGULAR SYSTEM

Return By Mail Pick-Up To:

CARLSMITH BALL LLP
Kapolei Building, Suite 318
1001 Kamokila Boulevard
Kapolei, Hawaii 96707
Attention: Rodd H. Yano
Telephone: 808.523.2500

TITLE OF DOCUMENT:

PETITION AND ORDER

PARTIES TO DOCUMENT:

PETITIONER: C.R. CHURCHILL, D.A. HEENAN, RICHARD W. GUSHMAN, II
and RONALD J. ZLATOPER, the duly appointed, qualified and acting
TRUSTEES UNDER THE WILL AND OF THE ESTATE OF
JAMES CAMPBELL, DECEASED, acting in their fiduciary and not in
their individual capacities

TAX MAP KEY(S): (Oahu) 9-2-003-082
Certificate of Title No. 473,478

(This document consists of 30 pages.)

IN THE LAND COURT OF THE STATE OF HAWAII

In the Matter of the Application of)	LAND COURT APPLICATION NO.
)	1069
THE TRUSTEES UNDER THE WILL AND)	
OF THE ESTATE OF JAMES CAMPBELL,)	PETITION TO AMEND LAND
DECEASED,)	COURT ORDER
)	
to register and confirm title to land situated)	
at Honouliuli, District of Ewa,)	
City and County of Honolulu, State of Hawaii)	

LAND COURT
 STATE OF HAWAII
 FILED
 2003 OCT - 1 AM 9:05
 HOWARD A. MATSUURA
 REGISTRAR

PETITION TO AMEND LAND COURT ORDER

COMES NOW, C.R. CHURCHILL, D.A. HEENAN, RICHARD W. GUSHMAN, II and RONALD J. ZLATOPER, the duly appointed, qualified and acting TRUSTEES UNDER THE WILL AND OF THE ESTATE OF JAMES CAMPBELL, DECEASED, acting in their fiduciary and not in their individual capacities ("Petitioner"), whose address is James Campbell Building, 1001 Kamokila Boulevard, Kapolei, Hawaii 96707, and petitions the Court as follows:

Petitioner is the owner in fee simple of the following property, all maps referenced hereinbelow being filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 1069:

Lot	Map	Certificate of Title
Lot 11727	Map 842	473,478

1. Among other things, Land Court Order No. 124071, filed April 19, 1996 created Lot 11727. A certified copy of Land Court Order 124071, filed April 19, 1996 is attached as **Exhibit A** and incorporated herein by this reference.

2. Through inadvertent error, the statement of encumbrances for Lot 11727 set forth in Exhibit A to Land Court Order 124071, filed April 19, 1996 did not contain a reference to that certain Declaration of Conditions dated June 22, 1973, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 647233. Lot 11727 is subject to the Declaration of Conditions dated June 22, 1973, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 647233.

3. Petitioner, as owner of Lot 11727, and the only party in interest herein, desires to amend Land Court Order 124071 to correctly reflect that Lot 11727 is subject to the Declaration of Conditions dated June 22, 1973, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 647233, and to have a notation of that certain Declaration of Conditions dated June 22, 1973, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 647233 made on **Certificate of Title No. 473,478.**

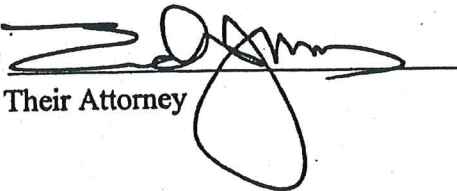
4. There are no other parties in interest with respect to the lot being affected by the amendment referenced above.

WHEREFORE, the Petitioner prays that an order issue approving and authorizing: (i) the amendment of Land Court Order 124071 to correct the statement of encumbrances for Lot 11727 as set forth in paragraph 3 above, and (ii) directing the Assistant Registrar of this Court to endorse on **Certificate of Title No. 473,478** a notation of that certain Declaration of Conditions dated June 22, 1973, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 647233,

all in accordance with Chapter 501, Hawaii Revised Statutes, or any amendments thereto.

DATED: Honolulu, Hawaii, September 15, 2003.

TRUSTEES UNDER THE WILL AND OF
THE ESTATE OF JAMES CAMPBELL,
DECEASED

By 
Their Attorney

Subscribed and sworn to before
me this 15th day of September, 2003.

Jody L. Thomas
Name: Jody L. Thomas
Notary Public, State of Hawaii
My commission expires: 2-17-2006

Upon the record and the evidence herein, the prayer of the petition is hereby granted and the Assistant Registrar of this Court is so ordered.

DATED: Honolulu, Hawaii, OCT - 1 2003

HOWARD A. MATSUURA

REGISTRAR for the Judge of the Land Court



DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET • HONOLULU, HAWAII 96813
TELEPHONE: (808) 523-4414 • FAX: (808) 527-6743 • INTERNET: www.co.honolulu.hi.us



JEREMY HARRIS
MAYOR

RANDALL K. FUJIKI, AIA
DIRECTOR

LORETTA K.C. CHEE
DEPUTY DIRECTOR

(JP)

September 13, 2002

Mr. Gene Yong
Belt Collins Hawaii
2153 North King Street, Suite 200
Honolulu, Hawaii 96819

Dear Mr. Yong:

Request : Zoning Variance No. 2002/VAR-51
Applicant : Grace Pacific Corporation
Agent : Belt Collins Hawaii
Landowner : James Campbell Trust Estate
Location : 91-920 Farrington Highway - Makakilo
Tax Map Key: 9-1-16: 4 and 9-2-3: 82

The Director of Planning and Permitting has APPROVED the above variance, subject to certain conditions. A copy of the Director's Findings of Fact, Conclusions of Law, and Decision and Order, including the conditions of approval, is attached.

NOTE: If the variance conditions contain time limits, the applicant is responsible for complying within those time limits, or the variance will lapse. If the variance is "after-the-fact", and it lapses because of failure to comply with the conditions, the applicant will be in violation of the zoning code and subject to enforcement proceedings. A new application for the same variance will not be accepted within 12 months of the lapse date.

This variance is limited to those sections of the Land Use Ordinance stated in the Findings of Fact and/or Decision and Order; and shall not be construed as approval of any other permit or review by the Department of Planning and Permitting or by any other agency.

Any party (to the case) wishing to appeal the Director's action must submit a written petition to the Zoning Board of Appeals (ZBA) within 30 calendar days from the date of mailing or personal service of the Director's written decision. (Zoning

Exhibit D

Mr. Gene Yong
Page 2
September 13, 2002

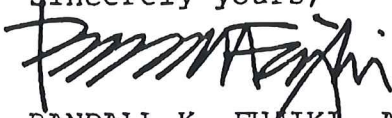
Board of Appeals Rules Relating to Procedure for Appeals, Rule 22-2, Mandatory Appeal Filing Deadline). Essentially, the Zoning Board of Appeals rules require that a petitioner show that the Director based his action on an erroneous finding of a material fact, and/or that the Director acted in an arbitrary or capricious manner, or manifestly abused his discretion. Generally, the ZBA can only consider the evidence previously presented to the Director of Planning and Permitting.

Failure to comply with ZBA Rules Chapter 22, Procedure for Appeals, may result in the dismissal of the appeal. Copies of the ZBA rules are available at the Department of Planning and Permitting. Appeals should be addressed to:

Zoning Board of Appeals
c/o Department of Planning and Permitting
650 South King Street
Honolulu, Hawaii 96813

If you have any questions or need additional information concerning this variance, please contact Jamie Peirson of our staff at 527-5754.

Sincerely yours,


RANDALL K. FUJIKI, AIA
Director of Planning
and Permitting

RKF:nt

Enclosure

cc: Grace Pacific Corporation
Herman Young
Christine Amii
DBEDT, ERT Division
(Attn. Maurice H. Kaya)

POSSE Doc. No. 171411

Exhibit D

DEPARTMENT OF PLANNING AND PERMITTING
OF THE CITY AND COUNTY OF HONOLULU

STATE OF HAWAII

IN THE MATTER OF THE APPLICATION)
)
OF)
)
GRACE PACIFIC CORPORATION)
)
FOR A VARIANCE)
)

I certify that this is a full, true and correct copy of the original document on file with the Department of Planning and Permitting, City and County of Honolulu.

Pauline A. Moore
9.13.02
DATE

. FILE NO. 2002/VAR-51

FINDINGS OF FACT, CONCLUSIONS
OF LAW, AND DECISION AND ORDER

I. APPLICATION

A. Basic Information

APPLICANT: Grace Pacific Corporation
LANDOWNER: James Campbell Trust Estate
AGENT: Belt Collins Hawaii (Gene Yong)
LOCATION: 91-920 Farrington Highway - Makakilo
TAX MAP KEY: 9-1-16: 4 and 9-2-3: 82
LAND AREA: 229.556 Acres
ZONING: AG-1 Restricted Agricultural and AG-2 General
Agricultural Districts

The Department of Planning and Permitting (DPP) held a public hearing on August 8, 2002 to consider the application. The applicant and all other interested persons present were given an opportunity to be heard. The record of the hearing is on file with the Department.

Mailed SEP 13 2002
Date

Exhibit D

- B. Proposal: To allow a general "manufacturing and processing establishment" (an asphalt and concrete recycling facility in the Makakilo Quarry), which is not a permitted use in agricultural districts. The existing quarry operates under a valid conditional use permit (CUP).

The applicant proposes to expand the quarry operation ("resource extraction") by importing off-site construction material. The recycling operation will process about 100,000 tons of material per year. This is equivalent to about 10 percent of the material currently excavated by the quarry. The CUP for the quarry does not authorize the applicant to recycle construction material or debris. And, given the large scale of the planned recycling operation, it cannot be considered an accessory use.

Typical recyclable material would include cold-planed asphalt, roadway foundation material and clean Portland cement concrete from demolished roadways, buildings, and other structures. This material would be processed within the "upper quarry" portion of the site as recycled rock and aggregate to be used for road materials or to be blended with excavated material in the production of concrete. See Exhibit A-3. The same equipment and facilities used for the on-site quarry material would be used for the imported material. See Exhibits C-10 through C-12. Stockpiling and production of "B" grade material will be relocated to the upper quarry. A 900- to 1,050-square foot (approximate) scale facility will be built to weigh incoming loads of construction material. See Exhibits A-7, B-1 and B-2, and C-9. The equipment to process (separate, crush and screen) recycled material will be located exclusively within an area of the upper quarry that is already excavated. See Exhibits A-6 and C-6.

- C. Variance Required: Land Use Ordinance (LUO) Section 21-3.50-4(a) [Table 21-3] relating to use regulations.
- D. Applicant's Justification: The applicant provided justification statements which are part of the file.

II. FINDINGS OF FACT

On the basis of the evidence presented, the Director has found:

- A. Description of Site and Surrounding Uses: The site consists of two large, irregularly shaped lots with sloping terrain separated by the H-1 Freeway. The lots are connected by a road passing beneath the freeway. See Exhibits A-1 and A-2. Excavation occurs on the "upper" portion of the quarry, as

well as primary and secondary crushing operations. "Lower quarry" operations include stockpiling, batching, tertiary crushing, and the quarry's administrative offices. The quarry annually processes about 1 million tons of rock.

The area surrounding the upper quarry (Parcel 82) consists of agriculturally zoned land. See Exhibit A-4. The lower quarry (Parcel 4) is bounded by agriculturally zoned land to the north and east, a residential subdivision ("Kapolei Knolls") to the southwest, and some low-density apartments to the south. See Exhibit A-5.

B. Other Permits and Approvals:

1. Conditional Use Permit: The quarry operates under a CUP (No. 72/CUP-15) approved on April 17, 1973. The CUP authorizes the processing of rock material, including drilling, blasting, excavating, hauling, crushing, screening and stockpiling, and ready-mix and asphaltic concrete batching.
2. Special Use Permit: A portion of the site is in the State Land Use Agricultural District. The DPP has determined that a special use permit (SUP) is not required for the proposal, since the site is already in quarry use. The recycling facility is not anticipated to have an adverse impact on existing or future agricultural activity on the site, surrounding uses or public services. (The existing quarry preceded the State Special Use Permit requirements, so it is nonconforming in that respect.)

- C. Letter: On August 12, 2002, the State of Hawaii Department of Business, Economic Development, and Tourism (DBEDT), Energy, Resources, and Technology Division wrote in support of the variance. It was noted that the proposal to operate an asphalt and concrete recycling facility would "extend the life of the quarry's supply of virgin rock for the construction industry . . . [and] the life of our island's limited landfills." The recycling operation would make the quarry more "resource-efficient." The state is working to ensure that preference is given to the use of recycled products in state-sponsored road work. The proposed recycling facility will help facilitate this policy. "[The] proposed recycling facility will benefit the construction, demolition and paving industries, as well as the environment."

