

**KALELE KAI
BOARD OF DIRECTORS
MINUTES OF REGULAR MEETING**

DATE: February 18, 2003

PLACE: Onsite – Cabana

PRESENT: President Richard Matti, Vice-president Jim Propotnick,
Treasurer Raelene Balidoy, Secretary Steve Hirano,
Directors Ray Tanaka, Harry Terada, Colin Kurata,
Bob Tutton and Ahmed Serag-Eldin

EXCUSED: None.

BY INVITATION: Property Manager, Ralph Ahles
Resident Manager, Diane Langley

HOMEOWNERS: Rise Dittmar, #1206
Ruth Nobler, #1208
Alfred Hradedly, #2503
George Fisher, #3110
John & Dawn Webster, #3501
Marion Batiaf, #3601
Dan Lum, #3605

CALL TO ORDER: There being a quorum present, President Matti called the meeting to order at 6:34 p.m.

OWNERS CONCERNS:

- 1) **George Fisher (#3110)** requested information on the State of Hawaii Residential Home Improvement Tax Credit form. Property Manager Ahles stated that the form is available at the State Tax Office. After the Association's 2002 annual audit is completed, a list showing each apartment's share of the amount of the Association's capital improvement expense will be made available at the Resident Manager's office. Mr. Ahles further stated that the Special Roof Assessment is a capital improvement expense for the 2003 tax year and could not be claimed until next year.
- 2) **John Webster (#3501)** inquired on the status of getting approval to install wind screens on his lanai. Chairperson Kurata stated that the Ad Hoc Lanai Screen Committee had not formally met to come up with a set of guidelines or specifications for submittal to the board. Mr. Kurata further stated that

before establishing such guidelines, a legal opinion is needed first in order to determine what modifications may be allowed to apartments under the Association's Declaration and Bylaws. The Lanai Screens Committee will be requesting permission later in the meeting to hire counsel for this opinion and requests that any proposals be submitted for inclusion to counsel

APPROVAL OF MINUTES:

January 21, 2003 Regular Board Meeting Minutes were circulated prior to the meeting. There being no further additions or corrections, **on motion** of Director Tanaka the Board unanimously approved the minutes of January 21, 2003 Regular Board Meeting.

FINANCIAL REPORT:

1) January 2003 Financial Statement:

The financial report for the month of January 2003 prepared by Metropolitan Management was circulated prior to the meeting. Treasurer Balidoy reported that the Variance page was missing from the financial report and therefore requested that review and approval be deferred until the next regular meeting of the Board. There being no further discussion, the matter was deferred.

2) Delinquency Report:

Property Manager Ahles gave a general summary on the status of owners who were behind in their maintenance fee payments. Mr. Ahles further stated that only one account was under legal action at this time.

3) Investment Report:

Property Manager Ahles reported that the initial payments in full from owners on the Special Roof Assessment of \$750,000 amounted to over \$500,000 received. As of February 15th, only 79 owners will be placed on the 10-month payment plan for the remaining \$250,000. This means that the Reserve Fund level will remain above \$400,000 over the course of 2003. The recommendation was made to perform a Reserve Study Update as early as possible in 2003 so as to re-establish at what percent the Reserves are funded. Management advised to schedule the update in May or June if possible.

OWNERS CORRESPONDENCE: None.

RESIDENT MANAGER'S REPORT: RM presented the Board with a manager's reports for the period from January 22 to February 18, 2003. The following items were discussed in further detail:

1) **Enterphone System** – RM Langley reported that with repeated breakdowns of the circuit boards and replacement parts unavailable, replacement of the whole system should be considered. To that end, she reported that replacement proposals were coming in from Simplex and Security Systems.

2) **New Copper Roof** – In response to a concern over the aging process of the new copper roof, Director Serag-Eldin reported that the copper is progressing through its natural color change from bright copper to patina.

