

RP2 Ventures, LLC 2024 N. King Street, Suite 200 Honolulu, Hawaii 96819

July 9, 2020

Mr. Daniel E. Orodener, Executive Officer
State of Hawaii Land Use Commission
Dept. of Business, Economic Development & Tourism
Post Office Box 2359
Honolulu, Hawaii 96804-2359

LAND USE COMMISSION
STATE OF HAWAII
2020 JUL 14 P 12:50

Subject: **Royal Kunia Phase II
Compliance with Conditions of Amended Decision and Order
(Docket No. A92-683, October 1, 1996)
Status Report through June 2020**

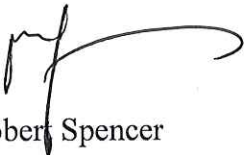
Dear Mr. Orodener:

RP2 Ventures, LLC, hereby submits its Status Report on the Applicant's Compliance with Conditions of Amended Decision and Order, (Docket No. A92-683, October 1, 1996), through June 2020.

Compliance of the conditions are ongoing and in the process of being fulfilled, especially regarding the Department of Agriculture's Kunia Ag Park. RP2 Ventures, LLC, reaffirms its commitment and obligation to comply with, and satisfy each of the outstanding conditions set forth in the Amended Decision and Order, Docket No. A92-683, October 1, 1996.

Thank you for your continued patience and support of this project. If you have any questions or require further information, please feel free to contact my office.

Very truly yours,
RP2 Ventures LLC



Robert Spencer
Manager

Encl: *Status Report on Royal Kunia Phase II Development Compliance with Conditions State of Hawaii Land Use Commission Amended Decision and Order (Docket No. A92-683, October 1, 1996)*

**Status Report on Royal Kunia Phase II Development Compliance with Conditions
State of Hawaii Land Use Commission Amended Decision and Order (Docket No. A92-683, October 1, 1996)
Submitted by RP2 Ventures, LLC (RP2), June 2020¹**

Type of Condition	Description of Requirements	Compliance Status as of June 2020	Action Plan for Achieving Full Compliance
<p style="text-align: center;">1. Affordable Housing</p>	<p>Petitioner shall provide affordable housing opportunities for low to moderate income residents of the State of Hawai'i to the satisfaction of the City and County of Honolulu (City). Details as to the location, distribution and other provisions for affordable housing shall be as mutually agreed between Petitioner and City. [The basic affordable housing program requirement is to provide: (a) 10% of the project housing units affordable to households with incomes not exceeding 80% of the City's median income, and (b) an additional 20% of the project's housing units affordable to families with incomes between 81% and 120% of the City's median income.]</p>	<p>Future compliance.</p> <p>Discussions were initiated, but further action was deferred while the property was in bankruptcy.</p>	<p>The affordable housing requirements are set forth in greater detail in the Unilateral Agreements (UA) that rezoned the Royal Kunia Phase II lands (Ordinances 95-08 and 97-12).</p> <p>RP2's predecessor-in-interest, Halekua-Kunia, LLC (HK) submitted a Draft Affordable Housing Agreement as Attachment 1 in the May 2009 UA Project Status submittal. Comments were received from DPP in June 2009 and an updated version of the Agreement was included as Attachment 1 in the June 2010 UA Project Status submittal. An updated Affordable Housing Agreement will be submitted to DPP for review/approval to comply with this condition.</p>
<p style="text-align: center;">2. Transportation Improvements</p>	<p>Petitioner shall fund, design, and construct local transportation improvements necessitated by the proposed development, north of the Cane Haul Road intersection with Kunia Road, as determined and approved by the State Department of Transportation (DOT) and the City and County of Honolulu Department of Transportation Services (DTS), including without limitation the dedication of any rights-of-way to the State or County. Petitioner shall provide its fair share contribution toward regional transportation mitigation improvements, including but not limited to the Interstate H-1 Kunia Interchange and Kunia Road, south of the intersection with the Cane Haul Road, as determined and approved by DOT. Petitioner shall also be required to provide the following:</p> <p style="margin-left: 40px;">A. All of the other improvements needed (which will not be provided by the Village Park and Royal Kunia, Phase I projects) to make Kunia Road a 4-lane highway with auxiliary lanes for both left and right turning movements (between Cane Haul Road Intersection and the</p>	<p>Partial completion and future compliance.</p> <p>Construction of a third northbound lane on Kunia Road between Kunia Interchange and the south Kupuna Loop intersection has been completed. Steps toward meeting other portions of this requirement were deferred while the property was in bankruptcy.</p>	<p>HK held initial meetings with DOT, DTS and DPP TRB representatives and RP2 will follow up as needed to mutually determine and reach agreement on:</p> <ul style="list-style-type: none"> a. Right-of-way acquisition, funding and construction of various roadway and traffic improvements to be provided by HK at project access points and at other on-site and off-site locations. b. Preparation of periodic traffic monitoring reports assessing project-generated impacts on Kunia Interchange. c. HK's participation with other Ewa area developments landowners and developers in fair-share funding of regional transportation improvements. <p>Such an agreement will be executed prior to the submittal to DPP of any applications for the subdivision of building lots.</p>

