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By Jan Kusakabe at 2:29 pm, Aug 27, 2020



August 18, 2020

Michelle Miyashiro, Office Manager Workforce Development Council Michelle.R.Miyashiro@hawaii.gov

Honorable Derek S.K. Kawakami, Mayor Kaua'i County mayor@kauai.gov

I hope that this letter finds each of you and your families doing well. I wanted to provide you an update on the status of our operations at the Sheraton Kauai Coconut Beach Resort.

As you know, in March / April 2020 and again on May 11, 2020, we provided notice to you of your temporary layoff from Sheraton Kauai Coconut Beach Resort, 650 Aleka Loop, Kapaa, Hawaii 96746, due to the Coronavirus ("COVID-19") pandemic as the services of many of the Hotel's employees were not needed. At that time, the Hotel reasonably anticipated it would resume normal operations during the summer months. However, notwithstanding some efforts to "reopen" the State, tourism and travel remains severely disrupted by the COVID-19 pandemic which is impacting our occupancy, conference and banquet business not only in the short-term, but likely for future months. Based on the current circumstances, the temporary layoffs at the Hotel are now expected to extend beyond a period of six-months for a number of employees.

Should any notice be required, it has been given as soon as it was practicable in light of the unpredictable, ever-changing events surrounding COVID-19, which is recognized as a global pandemic, natural disaster (or similar effects of nature), and state of emergency. The vast impact of the COVID-19 outbreak, has been unprecedented, and unforeseeable, resulting in the issuing of multiple orders of a state of emergency, business closings and stay-at-home directives, including mandates that severely restrict the size of social gatherings or severely limit indoor activities such as occupancy, food and beverage outlets, conferences, banquets, social events, and restaurant operations.

Most recently, in response to new "spikes" of the virus, the state issued extension of the mandatory 14-day quarantine through August 31, 2020 for visitors traveling from mainland and other countries and most recently placed restrictions on inter-island travel through August 31,

2020 as well. Past orders by the State and local health officials have been extended, expanded or rolled back. Many States are now mandating that out-of-state travelers from designated "hot spots" must quarantine upon arrival which has served only to frustrate personal and business travel. The unforeseen persistence and unpredictable impact of COVID-19 together with national and local government measures to limit the spread of the virus, many announced for short periods of time but later extended or expanded, have significantly impacted our business not merely for a short period, but now for a period that could exceed six months.

As a result of the extension of your temporary layoff, please know you will not have the right to replace another employee currently working at the Resort (so-called "bumping rights").

We encourage you to apply, if you have not already done so, for unemployment benefits through the Hawai'i Department of Labor, Unemployment Division, (808) 274-3043 which also has an online portal at https://huiclaims.hawaii.gov/#/. Our Hotel will not contest any unemployment claims during this time.

If you have any additional questions or if I can assist with further clarification, please contact me directly at 808-320-3661 or cmachorek@sheratonkapaa.com.

Wishing you and your family all the very best, please take care and stay safe.

Chris Machorek

Mahalo,

General Manager

As of 8/18/2020

Job Title	Number of Team Members on Lay Off
Guest Services Manager	3
Front Desk Agent	5
Night Audit Agent	1
Bellstaff	8
Reservations Agent	1
Housekeeping Supervisor	1
Room Inspector	2
Room Attendant	29
Lobby Attendant	3
Houseperson	8
Laundry Attendant	1
Greeter/Cashier - Outlet	4
Outlet Server - Outlet 1	6
Bus Staff - Outlet 1	4
Outlet Manager - Outlet	1
Banquet Captain	2
Cook 1 - Outlet 1	13
Cook 2 - Outlet 1	3
Dishwasher	9
Barista - Outlet 1	3
Banquet Server	2
Food Runner	2
Bartender	6
Bar Server	8
Bar Utility	3
Bartender - Fran	1
Bus Staff - Fran	2
Accounting Clerk	2
Sales Coordinator	1
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