



May 1, 2007

Mr. R. Ben Tsukazaki, Esq.
Tsukazaki Yeh & Moore
85 W. Lanikaula Street
Hilo, HI 96720

Subject: Preliminary Geotechnical Evaluation of Sea Cliff at McCully Property
TMK: 2-9-003: 013, 029 and 060, Wailea, South Hilo, Hawaii

Dear Mr. Tsukazaki:

Based on your recent request and Yogi Kwong Engineers, LLC's (YKE) sea cliff evaluation in support of a planning study at the McCully property, more specifically identified as TMK: 2-9-003: 013, 029 and 060, Wailea, South Hilo, Hawaii, below is a brief summary of our preliminary geotechnical opinions in support of the planning study. Our services are performed based on our earlier proposal to Mr. James McCully.

We understand the proposed McCully single-family dwelling and related improvements to be constructed on TMK: 2-9-003: 029 will be sited no less than 70 feet inland of the bluff edge. During our site reconnaissance in November 2005, the property was maintained as a grassed area with scattered landscape plantings which did not show observable sign of recent mass wasting above the edge of the sea cliff. Review of 2007 aerial photograph of site observed similar surface conditions.

Based on a review of various historical aerial and topographic photos and maps, as well as the siting of the proposed single-family dwelling no less than 70 feet inland of the top of the bluff at the time of design and construction, I feel that the setback appears prudent based on the height of the existing bluff (approximately 100 to 140 feet high) and a 75-year design life for the dwelling and associated structures against potential coastal erosion caused by intensive or storm wave action, tsunami, and related coastal flooding. The proposed 70-foot setback from the top of the bluff appears reasonable considering the height of the bluff.

We understand that Mr. McCully will retain a qualified geotechnical engineer to perform site and project specific detailed geotechnical investigation for the design and construction of the dwelling and associated structures and related earthworks and hillside stability pertaining to the new development. These services are beyond the scope of YKE's study.

Please feel free to contact us if you have any questions concerning this letter report.

Yours truly,
Yogi Kwong Engineers, LLC

James Kwong, Ph.D., P.E.
Principal