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PLANNING DEPARTMENT
COUNTY OF HAWAII

A LIMITED LIABILITY LAW PARTNERSHIP

2015 MAR 16 PM 2: 55

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OUR REFERENCE NO.:
051730-00035

March 16, 2015

Duane Kanuha
Director
Planning Department
101 Pauahi Street, Suite 3
Hilo, Hawaii 96720
Attn: Daryn Arai

Re: Request for tolling of time for completion of the Phase 1 shoreline park
SMA Use Permit No. 401
Project: Hokuli'a
Applicant: 1250 Oceanside, LLC
Tax Map Key: (3) 7-9-012:003; 8-1-004:003 (the "Property")

Dear Mr. Kanuha:

On May 23, 2000, the Planning Commission issued Special Management Area Use Permit No. 401 ("SMA 401"), to allow the development of a shoreline park and related used and improvements, specifically located at Tax Map Key: (3) 7-9-012: Portion of 003 and 8-1-004: Portion of 003. Shortly following the issuance of SMA 401, the State of Hawaii also issued Conservation District Use Permit No. HA-2977, to allow the construction of the shoreline park within the Conservation District.

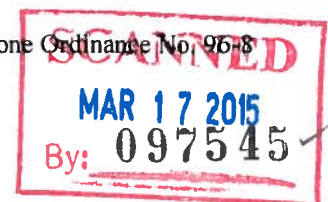
Condition No. 4 of SMA 401, states:

"An area comprising twenty-five percent (25%) of the total park area shall be developed and improved by the applicant in phases within five (5) years from the date of final subdivision approval, September 18, 1999. The first phase shall be completed and open to the public within thirty (30) days following the opening of the golf course."

In compliance with the above condition, 1250 Oceanside, LLC¹ ("1250") constructed 25 public parking stalls, installed portable restroom facilities, hand cleared trails to Keikiwaha Point, and provided adequate vehicular access from the Mamalahoa Highway to the parking area. The subject shoreline park improvements were opened and available for public use on August 1, 2002².

¹ Effective June 18, 2014, 1250 Oceanside Partners was converted to 1250 Oceanside, LLC, a Delaware limited liability company, which succeeded to all of the right, title and interest of 1250 Oceanside Partners. The original and successor entities are referred to herein as "Oceanside".

² Also complied with Change of Zone Ordinance No. 96-7 (Condition K.1) and Change of Zone Ordinance No. 96-8 (Condition H.1), which both contain a similar requirement.



Since emerging from bankruptcy on July 1, 2014, 1250 retained PBR Hawaii to review and update the 1998 Shoreline Park Management Plan to implement the remaining phases of the shoreline park. In order to honor its obligations to protect the cultural resources within the Conservation District, 1250 recently applied to State Office of Conservation and Coastal Lands to obtain approval to remove non-native vegetation, including the removal of any dead and hazardous trees. The vegetation clearing will help to facilitate the archaeological work needed to prepare a preservation plan for the southern portion of the shoreline park (SHPD/DLNR approved the June 2008 Historic Preservation Plan for the northern portion of the shoreline park, including the Phase 1 area, but excluding the State-owned parcel of Hokukano Village).

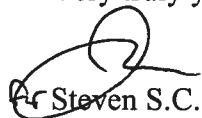
Although the Phase 1 shoreline park improvements have been opened and available for public use for over a decade, the project's consultants have recently informed 1250 that the parking lot improvements were inadvertently located on Tax Map Key No.: (3) 8-1-034: 014 and 015. In addition to relocating the existing parking improvements to the appropriate park parcel, 1250 intends to initiate renovations to the Phase 1 shoreline park. 1250's renovations will include the installation of additional park improvements in compliance with SMA 401, some of which will include the installation of appropriate interpretive and directional signage, trail improvements and landscaping, as determined by the updated Shoreline Park Management Plan, which 1250 will submit to the Planning Department for review and approval prior to the construction of actual improvements.

By letter dated April 20, 2007, as a result of litigation associated with Civil No. 00-1-0192K (Kelly Litigation), the Planning Department tolled the effective date of the various Hokuli'a permits, including SMA 401 until September 4, 2005. More recently, as a result of the bankruptcy proceedings that involved the Project, on October 30, 2014, the Planning Department tolled the effective dates of SMA 404 and Special Permit No. 1056 until March 4, 2012 to allow the continued development of the Phase 1 Waste Water Treatment Plant ("WWTP").

Similarly, and based on the circumstances outlined above which were outside of 1250's control, 1250 requests that the Planning Department toll the effective date of SMA 401 to **March 4, 2012** (similar to 1250's earlier request for the WWTP entitlements). Based on our prior discussions, we understand that the tolling of the effective date of SMA 401 to March 4, 2012 would have the net effect of providing 1250 until March 4, 2017, to complete the necessary renovations to the Phase 1 shoreline park, as required by Condition No. 4 of SMA 401.

Thank you for your time and attention to this matter. Please contact me or my paralegal Jason Knable at 808-935-6644, if you have any questions or if you require any additional information.

Very truly yours,


Ar Steven S.C. Lim

SSL/JKK1

cc: 1250 Oceanside, LLC