



A Message from Dave Blank, AOA President

Aloha,

Ahh, spring has sprung at HBR. Air guns, compressors, concrete saws, jack hammers, roofers. The sounds of progress.

The question most asked by owners at HBR is "*Why is the rebuild taking so long?*" Believe me, it is dealt with daily by your Board of Directors, on site management, and contractors as we work our way through all the processes associated with a project this complex. The following is a brief history of the 'why' and where we are at this point.

After the fire in July of 2012 we were without a functioning front desk area, restaurant, bar, exercise facility, common area restrooms, employee lounge, administrative offices, time share sales office, and the obvious burnt out shell of 16 A and B.

Insurance assessed the damage and inspections of the site were conducted within the first couple of months with demolition completed by the end of the year. CJS Group Architects which was instrumental in the design and construction of the main pool area more than 25 years ago was hired to design and engineer the rebuild. The AOA Board and Loyds of London, our insurance company, were in agreement that with CJS's history at HBR we had the best company to lead our design and rebuild.

After 5 months of cost overruns, delays, and incomplete architecture drawings the AOA Board in conjunction with the insurance carriers terminated CJS in February of 2013. Court mediation between the HBR AOA and CJS followed which halted construction for 6 months. Rick McCormick Design of Costa Mesa California was hired to complete the lobby design and Avery Youn, former head of the County of Kaua'i Planning Department, was hired as architect. Plans were redrawn and the permitting processes for all phases of construction were resubmitted to the county for approval. As of the last week of February 2014 all construction permits have been issued. If not for Avery's association with the Planning Department the permit approval process would have been delayed even longer.

Our tentative opening of the lower level which will include administrative offices, exercise room, day room with common area restrooms, meeting rooms, massage area, storage, and timeshare sales office is scheduled for June 3. The lobby and sundry areas are slated for opening in the month of June.

This timeline does not include the weekly Shioi construction meetings, Lobby Design Committee meetings, insurance adjuster meetings, sub contractor meetings, and the hundreds of emails among the parties involved over the last 2 years.

Special thanks to Scott Pacer who in addition to being General Manager is now a construction manager as well, Bruce Zelenka from Grand Pacific Resorts for his engineering and cost analysis expertise, the Lobby Design Committee chaired by Fritz Leutheuser and Joan Bettencourt, Joe Clemensen from Shioi Construction, and Meagan Hurst from Rick McCormick Design. Beachside Roofing has begun the asphalt shingle replacement and roof repair for the remainder of the property. The \$900,000 contract is being paid from the \$2.5 million loan acquired in November.

Every owner and management company has received a roofing schedule that will be revised periodically according to weather and material supply conditions. PLEASE notify your renters and management agencies as to changes in this schedule. The notices are also posted on the HBR website.

We are assessing the construction and subsurface needs associated with installing clay surfaces on tennis courts 5,6,7,8. Completion of the project is still planned for early summer.

The Interconnection Agreement between HBR AOA and KIUC has been signed and will enable the Resort to start producing solar energy. Installation of a relay and testing of the switchgear is scheduled in the next month. Energy production will start shortly thereafter.

Additional projects underway are the scheduling of spalling repair on entry and private lanais, palapa styled roofs over the pool filter area and pool bar, landscaping and flagstone repair in the proximity of the shell rebuild, painting, ventilation repair, new pool furniture for the upper pool, and discussion of a possible key card entry system.

The VOA room renovation project continues to be on schedule and the results speak for themselves - upgraded rooms that include stainless appliances, tile shower and baths, kitchen cabinets and finishes of excellent quality.

The Finance Committee has formed a subcommittee to study the subject of cost sharing between the VOA and AOA associations. Subjects and recommendations to the Boards include sharing of utility costs, housekeeping, General Excise Tax payments, delinquencies, and billing/collection of dues. Their first report as a committee will be to the March 27th AOA Board meeting.

The restaurant design and engineering is proceeding and at last report is planning a fall opening. Rick McCormick is also providing the design for the restaurant and bar to compliment the lobby. On a sad note the HBR Ohana lost a valuable member March 2nd in Rick Wilder. He suffered a heart attack in February and was recovering in a Denver hospital when he suffered another fatal attack. Rick was a VOA Board member and was an integral part of the VOA. Our sympathies to his life partner Mary and the Wilder family.

Please look for General Manager Scott Pacer's Good News letter in which he will provide more detail on the ongoing projects at HBR.

Thank you for putting up with our dust at this time of renovation and rebuild. These times are essential to bring Hanalei Bay Resort to the place we can all be proud of and say we are participating in a new level of ownership.

Aloha nui loa
Dave Blank
AOAO President