

CASA DE EMDEKO AOA

ANNUAL MEETING MINUTES

February 9, 2008 - 8:30 a.m. at the Casa Cabana

DRAFT

MEETING MINUTES

A. CALL TO ORDER:

The meeting was called to order by President Ben Nunes at 8:45 a.m.

B. ROLL CALL

Managing Agent conducted a voice Roll Call and a quorum was established with 69.0480% of the entire membership. [35.0070% in Person; 30.8790% by Directed Proxy; 3.1620% by Proxy for Quorum Only]

C. PROOF OF NOTICE OF MEETING

The notice of the annual meeting was sent to all owners of record on January 8, 2008 in accordance with the By-Laws.

D. RECORDING AND VIDEOTAPING OF MEETING

President Nunes addressed membership concerning requests to record and/or videotape the annual meeting.

MOTION: Donna Scott move to allow voice recording of the meeting. Linda Oery seconded the motion. Motion failed by hand count with 20 opposed, 10 in favor.

MOTION: Tom Lied moved to NOT allow videotaping of the meeting. Lee Heuer seconded the motion. Motion passed by hand count of 21 in favor, 6 opposed.

E. REVIEW AND APPROVAL OF PREVIOUS MINUTES

The draft minutes of the February 10, 2007 Annual Meeting minutes had previously been distributed to the membership in the meeting packet.

MOTION: Dick Holscher moved to accept the February 10, 2007 Annual Meeting Minutes. Joyce Kite seconded the motion and it was approved unanimously.

F. PRESIDENT'S REPORT

President Nunes provided an overview of accomplishments during the year and discussed the reserve study, the hiring of a new resident manager, installation of the new cooling tower necessitated by the earthquake of October 2006, the requirement for all owners renting their units to have an on-island contact and the association's request to have that information available in the association office, and the change in management company (new name, same team) which requires membership ratification later in the meeting. President Nunes also thanked all fellow Board Members and Committee Members for their contributions during the past year with special recognition to departing members Christine Ostrovsky and Kevin Hudson for their service over the past six years.

G. FINANCIAL REPORT

FISCAL YEAR END REVIEW

The September 30, 2007 financial statement had previously been distributed to the membership in the meeting packet. Managing Agent Susan Gand reviewed the Balance Sheet and Income Statement for the fiscal year ending September 30, 2007.

Verl Taylor recommended adopting a statement format similar to the audit report and Annamarie Gagner suggested prior year totals be added to the statement. Both suggestions will be reviewed to ascertain if the accounting software can support the requested requirements.

Copies of the FY2007 audit, completed by Shawn Wilson, CPA, were distributed to the membership.

INSURANCE SUMMARY

A copy of the insurance summary had previously been distributed to the membership in the meeting packet.

President Nunes explained the changes in policies and premiums and noted the valuable contribution made by Mike Ambler during the renewal process.

DIRECTOR'S TRAVEL REIMBURSEMENT

President Nunes reported that at each annual meeting the membership is given the opportunity to vote on the travel reimbursement for the Board of Directors up to \$500 per member per meeting.

MOTION: Dick Holscher moved to provide travel reimbursement for all directors up to the \$500 limit per meeting per director during FY2008. Annamarie Gagner seconded the motion and it carried with a majority in favor.

IRS RESOLUTION

MOTION: Joyce Kite moved to approve the resolution ruling 70-604 – Election of excess funds to be applied to the following year's assessment. Verl Taylor seconded the motion and it carried with unanimous consent.

H. COMMITTEE REPORTS

President Ben Nunes thanked all committee members and resident manager for their time and work on behalf of the Association.

RESIDENT MANAGER'S REPORT

Robert Sutter gave a detailed status report. Accomplishments include stucco repair, updated fire extinguishers, torch rebuilds, cabana bar repaint, lighting improvements, stairwell repainting and skid protection, digital cable research, and the selection of a new landscape contractor based on a detailed RFP process. Membership recommendations included installation of additional "no smoking" signage in common areas and improved pest control services.

COMMUNICATIONS COMMITTEE:

President Ben Nunes reported that Tom Vortmann, chair of this committee, and Molly Bovee, committee member, will continue to take point on newsletter publishing. Molly Bovee reported the winter publication was delayed due to extenuating circumstances, but is planned in the near future. Annamarie Gagner offered to assist with the newsletter.

MOTION: Tom Lied moved that quarterly newsletters be published via postal mailing and board meeting minutes be published on the website in accordance with state statute. John Oery seconded the motion and it carried with a majority in favor.

BUILDING COMMITTEE

Ben Nunes and Robert Menacho reported roofing estimates for the repair of the flat roof segments and flashing are in process. The solar installation for the hot water heaters has proven to be an effective solution and has reduced fuel consumption. Linda Oery suggested the board re-implement monthly inspections of the property.

I. UNFINISHED BUSINESS

There was no unfinished business.

J. NEW BUSINESS

MANAGEMENT COMPANY CHANGE:

President Nunes advised membership that notice was received at the November 2007 board meeting that Maryl Realty, Inc., would no longer be offering association management services effective January 1, 2008 and that Pacifica Realty Management, Inc., was being formed by the current Maryl staff to offer continued service to its client base. At that time the board approved a new management agreement with Pacifica Realty Management, Inc. In accordance with the bylaws, Article IV, section 2, the management company change must be approved by membership.

MOTION: Joyce Kite moved to ratify the board's November 2007 decision to execute a management agreement with Pacifica Realty Management, Inc. Jan Gantzer seconded the motion and it carried with a majority vote in favor of the action.

PLANTER BOXES

President Nunes provided membership with additional explanations concerning the replacement or repair of the planter boxes and the written consent ballot sent to all owners requesting approval to alter the appearance of same. After much discussion, it was the consensus of the group that the way in which the consent ballot was written was unclear and ambiguous. President Nunes called for a short recess to count new written consent ballots deposited at the meeting to determine if a simple majority in favor had been obtained. After tallying the ballots, it was reported 43.186% of membership were in favor and 16.5590% opposed. The written consent measure failed.

MOTION: Tom Lied moved to have the board seek engineered designs, working drawings and costs for two options: (1) the repair alternatives and costs for the current planter boxes; (2) the removal and replacement of the current planter

boxes with a water tight design. Both options shall address and correct the damage below the planter box surface and provide for a weather proof surface to protect the substructure from water intrusion. Funding NTE \$15,000 for professional architectural/engineering services to be funded through reserves. Pat Chung seconded the motion and it was approved unanimously.

K. ELECTION OF DIRECTORS

There are three vacancies for the Board of Directors, each for a 3-year term. Four candidates have indicated their desire to serve—Ed Chung, Mike Ambler, Dee Wunschel and Annamarie Gagner. Each provided a candidate statement that was sent to membership in the meeting packet. The floor was open for nominations. Hearing none,

MOTION: Verl Taylor moved to close nominations. John Oery seconded the motion and it was approved by unanimous consent.

Each candidate was given an opportunity to address membership. President Nunes asked for three volunteers to serve as Inspectors of Election. John Oery, James Hamilton and Janice Gantzer volunteered.

Results from the election were announced. President Nunes welcomed the three elected directors; Ed Chung, Mike Ambler and Dee Wunschel. Terms for the newly elected directors expire in 2011.

L. ADJOURNMENT

MOTION: With no further business to come before the membership, the meeting was adjourned at 1:20 p.m.

Respectfully Submitted,

Kunzang D. Yuthok, B, CMCA, e-PRO
Community Association Manager
Pacifica Realty Management, Inc., Managing Agent for Casa de Emdeko AOOO