

ASSOCIATION OF APARTMENT OWNERS  
MAUI HILL  
BOARD OF DIRECTORS REGULAR MEETING  
April 25, 2018

I. Call to Order

President Dick Endean called the meeting to order at 8:30 a.m. at the California Hotel & Casino, Las Vegas, Nevada.

II. Establish Quorum

Members Present: Dick Endean, Carl Carlson, Loren Knott, CJ Law, Alex Cordas (via phone) (disconnected during executive session).

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

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

Due to the absence of Alex Cordas, a Secretary Pro Tem was appointed for this meeting.

**MOTION #1: CJ Law moved to appoint Loren Knott as Secretary Pro Tem. The motion was seconded by Carl Carlson and passed by unanimous consent.**

III. Executive Session (Joint with Maui Lea)

**MOTION #2: 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 8:30 a.m. Upon coming out of executive session, the regular meeting resumed at 8:50 a.m. During the executive session the Board discussed legal and personnel matters.

The meeting was recessed at 8:50 a.m. and resumed at 9:16 a.m.

Owners Present: Rick & Molly Thomson, Gerri Endean, Brad & Michelin Taylor, Rosemary Jacalone, Naomi Archer, Don Fehnel, George & Donna Jewett, Madonna Petro.

Everyone present introduced themselves.

IV. Approval of Agenda

**MOTION #3: Carl Carson moved to approve the agenda with the following changes:**

- **Move the Budget to the end of the agenda**
- **Add Lease Rent and Special Assessment before the Standing Committee Reports**

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

V. Approval of Board Meeting Minutes – 1/17/18 Regular Meeting

**MOTION #4: Loren Knott moved to approve the minutes of the 1/17/18 Regular meeting as circulated without change. The motion was seconded by Carl Carlson and passed by unanimous consent.**

VI. Treasurer's Report

Carl Carlson reported on the following.

1. Financial Review – Reviewed the 3/31/18 financials. There were no questions.
2. Delinquencies/Collections – Remains nominal.
3. Land Lease Extension – Dick Endean explained the status of the land lease extension. He also reported the final results of the owners' approval as of 4/23/18 is 93.7075% in favor to extend the term of the Master Lease for an additional fifteen (15) years, from November 20, 2049 until November 20, 2064 and to acquire the interest of Hill Enterprises, LLC, Robert T. Hill, Trustee of the Robert R. Hill Revocable Trust and Christine Amy Hoffman as lessee in the Master Lease.

Negotiated terms are as follows:

- 15 year extension to 2064
- Pay Lessor legal fees up to \$25,000
- Change in maximum cap from 4% to 5%
- Upfront payment of \$300,000
- AOAO will become the Sublessor

Also explained timing of opening of escrow with closing in September. General discussion followed on when the special assessment would be due.

**MOTION #5: Dick Endean moved to approve a special assessment of \$400,000 payable on 7/15/18 as follows:**

Unit Type	% of Interest	# of Units	\$400,000 Spl Asmt
1 Bdrm	0.5520%	44	\$2,208.00
2 Bdrm	0.7465%	73	\$2,986.00
3 Bdrm	0.9225%	23	\$3,690.00
	100.0000%	140	\$400,000.00

**The existing collection policy will apply to this assessment. The motion was seconded by CJ Law and passed by unanimous consent.**

4. Parking or Amenity Fees – Loren Knott reported that this fee should not be charged since occupants already have the right to use the parking and the AOAO's legal counsel has advised against this charge. This topic will be removed from the agenda.

VII. Standing Committee

1. Architectural Review – CJ Law reported on the following.
  - A. Owner Renovations, if any (Approved & Denied) – There have been no requests from owners. Reminded owners that they must send a renovation request to the committee before doing any work in their units.

- a. Hard Surface Flooring – The committee is still struggling with the specifications for hard surface flooring and cannot recommend contractors. They are still working on the standard installation policy. The concern is the transmission of noise between units. Because of this issue, the position of the committee is that no hard surface flooring should be allowed, however no final decision has been made. When floors are worked on, owners should however screw down the flooring rather than nailing.
  - i. Units #8 – Dennis Costa advised that the owner is no longer pursuing hard surface flooring.
  - ii. Establish Detailed Policy – The Committee will continue to work on this.
- B. Owner Renovations, if any (For Board Approval) – There was none.

#### VIII. Ad Hoc Committee

1. Energy Conservation
  - A. Photovoltaic System Status – Dick Endean reported on the following:
    - Panels have been installed on the maintenance and administration buildings
    - Carports and trellises will no longer be added for this installation
    - The project had to be redesigned because of permitting
    - The project should be completed in July or August
    - The solar installation should cover approximately 70% of electrical for the pool and administration building and the maintenance building
    - Explained that there is no longer Net Energy Metering (NEM) so it is not financially feasible to increase from 70% to 100%
    - Golf cart charging will be done by batteries off the grid
    - The project is expected to save \$800,000 over the life of the PV system
    - Country approval is needed before we can use the PV.

#### IX. Manager's Report

Dennis Costa reviewed his report and the following was also discussed.

