



## **HONUA KAI CONDOMINIUM ASSOCIATION, INC. 2024 ANNUAL MEETING**

The 2024 Annual Meeting of Honua Kai Condominium Association, Inc. has been called and will be held on Friday, November 15, 2024 at 11:00 a.m. Hawai'i Standard Time at the Hyatt Regency Maui Resort and Spa, Maui 4 Ballroom, 200 Nohea Kai Drive, Lahaina, Hawaii 96761. Enclosed you will find the complete annual meeting packet.

This year, for the first time ever at Honua Kai, the election of directors is being conducted via electronic voting. This new method of voting for the 2024 election of directors was approved by owners representing more than 85% of the common interest at the 2023 annual meeting. Electronic voting commenced on October 9, 2024 and will end on November 8, 2024. Three Hokulani Residential and one Hokulani Commercial director positions are up for election, each for a three year term. The results will be announced at the annual meeting.

Hopefully, a high percentage of Hokulani owners will participate in the election by electronic voting and a sufficient number of votes will be cast to fill all four positions. In the event that the minimum threshold is not met, then an election will take place at the annual meeting unless the owners vote at the annual meeting to conduct the election in a different manner.

### **PLEASE RETURN A PROXY TO ENSURE A QUORUM IS ESTABLISHED**

Please return a proxy to enable the Association to establish a quorum so that the business on the agenda can be transacted. **Without a quorum, the Association will not be able to conduct business, including the adoption of a resolution on assessments which is necessary to avoid taxes on any excess income at the end of the year.**

In addition to the resolution on assessments, a quorum will also be needed in order to vote upon the adoption of two sets of special meeting rules/special rules of order. These will empower the Board to authorize electronic meetings and electronic voting going forward and will establish voting procedures for the election of directors without the need for a separate vote each year. See the enclosed packet for the exact wording of the special meeting rules/special rules of order.

The proxy form this year has a new box for owners to check if they do not want their proxy holder to vote in favor of the removal of directors. This will give owners more control over how their proxies may be used. The decision of whether to check the box is up to each owner who signs a proxy. See Paragraph 4 on page 5 of the proxy instructions for more details.

**Honua Kai Condominium Association, Inc.**  
**2024 Annual Meeting Packet**

**Table of Contents for Documents Sent by Email and Posted on Website**

1. Letter from Associa Hawaii
2. Notice of Meeting (includes the agenda for the annual meeting)
3. Proxy
4. Proxy Instructions
5. Documents Needed if Signing a Proxy for the Annual Meeting in a Representative Capacity
6. Owner Statements
7. Qualifications to Serve
8. Special Meeting Rules/Special Rules of Order Related to Meetings and Voting
9. Special Meeting Rules/Special Rules of Order Regarding Election Procedures for Hokulani Residential, Konea Residential, and Luana Elections
10. Resolution on Assessments
11. Minutes of 2023 Adjourned Annual Meeting
12. Permanent Meeting Rules Previously Adopted.
13. 2023 Audit

**NOTE:**

1. The return envelope referred to in the packet will be included in the packet sent by U.S. mail.



October 18, 2024

Dear Honua Kai Owners:

The 2024 Annual Meeting of Honua Kai Condominium Association, Inc., has been called and will be held on Friday, November 15, 2024, at 11:00 a.m. Hawai'i Standard Time. Enclosed you will find the complete annual meeting packet. Please read the materials over carefully. Proxies may be returned by mail or hand delivery to this office at the following address:

By Mail: Honua Kai Condominium Association, Inc.  
c/o Associa Hawaii  
737 Bishop Street, Suite 3100  
Honolulu, Hawai'i 96813

For your convenience, a pre-addressed envelope is enclosed for your use in returning your proxy by mail. Proxies may also be returned by fax or by email using a pdf document as follows:

By Email: Honuakai@associahawaii.com  
By Fax: (888) 608-4021

***If you send your proxy via fax or email, you must send a complete reproduction of the entire proxy. This means that you must fax or email both sides of the Association's standard form proxy.***

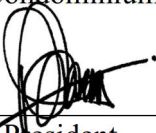
Owners may not vote or make motions via phone, but will be permitted to participate in deliberations and discussions by phone. The meeting ID and dial-in numbers are included on the Notice of Meeting contained in the annual meeting packet.

Only owners present at the meeting in person or by proxy shall be considered present for purposes of voting and establishing a quorum.

If you have questions and would like to speak to someone in person, please contact the Association's Managing Agent and ask for Tiffany Mancao at phone: (808) 629-7176.

Sincerely,

Associa Hawaii, Managing Agent for  
Honua Kai Condominium Association, Inc.

  
\_\_\_\_\_  
Pauli Wong, President

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**O`AHU** | 737 Bishop Street, Suite 3100 (Mauka), Honolulu, HI 96813  
808.836.0911 | Fax 1.888.608.4021

**HAWAII`I ISLAND** | 75-169 Hualalai Road, Kailua-Kona, HI 96740  
808.329.6063 | Fax 1.808.326.2486

**KAUA`I** | 4-1579 Kuhio Highway, Suite 102, Kapa`a, HI 96746  
808.821.2122 | Fax 1.808.821.2131

**MAUI – KIHEI** | 375 Huku Li`i Place, Suite 207, Kihei, HI 96753  
808.243.9565 | Fax 1.808.244.7848

**MAUI – LAHAINA** | 727 Wainee Street, Suite 106, Lahaina, HI 96761  
808.661.8795 | Fax 1.808.667.7608

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**NOTICE OF ANNUAL MEETING OF  
HONUA KAI CONDOMINIUM ASSOCIATION, INC.**

Pursuant to Article II, Sections 2.09 and 2.12 of the Amended and Restated Bylaws of the Honua Kai Condominium Association Inc., and Hawai'i Revised Statutes, Section 514B-121(d), notice is hereby given that the Annual Meeting of Honua Kai Condominium Association, Inc. has been called and will be held on:

DATE: Friday, November 15, 2024  
TIME: 11:00 a.m. Hawai'i Standard Time (Registration begins at 9:30 a.m.)  
PLACE: Hyatt Regency Maui Resort and Spa, Maui 4 Ballroom  
200 Nohea Kai Drive  
Lahaina, Hawaii 96761

**AGENDA**

1. Call to order;
2. Determination of a quorum. (**Note:** Only owners attending in person or by proxy shall be counted for quorum purposes and entitled to vote);
3. Proof of notice of meeting;
4. Introductions;
5. Adoption of meeting rules, if applicable. (**Note:** Permanent meeting rules have already been adopted);
6. Approval of minutes of preceding meeting(s), as needed;
7. Reports of officers, including report of President and Treasurer;
8. Reports of committees and other reports, if any;
9. Election/Appointment of inspectors of election (tellers), if needed;
10. Adoption of voting procedures, if needed (a copy is enclosed);
11. Election of members of the Board, if needed;
12. Unfinished business, if any;
13. New business:
  - a. Adoption of Resolution on Assessments (a copy is enclosed);
  - b. Adoption of Special Meeting Rules/Special Rules of Order Related to Meetings and Voting (a copy is enclosed);
  - c. Adoption of Special Meeting Rules/Special Rules of Order Regarding Election Procedures for Hokulani Residential, Konea Residential and Luana elections (a copy is enclosed);
  - d. Other New Business that may properly come before the meeting;
14. Adjournment.

**Note:** Owners may not vote or make motions via phone, but will be permitted to participate in deliberations and discussions by phone. The meeting ID and dial-in numbers are in the reverse side of this notice. If time permits and there is a quorum, an organizational meeting of the Board of Directors will be held immediately following the annual meeting.

MICHAEL WILDE  
Secretary

Date of Notice: October 18, 2024

**Honua Kai Condominium Association, Inc.**  
**Zoom Information and Call-In Numbers for 2024 Annual Meeting**

Honua Kai Condominium Association, Inc. ("HKCA"), is inviting you to a scheduled Zoom meeting.

**Topic: 2024 HKCA Annual Meeting**

**Time: Nov 15, 2024 11:00 AM Hawai'i Standard Time**

Join Zoom Meeting

<https://us02web.zoom.us/j/81043450827?pwd=WQj5RjO1HntVbb4YsKugMn6osLgEaq.1>

Meeting ID: 810 4345 0827

Passcode: 457604

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One tap mobile

+16694449171,,81043450827# US

+16699006833,,81043450827# US (San Jose)

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Dial by your location

- +1 669 444 9171 US
- +1 669 900 6833 US (San Jose)
- +1 719 359 4580 US
- +1 253 205 0468 US
- +1 253 215 8782 US (Tacoma)
- +1 346 248 7799 US (Houston)
- +1 309 205 3325 US
- +1 312 626 6799 US (Chicago)
- +1 360 209 5623 US
- +1 386 347 5053 US
- +1 507 473 4847 US
- +1 564 217 2000 US
- +1 646 558 8656 US (New York)
- +1 646 931 3860 US
- +1 689 278 1000 US
- +1 301 715 8592 US (Washington DC)
- +1 305 224 1968 US
- +1 647 558 0588 Canada
- +1 778 907 2071 Canada
- +1 780 666 0144 Canada
- +1 204 272 7920 Canada
- +1 438 809 7799 Canada
- +1 587 328 1099 Canada
- +1 647 374 4685 Canada

Find your local number: <https://us02web.zoom.us/j/kbeU6RCLp>

**HONUA KAI CONDOMINIUM ASSOCIATION, INC.**  
**PROXY FOR 2024 ANNUAL ASSOCIATION MEETING**

The undersigned does hereby constitute and appoint (check one):

- ☐ **THE BOARD OF DIRECTORS AS A WHOLE WITH THE VOTE TO BE MADE ON THE BASIS OF THE PREFERENCE OF THE MAJORITY OF THE DIRECTORS PRESENT AT THE MEETING; OR**
- ☐ **THOSE DIRECTORS PRESENT AT THE MEETING WITH THE VOTE TO BE SHARED WITH EACH DIRECTOR RECEIVING AN EQUAL PERCENTAGE; OR**
- ☐ **FOR QUORUM PURPOSES ONLY (DO NOT CHECK THIS "QUORUM ONLY" BOX IF YOU WISH YOUR PROXY HOLDER TO VOTE ON YOUR BEHALF); OR**
- ☐ **THE SPECIFIC INDIVIDUAL WHOSE NAME IS PRINTED ON THE LINE (ABOVE) NEXT TO THIS BOX**

as the undersigned's attorney or agent, with full power of substitution, to act in the undersigned's name, place, and stead and to vote as the undersigned's proxy at the 2024 Annual Meeting of Honua Kai Condominium Association, Inc., to be held on Friday, November 15, 2024, at the Hyatt Regency Maui Resort and Spa, Maui 4 Ballroom, 200 Nohea Kai Drive, Lahaina, HI 96761 (or such other location as may be established for the meeting), and at any and all adjournments thereof, for the transaction of any and all business that may properly come before the meeting, except as may be limited below, according to the proportionate interest owned in the common elements that the undersigned would be entitled to vote if then personally present, hereby revoking any prior proxy or proxies given for said meeting, and ratifying and confirming all that said attorney or agent may do by virtue hereof, all in accordance with any instructions given on this proxy. If this proxy is returned with no box or more than one of the above boxes checked, the proxy shall be counted for quorum purposes only.

**PRINTED NAME(S) OF OWNER(S) (REQUIRED BY LAW)**

(If the owner is an entity such as a corporation, partnership, or LLC, please print the name of the entity which is the owner. If the unit is held in trust, print the name of the trustee and the trust. See proxy instructions for more details. (IMPORTANT: SEE CERTIFICATION ON REVERSE SIDE.)

(PRINT NAME OF OWNER - If the owner is an entity, please print the name of the entity. If the unit is held in trust, please print the name of the trustee and the trust.)

(PRINT NAME OF OWNER - If the owner is an entity, please print the name of the entity. If the unit is held in trust, please print the name of the trustee and the trust.)

**SIGNATURE(S) OF OWNER(S) (REQUIRED BY LAW)**

(If signing in a representative capacity, state the title or capacity, e.g., trustee, executor, administrator, guardian, president, partner, managing member, attorney-in-fact, etc.)

X

(SIGNATURE AND ADD TITLE OR CAPACITY, IF APPLICABLE)

(If the person signing is different from the owner whose name is printed above, in addition to signing, please also print the name of the person signing to help the Association verify the identity of the person signing)

X

(SIGNATURE AND ADD TITLE OR CAPACITY, IF APPLICABLE)

(If the person signing is different from the owner whose name is printed above, in addition to signing, please also print the name of the person signing to help the Association verify the identity of the person signing)

**DATE GIVEN:** \_\_\_\_\_  
(REQUIRED BY LAW)

**UNIT NUMBER(S) (REQUIRED BY LAW)** (List your unit number(s) on the appropriate line(s) below)

**RESIDENTIAL:**

**HOKULANI:** \_\_\_\_\_

**KONEA:** \_\_\_\_\_

**LUANA:** \_\_\_\_\_

**COMMERCIAL:**

**HOKULANI:** \_\_\_\_\_

**KONEA:** \_\_\_\_\_

**RESTAURANT UNIT:** \_\_\_\_\_

**THIS PROXY IS TWO PAGES. IMPORTANT DETAILS ARE ON THE REVERSE SIDE.**

**SEE REVERSE SIDE. ➡**

## **CERTIFICATION BY PERSONS SIGNING IN A REPRESENTATIVE CAPACITY**

By signing this proxy in a representative capacity, such as a trustee of a unit held in trust, or as an officer of a corporation, a partner in a partnership, or a member or manager of an LLC that owns a unit, the person signing certifies, warrants, and represents that he or she is duly authorized and empowered to sign this proxy on behalf of the owner in such capacity.

**VERY IMPORTANT:** For this proxy to be valid, the proxy giver must provide the date that the proxy is given and his or her printed name, signature, and unit number(s). Hawai'i law requires that proxies be received by the Association's secretary or managing agent by no later than 4:30 p.m. (HST), on the second business day prior to the date of the meeting to which it pertains. As such, your proxy must be received by the Association's secretary or managing agent by no later than 4:30 p.m. (HST) on Wednesday, November 13, 2024, to be valid for the Friday, November 15, 2024, Annual Association meeting. Please return this proxy in the enclosed addressed envelope, either to the Secretary or to Associa Hawaii, the Association's Managing Agent. Associa Hawaii's mailing address is 737 Bishop Street, Suite 3100, Honolulu, Hawai'i 96813. Proxies may also be faxed or emailed to the Managing Agent (provided the copy is a complete reproduction of the entire original proxy). **Fax No. (888) 608-4021; Email address: Honuakai@associahawaii.com.**

Please refer to the 2024 Annual Association Meeting Proxy Instructions for details on completing this proxy. **PLEASE NOTE THAT YOU MUST SIGN YOUR PROXIES. ELECTRONIC SIGNATURES ARE NOT ALLOWED.**

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### **LIMITATION ON POWER OF PROXY:**

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IF THIS BOX IS CHECKED, THIS PROXY **MAY NOT** BE USED TO CAST A VOTE IN FAVOR OF THE REMOVAL OF ANY ONE OR MORE DIRECTORS.

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### **SPECIAL INSTRUCTIONS:**

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IF NOT ALREADY PROVIDED, I WISH TO OBTAIN A COPY OF THE ASSOCIATION'S ANNUAL AUDIT REPORT REQUIRED BY SECTION 514B-150, HAWAII REVISIED STATUTES

☐

BY CHECKING THIS BOX, I CONSENT TO MY PROXY CASTING A WEIGHTED (aka BULK) BALLOT AND WAIVE ANY RIGHT TO A SECRET BALLOT. SEE PROXY INSTRUCTIONS FOR DETAILS.

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**NOTE: IF YOU ARE RETURNING THIS PROXY BY FAX OR EMAIL, YOU MUST SEND A COPY OF BOTH SIDES.**

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**THIS PROXY IS TWO PAGES. IMPORTANT DETAILS ARE ON THE REVERSE SIDE.  
SEE REVERSE SIDE. →**

**HONUA KAI CONDOMINIUM  
ASSOCIATION, INC.**

**2024 ANNUAL ASSOCIATION MEETING  
PROXY INSTRUCTIONS**

The 2024 Annual Meeting (“**Annual Meeting**”) of the Honua Kai Condominium Association, Inc., (“**Association**”) has been called and will be held on Friday, November 15, 2024, at 11:00 a.m. HST, at the Hyatt Regency Maui Resort and Spa, Maui 4 Ballroom, 200 Nohea Kai Drive, Lahaina, Hawai‘i 96761. The Association has prepared a standard proxy form (“**Proxy Form**”) for use at the meeting. A copy is included with this mailing.

If you will not be able to attend the November 15, 2024, annual meeting and wish to appoint another person to act in your name, place, and stead and to vote on your behalf at the November 15, 2024 annual meeting and any adjournments of thereof, please complete and return the enclosed Proxy Form. If you do complete a Proxy Form, it is important that you complete it correctly to ensure that it is valid for use at the Annual Meeting. These instructions are intended to assist all owners in properly completing their Proxy Forms for the November 15, 2024, Annual Meeting and its adjournments, if any.

The enclosed Proxy Form is valid only for the November 15, 2024, Annual Meeting and any and all adjournments (*i.e.*, continuations) thereof, subject to revocation. See the discussion under Paragraph 7 below regarding proxy revocations.

***The following are step-by-step instructions for completing the Proxy Form:***

***1. Appoint a Proxy.***

The first step is to decide who you want to appoint as your proxy. In this regard, you will need to identify your proxy on the enclosed Proxy Form. The enclosed Proxy Form has four boxes for this purpose as required by law. Please check **ONLY ONE (1)** of these four boxes indicating who you wish to appoint as your proxy. If the Proxy Form is returned with no box or more than one of the four boxes in this section checked, the proxy shall be counted for quorum purposes only.

These four boxes which appear in the Proxy Form are reproduced in the following Table A. The proxy appointment option beside each box is described in more detail below.

