

FROM THE GENERAL MANAGER'S OFFICE

Aloha from Bali Hai Villas. On behalf of our resort's associates and our Board of Directors, I trust all are remaining safe and healthy during these challenging times. Due to the COVID-19 pandemic, Bali Hai Villas has remained closed since April 4th and continues to maintain a skeleton crew, ensuring the resort is kept safe and secure at all times. This crew continues to prepare for the resort to reopen this year by conducting Housekeeping, Maintenance and special project work as time and resources permit.

Separate from the resort's skeleton crew, the majority of resort positions were identified for furlough when the resort closed. During this time, all furloughed associates continue to receive elected healthcare benefits with their healthcare benefit premiums (both employer and associate portions) paid to ensure continuity of elected medical/dental coverage.

A partial reopening of the State of Hawaii was initiated June 16th with the elimination of the 14-day quarantine required for those traveling within the state. Furthermore, many low-risk and medium-risk businesses and operations were allowed to reopen with physical distancing and safety measures in place.

At this time, the state's 14-day quarantine requirement for out-of-state travelers to Hawaii remains in effect until August 30th. As a result, it is anticipated that Bali Hai Villas may potentially re-open in September should out-of-state tourism be allowed with pre-travel testing procedures and stringent guidelines in place. Additionally, the IOA Board of Directors approved those PAHIO fixed/float week owners who were directed to either cancel their reservations at Bali Hai Villas or who could not travel to Bali Hai Villas between 3/13/2020 and our to-be-determined reopening date of the resort the ability to rebook and utilize their unused weeks as far out as 12/31/2021. Should you be interested in rebooking your even-year week later this year or next year, please contact Owner Services at (866) 523-8477.

Additionally, when the resort does reopen, owners, guests, associates and vendors will be required to wear face masks in all indoor/outdoor public spaces, as recommended by the Centers for Disease Control and mandated by the State of Hawaii and the County of Kauai. Also, the registration process at the resort will look and feel different, as an enhanced "curbside check-in" will be introduced along with a new signage/stanchion/rope-directed entrance/exit flow pattern, protective sneeze guards at the Reception Desk and Concierge Desk, and a Clubhouse Ambassador (Guest Services) and Concierge Ambassador partnering to provide quick, efficient, safe and social distanced check-in options designed to reduce traffic and eliminate large gatherings in the Clubhouse.

Along with the enhanced curbside check-in, owners will be able to select and activate high-tech RFID-enabled wristbands with a variety of designs, colors and themes to get their vacations started. Replacing parking passes, these wristbands operate like regular key cards and will also provide owners access to their suites and common area amenities such as the Mahina Pool and Clubhouse Fitness Center, and provide deals and discounts at local restaurants, shops and island activities.

When the resort re-opens, owners and guests will be introduced to a new operating procedure at the resort's pools, beginning first with the Mahina Pool, as that is the only pool slated to re-open initially. In order to ensure the safety of all, a Pool Concierge will be assigned to oversee the Mahina Pool whose primary responsibilities will be to manage the maximum occupancy of the pool area, clean and sanitize the pool's lounging/sitting areas and ensure social distancing requirements are followed at all times.

Lastly, the resort's associates will all receive training to ensure fluency in COVID-19 safety and sanitation protocols. These new procedures will require associates to both acknowledge their personal accountability for the safety of other associates, owners, and guests—requiring each associate to attest that they are not currently exhibiting any symptoms of COVID-19—and take daily temperature readings.

While Bali Hai Villas is temporarily closed, we are optimistic that travel will begin again, that vacations will be enjoyed again and that memories lasting lifetimes will be made again. Until that time arrives, please remain safe and healthy.

Bali Hai Villas "Creating Life Long Memories with Aloha"

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Aloha Fellow Owners,

I hope this message finds you and your families doing well in these challenging times. Just as many states are trying to determine how to best operate safely, the same is true for Bali Hai Villas. Sean and our Management Team are doing a great job identifying and implementing numerous changes in preparation for welcoming Owners and guests back to Bali Hai Villas once the State's Governor lifts the quarantine requirements for transpacific visitors.

Preparations are also underway for the Annual Meeting of the Owners of the PAHIO at Bali Hai Villas Interval Owners Association which will be held on Thursday, October 22nd.

Be on the lookout for a postcard that will arrive in your mailbox mid-September which will provide the website link where details of the Annual Meeting can be found and where your Proxy can be submitted. This postcard will also provide instructions on how to obtain a paper Proxy if preferred. Please be sure to submit your Proxy in order to vote your ownership interest.

Should you be planning a trip to Bali Hai Villas in late October, assuming that Kauai has reopened to transpacific flights and that Bali Hai Villas has also reopened, we hope you will consider joining us for a socially distanced Annual Meeting. If you aren't able to attend in person but would like to listen to the Annual Meeting, we will again be offering this year the opportunity to dial in remotely to the meeting. Please see the Annual Meeting Notice for details on how to register or contact our Guest Services Manager Kate Solovyan at <u>kate.solovyan@wyn.com</u> by October 14th.

As communicated in the last newsletter, the Association of Apartment Owners of Bali Hai Villas ("AOAO"), the Association responsible for the common areas (e.g. pools, landscaping, roadways, building exteriors, Clubhouse), is implementing air conditioning for each bedroom and living room in all residential units at Bali Hai Villas. Owners and guests who desire air conditioning during their stay at the resort will be able to pay a nightly fee to operate their unit's air conditioning. The great news for all Owners is that this project is being structured as a self-funding initiative where the fees collected from those enjoying the air conditioning will be used to cover the costs of the program; this will avoid having to increase the maintenance fee that each Owner pays.

Your IOA Board has begun working on plans to refresh the soft goods of each unit in 2022. Sleeping Giant, also known as Nounou Mountain, located near Wailua, has been selected as the design inspiration and we will be incorporating vibrant colors, including red and yellow, attributed to Hawaiian Royalty, into the color scheme. More details will be provided in future newsletters as the design details are put together.

Should you have any questions, comments, or concerns please let us know!

Feel free to contact your Board of Directors or your General Manager should you have any questions, comments or concerns.

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