¹ The subject Amended Decision and Order reclassified approximately 504.865 acres of lands pursuant to a petition filed by Halekua Development Corporation (HDC). Portions of the subject lands have since been sold or transferred by HDC to various entities, including sales resulting from HDC's bankruptcy in 2003. On October 3, 2017, RP2 Ventures, LLC (RP2) acquired a portion of the subject lands within Royal Kunia Phase II consisting of the 161.36-acre undeveloped parcel known as "Lot 2" and identified by TMK (1) 9-4-002-071.

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State of Hawaii Land Use Commission Amended Decision and Order (Docket No. A92-683, October 1, 1996)
Submitted by RP2 Ventures, LLC (RP2), June 2020**

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	<p>northernmost boundary of Royal Kunia Phase II) and a third northbound lane between Cane Haul Road Intersection and the north Kupuna Loop intersection, provided that interim measures prior to full build out may be allowed with the approval of DOT.</p> <p>B. A report that analyzes the impact of the proposed Phase II project's traffic on the Kunia Interchange and evaluate alternatives that will mitigate the impacts.</p> <p>C. Petitioner shall submit a revised Traffic Impact Study, including the Kunia Interchange Alternatives Report, and obtain DOT's acceptance prior to preliminary subdivision application.</p> <p>D. Plans for Construction work within the State highway right-of-way must be submitted to the DOT, Highways Division for review and approval.</p> <p>Agreement by the State Department of Transportation on the level of funding and participation shall be obtained prior to the Petitioner applying for county zoning.</p> <p>Note: This Condition was amended on October 7, 2013 by the LUC's First Amendment to the Amended Findings of Fact, Conclusions of Law, and Decision and Order filed October 1, 1996.</p>		<p>An updated traffic study was completed in May 2008 and submitted in the PD-H Application. The Traffic Impact Assessment Report (TIAR) (WOA, May 2013) was updated and provided to DPP-TRB and DOT. DPP-TRB did not provide any comments on the TIAR. DOT requested that two separate studies be completed (1) Kunia Road (2) Kunia Interchange. HK retained Wilson Okamoto and Associates (WOA) to update the TIAR. In May 2015 WOA took updated traffic counts which showed conditions have remained consistent with the original analysis.</p> <p>A regional analysis was also prepared to assist with the analysis of cost sharing responsibilities for the required improvements. Meetings with DOT were held in 2015 to discuss the project. RM Towill Corporation (RMTC) prepared concept roadway plans based on queuing analysis and submitted to DOT for review in 2014. Comments were addressed and plans/responses submitted, with a follow-up meeting with DOT held in mid-2015.</p> <p>RP2 met with DOT multiple times in 2019 and 2020. In January 2020, DOT confirmed its willingness to work with RP2 to finalize access and highway plans DOT can support with LUC. In April 2020, an agreement was reached with DOT on the scope of the required traffic study. DOT also confirmed its willingness to get involved with condemnation proceedings if needed to acquire non-RP2 property for the widening of Kunia Road.</p> <p>RP2 will participate in regional highway and transportation planning, including participation with LOTMA and the Ewa Region Highway Transportation Master Plan Working Group. At the appropriate time, plans for construction work within the State highway right-of-way will be submitted to the DOT Highways Division for review and approval.</p>