**Table A:**

	The undersigned does hereby constitute and appoint (check <u>one</u> ):
Option One:	<input type="checkbox"/> THE BOARD OF DIRECTORS AS A WHOLE WITH THE VOTE TO BE MADE ON THE BASIS OF THE PREFERENCE OF THE MAJORITY OF THE DIRECTORS PRESENT AT THE MEETING; OR
Option Two:	<input type="checkbox"/> THOSE DIRECTORS PRESENT AT THE MEETING WITH THE VOTE TO BE SHARED WITH EACH DIRECTOR RECEIVING AN EQUAL PERCENTAGE; OR
Option Three:	<input type="checkbox"/> FOR QUORUM PURPOSES ONLY (DO NOT CHECK THIS “QUORUM ONLY” BOX IF YOU WISH YOUR PROXY HOLDER TO VOTE ON YOUR BEHALF); OR
Option Four:	<input type="checkbox"/> THE SPECIFIC INDIVIDUAL WHOSE NAME IS PRINTED ON THE LINE (ABOVE) NEXT TO THIS BOX,

***1.a. Option One: Appoint the Board of Directors, as a whole, to vote on your behalf, with your vote to be decided by a majority of the Directors present at the meeting.***

If the first box on the Proxy Form (as shown in Table A) is checked, your vote(s) at the Annual Meeting will be cast by a majority of the directors who are present at the meeting. Directors who are not present, will not be a part of the decision making. If you want your vote to be cast as decided by a majority of the directors present at the meeting, you should check the first box.

***1.b. Option Two: Dividing your vote(s) equally among the directors present at the meeting.***

If you check the second box on the Proxy Form (as shown in Table A), then your vote(s) will be divided equally among all directors who are present at the meeting. For example, if you own units with a total common interest of 2.5% and there are 10 directors present at the meeting, each director would vote 10% of your total vote or .25% of the common interest.

***1.c. Option Three: Restricting the use of your proxy for quorum purposes only.***

The third box on the Proxy Form is a “quorum only” box. If you do not wish to appoint anyone to vote on your behalf at the Annual Meeting, but wish to have the common interest assigned to your unit(s) counted toward the quorum count, please check the third box. By selecting this option, it will be the same as if you attended the meeting but abstained from any vote or other involvement.



**1.d. Option Four: Appoint a specific individual to vote and act on your behalf at the Annual Meeting.**

By checking the fourth box on the Proxy Form (as shown in Table A), and printing the name of a person, you will be appointing that person to vote on your behalf at the Annual Meeting. If you wish to exercise this option, please check the fourth box on the Proxy Form and print the name of a person you wish to appoint to vote and act on your behalf at the Annual Meeting and any adjournments thereof. See example below:

<input checked="checked" type="checkbox"/>	<b>John Doe</b> <small>THE SPECIFIC INDIVIDUAL WHOSE NAME IS PRINTED ON THE LINE (ABOVE) NEXT TO THIS BOX</small>
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**2. Print the Legal Name of the Owner(s) and Sign the Proxy Form.**

Hawai'i law requires that the Proxy Form contain the printed name(s) and signatures of the person(s) giving the proxy. Your signature should be your handwritten signature. **Electronic signatures are not permitted.** The portion of the Proxy Form pertaining to the printed names and signatures of the owners giving the proxy has been reproduced and shown in Table B below.

**Table B:**

<b>PRINTED NAME(S) OF OWNER(S) (REQUIRED BY LAW)</b> <small>(If the owner is an entity such as a corporation, partnership, or LLC, please print the name of the entity which is the owner. If the unit is held in trust, print the name of the trustee and the trust. See proxy instructions for more details. (IMPORTANT: SEE CERTIFICATION ON REVERSE SIDE.)</small>
<hr/> <b>(PRINT NAME OF OWNER - If the owner is an entity, please print the name of the entity. If the unit is held in trust, please print the name of the trustee and the trust.)</b>
<hr/> <b>(PRINT NAME OF OWNER - If the owner is an entity, please print the name of the entity. If the unit is held in trust, please print the name of the trustee and the trust.)</b>
<b>SIGNATURE(S) OF OWNER(S) (REQUIRED BY LAW)</b> <small>(If signing in a representative capacity, state the title or capacity, e.g., trustee, executor, administrator, guardian, president, partner, managing member, attorney-in-fact, etc.)</small>
<hr/> <b>X</b>
<b>(SIGNATURE AND ADD TITLE OR CAPACITY, IF APPLICABLE)</b> <small>(If the person signing is different from the owner whose name is printed above, in addition to signing, please also print the name of the person signing to help the Association verify the identity of the person signing.)</small>
<hr/> <b>X</b>
<b>(SIGNATURE AND ADD TITLE OR CAPACITY, IF APPLICABLE)</b> <small>(If the person signing is different from the owner whose name is printed above, in addition to signing, please also print the name of the person signing to help the Association verify the identity of the person signing.)</small>

The instructions in this Paragraph 2 will help you complete the owner/signature portion of the Proxy Form depending upon how the unit is owned. Below is a quick reference guide to this Paragraph 2:

- 2.a. Units with more than one owner.
- 2.b. Owners that are business entities.

- 2.c. Units held by personal representatives, executors, administrators, and guardians.
- 2.d. Units held in trust.
- 2.e. Signing under authority of a power of attorney.
- 2.f. Owners of multiple units.

**2.a. Units with more than one owner.**

If your unit is owned by more than one person or entity, you only need to identify one owner **provided that there is no disagreement between the owners** related to the proxy. Hawai'i Revised Statutes ("HRS"), Section 514B-123(b) provides that "if a unit is owned by more than one person, each owner of the unit may vote or register protest to the casting of votes by the other owners of the unit through a duly executed proxy. In the absence of protest, any owner may cast the votes allocated to the unit by proxy." Accordingly, a proxy given by one owner of a unit owned by multiple persons will be valid for the unit **in the absence of protest** by the other owners. If there is protest by the other owners, your proxy appointment and Proxy Form may be held invalid. See HRS, Section 514B-123(a) and Article II, Section 2.01 of the Bylaws.

Immediately below the lines for the printed names are lines for the signatures of the owners. The person(s) identified as the owner(s) should sign the Proxy Form on the appropriate lines. If the Proxy Form is not signed, it will not be valid. See an example in Table B-1 below. See Paragraphs 2.b - 2.e. below if signing in a representative capacity.

**Table B-1:**


<b>PRINTED NAME(S) OF OWNER(S) (REQUIRED BY LAW)</b> <small>(If the owner is an entity such as a corporation, partnership, or LLC, please print the name of the entity which is the owner. If the unit is held in trust, print the name of the trustee and the trust. See proxy instructions for more details. (IMPORTANT: SEE CERTIFICATION ON REVERSE SIDE.)</small>
<hr/> <b>John Doe</b>
<hr/> <b>(PRINT NAME OF OWNER - If the owner is an entity, please print the name of the entity. If the unit is held in trust, please print the name of the trustee and the trust.)</b>
<hr/> <b>(PRINT NAME OF OWNER - If the owner is an entity, please print the name of the entity. If the unit is held in trust, please print the name of the trustee and the trust.)</b>
<b>SIGNATURE(S) OF OWNER(S) (REQUIRED BY LAW)</b> <small>(If signing in a representative capacity, state the capacity, e.g., trustee, executor, administrator, guardian, president, partner, managing member, attorney-in-fact, etc.)</small>
<hr/> <b>X</b> <i>John Doe</i>
<b>(SIGNATURE AND ADD TITLE OR CAPACITY, IF APPLICABLE)</b> <small>(If the person signing is different from the owner whose name is printed above, in addition to signing, please also print the name of the person signing to help the Association verify the identity of the person signing.)</small>
<hr/> <b>X</b>
<b>(SIGNATURE AND ADD TITLE OR CAPACITY, IF APPLICABLE)</b> <small>(If the person signing is different from the owner whose name is printed above, in addition to signing, please also print the name of the person signing to help the Association verify the identity of the person signing.)</small>

## 2.b. Owners that are business entities.

If the unit owner is a corporation, partnership, LLC, or other business entity, print the full name of the business entity on the line for the printed name of the owner. Please also print the name of the person signing for the business entity to assist the Association in verifying the identity of the person signing.

When signing for a business entity, please state your capacity to sign. For example, if you are signing as an officer of a corporation, sign your name and state your office (e.g., Fred Jones, President). As a second example, if you are signing as a managing member of an LLC, state that on your Proxy Form. See example in Table B-2 below.

**Table B-2:**

<b>PRINTED NAME(S) OF OWNER(S) (REQUIRED BY LAW)</b> (If the owner is an entity such as a corporation, partnership, or LLC, please print the name of the entity which is the owner. If the unit is held in trust, print the name of the trustee and the trust. See proxy instructions for more details. <b>(IMPORTANT: SEE CERTIFICATION ON REVERSE SIDE.)</b> )
DOE LLC
(PRINT NAME OF OWNER - If the owner is an entity, please print the name of the entity. If the unit is held in trust, please print the name of the trustee and the trust.)
(PRINT NAME OF OWNER - If the owner is an entity, please print the name of the entity. If the unit is held in trust, please print the name of the trustee and the trust.)
<b>SIGNATURE(S) OF OWNER(S) (REQUIRED BY LAW)</b> (If signing in a representative capacity, state the capacity, e.g., trustee, executor, administrator, guardian, president, partner, managing member, attorney-in-fact, etc.)
 X <u>John Doe, Its Managing Member</u>
(SIGNATURE AND ADD TITLE OR CAPACITY, IF APPLICABLE) (If the person signing is different from the owner whose name is printed above, in addition to signing, please also print the name of the person signing to help the Association verify the identity of the person signing.)
X
(SIGNATURE AND ADD TITLE OR CAPACITY, IF APPLICABLE) (If the person signing is different from the owner whose name is printed above, in addition to signing, please also print the name of the person signing to help the Association verify the identity of the person signing.)


**NOTE:** For those signing in a representative capacity, the Proxy Form contains a certification on the second page stating that if you are signing on behalf of an owner in a representative capacity, you certify, warrant, and represent that you are duly authorized to sign in the capacity stated. Please submit proof of your authority to sign for the entity when you return your proxy. Failure to provide adequate evidence of the authority to sign may cause your proxy appointment and Proxy Form to be held invalid.

## 2.c. Units held by personal representatives, executors, administrators, and guardians.

If you are signing in a legal capacity for an owner, such as a personal representative, executor, administrator, or guardian, please print the name of the owner of the unit and then sign your name and include your capacity or title. Table B-3 below shows

an example where title is held in the name of a personal representative.

**Table B-3**

<b>PRINTED NAME(S) OF OWNER(S) (REQUIRED BY LAW)</b> (If the owner is an entity such as a corporation, partnership, or LLC, please print the name of the entity which is the owner. If the unit is held in trust, print the name of the trustee and the trust. See proxy instructions for more details. <b>(IMPORTANT: SEE CERTIFICATION ON REVERSE SIDE.)</b> )
John Doe, Personal Representative of the Estate of Betty Smith
(PRINT NAME OF OWNER - If the owner is an entity, please print the name of the entity. If the unit is held in trust, please print the name of the trustee and the trust.)
(PRINT NAME OF OWNER - If the owner is an entity, please print the name of the entity. If the unit is held in trust, please print the name of the trustee and the trust.)
<b>SIGNATURE(S) OF OWNER(S) (REQUIRED BY LAW)</b> (If signing in a representative capacity, state the capacity, e.g., trustee, executor, administrator, guardian, president, partner, managing member, attorney-in-fact, etc.)
 Personal Representative X <u>John Doe, Personal Representative</u> of the Estate of Betty Smith
(SIGNATURE AND ADD TITLE OR CAPACITY, IF APPLICABLE) (If the person signing is different from the owner whose name is printed above, in addition to signing, please also print the name of the person signing to help the Association verify the identity of the person signing.)
X
(SIGNATURE AND ADD TITLE OR CAPACITY, IF APPLICABLE) (If the person signing is different from the owner whose name is printed above, in addition to signing, please also print the name of the person signing to help the Association verify the identity of the person signing.)

If you are signing as a personal representative, executor, administrator, or guardian, please note that the Proxy Form contains a certification on the second page stating that if you are signing on behalf of an owner in a representative capacity, you certify, warrant, and represent that you are duly authorized to sign in the capacity stated.

If you are signing as a personal representative, executor, administrator, or guardian, please provide a copy of your court appointment. Failure to provide adequate evidence of the authority to sign may cause your proxy appointment and Proxy Form to be held invalid.

## 2.d. Units held in trust.

If you own the unit as a trustee, please list yourself as owner, as Trustee, and identify the name of the trust. See Table B-4 for an example.

**Table B-4:**

<p><b>PRINTED NAME(S) OF OWNER(S) (REQUIRED BY LAW)</b>          (If the owner is an entity such as a corporation, partnership, or LLC, please print the name of the entity which is the owner. If the unit is held in trust, print the name of the trustee and the trust. See proxy instructions for more details. <b>(IMPORTANT: SEE CERTIFICATION ON REVERSE SIDE.)</b>)</p> <p>John Doe, Trustee of the Unrecorded John Doe Family Trust dated June 10, 2014</p> <p>(PRINT NAME OF OWNER - If the owner is an entity, please print the name of the entity. If the unit is held in trust, please print the name of the trustee and the trust.)</p> <p>(PRINT NAME OF OWNER - If the owner is an entity, please print the name of the entity. If the unit is held in trust, please print the name of the trustee and the trust.)</p> <p><b>SIGNATURE(S) OF OWNER(S) (REQUIRED BY LAW)</b>          (If signing in a representative capacity, state the capacity, e.g., trustee, executor, administrator, guardian, president, partner, managing member, attorney-in-fact, etc.)</p> <p>X <u>John Doe, Trustee</u></p> <p>(SIGNATURE AND ADD TITLE OR CAPACITY, IF APPLICABLE)          (If the person signing is different from the owner whose name is printed above, in addition to signing, please also print the name of the person signing to help the Association verify the identity of the person signing.)</p> <p>X</p> <p>(SIGNATURE AND ADD TITLE OR CAPACITY, IF APPLICABLE)          (If the person signing is different from the owner whose name is printed above, in addition to signing, please also print the name of the person signing to help the Association verify the identity of the person signing.)</p>
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**Table B-5**

<p><b>PRINTED NAME(S) OF OWNER(S) (REQUIRED BY LAW)</b>          (If the owner is an entity such as a corporation, partnership, or LLC, please print the name of the entity which is the owner. If the unit is held in trust, print the name of the trustee and the trust. See proxy instructions for more details. <b>(IMPORTANT: SEE CERTIFICATION ON REVERSE SIDE.)</b>)</p> <p>Betty Smith</p> <p>(PRINT NAME OF OWNER - If the owner is an entity, please print the name of the entity. If the unit is held in trust, please print the name of the trustee and the trust.)</p> <p>(PRINT NAME OF OWNER - If the owner is an entity, please print the name of the entity. If the unit is held in trust, please print the name of the trustee and the trust.)</p> <p><b>SIGNATURE(S) OF OWNER(S) (REQUIRED BY LAW)</b>          (If signing in a representative capacity, state the capacity, e.g., trustee, executor, administrator, guardian, president, partner, managing member, attorney-in-fact, etc.)</p> <p>X <u>John Doe</u>, John Doe attorney-in-fact for Betty Smith</p> <p>(SIGNATURE AND ADD TITLE OR CAPACITY, IF APPLICABLE)          (If the person signing is different from the owner whose name is printed above, in addition to signing, please also print the name of the person signing to help the Association verify the identity of the person signing.)</p> <p>X</p> <p>(SIGNATURE AND ADD TITLE OR CAPACITY, IF APPLICABLE)          (If the person signing is different from the owner whose name is printed above, in addition to signing, please also print the name of the person signing to help the Association verify the identity of the person signing.)</p>
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**NOTE:** For those signing as a trustee, the Proxy Form contains a certification on the second page stating that if you are signing on behalf of an owner in a representative capacity, you certify, warrant, and represent that you are duly authorized to sign in the capacity stated. Please provide the Association with documentation showing your appointment as trustee. Failure to provide adequate evidence of the authority to sign may cause your proxy appointment and Proxy Form to be held invalid.

### 2.e. Signing under authority of a power of attorney.

While a power of attorney may not be used in lieu of a Proxy Form, for the 2024 Annual Meeting a power of attorney may be used to sign a Proxy Form on behalf of an owner, provided the power of attorney instrument has been signed or acknowledged before a notary public or other individual authorized by law to take acknowledgments. (**Note:** While attorneys-in-fact, acting under notarized power of attorney instruments, will be permitted to sign proxies for the 2024 Annual Meeting, this does not necessarily mean that attorneys-in-fact, acting under notarized power of attorney instruments, will be permitted to sign proxies for future meetings. Please check with the Association for its position with respect to future meetings.)

If you are signing a Proxy Form under authority of a power of attorney, print the name(s) of the owner(s) of the unit on the first line and then sign (please also print) your name, as attorney-in-fact for the owner. See example below in Table B-5 below.

**NOTE:** For those signing as an attorney-in-fact, the Proxy Form contains a certification on the second page stating that if you are signing on behalf of an owner in a representative capacity, you certify, warrant, and represent that you are duly authorized to sign in the capacity stated.

Please provide the Association with a copy of the applicable notarized power of attorney instrument. Failure to provide adequate evidence of the authority to sign may cause your proxy appointment and Proxy Form to be held invalid.

### 2.f. Owners of multiple units.

If you own multiple units and wish to appoint the same person as proxy for each unit, you may use a single Proxy Form for that purpose. For example, if you own three units in your own name and wish to appoint John Doe as your proxy, you may complete one Proxy Form, naming John Doe, which contains your printed name and signature and lists all three units. However, if you own three units, one in your own name, one through a corporation, and one through an LLC, to avoid confusion, it is best that you complete three separate Proxy Forms because you will be required to print the name of all three owners, sign for all three owners in your three different capacities, and list all three units. This can be quite confusing in the limited space provided, so separate proxies are preferred in these instances.

**3. Proxy Forms must be dated and the units for which the proxy is given must be stated.**

The law requires that proxies be dated and identify the unit(s) for which the proxy is given. Accordingly, please date the Proxy Form and identify the unit or units for which the proxy is given. If your unit is a residential unit in the Hukulani, Konea, or Luana Enclave, please print the unit number on the line next to the appropriate enclave under the heading "Residential." If you own a commercial unit in the Hukulani or Konea Enclave, please print the unit number on the line next to appropriate enclave under the heading "Commercial." If you own the Restaurant Unit, please place a check mark on the line next to Restaurant Unit or write "Restaurant Unit" on that line since there is only one Restaurant Unit. See Table C below.

