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A Limited Liability Law Partnership

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Attorneys for Debtors and
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**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF HAWAII**

In re

1250 OCEANSIDE PARTNERS, a
Hawaii limited partnership, et al.,

Debtors and Debtors-in-Possession.

This document relates to

ALL CASES

Case No. 13-00353
(Chapter 11)
(Jointly Administered)

**DEBTORS' MOTION FOR ORDER
APPROVING AGREEMENT
RESPECTING CERTAIN LOT AND
GOLF MEMBERSHIP
TRANSACTIONS;
MEMORANDUM IN SUPPORT OF
DEBTORS' MOTION FOR ORDER
APPROVING AGREEMENT
RESPECTING CERTAIN LOT AND
GOLF MEMBERSHIP
TRANSACTIONS; EXHIBIT "1";
DECLARATION OF G. RICK
ROBINSON**

**DEBTORS' MOTION FOR ORDER APPROVING
AGREEMENT RESPECTING CERTAIN LOT AND
GOLF MEMBERSHIP TRANSACTIONS**

1250 Oceanside Partners (“Oceanside”), Front Nine, LLC, and Pacific Star Company, LLC, debtors and debtors-in-possession (collectively the “Debtors”) hereby move the Court to approve the “Agreement Respecting Certain Lot and Golf Membership Transactions” (the “Agreement”), between Oceanside, Hokulia Community Association, Inc. (“HCA”), Hokulia Park and Cultural Sites Association, Inc. (“PCSA”) and The Club at Hokulia, Inc. (the “Club”), in substantially the form attached hereto as Exhibit “1”.

Oceanside is in the process of negotiating various deeds in lieu foreclosure transactions with certain of its borrowers (the “Deed In Lieu Agreements”). Two of the Deed in Lieu Agreements have been documented and the Debtors have obtained court approval for the transactions. See Docket No. 802.

Pursuant to the Agreement and subject to Court approval, the HCA, PCSA and the Club each provide their consent to the Deed in Lieu Agreements, and Oceanside consents to the payment of certain outstanding assessments and dues, as described in the Agreement.

This Motion is brought pursuant to Federal Rule of Bankruptcy Procedure 9019, and is supported by the accompanying Memorandum of Law, exhibits, and the Declaration of G. Rick Robinson.

DATED: Honolulu, Hawaii, April 7, 2014.

/s/ Alike L. Piper
SIMON KLEVANSKY
ALIKA L. PIPER
NICOLE D. STUCKI
Attorneys for Debtors and
Debtors-in-Possession

In re 1250 Oceanside Partners, a Hawaii limited partnership, et al., Debtors and Debtors-in-Possession, Case No. 13-00353, (Jointly Administered), United States Bankruptcy Court, District of Hawaii; DEBTORS' MOTION FOR ORDER APPROVING AGREEMENT RESPECTING CERTAIN LOT AND GOLF MEMBERSHIP TRANSACTIONS

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF HAWAII

In re
1250 OCEANSIDE PARTNERS, a
Hawaii limited partnership, et al.,

Debtors and Debtors-in-Possession.

Case No. 13-00353
(Chapter 11)
(Jointly Administered)

**MEMORANDUM IN SUPPORT OF
DEBTORS' MOTION FOR ORDER
APPROVING AGREEMENT
RESPECTING CERTAIN LOT AND
GOLF MEMBERSHIP
TRANSACTIONS**

This document relates to

ALL CASES

**MEMORANDUM IN SUPPORT OF DEBTORS' MOTION FOR ORDER
APPROVING AGREEMENT RESPECTING CERTAIN LOT
AND GOLF MEMBERSHIP TRANSACTIONS**

1250 Oceanside Partners ("Oceanside"), Front Nine, LLC, and Pacific Star Company, LLC, debtors and debtors-in-possession (collectively the "Debtors"), by and through counsel, and pursuant to Federal Rule of Bankruptcy Procedure 9019, submit this memorandum in support of the Motion for Order Approving Agreement Respecting Certain Lot and Golf Membership Transactions (the "Motion") and respectfully represents as follows:

I. JURISDICTION AND VENUE.

This Court has jurisdiction as to this matter pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

II. STATEMENT OF FACTS.

Oceanside is the developer of Hokuli`a, a master-planned community in and on the Island and County of Hawaii. Hokulia Community Association, Inc. (“HCA”) is the homeowners’ association for the Hokuli’a Development, which collects assessments and fees from the lot owners in the Hokuli’a Development. Hokulia Park and Cultural Sites Association, Inc. (“PCSA”) is an ancillary homeowners’ association for the Hokuli’a Development and also collects assessments from the lot owners in the Hokuli’a Development, to be used for cultural preservation and related purposes. The Club at Hokulia, Inc. (the “Club”) owns and operates a private golf and social club in the Hokulia Development.

