

LAND USE COMMISSION
STATE OF HAWAII

July 6, 1992

JUL 7 9 03 AM '92

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



KIAHUNA GOLF CLUB
(SPORTS SHINKO GROUP)

2545 KIAHUNA
PLANTATION DRIVE
KOLOA, KAUAI
HAWAII 96756
808-742-9595
FAX 808-742-7445

Re: 1992 Annual Report/LUC Docket
No. A76-418/Moana Corporation

Dear Ms. Ueda:

Sports Shinko (Kauai) Co., Ltd. ("Sports Shinko"), together with Sports Shinko (Kauai) Development Co., Ltd., submits the following 1992 annual report to the Land Use Commission (the "Commission"), in compliance with Condition 9 of the Decision and Order entered in Docket Number A76-418 on July 7, 1977, as amended by Order Granting Motion to Amend Conditions, dated December 13, 1979.

Progress of the Project

In April 1992, Sports Shinko developed its master plan, referred to as Sports Shinko's Kiahuna Master Plan ("SSKMP"), for the portion of original referenced Moana Corporation petition area, which is currently owned by Sports Shinko. The SSKMP including a map and supplemental information on the ownership, location, and contact persons for the remaining portions of the original petition area, was prepared by a Kauai-based engineering company, The Keith Companies, and was submitted to the County of Kauai Planning Department on April 29, 1992. The same was also submitted to the Commission with a Sports Shinko's letter dated April 28, 1992.

As shown in the SSKMP Timetable for Development, Sports Shinko plans to develop 560 multi-family residential units and 158 single-family residential lots in phases by the year 2001. Assuming that economic conditions improve in coming years and that the governmental approvals are obtained according to the timetable, Sports Shinko plans to begin grading of Phase I for 40 multi-family residential units sometime in 1995.

In April, 1991, Sports Shinko requested the County of Kauai Planning Department to refine the Zoning Boundary for TMKs: 2-8-14: 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 acknowledgement 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."

Ms. Esther Ueda
July 6, 1992.
Page 2

Since Sports Shinko submitted the SSKMP and completed the annual report requirement for 1991, no approval has been obtained either from the State or County, except for the above acknowledgement received from the County, and there is no regulatory approvals pending before any governmental agencies at this time. Also, Sports Shinko may not proceed with any application for the permits necessary for its project during the next one year, due to economic conditions beyond its control and difficulty in justifying the financial feasibility of the project.

Conditions of the Decision and Order

As it was explained in the 1991 annual report, Sports Shinko is the successor in interest to a great portion of the original petition area, but it is 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 1 through 8 had been complied as follows:

Condition 1-4.

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 to the County of Kauai to be used for the implementation of a County housing program.

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

Condition 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.

Ms. Esther Ueda
July 6, 1992.
Page 3

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

Condition 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 7.

That prior to application for rezoning and before any grading of the subject property begins, Petitioner commission and complete a comprehensive archeological and biological study with actual inventories of archeological sites and flora and fauna on the subject property, and that the Petitioner preserve any archeological 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 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 club house. Petitioner constructed with K. Shioi for construction of shopping

Ms. Esther Ueda
July 6, 1992.
Page 4

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 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 9.

That the Petitioner substantially complete within five years from the date of the granting of re-zoning of the subject site by the County of Kauai, being March 23, 1979, all off-site improvements, landscaping and all of 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 units completed and sold; 35,000sq. ft. shopping village constructed and road and utilites installed." As described in the above Progress of the Project, Sport Shinko formulated its master plan and timetable for the development of 560 multi-family residential units and 158 single family residential lots. However, Sports Shinko notes that such completion is subject to improvement of economic conditions.


Also, in respect to Condition 9, Sports Shinko is aware of approvals pending before the County of Kauai Planning Commission, such as the expansion of Poipu Shopping Village requested by Village Properties Inc. and construction of a comfort station proposed by Kiahuna Land Company. 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 its annual progress report.

Ms. Esther Ueda
July 6, 1992.
Page 5

Sports Shinko hopes that the foregoing submission satisfies the Commission's annual report requirement for 1992. Should you have any questions, please do not hesitate to contact the undersigned.

