



THE KEITH COMPANIES
Hawaii Division

ORIGINAL

January 18, 1995

60439.00

RECEIVED

JAN 19 1995

State of Hawaii
LAND USE COMMISSION

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

RE: 1994 Annual Report
LUC Docket No. A76-418
Moana Corporation

Dear Ms. Ueda:

We apologize for our delay in forwarding the attached document to you. We understand that you would like to review this prior to tomorrow's Land Use Commission hearing on Kauai.

We encountered difficulties in communicating with Japan due to the earthquake they experienced this week. Trying to reach our clients in order for them to review this document proved to be a difficult task.

We will be present at tomorrow's hearing, and we will bring with us the 12 copies that you require.

Again, please forgive us for not providing this in a more timely manner. We look forward to seeing you at tomorrow's hearing.

Sincerely,

THE KEITH COMPANIES-HAWAII, INC.

E. Andrew Daymude
Vice President

EAD:jvd
Attachment: 7 pages

- ▼
- Planning
- Engineering
- Environmental Services
- Land Surveying
- Public Works
- Water Resources
- Cultural Resources



THE KEITH COMPANIES
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LAND USE COMMISSION

RE: 1994 Annual Report
LUC Docket No. A76-418
Moana Corporation

Dear Ms. Ueda:

The Keith Companies, on behalf of Sports Shinko (Kauai) Co., Ltd. ("Sports Shinko"), and Sports Shinko (Kauai) Development Co., Ltd., submits the following 1994 annual report to the Land Use Commission (the "Commission"). This annual report is in compliance with Condition No. 9 of the Decision and Order entered in Docket No. A76-418 on July 7, 1977, as amended by Order Granting Motion to Amend Conditions, dated December 13, 1979.

Progress of the Project

Following the development of the Sports Shinko's master plan, in April 1992, referred to as Sports Shinko's Kiahuna Master Plan ("SSKMP"), for their portion of original referenced Moana Corporation petition area, is currently in fee simple ownership by Sports Shinko. The details of the SSKMP including a map and supplemental information on the ownership, location, and contact persons for the remaining portions of the original petition area, were discussed in detail in the 1992 and 1993 annual reports. This document provides an additional update to that information.

Sports Shinko still intends to develop the originally proposed 560 multi-family residential units and the final 158 single-family

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Ms. Esther Ueda
January 18, 1995

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residential lots in phases over the next few years. Assuming that economic conditions continue to improve in coming years and that the governmental approvals are obtained in a timely manner, Sports Shinko plans to begin grading of Phase IA for 10 multi-family residential units, and adding additional units yearly. However, Sports Shinko would like to note that the time frame of the project is bound to be flexible due to the unpredictable economic conditions after Hurricane Iniki.

In April 1991, Sports Shinko requested that the County of Kauai Planning Department refine the Zoning Boundary for TMK: 2-18-14: 8 & 35 to accommodate the future 88 single-family residential lots within the Residential (R-4) Zoning area. Sports Shinko received a letter from the Planning Department, dated May 5, 1992, with an acknowledgment that "such a request is appropriate" and "the general configuration of the proposed R-4 and Open zoning is acceptable subject to further refinement during subdivision." It is still the intention of Sports Shinko to utilize these approvals (see Exhibit 3).

Other than the difficult market conditions and slowed infrastructure improvements on Kauai since Hurricane Iniki, the only other issue that may cause delays on the project is the on-going archaeology required by the Dept. of Land and Natural Resources State Historic Preservation Division. Sports Shinko has contracted with a local archaeologist to complete this Condition, yet some existing trees must be removed to finalize subsurface testing. The Poipu community and the County of Kauai have exhibited some opposition towards the removal of these trees and ground-disturbing activities on the land owned by Sports Shinko. We are hoping that we can find a mutually acceptable solution between the State's needs and the County's and community's concerns with this dilemma in 1995.

As market conditions improve, it is our understanding that A&B will be moving forward with their Kukuiula development project between 1997-1998. They have constructed their 1.2 million gallon-per-day plant and estimate PUC approvals and hook-ups by late 1997. Preliminary discussion between A&B and Sports Shinko regarding connection to A&B have been favorable. We are restructuring our timetable to work with their planned sewer capacity.



**SPORTS SHINKO'S KIAHUNA MASTER PLAN TIMETABLE FOR DEVELOPMENT
DECEMBER 1994 - UPDATE**

DEVELOPMENT COMPLETED TO DATE

YEAR	PHASE CODE	TMK (ACRES)	TYPE OF UNITS	NUMBER OF UNITS	SUBTOTAL TO DATE	TOTALS
1979 TO 1994	COMPLETE	2-8-14: 7 (140.133)	(GOLF) 18 HOLES	---	---	GOLF
1979 TO 1994	COMPLETE	2-8-29:1-91 (24.49)	SINGLE-FAMILY	90	90	90
	TOTAL COMPLETE TO DATE	164.623		90		90

PROJECT SUMMARY

COMPLETE TO DATE	164.623	GOLF AND SF	90	---	90
PROPOSED DEVELOPMENT	174.617	GOLF, SF, MF	718	---	718

GRAND TOTAL	339.240	---	808	---	808
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USE	PERCENT COMPLETE TO DATE	BASIS FOR ASSESSMENT
GOLF	66.0	BY TOTAL HOLES (27 HOLES)
TOTAL PROJECT	48.5	BY TOTAL LAND AREA (339.240 AC.)
SINGLE-FAMILY	36.0	BY TOTAL UNITS (248 UNITS)
MULTI-FAMILY	0.0	BY TOTAL UNITS (560 UNITS)

Proposed Development

It is Sports Shinko's intention to provide, at a later date, a Proposed Development Timetable that is acceptable by the Land Use Commission.



Conditions of the Decision and Order

As it was explained in the past annual reports, Sports Shinko is the successor in interest to a significant portion of the original petition area, but it was not the original petitioner. Therefore, it has to rely on information received from its predecessors. Based on the 1990 annual report dated September 1 and 14, 1990, submitted by the law firm of Case & Lynch on behalf of Kiahuna Land Co., the Decision and Order filed on July 7, 1977, as amended by Order Granting Motion to Amend Conditions, dated December 13, 1979, contained nine Conditions, and Condition Nos. 1 through 8 have been complied with, as stated below (see Exhibit 4A).

