April 22, 2011

Land Use Commission  
State of Hawaii  
P.O. Box 2359  
Honolulu, Hawaii 96804-2359

Subject: Fourth Annual Report of Hanohano LLC, Docket No. A03-745

Honorable Chair and Members of the Commission:

I represent Separate Maui Investment, LLC, the successor manager of Hanohano, LLC (Original Petitioner). In accordance with Condition 23 of the Findings of Fact, Conclusions of Law, and Decision and Order for a State Land Use District Boundary Amendment (the “D&O”) entered in the above-referenced docket on May 17, 2005, Separate Maui Investment, LLC hereby submits the Fourth Annual Report to the Land Use Commission of the State of Hawaii (SLUC).

I. Status of the Project

As reported in the First Annual Report, Petitioner secured legal title to the Property (as this capitalized term is used in the D&O) on December 28, 2005. Petitioner filed with the Department of Public Works and Environmental Management of the County of Maui (the “Public Works Department”) its preliminary plat and other supporting documents and information for the subdivision of the Property into forty-nine (49) residential lots and into various roadway, drainage and other lots (the “Subdivision”). On June 7, 2005, the Director of the Public Works Department (the “Public Works Director”) granted his approval to the preliminary plat for the Subdivision. Between September 2, 2005 and September 16, 2005, Petitioner submitted to the Public Works Department construction plans for the improvements contemplated by the Subdivision (the “Construction Plans”). Subsequent to the filing of the construction plans Petitioner received a Bonded Final Subdivision approval on June 5, 2005.

As of the date of this annual report, except for the change in ownership, there have been no material changes to the property and except for the responses to the Decision & Order conditions described below, no other changes to the property have occurred.
II. Petitioners Response to the Conditions imposed by the LUC in the D&O as follows:

1. Affordable Housing. Prior to approval of the final plat (as this term is defined in Section 18.04.190, Maui County Code for the Project (the Final Subdivision Approval), Petitioner shall enter into an agreement with the DHHC, whereby, among other things, Petitioner shall pay Habitat for Humanity Maui, Inc., on or before Final Subdivision Approval, the amount of ONE HUNDRED TWENTY-FIVE THOUSAND and 00/100 DOLLARS ($125,000.00), in full satisfaction of the County of Maui’s affordable housing requirements for the Project.”

**Status:** Petitioner has complied with this condition by delivering to Habitat for Humanity the amount of ONE HUNDRED TWENTY-FIVE THOUSAND and 00/100 DOLLARS ($125,000.00), in full satisfaction of the County of Maui’s affordable housing requirements for the Project.”

2. Ohana Units. Not more than forty-nine (49) dwelling units (as this term is defined in Section 19.04.040, Maui County Code) shall be constructed or maintained on the Property, and not more than one (1) dwelling unit shall be constructed or maintained on each Residential Lot. No Aaccessory dwellings (as this term is defined in Section 19.04.040, Maui County Code) or ohana units shall be permitted in the Project.”

**Status:** Petitioner acknowledges and agrees to comply with this condition.

3. Park Dedication Requirements. Prior to Final Subdivision Approval, Petitioner shall comply with the park dedication requirements under Section 18.16.320, Maui County Code, for the Project, as approved by the Parks Department. An executed agreement between the Petitioner and the Parks Department shall be delivered to the Commission, OP and the Planning Department.”

**Status:** Petitioner acknowledges and agrees to comply with this condition.

The attached agreements attest to the completion of this condition.

“4. Archaeological. To protect the native Hawaiian practitioner’s exercise of customary and traditional practices in the subject area; to ensure appropriate public access to the Heiau located within the Property; to ensure the availability of natural and cultural resources for present and future generations; to promote the practice of ohana and conservation values with respect to the physical and cultural landscape:

4a. Petitioner shall establish on the Heiau/Retention Basin Lot, permanent 60 foot wide and 100 foot wide buffer zones around the Heiau, with a rock wall of not less than four (4) feet high demarcating the perimeter of the 60
foot buffer zone. Within 6 months of the filing of this Decision and Order, Petitioner shall use reasonable efforts to request, but shall not be required to obtain, the consent and cooperation of the owner of the parcel of land immediately adjacent to the Heiau/Retention Basin Lot to extend the permanent 100 foot wide buffer zone on such adjoining lot. Within six months of Petitioner receiving notice that the adjacent property has changed ownership, Petitioner shall use reasonable efforts to request the consent and cooperation to extend the 100 foot wide buffer on that adjoining lot and shall continue to use such reasonable efforts with each successive owner of the adjacent parcel until such request is agreed to.”

Status: As to the first sentence of this condition, Petitioner acknowledges and agrees to comply with this condition. Design of the rock wall demarking the perimeter of the sixty (60) foot wide buffer zone has been completed. The rock wall will be constructed in conjunction with construction of the various on-site and off-site improvements required for the proposed subdivision of the subject property.

As to the second and third sentences of this condition Petitioner complied with said provisions, as noted in Petitioner’s letter to the LUC, dated November 16, 2005.

“4b. Petitioner shall include within the CC&Rs provisions which prohibit public access, through the use of appropriate signage, to the 60 foot wide buffer zone, and, with the exception of the wall around the 60 foot buffer zone and irrigation lines in the area between the perimeters of the 60 foot wide buffer zones, shall further prohibit the construction of any structures within the entire 100 foot wide buffer zones. Petitioner shall also install appropriate informational signage at the perimeters of the 100 foot wide buffer zone and the Heiau to aid in its preservation.”

Status: Petitioner acknowledges and agrees to comply with this condition.