D. Public Hearing Comments: The applicant (Mr. Bob Wilkinson) and his agent (Mr. Gene Yong) spoke in support of the request. The agent explained that the proposed recycling operation would use existing quarry facilities and processes. The variance is needed only because material would be trucked in from off-site, rather than excavated on the site. The only real change in existing quarry operations would be that trucks, which currently enter the site empty, might arrive carrying loads of recyclable material for drop-off before picking up processed material. Also, a modest scale facility would be added to weigh incoming recyclable material. The stockpiling of grade "B" material would be relocated from the "lower quarry" to the "upper quarry", which is within a deep pit formed by past excavation, and not visible from surrounding urban areas. Therefore, there should be no adverse impact to the surrounding community. By consolidating the stockpiling of grade "B" material within the upper quarry, much of the truck traffic will be redirected from the lower quarry to the upper quarry. Access into the lower quarry is closer to the residential subdivision than the upper quarry, which is accessed further east along Farrington Highway where the land is predominantly agricultural and/or vacant. This should reduce some of the quarry's impact on the residential areas. The height of the equipment used by the quarry is about 30 to 35 feet, which is similar to the height of stockpiled material. Since the recycling operation will be located within a pit, mauka of the freeway, the equipment should not be visible to surrounding urban areas.

Ms. Christine Amii (resident of the Kapolei Knolls subdivision) and Mr. Herman Young (resident of the Royal Ridge subdivision) testified against the variance. Ms. Amii stated that her dwelling is about 30 feet away and downwind from the quarry. When she bought her house, she had been told that the quarry would be closing soon. She is concerned about the health risks that may be associated with the quarry operation, such as emissions and other pollutants, as well as related nuisances, such as dust and noise. In response, the applicant said they recognized the need to be a good neighbor. They planned to relocate the grade "B" material stockpiles away from the residential area, and would not be raising the level of activity at the lower quarry. Once the grade "B" stockpiles have been relocated to the upper quarry, the area that will be vacated will be landscaped to help screen and buffer the quarry from the adjacent residential area. Since there is no burning associated with the quarry operations, emissions are not an issue. They may switch from using diesel fuel to propane (to run equipment), in order to reduce any adverse impact, however. And, the quarry

operation is subject to various regulatory environmental controls.

Mr. Young said he anticipated more complaints about the quarry operation from area residents, since more development within the Makakilo community was planned. He was concerned that the quarry was creeping up closer to the Makakilo residential area. The applicant responded that the long-range plan for the area shows a golf course on preservation land on both sides of the upper quarry. This acts as a buffer between the upper quarry and the Makakilo residential community. Grace Pacific owns this golf course land, and they have no intention of using it as part of the quarry.

III. ANALYSIS

- A. The Director may grant a variance upon the ground of unnecessary hardship if the record shows that (1) the applicant would be deprived of the reasonable use of such land or building if the provisions of the zoning code were strictly applicable. The applicant operates a quarry on the site under an approved CUP, which is a legally permitted and reasonable use. The recycling of construction material, such as concrete, would use equipment and facilities associated with the existing quarry operation. And, the finished products from the recycled material would be the same as those which are now produced from excavated material. As such, the recycling operation will essentially be indistinguishable from the operation of the quarry. However, since the recyclable material originates off-site, the recycling operation technically cannot be included as part of the authorized CUP use. Recycling of construction material is regulated as a "general manufacturing and processing establishment" for zoning purposes. So, it also cannot be authorized through a modification to the CUP. The nature of the quarry use precludes the utilization of the site for agricultural uses. Therefore, the intent of the zoning code use regulations would not be undermined by allowing the proposed recycling operation. The variance would merely enable the applicant to maximize the full potential of the site for activities consistent with the existing quarry use. No additional impacts to surrounding uses are anticipated. The proposal does not meet the LUO definition of "resource extraction", but it is a reasonable enhancement of the quarry. It would be an unnecessary hardship if the applicant were required to locate the recycling operation to a remote industrial district, and duplicate the equipment and activity simply because of the source of the raw material.

B. The Director may grant a variance upon the ground of unnecessary hardship if the record shows that (2) the request of the applicant is due to unique circumstances and not the general conditions in the neighborhood, so that the reasonableness of the neighborhood zoning is not drawn into question. The request is supported by unique circumstances. The site is occupied by a quarry, authorized by a CUP. Because of the nature of a quarry, the site is no longer suitable or readily available for permitted agricultural uses. Moreover, a quarry must be where the resource is found. The earth is mined for its rock, which is separated, crushed and screened, and then batched to produce material for making asphalt and cement. The recycling of construction material will be processed in the same manner. The main difference is that the raw material will not have been excavated from the site, it will be trucked in from demolition sites. The recycling operation will operate in harmony with the quarry. Basically, it will utilize the same equipment and procedures to process the same type of material, and produce the same end products. In some respects, the recycling operation could be considered an "accessory use" of the quarry, except that the scale of the operation will be too large (about 100,000 tons per year, or about 10 percent of the tonnage of excavated material) to be considered "incidental." Still, the recycling operation will be dwarfed by the much larger scale of the overall quarry. Therefore, allowing the recycling of construction material on the site will not draw the zoning into question.

C. The Director may grant a variance upon the ground of unnecessary hardship if the record shows that (3) the request, if approved, will not alter the essential character of the neighborhood nor be contrary to the intent and purpose of the zoning ordinance. The applicant proposes to relocate the stockpiling of grade "B" material to the upper quarry. These stockpiles include the material produced by the recycling operation, and that produced by the quarry. And, the area that will be vacated after the relocation will be landscaped and no longer used for quarry operations. The relocation of the stockpiles of grade "B" material will also reduce some of the current truck traffic at the lower quarry. These changes could also reduce other impacts that the existing quarry may have on the residential areas to the south, such as noise or dust. However, the activities associated with the recycling operation will be conducted within an excavated pit in the upper quarry. That area is remote from and not visible to surrounding urban areas. Therefore, the proposal is not anticipated to alter the essential character of the neighborhood. Indeed, the recycling should be essentially indistinguishable from the existing quarry operation. Once the recyclable material is

delivered to the site, it would be difficult to distinguish between the recycling operation and the other ordinary functions of the quarry. The material produced from the recycling operation will be added to that produced from the material quarried on the site. Because of the almost seamless merging of the normal quarry functions and the recycling operations, the request is not contrary to the intent and purpose of the zoning.

Both the recycling operation and quarry operations will produce grade "B" material, which will be stockpiled on the site. Therefore, it is appropriate to condition the variance to restrict the stockpiling of grade "B" material to the upper quarry. This will minimize impact, particularly since grade "B" material is currently stockpiled near the Kapolei Knolls residential subdivision. The applicant has offered to provide a wide landscape strip along the southwestern property line of the lower quarry, which abuts a residential subdivision. This is a good idea, since it will help to mitigate the impact of the quarry. Although the quarry preceded the adjacent subdivision, a landscape buffer, e.g., about 50 feet wide along the shared property line would lessen the potential for conflict between incompatible land uses.

IV. CONCLUSIONS OF LAW

The Director hereby makes the following Conclusions of Law:

- A. There is evidence that the applicant would be deprived of a reasonable use of the land or building if the provisions of the zoning code were strictly applied.
- B. The request of the applicant is due to unique circumstances and not to general neighborhood conditions, and it does not question the reasonableness of the neighborhood zoning.
- C. The request will not alter the essential character of the neighborhood nor be contrary to the intent and purpose of the zoning ordinance.

V. DECISION AND ORDER

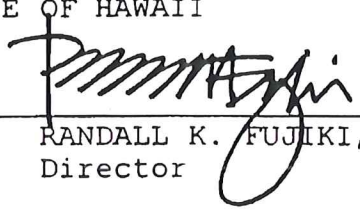
Pursuant to the foregoing Findings of Fact and Conclusions of Law, the Director of Planning and Permitting hereby APPROVES the application for a variance to allow a general manufacturing and processing establishment (an asphalt and concrete recycling facility in the Makakilo Quarry), which is not a permitted use in agricultural districts, subject to the following conditions:

- A. All stockpiling of grade "B" material currently located on the southwest side of Parcel 4 shall be relocated to the "upper quarry," mauka of the H-1 Freeway, as generally shown on Exhibit "A-3," attached hereto. The "lower quarry" area vacated by the relocation of the stockpiles of grade "B" material shall essentially remain vacant. (The relocation shall be done in conjunction with the landscaping required by Condition B below.)
- B. Prior to the commencement of the asphalt and concrete recycling operation, the applicant shall submit to the DPP a landscape plan, for the review and approval of the Director, which shows a minimum 50-foot wide landscape strip, including canopy-form trees and other plantings along the southwestern property line of Parcel 4, which abuts the Kapolei Knolls subdivision.
- C. The applicant shall complete the improvements required by the approved landscape plan within 4 months from date of its approval. The applicant shall submit photographic documentation adequate to show compliance with this condition within the time limit.
- D. The required landscape area shall be maintained in good condition for the life of the recycling operation.
- E. This variance may be revoked by the Director when, due to a material change in circumstances, one or more of the three Charter-required findings of hardship can no longer be made; or when there is a breach of any of the conditions above stated; provided that, for good cause, the Director may amend the above conditions.

Dated at Honolulu, Hawaii, this 13th day of September, 2002.

DEPARTMENT OF PLANNING
AND PERMITTING
CITY AND COUNTY OF HONOLULU
STATE OF HAWAII

By

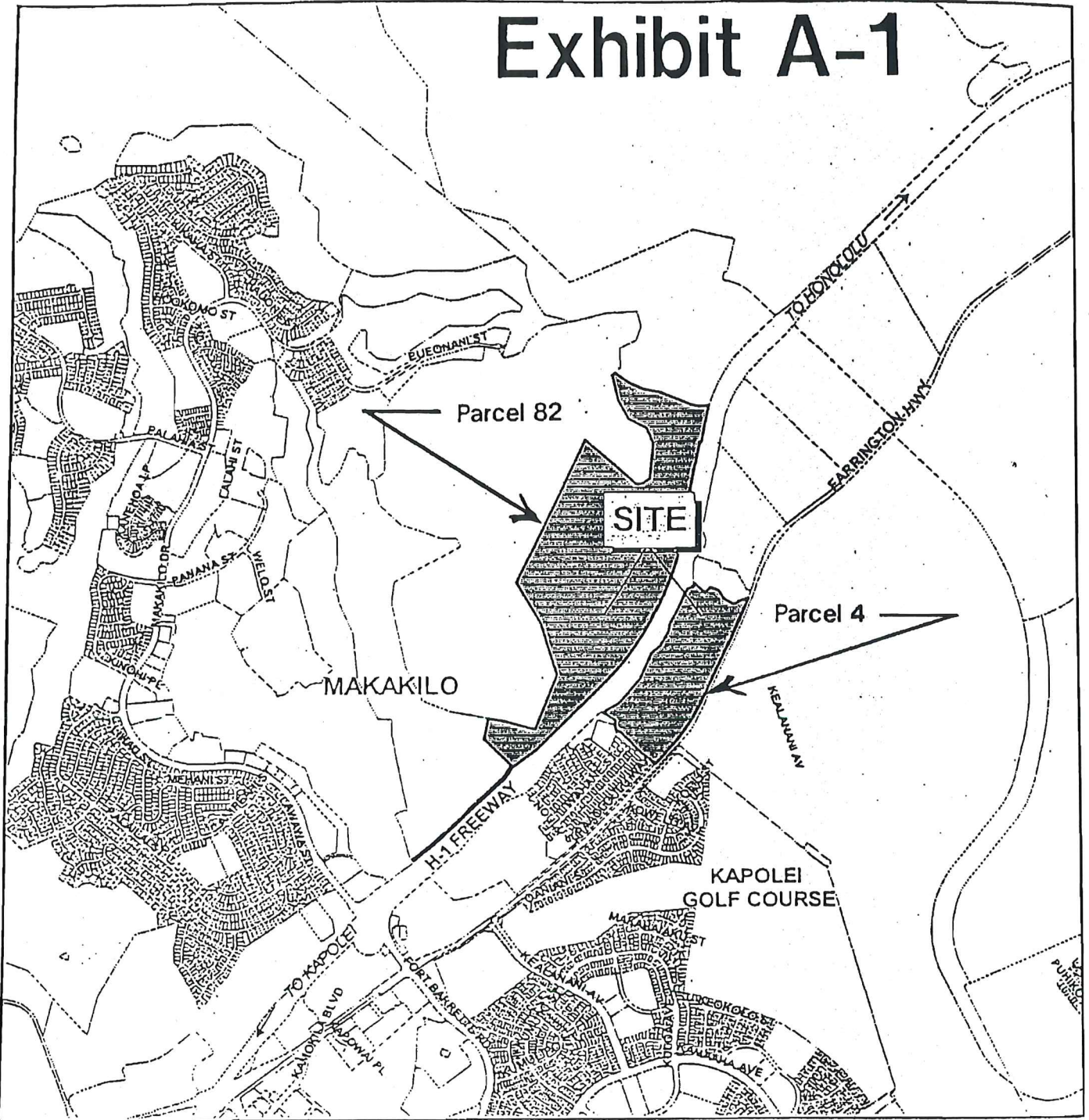


RANDALL K. FUJIKI, AIA
Director

RKF:nt

Attachments
POSSE Doc. No. 173303

Exhibit A-1



Location Map



1000 0 1000 2000 Feet

LOCATION MAP HONOULIULI, EWA

TMK: 9-1-16: 4 and 9-2-3: 82
FOLDER NO.: 2002/VAR-51

ARCVIEW 3.2
HONOULIULI LAND INFORMATION SYSTEM
COPYRIGHT CITY & COUNTY OF HONOULIULI
ALL RIGHTS ARE RESERVED 2002
DATA DOES NOT REPLACE SITE SURVEYS

