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January 2, 2025

Daniel E. Orodenker, Executive Officer Land Use Commission, State of Hawai'i 235 South Beretania Street, Suite 406 Honolulu, Hawai'i 96813

Re: DR24-78, In the matter of RKII Partners LLC

Dear Mr. Orodenker:

This office represents Haseko Royal Kunia, LLC ("Haseko") in connection with the above-referenced matter. Please find this letter as Haseko's testimony regarding RKII Partners LLC's Petition for Declaratory Order filed on December 6, 2024 ("Petition") with the State Land Use Commission ("LUC").

Haseko supports RK II Partners' position that the use of the Petition Area in LUC Docket No. A92-683 has substantially commenced, and takes no position on RK II Partners' request for clarification and affirmation that RK II Partners' Parcel is not encumbered by the requirement to provide off-site infrastructure to the 150-acre agricultural park.

I. Background.

The land which is the subject matter of RKII Partners' Petition is located within the project known as Royal Kunia II. Royal Kunia II is an over 500 acre residential and light industrial project located in Kunia, Oahu, and comprises the Petition Area of LUC Docket No. A92-683.

The Royal Kunia II project was first approved in the Findings of Fact, Conclusions of Law and Decision and Order, filed December 9, 1993 in Docket No. A92-683, reclassifying approximately 503.866 acres of land ("Petition Area") from the Agricultural Land Use District to the Urban Land Use District for residential, light industrial, public park and school site.



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FACSIMILE (808) 538-3840 Daniel E. Orodenker, Executive Officer Land Use Commission, State of Hawai`i January 2, 2025 Page Two (2)

The current ownership of the Petition Area in A92-683 is as follows: 1) **Haseko**: TMK Nos. (1) 9-4-002: 070, 078, 084, 085 and 086 (211 acres); 2) **RK II Partners LLC**: TMK No. (1) 9-4-002: 001 (123 acres); 3) **Robinson Kunia Land LLC**: (1) 9-4-002: 052 (161 acres); and 4) **RKES, LLC**: (1) 9-4-002: 079 (12 acres). The Petition Area map for A92-683 is attached hereto as Exhibit "1".

II. Substantial Commencement.

The LUC has the power to take away an approved project's urban classification if the project has not substantially commenced in accordance with representations by reverting the land to its prior classification. *DW Aina Lea Development, LLC v. Bridge Aina Lea, LLC,* 134 Hawaii 187, 339 P.3d 685 (2014).

But if the petition area has substantially commenced, then the LUC may not simply revert the land pursuant to HRS § 205-4(g), and instead, must follow the more strict requirements of HRS § 205-4(a), (b) and (h). *DW Aina Lea*, 134 Hawaii at 213.

"Substantial commencement" is not defined in HRS chapter 205, but the Hawaii Supreme Court noted that "substantial" is defined as "considerable in amount or value; large in volume or number", and that "the legislature did not require that the use be substantially <u>completed</u>, but rather that it be substantially <u>commenced</u>." (original emphasis). *DW Aina Lea*, 134 Hawaii at 213, 214.

III. Haseko's substantial commencement of use of the land.

On August 12, 2020, Haseko acquired approximately 211 acres of the Petition Area in Docket A92-683 at Waikele and Ho'ae'ae, Ewa, Oahu ("Property") and identified as TMK Nos. (1) 9-4-002: 070, 078, 084, 085 and 086. *See* Haseko's 2024 Annual Status Report for A92-683 dated October 4, 2024, page 1, attached hereto as Exhibit "2".

Since acquiring the Property, Haseko has had to confirm prior agreements and understandings previously reached with its predecessors. *See* Exhibit "2".

Daniel E. Orodenker, Executive Officer Land Use Commission, State of Hawai'i January 2, 2025 Page Three (3)

In July of 2021, Haseko submitted its updated drainage master plans to the Civil Engineering Branch of the Department of Planning and Permitting, City and County of Honolulu ("DPP") to reflect the new master plan for the Project. The drainage master plans were approved by DPP on August 11, 2021. *See* Exhibit "2", page 8.

On August 23, 2021, Haseko's traffic consultant submitted a Traffic Impact Analysis Report ("TIAR") to the DPP and the Department of Transportation Services, City and County of Honolulu ("DTS") to identify and assess the traffic impacts related to the Project. DPP/DTS provided its comments and the TIAR was submitted to the Department of Transportation, State of Hawai'i ("DOT") for its final approval. *See* Exhibit "2", page 4.

