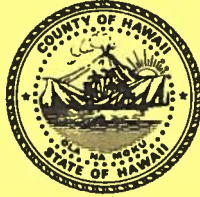


Stephen K. Yamashiro
Mayor



Virginia Goldstein
Director

Russell Kokubun
Deputy Director

County of Hawaii

PLANNING DEPARTMENT

25 Aupuni Street, Room 109 • Hilo, Hawaii 96720-4252
(808) 961-8288 • Fax (808) 961-9615

October 1, 1997

Mr. Robert A. Stuit, Director of Planning
Oceanside 1250
74-5620 A Palani Road Suite 200
Kailua-Kona, Hawaii 96740-1625

Dear Mr. Stuit:

Special Management Area (SMA) Use Permit No. 356
Applicant: Oceanside 1250
Subject: Compliance with Condition No. 13 (Annual Progress Report)
Tax Map Key: 7-9-12: 11 and Portions of 3 and 4; 8-1-4: Portion of 3

This is to acknowledge receipt of your annual progress report dated September 17, 1997, for the above-referenced SMA Use Permit. Thank you for complying with this requirement.

As Change of Zone Ordinance 96-8 (REZ 765) and SMA Use Permit No. 356 cover the same development and have the same effective date, in the future, it would be acceptable to our Department to combine both annual reports into one report. Please remember to clarify the specific conditions that have been complied with or which conditions are still outstanding.

Please be reminded that, prior to any land altering activities, the following condition in SMA Use Permit No. 356 shall be complied with:

Condition No. 4: Submittal and approval of an Archaeological Data Recovery Plan, Interim Protection/Recovery Plan and Archeological Interpretation Plan.

In addition, prior to securing Final Subdivision Approval for the development, the following conditions in same permit shall be complied with:

Resp to 9097
OCT 3 1997

Mr. Robert A. Stuit, Director of Planning
Oceanside 1250
Page 2
October 1, 1997

1. Condition No. 6: Submittal of a Natural Resources Management Plan.
2. Condition No. 7: Completion of a detailed drainage study and drainage system installed.

Should you have any questions regarding this annual progress report, please contact Susan Gagarik or Phyllis Fujimoto at 961-8288.

Sincerely,



for VIRGINIA GOLDSTEIN
Planning Director

SG:cjf

f:\wpwin60\christin\rstuit.skg

cc: County Council
Planning Commission
West Hawaii Office
REZ 765

97 SEP 18 PM 2 00
PLANNING DEPARTMENT
COUNTY OF HAWAII

September 17, 1997

Ms. Virginia H. Goldstein, Planning Director
County of Hawaii Planning Department
25 Aupuni Street
Hilo, Hawaii 96720

**Subject: Annual Progress Report
Special Management Area Use Permit 356**

Dear Ms. Goldstein:

I am pleased to submit the following progress report for SMA Ordinance 356 (the "Permit") relating to a portion of the Villages at Hokukano. This report will indicate the status of the development and compliance with the conditions of approval for the "Permit" which was issued to allow the development of subdivision improvements in the makai portion of the 1,540-acre project (the "Project").

Members' Lodge Applications

74-5620 A Palani Road

Suite 200

Kailua-Kona, Hawaii

96740-1625

Tel: 808-326-2966

Fax: 808-326-7713

Since approval of the subject "Permit", Oceanside 1250 applied for and received approvals for a State Land Use District Boundary Amendment (97-35) and a Change of Zone (97-36) for approximately 14.8 acres of the "Project" so it may develop a members' lodge. The County also initiated and approved a General Plan Amendment (97-34) for this purpose. All three ordinances were approved and became effective on March 13, 1997.

Archaeology

The State Historic Preservation Division of DLNR granted final acceptance and approval of the Archaeological Inventory Survey for the entire "Project" in December 1996. This approval will allow Oceanside to fulfill Condition 4 of the "Permit" as Oceanside will now be able to begin preparation of the archaeological mitigation and interpretation plan in consultation with DLNR and Hawaiian community organizations. As required by conditions in the "Permit", approved mitigation measures will be implemented prior to or in conjunction with any land alteration on the property.

Ms. Virginia Goldstein
September 17, 1997
Page Two

Mamalahoa Highway Bypass

Oceanside 1250 has completed further study of the route for the bypass roadway, flagged the route in the field, prepared various environmental studies and refined the route based on discussions with the various landowners. Oceanside has also initiated discussions with each of the landowners along the route regarding acquisition of right-of-way sufficient to build the road. As the Hawaii County Department of Public Works is the responsible agency for determining the final alignment, roadway standards and construction specifications for the Bypass, DPW has determined the preferred and acceptable alignment of the Bypass would link Alii Highway in Keauhou, with the Mamalahoa Highway-Napo'opo'o Road intersection at Captain Cook.

Oceanside is currently preparing a Draft Environmental Impact Statement for the roadway, which will be submitted to the County of Hawaii Department of Public Works, who will be the accepting agency for the EIS. Progress on the bypass will help us to fulfill conditions for other County ordinances and permits relating to the "Project".

Shoreline Park

Oceanside has begun preparation of a public access and shoreline management plan regarding public access areas, perpetual access covenants, archaeology, marine resources and related improvement measures. Oceanside is refining a final draft of the plan that will likely be ready later this year. The plan will then be submitted to the Planning Director and DLNR for their input and comments. Development of this plan will help allow Oceanside to comply with conditions in other County ordinances and permits that are related to the "Project."

Ms. Virginia Goldstein
September 17, 1997
Page Three

Other Items

There are no other items to report that affect the status of the "Project" as it relates to the conditions of the "Permit." Oceanside 1250 intends to meet all of the terms and comply with all of the conditions that are specified within the "Permit".

I trust the above provides a useful description of the status of development and compliance with the conditions of approval for the "Permit." Should you have any questions regarding this report, or if you require further information regarding the "Project", please contact either myself or Dick Frye, at 326-2966.

Sincerely,

OCEANSIDE 1250



Robert A. Stuit
Director of Planning

cc: L. Anderson
B. Kudo
J. Leonard
Y. Takeda
B. Tsukazaki