

KANALOA AT KONA – ASSOCIATION OF APARTMENT OWNERS
2026 ANNUAL OWNERS' MEETING | APRIL 24, 2026 | 10:00 AM (HST)
KANALOA AT KONA CLUBHOUSE (PHYSICAL LOCATION)
ZOOM (VIRTUAL – OBSERVE ONLY)

A. CALL TO ORDER

The Annual Owners Meeting of Kanaloa at Kona was called to order by President Wayne House at 10:00 am (HST). Zoom videoconferencing to observe-only was provided to owners who were unable to attend the meeting in person.

B. ROLL CALL

Present (Board): President Wayne House, Vice President Steve Tanberg, Treasurer Wendy Benson, Secretary George Pittman, Director Mikel Bryan, Director Bill Wesslund and Director Mark Holzwarth in person.

Present (Invited Guests): Castle Resorts & Hotels – Jim Heather (General Manager), Matt Bailey (President & CEO), Lei Aiona (Guest Services Manager), Ken Albert (Maintenance Supervisor), Dean Yamamoto (VP Finance), Lynn Shimabukuro (Property Accountant), and Renette Carpio (Director of Condominium Administration). Albert Smith, Kona IT Solutions.

Owners present in person introduced themselves.

C. PROOF OF NOTICE OF MEETING

President House welcomed all owners and noted that a quorum of 53.0592% by owners present in-person or by proxy had been established.

D. APPROVAL OF MINUTES OF PRECEEDING MEETING

2025 annual meeting held on 4/25/25:

MOTION (1): A motion was made by Karen Diepenbrock (2701) to approve the minutes as submitted; the motion was seconded by Jim Lisy (2904) and approved by unanimous consent.

E. REPORT OF COMMITTEES AND OFFICERS

a) Property Manager's Report – Jim Heather prepared a detailed annual report and emailed it to all owners for their review ahead of the annual meeting. The report included updates on grounds (outsourced labor to Puna Landscaping, feral cats, coconut palm tree trimming and irrigation); security (incidents of note, reoccurring issues, staffing, non-Castle rental 'go show' report, parking passes, and fire extinguisher inspection; maintenance (staffing, production, residential water main leaks); reserve projects (roof leaks repaired in 2025, current repairs in progress, major reserve projects completed in 2025; major reserve projects slated for 2026 which include exterior building painting buildings 1-12, lanai lifting of remaining 2-story buildings, inspect 3-story building structural supports, Ocean Pool Pavilion furniture upgrade, Ocean Pool fencing replacement (currently on hold), lobby restroom remodel, lobby and lobby restroom remodel, Ocean Pool bar area buildout, replace Pavilion furniture, streetlight replacement, termite tenting carports, walkway lighting, and

tiki torches. Jim also reported on drywood termites, pest control, water leaks in 2025, unit interior plumbing inspections, and the sewer main at 24 building.

b) President's Report – President House thanked all those who volunteered their time in organizing this year's Owners' party with special thanks to Luva Real Estate's Kimi Nagatoshi and Lance Owens for sponsoring beverages. Additional thanks to Wendy Benson and other crew of owners for their coordination of the reception details and to the Kanaloa staff for other foods.

President House welcomed to Mark Holzwarth to the Kanaloa Board (who was appointed following the resignation of Tony Almaraz who sold his unit.). Some property highlights and accomplishments included Ocean Pool furniture (mahalo to Wendy Benson and Karen Estrella Dundurs), tiki torches at the entrance to the property to enhance the guest arrival and welcome experience, Fairway building painting currently in progress through August, Ocean Pool bar area rejuvenation, Ocean Pool bathrooms (doors and partitions to be replaced), pool deck tile restoration to be cleaned and sealed for all pools, roof remaining life assessment (needed for reserve analysis update), lobby updates from Wendy Benson and updates from Jim about feral cats.

