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11-20-08
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**Haleakala Gardens AOA
BOD Meeting & Owner's Forum
September 23, 2008
6:00 PM
Haleakala Gardens Clubhouse**

CALL TO ORDER:

Bill Lawson called the meeting to order at 6:00 PM.

BOD MEMBERS IN ATTENDANCE:

Bill Lawson, Kathy Piimauna, David Jerome, Brennan Henders, and David Haake.

BOD Members Absent: Victor Ajlouny, Betsy Bowen, Nicholas Poree, Steve Foulger.

OWNERS IN ATTENDANCE:

Unit #14F, Unit # 20G, Unit #19C, Unit #19F, Unit #1B, Unit #1F, Unit #9B and Unit #11G.

OTHERS IN ATTENDANCE:

Mary Jane "CPMMI" Kramer, (President of CPMMI & Managing Agent for Haleakala Gardens AOA).

DETERMINATION OF QUORUM:

Quorum was established by a majority of the BOD members present.

APPROVAL OF PREVIOUS BOD MEETING MINUTES:

The BOD Meeting Minutes from July 1, 2008 and August 12, 2008 were reviewed and the BOD voted on the approval of the Minutes.

MOTION: Kathy made a motion to approve the BOD Meeting Minutes from July 1, 2008 and August 12, 2008 and David seconded the motion. The motion was approved unanimously.

TREASURER'S REPORT:

Kathy reviewed August financial statements and all operating expenses and other expenditures. Kathy was optimistic about the future of the financials, but it will take some time to get back on track, due to the previous management company not keeping on top of the financial issues. Accounts Receivables and the collection of monies owed was also discussed. The BOD and CPMMI are following up on these collection, and will inform the AOA of the status of the collections after the lawsuit, etc. is complete. The process of collecting monies owed was further discussed and explained to the attendees.

OLD BUSINESS:

Security Cameras –

Bill stated that the surveillance cameras are in place in selected areas. One attendee asked if there is proper signage, due to privacy issues. There will be 3 signs posted to notify everyone that the property is under surveillance and that they are being recorded. The BOD discussed how the system works and that they will keep the images on file and download them every 14 days. The BOD will post the signs as soon as possible to meet the requirements by law for surveillance.

Status of 2007 Tax Returns/Audit –

Bill stated that the 2007 Tax Returns were completed and the audit is still pending. CPMMI is still getting all the paperwork that is needed for the audit.

Structural Engineering Report for Solar Power –

One Owner asked for a Structural Engineering Report for solar panels to be placed on the roof of her building for solar panels for a hot water heater. CPMMI informed the BOD that the Structural Engineer would not do the survey for just one building but would only do the report for the entire complex. The BOD asked CPMMI to look into getting another Engineer to do a few buildings as opposed to the whole complex.

The roof vents were also discussed at this time as well. The attendees discussed this issue further.

Draft of House Rules –

CPMMI revised the House Rules, (per the instructions given to her by the BOD), and distributed the draft to the BOD. Pet weight limits, vicious pets that are not allowed, smoking provisions (per new State laws) and the signage that is required was discussed and included in the revisions. The attendees discussed the smoking issue further, and that new signs need to be placed throughout the complex. The violation process if there are frequent offenders, and the idea of creating a "smoking area" was further discussed.

One Owner suggested that the weight limit for dogs be removed from the House Rules; some dogs may be over the weight limit, but are not vicious. The original intention of the weight limit was to not allow certain breeds of vicious dogs, not large dogs. The attendees also discussed if the actual breed of dogs should be included, and whether it should be stated in the House Rules. The language in the House Rules will be changed to accommodate the concerns that the attendees discussed, (as per Hawaii State statutes), and the BOD decided to defer this issue until the next BOD meeting.

Irrigation Repairs –

CPMMI contacted the original company that installed the irrigation system, and also contacted other companies to get proposals for the complex. CPMMI will follow-up on this issue.

Stair Repair Proposals –

CPMMI discussed the meeting with a Contractor regarding the proposal for repairing various stairs throughout the complex. The Contractor will tour the complex and submit a bid for the repairs. CPMMI also asked if anyone else knows of a company that can do this type of work, and have them submit proposals as well. The BOD will make a decision after receiving all bids for the work on the stairs/staircases as well. A staging area for the equipment, etc. and other pertinent issues regarding this matter was discussed.