Very truly yours,

Sports Shinko (Kauai) Co., Ltd.


Takuya Tsujimoto
Assistant Secretary

Exhibits

- I. Sports Shinko's Kiahuna Master Plan Timetable for Development showing timetable and number of units, and TMK: 2-8-14.
- II. 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.
- III. 1990 annual report letters, dated September 1 and 14, 1990, submitted by the law firm of Case & Lynch on behalf of Kiahuna Land Company.

Enclosures

cc: Office of State Planning

County of Kauai Planning Department

Mr. Taizo Sato, Senior General Manager
International Business Department
Sports Shinko Co., Ltd.

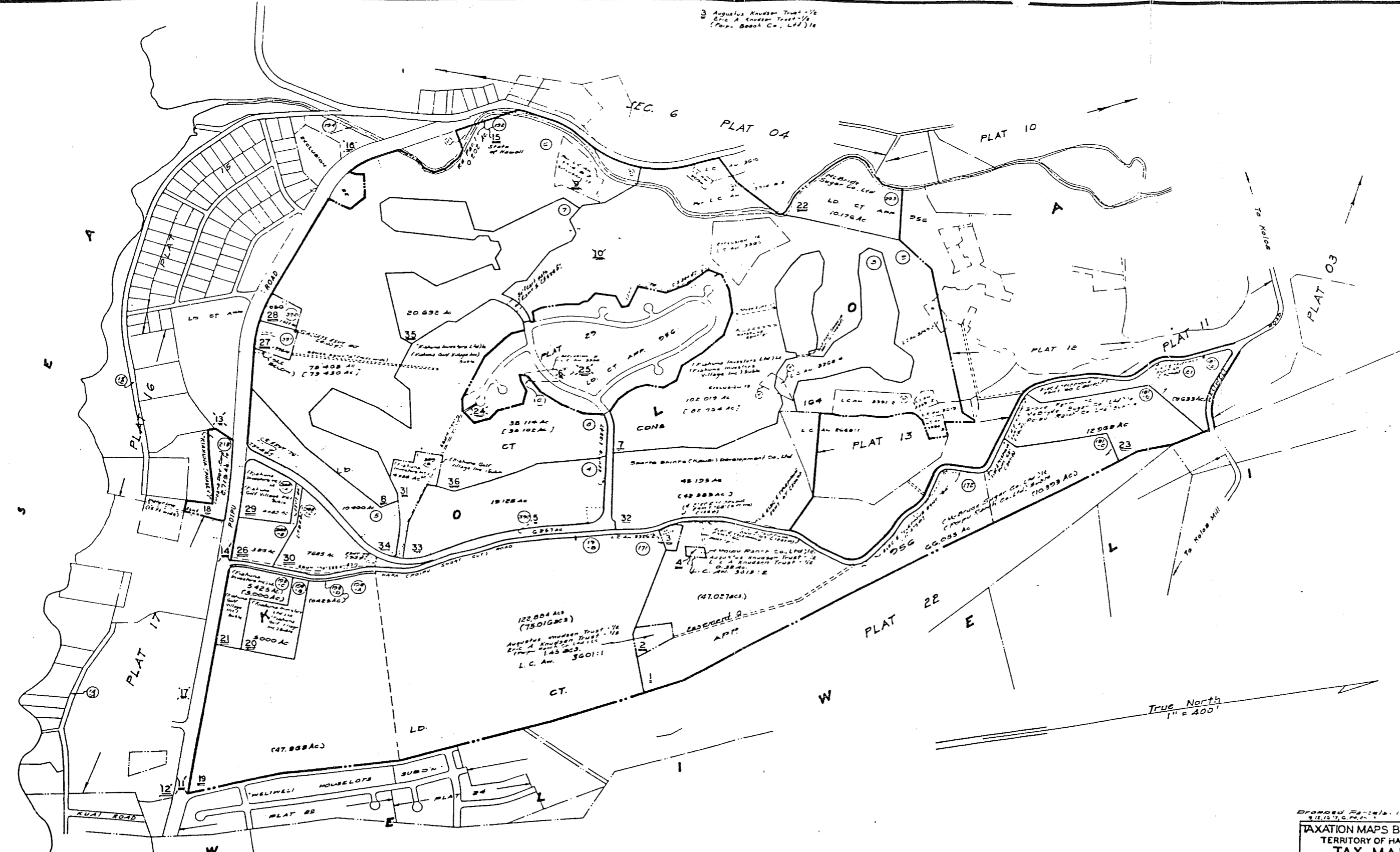
SPORTS SHINKO'S KIAHUNA MASTERPLAN TIMETABLE FOR DEVELOPMENT

April 1992

<u>TMK</u>	1992.....1994	1995	<u>YEAR</u>	1996	1997	1998.->2001
	Master Plan Update					
STP Connection to A&B	Connection Plan Design, Approval & Construction					
2-8-14:34 92 MF Units	*Restroom Sewer Connect. Plans & Bldg. Permit *Restroom Legal Documents	*Site Plan Appr. *Inters. Lightng. *Abut Utilities Undergrounding Design Plans *Restroom Constr.	Phase I (40 MF) *Bldg., Grading & Constr. Permit *Utilities under-ground (w/in SS)	Phase II (40 MF) Bldg., Grading & Constr. Permit	Phase III (12 MF) Bldg., Grading & Constr. Permit	
2-8-14:33 188 MF Units		Building Permit Application		Phase IV (28 MF) Grading & Constr. Permit	Phase V (40 MF) Bldg., Grading & Constr. Permit	Phase VI (40 MF) Bldg., Grading & Constr. Permit 40 Units/yr.->2000
