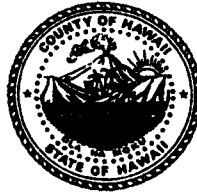


Harry Kim
Mayor



Christopher J. Yuen
Director

Roy R. Takemoto
Deputy Director

County of Hawaii
PLANNING DEPARTMENT
101 Pauahi Street, Suite 3 • Hilo, Hawaii 96720-3043
(808) 961-8288 • Fax (808) 961-8742

April 7, 2003

Mr. Neil Anthony Sims
V.P. Res. Dir.
Kona Blue Water Farms
P. O. Box 525
Holualoa, HI 96725

Dear Mr. Sims:

Open Ocean Fish Farm
Subject: Conservation District Use Application (CDUA)
Unualoha Point, North Kona

This is in response to your letter dated March 28, 2003, regarding your proposed open ocean fish farm to be located approximately 2,000 feet from the shoreline off of Unuahola Point in North Kona.

The proposed development is located within the State Land Use Conservation District and you have informed us that you have filed for a CDUA.

According to Planning Commission Rule 9-4(22), Special Management Area is defined as "the land extending inland from the shoreline as delineated on maps filed with the Authority as of June 8, 1777, or as amended pursuant to Rule 9.19." In this case, Authority is defined as Planning Commission.

Based on the above definition, your proposed development is located outside of the Special Management Area (SMA).

Should you have any questions, please contact Susan Gagorik or Esther Imamura at 961-8288.

Sincerely,

A handwritten signature in cursive script that reads "Chris Yuen".

CHRISTOPHER J. YUEN
Planning Director