**Table C:**

DATE GIVEN: _____	
(REQUIRED BY LAW)	
UNIT NUMBER(S) (REQUIRED BY LAW) (List your unit number(s) on the appropriate line(s) below)	
<b>RESIDENTIAL:</b>	
HOKULANI:	_____
KONEA:	_____
LUANA:	_____
<b>COMMERCIAL:</b>	
HOKULANI:	_____
KONEA:	_____
RESTAURANT UNIT:	_____

**4. Indicate whether your proxy may be used to vote for the removal of directors.**

You will be able to decide whether your proxy holder may cast a vote on your behalf to remove directors. If you want to give your proxy holder this power, you do not need to do anything. However, if you do not want your proxy holder to use your proxy to vote to remove directors, you may prevent such action by checking the box on the proxy under the heading "Limitation on Power of Proxy" indicating that your proxy may not be used to cast a vote in favor of the removal of any one or more directors.

**Table D:**

<b>LIMITATION ON POWER OF PROXY:</b>	
<input type="checkbox"/>	IF THIS BOX IS CHECKED, THIS PROXY <b>MAY NOT</b> BE USED TO CAST A VOTE IN FAVOR OF THE REMOVAL OF ANY ONE OR MORE DIRECTORS.

**5. Indicate whether you wish to receive a copy of the annual audit report required by Section 514B-150, Hawaii Revised Statutes and whether you waive your right to a secret ballot and consent to your proxy casting a weighted ballot.**

Table E below shows two boxes. The first box has been added as required by HRS, Section 514B-123(e)(2). It allows owners to obtain a copy of the annual audit report if not already provided. The 2023 audit is included in the packet.

The second box pertains to the use of the proxy by the proxy holder in casting a weighted ballot (also known as a bulk ballot). Our Bylaws provide that elections shall be by secret ballot. In order to preserve ballot secrecy, a separate ballot is typically given to proxy holders for each unit that they are entitled to cast a vote. In other words, if the owners of 50 different units give a proxy to the same individual, that individual will be given 50 separate ballots, one for each unit. This preserves the secrecy of the ballot. However, this results in a lengthy balloting process. Not only does it take considerable time for the proxy holder to complete multiple ballots, but it takes considerable time for the tally clerks to count each of those ballots. One way to cut down on the time involved in the balloting process is to allow the proxy holder to cast a single ballot that has been assigned the combined common interest appurtenant to the units for which the proxy holder has been given proxies (subject, to the proxy gives having checked the box waiving the right to a secret ballot). This is referred herein as a weighted ballot. Persons reviewing the ballots after the meeting would likely be able to determine how the proxy holder voted because the ballot would be weighted, so in this event, the secrecy of the ballot would be lost. For that reason, please understand that if you check the second box, this means you waive your right to a secret ballot. If you prefer that your proxy holder cast a separate ballot for your unit so as to preserve the secrecy, then do not check the box.

**Table E:**

<input type="checkbox"/>	IF NOT ALREADY PROVIDED, I WISH TO OBTAIN A COPY OF THE ASSOCIATION'S ANNUAL AUDIT REPORT REQUIRED BY SECTION 514B-150, HAWAII REVISED STATUTES.
<input type="checkbox"/>	BY CHECKING THIS BOX, I CONSENT TO MY PROXY CASTING A WEIGHTED (AKA BULK) BALLOT AND WAIVE ANY RIGHT TO A SECRET BALLOT. SEE PROXY INSTRUCTIONS FOR DETAILS.

**6. Your Proxy Form must be received by the Secretary or Managing Agent by no later than 4:30 p.m. (HST) on Wednesday, November 13, 2024.**

By law, all Proxy Forms must be received by the Association's Secretary or Managing Agent by no later than 4:30 p.m. (HST), on Wednesday, November 13, 2024, to be valid for the Friday, November 15, 2024 Annual Meeting. It is highly recommended that you submit your Proxy Form as soon as possible to ensure the efficient processing of your Proxy Form, and to give the Association's Secretary and Managing Agent an opportunity to review it and notify you of any errors or

deficiencies that need to be corrected. **If you wait until the last minute to submit your Proxy Form, there may not be enough time to correct any errors or issues with your Proxy Form. If it has defects, it may be invalidated.**

Your Proxy Form may be returned to the Association's Secretary or Managing Agent in one of four ways: 1) mail; 2) fax; 3) email as a pdf; or 4) hand delivery.

To mail or hand deliver your Proxy Form, please mail or hand deliver **both sides of the Proxy Form (preferably as a two-sided document)** to the Association's managing agent at the address noted below. The address of the Association's managing agent for mailing or hand delivery is as follows:

Associa Hawaii  
737 Bishop Street, Suite 3100  
Honolulu, Hawai'i 96813

If you choose to fax or email your Proxy Form, you must fax or email **a complete reproduction of the entire original Proxy Form to be valid. This means that you must fax or email both sides of your proxy if you are using the Association's Proxy Form.** You may fax your Proxy Form to the Managing Agent at **Fax No. (888) 608-4021** or you may email it as a pdf document to the Managing Agent at: [Honuakai@associahawaii.com](mailto:Honuakai@associahawaii.com).

## **7. *Proxy Revocations.***

If you appoint someone as your proxy and later change your mind, you may revoke your proxy. HRS, Section 514B-123(b) provides that "[a] unit owner may revoke a proxy given pursuant to this section only by actual notice of revocation to the secretary of the association or the managing agent." Accordingly, if you appoint someone as your proxy and later wish to revoke that appointment, you will need to give actual notice of the revocation to the Secretary or Managing Agent. This most commonly is done by completing a new Proxy Form and sending it to the Association's Secretary or Managing Agent naming a different person to act as your proxy. If you do this, it is important that your new Proxy Form have a later date than your earlier Proxy Form. When two Proxy Forms are given by the same owner for the same unit, the later dated Proxy Form shall control.

You may also revoke your proxy appointment/Proxy Form by giving written notice to the Association's Managing Agent or Secretary. This notice will need to be signed by you and should provide sufficient details regarding the proxy that you intend to revoke to enable the Association to determine which Proxy Forms and proxy appointments you wish to revoke.

Finally, if you decide to attend the meeting, you may revoke your proxy/Proxy Form and vote in person.

## **8. *General Information for Owners and Proxies.***

The Association's Managing Agent and Secretary will make every effort to promptly review all Proxy Forms received by them and notify owners of any errors or needed corrections. If you wish to verify that your Proxy Form has been reviewed and accepted, you will need to contact the Association's Managing Agent or Secretary yourself. You may not have other people call for you.

If you have any questions or need assistance in completing your Proxy Form, please contact Tiffany Mancao of Associa Hawaii at (808) 629-7176. Your cooperation in promptly returning your Proxy Form would be appreciated.

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**DISCLAIMER:** These proxy instructions are for the Association's November 15, 2024 Annual Meeting and any continuations of the meeting. These instructions do not apply to any other meetings. Nothing herein shall bind the Association to these instructions for future meetings.

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**HONUA KAI CONDOMINIUM ASSOCIATION, INC.**

**DOCUMENTS NEEDED IF SIGNING A PROXY FOR THE 2024 ANNUAL MEETING  
IN A REPRESENTATIVE CAPACITY**

Proxies given for the 2024 Annual Meeting, including its adjournments, may be signed by owners or by persons in a representative capacity. If you are signing in a representative capacity, please comply with the following instructions.

**A. Documentation Verifying Authority to Sign.**

Each year, the Association receives a number of proxies for its annual meeting. Each proxy is reviewed for compliance with the law and verification of ownership. **If a proxy is signed by someone other than the owner named on the deed or if the person signing a proxy is signing in a representative capacity, documentation will be needed to verify that the person signing is authorized to sign for the owner. Please resubmit the documentation when you return a proxy.**

**1. Personal Representatives, Executors, Administrators, and Guardians.**

If you are signing a proxy as the personal representative, executor, or administrator of the estate of a deceased owner or as a guardian of an owner, when returning a proxy, **please provide a copy of the court order or other document appointing you to serve in that capacity.**

**2. Power of Attorney Instruments.**

If you are signing a proxy as the attorney-in-fact of an owner pursuant to a power of attorney instrument, please provide a copy of the power of attorney instrument to the Association. **Please note that the Association requires that each power of attorney instrument be signed by an owner before a notary public or other individual authorized by law to take acknowledgments.**<sup>1</sup> Power of attorney instruments must also comply with all requirements of applicable law.

**Note:** While attorneys-in-fact, acting under notarized power of attorney instruments, will be permitted to sign proxies for the 2024 annual meeting and its adjournments, this does not necessarily mean that attorneys-in-fact, acting under notarized power of attorney instruments, will be permitted to sign proxies for future meetings. Please check with the Association for its position with respect to future meetings.

**3. Trustees and Successor Trustees.**

**If you are signing a proxy as a trustee or successor trustee of a trust that owns a unit, please provide a copy of the document appointing you as trustee or successor trustee or other evidence showing that you are the trustee or successor trustee of the trust.**

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<sup>1</sup> If the document has been signed outside the presence of a notary, it will need to be acknowledged before a notary public or other individual authorized by law to take acknowledgments. The notary or acknowledgment clause must meet the requirements of law. In the event an owner is unable to sign due to a disability, the document may be notarized as permitted by applicable law. For Hawai'i law see HRS § 456-19.

**4. Corporate Officers, Partners in Partnerships, Managing Members of LLCs, or Other Representatives of Entities That Own Units.**

If you are signing a proxy as an officer of a corporation, a partner in a partnership, a managing member of a limited liability company, or in some other representative capacity of a legal entity that owns a unit, **please provide the Association with documentation verifying the capacity in which you are signing and your authority to sign when you return a proxy.**

**B. Failure to Comply With the Above Requirements May Result in the Proxy Not Being Accepted as Valid.**

It is important that all persons signing a proxy in a representative capacity comply with the above requirements so that the Association may verify the validity of the proxy and the authority of the person to sign the proxy on behalf of the owner. This is necessary to preserve the integrity of the voting process.

The Association reserves its right to refuse to accept any proxy where the authority and/or capacity of the person signing cannot be adequately verified. Without limitation, the Association may refuse to accept a proxy signed by a representative of an owner if it has reason to believe that: 1) a signature on the proxy or power of attorney instrument is not genuine;<sup>2</sup> 2) the power of attorney, or the authority of the person signing the proxy, is void, invalid, or terminated; or 3) the person signing the proxy is exceeding or improperly exercising his/her authority.

If the Association determines that a proxy or the supporting documentation submitted with the proxy contains a questionable signature, or is determined void, invalid, or terminated, or otherwise unacceptable, the Association will make an attempt to promptly notify the owner of the same so that any defects may be corrected.<sup>3</sup> **Accordingly, please promptly return your proxy to give the Association adequate time to review your proxy and to notify you if any further documentation or action is needed. If you wait to the last minute to return your proxy, there may not be time to fix any defects and your vote might not be counted.**

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<sup>2</sup> As mentioned above, the Association requires that all power of attorney instruments be signed before a notary public or other person authorized by law to take acknowledgments, or if signed outside the presence of a notary, the signature must be acknowledged before a notary public or other person authorized to take acknowledgments. See Paragraph A.2 above; See also footnote 1.

<sup>3</sup> This notice pertains to proxies signed in representative capacities. Proxies are also regulated by the Association's Bylaws and Hawai'i law. Those regulations continue to apply. For example, each proxy must include the name of the Association, the date of the meeting of the Association, the printed names and signatures of the persons giving the proxies, the unit number for which the proxy is given, the names of the persons to whom the proxy is given, and the date the proxy is given. See HRS § 514B-123(d). For more details related to proxies, see the detailed proxy instructions included with the annual meeting packet.

**HONUA KAI CONDOMINIUM ASSOCIATION, INC.**  
**STATEMENT OF OWNERS**

The following is a list of owners (in alphabetical order) who either responded to the notice posted on September 25, 2024, pursuant to Hawai'i Revised Statutes, Section 514B-123(i) or submitted a statement in connection with the 2024 election conducted by electronic voting and did not ask that their statements be excluded from this mailing. The statements by these owners are enclosed with this mailing.

1. Marla Gerber
2. Carl Hu
3. Stewart Levine
4. Laurinda Mackenzie
5. Fereshteh Tali
6. Michael Wilde

**DISCLAIMER**

**Honua Kai Condominium Association, Inc. ("Association") and its Board of Directors disclaim any responsibility for the statements, opinions, and views expressed in the enclosed statements of owners. The statements were not prepared by or on behalf of the Association or its Board of Directors and do not necessarily reflect the statements, opinions, or views of the Association or its Board of Directors. Owners submitting statements are responsible for the content of their statements. All rights, claims, and defenses of the Association are expressly reserved.**



September 1, 2024

Aloha! My name is Marla Gerber, and I appreciate the opportunity to run for the Honua Kai HOA Board of Directors.

My husband and I have been traveling to Hawaii annually since our honeymoon in 1996, and Maui holds a special place in our hearts. Years ago, we purchased timeshares at the Maui Westin Villa Resorts, and in 2021, we realized a life-long dream of becoming owners of a beautiful property at the Honua Kai Hokulani Tower. This has been such a rewarding experience that we recently purchased a second Hokulani unit.

As frequent residents, we've gained valuable insight into the issues that affect large island vacation properties. I've seen firsthand how management decisions affect property beauty, ownership satisfaction, and value.

I bring relevant experience to this role. I served as the global representative for Compaq Computer Corporation on the PCMCIA Board of Directors for seven years, working with international competitors to set technology standards that benefited all involved. This required technical expertise, diplomacy, and strong negotiation skills, and ultimately led to successful and profitable outcomes for all.

Additionally, I have managed a successful Class-A commercial property in Houston for the past 15 years, which my husband and I designed, built and own. As the onsite Property Manager, I handle tenant relations, repairs, capital improvements, and budgeting, gaining practical knowledge in addressing issues proactively and making decisions based on long-term priorities.

Given the fires in Lahaina last year, some of the issues facing Maui and Honua Kai are now different and significantly more complex, which requires, more than ever, that the challenges facing Honua Kai are addressed with purpose, clarity, transparency and focus. As Honua Kai undertakes major capital improvements, my experience in managing complex projects, building systems, and vendor oversight will be valuable in ensuring these efforts are handled responsibly and effectively.

My experience is perfectly matched with these projects, and other ongoing projects, including landscaping beautification, and I believe I can contribute effectively within the Board to help meet these goals.

I am deeply committed to maintaining and enhancing this beautiful property. I am onsite several times a year and look forward to meeting our neighbors, making friends, and addressing our common goals. I would be honored to serve as a fellow Board member and would appreciate your vote.

Thank you for your time and consideration. Mahalo!

**Aloha.** I'm **Carl Hu**, a Hokulani owner since 2010 and an 8-year HKCA director emeritus, and I'm asking for your support by designating me as your 2024 annual meeting proxy if you are unable to attend. Now is the time to look back as well as forward in deciding the leadership we want and need at Honua Kai.

Last year's tragic wildfire not only destroyed much of our beloved Lahaina, it tested HKCA and us. Sadly, rather than support relief efforts, the board's first response to the fires was to issue an ultimatum for the termination of all Red Cross leases less than 90 days after the fires. I stood as the sole director to voice strong disapproval against this action which I strongly believed was not in the best interest of HKCA, its owners, nor the West Maui community we are a part of. For this, I was harshly criticized by those who proclaimed sheltering fire survivors would turn Honua Kai into a permanent homeless shelter, hurt business and property values – none of which turned out to be remotely true.

When the board refused my calls to drop its stance which was publicly condemned as unconscionably heartless, I directly lobbied government officials which led to the Governor's emergency proclamation suspending HOA stay limits for fire survivors. While it should not require an emergency act of the Governor for an HOA board to do the right thing, in this case it did. As a result of my efforts, fire survivors were allowed to stay for the duration of the emergency shelter program including at its peak over 1500 staying in over half of the units. Many lives were saved and survivors remain eternally grateful to Honua Kai and the compassion shown by its owners. A year later, there are no survivors left and the resort has never looked better and many owners benefitted from FEMA funds spent to house survivors.

I hope the lesson you'll take from this is that doing the right thing matters greatly and we deserve to have leaders on our board who will put the interest of Honua Kai and its owners ahead of their own in guiding us forward. I believed in the face of an unprecedented disaster, human compassion takes precedence over governing documents and firmly stuck to my beliefs throughout regardless of the personal attacks and criticisms I endured. Similarly, during my 8-year tenure as a director, I always stuck to my firm belief that the interest of owners unquestionably takes priority over that of the board. I made sure owners had in me at least one director who they could rely upon to be open and to tell the truth.

After I left the board last year to help fire survivors, I had hoped for positive change but regrettably the board remains as closed and secretive as ever while guarding their own private interests. An example is the separate electronic election for Hokulani which is entirely unnecessary, costly, and in violation of bylaws. The board never asked owners for suggestions or sought our approval for this huge change which blatantly favors their reelection by banning proxy voting. Another is the recent announcement that HKCA will take legal action against the Luana developer for AC related defects. Since this is strictly a private legal dispute not involving HKCA, only Luana owners (including 5 board directors), why should all owners have to foot the costly legal bill and suffer the consequences of yet another developer lawsuit which can hurt property values and mortgage approvals?

If you want a fellow owner who has demonstrated time and time again the personal conviction to do what he says and exercise common sense, then don't vote in the bogus Hokukani E-election and instead give your meeting proxy to me and I'll vote for the change that owners actually want and need. See [www.carlhu.us](http://www.carlhu.us) for more info or contact me at [carltchu@gmail.com](mailto:carltchu@gmail.com) or (425) 442-2297.

**Mahalolo Carl Hu, Hokulani 229**

My name is Stewart Levine. My family has owned Hokulani 504 since late 2014 and I joined our condo association board last year to fill the final year of an open board seat. I am running for a full three-year term for the board for one of the Hokulani Residential seats.

Our family bought our unit after coming to Maui for nearly 10 years. After years of staying in hotels we toured Honua Kai and loved the property, the finish out of the units, and the idea of having a place to come back to every year. I spent most of the rest of the trip, and several months after that, working to line up the loan for the mortgage. Many times this has felt like a stretch: construction next door, the Hokulani pool closure, Covid, and then the fires have all made this investment much harder than we expected it to be. But it is one we have gladly made.

