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From: Moses K Haia [mailto:mohaia@nhlchi.org]

Sent: Tuesday, April 13, 2004 6:40 PM

To: 'lsimon@hokulia.com'; 'brice@hokulia.com'

Cc: Alan Murakami; 'konlaw1@hawaii.rr.com'

Subject: monetary component of Plaintiffs' proposal

The attached docs are forwarded to you pursuant to my discussion with John DeFries.

<<letter to OS re monetary component of settlement.doc>> <<PKO proposal monetary component.doc>>

CONFIDENTIAL COMMUNICATION

April 13, 2004

John DeFries
Rollin Chippey
Bob Rice
1250 Oceanside Partners

Gentlemen:

Aloha. As promised, enclosed is the monetary component of Plaintiffs' proposal. We believe the categories are self-explanatory. However, should you have any questions that relate to the parameters of each, we will be happy to address those concerns during tomorrow evening's session.

The proposal is based in part upon financial information obtained during trial and contemplates that construction will commence immediately after court approval of the terms of an agreement. As such, please understand that, before we can in good faith begin to negotiate the figures proposed, we will require convincing, uncontroverted proof of your client's inability to absorb these costs. We look forward to discussing these issues in depth tomorrow and in the days to come.

Sincerely,

Alan T. Murakami
Moses K. N. Haia III

Attorneys for Plaintiff PKO

Robert D. S. Kim

Attorney for Plaintiffs Kelly, et al.

Enclosure

Hokuli`a Mediation (Confidential)
Monetary Component to Plaintiffs' Proposal
April 13, 2004

<u>Category</u>	<u>Amount</u>
Cultural Preservation	\$8,000,000.00
Affordable Housing	\$10,000,000.00
Water Monitoring	\$2,000,000.00
Sustainable Community Economic Development (Inclusive of Agricultural Preserves)	\$8,000,000.00
Schools/Infrastructure/Scholarships	\$8,000,000.00

In addition to the above, Oceanside shall commit 15% of its gross revenues from future lot sales for its Hokuli`a and Keopuka projects up through full build out to supplement cash flow for the above causes. These funds shall be disbursed evenly among the above categories and/or in a manner that best serves the above interests. Oceanside shall cause payments to be made in a timely manner and upon a date certain each and every year until full build out of both developments.

Damages

Protect Keopuka `Ohana	\$2,000,000.00
Individual Plaintiffs	\$2,000,000.00

Attorneys' Fees and Costs

Oceanside to NHLC	\$5,000,000.00
County to NHLC	\$2,000,000.00
Oceanside to Kim	\$3,000,000.00