At the time they acquired lots in the Hokulia Development, certain lot owners also entered into membership agreements with the Club, pursuant to which the lot owners obtained, among other things, a Charter Membership and/or an Equity Golf Membership (collectively, a “Golf Membership”).

a. Deed in Lieu Agreements

In connection with the purchase of various lots in the Hokuli'a Development, certain lot owners borrowed a portion of the purchase price from Oceanside, and granted Oceanside a mortgage on their respective lots and a security interest in their equity Golf Memberships. Certain of these lot owners defaulted on the secured obligations owed to Oceanside. Oceanside has negotiated agreements with certain of these lot owners, and may reach agreement with others, subject to approval by the Bankruptcy Court, pursuant to which the lot owners agree to convey their properties and Golf Memberships to Oceanside in lieu of foreclosure, and in return, Oceanside agrees to release these lot owners from liability under the subject loan documents. These agreements are collectively referred to herein as the "Deed in Lieu Agreements".¹

b. Agreement Respecting Certain Lot and Golf Membership Transactions

The HCA, PCSA, and the Club have claimed that they have or may have lien rights in the properties and/or Golf Memberships, which are the subject of the Deed in Lieu Agreements. Certain other of the lot owners defaulted on

¹ Pursuant to the Order Granting Motion to Approve Agreements Respecting Deeds in Lieu of Foreclosure With Various Borrowers, entered on March 17, 2014, the Court has approved two Deed In Lieu Agreements (with Hideyuki Tanigami and Judy Bogard-Tanigami, as Co-Trustees and with Norma Foster Maddy, as Trustee). See Docket No. 802.

secured obligations owed to Oceanside and Oceanside has or will acquire their properties and Golf Memberships by way of foreclosure or other legal proceedings. The HCA, PCSA, and the Club have also claimed that they have or may have lien rights in these properties and Golf Memberships, as well.

Oceanside, HCA, PCSA, and the Club have negotiated, subject to Court approval, an Agreement Respecting Certain Lot and Golf Membership Transactions (the "Agreement"), in substantially the form attached hereto as Exhibit "1". Under the Agreement, HCA, PCSA and the Club consent to the Deed in Lieu Agreements and related transactions. With respect to any property or Golf Membership acquired by Oceanside for which past due assessments or dues are owed to HCA or PCSA or the Club, Oceanside shall pay to HCA or PCSA or the Club, the lesser of (i) the past-due amount of assessments or dues owed and (ii) the amount of 6 months' of past-due assessments or dues. In return, HCA and PCSA shall release their liens on the subject property and release their claims against Oceanside.

With respect to the Club, Oceanside agrees that the Club, in due course, shall be paid all additional amounts due in respect of the memberships. The Club further agrees to defer payment of any excess dues (over the amounts payable by Oceanside above), all dues and assessments for periods beginning with Oceanside's acquisition of the Golf Membership, membership contribution due to

the Club, and transfer fee, which shall be payable by a third party buyer, once Oceanside transfers the Golf Membership, as set forth in further detail in the Agreement.

III. LEGAL ARGUMENT

Federal Rule of Bankruptcy Procedure 9019(a) authorizes this Court to approve a compromise or settlement on motion by the debtor after a hearing and notice to creditors. Fed. R. Bankr. P. 9019(a). Under the standards established by the Ninth Circuit, the Court should approve a settlement if it is “fair and equitable.” In re Woodson, 839 F.2d 610, 620 (9th Cir. 1988) (quoting In re A&C Properties, 784 F.2d 1377, 1381 (9th Cir. 1986), cert. denied, 479 U.S. 854 (1986)). Factors to be considered in determining whether a settlement is fair and equitable include: 1) the probability of success in the litigation; 2) the difficulties, if any, to be encountered in the matter of collection; 3) the complexity of the litigation involved and the expense, inconvenience and delay necessarily attending it; and 4) the paramount interest of the creditors and a proper deference to their reasonable views. In re A&C, 784 F.2d at 1381 (citation omitted).

