April 18, 2011

Mr. Orlando Davidson, Executive Officer Land Use Commission State of Hawaii, Department of Business, Economic Development & Tourism PO Box 2359 Honolulu HI 96804-2359

Subject: Annual Report for LUC Docket SP02-397, Special Use Permit for an Educational Retreat Center at Hamakua, Hawaii,
TMK 4-4-11:015

Dear Mr. Davidson:

In accordance with Condition No. 9 of the above referenced Special Use Permit (SUP), Hawaii United Methodist Union is required to submit an annual progress report to the State Land Use Commission (LUC). As required this report has been prepared to: 1) outline the status of the subject development; and 2) reference compliance with the ten conditions of the SUP approval.

Project Status

We have successfully passed the final inspection for the first camping pavilion and four covered sites for tents, and are building more tent sites.

We are half way finished with the first of three duplexes (six cottages) and have permits for the other two.

Our permit for two bunk houses is in the County of Hawaii permit process after withdrawing it from last year and converting the electrical plan to 12 volt DC.

Our contacts with the Environmental Protection Agency, State Department of Health and County Fire Department have led to several major adjustments. Septic systems will serve all camper facilities "including" camping pavilions.

We continue to work under a USDA developed conservation plan for the property.

Sincerely,

Reverend Dr. Theodore Lesnett

Cc: Planning Director, County of Hawaii Hawaii United Methodist Union

Conditions of Approval

Condition No. 1

That the Applicant, successors or assigns shall be responsible for complying with all of the stated conditions of approval.

Response: The Hawaii United Methodist Union (HUMU) acknowledges and will adhere to the terms of this condition. Condition No. 2

That the Applicant shall complete the development in keeping with substantial representations made in the Application and to the Land Use Commission. These representations include, but are not limited to: i) limiting the operation of the Project to a non-profit organization; ii) constructing no more than four 1,200 square-foot, single-story dormitories and no more than six 600-square foot, single-story cottages; and iii) limiting the maximum number of beds to 40 exclusive of staff quarters.

Response: HUMU's Master Pian submitted to the County of Hawaii Pianning Director portrays four bunkhouses and six cottages within the prescribed size limits.

Condition No. 3

That an archaeological letter of clearance be secured from the Department of Land and Natural Resources (DLNR) — Historic Preservation Division with a copy submitted to the Planning Director prior to any land clearing activities. Response: An archaeological letter of clearance, dated July 5, 2005, has been received, as previously reported. Condition No. 4

That all construction for the proposed expanded retreat shall be completed in ten (10) years from the effective date of this permit. Prior to the start of any new construction, Final Plan Approval shall be secured from the Planning Director. Plans shall identify all proposed structures, parking area(s), access driveway(s) and landscaping associated with the proposed use.

Response: Final Plan Approval has been secured. Presently HUMU plans to construct the retreat within the ten-year period allotted is being challenged by necessary funds. It is likely that a time extension for construction will be necessary.

Condition No. 5

That the Applicant shall secure and finalize all existing permits as required by the Department of Public Works, Building Division.

Response: As previously reported, HUMU determined to demolish existing buildings with outstanding permits rather than finalize these permits. The buildings, constructed by lessees, were substandard. All but one have been demolished.

Condition No. 6

That access shall meet with the requirements of the Department of Public Works.

Response: HUMU will ensure that access meets the requirements of the Department of Public Works.

Condition No. 7

That should any unidentified sites or remains such as artifacts, shell, bone, or charcoal deposits, human burials, rock or coral alignments, pavings or walls be encountered, work in the immediate area shall cease and the DLNR-State Historic Preservation Division (DLNR-SHPD) shall be immediately notified. Subsequent work shall proceed upon an archaeological clearance from the DLNR-SHPD when it finds that sufficient mitigative measures have been taken. Response: HUMU will observe this condition. The property evidenced few sites during a professional archaeological inventory survey.

Condition No. 8

That the Applicant shall comply with all other applicable laws, etc., of affected government agencies. Response: The Applicant plans to comply with requirements of government agencies and departments. Condition No. 9

That a written annual status report shall be submitted to the Planning Director and the Land Use Commission in connection with the status of the Project and the Applicant's progress in complying with the conditions imposed herein. The annual report shall be due prior to or on the anniversary date of the issuance of this Decision and Order. The annual report shall be submitted in a form prescribed by the Executive Officer of the Land Use Commission. Response: This letter is submitted in accordance with this annual requirement. Condition No. 10

That an Initial extension of time for the performance of conditions within the permit may be granted by the Planning Director and Land Use Commission upon the following circumstances:

Non-performance is the result of conditions that could not have been foreseen or are beyond the control of the applicant, successors, or assigns and that are not the result of their fault or negligence.

Granting of the time extension would not be contrary to the General Pian or Zoning Code.

Granting of the time extension would not be contrary to the original reasons for the granting of the permit.

The time extension granted shall be for a period not to exceed the period originally granted for performance (i.e., a condition to be performed within one year may be extended for up to one additional year).

Response: Covered in reply for condition 4.