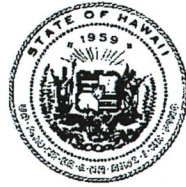


DAVID Y. IGE  
GOVERNOR



CRAIG K. HIRAI  
EXECUTIVE DIRECTOR

**STATE OF HAWAII**


DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM  
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION  
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IN REPLY REFER TO:

18:DEV/0178

December 4, 2018

To: Daniel E. Orodener, Executive Officer  
Land Use Commission

From: Craig K. Hirai   
Executive Director

Subject: Docket No. A10-788 – Annual Report for 2018  
Kamakana Villages at Keahuolu  
Keahuolu, North Kona, Hawaii

Pursuant to Land Use Commission's (LUC) Decision and Order in Docket No. A10-788, transmitted herewith is an original and one copy of the annual report on the status of the Kamakana Villages development and progress in complying with conditions imposed by the LUC. In accordance with the LUC's letter to the Hawaii Housing Finance and Development Corporation (HHFDC) dated October 1, 2007, an electronic pdf version of this transmittal memorandum and the annual report is being concurrently emailed to the LUC at [LUC@dbedt.hawaii.gov](mailto:LUC@dbedt.hawaii.gov).

Should there be any questions or comments regarding this matter, please contact Stan S. Fujimoto, Project Manager, at 587-0541.

Enclosure

c: Office of Planning, w/enclosure  
County of Hawaii, Planning Department, w/enclosure  
SCD Kamakana, LLC, w/enclosure

**2018 Annual Report - State Land Use Commission Docket No.: A10-788**

**Condition Compliance Matrix**

**Forest City Hawaii Kona, LLC (Petitioner) and Hawaii Housing Finance and Development Corporation ("HHFDC")  
(collectively referred to as the "Co-Petitioners")**

On November 5, 2010, the State Land Use Commission (the "SLUC") reclassified approximately 271.837 acres of land, more particularly identified as Tax Map Key Nos.: (3) 7-4-021:020 (portion), and (3) 7-4-021:024 (the "Petition Area"), from the Agricultural District to the Urban District under SLUC Docket No.: A10-7880. Co-Petitioners intend to develop the Petition Area, together with approximately 0.226 acres already within the Urban District, as a master planned, mixed-use affordable housing project known as Kamakana Villages at Keahuolu (the "Project").

No.	Condition	Status	Comments
1	<b><u>Affordable Housing.</u></b> Petitioner shall provide affordable housing opportunities in accordance with applicable affordable housing requirements of the County of Hawaii's Office of Housing and Community Development and the certification of the Project as an HRS §201H-38 housing project. The location, distribution, and production schedule of the affordable units shall be under such terms as may be mutually agreeable between the Petitioner and the County.	On-going	<p>The Co-Petitioners shall comply with this condition.</p> <p>The Co-Petitioners shall develop the Project consistent with Hawaii County Resolution No. 405-10, effective November 2010 (approving the development of the Project as a HRS Chapter 201H project).</p> <p>The Co-Petitioners have a sub-development agreement with the Michaels Group, which received a Low Income Housing Tax Credit award in July 2015 for 170 units. The sub-development agreement outlines five increments totaling 452 units. The first 170 affordable units will be offered to households at 60% or below the HUD area median income. The 85-unit Michaels' Senior and 85-unit Michaels' Family Rental Projects, slated for TMK Nos.: (3) 7-4-021: 038 and 049, closed financing on July 26 and 28, 2016, respectively, and construction is currently ongoing. The construction of these initial 170 affordable units were substantially completed on 12/31/17 and rented-up in early 2018.</p>
2	<b><u>Parks.</u></b> Petitioner shall design and construct a minimum of 25 acres of parks and shall include at least ten playground facilities.	On-going	<p>The Co-Petitioners shall comply with this condition as the Project is developed.</p> <p>The Co-Petitioners plan to develop the first park within Phase 1 of the Petition Area and have initiated discussions with the Hawaii County Parks and Recreation Division regarding the same.</p> <p>An MOU between Co-Petitioners and Fish &amp; Wildlife Service was executed on February 25, 2016.</p>
3	<b><u>School Site and Construction Component Agreement.</u></b> Petitioner shall enter into an agreement with the State Department of Education to provide land for a school site and a cash contribution to the construction component of a school impact fee prior to submission of any applications for subdivision for the residential lots or plan approval for the multiple family and/or commercial units within the Project.	Complied	<p>The Co-Petitioners have satisfied this condition.</p> <p>On 04/25/11, the Petitioner and the Department of Education ("DOE") executed an Educational Contribution Agreement to fully satisfy the DOE education contribution requirements for the Project.</p>

