

ASSOCIATION OF APARTMENT OWNERS
MAUI HILL
BOARD OF DIRECTORS REGULAR MEETING
April 27, 2015

I. Call to Order

President Dick Endean called the meeting to order at 9:05 p.m. at the Golden Nugget Casino, Las Vegas, Nevada.

II. Establish Quorum

Members Present: Dick Endean, CJ Law, Loren Knott, Carl Carlson, Alex Cordas.

Maui Lea Board: Bob Jacalone, Loren Knott, CJ Law, Dick Endean, Bill Petro, Denise Smith, Paul DiMarchi.

Owners Present: Noble & Mary Ann Dowling, Rick & Molly Thomson, Rosemary Jacalone, Madonna Petro, Gerri Endean, Mickey Masdeo.

By Invitation: Dennis Costa, General Manager; Nancy Benson, Maui Lea Owner's Services; Frank Robar & Mike Robar, Condominium Fiscal Management, Inc., Maui Lea Co-Plan Manager; Ruth Okada, Aston Hotels & Resorts, LLC, Managing Agent.

Everyone present introduced themselves.

III. Waiver of Notice

Ruth Okada explained that the Board waived notice in writing for this meeting therefore the notice was emailed to the Board.

IV. Approval of Agenda

MOTION #1: Carl Carlson move to approve the agenda with the following change:

Move the Budget topic to the end of the meeting

The motion was seconded by CJ Law and passed by unanimous consent.

V. Approval of Board Meeting Minutes

MOTION #2: Loren Knott moved to approve the minutes of the 1/29/15 Regular meeting as circulated. The motion was seconded by CJ Law and passed by unanimous consent.

VI. Treasurer's Report

1. Financial 3/31/15 – Carl Carlson reviewed the 3/31/15 financial. There were no questions.
2. Investments – Ruth Okada explained that the financial institutions are projecting interest rates increasing in the latter part of 2015. Aston is obtaining proposals from various financial institutions and will work with Carl on a recommendation to the Board.
3. Delinquencies/Collections - To be discussed in executive session.
 - A. Write Off #101 (Dearborn) \$1,702.09 Pre petition; \$7,109.76 Post petition – Detailed information on the proposed write off was provided to the Board for review.

MOTION #3: Carl Carlson moved to approve the write off the pre-petition bankruptcy amounts for unit #101 (Dearborn) as follows:

Capital Reserves	\$67.01
Interest	\$7.35

Legal	\$554.68
Late Fee	\$50.00
Maintenance Fees	\$1,023.05

	\$1,702.09
	=====

The motion was seconded by Loren Knott.

Discussion: General discussion followed on how bankruptcy works.

The motion passed by unanimous consent.

MOTION #4: CJ Law moved to write off the post petition amounts for unit #101 (Dearborn) as follows:

Capital Reserves	\$254.10
Interest	\$1,130.59
Legal	\$609.37
Late Fee	\$1,325.00
Maintenance Fees	\$3,790.70

	\$7,109.76
	=====

The motion was seconded by Carl Carlson.

Discussion: General discussion followed on whether to pursue collection. The Bank has sold to a 3rd party owner. Ruth Okada explained what was collected and the process.

The motion passed by unanimous consent.

The Board thanked Ruth Okada for the collection efforts.

VII. Standing Committee

1. Architectural Review – Dick Endean reported on the following:
 - Explained the establishment of the Architectural Review Committee (ARC) has been beneficial to the AOAO.
 - Thanked Alex Cordas and CJ Law for participation and assistance on the committee.
 - Explained that there is a policy for hard surface flooring.
 - All unit renovations must be presented to the committee prior to commencement or work.

Loren Knott noted that the committee should review the current procedure and rules and strengthen the requirements to ensure that owners understand that even if installation was approved by the committee, similar or identical installation is not automatically approved. The committee will work on this and adjust the documents and process. Loren Knott agreed to assist the committee in rewriting their procedure and documents.

A. Unit #36

- a. Status of Executed & Recorded Agreements & Legal Invoice – Dick Endean explained the installation of certain areas with hard surface flooring. Experimental period should be done shortly and the agreement will be recorded. General discussion followed on noise.

