

**KAHANA FALLS
ASSOCIATION OF APARTMENT OWNERS
AND INTERVALS OWNERS ASSOCIATION
COMBINED ANNUAL MEETING
KAHANA FALLS RESORT**

THURSDAY, MARCH 23, 2017; 10:30 A.M. (HST)

MINUTES

I. CALL TO ORDER, ANNOUNCEMENT OF QUORUM

Acting chairperson Milton Jantzen called the combined annual meeting of the Association of Apartment Owners and the Interval Owners Association to order at 10:30 a.m. (HST). The meeting was held at Kahana Falls Resort in Lahaina, Maui, Hawaii.

Mr. Jantzen stated he had been informed that a quorum was present either in person or by proxy in accordance with the associations' bylaws.

II. PROOF OF NOTICE

In accordance with the bylaws, notice was sent to all owners on January 26, 2017. A copy of the notice will be filed with the minutes of this meeting.

III. INTRODUCTIONS

Milton Jantzen welcomed the owners and guests and thanked them for attending. He then introduced himself, his fellow board members, the management and on-site staff. Those in attendance were:

A.O.A.O. Board Members Present:

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

I.O.A. Board Members Present:

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

Board Member Absent:

Richard Roll, President (AOAO/IOA)

Management Present:

Joanne Hallert, Director of Resort Operations; Suzie Moore, Resort Manager; Sam Florez, Front Desk Manager; Kristen Makinen, Administrative Assistant; and Holly Blodgett, On-Site Exchange Specialist.

Guests:

Mike Fitzgerald, Fitzgerald & Associates, Inc., CPA

Conduct of Business

Milton Jantzen stated, in accordance with the bylaws, that the meeting would be conducted according to the most recent edition of Robert's Rules of Order.

IV. APPROVAL OF MINUTES

Milton Jantzen asked if there were any corrections to the minutes of the 2016 combined annual meeting. Hearing none, he asked for a motion to approve the 2016 annual meeting minutes.

A motion to approve the Kahana Falls Association of Apartment Owners and Intervals Owners Association Combined 2016 Annual Meeting Minutes was made by Don Cook, seconded by Berge Borrevik and passed.

V. REPORTS

Acting President's Report

Milton Jantzen spoke briefly in regard to President Richard Roll's absence due to health issues. He shared his appreciation for Mr. Roll and stated that Mr. Roll would be present at the next scheduled board meeting. Mr. Jantzen also stated that Mr. Roll had attended the board meeting held on March 22nd via telephone.

Treasurer's Report

Milton Jantzen introduced Jesse Arman, turning the floor over to him for the Treasurer's report.

Jesse Arman reviewed the balance sheet. He stated that the resort was doing quite well. He elaborated that in the past, there had been \$1.60 in assets for each \$1.00 owed on average; he said that ratio was currently \$1.82 in assets for each dollar owed.

Mr. Arman further reviewed the financial health of the associations for those in attendance.

Auditor's Report

Milton Jantzen introduced Mike Fitzgerald of Fitzgerald and Associates, the independent auditor.

Mike Fitzgerald advised that he was able to provide a clean audit and that all information requested from Trading Places was given with no limitations.

Mr. Fitzgerald mirrored Jesse Arman in reporting on the financial wellbeing of the associations. He further advised that the final audit would be posted on the Kahana Falls website for owners to view.

Management Committee Report

Milton Jantzen informed those in attendance that there would be an addition to the agenda and introduced Karen Cornwell, chairperson of the management committee.

Karen Cornwell advised that the board has a list of short and long-term goals and that these updated goals would soon replace those currently posted on the website. Ms. Cornwell then highlighted some of the short-term goals scheduled for completion within the next year or two, such as modernizing the kitchens and a complete remodel of the bathrooms.

Ms. Cornwell also listed some long-term goals, which were to continue focusing on ADA requirements to ensure the resort is available to those with disabilities, reducing delinquency, and strengthening reserves.

Refurbishment Committee Report

Martin Hewitt noted that while there were many projects underway, he wished to leave the status reporting to Suzie Moore, but did inform the audience that \$220K in expenditures were approved during the previous day's board meeting.