I decided to run for the board after nine years of ownership after being asked by several other owners, and yes, my property manager. I had previously served on the operations committee as a way to play a role on property, but I had always had concerns that I wouldn't have the time to play a greater role at Honua Kai. My wife serves on our HOA here in Plano, Texas and I know how much time she spends on that.

Historically, most of the members of the board have either been Maui year-round residents or retirees who spend large amounts of time on island. I am a Managing Director at Accenture. I help companies go through complex mergers, acquisitions, and divestitures. It's a demanding job that requires frequent travel and long hours, and comes with a conflict of interest rule that allows me to take positions on non-profits only if that doesn't interfere with my day job.

We have a complex resort – with multiple enclaves, a large workforce, and founding documents that distributes authority between individual owners and the developer. Board membership has gravitated towards those on Maui or those who could spend substantial amounts of time on resort issues. The more I thought about running for the board, the more I thought I could do it and could do good. I deal with complex issues, manage budgets, and communicate and lead people through changes. I also thought that I could represent many of our owners - ones who have bought our condos as investments, units we could use periodically, and earn income from at other times.

The next several years will require many of those skills. We are entering a time where the two towers will need substantial re-investments as they age, insurance costs continue to rise, finding staff is an increasing challenge, Maui tourism especially condo-based faces unclear prospects, and the county continues to look at SVR owners to make up for revenue shortfalls. The board will need to guide the resort through these challenges, assure we have the right team we need to run the resort, and communicate to all owners what is happening on and to the property and what we recommend do to invest in the property.

I believe that I have shown in the last year a willingness to work with the entire board, to listen to and communicate with owners, and be pragmatic about the investments we should make. If I were to return to the board, I would continue all of that and look for ways to further tap into the skills, expertise, and time of our owners to take on additional roles in internal and external communications, helping us to manage our costs (insurance, maintenance, vendor contracts), and provide input into operations. It takes a lot to manage and guide our resort and we will need to tap into that group to lead things and then let our association staff operate the resort.

Finally, I believe we all have a stake in maintaining and growing the value of the resort, and that will mean working with all stakeholders: owners, staff, vendors, and property managers. We all have a vested interest in keeping Honua Kai as a premier, 4-diamond resort and we need to tap into the collective strengths and interests of all parties to assure that we work together to continue improving our resort.

Laurinda Mackenzie,

Candidate for the HKHOA as a representative from Hokuani

[Laurindamackenzie@gmail.com](mailto:Laurindamackenzie@gmail.com)

Aloha fellow homeowners,

I first visited Maui in 1969, as a teenager. My father and I stayed in the bungalows at the Royal Lahaina. That was pretty much the extent of development on the west side at the time, except for a restaurant way up a dirt road called Pineapple Hill, complete with dogs and chickens. Maui has been my happy place ever since.

I have seen the west side evolve firsthand and experienced all the changes; both positive and negative through my own experiences and through those of my local friends. I am deeply and passionately connected to the island and want to assure that what we all enjoy is available for generations to come.

I've also witnessed the challenges at Honua Kai since we became owners over 10 years ago. The level of dysfunction at the board level is widely known in West Maui and affects interest in purchasing a condominium. Change is needed. A high functioning board requires a good governance structure, humility, a willingness to hear and balance the concerns of the stakeholders, the ability to find common ground and ultimately the ability to make decisions that are in the best interest of the whole. Term limits are necessary and ensure fresh perspective and new solutions.

I have spent my career acting as an agent of change, optimizing underperforming businesses while improving the culture, winning awards along the way. My experience has been primarily as a healthcare CEO for large organizations, including various UnitedHealth Group businesses and more recently Oregon Anesthesiology Group, which at the time was the largest single specialty medical group in the United States. What I have learned is that the mechanics of a successful, high-performing organization are the same across industries.

I have been a member of the board of directors for Mutual of Enumclaw since 2015. We are a multi-line insurance company operating in seven states. I chair their Compensation and Benefit Committee and serve on the Investment Committee. I also have considerable experience on non-profit boards as a board chair, board member and chairing committees most recently at Virginia Garcia; a federally qualified health center with 18 locations, serving more than 47,000 patients annually. I completed 5 years of service as Virginia Garcia Board Chair in November of 2021 after many years of significant growth. I had previously been Chair of their Foundation.

I am married with 4 grown children and one 3-year-old granddaughter. I live in Portland, Oregon.

Those that know me would describe me as thoughtful, approachable, fair, balanced, able to withstand opposition, open to new ideas, solution oriented and decisive.

The skills that I developed as a business leader and turnaround specialist at UnitedHealth Group and other organizations will enable me to be successful in this role.

Thank you for your consideration. Having a chance to give something back to Maui and the Honua Kai family would be deeply meaningful for me. I promise to give it my all.

Laurinda Mackenzie

## **Aloha Fellow Homeowners,**

My name is Fereshteh Tali, and I am the proud owner of multiple condos in the Honua Kai towers and in Luana Garden Villas. For the past 10 years, I have had the honor of serving on the HKCA board. During this time, we have made significant improvements to our association and resort, but there is still much more to be accomplished. We recently completed a major painting project, and we are now preparing for a significant AC replacement project, which is expected to take a couple of years to complete. Managing these large-scale projects requires hands-on oversight to ensure everything is handled properly and efficiently.

As a full-time resident of Maui and an active property owner and manager, I bring a unique perspective to the board. My presence on-site allows me to be available for all board meetings, participate in committees, and address concerns as they arise. I walk the resort regularly, keeping a close eye on the property and ensuring that any issues are reported and resolved swiftly. My dual role as both an owner and property manager provides added value to the board, as I am deeply invested in maintaining the quality and value of our resort.

The recent major fire had a significant impact on our staff and has resulted in lower occupancy rates. Although our resort itself did not suffer any damage, these challenges have affected our community and operational efficiency. Addressing these issues and supporting our staff through this period of low occupancy are crucial for maintaining the integrity and success of our resort.

Throughout our recent projects, we have been able to support our staff and community while maintaining the quality of our resort. My commitment is to ensure that every aspect of our property is well-managed and that our community's needs are met effectively. My experience as both an owner and property manager enhances my ability to contribute valuable insights and solutions to the board.

In addition to my work on the HKCA board, I am a member of the Rotary Club and serve on the boards of the West Maui Taxpayers Association (WMTA) and Kaanapali North Beach Master Association (KNBMA). These organizations work tirelessly to protect property rights and bring essential services to West Maui and WMTA manages the open space between HK and Westin, North Park and Airport beach park as well as the boardwalk between HK and Airport beach. I have also helped to secure funding for our local firehouse and maintain contact with the County of Maui's property tax department to help ensure our properties are assessed at fair market value. Many owners have benefited from my advocacy in this area.

I am dedicated to ensuring that our resort remains in top condition and that we continue to support our community effectively. Having an on-hand owner who is vigilant, actively involved, and invested in the property brings added value to the board and helps keep our property values high and our community thriving.

I humbly request your vote in the upcoming election and your proxy for the 2024 annual meeting to continue serving on the board and representing the best interests of all homeowners. If you have any questions or concerns, please don't hesitate to contact me.

Fereshteh Tali (408) 892-2675 [fereshteh.luana@gmail.com](mailto:fereshteh.luana@gmail.com)

September 1, 2024

**Aloha Hokulani Homeowners,**

My name is Michael "Mike" Wilde. I am currently serving as Secretary for the HKCA Board of Directors representing the Hokulani enclave and am seeking re-election. Your support in the upcoming election is greatly appreciated.

In addition to my involvement on the Board of Directors, over the past several years I have served on the following committees, worked closely with the General Manager on various projects and have extensive knowledge of the operational needs and requirements of our resort:

- Rules and Security Member & Chair (past)
- Operations Committee Member & Chair (past)
- Governance Committee Chair (present)
- Parking Committee Member (present)
- Building, Grounds, Design, Review Committee (BGDRC) Member (present)

The Governance Committee is working hard to bring the simplicity and convenience of Electronic Voting to all owners as well as finalize needed changes to parts of our governing documents that need modernizing. Residents will be given the ability to vote on these important changes in 2024 or early 2025.

Several years back, to improve communications to owners, I developed the original newsletter format for our then GM (John Young) and assisted by adding content for the monthly issue release. Today the owner newsletter has been updated and is operated by the Communications Committee under committee chair, Stewart Levine.

As Honua Kai ages, resort challenges become greater requiring a more granular level of attention to detail. To that end, I continue my involvement at Honua Kai as a member of the several committees and, hopefully with your support, a continuation as a member of the HKCA Board of Directors.

I truly care about improving our wonderful piece of "Maui paradise" for the equal benefit of all homeowners. There are many challenges running a complex resort like Honua Kai and, if re-elected, I commit to do my best to provide resort-wide equality and fairness while maintaining the resort's AAA 4-Diamond status.

In summary, I appreciate your consideration and will continue to represent all homeowners responsibly.

Mahalo,

A handwritten signature in black ink, appearing to read 'MB' followed by a stylized flourish.

**Michael Wilde**

Owner Hokulani H1025 & H525

**Honua Kai Condominium Association, Inc.**  
**Qualifications to Serve on the Board**

Article III, Section 3.01 of the Amended and Restated Bylaws of Honua Kai Condominium Association, Inc., provides, in relevant part, that:

Each member of the Board shall be an Owner, co-Owner, a vendee under Agreement of Sale, a trustee of a trust that owns a Condominium Unit, or designated officer, general partner, member, or manager of an Owner which is a corporation, general partnership, limited partnership, or limited liability company. There shall not be more than one (1) representative on the Board from any one Condominium Unit. No Resident Manager shall serve on the Board.

Hawaii Revised Statutes, Sections 514B-107(a) and (b) provide:

§514B-107 Board; limitations. (a) Members of the board shall be unit owners or co-owners, vendees under an agreement of sale, a trustee of a trust which owns a unit, or an officer, partner, member, or other person authorized to act on behalf of any other legal entity which owns a unit. There shall not be more than one representative on the board from any one unit.

(b) No tenant, resident manager, or employee of a condominium shall serve on its board.

For the purposes of this subsection, “tenant” means any person who occupies a dwelling unit for dwelling purposes who is not also an owner of a dwelling unit in the same condominium.

Accordingly, to be eligible to run for office and serve on the Board, each candidate must be:

1. An owner or co-owner of a Condominium Unit;
2. A vendee under Agreement of Sale for a Condominium Unit;
3. A trustee of a trust that owns a Condominium Unit;
4. An officer of a corporation that owns a Condominium Unit;
5. A general partner in a general partnership, a limited partnership, or a limited liability law partnership that owns a Condominium Unit;
6. A member of a member-managed limited liability company that owns a Condominium Unit;
7. A manager of a manager-managed limited liability company that owns a Condominium Unit;
8. A person authorized to act on behalf of any other legal entity which owns a Condominium Unit.

No tenant, resident manager, or employee of the Association shall be eligible to run for or serve on the Board. There shall not be more than one (1) representative on the Board from any one Condominium Unit.

## **Special Meeting Rules/Special Rules of Order Related to Meetings and Voting**

The following special meeting rules/special rules of order related to meetings and voting will be considered and voted upon at the annual meeting.

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### **Special Meeting Rules/Special Rules of Order Related to Meetings and Voting**

**WHEREAS**, Hawaii Revised Statutes (“HRS”) Section 514B-121(e)(3) provides:

(e) Notwithstanding any provision to the contrary in the association’s declaration or bylaws, electronic meetings, electronic voting, and mail voting may be authorized by the board in its sole discretion: ...

(3) When approved by adoption of a special meeting rule at an association meeting that permits the board to authorize electronic meetings, electronic voting, and mail voting;

**WHEREAS**, in accordance with HRS Section 514B-121, Association members wish to adopt special meeting rules a.k.a. special rules of order authorizing the Board, in its sole discretion, to authorize electronic meetings and electronic voting going forward;

**NOW, THEREFORE, BE IT RESOLVED** that the following Special Meeting Rules/Special Rules of Order are adopted:

### **Special Meeting Rules/Special Rules of Order Related to Meetings and Voting**

*Effective November 15, 2024:*

1. *The Board, in its sole discretion, may authorize and direct that:*
  - a. *any meeting of the Association, including any annual, regular, or special meeting, be held via electronic means, thus constituting an electronic meeting;*
  - b. *electronic voting be used at any annual, regular, or special Association meeting regardless of whether the meeting is an in-person meeting, electronic meeting, or a combination of both; and/or*
  - c. *any Association business, including, without limitation, the election of directors and the adoption of the annual resolution on assessments be conducted via electronic voting outside of a meeting;*



2. *The election of directors in any election conducted by electronic voting outside of a meeting shall be in accordance with voting procedures adopted by the owners for such elections and if none, in accordance with voting procedures adopted by the Board.*
3. *The quorum for any election of directors conducted outside of a meeting by electronic voting shall be the same percentage of owners needed to elect directors in the particular election. A quorum shall not be required to commence electronic voting, but must be achieved before a director may be elected. The requisite vote needed to elect directors by electronic voting outside of a meeting shall be the same percentage vote required by the Bylaws to elect such directors.*
4. *The quorum for the transaction of business by electronic voting outside of a meeting, other than the election of directors, shall be the same percentage of owners required by the Bylaws to establish a quorum for a meeting of the Association. A quorum shall not be required to commence electronic voting, but must be achieved before any business may be transacted. The requisite vote needed to transact business, other than the election of directors, by electronic voting outside of a meeting, including the adoption of motions and resolutions, shall be the same as that required by the Declaration, Bylaws, or HRS Chapter 514B to transact such business at a meeting of the Association.*
5. *For any election of directors or other business conducted by electronic voting outside of a meeting, the Board shall establish the time frame for voting, subject to any limitations established by Hawaii Revised Statutes Section 514B-121 as amended from time to time.*

### **Special Meeting Rules/Special Rules of Order Regarding Election Procedures**

The following special meeting rules/special rules of order regarding the election procedures for the Hokulani Residential, Konea Residential, and Luana elections will be considered and voted upon at the annual meeting and if adopted, shall apply to all future elections. The procedures may be adopted for all three enclaves at one time by unanimous consent or by the separate vote of each enclave. If the procedures are voted upon by each enclave separately, the wording will be slightly modified to refer to each enclave separately.

If there is a Hokulani Residential election at the annual meeting, these voting procedures will also be voted upon in connection with that election (with slightly modified wording to refer only to the Hokulani Residential election).

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### **Special Meeting Rules/Special Rules of Order Regarding Election Procedures for Hokulani Residential, Konea Residential, and Luana Elections**

**WHEREAS**, due to the high percentage of votes that must be cast to elect directors, it has been difficult in the past to elect directors in the Hokulani Residential, Konea Residential, and Luana elections;

**WHEREAS**, when the number of directors that receive a sufficient number of votes to be elected is less than the number of positions to be filled, questions can arise as to which director positions shall be filled by those candidates who receive a sufficient number of votes to be elected;

**WHEREAS**, the owners wish to adopt special meeting rules/special rules of order that address these issues;

**NOW, THEREFORE, BE IT RESOLVED** that the following Special Meeting Rules/Special Rules of Order shall apply to Hokulani Residential, Konea Residential, and Luana elections:

1. If, in a round of balloting, the number of qualified candidates receiving a sufficient number of votes to be elected is equal to the number of director positions to be filled then, the qualified candidates receiving a sufficient number of votes to be elected will be deemed elected.
2. If, in a round of balloting, the number of qualified candidates receiving a sufficient number of votes to be elected is less than the number of positions to be filled then, the positions will be filled as follows:
  - a. An incumbent receiving a sufficient number of votes to be elected shall be elected to fill the expiring position held by that incumbent.

- b. If two non-incumbents receive a sufficient number of votes to be elected, said two non-incumbents will be elected to fill two positions in the following order:
  - 1. Vacant positions, if any;
  - 2. Position(s) held by any incumbent(s) who did not run for re-election;
  - 3. Position(s) held by the incumbent(s), beginning with the incumbent receiving the lowest number of votes.
- c. If only one non-incumbent receives a sufficient number of votes to be elected, said non-incumbent will be elected to fill a position in the following order:
  - 1. Vacant position, if any;
  - 2. Position held by an incumbent who did not run for re-election;
  - 3. Position held by the incumbent receiving the lowest number of votes.
- 3. In the event that there is a tie between two or more incumbents for the lowest number of votes or in the event that there are two or more incumbents who did not run for re-election and less than all of their positions are to be filled, the determination of which incumbent position or positions will be filled will be decided by lot. If all incumbents whose positions will be decided by lot are not present in person at a physical meeting to draw lots, then the inspectors of election/tellers appointed at the meeting or, in the absence of a meeting, inspectors of election/tellers appointed by the managing agent shall decide the issue by using an online website such as <https://onlinetoolz.net/draw-lots> that offers an electronic program for the random selection by lot.
- 4. All other ties shall be decided in accordance with the most current edition of Robert's Rules of Order Newly Revised.

### **Resolution on Assessments**

The following resolution on assessments will be considered and voted upon at the annual meeting.

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#### **RESOLUTION ON ASSESSMENTS**

**WHEREAS**, the Honua Kai Condominium Association, Inc., is a Hawaii nonprofit corporation duly organized and existing under the laws of the State of Hawaii; and

**WHEREAS**, the members of the Association desire that the Association shall act in full accordance with the rulings and regulations of the Internal Revenue Service;

**NOW, THEREFORE, BE IT RESOLVED** that the members of the Association hereby adopt the following resolution by and on behalf of Honua Kai Condominium Association, Inc.:

**RESOLVED**, that any excess of membership income over membership expenses for the year ended December 31, 2024, shall be applied against the subsequent tax year member assessments as provided by IRS Revenue Ruling 70-604.

**HONUA KAI CONDOMINIUM ASSOCIATION, INC.**  
**ADJOURNED (CONTINUED) ANNUAL OWNERS MEETING**  
Royal Lahaina Resort, 2780 Kekaa Drive, Lahaina, HI  
Friday, November 17, 2023

**CALL TO ORDER:**

President Stuart Mumm called the meeting to order at 1:01 p.m. HST. Ladini Conder, Aloha Office Services, was Recording Secretary for the meeting. The final ownership represented in person or by proxy was 85.736%<sup>1</sup>.

**NOTICE OF MEETING:**

Notice of this adjourned (continued) annual meeting was mailed to all owners of record on October 19, 2023.

