

BUESCO
100-200

A85-599 KONA BEACH DEVELOPMENT VENTURE (2 of 2)

STATE OF HAWAII
LAND USE COMMISSION
Room 104, Old Federal Bldg.
335 Merchant Street
Honolulu, Hawaii 96813

October 20, 1986

MEMORANDUM

TO: Land Use Commissioners

FROM Staff

SUBJECT: General Information for the Hearing on LUC Docket No.
A86-599 - KONA BEACH DEVELOPMENT VENTURE, L.P.

PETITION: To reclassify approximately 470.13 acres of land currently in the Conservation District into the Urban District at Kohanaiki, North Kona, Hawaii, for resort, residential, commercial, golf course, and marina uses.

DATE RECEIVED: February 24, 1986

HEARING SPAN: April 25, 1986 - August 25, 1986

NOTICE OF HEARING SERVED: June 18, 1986

DATE OF LEGAL AD: June 6, 1986

INTERVENTION DEADLINE: June 23, 1986

REQUESTS FILED: UNTIMELY:

1. Elizabeth Ann Stone
Received June 30, 1986
2. Ted Newstrom
Received July 8, 1986
3. Harry R. Foster
Received July 8, 1986
4. Owen Miyamoto
Received July 1, 1986
5. Kona Conservation Group
Received July 8, 1986

WITNESS DEADLINE: June 26, 1986

REQUESTS FILED: TIMELY:

None

AGENDA MAILED September 19, 1986

AGENDA FILED WITH
LT. GOVERNOR'S OFFICE October 10, 1986

DOCKET NO. A86-599

KONA BEACH DEVELOPMENT
VENTURE, L.P. (Hawaii)

DEADLINE: June 26, 1986

REQUEST TO BE A WITNESS

DATE RECEIVED

A.	Elizabeth Ann Stone General Delivery Naalehu, HI 96772	6/30/86
B.	Owen Miyamoto, Airports Administrator Dept. of Transportation, State of Hawaii Honolulu International Airport Honolulu, HI 96819	7/1/86

DOCKET NO. A86-599 - KONA BEACH DEVELOPMENT
VENTURE, L.P. (Hawaii)

PREHEARING CONFERENCE: _____ DEADLINE: June 23, 1986

REQUEST FOR INTERVENTION

DATE RECEIVED

(Lgl Ad to appear June 6, 1986, Hawaii Tribune
Herald and Honolulu Advertiser)

LUC PETITION CONTENTS & PROCEDURES CHECKLIST

DOCKET NO./PETITIONER: A86-599 - KONA BEACH DEVELOPMENT VENTURE, L.P.
DATED FILED: February 24, 1986

Please check off your areas of concern and initial your station before passing this form to the next station.

Receptionist SH

Original signature document and 15 copies of all documents
 Complete certificate of service
 Filing fee* and receipt return letter
 Time stamp
 Assign docket number and opens file *sent 2/24/86 to LUCd Kona Service Ctr.*
 Send to Commissioners and Kona Service Center* or Molokai Library*
 Original to planner and copies to executive officer and drafting technician for processing
 Send to hearing officer*

Drafting Technician NY

Confirms petitioner's accuracy with respect to:

<input checked="" type="checkbox"/> ownership	<input checked="" type="checkbox"/> location and size
<input checked="" type="checkbox"/> lessees	<input checked="" type="checkbox"/> land use district
<input checked="" type="checkbox"/> proposed reclassification	<input checked="" type="checkbox"/> tax map key
<input checked="" type="checkbox"/> notify planner and executive officer if in Conservation	<input checked="" type="checkbox"/> certificate of service
	<input checked="" type="checkbox"/> map and its accuracy w/text

Planner NY

Rechecks Receptionist and Drafting Technician checklist
 Name and address of petitioner
 Statutory authority; letter of authorization* and verification*

For Boundary Amendments:

Verifies with Chief Clerk on exhibits' completeness
 Development proposal
 Market analysis *summary only*
 HRS 343-EA or EIS* and timeframes *not to submit accepted EIS*
 Impacts on resources of area; Economic Impacts*; Proposals for low/moderate/employee housing
 Financial Statement
 Timing of development (phasing and incremental proposals)
 Conformance to HRS ~~205, 205A, 226~~; ~~LUC R&R, County Plans~~ SMA required
 Engineering Report (traffic, soils, etc.)
 Public facilities and utilities *part of planning study (summary)*

FOR SPECIAL PERMITS (OVER 15 ACRES)

County's recommended approval
 Complete record
 Writes staff report
 Send to Drafting Technician for maps

called Jim Fumaki on King's Trail, Market report, time frame for development, engineering report on 2/28

Trail owned by state, will see easement to cross

ON DECLARATORY RULINGS

Confirm form and contents with R&R Part VIII

ON MOTIONS

Confirm form and contents with R&R 3-13

ON ORDERS TO SHOW CAUSE

Confirm form and content with R&R 7-2(1)

470.13
465,604

*Where Applicable

PETITION FILED: Feb. 24, 1986

DOCKET NO./PETITIONER:

A86-599 - KONA BEACH DEVELOPMENT VENTURE, L.P.

Attorney for Petitioner

James T. Funaki, Esq.
Okumura, Takushi, Funaki & Wee
Grosvenor Center, Suite 1400
733 Bishop Street
Honolulu, HI 96813
PH: 543-9800

STATE

KENT KEITH, Director
Dept. of Planning and Economic Development
State of Hawaii
250 South King Street
Honolulu, HI 96813

Attorney for State

Everett Kaneshige, Esq.
Deputy Attorney General
465 S. King Street, Room 200
Honolulu, HI 96813
PH: 548-8406

COUNTY

ALBERT LONO LYMAN, Planning Director
Planning Dept., County of Hawaii
25 Aupuni Street
Hilo, HI 96720

Attorney for County

Ronald Ibarra, Esq.
Office of the Corporation Counsel
County of Hawaii
25 Aupuni Street
Hilo, HI 96720
PH: 961-8251

INTERVENOR

Deadline: 6/23/86

PUBLIC WITNESS - UNTIMELY

Harry R. Foster
P. O. Box 1599
Kailua-Kona, HI 96745

(on mailing list)

PUBLIC WITNESS - UNTIMELY

Deadline: 6/26/86

Elizabeth Ann Stone
General Delivery
Naalehu, HI 96772

PUBLIC WITNESS - UNTIMELY

Owen Miyamoto, Airports Administrator
Dept. of Transportation, State of Hawaii
Honolulu International Airport
Honolulu, HI 96819

Rec'd: 7/1/86

(on mailing list)

PUBLIC WITNESS - UNTIMELY

Ted Newstrom
General Delivery
Kailua-Kona, HI 96745

PUBLIC WITNESS - UNTIMELY

Kona Conservation Group
73-4504 Kohana Iki Road
Kailua-Kona, HI 96745
ATTN: Douglas Blake, President

Rec'd: 7/8/86

(on mailing list)

see next page

DATE

5/29/86

Amendment to Petition for Land Use District Boundary
Amendment and Verification filed by James Funaki.
(Filed with Petition)

IN

dk

5/30/86

Notice of Hearing sent to Honolulu Advertiser & Hawaii-Tribune Herald to be published June 6, 1986

to

PETITION FILED: February 24, 1986 DOCKET NO./PETITIONER: A86-599 KONA BEACH DEVELOPMENT VENTURE, L.P.	Attorney for Petitioner
STATE	Attorney for State
COUNTY	Attorney for County
INTERVENOR	
PUBLIC WITNESS - UNTIMELY (rec'd 10/20/86) Mr. Bryan Harry, Director United States Department of Interior National Park Service Pacific Area Office 300 Ala Moana Blvd., Box 50165 Room 6305 Honolulu, HI 96850 <i>12/15/86 - Agendas sent</i> (not on list)	PUBLIC WITNESS - UNTIMELY <i>Rec'd 11/3/86</i> Mr. Harold W. Adams 158 Puako Beach Drive Kamuela, HI 96743 <i>(not on list)</i> <i>12/15/86 - Agendas sent</i>

DATE	INI

DATE		INI
9/17/86	Notice of Prehearing Conference sent to parties.	dk
9/18/86	Notice of Continued Hearing sent to parties.	dk
9/18/86	Agenda (Oct. 7 & 8) sent to parties.	dk
9/19/86	Agenda sent to Statewide and Hawaii mailing lists.	f1
10/9/86	Agenda sent to Statewide and Hawaii mailing lists.	f1
10/10/86	Agenda sent to Caldecott, Nunley, Wade, Miyamoto, Newstrom, Blake, Solomon, Metcalf, & Forrester.	f1
10/24/86	Agenda sent to Kent Keith, Al Lyman, J. Funaki, E. Kaneshige, R. Ibarra, Miyamoto, B. Harry, and Statewide and Hawaii mailing lists.	f1
10/27/86	Notice of Continued Hearing sent to K. Keith, E. Kaneshige, James Funaki (Certified) Al Lyman (Certified), and Barbara Koi.	dk
11/13/86	Findings of Fact, COnclusions of Law, and Decision and Order accepting an Environmental Impact Statement for a State Land Use District Boundary Amendment filed and sent to James Funaki, Al Lono Lyman, and K. Keith. Also to Office Of Environmental Quality Control.	dk
12/11/86	Agenda sent to Murray Towill, Albert Lono Lyman, James T. Funaki, E. Kaneshige. Agenda also sent to all persons and organizations on the Statewide and Hawaii mailing lists.	f1
12/16/86	DPED's Proposed Findings of Fact and Decision and order filed by Everett Kaneshige.	dk
12/16/86	Stipulation for Proposed Decision and Order, Proposed Decision and Order and Certificate of Service filed by James Funaki.	dk
12/16/86	Stipulation for Proposed Findings of Fact and Conclusions of Law, Proposed Findings of Fact and Conclusions of Law and Certificate of Service filed by James Funaki.	dk
1/30/87	Served final Decision and Order to parties	to



STATE OF HAWAII
DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

LAND USE COMMISSION

P.O. Box 2359
Honolulu, Hawaii 96804-2359
Telephone: 808-587-3822
Fax: 808-587-3827

May 1, 2006

Mr. Dave Eadie, Chief Executive Officer
Rutter Development Corp.
18012 Cowan #200
Irvine, California 92614

Dear Mr. Eadie:

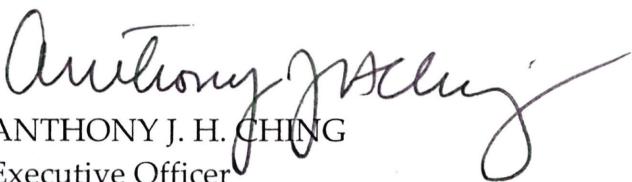
Subject: LUC Docket No. **A86-599**/Kona Beach Development Venture, L. P.
Tax Map Key Nos.: 7-3-009: 003 and 016
Confirmation of LUC Staff Site Visit

As you are well aware, the Land Use Commission ("LUC") issued an order reclassifying some 470 acres at Kohanaiki, North Kona, Hawaii, for your project subject to nine (9) conditions of approval. Given the passage of time, your current construction activity, and my responsibility to provide periodic monitoring reports to the Commission, I have been in communication with Mr. Mike Eadie and your project manager, Mr. Dennis Frost, regarding our desire to visit your project site.

Given our request, Mr. Frost has graciously provided an opportunity for my staff and I to meet with him on site on Friday, May 5, 2006 at, approximately 10:30 a.m. to observe the progress to date of your project. I would like to thank you and your staff for accommodating our request and making yourselves available to us.

If you should have any questions on this matter, please feel free to contact me directly at 587-3826. I look forward to our visit to your project site.

Sincerely,


ANTHONY J. H. CHING
Executive Officer

MESSAGE CONFIRMATION

MAY-02-2006 10:31 AM TUE

FAX NUMBER : 8085873827
NAME : LAND USE COMMISSION

NAME/NUMBER : 919498639109
PAGE : 1
START TIME : MAY-02-2006 10:30AM TUE
ELAPSED TIME : 00' 24"
MODE : STD ECM
RESULTS : [O.K.]

LINDA LINGLE
GOVERNOR

ANTHONY J.H. CHING
EXECUTIVE OFFICER



STATE OF HAWAII
DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM
LAND USE COMMISSION
P.O. Box 2359
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Sincerely,

Anthony J. H. Ching
ANTHONY J. H. CHING
Executive Officer



STATE OF HAWAII
DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM
LAND USE COMMISSION
Room 104, Old Federal Building
335 Merchant Street
Honolulu, Hawaii 96813
Telephone: 587-3822

December 20, 1991

The Honorable Patsy T. Mink
House of Representatives
Washington D.C. 20505-1102

Patsy
Dear Representative Mink:

Subject: Kaloko-Honokohau National Historical Park

I have received your letter dated November 30, 1991 regarding the subject Kaloko-Honokohau National Historical Park.

In approving the petition for reclassification brought by Nansay's predecessor-in-interest, the Commission incorporated significant safeguards to the project which should protect the Historical Park. We have enclosed the Commission's Decision and Order for your reference.

The Commission's decision may not be rescinded on its own initiative. However, either the State or County may petition the Commission for a district boundary amendment. Inasmuch as the Office of State Planning is currently conducting a Five-Year Boundary Review of the State Land Use District Boundaries at this time, by copy of this letter, we are forwarding your request to them for their consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Renton L.K. Nip".

RENTON L.K. NIP
Chairman

EU:to
Encl.

cc: OSP (w/letter)

PATSY T. MINK
SECOND DISTRICT, HAWAII

WASHINGTON OFFICE:
2135 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-1102
(202) 225-4906
FAX (202) 225-4987

DISTRICT OFFICE:
HONOLULU
5104 PRINCE KUHIO FEDERAL BUILDING
P.O. Box 50124
HONOLULU, HAWAII 96850-4977
(808) 541-1986
FAX (808) 538-0233

**Congress of the United States
House of Representatives
Washington, DC 20515-1102**

DEC 12 1991
LAND USE COMMISSION
STATE OF HAWAII

Renton Nip, Chair
State Land Use Commission
250 South King Street
Honolulu, Hawaii 96813

November 30, 1991

Dear Chair Nip:

RE: KALOKO-HONOKOHAU NATIONAL HISTORICAL PARK

I was the author and sponsor of this National Park when I served in the Congress in the 70's. Nearly all of the 1300 acres of land have been acquired by the federal government through the assistance of the State. All except for about 25 acres on the ocean front.

This is a critical part of the Park and its acquisition is important for the protection and conservation of the Park properties.

Through an error, this portion of the National Park was approved by your commission for inclusion in the resort development by Nansay corporation.

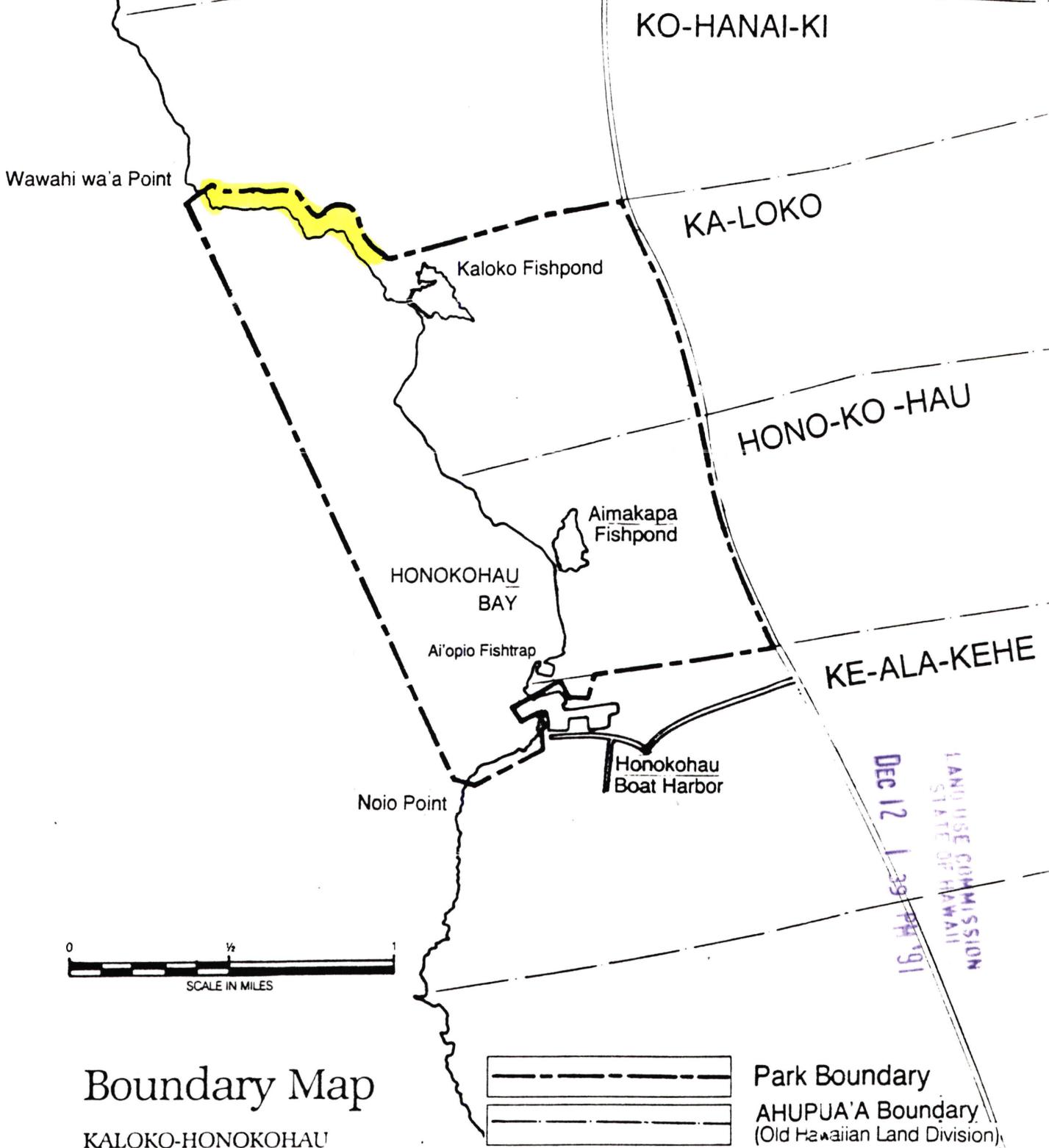
I respectfully request that this decision be rescinded and that the National Park boundary be recognized and secured from development.

Your consideration of this request will be deeply appreciated. Thank you very much.

Very truly yours,



PATSY T. MINK
MEMBER OF CONGRESS





STATE OF HAWAII
DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM
LAND USE COMMISSION
Room 104, Old Federal Building
335 Merchant Street
Honolulu, Hawaii 96813
Telephone: 548-4611

August 20, 1991

James T. Funaki, Esq.
Takushi Funaki Wong & Stone
Suite 1400, Grosvenor Center
733 Bishop Street
Honolulu, Hawaii 96813

Dear Mr. Funaki:

Subject: Filing of Grant of Noise Easement for Docket No.
A86-599/Kona Beach Venture, Inc.

This is to acknowledge receipt of the certified copy of the
Grant of Noise Easement transmitted by your letter dated
August 12, 1991 and prepared pursuant to condition number 7 of
the Decision and Order.

Thank you for your cooperation on this matter.

Sincerely,

Esther Ueda

ESTHER UEDA
Executive Officer

EU:to

cc: OSP
Hawaii County Planning Dept.

TAKUSHI FUNAKI WONG & STONE

GROSVENOR CENTER
733 BISHOP STREET
SUITE 1400
HONOLULU, HAWAII 96813
PHONE: (808) 543-9800
FAX: (808) 543-9869, 599-1960

ROY E. TAKUSHI
JAMES T. FUNAKI
ALFRED M.K. WONG
ROBERT M. EHRHORN, JR.
DICKSON C.H. LEE
PETER T. STONE

JAMES N.H. YEE
AARON S.H. YOO
ANN L. KURIHARA
CHRISTINE E. MURAI
WAYNE M. TANNA

LAND USE COMMISSION
STATE OF HAWAII

AUG 13 2 35 PM '91

Ms. Esther Ueda, Executive Officer
Land Use Commission
State of Hawaii
Old Federal Building, Room 104
335 Merchant Street
Honolulu, Hawaii 96813

Re: Docket No. A86-599
Nansay Hawaii, Inc.
Kohanaiki Noise Easement

Dear Ms. Ueda:

Enclosed with this letter you will find certified copy of that certain grant of noise easement made by Nansay Hawaii, Inc., as grantor, to the State of Hawaii, Department of Transportation, Airport Division, as grantee, dated May 16, 1991, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 91-067434.

The grant of noise easement was negotiated to conclusion and executed by the parties pursuant to and in compliance of Condition 7 as set forth in State Land Use Commission Decision and Order dated January 30, 1987 in Docket No. A86-599.

Yours very truly,

TAKUSHI FUNAKI WONG & STONE
ATTORNEYS AT LAW
A LAW CORPORATION

James T. Funaki
James T. Funaki
Attorney for NANSAY HAWAII, INC.

JTF/nmn
Enclosure
cc: Christine Barada w/enclosure
Owen Miyamoto w/enclosure

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
BUREAU OF CONVEYANCES
P. O. BOX 2867
HONOLULU, HAWAII 96803

Date AUG 05 1991

LAND USE COMMISSION
STATE OF HAWAII

I hereby certify that the attached instrument is a true copy from the records of the Bureau of
Conveyances of the State of Hawaii.

Attest:

Hei Haigalau
for REGISTRAR OF CONVEYANCES



CONV 103
APR 1977

91-067434

STATE OF HAWAII
BUREAU OF CONVEYANCES
RECORDS

1981 MAY 24 AM 8 01

S. FURUKAWA, REGISTRAR

LAND COURT SYSTEM REGULAR SYSTEM
Return by Mail () Pickup (✓) To:
Takashi Funaki Wong & Stone
Attorneys at Law
A Law Corporation
1400 Grosvenor Center
733 Bishop Street
Honolulu, Hawaii 96813-4005
Telephone (808) 541-2201

JTF/nmn
ITC CS15131

GRANT OF NOISE EASEMENT

THIS INDENTURE, made this 16th day
of May, 1991, by NANSAY HAWAII, INC., a
Hawaii corporation, the business and post office address of
which is Kamuela Business Center, P.O. Box 111222, Suite 727,
Kamuela, Hawaii 96743-0020, hereinafter called the "Grantor",
and the STATE OF HAWAII, DEPARTMENT OF TRANSPORTATION, AIRPORTS
DIVISION, hereinafter called the "Grantee";

WITNESSETH THAT:

WHEREAS, Grantor holds title to that certain real
property, more fully described in Exhibit "A" attached hereto
and by reference made a part hereof (hereinafter "Property");
and

WHEREAS, the Property is located within an area exposed to aircraft noise and will be subject to day-night average sound levels ("Ldn") as delineated by the 1990 Noise Contour Map of the Keahole Airport Master Plan and all applicable assumptions regarding the future operations of Keahole Airport underlying such map, attached hereto as Exhibit "B" and by reference incorporated herein (hereinafter "1990 Noise Contour Map"); and

WHEREAS, portions of the Property, as described as Easement 1, Easement 2 and Easement 3 in Exhibit "C" attached hereto and by reference incorporated herein (hereinafter "Easement Premises"), lie within the area subject to noise levels greater than 55 Ldn as delineated on the 1990 Noise Contour Map; and

WHEREAS, Grantor will develop the Property for urban uses, which development could potentially subject users of the Property within the Easement Premises to adverse noise impacts as a result of existing and future use and operations of the Keahole Airport; and

WHEREAS, Grantor will develop the hotel, condominium and single-family residential units located within the Easement Premises by incorporating sound attenuation measures as will provide for interior noise levels of 45 Ldn within the TV and sleeping rooms based on exterior noise levels delineated by the 1990 Noise Contour Map; and

WHEREAS, pursuant to certain conditions as stated in State Land Use Commission Decision and Order for Docket No.