In evaluating the fairness of a settlement, a trial or mini-trial on the merits is not required. In re Blair, 538 F.2d 849, 851-52 (9th Cir. 1976); In re International Distrib. Centers, Inc., 103 B.R. 420, 423 (S.D.N.Y. 1989). The Court has discretion to determine whether a settlement is fair. In re Blair, 538 F.2d at

851-52. The Court should approve a settlement so long as it is above the “lowest point of reasonableness.” See In re International Distrib. Centers, 103 B.R. at 423 (citations omitted).

The Debtors submit that the Agreement is fair and equitable and well within the lowest point of reasonableness from the point of view of Oceanside’s creditors. See Declaration of G. Rick Robinson, filed herewith. In this case, Oceanside will receive the subject properties and Golf Memberships, in exchange for a small payment to the HCA, PCSA, and the Club for the amounts due to these entities. Thus, the Debtors respectfully submit that the Agreement is in Oceanside’s best interest.

WHEREFORE, the Debtors pray that the Court enter an order authorizing it to enter into the Agreement, in substantially the form attached hereto as Exhibit “1” .

DATED: Honolulu, Hawaii, April 7, 2014.

/s/ Alika L. Piper
SIMON KLEVANSKY
ALIKA L. PIPER
NICOLE D. STUCKI
Attorneys for Debtors

EXHIBIT “1”

**AGREEMENT RESPECTING CERTAIN LOT AND GOLF MEMBERSHIP
TRANSACTIONS**

This AGREEMENT RESPECTING CERTAIN LOT AND GOLF MEMBERSHIP TRANSACTIONS is made and entered into this 18th day of March 2014, by and between 1250 Oceanside Partners, a Hawaii limited partnership, whose address is c/o Klevansky Piper, LLP, 841 Bishop Street, Suite 1707, Honolulu, Hawaii 96813 (the "Oceanside"), Hokulia Community Association, Inc., a Hawaii non-profit corporation, whose address is c/o Porter McGuire Kiakona & Chow, LLP, 841 Bishop Street, Suite 1500, Honolulu, Hawaii 96813 ("HCA"), Hokulia Park and Cultural Sites Association, Inc., a Hawaii non-profit corporation, whose address is c/o Porter McGuire Kiakona & Chow, LLP, 841 Bishop Street, Suite 1500, Honolulu, Hawaii 96813 ("PCSA"), and The Club at Hokulia, Inc., a Hawaii non-profit corporation, whose address is c/o Porter McGuire Kiakona & Chow, LLP, 841 Bishop Street, Suite 1500, Honolulu, Hawaii 96813 (the "Club").

RECITALS

- A. Oceanside is the developer of Hokuli'a, a master planned community, in and on the Island and County of Hawaii (the "Hokuli'a Development"). In connection with the purchase of various lots in the Hokuli'a Development, certain lot owners granted Oceanside a mortgage on their respective lots.
- B. HCA is the homeowners' association for the Hokuli'a Development, which collects assessments and fees from the lot owners in the Hokuli'a Development.
- C. PCSA is an ancillary homeowners' association for the Hokuli'a Development and also collects assessments from the lot owners in the Hokuli'a Development, to be used for cultural preservation and related purposes.
- D. The Club owns and operates a private golf and social club in the Hokulia Development. At the time they acquired lots in the Hokulia Development, certain lot owners also entered into membership agreements with the Club, pursuant to which the lot owners obtained, among other things, a Charter Membership and/or an Equity Golf Membership (collectively, a "Golf Membership").
- E. On March 6, 2013, Oceanside, together with Front Nine, LLC and Pacific Star Company (collectively the "Debtors") filed chapter 11 bankruptcy petitions commencing In re 1250 Oceanside Partners, et al., Bk. No. 13-00353, United States Bankruptcy Court for the District of Hawaii (the "Bankruptcy Court").