In addition to Exhibit 4A, attached hereto is a new letter dated January 13, 1995, further confirming the LUC Condition Nos. 1 through 8 (see Exhibit 4B).

Condition Nos. 1 through 4

For the purpose of relieving the housing impact which will result from the proposed development, and in lieu of the 140 home sites to be provided by the Applicant, the Applicant will contribute the sum of \$2,000,000.00 to the County of Kauai to be used for the implementation of a County housing program.

Status. "Satisfied as of October 1, 1987" "From Case & Lynch letter dated September 1, 1990" (Exhibit 4A).

Condition No. 5

That the Petitioner make the recreational and other amenities of the development such as the golf course, golf clubhouse, swimming facilities, tennis courts, and theater and cultural center available for the public use at reasonable usage fees.

Status. "Satisfied as of October, 1987: 18-hole golf course with cart barn and clubhouse constructed."

Condition No. 6

That the Petitioner dedicate to the County of Kauai approximately 20 acres of land makai of Poipu Beach Road and abutting Poipu Beach Park for expansion of the park.

Status. "Satisfied as of October 1, 1987."



Condition No. 7

That prior to application for rezoning and before any grading of the subject property begins, Petitioner commission and complete a comprehensive archaeological and biological study with actual inventories of archaeological sites and flora and fauna on the subject property, and that the Petitioner preserve any archaeological sites which the Bernice P. Bishop Museum believes to be significant and worthy of preservation and protect and preserve the present habitats of any blind, eyeless, big-eyed, hunting spiders and blind terrestrial sandhoppers which the Bernice P. Bishop Museum believes to be worthy of preservation.

Status. "Satisfied prior to construction of golf course."
"The archaeological and biological study was prepared by Francis Ching in 1980."

Condition No. 8

That to whatever extent possible within the confines of union requirements and applicable legal prohibitions against discrimination in employment, the Petitioner hire Kauai contractors so long as they are reasonably competitive with other contractors, and employ residents of Kauai in the temporary construction and permanent hotel related jobs.

Status. "Satisfied" "Petitioner constructed with Leal Construction, Greenscape, Inc., and Conrad Murashige for construction work relating to the golf course and golf clubhouse. Petitioner constructed with K. Shioi for construction of shopping center. Each contractor employed Kauai residents. Petitioner did not employ any Kauai residents for hotel positions as Petitioner was not involved in construction of a hotel."

To the best knowledge of Sports Shinko, Condition Nos. 1 through 8 had been satisfied by the original petitioner, Moana Corporation, and its successor, Kiahuna Land Company as explained in the foregoing. However, Condition 9 still remains unsatisfied.

Condition No. 9

That the Petitioner substantially complete within five years from the date of the granting of rezoning of the subject site by the County of Kauai, being March 23, 1979, all off-site improvements, landscaping, and all of



Ms. Esther Ueda
January 18, 1995

60439.00
Page Six

the single family residential home sites, at least 300 multi-family residential units, and appropriate portion of the convenience complex and the recreational and other amenities planned for the development, and that the Petitioner reports to the Commission annually on the progress of the development and his compliance with these conditions.

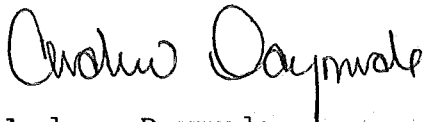
Status. As stated in the 1990 annual report, "90 single family units have been completed and sold; 35,000 sq. ft. shopping village constructed and road and utilities installed." As described in the above Progress of the Project, Sports Shinko formulated its master plan and revised its timetable for the development of 560 multi-family residential units and the balance of the 158 single-family residential lots. However, Sports Shinko notes that such completion is subject to infrastructure improvement and the economic conditions of Kauai and Hawaii.

Also, in respect to Condition No. 9, Sports Shinko understands that there are approvals still pending before the County of Kauai Planning Commission, such as construction of a comfort station proposed by Kiahuna Land Company and the expansion of Poipu Shopping Village requested by Village Properties, Inc. These applications for various permits were not submitted by Sports Shinko, and the information available to Sports Shinko regarding the status of these matters is too limited to include in this 1994 annual progress report.

On behalf of Sports Shinko, we trust that the foregoing submission satisfies the Commission's annual report requirement for 1992. Should you have any questions, please do not hesitate to contact me at (808) 241-5170.

Respectfully submitted,

THE KEITH COMPANIES, INC.
Hawaii Division



E. Andrew Daymude
Vice President

EAD:jvd

Enclosures

cc: Office of State Planning
County of Kauai Planning Dept.
Mr. Taizo Sato, Sr. Gen. Mgr., Sports Shinko Co., Ltd.