A86-599 dated January 30, 1987, Grantor is required to grant and record a Noise Easement against the Easement Premises.

NOW, THEREFORE, in consideration of TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable consideration, the receipt and adequacy whereof is hereby acknowledged, and in acknowledgment of the potential for noise from aircraft using the Keahole Airport, as it currently exists or as it will be developed in the future, and in fulfillment of the conditions stated in the aforementioned Land Use Commission Decision and Order the following grants, agreements, covenants and restrictions are made:

1. Grant of Noise Easement. The Grantor, for itself, its successors and assigns, does hereby grant to the Grantee, its successors and assigns, a perpetual easement affecting the Easement Premises to discharge, emit, or otherwise transmit: (a) noise at the day-night average sound levels ("Ldn") up to but not including 70 Ldn affecting area of Easement 1, up to but not including 65 Ldn affecting area of Easement 2, and up to and including 60 Ldn affecting area of Easement 3 of the Easement Premises as shown on Exhibit "C"; and also (b) fumes, smoke, vibrations, and other substances and phenomena caused by the reasonable operation of the Keahole Airport, including, but not limited to, runway and other physical plant improvements, frequency of aircraft flight, types of aircraft, flight patterns, and time of day of aircraft, provided that this grant of easement shall not operate to authorize or excuse the Grantee's operation of the

Keahole Airport in violation of any applicable federal or state requirements governing aircraft safety and any implemented noise abatement measures, nor shall it authorize or excuse any negligence or willful misconduct of the Grantee in operating the Keahole Airport.

2. Running of Benefits and Burdens. This grant of easement shall be recorded or filed with the Bureau of Conveyances of the State of Hawaii and shall be included in any conveyance or disposition of the Easement Premises by the Grantor or its successors and assigns, and all provisions of this instrument, including any benefits and burdens hereunder, shall run with the land and are binding upon and shall inure to the heirs, assigns, successors, tenants and those claiming under or through the parties hereto.

3. Release of Easement. The Grantee or its successors and assigns may terminate this grant of easement by recording or filing a release with the Bureau of Conveyances of the State of Hawaii, whereupon all rights, duties and liabilities created by this grant of easement shall terminate.

4. Release From Suits. The Grantor, for itself, its successors and assigns does hereby release and agree not to file any claim, action or lawsuit for any kind of relief, legal or equitable, including, but not limited to, claims for nuisance and trespass against the State of Hawaii or any agency or employee thereof, for costs or damages resulting from noise caused by the establishment or operation of the Keahole Airport, including any expense incurred for mitigation of

aircraft noise and any other effects such as fumes, smoke, vibrations and other substance and phenomena caused by the reasonable operation of Keahole Airport, insofar as the Easement Premises are concerned and affected; provided, however, that this release shall not extend to immunize the above parties from any actions beyond the scope of the easements granted in paragraph 1 above.

5. Notice. The Grantor, its successors and assigns, shall provide conspicuous, plainly written notice to any prospective purchaser, lessee, and tenant of the Easement Premises that the Easement Premises is located within an area of exposure to aircraft noise which may exceed normal levels for residential and resort use. Such notice shall inform purchasers, lessees, and tenants that airport authorities do not expect that noise levels can be further reduced, and that the airport proprietor has been released from providing sound attenuation measures on the Easement Premises.

6. Indemnification. The Grantor, for itself, its successors and assigns, shall indemnify, forever hold harmless and defend the State of Hawaii, any agency and/or employee thereof from any and all liabilities claimed by any owners, tenants, subtenants, guests or other users within the Easement Premises of the Property, resulting from said noise and any other associated fumes, smoke, vibrations and other substances and phenomena caused by the reasonable operation of Keahole Airport affecting the Easement Premises; provided, however, that this indemnification shall not extend to immunize the

above parties from any actions beyond the scope of the easement granted in paragraph 1 above.

7. Severability. If any provision of this grant of easement is prohibited by the laws of the State of Hawaii, it shall be ineffective to the extent of such prohibition without invalidating the remaining provisions of this easement.

IN WITNESS WHEREOF, the parties hereto have executed these presents on the day and year first above written.

GRANTOR:

15
NANSAY HAWAII, INC.

By T. H. Y.

Its Chief Operating Officer

GRANTEE:

DEPARTMENT OF TRANSPORTATION
STATE OF HAWAII

By Edward Y. Hirata

Edward Y. Hirata
Director of Transportation

STATE OF HAWAII)
CITY AND COUNTY OF HONOLULU) ss.
On this 16th day of May, 1991,
before me appeared Thomas H. Yamamoto to me personally known,
whc, being by me duly sworn, did say that he is
the Chief Operating Officer, of NANSAY HAWAII, INC., a Hawaii
corporation, that the seal affixed to the foregoing instrument
is the corporate seal of said corporation; that said instrument
was signed and sealed in behalf of said corporation by
authority of its Board of Directors; and
said Thomas H. Yamamoto acknowledged said instrument to be the
free act and deed of said corporation.

George G. Drymon
Notary Public, State of Hawaii
My commission expires 12/4/94

LS

ITEM I:

All of that certain parcel of land (being Royal Patent Grant Number 3086 to Kapena) situate, lying and being at Kohanaiki, District of North Kona, Island and county of Hawaii, State of Hawaii, and thus bounded and described:

Beginning at an old square drill-hole cut in rock which marks a Government Triangulation Station called "PUHILI" on the northerly boundary of this tract of land, the coordinates of said point of beginning referred to Government Survey Triangulation Station "KEAHOLE2" being 8628.02 feet south and 3463.12 feet east, and running by azimuths measured clockwise from true South:

1. $259^{\circ} 41' 56''$ 4409.33 feet along Grant 4536 to J. A. Maguire and also partly along the south end of a 30-foot Government Road Reserve to a spike and stonepile on the southwest side of a narrow old Government Road, the azimuth and distance across Road from said spike to an old "+" cut in solid rock in large stonepile marking Government Triangulation "KEKEE" being $259^{\circ} 41' 56''$ 11.54 feet;
2. $328^{\circ} 14' 10''$ 4679.83 feet along the southwest side of a narrow old Government Road to a pipe in stonepile, the azimuth and distance from said pipe across a narrow Government Road to an old "+" cut in solid rock and large stonepile marking Government Triangulation Station "KANANAKA" being $254^{\circ} 39' 20''$ 11.20 feet;
3. $74^{\circ} 39' 20''$ 3043.17 feet along the Ahupuaa of Kaloko to a galvanized nail set in concrete on large boulder at highwater mark at the sea and passing over an old "+" cut in rock that marks Government Survey Triangulation station "HALAU" at 2864.50 feet and which is located at the northwest corner of an old house site foundation wall; thence

following along the windings of highwater mark at the sea to a point at highwater mark, the direct azimuth and distance being:

4. $111^{\circ} 37' 55''$ 3163.29

feet; thence following along the windings at highwater mark at the sea to a point at highwater mark, the direct azimuth and distance being:

5. $155^{\circ} 20' 12''$ 3042.91

feet;

6. $259^{\circ} 23' 30''$ 349.10

feet along Grant 4536 to J. A. Maguire to the point of beginning and passing over an old large "+" cut in sold pahoehoe at 52.50 feet;

Area 462.38 acres, more or less.

Tax Map Key No. 7-3-09: 16

ITEM II:

All of that certain parcel of land (portion of the land described in and covered by Royal Patent Grant Number 2942 to Hulikoa) situate, lying and being between 30.00 feet roadway and Kailua-Kawaihae Road at Kohanaiki, District of North Kona, Island and County of Hawaii, State of Hawaii, being PARCEL 4, and thus bounded and described:

Beginning at the Southwest corner of this parcel of land being also the Northwest corner of Parcel 6 on the Easterly side 30.00 feet roadway the coordinates of said point of beginning referred to Hawaiian Plane Coordinates Grid System Zone 1 being 316,603.34 feet North and 315,325.75 feet East and running by Plane azimuths measured clockwise from true South:

1. $148^{\circ} 26' 30''$ 304.02

feet along the Easterly side of 30.00 feet roadway;

2. $271^{\circ} 59' 35''$ 1336.47

feet along Parcel 2 and along remainder of Grant 2942 to Hulikoa to the Westerly side of Kailua-Kawaihae Road;

EXHIBIT "A"

(Page 2 of 3)

3. $329^{\circ} 36' 30''$ 300.00 feet along the Westerly side of Kailua-Kawaihae Road and along remainder of Grant 2942 to Hulikoa;

4. $91^{\circ} 59' 35''$ 1329.10 feet along Parcel 6 and along remainder of Grant 2942 to Hulikoa to the point of beginning, containing an area of 7.752 acres, more or less.

Together with Easement B, eighty feet wide, for road and utility purposes, affecting Parcels 2 and 4.

Land situated on the Westerly side of Kailua-Kawaihae Road at Kohanaiki, North Kona, Hawaii.

Being a portion of Grant 2942 to Hulikoa.

Beginning at the North corner of this parcel of land, the direct azimuth and distance from the Southeast corner of Parcel 2 and the Northeast corner of Parcel 4, being $149^{\circ} 36' 30''$ 40.00 feet, the coordinates of said point of beginning referred to Hawaiian Plane Coordinate Grid System Zone 1 being 316,850.40 feet North and 316,482.04 feet East and running by Plane azimuths measured clockwise from true South:

1. $329^{\circ} 36' 30''$ 80.00 feet along the Westerly side of Kailua-Kawaihae Road;

2. $91^{\circ} 59' 35''$ 100.00 feet along remainder of Parcel 4 and Grant 2942 to Hulikoa;

3. $149^{\circ} 36' 30''$ 80.00 feet along remainders of Parcels 4 and 2 and Grant 2942 to Hulikoa;

4. $271^{\circ} 59' 35''$ 100.00 feet along the remainders of Parcel 2 and Grant 2942 to Hulikoa to the point of beginning and containing an area of 6,756 square feet, more or less.

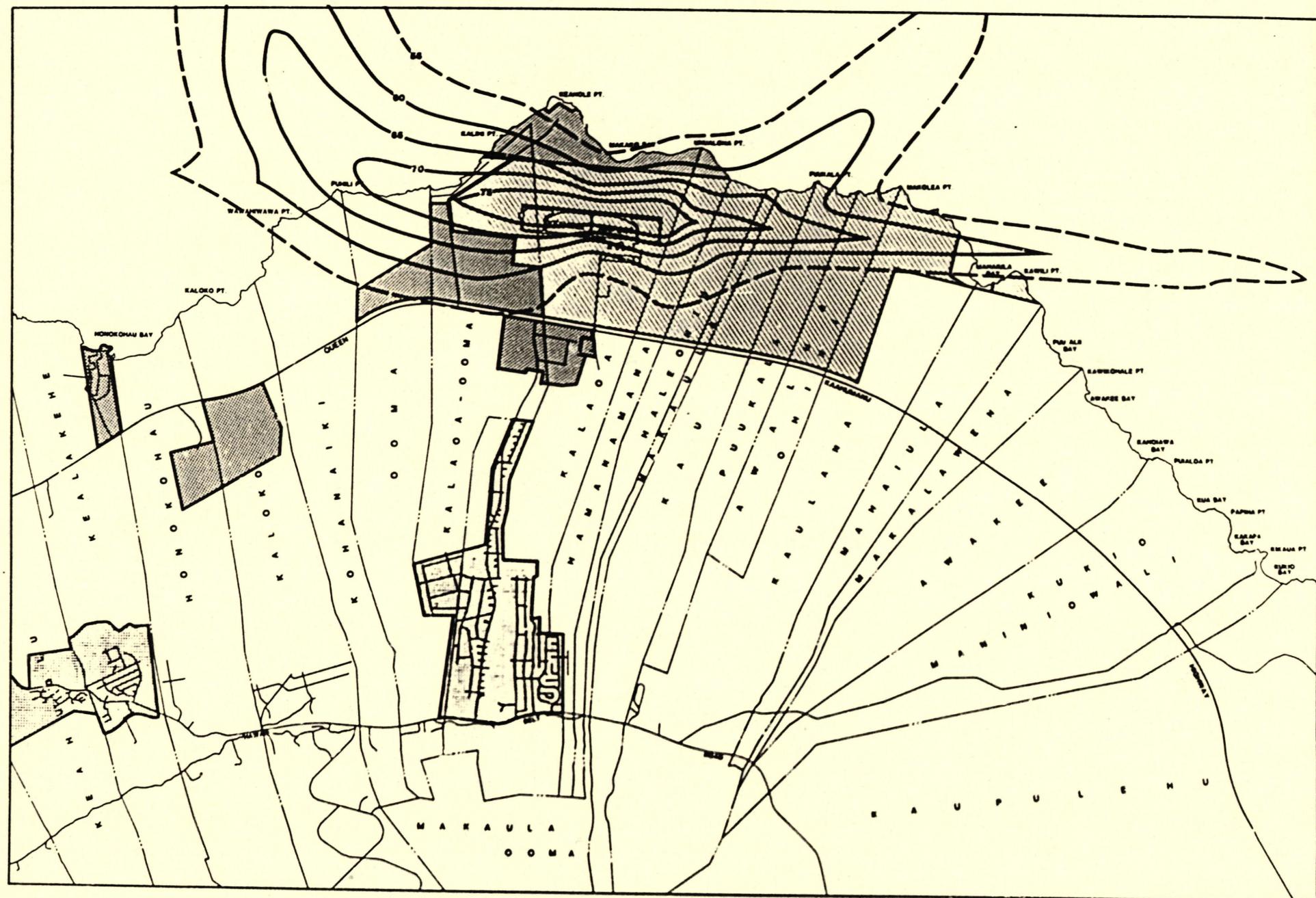


EXHIBIT "B"

EASEMENT 1

FOR NOISE EASEMENT PURPOSES
AFFECTING GRANT 3086 TO KAPENA

AT KOHANAIKI, NORTH KONA, ISLAND OF HAWAII, HAWAII

Beginning at the Northeast corner of this easement, on the South boundary of Grant 4536 to J. A. Maguire, the coordinates of said point of beginning referred to Government Survey Triangulation Station "Keahole 2" being 8554.89 feet South and 3866.75 feet East and thence running by azimuths measured clockwise from true South:

1. 17° 14' 45"	684.54 feet; Thence following along highwater mark for the next twenty-one (21) courses the direct azimuths and distances between points along said highwater mark being:
2. 153° 19' 20"	228.62 feet;
3. 150° 26'	61.27 feet;
4. 60° 57'	83.85 feet;
5. 149° 19'	56.30 feet;
6. 73° 21'	23.63 feet;
7. 33° 41'	26.00 feet;
8. 98° 44'	23.51 feet;
9. 199° 22'	15.79 feet;
10. 122° 59'	23.16 feet;
11. 207° 08'	69.22 feet;
12. 249° 47'	69.05 feet;
13. 242° 15'	62.84 feet;
14. 260° 48'	34.95 feet;
15. 162° 31'	44.78 feet;

R. M. TOWILL CORPORATION

CIVIL ENGINEERS - SURVEYORS
179 WAIKAMEO ROAD - HONOLULU HAWAII 96717-2641

EXHIBIT "C"
(Page 1 of 8)

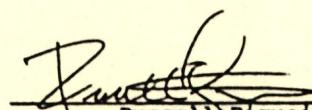
16.	104° 16'	25.52 feet;
17.	88° 24'	18.52 feet;
18.	18° 52'	26.64 feet;
19.	67° 22'	20.24 feet;
20.	131° 18'	48.76 feet;
21.	173° 49'	116.26 feet;
22.	185° 55'	18.55 feet;
23.	259° 23' 30"	55.83 feet along Grant 4536 to J. A. Maguire;
24.	259° 41' 56"	409.33 feet along Grant 4536 to J. A. Maguire to the point of beginning and containing an area of 3.73 acres, more or less.



74-5599 Alapa Street
Kailua-Kona, Hawaii 96740
December 19, 1990

R. M. TOWILL CORPORATION

Description is Based on Compiled
Data and Prepared by:


 Russell Figueiroa
 Registered Professional Surveyor
 Certificate Number 4729

-2-

R. M. TOWILL CORPORATION

CIVIL ENGINEERS - SURVEYORS
470 WAIKAHAKU ROAD - HONOLULU HAWAII 96726

EXHIBIT "C"
(Page 2 of 8)

EASEMENT 2

FOR NOISE EASEMENT PURPOSES
AFFECTING GRANT 3086 TO KAPENA

AT KOHANAIKI, NORTH KONA, ISLAND OF HAWAII, HAWAII

Beginning at the Northeast corner of this easement, being also along the South boundary of Grant 4536 to J. A. Maguire, the coordinates of said point of beginning referred to Government Survey Triangulation Station "Keahole 2" being 8304.54 feet South and 5244.18 feet East and thence running by azimuths measured clockwise from true South:

1. $28^\circ 53' 55''$ 710.24 feet;
2. $347^\circ 30'$ 1095.78 feet;
3. $77^\circ 30'$ 997.35 feet;

Thence following along highwater mark for the next ten (10) courses, the direct azimuths and distances being between points along said highwater mark being:

4. $148^\circ 23'$ 41.26 feet;
5. $159^\circ 55'$ 80.70 feet;
6. $159^\circ 07'$ 130.06 feet;
7. $159^\circ 27'$ 121.70 feet;
8. $155^\circ 46'$ 155.15 feet;
9. $163^\circ 27'$ 96.29 feet;
10. $167^\circ 06'$ 94.45 feet;
11. $159^\circ 49'$ 186.21 feet;
12. $143^\circ 32'$ 192.26 feet;
13. $91^\circ 23'$ 71.49 feet;

R. M. TOWILL CORPORATION

CIVL ENGINEERS - SURVEYORS
100 WAIKAMAE ROAD - HONOLULU HAWAII 96724

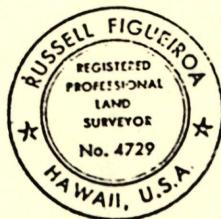
EXHIBIT "C"
(Page 3 of 8)

14. 197° 14' 45"

684.54 feet;

15. 259° 41' 56"

1400.00 feet along Grant 4536 to J.A.
Maguire to the point of beginning
and containing an area of 44.69
acres, more or less.



74-5599 Alapa Street
Kailua-Kona, Hawaii 96740
December 19, 1990

R. M. TOWILL CORPORATION

Description is Based on Compiled
Data and Prepared by:


Russell Figueiroa
Registered Professional Surveyor
Certificate Number 4729

-2-

R. M. TOWILL CORPORATION

CIV ENGINEERS - SURVEYORS
470 WAIAKAMIO ROAD - HONOLULU HAWAII 96817-4941

EXHIBIT "C"
(Page 4 of 8)

EASEMENT 3

FOR NOISE EASEMENT PURPOSES
AFFECTING GRANT 3086 TO KAPENA

AT KOHANAIKI, NORTH KONA, ISLAND OF HAWAII, HAWAII

Beginning at the Northeast corner of this easement, being also the Northwest corner of Lot 2, same being also a portion of Grant 2942 to Hukiloa, the coordinates of said point of beginning referred to Government Survey Triangulation Station "Keahole 2" being 7,839.61 feet South and 7,802.28 feet East and thence running by azimuths measured clockwise from True South:

1. $328^{\circ} 14' 41.6''$ 527.52 feet along Lots 2 and 4, same being portions of Grant 2942 to Hukiloa;
2. $94^{\circ} 30'$ 100.00 feet;
3. Thence along a curve to the left with a radius of 1200.00 feet, the chord azimuth and distance being;
 $55^{\circ} 00' 00''$ 1526.59 feet;
4. $15^{\circ} 30'$ 418.72 feet;
5. Thence along a curve to the left with a radius of 4000.00 feet, the chord azimuth and distance being;
 $10^{\circ} 22' 30''$ 714.63 feet;
6. $5^{\circ} 15'$ 490.05 feet;
7. $95^{\circ} 15'$ 564.30 feet;
8. $5^{\circ} 15'$ 1038.02 feet;

Thence following along highwater mark for the next thirty (30) courses, the direct azimuths and distances between points along said highwater mark being:

9. $104^{\circ} 56'$ 80.35 feet;

R. M. TOWILL CORPORATION

CIV. ENGINEERS - SURVEYORS
1100 KAHANAMOKU ROAD - HONOLULU, HAWAII 96814

EXHIBIT "C"
(Page 5 of 8)

10.	85° 14'	72.98 feet;
11.	100° 53'	58.20 feet;
12.	133° 14'	71.85 feet;
13.	110° 18'	81.30 feet;
14.	98° 59'	74.17 feet;
15.	61° 40'	47.79 feet;
16.	115° 35'	82.34 feet;
17.	68° 56'	109.94 feet;
18.	113° 52'	70.80 feet;
19.	115° 35'	126.25 feet;
20.	140° 16'	47.67 feet;
21.	152° 29'	53.83 feet;
22.	165° 25'	95.93 feet;
23.	194° 04'	139.49 feet;
24.	98° 55'	66.87 feet;
25.	42° 52'	58.89 feet;
26.	95° 54'	136.90 feet;
27.	128° 21'	111.32 feet;
28.	168° 43'	69.83 feet;
29.	170° 19'	68.30 feet;
30.	190° 33'	87.80 feet;
31.	195° 21'	77.08 feet;
32.	170° 22'	192.50 feet;
33.	163° 39'	190.08 feet;
34.	136° 02'	92.10 feet;
35.	122° 41'	59.03 feet;
36.	125° 07'	93.52 feet;
37.	119° 56'	153.12 feet;
38.	153° 58'	99.41 feet;
39.	257° 30'	997.35 feet;

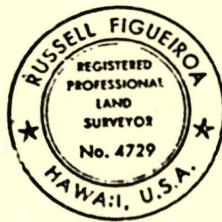
-2-

R. M. TOWILL CORPORATION

CIVL ENGINEERS - SURVEYORS
300 WAIKAMAEI ROAD - WAIKIKI HAWAII 96817-2461

EXHIBIT "C"
(Page 6 of 8)

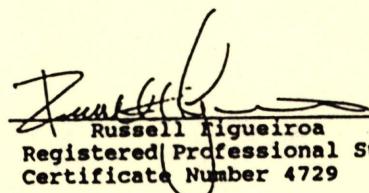
40. $167^{\circ} 30'$ 1095.78 feet;
41. $208^{\circ} 53' 55''$ 710.24 feet;
42. $259^{\circ} 41' 56''$ 2600.00 feet along Grant 4536 to J. A. Maguire to the point of beginning and containing an area of 153.85 acres, more or less.



