

Murray M. Smith PE
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LAND USE COMMISSION
STATE OF HAWAII

2018 MAY -2 A 8:59

Monday, April 30, 2018

Mr. Daniel Orodener
Executive Director
Land Use Commission
State of Hawaii

Re: Docket No. A05-755 Hale Mua Properties LLC
TMK (2) 3-3-002-031

Please be advised that I am representing Southwest 7 LLC as their agent, and I will be attending your meeting scheduled for May 9, 2018 at the MACC. I intend to present the following information to the Commission:

Southwest 7 is the fee owner of a portion of the land that the Commission's Decision and Order affects. Southwest 7 came into title through a Commissioner's Deed granted as the result of a foreclosure action filed by Southwest 7 in 2011. The Defendant was Sterling Kim and Hale Mua Properties. Mr. Kim was the owner at the time the Decision and Order was granted.

Southwest 7 (owner) is aware of the conditions as set forth in your D&O, however, they are not in a position to proceed with the development, and therefore have no progress to report in regards to compliance thereto. Owner has been unsuccessfully attempting to market the property over the past several years. A number of reasons exist for the failure to successfully market the property:

1. The conditions attached to the current plan are financially infeasible.
2. The plan encompasses an area greater than exists under the owner's control. The entire parcel being Lot C as shown on the Iao Valley Large Lot Subdivision Map consists of 240 acres. Southwest 7 is fee owner of only approximately 185-190 acres of the total. However, all of Lot C is under one TMK.
3. The availability of utilities for this density is questionable.

The owner is currently working to correct some of these issues in order to make a sale of owner's portion of the Lot C. For the reasons stated, it is doubtful that a future owner would pursue the action that was anticipated at the time of your D&O.

Thank you for this opportunity to appear, and I will make every effort to respond to any questions the Commission may have in regards to this issue. Please include the undersigned in all future correspondence.

Sincerely,

A handwritten signature in black ink, appearing to read "Murray M. Smith". The signature is fluid and cursive, with a large, sweeping flourish at the end.

Murray M. Smith

cc: T. Millspaugh
J. Pund