THE KEITH COMPANIES

Exhibits

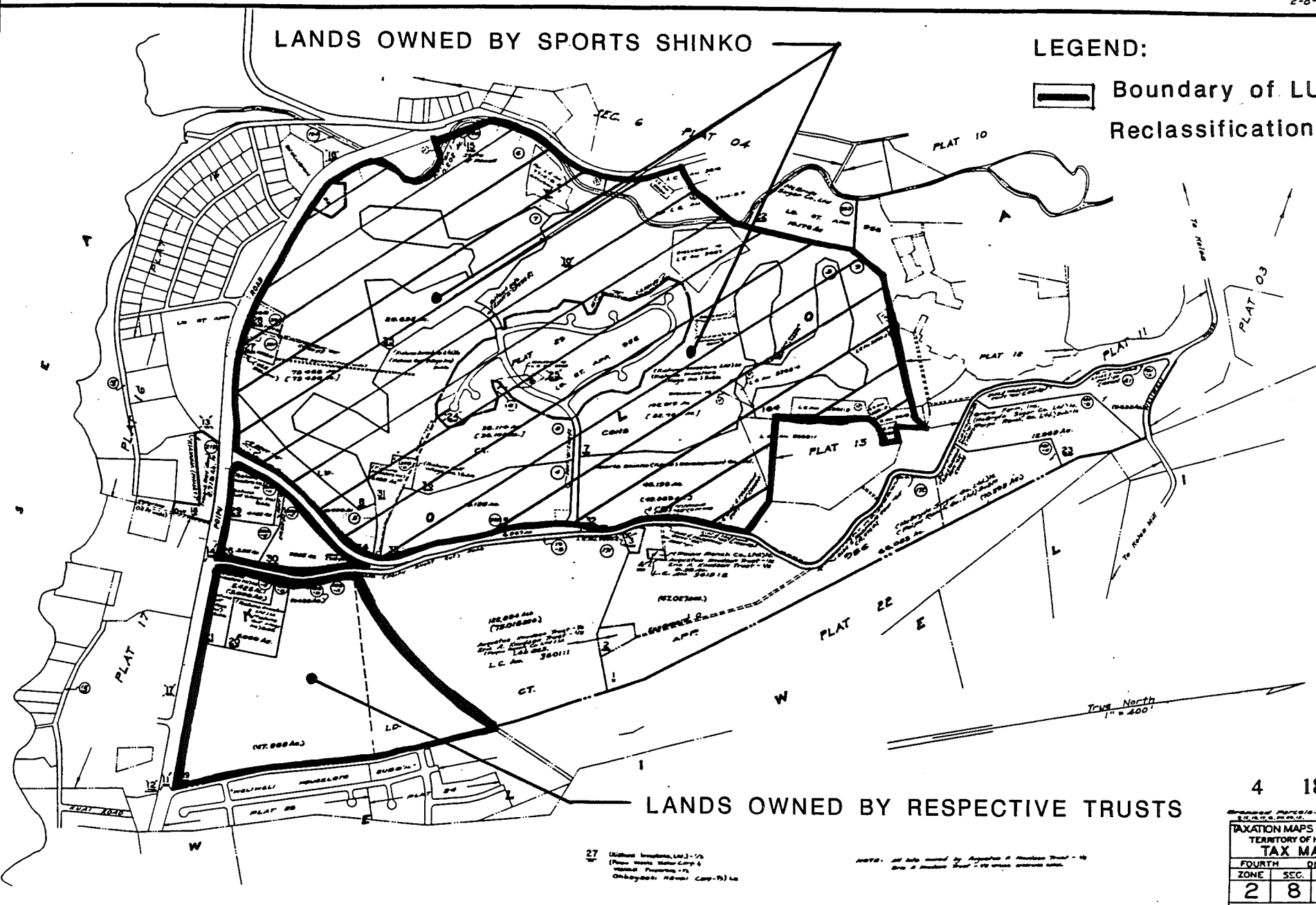
1. Original land area of LUC Docket No. A76-418 shown on a TMK base. (MAP)
2. Sports Shinko's Kiahuna Master Plan Timetable for Development to be provided at a later date.
3. Letter from the County of Kauai Planning Department, dated May 5, 1992, acknowledging the general refinement of Zoning Boundary for Residential (R-4) Zoning area.
- 4A. 1990 annual report letters, dated September 1 and 14, 1990, submitted by the law firm of Case & Lynch on behalf of Kiahuna Land Company.
- 4B. January 13, 1995 letter, with status update written by Grace Kido, of Cades Schutte Fleming & Wright, and verified by Dee Crowell, Planning Director, County of Kauai, regarding satisfaction of Condition Nos. 1 through 8.
5. Sports Shinko's overall master plan by TMK.
6. Sports Shinko's overall master plan by TMK, showing total area complete to date, and proposed area remaining of the plan.
7. Sports Shinko's overall master plan by TMK, showing complete and proposed aspects of the plan by individual land use type.



LANDS OWNED BY SPORTS SHINKO

LEGEND:

 Boundary of LUC
Reclassification



LANDS OWNED BY RESPECTIVE TRUSTS

4 189

3037
Div. of App. 956 (Am.)
D.I.C. or J.L.C. Oct., 1936.
By

27 (William Sproston, Ltd.) - 1/2
(Hawaii Home Corp.) - 1/2
Hawaii Properties - 1/2
Okinaka, Hawaii Corp. - 1/2

NOTE: All info issued by Registrar of Public Trusts - 1/2
Div. of Public Trusts - 1/2 unless otherwise stated.

POR. of KOLOA, KOLOA, KAUAI.

SUBJECT TO CHANGE

TAXATION MAPS BUREAU		
TERRITORY OF HAWAII		
TAX MAP		
FOURTH DIVISION		
ZONE	SEC.	PLAT
2	8	14
CONTAINING PARCELS		
SCALE: 1 in. = 400 ft.		
DATED:		

ORIGINAL LAND AREA OF LUC

EXHIBIT 1



COUNTY OF KAUAI
PLANNING DEPARTMENT
4280 RICE STREET
LIMUE, KAUAI, HAWAII 96766

May 5, 1992

Ms. Heather Harvey
4-1579 Kuhio Highway, Suite 208
Kapaa, HI 96746

**SUBJECT: Zoning Determination for TMKs: 2-8-14: 8 & 35 by
Sports Shinko at Poipu, Kauai**

Upon review of your request to adjust the zoning boundaries for the subject properties to accommodate the future 88 lot residential developments, we conclude that such a request is appropriate for the following reasons:

1. The residential zoning shown on our zoning maps of the "Golf Village" development is intended to serve as graphic representations defining acreage and per acre densities of the zoning within the approved development. The exact delineation of the zoning district boundaries were not specifically defined during the zoning amendment to allow for the following:
 - a. Flexibility in golf course design and residential subdivision lot layout when more precise information is obtained and specific plans are developed.
 - b. Preservation of the archaeological sites by placing two sites outside of the Residential zoning boundaries and into the Open zone to manage and ensure the long term preservation of these sites.
2. The intent of the proposed zoning configuration is not to obtain additional density, but to situate the residential development away from the archaeological sites which would help promote a more efficient layout of the residential lots.

