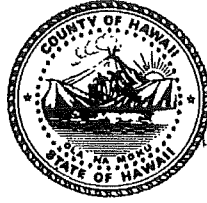


William P. Kenoi  
Mayor



Duane Kanuha  
Director

Bobby Command  
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**County of Hawai'i**  
PLANNING DEPARTMENT

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November 5, 2014

Steven S.C. Lim, Esq.  
Carlsmith Ball, LLP  
121 Waiuanue Ave.  
Hilo, HI 96721-0686

Dear Mr. Lim:

2008-2014 Annual Progress Reports (APR)  
Change of Zone Ordinance No. 00-7 (REZ 940)  
Special Management Area Use Permit No. 395 (SMA 395)  
2005-2014 Annual Progress Reports  
Land Use Commission Docket No. A92-677 (LUC A92 677)  
Successor Applicant – Petitioner: KDM (KD Maniniowali, LLLP, formerly known as WB Maniniowali, LLC)  
TMK: (3) 7-2-016: 010, 012, & 013;  
TMK: 7-2-023: 001-030; 7-2-24: 001, 003, 006, 009-019; 7-2-028: 001-008, 010, 013-032;  
TMK: 7-2-033: 001, 002, 004, 005-035  
Kukio 2<sup>nd</sup> & Maniniowali (formerly TMK: 7-2-004: por. 018)

We received the above-referenced reports on June 25, 2014. Thank you for submitting these materials on behalf of your client, KDM. Please accept our apologies for not responding sooner.

The materials report that the rezoning and SMA performance conditions are in compliance and fulfilled for the Maniniowali development. As a result, pursuant to rezoning condition AA, SMA Condition 18, and LUC Condition 19, a request was made for the Planning Director to acknowledge that further reports are not required.

Performance of REZ 940 Conditions

Conditions E & H 9: Copy of Bureau of Conveyance Doc. No. 2002-007701 (map, metes & bounds description, and 'in perpetuity' covenants). Although the Department confirmed in January 7, 2003 that these recorded documents were received, we have been unable to locate the copies in our files. Please provide another copy of these documents for the Department's records; once received, these conditions will be satisfied.

Steven S.C. Lim, Esq.  
Carlsmith Ball, LLP  
Page 3  
November 5, 2014

The Planning Department has reviewed the APR in relation to County rules, regulations, and permit or ordinance conditions and finds the report acceptable with the exception of Conditions 3 and 7, as stated above. Please be aware that compliance has not been confirmed for conditions under the authority of the Land Use Commission or other State agencies. Upon completion of compliance with Conditions 3 and 7, the Planning Department will provide a 'certificate of satisfaction,' as detailed in Condition 19.

The APR's June 25, 2014 cover letter states three matters: KDM will turn over the common areas and project roadways to the Kukio Community Association (KCA); once the turnover is completed, KCA will be submitting the future monitoring reports to the Planning Department; and finally, the Phase III Subdivision has been sold to TDM Kua 4, LLC (TDM). Please explain what arrangements have been made by KDM to notify and inform KCA, Kukio Golf & Beach Club (KGBC), and TDM of their responsibility to monitor and report on conditions that are triggered into effect. Provide contact information (name, address, telephone, email address, web site) for the officers and organization of KCA, KBC, and TDM.

In summary, as the above discussion confirms, presently we are unable to release KDM from the submittal of further annual progress reports until five matters are addressed: zoning Conditions E, H 9, and N; and, LUC Conditions 3 and 7.

We thank you for your patience on this matter. Any discussion regarding this letter may be held with my staff, Maija Jackson at 961-8159 or Earl Lucero at 961-8160.

Sincerely,



DUANE KANUHA  
Planning Director

EML/MJ:kl

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cc: Planning Department - Kona  
✓State Land Use Commission  
Hawaii County Planning Commission