Unit 19C Floor – Repair Proposal

The proposal for the repair of Unit 19C floor was reviewed by the BOD and at first was accepted, but then after further discussion, there are two units that need repair. One of the Owners present at the meeting stated that he may be able to complete the repair himself and will submit a bid after looking at the areas involved. After receipt of his bid, CPMMI will email all bids to the BOD for their review.

Bill then discussed the issue that Owner's should have Homeowners insurance to cover them during possible displacement while repairs are being done, and other issues that may come up. Bill reinforced that if the Owner's had their own Homeowner's insurance, then it would eliminate the burden on the AOA for issues similar to the ones going on now. The AOA insurance covers the dwelling, not the contents of the homes and other things as well. Bill suggested that it is a good idea that all Owners get their own Homeowner's insurance, just in case these situations arise. The BOD discussed this topic further.

Keller – Legal Fees –

The BOD decided to defer this issue until later in the meeting.

NEW BUSINESS:

Draft of 2009 Proposed Budget –

CPMMI prepared a draft of the Budget for 2009 for the BOD to consider. Kathy focused on the Reserve Funds. She is concerned that it is going to be difficult to get the Reserve Funds up to par. She feels that the maintenance fees need to be increased (by 10-20%), and described how this will effect the Reserve Funds. The attendees further discussed the painting of the buildings, and other related issues for the complex. Kathy expressed her thoughts on how to accomplish the funding for the Reserves through 2014, and get these other projects completed at the same time. The BOD also discussed ways to paint the buildings in increments and not all at once, as well as roof and trellis repairs. Bill suggested that there are now more qualified Contractors available to submit reasonable proposals, due to the slow down in the economy and current layoffs by big construction companies. The BOD discussed the figures further, and Kathy explained her reasoning behind the increase in fees.

CPMMI recommended that an official Reserve Study be done. The Study that was completed by the previous management company was not an official Study. CPMMI discussed the figures she came up with to cover the issues that need to be done and should have already been done.

Suggested ideas to the BOD on how to change the life expectancy of some items in the Study, and other ways to approach this issue. CPMMI did reiterate that an official Reserve Study needs to be done, and also the importance of good communication with the Owners as to why things will be done in a certain way, and that it may have to be done in phases to differ costs. The BOD discussed ways to avoid a Special Assessment to the Owners and ways to explain the decisions the BOD will have to make in regards to this issue.

The BOD decided to address the critical issues first, and then the BOD will continue to work on the other items that are a priority. Roofing and sealing of the roofs was discussed, and a survey of the roofs has already been done. CPMMI asked for a copy of the report and will also get some more bids from other roofers for their opinion.

Resident Manager Report –

Paul gave his report to the BOD and reported on the any incidents or security issues that occurred during the past month. He commented on the installation of the security cameras, as well as some vandalism that took place at the clubhouse. One Owner may have been responsible for the act of vandalism, but there is no evidence on film to charge him with this act. Paul also added that there are some ferns by Bldg. #6 that need to be removed or trimmed. Paul then informed the BOD that sprinkler and dry rot repairs have been done. He went on to add that Spencer Homes has installed a dust fence because they are building homes adjacent to the property.

Draft of the BOD Resolution – 514B

CPMMI explained the new statute and how it will affect the AOA. This refers to the insuring of individual condominium units, and the BOD will send out in the Annual Meeting Packet on a ballot for the AOA to vote upon.

Update on Delinquent Accounts/Liens –

CPMMI reviewed the delinquent accounts and the status of the Accounts Receivables to the BOD. The BOD reviewed the copies of the letters of foreclosure and other pending lien issues and legal issues. CPMMI asked Kathy and the BOD, for an update of the various amounts of monies that are still owed by the foreclosed properties, etc. The BOD reviewed each account, and CPMMI presented the paperwork that needs to be signed by the BOD members to process the liens/foreclosures.

Keller Legal Fees -

CPMMI included the information to the BOD in their packet, and what transpired between Certified Management and the Keller account. There are some discrepancies that cannot be explained and CPMMI needs some direction from the BOD as to what to do regarding the account. The BOD discussed this issue and it was decided that these fees were to be deleted from the owners account.