**CONDUCT OF MEETING:**

Rachel Glanstein, a professional registered parliamentarian, was appointed to chair the meeting by unanimous consent.

**APPROVAL OF MINUTES:**

The minutes of the August 26, 2022 Annual Meeting, the November 18, 2022 Continued Annual Meeting, and the August 25, 2023 Annual Meeting were all approved by the Board of Directors, as provided by the meeting rules.

**REPORTS OF OFFICERS:**

President's Report: President Stuart Mumm presented his report.

Treasurer's Report: Treasurer Brandon Mullenberg's written report was read.

**ELECTION/APPOINTMENT OF INSPECTORS OF ELECTION (TELLERS):**

The Chair appointed the following individuals as Inspectors of Election: Greg Monahan (Konea and Hokulani), Victoria Hansen (Konea), Michael Parkman (Hokulani), and Maryam Sepahumansour (Konea).

**ADOPTION OF VOTING PROCEDURES:**

The following three motions were adopted by unanimous consent:

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<sup>1</sup> A proxy submitted electronically received one minute after the deadline was allowed to be used for the meeting by unanimous consent.

**A. Motion Regarding Konea Residential Election:**

**Motion:** I move that the following election procedures apply to the Konea Residential Election for this meeting. There are three positions to be filled, each for a three-year term.

1. If, in a round of balloting, the number of qualified candidates receiving a sufficient number of votes to be elected is equal to the number of director positions to be filled then, the qualified candidates receiving a sufficient number of votes to be elected will be deemed elected.
2. If, in a round of balloting, the number of qualified candidates receiving a sufficient number of votes to be elected is less than the number of positions to be filled then, the positions will be filled as follows:
  - a. An incumbent receiving a sufficient number of votes to be elected shall be elected to fill the expiring position held by that incumbent for a three-year term.
  - b. If two non-incumbents receive a sufficient number of votes to be elected, said two non-incumbents will be elected to fill two positions in the following order:
    1. Vacant positions, if any;
    2. Position(s) held by any incumbent(s) who did not run for re-election;
    3. Position(s) held by the incumbent(s), beginning with the incumbent receiving the lowest number of votes.
  - c. If only one non-incumbent receives a sufficient number of votes to be elected, said non-incumbent will be elected to fill a position in the following order:
    1. Vacant position, if any;
    2. Position held by an incumbent who did not run for re-election;
    3. Position held by the incumbent receiving the lowest number of votes.
  - d. In the event that there is a tie between two incumbents for the lowest number of votes or in the event that there are two incumbents who did not run for re-election and only one of their positions is to be filled, the determination of which position will be filled first will be decided by lot.

**B. Motion Regarding Candidates Running for Office in Multiple Elections.**

**Introduction:** Candidates may run for office in more than one election, but may only hold one director position. The following motion will determine which position a candidate will fill if the candidate receives sufficient votes to be elected in more than one election:

**Motion:** I move that the following procedure be adopted for this meeting.

When nominated to run for the Board in any election, a candidate will be asked if he/she intends to run in any other election. If the candidate responds in the affirmative, the candidate will be asked to rank the elections in the order the candidate wishes to serve in the event that the candidate receives sufficient votes to be elected in more than one election.

If a candidate who ranked the elections in the order the candidate wishes to serve receives a sufficient number of votes to be elected in more than one election, the candidate will be elected to the position that he/she ranked the highest of those he/she received a sufficient number of votes to be elected.

If, for any reason, a candidate does not rank the elections and receives a sufficient number of votes to be elected in more than one election, the candidate will be deemed elected to the position that he/she will receive the longest term.

**C. Motion - Addressing Multiple Owners From the Same Unit Running for the Board.**

**Introduction:** Per Hawaii Revised Statutes Section 514B-107(a) and Article III, Section 3.01 of the Bylaws, there shall not be more than one (1) representative on the Board from any one Condominium Unit. This means that no more than one owner from any unit may serve on the Board. This applies only when the same unit is represented. Co-owners who own multiple units may serve if each represents a different unit.

**Motion:** I move that if in any election, more than one owner from the same Condominium Unit receives a sufficient number of votes to be elected, the owner who receives the highest percentage of votes will be deemed elected and the other owner shall be deemed disqualified to serve as a representative of that Condominium Unit. If there is a tie between more than one owner from the same Condominium Unit, the determination of which owner will be deemed elected will be decided by lot.

If two or more owners of the same Condominium Unit run for a director position in two or more different elections, the candidates will be asked to declare which owner shall be elected if more than one receives a sufficient number of votes to be elected. If, for any reason, the candidates do not declare or do not agree, then the candidate receiving the longest term shall be deemed elected and the other(s) shall be disqualified to serve as a representative of the Condominium Unit owned by the co-owners. Any ties will be decided by lot.

This procedure shall not apply if the candidates own more than one unit and each represents a different unit.

### **ELECTION OF DIRECTORS:**

The election sequence of first conducting the Restaurant and Kona Commercial elections, then the Konea Residential and Hokulani Residential elections, was approved by unanimous consent.

### **ELECTION OF DIRECTORS – RESTAURANT:**

Nominations and an election were conducted. The percentage of votes required for election was more than 0.23905%. The results were:

Nick Ware	0.47810%	<i>Elected to a term that expires in 2025</i>
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### **ELECTION OF DIRECTORS – KONEA COMMERCIAL:**

Nominations and an election were conducted. The percentage of votes required for election was more than 0.49955%. The results were:

Walter Kubiak	0.9991%	<i>Elected to a term that expires in 2026</i>
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### **ELECTION OF DIRECTORS – KONEA RESIDENTIAL:**

Nominations and elections were conducted. The percentage of votes required for election was more than 20.3616%. The results were<sup>2</sup>:

Tom English	23.6362%	<i>Elected to a term that expires in 2026</i>
Susan Dewan	23.5612%	<i>Elected to a term that expires in 2026</i>
Allen Hoopes	23.036%	<i>Elected to a term that expires in 2026</i>
Roger Hickel	12.2745%	
Stuart Mumm	12.1233%	
Branden Mullenberg	11.9738%	

### **ELECTION OF DIRECTORS – HOKULANI RESIDENTIAL:**

Nominations<sup>3</sup> and an election were conducted. The percentage of votes required for election was more than 20.19335%. The results were:

Stewart Levine	23.63265%	<i>Elected to a term that expires in 2024</i>
Bill Finnerty	9.23705%	

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<sup>2</sup> There was a discrepancy in the voting of 0.1989%, which did not affect the result.

<sup>3</sup> Carl Hu withdrew his nomination during the nomination process.



## **NEW BUSINESS:**

### **Resolution on Assessments**

*Whereas, the Honua Kai Condominium Association, Inc., is a Hawaii nonprofit corporation duly organized and existing under the laws of the State of Hawaii; and;*

*Whereas, the members of the Association desire that the Association shall act in full accordance with the rulings and regulations of the Internal Revenue Service;*

*Now, therefore, the members of the Association hereby adopt the following resolution by and on behalf of the Honua Kai Condominium Association, Inc.*

*Resolved, that any excess of membership income over membership expenses for the year ended December 31, 2023 shall be applied against the subsequent tax year member assessments as provided by IRS Revenue Ruling 70-604.*

**Adopted by unanimous consent.**

### **Resolution to Amend Voting Procedures**

#### **Motion:**

*Whereas, the current voting procedure for the election of directors and other decisions requiring a vote by the members of Honua Kai Condominium Association, Inc. is primarily conducted via a proxy system; and*

*Whereas, it is recognized that providing other methods of voting can increase participation and convenience for all members;*

*Now, therefore be it resolved that in accordance with HRS Section 514B-121(e), electronic meetings and electronic, machine, or mail voting may be authorized by the Board, in its sole discretion, for use at the 2024 annual meeting and/or the election of directors in 2024;*

*Be it further resolved that the membership requests that the Board, with the assistance of the Association's attorney, prepare and submit to the owners for their vote or written consent in the year 2024, an amendment of the Declaration or Bylaws empowering the Board, in its sole discretion, to the extent permitted by law, to authorize electronic meetings and electronic, machine, or mail voting in connection with Association meetings and the elections of directors. (David Espinoza)*

**Adopted by unanimous consent after debate.**

Board of Director Removal

**Motion:**      *To remove Fereshteh Tali from the Board of Directors. (Melissa Donaldson)*

**Motion withdrawn by unanimous consent after debate.**

Quarterly Meetings

**Motion:**      *To move that regular meetings for homeowners be held quarterly which shall not include additional elections of directors. (George Hu)*

The Chair ruled the motion out of order on the basis that Article II, Section 2.10 of the Bylaws specifically states that the establishment of regular meetings by owners must be by “*petition*” of a majority of the owners.

**ADJOURNMENT:**

The meeting adjourned at 6:10 p.m. HST.

Ladini Conder  
Recording Secretary  
*Aloha Office Services*

and



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Mike Wilde, Secretary

Approved by Board of Directors on December 15, 2023 . Secretary's Initials: MBW

## **AOAO Honua Kai – Association Meeting Rules**

1. Smoking is not permitted in the meeting area.
2. This is a private meeting and attendance is restricted to owners and proxy holders representing owners, staff, and other persons who have been specifically invited by the board. All others are required to leave.
3. Owners desiring to speak must stand and be recognized by the Chairman. Owners must state their **name, enclave, and unit number each time**. The owner must **use the microphone, if available**, so that everybody else can hear.
4. All remarks must be **directed to the Chairman**, not directly to other members. Personal attacks, vulgarity, or offensive language can result in loss of debate privileges.
5. Long and complicated motions must be in writing and delivered to the Chairman, signed by the maker and seconder. This will help avoid confusion and insure that everybody knows the exact wording of the motion.
6. Discussion is normally limited to the motion being considered. Therefore, please don't start a long discussion unless a motion is already pending for consideration.
7. In order to ensure that everybody has a chance to speak, each individual shall have a limit of 2 minutes per speech and a limit of 2 speeches per debatable motion.
8. Nomination and election debate for elected office shall be limited to one speech per nominee (or his/her delegate) for a maximum of 2 minutes per speech.
9. Any board member whose removal is proposed shall have a debate limit of 10 minutes for each of the two speeches. The board member may choose to speak last after all other debate has concluded.
10. Ballot voting on any motion (including the election) will remain open for 20 minutes, (or until the results are announced) unless extended by the owners.
11. No video-taping or other electronic recording is permitted (except by recording secretary and parliamentarian for production of the minutes) during any of the proceedings unless first approved by the Association members at the meeting.
12. The board of directors is authorized to approve the minutes of the Association meetings.
13. All Owners are allowed to participate in deliberation or discussion by means of teleconference as established by the Association in accordance with HRS 514B-121 and HKCA Bylaws Section 2.14.

*[Note: These rules were permanently adopted at the January 29, 2014 annual meeting and amended at the August 15, 2018 Annual Meeting.]*

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## **AOAO Honua Kai – Association Meeting Rules**

**HONUA KAI CONDOMINIUM ASSOCIATION**

**AUDITED FINANCIAL STATEMENTS**  
**(With Independent Auditors' Report)**

**FOR THE YEAR ENDED DECEMBER 31, 2023**  
**(With Comparative Totals for the Year Ended December 31, 2022)**

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**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors and Management of  
Honua Kai Condominium Association  
Lahaina, Hawai'i 96761

***Opinion***

We have audited the accompanying financial statements of Honua Kai Condominium Association, which comprise the balance sheet as of December 31, 2023, and the related statements of revenues, expenses, and changes in fund balances and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Honua Kai Condominium Association as of December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Honua Kai Condominium Association and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Honua Kai Condominium Association's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Honua Kai Condominium Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Honua Kai Condominium Association's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

#### ***Future Major Repairs and Replacements***

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. We have not applied procedures to determine whether the funds designated for future major repairs and replacements, as discussed in Note 3, are adequate to meet such future costs because that determination is outside the scope of our audit. Our opinion is not modified with respect to that matter.

#### ***Disclaimer of Opinion on Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the unaudited Supplementary Information on Future Major Repairs and Replacements on pages 16 to 28 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Report on Summarized Comparative Information***

We have previously audited the Homua Kai Condominium Association's 2022 financial statements, and our report dated January 12, 2024, expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Carlman CPAs & Mgmt Group*

Wailuku, Hawai'i  
April 15, 2024



# HONU KAI CONDOMINIUM ASSOCIATION

## Balance Sheet As of December 31, 2023 (With Comparative Totals as of December 31, 2022)

	ASSETS			
	Operating Fund	Reserve Fund	2023 Totals	2022 Totals
<b>CURRENT ASSETS</b>				
Cash and Cash Equivalents (Note 2)	\$ 1,768,511	\$ 4,079,600	\$ 5,848,111	\$ 14,806,658
Investments (Note 10)	2,250,504	16,196,876	18,447,380	7,123,595
Assessments Receivable (Note 2)	201,379	-	201,379	114,051
Other Receivables	594,782	-	594,782	556,798
Prepaid Expenses (Note 13)	390,090	-	390,090	443,518
Inventory (Note 2)	529,474	-	529,474	185,501
Prepaid Income Tax	-	-	-	28,164
Interfund (Payable) Receivable	(465,831)	465,831	-	-
<b>Total Current Assets</b>	<b>5,268,909</b>	<b>20,742,307</b>	<b>26,011,216</b>	<b>23,258,285</b>
<b>PROPERTY AND EQUIPMENT (Note 2)</b>				
Commercial Space	1,850,000	-	1,850,000	1,850,000
Property Improvements	873,118	-	873,118	873,118
Equipment	341,995	-	341,995	341,995
Accumulated Depreciation	(1,003,628)	-	(1,003,628)	(829,228)
<b>Net Property and Equipment</b>	<b>2,061,485</b>	<b>-</b>	<b>2,061,485</b>	<b>2,235,885</b>
<b>NON-CURRENT ASSETS</b>				
Deferred Tax Asset (Note 6)	25,583	-	25,583	32,106
<b>TOTAL ASSETS</b>	<b>\$ 7,355,977</b>	<b>\$ 20,742,307</b>	<b>\$ 28,098,284</b>	<b>\$ 25,526,276</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>CURRENT LIABILITIES</b>				
Accounts Payable	\$ 1,562,867	\$ -	\$ 1,562,867	\$ 1,927,467
Accrued Payroll Liabilities	383,790	-	383,790	323,285
Income Tax Payable	92,832	-	92,832	-
Contract Liabilities (Notes 2 and 3)	513,192	20,584,161	21,097,353	17,486,565
Current Portion of Debt (Note 8)	37,710	-	37,710	29,619
Prepaid Assessments (Note 2)	394,782	-	394,782	320,746
<b>Total Current Liabilities</b>	<b>2,985,173</b>	<b>20,584,161</b>	<b>23,569,334</b>	<b>20,087,682</b>
<b>LONG-TERM LIABILITIES</b>				
Long-Term Portion of Debt (Note 8)	114,215	-	114,215	257,744
Loan Costs, Net of Accumulated Amortization (Note 8)	(5,842)	-	(5,842)	(11,684)
<b>Total Long-Term Liabilities</b>	<b>108,373</b>	<b>-</b>	<b>108,373</b>	<b>246,060</b>
<b>TOTAL LIABILITIES</b>	<b>3,093,546</b>	<b>20,584,161</b>	<b>23,677,707</b>	<b>20,333,742</b>
<b>FUND BALANCES</b>				
Fund Balances (Note 2)	4,262,431	158,146	4,420,577	5,192,534
<b>Total Fund Balances</b>	<b>4,262,431</b>	<b>158,146</b>	<b>4,420,577</b>	<b>5,192,534</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 7,355,977</b>	<b>\$ 20,742,307</b>	<b>\$ 28,098,284</b>	<b>\$ 25,526,276</b>

The accompanying notes are an integral part of these financial statements.

# HONUA KAI CONDOMINIUM ASSOCIATION

## Statement of Revenues, Expenses and Changes in Fund Balances For the Year Ended December 31, 2023 (With Comparative Totals for the Year Ended December 31, 2022)

	Operating Fund	Reserve Fund	2023 Totals	2022 Totals
<b>REVENUES</b>				
Owner Assessments (Note 2)	\$ 18,184,625	\$ -	\$ 18,184,625	\$ 20,732,930
Investment Income	18,629	681,128	699,757	160,472
Rental Income	599,311	-	599,311	713,476
Towel Tracker Income	289,580	-	289,580	409,964
Service Work Income	168,995	-	168,995	238,285
Miscellaneous Income	81,938	-	81,938	114,322
Parking Income	48,572	-	48,572	51,722
<b>TOTAL REVENUES</b>	<b>19,391,650</b>	<b>681,128</b>	<b>20,072,778</b>	<b>22,421,171</b>
<b>EXPENSES</b>				
<b>Personnel</b>				
Payroll Taxes and Benefits	1,251,464	-	1,251,464	1,145,492
Maintenance	1,235,062	-	1,235,062	1,126,966
Housekeeping	1,193,448	-	1,193,448	1,241,307
Security	1,117,278	-	1,117,278	1,009,634
Administrative	539,438	-	539,438	545,858
Water Features	530,690	-	530,690	489,340
Bell and Valet	435,151	-	435,151	402,278
<b>Total Personnel</b>	<b>6,302,531</b>	<b>-</b>	<b>6,302,531</b>	<b>5,960,875</b>
<b>General Administrative</b>				
Insurance	1,846,406	-	1,846,406	1,397,590
North Beach Dues and Maintenance Fees	554,707	-	554,707	491,638
Miscellaneous Expense	25,040	-	25,040	15,737
Professional Fees	439,894	-	439,894	365,135
Management Fees	212,302	-	212,302	214,200
Communications	208,932	-	208,932	180,480
General Excise Tax	61,899	-	61,899	66,207
Lease Expense	37,500	-	37,500	37,500
Security	36,005	-	36,005	16,977
Dues and Subscriptions	26,767	-	26,767	20,055
Real Property Taxes	23,395	-	23,395	21,081
Association Meetings	15,421	-	15,421	32,195
Interest	8,172	-	8,172	14,495
COVID-19 Related Expenses	5,548	-	5,548	2,066
<b>Total General Administrative</b>	<b>3,501,988</b>	<b>-</b>	<b>3,501,988</b>	<b>2,875,356</b>
<b>Utilities</b>				
Electricity	3,044,273	-	3,044,273	3,359,543
Sewer	685,681	-	685,681	633,754
Water	429,494	-	429,494	461,349
Gas	396,223	-	396,223	475,130
Cable Television	151,452	-	151,452	142,679
Reclaimed Water	61,764	-	61,764	92,687
Gain on Utility Settlement (Note 13)	-	-	-	-
<b>Total Utilities</b>	<b>\$ 4,768,887</b>	<b>\$ -</b>	<b>\$ 4,768,887</b>	<b>\$ 5,165,142</b>

The accompanying notes are an integral part of these financial statements.

