

MAUI LEA TIME INTERVAL OWNERS ASSOCIATION
BOARD OF DIRECTORS REGULAR MEETING
April 25 & 26, 2018

I. Call to Order

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

II. Establish Quorum

Members Present: Bob Jacalone, Bill Petro, Dick Endean, Loren Knott, Paul DiMarchi (departed during 4/26/18 executive session), CJ Law, Tim Ohm.

Maui Hill Board: Dick Endean, Carl Carlson, Loren Knott, CJ Law, Alex Cordas (via phone) (disconnected during 4/25/18 executive session).

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.

III. Executive Session

MOTION #1: 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. on 4/25/18 and resumed at 9:09 a.m. on 4/26/18.

Members Present: Bob Jacalone, Bill Petro, Dick Endean, Loren Knott, Paul DiMarchi (departed during 4/26/18 executive session), CJ Law, Tim Ohm.

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

Owners Present: Madonna Petro, Steve & Ursie Fisher, Rosemary Jacalone, Naomi Archer & Don Fehnel, Mickey Masdeo, Maureen & Joe Neglia, Brad & Michelin Taylor, Susan Pedrod, Louise & Joe Brandner, George & Donna Jewett, Joanne Carlson, Don & Anne Griffith, David Petrie, Yvonne Granzotto, Edmond Stewart, Van & Donna Russ.

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.

Everyone present introduced themselves.

IV. Approval of Agenda

MOTION #2: Tim Ohm moved to approve the agenda with the addition of "Utility Surcharges for Guests for Timeshare" under New Business. The motion was seconded by CJ Law and passed by unanimous consent.

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

MOTION #3: Loren Knott moved to approve the minutes of the 1/17/18 Regular meeting as circulated without corrections. The motion was seconded by Paul DiMarchi and passed by unanimous consent.

VI. Treasurer's Report

Bill Petro reported on the following.

1. Financial Review – Reviewed the 3/31/18 financials. There were no questions.
2. Delinquencies & Collections – To be discussed in executive session.
3. Investments – Frank Robar reviewed investment laddering, the slow increase in rates and interest earned. General discussion followed on adding additional amounts from the 2024 renovation funds to the laddering schedule.

MOTION #4: CJ Law moved to add an additional \$100,000 of the renovation funds to the CD laddering schedule. The motion was seconded by Paul DiMarchi and passed by unanimous consent.

VII. Ad Hoc Committee

1. Energy Audit – Paul DiMarchi reviewed what is being done. Dick Endean reviewed what the AOA is doing on the photovoltaic system noting that the system should be online by July 2018. There is no cost to the AOA for the installation, except for structural roof cost of the administration building. The investment company is paying for the installation and the AOA has to buy electricity from them for a 20 year period. The anticipated saving over 20 years is approximately \$800,000. Solar for each of the units cannot be done at this time because there is no longer a net metering option which does not make it financially feasible.

VIII. Standing Committee

1. Contract Committee – Paul DiMarchi reported that they are working on finalizing the Aston contract.
2. Budget Committee – Deferred to the end of the meeting.
3. Renovation Committee – Bill Petro explained the past renovation that was done and what is currently being done. Dennis Costa presented quotes to the Board for the replacement of the dining room set noting that 1 bedrooms have 5 chairs and 2 and 3 bedrooms have 8 chairs. Quotes received were between \$103,000 and \$149,600.

MOTION #5: Bill Petro moved to replace the dining room set for a cost not to exceed \$150,000 from non-scheduled funds. Dennis Costa will make a concerted effort to sell the old sets. The motion was seconded by CJ Law.

Discussion: The replacement should be completed by July. General discussion followed on using the internet to sell the dining room furniture.

The motion passed. Opposed: DiMarchi.

Dennis will research and determine if a fan can be added to the existing light in the dining area.

Moving the living room dresser into the bedroom makes the 1 bedroom units look crowded. Dennis will look at other alternatives.

The committee will also report at the September meeting what renovation should be done in the next fiscal year and review the availability of funds.

IX. Manager's Report

Dennis Costa distributed and reviewed his manager's report. General discussion followed. It was suggested that the entertainment at the Mai Tai party be changed. Dennis will try to alternate the entertainment.

The meeting was recessed 10:17 a.m. and resumed at 10:42 a.m.