CPMMI received a call from one of the Owners complaining about some heavy construction being done in one of the units until 1 AM and at other late hours. The BOD stated that they do not have permission to conduct this type of construction past 5 PM, and the BOD was not aware of this issue. The BOD will check the House Rules to see if there is a stipulation in the rules, and if not, add it to the House Rules. The BOD and Paul will notify CPMMI if there are any violations that occur, and then a letter will be sent out to the appropriate Owner in violation.

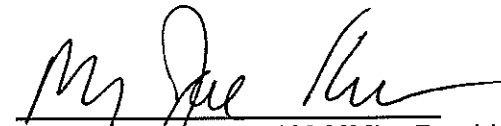
NEXT BOD MEETING DATE:

The next BOD meeting will be scheduled and announced at a later date.

ADJOURNMENT:

The meeting adjourned at 9 PM.

Respectfully Submitted by:



Mary Jane Kramer, (CPMMI – President & Managing Agent for Haleakala Gardens AOA)
Lisa Snyder- (CPMMI - Transcription Secretary)

OWNERS FORUM:

Eight Homeowners were present at the meeting and addressed the BOD with their concerns. Bill discussed the landscaping clean-up and stairway repair that will be discussed, as well as Budget issues later in the meeting.

The Owner of Unit #14F discussed the stairs that needs to be repaired, and also asked about the window washing status. Some of the Owners also asked when the stair repairs will be done, as well as landscaping issues and the change in the Landscaper. CPMMI addressed the members and stated that the major landscaping clean-up will be done before getting a proposal for a new Landscaper.

Paul (Resident Manager) then addressed the members regarding the stairs that will be repaired and the buildings involved with this issue. The buildings that will have the stairs repaired and or replaced are Buildings #1, 4, 6, 8, 9, 11, 13, 16, 17, 18 and 20.

An Owner from Bldg. #19 complained that she has been trimming a tree located outside of her unit, and Bill stated that the Landscaper has not yet gotten to that building as yet and will be trimming and cleaning up that area soon. An Owner from Bldg. #1 also stated that the trellis is broken and hanging over the parking area. Bill agreed that this is a safety issue and has to be addressed as soon as possible. This Owner also asked about the abandoned cars in some Owners' stalls that need to be towed away. The BOD will have the cars towed and then charge the Owner for the cost of towing, if the owner is known. Bill stated that the Owner's will be notified that the abandoned cars will be towed, if they are not removed by the Owners within a certain time period. CPMMI and the BOD will contact the Owners of the cars in question.

Another Owner asked the BOD to inform the members of the on-going lawsuit, and also that they should be informed of what the status of the lawsuit is, and how the AOAO member's money is being spent. CPMMI explained that all the Financial Statements are available to all Owners; they just have to contact CPMMI for them. CPMMI will follow-up on this issue on the request from the Owners for this information. The members also asked what the overall status of the AOAO is financially and other Budget items. Bill further explained issues pertaining to previous problems that the community had faced, before CPMMI took over the management of the property. The issue of liability insurance was discussed, and the difficulty of getting liability insurance for the Association was further discussed by CPMMI and Bill.

Property values and the overall status of the AOAO financials were also discussed, as well as the prospect of getting a loan for improvements and better insurance for the complex. The BOD is now trying to improve the community as well as beginning to try and build Reserve Funds for future capital improvements. This will assist in bringing the overall property value to a higher level. Bill explained that landscaping of the complex has been a big issue, and that the BOD is trying to clean-up the community before getting bids for the landscaping, painting, etc. This will help to reduce the amount of the initial bids for landscaping, and other vendors for the improvements.

The insurance coverage of the AOAO, and the problems that the community has been facing getting the coverage they need for liability, etc., was further discussed. The Owner's also asked if there is some way to mandate that all Renter's carry liability insurance in case of any fires, etc. that may occur. Bill agreed that this is a good idea, but the BOD will have to take it

under advisement and see if it is possible to add "Renter's liability insurance" to the CC&R's, etc.

Another Owner stated that there are only 20 high speed connections for internet access, and asked if there is anyway to contact Hawaiian Telcom to get more connections for all Units. One Owner added that Oceanic Time-Warner Cable can provide the high speed internet access for a reasonable fee. CPMMI suggested that the BOD can approach Oceanic for a "group rate" for the whole complex and will try and get the information from Oceanic by the next BOD meeting.

At this point, the Owner's Forum portion of the meeting ended.