President House also addressed the solar analysis for common area (pools, housekeeping buildings, admin building, etc.) and announced the project wouldn't be pursued further at this time due to debt burden to the AOA, a hurried timeline and lower than optimal return for risk. Thanks to Kurt Goldsmith and Mikel Bryan for pursuing details and for providing an analysis.

c) Treasurer's Report – Treasurer Benson reported on the financial highlights for the period January–December 2025; the annual financial report is attached to these minutes as Exhibit A.

d) Investment Report – Chair Stephen Tanberg reviewed the highlights of the investment report. The value of the Kanaloa Reserve Account as of March 31, 2026, was \$1,964,910. Included in this amount were Certificates of Deposit (CD) totaling \$1,745,000, cash reserves in the UBS Business Bank Account of \$176,040 and \$28,247 in Credit Union Money Market accounts. \$36,200 was owed to the operating account by the reserve account at the end of March.

CD rates continue to be around the 3.75% range. We continue to monitor and reinvest CD's as they mature. Current CD funds have been invested for 9 and 12-months CDs at interest rates between 3.55% and 4.05%.

Your investment committee for 2026 is composed of Wayne House (President), Stephen Tanberg (Vice President) and Wendy Benson (Treasurer).

e) Special Projects Report – Chair George Pittman provided a brief update on the reserve projects slated for 2026. He also reviewed some of the damages from the storms last month and plans for restoration.

f) Termite Mitigation Committee – With the tenting of the residential buildings now complete, Bill reported that the next phase of the fumigation process will focus on the carports. He reminded owners that they are responsible for assuring their carport storage unit is prepared for fumigation. Any consumable items that are not factory sealed in metal or glass need to be removed and prohibited items that are not removed will be discarded. All vehicles must be removed from the parking stalls at least one day prior to tenting. The fumigation service provider is required to inspect all storage units prior to tenting.

g) Cultural Committee - Cindy Orlando reported that as part of the Cultural Committee's ongoing efforts, which to date have included developing educational materials related to landscape graffiti, The Story of Keauhou, and creating a Sense of Place, the committee is also exploring external activities for owners and guests to enjoy.

h) Lobby Renovations – Wendy Benson reported that some of the developing plans for this committee have been completed, are in process or in the planning stages; these include: Starting at the entrance to the property; Ocean Pool Bathrooms - worked to finalize touches for Phase II; Bluetooth speakers and music streaming for the lobby, front desk; tiki torches; lobby bathrooms; lobby entrance | lobby design | furniture; Ocean Pool Pavilion - replacement of plastic tables/chairs; Ocean Pool Bar Area - primary owner use, driving sense of place and community; Main Pool "Pop".

F. ELECTION OF DIRECTORS

President House stated that the By-Laws provide for a board of directors that is comprised of seven (7) people. This year, the seats of Wendy Benson and George Pittman are expiring; each seat carrying a 3-year term, and Mark Holzwarth (appointed to replace Tony Almaraz upon his resignation due to the sale of his unit) is expiring; this seat carries a remaining 2-year term. A total of three (3) seats will be elected at this year's annual meeting. The incumbents have agreed to stand for reelection.

As there were no further nominations from the floor, a motion was entertained to waive the secret ballot process and elect Wendy Benson, George Pittman and Mark Holzwarth by acclamation.

MOTION (2): A motion was made by Karen Diepenbrock (2701) to waive the secret ballot process and elect Wendy Benson and George Pittman by acclamation, each to serve 3-year terms and Mark Holzwarth by acclamation to serve a remaining 2-years of a 3-year term; the motion was seconded by Karen Estrella Dundurs (2604) and approved by unanimous consent.

Congratulations to Wendy Benson, George Pittman and Mark Holzwarth on being elected by acclamation.

G. UNFINISHED BUSINESS

None.

H. NEW BUSINESS

a) Tax Resolution – President House noted that IRS Revenue Ruling 70-604 is an association tax tool that permits funds/income to be carried over to the following tax year, without any tax implications.

MOTION (3): A motion was made by Jim Lisy (2904) to approve any excess member assessments not used by the Association during 2026 be applied toward the 2027 assessments as provided by IRS revenue ruling 70-604; the motion was seconded by Diane Bridger (406) and approved by unanimous consent.

- b) Board Reimbursement for Travel – This continuing policy was last addressed in 2023 and needs to be approved by the owners every three (3) years. The Board will address this again today.

