



MEETING MINUTES
OF THE BOARD OF DIRECTORS
KAILUA VIEW ESTATES
August 10, 2016

PLACE:

Hawaiiana Management Company, Ltd., conference room at 74-5620 Palani Road, Kailua-Kona, HI 96740.

CALL TO ORDER:

There being a quorum, President Christina Gross called the meeting to order at 3:04 p.m. HST.

PRESENT:

President Christina Gross, Vice President Ted Leaf, Directors Darlene Daboling, and Peggy Stelmachowic were present in person. Directors Lee Johnson and Sharon Exley joined the meeting via conference call.

EXCUSED:

Secretary/Treasurer Robert Oswald, Directors Pat Fornataro, and Jim Grimes were unable to attend. Director Exley excused herself at 4:16 p.m. HST.

BY INVITATION:

Management Executive [ME], Nan Cain from Hawaiiana Management Co. Ltd. ME Cain acted as Recording Secretary by general consent.

GUESTS:

None.

PREVIOUS MEETING MINUTES:

Director Exley made a motion to approve the Regular Meeting Minutes of July 13, 2016 as written. Director Johnson seconded and the motion was approved unanimously.

FINANCIALS:

The Financial Statements of June 2016 were approved as presented by general consent subject to audit.

MANAGERS REPORT:

ME Cain informed the Board that all items on the Property Managers 'Action List' were either in progress or completed.

COMMITTEE REPORTS:

House Rule Committee (HRC) – The HRC meeting will be scheduled via email once President Gross checks her work schedule. ME Cain provided each HRC member with worksheets noting the various "Use Restrictions" in order for the members to make notes of what they thought needed clarification.

Covenant Enforcement Committee – The monthly inspection time will be scheduled via email once President Gross checks her work schedule.

UNFINISHED BUSINESS:

Compliance Review

- a. Ongoing Construction at **Lot 32080** – Director Exley was not able to reach the owner via phone. ME Cain contacted the Building Department and was informed that construction permits do not expire.
- b. Unapproved Addition at **Lot 32009** – Owner provided the correct approved permit for the side addition to the home. The Board considers this owner to be in compliance.
- c. Maintenance violation at **Lot 32016** – ME Cain was directed to issue a 12th violation letter and fine.
- d. Unapproved Addition at **Lot 32048** – ME Cain was directed contact the building department in writing regarding the unapproved attachment located in the setbacks and to issue a 10th violation letter and fine.
- e. Vacant **Lots 33087 and 33089** are still overgrown. There was no progress made on either lot clearing. ME Cain was directed to issue another violation letter with a fine to each owner.

NEW BUSINESS:

Assessment and Fine Policy 2010

Hawaiiana Management Company, Ltd, (HMC) has agreed to recalculate the late charges and correct the delinquent ledgers as far back as January 2010. Per the Declaration late charges are to be charged to the account on the thirty first (31st) day of the month for unpaid assessments.

HMC needed clarification on several items and wanted to make sure the Board members were in agreement. The Board approved the following procedures unanimously:

- Maintenance Assessment (MA) is due January 1 of each year.
- MA is delinquent if not paid on or before the January 30th.
- Late charge of \$25.00 will be posted to Owner's account on January 31st or next business day if 31st is weekend or holiday- once each year.
- Collection letter is dated the January 31st or next business day if the 31st is on a weekend or holiday – once each year.
- Interest of 0.833% (10% divided by 12) is posted to Owner's account on January 31st or next business day if 31st is weekend or holiday.
- Interest will be applied to all “delinquent amounts” except for interest.
- All “delinquent amounts” include maintenance assessment, the \$25 late fee, Collection letter \$25 fee, attorney fees, fines, collection fee charge backs, except for interest.
- For other months, besides January, the amount of interest (0.833%) will be posted at the end of each month.
- Special Assessment, a term in the Declaration and used by Mr. Tuhy, is equal to \$25 late fee, Collection letter \$25 fee, Attorney fee, Fines, Collection fee charge backs or any charge/fee that Board may assess an Owner. Or in other words, all charges or fees except for Maintenance Assessment which is defined/described in the Declaration.
- Special Assessment is Due when posted to the owner's account. “When Levied” is equal to “Posted to the Owner's Account”.
- Special Assessment is in Default and Delinquent if it is not paid when Due. In almost every case, if not all cases, the owner will be in Default and Delinquent with regard to Special Assessments.
- See 2010 Policy language – “Delinquent Amount” is a Special Assessment that is unpaid when Due.
- See 2010 policy language - “delinquent amount” means = Special Assessment that is unpaid when Due and therefore Delinquent, and Maintenance Assessment that is unpaid when Due which is January 30th.

The Board approved the following procedure:

- See 2010 policy language - “All accounts over 30 days in arrears” means = all owners accounts that have unpaid Maintenance Assessments on the 31st of January. The 30 day period applies only to Maintenance Assessment and does not apply to Special Assessments.

Director Exley abstained.

The Board requested clarification on the following procedures:

- Interest charge is a late charge and not a finance charge which is dependent on the passage of time.

- See 2010 policy language – “a 10% (per year) late fee, calculated monthly” means = Interest rate of 0.833% per month is applied, at the end of the month, against Maintenance Assessment that is not paid on or before January 30th and interest rate of 0.833% per month is applied to Special Assessment that is unpaid at the end of the month. Interest in both cases is a late fee and not a finance charge which is dependent on the passage of time.

Delinquency Reminder Policy

Vice President Leaf made a motion to adopt the procedure that the Managing Agent issues a generic reminder letter to all owners who are delinquent on the 15th of January. Director Exley seconded and the motion was approved unanimously. ME Cain was directed to determine if the HMC office copier can address the envelopes directly or will labels have to be used.

Delinquency Resolution for 2016

Director Dabbling made a motion to accept the ‘2016 Assessment Payment Resolution’ that was reviewed and approved by the Association’s Attorney as written. Vice President Leaf seconded and the motion was approved unanimously. A copy will be made a part of these meeting minutes. ME Cain was directed to forward this Resolution to the HMC Accounting department for review.

Emergencies at the Rec Center

ME Cain suggested that Owner Bradley Main, who provides mowing services for the vacant land at the rec center be hired as needed to handle ‘emergency situations’ that may arise at the rec center at a cost of \$25.00 per ‘emergency situation’. The Board approved by general consent.

Rickel ADAC Contract

Director Exley will be informing the Rickel Law Firm that the Board does not want to sign a new contract with the altered terms. The Rickel Law Firm needs to have the original contract assigned to them by ADAC.

Community Policing Officer

Vice President Leaf informed the Board that the new Community Policing Officer is Officer Scott Dewey.

NEXT MEETING:

The next regular Board Meeting is scheduled for September 14, 2016 at 3:00 p.m. HST at the Hawaiiana Management Company conference room.

ADJOURNMENT:

There being no further business to be brought before the Board of Directors, meeting was adjourned by general consent at 5:20 p.m. HST.

EXECUTIVE SESSION ADJOURNMENT:

Secretary/Treasurer Robert Oswald

Submitted by:

Nan N. Cain, CMCA®, AMS®,
Management Executive
Hawaiiiana Management Co. Ltd.
Managing Agent for Kailua View
Estates Association