

2023 President's Report- Gary Sullivan

Aloha and Happy new year to all the Kuleana Club Owners!

Tourist and airline travel loads to Hawaii have returned to pre-pandemic levels and it is a pleasure to welcome everyone back to your Kuleana Resort.

These past few years have been unsettling times for us all, but with the dedicated management and staff at The Kuleana, we will continue to service the interest of owners and provide the best possible experience with you are on Maui.

The Board of Directors realizes that the interior of the units are in need of fixtures and furniture upgrades. While we were hoping to start interior upgrades this fall, the permit process, contractor availability, product availability and pending AOA litigation has delayed our timeline. We thank you for your patience with this undertaking.

The newly installed solar panels that have been installed on the roofs of the 300, 400, 500, 600 and 700 buildings and are now fully operational.

This does not mean that we are getting free electricity. This is a multi-year, kilowatt/hr., rate lock from Maui Electric that will be far less than the standard rates, so please continue to be aware of your electrical usage.

I am happy to inform you that Dustin Schmitt, your current Board member and past president of your Association, have been elected to serve on the Kuleana AOA Board. Congratulations!

As always, your Board of Directors thanks you for your continued support.

Welcome back!

Gary Sullivan
Board President

Book at Kuleanaclub.com and save 20%

Owners can save 20% when booking rental space by using the promocode **OWN3R** during their search inquiry at kuleanaclub.com. This discount applies only to an owner that is occupying the booking. This discount is subject to verification of ownership, account status, and availability. If an owner is wishing to book extra dates before or after their owned weeks, please contact the front desk at 808-669-220 or frontdesk@kuleanaclub.com to book.

Owner Guest Authorization Form

In order to provide an enjoyable vacation experience for our owners' guests, moving forward the Kuleana Club/VRI will require a form to be submitted for any and all owner guests checking into an owner's interval. This form can be accessed in the "owners only" section of the website or by visiting kuleanaclub.com/guests. Failure to complete this form in its entirety 48 hours before arrival may result in the denial of guest access to an owner's condo. Questions about the form can be directed to the front desk at 808-669-2002 or frontdesk@kuleanaclub.com.

Owner Room Change Request Form

In order to be considered, all requests for owners to change rooms to a different condo than they own will need to be submitted via the **Owner Room Change Request Form** located in the "owners only" section of the website or kuleanaclub.com/requests. Approval of the request cannot be guaranteed and is at the sole discretion of the Kuleana Club Association and VRI. Additional fees may apply.

2023 KCAIO Annual Meeting Notice

The annual meeting of the Kuleana Club Association of Interval Owners is scheduled for Tuesday, April 4, 2023 pending changes to Hawaii's public gathering mandates. The meeting will be held on site at the Kuleana Club in Maui. Any owner in good standing interested in serving as a board member may submit a resume along with a letter of interest and the conflict-of-interest form to the Board by sending an email to attention: Jessica.Richens@vriamericas.com.

As outlined in the bylaws of the KCAIO, resumes may not exceed 250 words and must be submitted to the managing agent before the deadline in order to appear on the proxy/ballot. The deadline is February 20, 2023.

Kuleanaclub.com
“Owners Only” Password: thehonulife

Internal Exchange Program

For those owners who are using a third-party exchange company to trade your week to a different week at the Kuleana Club, we have a new money saving program just for you. The Board has recently approved the allowance of internal exchanges. You can now request to exchange your week for a different week at the Kuleana Club for any given year by completing the ***Internal Exchange Request Form*** located in the “owners only” section of the kuleanaclub.com website or kuleanaclub.com/internalexchange. The internal exchange fee is \$100/interval plus any additional condo type/seasonality upgrade fees. Approval of the request cannot be guaranteed and is at the sole discretion of the Kuleana Club Association and VRI.

Manager’s Report

Aloha Kuleana Club Owners,

Mahalo to everyone for helping make 2022 a productive and successful year for the Kuleana Club Association and its owners. It's a new year and we hope this newsletter finds you well. As your management company, it is our goal to keep you informed and updated on all the latest news and happenings at your community. We are committed to providing exceptional timeshare management services and creating a thriving community for our owners and memorable experiences for our guests.

