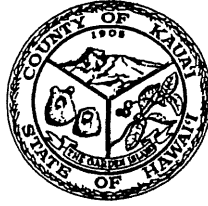


BRYAN J. BAPTISTE
MAYOR

GARY K. HEU
ADMINISTRATIVE ASSISTANT



IAN K. COSTA
DIRECTOR OF PLANNING

LAND USE COMMISSION
STATE OF HAWAII

GARY L. HENNIGH
DEPUTY DIRECTOR OF PLANNING

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**COUNTY OF KAUAI
PLANNING DEPARTMENT**

Kapule Building
4444 Rice Street, Suite A473
Lihu'e, Hawai'i, 96766-1326

TELEPHONE: 808.241.6677
FAX: 808.241.6699

October 4, 2004

Anthony J.H. Ching
Land Use Commission
P.O. Box 2359
Honolulu, Hawaii 96804-2359

SUBJECT: Annual Report for LUC Docket No. A00-731
Kapalawai Resort, LLC

We have no objections or comments to offer regarding the applicant's annual report. The information provided by the applicant in the report is accurate.

For your information, the applicant is currently in the process of amending their permits with us to allow for 42 units to have kitchens. Action on their request has not yet been taken by the Planning Commission.

Thank you for allowing us this opportunity to comment, and should you have any questions, please feel free to contact Keith Nitta of my staff at 241-6677.

IAN K. COSTA
Planning Director