2-8-14:32 280 MF Units		Class IV Zoning Permit App. *Hapa/Kiahuna Plant. Dr. Design Plan			Phase VII (70 MF) *Grading & Constr. Permit *Hapa/KPD Constr. & Utilities Under-ground (w/in SS)	Phase VIII (70 MF) Grading & Constr. Permit 70 Units/yr.->2000
2-8-14:Por. 32 70 SF Lots				*Preliminary Sub. Application	Sub. Constr. Plan Design & Approval	Phase IX 35 Lots *Grading Permit 35 lots/yr to 9
2-8-14:8 9 Holes					Phase XI *Grading Permit *Abut. Utilities udergrounding *Poipu Rd. Land-scape buffer	
2-8-14:35 - 88 SF Lots				*Preliminary Sub. Application	Sub. Constr. Plan Design & Approval	Phase XII Grading & Constr. Permit (22 lots/yr.->2001)

EXHIBIT I.

Augustus Knudsen Trust - 1/2
Eric A Knudsen Trust - 1/2
(For. Beach Co., Ltd.) 1/2



Dwg. No. 5037
 Source Lt. Ct. App. 956 (Am.)
 By D.S.C. & J.L.C. Oct. 1916.

27 (Kuhuna Investors, Ltd.) - 1/2
(Popu Waste Water Corp.)
Waialeale Properties - 1/2
Onyayuan, Hawaii Corp. - 1/2

NOTE: All info owned by Augustus R Knudsen Trust - 1/2
Eric A Knudsen Trust - 1/2 unless otherwise noted.

4 188

POR. of KOLOA, KOLOA, KAUAI.

SUBJECT TO CHANGE

Drawn by: J.L.C. 10/16/16

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



COUNTY OF KAUAI
PLANNING DEPARTMENT
4280 RICE STREET
LIHUE, 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

CASE & LYNCH

ATTORNEYS AT LAW

A PARTNERSHIP INCLUDING LAW CORPORATIONS

SUITE 2800 MAUKA TOWER
GROSVENOR CENTER
737 BISHOP STREET
HONOLULU, HAWAII 96813

POST OFFICE BOX 484

HONOLULU, HAWAII 96809-0484
(808) 547-8400

FOUNDED 1966

W. O. SMITH (808-11888)
G. SUDLEY MOATT (808-11876)

187 HONOLULU PLAZA
432 KEE STREET, SUITE 808
LILUOEA, HAWAII 96763-1008
TELEPHONE: (808) 388-4708
FACSIMILE: (808) 388-3277

