Association of Apartment Owners

Maui Sands I

Board of Directors’ Meeting Minutes

January 16, 2016

Board Members Present: John Cush, President; and Director Wendy Cush

(In Person)

Board Members Present: Jean Rachkowski, Secretary; Dave Bontorin, Treasurer;

(By Telephone) and Directors Shanna Stubbs, Dave Stuffler

Owner Present: Bob Jenks, 3D; Peter Harmon, 6E; Ryan, 4B

Other Attendees: Doug Lefler, Hawaiiana Management Company; and Carol Simmons, Recording Secretary

I. CALL TO ORDER

President John Cush called the Association of Apartment Owners of Maui Sands I Board of Directors’ Meeting to order at 9:06 a.m. The meeting was held onsite in the Manager’s Office, Honokowai, Maui, Hawaii.

II. DECLARATION OF QUORUM

A quorum was declared with six Directors present. (It was noted that Director Stuffler joined the meeting after call to order as indicated in the Minutes.)

III. PROOF OF NOTICE

It was certified that notice of meeting was emailed to all Directors on January 8, 2016, in accordance with the Association governing documents, and it was posted on property in compliance with Hawaii State Law.

IV. MEETING RULES OF CONDUCT

Meeting rules of conduct were briefly reviewed.

V. APPROVAL OF MINUTES

MOTION: To approve the Minutes of October 17, 2015, Board of Directors’ Meeting.

Shanna Stubbs/Wendy Cush Unanimous Approval

(Director Stuffler joined the meeting by telephone at this time.)

VI. PRESIDENT’S REPORT

President Cush reported the Manager’s Office has been renovated and is being used as a meeting room today. The property “looks fabulous”. Progress on projects is moving forward slowly.

The roof over the pool bathroom/banquet hall building is finally complete and painted.

Other activities of note included: 1) Repairs to Unit 4E on the exterior of the front lanai 99% complete; 2) Rock work on lanai rock walls on Buildings 4 and 5 look nice and being well-received, with only a little more work needed; 3) Grass in front of the 4 and 5 Buildings has been re-sodded; 4) Pool is functioning properly, with the balance of chemicals achieved; 5) Barbecue cleaning on weekly basis; and 6) Pool and sidewalks kept clean with spray-washing device.

Overall the property is looking good.

The President thanked Doug Lefler and Hawaiiana for the smooth transition of management services.

VII. TREASURER’S REPORT

Treasurer Bontorin observed that the financial transition in management companies was slightly challenging; however, these matters have been resolved.

The December Financial Reports will be distributed to the Board no later than January 19, 2016.

VIII. COMMITTEE REPORTS

1. Building Improvement

Directors on the Building Improvement Committee are Dave Stuffler and Shanna Stubbs.

Director Stubbs provided an update on the status of trim colors and repairs on the frontage of two units. The owners did the repairs on their own, following proper procedures.

A quote from the contractor hired to proceed with repairs on the buildings was received. It was noted that concerns about the potential of lead paint on the buildings are not as worrisome as first thought. The painters will have to wear protective gear and the buildings will have to be wet sanded. The material will have to be disposed of in proper containers and tested.

It was noted that the work on 4E took seven or eight days, with a few rain delays during the course of the project.

Upon inspection of the front of the buildings, the President noted, there is actually very little work that needs to be conducted as compared to the work accomplished on units 4A and 4E.

1. Parking

Directors serving on the Parking Committee are Jean Rachkowski and Dave Bontorin. Questions about Maui Sands II and parking issues are still being addressed legally in court.

IX. UNFINISHED BUSINESS

A. Permit for Repairs of Building 4 and 5

It was noted that Building Permits for repairs on Buildings 4 and 5 are only issued on “full compliancy with requests from the County, including: 1) Back Flow Prevention; 2) Issues with Maui Sands II tying up the granting of permits; and 3) County approval for moving forward with Emergency Repairs.