By letter dated January 3, 2022, Haseko submitted to the LUC its revised master plan and schedules dated December 30, 2021 in compliance with the amended and new condition 2.

On August 1, 2022, the DPP issued Cluster Housing Permit No. 2022/CL-2 approving Haseko's development of the first residential neighborhood on that portion of its Property commonly known as "Parcel D". This first residential development will consist of not more than 334 single family, two family, and multi-family dwelling units, with a mix of affordable and market-rate housing, an internal linear park system, open space, recreational and play facilities and connective walkways. Construction is anticipated to commence in late 2026. *See* Exhibit "2", page 1.

In December of 2022, Haseko submitted a proposed affordable housing agreement to DPP, and in September 2023 submitted a revised affordable housing agreement to DPP. *See* Exhibit "2", page 2.

In August of 2023, a Draft Reconnaissance Level Survey for the Royal Kunia II Residential Development Property, Ahupua'a of Ho'ae'ae, 'Ewa District, Island of O'ahu, City and County Tax Map Key Parcels (1) 9-4-002:070, (1) 9-4-002:071, and (1) 9-4-002:078 ("RLS") was prepared at the request of the State Historic Properties Preservation Division ("SHPD"). Daniel E. Orodenker, Executive Officer Land Use Commission, State of Hawai`i January 2, 2025 Page Four (4)

In December of 2023, a Revised Draft Archaeological Inventory Survey Testing Strategy for the Royal Kunia II Residential Development Propert, Ahupua'a of Ho'ae'ae, 'Ewa District, Island of O'ahu, City and County Tax Map Key Parcels (1) 9-4-002:070, (1) 9-4-002:071, and (1) 9-4-002:078 ("AIS") was prepared at the request of SHPD.

An updated Royal Kunia II Master Plan Phasing was prepared on February 7, 2024. The construction of residential units will commence in 2026 and be complete by approximately 2039.

On February 15, 2024, Haseko filed its Motion for Order Amending the Memorandum of Understanding's Offsite Infrastructure Date in Condition A.1. in order to extend the deadline for completing the offsite infrastructure needed for the State of Hawaii Agricultural Park at Royal Kunia II. The motion was approved by the LUC at hearing on April 4, 2024, and the order granting the motion was entered on October 7, 2024.

Haseko has paid \$1,020,000 for its share of the non-potable agricultural waterline for the State Department of Agriculture ("DOA"), which is in addition to the \$1,250,000 paid by Ho 'ohana. The waterline was substantially completed by August 31, 2024, however, HECO requested the installation of bollards fronting the electric meter for the waterline pump station, and the bollards were completed on December 13, 2024. Haseko anticipates receiving the notice of the schedule to energize by the end of January 2025.

The potential sale of Haseko's interest in the Royal Kunia II Project to the Department of Hawaiian Home Lands was reported in the Star Advertiser on November 21, 2024. As of the date of this letter, there is not yet an agreement to sell the land. Until there is an agreement to sell, Haseko is committed to fulfilling all of its development commitments and is moving forward with planning for the construction of Road Y Phase 1, Road X Phase 1, and Road 3 to fulfill Haseko's obligation to provide active utilities to the industrial parcel by the end of 2026. We would plan to start Road 3 in December of 2025 to ensure that all three roadway projects achieve timely completion. Daniel E. Orodenker, Executive Officer Land Use Commission, State of Hawai'i January 2, 2025 Page Five (5)

Road Y Phase 1 construction plans were approved on May 2, 2024, and final subdivision approval was obtained on May 24, 2024. Road X Phase 1 plans are in review at DPP Civil Engineering Branch ("CEB") and we anticipate approval by February 2025. That roadway section already has Subdivision Tentative Approval as of April 5, 2024. Road 3 plans are also under permit review at CEB and as part of a combined subdivision application with Road X Phase 1 achieved Subdivision Tentative Approval on April 5, 2024. Road X Phase 2 plans are under permit review as well and we anticipate approval by the fourth quarter of 2025. Subdivision Tentative Approval was obtained for Road X Phase 2 on October 4, 2024. Road Y Phase 2 plans and subdivision application are being designed and submittal for permitting is expected by the third quarter of 2025. Construction would start in the second quarter of 2027 to ensure completion and delivery of permanent utilities to the DOA by September 30, 2028. Temporary utilities (potable water and electric power) are currently being designed for delivery to DOA's property line by December 31, 2025.