Exhibit A-3

2002/VAR-51

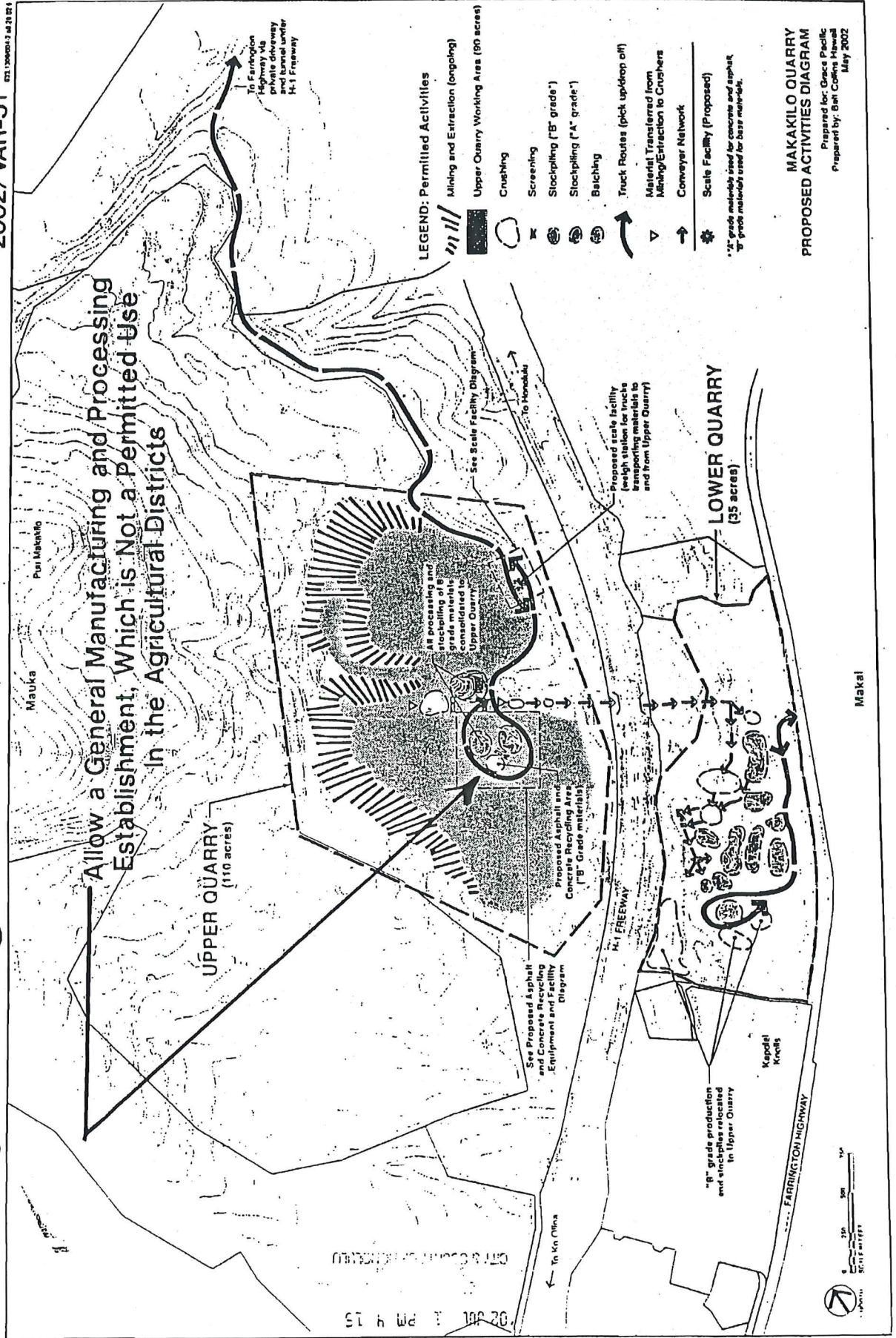


Exhibit D

Exhibit A-5

2002/VAR-51



MAKAKILO QUARRY ACCESS DIAGRAM

Prepared for: Grace Pacific
Prepared by: Bill Collins, Manager
May, 2002

LEGEND
Regional Photograph Locations



Exhibit D

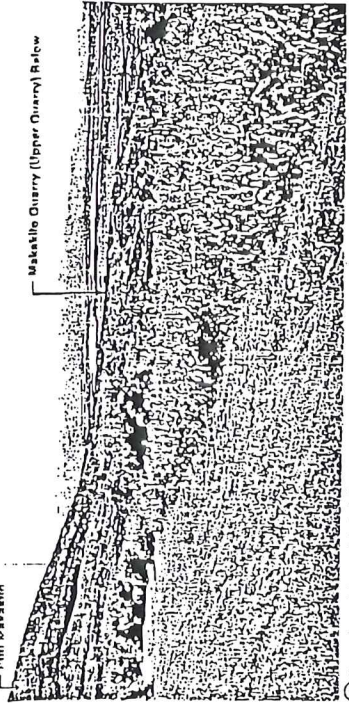


Exhibit C-1

View from Upper Makakilo Residential Neighborhood

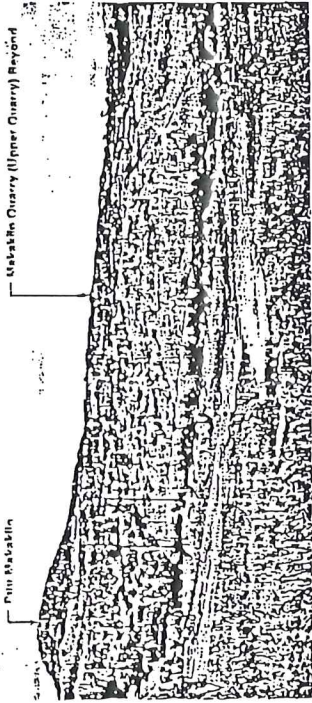


Exhibit C-2

View from Makakilo Drive at I-1 Freeway

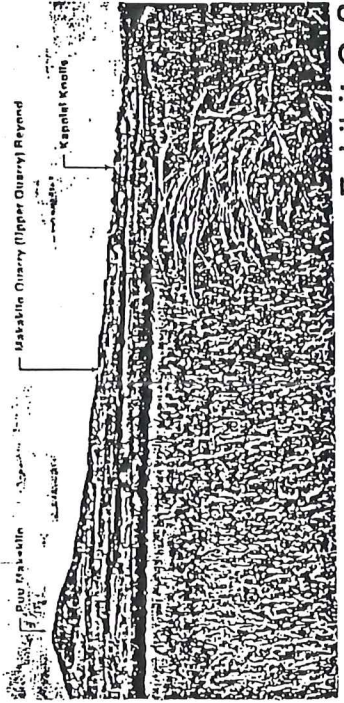


Exhibit C-3

View from Kapolei (Farrington Highway at Fon Barreille Road)

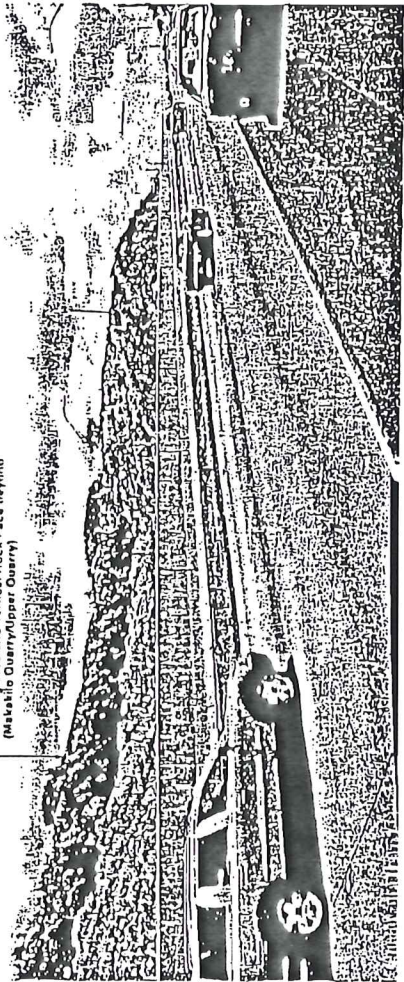


Exhibit C-4

View from Freeway

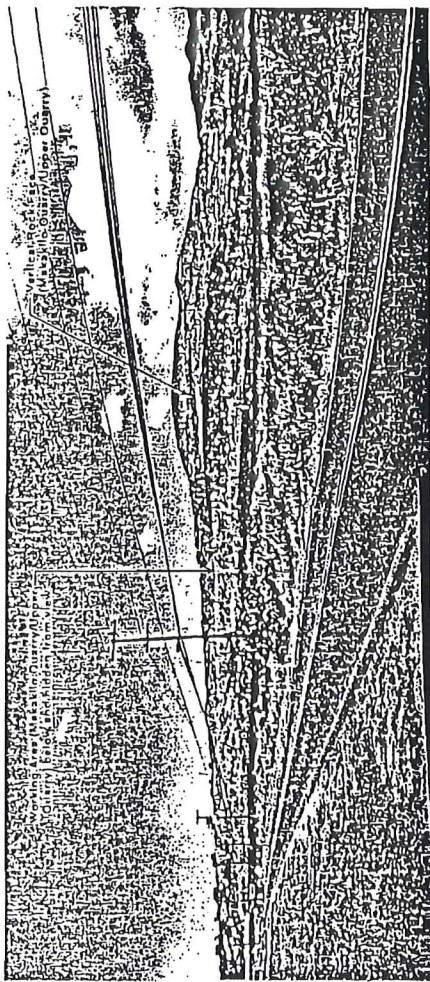
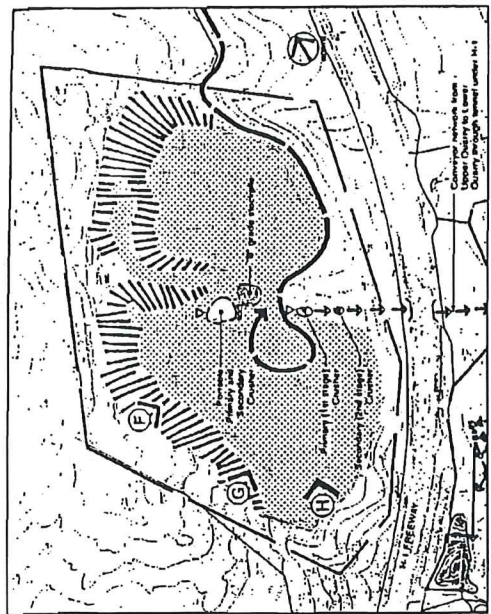


Exhibit C-5

View from Farrington Highway



Key Map: Upper Quarry

Exhibit A-6

02 JUN 13 AM 8 12
 033 1300001-2 4 31 02 2
 CITY & COUNTY OF HONOLULU

MAKAKILO QUARRY/UPPER QUARRY
 SITE PHOTOGRAPHS
 Prepared for: Grace Pacific
 Prepared by: Bell Collins Hawaii
 May 2002