3. As requested, Sport Shinko has taken the time to prepare a conceptual master plan to cover the entire project area (including parts of Poipulani) to assist us in determining whether an adjustment of the zoning boundaries for the proposed residential development is appropriate to the overall project. After reviewing the conceptual master plan in relation to the proposed zoning boundaries we found the proposal for adjustment of the zoning boundaries to correspond and integrate into the project master plan. Please understand that the purpose of taking the time to prepare the master plan is to provide us with a perspective of how a particular project will relate to the entire development such that our zoning boundary determinations are not conducted on a piecemeal basis.

It should be noted that in the past, we have allowed the zoning boundaries to be adjusted as was done earlier for the existing Moana 90 lot residential subdivision. Your request is similar and is being applied in the same context.

In order to be fair to all concerns, we will not be committing to the exact zoning boundaries at this time since we are aware that such boundaries could change as a result of more detailed planning and engineering that would be involved in designing the subdivision. Instead we agree that the zoning boundaries are adjustable to the basic configuration being proposed, however a more appropriate time to define the exact boundaries would be at the time of subdivision when road designs, infrastructure improvements as well as lot lines are being approved. At that time the zoning boundaries can be precisely defined as was done with the 90 lot subdivision. However, please note that the general configuration of the proposed R-4 and Open zoning is acceptable subject to further refinement during subdivision.

We would also like to qualify that this letter should not be misconstrued to be an approval of Sport Shinko's Kiahuna Master Plan (April 1992) which includes the golf course expansion layout and the currently proposed 88 lot residential subdivision. The precise definition of the zoning districts could be affected during the permit process for these projects and as a result we would like to keep such options open.

It is very important to note that Moana Corp. under a current agreement, which is still binding and applicable to the present owner (Sports Shinko), has an obligation to participate in the conversion of the overhead utilities to underground. Resolution and participation of this conversion to underground will become a requirement for permits that are applied for properties

Ms. H. Harvey
Page 3
May 5, 1992

surrounding the affected area along Poipu Road. However, we note that the proposed master plan acknowledges Sport Shinko's participation in addressing this issue.

In closing, please submit for our records a copy of the zoning boundaries shown on the master plan on a 400 scale map for our subdivision and drafting sections.

Should you have any questions, please feel free to contact Keith Nitta of my staff at 245-3910.



PETER A. NAKAMURA
Planning Director

ATTORNEYS AT LAW
A PARTNERSHIP INCLUDING LAW CORPORATIONS

SUITE 2800 MAUKA TOWER
GROSVENOR CENTER

737 BISHOP STREET
HONOLULU, HAWAII 96813

POST OFFICE BOX 404

HONOLULU, HAWAII 96808-0404

(808) 547-6400

September 14, 1990

FOUNDED 1988

W. O. SMITH (808) 522-1888
C. RUBLE PRATT (808) 522-1890

187 MATSON DRIVE PLAZA
4036 SHEPHERD STREET, SUITE 200
LINOLE, KAUAI, HAWAII 96761-4368
TELEPHONE: (808) 846-4788
FACSIMILE: (808) 846-3277

THE HAWAIIAN BUILDING
33 LONO AVENUE, SUITE 470
HAWAII, HAWAII 96731-0001
TELEPHONE: (808) 871-8281
FACSIMILE: (808) 871-8724

PONAHAMANA PROFESSIONAL CENTER
275 PONAHAMANA STREET, SUITE 201
HILLO, HAWAII 96720-3088
TELEPHONE: (808) 881-0081
FACSIMILE: (808) 881-4864

MAUNI TOWER
19-8728 KUKIUI HIGHWAY, SUITE 108
KAILUA-KONA, HAWAII 96740-1728
TELEPHONE: (808) 328-2441
FACSIMILE: (808) 328-4888

HONOLULU OFFICE
CABLE: LOH
TELE: 733-8828
FACSIMILE: (808) 523-1890

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DAVID L. WILSON
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WALTER S. MITCHELL
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JAMES M. SHELLEY
ROBERT W. CHINA
JOHN R. MITCHELL
MICHAEL S. MITCHELL
ROBERT S. MITCHELL
DAVID W. MITCHELL
BRUCE S. MITCHELL
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ROBERT F. MITCHELL

CAROLINE R. ELLI
MATTHEW D. J. MITCHELL
JOHN S. MITCHELL
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J. GREGORY MITCHELL
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Ms. Esther Ueda
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Land Use Commission
Room 104, Old Federal Building
335 Merchant Street
Honolulu, Hawaii 96813

HAND DELIVERY
SEP 14 10 24 AM '90
LAND USE COMMISSION
STATE OF HAWAII

Re: 1990 Annual Report
Docket No. A-76-418/Moana Corporation

Dear Ms. Ueda:

Pursuant to a telephone conversation with Steve Tagawa of your office, we are submitting this supplement to the revised 1990 Annual Report dated September 1, 1990.

Condition:

1-4. \$2,000,000.00 contribution to Kauai County for implementation of a county housing program.

7. Commission archaeological and biological study on property covered by docket.

Status:

Petitioner made payments amounting to \$9,000,000.00 to Kauai County by check in installments of \$10,000.00 during the three year period from 1984-87. The balance of the contribution was paid by check in October, 1987.

The archaeological and biological study was prepared by Francis Ching in 1980.

EXHIBIT 4A


8. Employment of Kauai contractors and Kauai residents in temporary construction and permanent hotel jobs.

Petitioner contracted with Leal Construction, Greenscape, Inc., and Conrad Murashige for construction work relating to the golf course and golf club house. Petitioner contracted with K. Shioi for construction of shopping center. Each contractor employed Kauai residents. Petitioner did not employ any Kauai residents for hotel positions as Petitioner was not involved in construction of a hotel.

Please be advised that Kiahuna Land Company, successor in interest to Moana Corporation, sold all of its interest in the property covered by the above-referenced docket number to Sport Shinko (Kauai) Inc. in October, 1987. Future requests for annual reports should be directed to Mr. Charlie Ortega c/o Sport Shinko (Kauai) Inc., 2545 Kiahuna Plantation Drive, Koloa, Kauai, Hawaii 96756.

Very truly yours,

Case & Lynch



Stacey W. E. Chong

SWC/dac: 0165T

cc: Frank Supon
Robert Harmon
Dennis M. Lombardi, Esq.

