

781ASSOCIATION OF APARTMENT OWNERS  
MAUI HILL  
BOARD OF DIRECTORS REGULAR MEETING  
CONFERENCE CALL  
November 30, 2018

I. Call to Order

President Dick Endean called the meeting to order at 10:00 a.m. HST.

II. Establish Quorum

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

Maui Lea Board: Bill Petro, Tim Ohm, Bob Jacalone.

By Invitation: Dennis Costa, General Manager; Ruth Okada, Aqua-Aston Hospitality, Inc. Managing Agent.

III. Approval of Agenda

**MOTION #1: Carl Carlson moved go approve the agenda with no changes. The motion was seconded by Alex Cordas and passed by unanimous consent.**

IV. Approval of Board Meeting Minutes – 9/17/18 Regular Meeting

**MOTION #2: CJ Law moved to approve the minutes of the 9/17/18 regular meeting as circulated. The motion was seconded by Loren Knott and passed by unanimous consent.**

V. Treasurer's Report

Carl Carlson reported on the following.

1. Financial Review – Reviewed the 10/31/18 financials noting that the legal fees includes the lease rent negotiations. General discussion followed.
2. Delinquencies/Collections – Collections to be discussed in executive session. Noted that unit #111 is in escrow.
3. Land Lease – Dick Endean reported on the following.
  - There are enough funds to pay for the CCD amendment for the owners from the \$400,000 special assessment.
  - Explained the handing of the \$400,000 allocated based on common interest and how to handle the remaining funds.
  - AOAO's legal counsel will charge flat rate of \$200 per document. Will discuss charging by percentage of common interest with legal counsel.
  - If excess funds can be maintained by the AOAO, it can be used to pay GE taxes for lease rent.
  - GE taxes are being paid on lease rent by the AOAO as Sublessor

General discussion followed. The Board will decide on how to handle excess fuds of the special assessment at the January meeting.

VI. Standing Committee

1. Unit Rental Interface Program – Carl Carlson reported that he met with Loren Knott, Bob Jacalone, Dick Endean, and Dennis Costa. The following is a summary of the discussion:
  - Provide a summary of rules to all renters, rental agents and owners and require them to post the rules in their units.

- Dennis Costa as the General Manager must have access to all units.
- Keys to their unit should be provided to the General Manager.
- Remove all lock boxes.
- Rental agents must provide the General Manager with list of arrivals.
- All occupants must register at the desk and amenities will be provided
- AOAO will not perform any maintenance in the units unless there is an emergency.
- Owners should be reminded about ARC guidelines.
- No conclusion as to fining for violations
- No conclusion of allocation of shared expenses to all parties such as Mai Tai, front desk, etc.

General discussion followed on keys and liabilities. Ruth Okada advised that a key release was drafted for the AOAO's legal counsel, which is being used by Dennis Costa. The committee will present a proposal to the Board. The Committee will also talk to the manager of the Maui Kamaole to inquire on their procedures of notification and enforcement of the House Rules especially for smoking and glass at the pool area.

2. Architectural Review – Thanked Alex Cordas for the Hard Surface Floor policies.
  - A. Committee Membership Requirement – Dick Endean noted that there is no Board policy on membership requirements for this committee.
  - B. Nonconforming ACs – Deferred to January meeting
  - C. Owner Renovations, if any (Approved & Denied) – There were none.
  - D. Owner Renovations, if any (For Board Approval) – There were none.

#### VII. Ad Hoc Committee

1. Energy Conservation – Alex Cordas reported on the following
  - A. Photovoltaic System Status -Will be meeting with HNU and asked Dennis Costa and Dick Endean to join him. Explained that the carport could not be added since the backflow preventers were not to code therefore a permit could not be obtained.
  - B. Timeshare Photovoltaic System – If a PV system is installed for the units, the panels will be installed on the roof and no permit will be needed. The AOAO cannot get a building permit because the water department will not approve it. Dennis is obtaining bids to upgrade the backflow preventers to bring them up to code. He is working with the water department.
  - C. HNU – Still reviewing additional panels for the golf cart charging station. This will be included in the Timeshare unit PV system.