2002/VAR-51

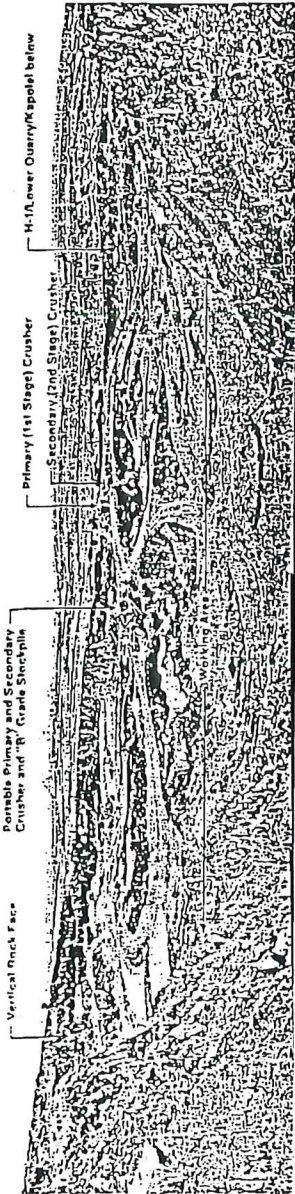


Exhibit C-6

(F) View of Upper Quarry

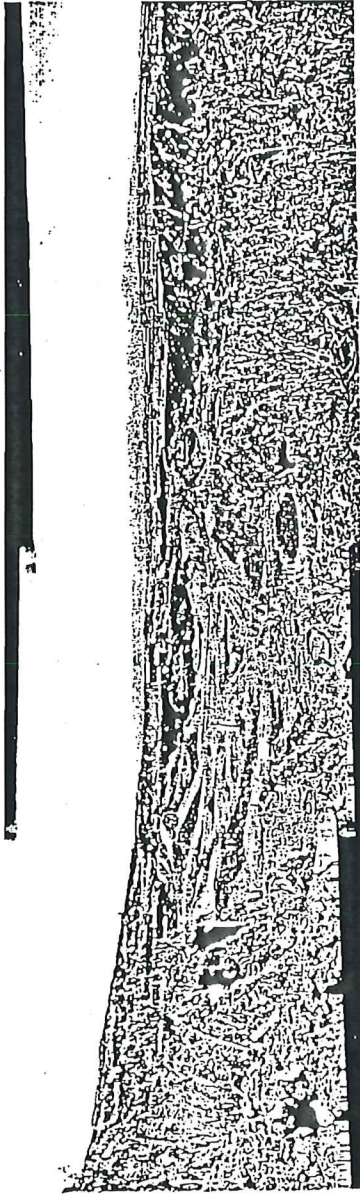


Exhibit C-7

(G) View of Upper Quarry



Exhibit C-8

(H) View of Upper Quarry

CS 13000001-01 20 02

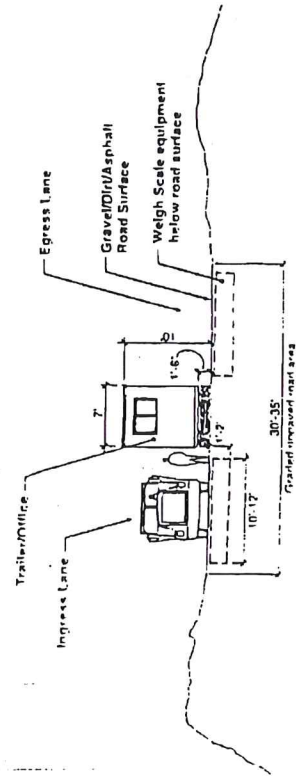
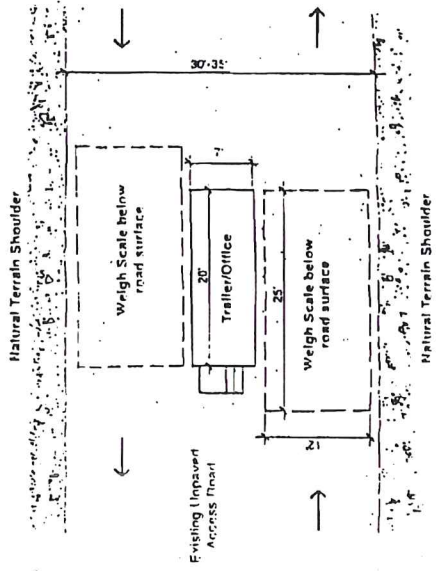
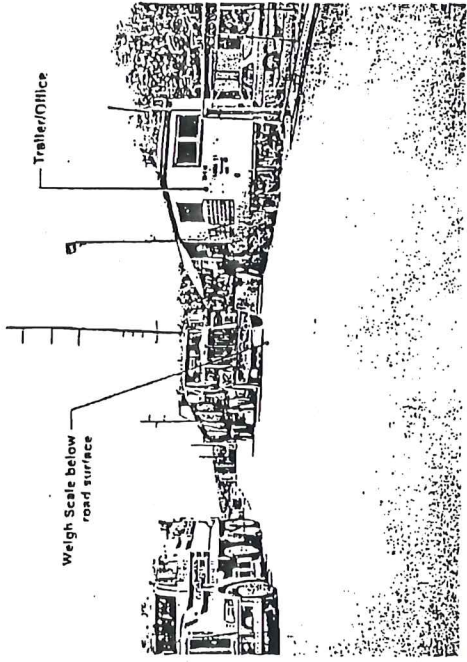


Exhibit B-1
Section Elevation

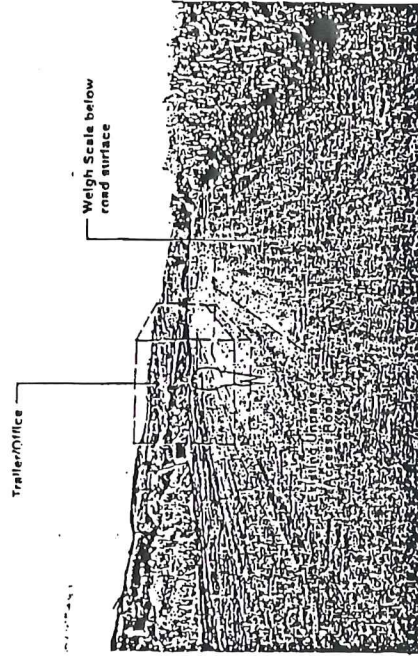


Plan
Exhibit A-7



Example: Existing Scale Facility

Exhibit C-9



Proposed Location of Scale Facility

Exhibit B-2

MAKAKILO QUARRY
PROPOSED SCALE FACILITY DIAGRAM
Prepared for: Grace Pacific
Prepared by: Bill Collins
June 2002

2002/VAR-51

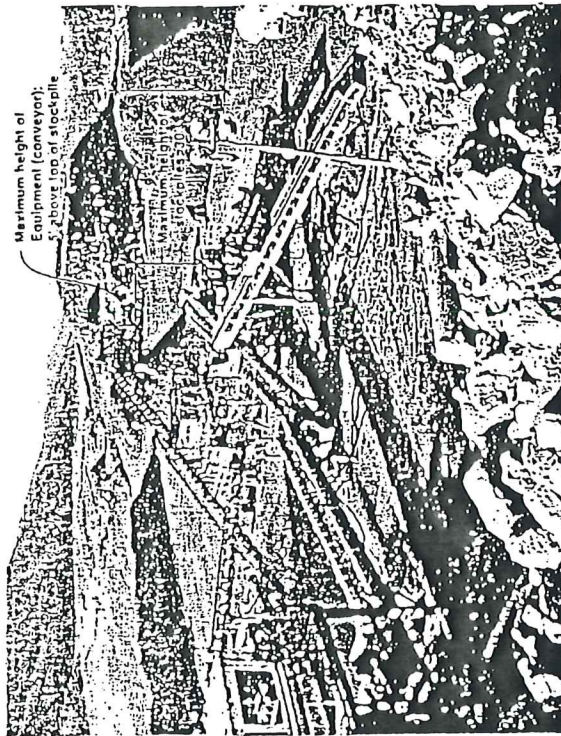


Exhibit C-10

Example: Conveyor/Stockpile Operations

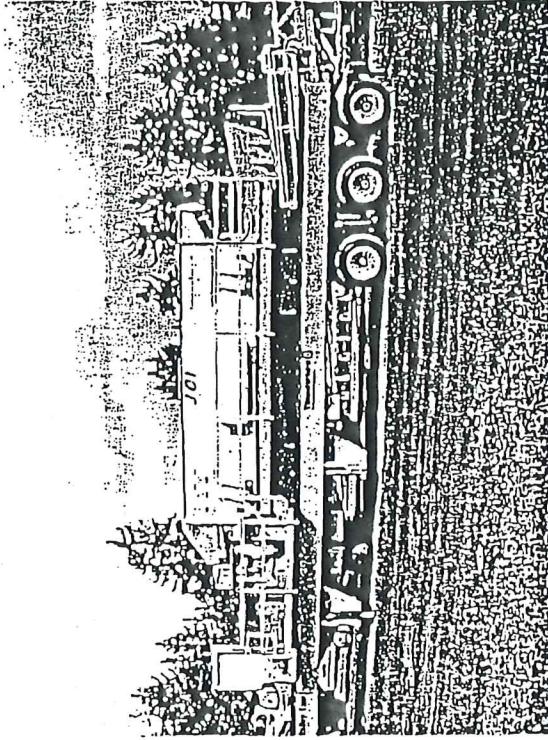
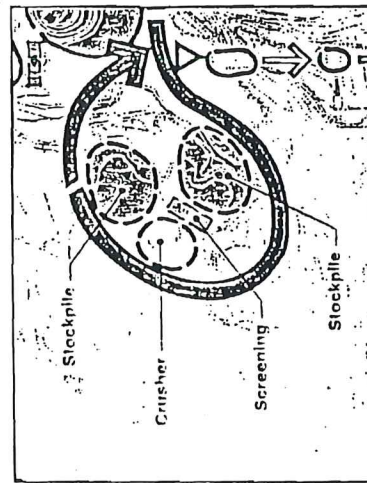


Exhibit C-11

Example: Proposed Crusher/Screening Equipment (Approximate Height: 10'-12')

'02 JUL 1 PM 4 15

DEPT. OF PUBLIC WORKS
CITY & COUNTY OF HONOLULU



Key Map
Exhibit A-8

Conveyors
(Extends/Expands to accommodate size of stockpiles)

Crusher/Screen
(Feed size)

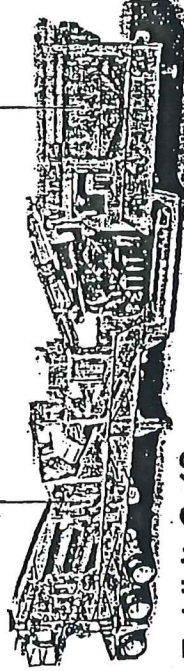


Exhibit C-12
Example: Proposed Crusher/Screening/Conveyor Equipment

MAKAKILO QUARRY
PROPOSED ASPHALT AND CONCRETE
RECYCLING EQUIPMENT AND FACILITY
Prepared for: Grace Pacific
Prepared by: Bet Coburn's Inc.
June 2002

2002/VAR-51

LINDA LINGLE
GOVERNOR OF HAWAII



CHIYOME L. FUKINO, M.D.
DIRECTOR OF HEALTH

STATE OF HAWAII
DEPARTMENT OF HEALTH
P.O. Box 3378
HONOLULU, HAWAII 96801-3378

In reply, please refer to:
EMD/SHWB

March 3, 2003

S0228SL

CERTIFIED MAIL NO. 7002 0460 0001 3938 9552
RETURN RECEIPT REQUESTED

Mr. Robert Singlehurst, Vice President
Grace Pacific Corporation
P.O. Box 78
Honolulu, Hawaii 96810

Dear Mr. Singlehurst:

SUBJECT: Solid Waste Management Permit No. RY-0049-02
Uncontaminated Concrete/Asphalt Recycling
Grace Pacific Corporation Makakilo Upper Quarry
TMK 9-2-3:082

This letter is in response to your application received on October 11, 2002 for a Solid Waste Management permit to accept and process clean and uncontaminated concrete and asphalt materials at the subject site. The application has been reviewed and approved. The enclosed permit is issued under the provisions of Hawaii Revised Statutes, Chapter 342H, "Solid Waste Pollution," and Hawaii Administrative Rules, Title 11, Chapter 58.1, "Solid Waste Management Control."

The Department of Health, Solid and Hazardous Waste Branch (SHWB) conducted a site inspection on January 10, 2003. Based on the information gathered from the inspection and the conversation with you at the subject site, we understand that clean concrete materials including demolition concrete, concrete slab, sidewalk, and concrete curb and road excavation materials including asphalt, road base, sub base will be accepted for recycling at the subject site. We understand that all the concrete/asphalt recycling activities from receiving, storing, crushing, mixing with B grade construction material, to selling the end products will be located in the upper quarry pit. Our comments on a site plan that will be developed for the recycling activities, waste screening procedures to inspect incoming materials from demolition sites, and a sampling and an analysis plan for the processed materials from demolition sites were discussed in the meeting with Mr. Chris Steele and Mr. Robert Creps of Grace Pacific Corporation on January 29, 2003 at the SHWB office.

Please note that we require the following documents in the **PART II - RECYCLING SPECIAL CONDITIONS, item 3, 5, and 8**. We require a site plan for the recycling activities, a waste screening program for incoming material inspection, and a sampling and an analysis plan for processed material from demolition sites developed by Grace Pacific

Exhibit E

Mr. Robert Singlehurst
March 3, 2003
Page 2

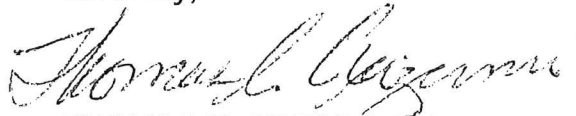
Corporation and submitted to the department within specified days of receipt of this letter, as stated in the conditions. Upon department approval, these plans and procedures shall be implemented and become part of these permit conditions.