CASE & LYNCH
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- | | |
|---|--|
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WEDLEY W. HENNING
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DAVID W. HENNING
BRUCE C. SPOFFORD
GAIL S. MARSH
JEFFREY CHOI
ROBERT F. SCHNEIDER | STEPHEN D. WHITTAKER
S. V. BUD OUTROUT
MICHAEL R. MARSH
PETER M. LOMBARDI
G. GEORGE BRIDEN
DANA L. VAN DE GARD
GREGORY M. JOHNSON
RAY A. LAMBLAND
DANTON S. BROWN
TOSI J. YAMADA
GARY LEE BERENSON
VINCENT J. LUGAN
DAVID ALAN PELLER
STEVEN S. CLINE |
|---|--|

- | | |
|---|--|
| CAROLINE R. EDU
MATTHEW G. JEWELL
JOHN S. SIMPSON
NENAD KRER
SCOTT G. MCCOVICH
J. FREDRICK TUANHALL
RICHARD T. SHIMAZU
WENDE J. SCHNEIDER
DAVID S. FARMER
FREDERICK B. THOMPSON
VICKI M. TORRES
SUSAN A. BENDER
R. CLAY WUTHERLAND
SHARON K. HIGBI
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BY LAW CORPORATION

September 1, 1990

LANIUSE REQUISITION
 STATE OF HAWAII
 SEP 4 10 31 AM '90

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

Re: Revised 1990 Annual Report
 Docket No. A-76-418/Moana Corporation

Dear Ms. Ueda:

Pursuant to the Land Use Commission's request, we are resubmitting the 1990 status report on the property covered by the above-mentioned docket (the "Property") to include a list of the conditions applicable to the Property, pursuant to the Decision and Order dated July 7, 1977, and a brief description of the progress made with respect to each condition.

Condition:

Status:

- 1-4. (as amended by Order Granting Motion to Amend Conditions, 1, 2, 3, 4, dated 12/13/79) \$2,000,000.00 contribution to Kauai County for implementation of a County housing program.
5. Construction of recreational and other amenities, including golf course and golf course club house.

- Satisfied as of October 1, 1987
- Satisfied as of October, 1987; 18-hole golf course with cart barn and club house constructed.

EXHIBIT 4A

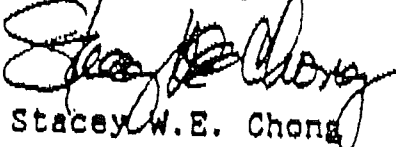
6. Dedication of 20 acres of land makai of Poipu Beach Road and abutting Poipu Beach Park for expansion of the park. Satisfied as of October 1, 1987
7. (As amended by Decision and Order on Motion to Amend Condition No. 7 dated 7/13/78) Commission archaeological and biological study on property. Satisfied prior to construction of golf course.
8. Employment of Kauai contractors reasonably competitive with other contractors and Kauai residents in temporary construction and permanent hotel jobs. Satisfied
9. (As amended by Order Granting Motion to Amend Condition No.9 dated 12/13/79) Completion of 300 multi-family residential units, and an appropriate portion of commercial complex and recreational amenities. 90 units completed and sold; 35,000 sq. ft. shopping village constructed and road and utilities installed.

Based on the foregoing, Condition No. 9 is the only condition which remains outstanding. As to this condition, the portion of the Property designated for the construction of the multi-family residential units has been sold to Sports Shinko (Kauai) Co. Ltd. We suggest that future requests for annual reports be directed to this company.

If you have any questions or need further information, please do not hesitate to call.

Very truly yours,

CASE & LYNCH



Stacey W.E. Chong

SWC/dim/9667P
cc: Robert Harmon
Frank Supon
Dennis M. Lombardi, Esq.

CADES SCHUTTE FLEMING & WRIGHT
ATTORNEYS AT LAW

HONOLULU, HAWAII OFFICE

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MICHELE M. BUNAHARA
NANI LEE
CYNTHIA M. JOHNSON
JOHN R. POWELL
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CARLITO R. CALIBOSO
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ERIC B. T. YOUNG
DEAN T. YAMAMOTO
ALAN K. HYDE
JELLY O. LA PORTE
JOHNNEI L. NAKANURA
MARC E. ROUSSEAU
LYNN HIGASHI HATT
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OF COUNSEL:
J. RUSSELL CADES
WILLIAM L. FLEMING
HAROLD S. WRIGHT
JAMES S. CAMPBELL

C. FREDERICK SCHUTTE
(1021) (888)

WRITER'S DIRECT DIAL NUMBER

(808) 544-3893

January 13, 1995

VIA MAIL AND TELECOPIER

Mr. Dee M. Crowell
Planning Director
County of Kauai
Planning Department
4444 Rice Street, Suite 473
Lihue, Kauai, Hawaii 96766

Dear Mr. Crowell:

Thank you for meeting with us on January 11, 1995. As we discussed, this letter confirms our discussion as to the status of the nine (9) conditions contained in the Decision and Order dated July 7, 1977, as amended, issued by the Land Use Commission of the State of Hawaii, in its Docket No. A76-418 of Moana Corporation. For your convenience, we attach a list of the conditions as amended. You have confirmed the following:

Conditions 1, 2, 3 and 4, as amended by Order Granting Motion to Amend Condition dated December 13, 1979, were satisfied in full by payment of \$2,000,000 to the County of Kauai for its County housing program.

Condition 5 is in compliance. Golf and tennis facilities are available for public use at reasonable usage fees.

Condition 6 was satisfied in full by dedication of the park site, by Quitclaim Deed from the Knudsen Trusts to Kiahuna Land Company recorded in the Bureau of Conveyances of the State of Hawaii in Book 23633, Page 590, and by Deed from Kiahuna Land Company to the County of Kauai recorded in said Bureau in Book 23633, Page 590.

Condition 7 regarding archaeological and biological studies, as amended by the Commission's Decision and Order dated July 3, 1978, is in compliance.

Condition 8 regarding of employment of Kauai workers, is in compliance.