Please take a moment to review the rest of the newsletter for important information regarding sending guests in your place to use your condo (owners’ guest authorizations) and requesting room changes or internal exchanges (changing weeks). Moving forward, management will require these forms before any changes can be made to owners’ reservations. The intention of these forms is to protect deeded owners from misuse of their property as well as creating documentation for the Association as required by law.

We said goodbye to Monica Carbonell last summer as she left her position at the Front Desk in June of 2022 to pursue her long-term goal of becoming a nurse. We are incredibly proud of her accomplishment and wish her the best as she provides the local community with a much-needed service. Please help me in welcoming Lorraine Fay who transitioned from working with our housekeeping contractor to the Front Desk last fall. She is available to assist you with any questions or needs you may have regarding your upcoming reservations.

While we continue to work towards a large-scale refurbishment of the interior of the condos as mentioned in the President’s report, management has been busy utilizing the onsite staff to make smaller much needed improvements to the condos. During the 2022 maintenance weeks for the condos the TV’s were mounted to the walls with full motion mounts (excluding condos with mirrored walls or permanent structured cabinets). The interiors received fresh paint and updated dishware. The majority of the routers and modems were updated to support smart door locks that will be installed by the end of winter. Lastly, the condos with broken tile in the bedrooms were repaired.

2022 saw the best year for rentals in Kuleana’s history. With a 44% increase versus 2021, management was able to maximize revenue potential for our owners. This increase is essential in keeping maintenance fees under control by decreasing bad debt burden for those owners that pay their assessments on time and increasing the success rate for those owners who put their weeks up for rent through VRI’s rental program. For owners who are looking to rent their use week, we encourage you to place your week into VRI’s rental pool. VRI will market your week for rental for a 65%-35% revenue split. This means you will keep 65% of the revenue earned from the rental of your unit. If you have any questions about VRI’s rental program or would like to put your week up for rent, please contact the front desk at frontdesk@kuleanaclub.com or 808-669-2002.

I would like to thank all the Kuleana owners for their aloha and love of the Kuleana Club. It is truly a special place. The staff and I truly appreciate the support of all the owners who faithfully pay their dues. It is only through your dedication that we are able to maintain the Kuleana Club as your vacation home for the years to come.

Mahalo,
Thom Rogers, General Manager

**KULEANA CLUB ASSOCIATION OF INTERVAL OWNERS
OPERATING BUDGET FOR THE YEAR ENDING DECEMBER 31,
2023**

REVENUES

Assessments	\$1,317,908
Other income	293,750
TOTAL REVENUES	<u><u>1,611,658</u></u>

EXPENSES

Operating expenses

Salaries and wages (Includes: Managing team & Housekeeping)	202,150
Payroll taxes/benefits	54,760
Electricity	55,000
Telephone - association	7,500
Condo supplies	18,000
Condo accessories	10,000
Linen expense	25,500
Laundry	72,000
Maintenance supplies	25,000
Deep cleaning	30,552
Housekeeping Service	207,000
Hospitality	3,000
Total operating expenses	<u>710,462</u>

Administrative/General

Insurance	19,240
Property taxes	42,855
Corporate tax	3,000
G.E tax	52,560
AOAO fees	288,000
Audit expense	4,250
Office expense	14,184
Newsletter	1,600
Office rent	1,842
Bank charges	20,000
Management fee	119,690
Directors/meeting expense	18,000
Legal & filing fees	8,000
Bad debt expense	189,744
Total Administrative/General	<u>782,965</u>

Replacements (reserves)

	<u>118,231</u>
TOTAL EXPENSES	<u><u>\$1,611,658</u></u>

ANNUAL ASSESSMENTS PER VACATION PLAN:

	OPERATING	+	REPLACEMENTS	=	TOTAL
Small Units	\$750	+	\$74	=	\$824
Large Units	\$847	+	\$80	=	\$927

KULEANA CLUB ASSOCIATION OF INTERVAL OWNERS ASSESSMENT BILLING AND COLLECTION POLICY

The following is the Assessment Billing and Collection policy for the Kuleana Club Association of Interval Owners as adopted by the Board of Directors on July 4, 2022.

