

FROM THE GENERAL MANAGER'S OFFICE



Aloha and Hau'oli Makahiki Hou (Happy New Year) from Bali Hai Villas! On behalf of our resort's associates and our Board of Directors, I trust all enjoyed the holidays, albeit socially distanced and safely.

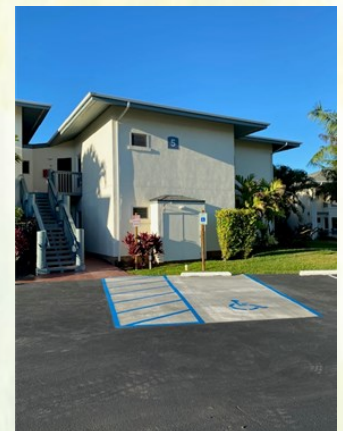
Bali Hai Villas reopened briefly from mid-October to mid-December as out-of-state tourism was once again allowed to the Hawaiian Islands with 72 hour advance pre-travel testing procedures and stringent guidelines in place.

Late-November, the Governor of Hawaii approved Kauai Mayor Kawakami's request to temporarily pause Kauai's participation in the state's Safe Travels pre-travel testing program, mandating that all incoming travelers to Kauai must self-quarantine for 14 days, regardless of testing prior to or after arrival to the island. This change became effective December 2nd, at which time the decision was made to close Bali Hai Villas once again along with all of Kauai's Wyndham managed resorts as travel to the island once again decreased significantly given the mandatory 14 day quarantine requirement (recently changed to a mandatory 10 day quarantine requirement).

Bali Hai Villas has remained closed since December 18th and continues once again to maintain a skeleton crew, ensuring the resort is kept safe and secure at all times. As with the resort's initial closure in early-April, the skeleton crew has also been preparing for Bali Hai Villas to reopen in the near future by conducting Housekeeping, Maintenance and special project work as time and resources permit.

Separate from the resort's skeleton crew, all other resort positions were identified for furlough when the resort closed and were placed on unpaid leaves of absence. During this time, as with the resort's first closure in early-April, all furloughed associates remain associates of Wyndham Destinations and continue to receive elected healthcare benefits with their healthcare benefit premiums (both employer and associate portions) paid by the company to ensure continuity of elected medical/dental coverage.

Despite the resort's most recent closure, improvements continue to be initiated. The installation of split system air conditioning in the living areas and bedrooms of all units at Bali Hai Villas is ongoing, with air conditioning installed in all units of Buildings 5, 6 and 8 before the holidays. Additionally, prior to year-end, all motors, pumps and sand filters were replaced at the Mahina and Wailele Pools, the gutters and downspouts were replaced at Building 1, overgrown monkey pod trees were trimmed/crowned, a domestic water supply leak under the Mahina Terrace was located and repaired, and exterior walkways, railings and parking spaces were installed to access six new ADA-accessible units following the 2019 – 2020 IOA refurbishment.



As the New Year begins, we move forward with several other enhancements at the resort, including the replacement of moisture-compromised exterior entrance decks, landings and support columns, the replacement of kitchen appliances in all non-Ali'i units, and the replacement of the roofs, gutters and downspouts of Building 8.

Although closed temporarily, we continue to be optimistic that travel to Kauai will begin again, that vacations will be enjoyed again as vaccinations are distributed, 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,

Happy New Year! I hope everyone had a safe holiday season and was able to enjoy the time in some new and creative ways...perhaps even starting some new family traditions! Anyone spend time with family and friends opening presents outdoors in a park while socially distanced with masks on in 15 degree temperatures? Who could ever have predicted that occurring! Okay, maybe some activities will NOT become a new ongoing family tradition!

One thing the pandemic has reminded us of is how important it is to spend time with families and friends, to slow down and create lasting memories. While at the moment we are restricted to connecting virtually through Zoom or Facebook and are limited to reliving those memories through pictures and conversations, it won't be long before we are able to safely resume travel and begin creating new memories. Until that time, dig out the pictures and reflect on great memories from prior travel experiences to help manage through!

The IOA Board continues to work with the Management Team to make improvements to the interior of our units. Over the course of 2021 we will be preparing for the refresh of the soft goods in each of our 129 units. With the refresh planned to occur at the beginning of 2022 the bulk of the project activities will occur during 2021 including final input into the fabric and furniture selections, developing specifications and bid packages to initiate the bid process, selection of the project manager, approval of the final project scope and cost, and ordering the materials. The project is projected to cost \$6.5MM with the cost to be finalized later this year once the bid packages are received. This cost will be covered by our Repair and Replacement Reserve Fund which is a separate designated pool of dollars funded by a portion of the annual maintenance fee which can only be used towards the repair and replacement of our long-lived assets (e.g. furniture, flooring, cabinets, countertops).

Sleeping Giant, also known as Nounou Mountain, which is located on the East side near Wailua and Kapa'a, has been selected as the design inspiration for our project and we will be incorporating colors, including shades of red and yellow which are colors attributed to Hawaiian Royalty, into the fabric, paint, and artwork color scheme for both our Deluxe and Ali'i (Presidential) units. As part of this project we will be replacing most of the furniture in the Living Room, Dining Room and Bedrooms, replacing the flooring in the Living Room and Bedrooms, replacing the fabric window treatments and bedding as well as replacing the artwork, mattresses, and lanai furniture. In conjunction with the recent Kitchen and Bathroom renovation completed in early 2020 by the end of 2022 all our units should be updated and look fantastic!

If you are unable to plan a visit to Bali Hai Villas once it is safe to do so in 2021, we hope you will consider visiting in 2022 to experience for yourself all the beauty that Kauai and Bali Hai Villas has to offer! Until then please remain safe and as always should you have any questions, comments, or concerns please let us know!

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:

Patti Thiele

President

pthiele@chicagobooth.edu

Doug Keeling

Treasurer

dkeel002@aol.com

Peter Wille

Director

peterwille@gmail.com

Carol Warner

Vice President

vwcwarner@aol.com

Phil Brown

Secretary

ebibrown@msn.com

Sean Cannard

General Manager

sean.cannard@wyn.com