

Before the Land Use Commission  
Of the State of Hawaii

In the Matter of  
Order to Show Cause  
Kula Nei Partners LLC (successor petitioner)  
A06-770 The Shopoff Group, L.P.  
May 22, 2019

DECLARATION OF ROBERT E. LEE JR.  
FOR KULA NEI PARTNERS LLC

I, ROBERT E. LEE JR., do hereby declare the following:

1. I am Co-Manager of Kula Nei Partners LLC (“KNP” or “Successor Petitioner”), successor to The Shopoff Group, L.P. (the “Petitioner”) in the matter of docket A06-770 before the State Land Use Commission (the “LUC”).
2. TMKs: (3) 7-3-007:038, 039, and (3) 7-3-009:007 (the “Property” or “Petitioned Area”) were reclassified by the LUC from the State Land Use Agricultural district to the Urban district pursuant to the Decision and Order filed on October 21, 2008. The Petitioners plan for the project was to develop 270 residential dwelling units, consisting of approximately 216 to 220 single-family home sites and affordable housing units with lot sizes ranging from 7,500 sf to 20,000 sf. Proposed project improvements include a 4.4 acre private community park; a waste water treatment plant; an off-site drinking water well; storage reservoirs; water transmission lines; internal roadway systems; and offsite roadway connections. EXHIBT ( 5 ).
3. By letter dated December 6, 2010 to the LUC, the Petitioner provided notice that

the Petitioned Area was scheduled to be conveyed to Central Pacific Bank, effective upon execution of settlement agreements between the Owners and Central Pacific Bank.

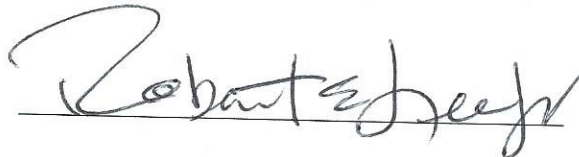
4. KNP is the successor entity to TSG Kula Nei, L.P., who, in conjunction with Springbrook Investments, L.P., was the former owners of the Property. KNP acquired the Petitioned Area of the subject docket via Limited Warranty Deed from Central Pacific Bank on December 9, 2014. The transaction was recorded in the Bureau of Conveyances on December 15, 2014. EXHIBIT ( 6 )
5. Exhibit A of the Limited Warranty Deed, KNP imposes conditions by the LUC and declaration of conditions applicable to an amendment of district boundary amendment from agricultural to urban dated and recorded on October 27, 2008 and December 16, 2008 respectively. ( EXHIBIT ( 7 )
6. The requirement to record the imposition of LUC conditions with the Bureau of Conveyances is pursuant to condition 27 of the LUC Decision and Order.
7. KNP reviewed condition 1 of the LUC Decision and Order and concluded that the Petitioner failed to comply with conditions 1 (A), 1 (B), or 1 (C). EXHIBIT ( 8 )
8. The intent of KNP re-acquiring the Property was to retain the Property within the Lee ohana, and utilize the Property for lower impact uses that were more compatible with the extensive cultural and natural resources that were uncovered during the Petitioners detailed studies of the Petitioned Area. KNP does not have nor does not intend to pursue the financial resources necessary to implement the proposed Shopoff development project.
9. Unless the conditions imposed by the LUC to be recorded against the title for the

Property are removed, KNP cannot utilize the Property for the lower impact uses KNP is now envisioning for the Property.

10. By letter dated September 22, 2017, KNP served notice to the State Land Use Commission that KNP was the successor land owner and Successor Petitioner to the Shopoff Group, L.P. In that letter, KNP indicated that it was considering requesting that the petitioned area or portions of the petitioned area be reverted to its original or more appropriate designation.
11. By letter dated December 8, 2017, KNP formally notified the LUC that KNP will be unable to go forward with the project as represented to the Commission by the previous Petitioner, and requested to rescind the current zoning classification immediately.
12. As Successor Petitioner, KNP confirms that it does not intend to comply with conditions 1 (A), 1 (B), and 1 (C), and therefore requests that the Property and Petitioned Area be reverted to its original or more appropriate classification.

I declare under penalty of law that the foregoing is true and accurate.

Dated: Kailua-Kona, Hawaii, May 3, 2019



ROBERT E. LEE JR.

CO-MANAGER, KULA NEI PARTNERS LLC