

*Boyd  
Appd  
9-23-08  
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**BOARD OF DIRECTORS MEETING**  
**Haleakala Gardens AOA**  
*July 1, 2008 – 6:00 PM*  
*Haleakala Gardens Clubhouse*

**CALL TO ORDER:**

Bill Lawson called the meeting to order at 6:05 PM. The owners forum was conducted prior to the business of the board.

**BOD MEMBERS IN ATTENDANCE:**

Bill Lawson, (President), Kathy Piimauna, (Treasurer), David Jerome, Brennan Henders, *David Haake* and Victor Ajlouny, (via telephone). *J*

**OWNERS IN ATTENDANCE:**

(Unit #1C), (Unit # 1G), (Unit #19F), (Unit # 4C), (Unit #2A), (Unit #19C).

**OTHERS IN ATTENDANCE:**

Mary Jane "Janie" Kramer, Commercial Properties of Maui Management, Inc. - CPMMI.

**QUORUM:**

Quorum was established.

**APPROVAL OF PREVIOUS MEETING MINUTES:**

The Meeting Minutes from April 10 and 22, 2008 were not approved at this time. The BOD needs to review them completely, and will vote on their approval at the next BOD meeting.

**OLD BUSINESS:**

Layman – Dog Bite Claim: Kathy stated that a check was sent out in May to settle the claim, for the \$500.00 deductible. The BOD discussed this past issue and explained the circumstances of the claim to the newer BOD members.

Habecker Claim – The insurance company has denied the claim for water damage. The BOD discussed all the insurance issues and lawsuits that have plagued the AOA.

LeBlanc Claim – The claim for damage to tile from the tenting of the building was discussed and Terminex paid the claim and closed the case.

CPMMI stated that the current insurance carrier will not renew the liability policy; they have contacted Insurance Associates to place insurance with another carrier.

Security Cameras – The BOD discussed the costs of the security cameras and the bids that were submitted. The price at Costco for a complete system is @ \$1,600.00 for all components that were similar to the bids that were received for much more. The BOD needs to either purchase the system from Costco and have it installed, or approve one of the bids.

**MOTION:** Victor made a motion to purchase the security system from Costco and hire a qualified person to install the system (for no more than \$1,000.00 installation fee), and train the members on how to maintain it. Kathy seconded the motion and it was approved unanimously.

2007 Audit – The BOD has not received any tax return information from the CPA's for 2007 and asked CPMMI to follow up.

Waiving Late Fees – The BOD decided to waive late fees that were posted to the member's accounts during the transition.

**MOTION:** Dave made a motion to waive the late fees that were posted to the member's accounts during the transition period (through the end of June), Kathy seconded the motion. The motion was approved unanimously.

Legal Fees for Orloff – The BOD discussed this issue and decided to write off the legal fees for this case.

**MOTION:** Kathy made a motion to write-off the legal fees of \$24,831.54, Dave seconded the motion. The motion was approved unanimously.

### **NEW BUSINESS:**

Resident Manager Report – The BOD had been emailed the report for their review.

Kathy inquired about the insurance status as it expires July 10, 2008. A suggestion was made to contact the broker and place with Lloyds of London or some other carrier that will provide insurance. Victor asked to be emailed the outcome of the insurance status.

Sprinkler Leaks – CPMMI stated that there have been a lot of complaints by Owners that many of the sprinklers are not working properly and that damage is being done to their property. The BOD stated the procedure is to notify Paul; Paul will take a look and then he will decide if it is necessary to call a repairman to fix it or repair it himself. The BOD then discussed various ways to check the system for leaks and the overall performance of the system. The BOD also discussed the possibility of someone tampering with the system, and that the new security cameras may be able to identify the person/persons involved.

Legal Counsel – The BOD asked CPMMI to obtain a proposal from a local law firm for new representation for the AOA. She presented the BOD with a proposal from Carlsmith Ball. The BOD requested proposals from other law firms; CPMMI will obtain them for review at the next meeting.

Landscaping – Clean-up Proposal – Complaints have been received regarding the condition of the Landscaping in the community. CPMMI inspected the property with a landscaper and asked for a bid to do a one time major cleanup. The BOD agreed upon the maximum costs for the project and voted to approve this item. Once the clean up is completed, CPMMI will solicit new bids for the maintenance of the landscaping.

**MOTION:** Victor made a motion to approve the landscaping proposal, Brennan seconded the motion. The motion was approved unanimously.

Clubhouse – The BOD discussed charging fees for events held at the Clubhouse. This matter was discussed further amongst the BOD, possibly charging cleaning deposits, etc.

**MOTION:** Victor made a motion to create a Committee to evaluate the condition of the Clubhouse, and make a proposal to the BOD for the costs involved in renovating and updating the facility. He also asked that this Committee create a fee schedule for events as well as any deposit fees, clean-up fees, special discounted rates for AOA member's, and a policy for outside parties using the Clubhouse. The Committee must also consider the costs for liability insurance and if there is a need for security personnel for special and/or large events. Brennan seconded the motion and the motion was approved unanimously.

