

MAUI LEA TIME INTERVAL OWNERS ASSOCIATION
BOARD OF DIRECTORS REGULAR
April 19 & 20, 2017

I. Call to Order

President Bob Jacalone called the meeting to order at 8:30 a.m. at the Golden Nugget, Las Vegas, Nevada.

II. Establish Quorum

Members Present: Bob Jacalone, Bill Petro, Tim Ohm, Loren Knott, Dick Endean, Paul DiMarchi.
Members Absent: CJ Law.
Maui Hill Board: Dick Endean, Carl Carlson, Alex Cordas, Loren Knott.
By Invitation: Dennis Costa, General Manager; Frank Robar & Mike Robar, Maui Lea Co-Plan Managers; Ruth Okada, Aqua-Aston Hospitality, LLC, Co-Plan Manager.

III. Executive Session (concurrent with Maui Hill)

MOTION #1: Paul DiMarchi 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 8:30 p.m. Upon coming out of executive session, the regular meeting resumed at 9:06 a.m. on 4/20/17. During the executive session, the Board discussed legal and personnel matters.

Owners Present: Spencer & Jean Lyon, George & Donna Jewett, Rosemary Jacalone, Naomi Archer, Don Fehnel, Maureen & Joe Neglia, Brad & Michelin Taylor, Gerry Endean, August Olim, Yvonne Granzotto, Michele Stavenuiter, Carl, Shirley & Lisa Tyler, Don & Anne Griffith, Louise & Joe Brandner, Mickey Masdeo, Tammy Ohm, Susan Penrod, Madonna Petro, Wendal & Mary Clark, Alexander & Lorraine Meng.

Everyone present introduced themselves.

IV. Approval of Agenda

MOTION #2: Paul DiMarchi moved to approve the agenda with the addition of the following:

- **Standing Committee: Establish a Renovation Committee**
- **New Business: Capital Improvement Reserve Expenditures**

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

V. Approval of Minutes 1/19 & 20/17 Regular Meeting

MOTION #3: Loren Knott moved to approved the minutes of the 1/19 & 20/17 Regular meeting. The motion was seconded by Paul DiMarchi and passed by unanimous consent.

VI. Treasurer's Report

Bill Petro reported on the following.

1. Financial – Reviewed the 3/31/17 financials.
2. Delinquencies & Collections – To be discussed in executive session
3. Investments – Frank Robar reported that funds remain in cash.

VII. Ad Hoc Committee

1. Energy Audit – Paul DiMarchi stated there is nothing to report at this time noting that an update was given at the AOA Board meeting.

VIII. Standing Committee

1. Contract Committee – Paul DiMarchi reported that the committee has reviewed the vendor contracts. They will be evaluating the contract for Aqua-Aston.
2. Budget Committee – Deferred to the end of the meeting.
3. Establish Renovation Committee

MOTION #4: Loren Knott moved to establish a new Standing Committee called Renovation Committee. The motion was seconded by Tim Ohm and passed by unanimous consent.

Dick Endean was appointed as the Chair of the Renovation Committee.

IX. Manager's Report

Dennis Costa reviewed his manager's report and thanked Bradley Taylor and George Jewett for their suggestion to improve the units. He also thanked the Board and reported on the following.

1. Status of Paint Lanai and Interior Doors; Door Levers & Hinges to Brushed Nickel Status (Approved \$220,000) – Will be completed and be within budget.

X. Unfinished Business

1. Timeshare Resales – Nancy Benson reviewed resales.
2. Constant Contact Email – Nancy Benson reviewed the use of the system:
 - Used to make announcements and distribute the newsletter
 - 1400 owners received and opened the email
 - Still work in process
 - Will email blast 4 times a year

Bill Petro also mentioned that Mike Robar is also reviewing the possibility of sending the quarter statement electronically.

XI. New Business

1. Introduction - Tim Ohm introduced himself. The Board and owners welcomed him to the Board.
2. AOA Affairs – Dick Endean reported on the following:
 - A. Photovoltaic solar status for the Administration and Maintenance Building and off the grid solar for charging the golf cart
 - B. Signed contract with Hawaii Gas for installation of a tank so the property can buy propane at a cost less than half of what the AOA is now paying
 - C. Resurfacing the buildings' stucco with a Colormatch product
 - D. Resurfaced the tennis court
 - E. Lumber replacement continuing to be done in house
 - F. Internet speed increase from 5 by 1 to 100 by 10

3. Resurfacing of Exterior – General discussion followed on the stucco work and whether units should be vacant. The only disruption is when the contractor is working on the lanai walls. Dennis Costa stated that he will coordinate with the contractor to minimize the disruption.
4. Amendment for Electronic Transmittal of Association Documentation – The proposed amendment was sent to the Board for review. Bob Jacalone explained the amendments.

MOTION #5: Loren Knott moved mailing of the amendment to the owners to approve at the next annual meeting. The motion was seconded by Paul DiMarchi.

General discussion followed on whether to do all notices even those for restricting rights and delinquencies.

The motion passed by unanimous consent.

Ruth Okada will check with legal counsel to determine if the amendment topic should just be added to the agenda or added to the proxy for owners to vote.