THE HAWAIII BUILDING
35 LONG AVENUE, SUITE 470
HAWAII, HAWAII 96726-6801
TELEPHONE: (808) 871-8381
FACSIMILE: (808) 871-8328

PONAHAMMA PROFESSIONAL CENTER
878 PONAHAMMA STREET, SUITE 201
HILLO, HAWAII 96726-5004
TELEPHONE: (808) 881-6881
FACSIMILE: (808) 881-4882

HAWAII TOWER
18-2788 KUALAHI HIGHWAY, SUITE 108
KAILUA-KONA, HAWAII 96740-1728
TELEPHONE: (808) 328-4481
FACSIMILE: (808) 328-4898

HONOLULU OFFICE
CABLE: LHO
TELETYPE: 888
FACSIMILE: (808) 582-1990

September 14, 1990

- | | |
|---------------------|----------------------|
| DANIEL H. GAGE | STEPHEN D. WHITTAKER |
| PAUL A. LYNCH | S. V. SHIO QUINCY |
| GARY L. WILSON | MICHAEL R. HARTON |
| ROBERT S. BETHRA | GENNIS M. LOWMEYER |
| VALTA A. COOK | C. GEORGE SPINAKIS |
| JAMES M. SHELLEY | DIANA L. VAN DE CAAP |
| WESLEY W. CHING | GREGORY M. HALLER |
| JOHN S. MYRBAK | KAY S. KAMUANGA |
| MICHAEL L. SMITH | DANTON S. WONG |
| ROBERT E. FOWLER | TOO J. YANAGA |
| DAVID W. BRIDGEMAN | CATRY LEE BERKELSHI |
| BRUCE S. BRIDGEMAN | VINCENT J. LUSCHI |
| PAUL R. HANSEN | DAVID ALLAN TELLER |
| JEFFREY J. CHOI | STEVEN S. S. LIM |
| ROBERT F. SCHNEIDER | |

- | | |
|--------------------|----------------------|
| CAROLINE R. SOU | LYLE H. ISHIDA |
| MATTHEW G. JENSEN | GLENN H. TADA |
| JOHN S. SIMPSON | LINDA S. W. HARTILL |
| MENAD AREH | STEVEN J. LIM |
| SCOTT D. RABOVICH | LYNN H. KATY |
| J. BRIDGEMAN | KELLY H. HUGHES |
| MARCEL T. BRINARD | DAVID B. SPIE |
| WENDY J. SCHOFIELD | PETER R. KLEBER |
| DAVID C. FARRER | STACEY W. S. OHONG |
| FREDERICK A. YOUNG | LETA H. AMBE |
| IVAN W. TONGKOK | JAMES J. FRIESEN |
| SUBAR A. SENCER | GLENN A. CHING |
| W. CLAY BRYNERLAND | ANN CORREA |
| SHARON H. NISHI | CHARLES S. SWIGHT IV |
| MELINDA M. YAM | |

- COUNSEL
- | | |
|----------------------|------------------|
| HARTWELL H. K. BLAKE | ALAN S. KOHISHI |
| DEBORAH K. WRIGHT | CAROLINE MCELROY |
| CATHERINE M. LESBIA | |

- OF COUNSEL
- | | |
|----------------|------------------|
| ALLEN H. STACK | WARREN J. SENCIA |
| HORTO KUMARAKI | MELBORN K. SOI |
- LA LAW CORPORATION

HAND DELIVERY

SEP 14 10 26 AM '90
LAND USE COMMISSION
STATE OF HAWAII

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

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 III.