The policy states: “It shall be the continuing policy of the Association, subject to any contrary majority vote of the membership at a duly called annual meeting and scheduled for review by the membership at the annual meeting since 2016, to reimburse all non-Big Island resident Directors their reasonable travel related expenses incurred in connection with attendance at the regularly scheduled or other required special meetings of the Board as may be required for Association business, such reimbursement for each meeting shall be limited to the cost of a coach class airline ticket, plus a per diem allowance of \$100 each for the day before, the day of and the day after any such Board meeting. Such reimbursement shall not exceed a total of \$4,000 per Director per year.”

MOTION (4): A motion was made by Karen Diepenbrock (2701) to approve the Board Reimbursement for Travel (a continuing policy); the motion was seconded by Karen Estrella Dundurs (2604) and approved by unanimous consent.

This continuing policy will be addressed again in 2029.

I. OWNERS' COMMENTS

None.

J. ADJOURNMENT

The meeting was adjourned at 12:33 pm (HST).

Respectfully submitted,

Renette Carpio
Recording Secretary
Director of Condominium Administration, Castle Resorts & Hotels
As Agent for Kanaloa at Kona AOA

Signed: _____
George Pittman, Board Secretary

Date: _____

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**MINUTES OF THE ORGANIZATIONAL MEETING OF THE
ASSOCIATION OF APARTMENT OWNERS OF KANALOA AT KONA
APRIL 24, 2026 – KANALOA AT KONA LOBBY CLUBHOUSE**

1. **Called to Order Election of Officers.** The organizational meeting was called to order at 1:08pm. The new Board met to elect its officers for the 2026/2027 term. After a short discussion, the officers were nominated and appointed unanimously as follows:

Office	Name	Term Expiration
President	Wayne House	2027
Vice President	Steve Tanberg	2028
Secretary	George Pittman	2029
Treasurer	Wendy Benson	2029
Director	Mikel Bryan	2027
Director	Bill Wesslund	2028
Director	Mark Holzwarth	2028

2. **Adjournment.** There being no further business to come before the Board, the meeting was adjourned at 1:15pm.

Respectfully submitted,

Director of Condominium Administration, Castle Resorts & Hotels, Inc
As Agent for AOA Kanaloa at Kona

Signed: _____ Date: _____
George Pittman, Board Secretary

Key Financial Data (YTD) 2025

EXHIBIT A FOR 4/24/26 ANNUAL MEETING MINUTES

Operating Fund Balance	\$579,756.44
Regular Reserve Acct Balance (net)	\$1,878,796.35
Special Reserve - ADA Compliance (net)	\$62,749.99
YTD Operating Fund Surplus / (Deficit)	-\$188,021.31
Other Income (inc. late fees, interest, etc.)	\$16,420.90
Total Registration Fees	\$65,285.41
Less Expenses	\$67,570.00
Net Registration Fee Income	-\$2,284.59
Reserve Account Interest	\$75,987.71
Income from Castle Rental Program	\$44,287.00
General Assessment to Operating	\$2,724,526.12
General Assessment to Reserves	\$766,932.80

YTD 2025 Variance Explanations

Favorable	Variance Amount	% Variance to Budget
Late Fees	\$7,228.24	1,204.7%
Water	\$19,516.84	14.65%
Building	\$14,090.10	87.8%
Pest Control	\$17,742.92	33.4%
Grounds & Grounds Supply	\$6,144.72	87.8%
Pool	\$8,989.95	71.35%
Recovery - Work Orders	\$22,005.50	7.71%
Salaries - Maintenance	\$13,725.41	4.82%
Payroll Taxes & Benefits	\$17,070.19	10.65%
Insurance - Property	\$170,464.34	16.32%

YTD 2025 Variance Explanations

Favorable	Variance Amount	% Variance to Budget
Contract Service	\$24,021.40	17.11%
Miscellaneous	\$24,259.83	6.55%
BOD Travel	\$5,447.46	19.46%

YTD 2025 Variance Explanations

Unfavorable	Variance Amount	% Variance to Budget
Electricity	\$4,984.40	-4.89%
Life Safety	\$9,432.83	-115.87%
Refuse	\$4,505.75	-4.98%
Salaries - Security	\$5,494.86	-2.98%
Recovery Reserve	\$2,372.70	-5.65%
Other Prof Fees	\$3,700.00	-49.33%
Office Supplies	\$4,775.92	-53%
Meetings, Annual Mtg	\$4,495.91	-116.5%