5. Ratify Fidelity/Crime 4/8/17 – 4/8/18; Employee Dishonesty \$700,000; \$1,081 (expiring \$1,081)

MOTION #6: Loren Knott moved to ratify the approval of the renewal of the 4/8/17 fidelity/crime insurance policy for \$1,081 annual premium. The motion was seconded by Paul DiMarchi and passed by unanimous consent.

6. Capital Improvement Reserve Expenditures – Bob Jacalone mentioned that there are items in the capital improvements account that should be in the Major Replacement account. General discussion followed.

MOTION #7: Paul DiMarchi moved to approve moving the Capital Improvements Reserve Expenditures account to the operational section of the financial and either rename the account or combine it with the Major Replacement account effective 7/1/17. The motion was seconded by Bill Petro and passed by unanimous consent.

After further discussion, it was determined to move the account under Major Replacement.

7. Lease Renegotiations – Dick Endean provided an update noting that AOAO is currently not in active negotiations, but will revisit.

XII. Next Meeting

1. Board
 - A. 9/27/17 Following Annual Owners Meeting.
 - B. January 2018 – Due to the requirement to book in advance, the Board selected 1/18/18
 - C. April 2018 – Due to the requirement to book in advance, the Board selected 4/26/18 (Thursday) for the April meeting.
2. Annual – 9/27/17 9:00 a.m. (8:30 a.m. registration)

The meeting was recessed at 11:31 a.m. and resumed at 1:00 p.m.

XIII. New Business (cont.)

1. Presentation – Bob Jacalone reviewed a power point presentation showing the background history, reserves and budget challenges.
2. Budget – The proposed budget was sent to the Board for review. Bill Petro reviewed the budget. General discussion followed and changes to the budget were made.

MOTION #8: Bill Petro moved to approve the budget for the FYE 6/30/18 as follows:

- **Quarterly Fees**
 - 1 Bedroom - \$236 ZZ - \$405
 - 2 Bedroom - \$262 ZZ - \$450
 - 3 Bedroom - \$290 ZZ - \$497
- **Monthly Revenues & Expenses - \$338,721**
- **Co-Plan Manager – Fiscal 3% 7/1/17**
- **Co-Plan Manager – Admin 0% 4/1/18**
- **Timeshare Services – 3% 4/1/18**
- **Wages – 3% 4/1/18**
- **Major Replacements - \$4,500 (annual) as follows:**
 - ✓ Fans & Components - \$2,000
 - ✓ Guest CD Players - \$1,000
 - ✓ DVD & VCR Dual Deck - \$1,000
 - ✓ Computer (Dennis) - \$500
- **Capital Improvement Expenditures - \$85,408 (annual) as follows:**
 - ✓ Air Conditioners - \$35,000
 - ✓ Bed, Mattresses, etc. - \$5,500
 - ✓ Draperies, Mini Blinds - \$5,000
 - ✓ Microwaves - \$1,500
 - ✓ Refrigerators - \$3,500
 - ✓ Televisions – 1,500
 - ✓ Washers & Dryers - \$3,000
 - ✓ Water Heaters - \$8,000
 - ✓ Golf Cart - \$1,800
 - ✓ Golf Cart – General Manager (1/3) - \$3808
 - ✓ Range - \$1,800
 - ✓ Indoor/Outdoor Lanai Carpet - \$8,000
 - ✓ Refurbish Lanai Tables - \$7,000

General Manager is authorized to proceed with Major Replacements and Capital Reserve Expenditures projects without obtaining specific approval of each item.

The motion was seconded by Tim Ohm and passed by unanimous consent.

XIV. Executive Session

MOTION #9: Paul DiMarchi moved to go into executive session. The motion was seconded by Bill Petro and passed by unanimous consent.

The Board went into executive session at 2:00 p.m. Upon coming out of executive session, the regular meeting resumed at 2:45 p.m. During the executive session, the Board discussed legal matters.

XV. New Business (cont.)

1. Financials – General discussion followed on reserves and investments.

MOTION #10: Dick Endean moved to allocate the cash as follows: \$200,000 to Scheduled Reserves and \$150,000 to Non-Scheduled Reserves. The motion was seconded by Loren Knott and passed by unanimous consent.

MOTION #11: Dick Endean moved to approve \$10,000 for the replacement of the screen doors. The motion was seconded by Paul DiMarchi and passed by unanimous consent.

MOTION #12: Paul DiMarchi moved to invest the \$200,000 Scheduled Reserves in a 3-month CD. The motion was seconded by Bill Petro and passed by unanimous consent.

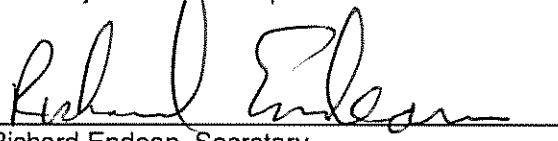
The Board asked Frank Robar to present investment options for the future at the September meeting.


XVI. Adjournment

MOTION #13: Paul DiMarchi moved to adjourn the meeting. The motion was seconded by Loren Knott and passed by unanimous consent.

The meeting was adjourned at 3:07 p.m.

Approved by:


Richard Endean, Secretary
Board of Directors


Ruth Okada
Recording Secretary

Approved by the Board of Directors on 09/27/2017 .