74-5599 Alapa Street
Kailua-Kona, Hawaii 96740
December 19, 1990

R. M. TOWILL CORPORATION

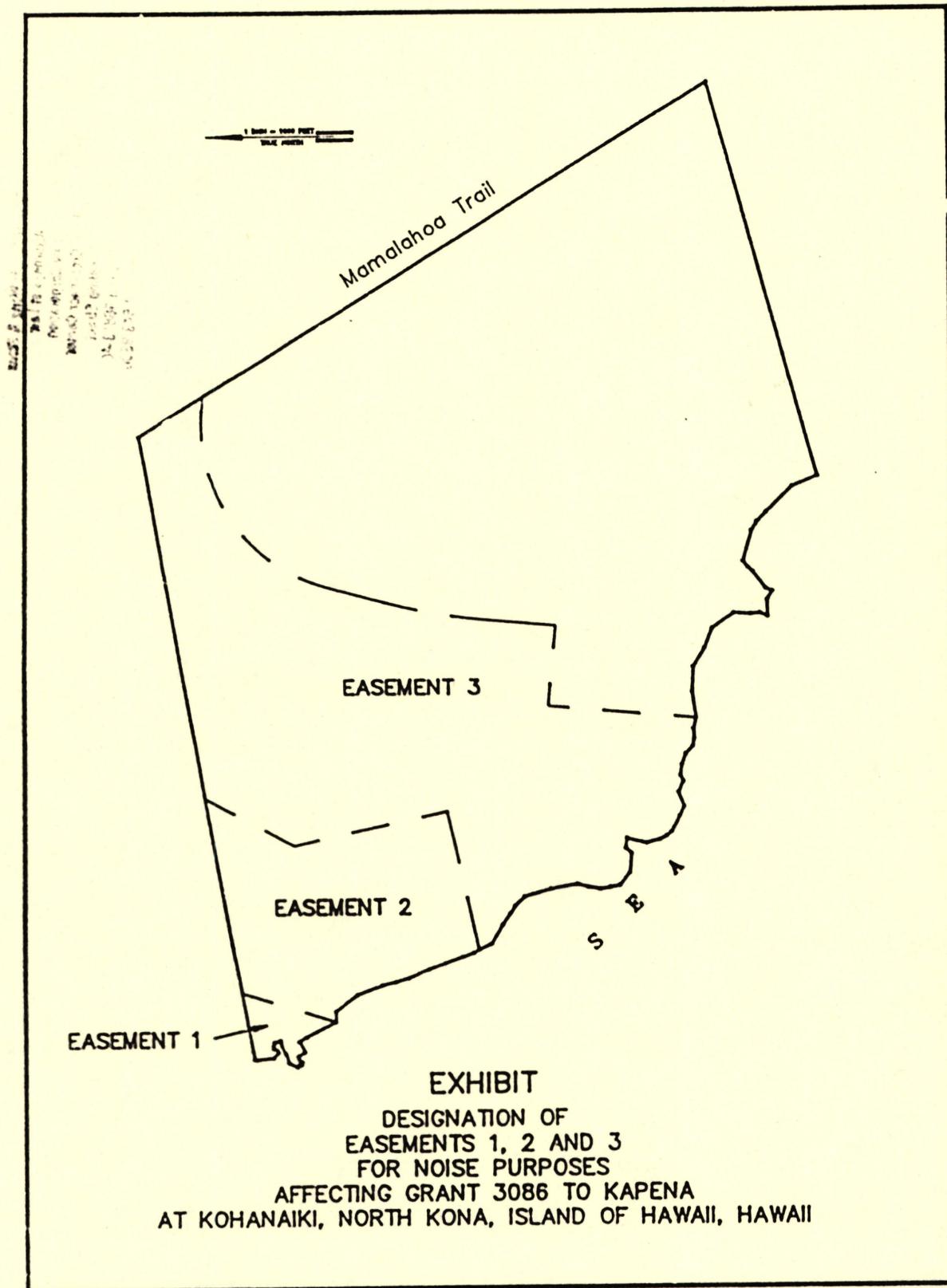
Description is Based on Compiled
Data and Prepared by:


Russell Figueiro
Registered Professional Surveyor
Certificate Number 4729

R. M. TOWILL CORPORATION

CIVIL ENGINEERS - SURVEYORS
27 WAIKAMIO ROAD - HONOLULU HAWAII 96726

EXHIBIT "C"
(Page 7 of 8)



NANSAY HAWAII

October 6, 1989

Ms. Esther Ueda
Executive Director
State Land Use Commission
Old Federal Building
335 Merchant Street, Room 104
Honolulu, Hawaii 96813

Dear Ms. Ueda:

We are pleased to announce that Roger Gault has joined Nansay Hawaii, Inc., as executive vice president.

Roger comes to us from Dallas, where he gained extensive experience in architecture and real estate development and management. He will be directing Nansay's efforts in establishing our corporate office on Oahu and managing future Hawaii acquisitions.

Also, the location of our Oahu and Big Island offices will be announced later this month. In the meantime, Roger can be reached at 225-7742. During the interim, please address all correspondence to him or me at 1860 Ala Moana Boulevard., Suite 410, Honolulu, Hawaii, 96815.

Sincerely,



Philip Y. Ho
President

PYH:hk

LAND USE COMMISSION
STATE OF HAWAII

Oct 10 | 45 PM '89

KOHANAIKI
H A W A I I

LAND USE COMMISSION
STATE OF HAWAII

Oct 16 12 09 PM '89

October 11, 1989

Ms. Esther Ueda
Executive Director
State Land Use Commission
Old Federal Building
335 Merchant Street, Room 104
Honolulu, Hawaii 96813

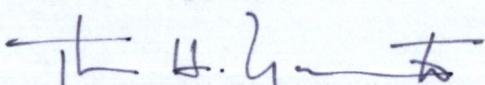
Dear Ms. Ueda:

We are pleased to announce that Greg Mooers has joined Nansay Hawaii's Big Island office to assist in the development of Kohanaiki.

Greg will contribute invaluable experience gained during his five years as Hawaii County's deputy managing director. His expertise in community relations and conflict resolution as well as his knowledge of development issues and governmental affairs will help us create the highest quality resort for the Kona-Kohala area, while helping to address community needs in the area of housing and recreation.

You can write to Greg or me at Suite 727, P. O. Box 111222, Kamuela, Hawaii 96743-0020. We will be announcing our new phone number later this month, in the meantime calls are being received at 885-7729.

Sincerely,



Thomas H. Yamamoto
Chief Operating Officer
Big Island

THY:hk

KDB, INC.

A wholly owned company of Nansay Hawaii, Inc.
1112 Kinau Street, Penthouse, Honolulu, Hawaii 96814 Telephone: (808) 545-7816

OCT 16 12 09 PM '89

FROM: HILL AND KNOWLTON/COMMUNICATIONS-PACIFIC, INC.
820 Mililani Street, Suite 400
Honolulu, Hawaii 96813
Celia Chu (Ph: 808-521-5391)

MOOERS JOINS KOHANAIKI RESORT

FOR IMMEDIATE RELEASE
(Wednesday, October 11, 1989)

KAILUA-KONA--Gregory R. Mooers, recently the deputy managing director for Hawaii County, has joined Nansay Hawaii, Inc., it was announced today by Thomas H. Yamamoto, chief operating officer of the company.

Mooers will serve as development manager for Kohanaiki, a planned resort development five miles north of Kailua-Kona.

"Greg Mooers brings to Kohanaiki strong public policy and development planning capabilities," Yamamoto said of the appointment. "His experience in working with the West Hawaii community and his expertise in development processes will help Nansay build a resort that will be an asset to the Big Island and the entire State."

(more)

Mooers resigned from his County position after five years of service under two administrations. In addition to his duties as deputy managing director, Mooers was chairman of the County's Development Committee, which oversees planning, public works, housing, and water use. He has represented the Mayor on the board of the West Hawaii Housing Foundation, the Governor's Commission on Space, the Hawaii Aquaculture Advisory Council, the Satellite Launching Facility Selection Committee, and the Governor's Commission on Undersea Cable for geothermal development.

Mooers also was a member of the board of the Natural Energy Laboratory of Hawaii, the State Education Functional Plan, and the Chancellor's Committee on the future of University of Hawaii at Hilo-West Hawaii.

"I chose to join Kohanaiki because I wanted to work with a corporation with a long-term commitment to the West Hawaii community," Mooers said. "Also, because Tom Yamamoto has played a major role in developing affordable housing for Kona and Waimea and his work in historical preservation at Mauna Lani and Kohala has been exemplary, I can think of no one else I would rather work with in process of enhancing our community."

(more)

Mooers Joins Kohanaiki Resort
Page 3

Mooers holds a master's degree in education administration and bachelor's degree in chemistry and biology from Whittier College, and is a certified teacher in California and Hawaii. Prior to working with the County, he was a teacher, dean and director of athletics at the Hawaii Preparatory Academy in Waimea. He also is a licensed Realtor.

Mooers and his wife, Sharon Peterson, have resided on the Big Island since 1972.

#####

OCT 16 12 09 PM '89

BIOGRAPHICAL OUTLINE

GREGORY ROYAL MOOERS
DEVELOPMENT MANAGER
(BIG ISLAND)
NANSAY HAWAII, INC.

Education/Personal Background

Whittier College - M.A. Education Administration, 1974
B.A. Chemistry/Biology 1970

Licensed Real Estate Agent

State of Hawaii Private School Teacher Certificate
California Lifetime Standard Teaching Credential
Advanced Arbitration Advocacy Certificate

Previous Positions

1984-1989	Deputy Managing Director, County of Hawaii Mayor's representative in West Hawaii Development Committee Chairman High Technology representative Education representative Grievance officer
1982-1984	Director of Athletics The Hawaii Preparatory Academy, Waimea
1981-1982	Administrative Assistant, UH-Hilo Assistant Basketball Coach Assistant Sports Information Director
1971-1982	Director of Athletics, Associate Dean of Students The Hawaii Preparatory Academy, Waimea Chemistry, biology, speech, math instructor Football, volleyball, track coach, basketball coach
1970-1971	Junior Research Chemist Kerr-McGee Corporation Research Laboratory, California
1967-1970	Lab Assistant Whittier College, California

FOR FURTHER INFORMATION, CONTACT:

HILL AND KNOWLTON/COMMUNICATIONS-PACIFIC, INC.
820 Mililani Street, Suite 400
Honolulu, Hawaii 96813
Celia Chu (Ph: 808-521-5391)

FROM: HILL AND KNOWLTON/COMMUNICATIONS-PACIFIC, INC.
820 Mililani Street, Suite 400
Honolulu, Hawaii 96813
Celia Chu (Ph: 808-521-5391)

GAULT JOINS NANSAW HAWAII, INC.

FOR IMMEDIATE RELEASE
(Friday, October 6, 1989)

LAND USE COMMISSION
STATE OF HAWAII
Oct 10 1989 46 PM '89

HONOLULU, HAWAII--Philip Y. Ho, president of Nansay Hawaii Inc., today announced the appointment of Roger C. Gault as executive vice president.

Gault will be responsible for establishing Nansay Hawaii's corporate headquarters and will be involved in managing corporate activities, real estate acquisitions and management, and future business ventures.

"Not only does Roger have an extensive background in real estate development and architecture, but he has the management expertise we need to establish our presence in Hawaii," Ho said.

Prior to joining Nansay Hawaii, Gault was vice president of the National Retail Properties Corporation and vice president of JPI Inc., a service company providing development, asset management, leasing, and property management services to third-party owners of real estate. Both are subsidiaries of the Southland Financial Corporation located in Dallas. He also has worked as a project manager for national real estate and architectural firms.

(more)

Gault Joins Nansay Hawaii, Inc.
Page 2

Gault is a graduate of Texas Tech University and has a bachelor's degree in architecture. He is a registered architect and is a member of the American Institute of Architects, National Certification and Architectural Registrations Boards, National Association of Industrial & Office Parks, and International Council of Shopping Centers. He also belongs to Tau Sigma Delta and Kappa Alpha.

Nansay Hawaii, Inc., will be announcing the location of their Oahu and Big Island offices later this month.

During the interim, correspondence can be addressed to: Oahu office--1860 Ala Moana Blvd., Suite 410, Honolulu, Hawaii 96815, phone 225-7742; Big Island office--Suite 727, P.O. Box 111222, Kamuela, Hawaii 96742-0020.

#####

NANSAY HAWAII

BIOGRAPHICAL OUTLINE

ROGER C. GAULT
EXECUTIVE VICE PRESIDENT
NANSAY HAWAII, INC.

LAND USE COMMISSION
STATE OF HAWAII

Oct 10 | 46 PM '89

Education/Personal Background

Texas Tech University - B.A. Architecture

Honor and Awards:

Tau Sigma Delta (Honorary Fraternity Architecture)

Activities:

Kappa Alpha Order (Social Fraternity)

American Institute of Architects/Student Chapter

Previous Positions

1985-1989	Vice President, National Retail Properties Corp. (Southland Financial Corporation)
1981-1985	Project Manager, Hines Industrial (Gerald D. Hines Interests)
1979-1981	Project Leader, Robert Sears Associates, Architects
1977-1979	Project Leader, Richard Ferrara, Architect

Professional and Community Organizations

Registered Architect

American Institute of Architects (AIA)

National Certification and Architectural

Registration Boards (NCARB)

Texas Society of Architects (TSA)

National Association of Industrial & Office Parks (NAIOP)

International Council of Shopping Centers (ICSC)

FOR FURTHER INFORMATION, CONTACT:

HILL AND KNOWLTON/COMMUNICATIONS-PACIFIC, INC.

820 Mililani Street, Suite 400

Honolulu, Hawaii 96814

Celia Chu (Ph: 808-521-5391)



STATE OF HAWAII
DEPARTMENT OF BUSINESS
AND ECONOMIC DEVELOPMENT

LAND USE COMMISSION

Room 104, Old Federal Building, 335 Merchant Street
Honolulu, Hawaii 96813 Telephone: 548-4611

JOHN WAIHEE
Governor
RENTON L.K. NIP
Chairman
LAWRENCE F. CHUN
Vice Chairman

COMMISSION MEMBERS:

Sharon R. Himeno
Allen K. Hoe
Allen Y. Kajioka
Eusebio Lapenia, Jr.
James M. Shinno
Elton Wada
Frederick P. Whittemore

October 3, 1989

ESTHER UEDA
Executive Officer

Mr. Philip Y. Ho, President
KDB, Inc.
1112 Kinau Street
Penthouse
Honolulu, Hawaii 96814

Dear Mr. Ho:

Thank you for your letter of September 29, 1989. Please be advised that Teofilo Phil Tacbian, Toru Suzuki, Robert S. Tamaye, and Richard B. F. Choy are no longer members of the Land Use Commission. The current members of the Commission are as follows:

Renton Nip, Chairman
Lawrence Chun, Vice Chairman
Sharon Himeno
Allen K. Hoe
Allen Kajioka
Eusebio Lapenia, Jr.
James Shinno
Elton Wada
Frederick Whittemore

If you have any questions, please call me or my staff at 548-3039.

Sincerely,

Esther Ueda

ESTHER UEDA
Executive Officer

EU:to

KOHANAIKI

H A W A I I

LAND USE COMMISSION
STATE OF HAWAII

Oct 2 12 40 PM '89

September 29, 1989

Ms. Esther Ueda
Executive Director
State Land Use Commission
Old Federal Building
335 Merchant Street, Room 104
Honolulu, Hawaii 96813

Dear Ms. Ueda:

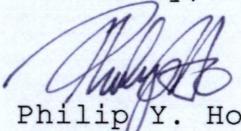
In keeping with our promise to inform you of Nansay Hawaii's new developments at Kohanaiki, we are pleased to announce the following:

Tom Yamamoto has been appointed as chief operating officer and will oversee all aspects of Kohanaiki's development. Part of Tom's job will be to ensure that requirements for a quality resort community as well as resident needs and concerns will be incorporated in our plans.

Tom has over 30 years of experience in construction, planning, and development here and in the Pacific. Most recently, he served as executive vice president for the Mauna Lani Resort. Born and raised in Kohala, he is familiar with the Big Island and its people.

We are in the process of securing a Big Island office and will be contacting you soon with our new phone number. All future correspondence can be addressed to Suite 727, P. O. Box 111222, Kamuela, Hawaii 96743-0020.

Sincerely,



Philip Y. Ho
President

KDB, INC.

A wholly owned company of Nansay Hawaii, Inc.
1112 Kinau Street, Penthouse, Honolulu, Hawaii 96814 Telephone: (808) 545-7816

FROM: HILL AND KNOWLTON/COMMUNICATIONS-PACIFIC, INC.
820 Mililani Street, Suite 400
Honolulu, Hawaii 96813
Celia Chu (Ph: 808-521-5391)

LAND USE COMMISSION
STATE OF HAWAII

Oct 2 12 40 PM '89

YAMAMOTO JOINS KOHANAIKI RESORT

FOR IMMEDIATE RELEASE
(Friday, September 29, 1989)

KAILUA-KONA--Thomas H. Yamamoto has joined Nansay, Inc., it was announced today by Philip Ho, president of the company.

Yamamoto will serve as chief operating officer for the Big Island and will oversee all phases of development for Kohanaiki, a planned resort development five miles north of Kailua-Kona. He joins Nansay Hawaii from the Mauna Lani Resort, where he was executive vice president.

"We see Tom's appointment as a tremendous asset in our efforts to move Kohanaiki ahead," said Ho. "Tom has helped the Mauna Lani become one of the top-ranked resorts worldwide, and is well-respected by the Big Island community."

-more-

Yamamoto Joins Kohanaiki Resort
Page 2

Yamamoto has more than 30 years of experience in construction, design, and planning. At Mauna Lani, he was responsible for the planning, engineering, and construction of the resort's hotels, condominiums, golf courses, clubs, and housing. He was assigned to the Big Island after supervising planning and sales of a Guam residential subdivision and the Palau Pacific Resort owned by Mauna Lani's sister company, Tokyu Land Corp. While in Guam, he was appointed chairman of the territory's Environmental Protection Agency Board and member of the Board of Registration for Architects, Engineers, and Land Surveyors. He also has served as chief engineer for Guam's Department of Public Works, and general manager of ESCO International, an engineering and architectural design firm.

Yamamoto, who is originally from Kohala on the Big Island, is a member of the Hawaii Society of Professional Engineers, the Hawaii Leeward Planning Conference, the Hawaii Resort Developers Conference, and the Urban Land Institute. He is currently president of the Brantley Center for the handicapped.

"I'm looking forward to helping create a new vacation community from the ground up," Yamamoto said. "As a development planned for the intermediate-income visitor as well as for Hawaii residents, Kohanaiki fills a real need for quality that is within reach of a larger market segment."

-more-

Yamamoto Joins Kohanaiki Resort
Page 3

Plans for Kohanaiki's 470 acres include resort hotels, resort condominium units, single family residential lots, a commercial center, and a berthing marina. Nansay also plans to construct affordable housing for employees and area residents.

The company has purchased 1,000 acres mauka of the airport for this purpose.

Correspondence to Nansay's Big Island office can be addressed to Suite 727, P. O. Box 111222, Kamuela, Hawaii 96743-0020. Calls are being received at 885-7729 until the Big Island office is officially opened.

#####

KOHANAIKI

H A W A I I

June 23, 1989

LAND USE COMMISSION
STATE OF HAWAII

JUL 7 1 24 PM '89

Ms. Esther Ueda
Executive Director
State Land Use Commission
Old Federal Building
335 Merchant Street, Room 104
Honolulu, Hawaii 96813

Dear Ms Ueda:

I am President of Nansay Hawaii, Inc., the purchaser of the Kohanaiki development in Kona, Hawaii. The purpose of this letter is to clarify Nansay Hawaii's position regarding Mr. Christian Wolffer and his letter of May 31, 1989, to Mr. Ken Yokeno of the Nansay Corporation. Copies were sent to you and several members of our community.

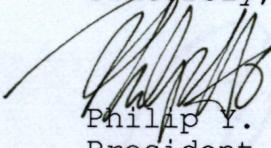
While we appreciate Mr. Wolffer's offer to help in the development of Kohanaiki, we would like to emphasize that Nansay Hawaii, Inc. intends to develop the property with its own resources, in cooperation with county, state, and federal regulations. There have been some questions surrounding the current status of Mr. Wolffer's involvement in the Kohanaiki project. He no longer is associated with the project, nor has Nansay ever had any relationship with him or Kona Beach Development Venture.

As Mr. Wolffer stated in his letter, Nansay Hawaii was not involved with any intermediate sale negotiations prior to purchasing Kohanaiki in good faith late last January. We bought what we believe is an excellent project in a beautiful setting. Our company has made a substantial investment in Kohanaiki and we will continue to make additional investments in order to create the quality resort destination we envision for the area.

Nansay is an independent real estate development firm with a track record for quality projects in Japan, California, and Saipan. Our policy is to retain control over our developments while taking into account the needs and concerns of the community affected by our projects. We intend to remain true to that policy at Kohanaiki.

Please direct any questions or concerns regarding Kohanaiki to me.

Sincerely,


Philip Y. Ho
President

KDB, INC.

A wholly owned company of Nansay Hawaii, Inc.
1112 Kinau Street, Penthouse, Honolulu, Hawaii 96814 Telephone: (808) 545-7816

KOHANAIKI

H A W A I I

June 23, 1989

LAND USE COMMISSION
STATE OF HAWAII

JUN 27 203 PM '89

Mr. Renton Nip
Chairman
State Land Use Commission
Old Federal Building
335 Merchant Street, Room 104
Honolulu, Hawaii 96813

Dear Mr. Nip:

I am President of Nansay Hawaii, Inc., the purchaser of the Kohanaiki development in Kona, Hawaii. The purpose of this letter is to clarify Nansay Hawaii's position regarding Mr. Christian Wolffer and his letter of May 31, 1989, to Mr. Ken Yokeno of the Nansay Corporation. Copies were sent to you and several members of our community.

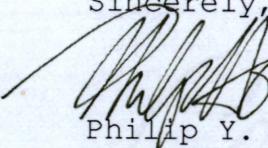
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Please direct any questions or concerns regarding Kohanaiki to me.

Sincerely,


Philip Y. Ho
President

KDB, INC.

A wholly owned company of Nansay Hawaii, Inc.
1112 Kinau Street, Penthouse, Honolulu, Hawaii 96814 Telephone: (808) 545-7816

KOHANAIKI

HAWAII

Kona Beach Development Venture, L.P.
1414 Avenue of the Americas,
New York, NY 10019
Telephone: (212) 759-8222
Telex: 666 413 TAC NYK YW
Telefax: (212) 755-5321

By Telefax

May 31, 1989

Mr. Ken Yokeno
Managing Director
Nansay Corporation
Turris Akasaka 801
2-17-12 Akasaka
Minato-ku, Tokyo
Japan 107

Jun 9 12 25 PM '89
LAND USE COMMISSION
STATE OF HAWAII

Ref: Kohanaiki Resort Community Development
North Kona, Kailua-Kona, Hawaii, Hawaii

Dear Mr. Yokeno:

Kona Beach Development Venture, L.P. was the former owner of the property in reference and I was the President of Kona Beach Development Corp., the General Partner. During the past four years, together with our Hawaii representative, Mr. Rodney Sato, we had assembled a highly professional and qualified group of consultants that worked as a team for us to achieve numerous state and county approvals but also helped us to design, lay out and define the best use of the property.

I have been in the real estate business in North America for the past 19 years and as you can imagine, was involved in numerous development projects. It was always my personal intention to remain involved in the Kohanaiki development as a General Partner or as a manager to overlook the development through government approvals, financing, sales, marketing, construction, and management phases. However, this was not possible when between January and March 1989 the property financing proposals that were under consideration eventually became a 100% "property only" sale.

In October, 1988, we had negotiated a sale of Kona Beach Development Corporation which included the Kohanaiki development to a company that had been carefully studying the Hawaii market for several years. The company had credentials that could out match any of the other local and foreign developers doing business in Hawaii. The bank references all checked out and the company's business philosophy matched our business philosophy of doing business in Hawaii and building a quality development. We negotiated a sale and refinancing

KOHANAIKI
H A W A I I

package whereby we would have remained with a 25% equity in the general partnership.

During the due diligence period, the company that we had decided to sell to decided to sell the property to another company because of the change in county administration, county council and economic conditions. The Kohanaiki development was sold to your company without any knowledge or consultation with us regarding the provision for our continued involvement.