OCTOBER 1st

You will be mailed the Budget, ABC Policy and Assessment Notice for the next year's assessment. **NOTE: THE ENTIRE YEAR'S ASSESSMENTS MUST BE PAID IN FULL PRIOR TO SUBMITTING OR USING ANY USE WEEK FOR EXCHANGE PURPOSES OR DEPOSITING YOUR WEEK IN THE RENTAL PROGRAM.**

JANUARY 1st

Due date for the full amount if paying annually, or due date for the first of four (4) quarterly payments. Payments are considered late if not received by January 15th.

Quarterly Payment Option

The quarterly option is available to those owners who have a history of paying maintenance and property tax assessments when due. If you have a history of paying late, this option may not be available to you.

You may pay the assessment in full or in four (4) equal quarterly installments. If you choose to pay quarterly, a \$20.00 fee for additional payment processing is added to the first installment payment and this \$20.00 processing fee must be paid with the first installment payment to be eligible for this option. Once you choose this option, the \$20.00 is non refundable should you later choose to pay the entire maintenance fee balance.

To calculate the quarterly payment amount divide the total annual assessment by four (4). This is your quarterly payment amount. Remember to add the \$20.00 processing fee to the first month's payment. Each of the remaining three (3) quarterly payments is due by the first day of, **April 2023, July 2023 and October 2023.**

FEBRUARY 1st

If you have not paid your assessments, your account is delinquent.

If you are delinquent, the following charges are added to all delinquent owner accounts:

- a. A Reinstatement Fee of \$75.00
- b. Maximum Interest allowed by law per month beginning March 1st
- c. An exchange, deposit, or confirmation cancellation fee of \$50.00

If you are delinquent, your reservations are cancelled and you may not hold a reservation until your account is brought current. Exchange requests will not be confirmed. Existing confirmed exchanges will be blocked. There is no guarantee that you will receive a reservation or confirmed exchange after you have brought your account current.

You will be mailed a final Assessment Billing Notice, including all penalties, fees and interest. You must pay all charges in full to have your occupancy and voting rights reinstated. Use Weeks resulting from delinquencies are available for Bonus Time, Vacation Time, and the Administrative Hold Program. Net proceeds are used to offset collection costs, assessment liens, foreclosures, and shortfalls in the HOA operating account.

MARCH 1st

Management will send a notice detailing all charges and fees that will be added if the delinquent account is not paid in full in 15 days and is submitted for legal and/or collection action.

APRIL 1st

The Board of Directors may, at its discretion, implement any of the following actions. Any related costs for these actions will be added to the delinquent owner's account.

- a. Engage professional collection agencies to collect payment
- b. Pre-Notification of Lien & Record a Claim of Assessment Lien (\$50 charge to delinquent owners account)
- c. Foreclose on the Claim of Assessment Lien
- d. Institute a Small Claims suit or other legal action

NOTE: A \$25.00 charge will be added to your account for any payment that is not honored (bad check, insufficient funds, etc.). If the first payment is not honored for any reason subsequent payment including applicable late fees must be by secured funds (cash, money order, cashier's check).

2023 Association Meeting Dates

April 3, 2023 – Board Meeting

April 4, 2023 – Annual Owners Meeting

July 3, 2023 – Budget Meeting

November 6, 2023 – Board Meeting

If you have a question or suggestion to bring before the KCAIO Board of Directors, please forward the information to VRI Americas at the Salt Lake City, Utah office and it will be presented to the Board.

Send it to Jessica.Richens@vriamericas.com.

KCAIO Board Members

Gary Sullivan – President

Al Jones – Vice President

Blake VanKampen – Secretary/ Treasurer

Dustin Schmitt – Director

Keith Campbell – Director

With your continued support and the dedication of current and future Board members, we are committed to maintain a high value of timeshare vacation experience at the Kuleana Club.

Kuleana Club Association of Interval Owners
C/O: VRI Americas
P.O. Box 70219
Salt Lake City, UT 84170-0219