IV. Conclusion.

Haseko supports RK II Partners' position that the Petition Area in A92-683 has substantially commenced pursuant to HRS § 205-4(g), but takes no position on RK II Partners' remaining request in its Petition.

Thank you for the opportunity to submit our testimony, and please do not hesitate to contact the undersigned should there be any questions.

Very truly yours,

MATSUBARA, KOTAKE & TABATA

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Enclosures

Daniel E. Orodenker, Executive Officer Land Use Commission, State of Hawai'i January 2, 2025 Page Six (6)

cc: Mary Alice Evans, Director, Ruby Edwards and Aaron Setogawa, Office of Planning and Sustainable Development, State of Hawai'i

Alison S. Kato, Esq., Deputy Attorney General, Department of the Attorney General, State of Hawai'i

Brian Kau, Janice Fujimoto, Department of Agriculture, State of Hawai'i

Kelcie K. Nagata, Esq., Deputy Attorney General, Department of the Attorney General, State of Hawai'i

Dawn Takeuchi Apuna, Director, Dina Wong, Department of Planning and Permitting, City and County of Honolulu

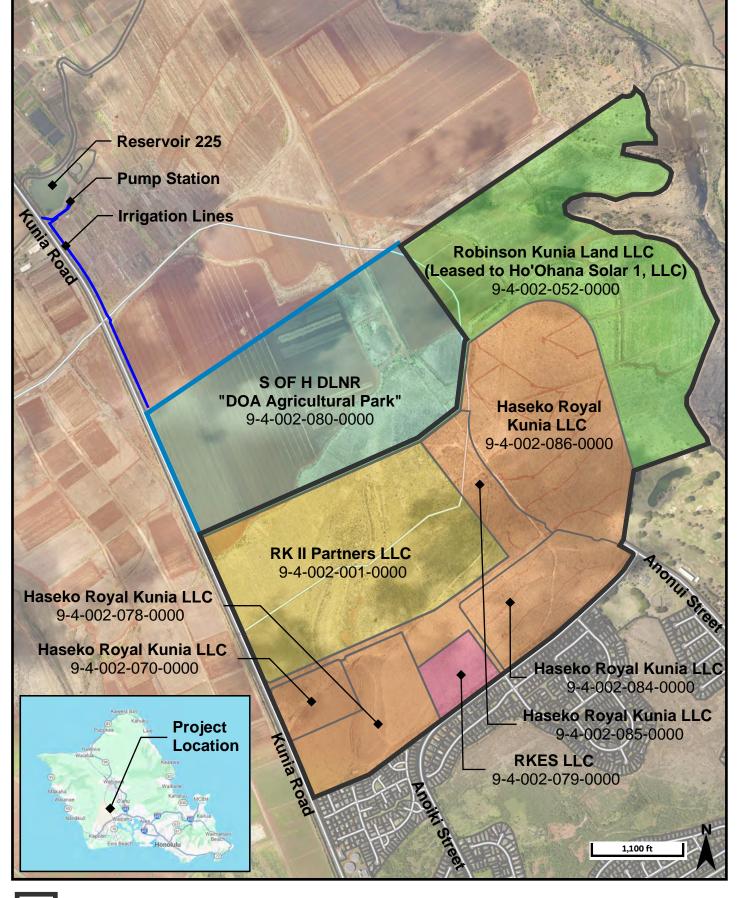
Brad Saito, Esq., Pono Arias, Esq., Deputies Corporation Counsel, Department of the Corporation Counsel, City and County of Honolulu

Robinson Kunia Land LLC c/o Stephen K.C. Mau, Esq.

Ho'ohana Solar 1, LLC c/o Jennifer A. Lim, Esq.

RKES, LLC c/o Patrick Kobayashi

RK II Partners LLC c/o Terrence M. Lee, Esq., Ernest Y. Martin, Esq., Mike M. Matsuura, Esq., Derek R. Kobayashi, Esq., Eric A. Elkind, Esq.



Lands Covered by LUC Docket No. A92-683 EXHIBIT "1"





October 4, 2024

Mr. Daniel E. Orodenker Executive Officer State of Hawaii Land Use Commission P.O. Box 2359 Honolulu, Hawaii 96804-2359

Re: Royal Kunia Phase II Compliance with Conditions for Amended Decision and Order Docket No. A92-683 / Annual Status <u>Report</u>

Dear Mr. Orodenker:

Haseko Royal Kunia, LLC ("Haseko") is the owner of approximately 211 acres of land at Royal Kunia II identified by TMK Nos. (1) 9-4-002:070, (1) 9-4-002:078, (1) 9-4-002:084, (1) 9-4-002:085, and (1) 9-4-002:086 which it acquired on August 12, 2020. Haseko hereby submits its Status Report on its Compliance with Conditions of Amended Decision and Order (Docket No. A92-683, as amended).

