

**APPROVED 6/16/2007**

Maalaea Yacht Marina Association of Apartment Owners  
Minutes of the Board of Directors meeting  
March 24, 2007  
Maalaea Yacht Marina Meeting Room  
10:00Am (HST)

Board members Present:	Billy Ferreira	President
	Grace Akana	Vice President
	Larry Ruiz	Treasurer
	Robert Shearin	Secretary
	Susan Fox	Director
	Cynthia Richardson	Director
Management Present:	Scott A Sherley	Managing Agent
	Penny Sherley	
	Matt Rauch	Resident Manager

President Billy Ferreira called the meeting to order at 9:01 AM

Approval of Prior Minutes: January 13<sup>th</sup> 2007

Motion: Motion to Approve the prior minutes, made by Larry Ruiz, Seconded by Grace Akana. Approved Unanimously

Presidents Report: President Billy Ferreira started the Presidents Report with a Mahalo to all the Board Members and Residents that have helped new Resident manager Matt Rauch with moving into the Resident Managers Unit and assisting him in understanding the property. Everyone has been extremely helpful in the transition to a new Resident Manager. President Ferreira also commended Tony on the great work he has been doing on the landscaping. The resident manager's unit cleanup has gone well, and residents have been donating furniture etc. to help in the improvements. President Ferreira also attended a recent Maalaea Harbor Meeting and updated the Board on the Sewage Pump Out plant that will be built at the harbor. Work will begin in 2008 and completed in 2010, and this is going to cause disruption for boats docking in the Harbor. President Ferreira suggested a letter writing campaign to the Governor about the disruption, and excessive amounts of money this will cost as opposed to the more affordable costs of private pumping and hauling.

Treasurers Report: Treasurer Larry Ruiz gave the Treasurers report (AOAO Accountant Eugene Simon was absent from the meeting due to conflict in schedule and provided an e-mail report to Board Members prior to the meeting.) Treasurer Ruiz pointed out that the budget for the year is over budget by \$18,000. \$6,000 of which was unplanned expenses for the Resident managers unit which has had no real maintenance for over 10 years. All though this is a large expense, this is actually not bad considering that very little money if any had been budgeted for the Res. mgr. unit for the last 10 years. There

were also extra expenditures for Pool Supplies, and additional \$1,000 to replace and repair the doors to the Sewage Treatment Plant Pump housing Room and extra expenses in re-wiring the Pool Room to conform to required electrical standards and insurance requirements. The Elevator is completed and \$15,000 was withdrawn for final payment from Reserves. There was discussion as to the lack of an updated Reserve Study, both the Treasurer and Managing Agent will follow up on this in order to have it in time for the next Annual Budget. The Board also wanted to see if a “Group” plan for High Speed Internet might be a viable option for the owners. Management will check to see what that would cost and bring it to the next meeting.

Managing Agents Report: Scott Sherley gave a brief update on the Fee Purchase status, Scott reported that Joel Criz from A. Joel Criz and Associates on Oahu who handled the Maalaea Mermaid Conversion is talking with the Lessor, (Dennis Ting). Joel has requested a Title Report to assist in doing the numbers and negotiating the possibility of a conversion, the cost off which would be approx \$300. **MOTION: approve the expenditure of approx \$300 to get a Title Report from Title Guaranty for Maalaea yacht Marina: Motion by: Larry Ruiz, 2<sup>nd</sup> by Grace Akana, Approved Unanimously** Scott also gave an update on current proposed legislation to exempt State Capital Gains Tax on Lease Conversions. The Bill is still pending. Scott also updated the Board on the two current ballots out for vote by the Association on Mandatory Insurance and possible conversion of the meeting room into a Studio Apartment. Right now there are not enough ballots in to approve or disapprove, however the ballots that have been received so far are in favor of both, but there needs to be a “Majority” of approved Ballots to move forward. Scott will be sending out reminders to those that have not returned their ballots. The Board suggested that management send out another “Explanation” letter to owners on the conversion of the meeting room. Most board members agree that the letter was too vague and needs to be clarified for owners. Scott also reported that he sent a letter to the Master Policy Insurer regarding required action on some items of concern by the Insurance Inspector. All items in the Insurance letter have been resolved by the new manager and management sent a report to J.H. Connors. Scott also informed the Board of a new banking option with Community Association Bank. This bank will handle all of the maintenance Fee Coupons, and create a website where owners can pay on line (even with a credit card) and also check their balances. Currently this service is being provided to Larger Associations with assets of \$500,000 or more, however Scott is negotiating and meeting with the Vice President of Operations in Hawaii to try to get the services for smaller AOA’s. The Board also asked management to check on the required wording for the “No Trespassing Sign” on the property. Management will check to see if the sign is required and the exact language that the insurer requires.

Resident Manager Report: New manager Matt Rauch has submitted detailed reports for the last 2 months to the Board, as well as an update at this meeting (see attached). Matt also gave a general update on work around the property etc. The Board is very pleased with the detailed written reports and how well Matt has integrated himself into the community.

Committee Reports:

House Rules Committee: Susan Fox gave a brief report; the New House Rules are awaiting responses from the other Board Members. Susan Fox has the new rules (along with old rules and copies of other condo house rules) in WORD format, so they can be easily changed and updated, plus current changes are in red so the Board can see what changes or additions have been made. **A Motion was made by Larry Ruiz and 2<sup>nd</sup> By Grace Akana to finalize the Rules at the next Board Meeting. Approved Unanimously**

Landscape Committee: Cynthia Richardson gave a brief report on the status of landscaping. Landscaping is coming back and now is the time to start working on projects. Cynthia's plan is ready to start some parking lot areas; however there was discussion on the status of the budget and the expenses that would be incurred. Scott will work with Gene on finding a way to get this budgeted money of \$500 for the Landscape Committee.

New Business: was taken care of in the Managing Agents Report

Meeting Adjourned at 11:20am

A Short Executive Session to follow to discuss delinquencies and requests.