

**KAHANA FALLS
ASSOCIATION OF APARTMENT OWNERS (AOAO)
AND
INTERVAL OWNERS ASSOCIATION (IOA)
COMBINED BOARD OF DIRECTORS MEETING
TRADING PLACES INTERNATIONAL
LAKE FOREST, CA**

TUESDAY, SEPTEMBER 22, 2015; 1:00 P.M. (PDT)

MINUTES

I. CALL TO ORDER / ROLL CALL

The meeting was called to order by AOAO/IOA President Richard Roll at 12:37 p.m. (PDT). Those in attendance were:

AOAO Board Members Present

Richard Roll	President
Milton Jantzen	Vice President
Katherine Ivey	Secretary
Jesse Arman	Treasurer
Karen Cornwell	Director
Kevin Ramage	Director
Martin Hewitt	Director

IOA Board Members Present

Richard Roll	President
Karen Cornwell	Vice President
Katherine Ivey	Secretary
Jesse Arman	Treasurer
Milton Jantzen	Director
Kevin Ramage	Director
Martin Hewitt	Director

Management Present

Joanne Hallert	Director of Resort Operations
Suzie Moore	Resort General Manager
Kristen Makinen	Administrative Assistant

II. APPROVAL OF AGENDA

With no objection, the agenda was approved as presented.

III. APPROVAL OF MINUTES

The minutes of the March 25, 2015 board meeting were unanimously approved as submitted.

The minutes of the March 25, 2015 organizational meeting were unanimously approved as submitted.

The minutes of the July 1, 2015 special meeting were unanimously approved as submitted.

IV. REPORTS

MANAGEMENT REPORTS

Action Items/Ongoing Activities

The board reviewed and discussed the action item list.

Onsite Management Report

The board reviewed and discussed the onsite management report.

Occupancy Report

The board reviewed and discussed the occupancy reports.

Comment Card Summaries / TripAdvisor

The board reviewed and discussed the comment card and TripAdvisor summaries.

II/RCI Report

The board directed management to only include the quarterly Interval International reports via email and online rather than within board packets to conserve paper.

The RCI report will be switched from the monthly summary to the resort recognition report and will include the prior year as a comparison. The RCI detail reports will still be included.

Inventory/Sales Report

The board agreed the review and discussion of the inventory and sales reports within the committee meetings was sufficient.

FINANCIAL REPORTS

July 2015 Financial Statements (Combined)

A motion to accept the combined financial reports through July 31, 2015 was made by Jesse Arman and seconded by Milton Jantzen. The motion passed.

Proposed Reserve Expenditures

The board reviewed and discussed the proposed reserve expenditures and projections.

Delinquency/Collection Report

The board reviewed and discussed the delinquency report.

After discussion of the relevance of the collection report, the board agreed to keep them in the board packets.

Foreclosures

Earlier in the day, the finance committee discussed recommending the association foreclose on 50 severely delinquent units within 2016.

V. CONTINUING BUSINESS

COMMITTEE REPORTS

Nominating Committee

Martin Hewitt noted that all incumbents up for re-election intended to run again and that the committee had directed management to ensure a solicitation for nominations be included within the next newsletter.

Refurbishment Committee

Milton Jantzen presented the recommendations from the refurbishment committee.

The board directed President Richard Roll to sign the engagement letter for the elevator modernization project.

A motion to purchase and begin installation of the vinyl flooring for the selected living rooms, not to exceed the budgeted amount of \$129,700, was made by Milton Jantzen and seconded by Richard Roll. The motion passed.

Mr. Jantzen further advised the mattress replacement was in process.

Management Committee

Karen Cornwell reported that the management committee had directed management to post the Board of Directors' goals on the Kahana Falls website.

Finance Committee

Jesse Arman presented various motions as discussed and recommended by the finance committee:

A motion to proceed with 50 foreclosures within 2016 was made by Jesse Arman and seconded by Karen Cornwell. The motion passed.

A motion to accept and sign the 2015 audit engagement letters for both associations was made by Jesse Arman and seconded by Karen Cornwell. The motion passed.

A motion to accept the 2016 budget, with no increase to maintenance fees, was made by Jesse Arman and seconded by Milton Jantzen. The motion passed.

A motion to employ intercompany transfers between the associations to be treated as contributed capital as well as to rescind a previous motion to approve the lending of funds between associations was made by Jesse Arman and seconded by Kevin Ramage. The motion passed.

ELEVATOR MODERNIZATION

Ratify Action Without Meeting

A motion was made by Richard Roll and seconded by Milton Jantzen to ratify the Action Without Meeting and to file the original, executed copy of the document within these minutes. The motion passed.

VI. NEW BUSINESS

2016 Cover Letter

The board reviewed and discussed the cover letter for the 2016 assessment mailing. The board directed management to make edits as requested and to advertise the zero increase in maintenance fees on the website once the mailing is sent.

2016 ABC Policy

The board reviewed assessment billing and collection policy.

A motion to approve the 2016 assessment billing and collection policy as presented was made by Karen Cornwell and seconded by Kevin Ramage. The motion passed.

Mailing Inserts

A motion to include the ARDA donation letter and the TPI marketing insert in the 2016 billing mailer was made by Karen Cornwell and seconded by Katherine Ivey. The motion passed.

Recommended Board Positions

A motion to update the board member assignments from those made in the organizational meeting was made by Milton Jantzen and seconded by Jesse Arman. The motion passed.

For both the Kahana Falls IOA and AOA boards, the board member positions will mirror each other. The assignments were updated as follows:

President	Richard Roll
Vice President	Milton Jantzen
Secretary	Katherine Ivey
Treasurer	Jesse Arman

Director	Karen Cornwell
Director	Kevin Ramage
Director	Martin Hewitt

The committee assignments were updated as follows:

Finance:

Jesse Arman (chairperson)
Katherine Ivey
Kevin Ramage
Richard Roll
Suzie Moore (advisor)
Joanne Hallert (advisor)

Management:

Karen Cornwell (chairperson)
Katherine Ivey
Richard Roll
Suzie Moore (advisor)
Joanne Hallert (advisor)

Refurbishment:

Martin Hewitt (chairperson)
Milton Jantzen
Kevin Ramage
Maggie Troutman
Suzie Moore (advisor)
Joanne Hallert (advisor)

Nominating - 2015:

Martin Hewitt (chairperson)
Jesse Arman
Katherine Ivey
Richard Roll
Suzie Moore (advisor)
Joanne Hallert (advisor)

Nominating - 2016:

Kevin Ramage (chairperson)
Karen Cornwall
Milton Jantzen
Suzie Moore (advisor)
Joanne Hallert (advisor)

The board elected to confirm their 2017 meeting dates as noted below:

March 22 & 23, 2017
September 20, 2017

Board & Annual Owners Meeting at Kahana Falls
Budget Meeting at Trading Places International

VII. EXECUTIVE SESSION

It was noted that the board members in attendance held an executive session earlier that day at 11:09 a.m. (PDT) to discuss employee recognition.

The board had then exited executive session at 11:10 a.m. (PDT).

VIII. ADJOURNMENT

With no further business, the meeting was adjourned at 2:08 p.m. (PDT).

Submitted by:
Trading Places International
Its: Managing Agent

Approved by:
Kahana Falls Resort AOA/IOA

By: _____
Joanne Hallert
Director of Resort Operations

By: _____
Richard Roll
President (AOAO & IOA)