“4c. Petitioner shall cause the formation of a three (3) person committee, composed of a representative of the Homeowners Association pursuant to a provision in the CC&Rs, a representative from OHA, and a representative from the Kupuna Council of Maui (the Curator Selection Committee), to select the Curator, who shall (a) oversee the maintenance of the Heiau by the Homeowners Association; and (b) direct and coordinate the initial installation by the Petitioner and the perpetual
maintenance by the Homeowners Association of the native plantings in the 60 foot wide buffer zone.”

Status: Petitioner acknowledges and agrees to comply with this condition. The Curator Selection Committee has not been formed as of the date of this fourth Annual Report and is pending the selection of a representative of the Homeowners’ Association. The Homeowners’ Association will be established in conjunction with the preparation and recordation with the Bureau of Conveyances of written covenants, conditions and instructions applicable to all of the lots created by the subdivision (the “CC&R’s). As such, without CC&R’s, the Homeowners’ Association has not been created, thereby preventing the selection of the curator by the Curator Selection Committee, and the holding of any annual or special meetings by this body.

“4d. The Petitioner shall establish the Curator Selection Committee and its governing laws including succession plans no later than six months from the issuance of this Decision and Order. Upon establishment of the Curator Selection Committee, the Petitioner and Curator Selection Committee shall provide a written report to the Commission, OP and the Planning Department, with details as to the Curator Selection Committee composition and structure, procedures and plan of action to be approved by the Commission.”

Status: As noted in the status for item 4c. above, the Homeowners’ Association has not been created, thereby preventing the selection of the curator by the Curator Selection Committee, and the holding of any annual or special meetings by this body.

“4e. The Curator shall monitor the preservation and maintenance of the Heiau and the effectiveness of the Petitioner’s actions to limit access to and/or preserve and maintain the Heiau. The Curator shall provide recommendations consistent with this Decision and Order to the Commission with respect to the maintenance and/or preservation of the Heiau and any other traditional and customary native Hawaiian practices and cultural resources on the Property.

The Curator shall provide reports on an annual basis describing items and issues relating to the preservation and maintenance of the Heiau and other traditional and customary native Hawaiian practices and cultural resources
on the Property and discussions with the adjoining landowner with respect to the buffer on the adjoining landowner’s property.”

**Status: Petitioner acknowledges and agrees to comply with this condition.**

“4f. Petitioner shall initially landscape with grass and install the necessary irrigation lines in the area between the 60 foot wide buffer zone and the perimeter of the 100 foot wide buffer zone. Petitioner shall, in consultation with the Curator, initially install appropriate native plantings, without any irrigation lines, in the 60 foot wide buffer zone.”

**Status: Petitioner acknowledges and agrees to comply with this condition.**

“4g. Upon the establishment of the Homeowners Association, said Homeowners Association shall maintain in perpetuity the Heiau/Retention Basin Lot. The CC&Rs will include a condition to the effect that the Homeowners Association shall bear the cost including reasonable out of pocket costs, if any, of the Curator, such that the Curator may perform the duties prescribed in this Decision and Order.”

**Status: Petitioner acknowledges and agrees to comply with this condition.**

“4h. The view planes from the Heiau will be preserved by prohibiting (a) the construction of any structure (as this term is defined in Section 19.04.040, Maui County Code), with the exception of the Retention Basin, the 4 foot high walls around the 60 foot wide buffer zones and the Retention Basin, and irrigation line on that portion of the Property north of the Heiau; and (b) the construction on the Property of any structure or landscaping that blocks the view plan from the Heiau to the summit of Haleakala (but structures that do not block such view plane may be constructed on the Property). This condition will also be included in the CC&R’s and in appropriate deed restrictions.”

**Status: Petitioner acknowledges and agrees to comply with this condition.**

“4i. Petitioner shall comply with any and all conditions proposed by SHPD for the Heiau. Within one month of notification from SHPD, Petitioner shall inform the Commission that SHPD has approved Petitioner’s
commitments, if any, for the preservation and maintenance of the Heiau, and has determined that any historic preservation mitigation plan and archaeological data recovery sub-plan have been successfully implemented.”

**Status: Petitioner acknowledges and agrees to comply with this condition.**

“5. **Unidentified Archaeological Finds.** If any previously unidentified human burial, or archaeological or historic sites, such as artifacts, marine shell concentrations, charcoal deposits, stone platforms, paving, or loi walls (collectively the Historic Sites) are found during construction on the Property or any Residential Lot, work shall immediately stop and SHPD shall be notified of such Historic Sites. The requirements of Chapter 6E, HAW. REV. STAT., and the rules promulgated thereunder, applicable to the Historic Sites shall be satisfied before construction resumes. SHPD shall determine and approve the significance of the Historical Sites, and construction work shall re-commence at the Property only after both approval by an authorized archaeologist has been obtained and appropriate mitigative measures for the Historic Sites have been implemented.”

**Status: Petitioner acknowledges and agrees to comply with this condition.**

“6. **Traffic Impact Mitigation.** On or before the completion of all improvements required by the Director of the DPW as a condition to Final Subdivision Approval, Petitioner shall cause, at its sole cost and expense, the construction of the following:

6a. Separate lanes for left turns and right turns on the northbound approach of the Project Entrance to Old Haleakala Highway;

6b. A left-turn pocket on the westbound approach on Old Haleakala Highway to the Project Entrance;

6c. A taper at the intersection of Old Haleakala Highway and the Project Entrance to facilitate eastbound traffic turning right into the Project;

6d. An extended shared through/left turn lane and an extended separated right turn lane approximately 200 feet long on the Old Haleakala Highway approach to the signalized intersection of Haleakala Highway, Kula Highway and Old Haleakala Highway, which improvements shall include full curbs, gutters and sidewalk frontage improvements along the entire Project frontage on Old Haleakala Highway up to Kula Highway; and
6e. An extended separate right turn lane, approximately 150 feet long, on the makai bound approach of Haleakala Highway within the available right-of-way and within the constraints of the existing drainage ditch.