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<p style="text-align: center;">3. Regional Transportation Management Program</p>	<p>Petitioner shall appoint a permanent transportation manager whose function is the formulation, use, and continuation of alternative transportation opportunities that would optimize the use of existing and proposed transportation systems. In the alternative, Petitioner may participate in a regional program for transportation management with other developers and/or landowners. This program shall address the transportation opportunities that would optimize the use of existing and proposed transportation systems. The program for either option shall be reviewed and approved by DOT prior to implementation, and will continue to be in effect unless otherwise directed by DOT. Petitioner shall conduct a yearly evaluation of the program's effectiveness and shall make a written report of its evaluation available to DOT for program review and modification, if necessary.</p>	<p>Prior & future compliance. HDC was an active participant in Ewa Region Highway Transportation Master Plan Working Group and an active member of Leeward Oahu Transportation Management Association. (LOTMA), but this activity was suspended while the property was in bankruptcy.</p>	<p>RP2 will participate in regional highway and transportation planning, including participation with LOTMA and the Ewa Region Highway Transportation Master Plan Working Group.</p>
<p style="text-align: center;">4. Traffic Monitoring</p>	<p>Petitioner shall monitor the traffic attributable to the proposed project at on-site and off-site locations and shall undertake subsequent mitigative measures that may be required. The mitigative measures shall be coordinated with and approved by DOT and DTS.</p>	<p>Future compliance.</p>	<p>A monitoring program will be drafted and submitted to DOT & DTS for review and approval no later than when home construction is initiated. Approval will be obtained prior to occupancy of any homes in this Project.</p>
<p style="text-align: center;">5. Integrated Solid Waste Management Act</p>	<p>Petitioner shall cooperate with the State Department of Health (DOH) and the City and County of Honolulu Department of Public Works [now Department of Environmental Services (DES)] to conform to the program goals and objectives of the Integrated Solid Waste Management Act, Chapter 342G, Hawai'i Revised Statutes, in accordance with a schedule satisfactory to the DOH and DES.</p>	<p>Future compliance.</p>	<p>A proposed solid waste management program and schedule will be prepared and submitted to DOH and DES for their review and approval at least 90 days prior to the initiation of any residential construction, and will facilitate the review process as required to obtain approval prior to the start of construction. DES Recycling Branch was consulted on May 12, 2009 regarding solid waste management and recycling. The discussion served as guidance for the development of a recycling program for the project. A recycling program will be established prior to the completion of construction. RP2 will coordinate with DES and OSWM as the project moves forward.</p>

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6. School Facilities	Petitioner shall contribute to the development, funding, and/or construction of school facilities on a pro rata basis as a result of the development on the Property, as determined by and to the satisfaction of the Department of Education (DOE). Agreement by DOE on the level of funding and participation shall be obtained prior to Petitioner applying for county zoning.	<p>Partial completion and future compliance.</p> <p>Per the March 6, 2007 School Site Agreement, the 12-acre school site has been conveyed to RKES, LLC.</p>	<p>HDC and DOE entered into a letter agreement dated September 26, 1996 that outlined the terms of HDC's contribution to the development of school facilities in satisfaction of this condition. The letter agreement was subsequently replaced with an updated "School Site Agreement" executed by HDC and DOE on March 6, 2007.</p> <p>The School Site Agreement provides for the (a) transfer of a 12-acre elementary school site to RKES, LLC in satisfaction of the dedication component of DOE's fair share requirement, and (b) the payment to DOE of a total of \$500,000 in five installments that are due upon the closing of: (1) the 1,000th unit, (2) the 1,250th unit, (3) the 1,500th unit, (4) the 1,750th unit, and (5) the last unit. The amounts due will be escalated over time based on the Consumer Price Index.</p> <p>The 12-acre site has been conveyed to RKES, LLC, and a copy of the March 6, 2007 School Site Agreement will be filed with DPP concurrently with the submittal of initial subdivision plans.</p> <p>The required cash contributions will be made in accordance with the schedule of installments outlined in the March 6, 2007 School Site Agreement.</p>
7. Water Requirements	Petitioner shall coordinate with the Honolulu Board of Water Supply (BWS) and the State Department of Land and Natural Resources (DLNR) to obtain water required for the project. If water is not available from existing sources due to insufficient supply, Petitioner shall fund and develop the necessary water source, storage, and transmission systems and facilities.	Prior and future compliance.	HK met with BWS in August 2016 to discuss compliance with requirements for the project. RP2 will coordinate with BWS as necessary to obtain the required project water from the existing BWS system and develop additional water resources and/or supply system improvements for dedication to BWS. The initial water master plans will also be updated to reflect the new master plan for the community.

