

Kai Management Services, LLC
820 Mililani Street, Suite 600
Honolulu, HI 96813

DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS
DIRECTOR'S OFFICE
2022 JAN 19 AM 8:35

January 14, 2022

[HAND DELIVERED]

Office of the Director
Department of Labor and Industrial Relations
830 Punchbowl Street, Room 321
Honolulu, HI 96813

To Whom It May Concern:

Rycroft Holdings LLC, a Hawaii limited liability company ("Rycroft"), entered into a Purchase and Sale Agreement with Savio Pagoda Operating Company LLC, a Hawaii limited liability company ("Savio"), pursuant to which Rycroft purchased the Pagoda Hotel (the "Hotel") from Savio. The closing of the transaction took place on November 30, 2021.

In connection with the closing of the Hotel purchase, Rycroft has decided to change the Hotel management company from Kai Management Services LLC, an affiliate of Aqua Hotels and Resorts, Inc ("Kai Management"), to Highgate Hotels, L.P. ("Highgate"). The change in Hotel management company shall take place on or about April 1, 2022.

When the change of the Hotel management company occurs, Hotel employees will be separated from employment with Kai Management. However, Highgate, as the new Hotel management company, has advised us that it intends to offer employment to all of the current Hotel employees on comparable terms and conditions at the Hotel. Please note, however, that Kai Management cannot make any representations regarding the future employment of Hotel employees by Highgate.

Kai Management currently employees approximately fifty-three (53) employees at the Hotel.

In connection with the transaction, Kai Management is issuing the enclosed notice to all Hotel employees pursuant to the Hawaii Dislocated Workers Act, Hawaii Revised Statutes, Chapter 394B.

The corporate office of Kai Management is located at 820 Mililani Street, Suite 600, Honolulu, Hawaii 96813. You may contact Janice Wakatsuki, Senior Vice President of Human Resources for Kai Management at (808) 931-1400 regarding the names and job titles of the employees and the number of jobs in each category.

Thank you for your attention to this matter.

Very truly yours,



Janice Wakatsuki
Kai Management Services LLC

Enclosure

Kai Management Services, LLC
820 Mililani Street, Suite 600
Honolulu, HI 96813

January 14, 2022

To All Employees:

As you are aware, Rycroft Holdings LLC, a Hawaii limited liability company (“Rycroft”), entered into a Purchase and Sale Agreement with Savio Pagoda Operating Company LLC, a Hawaii limited liability company (“Savio”), pursuant to which Rycroft purchased the Pagoda Hotel (the “Hotel”) from Savio. The closing of the transaction took place on November 30, 2021.

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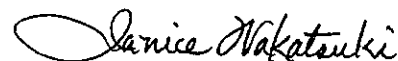
All current Hotel employees at the Hotel are employees of Kai Management. Highgate, as the new Hotel management company, has advised us that it intends to offer employment to all of the current Hotel employees on comparable terms and conditions at the Hotel. Please note, however, that Kai Management cannot make any representations regarding the future employment of Hotel employees by Highgate.

Hotel employees will be separated from employment with Kai Management as a result of the change of the Hotel management company to Highgate. However, no employee will become unemployed as a result of the transaction until at least 60 days from the date of this notice. Because there is a possibility of unemployment for some employees resulting from the transaction, the Hawaii Dislocated Workers Act, Hawaii Revised Statutes, Chapter 394B (the “DWA”), applies, and we are providing all of the Hotel employees with the following notification required under the DWA:

If you become unemployed as a result of the transaction described above, you may become entitled to a dislocated worker’s allowance pursuant to the Hawaii Dislocated Workers Act. To qualify for a dislocated worker’s allowance, you must apply for and receive a determination of eligibility for unemployment compensation benefits from the State of Hawaii Department of Labor and Industrial Relations.

If you have any questions about this notification, please contact me at (808) 931-1509 or via email at Janice.Wakatsuki@aquaaston.com.

Very truly yours,



Janice Wakatsuki
Kai Management Services LLC

cc: Director, Department of Labor and Industrial Relations

AQUA-ASTON

HOSPITALITY

2155 Kalakaua Ave., 5th Floor

Honolulu, HI 96815

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Honolulu, HI 96813*

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