

KULA NEI PARTNERS LLC  
2697 Waiomao Road  
Honolulu, HI 96816  
73-4529 Kohanaiki Road #8  
Kailua-Kona, HI 96740

LAND USE COMMISSION  
STATE OF HAWAII

2019 FEB 11 A 9:05

SUBJECT: ANNUAL REPORT 2015  
THE SHOPOFF GROUP DBA KULA NEI PARTNERS LLC  
DOCKET NO. A06-770

DEVELOPMENT STATUS OF THE PETITIONED AREA

KNP acquired ownership of the petitioned area in late 2014 with the clear understanding that KNP would not be pursuing the proposed development plan as represented by the Shopoff Group. The Lee ohana owned the petitioned area since the 1920's and entered into a joint venture development agreement through Springbrook Investments L.P. and the Shopoff Group in 2006 to develop the family holdings for purposes of providing housing opportunities for their ohana and other Kona residents. When the petitioned area was acquired by Central Pacific Bank, Robert Lee Jr. recognized the opportunity to re-acquire the family property and re-purpose the project to a much lower density for the benefit of future generations of the Lee ohana. KNP was only formed for purposes of re-acquisition and not for purposes of financing the development of the petitioned area as represented by the Shopoff Group.

KNP spent this reporting period designing a low density, large lot ohana type project utilizing existing County zoning (A-5a) of five (5) acre minimum sized lots. KNP had retained water commitments for twenty-six (26) lots so the initial design was to re-allocate the density from the makai 45-acre lot (9 lots) to the mauka two lots (39.4 acres and 44.9 acres respectively). The reason for this proposed re-allocation of density was due to the extensive archeological and cultural features which covered most of the makai lot and KNP's desire to preserve and protect these features and their associated cultural interpretive value.

COMPLIANCE WITH CONDITIONS

KNP has made no effort to pursue compliance with any other conditions of approval.

Sincerely,



Robert E. Lee  
Co-Manager, Kula Nei Partners LLC

Cc: Kula Nei Partners LLC (Honolulu