The permittee may appeal to the Director of Health any of the conditions of the subject permit. The appeal must be in writing and submitted to the Director of Health within twenty (20) days after the receipt of this notice.

HRS 342H-14 states that unless the submitted documents and other information secured by the department from the permittee contain confidential information, such as secret processes or methods of manufacture, they shall be made available for inspection by the public. Please notify the SHWB within twenty (20) days of the receipt of this letter if you would like to make a claim of confidentiality. Otherwise, your entire application will be available for public inspection.

If you have any questions regarding this letter, please contact Ms. Sue Liu of the Solid and Hazardous Waste Branch at (808) 586-4226.

Sincerely,



THOMAS E. ARIZUMI, P.E., CHIEF
Environmental Management Division

Enclosure: Solid Waste Management Permit No. RY-0049-02

c: DOH-CAB (w/out enc.)
James Campbell Estate (w/out enc)

PERMITTEE

Grace Pacific Corporation
91-920 Farrington
Kapolei, Hawaii 96707

Permit Number: RY-0049-02
Date of Issue: March 3, 2003
Date of Expiration: February 28, 2008
Page 1 of 9

SOLID WASTE MANAGEMENT PERMIT

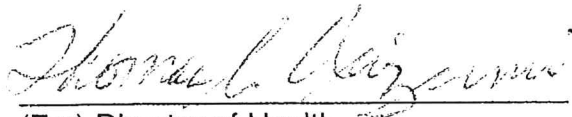
This permit is issued under the provisions of Hawaii Revised Statutes (HRS), Chapter 342H, "Solid Waste Pollution" and Hawaii Administrative Rules (HAR), Title 11, Chapter 58.1, "Solid Waste Management Control." The above-named permittee is hereby authorized to operate the facility as shown on the approved application received on October 11, 2002, and other approved documents on file with the Department of Health.

To Operate: An asphalt and concrete recycling facility that accepts and processes source-separated clean construction materials including cold-planed asphalt, roadway foundation material, and clean Portland cement concrete from demolished roadways, buildings, and other structures, as described in the operations manual. The operation shall be consistent with the operations manual received on October 11, 2002, and any approved subsequent submissions. Should there be any discrepancies between the submitted materials and permit conditions, the permit conditions shall take precedence.

Location: Grace Pacific Corporation Makakilo Upper Quarry
(TMK: 9-2-3:082).

Subject to: HRS Chapters 342H, HAR 11-58.1, Part I-Standard Conditions, and Part II-Recycling Special Conditions.

Acceptance of this permit constitutes an acknowledgment and agreement that the holder will comply with all rules, regulations, and orders of the department and the conditions precedent to the granting of this permit.



(For) Director of Health
State of Hawaii



October 26, 2006
2000.33.5301 / 06P-369

Mr. Henry Eng, FAICP, Director
Department of Planning and Permitting
City and County of Honolulu
650 South King Street, 7th Floor
Honolulu, HI 96813

Dear Mr. Eng:

Makakilo Golf Course (88/CUP1-18)
Request for Existing Conditional Use Permit Rescindment

On behalf of Grace Pacific Corporation, we respectfully request the rescindment of Conditional Use Permit 88/CUP1-18 which allows the development of an 18-hole golf course on Parcel 74 of Tax Map Key: 9-2-3. As the current landowner of Parcel 74, Grace Pacific has decided not to pursue the previous owner's golf course plan for the property. Instead Grace Pacific is interested in continuing its present use of the site for rock quarry and open space buffer use, which is part of the long-term commitment that Grace Pacific has established for this area and has worked diligently with the community for its support.

Honolulu
Guam
Hong Kong
Philippines
Seattle
Singapore
Thailand

If there are any questions or need for additional information, please do not hesitate to contact Bob Creps of Grace Pacific at 674-5201 or me at 521-5361. We thank you for your attention to this matter.

Sincerely yours,

BELT COLLINS HAWAII LTD.

Lee W. Sichter
Principal Planner

LWS:lf

cc: Bob Creps, Grace Pacific

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET, 7TH FLOOR • HONOLULU, HAWAII 96813
TELEPHONE: (808) 523-4432 • FAX: (808) 527-6743
DEPT. INTERNET: www.honolulu.gov • INTERNET: www.honolulu.gov

MUFI HANNEMANN
MAYOR



HENRY ENG, FAICP
DIRECTOR

DAVID K. TANOUÉ
DEPUTY DIRECTOR

2006/ELOG-2725 (JP)

November 14, 2006

Mr. Lee W. Sichter
Belt Collins Hawaii Ltd.
2153 North King Street, Suite 200
Honolulu, Hawaii 96819-4554

Dear Mr. Sichter:

Subject: Conditional Use Permit No. 88/CUP1-30
Grace Pacific Corporation
92-1130 Pueonani Street ("Makakilo Golf Course") - Makakilo
Tax Map Key 9-2-3: 74

This responds to your request of October 26, 2006, to rescind the above conditional use permit (CUP). You indicated that the landowner has decided not to pursue the golf course plan for the site. Further, building permits (Nos. 568416 and 568423) were issued on July 15, 2004 for the demolition of partially constructed buildings (a two-level parking structure for golf carts and a clubhouse, respectively), which were the only structures on the site associated with the golf course use.

Accordingly, pursuant to Condition No. 28 of the CUP, we have determined that the use (an 18-hole golf course) authorized by the CUP has been terminated. Therefore, the CUP is hereby rescinded, and the file has been closed.

Please contact Jamie Peirson of our staff at 527-5754 if you have any questions.

Very truly yours,


Henry Eng, FAICP, Director
Department of Planning and Permitting

HE:nt

cc: Grace Pacific (Attn. Bob Creps)

G:\LandUse\PosseWorkingDirectory\jpeirson\88CUP1-30 Rescind & Close.doc

Exhibit F

EASEMENT 748
MAP 743, LCA 1069

TUNNEL EASEMENT

THIS INDENTURE, made and entered into this 2nd day of October, 19 73, by and between the STATE OF HAWAII, represented by its Director of Transportation, acting pursuant to Section 264-13, Hawaii Revised Statutes, hereinafter called the "STATE," and PACIFIC CONCRETE AND ROCK COMPANY, LTD., hereinafter called "PACIFIC CONCRETE",

WITNESSETH:

That, the STATE for and in consideration of the sum of TWO HUNDRED TWENTY-FIVE DOLLARS AND NO/100 ----- DOLLARS (\$225.00) to it paid by PACIFIC CONCRETE AND ROCK COMPANY, LTD., the receipt is hereby acknowledged and of the mutual covenants, promises, and agreements herein made, the STATE hereby grants to PACIFIC CONCRETE Easement A, together with limited access under and across sections of the northeast and southeast rights of way boundaries of the Interstate Highway, Federal-Aid Project No. I-HI-1(11), Palailai Interchange to Kunia Interchange to construct, use, maintain and repair an underground tunnel 10 feet in diameter and conveyor equipment appurtenant thereto, in, under and across said Interstate Route H-1 at Station 162 + 15, Makakilo, Oahu, Hawaii, hereinafter referred to as "Easement A" more particularly described in Exhibit "A" and delineated on the map marked Exhibit "B", attached hereto and made a part hereof.

TO HAVE AND TO HOLD the said easement unto PACIFIC CONCRETE for 65 years; provided that should PACIFIC CONCRETE cease to use Easement A for a period of three (3) consecutive years the rights herein granted shall cease and terminate without any action on the part of the STATE, and provided further, that this Easement may be cancelled at any time by the mutual written agreement of the parties hereto.

THIS EASEMENT is granted subject to the following covenants, promises, and agreements:

1. All construction performed by PACIFIC CONCRETE shall be accomplished in accordance with standard engineering practices with particular attention to safety precautions during all excavation work and PACIFIC CONCRETE shall obtain a permit from the STATE DEPARTMENT OF TRANSPORTATION before excavating in the highway right-of-way within which Easement A is located.

2. PACIFIC CONCRETE shall comply with the State Department of Labor and Industrial Relations Rule XX, Chapter 38, Tunnel Safety, and Rule XVI, Relating to Storage, Transportation, and use of explosives during and subsequent to construction of the tunnel.

(a) Only one lane of Interstate Route H-1, be permitted to be closed during off-peak hours of 9:00 A.M. to 3:00 P.M. during blasting. Traffic over the blast affected areas, (travel lane immediately below and excludes shoulder and adjacent travel lane) will be halted during blasting. Blasting will not exceed twice daily.

(b) Adequate signs will be placed indicating no radio transmissions allowed within one mile of the blast area.

3. PACIFIC CONCRETE shall restore any damage to the highway facility caused by the work herein authorized, using materials of equal quantity and quality, and shall carefully backfill all excavations and backfills in accordance with State specifications.

4. All plans for the construction or alteration of the tunnel shall be approved by the STATE and the FHWA before commencement by PACIFIC CONCRETE of any construction or alteration.

5. PACIFIC CONCRETE shall notify the STATE at least ten (10) days prior to the commencement of any construction or alteration work.

6. All construction or alteration of the tunnel by PACIFIC CONCRETE shall be at PACIFIC CONCRETE'S sole cost and expense and shall

be accomplished and maintained by PACIFIC CONCRETE at all times during the term of this easement in accordance with the then prevailing standard engineering practices with particular attention to safety precautions, at PACIFIC CONCRETE's sole cost and expense.

7. Title to all improvements constructed within the property by PACIFIC CONCRETE shall be and remain vested in PACIFIC CONCRETE and upon termination of this easement, for any reason, PACIFIC CONCRETE shall, at the option of the STATE: (a) accomplish such work and construction as shall in the STATE's determination, be necessary to preserve and protect the highway, for public travel thereon and thereafter execute a document surrendering its rights and privileges under this easement and conveying all of its right, title and interest in improvements constructed on the property, to the STATE.

8. In the event of any changes in the width, grade, alignment or elevation of the highway, PACIFIC CONCRETE shall make all necessary alterations to said tunnel at its sole cost and expense, and shall pay to the STATE, all additional costs necessitated by the presence of the tunnel.

9. PACIFIC CONCRETE shall save and hold harmless the STATE, its officers, agents, representatives, successors and assigns, from any and all suits or actions of every nature and kind which may be brought for or on account of any injury, death or damages, arising or growing out of the acts or omissions of PACIFIC CONCRETE and any of its agents or employees in connection with the construction, use, and maintenance of said tunnel and any related activities of PACIFIC CONCRETE pursuant to this easement.

10. PACIFIC CONCRETE at its own cost and expense shall procure and maintain during the life of this easement, a policy or policies of comprehensive general liability insurance in amounts not less than \$100,000 for injury to one person, \$300,000 per occurrence and \$100,000 for property damage or such other minimum limits as STATE may require in the exercise of sound business judgment. The policy or policies shall

name the STATE as additional insured and shall be procured from an insurance company approved by the STATE.

11. Non-Discrimination. PACIFIC CONCRETE for itself, its personal representatives, successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree "as a covenant running with the land" that (1) no person on the grounds of race, color, religion, sex, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over or under such land and the furnishing of services thereon, no person on the grounds of race, color, religion, sex, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that PACIFIC CONCRETE shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally-assisted programs of the Department of Transportation - Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended. That in the event of breach of any of the above non-discrimination covenants, the STATE shall have the right to terminate the easement and to re-enter said land and the facilities thereon, and hold the same as if said easement had never been made or issued.

12. The use of the area beneath the established gradeline of the highway shall provide sufficient vertical and horizontal clearances for construction, operation, maintenance, ventilation and safety of the highway facility.

13. PACIFIC CONCRETE shall insure that neither the highway nor non-highway users will not be unduly exposed to hazardous conditions because of tunnel location, design, maintenance, and operation features.

14. PACIFIC CONCRETE shall take appropriate safety precautions and provide features necessary to minimize the possibility of injury to users and non-users of the highway facility or the tunnel due to traffic accidents occurring on the highway.

15. The design, occupancy and use of the tunnel under the highway facility shall be such that neither the use, appearance, nor the enjoyment of the highway will be adversely affected by fumes, vapors, odors, or discharges of any kind therefrom.

16. The space shall not be used for any purpose other than that originally agreed upon by PACIFIC CONCRETE and the STATE.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed on the day and year first above written.

STATE OF HAWAII

By Murray Lee
Its Director of Transportation

PACIFIC CONCRETE AND ROCK COMPANY, LTD.