EXHIBIT 4B

Mr. Dee M. Crowell
Page 2
January 13, 1995

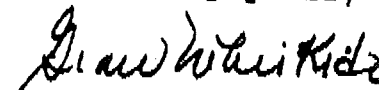
Condition 9, as amended by Order Granting Motion to Amend Condition dated December 13, 1979, has been partially complied with to the following extent: an 18-hole golf course, a tennis center, 90 single-family residential homesites and 48 multi-family residential units comprising Phase 5 of the Kiahuna Plantation condominium project have been completed as well as landscaping, water systems, underground utilities and other improvements servicing the improvements described in this paragraph. The other components of Condition 9 have not been completed, yet.

If the statements in this letter meet with your understanding, please sign and return a copy of this letter to the undersigned by telecopier at (808) 531-8738. We would also appreciate receipt of the enclosed copy of this letter bearing your original signature.

This letter also confirms our meeting on February 24, 1995, at 1:30 p.m. at your offices to discuss various issues concerning the Knudsen land at Poipu which was most recently leased to Poipulani Development Corporation (TMK Nos. (4) 2-8-13-1, 2-8-14-1, 3, 4 and 19 (por)). Representatives of the two Knudsen Trusts as well as their Planning Consultant will be attending.

Thank you again for your time.

Very truly yours,



Grace Nihei Kido
for

CADES SCHUTTE FLEMING & WRIGHT

UNDERSTOOD AND ACKNOWLEDGED:

COUNTY OF KAUAI
DEPARTMENT OF PLANNING

By _____

cc: Mr. Keith Nitta
E. Andrew Daymude, ASLA
Mr. James R. Bell
Fred Ferguson-Brey, Esq.
Mr. Allan Zawtock
Philip J. Leas, Esq.

Conditions contained in the Decision and Order dated July 7, 1977, as amended, issued by the Land Use Commission of the State of Hawaii, in its Docket No. A76-418 of Moana Corporation.

1, 2, 3 and 4. For the purpose of relieving the housing impact which will result from the proposed development, the Petitioner will contribute the sum of \$2,000,000.00 to the County of Kauai to be used for the implementation of a County housing program. The sum shall be paid as single family residential lots are sold on the basis of \$10,000 per lot sold in the development for the first 200 lots, but no later than 5 years from the date construction commences in this development. At the end of the 5 years, the balance of the \$2,000,000.00 shall be due and payable to the County of Kauai in one lump sum, unless the Petitioner is unable to perform due to economic conditions beyond its control, in which event the Petitioner will seek an extension from County Council.

5. That the Petitioner make the recreational and other amenities of the development such as the golf course, golf clubhouse, swimming facilities, tennis courts, and theatre and cultural center available for public use at reasonable usage fees.

6. That the Petitioner dedicate to the County of Kauai approximately 20 acres of land makai of Poipu Beach Road and abutting Poipu Beach Park for expansion of the park.

7. That Petitioner commission and complete a comprehensive archaeological and biological study with actual inventories of archaeological sites and flora and fauna on the subject property, and that the Petitioner preserve any archaeological sites which archaeologist conducting such archaeological study believes to be significant and worthy of preservation and protect and preserve the present habitats of any blind, eyeless, big-eyed, hunting spiders and blind terrestrial sandhoppers which the biologist conducting the biological study believes to be worthy of preservation. The Petitioner may commission such archaeological and biological study to any archaeologist and biologist or firm connected therewith who is qualified to conduct such a study to satisfy the foregoing condition. The Petitioner may apply to the County of Kauai for rezoning of the subject property before the completion of the archaeological and biological study, provided that no actual work on any portion of the subject property begins until the archaeological and biological study for that portion to be worked on has been completed. Actual work on any portion of the subject property may be commenced by the Petitioner upon certification by the archaeologist and biologist that the area for which work is to commence does not contain any archaeological sites deemed significant and worthy of preservation, nor contains any habitats of any blind, eyeless,

big-eyed, hunting spiders and blind terrestrial sandhoppers deemed worthy of preservation.

8. That to whatever extent possible within the confines of union requirements and applicable legal prohibitions against discrimination in employment, the Petitioner hire Kauai contractors so long as they are reasonably competitive with other contractors, and employ residents of Kauai in the temporary construction and permanent hotel related jobs. The Commission understands that the Petitioner may have to employ non-Kauai residents for particular skilled jobs when no Kauai resident possess such skills. However, the Petitioner shall cooperate with, and utilize, whatever government training programs may be available so that Kauai residents can be trained to fill such jobs. For the purposes of this condition, the Commission relieves the Petitioner of this requirement if he is subjected to anti-competitive restraints on trade or other monopolistic practices.

9. That the Petitioner substantially complete within five years from the date of granting of rezoning of the subject site by the County of Kauai, being March 23, 1979, all off-site and on-site improvements, landscaping, all of the single-family residential homesites, at least 300 multi-family residential units, an appropriate portion of the convenience commercial complex and the recreational and other amenities planned for the development, and that the Petitioner report to the Commission annually on the progress of the development and his compliance with these conditions.