- F. Certain of the lot owners defaulted on secured obligations owed to Oceanside. Oceanside has negotiated agreements with certain of these lot owners, and may reach agreement with others, subject to approval by the Bankruptcy Court, pursuant to which the lot owners agree to convey their properties and Golf Memberships to Oceanside in lieu of foreclosure, and in return, Oceanside agrees to release these lot owners from liability under the subject loan documents. These agreements are collectively referred to herein as the “Deed in Lieu Agreements”.
- G. The HCA, PCSA, and the Club may have lien rights in the properties and/or the Golf Memberships which are the subject of the Deed in Lieu Agreements (collectively, the “DIL Properties”).
- H. Certain other of the lot owners defaulted on secured obligations owed to Oceanside and Oceanside has or will acquire their properties and Golf Memberships by way of foreclosure or other legal proceedings (the “Foreclosure Lots and Memberships”).
- I. The HCA, PCSA and the Club may have lien rights in the Foreclosure Lots and Memberships.
- J. The parties wish to resolve any issues regarding their respective interests in the subject properties and Golf Memberships in connection with the Deed in Lieu Agreements and Oceanside’s acquisition of the Foreclosure Lots and Memberships.

NOW THEREFORE, for and in consideration of the above and of other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by all parties, the parties agree to the following:

1. **Consent to Deed in Lieu Agreements.** HCA, PCSA, and the Club, and each of them, on their own behalf and on behalf of their respective successors, assigns and beneficiaries hereby consent to the Deed in Lieu Agreements, and all transactions contemplated therein, including without limitation the transfer of the subject properties and Golf Memberships to Oceanside.

2. **Payment of Assessments to HCA and PCSA; Release of Lien.** With respect to any property acquired by Oceanside pursuant to a foreclosure or similar proceeding or Deed in Lieu Agreement described above for which past-due assessments are owed to HCA or PCSA, which past-due assessments constitute a lien or liens on the subject property, Oceanside shall pay to HCA and PCSA the lesser of (i) the past-due amount of assessments owed to HCA and PCSA and (ii) the amount of six (6) months of past-due assessments owed to HCA and PCSA. In return for such payment, HCA and PCSA, and each of them, on their own behalf and on behalf of their respective successors, assigns and beneficiaries, do hereby fully, completely, and forever

release and discharge all claims, rights and causes of action of any kind, which any of them have or may have, whether known or unknown, contingent or fixed, liquidated or unliquidated, matured or unmatured, whether based on federal or state law, or the law of another jurisdiction, and whether based on a theory of tort, contract, statute, or any other legal theory against Oceanside and the subject properties for each Deed in Lieu Agreement or foreclosure, but only with respect to claims, rights or causes of action based on such past-due assessments and the resulting liens on the subject property. In accordance therewith, HCA and PCSA shall release their respective liens on the subject property, by executing a Satisfaction and Release of Lien in substantially the form attached hereto as Exhibit "A".

3. **Payment of Dues to Club.** With respect to each Golf Membership acquired by Oceanside pursuant to a Deed in Lieu Agreement or foreclosure or similar proceeding described above for which past-due Club dues or assessments are owed to the Club, Oceanside shall pay the Club upon acquisition of the membership the lesser of (i) the amount of outstanding Club dues and assessments owed to the Club with respect to that Golf Membership and (ii) the amount of six (6) months of outstanding past-due Club dues and assessments owed to the Club with respect to that Golf Membership. Any remaining past-due Club dues and assessments will be payable as set forth in Section 4 below.

4. **Deferral of Payment of Club Dues, Transfer Fee and Membership Contribution.** The Club acknowledges and agrees that until Oceanside transfers the Golf Membership to a third party buyer ("Third Party Buyer") in connection with a sale of the Hokulia lot associated with the Golf Membership, (i) any outstanding accrued but unpaid Club dues and assessments (in excess of the amounts payable under Section 3 above) with respect to the Golf Membership for periods prior to the date Oceanside acquires the Golf Membership will be held in abeyance without further interest or penalty, (ii) any outstanding interest, late charges and reasonable attorneys fees and costs incurred by the Club incident to the collection of such dues, assessments, interest and late charges with respect to the Golf Membership assessed by the Club against the former owner with respect to the Golf Membership as of the date that Oceanside acquires the Golf Membership will be held in abeyance without further interest or penalty, (iii) the Club dues and assessments for periods beginning with Oceanside's acquisition of the Golf Membership will accrue without interest or penalty, (iv) there shall be no membership contribution due the Club until Oceanside transfers the Golf Membership to the Third Party Buyer and (v) no transfer fee shall be payable until Oceanside transfers the Golf Membership to the Third Party Buyer. The Club agrees that only a single transfer fee (20%) shall be payable with respect to Oceanside's acquisition of the Golf Membership and subsequent transfer of the Golf Membership to the Third Party Buyer and that Oceanside may elect to have the transfer fee paid upon its acquisition of the Golf Membership rather than upon the transfer of the Golf Membership to the Third Party Buyer. Upon Oceanside's subsequent transfer, the Third Party Buyer shall be liable for payment of the membership contribution (currently \$150,000) to the Club. From such membership contribution, the following will be deducted: (1) all accrued and unpaid membership dues and assessments with respect to the Golf Membership under (i), (2) all outstanding interest, late charges and reasonable attorneys fees and costs under (ii), and (3) if the transfer fee was not paid upon Oceanside's acquisition of the Golf Membership, the transfer fee of 20% of the membership contribution. After deducting these amounts from the membership contribution, the balance of the membership contribution associated with the Golf Membership will be paid to Oceanside as the