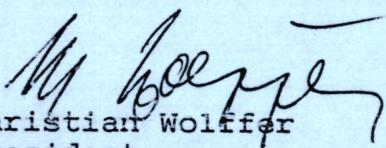
During the last two weeks I was shocked to read that the council is considering a resolution against the Kohanaiki marina and a down zoning of Kohanaiki.

I still believe that the Kohanaiki project is a quality development and we would be happy to assist you in getting it back where it should be. This was always my intention and the spirit of our team all along and should you want to discuss this with us, please feel free to contact me at the following telephone or telefax numbers.

I am looking forward to hearing from you.

Sincerely,

KONA BEACH DEVELOPMENT CORPORATION



Christian Wolffer
President

CW:rtg

Office - (212) 759-8222
Home - (212) 772-7047
Telefax - (212) 755-5321

cc: Governor John D. Waihee
Harold Masumoto, Office of State Planning
Renton Nip, Esq., State Land Use Commission Chairman
Esther Ueda, State Land Use Commission Executive Director
William W.L. Yuen, Esq.
Mayor Bernard Akana

KOHANAIKI
HAWAII

cc: Susan Labrenz, Managing Director
Gregg Moers, Deputy Managing Director
Russell Kokubun, Hawaii Council Chairman
Takashi Domingo, Councilman
Helene Hale, Councilwoman
Lorraine Inouye, Councilwoman
Merle Lai, Councilwoman
Robert Makuakane, Councilman
Harry Ruddle, Councilman
Kalani Schutte, Councilman

bcc: Rodney Sato, Esq.
James Funaki, Esq., Okumaura Takushi Funaki & Wee
Stephen Menezes, Esq., Menezes Tsukazaki & Yeh
Mark Hastert, Helber Hastert & Kimura Planners
Tom Fee, Helber Hastert & Kimura Planners
James Kumagai, M&E Pacific
Ed Harada, M&E Pacific
Lance Oyama, M&E Pacific
Rick Higahionna, Engineering Concepts
Ken Ishizaki, Engineering Concepts
Ed Noda, Noda Ocean Engineering
Elaine Tamaye, Noda Ocean Engineering
Paul Rosendahl, PRI
James Hallstrom, Hallstrom Appraisal Group
Maitland Akau, Building and Construction Trades Council
George Airyoshi, Esq., Kobayashi Watanabe Sugita & Goda
Henry T.K. Au, Ph.D., MBA, Department of Business and
Economic Development
Marvin B. Awaya, Pacific Housing Assistance Corporation
Edward F. Cambridge, Leo A. Daly - Alfred A. Yee
Division
Carl A. Carlson, Jr.
Carlton K.L. Chang
Teofilo Phil Tacbian Chairman Land Use Commission
Frederick P. Whittemore, Vice Chairman, Land Use
Commission
Richard B.F. Choy, Land Use Commission Commissioner
Lawrence F. Chun, Land Use Commission Commissioner
Toru Suzuki, Land Use Commission Commissioner
Robert S. Tamaye, Land Use Commission Commissioner
Tina Clothier, Jack's Diving Locker
Steven Dollar, Ph.D.
Stephen K. Yamashiro, Councilman
Fred Duerr, Kona Village Resort
Kelen Dunford, The Natural Energy Laboratory of Hawaii

bcc: Norman Egusa, Hawaii Island Contractors Association
Joseph Fagundes III, Esq.
Reed Flickinger, West Hawaii Today
Sidney Fuke
Russell N. Fukumoto, Deputy Director Land and Natural Resources
Edwin T. Hara, Kanoelehua Industrial Area Association
Roland Higashi, Hawaii Environmental and Land Planning, Inc.
Allen Hoe, Hoe, Yap & Sugimoto
Robert M. Jitchaku, R.M. Jitchaku Enterprises, Inc.
Walter A. Dodds, Jr., First Hawaiian Bank
Gary K. Kai, First Hawaiian Bank
Albert Nishimura, First Hawaiian Bank
Duane Kanuha, Director Planning Department
Lily Kong, Hawaii County Economic Opportunity Council
Thomas A. Krieger, Planning Commission Chairman
Arthur Scott Leithead, Director Housing and Community Development
Alan Levi, Isemoto Contracting Co., Ltd.
George K. Lindsey, Jr., Esq.
Leabert Lindsey, Operating Engineers Local Union No. 3
Bobby Kapaona, Operating Engineers Local Union No. 3
Anthony Martines, Operating Engineers Local Union No. 3
Victor Ohelo, Jr., Operating Engineers Local Union No. 3
Peter L'Orange, Hawaii Leeward Planning Conference
Robert H. Makuakane, Hawaii County Council
Clyde Matsunaga, Imata & Associates
Hugh Y. Ono, Chief Engineer, Department of Public Works
Bruce C. McClure, Deputy Chief Engineer, Department of Public Works
Larry Mehau, Hawaii Protective Association
Dane L. Miller, Esq., Marks, Murase & White
Howard J. Mimaki
Sumio Nakashima, Esq.
Calvin S. Nemoto, Valley Isle Express Ltd.
Brian T. Nishimura, Office of Housing and Community Development
Mark M. Onaka, Gold Coast Realty
Elroy T. L. Osoriao, The Land Company, Inc.
John R. Peacock
Sharon Scheele, Hawaii Contract Management Corporation
Herbert Segawa, Japanese Chamber of Commerce & Industry
Senator Malama Solomon
John P. Spierling, Associates Four
Howard Stephenson, Bank of Hawaii
Yoshito Takamine, ILWU
Masamizu Takano, YAE International, Inc.



bcc: Barry K. Taniguchi, Hawaii Island Chamber of Commerce
David A. Tarnas, Big Island TORCH
S. Tokuyama, Esq., Marks, Murase & White
Roger Ulveling, Department of Business and Economic
Development
Jan C. War, The Natural Energy Laboratory of Hawaii
Ross Wilson, Kona-Kohala Chamber of Commerce
Wilton K. Wong
Katsuya Yamada, Esq.
Vern Yamanaka, Yamanaka Enterprises, Inc.
Fred Yamashiro, Hawaii Hotel Association
David A. Ziemann, Ph.D., Oceanic Institute

KOHANAIKI

H A W A I I

April 4, 1989

Allen Hoe
Mr. ~~Richard B. F. Choy~~
Commissioner
Land Use Commission
Old Federal Bldg., Room 104
335 Merchant Street
Honolulu, Hawaii 96813

APR 5 3 10 PM '89
69-1014

LAND USE COMMISSION
HONOLULU

A84-599 Kona Beach Dev.
venture

Dear Mr. Choy:

I'd like to bring you up to date regarding the Kohanaiki resort development project. Let me describe a few of the changes that you should be aware of.

The most important change is that the project has been sold. The new owner is KBD, Inc., of Nevada, a wholly owned company of Nansay Hawaii, Inc. As you can see from the enclosed fact sheet, the company is developing commercial properties, resorts, condominiums, and health and sports complexes in the U.S., Japan and Micronesia. KBD's president, Philip Y. Ho, will soon return from a brief business trip, and will be available to meet with you should you have any questions.

We foresee no changes to the general development designs set forth by the former owner. Also, we have retained all consultants presently working on the project and are expanding staffing of our Hawaii office.

KBD, Inc. is taking a positive approach to this development. We will work closely with government agencies and community groups to pursue affordable housing, develop a water-quality monitoring plan, ensure beach access and necessary parking, and to meet all other required conditions.

We are all very excited that this project will move forward in a constructive manner. I look forward to your continued interest in the project.

Sincerely,


Rodney Y. Sato
Vice President

RS:hk
Enclosure

4/11/89 - copies sent to A. Hoe, S. Hinono, & A. Yajioka also.

KOHANAKI

April 4, 1989

Renton Nip
Chairman
State of Hawaii
335 Merchant Street, Room 104
Honolulu, Hawaii
96813

Dear Mr. Nip:

I'd like to bring you up to date regarding the Kohanaiki resort development project. Let me describe a few of the changes that you should be aware of, and I will soon follow up with a phone call to discuss them.

The most important change is that the project has been sold. The new owner is KBD, Inc., of Nevada, a wholly owned company of Nansay Hawaii, Inc. As you can see from the enclosed fact sheet, the company is developing commercial properties, resorts, condominiums, and health and sports complexes in the U.S., Japan and Micronesia. KBD's president, Philip Y. Ho, will soon return from a brief business trip, and is anxious to meet with you to describe the company's plans.

We foresee no changes to the general development designs set forth by the former owner. Also, we have retained all consultants presently working on the project and are expanding staffing of our Hawaii office.

KBD, Inc. is taking a positive approach to this development. We will work closely with government agencies and community groups to pursue affordable housing, develop a water-quality monitoring plan, ensure beach access and necessary parking, and to meet all other required conditions.

We are all very excited that this project will move forward in a constructive manner. I look forward to your continued interest in the project and hope to talk with you soon.

~~Sincerely,~~

Rodney Y. Sato
Vice President

RS:hk
Enclosure

KOHANAIKI

H A W A I I

April 4, 1989

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ROCKWELL
COMMUNICATIONS
CORPORATION

Robert S. Tamaye
Commissioner
Land Use Commission
Old Federal Bldg., Room 104
335 Merchant Street
Honolulu, Hawaii 96813

Dear Mr. Tamaye:

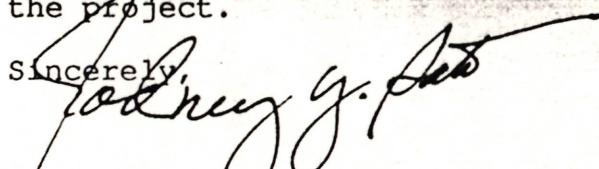
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Sincerely,

Rodney Y. Sato
Vice President

RS:hk
Enclosure

KOHANAIKI

April 4, 1989

APR
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1989
LAND USE COMMISSION
HONOLULU, HAWAII

Mr. Lawrence F. Chun
Commissioner
Land Use Commission
Old Federal Bldg., Room 104
335 Merchant Street
Honolulu, Hawaii 96813

Dear Mr. Chun:

I'd like to bring you up to date regarding the Kohanaiki resort development project. Let me describe a few of the changes that you should be aware of.

The most important change is that the project has been sold. The new owner is KBD, Inc., of Nevada, a wholly owned company of Nansay Hawaii, Inc. As you can see from the enclosed fact sheet, the company is developing commercial properties, resorts, condominiums, and health and sports complexes in the U.S., Japan and Micronesia. KBD's president, Philip Y. Ho, will soon return from a brief business trip, and will be available to meet with you should you have any questions.

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Sincerely,

Rodney Y. Sato
Vice President

RS:hk
Enclosure

KOHANAIKI

H A W A I I

April 4, 1989

APR 5 1989
LAND USE COMMISSION
53-12188

Mr. Toru Suzuki
Commissioner
Land Use Commission
Old Federal Bldg., Room 104
335 Merchant Street
Honolulu, Hawaii 96813

Dear Mr. Suzuki:

I'd like to bring you up to date regarding the Kohanaiki resort development project. Let me describe a few of the changes that you should be aware of.

The most important change is that the project has been sold. The new owner is KBD, Inc., of Nevada, a wholly owned company of Nansay Hawaii, Inc. As you can see from the enclosed fact sheet, the company is developing commercial properties, resorts, condominiums, and health and sports complexes in the U.S., Japan and Micronesia. KBD's president, Philip Y. Ho, will soon return from a brief business trip, and will be available to meet with you should you have any questions.

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Sincerely

Rodney Y. Sato
Vice President

RS:hk
Enclosure

KOHANAIKI

H A W A I I

April 4, 1989

APR 5 3 08 PM '89

LAND USE COMMISSION

Mr. Teofilo Phil Tacbian
Commissioner
Land Use Commission
Old Federal Bldg., Room 104
335 Merchant Street
Honolulu, Hawaii 96813

Dear Mr. Tacbian:

I'd like to bring you up to date regarding the Kohanaiki resort development project. Let me describe a few of the changes that you should be aware of.

The most important change is that the project has been sold. The new owner is KBD, Inc., of Nevada, a wholly owned company of Nansay Hawaii, Inc. As you can see from the enclosed fact sheet, the company is developing commercial properties, resorts, condominiums, and health and sports complexes in the U.S., Japan and Micronesia. KBD's president, Philip Y. Ho, will soon return from a brief business trip, and will be available to meet with you should you have any questions.

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We are all very excited that this project will move forward in a constructive manner. I look forward to your continued interest in the project.

Sincerely

Rodney Y. Sato
Vice President

RS:hk
Enclosure

KOHANAIKI

H A W A I I

April 4, 1989

APR 5 3 09 PM '89

LAND USE COMMISSION
STATE OF HAWAII

Frederick P. Whittemore
Land Use Commission
Old Federal Bldg., Room 104
335 Merchant Street
Honolulu, Hawaii 96813

Dear Mr. Whittemore:

I'd like to bring you up to date regarding the Kohanaiki resort development project. Let me describe a few of the changes that you should be aware of.

The most important change is that the project has been sold. The new owner is KBD, Inc., of Nevada, a wholly owned company of Nansay Hawaii, Inc. As you can see from the enclosed fact sheet, the company is developing commercial properties, resorts, condominiums, and health and sports complexes in the U.S., Japan and Micronesia. KBD's president, Philip Y. Ho, will soon return from a brief business trip, and will be available to meet with you should you have any questions.

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Sincerely,

Rodney Y. Sato
Vice President

RS:hk
Enclosure

APP 5 6 15 16 17
11/14/83

Fact Sheet

NANSAY CORPORATION

Location: Japan (Headquarters)
Turris Akasaka 2-17-12
Akasaka Minato-Ku, Tokyo

USA
2001 Wilshire Building, Suite 400
Santa Monica, Los Angeles

Micronesia
Sadog Tasi Capital Hill
Saipan

Nansay Hawaii, Inc.
841 Bishop Street, Suite 1050
Honolulu, Hawaii

Chairman & Chief
Executive Officer: Ken Yokeno

No. of Employees: 300

HOTEL RESORT

Hyatt Regency
Scottsdale, Arizona

Good Nite Inn Chain (12)
Los Angeles, California

Proposed: Kohanaiki Resort
Kona, Hawaii

Westwood Nansay Hotel
Westwood, Los Angeles

Nansay Hotel Saipan
Saipan

Manazuru City Resort
Japan

COMMERCIAL &
LEISURE

Nansay Japan Headquarters
Seta Setagaya-Ku, Tokyo

Roppongi Square
Roppongi, Tokyo

Lubedens Sapporo
Hokkaido

Proposed: Westwood Mixed Use Project

CONDOMINIUM

Maison Hirakawa
Hirakawa-Cho, Tokyo

Moto Azabu Mansion
Moto Azabu, Tokyo

OFFICE

Ginza Building
Ginza, Tokyo

Nansay USA Headquarter
Auerbach Plaza
Santa Monica, Los Angeles

Hutton Center
Santa Ana, Los Angeles

Olympic Plaza
West Los Angeles

Westgate Building
West Los Angeles

Wilshire Tower
Santa Monica, Los Angeles

RECREATIONAL

Sports Connection
Set, Setagaya-Ku, Tokyo

"Aqua Spa" Sports Connection
4-15-30 Seta Setagaya-ku
Tokyo

Ocean Front Seta

Ocean Front Manazuru

AWARDS

Excellence Award - Environmental Preservation
and Beautification
December 1981
Presented by Setagaya Ward, Tokyo

Commercial Space Design Award - Special Prize
Space Planning Division for Seta Park Avenue
October 1981
Presented by Japanese Interior Designers
Organization

FOR FURTHER INFORMATION, CONTACT:

KBD, INC.
A wholly owned company of
Nansay Hawaii, Inc.
841 Bishop Street, Suite 1050
Davies Pacific Center
Honolulu, Hawaii 96813
Philip Y. Ho, President
Rodney Y. Sato, Vice-President
Phone: 808-528-7114

April 1989



REPLY TO
ATTENTION OF

DEPARTMENT OF THE ARMY
U. S. ARMY ENGINEER DISTRICT, HONOLULU
FT. SHAFTER, HAWAII 96858-5440

November 16, 1988

Operations Branch

SUBJECT: Kohanaiki Marina Development, IN2057 -
Supplemental Environmental Impact Statement

'88 NOV 18 A11:32

Marvin T. Miura, Ph.D.
Director
Office of Environmental Quality Control
465 South King Street, Room 104
Honolulu, HI 96813

Dear Dr. Miura:

While the applicant's EIS for the proposed project indicated that the marina impacts would be addressed in a supplemental EIS to be prepared by the Federal government, we do not intend to prepare such a document at this time. In response to your letter of November 3, 1988, we have not completed our evaluation of the permit application and proposed project.

As we continue to evaluate and assess the marina project, we can modify the project or condition the permit to reduce or eliminate adverse impacts that may trigger a decision to prepare a Federal EIS for the project. We have requested additional information and analyses from the applicant that would help us assess environmental impacts and consequences of the proposed action. When our evaluation is complete, an environmental assessment will be presented to the District Engineer for his decision on the permit application and EIS. Our evaluation process should not prevent you from asking the permit applicant to evaluate marina impacts for the purposes of satisfying State EIS requirements or agency evaluations.

We thank you for your concerns and are willing to discuss this issue with you, if necessary.

Sincerely,

Stanley T. Arakaki
Stanley T. Arakaki
Chief, Operations Branch
Construction-Operations Division

DEC 1 9 45 AM '88
OFC. OF THE
OFFICE OF
LAND USE COMMISSION
STATE OF HAWAII



United States Department of the Interior

FISH AND WILDLIFE SERVICE
PACIFIC ISLANDS OFFICE

P.O. BOX 50167
HONOLULU, HAWAII 96850

ES
Room 6307

NOV 18 1988

Colonel Francis W. Wanner
U.S. Army Engineer District, Honolulu
Building 230
Fort Shafter, Hawaii 96848-5440

Re: Public Notice No. 2057, Kohana-iki Marina Complex, North Kona, Hawaii

Dear Colonel Wanner:

We have reviewed the referenced public notice and offer the following comments for your consideration.

This report has been prepared under the authority of and in accordance with the provisions of the Fish and Wildlife Coordination Act (48 Stat. 401, as amended; 16 U.S.C. 661 et seq.) and other authorities mandating Department of the Interior concern for environmental values. It is also consistent with the intent of the National Environmental Policy Act.

The applicant proposes to construct a 180-slip marina within the proposed Kohana-iki Resort Community project area. The marina complex would include a marina, entrance channel, condominiums, and shopping areas. The marina basin would be excavated in fast lands. The 300-foot long, 150-foot wide, 15-foot deep entrance channel would be dredged through the shoreline bench and reef terrace. A temporary fill causeway would be needed to construct the entrance channel. Dredged spoils would be stored on fast lands.

The Draft (July 1986) and Final (August 1986) Environmental Impact Statements for the proposed Kohana-iki Resort Community project were prepared jointly for the Hawaii County Planning Department and State Land Use Commission. Both documents stated that a federal Environmental Impact Statement (EIS) would be prepared in support of the application for a Department of Army permit for the construction of the marina (Enclosure 1). To date, a federal EIS has not been prepared for this marina project. We recommend that the referenced application be denied until a federal EIS for this project is completed as stated in the referenced Draft and Final EISs.

LAND USE COMMISSION
STATE OF HAWAII

Nov 22 11 PM '88

11/15/88- TO LUC & R

If your staff had no intention of preparing a federal EIS for the marina construction, then it would appear that the applicant made incorrect representations in the Draft and Final EISs regarding the preparation of a federal EIS for the marina. The NEPA Implementation Procedures for the Regulatory Program (33 CFR 325, Appendix B) state "If the district engineer determines that another agency's draft EIS which involves a Corps permit action is inadequate with respect to the Corps permit action, the district engineer should attempt to resolve the differences concerning the Corps permit action prior to the filing of the final EIS by the other agency." If your staff had already decided that the preparation of a federal EIS was not necessary, they were remiss for not correcting these statements during their review of the Draft EIS (Enclosure 2). Because these statements were not corrected, we are concerned that the public and other agencies were misled about the applicant's intentions and the Department of Army's role in reviewing the marina project.

Anchialine pools within the Kohana-iki area are of considerable biological value. Rare species not previously recorded from the anchialine pools at Kohana-iki included an undescribed pink nemertean worm that may be restricted to anchialine pools, a brown sipunculid worm, five anchialine amphipods including a new genus, a sponge, and the candidate endangered snail Neritilia hawaiiensis (Maciolek, J.A. 1987. Evaluation of Anchialine Pools in the Awakee, Kohanaiki, and Makalawena Land Divisions, North Kona, Hawaii. prepared for County of Hawaii). Significantly, Neritilia hawaiiensis was found in pools immediately south and north of the proposed marina. Although the candidate endangered shrimp species (Antecaridina lauensis, Halocaridina palahemo, Procaris hawaiana, Vetericaris chaceorum, Palaemonella burnsi, and Calliasmata pholidota) were not found at Kohana-iki, "their appearance in surface pools at Kohanaiki remains a possibility." (Maciolek, J.A. 1987. Evaluation of Anchialine Pools in the Awakee, Kohanaiki, and Makalawena Land Divisions, North Kona, Hawaii. prepared for County of Hawaii). Migratory shorebirds forage in these pools, and the endangered Hawaiian Stilt (Himantopus mexicanus knudseni) may intermittently forage in the shallow pools at Kohana-iki.

The construction of the proposed marina would fill one anchialine pool and fill a portion of a second pool. The filled anchialine pools would no longer provide habitat for migratory shorebirds and invertebrates associated with anchialine pools. The extension of the marina inland from the shoreline may alter the salinity regime in approximately thirteen anchialine pools north and south of the marina basin. While the shrimp species appear

to be euryhaline, the increase in pool salinity may eventually convert the anchialine pools to marine tidal pools that support predatory marine fishes introduced by storm waves. Predation by these marine fishes would decrease populations of endemic invertebrates found in the affected anchialine pools. Waste oil and fuel from the boating operations may contaminate groundwater that support the neighboring anchialine pools.

Approximately one acre of intertidal and reef terrace habitats would be destroyed by the dredging of the entrance channel. The dredging of the entrance channel and the opening of the marina basin would release fine sediments into the surrounding nearshore waters. The increase in turbidity and suspended sediments may stress coral communities in the area. In addition, the construction and operation of the marina may disturb the threatened green sea turtle (Chelonia mydas) and the endangered humpback whale (Megaptera novaeangliae), and degrade coastal water quality. The recommendations of the National Marine Fisheries Service regarding impacts to marine resources should be fully considered during the permit review of this project.

Because of the numerous coastal resorts proposed for West Hawaii, we are concerned that the cumulative losses of anchialine pool resources from direct filling and insidious habitat degradation may be substantial. In fact, since the destruction of the anchialine pool complex at Anaehoomalu, the Kohana-iki area may represent the best remaining example of an anchialine pool complex in West Hawaii (Maciolek, J.A. 1987. Evaluation of Anchialine Pools in the Awakee, Kohanaiki, and Makalawena Land Divisions, North Kona, Hawaii, prepared for County of Hawaii).

The Service considers the anchialine pool complex at Kohana-iki to be of high value for anchialine pool invertebrates and is unique and irreplaceable on a national basis (U.S. Fish and Wildlife Service Mitigation Policy, 1981). Our mitigation goal for this habitat is no loss of existing habitat value. Therefore, in accordance with the Service's Mitigation Policy and the Regional Wetland Protection Policy, we recommend that the permit be denied for the filling and modification of anchialine pools from the construction of the marina at this site. We recommend that less-damaging alternatives for the marina be investigated by the applicant, including joint use of existing facilities at Honokohau and/or Kawaihae small boat harbors.