If you have any questions or require further information, please feel free to call me at (808) 689-7772.

Sincerely, HASEKO ROYAL KUNIA, LLC, By Haseko Development, Inc. Its Manager

makana

Masayuki Narahara Its President

cc with enclosures: Matsubara, Kotake & Tabata

> 91-1001 Kaimalie Street, Suite 205 • Ewa Beach, Hawaii 96706-6250 Telephone: (808) 689-7772 • Fax (808) 689-5757 EXHIBIT "2"

BACKGROUND. Haseko Royal Kunia, LLC ("Haseko") is the owner of approximately 211 acres of land which it acquired on August 12, 2020 (the "Lands" or "Property").¹ The Lands constitute a portion of the original planned development referred to as Royal Kunia Phase II ("RKII") located on Oahu, Hawaii.

RKII has had a long and difficult history. As originally envisioned, RKII comprised approximately 655 acres² with plans for single-family, two-family, and multi-family residences, an agricultural park, industrial area, public park, and a public-school site. Its original developer went bankrupt and, just as it was emerging from bankruptcy, the development was buffeted by the 2007/2008 financial crisis. This caused RKII to proceed in fits and starts with different developers and, ultimately, to stall for decades leaving the lands of RKII mostly vacant, overgrown, and undeveloped.

Despite this history, in 2008, the Honolulu City Council took the unusual step of overlooking RKII's technical non-compliance with its two underlying Unilateral Agreements for Conditional Zoning ("Unilateral Agreement") because the City Council decided that the housing and regional infrastructure benefits of the project outweighed strict compliance with the Unilateral Agreement conditions. In adopting Resolution 08-198, CD1, the City Council provided the Department of Planning and Permitting ("DPP") with discretion to allow the developer to proceed with the project despite the passing of deadlines for several of the Unilateral Agreement conditions, as long as the developer continues to make reasonable progress in complying with the remaining conditions. Similarly, in approving an update to the Central Oahu Sustainable Communities Plan in early 2021, the City Council confirmed that RKII, especially its residential and regional infrastructure components, remains a Central Oahu development priority.³

This status report marks Haseko's fourth annual report to the Land Use Commission ("LUC") since acquiring the Lands and addresses the conditions imposed under the LUC's Amended Decision and Order (Docket No. A92-683, October 1, 1996), and as further amended.⁴

<u>PROJECT STATUS</u>: Since acquiring the Lands on August 12, 2020, Haseko has been in discussions with various City and State agencies including the State Department of Transportation ("DOT") and the State Department of Agriculture ("DOA"). Additionally, Haseko held meetings with adjoining landowners Robinson Kunia Land LLC ("RKL") and its lessee Ho'ohana Solar I, LLC ("Ho'ohana Solar"), and RK II Partners LLC, the purchaser of the B-1/I-1 zoned lot located *mauka* Haseko's Property and an affiliate of Jupiter Holding Investors II, LLC, to discuss the various agreements relating to Haseko's development of its Property. Based partially on those discussions, Haseko developed a draft Conceptual Site Plan for the Property.

On August 1, 2022, the DPP issued Cluster Housing Permit No. 2022/CL-2 approving Haseko's development of the first residential neighborhood on that portion of its Property rezoned by Ordinance No. 95-08, commonly identified as "Parcel D". This first residential neighborhood will be a cluster housing development consisting of not more than 324 single family, two family, and multi-family dwelling units, with a mix of affordable and market-rate housing targeting home buyers in the middle-income ranges, enhanced by an internal linear park system and open space having active recreational and play facilities and connecting walkways. Haseko is currently in the process of obtaining its development permits and, barring any unanticipated circumstances, construction of its first production residential units is anticipated to commence in late-2026.

¹ Oahu TMKs 9-4-002: 070 (13.304 acres), 9-4-002:078 (36.660 acres), 9-4-002:084 (37.42 acres), 9-4-002:085 (32.99 acres), and 9-4-002:086 (90.92 acres)

² "Total Phase II Development Area" reflected in Land Use Commission's Amended Findings of Fact, Conclusions of Law, and Decision and Order filed on October 1, 1996, in Docket No. A92-683.

³ Central Oahu Sustainable Communities Plan, approved March 30, 2021 (Ordinance 21-6), Table 2.1 and Section 2.2.10.