Petitioner shall also dedicate a sufficient right-of-way and setback, at no cost to the State of Hawaii, along portions of lots 19 and 20 of the Project fronting Old Haleakala Highway, and along a portion of the pedestrian and utility right-of-way between such lots, as shown on the Petitioners Conceptual Development Plan (Petitioners Exhibit 8), for the purpose of accommodating the storage lanes, turn lanes and sidewalk improvements described in Condition 6(d) above.”

Status: Petitioner acknowledges and agrees to comply with this condition.

“7. Hazard Mitigation. Within six months of issuance of this Decision and Order, the Petitioner shall properly test for the presence of any hazardous materials, and thereafter properly dispose of, the three (3) fifty-five (55) gallon drums currently on the Property. If such testing evidences the presence of hazardous materials, Petitioner shall conduct additional soil sampling at and in close proximity to the location of the drums on the Property to ascertain any potential impacts resulting therefrom and shall mitigate/cure any potential impacts resulting therefrom.”

Status: Petitioner has complied with this condition, as noted in Petitioner’s letter to the LUC dated November 16, 2005.

“8. Responsibility of the Homeowner’s Association to maintain the Property. All landscaping in the Project but outside of the Residential Lots, and all easements, cul-de-sac turn arounds, and emergency vehicle, pedestrian and utility rights of way established by Petitioner as a part of the Project shall be maintained in good repair as long as the Project exists.”

Status: Petitioner acknowledges and agrees to comply with this condition.

“9. Water Service. Prior to Final Subdivision Approval, Petitioner shall provide evidence, in the form of a fully executed agreement with DWS, whereby, among other things, the DWS shall allocate to and reserve for the Project any excess source and storage credits arising from the Kulamalu development. Petitioner shall provide adequate potable water transmission improvements for the Project as may be approved by the appropriate State agencies and the DWS.”
Status: Petitioner acknowledges and agrees to comply with this condition. The attached agreement between the Petitioner and the County of Maui Department of Water attests to the completion of this condition.

“10. Wastewater. Petitioner or the owner of each Residential Lot shall provide adequate individual wastewater systems for such Residential Lot as determined by the DOH and the DPW.”

Status: Petitioner acknowledges and agrees to comply with this condition.


Status: Petitioner acknowledges and agrees to comply with this condition.

“12. Drainage Improvements. Petitioner shall design and construct, at its sole cost and expense, drainage improvements required on the Property as a result of the Project to the satisfaction of the appropriate State agencies and the DPW.”

Status: Petitioner acknowledges and agrees to comply with this condition.

“13. Solid Waste. Petitioner shall cooperate with the DOH and the County of Maui to conform the Project with the program goals and objectives of Chapter 342G, HAW. REV. STAT., and the County of Maui’s approved integrated solid waste management plan in accordance with a schedule and timeframe satisfactory to the DOH.”

Status: Petitioner acknowledges and agrees to comply with this condition.

“14. Best Management Practices. Petitioner shall implement at the Property applicable best management practices to reduce or eliminate soil erosion and ground water pollution and effect dust control measures during and after the construction of the Project in accordance with the DOH’s guidelines and shall assure best management practices are followed by individual lot owners through appropriate deed restrictions.”

Status: Petitioner acknowledges and agrees to comply with this condition.

“15. Water Conservation Measures. Petitioner shall implement water conservation measures and best management practices for the Project such as use of indigenous
and drought tolerant plants and turf, and shall incorporate such measures into common area landscape planting.”

**Status:** Petitioner acknowledges and agrees to comply with this condition.

“16. **Energy Conservation Measures.** Petitioner shall implement into the Project energy conservation measures such as use of solar energy and solar heating.”

**Status:** Petitioner acknowledges and agrees to comply with this condition.

“17. **Air Quality Monitoring.** Petitioner shall participate in an air quality monitoring program during the construction of the Project as specified by the DOH.”

**Status:** Petitioner acknowledges and agrees to comply with this condition.

“18. **Notification of Potential Nuisances.** Petitioner shall notify all prospective buyers and/or lessees of the Residential Lots of potential odor, noise and dust pollution resulting from adjacent agricultural uses.”

**Status:** Petitioner acknowledges and agrees to comply with this condition.

“19. **Hawaii Right to Farm.** Petitioner shall notify all prospective buyers and/or lessees of the Residential Lots that the Hawaii Right to Farm Act, Chapter 165, HAW. REV. STAT., limits the circumstances under which pre-existing farm activities may be deemed a nuisance.”

**Status:** Petitioner acknowledges and agrees to comply with this condition.

“20. **Preservation of Access.** The access rights of native Hawaiians who customarily and traditionally have used the Property for access onsite or to other areas for subsistence, cultural, and religious practices shall be preserved.”

**Status:** Petitioner acknowledges and agrees to comply with this condition.

“21. **Compliance with Representations to the Commission.** 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 a change to a more appropriate classification.”

**Status:** Petitioner acknowledges and agrees to comply with this condition.
“22. Notice of Change to Ownership Interests. 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. This Condition shall be satisfied by the giving of notice only, and shall not require approval by the Commission. This Condition shall not apply to the sale of any Residential Lot from and after Final Subdivision Approval.”