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

ATTORNEYS AT LAW
A PARTNERSHIP INCLUDING LAW CORPORATIONS

SUITE 2600 MAUKA TOWER
GROSVENOR CENTER
737 BISHOP STREET
HONOLULU, HAWAII 96813

POST OFFICE BOX 404
HONOLULU, HAWAII 96809-0404
(808) 547-2400

FOUNDED 1888

W. B. SMITH (808) 11881
G. DUNLAP ADAMS (808) 11770
1ST HAWAIIAN PLAZA
4334 KEE STREET SUITE 202
LIHUE, KAUAI, HAWAII 96761-1200
TELEPHONE: (808) 245-4700
FACSIMILE: (808) 245-3177

THE HAWAII BUREAU
35 LEHO AVENUE, SUITE 470
HONOLULU, HAWAII 96813-1001
TELEPHONE: (808) 871-8201
FACSIMILE: (808) 871-8728
PENNAHAWA PROFESSIONAL CENTER
275 HONOLULU STREET, SUITE 201
HILLO, HAWAII 96721-3001
TELEPHONE: (808) 961-1801
FACSIMILE: (808) 961-4801
HAWAII TOWER
75-8725 KUALINI HIGHWAY, SUITE 100
HAILUA, KONA, HAWAII 96749-1725
TELEPHONE: (808) 328-4445
FACSIMILE: (808) 328-4505

HONOLULU OFFICE
CABLE: LDC
TELEX: 723283
FACSIMILE: (808) 583-1820

September 1, 1990

DANIEL H. GAGE *
PAUL A. LYNN *
GARY L. STEIN *
ROBERT E. BETHEA
VALTA A. COOK
JAMES M. GIBBY *
WESLEY W. HIRATA *
JOHN E. HYRSH *
MICHAEL L. BRENK *
ROBERT E. NEWLAND *
DAVID W. REED *
BRUCE C. SHOULOW *
PAUL R. MARSH *
JEFFREY G. CHOI
ROBERT F. SCHNEIDER

STEPHEN D. WHITTAKER
S. V. BIRD CHUNG
MICHAEL R. MARSH
PENNS M. LORBER
G. GEORGE SMITH
DIANA L. VAN DE SAR
GREGORY M. HANSEN *
RAY R. KAHIMAMA
DANTON S. WONG
TOD E. TANAKA
SALLY LEE SCHULZ
VINCENT J. LUGANI
DAVID ALLAN FELLER
STEVEN S. CLIM

CAROLINE A. KOU
MATTHEW G. JEWELL
JOHN S. SHIMAZAKI
KENAD KRER
SCOTT D. RADOVICH
J. GREGORY TURNBULL
RICHARD T. SHIMAZAKI
WENDE J. SHIMAZAKI
DAVID S. FARMER
FREDERICK E. THOMSON
IVAN M. TORRES
SUSAN A. BENDER
R. CLAY SUTHERLAND
SHARON K. HISHI
HELENA H. YAM

LYLE W. HIRATA
OLEAH N. TADA
LINDA B. HARTZELL
STEVEN J. KIM
LYNN M. ASTRY
RELLY R. HUGHES
DAVID R. SHOE
PETER A. RUSCOE
STACY W. S. CHONG
LETA N. PANG
JAMES J. FRIED
GLENN E. SHING
ANN CORREA
CHARLES B. DWIGHT IV

COUNSEL
HARTWELL H. K. BLARE
DEBORAH A. WRIGHT
CATHERINE H. LEBLANC

ALAN S. KOHISEKI
GANDRA WAGANUI

OF COUNSEL
ALLEN M. STACK
NORITO KAWAKAMI

WARREN J. BENDA
HELECH K. DOI

* A LAW CORPORATION

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.

<u>Condition:</u>	<u>Status:</u>
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.	Satisfied as of October 1, 1987
5. Construction of recreational and other amenities, including golf course and golf course club house.	Satisfied as of October, 1987; 18-hole golf course with cart barn and club house constructed.

EXHIBIT III.

LANAI OFFICE
 STATE OF HAWAII
 SEP 4 10 31 AM '90

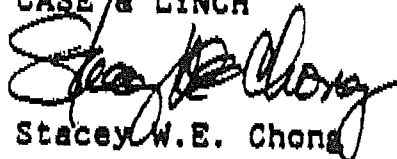
6. Dedication of 20 acres of land makai of Poipu Beach Road and abutting Poipu Beach Park for expansion of the park. Satisfied as of October 1, 1987
7. (As amended by Decision and Order on Motion to Amend Condition No. 7 dated 7/13/78) Commission archaeological and biological study on property. Satisfied 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.