

**Association of Apartment Owners of Kihei Shores
Board of Directors' Meeting Minutes
May 6, 2008**

Board Members Present Sandra Skillicorn, Peter Medwick, Alex Vlahos, Greg Jay
(In Person)

Board Member Present: Steve Rodick
(By Telephone)

Other Attendees: Nancy Price and Martin Cutler, Destination Maui, Inc;
Lisa Raney, Resident Manager;
Chyna Colorado, Recording Secretary

I. CALL TO ORDER

President Sandra Skillicorn called the Association of Apartment Owners of Kihei Shores Board of Directors' Meeting to order at 3:01 p.m. The meeting was held onsite in the Association office, Kihei, Maui, Hawaii.

II. PROOF OF NOTICE

It was certified Notice of Board Meeting was sent to all Directors on April 4, 2008, in accordance with the Association governing documents, and it was posted on property in compliance with Hawaii State Law.

III. DECLARATION OF QUORUM

There was a roll call, and a quorum was declared with five Directors present either in person or by telephone.

IV. APPROVAL OF MINUTES

MOTION: To approve the Minutes of the February 25, 2008, Board of Directors'
Meeting.
Medwick/Rodick Unanimous Approval

V. RESIDENT MANAGER'S REPORT

Ms. Raney has hired an additional employee to assist with landscaping and maintenance tasks. In-house security started April 26, 2008, with good feedback and response from residents. Parking violations are being enforced with vigor.

VI. COMMITTEE REPORTS

A. Finance

Director Rodick updated the Board on insurance payments, stating that a lump sum payment was made *versus* a "downpayment" and financing the remaining amount at 7-1/2% interest (in contrast to the 2.5% to 3.0% the Association might earn via CD's or Money Market Accounts).

Accounts receivable was discussed, with monthly delinquencies increasing considerably. The situation needs to be closely monitored. Currently, as of March 30, 2008, there was \$30,000 past due as compared to \$13,000 last year. Late fee and collection policy was reviewed. Mr. Cutler explained that after three months of not paying fees, the attorney sends a demand letter to the past due owner.

B. Security

With security services transitioned to in-house, the Association is saving money.

C. Landscaping

Landscaping progress has been setback without enough workers present. Once onsite management has engaged the services of additional gardeners, landscaping enhancements will commence with an onsite nursery established. Director Vlahos will email Directors with plans as they unfold.

D. Building

Maui County Department of Water Supply is willing to provide all residents with low flow water equipment to conserve on water usage and save the owners money. Director Vlahos and Ms. Raney will work on this project together to assist owners in the installation of this conservation equipment.

Director Medwick recommended the Association follow the "postal code requirements for the post office box", and this is currently a work-in-progress.

E. Grievance

Directors were previously emailed copies of grievance letters, and the Committee made the following recommendations:

1. Reduction of unit C303 fine to \$50 from \$100.
2. Reduction of unit F203 violation to a warning.
3. Deny appeal for non-compliance of rule requiring on-island management.

MOTION: To accept the recommendations of the Grievance Committee as noted above.

Medwick/Jay Unanimous Approval

VII. OLD BUSINESS

A. Rock Wall

A bid to construct a rock wall was solicited, accepted and accomplished. Unfortunately, there was a confrontation between the contractor and an owner who

questioned the standard and method of construction. There was discussion about the incident. The President suggested an engineer inspect the structure to verify its integrity.

MOTION: To consult with an expert/engineer to verify the integrity of the rock wall at the end of J Building.
Jay/Medwick Unanimous Approval

VIII. NEW BUSINESS

A. Fire Panel Wiring

The fire panel was replaced. All of the pole stations are functional, and all of the alarms to the building work. Unfortunately, the ground fault wiring to the buildings is corroded and sets off the alarms. When the system is on, the fire system works; however, the system is turned off because of the noise. This is a liability issue. A bid was solicited from American Electric, resulting in a bid of \$123,000 plus to fix the problem. Other bids will be solicited.

IX. LOSS OF QUORUM

Director Vlahos had to leave the meeting, thereby effecting a loss of "quorum" and the termination of conducting official meeting business.

Respectfully submitted,
Louise Rockett
Transcriptionist

Approved for distribution by Sandra Skillicorn, President