# HONUA KAI CONDOMINIUM ASSOCIATION

## Statement of Revenues, Expenses and Changes in Fund Balances (Continued)

For the Year Ended December 31, 2023

(With Comparative Totals for the Year Ended December 31, 2022)

	Operating Fund	Reserve Fund	2023 Totals	2022 Totals
<b>Repairs and Maintenance</b>				
General Repairs and Maintenance	\$ 2,334,470	\$ -	\$ 2,334,470	\$ 2,101,535
Grounds	1,173,412	-	1,173,412	1,258,631
Pool and Water Features	799,536	-	799,536	875,970
Fire Control	244,010	-	244,010	175,787
Air Conditioning	218,226	-	218,226	112,586
Depreciation and Amortization Expense	180,242	-	180,242	180,242
Refuse Collection	161,343	-	161,343	157,633
Elevator	89,993	-	89,993	83,947
Parking Structure Maintenance (Note 12)	77,953	-	77,953	68,520
Water Intrusion	61,741	-	61,741	13,056
Exterior Windows	46,451	-	46,451	46,450
Pest Control	45,175	-	45,175	51,793
Safety and Security	34,195	-	34,195	-
Janitorial	26,922	-	26,922	46,306
Equipment and Vehicle	25,072	-	25,072	26,970
Sewer	19,556	-	19,556	16,285
<b>Total Repair and Maintenance</b>	<b>5,538,297</b>	<b>-</b>	<b>5,538,297</b>	<b>5,215,711</b>
<b>Reserve Expenses</b>				
Pool Upgrades and Related Items	-	104,398	104,398	26,979
Landscape Expenses	-	98,688	98,688	14,150
Lobby Expenses	-	66,117	66,117	30,244
Entry Door Lock System	-	49,583	49,583	142,581
Spa Expenses	-	41,425	41,425	53,852
Irrigation Expenses	-	38,359	38,359	10,946
Roofing Expenses	-	35,331	35,331	-
Parking Lot Expenses	-	27,833	27,833	-
Common Area	-	22,598	22,598	2,719
Boardwalk Expenses	-	15,033	15,033	-
Elevator Expenses	-	12,399	12,399	12,399
Sewer	-	11,218	11,218	-
Lanai Expenses	-	-	-	628,799
Cooling Systems	-	-	-	134,352
Replacement Radios	-	-	-	25,479
Water Feature	-	-	-	13,619
Security Cameras	-	-	-	8,786
<b>Total Reserve Expenses</b>	<b>-</b>	<b>522,982</b>	<b>522,982</b>	<b>1,104,905</b>
<b>Income Tax Expense</b>	<b>210,050</b>	<b>-</b>	<b>210,050</b>	<b>105,772</b>
<b>TOTAL EXPENSES</b>	<b>20,321,753</b>	<b>522,982</b>	<b>20,844,735</b>	<b>20,427,761</b>
<b>CHANGES IN FUND BALANCES</b>	<b>\$ (930,103)</b>	<b>\$ 158,146</b>	<b>\$ (771,957)</b>	<b>\$ 1,993,410</b>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<b>5,192,534</b>	<b>-</b>	<b>5,192,534</b>	<b>3,199,124</b>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 4,262,431</b>	<b>\$ 158,146</b>	<b>\$ 4,420,577</b>	<b>\$ 5,192,534</b>

The accompanying notes are an integral part of these financial statements.

# HONUA KAI CONDOMINIUM ASSOCIATION

## Statement of Cash Flows For the Year Ended December 31, 2023 (With Comparative Totals for the Year Ended December 31, 2022)

	Operating Fund	Reserve Fund	2023 Totals	2022 Totals
<b>CASH FLOWS FROM FUND ACTIVITIES</b>				
Cash Received from Owner Assessments	\$ 18,646,541	\$ 3,097,596	\$ 21,744,137	\$ 20,431,481
Cash Received from Other Sources	589,085	-	589,085	814,293
Cash Received from Rental Income	599,311	-	599,311	713,476
Investment Income Received	18,629	681,128	699,757	160,472
Cash Paid for Income Taxes	(82,531)	-	(82,531)	(105,772)
Cash Paid for Interest	(8,172)	-	(8,172)	(14,495)
Cash Paid to Employees and Vendors	(20,517,929)	(522,982)	(21,040,911)	(18,801,994)
Net Cash (Used) Provided by Fund Activities (Note 9)	(755,066)	3,255,742	2,500,676	3,197,461
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
(Purchases)/Redemptions of Investments	(2,250,504)	(9,073,281)	(11,323,785)	191,106
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Interfund Transfers	122,052	(122,052)	-	-
Payments on Long-Term Debt	(135,438)	-	(135,438)	(136,384)
Net Cash Used by Financing Activities	(13,386)	(122,052)	(135,438)	(136,384)
Net (Decrease) Increase in Cash and Cash Equivalents for the Year	(3,018,956)	(5,939,591)	(8,958,547)	3,252,183
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>4,787,467</u>	<u>10,019,191</u>	<u>14,806,658</u>	<u>11,554,475</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 1,768,511</u>	<u>\$ 4,079,600</u>	<u>\$ 5,848,111</u>	<u>\$ 14,806,658</u>

The accompanying notes are an integral part of these financial statements.

## HONUA KAI CONDOMINIUM ASSOCIATION

### Notes to the Financial Statements December 31, 2023

#### Note 1. ORGANIZATION

Honua Kai Condominium Association (the Association) is comprised of individual, residential, and commercial units on a condominium project on 39.846 acres of land in Lahaina, Maui, Hawai'i. The Association was formed in 2005 to provide for the management, maintenance, and care of the condominium's common areas as required under the provisions of the *Declaration of Condominium Property Regime* filed with the State of Hawai'i.

The Association is further comprised of the following:

*Hokulani Condominiums* - Consists of 318 residential and 7 commercial units.

*Konea Condominiums* - Consists of 310 residential and 3 commercial units.

*Luana Condominiums* - Consists of 72 residential units.

*Restaurant* - Consists of 1 commercial restaurant.

#### Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

*Method of Accounting:* The Association uses the accrual method of accounting for both financial statement reporting and tax return preparation. Under this method of accounting, revenue is recognized when earned rather than when received, and expenses are recognized when incurred rather than when paid.

*Owner Assessments:* Association members are subject to regular assessments to provide funds for the Association's operating expenses, future capital acquisitions, and major repairs and replacements. Prepaid Owner Assessments on the balance sheet represent advance payments by owners for future assessments. Any excess assessments at year-end are retained by the Association for future years.

*Assessments Receivable:* Management reviews Assessments Receivables on a periodic basis to determine if an allowance credits losses is necessary. Management has determined an allowance for credit losses is not necessary based on past collection history and the current composition of the Assessments Receivable balance.

*Prepaid Assessments:* Prepaid assessments represent funds received by the Association for the maintenance and reserve fees for the subsequent year.

*Cash and Cash Equivalents:* For the purpose of the statement of cash flows, cash is defined as demand deposits, savings accounts, certificates of deposit, and United States treasury bills with maturities of three months or less. The Association maintains cash and cash equivalents in accounts which from time to time exceed FDIC insurance levels. At December 31, 2023 and 2022, the cash balance that exceeded FDIC insurance levels were \$5,495,628 and \$7,015,515, respectively. Management has evaluated the risk and has determined it is minimal.

*Common Area:* Real property and common areas are owned by the individual unit owners in common and not by the Association. The Association capitalizes newly purchased common property if it produces a significant amount of non-member income, is not directly transferred from the developer, is not directly related to any units of the Association, and if the Association obtains title or other evidence of ownership of the property. Depreciation and amortization on fixed assets attributable to taxable income is allocated and deducted for income tax purposes.

# HONUA KAI CONDOMINIUM ASSOCIATION

## Notes to the Financial Statements December 31, 2023

### Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (Continued)

*Property and Equipment:* Property and equipment owned and titled by the Association are capitalized at cost and depreciated or amortized over the assets estimated useful life. The Association capitalized significant purchases with the cost of \$5,000 or more and with a useful life of greater than one year. Leases that transfer substantially all risks of ownership are also capitalized and depreciated over the assets' useful life. All depreciation or amortization is calculated using the straight-line method over the assets' useful life ranging from 5 to 33 years.

*Impairment of Property and Equipment:* The Association reviews its property and equipment for impairment whenever events or changes indicate that the carrying value of an asset may not be recoverable. The Association compares the carrying value to its fair value in order to determine whether an impairment loss has occurred. No impairment loss has been recognized for the years ended December 31, 2023 and 2022, respectively.

*Inventory:* Inventory consists of maintenance parts and supplies. Inventory is recorded at cost and accounted for under the first-in first-out method.

*Income Taxes:* Under income tax regulations relating to owners associations, the Association may elect to carry forward to a subsequent year the excess of revenues over expenses related to the management and maintenance of the common areas. Under that election, the Association is generally taxed only on non-membership income, such as interest and miscellaneous earnings, at regular federal and state corporate tax rates. The Association has elected to file an annual Form 1120 tax return. Annually, the Association adopts the provisions of Internal Revenue Service Revenue Ruling 70-604 to allow for the excess of net member assessment over expenses to be deferred for income tax purposes and carried forward to be used for operating expense of the following year.

*Use of Estimates:* The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

*Fund Accounting:* The Association currently accounts for its financial activities using ten separate funds to ensure that limitations and restrictions on the use of financial resources are properly accounted for. The Association uses the following funds to account for financial activities:

- Common Area Operating – This fund represents financial activities of the general operations and maintenance of the entire Association.
- Hokulani Operating – This fund represents financial activities of the general operations and maintenance of the Hokulani Tower.
- Konea Operating – This fund represents financial activities of the general operations and maintenance of the Konea Tower.
- Luana Operating – This fund represents financial activities of the general operations and maintenance of the Luana buildings.
- Restaurant Operating – This fund represents financial activities of the general operations and maintenance of the Restaurant.
- Common Area Reserve– This fund is used to account for the revenue, expenses, and liabilities related to repair and replacement of common elements for the entire property as required by Hawai'i Revised Statutes.

# HONUA KAI CONDOMINIUM ASSOCIATION

## Notes to the Financial Statements December 31, 2023

### Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (Concluded)

- **Hokulani Reserve Fund** – This fund is used to account for the revenue, expenses, and liabilities related to repair and replacement of common elements for the Hokulani Tower as required by Hawai'i Revised Statutes.
- **Konea Reserve Fund** – This fund is used to account for the revenue, expenses, and liabilities related to repair and replacement of common elements for the Konea Tower as required by Hawai'i Revised Statutes.
- **Luana Reserve Fund** – This fund is used to account for the revenue, expenses, and liabilities related to repair and replacement of common elements for the Luana buildings as required by Hawai'i Revised Statutes.
- **Restaurant Reserve Fund** – This fund is used to account for the revenue, expenses, and liabilities related to repair and replacement of common elements for the restaurant as required by Hawai'i Revised Statutes.

*Common Area, Hokulani, Konea and Luana Allocated Revenue and Expenses:* Certain revenues and expenses are allocated between the Common Area, Hokulani, Konea and Luana.

*Leases:* The Association calculates operating lease liabilities using a risk-free discount rate consistent with the period of the lease term. Lease payments with a term of 12 months or less are expensed on a straight-line basis over the term of the lease with no lease asset or liability recognized. There were no operating lease right-of-use assets or lease liabilities recognized for the year ending December 31, 2023.

*Contract Liabilities:* The Association recognizes revenue from members as the related performance obligations are satisfied. A contract liability is recorded when the Association has the right to receive payment in advance of satisfaction of performance obligations. The balance of contract liabilities as of December 31, 2023 was \$20,584,161 for the reserve fund and \$513,192 for the operating maintenance fund. The Association received \$3,097,596 in reserve assessments and \$513,192 of operating maintenance assessments in advance during 2023. Below is the change in the contract liabilities funds:

	Contract Liabilities - Operating Fund	Contract Liabilities - Reserve Fund
Balances at December 31, 2022	\$ -	\$ 17,486,565
Owner Assessments	513,192	3,097,596
Investment Income	-	522,982
Reserve Expenses	-	(522,982)
Contract Liability Balance at December 31, 2023	<u>\$ 513,192</u>	<u>\$ 20,584,161</u>
Surplus Investment Income *	\$ -	\$ 158,146

\*The Association's policy is to apply investment income to reserve expenses prior to using amounts assessed to owners.

## HONUA KAI CONDOMINIUM ASSOCIATION

### Notes to the Financial Statements December 31, 2023

#### Note 3. FUTURE MAJOR REPAIRS AND REPLACEMENTS

The State of Hawai'i requires Associations of Apartment Owners to prepare a Reserve Study for future major repairs and replacements. The Association's Board of Directors engaged an independent contractor to conduct a reserves study in November 2022. The Association is funding for major repairs and replacements based on the study's estimates of current replacement costs, considering amounts previously spent on reserve components.

The Association is funding major repairs and replacements based on the study's estimates of current replacement costs, considering amounts previously spent on reserve components. Actual expenditures may vary from the estimated amounts and the variations may be material. Therefore amounts accumulated in replacement reserves and savings accounts may not be adequate to meet future needs. If additional funds are needed the Association has the right to increase regular assessments, levy special assessments, or it may delay major repairs and replacements until funds are available.

Hawai'i Revised Statutes allow for the Association to elect one of two methods to fund future repairs and replacements. The Association has adopted the percent funded method. Under this method, the Association shall assess the unit owners to fund a minimum of 50% of the estimated replacement reserves. Accumulated funds are currently held in liquid cash accounts, US treasury bills, bonds, and similar investments and amount to \$20,276,476, and \$17,142,786 as of December 31, 2023 and 2022 respectively. Generally, funds accumulated for future repairs and replacements are not available for general operating expenses. Refer to required supplementary information on pages 16-28 of this report.

#### Note 4. UNCERTAIN TAX POSITION

The financial statement effects of a tax position taken or expected to be taken are recognized in the financial statements when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. Interest and penalties if any, are included in expenses in the statements of revenues, expenses, and changes in fund balances. As of December 31, 2023, the Association has analyzed its tax positions and believes that all are more likely than not to be sustained upon examination. The Association is generally no longer subject to examination by the Internal Revenue Service for years before 2020.

#### Note 5. LITIGATION

The Association has been referenced in several threatened or filed legal actions within the normal course of its activities. Based upon counsel and management's opinion, the outcome of such matters is not expected to have material adverse effect on the Association's financial position or changes in fund balances.

#### Note 6. DEFERRED TAX ASSET

In accordance with FASB ASC 740-10, a deferred tax asset and corresponding future tax benefit has been recorded to recognize the estimated future tax benefit for a temporary book to tax difference. The balance of the deferred tax asset as of December 31, 2023 and 2022 is estimated to be \$25,583 and \$32,106, respectively.



# HONUA KAI CONDOMINIUM ASSOCIATION

## Notes to the Financial Statements December 31, 2023

### Note 7. SUBSEQUENT EVENTS

In preparing these financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through April 15, 2024, the date the financial statements were available to be issued.

In 2023, the Association received a preliminary report from a mechanical engineering specialist retained in connection with their review of the air conditioning systems. Based on their findings, the only viable option available is for a full-replacement of the major systems, due to the lack of replacement component parts available. Consequently, the replacement costs for the air conditioning system components of the existing systems for the Hokulani and Konea towers included in the reserve studies and supplementary information to the financial statements are materially under-estimated. The mechanical engineering specialist has been retained to design plans for the replacement of the existing major systems and, once approved and permitted, will assist in procuring bids from contractors. The work of the mechanical engineering specialist is ongoing, and the Association does not have an update on the estimated replacement costs, as of the date the financial statements were available to be issued. The Association has developed a preliminary funding plan to ensure compliance with Hawai'i statutes and to maintain its reserve funds at responsibly sustainable levels. In December 2023, the Association adopted a funding plan for the Hokulani and Konea towers intended to achieve 70% funding in 10 years.

### Note 8. LONG-TERM DEBT

In August 2014, the Association entered into a promissory note with a financial institution to borrow \$450,000 in order to build out the two commercial units owned by the Association. The note was funded during 2017. The note calls for monthly principal and interest payments of \$3,634, bears interest at 4.6% and matures in November 2026. The note is secured by a mortgage on the commercial units and a commercial security agreement. The outstanding balance on the note at December 31, 2023 was \$151,925.

The above loan required additional costs of \$52,578 which are capitalized and will be amortized over the life of the loan. At December 31, 2023 and 2022, accumulated amortization associated with these loan costs was \$46,736 and \$40,894, respectively.

Current maturities are as follows for the years ended December 31:

2024	\$	37,710
2025		39,175
2026		75,040
Total	\$	<u>151,925</u>

# HONUA KAI CONDOMINIUM ASSOCIATION

## Notes to the Financial Statements December 31, 2023

### Note 9. RECONCILIATION OF CHANGES IN FUND BALANCES WITH NET CASH (USED) PROVIDED BY FUND ACTIVITIES

	Operating Fund	Reserve Fund	2023 Totals	2022 Totals
Changes in Fund Balances	\$ (930,103)	\$ 158,146	\$ (771,957)	\$ 1,993,410
Amortization of Loan Costs and Depreciation	180,242	-	180,242	180,242
Adjustments to Reconcile:				
Change in Assessments and Other Receivables	(125,312)	-	(125,312)	(152,484)
Change in Prepaid Expenses	53,428	-	53,428	264,725
Change in Inventory	(343,973)	-	(343,973)	(34,356)
Change in Deferred Tax Asset	6,523	-	6,523	8,316
Change in Prepaid Taxes and Income Taxes Payable	120,996	-	120,996	-
Change in Accounts Payable	(364,600)	-	(364,600)	1,097,430
Change in Accrued Payroll Liabilities	60,505	-	60,505	(10,857)
Change in Prepaid Assessments	74,036	-	74,036	(12,691)
Change in Contract Liabilities	513,192	3,097,596	3,610,788	(136,274)
Net Cash (Used) Provided by Fund Activities	<u>\$ (755,066)</u>	<u>\$ 3,255,742</u>	<u>\$ 2,500,676</u>	<u>\$ 3,197,461</u>

### Note 10. FAIR VALUE MEASUREMENTS

The Association implemented ASC 820-10-50-1 which establishes a fair value hierarchy for inputs used in measuring fair market value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on the best information available in the circumstances.