⁴ The LUC D&O was further amended by a First Amendment issued on 10/7/2013. Some conditions were also impacted by LUC Order Granting Successor Petitioner (As to Parcel 52) Ho'ohana Solar 1, LLC's Motion for Modification and Time Extension dated September 29, 2021, and as further amended on November 1, 2021.

Type of Condition	Description of Requirements	Compliance Status as of October 2024	Action Plan for Achieving Full Compliance
1. Affordable Housing	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.]	Future compliance. Discussions were initiated by Haseko's predecessor, but further action was deferred while the Property was in bankruptcy. Haseko is currently in discussions with the Department of Planning and Permitting on the terms of the agreement in compliance with the Unilateral Agreements ("UA").	The affordable housing requirements are set forth in greater detail in the UAs that rezoned the RKII lands (Ordinances 95-08 and 97-12). Haseko'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. Since acquiring the Lands in August 2020, Haseko has been working with DPP regarding the terms of a binding affordable housing agreement. Such agreement between Haseko and DPP will provide details on the general location of the affordable housing units, anticipated construction schedule, size, distribution, and any required buyback or shared appreciation conditions. Haseko submitted the proposed affordable housing agreement to DPP in December 2022 and resubmitted the revised agreement in September 2023. Haseko will make reasonable progress to finalize such an agreement prior to applying for building permits.
2. Transportation Improvements	Amended Condition per Land Use Commission (LUC) 10/7/2013 First Amendment to the D&O: Petitioner shall fund, design, and construct the 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	Partial completion and future compliance. 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.	 HK held initial meetings with DOT, DTS and DPP TRB representatives and RP2, Haseko's immediate predecessor in interest to TMK Parcel 71, followed up as needed to mutually determine and reach agreement on: 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.

Type of Condition	Description of Requirements	Compliance Status as of October 2024	Action Plan for Achieving Full Compliance
	 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: 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 northernmost boundary of Royal Kunia, Phase II) and a third northbound lane between Cane Haul Road Intersection, provided that interim measures prior to full build out may be allowed with the approval of DOT. B. A report that analyzes the impact of the proposed Phase II project's traffic on the Kunia Interchange and evaluates alternatives that will mitigate the impacts. 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. D. Plans for construction work within the State highway right-of-way must be submitted to the DOT, Highways Division for review and approval. Agreement by the DOT on the level of funding and participation shall be obtained prior to the Petitioner applying for county zoning. 	 Haseko has met with the DOT and DTS on several occasions. Its traffic consultant is preparing a separate Kunia Interchange regional study identifying the Property's percentage traffic contribution to the interchange. In May 2022, a revised TIAR through the full build-out of the residential development was submitted by WOC to both DOT and DTS and was approved with no further comment. 	 c. HK's participation with other Ewa area developments landowners and developers in fair-share funding of regional transportation improvements. Such an agreement will be executed prior to the submittal to DPP of any applications for the subdivision of building lots. An updated traffic study was completed in May 2008 and submitted in the Planned Development-Housing ("PD-H") Application. The Traffic Impact Assessment Report ("TIAR") (WOC, 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 and (2) Kunia Interchange. HK retained Wilson Okamoto Corporation ("WOC"), to update the TIAR. In May 2015 WOC took updated traffic counts which showed conditions have remained consistent with the original analysis. 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 conceptual roadway plans based on queuing analysis and submitted them to DOT for review in 2014. Comments were addressed and plans/responses were submitted, with a follow-up meeting with DOT held in mid-2015. 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.

Type of Condition	Description of Requirements	Compliance Status as of October 2024	Action Plan for Achieving Full Compliance
			Since acquiring the Lands in August 2020, Haseko has been taking steps toward confirming prior agreements and understandings previously reached by its predecessors. Haseko had had several meetings with the DOT to address the entire RKII and the development's impacts on the Kunia Interchange and the future widening of Kunia Road. Haseko's traffic consultant, WOC, is in the process of preparing a separate Kunia Interchange regional study identifying the Property's percentage traffic contribution to the interchange. In addition, on August 23, 2021, Haseko's traffic consultant also submitted a TIAR to DPP/DTS to identify and assess the traffic impacts related to the development of RKII, based on a traffic study technical scope approved by DOT in 2020. DPP/DTS has provided its comments and the TIAR was submitted to DOT for final approval. In May 2022, a revised TIAR through the full build-out of
			the residential development was submitted by WOC to both DOT and DTS and was approved with no further comment.
			A subsequent and revised TIAR will need to be developed and submitted to DOT and DTS once the industrial parcel owner provides their approved TIAR for the industrial and commercial property through full build-out. This information will be combined with all of the other RKII landowners' TIARs and analyzed by WOC to provide the parameters that will be used to design the local improvements.
			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.
3.	Petitioner shall appoint a permanent transportation manager whose function is the formulation, use, and	Prior & future compliance.	To the extent applicable, Haseko will participate in regional highway and transportation planning, including

