



LAND USE COMMISSION
STATE OF HAWAII

2011 DEC -6 P 3:45

December 6, 2011
2011.59.0100 / 11P-183

Mr. Orlando "Dan" Davidson
Executive Director
State Land Use Commission
State Office Tower
235 So. Beretania Street, 4th Floor
Honolulu, HI 96813

Dear Mr. Davidson:

**Annual Report on Land Use Commission
Docket No. A84-574 / Mauna Kea Properties, Inc.**

On behalf of Mauna Kea Resort Services LLC (Petitioner Mauna Kea Properties, Inc. was merged into Mauna Kea Resort Services LLC on October 1, 2011, with Mauna Kea Resort Services LLC being the surviving entity) ("Petitioner"), we are submitting the following annual report on the status of the project and on progress in complying with the conditions imposed. This submittal is pursuant to Condition No. 3 of the Decision and Order for Docket No. A84-574 dated Dec. 6, 1994. As a result of the merger, Petitioner shall henceforth refer to Mauna Kea Resort Services LLC.

2011 ANNUAL REPORT

1. BACKGROUND AND GENERAL PROGRESS OF THE PROJECT

The property that is the subject of Land Use Commission (LUC) Docket No. A84-574 consists of approximately 399 acres of land at Ouli 1, South Kohala, Hawaii. The project is a portion of the former 539-acre South Kohala Resort, also formerly known as the Hapuna Beach Resort, and is being developed as a golf course/residential community. The Uplands at Mauna Kea is now part of the overall Mauna Kea Resort.

The property originally consisted of 10 large development parcels: eight residential, one commercial, and one recreational (tennis). The 10 parcels were subsequently consolidated and re-subdivided to create 8: Parcels A-G/H. See attached Figure 1, *Development Parcels A-G/H*.

Parcel A has been retained by Mauna Kea for its residential services offices.

Parcel B is the site of a single-family residential project named Moani Heights at The Uplands. Development of this parcel has been completed and there have been resales.

Parcel C includes 'Apa'apa'a Heights at The Uplands, a single-family residential project; and The Kumulani at The Uplands, a condominium project. Both projects have sold out and there have been resales.

Parcels D and E are currently being marketed.

Parcel F remains under the ownership of MI Parcel F LLC. There are currently no development plans for the parcel.

Parcels G and H are being developed by Moana Ikena LLC as The Wai'ula'ula at Mauna Kea Resort, a project comprised of single family, duplex, and multi-family units. No development activity occurred on these parcels in 2011. There have been resales of some existing condominium units.

2. PROGRESS IN COMPLYING WITH THE CONDITIONS IMPOSED

According to the Land Use Commission's Decision and Order dated Dec. 6, 1994 ("Decision and Order") and Order Granting Motion for Clarification of Land Use Commission's Findings of Fact, Conclusions of Law and Decision and Order and for Extension of Time, and Motion for Waiver of Hawaii Administrative Rule Section 15-15-92(2), dated February 13, 1995 ("Order Granting Motion"),¹ the Petitioner must comply with six (6) conditions. These conditions are listed below, each numbered as identified in the Decision and Order and Order Granting Motion, and each followed by a status report on the Petitioner's efforts to comply with the condition.

Condition No. 1:

- "1. Petitioner shall develop the Property in substantial compliance with the representations made to the Commission. Failure to so develop the Property may result in reversion of the Property to its former classification, or change to a more appropriate classification."

Status: The Petitioner is following its plan to develop the property, as presented to the Commission. The first part of this report summarized progress made as of December 6, 2011.

Condition No. 2:

- "2. Petitioner shall give notice to the Commission of any intent to sell, lease, assign, place in trust, or otherwise voluntarily alter the ownership interests in the Property, prior to development of the Property."

Status: No such action is pending.

Condition No. 3:

- "3. Petitioner shall timely provide without any prior notice, annual reports to the Commission, the Office of State Planning, and the County of Hawaii Planning Department in connection with the status of the subject project and Petitioner's progress in complying with the conditions imposed herein. The annual report shall be submitted in a form prescribed by the Executive Officer of the Commission."

Status: A copy of this annual report is being submitted to the State Office of Planning and the county of Hawaii Planning Department.

¹ The Order amended Condition No. 6 of the LUC's Decision and Order dated December 6, 1994. Order at page 3.

Condition No. 4:

- "4. The Commission may fully or partially release the conditions provided herein as to all or any portion of the Property upon timely motion and upon the provision of adequate assurance of satisfaction of these conditions by Petitioner."

Status: Petitioner has not filed any motion to date under this condition.

Condition No. 5:

- "5. Within 7 days of the issuance of the Commission's Decision and Order for the subject reclassification, Petitioner shall (a) record with the Bureau of Conveyances a statement that the Property is subject to conditions imposed herein by the Land Use Commission in the reclassification of the Property, and (b) shall file a copy of such recorded statement with the Commission."

Status: The Commission's Decision and Order was issued on December 6, 1994. As stated in annual reports filed in previous years, the Petitioner complied with this condition by filing a copy of the Notice with the Commission on December 14, 1994.

Condition No. 6:

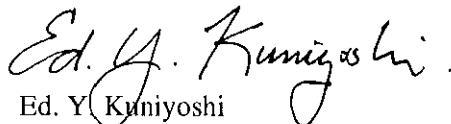
- "6. Petitioner shall record the conditions imposed herein by the Commission with the Bureau of Conveyances within sixty (60) days of the filing of this Decision and Order."

Status: As stated in our previous annual reports, on April 12, 1995, Petitioner recorded a Declaration of Conditions covering the conditions imposed by the Commission in the Bureau of Conveyances as Document No. 95-049097. By letter dated April 25, 1995, Petitioner submitted a certified copy of the Declaration of Conditions to the Commission.

The above constitutes Petitioner's 2011 Annual Reports for the property.

Sincerely,

BELT COLLINS HAWAII LTD.


Ed. Y. Kuniyoshi
Planner

EYK:jdk

cc: Director, Hawaii County Planning Department
Enjon Angelo, Mauna Kea Resort Services LLC
J. Douglas Ing, Watanabe Ing LLP
Emi L.M. Kaimulua, Watanabe Ing LLP

