

ASSOCIATION OF APARTMENT OWNERS
MAUI HILL
BOARD OF DIRECTORS REGULAR MEETING
September 21 & 22, 2015

I. Call to Order

President Dick Endean called the meeting to order at 2:22 p.m. on 9/21/15 at the Makena Beach & Golf Resort, Maui, Hawaii.

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.

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

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. Executive Session (concurrent with Maui Lea)

MOTION #1: Loren Knott moved to go into executive session. The motion was seconded by CJ Law and passed by unanimous consent.

The Board went into a concurrent executive session with the Maui Lea Board at 2:22 p.m. Upon coming out of executive session, the regular meeting resumed at 4:45 p.m. During the executive session, the Board discussed legal and personnel matters.

The meeting was recessed at 4:45 p.m. and resumed at 10:50 a.m. on 9/22/15.

V. Approval of Agenda

MOTION #2: Loren Knott moved to approve the agenda as circulated. The motion was seconded by Alex Cordas and passed by unanimous consent.

VI. Approval of Board Meeting Minutes – 4/27/15 Regular Meetings

MOTION #3: Loren Knott moved to approve the minutes of the 4/27/15 Regular meeting as circulated. The motion was seconded by Carl Carlson and passed by unanimous consent.

VII. Treasurer's Report

1. Financial 8/31/15 – Carl Carlson gave a report at the annual owners' meeting and there was nothing additional to add.
2. Investments – Ruth Okada advised that bids should be available in the 1st quarter of 2016.

3. Delinquencies/Collections - To be discussed in executive session.

VIII. Standing Committee

1. Architectural Review (ARC) – Dick Endean reported on the following unit renovations:
 - Unit #62 Renovation completed.
 - Unit #6 Flooring change completed.
 - Unit #16 Kitchen renovation currently in progress.
 - Unit #114 Kitchen renovation currently in progress.
 - Unit #55 Lanai Fan – ARC unanimously approved, but there is concern on the fan being installed as the bylaws prohibit this installation unless approved by the Board. Dick distributed a copy of the policy and the bylaws and noted that Loren will also assist in making change on the policies and procedures.

POLICY

MOTION #4: Loren Knott moved to approve the following policy:

- **All Architectural Review Committee (ARC) decisions shall be unanimous.**
- **If the ARC approval is not unanimous, the Board must review and provide their approval.**
- **The Board can approve via email and ratify the action at their next meeting.**
- **If a Board member desires discussion on the matter, the Board will discuss and approve at the next meeting.**

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

Strengthen Procedures & Rules – It was noted that Loren Knott is working on this and will provide his suggestions to the Board.

IX. Ad Hoc Committee

1. Building Signs for Location of Units – Alex Cordas showed a sample of a lighted sign which will be installed as a test. They will report back to the Board in January.
2. Maintenance/Housekeeping Building – Deferred to next meeting.
3. Energy Conservation – This was discussed earlier during the annual owners' meeting. There was nothing new to add.

X. Manager's Report

Dennis Costa gave his report at the annual owners' meeting and reviewed the following:

1. Termite Treatment of Attic Without Tenting – Deferred to next meeting.
2. Cushions for Pool Chaise Lounges – Review Cushions at Kaanapali Beach Cove – Deferred to the next meeting. It was noted that the cushions are not comfortable and are stained.
3. Exterior Painting – Administration Building & Entire Property – Still reviewing and collecting bids.
4. Lobby Kiosk Installation by Maui Lea – The equipment has been installed.
5. Termination of AOAO Electricity Bulk Billing – Completed.
6. Pool Attendant/Guard (6/15 – 8/15/15) Review – The pool attendant was not hired and will be reviewed next year. This topic will be removed from the agenda.

7. FYE 6/31/16 Budget Expenditure Approvals
A. Major Repairs & Replacement

MOTION #5: Carl Carlson moved to approve and authorize Dennis Cost to proceed with the following:

- Continuous Replacement Hallway Carpets - \$10,000
- Roof Leaks - \$5,000
- Irrigation Well Repairs - \$3,000
- Pool Deck Repairs - \$5,000
- Walkway Repairs - \$2,000
- Upgrade to Landscaping - \$10,000

The motion was seconded by Loren Knott and passed by unanimous consent.

It was noted that when the budget is approved, Dennis has the authorization to proceed with operating Major Repairs & Replacement projects.

- B. Capital

MOTION #6: Carl Carlson moved to approve and authorize Dennis Costa to proceed with the following capital projects:

- AC Telephone Room - \$1,080
- Heat Pump Spa - \$6,960
- Irrigation Well Tanks - \$4,680
- Pool & Spa Decking Resurface - \$5,880
- Riding Mower - \$4,560
- Spa Retile - \$7,560
- Spalling - \$3,840

If it is determined that the following projects are necessary, the Board will approach for approval to proceed:

- Asphalt Seal, Stripe & Repair - \$87,600
- Termite Tenting Building A - \$11,640
- Termite Tenting Building B - \$10,680

The motion was seconded by Loren Knott and passed by unanimous consent.