Status: Petitioner acknowledges and agrees to comply with this condition.

“23. Annual Reports. Petitioner shall timely provide without any prior notice, annual reports to the Commission, OP and the Planning Department in connection with the status of the Project, administration for the maintenance of the Heiau and its preservation program, and Petitioner’s progress in complying with the Conditions. The annual report shall be submitted in a form prescribed by the executive officer of the Commission. The annual report shall be due prior to or on the anniversary date of the Commission’s approval and entry of this Decision and Order.

23a. Upon the sale of all of the Residential Lots and establishment of the Homeowner’s Association, the Petitioner will transfer to the Homeowner’s Association the responsibility of providing annual reports to the Commission.”

Status: Petitioner acknowledges and agrees to comply with this condition. Petitioner submits this Forth Annual Report in compliance with this condition.

“24. Release of Conditions. Petitioner shall have the right to seek from the Commission full or partial release of any of the Conditions as to all or any portion of the Property upon assurance acceptable to the Commission of satisfaction of such Conditions.”

Status: Petitioner acknowledges this condition and will submit a timely motion to fully or partially release, or amend, certain conditions of the D&O upon compliance with the same.

“25. Notice of Imposition of Conditions. Within seven (7) days of the delivery to Petitioner of these Findings of Fact, Conclusions of Law, and Decision And Order for the subject reclassification, Petitioner (a) shall record with the Bureau of Conveyances of the State of Hawaii a statement that the Property is subject to the Conditions; and (b) shall file a copy of such recorded statement with the Commission.”
Status: Petitioner has complied with this condition by its recordation of the Certificate of Conditions with the Bureau of Conveyances of the State of Hawaii on May 26, 2005, as Document No. 2005-105309.


Status: Petitioner has complied with this condition by its recordation of the Certificate of Conditions with the Bureau of Conveyances of the State of Hawaii on May 26, 2005, as Document No. 2005-105309.

Should you have any questions or require additional information, please do not hesitate to contact me at 808 874-5263 or at johnz@pacificrim.land.com.

Sincerely,

John Zapotocky,
President;
Pacific Rim Land, Inc.

cc: Department of Planning, County of Maui
    Office of Planning, State of Hawaii

Attachments
December 18, 2007

Mr. Don Fujimoto
Kulamalu Limited Partnership
2005 Main Street
Wailuku, Hawaii 96793

Dear Mr. Fujimoto,

SUBJECT: KULAMALU PROJECTS
Source, Storage and Transmission Credits and Assignments
TMK 2-3-8:44, etc. "Pukalani, Maui, Hawaii"

Enclosed is your copy of the fully executed "Notice of Exercise of Credits" for:

1) 24,000 gallons per day of source assigned to the Kulamalu Village Condominiums TMK 2-3-8:44
2) 36,000 gallons of storage assigned to Kulamalu Village Condominiums TMK 2-3-8:44
3) $82,080 of transmission assigned to Kulamalu Village Condominiums TMK 2-3-8:44
4) 454 gallons of source assigned to Kulamalu Mauka, Commercial & Hilltop Subdvs SD 03-28, 99-81, 02-136
5) 681 gallons of storage assigned to Kulamalu Mauka, Commercial & Hilltop Subdvs SD 03-28, 99-81, 02-136
6) 19,200 gallons per day of source assigned to the Kualana Subdv SD 05-38 TMK 2-3-11:1,2

The remaining balances of source, storage and transmission credits are as follows:

107,267 gallons source credits
93,992 gallons storage credits
$171,895 of transmission credits

Your December 10, 2007 request to exercise 32,000 gallons per day source credits for A&B Properties is being reviewed by the department.

If you have any questions, please contact Herbert Chang at 270-7835.

Sincerely,

Jeffrey K. Eng
Director

JEFFREY K. ENG
Director

"By Water All Things Find Life."

The Department of Water Supply is an Equal Opportunity provider and employer. To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington DC 20250-9410. Or call (202) 720-6594 (voice and TDD).
LAND COURT SYSTEM

REGULAR SYSTEM

Return by Mail ( ) Pickup ( ) To:

MANCINI, WELCH & GEIGER LLP (TDW)
33 Lono Avenue, Suite 470
Kahului, Hawaii 96732

TDW/76899.11

Total No. of Pages: 16

TMK (2) 2-3-8:38 (por.)

AGREEMENT REGARDING PARK DEDICATION
AGREEMENT REGARDING PARK DEDICATION

This Agreement is dated this 18th day of August, 2005 and is executed by KULAMALU LLC, a Hawaii limited liability company, of 2005 Main Street, Wailuku, Hawaii 96793 ("Declarant 1") and HANOHANO LLC, a Hawaii limited liability company, of 2005 Main Street, Wailuku, Hawaii 96793 ("Declarant 2") and the COUNTY OF MAUI, acting through its Director of Parks and Recreation, of 700 Hulia Nakoa Street, Unit 2, Wailuku, Hawaii 96793 (the "County").

RECITALS: Declarant 1 is the developer of lands comprising Kulamalu Town Center, and Kulamalu Hilltop, situated at Kulamalu, Kula, Maui, on TMK (2) 2-3-8:38 consisting of 40 commercial, multi-family and residential lots, LUCA (DSA) File No. 2.2676, 2.2770, 2.2769 and 2.2756 and intends to be the developer of residential units on TMK (2) 2-3-09:07 and (2) 2-3-9:39 (por.) (contingent upon land acquisition). Declarant 2 is the developer of the Kualono Subdivision situated at Kula, Maui on TMKs (2) 2-3-11:1 and 2, consisting of 49 residential lots, (DSA File No. not yet issued). Keawe Land LLC, an affiliate of Declarants 1 and 2 developed Kulamalu Residential Subdivision containing 57 lots, TMK (2) 2-3-8:40, LUCA No. 2.260. Declarants 1 and 2 together own Lot 22A of Kulamalu Town Center, containing 9.232 acres and described on Exhibit "A" attached hereto (the "Park Lot").