4	<p><b><u>Water Resource Allocation.</u></b> Petitioner shall fund and construct drinking water source, storage, and transmission facilities and improvements as required to accommodate development of the Petition Area, to the satisfaction of the County of Hawaii, Department of Water Supply and appropriate State agencies. To the extent practicable and available, the Petitioner shall utilize non-potable water for landscaping.</p>	On-going	<p>The Co-Petitioners shall comply with this condition.</p> <p>On 11/22/11, the Co-Petitioners entered into a Water Agreement with the County of Hawaii Water Board, whereby the Co-Petitioners would provide the County with a dedicable water well, well site, storage and transmission improvements to the existing County water system, as a part of improving the DWS North Kona water system.</p> <p>A Finding of No Significant Impact for the development of Keopu Well #4 was published in The Environmental Notice on July 8, 2015.</p> <p>Co-Petitioners are working with DWS on an amendment to the Water Agreement. The amendment will provide for an extension to design, bid, construct, and dedicate the water system to Hawaii County.</p> <p>The Co-Petitioners also assisted with the design of water transmission facilities within the Ane Keohokalole Highway, and funded those water transmission facilities.</p> <p>Phase Manawalea Street Phase 1A (Phase 1A) and Manawalea Street Extension (Phase 1B) site irrigation system are substantially completed, and was designed to allow for use of non-potable reclaimed water, when that source is delivered to the Project boundary.</p> <p>The Co-Petitioners executed an MOU with NELHA dated 06/29/16 for the joint development of Ota Well at TMK (3) 7-5-001: 165, which will benefit NEHLA and the Project. In June 2016, NELHA procured a developer to complete the planning and exploration phase of the Ota Well. A draft Environmental Assessment for the exploration and development of Ota Well was published in The Environmental Notice of the Office of Environmental Quality Control ("OEQC") on August 23, 2018.</p>
5	<p><b><u>Water Conservation Measures.</u></b> Petitioner shall implement water conservation measures and Best Management Practices (BMPs), such as the use of indigenous and drought-tolerant plants and turf and incorporate such measures in the Project's landscape design. Petitioner shall design for and utilize for all irrigation purposes reclaimed water from the Kealakehe Wastewater Treatment Plant when that source is delivered to the Project boundary.</p>	On-going	<p>The Co-Petitioners shall comply with this condition.</p> <p>The Co-Petitioners have implemented, and will continue to implement, Best Management Practices (BMPs) and water conservation.</p> <p>The Phase 1A and Phase 1B on-site irrigation system are substantially complete and dedication to the Hawaii County is pending. Both Phases were designed to allow for use of non-potable reclaimed water, when that source is delivered to the Project boundary.</p> <p>Co-Petitioner is also reviewing the use of indigenous and drought-tolerant plants and turf in the Project's landscape design guidelines.</p>