This fair value hierarchy consists of three broad levels.

- Level 1 inputs consist of unadjusted quoted prices in active markets such as stock exchanges for identical assets and have the highest priority.
- Level 2 inputs consist of significant other observable inputs such as quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset and liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 inputs consist of significant unobservable inputs and include situations where there is little, if any, market activity for the investment. The inputs require significant judgment or estimates, such as those associated with discounted cash flow methodologies and appraisals.

# HONUA KAI CONDOMINIUM ASSOCIATION

## Notes to the Financial Statements December 31, 2023

### Note 10. FAIR VALUE MEASUREMENTS (Continued)

As of December 31, 2023 and 2022, fair values of assets measured on a recurring basis are as follows:

Assets	Total December 31, 2023	Quoted Prices: Level 1	Significant Other Inputs: Level 2	Significant Non- Observable Inputs: Level 3
Certificates of Deposit	\$ 226,000	\$ -	\$ 226,000	\$ -
Mutual Funds	4,091,625	4,091,625	-	-
Government Bonds	14,129,755	14,129,755	-	-
	<u>\$ 18,447,380</u>	<u>\$ 18,221,380</u>	<u>\$ 226,000</u>	<u>\$ -</u>

Assets	Total December 31, 2022	Quoted Prices: Level 1	Significant Other Inputs: Level 2	Significant Non- Observable Inputs: Level 3
Certificates of Deposit	\$ 1,875,914	\$ -	\$ 1,875,914	\$ -
Government Bonds	5,247,681	5,247,681	-	-
	<u>\$ 7,123,595</u>	<u>\$ 5,247,681</u>	<u>\$ 1,875,914</u>	<u>\$ -</u>

All Certificates of Deposit are insured by Federal Deposit Insurance Corporation (FDIC). There are no liabilities or other assets measured at fair value on a recurring or non-recurring basis

### Note 11. FUTURE MINIMUM LEASE PAYMENTS RECEIVABLE

The Association leases parts of its commercial space to several entities. The leases range from five years to ten years in duration. The following are the future minimum lease payments to be received by the Association for the year ending December 31:

2024	\$ 207,421
2025	212,703
2026	218,143
2027	18,645
	<u>\$ 656,912</u>

### Note 12. COMMITMENTS AND CONTINGENCIES

Under the Association's governing documents, the Association is responsible for reimbursing an unrelated entity in perpetuity for a pro-rata portion of maintenance costs related to a parking structure adjacent to the property. In exchange, Association members have use of the garage. For the years ended December 31, 2023 and 2022, the Association reimbursed the unrelated party \$74,223 and \$66,286 in maintenance costs, respectively.

## HONUA KAI CONDOMINIUM ASSOCIATION

### Notes to the Financial Statements December 31, 2023

#### Note 13. GAIN ON UTILITY SETTLEMENT

In 2021, the Association received notification of credit for future sewer use utilities from the County of Maui in the amount of \$584,139 and cash payment of \$252,328 from water usage from Hawai'i Water Service, for a total gain on utility settlement of \$836,467 recorded on the statement of revenues, expenses and changes in fund balances at December 31, 2021. As of December 31, 2023, the credits have been exhausted.

#### Note 14. ADOPTION OF NEW STANDARD

At the beginning of 2023, the Association adopted FASB ASU 2016-13, *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which modifies the measurement of expected credit losses on certain financial instruments. The Association adopted this new guidance utilizing the modified retrospective transition method. The adoption of this standard did not have a material impact on the Association's financial statements or changes on how the allowance for credit losses is determined.

## HONUA KAI CONDOMINIUM ASSOCIATION

### Unaudited Supplementary Information on Future Repairs and Replacements For the Year Ended December 31, 2023

The Association conducted a study as of November 2022 to estimate the remaining useful lives and the replacement costs of the components of common property. The current estimates are based on the current estimated replacement costs. The future funding requirements were estimated based on current costs with consideration of an annual inflation rate of 4.0% and interest at 3.00% on amounts funded for future major repairs and replacements. Pursuant to Hawai'i Revised Statutes, the Association is utilizing the percent funded method of funding for reserves. The following tables (pages 17 to 28) are based on the study and presents significant information about the components of common property. For proper understanding of the reserve study, see the Association's report in its entirety.

# HONUA KAI CONDOMINIUM ASSOCIATION

## Unaudited Supplementary Information on Future Repairs and Replacements – Common Areas

For the Year Ended December 31, 2023

Component	Current Replacement Cost	Useful Life	Remaining Life	Projected Fully Funded Reserve*
<b>Asphalt &amp; Concrete Surfaces</b>				
Asphalt - Overlay	388,800	30	15	\$ 194,400
Asphalt - Overlay (Luana)	347,704	24	21	43,463
Asphalt - Seal/Stripe & Repair	89,424	5	0	89,424
Asphalt - Seal/Stripe & Repair (Luana)	79,972	4	1	59,979
Concrete - Repairs	21,200	10	8	4,240
<b>Fitness Room</b>				
Fitness Rm (Konea) - Bikes	23,583	9	3	15,722
Fitness Rm (Konea) - Carpeting	9,095	9	3	6,063
Fitness Rm (Konea) - Elliptical	84,800	9	3	56,533
Fitness Rm (Konea) - Machines	54,408	9	3	36,272
Fitness Rm (Konea) - Mirrors	15,900	7	2	11,357
Fitness RM (Konea) - Recumbent Bikes	13,975	9	3	9,317
Fitness Rm (Konea) - RR (Refurb)	3,758	9	3	2,505
Fitness Rm (Konea) - Treads	67,469	9	3	44,979
<b>HKCA Offices</b>				
HKCA Offices - A/C	59,360	15	10	19,787
HKCA Offices - Art	11,236	10	7	3,371
HKCA Offices - Carpeting	5,966	10	5	2,983
HKCA Offices - Furnishings (Desks)	28,933	25	16	10,416
HKCA Offices - Furnishings (Wait Area)	5,459	10	1	4,913
HKCA Offices - Office Chairs	3,275	7	4	1,404
<b>Landscaping</b>				
Air Gap	61,480	10	1	55,332
Irrig. Valves - 20% Annually	9,906	1	0	9,906
Pump - R1	9,400	10	0	9,400
Timer Clocks (Hunter)	34,938	8	7	4,367
Timer Clocks (Luana)	4,367	8	5	1,638
<b>Lighting</b>				
Ext. Fixtures - Ground/Landscape	51,166	15	0	51,166
Ext. Fixtures - Ground/Landscape (Luana)	26,203	15	12	5,241
Post Fixtures - Parking (Valet/Hokulani)	44,872	15	5	29,915
<b>Mechanical Equipment</b>				
Trash Compactor (Hokulani)	63,600	20	17	9,540
Trash Compactor (Hokulani) - Custom Carts	8,480	8	5	3,180
Trash Compactor (Hokulani) - Power Head	8,353	10	3	5,847
Trash Compactor (Konea)	74,200	20	17	11,130
Trash Compactor (Konea) - Custom Carts	8,480	8	5	3,180
Trash Compactor (Konea) - Power Head	8,353	16	3	6,787
<b>Miscellaneous</b>				
BBQ's - Gas	20,087	10	0	20,087
Bell Carts	11,575	8	3	7,234
Bell Service Refrigerators	11,575	7	3	6,614
Boardwalk Surfaces (Trex) -	11,236	10	9	1,124
Fire Pit - Common	17,906	6	0	17,906
Golf Carts (2-Man)	2,981	8	4	1,491

# HONUA KAI CONDOMINIUM ASSOCIATION

## Unaudited Supplementary Information on Future Repairs and Replacements – Common Areas (Continued)

For the Year Ended December 31, 2023

Component	Current Replacement Cost	Useful Life	Remaining Life	Projected Fully Funded Reserve*
Hokulani Shack - Bldg. Repairs/Maint.	3,180	11	0	3,180
Hokulani Shack - Roofing	3,682	20	7	2,393
Konea Shack - Bldg. Repairs/Maint.	3,180	11	10	289
Konea Shack - Roofing	3,682	8	4	1,841
Man-Lift	59,360	15	10	19,787
Outdoor Signage	10,229	15	1	9,547
Power Conditioner (H)	101,230	10	7	30,369
Pumps - Sewer Ejectors	8,187	12	0	8,187
Pumps - Sewer Grinders	16,375	5	2	9,825
Truck - GMC (1500)	30,570	10	3	21,399
Valet Podiums	5,961	8	7	745
<b>Pools &amp; Spas</b>				
Pool (Family) - Chem Controller/Feeder	3,057	10	0	3,057
Pool (Family) - Filtration System (Pentair)	10,240	10	9	1,024
Pool (Family) - Heater (Lochinvar)	6,826	7	3	3,901
Pool (Family) - Pumps/Motors (Pentair)	4,579	7	6	654
Pool (Family) - Resurface/Repairs	166,500	8	3	104,063
Pool (Hokulani) - Chem Controller/Feeder	3,057	10	9	306
Pool (Hokulani) - Filtration System (Pentair)	7,680	10	9	768
Pool (Hokulani) - Heater (Lochinvar)	6,826	7	3	3,901
Pool (Hokulani) - Pumps/Motors (Pentair)	4,579	7	6	654
Pool (Hokulani) - Replaster	119,006	8	1	104,130
Pool (Konea) - Filtration System (Pentair)	10,240	10	9	1,024
Pool (Konea) - Heater (Lochinvar)	6,826	7	3	3,901
Pool (Konea) - Pumps/Motors (Pentair)	6,869	7	6	981
Pool (Konea) - Resurface/Repairs	119,006	8	3	74,379
Pool (Luana A) - Chem Controller/Feeder	3,057	10	7	917
Pool (Luana A) - Filter Pump (1.5 HP)	2,730	7	4	1,170
Pool (Luana A) - Filtration System	5,120	10	7	1,536
Pool (Luana A) - Heater	6,826	7	4	2,925
Pool (Luana A) - Lift System	9,280	15	12	1,856
Pool (Luana A) - Meter Pump	2,184	7	4	936
Pool (Luana A) - Pump VFD's	15,285	10	7	4,586
Pool (Luana A) - Resurface/Repairs	67,310	8	5	25,241
Pool (Luana A) - Salt Chlorinator	3,275	10	7	983
Pool (Luana A) - Waterfall Pump (5 HP)	5,459	7	4	2,340
Pool (Luana A) - Waterfall Pump (7.5 HP)	8,189	7	4	3,510
Pool (Luana B) - Chem Controller/Feeder	3,057	10	7	917
Pool (Luana B) - Filter Pump (1.5 HP)	2,730	7	4	1,170
Pool (Luana B) - Filtration System	2,560	10	7	768
Pool (Luana B) - Heater	6,826	7	4	2,925
Pool (Luana B) - Lift System	9,280	15	12	1,856
Pool (Luana B) - Meter Pump	2,184	7	4	936
Pool (Luana B) - Pump VFD's	15,285	10	7	4,586
Pool (Luana B) - Resurface/Repairs	67,310	8	5	25,241

# HONUA KAI CONDOMINIUM ASSOCIATION

## Unaudited Supplementary Information on Future Repairs and Replacements – Common Areas (Continued) For the Year Ended December 31, 2023

Component	Current Replacement Cost	Useful Life	Remaining Life	Projected Fully Funded Reserve*
Pool (Luana B) - Salt Chlorinator	3,275	10	7	983
Pool (Luana B) - Waterfall Pump (5 HP)	5,459	7	4	2,340
Pool (Luana B) - Waterfall Pump (7.5 HP)	8,189	7	4	3,510
Pool (Luana C) - Chem Controller/Feeder	3,057	10	7	917
Pool (Luana C) - Filter Pump (1.5 HP)	2,730	7	4	1,170
Pool (Luana C) - Filtration System	2,560	10	7	768
Pool (Luana C) - Heater	6,826	7	4	2,925
Pool (Luana C) - Lift System	9,280	15	12	1,856
Pool (Luana C) - Meter Pump	2,184	7	4	936
Pool (Luana C) - Pump VFD's	15,285	10	7	4,586
Pool (Luana C) - Resurface/Repairs	67,310	8	5	25,241
Pool (Luana C) - Salt Chlorinator	3,275	10	7	983
Pool (Luana C) - Waterfall Pump (5 HP)	5,459	7	4	2,340
Pool (Luana C) - Waterfall Pump (7.5 HP)	8,189	7	4	3,510
Pool (River) - Chem Controllers/Feeders	2,947	10	9	295
Pool (River) - Filtration System (Pentair)	10,240	10	9	1,024
Pool (River) - Heater (Lochinvar)	7,033	7	2	5,024
Pool (River) - Pumps/Motors (Pentair)	6,869	7	6	981
Pool (River) - Resurface/Repairs	119,006	8	3	74,379
Pool Areas - Chaise Lounges (Luana A-C)	69,002	10	7	20,701
Pool Areas - Fire Pits (Luana A-C)	11,464	15	12	2,293
Pool Areas - Lights (Sub) (Luana A-C))	10,828	10	7	3,248
Pool Areas - Pergolas (Luana A-C))	59,530	22	19	8,118
Pool Areas - ADA Lift Systems	10,346	7	3	5,912
Pool Areas - Chaise Lounges	524,064	10	7	157,219
Pool Areas - Deck Repair	25,599	14	1	23,771
Pool Areas - Deck Repair (Luana A-C)	58,724	14	11	12,584
Pool Areas - Drink Fountains	23,846	7	3	13,626
Pool Areas - Drinking Fountain (Luana A-C)	8,942	7	4	3,832
Pool Areas - Entry/Exit Handrails	18,561	25	11	10,394
Pool Areas - Igloo Cooler Stands	4,634	5	1	3,707
Pool Areas - Metal Fencing (Luana)	78,694	22	19	10,731
Pool Areas - Metal Gates (Luana)	9,540	15	12	1,908
Pool Areas - RR's Refurbish (Barney)	7,643	15	1	7,133
Pool Areas - RR's Refurbish (Dukes)	15,285	15	1	14,266
Pool Areas - Towel Dispensers	178,398	15	10	59,466
Pool Areas - Towel Dispensers Awning Covers	29,680	8	4	14,840
Pool Areas - Umbrellas	22,491	7	4	9,639
Pool Areas - Umbrellas (Annual)	11,236	1	0	11,236
Pool Areas - Washer/Dryer	175,000	8	0	175,000
Pool Areas - Washer/Dryer (Xerox)	22,506	8	0	22,506
Spa (Lahaina) - Chem Controllers/Feeders	3,057	10	9	306
Spa (Lahaina) - Filter (Triton II)	2,560	10	7	768
Spa (Lahaina) - Heater (Sta-Rite)	4,889	12	11	407
Spa (Lahaina) - Pumps/Motors (Sta-Rite)	4,579	7	6	654
Spa (Lahaina) - Resurface	18,730	8	1	16,389
Spa (Luana A) - Chem Controller/Feeder	3,057	10	7	917
Spa (Luana A) - Filter	2,560	10	7	768



# HONUA KAI CONDOMINIUM ASSOCIATION

## Unaudited Supplementary Information on Future Repairs and Replacements – Common Areas (Continued) For the Year Ended December 31, 2023

Component	Current Replacement Cost	Useful Life	Remaining Life	Projected Fully Funded Reserve*
Spa (Luana A) - Filter Pump (1.5 HP)	2,730	7	4	1,170
Spa (Luana A) - Heater	4,889	7	4	2,095
Spa (Luana A) - Jet Pump (3 HP)	3,821	7	4	1,638
Spa (Luana A) - Meter Pump	2,184	7	4	936
Spa (Luana A) - Resurface	5,152	8	5	1,932
Spa (Luana A) - Salt Chlorinator	3,275	10	7	983
Spa (Luana B) - Chem Controller/Feeder	3,057	10	7	917
Spa (Luana B) - Filter	2,560	10	7	768
Spa (Luana B) - Filter Pump (1.5 HP)	2,730	7	4	1,170
Spa (Luana B) - Heater	4,889	7	4	2,095
Spa (Luana B) - Jet Pump (3 HP)	3,821	7	4	1,638
Spa (Luana B) - Meter Pump	2,184	7	4	936
Spa (Luana B) - Resurface	5,152	8	5	1,932
Spa (Luana B) - Salt Chlorinator	3,275	10	7	983
Spa (Luana C) - Chem Controller/Feeder	3,057	10	7	917
Spa (Luana C) - Filter	2,560	10	7	768
Spa (Luana C) - Filter Pump (1.5 HP)	2,730	7	4	1,170
Spa (Luana C) - Heater	4,889	7	4	2,095
Spa (Luana C) - Jet Pump (3 HP)	3,821	7	4	1,638
Spa (Luana C) - Meter Pump	2,184	7	4	936
Spa (Luana C) - Resurface	5,152	8	5	1,932
Spa (Luana C) - Salt Chlorinator	3,275	10	7	983
Spa (Napili) - Chem Controllers/Feeders	3,057	10	9	306
Spa (Napili) - Filter (Triton II)	2,560	10	7	768
Spa (Napili) - Heater (Sta-Rite)	4,889	12	11	407
Spa (Napili) - Pumps/Motors (Sta-Rite)	4,579	7	6	654
Spa (Napili) - Resurface	18,730	8	1	16,389
Spa (River) - Chem Controllers/Feeders	3,057	10	9	306
Spa (River) - Filter	2,560	10	9	256
Spa (River) - Heater (Sta-Rite)	4,889	12	0	4,889
Spa (River) - Pumps/Motors	4,579	7	3	2,617
Spa (River) - Resurface	6,233	10	3	4,363
Spa (Sand Beach) - Chem Controllers/Feeders	3,057	10	9	306
Spa (Sand Beach) - Filter (Pentair)	2,560	10	9	256
Spa (Sand Beach) - Heater (Sta-Rite)	4,889	12	11	407
Spa (Sand Beach) - Pumps/Motors	4,579	7	6	654
Spa (Sand Beach) - Resurface	4,452	8	3	2,783
Spa (Slide Island) - Chem Controllers/Feeders	3,057	10	9	306
Spa (Slide Island) - Filter	2,560	10	9	256
Spa (Slide Island) - Heater (Sta-Rite)	4,889	12	0	4,889
Spa (Slide Island) - Pumps/Motors	4,579	7	6	654
Spa (Slide Island) - Resurface	5,342	8	3	3,339
<b>Security &amp; Fire Systems</b>				
Security Camera System - Annual	22,491	1	0	22,491
Security Vehicle #1	7,970	10	4	4,782
Security Vehicle #2	7,970	10	4	4,782
Security/Fire Equipment	75,159	15	2	65,138

