

ASSOCIATION OF APARTMENT OWNERS  
MAUI HILL  
BOARD OF DIRECTORS REGULAR MEETING  
September 26, 2017

I. Call to Order

President Dick Endean called the meeting to order at 1:06 p.m. at Maui Hill.

II. Establish Quorum

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

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

By Invitation: Dennis Costa, General Manager; Nancy Benson, Maui Lea Owners Services; Frank Robar & Mike Robar, Maui Lea Co-Plan Manager; Ruth Okada, Aqua-Aston Hospitality, LLC, Managing Agent.

III. Executive Session (joint 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 executive session at 1:07 p.m. Upon coming out of executive session, the regular meeting resumed at 4:37 p.m. During the executive session, the Board discussed legal matters.

The meeting was recessed at 4:37 p.m. and resumed at 1:00 p.m. on 9/28/17 at the Residence Inn, Maui Wailea.

Owners Present: Sam Wong, Madonna Petro, Rosemary Jacalone, Robert Hill.

IV. Approval of Agenda

**MOTION #2: CJ Law moved to approve the agenda with the following additions to New Business:**

- **Penalty Fee for Violations**
- **Designate Smoking Areas**
- **Upgrade Screen Doors Offering to all owners at a cost**

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

V. Approval of Board Meeting Minutes – 4/19/17

**MOTION #3: Loren Knott moved to approve the minutes of the 4/19/17 Regular meeting as circulated with the following changes to Motion #10 (deleted language has been crossed out and added verbiage has been underlined):**

**“Carl Carlson moved to approve the budget effective 7/1/17. . .**

**~~Capital Reserve Expenditures \$458,880 subject to approval of actual bids and contracts:~~**

- ~~Lobby Nylon Canopy – \$6,240~~
- ~~Stucco Resurface – \$264,000~~
- ~~Wood Surfaces – \$117,035~~

- ~~Pool & Spa Decking Resurface – \$25,440~~
- ~~Pool Furniture – \$19,920~~
- ~~Pool Pump – \$5,760~~
- ~~Pool Safety Vac Release System – \$5,280~~
- ~~Spa Heat Pump – \$7,200~~
- ~~Signage (Whales) – \$7,920~~

**Capital Reserve Expenditures Budget \$466,200 (subject to approval of actual bids)**

- Stucco Resurface \$300,000
- Wood Surfaces – Eves/Arch (Seal) \$117,120
- Pool Furniture \$12,000
- Pool Pump \$5,760
- Pool Safety Vac Release System \$5,280
- Spa Heat Pump \$7,200
- Propane Gas Tank \$15,000
- Golf Cart (General Manager) \$3,840 (shared 1/3 with Resort & Timeshare)

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

VI. Treasurer's Report

Carl Carlson had nothing more to add to his report which was given at the annual owners meeting.

VII. Standing Committee

1. Architectural Review

- A. Owner Renovations, if any (Approved & Denied) – Dick Endean noted that the owner of Unit #8 would like to install hard surface flooring same as Unit #36. General discussion followed on the installation in Unit #36 and whether this installation should be approved by the Board as a standard. Dennis Costa confirmed that there have been no complaints from anyone in Unit #35 regarding the hard surface flooring. The Board agreed that the specifications for Unit #36 installation be sent to the owner of Unit #8 and that the same trial period of 6 months be done to determine if there are any issues from Unit #8. An encumbrance agreement will also be signed by Unit #7 & #8. Ruth Okada will send the documents used by Unit #35 & #36 to Shannon Sheldon to review before the specifications are sent to Unit #8.
- B. Owner Renovations, (For Board Approval) – There was none.

VIII. Ad Hoc Committee

- 1. Energy Conservation – Alex Cordas reported that there was a presentation done by HNU at the annual owners meeting and further updated the Board on the installation and the status. Dennis Costa asked if the long term parked vehicles could park under the carports. The Board agreed that this decision remain under Dennis' discretion. Dennis also reported that there is an ongoing project to replace all incandescent light bulbs to LEDs throughout the common areas. The Board and owners thanked Alex on his diligent work on the solar project noting his experience in other solar installations.

IX. Manager's Report

Dennis Costa reviewed his manager's report at the annual meeting and also reported on the following.