By Reginald S. Sigafoos
Its President - Operations

By Clifford J. Kaneshiro
Its Vice President - Finance

APPROVED:

John A. Burns

JOHN A. BURNS
Governor of Hawaii

APPROVED AS TO FORM:

Robert A. ... 9/19/73
Deputy Attorney General

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

On this 2nd day of October, 1973,
before me appeared Alfred K. Suga and
Clifford J. Kanehiro, to me personally known, who,
being by me duly sworn, did say that they are the
Vice President-Operations and Vice President-Finance,
respectively, of Pacific Concrete & Rock Co. Ltd.
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
Alfred K. Suga and Clifford J. Kanehiro
acknowledged said instrument to be the free act and deed of
said corporation.

Karen Y. Carmichael
Notary Public, First Judicial
Circuit, State of Hawaii
My Commission Expires: 9/20/74

INTERSTATE HIGHWAY
Federal Aid Project No. I-HI-1 (11)
Palailai Interchange to Kunia Interchange

EASEMENT "A"
(Easement 12.00 Feet wide for Tunnel Purposes)

Land situated at Honouliuli, Ewa, Oahu,
Hawaii

Being all of Easement 748, as shown on Map 243,
under and across Lot 229-E, Map 227 of Land Court
Application 1069, covered by Owner's Certificate of
Title No. 157,781, filed in the Office of the Assistant
Registrar of the Land Court and containing an area of
3,258 square feet or 0.075 acre.

Together with limited access under and across sections
of the Northwest and Southeast right-of-way boundaries of
Interstate Highway, Federal Aid Project No. I-HI-1 (11),
being portions of the common boundaries between Lots 229-E
and 229-A, and between Lots 229-E and 229-C, Map 227, shown
thusly d.m.o.b. and noted "Limited Access" on Map 243
of Land Court Application 1069.

STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
Highways Division

Honolulu, Hawaii
January 30, 1974

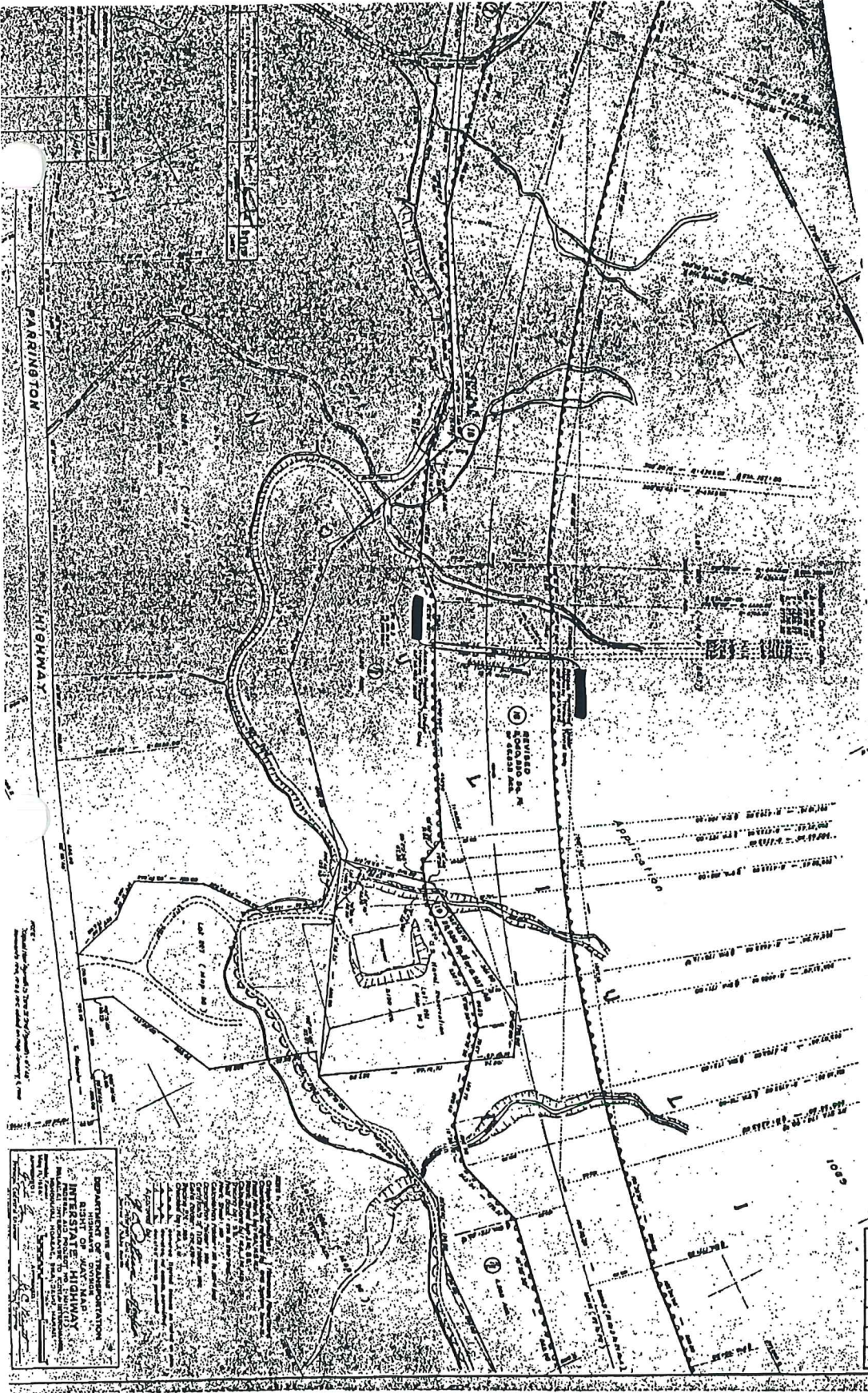


By Harold M. Yonamine
Cadastral Engineer

Tax Map Key: 9-1-16 and 9-2-03

(Calc. Folder 381-H, Page 191)

A



PARRINGTON HIGHWAY

REVISED
 1954
 1955

DEPARTMENT OF TRANSPORTATION
 DIVISION OF HIGHWAYS
 FEDERAL AID PROJECT NO. 10-1-100
 STATE OF MISSOURI
 DISTRICT NO. 1
 PROJECT NO. 10-1-100
 SHEET NO. 10-1-100-1

1. This drawing shows the proposed location of the Interstate Highway and the existing highway. The proposed highway is shown with a double line and a dashed line. The existing highway is shown with a solid line. The drawing also shows the location of the river and the proposed bridge. The drawing is oriented vertically on the page.

500

Reinwald O'Connor Marrack Hoskins & Playdon

Attorneys at Law

February 16, 1994

Grosvenor Center, Makai Tower
733 Bishop Street, 24th Floor
Honolulu, Hawaii 96813-4070

FOR PICKUP

P.O. Box 3199
Honolulu, Hawaii 96801-3199
Telephone: (808) 524-8350
Telecopier: (808) 531-8628

Mr. Robert Creps
Vice President
GRACE PACIFIC CORPORATION
P. O. Box 78
Honolulu, Hawaii 96810

Arthur B. Reinwald*
Dennis E. W. O'Connor*
Alexander C. Marrack*

Re: H-1 Underpass at Quarry Site

John A. Hoskins*
Gilbert D. Butson*
George W. Playdon, Jr.*
Wesley H. H. Ching
Terrold K. Guben
W. Thomas Fagan
Patricia Kehau Wall
Michael J. McGuigan

Dear Bob:

This letter is intended to fully respond to your call to Arthur B. Reinwald on January 25, 1994, concerning ownership and the right to use a concrete tunnel underneath the H-1 Freeway that separates the quarry from a site makai of the Freeway operated by Grace Pacific. You wanted to know whether there was a designated easement for the tunnel, who was entitled to use the easement, if Grace Pacific had rights to use the easement, and any limitation on those rights.

Cid H. Inouye
Wayne S. Sakamoto
H. Kaneshiro, D.M.D.
Stuart T. Feeley
Lindsey M. Watanabe
Jeffrey W. Juliano, LL.M.
Janine R. Kimball
John S. Mukai
M. Lorena Uy
Kristin A. Hoffman
Mario A. Roberti
Of Counsel

In response, this is to advise you that an easement was legally created and is known as Easement 748, as shown on Map 243, Land Court Application 1069, under and across Lot 229-E, as shown on Map 227 of Land Court Application 1069. Grace Pacific has the right to use the easement by virtue of that certain Tunnel Easement dated October 2, 1973 by and between the State of Hawaii and Pacific Concrete and Rock Company, Ltd. The term of the Easement is 65 years.

The history surrounding this Tunnel Easement is as follows:

Campbell Estate land in the area of the quarry site was condemned by the State of Hawaii for the construction of the H-1 Freeway in December 1972. Thereafter, the State petitioned to subdivide Lot 229, as shown on Map 36, into Lots 229-A to 229-E, inclusive. The Lot which is designated 229-E, as shown on Map 227, is the H-1 Freeway in that area. A copy of Map 227 and the Petition for Subdivision filed January 31, 1973 are enclosed herewith. Lot 229-E was designated as Parcel 16 on the State of Hawaii, Department of Transportation,

Kauai Office
Dynasty Court
4473 Pahe'e Street, Suite L
Lihue, Kauai, Hawaii 96766
P.O. Box 1166
Lihue, Kauai, Hawaii 96766
Telephone: (808) 246-1101
Telecopier: (808) 246-9481

Steven R. Lee
Resident Counsel

**A Law Corporation*

Since 1876

Mr. Robert Creps
Vice President
GRACE PACIFIC CORPORATION
February 16, 1994
Page 2

Highways Division Right-of-Way Map for the H-1 Freeway dated May 26, 1964. The Right-of-Way Map consists of 11 pages, and is enclosed. The relevant sheet pertaining to the tunnel easement is Sheet No. 5 of 11, which shows the tunnel as "Easement A (for tunnel purposes), 12 feet wide."

Subsequent to the creation of Lot 229-E, the State of Hawaii and Campbell Estate filed another Land Court Petition to designate an easement and limited access rights. The Petition was filed in the Land Court on May 8, 1974 as Document No. 679011 (copy enclosed). As you can see from that Petition, the easement was originally designated as "Easement No. 733." Ultimately, however, the easement number was changed to "Easement No. 748." Easement 748 is shown on Map 243 (copy enclosed). The easement is 3,258 square feet, and is described in Exhibit A attached to the Tunnel Easement (copy enclosed).

I have been in touch with Mr. Louis K. Quemuel, Right-of-Way Agent for the Department of Transportation, Highways Division, Right-of-Way Branch, concerning this matter. His address is 888 Mililani Street, Suite 502, Honolulu, Hawaii 96813, telephone number 587-2023, facsimile number 587-2033. Mr. Quemuel was kind enough to provide me with a copy of the Tunnel Easement. In turn, I was required to provide him with a copy of the Certificate of Merger issued February 4, 1985 from the State of Hawaii, Department of Commerce and Consumer Affairs, showing the merger of Grace Brothers, Ltd. and Pacific Concrete & Rock Co., Ltd. on December 14, 1984 (copy enclosed). I assume that Grace Brothers has subsequently changed its name to Grace Pacific Corporation, and you may be required to provide Mr. Quemuel with a copy of the document noting the change of name.

Mr. Quemuel called earlier this morning to advise me that pursuant to paragraph 10 of the Tunnel Easement, Grace Pacific is required to maintain liability insurance for its use of the easement. Apparently, State records do not disclose any insurance currently in effect. Mr. Quemuel has requested that you obtain the required insurance, and provide him with a copy of a certificate of insurance as soon as possible.

This narrative, I believe, provides you with the background and answers all of the questions posed to Mr. Reinwald in late January.

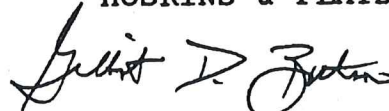
Mr. Robert Creps
Vice President
GRACE PACIFIC CORPORATION
February 16, 1994
Page 3

We are not retaining any copies of these enclosed documents, and suggest that you establish a permanent records file with respect to the Tunnel Easement containing this letter and the enclosures. I am also returning to you the map you originally submitted to us showing the location of the tunnel.

If you have any questions, please feel free to give me a call at your convenience.

Very truly yours,

REINWALD, O'CONNOR, MARRACK,
HOSKINS & PLAYDON



GILBERT D. BUTSON

GDB:as
Enclosures
e\gdb.ltr\creps



February 18, 1994

Mr. Louis K. Quemuel
Highways Division, Right-of-Way Branch
888 Mililani Street, Suite 502
Honolulu, HI 96813

Dear Mr. Quemuel,

As a follow up to your February 16th conversation with Mr. Gil Butson regarding a tunnel easement under the H-1 freeway near Makakilo, I am enclosing a copy of the Certificate of Amendment changing the name of Grace Brothers Ltd. to Grace Pacific Corporation. Joyce Sterrett of King & Neel will be mailing you the required certificate of insurance shortly.

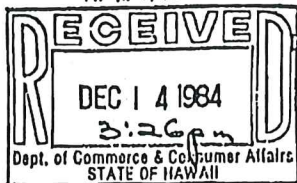
Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Robert M. Creps".