- b. Allowing Other Units to do the Same Installation – Even if this installation was approved by the committee, owners must still obtain approval before installation. There is no carte blanche approval on any renovation.
- B. Owner Renovations, if any (Approved & Denied) – There were none.
- C. Owner Renovations, if any (For Board Approval) – There were none.

VIII. Ad Hoc Committee

1. Building Signs for Location of Units/Include in FYE 6/30/16 Budget – This was not included in the proposed budget. Alex Cordas reported that the existing signs were refurbished. Dick Endean noted that there are some sidewalks that do not have signage indicating unit numbers. General discussion followed on what was needed with proper signage on each sidewalk. The Board asked the committee to give recommendations to the Board so that a decision can be made at the September meeting including lighting if necessary.
2. Maintenance/Housekeeping Building – Dennis Costa reported on the following:-
 - A. Options – Estimated cost to renovate the building is \$110,000. General discussion followed. This topic was deferred to the budget discussion.
 - B. Additional Storage (Approved \$15,000) – Completion should be done shortly.
3. Energy Conservation – Alex Cordas reported that they are also working with Maui Lea and suggested that discussion be deferred to the Maui Lea meeting. Some of the items being discussed by the Committee includes: 1) solar for the AOAO including heating the pool and 2) photovoltaic installation via purchase power agreement (PPA). It was noted that legal assistance may also be necessary.

The meeting was recessed at 10:40 a.m. and resumed at 10:50 a.m.

IX. Manager's Report

Dennis Costa distributed and reviewed his manager's report. The following was also discussed:

1. Termite Tenting – Discussed the tenting schedule and the possibility of installing access panels to the attic. Will check with the contractor to determine if the attic can be treated without tenting of the building.
2. Cushions for Pool Chaise Lounges – 8 cushions were purchased and people are using them. No complaints have been received due to insufficient cushions. General discussion followed. The Board asked Dennis to look at the cushions at Kaanapali Beach Cove and report back to the Board.
3. Exterior Painting – Administration Building & Entire Property – Dennis and Nancy Benson have received comments from owners and guest because the building looks old and tired. The Board asked Nancy to document these comments and provide a list to the Board. Feels that painting will enhance the look of the property. Estimated cost to paint is \$325,000. Dennis will have a painting company provide specs and then obtain bids.

MOTION #5: CJ Law moved to authorize Dennis Costa to obtain costs to repair and paint the exterior stucco including the trims and also determine what work can be completed with in-house staffing and present his findings to the Board prior to the September meeting. The motion was seconded by Alex Cordas.

Discussion: The cracks are noticeable and cannot be fixed without painting.
Discussion following on phasing of this work.

The motion passed. Opposed: Knott.

4. Capital Projects Status
 - A. Water Feature Near Building G – (Approved \$12,000) – Dennis reported that the work will be completed by next week at a cost of \$8,800.
 - B. Pool Outdoor Carpet – (Approved \$5,640) – Completed within approved costs.

The meeting was recessed at 11:57 and resumed at 1:00 p.m.

X. Unfinished Business

1. Mai Tai Agreement – A copy of the final agreement was distributed to the Board for review. Ruth Okada and Loren Knott explained that the agreement has been finalized and agreed upon with Aston.

MOTION #6: Loren Knott moved to approve the Mai Tai agreement as finalized by Loren Knott and Aston and authorized Dick Endean as President to execute the document. The motion was seconded by CJ Law and passed by unanimous consent.

2. Lobby Kiosk – A proposal for a lobby kiosk was distributed to the Board for review. Ruth Okada explained the proposal. Dennis Costa also provided a quote for the WiFi service and advised that the front desk receives about 25 – 35 requests to print boarding passes per week. General discussion followed noting that the expense for the kiosk would be Maui Lea's with a lease for lobby space.

MOTION #7: Loren Knott moved to lease lobby space to Maui Lea for an internet kiosk at the same terms and conditions as the previous lease subject to the President's final review and approval of the installation. The motion was seconded by CJ Law and passed by unanimous consent.