Resident Manager Contract – A contract was drafted by CPMMI for the resident manager; Victor asked that the draft contract be forwarded to him for review. As not everyone had an opportunity to review this item was tabled.

Mold Issue – There was an issue with Unit #8C regarding a hot water tank leak, which apparently has caused mold to form in three walls of the unit. Janie informed the BOD of the circumstances involved, her communications with the property management firm that manages this unit and that they will take care of this issue.

Delinquencies - The BOD discussed the timeframe that will constitute when a lien will be filed against a property for non-payment. After a brief discussion, the BOD voted to clarify the lien process.

**MOTION:** Victor made a motion to proceed with the lien process when an account becomes 90 days past due, Dave seconded the motion. The motion was approved unanimously.

Victor also asked CPMMI to insert a memorandum to the monthly statements informing the membership that the BOD has made a decision that accounts 90 days past due will be forwarded to the Attorney for collection and to process a lien on their unit.

The BOD discussed various procedures, House Rules and other related policies.

**NEXT BOD MEETING DATE:**

The BOD decided to hold their meetings on the 2<sup>nd</sup> Tuesday of the month. The next BOD meeting will be held on August 12, 2008 at 6 PM.

**ADJOURMENT:**

The meeting adjourned at 8:15 PM.

Recording Secretary:

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Mary Jane "Janie" Kramer, Managing Agent for Hale Kanani AOAO  
Lisa Snyder- Transcription Secretary

**OWNERS FORUM: July 1, 2008 BOD Meeting**

Notes only.

Six homeowners were present at the meeting and addressed the BOD with their concerns.

Greg from Unit #1C, addressed the BOD with a complaint regarding the 20% increase in fees over the past 3 years. Bill Lawson stated that the fees are based upon square footage, and the bigger the unit, the more increased percentage of fees. The members discussed this issue further. Greg and another member stated that there are more people in some units, with less square footage, that are using more utilities, etc. and should be charged not just by the square footage, but by the number of people residing in each unit. Greg and other members agree that the current fee system needs to be re-evaluated.

Other Owners in attendance introduced themselves to the BOD. Bill then introduced Janie Kramer from CPMMI, which is the new property management company that has taken over the management as of June 1, 2008.

Bill addressed the concerns of the Owners that need some assistance in repairs, etc. and the ongoing tree root problems. Bill suggested that root barriers be put into place to help reduce the problem.

One of the Owners voiced her displeasure with the fact that certain problems have not been resolved by the previous BOD members, and now the current Owners have to pay to correct the same problems that have been there for years.

Kathy addressed the Owner and disagreed with some of her comments. She discussed the other factors involved with this problem, as well as the lawsuit and the costs involved to resolve this matter. Bill and the members discussed the tree and root issue further, and the costs involved to remove the trees or to create root barriers.

Unit #19C discussed the possibility that there is a slab leak due to tree roots. The BOD will have a repairman check the tree and the slab status.

Another Owner discussed an issue with a tenant that is a drummer and the noise level that is disturbing the neighbors. Bill suggested that there may be some other location for the band to practice. The House Rules state that there should be no excess noise at any time, so Bill will speak to the tenants involved.

Janie Kramer addressed the members and relayed concerns from the Owners and Realtors, in regards to the increase in the fees. She also stated that there are concerns over the poor quality of the landscaping, and gave the BOD a proposal to look at to improve the landscaping of the community. Bill also stated that the financial status of the Operating and Reserve Accounts were in the "red" by 18.9%. Thus the Reserve funds have to be replenished, and operating expenses have increased.

The attendees also discussed different ideas to generate income for the AOA, as well as the concerns of the Owners regarding their property values. Bill and Kathy reassured the members, that with the new management company (CPMMI) and the new Reserve

Study that has been done, the overall situation is be getting better for the AOA, and the issues that have been on-going for years, will be addressed and resolved.

The BOD also explained the issues they have had to deal with regarding previous landscapers, etc. The first priority will be to improve the appearance of the community by upgrading the landscaping, and to address any safety concerns; such as the decaying staircases and other repair requests. The BOD suggested that they clean-up the landscaping a bit first, and then solicit bids for a new Landscaper. This may reduce the bid amounts from the Landscapers, if the property is in reasonable condition when they inspect the area and submit their bids.

Several BOD members stressed their concern that the Reserve Funds (for capital expenses, etc.), need to be built-up to handle all of these issues, as well as future unforeseen expenditures. The BOD asked for the member's patience and understanding that the repair process will have to be done in sections, and not all at once.

The BOD discussed the possibility of using alternative energy sources to help reduce costs as well as helping save the environment. Kathy also suggested other "going green" ideas for the community, and the BOD and members showed their enthusiasm in pursuing all avenues to help reduce costs. Solar energy was discussed further, and the possibilities to use solar energy in numerous areas.

End of Owner's Forum.