We note that the proposed 300-room and 400-room resort hotels at the Kohana-iki project area are located in areas of anchialine pool concentrations. Please be informed that we will recommend denial for any Department of Army permit that will either fill or modify anchialine pools in the project area.

The referenced Draft and Final EISs state that an anchialine pool management plan would be prepared. To date, this management plan has not been completed. We recommend that the referenced application be denied until this management plan has been completed and approved by your staff, U.S. Environmental Protection Agency, appropriate County and State agencies, and the Service.

We recommend that a Federal EIS be completed for the marina proposal to fully consider less-damaging project alternatives. In view of the significant biological value of the anchialine pools at Kohana-iki and the cumulative loss of these unique habitats in West Hawaii, we recommend denial of this application. We appreciate the opportunity to review this application.

Sincerely yours,


Ernest Kosaka
Field Office Supervisor
Environmental Services

fr

Enclosures

cc: County of Hawaii, Planning Department
Office of State Planning
EPA, San Francisco
NMFS - WPPO
TORCH
DLNR
OEQC
✓ LUC
CZM

DRAFT
ENVIRONMENTAL IMPACT STATEMENT
July 1986

KOHANA-IKI RESORT COMMUNITY
Kohana-iki, North Kona, Hawaii

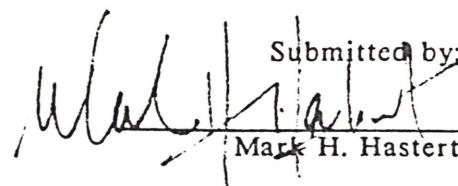
TMK:
3-7-3-09: 03 & 16

Prepared for:
Kona Beach Development Venture, L. P.

Prepared by:
Helber, Hastert, Van Horn & Kimura, Planners

For Submission to:
Hawaii County Planning Department
and
Land Use Commission, State of Hawaii

Prepared Pursuant to:
Chapter 343, Hawaii Revised Statutes


Submitted by:
Mark H. Hastert

surface flow being discharged into the marina basin. The anchialine ponds in the coastal areas of the site will be protected from runoff by landscaped berms and/or cut-off ditches (Section 4.1.7).

1.4.3 Near-shore Marine Environment

The major impact to the near-shore environment will be the construction of the marina harbor. The full impacts of the proposed marina construction will be the subject of a federal supplemental environmental impact statement prepared pursuant to the granting of a U.S. Army Corps of Engineers permit. Preliminary studies prepared for this report indicate that the major harbor impact will be the destruction of a portion of the near-shore coral community. Another potential impact examined was the potential impact of increased sedimentation and nutrient loading resulting from site development. The near-shore assessment prepared for this report indicates that these factors would have minimal adverse impacts on the marine environment (Section 4.1.9).

1.4.4 Noise

A preliminary aircraft noise contour study was conducted for the proposed development which indicated that if there is any impact of aircraft noise on the resort development, it would only affect a small portion of the northwest corner of the site and would not exceed 65 Ldn (Section 4.1.10).

1.4.5 Flora and Terrestrial Fauna

Vegetation of the Kohana-iki site is sparse due to lack of soil cover and water. Vegetation cover and density will increase and changes in species composition will be introduced through landscaping and natural processes. The proposed development will result in the loss of native plants; however, these plants are found in similar habitats throughout the West Hawaii region, thus the probable impact on island-wide populations will not be significant.

The proposed development will alter the existing faunal habitats. The greatest potential impact to avifaunal habitats could be that associated with coastal development adjacent to the anchialine ponds.

1.4.6 Anchialine Ponds

The only direct impacts due to construction will be associated with the proposed marina which is located in an area where two ponds presently exist. Marina plans are still preliminary and will ultimately require an Army Corps of Engineers permit and associated supplemental environmental impact statement before any construction activities could commence. (Present plans are to retain all other ponds which have been identified on the site.)

Other potential impacts to the pond resource include the potential for development related surface runoff to inundate the pond areas, the effect of increased nutrient levels in the ground water, and the impact of direct physical intrusion into the pond areas.

- o The near-shore marine environment, like the anchialine ponds, is sensitive to impacts from drainage and nutrient loading. Shoreline modifications including extensive vegetation removal and structural modifications will be minimized. Adequate measures will be taken to minimize the potential impact of wastewater percolation and possible migration into coastal waters.
- o Any habitable areas which prove to be impacted by aircraft noise will be designed and constructed with necessary sound attenuation features to mitigate any adverse effects.

1.6 ALTERNATIVES CONSIDERED

Three development alternatives were considered including the no-action alternative. The second alternative sought to increase the resort density by seeking a "Major Resort" designation from the Hawaii County Planning Department allowing for the development of 3,000 hotel rooms. The third alternative considered was to seek a "Retreat Resort" designation from the Planning Department which would provide for a maximum of 100 hotel rooms. All three alternatives fail to meet the applicant's objective of meeting a proven market demand matched with an acceptable economic return for a well planned intermediate sized, integrated destination resort near the town of Kailua-Kona.

1.7 UNRESOLVED ISSUES

The General Plan amendment and the subsequent land use district boundary amendment are the initial first stage of approvals needed in order for the proposed Kohana-iki Resort to become a reality. Some issues, appropriately, remain unresolved at this initial phase of the planning process and will be resolved in the context of the subsequent regulatory approvals listed in Chapter 1.9. Significant unresolved issues remaining to be resolved are as follows:

- o Studies included in this EIS indicate that the proposed marina is supported by solid market demand. Additional studies have also confirmed preliminary engineering. As stated previously, a permit from the Army Corps of Engineers is required before any dredging can commence. The Army permit will be issued only in conjunction with an approved supplemental federal EIS detailing the environmental consequences of the proposed harbor development.
- o Details of the anchialine pond management plan recommended in Chapter 4.1.15 will be worked out with the appropriate agencies within the context of further detailed site planning and under the provisions for receiving a Special Management Area permit from the County of Hawaii.
- o Although it is presumed that all archaeological sites have been identified, a possibility exists that additional sites will be uncovered during site preparation. Should this occur, immediate precautions will be taken to inform the appropriate agencies and evaluate their discoveries.

Other potential impacts to the pond resource include the potential for development related surface runoff to inundate the pond areas, the effect of increased dissolved nutrient levels in the groundwater (resulting from the use of treated effluent to irrigate golf course fairways and the application of fertilizers and herbicides to landscaped areas), and the impact of direct physical intrusion into the pond areas.

4.1.15.3 Mitigating Measures

Preliminary site plans for the Kohana-iki Resort have been prepared (Figure 3) with the goal of minimizing impacts to the anchialine pond resource. Except for the construction of the marina (the impacts of which will be fully discussed in a subsequent federal supplemental EIS prepared pursuant to a U. S. Army Corps of Engineers Permit), no structures or construction activities are planned which would result in the filling or grading of any of the ponds in the area. Buffer zones will be established around each of the major pond areas to insure no grading or construction activities in adjacent areas will result in material entering the ponds. Landscaping of the pond areas will be minimized to retain the natural setting of the ponds as much as possible; any landscaping done adjacent to the ponds will utilize indigenous plants which will not impact the pond environment.



A Management Plan for the anchialine ponds will be developed in consultation with the Army Corps of Engineers and the Fish and Wildlife Service. Such a plan has been approved for ponds at Waikoloa, and proposed for ponds at Kaupulehu and Kukio. The objectives of such a plan are to:

- 1) Maintain the environmental integrity of the existing ponds;
- 2) Protect and manage this resource to provide educational and interpretive opportunities to the public;
- 3) Control and monitor construction activities so that secondary impacts may be identified and mitigated to avoid any detrimental impacts to the ponds; and,
- 4) Provide for a pond manager to implement the management plan and conduct scientific monitoring programs.

The management plan will detail the areas of ponds to be preserved, the dimensions of buffer zones surrounding the pond areas, allowable activities within the pond areas, if any, and establish a pond management program.

4.1.16 Historic and Archaeologic Resources

4.1.16.1 Existing Conditions

There have been several archaeological investigations of the Kohana-iki site. The earliest recorded field work was conducted in 1930 by John E. Reinecke, who located coastal sites of the West Hawaii region for the B. P. Bishop Museum (BPBM). The most intensive archaeological work conducted to date within the project area was done in late 1975 by Ross H. Cordy during coastal survey and

FINAL
ENVIRONMENTAL IMPACT STATEMENT
August 1986

KOHANA-IKI RESORT COMMUNITY
Kohana-iki, North Kona, Hawaii

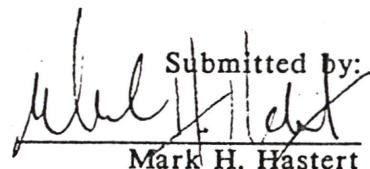
TMK:
3-7-3-09: 03 & 16

Prepared for:
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The proposed development will alter the existing faunal habitats. The greatest potential impact to avifaunal habitats could be that associated with coastal development adjacent to the anchialine ponds.

1.4.6 Anchialine Ponds

- 1) The anchialine ponds are an important asset to the proposed resort project;
- 2) No physical intrusion into the individual ponds is being proposed at the Kohana-iki site (with the possible exception of the two small ponds located in the vicinity of the proposed marina basin. The disposition of these ponds will be determined pending the completion of detailed engineering and environmental analyses prepared pursuant to an Army Corps permit application for marina construction).

Potential impacts to the pond resource include the potential for development related surface runoff to inundate the pond areas and the effect of increased nutrient levels in the ground water.

- o The near-shore marine environment, like the anchialine ponds, is sensitive to impacts from drainage and nutrient loading. Shoreline modifications including extensive vegetation removal and structural modifications will be minimized. Adequate measures will be taken to minimize the potential impact of wastewater percolation and possible migration into coastal waters.
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DEPARTMENT OF THE ARMY
U. S. ARMY ENGINEER DISTRICT, HONOLULU
BUILDING 230
FT. SHAFTER, HAWAII 96858

REPLY TO
ATTENTION OF:

July 30, 1986

RECEIVED

AUG 12 1986

HELBER, HASTERL, VAN HORN
& KIMURA PLANNERS

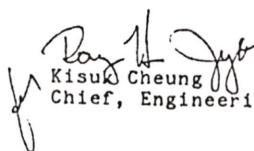
Mr. Albert Lono Lyman
Director, County of Hawaii
Planning Department
25 Aupuni Street
Hilo, Hawaii 96720

Dear Mr. Lyman:

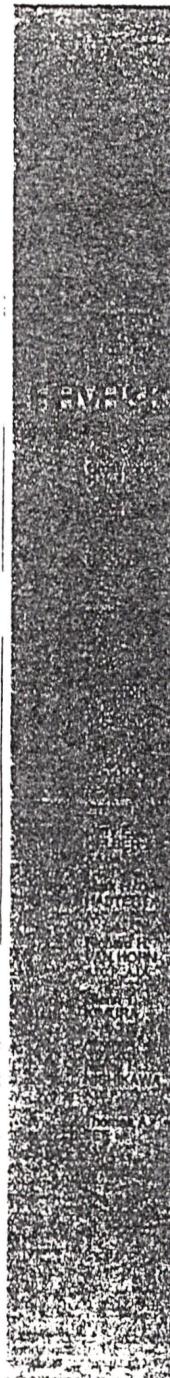
Thank you for the opportunity to review and comment on the EIS for Kohana-iki Resort Community. The following comments are offered:

- a. As stated on page I-7, a Department of the Army permit application is needed.
- b. The flood hazards have been addressed on page IV-17 of the report.

Sincerely,


Kisuk Cheung
Chief, Engineering Division

Enclosure 2



15 August 1986

Mr. Kisuk Cheung, Chief
Engineering Division
U.S. Army Engineer District, Honolulu
Department of the Army
Building 230
Fort Shafter, Hawaii 96858

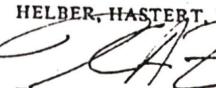
Environmental Impact Statement (EIS):
Kohana-iki Resort Community, North Kona, Hawaii
TMK 7-3-09: 3 & 16

Dear Mr. Cheung:

Thank you for your comments of July 30, 1986 to Mr. Albert Lono Lyman, Director of the Hawaii County Planning Department, relative to the Draft EIS for the proposed Kohana-iki Resort Community.

Your comments have been incorporated into the EIS.

Sincerely,


HELBER, HASTERL, VAN HORN & KIMURA, PLANNERS
Thomas A. Fee
Project Planner

cc: Hawaii County Planning Department

for the people ... for the ocean ...



The Ocean Recreation Council of Hawaii

State Land Use Commission
Old Federal Building
Room 104
335 Merchant St.
Honolulu, Hawaii 96813

STATE ADDRESS:
P.O. Box 1809
Kailua, HI 96734

COUNTY CHAPTER ADDRESSES:

Kauai
c/o 4-1378 Kuhio Hwy.
Kapaa, HI 96746

Oahu
P.O. Box 661
Kailua, HI 96734

Maui
P.O. Box 1627
Lahaina, HI 96767

BIORTA (Hawaii)
P.O. Box 5306
Kailua-Kona, HI 96745

RECEIVED

NOV 9 1988

State of Hawaii
8 November 1988 LAND USE COMMISSION

Dear Ladies and Gentlemen:

Enclosed is a letter we have sent to Governor John Waihee concerning the proposed marina at Kohana-Iki, North Kona, Hawaii. We are strongly opposed to this proposed marina because of environmental and economic reasons. The destruction caused by the entrance channel construction and increased traffic due to the marina would greatly reduce the quality of this area as a habitat and as a popular marine recreation site. This area is the most popular dive site along the whole Kona coastline.

We do support the expansion of Honokohau Harbor since there is a dire need for more small boat moorings in West Hawaii. We would like to see Kona Beach Development Venture, the Kohana-Iki developer, switch sites and work with the state to expand Honokohau to the south with surrounding hotel and condominium units and retail space. With the proposed municipal golf course and parkways shown on this enclosed plan, it would be a beautiful setting for a resort. The sewage treatment facility would also benefit the resort by providing the necessary treatment without having to build a separate package sewage treatment facility.

Please consider this in your planning efforts. Thank you for your consideration.

Most sincerely,

David A. Tarnas
Big Island TORCH

for the people ... for the ocean ...



The Ocean Recreation Council of Hawaii

Hon. John Waihee
Office of the Governor
Executive Chambers
State Capitol
Honolulu, Hawaii 96813

STATE ADDRESS:
P.O. Box 1809
Kailua, HI 96734

COUNTY CHAPTER ADDRESSES:

Kauai
c/o 4-1378 Kuhio Hwy.
Kapaa, HI 96746

Oahu
P.O. Box 661
Kailua, HI 96734

Maui
P.O. Box 1627
Lahaina, HI 96767

BIORTA (Hawaii)
P.O. Box 5306
Kailua-Kona, HI 96745

7 November 1988

Dear Sir:

We are writing to express our concerns about a proposal to construct a 180-slip marina at Kohana-Iki, North Kona, Hawaii. The developer, Kona Beach Development Venture, has applied for a permit from the U.S. Army Corps of Engineers, which is currently under review. We are opposed to the construction of this marina for a number of reasons, both economic and environmental. However, we are very aware of the dire need for more small boat moorings in West Hawaii. Therefore, we would like to see the developer enter into a public-private venture with the state to expand Honokohau Small Boat Harbor with its condominiums, hotel, and retail space it has currently planned for Kohana-Iki.

We have written to the Corps of Engineers about our concerns and have requested a public hearing in Kona. The three main issues articulated in that letter are: the impact on commercial and recreational diving, fishing, and other marine recreation in the area proposed for the channel and marina complex, the impact on protected marine species through environmental degradation, and the impact on marine water quality.

The Pine Trees area, as the proposed resort and marina site is locally called, is the most popular dive site for the Kona dive charter industry, according to a recent U.H. Sea Grant survey. It represented about \$1,000,000 in revenue in 1986. The industry continues to grow, as does the value of this site. The waters are also frequently used by sport divers and fishermen. For this reason, it has been designated a voluntary marine protected area by a negotiated agreement between the tropical fish collectors and divers. Tropical fish collecting is banned from the area. Building a marina and entrance channel could result in considerable impact on these commercial

and recreational activities through direct destruction of the reef area, cumulative damage to nearby reefs through siltation, and reduction in the safety and aesthetic quality of the site because of increased boat traffic in the area.

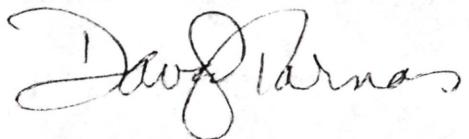
Two species of sea turtles are found in this area. The Hawaiian green sea turtle, a threatened species, frequents the area to feed. The hawksbill turtle, an endangered species, has also been sighted there. The feeding areas of these turtles would be irreparably altered by the destruction of the reef in the process of dredging for the entrance channel and marina. Increased boat traffic could also harass any turtles thereby forcing them away from their customary feeding and resting areas. Humpback whales, an endangered species, are also known to rest in these nearshore waters. The marina would harass these whales in the same way.

Impacts on marine water quality also need to be considered. Siltation of nearby coral reefs during and after construction could cause considerable damage to the reefs. The potential of ciguatera poisoning of the marine life caused by the dredging is unknown. The increased quantities of fuel oil, vessel discharges, any effluent from marina operations, and increased runoff caused by the marina itself, could detrimentally impact the area's resources and water quality. The surface water intake pipes for the Natural Energy Laboratory of Hawaii and the Hawaii Ocean Science and Technology Park are located within a mile north of the proposed site. Any impact of water quality on these commercial and research operations must be considered.

For these reasons, we don't want a marina built at Kohana-Iki. Because Kona desperately needs more small boat slips, we would like to see Honokohau expanded. This expansion is already in the DOT long-range plan, but other projects have priority in the current budget. Discussions with DOT-Harbors Division officials have convinced us this is a very opportune time for a private developer to come in and expand Honokohau and build a surrounding commercial complex. This plan fits into a larger plan for the area south of Honokohau as shown on the attached map. A municipal golf course, a well landscaped and unobtrusive sewage treatment facility, coastal parkways, and sports facilities would all complement a marina-resort operation.

We urge you and the State Planning Office to consider this plan carefully. We hope you will oppose the Kohana-Iki marina plan and instead offer to work with the developer, through a land swap or other mechanism, to expand Honokohau Small Boat Harbor. This would protect the most popular dive site on the Kona coast, avoid major harassment of protected marine species, provide much-needed small boat moorings in Kona, offer the developer a good investment, and support part of a popular and cohesive plan for the area south of the harbor.

Respectfully yours,



David A. Tarnas
Big Island TORCH

STATE OF HAWAII

PROPOSED
KAMEHAMEHA
MUNI GOLF COURSE
WEST HAWAII

119.000

Honokohau-
Kaloko
National
Park

NOTE: GOLF COURSE & WATERFRONT PARK ARE SCHEMATIC AND ADDED TO MAP BY R. ROSEN FISHER & C. HULL.

KEALAKEHE WASTEWATER TREATMENT PLANT
AND LAND RECLAMATION SITE

KEALAKEKEHE, NORTH KONA, HAWAII

TMK: 3RD DIV 7-04-03

BLR. POWELL CORPORATION



DIVE MAKAI CHARTERS

POST OFFICE BOX 2955
KAILUA-KONA, HAWAII 96745
(808) 329-2025

Governor John Waihee
State Capitol Building
Honolulu, HI 96813

Dear Governor Waihee:

We wish to express our deep concern over a large development that has been proposed for North Kona. Kohana Iki, a combination hotel, condominium and residential development with a proposed marina is, we feel, totally inappropriate for the area, locally known as "Pine Trees", that Kona Beach Development Ventures wishes to develop. We would like to present our arguments against locating the development in that particular spot, and propose, instead, a more fitting, practical location that would involve cooperation between the state and private enterprise.

1. The proposed marina would have devastating effects upon prime scuba diving areas heavily used by Kona dive charter operators. The area proposed as the marina entry involves one of only two areas along the North Kona coast sheltered from winter northwest high surf. Any blasting involved in creation of the marina entrance would destroy many of the corals, fish and other animals that inhabit the area, thus depriving many of us of a highly needed dive area during our busiest season of the year. This would have a severe economic impact on the local dive industry, which is growing, thriving, and providing interesting alternative employment for local people.

2. The channel providing entrance and egress passes through a protected cove that is frequented by a local school of Hawaiian Spinner Dolphins and, in the wintertime, by Humpback whales and their calves, thereby creating a boat highway through a prime whale resting area.

3. With expanding HOST park and Keahole Airport to the north and Honokohau National Park to the south, a large development sandwiched between them seems completely out of place. The area should be reserved for marine science related activities and/or park facilities.

Capt. Tom Shockley

Capt. Lisa Choquette

123

November 8, 1988

LAND USE COMMISSION
STATE OF HAWAII

88

4. The proximity to Keahole Airport spells nothing but trouble for future plans for airport expansion. As larger, noisier jets use expanded facilities at Keahole, there will be open season on the state for noise lawsuits. Many of our visitors have commented on the wisdom of placing the airport so far from affected residential areas. At a recent hearing in Kona on the project, Robert Curran, a former air controller at LAX International testified that the majority of air accidents occur within 2 miles of airports, involving either take off or landing. To allow a major development within a mile of an expanding airport seems extremely shortsighted.

5. Kona simply does not have the infrastructure to handle any major developments at this time. Kealakehe Schools are bulging at the seams with no major relief in sight. Our lack of in town parking is a disgrace; our traffic movement becomes worse with each season. Our sewage treatment facility has been overloaded for years.

However, there is a viable alternative for the developer that the diving community would wholeheartedly support. I have seen plans drawn by Russ Fisher for the development of the area extending from Honokohau Harbor south to the Old Airport Beach Park; the plans include a modern sewage treatment facility with an adjoining golf course, a scenic coastal highway with jogging and biking roads. The area would be perfect for such a development. The existing harbor could be extended southward with no major impact on our precious ocean resources. We heartily support a land swap or lease between the state and Kona Beach Development Ventures, providing a model of cooperation between public and private entities. We support the placement of the entire development south of Honokohau Harbor and the retention of the land between Honokohau National Park and Keahole for Marine Science and/or park facilities.

Thank you for your consideration.