X. Unfinished Business

1. Timeshare Resales – CJ Law reported on the resales including Association weeks.
2. Constant Contact Email – Bob Jacalone noted that email blasts are being sent through Constant Contacts. Ruth Okada noted that this service cannot be used to electronically email the annual meeting notices to owners as it does not have a receipt tracking system.
3. Electronic Mailing to Owners – Ruth Okada explained that Nancy Benson is getting a quote to upgrade her data base to allow for electronic mailing. General discussion followed. Will continue to work with Bob Jacalone.
4. Declaration & Bylaws Restatement (Approved \$2,000) – Ruth Okada explained the status. This topic will be discussed further in executive session.

XI. New Business

1. AOA Affairs – Dick Endean reported on the AOA matters as follows:
 - Land Lease Extension to 2064 – Reviewed the terms and conditions. Bob Jacalone noted that the Timeshare is able to pay its share of the expenses without a special assessment.
 - Stucco – The stucco is being redone along with the removal of the wooden end butts. This will provide a fresh look of the buildings.
 - Roof Leaks – There has recently been more leaks due to the significant rainfall coming from the South side. The roofs have been added to the reserve study on an 8 year plan.
 - Dry Rot Beams – The property is 38 years old and many of the beams have to be replaced because of dry rot. There is a 2 year plan to address these issues.
 - PBX Replacement – Research is being done to determine whether to replace or change what is needed. With the availability of cell phones, a new PBX system may not be needed.
 - All Timeshare owners are welcome to attend the meeting of the AOA also.

The meeting was recessed at 11:34 a.m. and resumed at 1:04 p.m.

2. Ratify Crime Insurance 4/8/18 – 4/8/19; Annual Premium \$1,109

MOTION #6: Loren Knott moved to ratify the renewal of the crime insurance policy for 4/8/18 – 4/8/19 at an annual premium of \$1,109. The motion was seconded by Paul DiMarchi and passed by unanimous consent.

3. Collection of Maintenance Fees Upfront at Closing – Mike Robar explained the policy to collected Association fees one year in advance.

POLICY

MOTION #7: Loren Knott moved to authorize Condominium Fiscal Management Inc. at this sole discretion to collect one year of Association fees in advance for all sales of Maui Lea intervals except sales made through the Lea Properties. The motion was seconded by Dick Endean and passed by unanimous consent.

4. Ratify Lease Ballot

MOTION #8: Paul DiMarchi moved to ratify the lease ballot as follows:

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.

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

5. Change of Insurance Agents – Ruth Okada and Tim Ohm explained the recommended change in the insurance agent noting that the agency will be the same as the AOA.

MOTION #9: Dick Endean moved to approve the change in Insurance Agent to Marsh & McLennan. The motion was seconded by Paul DiMarchi and passed by unanimous consent.

6. WC Insurance Renewal – Ruth Okada explained the renewal.

MOTION #10: CJ Law moved to approve the renewal of the 5/31/18 to 5/31/19 worker's compensation policy. The motion was seconded by Tim Ohm and passed by unanimous consent.

7. Utility Surcharge for Trade Occupants – General discussion followed. It was noted that utility surcharge is not charge to occupants of Timeshare units that are rented by Aqua-Aston since the Association receives 5% of the rental.

RESCINDED POLICY

MOTION #11: Paul DiMarchi moved to rescind the Policy Motion #6 approved at the 9/21/15 meeting as follows:

“Utility surcharge for trade occupants effective 6/1/16:

Jun/Jul/Aug/Sep/Oct

- \$35 for a One Bedroom per week
- \$40 for a Two Bedroom per week
- \$45 for a Three Bedroom per week

Jan/Feb/Mar/Apr/May/Nov/Dec

- \$20 for a One Bedroom per week
- \$25 for a Two Bedroom per week
- \$30 for a Three Bedroom per week

The surcharge plus tax will be charged to everyone except owners. The General Manager will have full discretion to waive the surcharge.”

The motion was seconded by Dick Endean and passed by unanimous consent.

