

**ASSOCIATION OF APARTMENT OWNERS OF
KAI MAKANI BEACH VILLAS
BOARD OF DIRECTORS MEETING
Thursday, January 25, 2018**

DIRECTORS PRESENT: Ken Travers, President; Ken Doolin, Treasurer; David Lovejoy, Secretary; Douglas Callihan, Steve Ibach, Directors.

OTHERS PRESENT: Ryan Tefft, Site Manager; Lysa Tracy and Chris Bandy, Management Consultants Hawaii.

OWNERS PRESENT: Cathy Ibach, 34-102; Gordon Baldwin, 40-202; Christine & Charles McDonald, 26-101; Nina Hart, 10-202; Marilyn Hoover, 30-202; Paulette O'Brien, 20-201; Jeff & Silvia Francis, 12-201; Bob Harris, 42-202.

CALL TO ORDER:

Mr. Travers called the meeting to order at 2:00 p.m.

MEETING NOTICE:

Proof of Meeting notice was posted on property and emailed to all Directors on January 22, 2018.

APPROVAL OF PREVIOUS MEETING MINUTES:

Motion: *To approve the Board of Directors meeting minutes dated December 7, 2017 as presented. (Doug Callihan/David Lovejoy)*

CARRIED unanimously.

PRESIDENT'S REPORT:

President Ken Travers presented his report and highlighted items including the following:

- Armstrong made repairs to the trim on entry door window frames of Building 10 as a test to ensure the process met the approval of Board members and the construction engineer that works with the Association attorneys. Armstrong will begin repairs to Building 12 on January 29th. The process will have minimal disruption to owners. Armstrong will also be checking and adjusting the front stairwell heights.
- Annual Meeting will take place on February 3, 2018. Please submit proxies.
- There is a ballot initiative to amend the Declaration regarding earthquake insurance. The Association's insurance agent has verified that earthquake insurance is cost prohibitive and not necessary on Maui. Per the advice of legal counsel and insurance agent, the Board recommends removing earthquake insurance from the list of insurances which it may be required by the Declaration to purchase. This avoids an increase in maintenance fees by an average of \$20 per month per unit.
- The Board is assessing the need to install more cameras in the back of the building by the kayak rack.
- Acknowledged Lysa Tracy from Management Consultants for her attention to details.
- Steve Ibach has developed a simplified explanation of the Collections Policy and has made it available on the web site. Provisions have been added regarding increased notification to owners about being in arrears.

- Some Storage Unit Doors may require replacement. Ken Doolin recommends a fiberglass door and frame. The Board is researching the cost of the doors from Lowes and the cost of installation from a contractor. Not all owners have a security unit door and therefore this is not a Reserve expense.
- The Board is researching the arborist's recommendations regarding the Monkeypod tree roots that are pushing through the concrete and asphalt.
- Four (4) of the five (5) members of the Board are up for election at the Annual Meeting on February 3rd. Official meetings are held every other month. The Board is considering holding a "workshop" on months between regular meetings. Owners would receive notification of "workshops" and minutes would be provided.
- Dryer vents are cleaned every two (2) years. The next cleaning is forthcoming.
- David Lovejoy and Doug Callihan have been power washing sidewalks. Ken Doolin continues to improve kayak racks, install safety lights, and repair front lights. These efforts save the Association money.

TREASURER'S REPORT:

Treasurer Ken Doolin deferred his report to the Annual Owners Meeting.

SITE MANAGER'S REPORT:

Ryan Tefft reported the following:

- All of the new parking lot lights and bulbs have been installed.
- Sensors for front entry lights are being researched and tested.
- Solar for common areas – awaiting information from MECO.
- Bird blocks continue to be monitored.
- Two (2) masons have been contacted regarding uneven concrete.

There was a discussion regarding the concern for speeding vehicles on property. Ryan Tefft will post additional speeding signs in appropriate locations.

There was a discussion regarding the concern for children using hover boards on property. The House Rules stated that hover boards are not to be used on common walkways or lawns. Ryan Tefft will provide a reminder notice to owners and tenants.