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8. Civil Defense Measures	Petitioner shall participate, on a pro rata basis, in the funding for construction and installation of appropriate civil defense measures as determined by State and City civil defense agencies.	Partial completion and future compliance. An agreement was reached between HDC and the State and City civil defense agencies prior to the property being placed in bankruptcy on what civil defense measures are needed.	RP2 will fully fund and install the necessary facilities and equipment in connection with the construction of this project.
9. Chain Link Fence 10. Clearance and Maintenance of Land	Petitioner shall erect a chain link fence along the eastern boundary of the Property that is common with the Waikele Branch of Naval Magazine, Lualualei. Petitioner shall clear and maintain the land situated within 20 feet of the eastern boundary of the Property, free of trees and vegetation taller than eight inches high.	Future compliance by others.	HDC never acquired the land on which this fence and cleared area would be located, and RP2 does not plan to add it to this Project. Title is still held by the Robinson Estate, and it is still zoned for agricultural use. Future erection of a fence and maintenance of clear area along this boundary, if still required (it is noted that the high-security Naval Magazine in Waikele Gulch is no longer in operation and ownership is being transferred to a private developer), will be the responsibility of any future developer of these Robinson lands.
11. Pollutants	Petitioner shall coordinate with the DOT and DES to establish appropriate systems to contain spills and prevent materials, such as petroleum products, chemicals, solvents or other pollutants from leaching into the storm drainage system and adversely affecting the groundwater and coastal waters.	Future compliance.	RP2 will meet with DOH and DES prior to initiating project construction to agree upon a plan and program for compliance with this requirement, and will establish pollution control systems and implement such other actions as are called for in the approved plan and program.
12. Wastewater Treatment	Petitioner shall participate on a pro rata basis in the funding and construction of adequate wastewater treatment, transmission and disposal facilities, as determined by the DOH and DES.	Future compliance.	RP2 will meet with DOH and DES prior to initiating project construction to establish an approved program for compliance with this requirement, and will implement this program. The initial wastewater master plans are being updated to reflect the new master plan for the community.
13. Soil Erosion and Dust Control	Petitioner shall implement effective soil erosion and dust control measures both during and after construction to the satisfaction of the DOH.	Future compliance.	RP2 will meet with DOH prior to initiating project construction to establish an approved soil erosion and dust control program, and will implement this program.

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14. Air Quality Monitoring	Petitioner shall participate in an air quality monitoring program as specified by the DOH.	Future compliance.	RP2 will meet with DOH prior to initiating project construction to establish an agreement defining RP2's participation in a DOH-specified air quality monitoring program for the area where the project site is located.
15. Agricultural District Pollution	Petitioner shall provide notification to all owners and occupants of the Property of the potential odor, noise, and dust pollution resulting from surrounding Agricultural District lands, and that the Hawai'i Right-to-Farm Act, Chapter 165 HRS, limits the circumstances under which pre-existing farming activities may be deemed a nuisance.	Future compliance.	RP2 will provide such notification along with any sales or leases of residential lots or other portions of the property to other parties. It will be the responsibility of these other parties to notify any new occupants of their properties that result from their resale, sub-lease and/or rental.
16. Drainage Improvements	Petitioner shall provide drainage improvements for the subject project and shall coordinate off-site improvements with adjoining landowners and developers, and/or other Federal, State, and City agencies.	Partial completion and future compliance. HDC completed the majority of required off-site drainage improvements for the Royal Kunia Phase II property in connection with the infrastructure construction for Village Park and Royal Kunia Phase I.	HDC completed the majority of required off-site drainage improvements for the Royal Kunia Phase II property in connection with the infrastructure construction for Village Park and Royal Kunia Phase I. Prior to the initiation of construction at Royal Kunia Phase II, RP2 will work with adjoining landowners and developers, and with appropriate Federal, State and City agencies, to coordinate and agree on the type and completion schedule for any future required off-site drainage improvements. The initial drainage master plans will be updated to reflect the new master plan for Royal Kunia Phase II.
17. Archaeological Resources	Should any archaeological resources such as artifacts, shell, bone or charcoal deposits, human burials, or rock or coral alignments, paving or walls of historic or prehistoric significance be encountered during the development of the Property, Petitioner shall immediately stop work on the impacted area and contact the DLNR Historic Preservation Division.	Partial completion and future compliance.	Archaeological surveys of the Royal Kunia Phase II property indicate the absence of any above-ground archaeological features and no evidence of past use that would have generated potentially significant archaeological or historic sites. RP2 will work with the Historic Preservation Division and comply with all established procedures to protect any archaeological resources that might be encountered during future development and construction on this property.

