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Deputy to the Chairperson

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DEPARTMENT OF AGRICULTURE
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Phone: (808) 973-9600 FAX: (808) 973-9613

July 21, 2017

CERTIFIED MAIL NO. 7016 0910 0002 1920 1081
RETURN RECEIPT REQUESTED

Canpartners IV Royal Kunia Property LLC
Via Mr. Miles B. Furutani, Esq.
700 Bishop Street, Suite 1700
Honolulu, Hawaii 96813

Subject: Royal Kunia Agricultural Park
Offsite Infrastructure Development Status

The Department of Agriculture, Agricultural Resource Management Division (DOA) received your proposed draft, *Fourth Amendment to Amendment and Restatement of Memorandum of Understanding* (4th MOU), via email from Mr. Miles Furutani, Esq. to Mr. Randy Teruya of my staff on November 30, 2016. The proposed draft substantially deviates from the terms and agreements of the original 1993 MOU, its subsequent amendments, and the terms of the Land Use Commission's reclassification of the property.

Please be reminded that the *Third Amendment to Amendment and Restatement of Memorandum of Understanding* (3rd MOU) stipulated the submission of off-site infrastructure plans to DOA by December 31, 2015 and construction of infrastructure by December 31, 2016. As you are aware, the deadlines in the 3rd MOU were formulated in accordance with the Land Use Commission (LUC) Order under Docket No. A92-683, as certified January 28, 2015, Section IV, Decision and Order, Item 1, which states, "*Royal Kunia Agricultural Park Offsite Infrastructure. Within six (6) months of the date of the Commission's Order, the landowner(s) within the Petition Area shall finalize an amendment to the Memorandum of Understanding (dated 1993 and subsequent amendments in 2007, 2009 and 2012) with the Department of Agriculture, and comply with this amended Memorandum of Understanding. This Memorandum shall require that off-site infrastructure to the State of Hawaii's Kunia Agricultural Park be completed no later than December 31, 2016.*"

We are not considering your proposed 4th MOU and instead, request a status update regarding the submission of design plans and development of off-site infrastructure for the Royal Kunia Agricultural Park. Please provide a written response within thirty (30) days of receipt of this letter. At a minimum, the response shall include an update on the current status of the project, as well as reasonable, explained deadlines for the submission of design plans and construction.

Please note that DOA expects Canpartners, and/or any successors in interest, to fulfill its obligations under the original 1993 MOU and subsequent amendments.

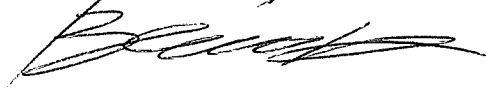
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LAND USE COMMISSION
STATE OF HAWAII



Mr. Miles B. Furutani
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Thank you very much for your consideration. If you have any questions regarding this letter, please contact Ms. Janice Fujimoto of my staff at 808-973-9493.

Sincerely,



BRIAN KAU, P.E.
Administrator and Chief Engineer
Agricultural Resource Management Division

✓ C:
State of Hawaii, Land Use Commission
State of Hawaii, Office of Planning
Deputy Attorney General Jennifer Waihee-Polk