“Transferor” of the Golf Membership interest in accordance with the Club’s documents and the Club shall fully, completely, and forever release and discharge all claims, rights and causes of action of any kind, which it has or may have, whether known or unknown, contingent or fixed, liquidated or unliquidated, matured or unmatured, whether based on federal or state law, or the law of another jurisdiction, and whether based on a theory of tort, contract, statute, or any other legal theory based on unpaid membership dues, assessments, interest, late charges, or reasonable attorneys’ fees and costs with respect to the Golf Membership.

5. **Court Approval and Binding Effect.** This Agreement is subject to and shall not become effective until and unless it is executed by all parties and approved by their respective counsel, and a final unstayed order is entered by the Bankruptcy Court approving all of the terms and conditions set forth in this Agreement.

6. **Further Assurances.** The parties agree to do such acts as are necessary to carry out the terms and provisions of this Agreement.

7. **Attorneys' Fees.** Each party shall bear its own costs, expenses, and fees, including attorneys' fees, incurred by each of them regarding this matter up to and including this Agreement. In the event of litigation concerning this Agreement, the losing party shall pay the reasonable attorneys' fees and costs of the prevailing party.

8. **No Admission of Liability.** It is understood and agreed that this Agreement and the transactions contemplated herein are compromise of claims between the parties hereto and that the terms of this Agreement and the transactions contemplated herein do not constitute and are not to be construed as an admission of liability on the part of any party.

9. **Amendments.** This Agreement shall not be altered, amended, modified, or otherwise changed, in any respect or particular whatsoever, except by writing duly executed by the parties hereto. The parties hereby acknowledge and agree that they will make no claim at any time that this Agreement has been orally altered or modified in any respect whatsoever. This Agreement constitutes a single integrated written contract, expresses the entire agreement among the parties hereto, and supersedes all prior oral and written agreements, representations, negotiations, and correspondence with respect to the matters addressed herein.

10. **Construction.** The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

11. **Capacity.** Each of the parties herein represents, warrants, and covenants that each person executing this Agreement in a representative capacity is duly authorized to do so. Each person executing this Agreement in a representative capacity represents and warrants that he or she is duly authorized to do so.

12. **Headings.** The descriptive headings of the several sections of this Agreement are inserted for the convenience of reference only and do not constitute a part of this Agreement.

13. **Successors and Assigns.** This Agreement shall inure to the benefit of, and be binding upon, the parties and their respective agents, legal representatives, predecessors, successors, and assigns.

14. **Counterparts and Facsimile Signature.** This Agreement may be executed in counterparts, each of which shall, for all purposes, be deemed to be an original and all of which shall constitute but one and the same Agreement. Further, the parties agree that when this Agreement is executed by any party, a facsimile or electronic copy of that party's signature shall be deemed to be an original signature for any and all purposes.

15. **Governing Law.** This Agreement shall in all respects be interpreted, enforced and governed under the laws of the State of Hawaii (except insofar as it is subject to and governed by provisions of the United States Bankruptcy Code).

16. **Jurisdiction and Venue.** Any controversies regarding this Agreement shall be resolved in the Bankruptcy Court. Any action related to, based upon, or arising from a breach of this Agreement shall be brought only in the Bankruptcy Court, which shall retain jurisdiction over the subject matter and parties for this purpose.

[Signature Page Follows]

IN WITNESS THEREOF, the parties have executed this Agreement as of the day and year first above written.