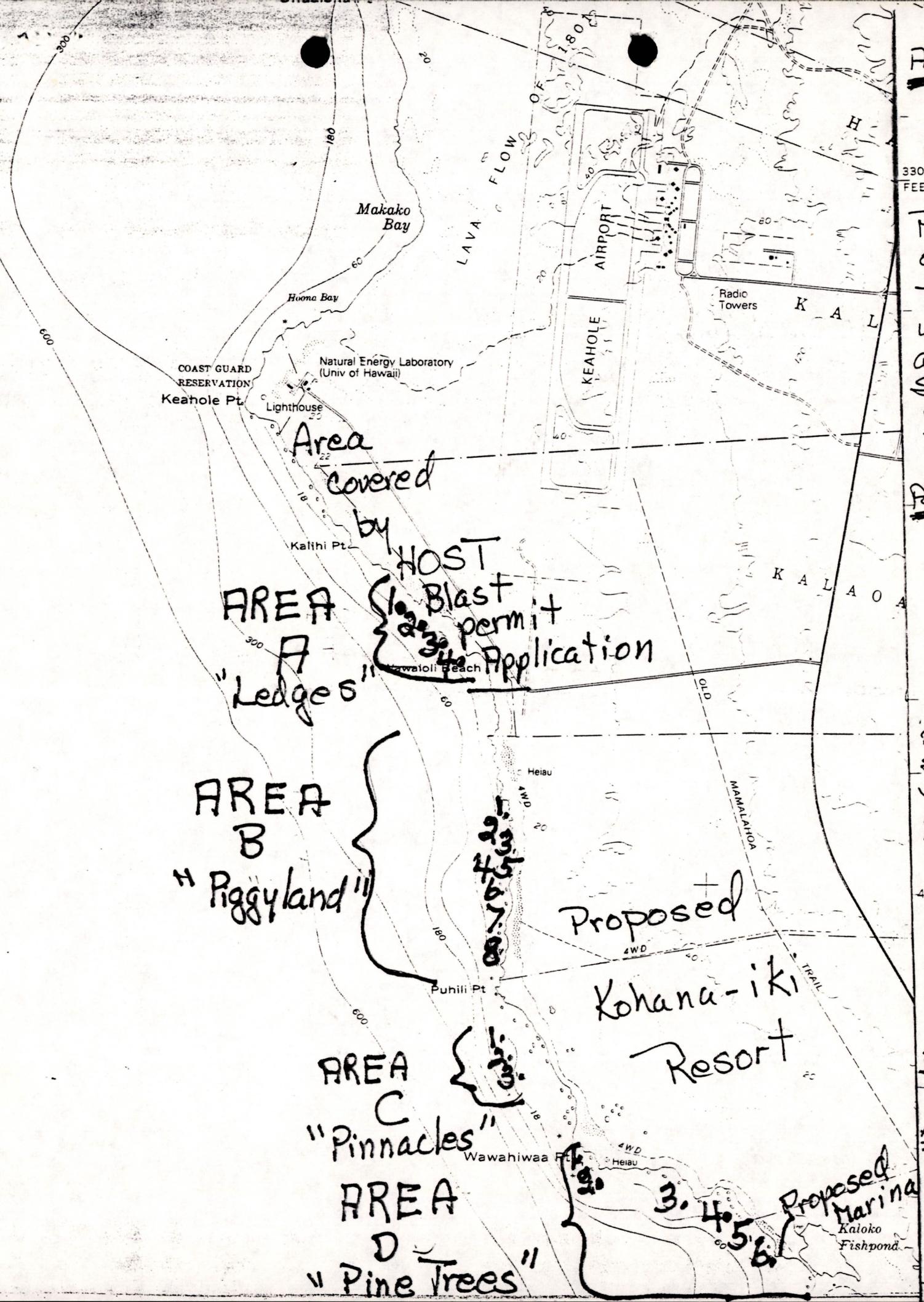
Sincerely yours,

Lisa M. Choquette
Lisa M. Choquette

Thomas E. Shockley
Thomas E. Shockley
Owners
Dive Makai Charters

cc. Land Use Commission
National Marine Fisheries Service
State Director of Planning
County Director of Planning
Bill Bonk

Bill Bonk
Virginia Isbell
Andy Levin
Hawaii County Council
Sea Grant



Area A. 1. Checkered Canyon
2. Black Hole
3. "Oops" Ridge
4. Valentine Ridge

Pahoehoe flow to 60' falling off in cliffs and ledges to 90'. Beautiful canyon with plate coral sides and bottom at Black Hole. Schools of Pyramids & Henioches, Ghost Shrimp, Bandit Angels, etc., etc.

Area B. 1. Fallen Arches
2. Phantom Ridge
3. Grab Bag
4. Outhouse
5. Pueblo
6. Carpenter's House
7. Piggy's Penthouse
8. Golden Arches

Home of "pet" tame green sea turtle, "Miss Piggy" though she's spotted from Keahole through Wawahiwa'a Pts. Flat lava bottom to 60'; huge rock reefs and arches; in shore caverns; excellent hard corals. Excellent fish, inc. leaf fish, anglers, lion fish, white tip sharks, saddle back, teardrop, reticulated butterflies, etc.

Area C. 1. Mixed Plate
2. Drifters
3. Monument Valley

Area D. 1. Pinnacle Peak
Offshore pinnacles, inshore caverns; excellent marine life, inc. harlequin shrimp, nudibranchs, spiny puffers, myriad butterflies

Area D. 2. Coral Gardens
3. Skunk Hollow/Haystack
4. Pine Trees Caverns
"Suck 'em Up" Cave
5. Pine Trees Big Arch

6. Lead City

In shore arches and caverns, inc. "Freeze"

Face "Cave" @ Lead City where divers can pass from salt to fresh water; tame conger eels, tame moray, saddleback, reticulated, lined, black long-nose butterflies, Lion Fish, anglers; good for manta rays; excellent pocilla pora corals at Skunk Hollow & Lead City.

Notes: Area S through D inclusive are included in the recent agreement between Kona Dive Charter Operators and Tropical Fish Collectors, the first step toward MLOD status; the area is so significant that the fish collectors have agreed to stay out of it. Effective 9/16/88 with help of Henry Sukuda, DLNR, and Howard Takata, Sea Grant



POST OFFICE BOX 2955
KAILUA-KONA, HAWAII 96745
(808) 329-2025

Capt. Tom Shockley

Capt. Lisa Choquette

October 14, 1988

Col. Chip Wanner
Honolulu District Engineer
Building 230
Fort Shafter, HI
96858-5440

Re: Kohana-iki Resort; our letter dated October 2, 1988

Dear Col. Wanner:

In regard to our letter dated October 5, 1988, we neglected to formally request that a public hearing be held in Kona to address these issues. We further request that the hearing be held in the evening- those of us in the charter business who would be most affected by Kohana- iki are generally unavailable in the daytime -at a place convenient to Kailua- Kona residents.

Thank you for your consideration.

Sincerely,

Lisa Choquette

Thomas E. Shockley

Oct 17 12 25 PM '88

LAND USE COMMISSION
STATE OF HAWAII

10/25/88
LUC, E+R

Diving with a Difference. We Care

**DIVE
MAKAI
CHARTERS**



POST OFFICE BOX 2955
KAILUA-KONA, HAWAII 96745
(808) 329-2025

Capt. Tom Shockley

Capt. Lisa Chiquette

Oct 17 12 25 PM '88
LAND USE COMMISSION
STATE OF HAWAII

Lorraine Jitchaku-Inouye
25 Aupuni Street
Hilo, HI 96720

October 14, 1988

Dear Ms. Jitchaku-Inouye

Enclosed find a copy of a letter to the Army Corps of Engineers regarding the underwater impact of the proposed marina at Kohanai-iki. In addition, we would like to express our opposition to the resort as a whole for several reasons.

1. Kona simply does not need any more resort development at this time. Our infrastructure is so far behind, it is ludicrous to burden it further.
2. Our existing resorts are far from being full a significant portion of the time. Until this does occur, and our infrastructure is caught up, there should be no new permits issued for ANY resort development.
3. The state Land Use Commission has determined that West Hawaii has at present approved enough development for the next 15 years.
4. The land in question would be put to infinitely better use if it were restricted to park and/or ocean technology projects such as aquaculture, research, power production, etc. These would also "fit in" better with neighboring Honokohau National Park than would a major resort.
5. Developers continually harp on the fact that they provide jobs>true, but at present there are not enough people to fill the jobs opening up in already approved resorts. Why are we importing people and thus artificially stimulating growth that Kona doesn't need and can't handle ?

10/25/88
LUC, E+R

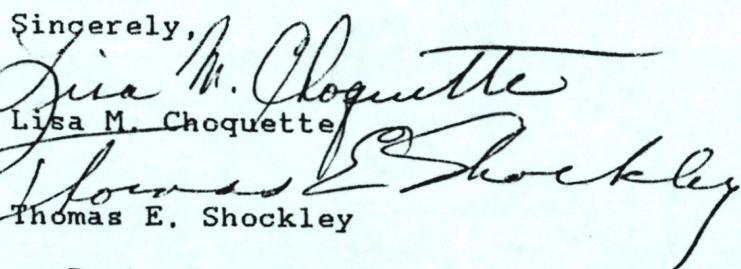
6. Developers need to be reminded that owners of conservation zoned land have no rights. Perusing the campaign contributors makes one wonder if there weren't some promises made under the table by other council members, and if decisions are being made in light of some campaign coffers instead of what's best for Kona.

7. Ours is a tourist based industry. But our clients are a special kind of people- they come to Kona because it is such a special kind of place- beautiful and UNCROWDED. We have been hearing many complaints over the last few years over excessive development and LACK OF SUFFICIENT INFRASTRUCTURE to support it.

8. It is too close to Ke-ahole airport; as it expands, a resort in that area would be a problem waiting to erupt.

We truly wish to thank you for being a "watch-dog" for the people of Kona and for arranging to have a public hearing in Kona with enough notice for us to participate. With a few more representatives such as yourself an Virginia Isbell, we would have a chance at good government of the people, by the people, for the people.

Sincerely,


Lisa M. Choquette
Thomas E. Shockley

cc. Dante Carpenter
Stephen Yamashiro
Frank DeLuz
Merle Lai
Russell Kokobun

Takashi Domingo
James Dahlberg
Spencer Kalani Shutte
Virginia Isbell
Land Use Commission



DIVE MAKAI CHARTERS

POST OFFICE BOX 2955
KAILUA-KONA, HAWAII 96745
(808) 329-2025

Capt. Tom Shockley

Capt. Lisa Choquette

October 5, 1988

Col. Chip Wanner
Honolulu District Engineer
Building 230
Fort Shafter, HI 96858-5440

Oct 17 1225 PM '88
LAND USE COMMISSION
STATE OF HAWAII

Dear Col. Wanner:

We wish to express our deep reservations about the effects of the Kona Beach Development Venture's proposed project Kohana-iki on the underwater terrain and marine life in the immediate area.

We have been operating scuba diving charters in Kona for the past fourteen years; the immediate area proposed for the Kohana-iki marina entrance falls in the middle of a prime dive site area consisting of numerous arches and small caverns that provide homes for innumerable marine species including several rare species of fish such as saddle back, reticulated and lined butterflies. The project would have to destroy a part of this area just to create an opening. The blasting (as we observed at Ke-ahole Point a year ago) will kill scores of fish—even those not in the immediate blast area. The dredging and subsequent silting will destroy virtually all of the marine life in this priceless area. One has only to observe the areas immediately adjacent to Honokohau Harbor to envision the effects of placing a marina entrance in the middle of a prime marine resource area.

10/25/88
LUC, E+R

This area is special also in that it is one of only two areas protected from the winter northwest swells, and as such is the area most intensively used by all of the dive charter operators. To destroy this would impose a negative economic impact on the dive charter industry in that there would be many more days on which we could not run due to Northwest swell and the unavailability of protected dive sites.

As such we request that no marina be allowed in that particular area. The need for harbor facilities is great, but it is not great enough to override the need to protect our increasingly threatened marine resources.

Sincerely,

Lisa M. Choquette

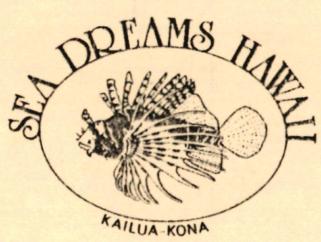
Thomas E. Shockley

cc. National Marine Fisheries

Virginia Isbell

William Paty, DLNR

Fish and Wildlife Service



LAND USE COMMISSION
STATE OF HAWAII

OCT 17 12 28 PM '88

October 2, 1988

Col. Chip Wanner
Honolulu District Engineer
Building 230
Fort Shafter, HI 96858-5440

Re: Kohana-iki Resort, North Kona

Dear Sir:

In regard to the proposed Kohana-iki Resort and Marina, I wish to express my concern over the placement of the marina entrance. I have been a scuba charter operator in the area for many years, and the area that would be impacted by the marina entrance is one of our prime dive areas along the Kona Coast. Its preservation is particularly important to us because it is one of the few spots that is sheltered from the severe Northwest swells that are prominent here in the winter. On many days, the "Pine Trees" area is one of only two options for dive charter operators.

I am additionally concerned in that the area immediately adjacent to the proposed marina entrance is a haven for many rare species of fish. The blasting at Ke-ahole point last year resulted in thousands of dead fish floating on the surface.

The area abounds with pocillipora coral heads, both large and small. Marine biologists agree that silting is the worst enemy of a coral reef; if our existing harbors are any evidence, this marine treasure would be destroyed.

We need this area in as pristine a condition as possible, as an economic resource for the expanding dive and snorkel charter industry, for the sheer enjoyment of island residents who dive and snorkel, and as a magnificent natural resource to pass on to our children and their children. Because of the above concerns, I request that a public hearing be held in Kona in the evening so that those of us who work on the ocean in the daytime can attend.

Sincerely,

Robert Curran
Robert Curran
Sea Dreams Hawaii

10/25/88
LUC, ETR

OKUMURA TAKUSHI FUNAKI & WEE

ATTORNEYS AT LAW
A LAW CORPORATION

SUYEKI OKUMURA SHUICHI MIYASAKI JAMES N. H. YEE
ROY E. TAKUSHI ALFRED M. K. WONG ALLAN F. SUEMATSU
JAMES T. FUNAKI ROBERT M. EHRHORN, JR. LEIGHTON K. LEE
JOSEPH K. WEE DICKSON C. H. LEE
TON SEEK PAI PETER T. STONE

SUITE 1400
GROSVENOR CENTER
733 BISHOP STREET
HONOLULU, HAWAII 96813
TELEPHONE: (808) 543-9800
FACSIMILE: (808) 543-9869

May 27, 1988

Ms. Esther Ueda
Executive Officer
Land Use Commission
Old Federal Building, Room 104
335 Merchant Street
Honolulu, Hawaii 96813

Re: Land Use Commission Docket No. A86-599
Kona Beach Development Venture, L.P.

Dear Ms. Ueda:

This refers to your letter of May 6, 1988 to E. John Caldecott et al. requesting a brief report regarding the status of the project proposed to be developed on the property which is the subject of the above-entitled docket and the status of the petitioner's compliance with any conditions imposed on the reclassification of the property.

Mr. Caldecott and certain other persons are holders of the fee simple interest on the subject property; however, Kona Beach Development Venture, L.P., the petitioner in the docket aforesaid, is the lessee of the property by and through its general partner and the developer of the project. Until further notice, will you please address any inquiry relating to this docket to the following persons:

Christian Wolff
1414 Avenue of the Americas
New York, NY 10019
Telephone No. (212) 759-8222

James T. Funaki, Esq.
Grosvenor Center, Suite 1400
733 Bishop Street
Honolulu, HI 96813
Telephone No. (808) 543-9800

With respect to the status of the project, the petitioner has been proceeding with steady progress to implement the Kohanaiki Resort Master Plan as submitted to the State Land Use Commission in the docket aforesaid. The master plan continues to be refined as more technical information becomes available and as the project moves closer to commencement of construction.

OKUMURA TAKUSHI FUNAKI & WEE

ATTORNEYS AT LAW
A LAW CORPORATION

Ms. Esther Ueda
May 27, 1988
Page 2

The following outline of events already achieved and work currently in progress or scheduled for commencement in the near future concerning the project indicates the status and progress of the project since the reclassification of the property to urban district in January 1987:

January 1987 State Land Use Commission approval of reclassification of 470-acre project area from Conservation to Urban in Land Use Commission Docket No. A86-599. MAY 17 1988

May 1987 Hawaii County Council approval of General Plan Amendments identifying Kohanaiki as Intermediate Resort Area. APR 25 1988

December 1987 State Board of Land and Natural Resources approval of Conservation District Use Permit providing access easement across Conservation Zoned, State-owned Mamalahoa Trail right-of-way between the two parcels which comprise the 470-acre project.

January 1988 Zoning Change Application submitted to Hawaii County Planning Department - currently under review.

June 1988 Special Management Area Permit for major project infrastructure to be submitted to Hawaii County Planning Department.

June 1988 Environmental Impact Statement Preparation Notice (EISPN) to be published initiating preparation of supplemental EIS for proposed Kohanaiki Marina. Accepting Agency: Hawaii County Planning Department.

August 1988 Army Corps of Engineers Permit Application for construction of Kohanaiki Marina to be submitted.

in progress Conservation District Use Application for offsite water system on State lands mauka of Kohanaiki Resort.

mid 1989 Major infrastructure construction to begin.

OKUMURA TAKUSHI FUNAKI & WEE

ATTORNEYS AT LAW
A LAW CORPORATION

Ms. Esther Ueda
May 27, 1988
Page 3

mid 1990 Hotel, Golf Course, Marina to begin construction.

Insofar as the status of compliance with the condition imposed on the reclassification of the property is concerned, the petitioner is proceeding toward the required compliance. A review of each of the relevant conditions imposed by the State Land Use Commission is presented below accompanied by a brief report on work completed, underway or planned, as follows:

1. Ten Percent Housing Commitment. Petitioner is currently working with the Housing Finance and Development Corporation and Hawaii County officials to identify the most appropriate method to satisfy affordable housing requirements within the spirit and intent of the Commission's condition.
2. Public Access. The current master plan identifies a continuous coastal trail along the seaward edge of the resort served by public access points at either end of the site. Planning and development of the coastal trail and access points will be coordinated with the State Department of Land and Natural Resources (DLNR) and Hawaii County.
3. Anchialine Pond Management Plan. Survey of the entire site is nearly complete. The survey will precisely identify pond locations/configurations. Biological baseline data collection is underway. Once basic resource data is complete, Petitioner will begin formulation of management plan in consultation with DLNR, Hawaii County and other appropriate agencies.
4. Preservation And Data Recovery Plans. The Petitioner's archaeological consultant, Paul H. Rosendahl, Inc., is now in the process of preparing the appropriate management plans for the Kohanaiki site. Draft plans will shortly be submitted to the State Historic Preservation Officer and Hawaii County Planning Department for their review and comment.
5. Measures To Protect Nearshore, Offshore And Deep Ocean Waters. Coordination Of Monitoring Systems With NELH And HOST. Onsite drainage, water and wastewater facilities are being designed to insure that the nearshore, offshore and deep ocean waters remain in pristine condition. The

OKUMURA TAKUSHI FUNAKI & WEE

ATTORNEYS AT LAW
A LAW CORPORATION

Ms. Esther Ueda
May 27, 1988
Page 4

Petitioner's marine biological consultant O.I. Consultants, Inc. will be coordinating the preparation of the monitoring system with NELH and HOST Park.

6. Mitigate Adverse Impacts To Kaloko Fishpond - Buffer And Storm Drainage System. A 100-foot buffer/setback along the southern project boundary is shown on the current master plan. The storm drainage system being designed for the site will direct runoff away from the adjacent Kaloko Fishpond to the proposed Marina basin. No adverse effects on the existing wildlife habitat at Kaloko Fishpond are anticipated as a result of project development.

7. Noise Easement. Petitioner, through its attorney, is currently negotiating with the State Department of Transportation on the appropriate language for the noise easement consistent with the intent of the Commission's condition.

8. Sound Attenuation. No residential or resort condominium development will occur on any portion of the property subject to noise levels greater than 65 LDN. Sound attenuation measures will be incorporated into all residential units that are subject to noise levels greater than 60 LDN.

Please advise if you have any questions on the matters presented aforesaid.

Yours very truly,

OKUMURA TAKUSHI FUNAKI & WEE
ATTORNEYS AT LAW
A LAW CORPORATION

James T. Funaki
James T. Funaki
Attorney for KONA BEACH
DEVELOPMENT VENTURE, L.P.

JTF/nmn

cc: Christian Wolff
Edward L. LaVine, Esq.
Mark Hastert
Rodney Sato, Esq.



STATE OF HAWAII
DEPARTMENT OF BUSINESS
AND ECONOMIC DEVELOPMENT

LAND USE COMMISSION

Room 104, Old Federal Building, 335 Merchant Street
Honolulu, Hawaii 96813 Telephone: 548-4611

H
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Governor

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Teofilo Phil Tacbian
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Frederick P. Whittemore
Toru Suzuki
Richard B.F. Choy

ESTHER UEDA
Executive Officer

May 6, 1988

Walter F. Weldon, Jr., Norman L. Kasparsen,
E.J. Caldecott and James G. Degnan, As Trustees
Under Declaration of Trust dated April 2, 1968
c/o E. John Caldecott, Esq.
Carter Hawley Hale Stores
550 South Flower Street
Los Angeles, CA 90071

Dear Mr. Caldecott:

Subject: LUC Docket No. A86-599 / KONA BEACH DEVELOPMENT
VENTURE, L. P.

We are in the process of updating our files on the subject docket and request that you provide us a brief report regarding the status of the project and the status of your compliance with any conditions imposed on the reclassification of the property. If you are experiencing any difficulties in proceeding with the development of the property, please apprise us as to the nature of such difficulties.

We would also like the name and telephone number of a representative whom we can contact for further information or clarification. In the event that you are no longer associated with the development of the property, please provide us with the name and address of the appropriate party to whom we should address our inquiry.

We would appreciate hearing from you by May 25, 1988.

Thank you for your cooperation in this matter.

Sincerely,

A handwritten signature in cursive script, appearing to read "Esther Ueda".

ESTHER UEDA
Executive Officer

EU:to



STATE OF HAWAII
DEPARTMENT OF BUSINESS
AND ECONOMIC DEVELOPMENT

• • •
LAND USE COMMISSION

Room 104, Old Federal Bldg., 335 Merchant Street
Honolulu, Hawaii 96813 Telephone: 548-4611

JOHN WAIHEE
Governor

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ESTHER UEDA
Executive Officer

September 1, 1987

Mr. James Funaki
Okumura Takushi Funaki & Wee
Grosvenor Center
733 Bishop Street
Suite 1400
Honolulu, Hawaii 96813

Dear Mr. Funaki:

Subject: Filing of Conditions for LUC Docket No. A86-599/
Kona Beach Development Venture, L.P.

This is to acknowledge receipt of two recorded "Certificate and Authorization" documents for the subject docket transmitted with your letter of August 27, 1987.

Thank you for your cooperation in this matter.

Sincerely,

Esther Ueda

ESTHER UEDA
Executive Officer

EU:to

OKUMURA TAKUSHI FUNAKI & WEE
ATTORNEYS AT LAW
A LAW CORPORATION

SUYEKI OKUMURA SHUICHI MIYASAKI JAMES N. H. YEE
ROY E. TAKUSHI ALFRED M. K. WONG GARY Y. OKUDA
JAMES T. FUNAKI ROBERT M. EHRHORN, JR. ALLAN F. SUEMATSU
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TON SEEK PAI PETER T. STONE

SUITE 1400
GROSVENOR CENTER
733 BISHOP STREET
HONOLULU, HAWAII 96813
TELEPHONE: (808) 543-9800
FACSIMILE: (808) 543-9869

August 27, 1987

Land Use Commission
State of Hawaii
Old Federal Building, Room 104
335 Merchant Street
Honolulu, Hawaii 96813

Attention: Esther Ueda
Executive Officer

Re: Kona Beach Development Venture, L.P.
Docket No. A86-599

AUG 31 11 31 AM '87
LAND USE COMMISSION
STATE OF HAWAII

Honorable Chairman and Commissioners:

Enclosed with this letter you will find two (2) documents entitled "Certificate and Authorization" executed by the respective fee simple owners of the two parcels of lands, which are the subjects of the above-entitled docket, as consents to the conditions imposed upon the subject lands by the State Land Use Commission in the said docket. More particularly, the documents are:

1. Certificate And Authorization by State Mutual Life Assurance Company of America dated March 6, 1987, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 20998 at Page 245, affecting parcel of land designated as Tax Map Key No. 7-3-09: 16.
2. Certificate And Authorization by Walter F. Weldon, Jr., et al. dated March 6, 1987, recorded in said Bureau of Conveyances in Liber 20998 at Page 256, affecting parcel of land designated as Tax Map Key No. 7-3-09: 3.