6	<p><b><u>Transportation.</u></b> Petitioner shall mitigate all project generated traffic impacts as recommended and/or required by the Traffic Impact Analysis Report (TIAR) prepared for the project that has been reviewed and accepted/approved by the State Department of Transportation (DOT) and the County of Hawaii. No final subdivision approvals shall be issued until the Petitioner has executed an agreement with DOT and Hawaii County committing to the implementation of all necessary measures to mitigate the direct impacts of the project on the surrounding roadway system as well as to the level of funding and participation for Petitioner's pro rata share of regional transportation improvements.</p>	Complied	<p>The Co-Petitioners shall comply with this condition.</p> <p>Co-Petitioners had Fehr &amp; Peers prepare a comprehensive updated TIAR over several years, which was accepted by the DOT in November 2014. At that time Co-Petitioners entered into a Memorandum of Agreement with the DOT to address transportation requirements the HHFDC Board approved the DOT MOA in December 2014.</p> <p>Co-Petitioners were in regular contact with the County regarding the TIAR and related issues for several years and have had numerous meetings with the Department of Public Works. The TIAR was submitted to the County and a County MOA outlining Co-Petitioner's contributions toward traffic mitigation was executed on 04/06/16, and the HHFDC Board approved the County MOA on 03/10/16.</p> <p>The construction plans for the 1,850 lineal feet long, 2-lane Manawalea Street Extension roadway, which will traverse the Project within TMK (3) 7-4-021: 048 was approved by the County on September 30, 2016. This mauka/makai roadway will provide a connection between Ane Keohokalole Highway and the existing Manawalea Street. Notice to Proceed for construction of this roadway segment was issued on 09/08/17 and construction was substantially completed in the Fall 2018, and dedication to the County is pending. Construction was delayed until January 2018 due to a water shortage in Kona.</p>
7	<p><b><u>Street Lights.</u></b> Petitioner shall use fully-shielded, low sodium street lights within the Project to avoid impacts to avifauna and other populations. Shielding shall conform to the County's standards for street lights to prevent light diffusion upward into the night sky.</p>	On-going	<p>Co-Petitioners have complied with this condition as stated, however, in coordination with the County, the Co-Petitioners may use LED street lamps within the Project, which is consistent with the County's recent conversion to LED street lamps. Specifications were received from the Department of Public Works, and Co-Petitioner have installed required LED street lamps, which have been inspected and accepted by DPW.</p>
8	<p><b><u>Archaeological and Historic Preservation.</u></b> Petitioner shall comply with all interim and/or permanent mitigation and preservation measures recommended and approved by the State Department of Land and Natural Resources, State Historic Preservation Division (SHPD), prior to issuance of any permit for grubbing and grading. Petitioner shall confirm in writing to the Land Use Commission that the SHPD has found Petitioner's preservation mitigation commitments to be acceptable and has determined that any required historic preservation measures have been successfully implemented.</p>	On-going	<p>The Co-Petitioners shall comply with this condition.</p> <p>The Co-Petitioners have obtained the following State Historic Preservation Division ("SHPD") approvals for the Project:</p> <ul style="list-style-type: none"> <li>• 11/29/11 - Revised Archaeological Data Recovery Plan (ADRP).</li> <li>• 12/29/11 - Archaeological Monitoring Plan.</li> <li>• 03/20/12 - Archaeological Site Preservation Plan.</li> <li>• 03/22/12 - Grading Permit and Stockpiling Permit for Phase 1A.</li> <li>• 05/24/12 - Burial Treatment Plan.</li> </ul>