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18. Development Plan Approvals	Petitioner shall obtain Development Plan approvals from the City and County of Honolulu within five (5) years from the date of this Order.	Fully met.	<p>All required Development Plan approvals have been obtained, and the Royal Kunia Phase II project is in full compliance with the current Central Oahu Sustainable Communities Plan. No further action is required.</p> <p>In 2009, HK obtained Planned Development-Housing (PD-H) approval from DPP. RP2, however, has decided to instead develop the property in accordance with the underlying county zoning and no longer requires the PD-H permit. Therefore, RP2 allowed the PD-H permit to expire.</p>
19. Agricultural Park	<p><u>Royal Kunia Agricultural Park Offsite Infrastructure.</u> Within six (6) months of the date of the Commission's Order, the landowner(s) within the Petition Area shall finalize an amendment to the Memorandum of Understanding (dated 1993 and subsequent amendments in 2007, 2009 and 2012) with the Department of Agriculture, and comply with this amended Memorandum of Understanding. This Memorandum shall require that off-site infrastructure to the State of Hawai'i's Kunia Agricultural Park be completed no later than December 31, 2016.</p> <p><u>Revised Master Plan.</u> Within twelve (12) months of the date of the Commission's Order, the landowners within the Petition Area shall submit revised master plan(s) and schedule(s) for the development of their respective Increments 1, 2, and 3, comprising the Royal Kunia Phase II project.</p> <p><u>Status Report.</u> By March 31, 2015, all landowners within the Petition area shall submit to the Commission a status report on the development of their respective parcels of land.</p> <p>Note: This condition was amended on January 28, 2015 by the LUC's Order Granting Successor Petitioner (to Parcel 52), Ho'Ohana Solar 1, LLC's Motion for Order Amending the Amended Findings of Fact, Conclusions of Law, and Decision and Order filed October 1, 1996.</p>	<p>Partial completion and future compliance.</p> <p>Title to the 150-acre agricultural park was transferred to the State of Hawai'i in 2004.</p>	<p>HK previously met with DOA on May 9, 2007 to begin the process of establishing an agreed-upon plan and program to implement the provisions of the Amended MOU.</p> <p>HK subsequently worked with DOA regarding compliance with the MOU conditions and amending deadlines, which were set forth in the following: -1st Amendment to Amended MOA 2009 -2nd Amendment to Amended MOU 2011 -3rd Amendment to Amended MOU 2015.</p> <p>HK submitted the preliminary site plan and design of the off-site infrastructure improvements to DOA for review in October 2016.</p> <p>Since acquiring a portion of Royal Kunia Phase II, RP2 has worked with DOA towards satisfying this condition. Most recently, RP2 held status calls with DOA every two weeks and reached an agreement to extend the deadlines for RP2 to obtain DOA's approval of RP2's offsite infrastructure plans and to construct irrigation infrastructure and other offsite infrastructure. On February 20, 2020, RP2 submitted an executed 4th Amendment to the Amended MOU, which incorporated these extended deadlines. (see Attachment 1)</p>

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20. Compliance With Representations	Petitioner shall develop the property in substantial compliance with the representations made to the Land Use Commission (LUC). Petitioner's or its successor's failure to so develop the Property may result in reversion of the property to its former classification, or change to a more appropriate classification.	Partial completion and future compliance.	RP2 will continue to fulfill the requirement to develop the RP2-owned portion of Royal Kunia Phase II in substantial compliance with representations made to the LUC. RP2 understands that failure on its part (or on the part of the other owners of property within the reclassification area) to develop the reclassified lands in substantial compliance with such representations could result in a reversion of part or all of the subject land to its former land use classification, or in a change to different land classification.
21. Transfer of Petitioner's Interest in the Property	Petitioner shall provide notice to the Commission of any intent to sell, lease, assign, place in trust, or otherwise voluntarily alter the ownership interests in the subject property prior to or during the development of the subject property, excluding, however, sales or leases of the individual lots or condominium units in a residential development, or leases in an industrial development.	Partial completion and future compliance.	RP2 will provide notice to the Commission of any transfer or conveyance.
22. Annual Reports	Petitioner shall promptly provide without any prior notice, annual reports to the LUC, OSP and DPP in connection with the status of the project and Petitioner's progress in complying with the conditions imposed. The annual reports shall summarize: (1) Petitioner's progress in complying with the conditions imposed; and (2) changes to the project as represented to the LUC. They shall also include a written statement from each State and City and County agency affected by these conditions that Petitioner's representations in the annual report related to the respective state or county agency being affected are true and accurate.	Partial completion and future compliance.	This annual report is submitted pursuant to this condition. RP2 will submit future annual reports in compliance with this condition.
23. Release of Conditions	<p>The LUC may fully or partially release these conditions as to all or any portions of the property upon timely motion and upon the provision of adequate assurance of satisfaction of these conditions by Petitioner.</p> <p>Adequate assurance of satisfaction may be evidenced by execution of a certificate of satisfaction in recordable form stating that such condition has been satisfied, in whole or in part. OSP will certify for itself and all state departments and</p>	Future compliance. No motions for a full or partial release of conditions have been filed to date.	RP2 intends to apply to the LUC for such releases in the future, as appropriate.

