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August 20, 2015

Via Hand Delivery

Mr. Daniel Orondenker, Executive Officer
State of Hawaii Land Use Commission
235 South Beretania Street, #406
Honolulu, Hawaii 96813

2015 AUG 20 P 1:51
LAND USE COMMISSION
STATE OF HAWAII

Re: Docket No. A06-771 D.R. Horton-Schuler Homes LLC
Notice of Intent to Sell or Donate Property Within the Petition Area

Dear Mr. Orodnenker:

Petitioner D.R. Horton Schuler Homes LLC (“D.R. Horton”) respectfully submits this letter to the Land Use Commission of the State of Hawaii (the “Commission”) advising the Commission of the status of pending transactions involving portions of its Property that is the subject of the above captioned docket.

In its recently filed Motion for Order to Show Cause, the Friends of Makakilo (“FOM”) argues that D.R. Horton has violated Condition 22 of the Decision and Order, which states:

22. Notice of Change of Ownership. 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 Petition Area, any time prior to completion of the development of the Petition Area.

D.R. Horton reassures the Commission that it intends to comply with Condition 22. However, at this time, the contingent nature of each of the referenced transactions make providing notice premature. Nevertheless, because FOM raised the issue, D.R. Horton assures the Commission that it will provide notice in accordance with Condition 22 of the Decision and

Order if and when there is any change in ownership of its Property to third parties prior to completion of development of the Petition Area.

D.R. Horton hereby provides the Commission with the status of the pending transactions identified in FOM's motion:

1. D.R. Horton is donating approximately five (5) acres of land within the Petition Area to the Hawaiian Humane Society ("HHS") for the development of a new west Oahu campus for the organization. The location of the five (5) acres is contemplated to comprise a portion of Lot 98-B, area 7.258 acres, more or less, as shown on Map 442, Land Court application No. 1069, covered by Tax Map Key No. (1) 9-1-017-059 (por.). However, the exact lot configuration cannot be determined until roadway right of way widths surrounding the parcel are defined and approved by the City and County of Honolulu ("City"). In addition, the HHS is currently undertaking their due diligence of the parcel, after which D.R. Horton will need to obtain subdivision approval from the City prior to any conveyance.
2. D.R. Horton hopes to donate approximately one (1) acre of land to the Waianae Coast Comprehensive Health Center for the development of a new clinic. The one (1) acre is contemplated to comprise a portion of Lot 10078, area 182.768 acres, more or less, as shown on Map 785, Land Court Application No. 1069, covered by Tax Map Key No. (1) 9-1-017-072. As of this date, this transaction has not been reduced to a legally binding agreement.
3. D.R. Horton hopes to sell approximately thirty-eight (38) acres of land to the MacNaughton Group and Kobayashi Groups, respectively. The property is identified as Lot 11993-A, area 38.082 acres, more or less, as shown on Map 1621, Land Court Application No. 1069, covered by Tax Map Key No. (1) 9-1-018-004 (por.). This land is comprised of a non-contiguous parcel set apart from the remainder of the Petition Area. The thirty-eight (38) acres is less than 3% of the total acreage for the Petition Area. The details of this sale were recently finalized in a purchase and sale agreement dated July 16, 2015. As of the date of this letter, the acquiring entity is conducting its due diligence.

We respectfully ask that the Commission accept this letter as reassurance that Condition 22 is being complied with and notice of the change in ownership of D.R. Horton's property will be provided at the appropriate time.

If you have any questions or concerns, please contact me at 528-9074.

Sincerely,



Cameron W. Nekota
Vice President