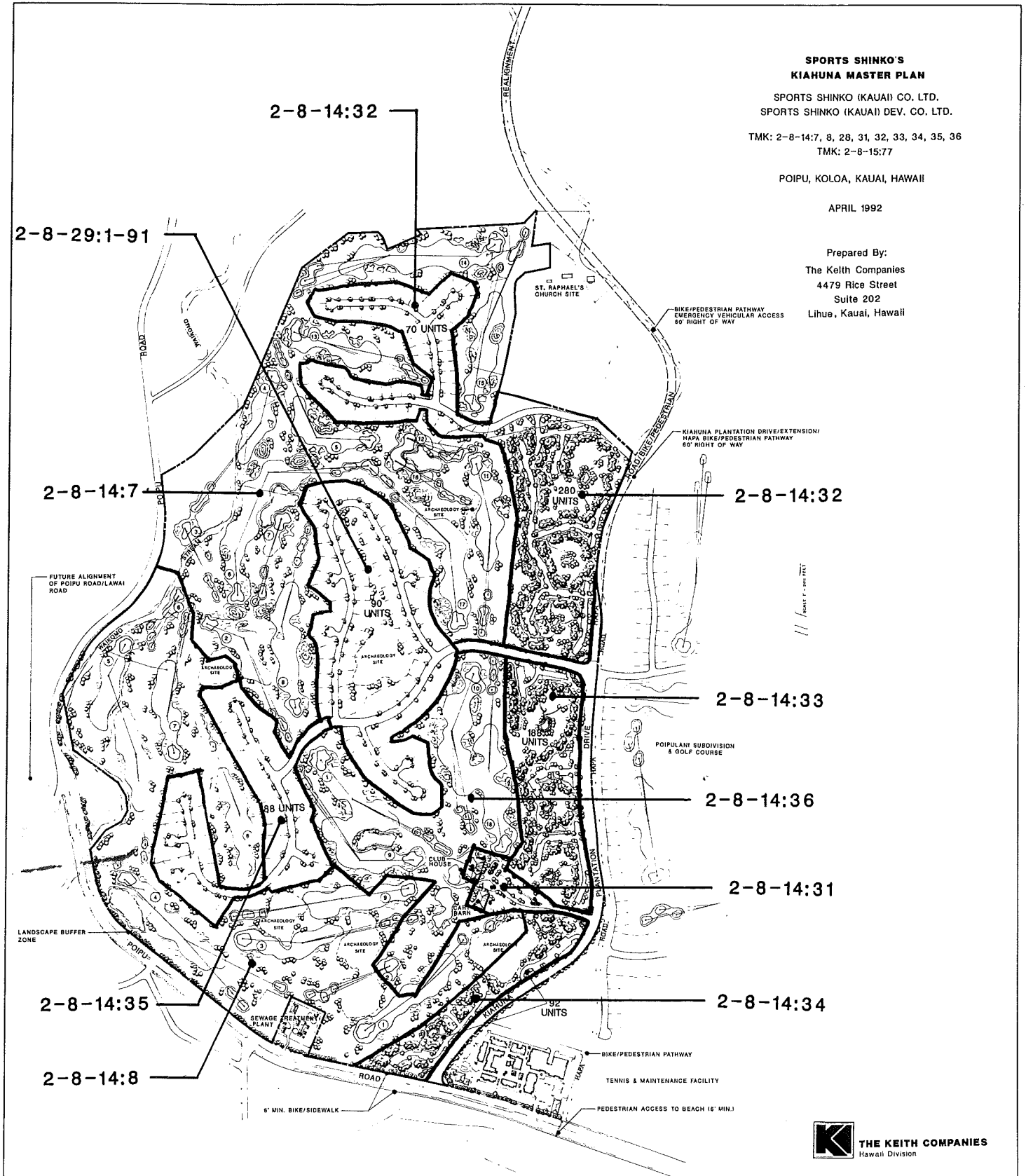
**SPORTS SHINKO'S
KIAHUNA MASTER PLAN**

SPORTS SHINKO (KAUAI) CO. LTD.
SPORTS SHINKO (KAUAI) DEV. CO. LTD.
TMK: 2-8-14:7, 8, 28, 31, 32, 33, 34, 35, 36
TMK: 2-8-15:77

POIPU, KOLOA, KAUAI, HAWAII

APRIL 1992

Prepared By:
The Keith Companies
4479 Rice Street
Suite 202
Lihue, Kauai, Hawaii



OVERALL MASTER PLAN BY TMK

EXHIBIT 5



LEGEND:  Complete to Date  Planned - Vacant

**SPORTS SHINKO'S
KIAHUNA MASTER PLAN**

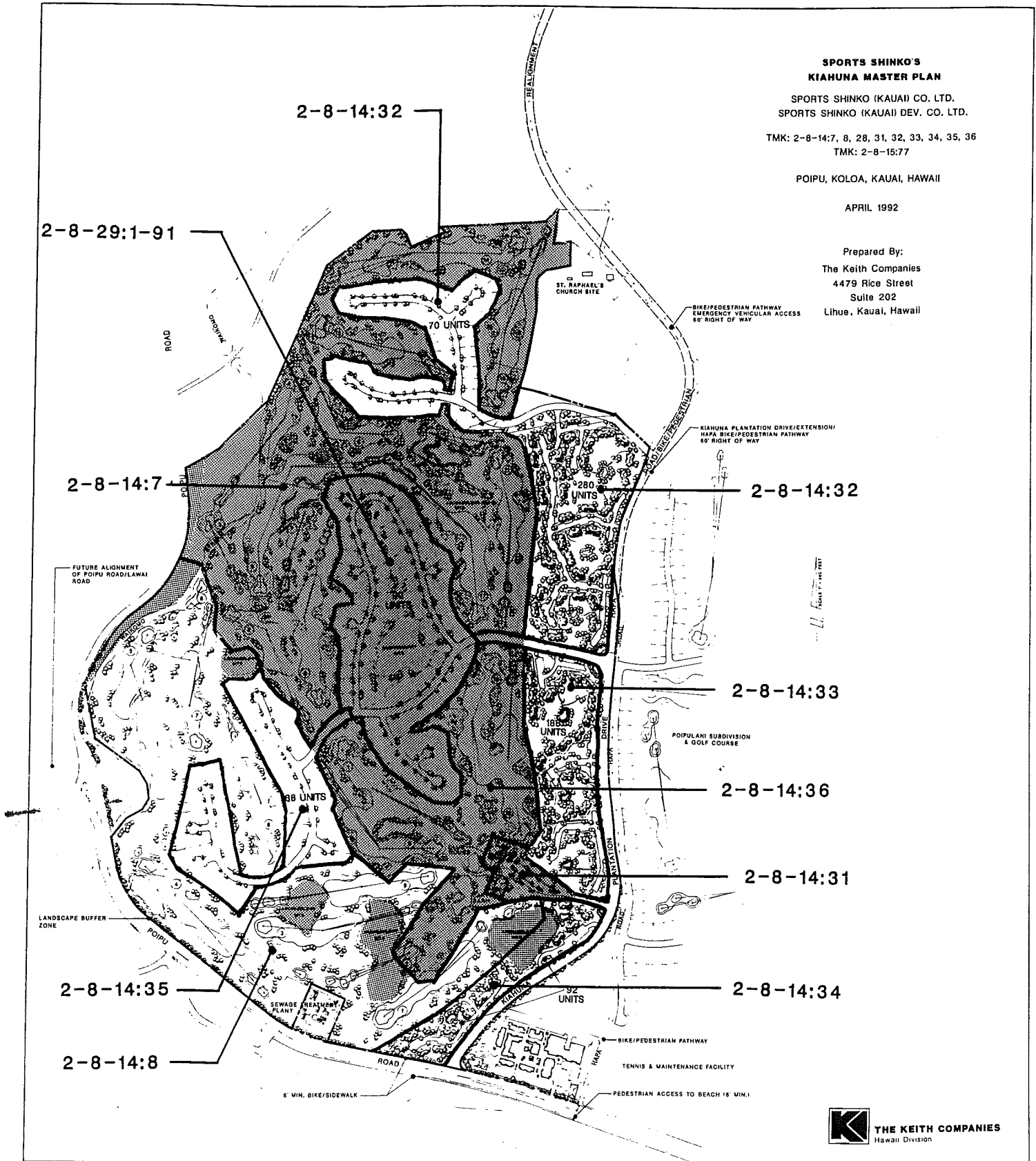
SPORTS SHINKO (KAUAI) CO. LTD.
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TMK: 2-8-14:7, 8, 28, 31, 32, 33, 34, 35, 36
TMK: 2-8-15:77