As indicated above, the documents have been duly recorded in the Bureau of Conveyances pursuant to Section 205-4(g) of the Hawaii Revised Statutes.

OKUMURA TAKUSHI FUNAKI & WEE
ATTORNEYS AT LAW
A LAW CORPORATION

Land Use Commission
August 27, 1987
Page 2

If you have any questions on this matter, please call me at
543-9800.

Yours very truly,

OKUMURA TAKUSHI FUNAKI & WEE
ATTORNEYS AT LAW
A LAW CORPORATION

James T. Funaki

James T. Funaki
Attorney for KONA BEACH
DEVELOPMENT VENTURE, L.P.

JTF/nmn
Enclosures

cc w/enclosures: Edward L. Lavine, Esq.

Rodney Sato

w/out enclosures: Christian Wolff

RECORDATION REQUESTED BY:

OKUMURA TAKUSHI FUNAKI & WEE (JTF)

AFTER RECORDATION, RETURN TO:

Okumura Takushi Funaki & Wee
733 Bishop Street, Suite 1400
Honolulu, Hawaii 96813

RETURN BY: MAIL () PICKUP (X)

BUREAU OF CONVEYANCES

Recorded for record this

day of _____, A.D., 19____

at 2:40 o'clock P M. and Recorded

at Liber 20998, on page 256.

DOCUMENT NO. 87-120668

AUG 7 1987

LAND USE COMMISSION
STATE OF HAWAII

AUG 24 1987
1132 AM '87

CERTIFICATE AND AUTHORIZATION

WALTER F. WELDON, JR., NORMAN L. KASPARSON, E. J.
CALDECOTT and JAMES G. DEGNAN, as Trustees under Declaration
Trust dated April 2, 1968, recorded in the Bureau of
Conveyances of the State of Hawaii in Liber 6036 at Page 346,
as amended by instruments recorded in said Bureau of
Conveyances in Liber 12219 at Page 588 and Liber 13616 at Page
207, whose business and post office address is c/o E. J.
Caldecott, Carter Hawley Hale Stores, 550 South Flower Street,
Los Angeles, California 90071, (hereinafter called "Trustees")
are the fee simple owners of the land described in Exhibit "1",
attached hereto and incorporated herein by reference; and

CHRISTIAN WOLFFER, husband of Naomi Wolffer, whose
business and post office address is 1414 Avenue of the
Americas, New York, New York 10019, (hereinafter called
"Tenant") is the tenant under the ground lease covering the
lands described in Exhibit "1" issued by the Trustees and is
also the holder of an option agreement to purchase said lands
from the Trustees, the memoranda of said ground lease and
option agreement being recorded in said Bureau of conveyances
in Liber 19196 at Pages 119 and 129; and

KONA BEACH DEVELOPMENT VENTURE, L.P., a Delaware limited partnership, the business and post office address of which is Davies Pacific Center, Suite 1050, 841 Bishop Street, Honolulu HI 96813, (hereinafter called "Petitioner") having been authorized by the Trustees and Tenant, as hereinbelow set forth, to submit, as Petitioner, the aforesaid lands as the subject of a petition in Docket No. A86-599 of the Land Use Commission, State of Hawaii, does hereby certify pursuant to the Land Use Commission Rules, Section 15-15-92, as follows:

THAT by Decision and Order dated and entered on January 30, 1987, in said Docket No. A86-599, said Commission reclassified from the Conservation District to the Urban District, and accordingly amended the land use district boundaries of, the lands described in Docket No. A86-599, including the lands described in said Exhibit "1" and being the same lands identified by Hawaii Tax Map Key 7-3-09: Parcel 3 (approximately 462.38 acres) and situated at Kohanaiki, North Kona, Island of Hawaii, State of Hawaii; and

THAT said reclassification from the Conservation District to the Urban District of the lands as described in said Decision and Order shall be subject to the following conditions of said Commission as set forth at pages 34, 35 and 36 of said Decision and Order to which reference is hereby made:

"1. Petitioner shall provide housing opportunities for low and moderate income Hawaii residents and for employees employed on the Property by constructing and offering for sale or rent, on a preferential basis on its own or in cooperation with either or both the Hawaii Housing Authority and the County of Hawaii, within or without the Property, a number of residential units not less than ten percent (10%) of the residential units to be developed on the Property to residents of Hawaii and/or employees employed on the Property of low or moderate income as determined by the Hawaii Housing Authority or County of Hawaii from time to time, or by contributing to the development of such housing without the Property. The preferential residential units shall be offered for sale at prices that would enable such purchasers to qualify for and obtain State-assisted financing (e.g. Act 105 or Hula Mae) or Federally-insured or assisted financing (e.g., FHA Section 245 Program) intended to encourage home ownership by low and moderate income families or employees.

"2. Petitioner shall provide public access from Queen Kaahumanu Highway to the shoreline. Petitioner shall provide space for parking stalls at the access(es). Petitioner shall maintain a continuous trail along the seaward boundary of the Property and such access shall be integrated with the shoreline trails on adjacent lands. The accesses shall be available to the public for recreational use. Petitioner shall coordinate plans for public access with the Department of Land and Natural Resources and the County of Hawaii.

"3. Petitioner shall establish a pond management plan for the anchialine pond complex in coordination with the Department of Land and Natural Resources, the County of Hawaii, and other appropriate agencies. The anchialine pond management plan shall include provisions for a buffer zone of no less than forty feet in width measured from the edge of the anchialine pond basin area to the outer edge of the buffer zone.

"4. Petitioner shall prepare preservation and data recovery plans for all significant historic sites which plans shall be submitted to the Department of Land and Natural Resources and the County of Hawaii Planning Department for their review and comment.

"5. Petitioner shall develop and maintain on-site facilities such as sewage treatment plants, dry wells and ponding areas to insure that the nearshore, offshore and deep ocean waters remain in pristine condition. Petitioner shall also develop and coordinate a monitoring system with the Natural Energy Laboratory of Hawaii and the Hawaii Ocean Science and Technology Park.

"6. Petitioner shall provide a buffer area and develop and maintain a storm drainage system that does not adversely affect the existing wildlife habitat at Kaloko Fishpond in coordination with the Department of Land and Natural Resources, the U.S. Fish and Wildlife Service, the U.S. Park Service, and other appropriate agencies.

"7. Petitioner shall grant to the State of Hawaii a noise easement in a form prescribed by the State Department of Transportation on any portion of the Property subject to noise levels exceeding 55 LDN as determined by the Department of Transportation noise contour map provided by the Department of Transportation for the year 1990. (See Exhibit "A" attached to this Decision and Order.)

"8. Petitioner shall apply sound attenuation measures on all residential units on the Property that are subject to noise levels greater than 60 LDN. Petitioner shall not construct residential or resort condominium development on any portion of the Property subject to noise levels greater than 65 LDN.

"9. The Commission may fully or partially release these conditions as to all or any portion of the Property upon timely motion, and upon the provisions of adequate assurance of satisfaction of these conditions by the Petitioner."

AND the Trustees and Tenant having duly authorized the Petitioner to submit the aforesaid lands described in said Exhibit "1" as the subject of the petition in said Docket No. A86-599 insofar as their interests in the lands are concerned,

hereby authorize the foregoing Certificate and to the recordation thereof in the Bureau of Conveyances of the State of Hawaii.

IN WITNESS WHEREOF, the undersigned have hereto caused this instrument to be duly executed as of March 6, 1987.

Walter F. Weldon, Jr.
Walter F. Weldon, Jr.

Norman L. Kasparsen
Norman L. Kasparsen

E. J. Caldecott
E. J. Caldecott

James G. Degnan
James G. Degnan

Trustees

Christian Wolff
Christian Wolff

Tenant

KONA BEACH DEVELOPMENT
VENTURE, L.P.

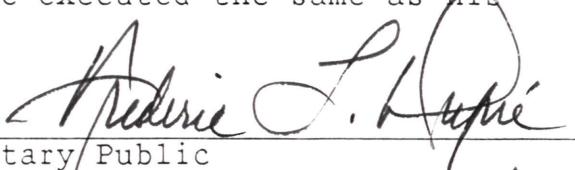
Kona Beach Development
Corporation, General Partner

By Mr. Wolff
Its Petitioner

County of Worcester) ss.
State of Massachusetts)

On this 4th day of March, 1987, before me personally appeared WALTER F. WELDON, JR., as Trustee, to me known to be the person described in and who executed the foregoing instrument and acknowledged that he executed the same as his free act and deed as such Trustee.

FREDERIC L DUPRE
NOTARY PUBLIC
MY COMMISSION EXPIRES
MARCH 28, 1991



Notary Public
My commission expires 3/28/91

County of Worcester) ss.
State of Massachusetts)

On this 4th day of March, 1987, before me personally appeared NORMAN L. KASPARSON, as Trustee, to me known to be the person described in and who executed the foregoing instrument and acknowledged that he executed the same as his free act and deed as such Trustee.

FREDERIC L DUPRE
NOTARY PUBLIC
MY COMMISSION EXPIRES
MARCH 28, 1991



Notary Public
My commission expires 3/28/91

County of Los Angeles) ss.
State of California)

On this 18th day of June, 1987, before me personally appeared E. J. CALDECOTT, as Trustee, to me known to be the person described in and who executed the foregoing instrument and acknowledged that he executed the same as his free act and deed as such Trustee.



Notary Public

My commission expires 2/9/90

County of Los Angeles)
State of California) ss.

On this 18th day of June, 1987, before me personally appeared JAMES G. DEGNAN, as Trustee, to me known to be the person described in and who executed the foregoing instrument and acknowledged that he executed the same as his free act and deed as such Trustee.



Notary Public

My commission expires 2/9/90

STATE OF NEW YORK)
COUNTY OF NEW YORK) SS.

On this 24th day of June, 1987, before me personally appeared CHRISTIAN WOLFFER, to me known to be the person described in and who executed the foregoing instrument and acknowledged that he executed the same as his free act and deed.

MICHAEL S. HOCHBERGER
NOTARY PUBLIC, State of New York
No. 30-4788101
Qualified in Nassau County
Commission Expires December 31, 1989

Notary Public

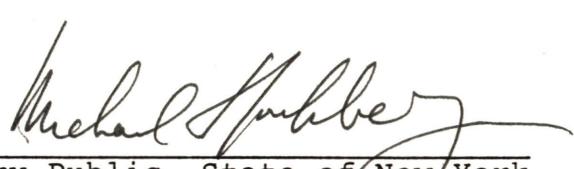
My commission expires 12/31/89

STATE OF NEW YORK
COUNTY OF NEW YORK

) ss.
)

On this 24th day of June, 1987,
before me appeared Christian Wolff, to me personally known,
who, being by me duly sworn, did say that he is the President
of KONA BEACH DEVELOPMENT CORPORATION, a Delaware corporation, a
General Partner of Kona Beach Development Venture, L.P., a
Delaware limited partnership; that the seal affixed to the
foregoing instrument is the corporate seal of said corporation;
that said instrument was signed and sealed in behalf of said
corporation by authority of its Board of Directors; and said
President acknowledged said instrument to be the free act and
deed of said corporation as such General Partner.

MICHAEL S. HOCHBERGER
NOTARY PUBLIC, State of New York
No. 30-4788101
Qualified in Nassau County
Commission Expires December 31, 1989


Notary Public, State of New York

My commission expires 12/31/89

EXHIBIT "1"

All of that certain parcel of land (being Royal Patent Grant Number 3086 to Kapena) situate, lying and being at Kohanaiki, District of North Kona, Island and county of Hawaii, State of Hawaii, and thus bounded and described:

Beginning at an old square drill-hole cut in rock which marks a Government Triangulation Station called "PUHILI" on the northerly boundary of this tract of land, the coordinates of said point of beginning referred to Government Survey Triangulation Station "KEAHOLE2" being 8628.02 feet south and 3463.12 feet east, and running by azimuths measured clockwise from true South:

1. $259^{\circ} 41' 56''$ 4409.33 feet along Grant 4536 to J. A. Maguire and also partly along the south end of a 30-foot Government Road Reserve to a spike and stonepile on the southwest side of a narrow old Government Road, the azimuth and distance across Road from said spike to an old "+" cut in solid rock in large stonepile marking Government Triangulation "KEKEE" being $259^{\circ} 41' 56''$ 11.54 feet;
2. $328^{\circ} 14' 10''$ 4679.83 feet along the southwest side of a narrow old Government Road to a pipe in stonepile, the azimuth and distance from said pipe across a narrow Government Road to an old "+" cut in solid rock and large stonepile marking Government Triangulation Station "KANANAKA" being $254^{\circ} 39' 20''$ 11.20 feet;
3. $74^{\circ} 39' 20''$ 3043.17 feet along the Ahupuaa of Kaloko to a galvanized nail set in concrete on large boulder at highwater mark at the sea and passing over an old "+" cut in rock that marks Government Survey Triangulation station "HALAU" at 2864.50 feet and which is located at the northwest corner of an old house site foundation wall; thence

following along the windings of highwater mark at the sea to a point at highwater mark, the direct azimuth and distance being:

4. $111^{\circ} 37' 55''$ 3163.29 feet; thence following along the windings at highwater mark at the sea to a point at highwater mark, the direct azimuth and distance being:

5. $155^{\circ} 20' 12''$ 3042.91 feet;

6. $259^{\circ} 23' 30''$ 349.10 feet along Grant 4536 to J. A. Maguire to the point of beginning and passing over an old large "+" cut in solid pahoehoe at 52.50 feet;
Area 462.38 acres, more or less.

BEING THE PREMISES DESCRIBED IN DEED

GRANTOR : HENRY F. AKONA and SARAH L. AKONA, husband and wife, DAN N. KAHAPEA, also known as Daniel N. Kahapea, also known as Daniel Nalua Kahapea, also known as Daniel Kahapea, unmarried, ALEXANDER N. KAHAPEA, husband of Florence Kahapea, WILLIAM N. KAHAPEA, also known as William Kahapea, husband of Miriam M. Kahapea, and PARTNERS' INVESTMENT CORPORATION, a Hawaii corporation

GRANTEE : JOSEPH G. NASON, NORMAN L. KASPARSON, E. J. CALDECOTT and JAMES G. DEGNAN, as Trustees under Declaration of Trust dated April 2, 1968

DATE
RECORDED : April 19, 1968
Liber 6036 Page 364
in the Office of the Registrar of Conveyances at Honolulu

OKUMURA TAKUSHI FUJAKI & WEI
ATTORNEYS AT LAW
A LAW CORPORATION
Grosvenor Center, Suite 1400
733 Bishop Street
Honolulu, Hawaii 96813

RECORDATION REQUESTED BY:

OKUMURA TAKUSHI FUNAKI & WEE (JTF)

AFTER RECORDATION, RETURN TO:

Okumura Takushi Funaki & Wee
733 Bishop Street, Suite 1400
Honolulu, Hawaii 96813

BUREAU OF CONVEYANCES

Recorded for record this

AUG 7 1987

day of _____, A.D., 19_____

at 2:40 o'clock P M. and Recorded
at Liber 20948, on page 245.

DOCUMENT NO. 87-120667

RETURN BY: MAIL () PICKUP (X)

CERTIFICATE AND AUTHORIZATION

STATE MUTUAL LIFE ASSURANCE COMPANY OF AMERICA,
a Massachusetts corporation, the business and post office
address of which is 440 Lincoln Street, Worcester,
Massachusetts 01605, (hereinafter called "Company") is the fee
simple owner of the land described in Exhibit "1", attached
hereto and incorporated herein by reference; and

CHRISTIAN WOLFFER, husband of Naomi Wolff, whose
business and post office address is 1414 Avenue of the
Americas, New York, New York 10019, (hereinafter called
"Tenant") is the tenant under the ground lease covering the
lands described in Exhibit "1" issued by the Company and is
also the holder of an option agreement to purchase said lands
from the Company, the memoranda of said ground lease and option
agreement being recorded in said Bureau of conveyances in Liber
19196 at Pages 113 and 123; and

LAND USE COMMISSION
STATE OF HAWAII

AUG 31 1987

KONA BEACH DEVELOPMENT VENTURE, L.P., a Delaware limited partnership, the business and post office address of which is Davies Pacific Center, Suite 1050, 841 Bishop Street, Honolulu HI 96813, (hereinafter called "Petitioner") having been authorized by the Company and Tenant, as hereinbelow set forth, to submit, as Petitioner, the aforesaid lands as the subject of a petition in Docket No. A86-599 of the Land Use Commission, State of Hawaii, does hereby certify pursuant to the Land Use Commission Rules, Section 15-15-92, as follows:

THAT by Decision and Order dated and entered on January 30, 1987, in said Docket No. A86-599, said Commission reclassified from the Conservation District to the Urban District, and accordingly amended the land use district boundaries of, the lands described in Docket No. A86-599, including the lands described in said Exhibit "1" and being the same lands identified by Hawaii Tax Map Key 7-3-09: Parcel 16 (approximately 7.75 acres) and situated at Kohanaiki, North Kona, Island of Hawaii, State of Hawaii; and

THAT said reclassification from the Conservation District to the Urban District of the lands as described in said Decision and Order shall be subject to the following conditions of said Commission as set forth at pages 34, 35 and 36 of said Decision and Order to which reference is hereby made:

"1. Petitioner shall provide housing opportunities for low and moderate income Hawaii residents and for employees employed on the Property by constructing and offering for sale or rent, on a preferential basis on its own or in cooperation with either or both the Hawaii Housing Authority and the County of Hawaii, within or without the Property, a number of residential units not less than ten percent (10%) of the residential units to be developed on the Property to residents of Hawaii and/or employees employed on the Property of low or moderate income as determined by the Hawaii Housing Authority or County of Hawaii from time to time, or by contributing to the development of such housing without the Property. The preferential residential units shall be offered for sale at prices that would enable such purchasers to qualify for and obtain State-assisted financing (e.g. Act 105 or Hula Mae) or Federally-insured or assisted financing (e.g., FHA Section 245 Program) intended to encourage home ownership by low and moderate income families or employees.

"2. Petitioner shall provide public access from Queen Kaahumanu Highway to the shoreline. Petitioner shall provide space for parking stalls at the access(es). Petitioner shall maintain a continuous trail along the seaward boundary of the Property and such access shall be integrated with the shoreline trails on adjacent lands. The accesses shall be available to the public for recreational use. Petitioner shall coordinate plans for public access with the Department of Land and Natural Resources and the County of Hawaii.

"3. Petitioner shall establish a pond management plan for the anchialine pond complex in coordination with the Department of Land and Natural Resources, the County of Hawaii, and other appropriate agencies. The anchialine pond management plan shall include provisions for a buffer zone of no less than forty feet in width measured from the edge of the anchialine pond basin area to the outer edge of the buffer zone.

"4. Petitioner shall prepare preservation and data recovery plans for all significant historic sites which plans shall be submitted to the Department of Land and Natural Resources and the County of Hawaii Planning Department for their review and comment.

"5. Petitioner shall develop and maintain on-site facilities such as sewage treatment plants, dry wells and ponding areas to insure that the nearshore, offshore and deep ocean waters remain in pristine condition. Petitioner shall also develop and coordinate a monitoring system with the Natural Energy Laboratory of Hawaii and the Hawaii Ocean Science and Technology Park.

"6. Petitioner shall provide a buffer area and develop and maintain a storm drainage system that does not adversely affect the existing wildlife habitat at Kaloko Fishpond in coordination with the Department of Land and Natural Resources, the U.S. Fish and Wildlife Service, the U.S. Park Service, and other appropriate agencies.

"7. Petitioner shall grant to the State of Hawaii a noise easement in a form prescribed by the State Department of Transportation on any portion of the Property subject to noise levels exceeding 55 LDN as determined by the Department of Transportation noise contour map provided by the Department of Transportation for the year 1990. (See Exhibit "A" attached to this Decision and Order.)

"8. Petitioner shall apply sound attenuation measures on all residential units on the Property that are subject to noise levels greater than 60 LDN. Petitioner

shall not construct residential or resort condominium development on any portion of the Property subject to noise levels greater than 65 LDN.

"9. The Commission may fully or partially release these conditions as to all or any portion of the Property upon timely motion, and upon the provisions of adequate assurance of satisfaction of these conditions by the Petitioner."

AND the Company and Tenant having duly authorized the Petitioner to submit the aforesaid lands described in said Exhibit "1" as the subject of the petition in said Docket No. A86-599 insofar as their interests in the lands are concerned, hereby authorize the foregoing Certificate and to the recordation thereof in the Bureau of Conveyances of the State of Hawaii.

IN WITNESS WHEREOF, the undersigned have hereto caused this instrument to be duly executed as of March 6, 1987.

STATE MUTUAL LIFE ASSURANCE
COMPANY OF AMERICA

By John W. Nunley - wew:j.
Its Second Vice President

By Yvonne Karpman
Its Assistant Secretary
Company

W. Wolff
Christian Wolff
Tenant

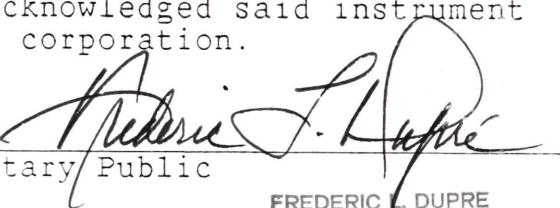
KONA BEACH DEVELOPMENT
VENTURE, L.P.

Kona Beach Development
Corporation, General Partner

By W. Wolff
Its President
Petitioner

County of Worcester) ss.
State of Massachusetts)

On this 4th day of March, 1987 before me appeared John W. Nunley and Norman L. Kasparsen, to me personally known, who, being by me duly sworn, did say that they are the Second Vice President and Assistant Secretary, respectively, of STATE MUTUAL LIFE ASSURANCE COMPANY OF AMERICA, a Massachusetts corporation; that the seal affixed to the foregoing instrument is the corporate seal of said corporation; that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors; and said Second Vice President and Assistant Secretary acknowledged said instrument to be the free act and deed of said corporation.


Notary Public

My commission

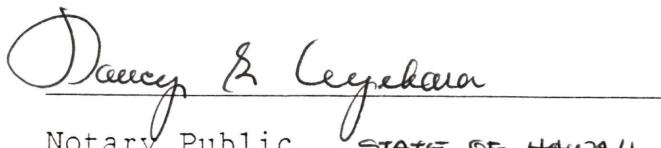
FREDERIC L. DUPRE
NOTARY PUBLIC
MY COMMISSION EXPIRES
MARCH 28, 1991

expires 3/28/91

STATE OF HAWAII

CITY AND COUNTY OF HONOLULU

On this 9th day of April, 1987, before me personally appeared CHRISTIAN WOLFFER, to me known to be the person described in and who executed the foregoing instrument and acknowledged that he executed the same as his free act and deed.


Notary Public STATE OF HAWAII

My commission

expires MAY 27, 1988

STATE OF HAWAII)
CITY AND COUNTY OF HONOLULU) ss.
)

On this 9th day of April, 1987,
before me appeared CHRISTIAN WOLFFER, to me personally known,
who, being by me duly sworn, did say that he is
the President of KONA BEACH DEVELOPMENT CORPORATION,
a Hawaii corporation, a General Parnter of Kona Beach
Development Venture, L.P., a Delaware limited partnership; that
the seal affixed to the foregoing instrument is the corporate
seal of said corporation; that said instrument was signed and
sealed in behalf of said corporation by authority of its Board
of Directors; and said CHRISTIAN WOLFFER acknowledged said
instrument to be the free act and deed of said corporation as
such General Partner.