POLICY

MOTION #12: Paul DiMarchi moved to approve the following policy for utility surcharge for trade occupants effective 6/1/18 as follows:

Jun/Jul/Aug/Sep/Oct

- \$40 for a One Bedroom per week
- \$45 for a Two Bedroom per week
- \$50 for a Three Bedroom per week

Jan/Feb/Mar/Apr/May/Nov/Dec

- \$25 for a One Bedroom per week
- \$30 for a Two Bedroom per week
- \$35 for a Three Bedroom per week

The surcharge plus tax will be charged to everyone except owners. The General Manager will have full discretion to waive the surcharge.

The motion was seconded by Dick Endean and passed by unanimous consent.

8. Newsletter Policy

MOTION #13: Tim Ohm moved to rescind the following Motion #6 approved at the 11/13/15 meeting:

“Approve the following newsletter policy:

- March – No newsletter. One (1) page only to include ½ page for Board candidate solicitation and ½ page for Las Vegas RSVP. Mailed with billings and posted to the website.
- June, September & December – Newsletter will not be mailed. Only posted to the website.
Owner’s Relation interval usage questionnaire to be mailed with all billings and posted to the website.”

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

POLICY

MOTION #14: Paul DiMarchi moved to approve the following newsletter policy:

- March – No newsletter.
- June, September & December – Newsletter will not be mailed. Only posted to the website.
- December – A one (1) page only to include ½ page for Board candidate solicitation and ½ page for Las Vegas RSVP will be mailed with the January billings and posted to the website.
- Owner’s relation interval usage questionnaire to be mailed with all billings and posted to the website.

The motion was seconded by Bill Petro and passed by unanimous consent.

9. Budget – The proposed budget was sent to the Board for review. Bill Petro reviewed the budget and general discussion followed.

MOTION #15: Paul DiMarchi moved to approve the budget for the FYE 6/30/19 as follows:

- **Quarterly Fees**
 - 1 Bedroom - \$237 ZZ - \$406
 - 2 Bedroom - \$266 ZZ - \$456
 - 3 Bedroom - \$298 ZZ - \$510

- **Monthly Revenues & Expenses - \$344,187**

- **Co-Plan Manager – Fiscal 3% 7/1/18**
- **Co-Plan Manager – Admin 3% 4/1/19**
- **Timeshare Services – 3% 4/1/19**
- **Wages – 3% 4/1/19**
- **Major Replacements - \$82,080 (annual) as follows:**
 - ✓ **Air Conditioners - \$28,980**
 - ✓ **Bed, Mattresses, etc. - \$5,500**
 - ✓ **Carpet – Interior Rooms - \$2,000 (restretch)**
 - ✓ **Carpet – Lanais – 8,000**
 - ✓ **Computer (Dennis) - \$500**
 - ✓ **Dishwashers - \$1,500**
 - ✓ **Draperies, Mini Blinds - \$3,000**
 - ✓ **DVD & VCR Dual Deck - \$1,000**
 - ✓ **Fans & Components - \$2,000**
 - ✓ **Faucets & Showerheads - \$300**
 - ✓ **Guest CD Players - \$1,000**
 - ✓ **Microwaves \$1,500**
 - ✓ **Ranges - \$1,800**
 - ✓ **Refrigerators - \$3,500**
 - ✓ **Refurbish Lanai Tables & Chairs - \$7,000**
 - ✓ **Televisions - \$1,500**
 - ✓ **Vacuum Cleaners - \$5,000**
 - ✓ **Washers & Dryers - \$3,000**
 - ✓ **Water Heaters - \$5,000**

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

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

XII. Next Meeting

1. Board Meeting
 - A. 9/17/18 Maui 4:00 pm Executive Session Joint with Maui Hill; Board Meeting (Open Session)
9/18/18 Following Annual Meeting
 - B. 1/28/19 Maui (tentative)
 - C. 4/25/19 Vegas

2. Annual Meeting 9/18/18 9:30 a.m. (registration 9:00 a.m.)

XIII. Executive Session


MOTION #16: 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 2:12 p.m. Upon coming out of executive session, the Regular meeting resumed at 4:45 p.m. During the executive session, the Board discussed legal and personnel matters.

XIV. Adjournment

MOTION #17: Dick Endean moved to adjourn the meeting. The motion was seconded by Loren Knott and passed by unanimous consent.

The meeting was adjourned at 4:45 p.m.

Approved by: 
Richard Endean, Secretary
Board of Directors


Ruth Okada
Recording Secretary

Minutes approved on 09/18/2018.