

**Kalele Kai AOA  
One Keahole Place  
Honolulu, Hawaii 96825**

**MINUTES**

REGULAR MEETING of the BOARD OF DIRECTORS of the Association of Apartment Owners of KALELE KAI.

DATE: Thursday, April 23, 2009

PLACE: Poolside Cabana  
Kalele Kai AOA  
One Keahole Place  
Honolulu, Hawaii 96825

PRESENT: President Brad Oakes, Vice President Dr. Merrill Werblun, Secretary Colin Kurata, Treasurer Paul Jordan, Directors Kimiko Hayashi, Anne Palagyi, James Propotnick, Marvin Tangren and Col Richard Van Ness.

EXCUSED/ABSENT: N/A.

BY INVITATION: Resident Manager Bryan Liu, Account Executives Al Denys and Kristi Hirota-Schmidt, Certified Management, Inc.

CALL TO ORDER: President Oakes called the meeting to order at 6:30 p.m.

MINUTES: After discussion, Vice President Werblun moved to approve as written the Regular Minutes of the Board of Directors' Meeting of February 26, 2009. The motion was seconded and passed unanimously. The Annual Meeting Minutes of March 14, 2009 were reviewed and after that review, Treasurer Jordan moved to approve the minutes as written. The motion was seconded and passed unanimously. The Organizational Meeting Minutes of March 14, 2009 were reviewed and Director Propotnick moved to approve the minutes as written. The motion was seconded and passed unanimously.

TREASURER'S REPORT:

1. Treasurer Jordan reviewed the Financial Statements for the periods ending February 28, 2009 and March 31, 2009. Vice President Werblun moved to file the aforementioned financial statements, subject to audit. The motion was seconded and passed unanimously.
2. Delinquencies: The Board of Directors reviewed the AOA's delinquencies as of April 23, 2009 and authorized further collection action as recommended.

### COMMITTEE/TASK FORCE REPORTS:

1. Green Committee: N/A.
2. Fines Committee: Chair Tangren gave an oral report which highlighted the committee's activities to date, which included garage clean-up, collection of fines and motorcycles and scooters usage/parking on property. Chair Tangren also invited interested owners to volunteer to serve on this committee.
3. Boat Dock Task Force: Chair Oakes provided an oral report detailing the task force's activities, which included a review of maintenance requirements/repairs and owner usage to include an update on the repairs needed to be accomplished by the owner of slip #60.

### RESIDENT MANAGER'S REPORT:

*Note: Secretary Kurata arrived at 7:05 p.m.*

RM Liu reviewed his Resident Manager's report with the Board of Directors. Highlights included general repairs, landscaping (installation of Sentricon termite baiting systems) and maintenance activities, results of a Honolulu Fire Department inspection (conducted on 4/23/2009), replacement of the spa heat pump at a savings of \$3,350.00 to the AOA, cabana door repairs, elevator cab floor repairs and concluded with an update on personnel staffing changes (hiring of a part-time security guard). Additionally, RM Liu provided the Board of Directors a report comparing the available options regarding the proposal for renewing the Simplex Grinnell maintenance contract with the AOA. After discussion, Treasurer Jordan moved that the Board of Directors accept the maintenance agreement, which included the provision for the inclusion of the trouble call fees option. The motion was seconded and passed with eight (8) "Yes" votes and with one (1) "No" vote cast by Director Tangren.

### UNFINISHED BUSINESS:

1. Refinancing of Resident Manager's Unit - Update: Treasurer Jordan provided an update that indicated, as Treasurer, he would not recommend refinancing the RM's unit unless a fixed interest rate of 5% or lower could be obtained. The best offer received to date is 6.5%. Treasurer Jordan further indicated that should interest rates drop to the aforementioned level, he would recommend a new 15-year loan. A 30-year loan, although reducing monthly payments, would result in significantly higher interest payments over the period of the loan and would therefore not be pursued. To date, no financial institution has been prepared to offer a 30-year loan.
2. Boat Moorings Amendment to the AOA's Documents - Update: President Oakes gave an extensive update on the status of the voting by the AOA's owners, which indicated as of April 23, 2009 that 108 owners voted with 99 owners (43.3746%) in favor; 7 owners (3.29%) against and 2 owners (.9208%) abstaining.

President Oakes also informed the owners in attendance, that the Board of Directors had met in Executive Session and unanimously voted to turn over the legal correspondence

regarding the boat docks owned by Unit #TH1006 to the AOAO's insurance company for action per the advice of the AOAO attorney as it was now a legal issue.

Additionally, Vice President Werblun moved that the Board of Directors establish a committee to oversee and review legal issues that may arise, whether potential in nature or already filed by an individual(s) to allow immediate interface with legal counsel as soon as possible regardless of the legal issue. The motion was seconded. After discussion, Vice President Werblun withdrew his motion as the Board President has the authority to establish the aforementioned committee, which he did per his authority as the Board President. Note: this action doesn't require a motion or vote by the Board of Directors. As a start, the following Board members were appointed to the committee: President Oakes, Vice President Werblun, Treasurer Jordan and Director Palagyi.

NEW BUSINESS:

1. Spa Heat Pump Replacement: Covered under the Resident Manager's Report above.
2. Fire Alarm Testing Schedule: Resident Manager Liu informed the Board of Directors that a schedule for testing the AOAO's fire alarms was finalized and will be accomplished on May 14<sup>th</sup> and May 15<sup>th</sup>, 2009. Notices will be posted throughout the property.
3. Unit Owner Correspondence: The Board of Directors reviewed the letter from Unit #1317 and after discussion, the Board unanimously agreed to allow RM Liu handle the situation with the owner and with security.

OPEN DIALOG: N/A.

EXECUTIVE SESSION: N/A.

NEXT MEETING: Thursday, May 28, 2009 at 6:30 p.m.

ADJOURNMENT: With no further business to discuss, President Oakes adjourned the meeting at 8:07 p.m.

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Colin Kurata  
Secretary

Submitted by:

Certified Management, Inc.  
Agent for KALELE KAI AOAO

Albert J. Denys, Jr., CMCA<sup>®</sup>, AMS<sup>®</sup>, PCAM<sup>®</sup>