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 closed April 4th but has recently reopened October 15th, with trans-Pacific tourism only from the US mainland and Japan allowed with 72 hour advance pre-travel testing procedures and stringent guidelines in place. While much still needs to be determined, it is likely that resort occupancy may potentially increase steadily through year end and that group and gathering-based activities and amenities may remain closed or restricted in the short term.

Additionally, as the resort reopens, 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 as mandated by the State of Hawaii and Kauai County. Owners and guests will also be introduced to a new operating procedure at the resort's pools, as Pool Monitors will be assigned to

oversee the Mahina and Wailele Pools to manage the maximum occupancy of the pool areas, clean and sanitize the pools' lounging/sitting areas and ensure social distancing requirements are followed at all times. Also, owner/guest-requested items will be delivered in a bag outside of the owner/guest's suite with linen exchange coordinated in a way that imposes social distancing. If an owner or guest requires any maintenance of their suite, the work is to be coordinated during a time when they are not present. If the task requires immediate attention, owners and guests will be asked to temporarily exit their suites until the task is complete. Mid-stay cleaning has also been temporarily suspended.

Despite the resort's closure for much of 2020, improvements continued to be initiated for the benefit of all owners and guests, perhaps none so impactful as the installation of split system air conditioning in the living areas and bedrooms of all units at Bali Hai Villas initiated by the Board of Directors of the Association of Apartment Owners of Bali Hai Villas, where owners and guests who desire air conditioning will be able to pay a nightly fee to experience A/C in their villa. Also, most importantly, this project is structured as a self-funding initiative where the fees collected from those enjoying air conditioning will be used to cover the costs of the program, thus avoiding the necessity of having to increase the maintenance fee that each owner pays.

Also, during the resort's closure, all exterior parking areas were paved, sealed and striped, four commercial-grade BBQ grills were "built-in" under the Wailele Cabana and the pool furniture at the Mahina Pool was replaced.



Air Conditioning



Paving/Striping of Exterior Parking Areas



Wailele Cabana BBQ Grills

As Bali Hai Villas reopens, 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 fully arrives, please remain safe and healthy; we look forward to safely welcoming you and your ohana back to Bali Hai Villas in the near future.



Aloha Fellow Owners,

It has been a long year managing through the changing conditions due to the COVID-19 pandemic. For those who are anxious to cautiously resume vacation travel, you may want to consider a trip home to Bali Hai Villas. As of October 15th, the State of Hawaii and County of Kauai have implemented a multi-layered testing and screening process to protect residents and visitors and minimize the spread of COVID-19. In conjunction with the reopening of the state, Bali Hai Villas has also reopened to guests who have a negative COVID-19 test through Hawaii's safe travels program. While restrictions could be reimplemented should Kauai see increases in the positivity rate, three weeks into the program the positivity rate remains

less than 1% for Kauai. Hawaii continues to enhance their travel program; more details and the latest requirements for travel to Hawaii can be found at hawaiicovid19.com/travel while kauai.gov/covid-19 provides additional travel information specific to Kauai.

Should you have the opportunity to travel to Hawaii, please help control the spread of COVID-19 by complying with state and county requirements which include social distancing and mandatory face mask usage (covering nose, mouth, and chin) both indoors and outdoors while in proximity of people you don't live with. Mask wearing in Hawaii is considered a sign of respect and ALOHA.

Given the resort closure and the impact the pandemic has had on travel in 2020, many families were not able to vacation this year as they had planned. The PAHIO at Bali Hai Interval Owners Association Board of Directors approved a one-year extension of 2020 use year weeks in order to provide owners flexibility to shift travel to 2021. For more information based on your ownership type, please see the end of year mailing which you will receive shortly. Fixed and float week owners, please contact Owner Services at (866) 523-8477 or vipservices@wyn.com by 12/31/20 to take advantage of the extension.

As part of our October Board Meeting, the Board approved the Operating Budget and Reserve Project spending for 2021. For 2021, the IOA will see a slight 1.84% increase to maintenance fees. This increase is driven primarily by maintenance fees for the Association of Apartment Owners (AOAO) of Bali Hai Villas (due to property tax valuation and insurance costs from 2019 hurricanes and wildfires). The Board approved applying a portion of 2020 favorability against the 2021 budget to offset pandemic-related impacts due to reductions in rental income and increases in bad debt expense in order to minimize the overall maintenance fee increase for 2021. Remaining 2020 favorability was assigned to reserves to offset unexpected costs from the kitchen and bathroom update which completed in Q1 2020.

Looking forward to 2021, we have our Annual Meeting planned for Thursday, May 27th where there will be one Director position up for election. If you are interested in serving on the Board, please contact Joanna Villarreal at <u>joanna.villarreal@wyn.com</u> for details. Nomination forms are due by February 1, 2021.

On behalf of the Board of Directors and our Team of Associates at Bali Hai Villas, I wish you, your families, and your friends a safe, healthy, and happy upcoming holiday season. Please take care of yourselves and we hope to see you again at Bali Hai soon.

Bali Hai Villas "Creating Life Long Memories with Aloha" Please visit your website! www.PAHIO.com

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

PAHIO at Bali Hai Villas Interval Owners Association Board of Directors:

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