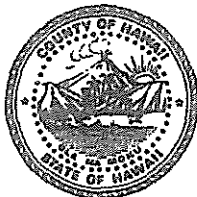


Harry Kim
Mayor



Christopher J. Yuen
Director

Brad Kurokawa, ASLA
LEED® AP
Deputy Director

County of Hawaii
PLANNING DEPARTMENT

101 Pauahi Street, Suite 3 • Hilo, Hawaii 96720-4224
(808) 961-8288 • FAX (808) 961-8742

November 26, 2008

Gina P. Grace and Lot Hanohano Grace III
c/o E. Anne Losansky, RS
Coldwell Banker Maryl Realty
75-1000 Henry Street, Suite 200
Kailua-Kona, HI 96740

Dear Mr. and Mrs. Grace:

DETERMINATION OF PRE-EXISTING LOTS
Olelomoana 2nd, Olelomoana Homesteads, South Kona, Hawai'i
Tax Map Key: 8-7-013:058, 014, 021, 055, 056, 057 & 059

We have received your request dated September 16, 2008.

We have reviewed the documents submitted, our department records and those of the Department of Finance – Real Property Tax Division (RPT) in accordance with Article 11 (Pre-existing Lots) of the Subdivision Code (Sections 23-117 through 23-120).

Our review of the records has found the following:

Parcel 8-7-013:014 consist of 49.00 acres and is the whole of Grant 11,000, also known as Lot 2-B. The records of the RPT indicate that Parcel 021 was spun-off of Parcel 014 in 1953 by way of a deed. Parcels 055 through 059 first appear in RPT records in 1956 or 1957. There is reference to those parcels being the result of deeds as well.

The "creation" of Parcels 021 and 055 to 059 and our ability to recognize them as legal lots of record is contrary to the specific sections of the Subdivision Code cited above. Prior to 1996, the State Tax Map Bureau (TMB) and the Department of Land and Natural Resources (DLNR) Bureau of Conveyances (BOC) issued the parcel numbers that appear on our Tax Map Plats. These maps are for property tax assessment purposes only and do not necessarily reflect the proper creation of lots as specified in county law. Needless to say, this situation is not unique to you and does present some difficulty for the Planning Department and for those who think that they have a legally created parcel of land.

Gina P. Grace and Lot Hanohano Grace III
c/o E. Anne Losansky, RS
Coldwell Banker Maryl Realty
Page 2
November 26, 2008

That having been said, it is the policy of the Planning Department to accept the fact that this is not a perfect world and that methods of land ownership can change over time. The fact that deeds to these parcels were: recorded with the BOC on specific pages of specific libers; that some of those deeds have changed hands since then; and also, the fact that there are permitted dwellings on Parcels 021, 058 and 059 gives the Planning Director some guidance in this matter.

In view of the above, under Section 23-118(a) of the Subdivision Code regarding legal dwellings, we will recognize these three (3) Parcels 021, 058 and 059, as separate legal lots of record with the balance of Grant 11,000 being legal Parcel 014.

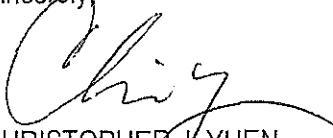
Specifically, we find that:

1. Parcel 014 contains 44.678 acres which includes the presently shown Parcels 014, 055 (dropped), 056 and 057;
2. Parcel 021 contains 0.839 acres;
3. Parcel 058 contains 3.11 acres; and
4. Parcel 059 contains 0.372 acres.

You or your client may want to have a modern metes and bounds survey conducted for a more accurate and current land area determination and that a map reflecting this information may be submitted for certification. The various documents that we have reviewed for this determination mention the existence of a "15-foot Beach Trail" extending from the highway to the shore. This may or may not be a legal entity and therefore, a legal description will also require the verification of, or the creation of, a legal right of access to a government road (the Hawai'i Belt Road).

Should you have any questions, please feel free to contact Jonathan Holmes or Daryn Arai of this department.

Sincerely,


CHRISTOPHER J. YUEN
Planning Director

JRH:Inm

P:\wp60\PREX\Prec2008\8-7-13-14,21,55-59GRACE.doc

Gina P. Grace and Lot Hanohano Grace III
c/o E. Anne Losansky, RS
Coldwell Banker Maryl Realty
Page 3
November 26, 2008

xc: ✓ Tax Maps and Records Supervisor
Real Property Tax Division-Hilo & Kona
Manager, DWS
Director, DPW