William P. Kenoi Mayor

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County of Hawai'i

PLANNING DEPARTMENT

Duane Kanuha Director

Joaquin Gamiao-Kunkel Deputy Director

> East Hawai'i Office 101 Pauahi Street, Suite 3 Hilo, Hawai'i 96720 Phone (808) 961-8288 Fax (808) 961-8742

September 6, 2016

Mr. Steven S. C. Lim Carlsmith Ball LLP 121 Waianuenue Avenue P.O. Box 686 Hilo, Hawai'i 96721-0686

Dear Mr. Lim:

SUBJECT: 1250 Oceanside LLC; Development Agreement – Shoreline Park Transfer to PCSA

This will acknowledge receipt of your letter regarding the above dated November 4, 2015.

We apologize for this delayed reply but as you know, there have been a number of similar requests by 1250 Oceanside, LLC (Oceanside) as they divvy up the responsibilities and in some cases, ownership of the project between Oceanside and the Homeowners Association(s) or entities thereto.

Your inquiry requests the approval of the transfer of Oceanside's rights and obligations regarding the ownership and maintenance of the Shoreline Park to the Park and Cultural Sites Association (PCSA). The PCSA is a duly formed entity for its subject purpose under the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Hokulia dated December 4, 2006 and recorded in the Bureau of Conveyances of the State of Hawai'i as Document No. 2006-222401.

Section 18 (a) of the Development Agreement dated April 20, 1998, recorded in the Bureau of Conveyances of the State of Hawai'i as Document No. 98-060529 provides that upon request, Oceanside or the Homeowners Associations, with the approval of the County, may assign its responsibilities to a foundation or other entity to assume the duties and obligations stated therein. Section 32 of the Development Agreement further provides that Oceanside has the right to sell, assign or transfer the Development Agreement, in whole or in part, and all of its rights, duties and obligations thereunder to any entity, subsidiary, or partner upon written notice to the Director of the Planning Department.

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Based on the above, the Planning Department hereby approves the transfer of Oceanside's rights and obligations regarding the ownership and maintenance of the Shoreline Park to the PCSA, pursuant to Sections 18(a) and 32 of the Development Agreement.

The department further understands that Oceanside will still be the authorized owner and responsible party for these components of the project until the transfer is finalized and documented, and may from time to time be involved in certain planning, management, or implementation efforts in behalf of the PSCA, the eventual assignee.

Please feel free to contact me if there are any further questions on this matter.

Sincerely,

DUANE KANUHA Planning Director

DK:rl

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