

MAUI LEA TIME INTERVAL OWNERS ASSOCIATION
BOARD OF DIRECTORS
January 28-29, 2019

I. Call to Order

President Bill Petro called the meeting to order at 4:04 p.m. at Maui Hill.

II. Establish Quorum

Members Present: Bill Petro, Loren Knott, CJ Law, Tim Ohm, Dick Endean, Bob Jacalone, Paul DiMarchi.

Maui Hill Board: Dick Endean, Loren Knott, CJ Law, Alex Cordas, Carl Carlson.

By Invitation: Frank Robar, Condominium Fiscal Management Inc., Co-Plan Manager Maui Lea; Dennis Costa, General Manager; Ruth Okada, Aqua-Aston Hospitality, Inc. Co-Plan Manager.

III. Executive Session

MOTION #1: Paul DiMarchi moved to go into executive session. The motion was seconded by Bob Jacalone and passed by unanimous consent.

The Board went into a joint executive session with Maui Hill at 4:05 p.m. Upon coming out of executive session, the regular meeting resumed at 5:55 p.m. During executive session, the Board discussed legal matters.

The meeting was recessed at 5:55 p.m. and resumed on 1/29/19 at 9:35 a.m. at the Residence Inn, Maui Wailea.

IV. Establish Quorum

Members Present: Bill Petro, Loren Knott, CJ Law, Tim Ohm, Dick Endean, Bob Jacalone, Paul DiMarchi.

Maui Hill Board: Dick Endean, Loren Knott, CJ Law, Alex Cordas, Carl Carlson.

Owners Present: Todd Niehoff, Richard Werner, Yvonne Granzotto, Noble & MaryAnn Dowling, Madonna Petro, Rosemary Jacalone, Jeannie & Dave Dietz, Bev & Brian Born, Rick & Donna Austin, Bill & Marcia Gilmer, Harry Durstine, Gordon & Vivian Repp, Robert Hill, Joanne Carlson, Eriksen, Carol & Denis Smith, Marlene, Justin, Lorraine, Jim Silburn, Steve Sonnenberg.

By Invitation: Nancy Benson, Owners' Relations; Frank Robar, Condominium Fiscal Management Inc., Co-Plan Manager Maui Lea; Dennis Costa, General Manager; Ruth Okada, Aqua-Aston Hospitality, Inc. Co-Plan Manager.

Everyone present introduced themselves.

V. Approval of Agenda

There being no objection, the following topic were added to the agenda:

- CCD Signing
- Letter from an Owner
- Association Interval Sales

VI. Approval of Minutes 12/13/18 Regular Conference Call Meeting & Organizational 9/19/18

MOTION #2: CJ Law moved to approve the minutes of the 12/13/18 Regular meeting as circulated. The motion was seconded by Paul DiMarchi and passed by unanimous consent.

MOTION #3: Bob Jacalone moved to approve the minutes of the 9/19/18 Organizational meeting as circulated. The motion was seconded by Loren Knott and passed by unanimous consent.

VII. Treasurer's Report

1. Financial Review – Tim Ohm reviewed the 12/31/18 financials. There were no questions.
2. Delinquencies & Collections – To be discussed in executive session.
3. Investments – Frank Robar reported on investments on 2-year laddering of CDs with various interest rates.

VIII. Ad Hoc Committee

1. Energy Audit – Paul DiMarchi reported on the following.
 - A. ACs – Units are becoming more efficient. Still reviewing for better options to circulate the air such as fans with 72-inch diameter blades, motion detectors, etc. Timers not being pursued because of the cost.
2. Solar Power for Timeshare Units – Alex Cordas reported on the following.
 - Working with HNU for the last 2 years with the office and maintenance buildings having solar.
 - Still reviewing golf cart charging station with battery powered energy.
 - Researching solar for Timeshare units as well as other units.
 - ✓ Location for the equipment including the batteries
 - ✓ Financial feasibility

IX. Standing Committee

1. Contract Committee – Paul DiMarchi reported that all contracts have been reviewed with the last being Aqua-Aston's agreement.
 - A. Aqua-Aston – Both attorneys have reviewed the agreement. Maui Lea's attorney is reviewing before the agreement is signed by the Board.
2. Budget Committee – Tim Ohm reported on the timetable.
3. Renovation Committee – Paul DiMarchi reported on the following.
 - A. Renovation Plans for FYE 2019 - The Committee is trying to keep the units contemporary. Reviewed renovations in progress.

X. Manager's Report

Dennis Costa gave his manager's report and reviewed the following.

1. Status
 - A. Dining Room Sets (Approved \$150,000) – Ordered and should arrive in 3 months. Sample chair is in the office for review.
 - B. Mattresses (Approved \$181,000) – Replacement will start the first week in February.
 - C. Screen Door Renovation – Rescreening and hardware replacement in process.

XI. Unfinished Business

1. Timeshare Resales – Nancy Benson distributed and reviewed the resales report. Thanked the Board and Dennis Costa for their support. General discussion followed the resales.

The meeting was recessed at 10:27 a.m. and resumed at 10:42 a.m.