3. Use of Common Area by Large Groups – Dennis Costa distributed the form. Dick Endean reviewed the recommended procedure. General discussion followed. Dennis confirmed that Aston Groups Sales has agreed to this procedure.

POLICY

MOTION #8: Loren Knott moved to approve Aston's implementation of the policy for large groups in accordance to the form a copy of which is attached and made a part of these minutes. The procedure will be reviewed at the September meeting. The motion was seconded by Alex Cordas and passed by unanimous consent.

4. Short Form House Rules – Dick Endean explained the short form rules and why they were approved. This form is provided to all occupants and will be amended from time to time as necessary. Dennis Costa noted during the registration process, the occupants do not have time to read the rules. It was agreed that a change on the form should be made.

MOTION #9: Loren Knott moved to rescind Policy Motion #7 approved at the 1/29/15 meeting as follows:

“To approve the short form House Rule a copy of which is attached and made a part of these minutes. Upon check in, occupants will be given a copy and asked to acknowledge and sign the form.”

The motion was seconded by Alex Cordas and passed by unanimous consent.

POLICY

MOTION #10: Loren Knott moved to approve the short form House Rules a copy of which is attached and made a part of these minutes. The motion was seconded by Alex Cordas and passed by unanimous consent.

This procedure will be reviewed at the September meeting.

XI. New Business

1. Approval of Proposed AOAO and Timeshare Declaration Amendments – Loren Knott explained the amendments. General discussion followed. This topic was moved to the executive session.

MOTION #11: Loren Knott moved to move this topic to the executive session since it involves both the AOAO and the Timeshare. The motion was seconded by Carl Carlson and passed by unanimous consent.

2. Electricity Bulk Billing for Individual Units & Resort Units – Ruth Okada and Dennis Costa explained the bulk billing process. Dennis stated that units can be removed and added one time per year. Ruth also explained the liability issue if owners or Aston does not pay that the AOAO is legally liable for the amounts due.

MOTION #12: Alex Cordas moved to terminate AOAO electricity bulk billing for individual units no later than June 2015. Electricity bulk billing will only be allowed for units in the rental program (currently under Aston). The motion was seconded by Loren Knott and passed by unanimous consent.

Dennis Costa will contact owners and assist with this coordination.

3. Board Policies – Loren Knott distributed his recommended changes. This topic was deferred to the next meeting. Everyone should provide comments to Loren before the September meeting.
4. Budget FYE 6/30/15 – The proposed budget and reserve study was sent to the Board. General discussion followed.

MOTION #13: Loren Knott moved to approve the budget effective 7/1/15 and a 3.69% overall increase in Association fees with the following amounts:

Operating:

Maintenance Fees - \$97,640 (monthly)
Transfer from Operating Reserves - \$11,830 (monthly)
Total Revenues & Expenses - \$109,445 (monthly)

Wages – 3% increase on 4/1/16 (budget only with 6% on 4/1/15 for some employees)

Management Fee – 1.8% on 4/1/16

Major Improvements (Annual - \$35,000):

- a. Continuous replacement of the hallway carpets - \$10,000
- b. Roof Leaks - \$5,000
- c. Irrigation Well Repairs - \$3,000
- d. Pool Deck Repairs - \$5,000
- e. Walkway Repairs - \$2,000
- f. Upgrade to Landscaping - \$10,000

Capital:

Capital Contribution - \$6,850
Total Revenues & Expenses - \$6,950

Capital Reserve Expenditures \$144,480 (annual) subject to approval of actual bids and contracts:

- a. AC Telephone Room - \$1,080
- b. Asphalt Seal, Stripe & Repair - \$87,600
- c. Heat Pump Spa - \$6,960
- d. Irrigation Well Tanks - \$4,680
- e. Pool & Spa Decking Resurface - \$5,880
- f. Riding Mower - \$4,560
- g. Spa Retime - \$7,560
- h. Spalling - \$3,840
- i. Termite Tenting Building A - \$11,640
- j. Termite Tenting Building B - \$10,680

Reserve Study reflecting 92% funding projection as of 7/1/15 (contribution \$83,400)

Discussion: General discussion.

The motion was second by CJ Law and passed by unanimous consent.

