

Minutes of the Board of Directors
Kanaloa at Kona
August 7, 2015 – 2:00 p.m.
Clubhouse

Roll Call: President, Forbes Burdette called the meeting to order at 9:05 a.m. Present: Forbes Burdette, George Pittman, Stephen Tanberg, Rex Sawyer, Jerry Ernst, Bill Dallenbach and William Lamberton. It was established that a quorum was present.

Approval of Minutes: President, Forbes Burdette asked for approval of the minutes from the May 1, 2015 Board of Directors Meeting.

Motion: To approve the minutes from the Board of Directors Meeting held on May 1, 2015 as presented.

Motion: Bill Lamberton (3704)
Second: Steve Tanberg (1902)
Vote: Carried unanimously

Treasurer's Report: The Treasurer, William Lamberton, gave the financial report for the second quarter of 2015 (see attached report for details). He announced that he will work with Dean Yamamoto, vice president of finance for Castle Resorts & Hotels, in presenting the financial reports at future meetings.

Dean Yamamoto advised that the Board of Directors needed to sign new **account** signature cards.

Motion: To approve the resolution to open an account with the Credit Union that requires two Board Member's signatures.

Motion: Steve Tanberg (1902)
Second: Jerry Ernst (1704)
Vote: Carried unanimously

Grounds & Safety Committee Report: Chairman, George Pittman reported on projects underway on the property: The Palm Trees had been recently trimmed; the Tennis Courts will be resurfaced in October; the painting project is on schedule and will be shut down during the holidays; the new fence along the ocean has been approved.

Investment: Investment Committee Report: Chairman, Rex Sawyer recapped the reserve account investments with the balance of \$1,506,831 invested primarily in 11 Certificates of Deposit. A Certificate of Deposit for \$200,000 with Territorial Savings Bank paying 0.35% matured and \$100,000 was reinvested in a 12-month Certificate of Deposit at Berkshire Bank paying 0.60%. The remaining \$100,000 was kept in reserve for the painting project. Three Certificates of Deposit will mature before the next Board meeting.

Motion: To reinvest \$235,000 in a 12- month Certificate of Deposit and transfer \$95,000 from HFS Federal Credit Union on maturity to the money market fund at UBS for use in funding approved projects.

Motion: Rex Sawyer (2204)
Second: Bill Dallenbach (3401)
Vote: Carried unanimously

Manager's Report: General Manager, Stephen Hicks reported on his activities: New employee uniforms; his weekly e-mail communicate with owners; water leaks, typical of the property, are being identified and repaired. Ricci Bezona, the Associations' landscape consultant, has been on site from time to time, in training some of the new Grounds Crew. There have been some irrigation issues that are being addressed. He identified those who are considered Team leaders: Darren Bermudez, Grounds; Keith Mowinski, Maintenance; Jocelyn Mallen, Housekeeping; and Leesha Jones, Front Desk.

The matter of the installation of wood or tile floors in the upper units and the noise from foot traffic that it caused was discussed. Investigation is underway as to what measures might be taken to mitigate the noise problem or entertain some restrictions for such installations.

The next meeting of the Board of Directors is scheduled to be held on November 6, 2015.

Adjournment: President, Forbes Burdette announced the meeting was adjourned at 10:25 a.m.