Type of Condition	Description of Requirements	Compliance Status as of October 2024	Action Plan for Achieving Full Compliance
Regional Transportation Management Program	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.	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. Future compliance to the extent applicable.	participation with LOTMA and the Ewa Region Highway Transportation Master Plan Working Group.
4. Traffic Monitoring	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.	Future compliance. In May 2022, a revised TIAR through the full build-out of the residential development was submitted by WOA to both DOT and DTS and was approved with no further comment.	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 on its Lands. In addition, on August 23, 2021, Haseko's traffic consultant also submitted a TIAR to DPP/DTS to identify and assess the traffic impacts related to the development of RKII based on a traffic study technical scope approved by DOT in 2020. DPP/DTS has provided its comments and the TIAR was submitted to DOT for final approval. In May 2022, a revised TIAR through the full build-out of the residential development was submitted by WOA to both DOT and DTS and was approved with no further comment.
5. Integrated Solid Waste Management Act	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.	Future compliance, as necessary in light of the City's Automated Cart Collection program.	With DES implementation of its Automated Cart Collection program, participating residences receive a set of three carts for sorting refuse, green waste, and mixed recyclables. This program eliminates the need for the development of a waste management plan since Haseko intends to design its various residential developments to qualify for the City's Automated Cart Collection program.

Type of Condition	Description of Requirements	Compliance Status as of October 2024	Action Plan for Achieving Full Compliance
			Haseko has received preliminary approval from DES to have its first cluster housing project eligible for the Automated Cart Collection program.
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.	Partial completion and future compliance. Per the March 6, 2007, School Site Agreement, the 12-acre school site has been conveyed to RKES, LLC	 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, RKES, LLC, and DOE on March 6, 2007. 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. 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. The required cash contributions will be made in
			accordance with the schedule of installments outlined in the March 6, 2007, School Site Agreement.
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. Haseko will coordinate with BWS as necessary to obtain the required water from the existing BWS system and develop additional water resources and/or supply system improvements for dedication to BWS. Haseko submitted an updated water master plan to BWS in June 2021 which reflects the

Type of Condition	Description of Requirements	Compliance Status as of October 2024	Action Plan for Achieving Full Compliance
			projected water demand based on BWS' system standards applied to the projected development for the various areas of RKII. Haseko submitted the updated Water Master Plan on August 9, 2022, and received approval on April 10, 2023. Addendum 1 to the approved Water Master Plan was submitted on June 9, 2023, and approved on January 26, 2024.
			Haseko has contracted RMTC to coordinate with BWS and design any additional water system improvements required by BWS.
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.	Future compliance. Haseko is working with the State Hawaii Emergency Management Agency on coming to an agreement for the funding, installation, and conveyance of a Civil Defense siren.	Since acquiring the Lands in August 2020, Haseko has been working with the Hawaii Emergency Management Agency, a division of the State of Hawaii, Department of Defense, to reach an agreement for the funding, installation, and conveyance of a Civil Defense siren to be located on an adjacent property within RKII.
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 Haseko does not plan to add it to its Lands. Title is still held by RKL 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 RKL.
11. Pollutants	Petitioner shall coordinate with the DOH 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.	Haseko will meet with DOH and DES prior to initiating construction on its Lands 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.

Type of Condition	Description of Requirements	Compliance Status as of October 2024	Action Plan for Achieving Full Compliance
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.	Haseko will meet with DOH and DES prior to initiating construction on its Lands to establish an approved program for compliance with this requirement and will implement this program. Haseko submitted an updated wastewater master plan to DES in June 2021 which reflects the wastewater demand estimates based on the DES wastewater system design standards (July 2017) against the projected development of the various areas of RKII.
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.	Haseko will meet with DOH prior to initiating construction on its Lands to establish an approved soil erosion and dust control program and will implement this program.
14. Air Quality Monitoring	Petitioner shall participate in an air quality monitoring program as specified by the DOH.	Future compliance.	Haseko will meet with DOH prior to initiating construction on its Lands to establish an agreement defining its participation in a DOH-specified air quality monitoring program for the area where the construction 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.	Haseko 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 RKII property in connection with the infrastructure construction for	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 RKII, Haseko 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.