5. Pool Attendant or Guard – General discussion followed on hiring a pool attendant or guard to monitor the activities at the pool during the summer months and sharing of this expense with the timeshare and resort.

MOTION #14: Alex Cordas moved to hire either a pool attendant or a guard to monitor the pool area between 6/15 – 8/15/15 as necessary at the discretion of the General Manager. This expense will be shared between the entities as follows and reviewed at the September meeting:

Timeshare – 76 units 54.3%
Resort – 55 units 39.3%
AOAO – 9 units 6.4%

The motion was seconded by Carl Carlson and passed by unanimous consent.

XII. Next Meeting

1. Board
 - A. Tuesday, 9/22/15 – after Annual meeting
 - B. Friday, 1/22/16 (tentative)
 - C. Fall 2015 Conference Call – to be scheduled at the organizational meeting on 9/22/15
 - D. Monday, 4/25/16 (Las Vegas)
2. Annual - Tuesday, 9/22/15 (registration 9 a.m.)

XIII. Executive Session

MOTION #15: Loren Knott moved to go into executive session. The motion was seconded by Alex Cordas and passed by unanimous consent.

The Board went into a concurrent executive session with Maui Lea at 4:00 p.m. Upon coming out of executive session, the regular meeting resumed at 5:32 p.m. During the executive session, the Board discussed legal and personnel matters.

The meeting was recessed at 5:32 p.m. and resumed at 4:20 p.m. on April 28, 2015.

XIV. Adjournment

MOTION #16: CJ Law moved to adjourn the meeting. The motion was seconded by Loren Knott and passed by unanimous consent.

The meeting was adjourned at 4:22 p.m. on April 28, 2015.

Approved by: 

Alex Cordas, Secretary
Board of Directors


Ruth Okada
Recording Secretary

Attachments: Large Group Document
Rescinded Short Form Rules Form
Revised & Approved Short Form Rules Form

**MOTION #8
 GROUP DEPOSIT FOR MAUI HILL RESORT**



GROUP DEPOSIT FOR MAUI HILL RESORT

Please help us to serve you by adhering to the Maui Hill Resort Group Deposit below. These deposits are designed to insure maximum enjoyment of our amenities and comfort for all resort guests.

- Groups are expected to adhere to the Aston Hotels & Resorts No Smoking Policy
 - A copy of the policy will be presented to the group leader prior to making a reservation
- Groups are expected to adhere to the Maui Hill Resort House Rules
 - A copy of the house rules will be presented to the group leader prior to making a reservation
 - The group leader will be required to acknowledge and sign the house rules prior to making a reservation
 - A copy of the house rules will be presented to each member of the group by the group leader prior to arrival
 - Upon check in all group arrival rooms will be required sign and acknowledge the house rules
 - Failure to follow the house rules will result in full forfeiture of deposit
- Deposits will be refunded approximately one (1) to two (2) weeks after the final departure date
 - All units will be inspected after the final departure
 - i. Extra cleaning will be charged if it is required to be cleaned for smoke elimination
 - ii. Extra cleaning will be charged for excessively dirty rooms
 - iii. Extra cleaning will be deducted from the deposit prior to refund
 - All guests are expected to follow the Aston Hotels & Resorts No Smoking Policy
 - i. Failure to follow the no smoking policy will result in a forfeiture of the deposit for the smoke elimination fee.
 - All guests are expected to follow the house rules
 - i. Failure to follow the house rules will result in a full forfeiture of the deposit.

GROUP DEPOSIT AMOUNTS:
 3 One (1) to Five (5) units- \$500.00
 Six (6) TO Ten (10) units- \$1,000.00
 Eleven (11) to Fifteen (15) units- \$1,500.00

This is to acknowledge that I/We have read and understand the Maui Hill Resort Group Deposit & Refund Policy

PRINT NAME OF GROUP	PRINT NAME OF GROUP REPRESENTATIVE	SIGNATURE OF GROUP REPRESENTATIVE	DATE
ARRIVAL DATE	DEPARTURE DATE	NUMBER OF ROOMS	DEPOSIT AMOUNT

**MOTION #9
RESCINDED SHORT FORM HOUSE RULES**



THANK YOU FOR OBSERVING THE FOLLOWING HOUSE RULES

Please help us to serve you by adhering to the resort rules listed below. These rules are designed to insure maximum enjoyment of our amenities and comfort for all resort guests. These rules are also intended for the protection of all occupants from any nuisance caused by improper use of the condominium units and to protect the fine reputation and desirability of the property. Tenants and guests shall abide by normal accepted standards of reasonable conduct whether covered by these rules or not.

