

LAND USE COMMISSION
STATE OF HAWAII

2012 SEP 11 P 3: 11

September 10, 2012
459.04 / 12P-061

Mr. Daniel E. Orodener
Executive Officer
State Land Use Commission
State Office Tower
235 So. Beretania Street, 4th Floor
Honolulu, HI 96813

Dear Mr. Orodener:

**2007 Annual Report on Land Use Commission
Docket No. A84-574 / Mauna Kea Properties, Inc.**

Mauna Kea Resort Services, LLC recently learned that the 2007 annual report for Mauna Kea Properties, Inc.'s property at Ouli 1 was not on file at your office. We apologize for the oversight. To ensure complete compliance with Condition No. 3 of the Decision and Order dated Dec. 6, 1994 in Docket No. A84 574 (the "Order"), we are submitting on behalf of Mauna Kea Properties, Inc. ("Petitioner") this report to reflect the status of the project as of the 2007 anniversary date of the Order and the project's compliance with the conditions imposed during that year.

I. BACKGROUND AND GENERAL PROGRESS OF THE PROJECT AS OF 2007

The property, which is the subject of Land Use Commission (LUC) Docket No. A84-574, consists of approximately 399 acres of land at Ouli 1, South Kohala, Hawaii. The project is a portion of the former 539-acre South Kohala Resort, also formerly known as the Hapuna Beach Resort, and is being developed as a golf course/residential community. The Uplands at Mauna Kea is now part of the overall Mauna Kea Resort.

The property originally consisted of 10 large development parcels. Parcel B is the site of a single-family residential project named Moani Heights at The Uplands. Parcel C includes 'Apa'apa'a Heights at The Uplands, a single-family residential project; and The Kumulani at The Uplands, a condominium project. All three projects have sold out and there have been resales.

Parcel G/H was acquired and developed by Moana Ikena LLC as The Wai'ula'ula at Mauna Kea Resort. Development for the 47-acre parcel project included construction of 102 homes, together with an amenity center, swimming pool, and spa which were completed during this period.

Parcel F was acquired by MI Parcel F LLC. As of the anniversary date of the Order in 2007, there was no ongoing development for that parcel.

Parcels A, D and E were owned by Petitioner in 2007.

II. PROGRESS IN COMPLYING WITH THE CONDITIONS IMPOSED

According to the Land Use Commission's Decision and Order dated Dec. 6, 1994 ("Decision and Order") and Order Granting Motion for Clarification of Land Use Commission's Findings of Fact, Conclusions of Law and Decision and Order and for Extension of Time, and Motion for Waiver of Hawaii Administrative Rule Section 15-15-92(2), dated February 13, 1995 ("Order Granting Motion"),¹ the Petitioner must comply with six (6) conditions. These conditions are listed below, each numbered as identified in the Decision and Order and Order Granting Motion, and each followed by a status report on the Petitioner's efforts to comply with the condition.

Condition No. 1:

"1. Petitioner shall develop the Property in substantial compliance with the representations made to the Commission. Failure to so develop the Property may result in reversion of the Property to its former classification, or change to a more appropriate classification."

Status as of 2007: During 2007, the Petitioner followed its plan of development as presented to the Commission. The first part of this report summarizes progress made during 2007.

Condition No. 2:

"2. Petitioner shall give notice to the Commission of any intent to sell, lease, assign, place in trust, or otherwise voluntarily alter the ownership interests in the Property, prior to development of the Property."

Status as of 2007: As of 2007, there were no ongoing actions relevant to this condition.

Condition No. 3:

"3. Petitioner shall timely provide without any prior notice, annual reports to the Commission, the Office of State Planning, and the County of Hawaii Planning Department in connection with the status of the subject project and Petitioner's progress in complying with the conditions imposed herein. The annual report shall be submitted in a form prescribed by the Executive Officer of the Commission."

Status as of 2007: This letter serves as the 2007 annual report required under the condition. A copy of this 2007 annual report is being submitted to the State Office of Planning and the County of Hawaii Planning Department.

¹ The Order amended Condition No. 6 of the LUC's Decision and Order dated December 6, 1994. Order at page 3.

Condition No. 4:

"4. The Commission may fully or partially release the conditions provided herein as to all or any portion of the Property upon timely motion and upon the provision of adequate assurance of satisfaction of these conditions by Petitioner."

Status as of 2007: Petitioner did not file any such motion during 2007 under this condition.

Condition No. 5:

"5. Within 7 days of the issuance of the Commission's Decision and Order for the subject reclassification, Petitioner shall (a) record with the Bureau of Conveyances a statement that the Property is subject to conditions imposed herein by the Land Use Commission in the reclassification of the Property, and (b) shall file a copy of such recorded statement with the Commission."

Status as of 2007: The Commission's Decision and Order was issued on December 6, 1994. As stated in annual reports filed in previous years, the Petitioner complied with this condition by filing a copy of the Notice with the Commission on December 14, 1994.

Condition No. 6:

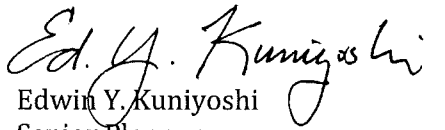
"6. Petitioner shall record the conditions imposed herein by the Commission with the Bureau of Conveyances within sixty (60) days of the filing of this Decision and Order."

Status as of 2007: As stated in our previous annual reports, on April 12, 1995, Petitioner recorded a Declaration of Conditions covering the conditions imposed by the Commission in the Bureau of Conveyances as Document No. 95-049097. By letter dated April 25, 1995, Petitioner submitted a certified copy of the Declaration of Conditions to the Commission.

The above constitutes Petitioner's 2007 annual report for the property, which is the subject of LUC Docket No. A84-574.

Sincerely,

BELT COLLINS HAWAII LLC


Edwin Y. Kuniyoshi
Senior Planner

EYK:jdk

cc: Administrator, State Office of Planning
Director, Hawaii County Planning Department
Alan M. Goda, Kobayashi, Sugita & Goda LLP