The purpose of this Agreement is to establish certain payments and commitments of Declarants to satisfy Declarant 1's and Declarant 2's and Keawe Land LLC’s requirements with respect to park dedications under Maui County Code Section 18.16.320 and, further, to memorialize certain related agreements between the parties for the long term maintenance and use of the Park Lot.

Declarants have executed this Agreement after consultation with and review by the Director of Public Works and Environmental Management for the County of Maui and the Maui County Director of Parks and Recreation, and after consultation with Declarant’s own legal counsel.

AGREEMENT: The Declarants and the County hereby agree as follows:

1. Declarants. The term "Declarant" and any pronoun in reference thereto, wherever used herein, shall be construed to mean the singular or the plural, the masculine or the feminine or the neuter, and vice versa, and shall include any corporation, and shall be held to mean and include each "Declarant", and its heirs, devisees, executors, administrators, personal representatives, successors, and assigns of each entity indicated in the term "Declarant 1" or "Declarant 2".
2. Description of the Park Lot and Improvements. As stated above the Park Lot is described on Exhibit "A" attached hereto and made a part hereof.

The following is a description of the improvements to be constructed by Declarant 1 in accordance with this Agreement (collectively the "Declarant 1's Improvements"):  

(a) The construction of a playing field and landscaping together with an irrigation system; and  

(b) A police department resource center/restroom facilities.  

The Declarant 1's Improvements are shown conceptually on the sketch attached as Exhibit "B" hereto.

The Declarant 1's Improvements shall include bleachers, football goal posts, and scoreboard. However, the County at its own expense shall assemble and install the bleachers to be provided by Declarant 1.

3. Declarant 1's Agreement to Construct the Declarant 1's Improvements. Declarant 1 agrees to construct Declarant 1's improvements by June 30, 2005.

The foregoing completion deadlines is an estimate only and shall be extended for delays caused by reasons beyond Declarant 1's control.

4. Declarants' Agreement to Dedicate. Upon completion of Declarant 1's Improvements, and upon the first to occur of the final subdivision approval being granted for any one or more of the Kulamalu Mauka and Kulamalu Hilltop Subdivisions, Declarant 1 and Declarant 2 shall grant and convey the Park Lot to the County together with the completed Declarant 1's Improvements, for use as a public park, in accordance with the terms and conditions of this Agreement. If at the time of such subdivision approval the Declarant 1's Improvements shall have not yet been completed, Declarant 1 agrees to provide to the County (a) evidence of documented construction costs to complete the Declarant 1's Improvements and (b) a surety bond or letter of credit to the County in the amount of the unpaid construction costs to secure Declarant 1's obligation to complete Declarant 1's Improvements within an agreed time period (not more than one year after issuance of the bond) and to dedicate the Park Lot to the County with all improvements upon their completion.

All one year construction warranties shall commence from the date of
substantial completion.

5. **Park Lot Operations.** The deed conveying the Park Lot to the County shall contain the following covenants to be observed by the County in its future operation and management of the Park Lot as a public park:

(a) The County shall promptly assume the responsibility for keeping the playing field in mowed and maintained condition and for paying for all utilities serving the park. Declarant 1 shall have the responsibility for performing all other park maintenance duties for a period of five (5) years from the date of substantial completion, and thereafter the County shall take over and perform all obligations and functions of every kind relating to park maintenance and operations on the portions of the park marked by shading on the plan attached as Exhibit “A”. Declarant 1 thereafter shall continue to be responsible for maintaining the balance of the Park Lot. Declarant 1 may assign its said obligations under this paragraph to the Kulamalu Town Center Association, Inc., which is the property owners’ association responsible for maintaining subdivision common areas.

(b) Notwithstanding the County’s assumption of maintenance obligations, Declarant 1 for itself and for the Kulamalu Town Center Association, Inc. reserves the right but not the obligation to maintain some of the landscaping and trees at Declarant’s own expense if Declarant 1 or said Association deems it appropriate for the purpose of maintaining the attractiveness of the park in relation to the Kulamalu Town Center.

(c) The party maintaining the field shall use qualified, experienced personnel in repairing and maintaining the irrigation system, plumbing, lighting and other facilities and maintaining the fertilized status of the field.

(d) The playing field in the park shall be available for Maui Youth Football Conference, Inc. football or other youth football organizations as designated by Declarant 1, from August 1 to December 15. The playing field shall be available for soccer and other uses from January 16 to June 30. With respect to youth football and soccer use, the County and Declarant 1 shall require that the applicable organization shall enter into an agreement under which said organization shall prepare the field for its upcoming playing season and provide reasonable maintenance during said season. During the periods from July 1 to July 31 and from December 16 to January 15, there shall be no organized recreational activities and the vegetation shall be maintained and be allowed to lie fallow and regenerate.
(e) The Maui Youth & Football Conference, Inc. or its designee shall be given the right to construct a concession/storage shed for its own use for Maui Youth Football & Conference, Inc. football-related activities and football equipment storage, subject to reasonable rules and restrictions of the County of Maui Department of Parks and Recreation. It is agreed that the concession area of the building will be made available to soccer and other uses from January 16 to June 30.