			<ul style="list-style-type: none"> <li>12/30/13 - Archaeological Monitoring Report (Lots 8 - 13)</li> <li>04/28/14 - Fieldwork (Step 1 verification) of ARDP.</li> </ul> <p>The Project archaeologist had anticipated submitting the data analysis report in the second quarter of 2016 in order to fulfill Step 2 of the 2-step verification process for the ARDP as agreed to by SHPD. Data analysis has taken longer than expected and a final internal draft was submitted to SHPD on 06/27/17 for review to fulfill Step 2 of the 2-step verification process.</p>
9	<p><b><u>Previously Unidentified Burials and Archaeological/Historic Sites.</u></b> In the event that historic resources, including human skeletal remains, are identified during construction activities, all work shall cease in the immediate vicinity of the find, the find shall be protected from additional disturbance, and the SHPD, Hawaii Island Section, shall be contacted immediately. Without any limitation to any other condition found herein, if any burials or archaeological or historic sites, such as artifacts, marine shell concentrations, charcoal deposits, stone platforms, paving, and walls not previously identified in studies referred to herein, are discovered during the course of construction of the Project, all construction activity in the vicinity of the discovery shall stop until the issuance of an archaeological clearance from the SHPD that mitigative measures have been implemented to its satisfaction.</p>	On-going	The Co-Petitioners shall comply with this condition.
10	<p><b><u>Established Access Rights Protected.</u></b> Petitioner shall preserve any established access rights of native Hawaiians who have customarily and traditionally used the Petition Area to exercise subsistence, cultural, and religious practices, or for access to other areas.</p>	On-going	The Co-Petitioners shall comply with this condition.
11	<p><b><u>Lava Tube Cave Preservation.</u></b> Petitioner shall preserve any lava tube caves or subgrade cavities not previously identified in studies referred to herein, if required to be preserved by SHPD or the Hawaii Island Burial Council as part of an approved burial treatment plan.</p>	On-going	The Co-Petitioners shall comply with this condition.
12	<p><b><u>Water Wells.</u></b> As recommended in the Final EIS, Petitioner shall install monitors for each source well, and reactivate the Komo Well as a monitoring well. Petitioner will also develop the Kamakana Well to provide monitoring. In providing potable water for the Project, Petitioner shall comply with all applicable laws and regulations to assess the potential impacts and identify the appropriate mitigation measures for such water source.</p>	On-going	<p>The Co-Petitioners shall comply with this condition.</p> <p>The Kamakana Well was completed in 2012 and is outfitted as a monitoring well. Tom Nance Water Resource Engineering is performing ongoing monitoring.</p>