1. Cushions for Pool Chaise Lounges – Still continuing to monitor. The Board should consider adding this to the budget next April.
2. Stucco Colormatch Exterior – Status (Approved \$300,000 includes housing) & Landscaping – Should be completed within the budget. Colormatch is now sending the stucco mix via USPS. General discussion followed on the inconsistent color. Dick Endean and Dennis will work with Colormatch to resolve this issue.
3. Project Status
  - A. FYE 2018
    - a. Major Repairs/Replacement \$21,360 (subject to approval of actual bids):

**MOTION #4: Alex Cordas moved to authorize Dennis Costa to proceed with the following projects which are included in the FYE 2018 budget and advise the Board of the final expenses.**

- Hallway Carpet \$3,960
- Irrigation Well Repairs \$3,000
- Pool Deck Repairs \$960
- Walkway Repairs \$960
- Upgrade Landscaping \$2,520
- Roof Repairs \$9,960

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

It was noted that next year when the budget is approved, that Dennis is automatically authorized to proceed with these projects.

- b. Capital Reserve Expenditures Budget \$466,200 (subject to approval of actual bids)
  - i. Stucco Resurface \$300,000 (already approved)
  - ii. Replace Wood Surfaces – Eves/Arch (Seal) \$117,120

**MOTION #5: CJ Law moved to approve an amount not to exceed \$117,120 for the replacement of the wood surfaces. The motion was seconded by Carl Carlson and passed by unanimous consent.**

- iii. Pool Furniture \$12,000 – This project will not be done this fiscal year.
- iv. Pool Pump \$5,760 – This project will not be done this fiscal year.
- v. Spa Heat Pump \$7,200 – This project will not be done this fiscal year.
- vi. Propane Gas Tank \$15,000 - Completed
- vii. Golf Cart (General Manager) \$3,840 (Approved \$11,200 shared 1/3<sup>rd</sup>) – Completed.
4. Shuffleboard Astroturf – Will obtain bids. Dennis estimates the cost will be approximately \$2,500. This project will not be done this fiscal year.
5. Status of 3<sup>rd</sup> Vehicle on Property – 3<sup>rd</sup> vehicle is paying for parking storage.
6. Special Events at Center Courtyard, if any – There have been no requests since the last meeting.
7. Pool Events - General discussion followed on whether pool events should be allowed. This topic will be discussed at the January meeting to determine if it should be marketed or not to generate revenue for the AOAO.

#### **POLICY**

**MOTION #6: Loren Knott moved to approve that Special Events at the pool area will be allowed at the discretion of the Dennis Costa. The motion was seconded by CJ Law and passed by unanimous consent.**

#### X. Unfinished Business

1. Lease Extension – Discussed at the annual owners meeting.

XI. New Business

1. Board Policy re Owner Participation at Meetings

**POLICY**

**MOTION #7:** Loren Knott moved that owners will be allowed to participate during Board meetings once the Chair recognizes the owner. The motion was seconded by Alex Cordas and passed by unanimous consent.

2. Ratify Insurance – Tim Ohm will review the coverages and policies for the AOA. Ruth Okada will send the documents to him.

**MOTION #8:** Loren Knott moved to ratify the following insurance renewal:

- 7/1/17 – 7/1/18
  - ✓ D & O Aggregate Limit \$3,000,000; Deductible \$5,000; Premium \$5,039
  - ✓ Crime Theft Limit \$100,000; Deductible \$250/claim; Premium \$678
- 5/31/17 – 5/31/18
  - ✓ Worker's Comp Market Rate 4.64 (exp. 6.18)
- 7/28/17 – 7/28/18
  - ✓ Probable Loss Limit – Confirming shared limits with other Aston properties
  - ✓ Property Shared Limit \$250 million; Various Deductibles; Premium \$78,092
  - ✓ General Liability Aggregate Limit \$2,000,000; Premium \$5,974
  - ✓ Auto BI & PD \$1,000,000; Deductible \$500; Premium \$700
  - ✓ Umbrella Limit \$10,000,000; Premium \$5,324

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

3. Policies

- A. Smoking & Designate Smoking Areas – Ruth Okada explained that the Board should officially designate smoking areas throughout the property.

**POLICY**

**MOTION #9:** CJ Law moved to approve designating 5 smoking areas located near the trash bins. The motion was seconded by Alex Cordas and passed by unanimous consent.

The Board also asked Dennis to review the property for better smoking locations and report back to the Board.

- B. Glass & Large Coolers at Pool – General discussion followed on the various issues with glass even if there are signs at the pool. It was suggest that the sign be changed to “Absolutely no glass at the pool”. Dennis Costa will also add a statement regarding glass that all occupants will sign and acknowledge at registration.