#### VIII. Manager's Report

Dennis Costa reported on the following.

1. Projects Status
  - A. Stucco Status on Open Issues – Once all open items are addressed satisfactorily, Dennis will perform a final inspection.
  - B. In House Painting of Unit/Utility Doors & Electrical Structures – In process.
  - C. Surveillance Cameras (Approved \$8,000 6 camera with 7-day recording) – Installed and working well.
  - D. Major Repairs & Replacement FYE 2019 – To be completed at GM's discretion. This topic will be removed from the agenda.
    - a. Hallway Carpets - \$3,000
    - b. Irrigation Well Repairs - \$3,000
    - c. Pool Deck Repairs - \$960
    - d. Walkway Repairs - \$960

2. Approval of Capital Reserve Expenditures Roof Underlayment Replacement Phase 1 \$68,040 – Deferred to January meeting.
3. Future Projects – Deferred to January meeting.
  - A. Power-Wash Pool Tiles, Repair & Replace Damaged Tiles & Re-grout
  - B. Entry Unit and Storage Door Brick Moldings – Replace with Plastic or Vinyl
  - C. Paint Walkway Landings, Pol Beams, Fascia Boards & AC Housings
  - D. Upgrade Sidewalks (more efficient for housekeeping & maintenance)
  - E. Install Vinyl Protective Covering for Entrance Steps to Buildings
4. Special Events at Center Courtyard & Pool – Deferred to January meeting.
  - A. Marketing
  - B. Recommendations to Establish Rental Rates
5. Wood Stairs & Landings Trex & Other Alternative Quotes – Deferred to January meeting.
6. Telephone System (PBX) – Deferred to January meeting.

IX. Unfinished Business

1. Fining for Violations – Deferred to January meeting.

X. New Business

1. Service Animals – Defer red to the January meeting.
2. Smoking Area New Locations – Dennis Costa has designated 7 areas and purchased new benches for the smoking areas.

**POLICY**

**MOTION #3:** Loren Knott moved to approve the designation of the 7 smoking locations as outlined on the attached plans a copy of which is made a part of these minutes. The motion was seconded by Alex Cordas and passed by unanimous consent.

3. Ratify 1/3<sup>rd</sup> of \$899.68 to Buff Out Paint & Replace Rubber Bumper – Dennis Costa explained that repainting was not necessary.

**MOTION #4:** CJ Law moved to ratify the approval for 1/3<sup>rd</sup> of the \$899.68 cost to buff the truck paint and replace the rubber bumper. The motion was seconded by Loren Knott and passed by unanimous consent.

4. Zoning Impacting Maui Hill – Dick Endean distributed and reviewed information on the projects surrounding Maui Hill
  - Kahoolawe Research Center will be completed in 2021 or 2022. Their driveway would be directly across from Maui Hill on Kihei Road.
  - Concerned with the traffic from the low incoming housing.
  - Shannon Sheldon (legal counsel) has been asked to review access issues to use the Keawekapu Driveway.
  - The Alakoa street does not legally exist.

XI. Next Meeting

1. Board
  - A. 1/28/19 (Maui) Joint Maui Lea Executive Session 4:00 p.m. tentative time.; Open Session 1/29/19 To follow MLE Board meeting.
  - B. 4/24/19 (Las Vegas) 9:00 a.m.

C. 9/26/19 (Maui) Following Annual Owners Meeting

2. Annual – 9/26/19

Maui Lea Board members disconnected from the call.

XII. Executive Session

**MOTION #5:** CJ Law moved to go into executive session. The motion was seconded by Alex Cordas and passed by unanimous consent.

The Board went into executive session at 11:37 a.m. Upon coming out of executive session, the regular meeting resumed at 12:14 p.m. During the executive session, the Board discussed legal matters.