13	<p><b>Storm and Surface Water Runoff Quality.</b> Prior to the occupancy of any residential unit within the Petition Area and as recommended in the Final EIS, Petitioner shall engineer, construct (or require to be constructed) and/or implement (or require to be implemented) and maintain storm and surface-water runoff BMPs, subject to any applicable review and approval of the State of Hawaii Department of Health (DOH), designed to minimize pollution and to prevent violations of State water quality standards as a result of storm-water discharges originating from the Petition Area.</p> <p>To the extent practicable and consistent with applicable laws, Petitioner shall implement landscaped areas, such as grassed or vegetative swales, grass filter strips, vegetated open space areas, check dams, or other comparable BMPs engineered to treat the first flush runoff volume including the removal of suspended solids and oils and greases from all streets and parking lots, and debris catch basins to allow the detention and periodic removal of rubbish and sediments deposited by runoff using current industry and engineering standards.</p> <p>Not less than 45 days before submitting an application for subdivision approval for residential lots, Petitioner shall submit a copy of its designs for storm and surface water runoff BMPs to the National Park Service for consultation.</p> <p>As recommended in the Final EIS, Petitioner shall create and provide a pollution prevention plan for residential and commercial facilities, and provide copies to property purchasers. To reduce the amount of pollutants from entering the groundwater, Petitioner shall provide educational materials and programs to residents establish community association covenants and implement BMPs. Educational materials and programs, and community association covenants would include, but not be limited to, the landscape management and vehicular maintenance controls recommended in the final EIS.</p> <p>To the extent practicable and consistent with applicable laws, Petitioner shall design storm and surface runoff BMPs to treat the first-flush runoff volume, to remove pollutants from storm and surface-water runoff, and to prevent pollutants from reaching the water table or coastal waters.</p>	On-going	<p>The Co-Petitioners shall comply with this condition.</p> <p>The Co-Petitioners have implemented comparable BMPs consistent with the applicable rules and regulations in the Phase 1A and Phase 1B design.</p> <p>Exhibit C of the Project's Declaration of Covenants, Conditions, and Restrictions ("DCCR") was recorded at the State of Hawaii Bureau of Conveyances ("BOC") on 06/16/16, as Document No. A-60110812. The DCCR's discloses the BMP's for the Michaels' Senior and Family Rental Projects at TMK (3) 7-4-021: 038 and 049.</p> <p>Besides BMPs during construction as required by DOH NPDES permits, construction plans for the Manawalea Street Phase 1A and Manawalea Street Extension include Enviro-Safe high capacity filtration baskets at drain inlets under manholes to mitigate pollutants from storm and surface water runoff reaching the water table or coastal waters.</p> <p>In response to concerns raised by the National Park Service ("NPS") about conformance with this condition by The Michaels Organizations' ("Michaels") Senior and Family Rental Projects, the Land Use Commission ("LUC") held status hearings on Kamakana Villages in January and May 2018. By letter dated October 24, 2018, Michaels indicated that based on communication with the NPS, they will be installing and maintaining Bio Clean Model BC-Grate inlet filters in the drainage inlets of the parking lots of their Senior and Family Rental Projects. The Bio Clean filters were installed on November 12, 2018.</p>
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14	<b><u>Drainage.</u></b> Petitioner shall fund, design and construct any drainage system improvements required to prevent adverse impact resulting from the development of the Project. Petitioner shall be required to prevent runoff from the Petition Area from adversely affecting State or County highway facilities and downstream properties. Petitioner shall submit plans to the DOT and appropriate State and County agencies for review and approval.	On-going	The Co-Petitioners shall comply with this condition.  Plans have been, and will continue to be, submitted to appropriate governmental agencies prior to construction for Phase 1A and Phase 1B.
15	<b><u>Wastewater Facilities.</u></b> Petitioner shall fund, design and construct transmission lines and connect to the County of Hawaii's Kealahou Sewage Treatment Plant to the satisfaction of the County Department of Environmental Management and the DOH.	On-going	The Co-Petitioners shall comply with this condition.  The Co-Petitioners installed an upsized sewer line within Ane Keohokalole Highway to provide the necessary wastewater transmission capacity needed for the Project.
16	<b><u>Solid Waste Management Plan.</u></b> Petitioner shall develop a solid waste management plan in conformance with the Integrated Solid Waste Management Act, HRS §342G, and this plan shall emphasize waste diversion and recycling. Petitioner's solid waste management plan shall be approved by the County of Hawaii and the DOH.	On-going	The Co-Petitioners shall comply with this condition.
17	<b><u>Civil Defense.</u></b> Petitioner shall fund and install one or more outdoor solar-powered warning sirens serving the Petition Area as determined by the State Department of Defense, Office of Civil Defense.	On-going	The Co-Petitioners shall comply with this condition.
18	<b><u>Air Quality Monitoring.</u></b> Petitioner shall participate in an air quality monitoring program as required by the DOH.	On-going	The Co-Petitioners shall comply with this condition.
19	<b><u>Best Management Practices.</u></b> Petitioner shall implement applicable BMPs for each proposed land use to minimize infiltration and runoff from construction and vehicle operations, reduce or eliminate the potential for soil erosion and ground water pollution, and formulate dust control measures to be implemented during and after the development process in accordance with the DOH guidelines.	On-going	The Co-Petitioners shall comply with this condition.  The Co-Petitioners have implemented comparable BMPs consistent with the applicable rules and regulations.
20	<b><u>Energy Conservation.</u></b> To the extent practicable Petitioner shall plan, design, and construct or incorporate into its development agreements a requirement that all commercial and institutional facilities be planned, designed, and constructed to meet at a minimum the U.S. Green Building Council's Leadership in Energy and Environmental Design for New Construction (LEED-NC), Silver level or higher. Petitioner shall plan, design, and construct or incorporate into its development agreements a requirement that, to the extent practicable, all homes be	On-going	The Co-Petitioners shall comply with this condition.  Co-Petitioner's first sub-developers, Kamakana Senior, LLC and Kamakana Family, LLC, will be seeking LEED Gold certification for the two projects that are under construction.

