KIHEI TIMESHARE OWNERS ASSOCIATION
ANNUAL OWNER'S MEETING
Saturday, September 13, 2025

CALL TO ORDER:
Susan Eisenberger called Zoom meeting to order at 8:03 AM HST.

DETERMINATION OF A QUORUM:
Owners comprising 33.155% (representing 187 weeks) are present in person or represented by proxy, thus constituting a quorum.

PROOF OF NOTICE:
Notice emailed to all owners and posted on website August 14, 2025.

DIRECTORS PRESENT:
Susan Eisenberger, Paul Showstead, Rose SooHoo, Bill Feld, Ed Norcutt, Shane Vannatta, Phil Showstead

OWNERS PRESENT:
Beth Carpenter, Jan Bosse, Kelly Behr, Mike Behr

OTHERS PRESENT: Trisha Cabading, Valerie Leon, Rod Quam; Quam Properties

OWNER COMMENTS:
Rose SooHoo commented on cabinet refinishing in D302 and complimented new appliances in D303.

APPROVAL OF 2024 Annual Meeting Minutes:
The minutes of the last Annual meeting were posted on the owners' website and mailed to the owners with the Annual meeting packet. Hearing no objections, the reading of the minutes was waived.
Upon review and hearing no corrections to the 2024 Annual Owners meeting minutes, the minutes were approved, as distributed.

REPORT OF OFFICERS:
PRESIDENT'S REPORT
Susan Eisenberger Reported:
Aloha all: I would like to thank our owners, directors and Management Team for your continued support over the past year. 2025 has continued to bring challenges to KTOA. I have worked to ensure all owners, whether for one week or multiple weeks, receive equal consideration. I consider the long-term viability of KTOA to be of the utmost importance.
Highlights and lowlights of 2024/2025 are listed below.
Maui tourism remains below pre-Covid levels partly due to ongoing uncertainty from multiple government sources. Currently, it is a wait and see situation, as none of us has a crystal ball to predict the future.
Our Board, and Management team strive to maintain our high standards while controlling costs. Costs on Maui continue to rise and this year insurance costs are one of the biggest contributors. As rates continue to rise Rod Quam has worked tirelessly to get a reasonable rate and ensure

we have the coverages we need as well as meet the standards of our host Association Kihei Akahi.
Thank you to our owners for ensuring your maintenance fees were paid in a timely manner. 2025 showed our lowest Accounts Receivable balance in recent years.
All 11 units now have new blinds. These new blinds give the units an open and airy look while allowing easier cleaning of the units.
July saw the refinishing of the vanity cabinets in Unit 307 as well as refinishing the cabinets in both kitchen and bath areas in Unit 302 (the 2 bedroom unit)
The Board had its full complement of directors for 2024/2025 with active participation by the majority at our quarterly Board meetings. Our treasurer and I are in contact with Quam many times throughout the month.
I represented KTOA at Kihei Akahi Association's January AGM.
A new company Fidelity National Title & Escrow of Hawaii has been will now be handling all our real estate transfers and sales.
Your patience at this time is greatly appreciated as they work through the processes involved in handling our transactions.
I would like to extend a huge thank you to all those at Quam: Rod, Valerie and Barbara as well as the housekeeping and maintenance staff who have done a super job this past year in maintaining our units. I would also like to express my appreciation to all our owners for their patience and understanding. Feedback and suggestions are always welcome. Just send an email to ktoa.maui@gmail.com and your email will be forwarded to the Board.
Once again I wish you all the best for the rest of 2025/2026, and I hope you all stay safe and well.

<u>TREASURER'S REPORT</u>
<u>2024 Year End Report</u>
Bill Feld Reported:
Cash and Equivalents at year end- $558,855
Prepaid Expenses- $46,010
Reserves Balance- $40,854
    Interest Earned 2024 $6928
Reserve Expenses 2024- $32,471
    Window Treatments- $20,000
    Appliances- $7000
    Furniture- $1300
    Safes- $400
    Air Conditioners- $1000
2024 Income- $523,472 ($21,547 Under Budget)
    Rentals- $7543 ($18,856 Under Budget)
    Maintenance Assessments- $513,979 ($1241 Under Budget)
    Unit Sales Proceeds- $0 ($2400 Under Budget)
2024 Expenses- $572,313 ($7837 Over Budget)
    INCLUDES WRITING OFF $14,078 ADDITIONAL BAD DEBT
    UNDER BUDGET- Cleaning & Linens $15,498; Professional Fees $3705
    OVER BUDGET- Property Taxes $8059; Occupancy Taxes $2258;
    Utilities $2194; AOAO Fees $3794; Repairs & Appliance Maintenance $8878