XI. Unfinished Business

There were none.

XII. New Business

1. Board Policy – Deferred to the January meeting.
2. Proposed Amendments – Deferred until action necessary.
3. Avendra – EGlobal ATM – Ruth Okada explained the Avendra vendor for ATMs. General discussion followed. The Board determined that this not be pursued.

4. Ratify Insurance Renewals – Information on the renewals was sent to the Board for review.

MOTION #7: Loren Knott moved to ratify the following insurance policy renewals:

- 7/1/15 – 7/1/16
 - ✓ D & O - \$3 Million Aggregate; \$4,825 Annual Premium
 - ✓ Crime - \$100,000 Theft; \$803 Annual Premium
- 7/28/15 – 7/28/16
 - ✓ Property - \$250 Million Shared Limit; \$75,023 Annual Premium
 - ✓ General Liability - \$2 Million Aggregate; \$5,798 Annual Premium
 - ✓ Auto - \$1 Million BI & PD; \$700 Annual Premium
 - ✓ Umbrella - \$10 Million; \$4,208 Annual Premium
- Worker's Comp/Employers Liability 5/31/15 – 5/31/16 – \$12,047 Annual Premium

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

5. Approval of Revised Record Retention

RESCINDED

POLICY MOTION #8: Loren Knott moved to rescind the following policy approved at the 1/29/15 meeting:

To approve the following record retention policy:

(Excluding Human Resource/Personnel Records)

- Permanent Records
 - Legal
 - Documents (Declaration, Bylaws, House Rules, Trade Name and Logo Registrations etc.) – including documents prior to restatements
 - Plans (As-builts, electrical, mechanical, etc.)
 - Budget
 - Income Taxes (State & Federal)
 - Audits & Cash Verifications
 - General Ledger
 - Minutes (Board & Annual)
 - Payroll Taxes (State & Federal) & W-2s
 - State General Excise Tax & Transient Accommodation Tax
 - List of Insurance Policies (to include the following:
1) Type of Coverage, 2) Carrier Name, 3) Policy Period, 4) Insurance Broker Name & Contact Information)
- Contracts – after warranty expires or 7 years after termination whichever is sooner
- Leases – 7 years after termination
- All other records will be retained for 7 years and/or 7 years after obligation is completed

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

POLICY

MOTION #9: Loren Knott moved to approve the following policy:

RECORD RETENTION POLICY

- **Permanent Records**
 - **Legal**
 - **Documents (Declaration, Bylaws, House Rules, Trade Name and Logo Registrations etc.) – including documents prior to restatements**
 - **Plans (As-builts, electrical, mechanical, etc.)**
 - **Budget**
 - **Income Taxes (State & Federal)**
 - **Audits & Cash Verifications**
 - **General Ledger**
 - **Minutes (Board & Annual)**
 - **Payroll Taxes (State & Federal) & W-2s**
 - **State General Excise Tax & Transient Accommodation Tax**
 - **List of Insurance Policies (to include the following: 1)Type of Coverage, 2) Carrier Name, 3) Policy Period, 4) Insurance Broker Name & Contact Information)**
- **Contracts – after warranty expires or 7 years after termination whichever is sooner**
- **Leases – 7 years after termination**
- **All other records including Payroll and Human Resource/Personnel Records will be retained for 7 years and/or 7 years after obligation is completed**

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

6. Bulk Internet Service – Extreme (50 x 5) & Phone Service – Dick Endean explained that he and Dennis Costa will work with Nancy Chaplick (Oceanic) to obtain quotes for internet and phone service for the property.
7. Solar – Alex Cordas and Paul DiMarchi will continue to investigate.

MOTION #10: Carl Carlson moved to authorize Alex Cordas and Paul DiMarchi to continue their investigation on solar options working with the Board members who are on Maui and provide a recommendation to the Board. **The motion was seconded by Loren Knott.**

Discussion: General discussion followed on the presenters. It was agreed that the Board should start with the common area NEMs (net energy metering) first.

The motion passed by unanimous consent.

XIII. Next Meeting

1. Board
 - A. Wednesday, 11/18/15 Conference Call 8:00 a.m. HST
 - B. Friday, 1/22/16 9:30 a.m.
 - C. Monday, 4/25/16 Las Vegas 9:00 a.m.

- D. Thursday, 9/15/16 Following the annual meeting
2. Annual – Thursday, 9/15/16 (registration 9 a.m.)

XIV. Executive Session

MOTION #11: CJ Law moved to go into executive session. The motion was seconded by Loren Knott and passed by unanimous consent.


The Board went into executive session at 4:00 p.m. Upon coming out of executive session, the regular meeting resumed at 4:40 p.m. During the executive session, the Board discussed legal matters.

XV. Adjournment


MOTION #12: CJ Law moved to adjourn the meeting. The motion was seconded by Loren Knott and passed by unanimous consent.

The meeting was adjourned at 4:40 p.m.

Approved by:



Alex Cordas, Secretary
Board of Directors


Ruth Okada
Recording Secretary