(f) After the expiration of the five-year period defined in subparagraph (a), the County shall maintain the police resource center/restroom facility and the play field area, as delineated in Exhibit "B", to the standards of other parks within the County of Maui (irrigation and mowing).

6. Credits. The Park Lot contains approximately 347,793 square feet of land, which under MCC Section 18.16.320 would be sufficient to satisfy park dedication requirements for over 695 subdivided lots, which substantially exceeds the requirements for the aggregate of 61 planned residential lots in Kulamalu Hilltop and Kualono Subdivisions and the 57 residential lots developed in the Kulamalu Residential Subdivision. The dedication hereunder shall be sufficient for all of said subdivisions (LUCADA (DSA) Nos. 2.260, 2.2576, 2.2770, 2.2769, 2.2756 and Kualono), any future resubdivision thereof, the proposed development of TMK (2) 2-3-9:07, (2) 2-3-09:39 portion and any other subdivisions to be developed by Declarant 1 or Declarant 2 or any affiliate or designee of either in the Makawao-Pukalani-Kula Community Plan District; provided that the total number of lots in the aggregate, to be covered by this Agreement shall not exceed said 695 lot dedication requirement, (as said park dedication requirement in MCC Section 18.16.320 may be amended in the future).

Said credits shall be applicable for said subdivisions of Declarants 1 and 2 and their designees and affiliates which shall have received preliminary subdivision approval within fifteen (15) years following the date of recording of the deed of dedication under Section 4 above.

The cost of constructing Declarant 1's improvements shall be deemed to be a voluntary enhancement by Declarant 1 for the benefit of the public, with no reimbursement or additional park dedication credits required with respect to said improvements or their cost.
IN WITNESS WHEREOF the parties have executed this Agreement the day and year first above written.

KULAMALU LLC

By: ____________________________

Its: ____________________________

"Declarant 1"

HANOHANO LLC

By: ____________________________

Its: ____________________________

"Declarant 2"

COUNTY OF MAUI

By: ____________________________

Its: ____________________________

"County"

APPROVED AS TO FORM:

Deputy Corporation Counsel
County of Maui
STATE OF HAWAI'I

COUNTY OF MAUI

On this 18th day of AUGUST, 2005, before me personally appeared Everett K. Deering, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable, in the capacities shown, having been duly authorized to execute such instrument in such capacities.

[Signature]

Notary Public, State of Hawaii
Printed Name: MARILYN M. STUPPLEBEEN
My Commission Expires: 04/17/09

STATE OF HAWAI'I

COUNTY OF MAUI

On this 18th day of AUGUST, 2005, before me personally appeared Everett K. Deering, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable, in the capacities shown, having been duly authorized to execute such instrument in such capacities.

[Signature]

Notary Public, State of Hawaii
Printed Name: MARILYN M. STUPPLEBEEN
My Commission Expires: 04/17/09
STATE OF HAWAI'I    )
COUNTY OF MAUI    ) SS.

On this 17th day of August, 2005, before me appeared ALAN M. ARAKAWA, to me personally known, who being by me duly sworn did say that he is the Mayor of the County of Maui, a political subdivision of the State of Hawaii, and that the seal affixed to the foregoing instrument is the lawful seal of the said County of Maui, and that the said instrument was signed and sealed on behalf of said County of Maui by authority of its Charter, and the said ALAN M. ARAKAWA acknowledged the said instrument to be the free act and deed of said County of Maui.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

[Signature]
Kay A. Ogasawara
NOTARY PUBLIC, State of Hawaii
(Print Name)
My commission expires: 7/11/09
EXHIBIT "A"
KULAMALU COMMERCIAL SUBDIVISION

LOT 22-A

Being a portion of Lot 22 of Kulamalu Commercial Subdivision, being also a portion of Grant 1167 to Aui. Situate at Kohoilo, Kula, Maui, Hawaii.

Beginning at the Northeast corner of this parcel of land, being also the Southeast corner of Lot 7 of Kulamalu Mauka Subdivision, and on the West side of Kula Highway F.A.P. BF-037-1(1), the coordinates of said point of beginning referred to Government Survey Triangulation Station "PUU O KOHA", being 482.93 feet South and 13,611.47 feet East and running by azimuths measured clockwise from true South:

1. 338° 57' 47" 535.28 feet along the West side of Kula Highway (F.A.P. BF-037-1 (1));
2. 68° 57' 47" 20.00 feet along the same;
3. 338° 57' 47" 625.00 feet along the same;
4. 68° 57' 47" 21.23 feet along the same;

Thence along the top of the gulch for the next eight(8) courses the direct azimuths and distances between points on said top of gulch being:

5. 39° 00' 00" 50.34 feet;
6. 88° 00' 00" 126.00 feet;
7. 102° 38' 00" 41.50 feet;
8. 127° 21' 30" 57.86 feet;
9. 151° 57' 00" 125.00 feet;
10. 150° 02' 00" 106.50 feet;
11. 131° 18' 00" 77.30 feet;
12. 114° 00' 00" 93.49 feet;
13. 158° 59' 00" 640.72 feet along Lot 21-A of Kulamalu Commercial Subdivision, along the remainder of Grant 1167 to Aui;
Thence along Roadway Lot 24-A ('Ohi'a Ku Street) of Kulamalu Commercial Subdivision, along the remainder of Grant 1167 to Aui, on a curve to the right with a radius of 30.00 feet, the chord azimuth and distance being:

14. 228° 10’ 14” 21.32 feet;
15. 248° 59’ 00” 40.07 feet along the same;
16. 158° 59’ 00” 60.00 feet along the same;
17. 248° 59’ 00” 342.31 feet along Lot 1, Roadway Lot 14, and Lots 12 and 7 of Kulamalu Mauka Subdivision, along the remainder of Grant 1167 to Aui, to the point of beginning and containing an area of 9.231 acres.