1. Projects Status
  - A. Stucco (Approved \$300,000) / Removal of Decorative Wood (Approved \$200,000) / Replacement of Wood Surfaces (Approved \$117,120) – Project should be completed by June 1st.
  - B. Groups – General discussion followed on the use of the pool by groups. The staff is monitoring the pool area when groups are in house. Dennis will give a report to the Board on a proposal to handle the pool use.
2. Special Events at Center Courtyard & Pool – Still working on it. Will be adding a shave ice machine and also have ice cream parties.
  - A. Marketing – Reviewing the use of the pool and courtyard to create more business for the property. The pool will never be closed.
  - B. Recommendations to Establish Rental Rates – Still working on it.
3. Cushions for Pool Chaise Lounges – There are now 8 cushions. The material that is being used now is no longer available. Looking for a new material and will report back to the Board at the next meeting.
4. Coolers at the Pool – There have been no major issues. This topic will be removed from the agenda.
5. Shuffleboard Astroturf Quotes – This will project has been deferred and will be removed from the agenda.
6. Wood Stairs & Landings Trex & Other Alternative Quotes – Investigating the installation of a vinyl protection.
7. Painting of Unit/Utility Doors & Electrical Structures Quotes – Will be proceeding in house with replacement of the wood or vinyl with a wood look to deter termite damage and deterioration.

8. Spectrum Contract – Signed internet and cable TV contract until 2022. Still working with Spectrum to obtain easier instructions to turn on the TV. The AOAO continues to pay for the 4<sup>th</sup> box in the 3 bedrooms.
9. Telephone System (PBX) – Dick Endean reported that the PBX system has not yet been replaced and parts are still available. General discussion followed on whether a PBX system was necessary as most of the calls are internal (room to room or room to Admin building). Most occupants have cell phones and there are smart phone apps that allow long distance calling with WiFi connection. Will check further on whether calling 911 is a legal requirement.
10. Renting Bicycles – This will not be pursued at this time and will be removed from the agenda.

X. Unfinished Business

1. Lease Extension – Discussed earlier.
2. Parking or Amenity Fees – Loren Knott reported that the AOAO cannot charge occupants for the use of parking as this is a common element. No action will be taken on this matter.

XI. New Business

1. Lease Rent Increase – A copy of the letter from Hill Enterprises for the increase in lease rent effective 4/1/18 and retroactive to 11/20/17 was sent to the Board. Ruth Okada explained the increase. The letter was sent to all owners.
2. Ratify Activities Desk Lease (Rent Reduction from 7/1/18 through 2/28/19 of \$1,250 monthly) – Dick Endean explained the reduction in rent as direct bookings via the internet has reduced sales at the desk.

**MOTION #5: CJ Law moved to approve the rent reduction of \$1,250 per month from 7/1/18 through 2/28/19. The motion was seconded by Loren Knott and passed by unanimous consent.**

The meeting was recessed at 11:20 a.m. and resumed 1:03 p.m.

3. Budget & Reserve Study – Carl Carlson reviewed the budget and reserve study noting that the roofing project will be done over 8 years.

**MOTION #6: CJ Law moved to authorize Dennis Costa to investigate surveillance cameras and present a proposal at the next meeting. The motion was seconded by Carl Carlson and passed by unanimous consent.**

General discussion followed on the budget and reserve study. Dick Endean also noted that a claim was submitted for the roof leaks, but coverage was denied as this was due to normal wear and tear.

**MOTION #7: Carl Carlson moved to approve the budget effective 7/1/18 and an 8.21% overall increase in Association fees with the following annual amounts:**

**Operating:**

**Maintenance Fees - \$1,305,144**

**Total Revenues & Expenses - \$1,434,360**

**Increase Parking Storage from \$35 to \$45 per month**

**Increase Storage from \$25 to \$35 per month**

**Wages – 3% increase on 4/1/19**

**Management Fee – 3% increase as of 4/1/19**

**Major Repairs & Replacement (\$7,920):**

- Hallway Carpets - \$3,000
- Irrigation Well Repairs - \$3,000
- Pool Deck Repairs - \$960
- Walkway Repairs - \$960

**Capital:**

**Capital Contribution - \$175,260**

**Total Revenues & Expenses - \$176,160**

**Capital Reserve Expenditures Budget \$68,040 (subject to approval of actual bids)**

- Roof Underlayment Replacement Phase 1 - \$68,040

**Reserve Study – Funded at 41% as of 7/1/18**

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

4. Insurance Agent – Ruth Okada explained that she has been working with Tim Ohm on the possible change from AON to Marsh.

**MOTION #8: CJ Law moved to approve the change in insurance agents from AON to Marsh. The motion was seconded by Loren Knott and passed by unanimous consent.**

5. Ratify Worker's Compensation Insurance Renewal – Information on the renewal was sent to the Board.

**MOTION #9: CJ Law moved to ratify the approval to renew the workers' compensation policy for 5/31/18 to 5/31/19 at the 4.46 rate. The motion was seconded by Carl Carlson and passed by unanimous consent.**

## XII. Next Meeting

1. Board
  - a. 9/18/18 Maui 4:00 pm Executive Session Joint with Maui Hill; Open Session 9/19/18 Following Annual Meeting
  - b. 1/28/19 Maui Tentative
  - c. 4/24/19 Las Vegas
2. Annual 9/19/18 9:30 a.m. (registration 9:00 a.m.)

## XIII. Executive Session

**MOTION #10: Carl Carlson 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 2:19 p.m. Upon coming out of executive session, the regular meeting resumed at 3:00 p.m. During the executive session, the Board discussed legal matters.

XIV. Adjournment

**MOTION #11: CJ Law moved to adjourn the meeting. The motion was seconded by Carl Carlson and passed by unanimous consent.**

The meeting was adjourned at 3:00 p.m.

Approved by:   
Loren Knott, Secretary Pro Tem  
Board of Directors

  
Ruth Okada  
Recording Secretary

Approved by the Board of Directors on 09/19/2018.