OLD BUSINESS:

There is none.

NEW BUSINESS:

Resolution Regarding Lanai Sliding Door Screens

Motion:

WHEREAS: The Association's Declaration and Bylaws require the Board to maintain, repair and replace the common elements of the project;

The Association's Declaration and Bylaws require each apartment owner to maintain and repair the owner's apartment, but further provide that the Board

may authorize necessary work to be done at the expense of the owner if the apartment owner fails to perform the work after notice from the Board;

The screens such as the ones associated with the sliding glass doors on the back lanai of Kai Makani apartments may become damaged or rust out over time;

Section C.1.(a) of the Declaration states:

Each apartment shall be deemed to include (i) all walls and partitions which are not load-bearing within its perimeter walls, (ii) the interior decorated or finished surfaces of all perimeter and load-bearing walls, floors, ceilings and stationary glass windows and the frames thereof, (iii) all other window frames and glass, (iv) all entrance doors (except the exterior finished surfaces thereof), and (v) all fixtures contained or installed in each apartment space,

Section C.1.(a) fails to reference the screens associated with the sliding doors. The screens are not integral to the structure or function of the doors

Disputes have arisen concerning responsibility for maintaining, repairing or replacing the screens associated with sliding glass doors;

The condominium law, Chapter 514B-148, Hawaii Revised Statutes, require the Board to collect reserves for all parts of the project which the Association must maintain, repair and replace;

Reserve rule 16-107-65(b) adopted by the Hawaii Real Estate Commission, states that if responsibility for a particular part of the project is not clear, the following procedure shall apply:

Reserve Rule 16-107-65(b) states:

The Board shall compile a list of the Association's assets. If the project's Declaration and Association's Bylaws fail to clearly state whether a particular part of a condominium project is Association property, the Board may adopt a resolution allocating responsibility for that part to the Association, an individual owner, or individual owners. The Board's resolution shall be based on Chapter 514A, HRS, the project's Declaration and the Association's Bylaws, and any other applicable legal requirements or documents. The resolution shall clearly indicate whether the part in question:

- (1) Is an asset of the Association.*
- (2) Is the responsibility of an individual owner or individual owners; or*
- (3) Is partly an asset of the Association and partly the responsibility of fewer than all owners, such as plumbing or electrical system.*

The Board has decided to adopt a resolution allocating responsibility for the maintenance, repair, and replacement of the screens associated with sliding glass

back lanai doors so that the Association can establish adequate reserves for those items which are the responsibility of the Association.

I. RESOLVED:

THE BOARD OF DIRECTORS OF THE ASSOCIATION OF APARTMENT OWNERS OF KAI MAKANI, adopts the following resolution allocating responsibility for the screen doors associated with the back lanai sliding glass doors at the project:

INDIVIDUAL OWNERS SHALL BE RESPONSIBLE FOR THE MAINTENANCE, REPAIR, AND REPLACEMENT OF THE SCREEN DOORS ASSOCIATED WITH THE BACK LANAI SLIDING GLASS DOORS.

II. RESOLVED FURTHER, THAT:

The Board may conduct periodic inspections of the screen doors associated with back lanai sliding glass doors and require apartment owners to repair, replace or remove these doors.

III. RESOLVED FURTHER:

That the rights, powers, and authority which this resolution provides shall become effective as of the date of the Board's adoption of this resolution and shall remain effective until this resolution is revoked in writing by the Board or changed by an amendment to the Association's Declaration or Bylaws.

(David Lovejoy/Steve Ibach)

CARRIED unanimously.

DATE OF NEXT MEETING:

The Annual Meeting is scheduled for Saturday, February 3, 2018 at 10:00 a.m.

RECESS TO EXECUTIVE SESSION:

Hearing no objection, the meeting was recessed to Executive Session at 3:33 p.m.

ADJOURNMENT:

There being no further business to come before the Board, the meeting was adjourned at 4:01 p.m.

Respectfully submitted,

Enza Froio

Aloha Office Services

Transcriptionist*

*These minutes were transcribed from audio recording as the Transcriptionist was not present at the meeting.