	planned, designed, and constructed to meet at a minimum the U.S. Green Building Council's Leadership in Energy and Environmental Design for Homes (LEED-H), Silver level or higher.		
21	<b>LEED-ND.</b> To the extent practicable Petitioner shall plan, design and construct the Project to meet at a minimum the U.S. Green Building Council's Leadership in Energy and Environmental Design for Neighborhood Development (LEED-ND), Certified or higher.	On-going	The Co-Petitioners shall comply with this condition.  Petitioner has included multi-modal transportation systems, water conservation approaches in landscaping, and a system of pedestrian trails between parks that are in alignment with the U.S. Green Building Council's Leadership in Energy and Environmental Design for Neighborhood Development (LEED-ND) certification.
22	<b>Compliance with Representations to the Commission.</b> Petitioner shall develop the Petition Area in substantial compliance with the representations made to the Commission. Failure to so develop the Petition Area may result in reversion of the Petition Area to its former classification, or change to a more appropriate classification.	On-going	The Co-Petitioners acknowledge this condition.
23	<b>Infrastructure Deadlines.</b> Petitioner shall complete construction of all backbone infrastructure for Phases 1 through 3a, as described in Petitioner's Incremental Development Plan, including major roadway improvements and primary water, sewer, drainage, and electrical infrastructure for Phases 1 through 3a no later than ten (10) years from the date of the Commission's Decision and Order.  Petitioner shall complete construction of all backbone infrastructure for Phases 3b through 6, as described in Petitioner's Incremental Development Plan, including major roadway improvements and primary water, sewer, drainage, and electrical infrastructure for Phases 3b through 6 no later than twenty (20) years from the date of the Commission's Decision and Order.	On-going	The Co-Petitioners acknowledge this condition.  Co-Petitioners faced substantial delays with the State Department of Transportation and the County Department of Public Works in preparing the required TIARs, and further delays in entering into the required agreements with those agencies called for under condition 6. These delays result in further delays on meeting infrastructure deadlines for Phase 1 through 3a.  The Project suffered additional delay due to the withdrawal of Co-Petitioner Forest City as master developer as described in condition 26.
24	<b>Automatic Order to Show Cause.</b> If Petitioner fails to comply with the deadlines contained in Condition 23 (Infrastructure Deadlines), the Commission shall issue and serve upon the Petitioner an Order to Show Cause as required by law and Petitioner shall appear before the Commission to explain why the Petition Area should not revert to its previous State Land Use Agricultural District classification, or be changed to a more appropriate classification.	On-going	The Co-Petitioners acknowledge this condition.

25	<p><b><u>Compliance with HRS Section 205-3.5, Relating to Agricultural Uses on Adjacent Agricultural Land.</u></b></p> <p>For all land in the Petition Area or any portion thereof that is adjacent to land in the State Agricultural District, Petitioner shall comply with the following:</p> <p>Petitioner and its successors and assigns shall not take any action that would interfere with or restrain farming operations conducted in a manner consistent with generally accepted agricultural and management practices on adjacent or contiguous lands in the State Land Use Agricultural District. For the purpose of these conditions, "farming operations" shall have the same meaning as provided in HRS Section 165-2, HRS.</p> <p>Petitioner shall notify all prospective developers or purchasers of land or interest in land in the Petition Area, and provide or require subsequent notice to lessees or tenants of the land, that farming operations and practices on adjacent or contiguous land in the State Land Use Agricultural District are protected under HRS Chapter 165, the Hawaii Right to Farm Act. The notice shall disclose to all prospective buyers, tenants, or lessees of the Petition Area that potential nuisances from noise, odors, dust, fumes, spray, smoke, or vibration may result from agricultural uses on adjacent lands. The notice shall be included in any disclosures required for the sale or transfer of real property or any interest in real property.</p>	On-going	<p>The Co-Petitioners shall comply with this condition.</p> <p>Section 10.15 of the Project DCCRs were recorded at the BOC on June 16, 2016, as Document No. A-60110812. The DCCRs discloses the State's Agricultural Use requirements for the Michaels' Senior and Family Rental Projects at TMK (3) 7-4-021: 038 and 049.</p>
26	<p><b><u>Notice of Change of Ownership.</u></b> Petitioner shall give notice to the Commission of any intent to sell, lease, assign, place in trust or otherwise voluntarily alter the ownership interest in the Petition Area at any time prior to completion of development of the Petition Area.</p>	On-going	<p>The Co-Petitioners acknowledge this condition. Co-Petitioners are in the process of dedicating road lots in Phase 1A and Phase 1B to the County of Hawaii.</p> <p>At closings on July 26 and 28, 2016, fee simple title for the Michaels' Senior and Family Rental Projects at TMK (3) 7-4-021: 038 and 049, respectively, were conveyed from FHT Kamakana, LLC to HHFDC and 67-year ground leases were issued from HHFDC to Kamakana Senior LLC and Kamakana Family Phase I LLC, respectively.</p> <p>Co-Petitioners are continuing discussions with other potential lessees and buyers of areas within the Project.</p> <p>On May 12, 2016, Co-Petitioner HHFDC's Board of Directors approved an amendment to the Development Agreement for the reduction in the scope of work and possible withdrawal of Co-Petitioner Forest City as master developer of the Project. In accordance with HHFDC Board approvals of May 12, 2016 and July 13, 2017, as of September 5, 2017, the Development Agreement was assigned to an entity associated with but legally separate from Forest City, Alakai Development Kona I LLC</p>

