

APPROVED

**KULEANA CLUB ASSOCIATION OF INTERVAL OWNERS
BOARD OF DIRECTORS BUDGET MEETING MINUTES**

Monday, August 18, 2025

I. CALL TO ORDER/ ROLL CALL

The meeting was called to order by Gary Sullivan at 9:02 a.m. HI/ 1:02 p.m. MT via Zoom conference call. The following persons participated in the meeting:

Board Members:

Gary Sullivan, President
Dustin Schmitt, Vice President
Blake Van Kampen, Secretary
Devin Valentine, Director
Brenda Brown, Director

Capital Vacations and Resort Management:

Thom Rogers, Resort General Manager
Debbie Wood, Area Vice President, Hospitality Operations
Cory Humble, Senior Vice President, Hospitality Operations
Jessica Richens, Administrator/ Association Governance

II. APPROVAL OF AGENDA

The agenda was approved as presented.

III. OWNER FORUM CORRESPONDENCE

None was presented to the Board.

IV. APPROVAL OF PREVIOUS MEETING MINUTES

A. Approve March 31, 2025 Board Meeting Minutes and April 1, 2025 Organizational Meeting Minutes.

MOTION: Blake Van Kampen moved to approve the March 31, 2025 Board Meeting Minutes as amended and the April 1, 2025 Organizational Meeting Minutes as presented. Motion was seconded by Devin Valentine and approved unanimously.

V. REPORTS

A. Year-end Financial Statements- June 2025

Debbie Wood reviewed the month-end June 2025 financial statements, highlighting the Balance Sheet and Income Statement. The cash flow projects \$144,768 in the operating account and \$173,541 at yearend.

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B. Yearend 2024 Draft Audit

MOTION: Dustin Schmitt moved to approved the yearend 2024 draft Audit and representation letter from Cambaliza McGee LLP. Motion was seconded by Blake Van Kampen and approved unanimously.

C. Delinquency Report

As of June 13, 2025 there were 238 total delinquent accounts to the Association that represents 15.1% of the total owner base.

D. HOA Association Inventory

There are 106 weeks owned by the Association.

VI. ONSITE

A. Manager's Report

Thom Rogers provided an update on Bill 9 and its potential impact on The Kuleana Club and interval owners. The Board discussed the possibility of re-zoning to a hotel classification; however, this would require ADA compliance, which is not feasible given the existing unit layouts. Thom noted that more information on Bill 9 will be available after the September meeting and will provide the Board with an update at that time.

Operations & Rentals:

- July rentals were up 23% compared to the prior year, and the transition in Housekeeping has been successful.
- Thom shared an updated year-to-date rental analysis with comparisons over the past five years.

Refurbishment Projects:

- Phase II, which included replacing sliding doors, was completed in June. Additionally, mirrors behind televisions in the 700 building were removed and drywall repairs completed.
- Phase I, completed in late 2024, required some follow-up on dining tabletops and ottoman vinyl.
- New shower curtains have been installed in all bathrooms.

Thom provided an updated rental analysis year- to-date with a comparison over the previous five years.

B. Comment Cards

Informational only; no action taken.

C. Occupancy Report

Informational only; no action taken.

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VII. OLD BUSINESS

A. Reserve Update

The Reserve Study was completed as of July 26, 2025. The Board reviewed the Expense Summary and Cash Flow.

VIII. NEW BUSINESS

A. Proposed 2026 Budget

Debbie Wood presented the proposed 2026 operating budget, which reflected a 29.55% per-interval increase and a reserve contribution of \$370,000. She reviewed a detailed breakdown of each line item and variances compared to 2025. The Board raised concerns regarding the percentage increase, prompting Cory Humble to adjust reserve funding and correct certain budget figures. He then provided a revised budget, incorporating the Board's requested changes, which reduced the increase to 13.04% and funding reserves at \$150,000.

IX. EXECUTIVE SESSION

MOTION: Brenda Brown moved to enter Executive Session at 10:56 a.m. HI/ 2:56 p.m. MT. Motion was seconded by Dustin Schmitt and approved unanimously.

The Board adjourned Executive Session at 11:34 a.m. HI/ 3:34 p.m. MT.

MOTION: Dustin Schmitt moved to approve the revised 2026 budget with an increase of 13.04% and reserve funding at an amount of \$150,000 with a total operating budget amount of \$2,021,557 making the one-bedroom units \$1,072.79 per interval and the larger one- bedroom units \$1,206.18 per interval. Motion was seconded by Blake Van Kampen and approved unanimously.

X. NEW BUSINESS (CONTINUED)

A. ABC Policy

The Board reviewed the 2026 ABC policy and discussed the 3% convenience fee on all credit card transactions.

MOTION: Blake Van Kampen moved to approve the ABC policy as amended with the added 3% convenience fee. Motion was seconded by Brenda Brown and approved unanimously.

B. Mailing Inserts

The Board declined both the Capital Vacations promotional flier and Trading Places buck slip for the billing mailer.

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C. AOA Update

Gary Sullivan and Dustin Schmitt presented an update on the following projects with the AOA:

- Plumbing Project.
- No electric vehicle charging from units. Guests are asked to use the airport.
- Dark sky lighting- waiting on pole lights.
- Spalling project continues.
- Replacement of pool fencing.
- Addressing the tennis court and to repurpose- needing to amend Bylaws.

The Board discussed the process for how interval owners' votes to amend the Bylaws would be managed.

XI. OTHER

A. Draft Management Contract

The Board requested a draft of the amended management contract prior to September 15, 2025 for review.

B. 2025 Meeting Dates

November 10, 2025- Board Meeting, 9:00 a.m. HI, Kuleana Club

C. 2026 Proposed Meeting Dates

March 30, 2026- Board Meeting, 9:00 a.m. HI, Kuleana Club

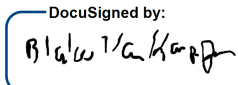
March 31, 2026- Annual Meeting, 9:00 a.m. HI, Kuleana Club

July 6, 2026- Budget Meeting, 9:00 a.m. HI, Kuleana Club/ Zoom

November 9, 2026- Board Meeting, 9:00 a.m. HI, Kuleana Club

XII. ADJOURNMENT

The meeting adjourned at 11:57 a.m. HI/ 3:57 p.m. MT.

BY:  DATE: 11/14/2025
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 Blake VanKampen, Secretary