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	agencies, and DPP will certify for itself and all County departments and agencies. Any other party to the boundary amendment proceeding may be asked to indicate whether they concur in the certification of satisfaction.		
24. Recording of Statement Re Property Subject to Conditions	Within 7 days of the issuance of the LUC's Decision and Order for the subject reclassification, Petitioner shall (1) record with the Bureau of Conveyances a statement to the effect that the property is subject to conditions imposed by the LUC in the reclassification of the property; and (2) shall file a copy of such recorded statement with the LUC.	Fully met.	No further action is required.
25. Recording of Conditions	Petitioner shall record the conditions imposed by the LUC with the Bureau of Conveyances pursuant to Section 15-15-92, Hawai'i Administrative Rules.	Fully met.	No further action is required.

LIST OF ACRONYMS

BWS	City and County of Honolulu Board of Water Supply	HDC	Halekua Development Corporation
DES	City and County of Honolulu Department of Environmental Services	HK	Halekua-Kunia LLC
DLNR	State of Hawaii Department of Land and Natural Resources	LOTMA	Leeward Oahu Transportation Management Association
DOA	State of Hawaii Department of Agriculture	LUC	State of Hawaii Land Use Commission
DOE	State of Hawaii Department of Education	MOU	Memorandum of Understanding
DOH	State of Hawaii Department of Health	OSP	State of Hawaii Office of Planning
DOT	State of Hawaii Department of Transportation	RMTC	RM Towill Corporation
DPP	City and County of Honolulu Department of Planning and Permitting	RP2	RP2 Ventures, LLC
DTS	City and County of Honolulu Department of Transportation Services	WOA	Wilson Okamoto and Associates

ATTACHMENT 1

RP2 Ventures, LLC 2024 N. King Street, Suite 200, Honolulu, Hawaii 96819

February 20, 2020

Valerie M. Kato
Department of the Attorney General
State of Hawaii
425 Queen Street
Honolulu, Hawaii 96813


Subject: Fourth Amendment to Amendment and Restatement of Memorandum of Understanding

Dear Ms. Kato:

Enclosed is the executed Fourth Amendment to Amendment and Restatement of Memorandum of Understanding as requested.

Should you have any questions please feel free to contact my office.

Very truly yours,
RP2 Ventures LLC



Robert Spencer
Manager

**FOURTH AMENDMENT
TO
AMENDMENT AND RESTATEMENT
OF
MEMORANDUM OF UNDERSTANDING**

THIS FOURTH AMENDMENT TO AMENDMENT AND RESTATEMENT OF MEMORANDUM OF UNDERSTANDING ("2017 MOU") is made this ____ day of _____, 2020, by and between RP2 VENTURES, LLC ("RP2"), a Hawaii domestic limited liability company, successor in interest to CANPARTNERS IV ROYAL KUNIA PROPERTY LLC ("Canpartners"), HALEKUA DEVELOPMENT CORPORATION ("Halekua"), and the DEPARTMENT OF AGRICULTURE, STATE OF HAWAII ("DOA");

RECITALS:

1. Halekua and DOA entered into that certain *Memorandum of Understanding* ("Original MOU") dated March 30, 1993, for the purpose of setting forth the agreements and understanding by and between Halekua and DOA with respect to establishment and integration into the master plan for the Royal Kunia Phase II development by Halekua of a state agricultural park.

2. Halekua and DOA subsequently amended that Original MOU in writing and entered into that certain *Amendment and Restatement of Memorandum of Understanding* dated March 2, 2007 ("2007 MOU"), for the purpose of restating the agreements and understanding by and between Halekua and DOA with respect to establishment and integration into the master plan for the Royal Kunia Phase II development by Halekua of a state agricultural park.

3. Halekua and DOA further amended that 2007 MOU in writing and entered into that certain *First Amendment to Amendment and Restatement of Memorandum of Understanding* ("2009 MOU") dated February 19, 2009, for the purpose of amending Paragraph E.a. of the 2007 MOU to extend the deadline for completion and submittal of the preliminary site plan to the DOA from December 31, 2008 to December 31, 2009.

4. Canpartners, as successor in interest to Halekua, and DOA subsequently amended that 2009 MOU in writing and entered into that certain *Second Amendment to Amendment and Restatement of Memorandum of Understanding* ("2012 MOU") dated September 20, 2012, for the purpose of amending Paragraph E.a. of the 2009 MOU to extend the deadline for completion and submittal of the preliminary site plan to the DOA from December 31, 2009 to December 31, 2013.

5. Canpartners and DOA subsequently amended the 2012 MOU in writing and entered into that certain *Third Amendment to Amendment and Restatement of Memorandum of Understanding* ("2015 MOU") dated July 28, 2015, for the purpose of amending Paragraph E.a. of the 2012 MOU to extend the deadline for completion and submittal of the preliminary site plan to the DOA from December 31, 2013 to December 31, 2015, and construction and installation of off-site infrastructure no later than December 31, 2016.