Dancy & Leyshura
Notary Public, State of Hawaii

My commission expires MAY 27, 1988

EXHIBIT "1"

All of that certain parcel of land (portion of the land described in and covered by Royal Patent Grant Number 2942 to Hulikoa) situate, lying and being between 30.00 feet roadway and Kailua-Kawaihae Road at Kohanaiki, District of North Kona, Island and County of Hawaii, State of Hawaii, being PARCEL 4, and thus bounded and described:

Beginning at the Southwest corner of this parcel of land being also the Northwest corner of Parcel 6 on the Easterly side 30.00 feet roadway the coordinates of said point of beginning referred to Hawaiian Plane Coordinates Grid System Zone 1 being 316,603.34 feet North and 315,325.75 feet East and running by Plane azimuths measured clockwise from true South:

1. $148^{\circ} 26' 30''$ 304.02 feet along the Easterly side of 30.00 feet roadway;
2. $271^{\circ} 59' 35''$ 1336.47 feet along Parcel 2 and along remainder of Grant 2942 to Hulikoa to the Westerly side of Kailua-Kawaihae Road;
3. $329^{\circ} 36' 30''$ 300.00 feet along the Westerly side of Kailua-Kawaihae Road and along remainder of Grant 2942 to Hulikoa;
4. $91^{\circ} 59' 35''$ 1329.10 feet along Parcel 6 and along remainder of Grant 2942 to Hulikoa to the point of beginning, containing an area of 7.752 acres, more or less.

Together with Easement B, eighty feet wide, for road and utility purposes, affecting Parcels 2 and 4.

Land situated on the Westerly side of Kailua-Kawaihae Road at Kohanaiki, North Kona, Hawaii.

Being a portion of Grant 2942 to Hulikoa.

Beginning at the North corner of this parcel of land, the direct azimuth and distance from the Southeast corner of Parcel 2 and the Northeast corner of Parcel 4, being $149^{\circ} 36' 30''$ 40.00 feet, the coordinates of said point of beginning referred to Hawaiian Plane Coordinate Grid System

Zone 1 being 316,850.40 feet North and 316,482.04 feet East and running by Plane azimuths measured clockwise from true South:

1. $329^{\circ} 36' 30''$ 80.00 feet along the Westerly side of Kailua-Kawaihae Road;
2. $91^{\circ} 59' 35''$ 100.00 feet along remainder of Parcel 4 and Grant 2942 to Hulikoa;
3. $149^{\circ} 36' 30''$ 80.00 feet along remainders of Parcels 4 and 2 and Grant 2942 to Hulikoa;
4. $271^{\circ} 59' 35''$ 100.00 feet along the remainders of Parcel 2 and Grant 2942 to Hulikoa to the point of beginning and containing an area of 6,756 square feet, more or less.

BEING THE PREMISES DESCRIBED IN DEED

GRANTOR : ISABEL K. SHERMAN, wife of Russell Sherman, and YVONNE HANA MORGAN, wife of William Morgan

GRANTEE : STATE MUTUAL LIFE ASSURANCE COMPANY OF AMERICA, a Massachusetts corporation

DATE : September 26, 1983
RECORDED : Liber 17371 Page 210
in the Office of the Registrar of Conveyances at Honolulu

OKUMURA TAKUSHI FUNAKI & WEE
ATTORNEYS AT LAW
A LAW CORPORATION
Grosvenor Center, Suite 1400
733 Bishop Street
Honolulu, Hawaii 96813

OKUMURA TAKUSHI FUNAKI & WEE
ATTORNEYS AT LAW
A LAW CORPORATION

SUYEKI OKUMURA SHUICHI MIYASAKI JAMES N. H. YEE
ROY E. TAKUSHI ALFRED M. K. WONG GARY Y. OKUDA
JAMES T. FUNAKI ROBERT M. EHRHORN, JR. LAURIE J. YOON
JOSEPH K. WEE DICKSON C. H. LEE ALLAN F. SUEMATSU
TON SEEK PAI PETER T. STONE

SUITE 1400
GROSVENOR CENTER
733 BISHOP STREET
HONOLULU, HAWAII 96813
TELEPHONE: (808) 543-9800
CABLE ADDRESS: COUNSELLOR

June 8, 1987

LAND USE COMMISSION
STATE OF HAWAII

Jun 9 1987

Johnson Wong, Esquire
Deputy Attorney General
Office of the Attorney General
State Capitol
Honolulu, Hawaii 96813

Dear Sir:

By Decision and Order dated January 30, 1987, in the matter of the petition of Kona Beach Development Venture, L.P., in Docket No. A86-599, the State Land Use Commission reclassified approximately 470.13 acres of land at Kohanaiki, North Kona, Hawaii, Tax Map Key No. 7-3-09: 3 and 16, from the conservation district to the urban district. The reclassification was made subject to certain conditions, one of which reads as follows:

"7. Petitioner shall grant to the State of Hawaii a noise easement in a form prescribed by the State Department of Transportation on any portion of the Property subject to noise levels exceeding 55 LDN as determined by the Department of Transportation noise contour map provided by the Department of Transportation for the year 1990. (see Exhibit A attached to this Decision and Order)"

Although the State had recommended the condition that the owner of the land shall grant to the State a "noise easement in a form prescribed by the State Department of Transportation" covering certain areas affected by noise levels exceeding 55 Ldn, no form of a noise easement was submitted into evidence by the State at the hearing if a form was then existing. Thus, the petitioner has not yet had an opportunity to review the form and substance of such a grant of noise easement. In our effort to conform to said condition 7, will you please transmit to me for our review the form of the noise easement grant which

OKUMURA TAKUSHI FUNAKI & WEE
ATTORNEYS AT LAW
A LAW CORPORATION

Johnson Wong, Esquire
June 8, 1987
Page 2

the State Department of Transportation is proposing to prescribe for the purpose of the condition aforesaid.

Yours very truly,

OKUMURA TAKUSHI FUNAKI & WEE
ATTORNEYS AT LAW
A LAW CORPORATION

James T. Funaki
James T. Funaki
Attorney for Kona Beach
Development Venture, L.P.

JTF/nmn
cc: Esther Ueda, State Land Use Commission
Stephen J. Menezes, Esq.
Rodney Sato



STATE OF HAWAII
DEPARTMENT OF PLANNING
AND ECONOMIC DEVELOPMENT

• • •
LAND USE COMMISSION

Room 104, Old Federal Bldg., 335 Merchant Street
Honolulu, Hawaii 96813 Telephone: 548-4611

JOHN WAIHEE
Governor
TEOFILO PHIL TACBIAN
Chairman
FREDERICK P. WHITTEMORE
Vice Chairman

COMMISSION MEMBERS:

Richard B. F. Choy
Lawrence F. Chun
Everett L. Cuskaden

Toru Suzuki
Robert S. Tamaye
William W. L. Yuen

ESTHER UEDA
Executive Officer

May 29, 1987

Mr. James T. Funaki
Okumura Takushi Funaki & Wee
Suite 1400, Grosvenor Center
733 Bishop Street
Honolulu, Hawaii 96813

Dear Mr. Funaki:

Subject: Filing of Conditions for LUC Docket No. A86-599/
Kona Beach Development Venture, L.P.

Thank you for providing us a status of your efforts to file the conditions for the subject docket. Copies of your May 26, 1987 letter will be transmitted to the Commission for their information and review.

Sincerely,

esther ueda

ESTHER UEDA
Executive Officer

EU:to

OKUMURA TAKUSHI FUNAKI & WEE
ATTORNEYS AT LAW
A LAW CORPORATION

SUYEKI OKUMURA SHUICHI MIYASAKI JAMES N. H. YEE
ROY E. TAKUSHI ALFRED M. K. WONG GARY Y. OKUDA
JAMES T. FUNAKI ROBERT M. EHRHORN, JR. LAURIE J. YOON
JOSEPH K. WEE DICKSON C. H. LEE ALLAN F. SUEMATSU
TON SEEK PAI PETER T. STONE

SUITE 1400
GROSVENOR CENTER
733 BISHOP STREET
HONOLULU, HAWAII 96813
TELEPHONE: (808) 543-9800
CABLE ADDRESS: COUNSELLOR
FAX (808) 543-9869

May 26, 1987

Ms. Esther Ueda
Executive Officer
Land Use Commission
State of Hawaii
Old Federal Building, Room 104
335 Merchant Street
Honolulu, Hawaii 96813

Dear Ms. Ueda:

This refers to your letter of May 20, 1987 inquiring as to the status of the recordation of the conditions imposed by the Land Use Commission in the reclassification of the subject land in Docket No. A86-599.

After the approval of the form and content of the draft Certificate and Authorization by the Commission's letter of February 29, 1987, a Certificate and Authorization was prepared for, and transmitted for signatures, to each of the two fee simple owners of the two parcels which comprised the subject land. One fee simple owner, State Mutual Life Assurance Company of America, has executed and returned the Certificate and Authorization to me for recordation. The other fee simple owner, certain Trustees under a Declaration of Trust, has not yet returned its Certificate and Authorization for recordation. I am intending to record both as soon as I receive the second Certificate and Authorization.

Enclosed with this letter are copies of letters relating to my communication with the fee owners in my effort to have the documents signed and recorded.

MAY 27 1 18 PM '87
LAND USE COMMISSION
STATE OF HAWAII

OKUMURA TAKUSHI FUNAKI & WEE
ATTORNEYS AT LAW
A LAW CORPORATION

Ms. Esther Ueda
May 26, 1987
Page 2

The letters indicate the present status of the matter. I am expecting the matter to be soon concluded.

If you have any questions on this matter, please call me.

Yours very truly,

OKUMURA TAKUSHI FUNAKI & WEE
ATTORNEYS AT LAW
A LAW CORPORATION

James T. Funaki
James T. Funaki
Attorney for Kona Beach
Development Venture, L.P.

JTF:ch

cc: Rodney Sato

Enclosures

OKUMURA TAKUSHI FUNAKI & WEE
ATTORNEYS AT LAW
A LAW CORPORATION

SUYEKI OKUMURA SHUICHI MIYASAKI JAMES N. H. YEE
ROY E. TAKUSHI ALFRED M. K. WONG CARY Y. OKUDA
JAMES T. FUNAKI ROBERT M. EHRHORN, JR. LAURIE J. YOON
JOSEPH K. WEE DICKSON C. H. LEE ALLAN F. SUEMATSU
TON SEEK PAI PETER T. STONE

SUITE 1400
CROSVENOR CENTER
733 BISHOP STREET
HONOLULU, HAWAII 96813
TELEPHONE: (808) 543-9800
CABLE ADDRESS: COUNSELLOR

FAX (808) 543-9869

February 23, 1987

Mr. John W. Nunley
Second Vice President
State Mutual Life Assurance
Company of America
440 Lincoln Street
Worcester, Massachusetts 01605

Dear Sir:

This refers to those certain lands (Tax Map Key Nos. 7-3-09: 3 and 16) which are the subject of the proposed Kohanaiki resort project in Kona, Hawaii, to be developed by Kona Beach Development Venture, L.P. The first important governmental approval has been obtained from the Land Use Commission of the State of Hawaii in the reclassification of the subject lands from the Conservation district to the Urban district. The State Land Use Commission approval is necessary before any other subsequent land use approvals, which are necessary to be obtained at the County level, can be implemented.

In granting the approval for reclassification of the subject lands from the Conservation district to the Urban district to allow a resort development, the State Land Use Commission has imposed certain conditions to assure that the proposed land uses will be achieved as represented by the petitioner. Hawaii law requires that these conditions be recorded in the Bureau of Conveyances.

Enclosed with this letter is a document entitled Certificate And Authorization which contains (i) acknowledgment by the parties having property interest in the subject lands of the conditions imposed by the State Land Use Commission and (ii) consent to the recording of the conditions in the Bureau of Conveyances. Will you please have the document executed by State Mutual Life Assurance Company of America and the Trustees, as owners of the subject lands, and returned to me for recordation. Mr. Christian Wolffer has instructed me that

MAY 17 / 18 1987
LAND USE COMMISSION
STATE OF HAWAII

OKUMURA TAKUSHI FUNAKI & WEE
ATTORNEYS AT LAW
A LAW CORPORATION

Mr. John W. Nunley
February 23, 1987
Page 2

all matters relating to the petition affecting the Trustees
should be forwarded to State Mutual Life.

If you have any qustions on this matter, please call me at
(808) 543-9800.

Yours very truly,

OKUMURA TAKUSHI FUNAKI & WEE
ATTORNEYS AT LAW
A LAW CORPORATION

James T. Funaki

James T. Funaki
Attorney for KONA BEACH
DEVELOPMENT VENTURE, L.P.

JTF/nmn
Enclosure

cc: Mr. Christian Wolffer w/enclosure - n/a 2/25/87
Mr. Rodney Sato w/enclosure - n/a - 2/25/87

GOULSTON & STORRS

A PROFESSIONAL CORPORATION

COUNSELLORS AT LAW

400 ATLANTIC AVENUE

BOSTON, MASSACHUSETTS 02210-2206

617/482-1776

ROUTE 128 OFFICE

WATERMILL CENTER 800 SOUTH STREET
WALTHAM, MASSACHUSETTS 02154-1439

617/899-1812

TELEX 94-0428 GOULSTORRS BSN
BOSTON TELECOPY 617/482-8131
WALTHAM TELECOPY 617/894-1395

THOMAS KAPLAN	JORDAN P. KRASNOW	RUSSELLE W. ROBINSON	JOEL R. LEEMAN
MARVIN SPARROW	MARY H. SCHMIDT	ANNE H. MEYER	MARK N.G. HICHLAR
PHILLIP J. NEXON*	MICHAEL J. HAROZ	RICHARD A. MARKS	JONATHAN C. KALEDIN
EDWARD L. LAVINE	THOMAS G. SITZMANN	DARLINE M. LEWIS	LORI G. PEARLMAN
RICHARD LANGERMAN	HYNRICH W. WIESCHHOFF	DEBORAH R. LUNDER	MICHAEL H. SHAMES
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STEVEN S. FISCHMAN	MARTIN A. GLAZER	MATTHEW E. EPSTEIN	BARBARA E. SHAFFER
DONALD L. SHULMAN	WILLIAM A. LEVINE	H. EDWARD ABELSON	DAVID J. REIER
ALAN W. ROTTENBERG	ROBERT S. TOWNSNER	ANN G. BERWICK	PATRICIA A. SAINT JAMES
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PATRICIA ANN METZER	WILLIAM A. HORNE	ROBERT A. WEILAND	STEPHEN M. RICHMOND
ARTHUR S. WALDSTEIN	DAVID S. WEISS	MARY V. GREEN	ELLEN C. LUBELL
ELI RUBENSTEIN	PETER A. MARK	DAVID J. KETO	MICHAEL M. ROBINSON
MARYLYN L. STICKLER	KITT SAWITSKY	LESTER J. FAGEN	WESLEY R. GARDENSWARTZ
JAMES F. O'BRIEN	JEFFREY S. WOLFSON	JACK A. EIFERMAN	PHILIP G. LEVY
DANIEL C. SACCO	MICHAEL A. HAMMER	MARK D. BALK	KURT N. SCHWARTZ
STEPHEN M. WEINER	RONALD B. SHWARTZ	WILLIAM W. PORTER	ERIC L. YAFFE
THOMAS J. SARTORY*	JOSEPH R. SCHMIDT	THOMAS R. GOLD	
OF COUNSEL	COUNSEL	RETIRED	*ALSO ADMITTED IN FL
DAVID H. GREENBERG	CHARLES T. SHEA	SAMUEL MARKELL	

FEDERAL EXPRESS

Dictated March 21, 1987

Mailed March 26, 1987

James T. Funaki, Esquire
Okumura Takushi Funaki & Wee
Grosvenor Center, Suite 1400
733 Bishop Street
Honolulu, Hawaii 96813

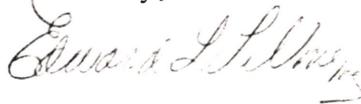
Dear Mr. Funaki:

I am enclosing four counterpart originals of a Certificate and Authorization fully executed by State Mutual and duly notarized. After they have been signed by Christian Wolffer and Kona Beach Development Venture, L.P., I would appreciate your sending one fully executed counterpart original back to me.

The other set of Certificates and Authorizations has been signed by two of the four Trustees and sent to Mr. Caldecott with the request that, as soon as they have been signed, they be returned to me so that I can make certain that they have been properly executed and then send them to you.

Best regards.

Cordially,



Edward L. LaVine

ELL:mjs
Enclosures
cc: Messrs. Nunley and Weldon
DICTATED BUT NOT READ.

OKUMURA TAKUSHI FUNAKI & WEE
ATTORNEYS AT LAW
A LAW CORPORATION

SUYEKI OKUMURA SHUICHI MIYASAKI JAMES N. H. YEE
ROY E. TAKUSHI ALFRED M. K. WONG GARY Y. OKUDA
JAMES T. FUNAKI ROBERT M. EHRHORN, JR. LAURIE J. YOON
JOSEPH K. WEE DICKSON C. H. LEE ALLAN F. SUEMATSU
TON SEEK PAI PETER T. STONE

SUITE 1400
CROSVENOR CENTER
733 BISHOP STREET
HONOLULU, HAWAII 96813
TELEPHONE: (808) 543-9800
CABLE ADDRESS: COUNSELLOR
FAX (808) 543-9869

April 29, 1987

Edward L. LaVine, Esq.
Goulston & Storrs
400 Atlantic Avenue
Boston, Massachusetts 02210-2206

Re: Kona Beach Development Venture, L.P.
Kohanaiki

Dear Mr. LaVine:

This refers to your letter of March 21, 1987, which covered your transmittal of the four counterpart originals of the Certificate and Authorization fully executed by State Mutual and duly notarized.

You had informed me that the other set of the Certificate and Authorization was being circulated for signatures among the trustees. This is just a reminder that I am still waiting for the Certificate and Authorization covering the other parcel of land owned by the trustees.

I would like to record both sets of Certificates and Authorizations with the Bureau of Conveyances at the same time. I will hold on to State Mutual's Certificate and Authorization until I can record both sets of Certificates and Authorizations, and return recorded copies to you.

Yours very truly,

OKUMURA TAKUSHI FUNAKI & WEE
ATTORNEYS AT LAW
A LAW CORPORATION

James T. Funaki
James T. Funaki

JTF/nmn

P 124 044 431

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

★ U.S.G.P.O. 1984-446-014

Sent to	James T. Funaki, Esq.
Street and No.	733 Bishop St.
P.O., State and ZIP Code	Hon. 96813
Postage	\$.22
Certified Fee	.75
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to whom and Date Delivered	.70
Return receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$ 1.67
Postmark or Date	

STICK POSTAGE STAMPS TO ARTICLE TO COVER FIRST-CLASS POSTAGE,
CERTIFIED MAIL FEE, AND CHARGES FOR ANY SELECTED OPTIONAL SERVICES. (see front)

1. If you want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article leaving the receipt attached and present the article at a post office service window or hand it to your rural carrier. (no extra charge)
2. If you do not want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, date, detach and retain the receipt, and mail the article.
3. If you want a return receipt, write the certified mail number and your name and address on a return receipt card, Form 3811, and attach it to the front of the article by means of the gummed ends if space permits. Otherwise, affix to back of article. Endorse front of article. **RETURN RECEIPT REQUESTED** adjacent to the number.
4. If you want delivery restricted to the addressee, or to an authorized agent of the addressee, endorse **RESTRICTED DELIVERY** on the front of the article.
5. Enter fees for the services requested in the appropriate spaces on the front of this receipt. If return receipt is requested, check the applicable blocks in item 1 of Form 3811.
6. Save this receipt and present it if you make inquiry.

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.

Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery.

3. Article Addressed to:

James T. Funaki, Esq.
 Okumura Takushi Funaki & Wee
 733 Bishop St.
 Honolulu 96813

4. Article Number

P 124 044 431

Type of Service:

<input type="checkbox"/> Registered	<input type="checkbox"/> Insured
<input checked="" type="checkbox"/> Certified	<input type="checkbox"/> COD
<input type="checkbox"/> Express Mail	

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature — Addressee

X

6. Signature — Agent

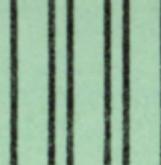
X *g. i. Funaki*

7. Date of Delivery

6-22-87

8. Addressee's Address (*ONLY if requested and fee paid*)

UNITED STATES POSTAL SERVICE
OFFICIAL BUSINESS



SENDER INSTRUCTIONS

Print your name, address, and ZIP Code
in the space below.

- Complete items 1, 2, 3, and 4 on
the reverse.
- Attach to front of article if space
permits, otherwise affix to back of
article.
- Endorse article "Return Receipt
Requested" adjacent to number.

RETURN
TO 

Print Sender's name, address, and ZIP Code in the space below.

PENALTY FOR PRIVATE
USE. \$300

State of Hawaii

LAND USE COMMISSION

Room 104, Old Federal Building

335 Merchant Street

Honolulu, Hawaii 96813



STATE OF HAWAII
DEPARTMENT OF PLANNING
AND ECONOMIC DEVELOPMENT

• • •
LAND USE COMMISSION

Room 104, Old Federal Bldg., 335 Merchant Street
Honolulu, Hawaii 96813 Telephone: 548-4611

JOHN WAIHEE
Governor
TEOFILO PHIL TACBIAN
Chairman
FREDERICK P. WHITTEMORE
Vice Chairman

COMMISSION MEMBERS:

Richard B. F. Choy
Lawrence F. Chun
Everett L. Cuskaden

Toru Suzuki
Robert S. Tamaye
William W. L. Yuen

ESTHER UEDA
Executive Officer

May 20, 1987

James T. Funaki, Esq.
Okumura Takushi Funaki & Wee
Suite 1400, Grosvenor Center
733 Bishop Street
Honolulu, Hawaii 96813

Dear Mr. Funaki:

Subject: Filing of Conditions for LUC Docket No. A86-599/
Kona Beach Development Venture, L.P.

We are preparing our annual status report regarding
Petitioners' compliance in recording conditions imposed by the
Commission.

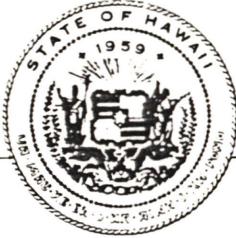
To date, we have received a draft Certificate and
Authorization which we approved for recordation by letter dated
February 19, 1987. Please send us a certified copy of the
recorded conditions or a status of your efforts to file the
conditions by June 15, 1987 so we may include this information
in our report to the Commission.

If you have any questions, please call me or my staff at
548-3039.

Sincerely,

ESTHER UEDA
Executive Officer

EU:to



STATE OF HAWAII
DEPARTMENT OF PLANNING
AND ECONOMIC DEVELOPMENT

LAND USE COMMISSION

Room 104, Old Federal Bldg., 335 Merchant Street
Honolulu, Hawaii 96813 Telephone: 548-4611

JOHN WAIHEE
Governor

TEOFILO PHIL TACBIAN
Chairman

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Vice Chairman

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Winona E. Rubin
Toru Suzuki
Robert S. Tamaye
William W. L. Yuen

ESTHER UEDA
Executive Officer

February 19, 1987

James T. Funaki, Esq.
Okumura Takushi Funaki & Wee
Suite 1400, Grosvenor Center
733 Bishop Street
Honolulu, Hawaii 96813

Dear Mr. Funaki:

Subject: Filing of Conditions of the Decision and Order
for LUC Docket No. A86-599/Kona Beach Development
Venture, L.P.

This is to inform you that the proposed Certificate and Authorization for the subject petition, submitted with your letter of February 18, 1987, is acceptable and may be recorded with the Bureau of Conveyances.

Sincerely,

ESTHER UEDA
Executive Officer

EU:to