

REGULAR BOARD OF DIRECTORS' MEETING

Kalele Kai
One Keahole Place
Poolside Cabana
Thursday June 26, 2008
Honolulu, Hawaii

PRESENT: President Merrill Werblun, Vice President Brad Oakes, Directors: Carolyn Moon, James Propotnick, Kimiko Hayashi and Sharon Peterson.

EXCUSED: Secretary Colin Kurata, Treasurer Paul Jordan and Director Marv Tangren.

BY INVITATION: Eric Woytenko, Resident Manager,
Alan Takumi, Bryan Liu, and Kristi Hirota of Certified Management

CALL TO ORDER:

There being a quorum present, President Werblun called the meeting to order at 6:30 pm.

MINUTES OF PREVIOUS MEETINGS:

Motion made by Director Propotnick, seconded by Director Moon to approve the minutes of the Regular Board of Directors Meeting of May 22, 2008 with noted corrections. The motion carried unanimously.

ORDER OF BUSINESS

- A. Treasurer ----Financial Statements: The May 2008 financial statement was reviewed, accepted and filed.
- B. Committees and Taskforces
 1. Security: No Report
 2. Legal / House Rules: Director Moon reviewed the proposed changes to the house rules. Motion made by Director Moon, seconded by Director Propotnick to approve the new and revised house rules. The motion carried unanimously.
 3. Buildings and Maintenance: There was no report
 4. Communication: There was no report
 5. Energy cost containment: President Werblun reviewed the results of the energy committee's work. The committee has been able to acquire two companies who are willing to install 3 exhaust fans each at no cost to Kalele Kai. Kalele Kai will purchase data loggers to determine a base line shaft reading and then monitor those readings with the readings of the newly installed exhaust fans. The committee anticipates having results by this Fall for the board to review.
- C. Resident Manager Report: Resident Manager Eric Woytenko gave an update on the ongoing and upcoming projects to be completed around the property.

1. Stairwell Sensors. Motion made by Director Moon, seconded by Director Peterson to purchase and install 16 additional motion sensors at the cost of \$3,055 to complete the project. The motion carried unanimously.
2. Building #1 elevator repair: Motion made by Vice President Oakes, seconded by Director Peterson to repair damaged panels and re-tile both elevators in building #1 at a cost not to exceed \$10,000 and that a letter is acquired from Pacific Elevators stating that it is safe to operate the elevators without it being re-weighted. The motion carried unanimously.
3. Chiller contract renewal: Motion made by Director Propotnick, seconded by Director Hayashi to approve the chiller maintenance contract of Trane for the period of August 2008 to September 2009 at the cost of \$17,832. Motion carried unanimously.
4. Painting of metal gates: Motion made by Director Hayashi, seconded by Director Propotnick to epoxy paint the metal gates at a cost not to exceed \$20,000 with the stipulation that the capital budget is able to support the spending of these funds. The motion carried unanimously.

D. Unfinished Business: There was no unfinished business.

E. New Business:

1. Windscreen: Motion made by Vice President Oakes, seconded by Director Propotnick to recommend a "prototype" windscreen with specification like that which is installed on President Werblun lanai.

President Werblun stated the following for the record:

- a. The bylaws state that directors should not vote on an item if there is a conflict of interest.
- b. HRS 514B states that the conflict of interest occurs when a board member has a pecuniary benefit from the action of the board or is to receive a benefit that is not also available to owners who are not board members.

President Werblun further stated that he has a personal conflict of interest to see that something be done but that no board member has a conflict of interest as pointed out in HRS 514B.

After discussion of the matter, motion was made by Director Moon to table the existing motion made by Vice President Oakes. There being no second, the motion failed.

At the call of the question, the board voted as follows:

In favor: President Werblun, Vice President Oakes, Directors; Propotnick, Hayashi and Peterson. In opposition: Director Moon.

2. Windscreen Specifications: Motion made by Director Propotnick to accept the specifications of the windscreens as read by President Werblun (attached), seconded by Vice President Oakes.

At the call of the question, the board voted as follows:

In favor: President Werblun, Vice President Oakes, Directors; Propotnick, Hayashi and Peterson. In opposition: Director Moon.

F. Open dialog: There was no open dialog.

G. Owner Correspondence:

Unit 3113, Anne Palagyi. Owner requested to hire an interior designer to design the lobby in each building when it is time to do so. Item will be added to "New Business" at the next meeting.

NEXT MEETING:

The next Regular Board of Directors' Meeting will be held on Thursday July 24, 2008 at 6:30 pm.

ADJOURNMENT:

There being no further business, the meeting was adjourned at 8:20 pm.

Approved

Secretary

Submitted by:
Certified Management
Agent for Kalele Kai