Reserving, unto, Kulamalu LLC, Easement A-1 further described as follows:

EASEMENT A-1
(For Access and Utility Purposes)

Being a portion of Lot 22-A of Kulamalu Commercial Subdivision, being also a portion of Grant 1167 to Aui. Situate at Koholo, Kula, Maui, Hawaii.

Beginning at the Northwest corner of this easement, being also the Northeast corner of Roadway Lot 24-A ('Ohi'a Ku Street) of Kulamalu Commercial Subdivision, the coordinates of said point of beginning referred to Government Survey Triangulation Station "PUU O KOHA", being 605.64 feet South and 13,291.71 feet East and running by azimuths measured clockwise from true South:

1. 248° 59’ 00” 218.97 feet along Lot 1, Roadway Lot 14, and Lot 12 of Kulamalu Mauka Subdivision;

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Thence along the remainder of Lot 22-A of Kulamalu Commercial Subdivision, on a curve to the right with a radius of 52.00 feet, the chord azimuth and distance being:

2. 293° 59' 00" 73.54 feet;

Thence along the same, on a curve to the right with a radius of 52.00 feet, the chord azimuth and distance being:

3. 57° 32' 30" 101.93 feet;

Thence along the same, on a curve to the left with a radius of 20.00 feet, the chord azimuth and distance being:

4. 102° 32' 30" 22.11 feet;
5. 68° 59' 00" 152.64 feet along the same;
6. 158° 59' 00" 60.00 feet along Roadway Lot 24-A ('Ohi'a Ku Street) of Kulamalu Commercial Subdivision, to the point of beginning and containing an area of 0.439 of an acre.

Reserving, also, unto Kulamalu LLC, Easement A-2 further described as follows:

EASEMENT A-2
(For Access Purposes)

Being a portion of Lot 22-A of Kulamalu Commercial Subdivision, being also a portion of Grant 1167 to Aui. Situate at Kohoilo, Kula, Maui, Hawaii.

Beginning at the Northwest corner of this easement, being also the Northeast corner of Easement A-1 ('Ohi'a Ku Place) of Kulamalu Commercial Subdivision, the coordinates of said point of beginning referred to Government Survey Triangulation Station “PUU O KONA”, being 527.08 feet South and 13,496.12 feet East and running by azimuths measured clockwise from true South:
1. 248° 59' 00" 56.00 feet along Lots 12 and 7 of Kulamalu Mauka Subdivision;

2. 343° 28' 30" 52.16 feet along the remainder of Lot 22-A of Kulamalu Commercial Subdivision;

   Thence along Easement A-1 along the remainder Lot 22-A of Kulamalu Commercial Subdivision, on a curve to the left with a radius of 52.00 feet, the chord azimuth and distance being:

3. 113° 59' 00" 73.54 feet to the point of beginning and containing an area of 686 square feet.

Reserving, also, unto Kulamalu LLC, Easement L-11 further described as follows:

EASEMENT L-11
(For Landscape and Waterline Purposes)

Being a portion of Lot 22-A of Kulamalu Commercial Subdivision, being also a portion of Grant 1157 to Aui. Situate at Kohoilo, Kula, Maui, Hawaii.

Beginning at the Northwest corner of this easement, and on the South side of Roadway Lot 24-A (‘Ohia Ku Street) of Kulamalu Commercial Subdivision, the coordinates of said point of beginning referred to Government Survey Triangulation Station "PUU O KOHA", being 699.26 feet South and 13,293.44 feet East and running by azimuths measured clockwise from true South:

1. 248° 59' 00" 40.00 feet along the South side of Roadway Lot 24-A ('Ohia Ku Street) and the remainder of Lot 22-A of Kulamalu Commercial Subdivision;

2. 338° 59' 00" 5.00 feet along the remainder of Lot 22-A of Kulamalu Commercial Subdivision;

3. 60° 59' 00" 40.00 feet along the same;

4. 158° 59' 00" 5.00 feet along the same to the point of beginning and containing an area of 240 square feet.
Reserving, also, unto Kulamalu LLC, Easement L-12 further described as follows:

EASEMENT L-12
(For Landscape and Waterline Purposes)

Being a portion of Lot 22-A of Kulamalu Commercial Subdivision, being also a portion of Grant 1167 to Aui, Situate at Koholilo, Kula, Maui, Hawaii.

Beginning at the Northwest corner of this easement, true azimuth and distance from the Southeast corner of Roadway Lot 24-A ('Ohi'a Ku Street) of Kulamalu Commercial Subdivision, being 248°59' 78.08 feet, the coordinates of said point of beginning referred to Government Survey Triangulation Station "PUU O KONA", being 633.65 feet South and 13,386.11 feet East and running by azimuths measured clockwise from true South:

1. 248° 59' 00" 12.00 feet along the remainder of Lot 22-A of Kulamalu Commercial Subdivision;

2. 330° 59' 00" 3.00 feet along the same;

3. 68° 59' 00" 12.00 feet along the same;

4. 158° 59' 00" 3.00 feet along the same to the point of beginning and containing an area of 36 square feet.
Subject, However, to the restriction of vehicular access into and from Kula Highway (P.A.P. BP-037-1 (1)), over and across Courses 1, 2, 3, and 4 of the above described property.