2. Electronic Mailing to Owners (Approved \$5,000 to update N. Benson's database) – Nancy Benson reported that her data base is being updated to accommodate the electronic mailing. She has

given the programmer the April meeting date as the due date for testing. Accurate email addresses are required. There are about 800 intervals with no email addresses.

3. Declaration & Bylaws Restatement (Approved \$2,000) – Bob Jacalone advised that the amendments and restatement will have to be approved by the owners. The document will be sent to the owners with the annual meeting notice. The Board will approve the amendments at the April meeting and the owners will approve them at the annual meeting.

XII. New Business

1. AOA Affairs – Dick Endean reported on the following.
 - Land Lease – The land lease has been extended to 11/20/64 with some paperwork to be completed.
 - Timeshare Intervals – The timeshare interval lease extension document will be completed as the ownership for the intervals change.
 - Solar Project – Approximately 70% of the of the electrical consumption of the administration office, pool, spa and maintenance areas are anticipated to use solar energy. MECO rates have been low, so the savings may not be as high as projected. Continuing to work on the golf cart charging stations.
 - Building – The exterior of all buildings has been re-stuccoed which will allow the stucco to retain its integrity to breath. Removed the end wooden butts which were simply decorative and were a maintenance problem. Thanked Dennis Costa and Bob Jacalone.
 - Fiscal Challenges – The goal is to be able to complete projects without a significant financial impact. Projects to be completed are:
 - ✓ The plywood and the felt material under the tile roof have deteriorated and must be replaced. Anticipated to do this within 8 to 10 years.
 - ✓ The 8 x 8 support wood posts at the halls & stairs are beginning to deteriorate.
 - ✓ Driveway at Keawekapu requires repairs and upgrades and they are asking Maui Hill to assist with this expense.
 - ✓ Negotiating another year agreement with the activities desk and reviewing the decrease in bookings at the desk.
 - ✓ Still discussing purchasing additional cushion covers for the pool chaises. Owners present were in favor of purchasing additional cushions.
 - ✓ Painting entry doors and replacing the rotted frames.The budget will be reviewed and approved in April and will include some of these projects.
 - Smoking Areas – The front desk provides a map of the smoking areas throughout the property. Owners should advise the front desk if people are smoking elsewhere including the lanais.
 - Tennis Court – Suggested that a sign-up system be implemented.
2. CCDs Amendments – Bill Petro explained the letter that was drafted which will be sent to the Timeshare owners by email and posted to the website. This letter will also be included with the next annual meeting packet to the owners. General discussion followed. Bill confirmed that the letter is clear that no action from the owners is necessary.

MOTION #4: Bill Petro moved to authorize any one officer to sign the Amendment to the Condominium Conveyance Document (CCD) for the Timeshare units to amend the sections related to the extension of the lease to November 20, 2064. The motion was seconded by Loren Knott and passed by unanimous consent.

3. New Standing Committee – A new standing committee will be established called Association Interval Sales Committee.

MOTION #5: Bob Jacalone moved to approve the establishment of a new Standing Committee called “Association Interval Sales Committee” which will be comprised of 2 board members. The committee will jointly negotiate all sales

of the association weeks and jointly approve any promotional sales. The motion was seconded by Paul DiMarchi.

Discussion: General discussion followed on why this committee is needed to formalize the current process.

The motion passed by unanimous consent.

MOTION #6: Dick Endean moved to appoint Bill Petro and Loren Knott to the Committee. The motion was seconded by Tim Ohm and passed by unanimous consent.

XIII. Next Meeting

1. Board
 - A. 4/25/19 9:00 a.m. (Las Vegas)
 - B. 9/25/19 Following Annual meeting
 - C. 1/22/19 Open 1/21/19 joint exec session – tentative
2. Annual 9/25/19 9:30 a.m. (Registration 9:00 a.m.)

The meeting was recessed 11:42 a.m. and resumed at 3:45 p.m.

XIV. Executive Session

MOTION #7: Bob Jacalone moved to go into executive session. The motion was seconded by Paul DiMarchi and passed by unanimous consent.

The Board went into executive session at 3:45 p.m. Upon coming out of executive session, the regular meeting resumed at 3:59 p.m. During the executive session, the Board discussed legal matters.

XV. New Business (cont.)

1. Retention Policy Change – A change in the record retention policy is requested. Reid Nakamura has asked that records over 7 years for collection be destroyed. General discussion followed.

RESCINDED POLICY

MOTION #8: Loren Knott moved to rescind the following policy reaffirmed at the 9/14/16 meeting as follows:

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 Paul DiMarchi and passed by unanimous consent.

POLICY

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

RECORD RETENTION POLICY

- Permanent Records
 - Legal except as listed below
 - 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)
- Legal Collections Records after 7 Years
- 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 Paul DiMarchi and passed by unanimous consent.

XVI. Adjournment

MOTION #10: Paul DiMarchi moved to adjourn the meeting. The motion was seconded by Tim Ohm and passed by unanimous consent.

The meeting was adjourned at 4:01 p.m.

Approved by:



Loren Knott, Secretary
Board of Directors



Ruth Okada
Recording Secretary

Minutes approved on 04/25/2019.