Robert M. Creps
Vice President
Finance & Administration

RMC/sp



STATE OF HAWAII
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
Business Registration Division

In the Matter of the Amendment of
the Articles of Incorporation of
GRACE BROTHERS, LIMITED

CERTIFICATE OF AMENDMENT

The undersigned duly authorized officers of GRACE BROTHERS, LIMITED, a Hawaii corporation, certify that a special meeting of the stockholders of GRACE BROTHERS, LIMITED, duly called for the purpose of changing the name of the corporation, and held at Honolulu, Hawaii on December 13, 1984, it was voted by the holders of 3,684 shares out of 3,792 shares of common stock issued, outstanding, and having voting power, to amend the Articles of Incorporation by deleting the name "GRACE BROTHERS, LIMITED," wherever it appears in the Articles of Incorporation, and inserting in lieu thereof the name "GRACE PACIFIC CORPORATION"; and that the effective date of the amendment shall be December 31, 1984.

IN WITNESS WHEREOF, the undersigned have set their hands this 13th day of December, 1984.

GRACE BROTHERS, LIMITED

By RO Steele
President

By [Signature]
Secretary

CERTIFICATE OF INSURANCE

DATE **02/22/94**

Insured
King & Neel, Inc.
 Bishop St., Ste. 1710
 Honolulu, HI 96813
 (808) 521-8311

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGES

Company Letter A	First Insurance Company
Company Letter B	
Company Letter C	YOUR COPY, ORIGINAL SENT
Company Letter D	DIRECTLY TO CERT HOLDER
Company Letter E	

Insured
BRACE PACIFIC CORPORATION
 P.O. Box 78
 Honolulu, HI 96810

0000803

COVERAGES

IT IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENTS, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, CONDITIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

TYPE OF INSURANCE	POLICY NUMBER	POLICY EFF DATE (mm/dd/yy)	POLICY EXP DATE (mm/dd/yy)	LIMITS
GENERAL LIABILITY <input checked="" type="checkbox"/> Commercial General Liab. <input type="checkbox"/> Claims Made <input checked="" type="checkbox"/> Occur <input type="checkbox"/> Owner's & Contractors Protective <input type="checkbox"/> <input type="checkbox"/>	CGL 5450718	04/01/93	04/01/94	General Aggregate \$2,000,000 Prod-Comp/Ops Agg \$2,000,000 Pers & Adv Injury \$1,000,000 Each Occurrence \$1,000,000 Fire Damage \$ 50,000 (Any one fire) Medical Payments \$ 5,000 (Any one person)
MOBILE LIABILITY <input type="checkbox"/> Any Auto <input type="checkbox"/> All Owned Autos <input type="checkbox"/> Scheduled Autos <input type="checkbox"/> Hired Autos <input type="checkbox"/> Non - Owned Autos <input type="checkbox"/> Garage Liability <input type="checkbox"/>				Combined Single Limit \$ Bodily Injury (Per Person) \$ Bodily Injury (Per Accident) \$ Property Damage \$
EXCESS LIABILITY <input type="checkbox"/> Umbrella Form <input type="checkbox"/> Other Than Umbrella Form				Each Occurrence \$ Aggregate \$
WORKER'S COMPENSATION AND EMPLOYER'S LIABILITY				<input type="checkbox"/> Statutory Each Accident \$ Disease-Pol Limit \$ Disease-Each Empl \$
OTHER				

Description of Operations/Locations/Vehicles/Special Items
RIGHT TO USE EASEMENT 748, MAP 243, LAND COURT APPLICATION 1069, UNDER AND CROSS LOT 229-E, AS SHOWN ON MAP 227 OF LAND COURT APPLICATION 1069.
 Insured: State of Hawaii

CERTIFICATE HOLDER

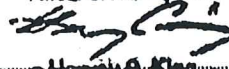
State of Hawaii
 Highways Division
 Right-of-Way Branch
 Mililani Street, Suite 502
 Honolulu, Hawaii 96813
 Attention: Mr. Louis K. Quemuel

CANCELLATION

Should any of the above described policies be cancelled before the expiration date thereof, the issuing company will endeavor to mail 30 days written notice to the certificate holder named to the left, but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agent's or representatives.

Authorized Representative

KING & NEEL INC.



the First Insurance Company, Inc.

DOL - MSHA - PEIR - OIEI
 P.O. Box 25367
 Denver, Colorado 80225 - 0367

For Quarter Year
 OCT THRU DEC JANUARY 15 2007

Date Report Completed
 01/15/07

Mail Before

Check here if this report is being submitted by a contractor
 If any information below is incorrect, please enter correct information here:
 County: _____
 Operation Name: _____
 Operating Company Name and Mailing Address: _____

MSHA ID Number
 5100173

Contractor ID
 M1 7861 A91

Operation Name
 MAKAKILO QUARRY

Operating Company Name and Mailing Address
 GRACE PACIFIC CORP
 POB 78
 HONOLULU HI 96810

Copy 1 - Return to MSHA (Denver)

Quarterly Mine Employment and Coal Production Report
 (SEE INSTRUCTIONS ON REVERSE SIDE OF COPY 2)

1. Persons Working, Employee-Hours, and Coal Production previously reported: 03 30 99	(1) Operation Sub Unit Code(s)	(2) Average number of persons working during quarter	(3) Total employee hours worked during the quarter	(4) Production of clean coal during quarter, (short tons)
Underground Mine	01			
Surface Mine	02			
Strip, Open Pit or Quarry	03	30	17125	
Auger (Coal Mine only)	04			
Culm Bank or Refuse Pile (Coal Mine only)	05			
Dredge	06			
Other Surface Mining (Metal/Nonmetal Only)	12			
Independent Shops or Yards	17			
Mill Operations, Preparation Plants, or Breakers (include associated shops and yards)	30	8	4414	
Office (professional and clerical employees at the mine or plant working in an office)	99	6	2790	

2. Other Reportable Data

How many MSHA reportable injuries or illnesses did you have this quarter? 0

Person to be contacted regarding this report:
 Name: Ruby Juan Tel. No. (808) 674-8383
 Title: DIRECTOR HR/SAFETY area code

MSHA Form 7000-2, July 97, (revised) OMB Number 1215-0007; Approval Expires April 30, 2008

The United States of America

Department of Labor

MINE SAFETY AND HEALTH ADMINISTRATION

Certificate of
Achievement in Safety

awarded to

MAKAKILO QUARRY

GRACE PACIFIC CORPORATION

KAPOLEI, HAWAII

LARGE METAL NONMETAL MILL GROUP

SENTINELS OF SAFETY PROGRAM

FOR ITS OUTSTANDING SAFETY RECORD IN 2005

28,279 EMPLOYEE-HOURS WORKED

WITHOUT A LOST WORKDAY INJURY



David H. Lynn
ACTING ASSISTANT SECRETARY OF LABOR FOR
MINE SAFETY AND HEALTH

SENTINELS OF SAFETY

Exhibit H



DEPARTMENT OF JUSTICE

Bureau of Alcohol, Tobacco,
Firearms and Explosives

Martinsburg, WV 25401

November 21, 2006

Grace Pacific Corporation
Po Box 78
Honolulu, HI 96810

901090: CRR/LIO
5400
File Number: 9-HI-00021

Premises Address: 91-920 Farrington Hwy, Ewa, HI 96706

Dear Sir/Madam:

This letter acknowledges receipt of your timely application to renew your Federal explosives License/Permit (**FEL 9-HI-00021**) as a Manufacturer of High Explosives. The Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) is not able to process your application prior to the expiration date of your license/permit. However, Federal law allows you to continue operations under your current license/permit until such time as ATF completes processing your application. See 5 U.S.C. § 558. This letter, or as explained below, a follow-up letter, will serve as your license/permit until we complete action on your renewal. It is referred to as a Letter of Authorization (LOA).

Since we have not completed processing your application, you may supply a copy of this letter to other licensees/permittees, e.g., your distributors, for the next six months (or until we complete action on your renewal, if that occurs in less than six months) as evidence of your licensed/permitted status. If we have not completed processing your application for renewal within six months of the date of this letter, we will send you another letter, which will also be valid for six months (or until we complete action on your renewal, if that occurs in less than six months). This is of course contingent upon your remaining entitled to continue operations under your current license/permit.

Please direct questions or concerns regarding this letter to Lydia Otorora at (304)616-4407.

Sincerely,

Christopher R. Reeves
Chief, Federal Explosives Licensing Center

ATF web address: www.atf.gov

DEPARTMENT OF THE TREASURY - BUREAU OF ALCOHOL, TOBACCO AND FIREARMS
LICENSE/PERMIT (18 U.S.C. CHAPTER 40, EXPLOSIVES)

In accordance with the provisions of Title XI, Organized Crime Control Act of 1970, and the regulations issued thereunder (27 CFR Part 55), you may engage in the activity specified in this license/permit within the limitations of Chapter 40, Title 18, United States Code and the regulations issued thereunder, until the expiration date shown. See "WARNING" and "NOTICES" on back.



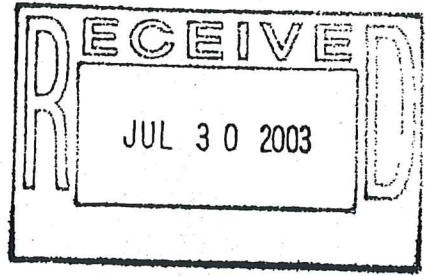
DIRECT ATF CORRESPONDENCE TO	CHIEF, NATIONAL LICENSING CENTER ATF 2600 CENTURY PARKWAY SUITE 406 Atlanta, GA 30345	PERMIT NUMBER 9-11-003-20-5M-00021
NAME	GRACE PACIFIC CORPORATION	EXPIRATION DATE December 1, 2005
TYPE OF LICENSE OR PERMIT	20-MANUFACTURER OF HIGH EXPLOSIVES	Business Address 91-920 FAIRINGTON HWY ENWA, NH 96706-0000
CHIEF, NATIONAL LICENSING CENTER	<i>[Signature]</i>	LICENSEE OR PERMITTEE MAILING ADDRESS GRACE PACIFIC CORPORATION PO BOX 78 HONOLULU, HI 96810-0000

PURCHASING CERTIFICATION
I certify that this is a true copy of the license/permit issued to me to engage in the activity specified.

[Signature]
(SIGNATURE OF LICENSEE/PERMITTEE)

The licensee/permittee named herein shall use a reproduction of this license/permit to assist a transferor of explosive to verify the identity and status of the licensee/permittee as provided in 27 CFR Part 55. The signature on each reproduction must be an ORIGINAL signature.

ATF F 6400.14/5400.15, Part 1 (8/69)



**MAKAKILO QUARRY
CONDITIONAL USE PERMIT NO. 72/CUP-15
ENGINEERING REPORT**

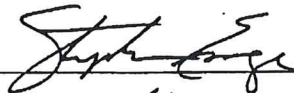
Prepared for:

GRACE PACIFIC CORPORATION
P.O Box 78
Honolulu, Hawaii 96810

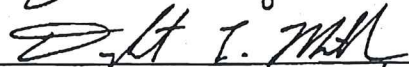
Prepared by:

PARAMETRIX, INC.
5808 Lake Washington Blvd. N.E., Suite 200
Kirkland, Washington 98033

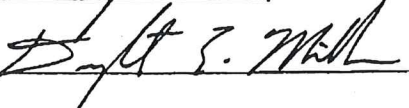
Prepared by:



Checked by:



Approved by:



July 1998

CERTIFICATE OF ENGINEER

The technical material contained in this document was prepared under the supervision and direction of the undersigned, whose seal, as a professional engineer licensed to practice as such, is affixed below:



This work was prepared by
me or under my supervision

Dwight E. Miller 7/16/98

Dwight E. Miller, P.E.
Project Manager
Parametrix, Inc.

*Makakilo Quarry
Engineering Report
Conditional Use Permit No. 72/Cup-15*

i

55-1657-05
July 1998

EXHIBIT J

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REFERENCE

APPENDICES

- A RESTORATION GRADING RECOMMENDATIONS
- B REVISED FINAL GRADING PLAN
- C STORM DRAINAGE CALCULATIONS
- D WATER QUALITY PERMIT COMPLIANCE
- E REVEGETATION RECOMMENDATION
- F COMMENTS AND RESPONSES TO THE ENGINEERING REPORT

1. INTRODUCTION

1.1 PURPOSE

This Makakilo Quarry Engineering Report is to assist Grace Pacific Corporation obtain City approval of the final grading plan, as required by the *Conditional Use Permit No. 72/Cup-15* and *Resolution No. 95*. The report is directed to the City and County of Honolulu Department of Land Utilization and the Department of Public Works.

