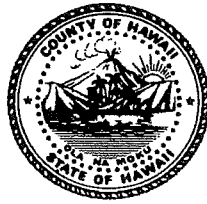


William P. Kenoi
Mayor



Duane Kanuha
Director

Joaquin Gamiao-Kunkel
Deputy Director

West Hawai'i Office
74-5044 Ane Keohokalole Hwy
Kailua-Kona, Hawai'i 96740
Phone (808) 323-4770
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County of Hawai'i
PLANNING DEPARTMENT

East Hawai'i Office
101 Pauahi Street, Suite 3
Hilo, Hawai'i 96720
Phone (808) 961-8288
Fax (808) 961-8742

October 21, 2016

Mr. Richard A. Wheelock
Kona Three LLC
1188 Bishop Street #711
Honolulu, HI 96813

Dear Mr. Wheelock:

State Land Use Boundary Amendment (LUC 534)
LUC Docket No. A83-549
Petitioner: Kona Three LLC (formerly Kona Vistas LLC and Gamrex, Inc.)
Subject: 2015-2016 Annual Progress Report
TMK: (3) 7-6-021:004, 009 through 013, 015 and 017

2016 OCT 24 A 8:31
LAND USE COMMISSION
STATE OF HAWAII

This is to acknowledge receipt of your annual progress report for 2015 and 2016 dated August 31, 2016 as required under Condition C for Increment I and Condition 3 for Increment II of LUC Docket No. A83-549.

Regarding Condition A for Increment I related to the affordable housing requirement, the County is aware that the required drainage improvements on the three parcels totaling 12 acres were not completed by the applicant prior to conveyance to the County of Hawai'i. Pursuant to this condition and Conditions K and Q of County of Hawai'i Ordinance No. 02-131, the applicant is obligated and required to make these improvements so that the property can be used for the purpose of providing affordable housing.

Please provide the status and a timeline for completing the required drainage improvements on Tax Map Keys (3) 7-6-024:025, 112 and 113.

Thank you for complying with the annual report requirement.

Mr. Richard A. Wheelock
Kona Three LLC
Page 2
October 21, 2016

If you have any questions, contact Maija Jackson at (808) 961-8159.

Sincerely,

A handwritten signature in black ink, appearing to read "Duane Kanuha". The signature is fluid and cursive, with a large initial "D" and "K".

DUANE KANUHA
Planning Director

MJJ:mad

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cc: Planning Department – West Hawaii Office (COR-16-107372)
Office of Housing and Community Development
✓ State Land Use Commission