POIPU, KOLOA, KAUAI, HAWAII

APRIL 1992

Prepared By:
The Keith Companies
4479 Rice Street
Suite 202
Lihue, Kauai, Hawaii



COMPLETE & PROPOSED - TOTAL PROJECT

EXHIBIT 6



LEGEND:

Complete to Date



Golf



SFR



MFR

Planned - Vacant



Golf



SFR



MFR

**SPORTS SHINKO'S
KIAHUNA MASTER PLAN**

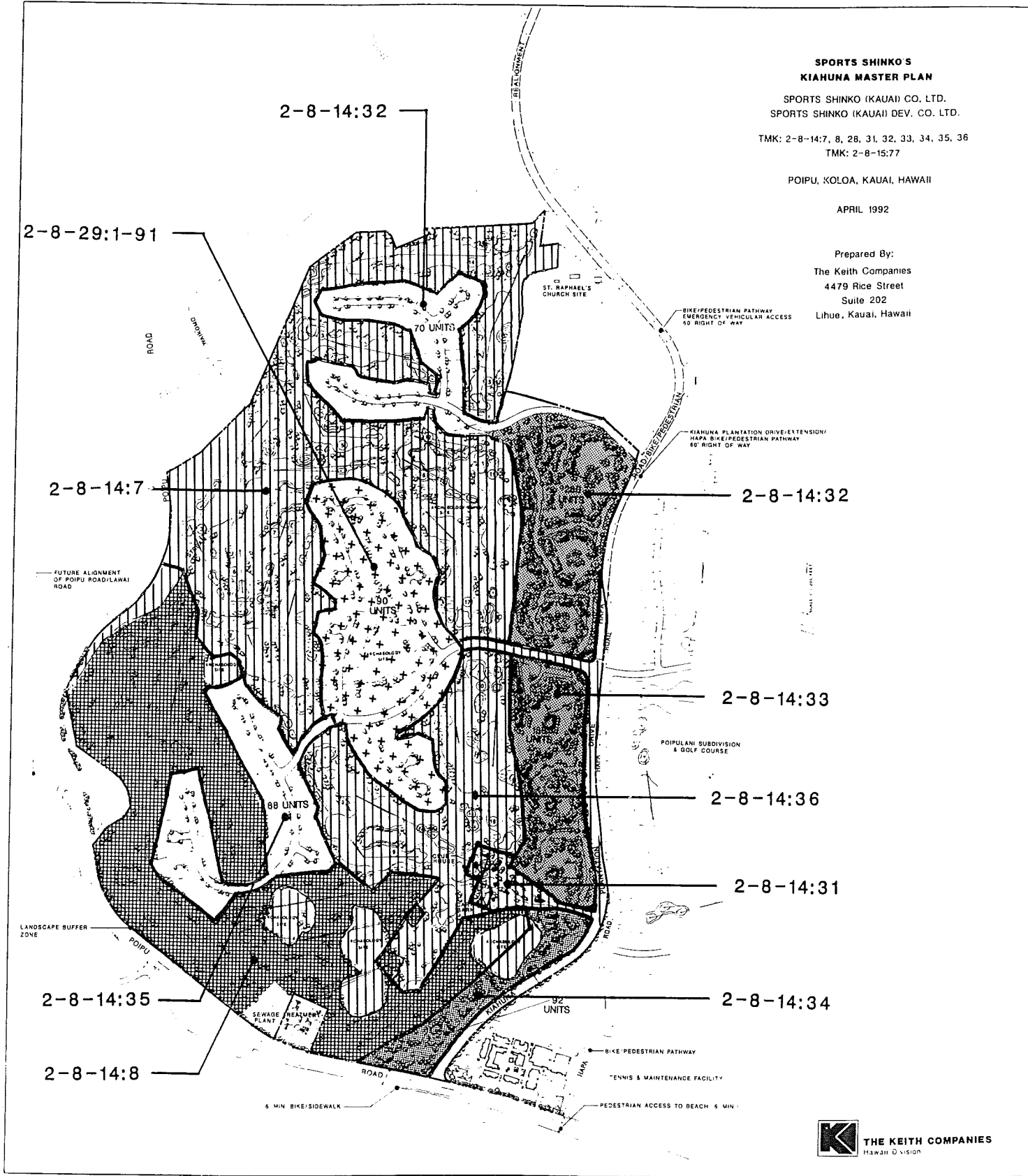
SPORTS SHINKO (KAUAI) CO. LTD.
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TMK: 2-8-14:7, 8, 28, 31, 32, 33, 34, 35, 36
TMK: 2-8-15:77

POIPU, KOLOA, KAUAI, HAWAII

APRIL 1992

Prepared By:
The Keith Companies
4479 Rice Street
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Lihue, Kauai, Hawaii



COMPLETE & PROPOSED BY LAND USE

EXHIBIT 7

