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GOVERNOR  
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MICAH A. KANE  
CHAIRMAN  
HAWAIIAN HOMES COMMISSION  
DEPARTMENT OF HAWAIIAN HOME LANDS  
DEPUTY TO THE CHAIRMAN  
MICHAEL E. PAUL  
EXECUTIVE ASSISTANT

STATE OF HAWAII

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DEPARTMENT OF HAWAIIAN HOME LANDS

P.O. BOX 1879  
HONOLULU, HAWAII 96813

September 2, 2008

Mr. Henry Eng, Director  
City and County of Honolulu  
Department of Planning and Permitting  
650 South King Street  
Honolulu, Hawaii 96813

Dear Mr. Eng:

Subject: TMK: (1) 9 - 1 -13-: (por.) 40  
Kalaeloa, Oahu

This letter is a follow up to my earlier letter to you dated January 14, 2008 and specifically about the first paragraph on page 2 of the letter. Your staff has had discussions with mine since the receipt of the January 14, 2008 letter by your office about the grading permit and both agree that the lessee should be required to follow the county ordinances on this matter. We have publicly expressed this position in the media when SORT was in the news and we continue to maintain that position.

Therefore, the first paragraph on page 2 of my letter to you dated January 14, 2008 is hereby rescinded. SORT is required to obtain the necessary grading permits.

I apologize for the long delay in getting this letter to you

Aloha and mahalo,

A handwritten signature in black ink, appearing to read "Micah", written over a horizontal line.

Micah A. Kane, Chairman  
Hawaiian Homes Commission

January 14, 2008

Mr. Henry Eng, Director  
City and County of Honolulu  
Department of Planning and Permitting  
650 South King Street  
Honolulu, Hawaii 96813

Dear Mr. Eng:

Subject: Site Work Permits - TMK:(1)9-1-13:(por.)40;  
Kalaeloa, Oahu

The Department of Hawaiian Home Lands (DHHL) has issued Revocable Permit No. 411 (RP 411) to SAVE OAHU'S RACE TRACKS (SORT), a Hawaii limited liability company, for the use of approximately 38 acres of Hawaiian home lands located on the TMK parcel described in the subject line above. RP 411 was issued to allow SORT to construct, operate and manage various types race tracks for various types of wheeled vehicles. Education and training in safety and legal forms of vehicular racing may also be conducted by SORT on the site.

As a condition of RP 411, SORT is required to comply with all governmental regulations pertaining to its use of the property, including obtaining county permits for any construction work that takes place on the site. DHHL's primary concern is that SORT's construction, operation and continued use of the site is done in a safe and healthy manner that also minimizes any impacts on community and neighboring property owners.

DHHL believes SORT's use of the property has benefits for all residents of Oahu in that it may help reduce illegal street racing by providing a temporary venue where vehicular racing can take place in a safer and more controlled environment while a more permanent solution is sought.

Mr. Henry Eng  
January 14, 2008  
Page 2

SORT has informed us that the CITY has questioned the necessity of a grading permit which SORT has been trying to obtain so that it can proceed with removing vegetation and grading a dirt race track on the site. If, within the next twenty (20) days, the CITY does not inform us otherwise, we will assume that the CITY is supportive of SORT's efforts and has waived grading permit requirements.

Please inform your staff of the contents of this letter so that they are aware of DHHL's exempting this location from the CITY's land use zoning and our appreciation for any assistance the CITY may provide SORT in facilitating the construction of improvements as needed.

If you have any concerns or need more information, please call me or you may have your staff contact Noel Akamu, DHHL Property Development Manager, at 587-6432.

Aloha and mahalo,

Micah A. Kane, Chairman  
Hawaiian Homes Commission

c: Mr. George Grace, Save Oahu's Race Tracks