6. RP2 and DOA now desire to further amend and restate the Original MOU, the 2007 MOU, the 2009 MOU, the 2012 MOU, and the 2015 MOU (the Original MOU, as amended, is hereinafter sometimes referred to as the "MOU") to (a) acknowledge RP2 as successor in interest to Canpartners and Halekua, (b) acknowledge the conveyance of the 150 acre agricultural park site to the DOA and the acceptance thereof by the DOA in partial satisfaction of the agreements in the MOU, (c) to restate and modify the agreements between RP2 and the DOA with respect to the timing for design and construction of the off-site infrastructure to the state agricultural park and submittal of a revised master plan pursuant to Paragraph IV(A)(1) and (2) of that certain Order Granting Successor Petitioner (To Parcel 52), Ho'ohana Solar1, LLC's Motion for Order Amending the Amended Findings of Fact, Conclusions of Law, and Decision and Order Filed on October 1, 1996 filed on January 28, 2015 ("Amended Order").

NOW, THEREFORE, in consideration of the Recitals set forth above and other consideration, the receipt and sufficiency of which is hereby acknowledged, RP2 and DOA do hereby amend and restate Paragraphs A through N of the MOU in their entirety as follows:

A. Confirmation of Conveyance of 150-Acre Parcel. DOA does hereby acknowledge and confirm that by Warranty Deed with Reversion dated February 23, 2004, recorded in the Bureau of Conveyances of the State of Hawai'i as Document No. 2004-040601 (the "State Ag Park Deed"), the agreed upon 150 acres of land within the Royal Kunia Phase II development was conveyed by Halekua to the State of Hawai'i, by and through its Board of Land and Natural Resources, for the DOA's use as and to establish a state agriculture park thereon (herein the "State Agricultural Park"). The DOA further confirms that it has accepted the conveyance of the lands comprising the State Agricultural Park by the State Ag Park Deed as being in full and complete satisfaction of the land conveyance component of its agreements with Canpartners notwithstanding the fact that the actual conveyance occurred beyond the original December 31, 1997 deadline date.

B. Use of State Agricultural Park. The State Agricultural Park is intended to benefit the small diversified farmer and use of the State Agricultural Park shall be intended for diversified agricultural production, including, without limitation, floriculture, foliage and orchard production. In addition, the DOA shall have the right and option (but is not required) to develop and construct up to a maximum of fifty (50) related agricultural farm dwellings or farm employee housing units within the State Agricultural Park. If any of these agricultural farm dwellings or farm employee housing units are developed by the DOA on the State Agricultural Park the same shall not at any time be offered for sale by the DOA.

C. Certain Use Prohibitions within State Agricultural Park. Since the State Agricultural Park will be located adjacent to an urban residential community, commercial livestock or other activities associated with or related thereto shall be prohibited within the State Agricultural Park.

D. Canpartners to Include State Agricultural Park in Land Plan. Canpartners has incorporated the State Agricultural Park into its land plan for the Royal Kunia Phase II subdivision and jointly with the DOA has prepared a preliminary site plan for the State Agricultural Park reflecting the locations of the roadway and infrastructure connections to be

provided to the boundary of the State Agricultural Park parcel. The DOA has accepted and approved Canpartner's preliminary site plan by letter dated March 31, 2015. The DOA extends this acceptance to RP2.

E. RP2 to Design and Construct Certain Off-Site Infrastructure to the State Agricultural Park. RP2 shall design and construct off-site infrastructure improvements for the State Agricultural Park including roadway, potable and irrigation water lines (exclusive of water commitment), and sewer lines and utility connections, up to the property boundary of the State Agricultural Park at no cost to the DOA. These off-site infrastructure improvements shall be sufficient to service the agricultural uses contemplated by the DOA for the State Agricultural Park and shall be sufficient to service the maximum of fifty (50) agricultural farm dwellings or farm employee housing units (if the DOA determines that the same shall be a part of the State Agricultural Park). In connection therewith RP2 and the DOA agree as follows:

a. RP2 has prepared preliminary design plans for the off-site infrastructure necessary to provide the agreed upon roadway access, water, sewer, and other appropriate utility connections to the boundary of the State Agricultural Park to service the contemplated improvements on the State Agricultural Park in accordance with the preliminary site plan accepted by the DOA by letter on March 31, 2015. RP2 shall obtain DOA approval for the off-site infrastructure and submit construction permit applications no later than May 31, 2020, or such later date to which RP2 and the DOA shall mutually agree, which approval by the DOA shall not be unreasonably withheld or delayed. It is understood and accepted that RP2 shall be entitled to make such changes and modifications to the approved design plans as may be required to address and satisfy any comments made or issues raised by appropriate governmental agencies of the State of Hawai'i and/or City and County of Honolulu, with the further consent or approval of the DOA, which consent or approval shall not be unreasonably withheld or delayed.