1.2 SITE DESCRIPTION

The Makakilo Quarry land, which is owned by the Estate of James Campbell, is leased/operated by Grace Pacific Corporation for quarry operations. The quarry is situated on Puu Makakilo's slopes. The land surrounding the quarry is described as dry range land with poor, scrub-type vegetation on greater than 10 percent slopes. The surrounding buffer is owned by the Grace Pacific Corporation which has tentative plans for completing construction of a golf course.

1 GRADING PLAN

2.1 GRADING

The attached grading plan (Appendix B) shows the final grades prior to reclamation of the quarry. The plan is to maximize quarry operations within the tract of land and then restore the land in a manner suitable for residential or commercial development.

The front of the quarry, which consists of retained rock and constructed berms, parallels the H-1 highway. This buffer will remain undisturbed and will provide a noise and sight barrier from the highway. The quarry sides and back will utilize staggered benches which will help provide a better visual effect yet maximize quarry operations. The pit floor will generally slope from the back and sides to the front at an approximately 2 percent grade.

Restoration grading recommendations prepared by a geotechnical engineer are attached as Appendix A. Several key methods are recommended to provide an adequate foundation for access roads, residential, and lightly loaded commercial development.

During restoration, the pit floor will be rough-graded to remove any large "hard spots" and any thick deposits of uncontrolled fill deposits, such as soft silts from washing operations. Once the subgrade is completed, the entire pit floor will be proof-rolled. Structural fill will replace any soft spots revealed during subgrade preparation or proof-rolling. This fill material will be a granular material, 6-inch minus, and free of organics.

Excess stockpiled material, 1-inch minus, may also be used for landscape restoration provided the material contains or is amended with proper portions of organics, sand, and silts.

2.2 ALTERNATIVE FLOOR RECLAMATION

If future utilization plans for the site change from residential or commercial development to a park setting or open space use, the quarry can be indirectly reclaimed to increase infiltration. After the quarry has been shaped to match the grading plan, the pit floor can be regraded to produce a rough, irregular surface. This method will increase water infiltration and slow erosion by keying the replaced soil into the substrate. This can be achieved by either blasting or ripping the pit floor. Since this quarry is a hard rock quarry, blasting is the appropriate method to fracture the pit floor so that water can drain slowly and roots can penetrate. A good technique is to blast an extra 10 feet during the last production round and leave some of the fractured material in place.

2.3 BENCH RECLAMATION

Typically, the benches are 24 feet wide by 36 feet high and will be sloped toward the highwall to help trap moisture and soil. Topsoil will be placed on the benches and planted. However, since the quarry is located in an arid area, the linear features of the benches will probably not be obscured by significant vegetation. Therefore, other methods may be necessary to break up some of the linear features including performing post-production blasting to form staggered benches. Strategic blasting can create chutes, spurs, and rough vertical cliff faces can be created. The desired effect depends on the rock type, structural geology, and blasting agent from a choice of blast patterns, delays, and stemming depths. The appropriate methods will be chosen when final quarry grades are achieved and rock faces can be evaluated.

The quarry reclamation will use a combination of vegetative benches along with staggered benches to create a more natural appearance. Appendix E presents the current revegetation plan for screening and restoration of the quarry.

3. DRAINAGE PLAN

3.1 DRAINAGE PLAN

The intent of the Makakilo Quarry drainage plan is to reduce the amount of stormwater run-on and minimize the impacts of run-off on the quarry as well as downstream. A drainage plan is attached, see Appendix B.

The drainage plan design is based on the *City and County of Honolulu, Storm Drainage Standards, May 1988*. Since the drainage areas are less than 100 acres, the rational formula method is used to determine run-on and run-off stormwater quantities for the purpose of the plan. A minimum time of concentration (T_c) of 10 minutes was used. The drainage plan was designed assuming that the surrounding buffer areas are undeveloped and undisturbed. The storm drainage areas and calculations are presented in Appendix C.

Based on design calculations for a 10-year, 1-hour storm, discharge flows from the site may be on the order of 460 cubic feet per second (cfs). To account for this flow, the drainage plan is to install the following controls:

- Diversion ditches w/ check dams
- Grass-lined ditches (< 5 ft/s)
- Rock-lined ditches (> 5 ft/s or 5% slope)
- Grout, rock-lined ditches
- Back-sloped benches
- Contour swales
- Detention pond

Stormwater run-on will be minimized by installing diversion ditches to divert some of stormwater around the quarry and into existing drainages. Check dams will be installed within the diversion ditches approximately every 200 feet to trap sediments and lower velocities. The design provides for energy dissipators for diversion ditch outlets. Stormwater run-off will be transported to a detention pond by grouted rock-lined ditches to prevent erosion and decrease ditch size. Ditch design will be either V-ditch or trapezoidal in profile with sideslopes of 2H:1V and a 2-foot minimum freeboard, see Appendix B. The benches are designed to retain water since the horizontal surface slopes back to the highwall at 10 percent. A detention pond designed to contain a 10-year storm event, will have an approximate average length of 435 feet and width of 135 feet, with sideslopes of 3H:1V, and a depth of 5 feet. The total impoundment will be approximately 2.2 million gallons (6.7 acre-feet).

This detention pond, built to contain and/or reduce the release of run-off, and trap sediments, will discharge to an existing 96-inch culvert via the quarry conveyor tunnel.

Also, the detention pond bottom will be fractured ten feet below grade to improve infiltration and reduce run-off quantities.

3.2 EROSION CONTROL

Minimizing or eliminating water-quality problems by mechanical or operational means is generally described as *best management practices* (BMPs). BMPs can be classified as either short- or long-term with considerable overlap existing between the two. Also, erosion controls at a site will likely change over time as the configuration of the site changes. The best strategy for stormwater control is to divert stormwater around the quarry and into an existing drainage. However, once stormwater has entered a quarry, a very effective control technique during ongoing operations is to develop numerous sumps or low areas to disperse stormwater. These low areas collect sediments and allow stormwater to infiltrate.

Erosion control is still a necessary element once the quarry is reclaimed; however, techniques should generally function without maintenance. It is anticipated that erosion will not be a major concern once vegetation has established, but control measures will be implemented to ensure minimal soil erosion. Short-term methods to control erosion until vegetation is established include mulching, straw bales, silt fences, jute matting, and plastic coverings. Mulching, matting, and plastic covering are good methods to reduce rain drop erosion especially on slopes. While, straw bales and silt fences are designed to prevent gully or rill erosion of long overland areas such as swales. These short-term methods will be incorporated into the long-term methods as stated in Section 3.1 of this report to slow stormwater velocities and increase infiltration into the cover material.

The quarry is exempted from complying with the *City and County of Honolulu, Soil Erosion Standards and Guidelines, November 1975. (Chapter 23. Grading, Soil Erosion and Sediment Control)*. However, Grace Pacific Corp. will use the guidelines, as appropriate, in its erosion control activities at the site.

3.3 WATER QUALITY

The quarry is authorized by the Department of Health to discharge stormwater run-off associated with the facility provided discharges comply with the *Notice of General Permit Coverage (File No. HI R32A707)*, see Appendix D. This permit stipulates that an annual representative rainfall event shall be sampled and the results submitted within 30 days of the sampling date in accordance with HAR Chapter 11-55. If any discharge limitations are exceeded, then measures will be implemented to reduce the exceedance amounts from entering stormwater run-off. (The Stormwater Pollution Prevention Plan and Spill Prevention Control and Countermeasure Plan

compliance letter are attached in Appendix D).

4. REVEGETATION PLAN

4.1 INTRODUCTION

Successful revegetation of a quarry in an arid area depends on adequate soil depth, placement, and presence of organic matter; proper plant selection; appropriate timing of planting; adequate fertilization; and irrigation. Revegetation of the quarry is important because of the following:

- Reduces erosion
- Reduces stormwater run-off
- Provides habitat
- Reduces visual and noise impacts
- Increases the value of property

However, even in the best of conditions, plant growth can not be guaranteed immediately after mining and it may take several seasons to establish widespread healthy vegetation.

4.2 STRATEGIES

Generally, appropriately selected native plant species cost less, require less labor, and more readily survive on natural precipitation than non-native plants. In addition, native plants often out-compete introduced species over time and offer a preferable natural view with the surroundings. Also, phased or segmented closures are a beneficial method for determining which species will be successful. Those areas in which plants fail to establish or plants requiring intensive labor, can be replanted with more appropriate vegetation. This method proves to be cost effective since it is cheaper to re-establish a segment as opposed to the entire quarry.

Conceptual landscape schemes, recommendations, and specifications prepared by a landscape architect are attached in Appendix E.

REFERENCE

Washington State Department of Natural Resources and Oregon Department of Geology and Mineral Industries. January 1996. Best Management Practices for Reclaiming Surface Mines in Washington and Oregon. Prepared by David K. Norman, Peter J. Wampler.

*Makakilo Quarry
Engineering Report
Conditional Use Permit No. 72/Cup-15*

R-1

*55-1657-05
July 1998*

EXHIBIT J

APPENDIX A
RESTORATION GRADING
RECOMMENDATIONS



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ENGINEERING GLOBAL SOLUTIONS

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2 June 1998
8-91M-12295-0

Parametrix, Inc.
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Kirkland, Washington 98033

Attention: Mr. Dwight Miller, P.E.

Subject: Recommendations for Restoration Grading
Makakilo Quarry
Oahu, Hawaii

Dear Mr. Miller:

This letter presents our recommendations for restoration grading on the above referenced project. We understand that the Makakilo Quarry has been operated as a hard rock mine for production of aggregate since 1974. As part of mining operations on the property, the topsoil and other soil overburden has been removed and stockpiled. The stockpile also includes softer portions of the excavated rock, including ash layers, cinder, and other residual soil (weathered bedrock) materials.

In its current configuration, the back slope of the quarry is approximately 150 feet in height and near vertical, with intermediate benching. The area in front of the slope is to be developed for possible residential, commercial, or industrial purposes. We have assumed that future site use would generally involve lightly loaded foundations. We understand that a grading and drainage plan for the floor of the pit would be provided by others. We have been requested to provide recommendations for subgrade preparation and filling in conjunction with the site grading and drainage plan, so that the subgrade would generally be appropriate for the proposed future use. Our recommendations are as follows:

- The base of the quarry should be rough graded to remove any highly irregular topography, such as large rock exposures which would act as "hard spots" during subsequent filling.
- Any thick deposits of uncontrolled fill, include possible soft silts from washing operations, should also be removed prior to filling, or be identified as areas not having engineered fill.
- Any accumulated water, originating from either groundwater or surface water, will also need to be controlled prior to filling. If it is not possible to remove all water by



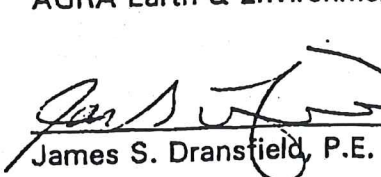
pumping, an initial lift of crushed quarry rock may need to be placed to raise grades above static water levels.

- Once subgrade has been established by rough grading and water control, the resulting surface should be proof rolled. Proof rolling consists of driving a loaded dump truck, wheel to wheel, across the entire subgrade surface to disclose any soft spots. Any soft spots disclosed by proof rolling should be over excavated, and replaced with crushed quarry rock or "structural fill", as described below.
- Structural fill should consist of a granular soil which is free of organics, with no individual rocks larger than 6 inches in diameter. The structural fill should contain no logs, stumps, brush, rubbish or other deleterious materials. Other such unsatisfactory materials would include soils containing vegetation, roots, peat, organic clays and silts, sod, mulch, and any soils which are excessively fine or moist so as not to allow adequate compaction, as defined below.
- Structural fill should be placed in level lifts not exceeding 8 inches in thickness, with each lift compacted to at least 90 percent density, using the ASTM: D 1557 Modified Proctor. Moisture content of the fill soils should be maintained within plus or minus 3 percent of optimum moisture content.
- Structural fill should be tied into any subgrade areas sloping at greater than 5H:1V (Horizontal: Vertical). This should be accomplished by cutting level benches back into the slope; individual benches should be no more than 2 feet in vertical height.
- The subgrade preparation and filling should be monitored by a qualified geotechnical engineer or their representative. Density tests should be performed on a regular basis throughout the filling process to provide confirmation and documentation of the quality of the engineered fill. This documentation can then be provided to the designer of future development at the site.
- Other portions of the stockpiled material could be used for topsoil in landscaping areas. Typically, topsoil would consist of a mixture of organics, sand and silt which is free from lumps, large amounts of clay, toxic substances, sticks, debris, vegetation, and stones larger than 1 inch in diameter.

As discussed, this method of subgrade preparation and filling would provide adequate foundation for typical roads, as well as residential and lightly loaded commercial or industrial development. If heavier foundation loading is required, more restrictive earthwork recommendations could be provided. Otherwise, the engineered fill documents could be provided to the future site developer, who could make their own determination of the need for more extensive foundation preparation.

Respectfully submitted,

AGRA Earth & Environmental, Inc.


James S. Dransfield, P.E.
Vice President
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