Neither the board of Directors nor the Managing Agent shall be responsible for the violation of the rules by any party. Moreover, full authority and responsibility of enforcing these rules may be delegated to the Managing Agent by the Board of Directors of the Association of Apartment Owners. Furthermore, the rules may be amended by the Association as provided in their By-Laws.

- OCCUPANCY
 - Number of occupants
 - i. The maximum allowable occupancy for any one bedroom apartment is four (4) persons.
 - ii. The maximum allowable occupancy for any two bedroom apartment is six (6) persons.
 - iii. The maximum allowable occupancy for any three bedroom apartment is eight (8) persons.
 - iv. The laws of the County of Maui may further restrict number of occupants.
 - Number of guests
 - i. There is a limit of two (2) guests per apartment in addition to the current occupants of the apartment.
 - ii. Occupants must accompany and be responsible for the conduct of any guest.
- COMMON AREAS, ENTRANCES AND LANAIS
 - Children under the age of five (5)
 - i. Children under the age of five (5) and small children may be susceptible to overheating and are allowed in the hot tub only when accompanied by a parent who is in the hot tub and who is solely responsible for the child's safety.
 - Children under the age of twelve (12)
 - i. Children under the age of twelve (12) must be under the poolside supervision of a responsible adult.
 - Guests
 - i. Occupants must accompany and be responsible for the conduct of any guest in the pool or hot tub area.
 - Displaying of Laundry, etc.
 - i. No items, including but not limited to, towels, bathing apparel and clothing, brooms, mops, cartons, etc., shall be placed on lanais or passages or in windows so as to be in view from the building or from the apartments above.
 - Lanais- Furniture, Plants, etc.
 - i. Only appropriate furniture, as determined by the Board of Directors and small plants shall be used on lanai. Any items deemed to be unsightly or inappropriate in the judgment of the Board or Management shall be removed upon the request of Management. These areas are not to be used for storage purposes of any kind. Appropriate banners commemorating holidays or festivals may be displayed from lanais only on and immediately before the holiday or festival except that if two holidays or festivals, such as but not limited to Christmas and New Year's Day, are less than a week apart, banners may remain in place between the two holidays or festivals.

This is to acknowledge that I/We have read the House Rules for the Maui Hill Resort located at 2881 South Kihei Road, Kihei, HI 96753. This is further to acknowledge that the house rules have been explained to me by the Guest Service Agent and I/We will adhere to these rules.

GUEST PRINTED NAME

GUEST SIGNATURE

DATE

AGENT INITIAL

RM #

DATE

**MOTION #10
SHORT FORM HOUSE RULES**



THANK YOU FOR OBSERVING THE FOLLOWING HOUSE RULES

Please help us to serve you by adhering to the resort rules listed below. These rules are designed to insure maximum enjoyment of our amenities and comfort for all resort guests. These rules are also intended for the protection of all occupants from any nuisance caused by improper use of the condominium units and to protect the fine reputation and desirability of the property. Tenants and guests shall abide by normal accepted standards of reasonable conduct whether covered by these rules or not.

Neither the board of Directors nor the Managing Agent shall be responsible for the violation of the rules by any party. Moreover, full authority and responsibility of enforcing these rules may be delegated to the Managing Agent by the Board of Directors of the Association of Apartment Owners. Furthermore, the rules may be amended by the Association as provided in their By-Laws.

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 - iv. The laws of the County of Maui may further restrict number of occupants.
 - Number of guests
 - i. There is a limit of two (2) guests per apartment in addition to the current occupants of the apartment.
 - ii. Occupants must accompany and be responsible for the conduct of any guest.
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GUEST PRINTED NAME	GUEST SIGNATURE	DATE	AGENT INITIAL	RM #	DATE
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