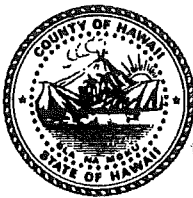


Harry Kim
Mayor



LAND USE COMMISSION
STATE OF HAWAII

Christopher J. Yuen
Director

Brad Kurokawa, ASLA
LEED® AP
Deputy Director

County of Hawaii AUG 20 A 8:40
PLANNING DEPARTMENT

101 Pauahi Street, Suite 3 • Hilo, Hawaii 96720-4224
(808) 961-8288 • FAX (808) 961-8742

August 18, 2008

Orlando Davidson, Executive Officer
State Land Use Commission
P.O. Box 2359
Honolulu, HI 96804-2359

Dear Mr. Davidson:

LUC Docket No. A89-643 for McClean Honokohau Properties; REZ 744 & LUC 774

Subject: 2008 Annual Progress Report

Tax Map Key: (3) 7-4-24: 1, 2, 4, 6-12

This is to acknowledge receipt of the annual progress report submitted to the LUC by Smolenski & Wooddell on behalf of McClean Honokohau Properties.

The petitioner has requested that Condition Nos. 4, 5, 6, 7 and 10 for Increment I be released. Condition Nos. 4, 5, 7 and 10 have been fulfilled and therefore we have no objections to these conditions being released. However, before we can support the release of Condition No. 6, please provide a copy of the adopted tenant rules for eliminating the risk of spills of pollutants.

If you have any questions, please feel free to contact Norman Hayashi or Maija Cottle at (808) 961-8288, ext 205 and 253, respectively.

Sincerely,

CHRISTOPHER J. YUEN
Planning Director

MJC:smn

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cc w/ report: Planning Commission
Planning Department – West Hawaii Office

cc w/out report: Robert J. Smolenski
Robert S. McClean