COMMITTEE REPORTS:

A) Legal: Chairperson Colin Kurata reported that legal counsel requested to meet with the Board at their next meeting to give a status report on the case against the architect regarding the exterior lanais and metal roofs.

Mr. Kurata requested that Management contact the Association's roofing consultant, Jim Reinhardt, with legal counsel's approval, and have him come out and view the rusting metal roofing that is currently being removed in order to understand the magnitude of the rusting condition of the roofs.

B) Building & Grounds: Chairperson Jim Propotnik reported that there were no serious problems at this time with the buildings or the grounds.

C) Ad Hoc Lanai Screens: On motion of Chairperson Colin Kurata, the Board **unanimously approved** to obtain a legal opinion on the procedures and suggested parameters under the Declaration and Bylaws to allow individual owners to modify their lanais, including but not limited to wind screens.

D) Insurance Committee: Director Tanaka reported that Terrorism Coverage is already in place under the Association's current insurance with no additional premium.

UNFINISHED BUSINESS:

- 1) **Wood Flooring Resolution** – Director Kurata suggested that the current Wood Flooring Policy and procedures be dumped in favor of a simple one such as stated on page 9 of a Draft 'Alteration Approval Request' form that was circulated by RM Langley to each Board member prior to the meeting.

After discussion, the Board unanimously adopted the policy as stated on the Alteration Approval Request form as follows:

- WECU ¼" thick cork underlayment, of equivalent, is required for entry foyer, kitchen or bathrooms areas under marble, ceramic tile or wood flooring.
- WECU ½" thick cork underlayment, or equivalent, with a 1/8" layer of isolation foam material above is required for under wood or laminate flooring. Under marble or ceramic tile, a layer of WECU ½" thick cork is required.

RM Langley pointed out that drafts of other forms pertaining to apartment alterations were also circulated to the Board and requested that the Board review and provide comment on them for approval consideration at the next meeting.

- 2) **Dock Modification Approval** – The Board again discussed a request from the owners of TH 1004 and #1608 to modify their dock moorings so as to accommodate their larger boats. Property Manager Ahles requested that the Board obtain a legal opinion on the procedures required by the Declaration and Bylaws for such modifications to the boat moorings before proceeding further with the request.

On motion of Secretary Hirano, the Board **unanimously approved** to obtain a legal opinion on the boat mooring modification request and deferred action on the matter.

NEW BUSINESS:

- 1) **Web site for Kalele Kai** – Resident Manager Langley reported that owner Darin Sato volunteered to set up and maintain a website for the Kalele Kai Association at no cost, provided that the annual registration cost of \$100 for the website be paid by the Association.

On motion of Director Serag-Eldin, the Board **unanimously approved** to provide a website for the Association at a setup cost of \$100.00.

- 2) **Annual Meeting Preparations** –Property Manager Ahles reminded all committed chairpersons to be prepared to give a short report to the Association membership at the up-coming Annual Association Meeting scheduled for Saturday, March 22, 2003.

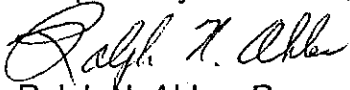
- 3) **Pest Control Contract Renewal** – Property Manager Ahles reported that the monthly pest control contract with Moni Marc for treatment of centipedes expired at the end of 2002. A renewal contract for 3 years at a cost of \$350.00 per month plus tax was received from Moni Marc. The old contract was at \$287.00 per month for the past five years. The current quarterly roach treatment contract would remain at the same price.

On motion Director Kurata, the Board unanimously approved a new 3-year contract with Moni Marc for monthly treatment of centipedes at a cost of \$350.00 plus tax.

NEXT BOARD MEETING: The next board of directors' meeting was scheduled to be held on Tuesday, March 18, 2003 at 6:30 p.m.

ADJOURNMENT: There being no further business to discuss, President Matti adjourned the meeting at 7:45 p.m.

Respectfully submitted,



Ralph N. Ahles, Property Manager
Metropolitan Management