2024 Revenues Under Expenses- $48,841
NET INCOME 2024- (-$29,385)

<u>YTD Through July 2025</u>

Cash & Equivalents- $140,315
Reserves Balance- $74,436
Reserve Expenses- $12,774
(Appliances $3785; Furniture $5025; Window Treatments $3520; Safes $450)
Prepaid Expenses- $111,428 (Taxes, Insurance, AOAO Fees)
Income- $365,762 (16,591 Under Budget)
Items UNDER Budget- Rentals $7517; Maintenance Assessments $9366
Expenses- $385,658 ($3304 Over Budget)
Main Item OVER Budget is Kihei Akahi AOAO Special Assessment for Insurance $9868

MANAGING AGENT'S REPORT:
Rod Quam Reported:
I would like to start off by thanking Susan for all the effort to get us set up with a new broker to handle sales transactions.

Low visitor count on Maui has carried over from 2024 to 2025. This is attributable to the aftermath of Lahaina fire, threat to ban vacation rentals in condos with Bill 9, poor exchange rate for Canadian visitors, political climate and global issues. We are also faced with dropping property values and higher prices.
Although there is an attempt to get visitors to stay in hotels, many return visitors prefer to stay in condos so they are just not coming.
We had a busy winter season at KTOA but since mid April we have lots of open units so KTOA owners are choosing not to come at this time as well.

Interest rates remain high and this has affected real estate sales in Hawaii. We are definitely seeing a drop in prices and sales of investment properties. In 2024 there were 12 condo sales at Kihei Akahi. Currently there are 9 units on the market. To date there have been 3 sales at Kihei Akahi this year. Asking prices have softened to low of $655,000 for 1 bedroom and a high of $995,000 for 2 bedroom unit. We are hopeful that interest rates will start coming down this month to help with a turn around.

Property insurance increases have caught up to us at Kihei Akahi this year. The AOAO had an unexpected 30% increase in premiums months ago which forced the Board to implement a special assessment to all owners. The total special assessment for KTOA was $9868 for all eleven units ($870 for 1 bedroom units and $1165 for the 2 bedroom unit). We will need to add this expense into our 2026 operating budget since it covers a good portion of 2026.

Our insurance policies for KTOA renewed August 1, 2026. Due to the required $25,000 loss assessment on the new AOAO policy it was necessary for us to convert from our previous blanket liability policy to individual HO6 policies for each unit. The net increase to all our policies combined is $9779 for twelve months. If we were to add the required loss assessment coverage to old policy it would have cost $1500 per unit ($16,500). We attempted to shop for new coverage but other brokers declined to quote since timeshare coverage is very limited.

We are repairing and replacing lots of appliances due to age. All new stoves, refrigerators and dishwashers are being replaced with stainless steel. Everyone seems to like this improvement. We continue to work at keeping expenses low but care for units best as we can.

APPROVAL OF REVENUE RULING – BALLOT RESULTS
Motion: Approve Revenue Ruling 70-604, 70-370 and 75-371 which allows KTOA to move year-end surplus funds from the operating account to the reserve account.
PASSED: 33% approval

ELECTION OF DIRECTORS – BALLOT RESULTS
Elected for two year terms each:
Susan Eisenberger
Paul Showstead
Beth Carpenter
Victor Temprano

OWNERS COMMENTS/QUESTIONS:

SET DATE OF NEXT ANNUAL OWNERS MEETING:
The proposed date for the 2026 Annual Meeting is Saturday, September 12, 2026.

ADJOURNMENT
Motion: *To adjourn the Annual meeting. (Paul Showstead/Norcutt)*

CARRIED unanimously.

The meeting was adjourned by unanimous consent at 8:42 AM HST.

Respectfully submitted,

Rod Quam

Rod Quam R (B)
Quam Properties Hawaii, Inc.