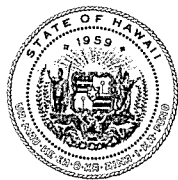


LINDA LINGLE
GOVERNOR
STATE OF HAWAII



MICHAEL KANE
CHAIRMAN
HAWAIIAN HOMES COMMISSION

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EXECUTIVE ASSISTANT

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

P.O. BOX 1879
HONOLULU, HAWAII 96805

July 30, 2008

The Honorable Christopher J. Yuen, Director
County of Hawaii, Planning Department
101 Pauahi Street, Suite 3
Hilo, Hawaii 96720-3043

Dear Mr. Yuen:

Subject: Villages of La'i'ōpua: Village 6 and Village 6 Park
Tax Map Keys: 7-4-021:02 and 003
Kealakehe, Kailua-Kona, North Kona, Island of Hawaii

At the request of the Department of Hawaiian Home Lands (DHHL) the Hawaiian Homes Commission (HHC) granted preliminary approval at its May 18, 2008 meeting for the issuance of a License Agreement to La'i'ōpua 2020, a 501-c-3 non-profit organization, to develop the La'i'ōpua Community Center on parcels owned by DHHL. The Community Center will be developed on portions of parcels identified by Tax Map Keys: 7-4-21: 02 and 03, also known as Village 6 and the Village 6 Park respectively.

Major services or facilities planned at the Community Center include a medical center, a community center complex, social services, infant, toddler, and adult day care programs, a preschool, a gymnasium, an aquatic center, an amphitheatre, an open halau, and garden walking paths.

In addition, at its February 26, 2008 meeting, the HHC approved the issuance of a general lease by DHHL to the Kamehameha Schools, another 501-c-3 entity, under Section 204(a)(2) of the Hawaiian Homes Commission Act of 1920, as amended, to construct and operate an early childhood educational facility (a pre-school) on portions of the same parcels proposed for the Community Center.

Although there is a critical need by its beneficiaries for affordable housing, DHHL recognizes the value of the services that these entities intend to provide in this area and that such services and facilities are an important and vital component of a successful community.

The Honorable Christopher J. Yuen, Director
July 30, 2008
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Under provisions of the Hawaiian Homes Commission Act, 1920, as amended (HHCA), DHHL is not subject to the Land Use Ordinance, Subdivision Code and Zoning Code. The proposed Community Center and proposed Kamehameha Pre-School are both situated on lands zoned A-5a, Agricultural and Open, (County of Hawaii), designated as "Urban Expansion" by the Hawaii County General Land Use Pattern Allocation Guide Map, and Agricultural and Urban (State Land Use Classification).

However, DHHL has determined that Village Commercial District (CV) zoning standards are appropriate for the development of these projects and applicable to the parcels identified by Tax Map Keys: 7-4-21: 02 and 03.

Consequently, TMK: 7-4-21: 02 and 03 will both be developed in accordance with CV zoning standards and by copy of this letter both La'i'Ōpua 2020 and the Kamehameha Schools are being informed that they are to design their respective projects appropriately.

Should you have any questions, please call William Makanui of our Land Development Division at 620-9282.

Aloha and mahalo,



Micah A. Kane, Chairman
Hawaiian Homes Commission

c: La'i'Ōpua 2020
Kamehameha Schools
DHHL, Planning Office
DHHL, Land Management Division
DHHL, Land Development Division