XIII. New Business (cont.)

1. Eliminate Late Fee Step-Ups – Ruth Okada explained the proposed change to a flat \$50 plus 1%. General discussion followed.

**RESCIND POLICY**

**MOTION #6:** CJ Law moved to rescind the following collection & Late fee policy on 7/1/19:

“To approve the following collection & late fee policy effective 11/1/10:

1. All association fees are due on the 1st of each month and payment in full must be received by the association’s bank by the 15th of each month. Late fees for delinquent accounts are assessed on the 16<sup>th</sup> of each month: \$50 at 15 days delinquent; \$125 at 45 days delinquent; \$150 at 75 or more days delinquent; plus 1% interest per month as more fully provided in 2,3, and 4 below.
2. For accounts that are 15 day delinquent, a notice of lien letter is sent by certified mail, return receipt requested, with the intent to either begin lien/foreclosure proceedings and/or demand and receive from any tenant or rental agent of the apartment an amount sufficient to pay all sums due from the Apartment owner to the Association, in accordance to the Bylaws and the Hawaii Revised Statutes. A late fee of \$50 plus 1% interest is assessed at this time.
3. If the delinquency continues and the account becomes 45 days delinquent, the account is either referred to the Association’s attorney for legal action to collect and/or rental amounts are demanded in accordance with the Bylaws and the Hawaii Revised Statutes. A late fee of \$125 plus 1% interest is assessed at this time.
4. For accounts over 75 days delinquent, legal action and/or collection of rental amounts will continue and a late fee of \$150 plus 1% interest is assessed at this time and on the 16<sup>th</sup> of each month thereafter as long as the delinquency continues.”

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

**POLICY**

**MOTION #7:** CJ Law moved to approve the following late fee and collection as follows effective 7/1/19:

1. All association fees are due on the 1st of each month and payment in full must be received by the association's bank by the 15th of each month. A late fee of \$100 plus 1% interest for delinquent accounts are assessed on the 16<sup>th</sup> of each month.
2. For accounts that are 15 day delinquent, a notice of lien letter is sent by certified mail, return receipt requested, with the intent to either begin lien/foreclosure proceedings and/or demand and receive from any tenant or rental agent of the apartment an amount sufficient to pay all sums due from the Apartment owner to the Association, in accordance to the Bylaws and the Hawaii Revised Statutes.
3. If the delinquency continues and the account becomes 45 days delinquent, the account is either referred to the Association's attorney for legal action to collect and/or rental amounts are demanded in accordance with the Bylaws and the Hawaii Revised Statutes.
4. For accounts over 75 days delinquent, legal action and/or collection of rental amounts will continue.

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

XIV. Adjournment

**MOTION #7:** Carl Carlson moved to adjourn the meeting. The motion was seconded by Loren Knott and passed by unanimous consent.

The meeting was adjourned at 12:20 p.m.

Approved by:



Alex Cordas, Secretary  
Board of Directors



Ruth Okada  
Recording Secretary

Approved by the Board of Directors on 1/28/19.

Attachment: Designated Smoking Area Map

Designated Smoking Areas

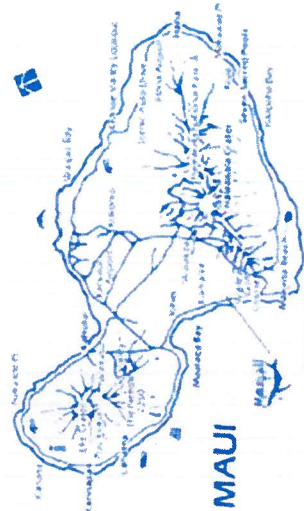


- A. Pool & Jet Spa
- B. Putting Greens\*
- C. Shuffle Boards\*
- D. Tennis Courts\*
- E. Stairs to South Kihiki Road & Beach access
- F. Trash & Recycle Bins
- G. Propane Barbeque Grills (15)
- H. Designated Smoking Areas (7)

\* Equipment available at the Front Desk



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MAUI