# HONUA KAI CONDOMINIUM ASSOCIATION

## Unaudited Supplementary Information on Future Repairs and Replacements – Common Areas (Concluded)

For the Year Ended December 31, 2023

Component	Current Replacement Cost	Useful Life	Remaining Life	Projected Fully Funded Reserve*
<b>Sewer Lift Station</b>				
SLS - Control Alarm Panels	8,957	15	1	8,360
SLS - Pumps (10 Hp)	49,926	15	1	46,598
<b>Vehicle Entry Gates</b>				
Vehicle Entry Gates - Replace	20,466	25	11	11,461
<b>Water Features</b>				
Family Pool - Filtration System	5,724	10	9	572
Family Pool - Pumps/Motors	2,434	7	6	348
Family Pool - Replaster	60,178	18	6	40,119
Hokulani (Lobby) - Filtration System	5,565	10	7	1,670
Hokulani (Lobby) - Pumps/Motors	2,434	7	0	2,434
Hokulani (Lobby) - Replaster	72,384	18	4	56,299
Hokulani (Porte Cochere) - Chem Feeder	2,981	10	7	894
Hokulani (Porte Cochere) - Filter	1,855	10	7	557
Hokulani (Porte Cochere) - Pumps/Motors	3,057	7	0	3,057
Hokulani (Porte Cochere) - Resurface	42,579	18	5	30,752
Konea (Ctyd.) - Filtration System	5,565	10	9	557
Konea (Ctyd.) - Pumps/Motors	3,816	7	0	3,816
Konea (Ctyd.) - Resurface	43,557	18	5	31,458
Spa Entry - Filtration System	5,565	10	9	557
Spa Entry - Pumps/Motors	2,364	7	6	338
Spa Entry - Resurface	80,206	18	6	53,471
				<u>\$ 2,583,959</u>

# HONUA KAI CONDOMINIUM ASSOCIATION

## Unaudited Supplementary Information on Future Repairs and Replacements – Hokulani Tower

For the Year Ended December 31, 2023

Component	Current Replacement Cost	Useful Life	Remaining Life	Projected Fully Funded Reserve*
<b>Common Interior</b>				
Elevator Landings - Furnishings	14,297	7	0	\$ 14,297
Flooring - Back of House (Resilient)	6,143	25	11	3,440
Flooring - Lobby & 2nd Flr.	88,245	8	1	77,214
Flooring - Service Elevator Landings	7,632	20	0	7,632
Flooring - Trash/Linen Rooms	2,576	25	11	1,443
Hallways - Carpeting	675,824	10	4	405,494
Hallways - Entry Signage	20,176	25	11	11,299
Hallways - Fire Doors	66,780	30	16	31,164
Hallways - Salto Units	22,705	10	2	18,164
Hallways - Wall Art	45,087	15	5	30,058
Ice Machine	11,927	9	4	6,626
Int. - Trash Receptacles (Granite)	10,380	15	1	9,688
Int. - Window Treatments (Drapery)	14,628	7	2	10,449
Lobby - Ceiling Fans	17,172	18	4	13,356
Lobby - Chandeliers	11,927	30	16	5,566
Lobby - Entry Door (Auto)	7,950	17	3	6,547
Lobby - Furnishings (A)	89,570	5	4	17,914
Lobby - Furnishings (B)	29,680	5	4	5,936
RR's Refurb - Employee	3,816	15	1	3,562
RR's Refurb - Lobby (Annual)	21,457	1	0	21,457
<b>Doors, Gates &amp; Rails</b>				
Doors (Common Area) - Ph 1	52,144	10	4	31,286
Doors (Common Area) - Ph 2	52,839	10	4	31,703
Doors (Common Area) - Ph 3	52,839	10	4	31,703
Doors (Fire) - Elevator Lobbies	185,256	20	6	129,679
Doors (Units) - Entry	491,310	20	6	343,917
Doors (Units) - Entry Lock System	124,790	10	9	12,479
Doors (Wood) - Lobby	9,008	24	10	5,255
Garage - Vehicle Access Systems	12,391	9	6	4,130
Nanawall Doors (Panels) - 1	2,078,448	28	14	1,039,224
Nanawall Doors (Panels) - 2	2,078,448	28	15	964,994
Nanawall Doors (Panels) - 3	2,078,448	28	16	890,763
Nanawall Doors (Panels) - Lobby	162,816	28	14	81,408
Rails - Lanais	1,594,732	33	19	676,553
Roll-Up Gates (4) - Operators	12,042	15	2	10,436
Roll-Up Gates (4) - Replace	180,200	22	8	114,673
Slide Gate - Operator	3,710	9	6	1,237
Slide Gate - Replace	8,079	30	16	3,770
<b>Elevators</b>				
Elevators - Cab Refurbish	42,400	14	8	18,171
Elevators - Cab Refurbish (Service)	6,890	20	0	6,890
Elevators - Upgrade System (A-Wing)	689,000	26	12	371,000
Elevators - Upgrade System (B/C-Wing)	689,000	26	12	371,000

# HONUA KAI CONDOMINIUM ASSOCIATION

## Unaudited Supplementary Information on Future Repairs and Replacements – Hokulani Tower (Continued) For the Year Ended December 31, 2023

Component	Current Replacement Cost	Useful Life	Remaining Life	Projected Fully Funded Reserve*
<b>Lighting</b>				
Ext. - Building Fixtures	22,790	20	6	15,953
Ext. - Lanai Fixtures	251,990	20	19	12,600
Ext. - Porte Cochere Fixtures	4,579	19	5	3,374
Int. - Exit Fixtures	30,984	23	9	18,860
Int. - Garage Fixtures	149,937	23	9	91,266
Int. - Globe Fixtures (Elev-Landings)	5,228	23	9	3,182
Int. - Recessed Fixtures	70,922	30	16	33,097
Int. - Square Fixtures (Service Elev-Landings)	3,930	26	12	2,116
Int. - Stairwell Fixtures	29,264	26	12	15,758
Int. - Unit Entry Fixtures	98,427	25	11	55,119
<b>Mechanical Equipment</b>				
A/C - Condensers/Compressors	1,484,000	16	2	1,298,500
A/C - Controls/Distribution Systems	176,358	13	0	176,358
A/C - Fan / Coil Replacement	96,195	30	0	96,195
A/C - Fan Coil Units	756,734	30	14	403,591
Air Humidifiers - Desert (Roof)	381,600	15	1	356,160
Emergency Generator	313,347	28	14	156,674
Exhaust Fans - Garage #1	15,211	18	4	11,831
Exhaust Fans - Garage #2	15,211	10	0	15,211
Exhaust Fans - Stairwells	37,524	18	4	29,185
Gas Detection System - Gar.	44,764	12	0	44,764
Pump - Sewer	13,902	8	4	6,951
Pumps - Domestic Booster (10Hp)	45,856	15	1	42,799
Pumps - Domestic Pump (Back Up)	6,254	10	7	1,876
Recycling System - ORWAK	34,450	20	6	24,115
<b>Miscellaneous</b>				
Chute Repairs - Trash	11,927	10	5	5,964
Decking (Lanai's) - Replace	1,023,960	30	16	477,848
Electrical - Meters	142,570	7	4	61,101
Electrical - Meters (1-Time)	90,100	99	97	1,820
Trellis Structures (Alum) - Courtyard	60,102	20	6	42,071
Trellis Structures (Alum) - Roof	116,600	20	6	81,620
Trellis Structures (Alum) - Units	37,100	20	6	25,970
Windows	1,564,560	36	22	608,440
Woven Trash Receptacles	45,554	8	0	45,554

# HONUA KAI CONDOMINIUM ASSOCIATION

## Unaudited Supplementary Information on Future Repairs and Replacements – Hokulani Tower (Concluded) For the Year Ended December 31, 2023

Component	Current Replacement Cost	Useful Life	Remaining Life	Projected Fully Funded Reserve*
<b>Roofing</b>				
Built-Up Roofing	719,132	20	6	503,392
Gutters and Downspouts	319,030	20	6	223,321
Metal Roofing	2,885,812	40	26	1,010,034
Roofing - Insp / Maint. / Repairs	54,450	5	4	10,890
<b>Security &amp; Fire Systems</b>				
Fire- Detection & Alarm System	51,145	25	11	28,641
Fire - Jockey Pump (1.5 HP)	6,360	10	7	1,908
Fire - Main Pump (30 HP)	31,800	25	11	17,808
				<u>\$ 11,903,496</u>

# HONUA KAI CONDOMINIUM ASSOCIATION

## Unaudited Supplementary Information on Future Repairs and Replacements – Konea Tower

For the Year Ended December 31, 2023

Component	Current Replacement Cost	Useful Life	Remaining Life	Projected Fully Funded Reserve*
<b>Common Interior</b>				
Elevator Landings - Furnishings (A)	5,957	7	0	\$ 5,957
Elevator Landings - Furnishings (B/C)	8,340	7	0	8,340
Flooring - Back of House (Resilient)	6,143	25	13	2,949
Flooring - Lobby & 2nd Flr.	82,680	8	1	72,345
Flooring - Service Elevator Landings	7,632	20	0	7,632
Flooring - Trash/Linen Rooms	2,576	25	12	1,340
Hallways - Carpeting	675,824	10	4	405,494
Hallways - Entry Signage	20,176	25	12	10,492
Hallways - Fire Doors	66,780	30	17	28,938
Hallways - Salto Units	21,942	10	3	15,359
Hallways - Wall Art	42,347	15	5	28,231
Ice Machine	14,310	9	6	4,770
Int. - Trash Receptacles (Granite)	10,399	15	2	9,012
Int. - Window Treatments (Drapery)	14,665	7	2	10,475
Lobby - Ceiling fans	11,448	18	5	8,268
Lobby - Chandeliers	11,927	30	17	5,168
Lobby - Entry Doors (Auto)	15,900	17	4	12,159
Lobby - Furnishings (A)	89,491	5	4	17,898
Lobby - Furnishings (B)	29,823	5	4	5,965
Lobby - Wood Flooring	17,744	25	12	9,227
RR's Refurb - Employee	1,908	15	2	1,654
RR's Refurb - Lobby (Annual)	21,457	1	0	21,457
<b>Doors, Gates &amp; Rails</b>				
Doors (Common Area) - Ph 1	51,516	10	4	30,910
Doors (Common Area) - Ph 2	51,516	10	4	30,910
Doors (Common Area) - Ph 3	52,232	10	4	31,339
Doors (Fire) - Elevator Lobbies	190,652	20	7	123,924
Doors (Units) - Entry	494,490	20	8	296,694
Doors (Units) - Entry Lock System	141,271	10	1	127,144
Doors (Wood) - Lobby	6,434	24	12	3,217
Garage - Vehicle Access Systems	12,391	9	6	4,130
Nanawall Doors (Panels) - 1	1,935,984	28	15	898,850
Nanawall Doors (Panels) - 2	1,938,528	28	16	830,798
Nanawall Doors (Panels) - 3	1,938,528	28	17	761,565
Nanawall Doors (Panels) - Lobby	162,816	28	15	75,593
Rails - Lanais	1,544,462	33	20	608,424
Roll-Up Gates (4) - Operators	12,042	15	3	9,634
Roll-Up Gates (4) - Replace	180,200	22	9	106,482
Slide Gate - Operator	3,710	9	6	1,237
Slide Gate - Replace	8,079	30	17	3,501
<b>Elevators</b>				
Elevators - Car Refurbish	42,400	14	9	15,143
Elevators - Car Refurbish (Service)	6,890	20	7	4,479
Elevators - Upgrade System (A-Wing)	1,033,500	26	13	516,750
Elevators - Upgrade System (B/C-Wing)	689,000	26	13	344,500

HONUA KAI CONDOMINIUM ASSOCIATION

Unaudited Supplementary Information on Future Repairs and Replacements – Konea Tower  
(Continued)  
For the Year Ended December 31, 2023

Component	Current Replacement Cost	Useful Life	Remaining Life	Projected Fully Funded Reserve*
<b>Lighting</b>				
Ext. - Building Fixtures	19,107	20	7	12,420
Ext. - Lanai Fixtures	246,527	20	19	12,326
Ext. - Porte Cochere Fixtures	4,579	19	5	3,374
Int. - Exit Fixtures	30,984	23	10	17,513
Int. - Garage Fixtures	149,937	23	10	84,747
Int. - Globe Fixtures (Elev-Landings)	5,228	23	11	2,728
Int. - Recessed Fixtures	68,735	30	17	29,785
Int. - Square Fixtures (Service Elev-Landings)	39,305	26	13	19,653
Int. - Stairwell Fixtures	27,751	26	13	13,876
Int. - Unit Entry Fixtures	96,261	25	12	50,056
<b>Mechanical Equipment</b>				
A/C - Condensers/Compressors	1,446,900	16	3	1,175,606
A/C - Controls/Distribution Systems (FCU Controls)	158,576	14	0	158,576
A/C - Fan Coil Units Replacement	86,496	30	0	86,496
A/C - Fan Coil Units	680,435	30	14	362,899
Air Humidifiers - Petra (Roof)	381,600	15	2	330,720
Emergency Gen. (CAT-450 kw)	313,347	28	15	145,483
Exhaust Fans - Garage	30,422	18	5	21,971
Exhaust Fans - Stairwells	18,762	18	5	13,550
Gas Detection System - Gar.	44,764	12	0	44,764
Pumps - Domestic Booster (10Hp)	45,856	15	2	39,742
Pumps - Domestic Pump (Back Up)	6,254	10	7	1,876
Recycling System - ORWAK	34,450	20	7	22,393
<b>Miscellaneous</b>				
Chute Repairs - Trash	11,927	10	5	5,964
Decking (Lanai's) - Replace	872,592	30	17	378,123
Electrical - Meters	142,570	7	4	61,101
Electrical - Meters (1-Time)	90,100	99	0	90,100
Trellis Structures - Courtyard	45,077	20	6	31,554
Trellis Structures - Roof	157,219	20	6	110,053
Windows	1,386,480	36	23	500,673
Woven Trash Receptacles	45,554	9	6	15,185
<b>Roofing</b>				
Built-Up Roofing	817,654	20	7	531,475
Gutters and Downspouts	304,339	20	7	197,820
Metal Roofing	2,717,492	40	27	883,185
Roofing - Insp/Maint/Repairs	54,450	5	4	10,890
<b>Security &amp; Fire Systems</b>				
Fire- Detection & Alarm System	51,145	25	12	26,595
Fire - Jockey Pump (1.5 HP)	6,360	10	7	1,908
Fire - Main Pump (30 HP)	31,800	25	12	16,536
				<u>\$ 11,030,066</u>

# HONUA KAI CONDOMINIUM ASSOCIATION

## Unaudited Supplementary Information on Future Repairs and Replacements – Luana

For the Year Ended December 31, 2023

Component	Current Replacement Cost	Useful Life	Remaining Life	Projected Fully Funded Reserve*
<b>Building Exterior</b>				
Ext Siding - Replace	896,760	30	27	\$ 89,676
Lanais - Rails (Alum/Glass) Replace	419,760	32	29	39,353
Lanais - Tile	863,370	27	24	95,930
<b>Concrete Surfaces</b>				
Concrete - Repairs	26,203	12	9	6,551
<b>Fencing, Gates, &amp; Walls</b>				
Gates - Electrical/Trash Encl	94,332	18	15	15,722
Walls - Repairs	106,123	18	15	17,687
<b>Lighting</b>				
Ext Garage Fixtures	49,036	20	17	7,355
Ext Unit Fixtures	89,390	20	17	13,409
<b>Miscellaneous</b>				
Entry Doors - Door Locks	43,884	10	7	13,165
Entry Doors - Replace	114,480	20	17	17,172
Mailboxes	13,738	15	12	2,748
Mailboxes - Kiosk	4,913	25	22	590
Slider Doors - Replace	1,179,144	28	25	126,337
Termite Treatment	134,991	14	11	28,927
Trash Receptacles	11,448	15	12	2,290
Windows - Replace	954,000	36	33	79,500
<b>Roofing</b>				
Gutters/Downspouts	219,802	25	22	26,376
Tile Roofing - Maintenance (5%)	117,914	10	7	35,374
Tile Roofing - Underlayment/Repairs	2,385,000	30	27	238,500
				<u>\$ 856,660</u>



# HONUA KAI CONDOMINIUM ASSOCIATION

## Unaudited Supplementary Information on Future Repairs and Replacements – Restaurant

For the Year Ended December 31, 2023

Component	Current Replacement Cost	Useful Life	Remaining Life	Projected Fully Funded Reserve*
<b>Roofing</b>				
Gutters & Downspouts - Copper	8,395	25	11	\$ 4,701
Roofing - Alum Structure	51,410	30	21	15,423
Roofing - Enviro Shake	112,292	40	26	39,302
Roofing - Flat	10,388	20	6	7,272
				<u>\$ 66,698</u>
<b>Projected Fully Funded Reserve Summary</b>				
Common				\$ 2,583,959
Hokulani Tower				11,903,496
Konea Tower				11,030,066
Luana Enclave				856,660
Restaurant				66,698
Projected Fully Funded Reserve*				<u>\$ 26,440,879</u>
Reserve Fund Balance as of December 31, 2023**				<u>\$ 20,742,307</u>
				78%

\*\*\*Projected Fully Funded Reserve\*\* are amounts set aside for future upkeep, repairs and replacements. The Projected Fully Funded Reserve is calculated to fund, over time, 100% of the future costs on all items due for repair/replacement in the next 20 years, and 100% of the future costs on all items due for repair/replacement beyond 20 years.

\*\*\*Reserve Fund Balance" represents cash set aside for future repairs and replacements and amounts owed to the reserve fund by the operating fund. See Subsequent Event at Note 7.