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		Village Park and Royal Kunia Phase I.	Haseko submitted updated drainage master plans to the Civil Engineering Branch of DPP in July 2021, which reflects the new master plan for Royal Kunia Phase II. Such drainage master plans were approved by DPP on August 11, 2021. RMTC on behalf of Haseko submitted and received approval of Supplemental Drainage Calculations for Storm Flow Routing Evaluation of the Royal Kunia Country Club Golf Course on October 6, 2023, and received approval from DPP on November 13, 2023.
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 (SHPD).	Partial completion and future compliance.	 Haseko will fully comply with all established procedures to protect any archaeological resources that might be encountered during the development of its Lands. Haseko retained SWCA Environmental Consultants ("SWCA") to assist Haseko in compliance with HRS Chapter 6E. In early September 2021, SWCA initiated an HRS 6E-42 historic preservation review for the Lands pursuant to DPP's new process through the SHPD's HICRIS computerized system. Despite SHPD indicating that the DPP's new process does not comply with HRS 6E, SWCA initiated discussions with SHPD staff on the historic preservation review, including mitigation procedures. Based on these discussions, if significant historic sites are present, SWCA will work with SHPD to devise mitigation commitments as needed. In a meeting with SHPD in April 2023, SHPD requested that Haseko submit an Archaeological Inventory Survey ("AIS") report, and a Reconnaissance Level Survey ("RLS") report before HRS 6E approval. In September 2023, Haseko filed the RLS report in HICRIS for SHPD's review. In December 2023, Haseko filed the AIS testing strategy for SHPD's review. In January 2024, SHPD accepted the AIS testing strategy submitted by SWCA, and acknowledged that Federal Clean Water Act permitting is not required per the US Army Corps of

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			Engineers. The AIS report was finalized and submitted in September 2024 for final review and approval to address SHPD review comments. The RLS was also revised and submitted in September 2024 to address SHPD review comments.
			Haseko will continue working with SHPD to fulfill its requirements with the HRS 6E review.
18. Development Plan Approvals	Petitioner shall obtain Development Plan approvals from the City within five (5) years from the date of this Order.	Fully met.	All required Development Plan approvals have been obtained, and the RKII project is in full compliance with the current Central Oahu Sustainable Communities Plan. No further action is required. In 2009, HK obtained PD-H approval from DPP. The PD- H permit has since expired.
			Since acquiring the Lands in August 2020, Haseko has been diligently working on its overall plans for its Lands. The DPP issued Cluster Housing Permit No. 2022/CL-2 for development of Haseko's first residential neighborhood on a portion of its Lands commonly known as "Parcel D". This first residential neighborhood will consist of not more than 324 single family, two family, and multi-family dwelling units, with a mix of affordable and market-rate housing targeting home buyers in the middle-income ranges, enhanced by an internal linear park system and open space having active recreational and play facilities and connecting walkways. Haseko is currently in the process of obtaining its development permits and, barring any unanticipated circumstances, construction of its first production residential units is anticipated to commence in late-2026.
19. Agricultural Park	Amended and new conditions per LUC 11/1/2021 Amended Order Granting Successor Petitioner (as to Parcel 52), Ho'Ohana Solar 1, LLC's Motion for Modification and Time Extension	Partial completion and future compliance.	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.