1250 Oceanside Partners, a Hawaii limited partnership

By _____
G. Rick Robinson
Its Chief Restructuring Officer

“Oceanside”

Hokulia Community Association, Inc., a Hawaii non-profit corporation,

By _____
Its

“HCA”

Hokulia Park and Cultural Sites Association, Inc., a Hawaii non-profit corporation

By _____
Its

“PCSA”

The Club at Hokulia, Inc., a Hawaii non-profit corporation,

By _____
Its

“Club”

EXHIBIT A

LAND COURT SYSTEM

REGULAR SYSTEM

AFTER RECORDATION, RETURN BY MAIL () PICK UP (X):

This document contains 3 pages

Affects TMK No. _____
Affects TCT No. _____
Property Address _____

SATISFACTION AND RELEASE OF LIEN

WHEREAS, [Hokulia Community][Hokulia Park & Cultural Sites] Association, Inc., a Hawaii non-profit corporation (“XX”) [HCA][PCSA] recorded a Notice of Lien on _____, in the Bureau of Conveyances of the State of Hawaii as Document No. _____, which created a lien (the “XX Lien”) for unpaid delinquent assessments, in the amount of \$ _____.

WHEREAS, XX desires to release the property described above and the Charter Membership and/or an Equity Golf Membership respecting the property (collectively, a “Golf Membership”) from the XX Lien upon payment of the amounts owed, as set forth in that certain “Agreement Respecting Certain Lot and Golf Membership Transactions”, dated _____, (the “Payment”);

NOW, THEREFORE, upon receipt of the Payment by XX, as set forth herein, XX, on its own behalf and on behalf of its successors, assigns, and beneficiaries, does hereby

EXHIBIT A

release the property and/or the Golf Membership, as applicable, described above from the XX Lien.

IN WITNESS WHEREOF, XX has caused these presents to be duly executed on this _____ day of _____, 201 ____.

_____ ASSOCIATION, INC.,
a Hawaii non-profit corporation

By _____

Its

EXHIBIT A

STATE OF HAWAII)
) SS.
COUNTY OF HAWAII)

On _____, before me personally appeared _____, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable, in the capacity shown, having been duly authorized to execute such instrument in such capacity.

NOTARY STAMP OR SEAL

Signature

Name (Typed or Printed)
Notary Public, State of _____
My commission expires: _____

<p>Doc. Date: _____ # Pages: _____ Notary Name: _____ Circuit Doc. Description: Satisfaction and Release of Lien</p> <p>_____ Notary Signature Date</p> <p>NOTARY CERTIFICATION</p>	<p>Notary Stamp Or Seal</p>
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UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF HAWAII

In re

1250 OCEANSIDE PARTNERS, a
Hawaii limited partnership, et al.,

Debtors and Debtors-in-Possession.

Case No. 13-00353
(Chapter 11)
(Jointly Administered)

**DECLARATION OF G. RICK
ROBINSON**

This document relates to

ALL CASES

DECLARATION OF G. RICK ROBINSON

I, G. RICK ROBINSON, declare, under penalty of perjury, that:

1. I am the Chief Restructuring Officer of 1250 Oceanside Partners (“Oceanside”), Pacific Star Company, LLC, and Front Nine, LLC. I am over the age of 18 years, and I am competent to make this declaration and do so based on personal knowledge, except as otherwise indicated.

2. I make this Declaration in support of the Motion for Order Approving Agreement Respecting Certain Lot and Golf Membership Transactions (the “Motion”).

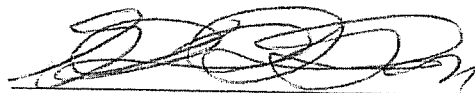
3. Attached to the Motion as Exhibit "1" is a copy of a proposed Agreement Respecting Certain Lot and Golf Membership Transactions (the "Agreement"), as to which the Court's approval is sought.

4. I am familiar with the facts surrounding the Agreement.

5. In the exercise of my business judgment, for the reasons set forth in the memorandum in support of the Motion, and in consideration of the expense and uncertainty of litigation, I believe that the terms of the Agreement, which was negotiated in good faith and after independent evaluation, are fair and equitable and in Oceanside's best interest.

I declare, under penalty of perjury, that the foregoing is true and correct.

DATED: Kailua-Kona, Hawaii, 4-3-14.



G. RICK ROBINSON