b. After the DOA approves the offsite infrastructure plans, RP2 shall, at its sole cost and expense, (i) obtain all necessary governmental permits and approvals for construction of such off-site infrastructure, (ii) arrange for and complete the construction and installation of the irrigation infrastructure no later than February 28, 2021, and (iii) arrange for and complete the construction and installation of the remainder of the off-site infrastructure to service the State Agricultural Park no later than ~~June 30, 2020~~, June 30, 2021, unless approved by DOA.

F. DOA Responsible for All Other Costs of State Agricultural Park. The DOA shall assume responsibility for the development and payment of all costs (other than those set forth in this Agreement as being assumed by RP2) associated with the State Agricultural Park and the agricultural farm dwellings and/or farm employee housing units to be developed thereon.

G. Coordinate Developments. Canpartners and the DOA shall use their best efforts to work jointly to coordinate the development of their respective portions of the Royal Kunia Phase II project.

H. Hawaii Farm Bureau Federation. The DOA, to the extent permitted by law or regulation, shall involve the Hawaii Farm Bureau Federation in the utilization, operation and

management of the State Agricultural Park with the intent of maximizing the efficiency and success of the diversified farming efforts at the State Agricultural Park.

I. DOA Support of Land Use Approvals. The DOA shall assist and support RP2 in its efforts to obtain and maintain the necessary land use approvals for the Royal Kunia Phase II project, as well as in RP2's efforts to obtain the necessary off-site infrastructure permit approvals. Any assistance and support by the DOA shall be limited to the extent permitted by the applicable statutes and rules.

J. Restrictive Use Covenant on State Agricultural Park. The time periods for initiation of the development of on-site improvements for the State Agricultural Park and for the DOA to achieve active utilization of the State Agricultural Park set forth in Paragraph K of the Original MOU are hereby deleted in their entirety. Instead the State Agricultural Park shall be subject to a restrictive use covenant providing that the State Agricultural Park shall only be used as an agricultural park or for the current or similar agricultural purposes, including diversified agriculture. If at any time in the future the DOA ceases to use or abandons the use of the State Agricultural Park as an agriculture park or for the current or similar agricultural purposes, including diversified agricultural, then, and in such event, the 150 acre parcel comprising the State Agricultural Park shall be subject to a reversion in favor of certain "Robinson Owners" as more particularly defined in the State Ag Park Deed. It is understood that the fact that any portion of the State Agricultural Park may lie vacant or fallow shall not constitute the cessation or abandonment of the agricultural use.

K. No Adverse Impact on Lands Adjoining State Agricultural Park. The DOA agrees to use its best efforts to minimize the impact of the State Agricultural Park on the adjacent lands being developed for residential, industrial and other urban uses.

L. Assistance with Non-Potable Water System. The DOA shall assist RP2, to the extent allowable by law and subject to the availability of funds, in obtaining and developing a non-potable water system to service irrigation and other non-potable water needs of the Royal Kunia Phase I and Phase II projects, including the State Agricultural Park.

M. Purpose of Amended and Restated MOU. The parties hereto agree that this Amended and Restated MOU is being executed to evidence their mutual understandings and agreements regarding the conveyance of the 150-acre parcel comprising the State Agricultural Park to the DOA, the design and development by RP2 of certain off-site infrastructure to service the State Agricultural Park, and certain use restrictions and limitations applicable to the DOA's use of the State Agricultural Park. This 2020 MOU replaces the Original MOU, the 2007 MOU, the 2009 MOU, the 2012 MOU, and the 2015 MOU in their entirety.

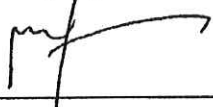
N. Amendment. This 2020 MOU may be amended from time to time by instrument in writing signed by both RP2 and the DOA.

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IN WITNESS WHEREOF, this Fourth Amendment to Amendment and Restatement of Memorandum of Understanding is made and executed by RP2 and the DOA as of the day and year first above written.

RP2 VENTURES, LLC,
a Hawaii limited
liability company

**DEPARTMENT OF AGRICULTURE,
STATE OF HAWAII**

By: 
Name: Robert Spencer
Title: Manager

By: _____
Name: _____
Title: _____

APPROVED AS TO FORM:

Name: Valerie M. Kato
Deputy Attorney General