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	 <u>Royal Kunia Agricultural Park Offsite Infrastructure</u>. Within six (6) months of the date of the LUC's Order, the landowner(s) within the Petition Area shall execute an amendment to the Memorandum of Understanding (MOU) (dated 1993 and subsequent amendments in 2007, 2009, 2012, 2015 and 2020) with the DOA, and comply with this amended MOU. This MOU shall require that off-site infrastructure to the State of Hawai'i's Kunia Agricultural Park be completed no later than June 30, 2023. "Offsite-infrastructure" includes, but is not limited to, all utilities and appurtenant works, roadways, potable water lines, electrical utilities, sewer lines, utility connections, and the non-potable waterline appurtenances in place, complete. <u>Revised Master Plan</u>. All 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 to the LUC no later than December 31, 2021. <u>Status Report</u>. By March 31, 2021, all landowners within the Petition area shall submit to the LUC a status report on the development of their respective parcels of land and their construction or contribution to the construction of the off-site infrastructure. <u>Notice to LUC</u>. Petitioner shall provide notice to the LUC 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 development of the subject property, excluding, however, sales or leases of the 53 individual lots or condominium units in a residential development, or leases in an industrial development. 	Title to the 150-acre agricultural park was transferred to the State of Hawai`i in 2004.	 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. HK submitted the preliminary site plan and design of the off-site infrastructure improvements to DOA for review in October 2016. Since acquiring a portion of RKII, RP2 worked with DOA towards satisfying this condition. Most recently, RP2, Haseko's predecessor in interest, 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. Since acquiring the Lands in August 2020, Haseko has had several virtual meetings with DOA to discuss the terms of a proposed 5th Amendment to the Amended MOU. Haseko's infrastructure facilities to serve the Agricultural Park which will be provided in conjunction with the development of an interior roadway (Roadway Y) and temporary infrastructure facilities which will serve the Agricultural Park. In addition, Haseko, with Ho'ohana Solar 1, LLC, started construction on the Irrigation

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	<u>Compliance with Representations</u> . Failure of the landowners to construct the off-site infrastructure for the Kunia Agricultural Park will constitute good cause for the LUC to issue an Order to Show Cause to the landowners pursuant to HAR §15-15-93 of the Commission's Rules. <u>Failure of Solar Project</u> . Should Ho'ohana fail to construct and complete the Solar Project, the easement(s), construction, maintenance, and cost of the non-potable waterline described under Condition B.1. shall revert to the responsibility and expense of the landowners.		 Infrastructure in July 2023 to provide non-potable irrigation water to the Agricultural Park. The Irrigation Infrastructure was completed and operational to the boundary of the State Agricultural Park in August 2024. On January 10, 2024, Haseko and DOA executed the 5th Amendment and Restatement to the Amended MOU, with revised deadlines for the Temporary and Permanent Infrastructure. At the April 4, 2024 LUC meeting, the LUC voted to approved Haseko's Motion to Extend the Off-Site Infrastructure deadline. The written order of approval is still pending. Haseko intends to fully comply with the required conditions set forth in the revised LUC Order issued on November 1, 2021.
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.	Haseko fully intends to continue to fulfill the requirement to develop the Haseko-owned portions of RKII in substantial compliance with representations made by its predecessors in interest to the LUC. Haseko 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 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	Amended Condition per LUC 1/28/2015 Order Granting Successor Petitioner (to Parcel 52), Ho'Ohana Solar 1, LLC's Motion for Order Amending the D&O and First Amendment to the D&O:	Partial completion and future compliance.	Haseko will provide notice to the LUC of any transfer or conveyance of the Lands it acquired in August 2020.
	Petitioner shall provide notice to the LUC of any intent to sell, lease, assign, place in trust, or otherwise voluntarily alter the ownership interests in the subject		

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	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.		
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. Haseko will submit future annual reports in compliance with this condition.
23. Release of Conditions	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. 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 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	Future compliance. No motions for a full or partial release of conditions have been filed to date.	Haseko intends to apply to the LUC for such releases in the future, as appropriate.

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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					
AIS	Archaeological Inventory Survey	MOU	Memorandum of Understanding		
BWS	City and County of Honolulu Board of Water Supply	PD-H	Planned Development-Housing		
DES	City and County of Honolulu Department of Environmental Services	OSP	State of Hawaii Office of Planning and Sustainable Development		
DLNR	State of Hawaii Department of Land and Natural Resources	RKII	Royal Kunia Phase II		
D&O	Decision and Order	RKL	Robinson Kunia Land LLC		
DOA	State of Hawaii Department of Agriculture	RLS	Reconnaissance Level Survey		
DOE	State of Hawaii Department of Education	RMTC	RM Towill Corporation		
DOH	State of Hawaii Department of Health	RP2	RP2 Ventures, LLC		
DOT	State of Hawaii Department of Transportation	UA	Unilateral Agreement		
DPP	City and County of Honolulu Department of Planning and Permitting	SHPD	State Historic Preservation Department		
DTS	City and County of Honolulu Department of Transportation Services	SWCA	SWCA Environmental Consultants		
HDC	Halekua Development Corporation	TIAR	Traffic Impact Analysis Report		
НК	Halekua-Kunia LLC	TRB	City and County of Honolulu Department of Planning and Permitting Traffic Review Branch		
LOTMA	Leeward Oahu Transportation Management Association	WOC	Wilson Okamoto Corporation		
LUC	State of Hawaii Land Use Commission				