			<p>("ADKI"). ADKI is majority-owned and managed by a former officer of Forest City.</p> <p>On September 14, 2017, the HHFDC Board discussed HHFDC's consideration to approve the assignment of the Development Agreement from ADK I to an entity owned and managed by local developer Stanford Carr ("SCarr"). On November 9, 2017, the HHFDC Board approved the assignment of the Development Agreement to an SCarr entity that will succeed as the master developer of the Project and assume the obligations for development of the Project including these LUC conditions, with the exception of ADKI's Reserved Rights, also known as ADKI Work (as such terms are defined in the 6<sup>th</sup> Amendment to the Development Agreement dated April 17, 2018). ADKI's Reserved Rights include the rights and obligations to develop and dedicate the Phase 1A Roads and Manawalea Street Extension in accordance with Section 5 of the 5<sup>th</sup> Amendment to the Development Agreement dated September 5, 2017.</p> <p>On April 17, 2018, the Development Agreement was assigned to SCD Kamakana, LLC.</p>
27	<p><b><u>Annual Reports.</u></b> Petitioner shall timely provide without any prior notice, annual reports to the Commission, OP and the County, and their respective successors, in connection with the status of the development of the Petition Area and Petitioner's progress in complying with the conditions imposed herein. The annual report shall be in a form prescribed by the Executive Officer of the Commission. The annual report shall be due on or before the anniversary date of the Decision and Order for the reclassification of the Petition Area.</p>	On-going	<p>The Co-Petitioners will continue to comply with this condition and submits this 2018 Annual Report in compliance with this condition.</p>
28	<p><b><u>Release of Conditions.</u></b> The Commission may fully or partially release the conditions provided herein as to all or any portion of the Petition Area upon timely motion and upon provision of adequate assurance of satisfaction of these conditions by Petitioner or its successors or assigns.</p>	On-going	<p>The Co-Petitioners acknowledge this condition.</p>
29	<p><b><u>Notice of Imposition of Conditions.</u></b> Within seven days of issuance of the Commission's Decision and Order for the subject reclassification, Petitioner shall: (a) record with the Bureau of Conveyances of the State of Hawaii a statement that the Petition Area is subject to the conditions imposed herein by the Commission in the reclassification of the Petition Area; and (b) file a copy of such recorded statement with the Commission.</p>	Complied	<p>The Co-Petitioners complied with this condition.</p> <p>The Petitioner recorded a "<i>Notice of Imposition of Conditions</i>" with the BOC on 11/16/10 as Document No. 2010-176103. A copy of the <i>Notice of Imposition of Conditions</i> was filed with the LUC and sent to all parties on 11/16/10.</p>

30	<b><u>Recordation of Conditions.</u></b> Petitioner shall record the conditions imposed herein by the Commission with the Bureau of Conveyances pursuant to HAR § 15-15-92.	<b>Complied</b>	The Co-Petitioners complied with this condition. The Petitioner recorded the "Declaration of Conditions Applicable to an Amendment of District Boundary from Agricultural to Urban" was recorded with the BOC on 11/16/10 as Document No. 2010-176104.
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