Description Prepared By:
AUSTIN, TSUTSUMI & ASSOCIATES, INC.

ERIK S. KANESHIRO
Licensed Professional Land Surveyor
Certificate No. 9826

Honolulu, Hawaii
September 22, 2004

TMK: 2nd Division 2-3-08; Por. 38
(Por. of Lot 22 of Kulamalu Commercial Subd.
LUCA File No. 2.2576, DWS SD-99-081)

END OF EXHIBIT "A"
AMENDMENT TO AGREEMENT REGARDING PARK DEDICATION

This Amendment is dated this 20th day of October, 2006, and is executed by KULAMALU LLC, a Hawaii limited liability company, of 2005 Main Street, Wailuku, Hawaii 96793 ("Declarant 1"), HANOHANO LLC, a Hawaii limited liability company, of 2005 Main Street, Wailuku, Hawaii 96793 ("Declarant 2") and the COUNTY OF MAUI, acting through its Director of Parks and Recreation, of 700 Halia Nakea Street, Unit 2, Wailuku, Hawaii 96793 (the "County").

RECITALS: Reference is made to the Agreement Regarding Park Dedication dated August 18, 2005, recorded in the State of Hawaii Bureau of Conveyances as Document No. 2005-191608, among Declarant 1, Declarant 2 and the County (the "Agreement").

As of the date of this Amendment the dedication of the park called for by the Agreement has not yet occurred, and the parties at this time desire to clarify, for the record, the pending projects for which this park dedication is being
implemented and to define the future credits for the "excess" of land dedicated under the Agreement which may be applied to future projects under the terms of Maui County Code, Section 18.16.320(F) and (G).

**AMENDMENT:**

1. Section 6 of the Agreement, entitled "Credits" is hereby amended in its entirety to read as follows:

   "6. **Application of Dedication and Credits For Excess.** The Park Lot contains approximately 347,793 square feet of land, which under MCC Section 18.16.320 would be sufficient to satisfy park dedication requirements for over 695 subdivided lots or residential units. This dedication meets the park dedication requirements for:

   (a) Thirteen (13) lots in Kulamalu Hilltop, Subdivision No. 2.2758;

   (b) Fifty-seven (57) lots in Kulamalu, Subdivision No. 2.2620;

   (c) Twenty-two (22) lots in Kulamalu Commercial, including 87 residential units, Subdivision No. 2.2576;

   (d) Forty (40) Residential Units in Kulemalu Vista, a pending condominium development at Kulamalu; and

   (e) Forty-nine (49) lots in Kualono, Subdivision No. 2.2896.

   The remaining 488 subdivided lots and residential units not covered by this dedication are to be allocated as "credits" to other projects as "excess" under the terms of MCC Section 18.16.320(F) and (G), to any other subdivisions to be developed by Declarant 1 or Declarant 2 or any affiliate or designee of either in the Makawao-Pukalani-Kula Community Plan District, subject to the restrictions in MCC Section 18.16.320 as it may be amended in the future. Said credits for said excess shall be applicable for said subdivisions and developments of Declarants 1 and 2 and their designees and affiliates which shall have received preliminary subdivision approval within..."
fifteen (15) years following the date of recording of the deed of dedication under Section 4 above.

The cost of constructing Declarant 1's improvements shall be deemed to be a voluntary enhancement by Declarant 1 for the benefit of the public, with no reimbursement or additional park dedication credits required with respect to said improvements or their cost."

2. In all other respects the Agreement remains in full force and effect and unmodified.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

KULAMALU LLC
By: Maui Quest LLC, its Managing Member
By: Dowling Company, Inc., its Member

By: __________________________
Don Fujimoto
Its: Vice President

"Declarant 1"

HANOHANO LLC
By: Maui Quest LLC, its Member
By: Dowling Company, Inc., its Member

By: __________________________
Don Fujimoto
Its: Vice President

"Declarant 2"
On this 10th day of October, 2006, before me personally appeared DON FUJIMOTO, to me personally known, who, being by me duly sworn or affirmed, did say that such person(s) executed the foregoing instrument as the free act and deed of such person(s), and if applicable, in the capacities shown, having been duly authorized to execute such instrument in such capacities.

Marilyn M. Stupplebeen
Notary Public, State of Hawaii
Printed Name: Marilyn M. Stupplebeen
My Commission Expires: 04-17-09

On this 10th day of October, 2006, before me personally appeared DON FUJIMOTO, to me personally known, who, being by me duly sworn or affirmed, did say that such person(s) executed the foregoing instrument as the free act and deed of such person(s), and if applicable, in the capacities shown, having been duly authorized to execute such instrument in such capacities.

Marilyn M. Stupplebeen
Notary Public, State of Hawaii
Printed Name: Marilyn M. Stupplebeen
My Commission Expires: 04-17-09
COUNTY OF MAUI

On this 20th day of October, 2008, before me appeared ALAN M. ARAKAWA, to me personally known, who, being by me duly sworn, did say that he is the Mayor of the County of Maui, a political subdivision of the State of Hawaii, and that the seal affixed to the foregoing instrument is the lawful seal of the said County of Maui, and that the said instrument was signed and sealed on behalf of said County of Maui pursuant to Section 7-5.11 and Section 9-18 of the Charter of the County of Maui; and the said ALAN M. ARAKAWA acknowledged the said instrument to be the free act and deed of said County of Maui.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Keli'i P. Nahoolikaika
Notary Public, State of Hawaii
Printed Name: Keli'i P. Nahoolikaika
My Commission Expires: 4/30/10