1. Backflow Preventer

The Association is required to comply with the County request to install a Backflow Preventer before issued permits. The President will consult with the Association Engineer. The first step is to find out what the installation will cost. He had questions about the required dimensions of the equipment. Further, the installation is dependent on Maui Sands II getting their water meter installed. Permitting strategy was discussed.

With questions, there were several motions made, seconded and amended.

MOTION: To contact Mike Silva to obtain a firm quote on the backflow device installation costs. Once the bid is received, an application should be made through Mike Silva to have the permit issued.

John Cush/Dave Stuffler Unanimous Approval

Mr. Lefler was asked to contact Mr. Silva next week.

C. Priority of Projects

There are a number of items on the Priority of Projects list, including: 1) Manager’s Unit (1A) interior renovations; 2) Pool washrooms; 3) Meeting Room / Kitchenette next to the pool washroom building; 4) Front lanai repairs to Buildings 4 and 5, with all the buildings requiring some work be done on them; 5) Tree removal; 6) Tool Shed Roof; 7) Gutters and downspouts; 8) Tree trimming; 9) Lighting repairs and improvements; and 10) Replacement of electric panels.

The President noted challenges in engaging the services of “good” contractors. Additionally, he reported that the new maintenance man recently resigned, because he got a “better job with better pay”.

The President strongly urged prioritizing. The President further recommended removal of a palm tree overhanging Building 3. The Board agreed by unanimous consent to provide a directive to the Resident Manager to remove the palm tree for safety reasons.

Mr. Lefler noted that the Resident Manager is asking approval to solicit bids, and he will assist her in the solicitation of bids that will be presented to the Board at the next meeting.

The Board will discuss the prioritization of projects via email.

D. Manager’s Unit 1A

The President noted that garbage in the unit interior has been removed. The President noted that it is a Board decision to determine renovations. New appliances have recently been purchased. The President suggested that the Board draft a renovation plan. Options were discussed.

X. NEW BUSINESS

1. Bylaw Amendment – Number of Directors Serving on Board

There is an even number of Directors serving on the Board. If there was a tie vote, there is no way to break the tie. A Bylaw Amendment is being proposed for consideration at the next Annual Owners Meeting to change the number serving on the Board to an odd number, i.e. either five our seven. The pros and cons of each option were discussed.

As it is challenging to achieve the percentage amount approval from the homeowners to change the Bylaws, Directors discussed alternatives, including seeking judicial help or seeking owner approval at the Annual Meeting.

MOTION: To amend the Bylaws to change the number serving on the Board to five by homeowner vote or judicial order.

Shanna Stubbs/David Bontorin Unanimous Approval

The proposed Bylaw Amendment will be added to the Annual Meeting Agenda. If it does not pass by the required percentage, then legal / judicial avenues may be explored.

1. Monarch Property Lease Extension

The Board has authorized Monarch Property to negotiate a lease extension. There were questions about the recording of the owners’ agreement with Monarch and letters that were sent to the owners. Director Rachkowski will email Monarch for an update.

1. Ratification of Landscape Contract

The Board voted by email to increase the landscaping monthly stipend as per a request from the landscaper, and the new contract was signed on December 22, 2015.

MOTION: To ratify the decision to increase the monthly fee paid to the landscape contractor, ANutt Nurseries, as signed on December 22, 2015, at a new monthly amount of $2,996.97.

Dave Stuffler/Wendy Cush Unanimous Approval

D. Reserve Study

Mr. Lefler solicited Reserve Study consultant proposals. It was agreed to defer approval pending receipt of an additional bid.

XI. NEXT BOARD MEETING DATE

The next Board Meeting will be held on April 16, 2016, at 9 a.m. Hawaii Time.

XII. ADJOURNMENT

The meeting adjourned at 10:24 a.m.

Respectfully submitted,

*Louise Rockett*

Louise Rockett

Transcriptionist