Nominating Committee Report

Kevin Ramage commented on the 2017 committee; he reviewed the skills inventory and interview form used when the committee spoke with prospective board members.

Manager's Report

Ms. Moore advised the audience about changes and additions to staff, mentioning Sam Florez as the new front desk manager and Holly Blodgett, who had taken over Sam's old position as the on-site exchange specialist.

Ms. Moore reported on recent changes and current projects at Kahana Falls, including the bamboo vinyl flooring, repainting of accent walls, new BBQs, new Hale Kipa couches, a new Kahana Falls sign, custom made dining furniture as well as plans to replace the old gym equipment.

Ms. Moore invited owners who wished for more detailed information to attend her weekly owners' meetings.

VI. ELECTION OF DIRECTORS

Milton Jantzen called for nominations from the floor three times. Hearing none, he asked for a motion to close the nominations.

Betty Jantzen moved to close nominations; Don Cook seconded and the motion was unanimously approved.

Milton Jantzen called for volunteers to serve as inspectors of election. Donald J. (Don) Cook and Becky M. Gass-Dillon were appointed as inspectors to assist Kristen Makinen and Holly Blodgett.

The meeting was recessed briefly while the final votes were counted.

Election Results

Milton Jantzen announced that Jesse Arman, Martin Hewitt, Katherine Ivey and Richard Roll were all re-elected to the boards, each for a 2 year term.

Mr. Jantzen asked that the boards meet after the annual meeting for an organizational board meeting to determine the new officer positions.

VII. UNFINISHED BUSINESS

There was no unfinished business.

VIII. NEW BUSINESS

Per Hawaii law, directors shall not expend AOA funds for travel unless it is approved by the owners. The board requested approval from the owners to continue to reimburse for board related travel expenses.

Glennia Brindenbough motioned to approve to continue to reimburse the board for board related travel expenses; the motion was seconded by Bob Moss and unanimously approved.

IX. OWNER FORUM

Joanne Hallert of Trading Places International provided three gift certificates, including one experience TPI week and two free exchange vouchers, to raffle off. The winners were Glennia Brindenbough, Berge Borrevik, and Gale Johnson.

In addition, Katherine Ivey had provided a print of a photograph she'd taken of a whale breaching. The winner of the photograph was Karen Cornwell.

Owners in attendance were then invited to address the board.

Berge Borrevik inquired as to whether or not the association owned inventory. Joanne Hallert advised the association did have inventory in all unit sizes and further noted the "acquire a week program" which had been offered to owners as well as their friends and family. Ms. Hallert stated about a dozen people had responded and some had purchased multiple weeks. The cost of a week was the price of the maintenance fee as the association covered all other transfer costs.

Becky M. Gass-Dillon asked about splitting her lock off unit to stay twice at the resort. Holly Blodgett advised that was possible through exchange and encouraged Ms. Gass-Dillon to visit her before her stay ended.

Becky Gass-Dillon then asked about fees that were assessed by the front desk. Sam Florez advised these were for Hawaii state taxes and electric costs and the amount she was quoted upon check-in was for the week, not per day.

Finally, Ms. Gass-Dillon asked if Kahana Falls Resort had considered going to solar power. Karen Cornwell informed her that currently the electric grid on Maui was not capable of supporting solar power, but if in the future it became so, it would be considered.

The board continued to take questions and comments, discussing the PVA desk and the passing of the two beloved Kahana house cats. The board informed the owners that they would take all items and suggestions presented under consideration.

The board thanked the owners for their continued support and confidence.

X. ADJOURNMENT

There being no further business for discussion, a motion to adjourn was made by Linda Arman, seconded by Becky Gass-Dillon and approved.

The meeting adjourned at 11:39 a.m. (HST).

Submitted by:
Trading Places International
Its: Managing Agent

Approved by:
Kahana Falls Resort AOA/IOA

By: _____
Joanne Hallert
Director of Resort Operations

By: _____
Milton Jantzen
Vice President (AOAO & IOA)