**POLICY**

**MOTION #10:** Loren Knott moved to require all occupants sign an acknowledgement at registration regarding no smoking, no glass, no coolers larger than

**12" allowed at the pool. The motion was seconded by Alex Cordas and passed by unanimous consent.**

4. Long Distance Carrier Change – Ruth Okada advised that Sprint is no longer in the long distance business. The carrier has been changed to Hawaiian TelCom.
5. Additional Projects
  - A. Removal of Decorative Abutments – Dick Endean explained that this removal is estimated to cost \$200,000 to remove the decorative wood, screen and stucco the holes including the AC housings. General discussion followed.

**MOTION #11: Alex Cordas moved to approve \$200,000 to remove the decorative wood, screen and stucco and the AC Housing as a capital expense. This will be a change order to Colormatch contract. The motion was seconded by Carl Carlson and passed. Abstained: Knott.**

- B. Repair and/or Replacement of Wood Stairs and Landings – Dick noted that the Board needs to review alternative products such as Trex during the next budget process especially in areas that need constant replacement. The Board asked Dennis to obtain quotes for Trex or a comparable product for review by the Board at the January meeting.
  - C. Painting of the Unit & Utility Exterior Doors / Painting of Electrical Structures – Dennis Costa advised that the sample color (coco brown) has been painted on some doors for the Board's review. When the doors are painted, the moldings will have to be replaced. The Board asked Dennis to obtain quotes for the Board's review at the January meeting.
6. Revenue Generating Projects – Dick Endean noted that the Board may want to consider charging rent similar to the activities desk for vendors who use common areas. General discussion followed on the various revenue options.

#### **POLICY**

**MOTION #12: Carl Carlson moved to approve renting beach chairs and umbrellas and selling beach mats. Dennis Costa will establish the procedure including the amount of the charge and implement at his discretion. The motion was seconded by CJ Law and passed by unanimous consent.**

Dennis Costa will also review and recommend charges to use the center courtyard and pool area for the Board's consideration. He will also review what is done at other properties.

7. Parking Fees – General discussion followed on the possibility of charging a parking or amenity fee to non-owners. The Board asked Loren Knott to review documents to determine if this can be done. He will also discuss with Shannon Sheldon (AOAO's legal counsel). Dennis Costa will also collect information on what other properties are doing. Dick Endean asked the Board to review this for discussion at the conference call meeting.
8. Allocation of Salaries – General discussion followed on the allocation of the salaries between the AOA, timeshare and resort. A lengthy discussion followed. The Board agreed that this should not be pursued. This topic will be removed from the agenda.
9. Use the Previously Landscaped Areas under the PV system – General discussion followed on potential revenue. Alex Cordas will review and report back to the Board.
10. Board Candidate Solicitation for Timeshare – Deferred to the next meeting.
11. Penalty Fee for Violations – No action taken.

12. Upgraded Screen Doors Offering to all Owners at a Cost – Dennis Costa stated that he will be contacting owners if they would like to upgrade their screen doors similar to what the timeshare is doing. The owners will contract directly with the vendor. This will be done after the timeshare completes their units.
13. Allocation of Cost to Extend the Land Lease – Paul DiMarchi asked if the allocation for the timeshare can be adjusted. Ruth Okada stated that every unit has to pay their expense by their percentage of common interest.

XII. Next Meeting


1. Board
  - A. 12/11/17 Conference Call 8:00 am HST
  - B. 1/17/18 Maui 4:00 pm Executive Session Joint with Maui Lea; Open Session 1/18/18 After Maui Lea Board Meeting
  - C. 4/25/18 Vegas 8:30 am Executive Session Joint with Maui Hill; Open Session 9:00 am
  - D. 9/18/18 Maui 4:00 pm Executive Session Joint with Maui Hill; Open Session 9/20/18 Following Annual Meeting
2. Annual 9/20/18 9:30 a.m. (registration 9:00 a.m.)

XIII. Adjournment

**MOTION #13: CJ Law moved to adjourn the meeting. The motion was seconded by Carl Carson and passed by unanimous consent.**

The meeting was adjourned at 3:49 p.m.

Approved by:

  
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Alex Cordas, Secretary  
Board of Directors

  
Ruth Okada  
Recording Secretary

Approved by the Board of Directors on 12/11/17.